INDEPENDENT AUDITORS' REPORT

Independent Auditor's Report on the Financial Statements of Credit Suisse AG, Mumbai Branch under Section 30 of the Banking Regulation Act, 1949 of India.

Report on Financial Statements

We have audited the accompanying financial statements of Credit Suisse AG, Mumbai Branch ("the Bank"), which comprise the Balance Sheet as at March 31, 2014, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and significant accounting policies and notes forming part of financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Banking Regulation Act, 1949 in the manner so required for the banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Bank as at March 31, 2014;

(b) in the case of Profit and Loss Account, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

HARIBHAKTI & CO. CHARTERED ACCOUNTANTS MUMBAI

Report on Other Legal and Regulatory Requirements

1. The Balance Sheet and Profit and Loss Account has been drawn up in accordance with the provisions of Section 29 of The Banking Regulation Act, 1949 read with Section 211 of the Companies Act, 1956.

2. As required by Section 227(3) of the Companies Act, 1956 and Section 30(3) of the Banking Regulation Act, 1949, we report that:

    a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and found them to be satisfactory;

    b. the transactions of the Bank which have come to our notice have been within the powers of the Bank.

    c. in our opinion proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books;

    d. the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

    e. in our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and

    f. the provisions of Section 274(1)(g) of the Companies Act, 1956 are not applicable to the Bank, as Bank is a branch of Credit Suisse AG, which is incorporated with limited liability in Switzerland.

For Haribhakti & Co.
Chartered Accountants
Firm Registration No.103523W

HARIBHAKTI & CO. MUMBAI * CHARTERED ACCOUNTANTS

Rakesh Rathi
Partner
Membership No.045228

Place :Mumbai
Date: June 9, 2014

CREDIT SUISSE

Credit Suisse AG, Mumbai branch

Balance Sheet as at 31 March, 2014

	Schedule	As at 31 March, 2014 *(Rupees in '000)*	As at 31 March, 2013 *(Rupees in '000)*
CAPITAL AND LIABILITIES			
Capital	1	11,350,000	11,350,000
Reserves & Surplus	2	2,413,798	1,716,112
Deposits	3	52,674,054	4,187,102
Borrowings	4	6,565,246	16,501,905
Other liabilities and provisions	5	3,317,613	388,680
Total		**76,320,711**	**34,143,799**
ASSETS			
Cash and Balances with Reserve Bank of India	6	796,011	475,226
Balances with banks and money at call and short notice	7	383,336	430,413
Investments	8	64,535,815	27,020,442
Advances	9	8,580,553	4,550,399
Fixed Assets	10	23,613	42,345
Other Assets	11	2,001,383	1,624,974
Total		**76,320,711**	**34,143,799**
Contingent Liabilities	12	966,521,043	743,461,039
Bills for Collection			
Significant Accounting Policies & Notes to Accounts	17, 18		

Schedules referred to herein form an integral part of the Financial Statements.

As per our report of even date

For Haribhakti & Co.
Chartered Accountants
Firm Registration No.: 103523W

HARIBHAKTI & CO. MUMBAI CHARTERED ACCOUNTANTS

Rakesh Rathi
Partner
Membership No. : 045228

For Credit Suisse AG - Mumbai branch

Sanjeev Bajaj
Chief Executive Officer

Reetesh Gupta
Director - Financial Accounting

Credit Suisse AG Mumbai

Place : Mumbai
Date : 9 JUN 2014

CREDIT SUISSE

Credit Suisse AG, Mumbai branch

Profit and Loss Account for the year ended 31 March, 2014

	Schedule	Year ended 31 March, 2014 (Rupees in '000)	Year ended 31 March, 2013 (Rupees in '000)
I. INCOME			
Interest earned	13	3,501,951	2,171,871
Other income	14	475,788	901,964
TOTAL		**3,977,739**	**3,073,835**
II. EXPENDITURE			
Interest expended	15	1,961,641	961,301
Operating expenses	16	689,747	518,756
Provisions and contingencies		628,665	689,330
TOTAL		**3,280,053**	**2,169,387**
III. PROFIT/LOSS			
Net profit / (loss) for the period		697,686	904,448
Profit / (loss) brought forward		678,336	588,802
TOTAL		**1,376,022**	**1,493,250**
IV. APPROPRIATIONS			
Transfers to			
Statutory Reserves		174,422	226,112
Revenue and Other reserve (Investment Reserve)		9,320	-
Remittable Surplus Retained in India for CRAR purposes		678,336	588,802
Profit Remitted to Head Office		-	-
Balance carried over to the balance sheet		513,944	678,336
TOTAL		**1,376,022**	**1,493,250**
Significant Accounting Policies & Notes to Accounts	17, 18		

Schedules referred to herein form an integral part of the Financial Statements.

As per our report of even date

For Haribhakti & Co.
Chartered Accountants
Firm Registration No.: 103523W

Rakesh Rathi
Partner
Membership No. : 045228

HARIBHAKTI & CO. MUMBAI CHARTERED ACCOUNTANTS

For Credit Suisse AG - Mumbai branch

Sanjeev Bajaj
Chief Executive Officer

Reetesh Gupta
Director - Financial Accounting

Credit Suisse AG Mumbai

Place : Mumbai
Date : 9 JUN 2014

CREDIT SUISSE

Credit Suisse AG, Mumbai branch

Cash flow statement for the year ended 31 March , 2014

		Year ended 31 March, 2014 (Rupees in '000)	Year ended 31 March, 2013 (Rupees in '000)
Cash flows from operating activities			
Net profit / (loss) before taxation		1,230,472	1,555,542
Adjustments for -			
Depreciation on fixed assets		18,788	15,845
		1,249,260	1,571,387
Adjustments for -			
(Increase) in investments		(37,515,373)	(7,466,335)
(Increase) in advances		(4,030,154)	(2,050,399)
Increase in deposits		48,486,952	702,717
Increase / (Decrease) in borrowings		(9,936,659)	7,719,289
(Increase) / decrease in other assets		(179,194)	591,378
Increase in other liabilities and provisions		2,928,933	13,001
		(245,495)	(490,349)
Taxes paid		730,000	760,000
Net cash from / (used in) operating activities	**(A)**	**273,765**	**321,038**
Cash flows from investing activities			
Purchase of fixed assets (including Capital Work-in-progress)		(56)	(21,074)
Net cash used in investing activities	**(B)**	**(56)**	**(21,074)**
Cash flows from financing activities			
Proceeds from issuance of Capital		-	-
Net cash generated from financing activities	**(C)**	-	-
Net increase/(decrease) in cash and cash equivalents (A + B + C)		**273,709**	**299,964**
Cash and cash equivalents as at 1 April		905,638	605,675
Cash and cash equivalents as at 31 March		1,179,347	905,639
Notes to cash flow statement:			
1 Cash and cash equivalents includes the following:			
Cash and Balances with Reserve Bank of India		796,011	475,226
Balances with Banks and Money at Call and Short Notice		383,336	430,413
		1,179,347	**905,639**
2 Figures in brackets indicate cash outflow.			

As per our report of even date

For Haribhakti & Co.
Chartered Accountants
Firm Registration No.: 103523W

Rakesh Rathi
Partner
Membership No. : 045228

Place : Mumbai
Date : 9 JUN 2014

For Credit Suisse AG - Mumbai branch

Sanjeev Bajaj
Chief Executive Officer

Reetesh Gupta
Director - Financial Accounting

HARIBHAKTI & CO. MUMBAI CHARTERED ACCOUNTANTS

Credit Suisse AG Mumbai

Credit Suisse AG, Mumbai branch

Schedules Annexed To And Forming Part of the Balance Sheet as at 31 March, 2014

		As at 31 March, 2014 (Rupees in '000)	As at 31 March, 2013 (Rupees in '000)
Schedule 1 : Capital			
	Head Office Account		
	At the beginning of the period	11,350,000	11,350,000
	Additions during the period	-	-
	Total	**11,350,000**	**11,350,000**
	Deposit kept with the Reserve Bank of India under Section 11 (2) (b) of the Banking Regulation Act , 1949.	**500,000**	**250,000**
Schedule 2 : Reserves and Surplus			
I.	Statutory Reserves		
	Opening balance	448,974	222,862
	Additions during the period	174,422	226,112
	Deductions during the period	-	-
		623,396	448,974
II.	Capital Reserves		
	Opening balance	-	-
	Additions during the period	-	-
	Deductions during the period	-	-
		-	-
III.	Share Premium		
	Opening balance	-	-
	Additions during the period	-	-
	Deductions during the period	-	-
		-	
IV.	Revenue and Other Reserves (Investment Reserve)		
	Opening balance	-	-
	Additions during the period	9,320	-
	Deductions during the period	-	-
		9,320	-
V.	Remittable Surplus Retained in India for CRAR purposes		
	Opening balance	588,802	-
	Additions during the period	678,336	588,802
	Deductions during the period	-	-
		1,267,138	588,802
VI.	Balance in Profit and Loss Account	513,944	678,336
	Total (I + II + III + IV + V + VI)	**2,413,798**	**1,716,112**

