

**AMERICAN EXPRESS BANKING CORP. - INDIA BRANCH**  
**(INCORPORATED IN THE UNITED STATES OF AMERICA)**  
**CONDENSED PROFIT AND LOSS ACCOUNT FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30 2022**

*Amount in INR '000*

Particulars	Quarter ended September 30, 2022	Quarter ended September 30, 2021	Half Year ended September 30, 2022	Half Year ended September 30, 2021	Year ended March 31, 2022
<b>INCOME</b>					
Interest Earned	1,506,563	1,318,712	2,876,481	2,626,107	5,295,710
Other Income	3,020,809	2,315,054	6,024,047	4,043,732	9,366,073
<b>TOTAL INCOME</b>	<b>4,527,372</b>	<b>3,633,766</b>	<b>8,900,528</b>	<b>6,669,839</b>	<b>14,661,783</b>
<b>EXPENDITURE</b>					
Interest Expended	296,200	261,510	570,292	514,221	1,069,998
Operating Expenses	3,562,534	3,271,121	7,236,498	6,465,681	12,576,525
<b>TOTAL EXPENDITURE (excluding Provisions &amp; Contingencies)</b>	<b>3,858,734</b>	<b>3,532,631</b>	<b>7,806,790</b>	<b>6,979,902</b>	<b>13,646,523</b>
<b>OPERATING PROFIT (Profit before Provisions &amp; Contingencies)</b>	<b>668,638</b>	<b>101,135</b>	<b>1,093,738</b>	<b>(310,063)</b>	<b>1,015,260</b>
Provisions and Contingencies	(144,228)	454,712	517,007	434,409	1,064,646
Exceptional Items					
<b>Net Profit / (Loss) from Ordinary activity before tax</b>	<b>812,866</b>	<b>(353,577)</b>	<b>576,731</b>	<b>(744,472)</b>	<b>(49,386)</b>
Tax Expenses					
<b>Net Profit / (Loss) from Ordinary activity after tax</b>	<b>812,866</b>	<b>(353,577)</b>	<b>576,731</b>	<b>(744,472)</b>	<b>(49,386)</b>
<b>Paid-up equity share capital</b>	<b>22,153,299</b>	<b>22,153,299</b>	<b>22,153,299</b>	<b>22,153,299</b>	<b>22,153,299</b>
<b>Reserves excluding revaluation reserves</b>					
<b>(as per balance sheet of previous accounting year)</b>	<b>487,531</b>	<b>487,531</b>	<b>487,531</b>	<b>487,531</b>	<b>487,531</b>
<b>Analytical Ratios</b>					
(i) Percentage of shares held by Government of India	-	-	-	-	-
(ii) Capital Adequacy Ratio					
(a) CET 1 Ratio	18.24%	19.55%	18.24%	19.55%	18.24%
(b) Additional Tier 1 Ratio					
(iii) Earning per share					
(iv) (a) Amount of gross non-performing assets	3,212,325	1,559,794	3,212,325	1,559,794	2,273,532
(b) Amount of net non-performing assets	544,564	218,975	544,564	218,975	204,920
(c) % of gross NPAs	7.88%	4.51%	7.88%	4.51%	5.86%
(d) % of net NPAs	1.43%	0.66%	1.43%	0.66%	0.56%
(v) Return on Assets (annualised)	3.67%	-1.94%	1.30%	-2.04%	-0.07%

For and on behalf of  
American Express Banking Corp.- India Branch

Sanjay Khanna  
Chief Executive Officer

Rupesh Satapathy  
Financial Controller

Place: Gurugram  
November 25, 2022

**AMERICAN EXPRESS BANKING CORP. - INDIA BRANCH  
(INCORPORATED IN THE UNITED STATES OF AMERICA)**

**NOTES**

**1. CONDENSED BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Particulars	<i>Amount in INR '000</i>		
	As at September 30, 2022	As at March 31, 2022	As at September 30, 2021
<b>CAPITAL AND LIABILITIES</b>			
Capital	22,153,299	22,153,299	22,153,299
Reserves and Surplus	487,531	487,531	487,531
Deposits	31,844,550	28,180,680	27,161,016
Borrowings	25,328,125	21,046,741	16,006,044
Other Liabilities and Provisions	15,850,453	14,907,723	15,438,303
<b>Total</b>	<b>95,663,958</b>	<b>86,775,974</b>	<b>81,246,193</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	3,045,608	2,375,608	2,155,697
Balances with Banks and Money at Call and Short Notice	72,693	77,404	1,186,296
Investments	39,310,209	30,974,058	32,504,532
Advances	38,053,812	36,709,513	33,207,167
Fixed Assets	5,188,645	5,575,702	2,326,083
Other Assets	9,992,991	11,063,689	9,866,418
<b>Total</b>	<b>95,663,958</b>	<b>86,775,974</b>	<b>81,246,193</b>
Contingent Liabilities	3,533,583	3,511,263	3,075,938
Bills for Collection	-	-	-

**2. CONDENSED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022**

	<i>Amount in INR '000</i>	
	As at September 30, 2022	As at September 30, 2021
A Net Cash Flow (used in)/from operating activities	(3,327,686)	1,578,556
B Net Cash Flow (used in)/from Investing activities	(288,409)	(2,131,350)
C Net Cash Flow from/(used in)Financing activities	4,281,384	321,010
<b>Net Increase/(Decrease) in cash and cash equivalents (A+B+C)</b>	<b>665,289</b>	<b>(231,784)</b>
Cash and cash equivalents at beginning of period	2,453,012	3,573,777
Cash and cash equivalents at end of period	3,118,301	3,341,993
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>665,289</b>	<b>(231,784)</b>