HARIBHAKTI & CO. CHARTERED ACCOUNTANTS MUMBAI

Credit Suisse AG Mumbai

CREDIT SUISSE

Credit Suisse AG, Mumbai branch

Schedules Annexed To And Forming Part of the Balance Sheet as at 31 March, 2014

	As at 31 March, 2014 (Rupees in '000)	As at 31 March, 2013 (Rupees in '000)
Schedule 3 : Deposits		
A. I Demand Deposits		
i) From banks	-	-
ii) From others	150,130	69,217
II Saving Bank Deposits	101,380	3,846
III Term Deposits		
i) From banks	-	-
ii) From others	52,422,544	4,114,039
Total (I + II + III)	**52,674,054**	**4,187,102**
B. i) Deposits of branches In India	52,674,054	4,187,102
ii) Deposits of branches Outside India	-	-
Total	**52,674,054**	**4,187,102**
Schedule 4 : Borrowings		
I. Borrowings in India		
i) Reserve Bank of India	-	-
ii) Other Banks	-	3,250,000
iii) Other Institutions and Agencies	5,846,266	10,863,365
	5,846,266	14,113,365
II. Borrowings Outside India	718,980	2,388,540
Total (I + II)	**6,565,246**	**16,501,905**
Secured borrowings included in I and II above	5,846,266	10,863,365
Schedule 5 : Other Liabilities and Provisions		
I. Bills payable	-	-
II. Inter-office adjustments (net)	-	-
III. Interest accrued	589,224	50,196
IV. Provision against standard assets	188,695	91,949
V. Others	2,539,694	246,535
Total (I + II + III + IV + V)	**3,317,613**	**388,680**

HARIBHAKTI & CO. * CHARTERED ACCOUNTANTS * MUMBAI

Credit Suisse AG Mumbai

CREDIT SUISSE

Credit Suisse AG, Mumbai branch

Schedules Annexed To And Forming Part of the Balance Sheet as at 31 March, 2014

	As at 31 March, 2014 (Rupees in '000)	As at 31 March, 2013 (Rupees in '000)
Schedule 6 : Cash and Balances with Reserve Bank of India		
I. Cash in hand	126	165
II. Balances with Reserve Bank of India		
i) In current account	795,885	475,061
ii) In other accounts	-	-
Total (I + II)	**796,011**	**475,226**
Schedule 7 : Balances with Banks and Money at Call and Short Notice		
I. In India		
i) Balance with banks		
(a) in current accounts	59,247	71,780
(b) in other deposit accounts	-	-
ii) Money at call and short notice		
(a) with banks	-	-
(b) with other institutions	-	-
Total	**59,247**	**71,780**
II. Outside India		
i) in current accounts	324,089	358,633
ii) in other deposit accounts	-	-
iii) Money at call and short notice	-	-
Total	**324,089**	**358,633**
Total (I + II)	**383,336**	**430,413**
Schedule 8 : Investments		
I. Investments in India in		
i) Government securities	28,539,241	18,927,407
ii) Other approved securities	-	-
iii) Shares	-	-
iv) Debentures and bonds	19,665,620	5,287,496
v) Subsidiaries and/or joint ventures	-	-
vi) Others	16,330,954	2,827,440
Total	**64,535,815**	**27,042,343**
Provision for Depreciation	-	21,901
Total (I)	**64,535,815**	**27,020,442**

HARIBHAKTI & CO. MUMBAI CHARTERED ACCOUNTANTS

Credit Suisse AG Mumbai

CREDIT SUISSE

Credit Suisse AG, Mumbai branch

Schedules Annexed To And Forming Part of the Balance Sheet as at 31 March, 2014

		As at 31 March, 2014 (Rupees in '000)	As at 31 March, 2013 (Rupees in '000)
II.	**Investments outside India in**		
	i) Government securities (including local authorities)	-	-
	ii) Subsidiaries and/or joint ventures abroad	-	-
	iii) Other investments	-	-
	Total	-	-
	Provision for Depreciation	-	-
	Total (II)	-	-
	Total (I + II)	**64,535,815**	**27,020,442**
Schedule 9 : Advances			
A.	i) Bills purchased and discounted	-	-
	ii) Cash credits, overdrafts and loans repayable on demand	2,430,553	3,050,399
	iii) Term loans	6,150,000	1,500,000
	Total	**8,580,553**	**4,550,399**
B.	i) Secured by tangible assets	-	-
	ii) Covered by bank/Government guarantees	-	-
	iii) Unsecured	8,580,553	4,550,399
	Total	**8,580,553**	**4,550,399**
C.I.	**Advances in India**		
	i) Priority sectors	1,430,553	1,050,399
	ii) Public sector	-	-
	iii) Banks	-	-
	iv) Others	7,150,000	3,500,000
	Total	**8,580,553**	**4,550,399**
C.II.	**Advances outside India**		
	i) Due from banks	-	-
	ii) Due from others		
	(a) Bills purchased and discounted	-	-
	(b) Syndicated loans	-	-
	(c) Others	-	-
	Total	-	-
	Total (C.I and C.II)	**8,580,553**	**4,550,399**

HARIBHAKTI & CO. * MUMBAI * CHARTERED ACCOUNTANTS *

Credit Suisse AG Mumbai

CREDIT SUISSE

Credit Suisse AG, Mumbai branch

Schedules Annexed To And Forming Part of the Balance Sheet as at 31 March, 2014

		As at 31 March, 2014 (Rupees in '000)	As at 31 March, 2013 (Rupees in '000)
Schedule 10 : Fixed Assets			
I.	**Premises**		
	At cost at the beginning of the period	-	-
	Additions during the period	-	-
	Deductions during the period	-	-
	Depreciation to date	-	-
	Total	-	-
II.	**Other Fixed Assets (including furniture and fixtures)**		
	At cost at the beginning of the period	70,941	49,867
	Additions during the period	56	21,074
		70,997	**70,941**
	Deductions during the period	-	-
		70,997	**70,941**
	Depreciation to date	(47,384)	(28,596)
	Total	**23,613**	**42,345**
	Total (I + II)	**23,613**	**42,345**
Schedule 11 : Other Assets			
I.	Interest accrued	1,136,544	355,593
II.	Tax paid in advance / tax deducted at source (Net)	269,242	150,505
III.	Deferred Tax Assets (Net)	172,058	93,580
IV.	Stationery and stamps	-	-
V.	Non-banking assets acquired in satisfaction of claims	-	-
VI.	Others	423,539	1,025,296
	Total	**2,001,383**	**1,624,974**
Schedule 12 : Contingent Liabilities			
I.	Claims against the Bank not acknowledged as debts	-	-
II.	Liability for partly paid investments	-	-
III.	Liability on account of outstanding forward exchange contracts	739,155,951	488,542,040
IV.	Guarantees given on behalf of constituents		
	(a) In India	-	-
	(b) Outside India	-	-
V.	Acceptances, endorsements and other obligations	-	-
VI.	Other items for which the Bank is contingently liable		
	(i) Capital commitments not provided	-	-
	(ii) Purchase of investments	244,241	310,487
	(iii) Liability on account of outstanding derivative contracts	227,120,851	254,608,512
	Total	**966,521,043**	**743,461,039**

HARIBHAKTI & CO. ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Credit Suisse AG Mumbai

CREDIT SUISSE

Credit Suisse AG, Mumbai branch

Schedules Annexed To and Forming Part of the Profit and Loss Account for the year ended 31 March, 2014

		Year ended 31 March, 2014 (Rupees in '000)	Year ended 31 March, 2013 (Rupees in '000)
Schedule 13 : Interest Earned			
I.	Interest / discount on advances / bills	486,500	286,175
II.	Income on investments	2,923,589	1,865,782
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	73	4,235
IV.	Other	91,789	15,679
	Total	3,501,951	**2,171,871**
Schedule 14 : Other Income			
I.	Commission, exchange and brokerage	9,198	278
II.	Profit / (loss) on sale of investments (net)	41,434	133,812
III.	Profit / (loss) on revaluation of investments	21,901	(21,901)
IV.	Profit / (loss) on sale of land, buildings and other assets (net)	-	-
V.	Profit / (Loss) on exchange transactions (net) (including profit / (loss) on derivative transactions)	344,306	747,559
VI.	Income earned by way of dividends etc. from subsidiaries, companies and / or joint venturres abroad / in India	-	-
VII.	Miscellaneous income	58,949	42,216
	Total	**475,788**	**901,964**
Schedule 15 : Interest Expended			
I.	Interest on deposits	982,189	317,206
II.	Interest on Reserve Bank of India / inter-bank borrowings	18,193	61,935
III.	Others	961,259	582,160
	Total	**1,961,641**	**961,301**
Schedule 16 : Operating Expenses			
I.	Payments to and provisions for employees	490,510	345,552
II.	Rent, taxes and lighting	51,061	43,251
III.	Printing and stationery	993	1,007
IV.	Advertisement and publicity	385	-
V.	Depreciation on bank's property	18,788	15,845
VI.	Directors' fees, allowances and expenses	-	-
VII.	Auditors' fees and expenses	1,402	1,055
VIII.	Law charges	-	-
IX.	Postages, telegrams,telephones, etc.	37,541	31,792
X.	Repairs and maintenance	15,055	11,828
XI.	Insurance	5,560	352
XII.	Other expenditure (including group cost allocation expenses)	68,452	68,074
	Total	**689,747**	**518,756**

HARIBHAKTI & CO. * CHARTERED ACCOUNTANTS * MUMBAI

Credit Suisse AG Mumbai

SCHEDULE 17 - SIGNIFICANT ACCOUNTING POLICIES

a) General

i) Background

The accompanying financial statements for the year ended March 31, 2014 comprise the accounts of the Mumbai branch (referred to as 'the Bank') of Credit Suisse AG which is incorporated in Switzerland, with limited liability.

In August 2010, the Bank's head office at Zurich, Credit Suisse AG, received the approval of the Reserve Bank of India ('RBI') for setting up a Bank Branch. The Bank commenced its banking business with effect from February 15, 2011 after obtaining the necessary clearances and approvals from RBI.

ii) Basis of preparation

The financial statements have been prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated and are in accordance 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 ('RBI') from time to time, Accounting Standards ('AS') issued by the Institute of Chartered Accountants of India ('ICAI') and notified by the Companies Accounting Standard Rules, 2006 to the extent applicable and current practices prevailing within the banking industry in India.

iii) Use of Estimates:

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of the financial statements and the reported income and expenses for the reporting year. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision in the accounting estimates is recognised prospectively in the current and future periods.

b) Investments

Classification and valuation of investments is carried out in accordance with extant RBI guidelines on investment classification and valuation.

Classification:
Investments are classified at the date of purchase, based on the intention at the time of acquisition, into Held for Trading ('HFT') or Available for Sale ('AFS'). Under each of these categories, investments are further classified under six groups viz. Government Securities, Other approved securities, Shares, Debentures and Bonds, Subsidiaries and / or joint ventures and Others.

Valuation:
Investments in Statutory Liquidity Ratio (SLR) and non-SLR securities classified under the 'Available for Sale' and 'Held for Trading' categories are valued periodically as per RBI guidelines. The market/fair value for the purpose of periodical valuation of quoted investments included in the 'Available for Sale' and 'Held for Trading' categories is the market price of the

security available from trades/quotes on the recognized stock exchanges, subsidiary general ledger account transactions, price list of RBI or prices declared by Primary Dealers Association of India jointly with Fixed Income Money Market and Derivatives Association (FIMMDA), periodically. The net depreciation, if any, in each classification as mentioned in Schedule – 8 – 'Investments' is recognized in the Profit and Loss Account. The net appreciation, if any, is ignored.

Discounted instruments like treasury bills, certificate of deposits, commercial papers, etc. are valued at carrying cost. Cost of investment excludes broken period interest paid on acquisition of investments. Brokerage and commission on debt instruments paid at the time of acquisition are charged to Profit and Loss Account. Investments are accounted on settlement date basis and cost of investments is determined on the weighted average cost basis.

Provision for depreciation on investments in the AFS and HFT categories, if excessive is credited to Profit & Loss account and equivalent amount (net of taxes and net of transfer to Statutory Reserve as applicable) is appropriated to an Investment Reserve Account in Schedule 2 – 'Reserves and Surplus' under the head 'Revenue and Other Reserves'.

Transfer between categories:
Transfer of securities between categories of investments, if any, is accounted for at the acquisition cost / book value/ market value, whichever is lower, as on the date of transfer.

c) Advances

Advances are classified into standard, sub-standard, doubtful and loss assets, as applicable, in accordance with the RBI guidelines and are stated net of provisions, if any, (except general provision) made towards non-performing advances.
The Bank also maintains a general provision on standard assets to cover potential credit losses, in accordance with the RBI guidelines.

d) Country risk exposure provision

The Bank maintains provision for individual country exposures (other than for home country) in accordance with RBI guidelines.

e) Repurchase (Repo) and reverse repurchase transactions

Repo, Reverse repo transactions and Collateralised Borrowing and Lending Obligations (CBLO) entered with CCIL are considered as lending and borrowing transactions and reflected in assets and liabilities, as the case may be.

f) Derivatives

The Bank enters into derivative contracts such as interest rate swaps, cross currency swaps, options and foreign exchange contracts.

Derivative transactions which are classified as trading derivatives are valued at the estimated realisable market price (fair value). The resulting gains or losses are recognised in the Profit and Loss Account with the corresponding net unrealized amounts reflected in Other Assets or Other liabilities in the Balance Sheet.

Credit Suisse AG Mumbai

MUMBAI CHARTERED ACCOUNTANTS

Foreign currency options are marked to market and Premium received / paid is recognized in the Profit and Loss account upon expiry or exercise of the options whichever is earlier.

The Bank also maintains a general provision on derivative exposures computed as per marked to market value of the contracts in accordance with the RBI guidelines.

g) Fixed Assets and Depreciation

Fixed assets are stated at historical cost less accumulated depreciation. Cost includes all expenses incidental to acquisition of the assets.

Depreciation on fixed assets is provided on a straight-line method over the economic useful life of the asset as determined by the management. Depreciation on additions to fixed assets has been provided from the month in which the asset is capitalised. In respect of sales/disposals no depreciation is provided in the month in which the asset is sold / disposed off. The rates for this purpose, which are based on management's estimate of the useful lives of the underlying assets, are higher than the rates prescribed by Schedule XIV of the Companies Act, 1956, and are as follows:

Asset	Depreciation
Leasehold improvements	Period of lease
Furniture and fixtures	20.00%
Communication equipment	33.33%
Computer Equipment	
Distributed technology	33.33%
End user technologies	33.33%
Network	33.33%
Cabling	14.29%
Software	33.33%

Assets costing less than Rs.4,50,000 (CHF 10,000 approx) are written off in the year of purchase / acquisition. The threshold for write off is subject to the following conditions:

- Furniture and fixtures are capitalised if the aggregate cost of a purchase order for procurement exceeds Rs.4,50,000 (CHF 10,000 approx).

- Computer equipment including workstations, laptops, printers, monitors, servers, peripherals and technical equipment are capitalised regardless of purchase cost. All other computer related equipment such as mainframes, tape drives, power supplies and data center equipment are capitalised only if individual cost exceeds Rs. 4,50,000 (CHF 10,000 approx).

- The Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss Account to the extent the carrying amount of assets exceeds their estimated recoverable amount.

h) Transactions involving Foreign Exchange

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 recognised in the Profit and Loss account.

Foreign currency income and expenditure items are translated at the exchange rates prevailing at the respective month-end of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Profit and Loss account.

Outstanding foreign exchange contracts as at the balance sheet date are revalued at the rates prescribed by FEDAI as at the Balance Sheet date and the resulting profits/losses are recognised in the Profit and Loss Account. The foreign exchange contracts of longer maturities where exchange rates are not notified by FEDAI are revalued at the exchange rates implied by the swap curves in respective currencies. The resultant gain or losses are recognised in the Profit and Loss Account.

In respect of foreign currency deposits, which are swapped into Indian Rupees, the forward premia (i.e. the difference between spot and forward rates of exchange) is pro-rated over the tenure of the swap and recognised in the Profit and Loss Account. The exchange difference on a forward exchange contract i.e. the difference between (a) the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and (b) the same foreign currency amount translated at the latter of the date of inception of the forward exchange contract and the last reporting date, is recognised in the Profit and Loss Account.

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.

i) Revenue Recognition

- Interest income is recognised in the Profit and Loss Account on an accrual basis.
- Accretion of discounts is recognised as interest income over the life of the discounted instrument.
- Profit / Loss on sale of investments under 'Available for Sale' and 'Held for Trading' categories are taken to the Profit and Loss Account.
- Fees and commission income is recognised on an accrual basis in accordance with the terms of agreement.

j) Taxation

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. Provision for current tax is recognised as per the provisions of the Income Tax Act, 1961 and is made on the tax liability computed after taking credit of allowances and exemptions. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences between the carrying values of assets and liabilities and their respective tax bases, and carried forward losses. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates at the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. In case of unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably/virtually certain to be realised.

HARIBHAKTI & CO. MUMBAI CHARTERED ACCOUNTANTS

k) Accounting for Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Bank has a present obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements.

l) Operating lease transactions

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

m) Employee benefits

Defined contribution plans

Contributions payable to the recognised provident fund which is a defined contribution scheme are charged to the profit and loss account

Gratuity

The Branch's gratuity benefit scheme is a defined benefit plan. The Branch's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on valuation by an independent actuary (same as Projected Unit Credit Method), which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yield of Government securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the profit and loss account.

Short term compensated absences

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. These benefits represent compensated absences such as paid annual leave. The undiscounted amount of short term employee benefits expected to be paid in

MUMBAI * CHARTERED ACCOUNTANTS

exchange for the service rendered by the employees is recognised during the year.

Equity compensation benefits

The Branch grants shares in its ultimate parent, Credit Suisse Group ("CSG") to certain employees. The Branch pays for CSG shares at market value at the time of settlement to employees. Upon settlement the shares are transferred to its employees. The Branch has various schemes to grant share based awards to its employees, details of the current schemes are set out below:

1) Special awards, which are typically awarded upon hiring of certain management personnel or in relation to business acquisitions. The terms (including amount, vesting, settlement, etc) of special awards vary significantly from award to award. Shares awarded to employees as Special awards are accrued over the vesting period as per award terms.

2) Incentive Share Units (ISU) or Scaled Incentive Share Units (SISU), which are typically awarded in consideration for future services. Each ISU / SISU represents one CSG share plus any additional shares (leverage), if applicable. For ISU the number of additional shares will depend upon the share price, both at the time of grant and in the future and for SISU, it depends on both share price and Branch's performance. ISUs are accrued over the 3 year vesting period and SISUs are accrued over the 4 year vesting period.

3) Phantom shares vest in three or four equal instalments on each of the first, second, third and/or fourth anniversaries of the grant date and will be delivered to award holders within 120 days of vesting. January 2012 Phantom shares vest in three equal instalments on each of the first, second and third anniversaries of the grant date and will be delivered to award holders within 120 days of vesting. The share awards replace other plans introduced in prior years, including SISUs and ISUs in an effort to make the design of the Branch's compensation instruments simpler, more transparent and less leveraged and to better align the interests of the employees with those of the shareholders.
The accrual methodology for the above awards is on straight-line basis over the vesting period of the awards.

4) Performance share awards
Certain employees received a portion of their deferred variable compensation in the form of performance share awards, which are subject to explicit performance-related claw-back provisions. Performance share awards vest over three years, such that one third of the share awards vest on each of the three anniversaries of the date of the award. Each performance share award granted entitles the holder of award to receive one CSG share. Unlike the Phantom share awards, however, the unvested performance share awards are subject to a negative adjustment in the event of a divisional loss or a negative CSG ROE. Unvested performance shares are subject to a negative adjustment in the event of a divisional loss, unless there is a negative CSG ROE that would call for a negative adjustment greater than the divisional adjustment for the year, in which case the negative adjustment is based on the CSG's negative ROE. For employees in Shared Services, the negative adjustment only applies in the event of a negative CSG ROE and is not linked to the performance of the divisions. Performance share awards include a two-year moratorium on early retirement, determined from the grant date.

HARIBHAKTI & CO. * CHARTERED ACCOUNTANTS * MUMBAI

Credit Suisse AG Mumbai

5) Adjustable Performance Plan Share Awards
In 2012, CSG executed a voluntary exchange offer, under which employees had the right to voluntarily convert all or a portion of their respective unvested Adjustable Performance Plan cash awards into Adjustable Performance Plan share awards at a conversion price of CHF 16.29. Each Adjustable Performance Plan share award has a grant-date fair value of CHF 16.79 and contains the same contractual term, vesting period, performance criteria and other terms and conditions as the original Adjustable Performance Plan cash award.

These schemes are classified as cash settled schemes. The cost of these cash-settled transactions is measured initially at fair value at the grant date. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each balance sheet date up to and including the settlement date with changes in fair value recognised in the profit and loss account for the period. In case an employee is eligible for early retirement or retirement before the end of the vesting period, the recognition of the expense is accelerated over the shorter period up to retirement. Changes in foreign exchange and market value of the above liability between grant date and settlement date are expensed to the profit and loss account.

Other Compensation Benefits

Other Compensation Benefits awarded in respect of Variable Compensation are –

1) Adjustable Performance Plan Awards (APPA)

APPA is a new form of deferred cash award granted in 2010 and 2011. The 2010 APPA are subject to a three-year, pro-rata vesting schedule. The 2011 APPA are similar to the 2010 APPA, except the pro-rata vesting will occur over a four-year period. In the event that the division in which the employee worked at the time of grant generates profits, outstanding awards will be adjusted upward on an annual basis using CSG's ROE in the respective year as a multiplier. However, should a business area in which an employee worked at the time of grant incur a loss (before charges for current year variable compensation and tax) outstanding APPAs held by employees of that business area will be adjusted downwards. Expense for the APPA award will be recognised over 3 years from year 2010 onwards. Expense for the APPA award will be recognised over 4 years from year 2011 onwards. 2010 APPA awards are accrued over 3 year vesting period and 2011 APPA awards over 4 years.

2) 2011 Partner Asset Facility

As part of the 2011 annual compensation process, the Credit Suisse Group ("CSG") awarded a portion of their deferred variable compensation for senior employees in the form of 2011 Partner Asset Facility ("PAF2") units. PAF 2 units are essentially fixed income structured notes that are exposed to a portion of the credit risk that arises in CSG's derivative activities, including both current and possible future swaps and other derivative transactions. The value of the award (for both the interest accrual and the final redemption) will be reduced if the amount of realized credit losses from a specific reference portfolio exceeds a predefined threshold. CSG will bear the first USD 500 million of such losses and the PAF2 holders will bear any losses in excess of USD 500 million, up to the full amount of the deferred compensation awarded. As a result, the PAF2 plan is a transfer of risk from CSG to employees.

MUMBAI
CHARTERED ACCOUNTANTS

The PAF2 awards vested in the quarter ended 31 March 2012. The award holders are subject to non-compete and non-solicit provisions that result in the cancellation of the award upon voluntary termination of employment for three years from the grant date. The PAF2 units have a stated maturity of four years, but may be extended to nine years at the election of either the CSG or the holders acting collectively. This election will not be made later than the end of the third year following the grant date. PAF2 units are denominated in US dollars. Holders will receive a semi-annual cash interest payment equivalent to an annual return of 6.5% applied to the then current balance of the PAF2 units. At maturity, PAF2 holders will receive a final settlement in an amount equal to the original award value less any losses. CSG can settle the PAF2 units in cash or an equivalent value in shares at its discretion.

In February 2014, CSG provided employees who hold outstanding PAF2 awards with the opportunity to exchange their PAF2 awards. PAF2 awards were linked to a portfolio of CSG's credit exposures, providing risk offset and capital relief. Due to regulatory changes, this capital relief was no longer available after December 31, 2013. As a result, CSG terminated the PAF2 awards and exchanged them at fair value for other compensation awards in the form of one of the following options, or a combination thereof:

- Capital Opportunity Facility: participants elect for all or part of their PAF2 award to be referenced to a Capital Opportunity Facility (COF). The COF is a seven-year facility that is linked to the performance of a portfolio of risk-transfer and capital mitigation transactions chosen by the Partner Asset Facility management team. Participants who elect for the COF will receive distributions of 6.5% per annum until maturity;

- Contingent Capital Awards: participants elect to receive Contingent Capital Awards (CCA), with similar terms to the instruments used as part of the 2013 compensation awards. Settlement is expected to occur in early 2016, subject to regulatory approvals.

3) Plus Bond Awards

Certain employees received a portion of their deferred variable compensation in the form of Plus Bond awards. The Plus Bond award is essentially a fixed income instrument, denominated in US dollars, which provides a coupon payment that is commensurate with market-based pricing. Plus Bond award holders are entitled to receive semi-annual cash payments on their adjusted award amounts at the rate of London Interbank Offered Rate plus 7.875% per annum until settlement. The Plus Bond will settle in the summer of 2016 based on the amount of the initial award less portfolio losses, if any, in excess of a first loss portion retained by CSG of approximately USD 600 million.

The value of the Plus Bond awards is based on the performance of a portfolio of unrated and sub-investment-grade asset-backed securities that are held in inventory by various trading desks of CSG's Investment Banking division. While the Plus Bond award is a cash-based instrument, CSG reserves the right to settle the award in CSG shares based on the share price at the time of final distribution. In addition, subject to oversight procedures, CSG retains the right to prepay all or a portion of the Plus Bond award in cash at any time and, in the event of certain regulatory developments or changes on capital treatment, exchange the award into a CSG share award. Similar to the PAF2 awards, the Plus Bond award plan contributes to a reduction of CSG's risk-weighted assets and constitutes a risk transfer from CSG to the Plus Bond award holders. The Plus Bonds

MUMBAI
CHARTERED ACCOUNTANTS

were fully vested and expensed as of the grant date of December 31, 2012. Compensation expense will continue to be updated at each reporting period date to reflect any change in the underlying fair value of the Plus Bond awards until the awards are finally settled.

4) Restricted Cash Awards ('RCA')

Certain employees received the cash component of their variable compensation in the form of Restricted Cash Awards. These awards are fully settled in cash on the grant date subject to a pro-rata repayment by the employee in the event of voluntary resignation or termination for cause within three years of the award grant.

On January 17, 2013, the Branch granted Restricted Cash Awards with a three-year vesting period, subject to early retirement rules.

5) Contingent Capital Awards

Contingent Capital Awards (CCA) are a new form of award granted in January 2014 as part of 2013 deferred variable compensation and have rights and risks similar to those of certain contingent capital instruments issued by CSG in the market. CCA provide a conditional right to receive semi-annual cash payments of interest equivalents at a rate of 5.33% over the six-month US dollar London Interbank Offered Rate (LIBOR) until settled.

CCA were awarded as deferred variable compensation to certain employees in place of share awards and will be expensed over the three-year period from the grant date.

CCA are scheduled to vest on the third anniversary of the grant date and will be expensed over three years from the grant date. However, because CCA qualify as additional tier 1 capital of CSG, the timing and form of distribution upon settlement is subject to approval by the Swiss Financial Market Supervisory Authority (FINMA). At settlement, employees will receive either a contingent capital instrument or a cash payment based on the fair value of the CCA. CSG will determine that fair value at its discretion. CSG intends to grant CCA as one of its annual deferred variable compensation awards in future years.

CCA have loss-absorbing features such that prior to settlement, the principal amount of the CCA would be written down to zero if any of the following trigger events were to occur:

- CSG's reported common equity tier 1 (CET1) ratio falls below 7%; or
- FINMA determines that cancellation of the CCA and other similar contingent capital instruments is necessary, or that CSG requires public sector capital support, in either case to prevent it from becoming insolvent or otherwise failing.

n) Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with RBI, balances with other banks and money at call and short notice.

HARIBHAKTI & CO. MUMBAI CHARTERED ACCOUNTANTS

Credit Suisse AG Mumbai

SCHEDULE 18 – NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1. Capital Adequacy

The Bank's Capital to Risk-weighted Asset Ratio ('Capital Adequacy Ratio') is calculated in accordance with the RBI's 'Basel III Capital Regulations' ('Basel III'). Under the Basel III framework, for the year ended 31 March 2014, the Bank is required to maintain a minimum capital adequacy ratio of 9% on an ongoing basis for credit risk, market risk and operational risk, with a minimum Common Equity Tier 1 capital (CET1) ratio of 5% and Tier 1 capital ratio of 6.50%.

The Bank's capital adequacy ratio, calculated in accordance with the RBI guidelines for Basel III framework, is as follows:

(Rs in '000)

Sr. No.	Particulars	March 31, 2014	March 31, 2013
i)	Common Equity Tier 1 capital ratio (%)	19.65%	59.64%
ii)	Tier 1 capital ratio (%)	19.65%	59.64%
iii)	Tier 2 capital ratio (%)	0.28%	0.43%
iv)	Total Capital ratio (CRAR) (%)	19.93%	60.06%
v)	Percentage of the shareholding of the Government of India in public sector banks	-	-
vi)	Amount of equity capital raised	-	-
vii)	Amount of Additional Tier 1 capital raised; of which PNCPS: PDI:	-	-
viii)	Amount of Tier 2 capital raised; of which Debt capital instrument: Preference Share Capital Instruments: [Perpetual Cumulative Preference Shares (PCPS) / Redeemable Non-Cumulative Preference Shares (RNCPS) / Redeemable Cumulative Preference Shares (RCPS)]	-	-

HARIBHAKTI & CO. ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Credit Suisse AG Mumbai

2. Other Assets

Other Assets include deferred tax asset (net) of Rs 172,058 thousand (March 31, 2013 - Rs 93,580 thousand). The break-up of the same is as follows:

(Rs in '000)

Particulars	March 31, 2014	March 31, 2013
Deferred tax asset arising out of:		
Employee Benefits	62,514	44,778
Standard asset provisioning	81,629	39,777
Depreciation	3,556	-
Others	24,359	10,443
Total	**172,058**	**94,998**
Deferred tax liability arising out of:		
Depreciation	-	1,418
Total	**-**	**1,418**
Deferred tax asset (net)	**172,058**	**93,580**

3. Business Ratios

Particulars	March 31, 2014	March 31, 2013
Interest income as a percentage to working funds[1]	8.14%	7.87%
Non-interest income as a percentage to working funds	1.11%	3.27%
Operating profit[2] as a percentage to working funds[1]	2.86%	5.64%
Return on assets[3]	1.62%	3.28%
Business (Deposits plus advances) per employee[4] (Rs in '000)	1,801,606	256,985
Profit per employee[4] (Rs in '000)	20,520	26,601

Definitions:

1. Working funds is taken as average of total assets (excluding accumulated losses, if any) as reported to Reserve Bank of India in Form X under Section 27 of the Banking Regulation Act, 1949.
2. Profit before taxes is considered as Operating profit.
3. Return on Assets is with reference to average working funds (i.e. total of assets excluding accumulated losses, if any).
4. Number of employees as at year end has been considered.

HARIBHAKTI & CO. MUMBAI CHARTERED ACCOUNTANTS

Credit Suisse AG Mumbai

4. Maturity Pattern of Key Assets and Liabilities

Assets and liabilities are classified in the maturity buckets as per the guidelines issued by the RBI.

(Rs in '000)

As at March 31, 2014	1 day	2 to 7 days	8 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months to 6 months	Over 6 months to 12 months	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	9,008	320,531	1,028,527	20,531	1,565,927	4,960,026	7,019	44,762,485	-	-	52,674,054
Loans & advances	-	1,000,000	-	-	1,500,000	925,652	1,504,901	3,650,000	-	-	8,580,553
Investments	26,374,786	36,936,060	159,001	8,696	269,929	759,466	4,224	19,136	-	4,517	64,535,815
Borrowings	-	5,846,266	-	-	718,980	-	-	-	-	-	6,565,246
Foreign Currency Assets[1]	324,088	-	-	-	36,567	925,652	504,901	-	-	239,660	2,030,868
Foreign Currency Liabilities[1]	-	-	-	-	719,591	216,427	-	45,145,477	-	-	46,081,495

1. Foreign currency assets and liabilities exclude off-balance sheet items.
2. The aforesaid disclosures in the above tables are as per the Asset Liability Management ("ALM") / Liquidity guidelines issues by RBI.

(Rs in '000)

As at March 31, 2013	1 day	2 to 7 days	8 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months to 6 months	Over 6 months to 12 months	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	113,295	600,000	570,000	130,000	1,709,912	1,001,600	-	62,296	-	-	4,187,103
Loans & advances	-	-	1,250,000	750,000	1,500,000	1,050,399	-	-	-	-	4,550,399
Investments	16,932,064	8,897,410	314,230	373,452	313,707	173,537	1,576	10,732	-	3,734	27,020,442
Borrowings	-	12,220,490	1,250,000	2,000,000	-	1,031,415	-	-	-	-	16,501,905
Foreign Currency Assets[1]	358,633	-	-	-	-	1,051,274	-	-	-	217,140	1,627,047
Foreign Currency Liabilities[1]	-	1,357,125	-	-	42,397	1,172,113	-	-	-	-	2,571,635

1. Foreign currency assets and liabilities exclude off-balance sheet items.
2. The aforesaid disclosures in the above tables are as per the Asset Liability Management ("ALM") / Liquidity guidelines issues by RBI.

5. Provisions and Contingencies

The break-up of 'Provisions and contingencies' included in the Profit and Loss Account is given below:

(Rs in '000)

Particulars	March 31, 2014	March 31, 2013
Provision for Income Tax – Current	611,263	675,303
Provision for Income Tax – Deferred	(78,477)	(24,209)
Standard asset provisioning	96,746	37,369
Country Risk provision	(867)	867
Total	**628,665**	**689,330**

6. Investments

The following table sets forth, for the periods indicated, the details of investments and the movement of provision held towards depreciation on investments of the Bank.

(Rs in '000)

Particulars	March 31, 2014	March 31, 2013
1. Value of Investments		
(i) Gross value of investments		
a) In India	64,535,815	27,042,343
b) Outside India	-	-
(ii) Provision for depreciation		
a) In India	-	21,901
b) Outside India	-	-
(iii) Net value of investments		
a) In India	64,535,815	27,020,442
b) Outside India	-	-
2. Movement of provisions held towards depreciation on investments		
(i) Opening balance	21,901	-
(ii) Add : Provisions made during the year	-	21,901
(iii) Less : Write-off/ write back of excess provisions during the year	21,901	-
(iv) Closing balance	-	21,901

7. Repo transactions

The following table sets forth, for the period indicated, the details of securities sold and purchased under repo and reverse repo in face value terms:

(Rs in '000)

Year ended March 31, 2014	Minimum outstanding balance during the year	Maximum outstanding balance during the year	Daily average outstanding balance during the year	Outstanding balance
Securities sold under repo				
i. Government securities	495,100	14,780,300	5,106,732	2,999,300
ii. Corporate debt securities	-	-	-	-
Securities purchased under reverse repo				
i. Government securities	50,700	6,262,700	2,010,254	-
ii. Corporate debt securities	-	-	-	-

(Rs in '000)

Year ended March 31, 2013	Minimum outstanding balance during the year	Maximum outstanding balance during the year	Daily average outstanding balance during the year	Outstanding balance
Securities sold under repo				
iii. Government securities	1,250,000	14,681,800	6,266,659	6,896,600
iv. Corporate debt securities	-	-	-	-
Securities purchased under reverse repo				
iii. Government securities	104,500	1,282,700	581,100	-
iv. Corporate debt securities	-	-	-	-

8. Non-SLR investment portfolio

i) Issuer composition of investments in securities, other than government and other approved securities

The following table sets forth, the issuer composition of investments of the Bank in securities, other than government and other approved securities at March 31, 2014.

(Rs in '000)

Sr. No.	Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities	Extent of 'unlisted' securities
(i)	PSUs	2,713,732	-	-	-	-
(ii)	FIs	10,378,369	300,000	-	-	-
(iii)	Banks[1]	16,330,954	-	-	-	16,330,954
(iv)	Private corporates	6,573,519	3,500,000	-	-	-
(v)	Subsidiaries / Joint ventures	-	-	-	-	-
(vi)	Others	-	-	-	-	-
(vii)	Provision held towards depreciation	-				
	Total	**35,996,574**	**3,800,000**	**-**	**-**	**16,330,954**

1. Represents certificate of deposits.

The following table sets forth, the issuer composition of investments of the Bank in securities, other than government and other approved securities at March 31, 2013.

(Rs in '000)

Sr. No.	Issuer	Amount	Extent of private placement	Extent of 'below investment grade' securities	Extent of 'unrated' securities	Extent of 'unlisted' securities
(i)	PSUs	-	-	-	-	-
(ii)	FIs	4,081,904	750,000	-	-	-
(iii)	Banks[1]	2,827,440	-	-	-	2,827,440
(iv)	Private corporates	1,205,592	-	-	-	-
(v)	Subsidiaries / Joint ventures	-	-	-	-	-
(vi)	Others	-	-	-	-	-
(vii)	Provision held towards depreciation	15,161				
	Total	**8,099,775**	**750,000**	**-**	**-**	**2,827,440**

1. Represents certificate of deposits.

ii) Non performing Non-SLR investments

The bank did not have any non performing non-SLR investments as at / for the year ended March 31, 2014 and March 31, 2013.

HARIBHAKTI & CO. MUMBAI CHARTERED ACCOUNTANTS

Credit Suisse AG Mumbai

9. Sale and transfer to/from HTM category

During the year ended March 31, 2014 and March 31, 2013, the Bank did not purchase any security under HTM category.

10. Forward rate agreement (FRA) / Interest Rate Swaps

The following table sets forth, for the periods indicated, the details of the forward rate agreements / interest rate swaps.

(Rs in '000)

Particulars	March 31, 2014	March 31, 2013
i) The notional principal of swap agreements[1]	222,871,235	250,599,255
ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements[2]	2,781,876	1,721,966
iii) Collateral required by the bank upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps (% exposure to banking sector)	96.36%	94.47%
v) The fair value of trading swap book	215,205	655,328

1. Excludes cross currency interest rate swaps.
2. Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements represent positive mark-to-market.

11. Exchange traded interest rate derivatives

The Bank has not entered into any exchange traded interest rate derivatives during the year ended March 31, 2014 and March 31, 2013.

12. Risk exposure in derivatives

The Bank is supervised by the Branch Manager ("BM") and the Local Management Committee ("LMC") comprising of key senior management in the Bank and permanent invitees from various functions with Credit Suisse. The LMC is supported by other committees for specific areas like the Asset Liability Management Committee ("ALCO"), Credit committee, Investment committee, Audit committee, Compliance committee etc.

There are processes and policies in place to support activities planned in the Bank. Apart from local policies, the Bank also adheres to Global Credit Suisse policies and best practices.

Credit risk management

Within Credit Suisse, the Credit Risk Management ('CRM team') is responsible for managing Credit Suisse's portfolio of credit risk and establishes broad policies and guidelines governing Credit Suisse's credit risk appetite. CRM team is headed globally by the Chief Credit Officer ('CCO') who reports directly to the Chief Risk Officer ('CRO') of Credit Suisse. Credit authority is delegated by the CCO to specific senior CRM team personnel based on each person's knowledge, experience and capability. These delegations of credit authority are reviewed periodically. Credit authorisation is separated from line functions. At Headquarters in Zurich, the Capital Allocation and Risk Management Committee ('CARMC'), in addition to its responsibilities for market risk described below, is also responsible for maintaining credit policies and processes, evaluating country, counterparty and transaction risk issues, applying senior level oversight for the credit review process and ensuring global consistency and quality of the credit portfolio. CARMC regularly reviews credit limits measuring country, geographic region and product concentrations, as well as impaired assets and recommended loan loss provisions.

Globally, Credit Suisse utilises an internal counterparty rating scale assess the probability of default, which approximates that used by the major public rating agencies (ranging from AAA as the best to D as the worst) and applies this grading measure against all of its counterparties. Credit Suisse takes a proactive approach to rating each of its counterparties and obligors and, as a result, internal ratings may deviate from those assigned by public rating agencies. All counterparties are assigned a credit rating as noted above. The intensity and depth of analysis is related to the amount, duration and level of risk being proposed together with the perceived credit quality of the counterparty/issuer/obligor in question. Analysis consists of a quantitative and qualitative portion and strives to be forward looking, concentrating on economic trends and financial fundamentals. In addition, analysts make use of peer analysis, industry comparisons and other quantitative tools, including a quantitative model based rating system. All final ratings also require the consideration of qualitative factors relating to the company, its industry and management. In addition to the aforementioned analysis, all counterparty ratings are subject to the rating of the country in which they are domiciled. Analysis of key sovereign an economic issues for all jurisdictions is undertaken and these are considered when assigning the rating and risk appetite for individual counterparties.

Each credit facility is approved by senior CRM team personnel who are experienced in making lending decisions. Each facility is covered by a legal agreement that is appropriate for the type of transaction. On a case-by-case basis, Credit Suisse mitigates its credit risk associated with lending and credit related activities. This may be accomplished by taking collateral or a security interest in assets and other means.

Country risk is the risk of a substantial, systemic loss of value in the financial assets of a country or group of countries, which may be caused by dislocations in the credit, equity, and/or currency markets. Credit Suisse's major operating divisions all assume country risk in a variety of ways. The setting of limits for this risk is the responsibility of CARMC based on recommendations of CRM team, Strategic Risk Management ('SRM') and Credit Suisse's economists. Country limits for emerging markets are approved by the Chairman's Committee of the Board of Directors of Credit Suisse Group, a portion of which is delegated to CARMC. For trading positions, country risk is a function of the mark-to-market exposure of the position, while for loans and related facilities country risk is a function of the amount that Credit Suisse has lent or committed to lend. The day-to-day management of country exposure is assigned to each of the core businesses in accordance with its business authorisations and limit allocations. Risk Analytics and Reporting ('RAR') and CRM team provide independent oversight to ensure that the core businesses operate within their limits. CRM team has the responsibility for periodically adjusting these limits to reflect changing credit fundamentals and business volumes.

The Bank leverages the CRM team expertise and processes within Credit Suisse to manage credit exposures arising from business transactions. The Businesses would be responsible for managing transactions within specified counterparty credit limits like Single Borrower and Group Borrower limits as prescribed by RBI, in consultation with CRM team.

MUMBAI
CHARTERED ACCOUNTANTS

Market risk management

Globally, Credit Suisse ensures that market risk is comprehensively captured, accurately modeled, reported and effectively managed. Trading and non-trading portfolios are managed at various organisational levels, from the overall risk positions at the Group level down to specific portfolios. Credit Suisse uses market risk measurement and management methods designed to meet or exceed industry standards. These include both general tools capable of calculating comparable exposures across our many activities as well as focused tools that can specifically model unique characteristics of certain instruments or portfolios. The tools are used for internal market risk management, internal market risk reporting and external disclosure purposes. The principal measurement methodologies are VaR and scenario analysis. Additionally, the market risk exposures are also reflected in our economic capital calculations. The risk management techniques and policies are regularly reviewed to ensure that they remain appropriate.

At a local level, the bank uses Value at Risk (VaR) and Interest Rate Sensitivity (Dv01) as some of the key measures of monitoring Market Risk arising from transactions. SRM reviews the Bank business requirements and approve suitable limits in consultation with the Business. Scenario analysis results are reported to the ALCO & Local Management committee on quarterly basis.

The Bank Market Risk exposure is an aggregate of Banking book and Trading book exposures. Treasury desk is responsible for Banking book exposures within the Bank, unless another desk is specifically authorised to run such exposures. Trading desk (FX/Derivatives/Bonds etc.) would run positions within their mandated exposure limits.

The following table sets forth the details of derivative positions at March 31, 2014

(Rs in '000)

Sr. No.	Particulars	Currency derivatives[1]	Interest rate derivatives
(i)	Derivatives (Notional Principal Amount)		
	a) For hedging	44,636,675	-
	b) For trading	698,768,891	222,871,235
(ii)	Marked to Market Positions[2]		
	a) Asset (+)	15,244,039	2,781,876
	b) Liability (-)	15,063,993	2,566,671
(iii)	Credit Exposure	29,559,386	4,570,062
(iv)	Likely impact of one percentage change in interest rate (100*PV01)		
	a) on hedging derivatives	(90,810)	-
	b) on trading derivatives	5,491	(15,494)
(v)	Maximum and Minimum of 100*PV01 observed during the year		
	a) i) on hedging (Maximum)	(22,031)	-
	ii) on hedging (Minimum)	(164,796)	-
	b) i) on trading (Maximum)	5,542	135,743
	ii) on trading (Minimum)	(9,568)	(195,382)

1. Includes cross currency interest rate swaps.
2. Pertains to MTM on trading positions.

HARIBHAKTI & CO. MUMBAI CHARTERED ACCOUNTANTS

Credit Suisse AG Mumbai

The following table sets forth the details of derivative positions at March 31, 2013

(Rs in '000)

Sr. No.	Particulars	Currency derivatives[1]	Interest rate derivatives
(i)	Derivatives (Notional Principal Amount)		
	a) For hedging	-	-
	b) For trading	492,551,297	250,599,255
(ii)	Marked to Market Positions		
	a) Asset (+)	4,660,581	1,721,966
	b) Liability (-)	4,664,065	1,066,637
(iii)	Credit Exposure	14,832,347	3,604,527
(iv)	Likely impact of one percentage change in interest rate (100*PV01)		
	a) on hedging derivatives	-	-
	b) on trading derivatives	(20,894)	58,845
(v)	Maximum and Minimum of 100*PV01 observed during the year		
	a) on hedging	-	-
	b) i) on trading (Maximum)	157,177	227,378
	ii) on trading (Minimum)	(65,061)	(2,731)

1. Includes cross currency interest rate swaps.

13. Asset Quality

The Bank has no non-performing advances, accounts restructured, sale of financial assets to Securitisation / Reconstruction company or purchase / sale of non-performing financial assets during the year ended March 31, 2014 and March 31, 2013.

14. Provisions on Standard Assets

The Bank makes provision on standard assets as per applicable RBI guidelines. The provision on standard assets held by the Bank at March 31, 2014 was Rs. 188,695 thousand (March 31, 2013 – Rs. 91,949 thousand).

HARIBHAKTI & CO. MUMBAI CHARTERED ACCOUNTANTS

Credit Suisse AG Mumbai

15. Exposure to Real Estate Sector and Capital Market

The following table sets forth, for the periods indicated, the details of exposure to real estate sector.

(Rs in '000)

Category	March 31, 2014	March 31, 2013
a) Direct exposure		
(i) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans eligible for inclusion in priority sector advances may be shown separately)	-	-
(ii) Commercial Real Estate – Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	-	-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures – a. Residential, b. Commercial Real Estate.	-	-
b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	3,725,810	1,205,592
Total Exposure to Real Estate Sector	**3,725,810**	**1,205,592**

The Bank has no direct or indirect exposure to capital market and hence the disclosures on capital market are not applicable to the Bank for the year ended March 31, 2014 and March 31, 2013 respectively.

16. Risk Category wise Country Exposure

The following table sets forth, for the periods indicated, the details of exposure (net) and provision held by the Bank.

(Rs in '000)

Risk category	Exposure (net) at March 31, 2014	Provision held at March 31, 2014	Exposure (net) at March 31, 2013	Provision held at March 31, 2013
Insignificant	1,901,048	-	1,002,967	867
Low	9,223	-	-	-
Moderate	-	-	-	-
High	-	-	-	-
Very High	-	-	-	-
Restricted	-	-	-	-
Off-credit	-	-	-	-
Total	1,910,271	-	1,002,967	867
-Of which: funded	360,361	-	358,633	867

HARIBHAKTI & CO. MUMBAI CHARTERED ACCOUNTANTS

Credit Suisse AG Mumbai

17. Details of Single Borrower Limit and Borrower Group Limit exceeded by the Bank

During the year ended 31 March 2014 and 31 March 2013 respectively, the Bank has not exceeded single borrower or group borrower exposure limit.

18. Unsecured advances

The Bank has not made any unsecured advances against intangible securities such as charge over the rights, licenses or authoritisations for the year ended 31 March 2014 and 31 March 2013.

19. Provision for income tax made during the year

(Rs in '000)

Particulars	Year ended	
	March 31, 2014	March 31, 2013
Provision for income tax (including deferred tax)	532,786	651,094

20. Floating provisions

The Bank has no floating provisions for the year ended March 31, 2014 (March 31, 2013 – Nil).

21. Drawdown from reserves

The Bank has not drawn down any amount from reserves for the year ended March 31, 2014 (March 31, 2013 – Nil).

22. Disclosure on letters of comfort (LoCs) issued by the Bank

The Bank has not issued any letters of comfort for the year ended March 31, 2014 (March 31, 2013 - Nil).

23. Provisioning coverage ratio

The Bank has no non performing advances as on March 31, 2014 (March 31, 2013 - Nil) and hence this disclosure is not applicable.

24. Bancassurance business

The Bank has no bancassurance business for the year ended March 31, 2014 (March 31, 2013 – Nil).

HARIBHAKTI & CO. * CHARTERED ACCOUNTANTS * MUMBAI

Credit Suisse AG Mumbai *

25. Concentration of deposits, advances, exposures and NPAs

i) Concentration of deposits

(Rs in '000)

	March 31, 2014	March 31, 2013
Total deposits of twenty largest depositors	32,240,110	4,177,008
Percentage of deposits of twenty largest depositors to total deposits of the bank	61.21%	100.00%

ii) Concentration of advances

(Rs in '000)

	March 31, 2014	March 31, 2013
Total advances to twenty largest borrowers (including banks)	36,856,649	19,806,146
Percentage of advances to twenty largest borrowers to total advances of the bank	85.53%	86.16%

iii) Concentration of exposures

(Rs in '000)

	March 31, 2014	March 31, 2013
Total exposure to twenty largest borrowers / customers	49,399,816	24,679,394
Percentage of exposures to twenty largest borrowers / customers to total exposure of the bank on borrowers / customers	62.46%	79.39%

iv) Concentration of NPAs

The Bank has no NPAs as on March 31, 2014 (March 31, 2013 – Nil) and hence the disclosure on concentration of NPAs is not applicable.

26. Sector wise NPAs

The Bank has no NPAs as on March 31, 2014 (March 31, 2013 – Nil) and hence this disclosure is not applicable.

27. Movement of NPAs

The Bank has no NPAs as on March 31, 2014 (March 31, 2013 – Nil) and hence this disclosure is not applicable.

HARIBHAKTI & CO. MUMBAI CHARTERED ACCOUNTANTS

Credit Suisse AG Mumbai

28. Overseas assets, NPAs and revenue

The Bank has no overseas operations and hence the overseas assets, NPAs and revenue as on / for the year ended March 31, 2014 is Nil (March 31, 2013 – Nil).

29. Off-balance sheet SPVs sponsored

There are no off-balance sheet SPVs sponsored by the Bank for the year ended March 31, 2014 (March 31, 2013 - Nil).

30. Employee Benefits

Gratuity		**(Rs in '000)**
Particulars	**March 31, 2014**	**March 31, 2013**
Reconciliation of opening and closing balance of the present value of the defined benefit obligation		
Present value of obligation as at April 1	12,980	6,286
Interest cost	1,583	1,057
Current service cost	7,107	5,869
Benefits paid	(602)	-
Actuarial (gain)/loss on obligation	2,376	(232)
Present value of obligation as at March 31	**23,444**	**12,980**
Reconciliation of opening and closing balance of the fair value of the plan assets		
Fair value of plan assets as at April 1	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets as at March 31	**-**	**-**
Amount recognised in Balance sheet		
Fair value of plan assets as at March 31	-	-
Present value of obligation as at March 31	23,444	12,980
Asset/(Liability) as at March 31	(23,444)	(12,980)
Expenses recognised in Profit and Loss Account		
Interest Cost	1,583	1,057
Current Service cost	7,107	5,869
Expected return on plan assets	-	-
Net Actuarial (gain)/loss recognised in the year	2,376	(232)
Net Cost	**11,066**	**6,694**

Assumptions	March 31, 2014	March 31, 2013
Valuation Method	Projected Unit Credit	Projected Unit Credit
Discount rate	9.00% per annum	8.00% per annum
Expected return on plan assets	N.A.	N.A.
Mortality	IALM (2006-08) Ultimate	LIC (1994-96) Ultimate
Salary escalation rate	12.0% per annum	12.0% per annum
Retirement	58 years	58 years

31. Employees Share-based Payments

a. Method adopted for valuation:
The Branch grants shares in its ultimate parent, Credit Suisse Group to certain employees. Stock compensation expenses under the "Fair Value Method" are determined based on the "Fair Value of the Share Awards" and amortized over the vesting period.

b. Nature and extent of Employee Share-based Payment Plans:
Incentive Share Units (ISU), Scaled Incentive Share Units (SISU),
Special Share Awards, Phantom Share Awards, Performance Share Awards and Adjustable Performance Plan Share awards.

c. Number of stock awards granted during year ended March 31, 2014 (March 31, 2013)
25,447 (March 31, 2013 – 39,213) Phantom Share Awards granted during the year.

Nil (March 31, 2013 – 3,009) Special Phantom Share Awards granted during the year.

27,316 (March 31, 2013 – 16,041) Performance Share Awards granted during the year.

Nil (March 31, 2013 – 2,259) Adjustable Performance Plan Share Awards granted during the year.

The average weighted fair value of awards granted was Rs. 1,908 (CHF 28.13) (March 31, 2013 - Rs 1,474 (CHF 25.86)).

d. Method and assumptions for arriving of the Fair Value of Share Awards
The fair value of share awards is equal to the fair value of the shares at the grant date, adjusted for changes in market price as at the Balance Sheet date.

e. Expenses recognised on account of "Employees Share-based Payment" is Rs 108,704 thousand (March 31, 2013 - Rs 60,425 thousand) and carrying amount as at March 31, 2014 is Rs 106,075 thousand (March 31, 2013 - Rs 34,519 thousand).

32. Compensation Guidelines

Bank has complied with the Compensation Guidelines issued by RBI vide DBOD No.BC. 72 /29.67.001/2011-12 dated January 13, 2012, hence this disclosure is not applicable.

Credit Suisse AG Mumbai

MUMBAI CHARTERED ACCOUNTANTS

33. Leases

The Bank entered into leasing arrangements for commercial properties. The lease rental of Rs 46,611 thousand (March 31, 2013 - Rs 40,316 thousand) has been included under Operating Expenses – Rent, Taxes and Lighting (Schedule 16 II) in the Profit and Loss Account.

The future minimum lease payments under non-cancellable operating leases are as follows

(Rs in '000)

Particulars	March 31, 2014	March 31, 2013
Not later than one year	43,835	43,727
Later than one year and not later than five years	51,814	95,648
Later than five years	-	-
Total	**95,649**	**139,375**

34. Segment Reporting

The segmental classification to the respective segments conforms to the guidelines issued by RBI vide DBOD.No.BP.BC.81/21.01.018/2006-07 dated April 18, 2007. As required under the above guidelines the following business segments have been reported

- **Treasury** primarily includes Trading and Money Market operations, Investment Banking, Derivatives and Foreign Exchange operations

- **Wholesale Banking** This segment comprises banking services / facilities to corporates and other business entities.

- **Retail Banking** constitutes banking services/ facilities to individuals.

Revenues and expenses directly attributable to each segment are included in determining the segments result. Assets employed by a segment or assets that are directly attributable to that segment are included in segment assets. Liabilities that result from operations of a segment, Head office account and Reserves and surplus are included in segment liabilities. Segment revenue includes earnings from external customers. All liabilities are managed by central treasury unit, which pools all funds and lends to the business units at appropriate rates based on the relevant maturity of assets.

Geographic Segments

The Bank renders its services within one geographical segment and has no offices or significant assets outside India.

HARIBHAKTI & CO. MUMBAI CHARTERED ACCOUNTANTS

Credit Suisse AG Mumbai

CREDIT SUISSE
Credit Suisse AG, Mumbai branch

Segment reporting for the year ended March 31, 2014 is given below

(Rs in '000)

Sr. No.	Particulars	Treasury	Wholesale	Retail	Other banking business	Total
1	Segment revenue	3,887,416	959,033	523,495	-	5,369,944
2	Less: Inter segment revenue					1,392,205
3	Income from operations (1) – (2)					3,977,739
4	Segment results	1,337,563	(37,699)	(69,392)	-	1,230,472
5	Unallocated expenses					-
6	Operating Profit / (loss) (4) – (5)					1,230,472
7	Income taxes (incl. deferred tax)					532,786
8	Extraordinary profit / (loss)					-
9	Net profit / (loss) (6) – (7) – (8)					697,686
10	Segment assets	67,258,925	8,606,640	13,846	-	75,879,411
11	Unallocated assets[1]					441,300
12	Total assets (10) + (11)					76,320,711
13	Segment liabilities[2]	22,893,278	8,127,912	45,299,521	-	76,320,711
14	Unallocated liabilities					-
15	Total liabilities (13) + (14)					76,320,711
16	Capital expenditure	41	10	5	-	56
17	Depreciation	13,601	3,355	1,832	-	18,788

1. Represents advance tax (net) and deferred tax asset (net)
2. Includes share capital and reserves and surplus.

Segment reporting for the year ended March 31, 2013 is given below

(Rs in '000)

Sr. No.	Particulars	Treasury	Wholesale	Retail	Other banking business	Total
1	Segment revenue	3,000,198	286,175	-	-	3,286,373
2	Less: Inter segment revenue					212,538
3	Income from operations (1) – (2)					3,073,835
4	Segment results	1,851,555	(295,983)	(30)	-	1,555,542
5	Unallocated expenses					-
6	Operating Profit / (loss) (4) – (5)					1,555,542
7	Income taxes (incl. deferred tax)					651,094
8	Extraordinary profit / (loss)					-
9	Net profit / (loss) (6) – (7) – (8)					904,448
10	Segment assets	29,253,258	4,646,456	-	-	33,899,714
11	Unallocated assets[1]					244,085

MUMBAI CHARTERED ACCOUNTANTS

Credit Suisse Mumbai

12	Total assets (10) + (11)					34,143,799
13	Segment liabilities²	29,888,635	4,249,707	5,457	-	34,143,799
14	Unallocated liabilities					-
15	Total liabilities (13) + (14)					34,143,799
16	Capital expenditure	19,239	1,835	-	-	21,074
17	Depreciation	14,465	1,380	-	-	15,845

1. Represents advance tax (net) and deferred tax asset (net)
2. Includes share capital and reserves and surplus.

35. Related Party Disclosures

As per AS - 18, Related Party Disclosure, issued by the ICAI, the Bank's related parties are disclosed below:

Parent of Head office
Credit Suisse Group AG

Parent and its branches
Credit Suisse AG and its branches

Enterprises under common control with whom the Bank has had transactions during the year
Credit Suisse Consulting (India) Private Limited
Credit Suisse Securities (India) Private Limited
Credit Suisse Finance (India) Private Limited
Credit Suisse Business Analytics (India) Private Limited
Credit Suisse Business Management (India) Private Limited
Credit Suisse Services (India) Private Limited
CJSC "Bank Credit Suisse (Moscow)"
Credit Suisse (Hong Kong) Limited
Credit Suisse Securities (Europe) Limited
Credit Suisse (Singapore) Limited

Key Management Personnel
Mr. Sanjeev Bajaj, Branch Manager
There is only one related party entity in the category of 'Key Management Personnel' and keeping in view the secrecy clauses and in terms of RBI circular DBOD.No.BP.BC.89/21.04.018/ 2002-03 dated March 29, 2003, no disclosure under AS-18 is made other than reporting the relationship with the related party.

HARIBHAKTI & CO. * MUMBAI * CHARTERED ACCOUNTANTS

Credit Suisse AG Mumbai

The Bank's related party balances and transactions as on / for the year ended March 31, 2014 are summarised as follows:

(Rs in '000)

Items	Parent and its branches	Maximum outstanding during the year	Enterprises under common control	Maximum outstanding during the year
Transactions during the year				
Rent and reimbursements	25,129		79,799	
Profit on derivative transaction	302,400		1,328,648	
Income for services rendered	58,850		-	
Interest on borrowings	4,025		-	
Interest on deposits	-		446,100	
Borrowings	3,237,064		-	
Term Deposits	-		36,317,000	
Derivatives (Notional)	190,436,537		205,616,287	
Closing balances				
Payable to related parties	10,163	47,015	105,360	4,366,116
Security deposit receivable	-	-	25,489	25,489
Mark to Market on derivatives	574,987	953,535	-	-
Interest payable	611	2,766	65,330	155,615
Current deposits	-	-	139,970	1,768,081
Term deposits	-	-	7,544,000	9,469,000
Borrowings	718,980	2,388,540	-	-
Nostro Balance	1,475	323,065	9,223	51,451
Derivatives (Notional)	33,430,646	55,106,486	31,383,238	76,107,911

The Bank's related party balances and transactions as on / for the year ended March 31, 2013 are summarised as follows:

(Rs in '000)

Items	Parent and its branches	Maximum outstanding during the year	Enterprises under common control	Maximum outstanding during the year
Transactions during the year				
Rent and reimbursements	-		73,656	
Profit on derivative transaction	54,582		37,415	
Income for services rendered	42,216		-	
Interest on borrowings	18,772		-	
Interest on deposits	-		312,546	
Borrowings	12,512,693		-	
Term Deposits	-		26,625,000	
Fixed asset purchased			6,445	
Purchase of Investments			312,283	
Sale of Investments			722,450	
Derivatives (Notional)	207,949,722		9,961,381	
Closing balances				
Payable to related parties	91,038	134,799	8,883	24,577
Security deposit receivable	-	-	25,489	25,489
Mark to Market on derivatives	140,595	210,146	-	9,723
Interest payable	558	4,373	27,483	72,454
Current deposits	-	-	67,922	2,524,530

MUMBAI
CHARTERED ACCOUNTANTS

Mumbai

Term deposits	-	-	4,009,912	5,843,912
Borrowings	2,388,540	3,796,035	-	-
Nostro Balance	5,565	23,636	5,963	5,963
Derivatives (Notional)	12,237,529	20,388,413	900,000	3,080,360

36. Other expenses

Other expenses include cost allocation expenses of Rs 21,454 thousand (March 31, 2013 – Rs 22,690 thousand).

37. Penalties levied by the RBI

During the financial year ended 31 March 2014, no penalty has been levied by Reserve Bank of India (31 March 2013, aggregate of Rs 700 thousand levied as penalty charges by Reserve Bank of India and Clearing Corporation of India on account of an instance of SGL Bouncing).

38. Disclosure of complaints

The following table sets forth status of customer complaints

	Particulars	March 31, 2014	March 31, 2013
a)	No. of complaints pending at the beginning of the year	-	-
b)	No. of complaints received during the year	-	-
c)	No. of complaints redressed during the year	-	-
d)	No. of complaints pending at the end of the year	-	-

The following table sets forth status of awards

	Particulars	March 31, 2014	March 31, 2013
a)	No. of unimplemented awards at the beginning of the year	-	-
b)	No. of awards passed by the Banking Ombudsmen during the year	-	-
c)	No. of awards implemented during the year	-	-
d)	No. of unimplemented awards at the end of the year	-	-

39. Small and Micro Industries

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments.

40. Disclosures relating to securitisation

The Bank has not sponsored any SPVs for securitization transactions during the year and no securitization transaction stands outstanding as at 31 March 2014 and 31 March 2013, hence this disclosure is not applicable.

41. **Credit Default Swaps**

The Bank has no Credit Default Swaps (CDS) as on March 31, 2014 (March 31, 2013 – Nil) and hence this disclosure is not applicable.

42. **Comparative figures**

Figures of the previous period have been re-grouped to conform to the current year presentation.

For **Credit Suisse AG - Mumbai branch**

Sanjeev Bajaj
Chief Executive Officer

Reetesh Gupta
Director - Financial Accounting

HARIBHAKTI & CO. * CHARTERED ACCOUNTANTS * MUMBAI

Credit Suisse AG Mumbai