**AMERICAN EXPRESS BANKING CORP. - INDIA BRANCH  
(INCORPORATED IN THE UNITED STATES OF AMERICA)**

3. The above financial results comprising condensed Balance Sheet, condensed Profit & Loss Account, condensed Cash Flow Statement, and relevant notes for the half year ended September 30, 2022 have been reviewed and approved by Country Executive Committee of the Bank at its meeting held on November 25, 2022. The above results have been reviewed by the statutory auditors of the Bank. The report thereon is unmodified.
4. The financial results have been prepared in accordance with the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India from time to time to the extent applicable, recognition and measurement principles including use of estimates given in Accounting Standard (AS) 25 on 'Interim Financial Reporting' as prescribed under Companies Act, 2013. The Bank has applied its significant accounting policies in the preparation of financial results for half year ended September 30, 2022 in line with those followed in the annual financial statements for the year ended March 31, 2022.
5. The Bank has recognised Banking Operations and Treasury operations, as the primary reporting Business Segments, in accordance with the RBI guidelines on compliance with Accounting Standard – 17 issued by Institute of Chartered Accountants of India as specified under Section 133 of Companies Act, 2013 read with Companies (Accounting Standards) Rules, 2021. Banking Operations include card operations and institutional deposits. Interest income and expense (other than those identified with the Treasury Operations), other identified income and operating expenses are reckoned in the operating results of this segment. Treasury activities are limited to managing liquidity and funding requirements for business operations of the bank as a support function and doesn't undertake any independent business activity such as trading investments, derivatives, etc. It includes the investments and balance in bank account to meet the Statutory Liquidity Ratio (SLR), Liquidity Coverage Ratio (LCR) and maintenance of Cash Balances to meet the Cash Reserve Ratio (CRR) requirement and the corresponding funding to meet these requirements. The interest income and interest expenses related to these activities comprise the revenue and expense of this segment.
6. In the aftermath of COVID-19 pandemic, the economy is still on the stage of revival. On account of uncertainties including travel restrictions arising from the COVID-19 pandemic across the world and in India, the extent to which the same will impact the Bank's operations and financial position will depend on various aspects including actions taken to mitigate its impact and other regulatory measures. The Bank holds provisions amounting to INR 23,000 ('000) as at September 30, 2022 (March 31, 2022 INR 23,000 ('000)) against the potential impact of COVID-19 based on the information available at this point in time. The provisions held by the bank are in excess of the RBI prescribed norms.

**7. Advances**

Loans and Advances comprise card outstanding and loans to staff. Loans and Advances are stated net of specific provision made towards Non-Performing Assets (NPAs) and provision towards diminution on restructured advances. Advances under card receivables are maintained at the card member level.

Provision for NPAs on card balances outstanding is made at card member level as per Bank's credit loss provisioning policy in accordance with the prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances issued by the Reserve Bank of India and are monitored and tracked at a portfolio level. Corporate clients who are solely or jointly liable, are classified based on their overdue amounts. In the case of sub-standard assets, in addition to minimum provision requirement prescribed by RBI, the bank makes an additional provision based on best estimate of probable losses. During the half year ended 30<sup>th</sup> September, 2022, the Bank has reassessed the estimate of probable losses, which has resulted in a decrease in provisions by INR 241,587 ('000). The interest and other income on non-performing assets is not recognised as income until realised.

Provision for Standard Assets and Unhedged Foreign Currency Exposure is made in compliance with the prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances issued by the Reserve Bank of India and disclosed under Other Liabilities and Provisions. Provision for Standard Assets are monitored for sufficiency using the write off rates basis historical trend at a portfolio level.

During the half year ended 30<sup>th</sup> September 2022, the Bank, in accordance with RBI guidelines on prudential norms on Income Recognition, Asset Classification and Provisioning (IRAC), read together with paragraph on upgradation of Non-

**AMERICAN EXPRESS BANKING CORP. - INDIA BRANCH  
(INCORPORATED IN THE UNITED STATES OF AMERICA)**

Performing Assets (NPAs) has re-assessed its practice to upgrade NPAs to 'standard' only if entire arrears of interest and principal are paid by the borrower. This has resulted in decrease in NPAs by INR 143,906 ('000).

8. The summary of the segmental information of the Bank for the half year ended September 30, 2022 are given below

(Amount in Rs. '000')

Segmentation	Banking operations		Treasury		Total	
	Half Year Ended September 30, 2022	Half Year Ended September 30, 2021	Half Year Ended September 30, 2022	Half Year Ended September 30, 2021	Half Year Ended September 30, 2022	Half Year Ended September 30, 2021
Segment revenue (a)	8,110,134	6,031,459	790,394	638,380	8,900,528	6,669,839
Segment expense (b)	7,921,882	6,943,195	401,915	471,116	8,323,797	7,414,311
Unallocated expenses (c)					-	-
<b>Segment result (d)= (a)-(b)-(c)</b>	<b>188,252</b>	<b>(911,736)</b>	<b>388,479</b>	<b>167,264</b>	<b>576,731</b>	<b>(744,472)</b>
<b>Inter-Segment Adjustment (e)*</b>	388,479	167,264	(388,479)	(167,264)	-	-
<b>Segment result after inter-segment Adjustment (d) + (e)</b>	<b>576,731</b>	<b>(744,472)</b>	-	-	<b>576,731</b>	<b>(744,472)</b>
Operating Profits /(Loss)					<b>576,731</b>	<b>(744,472)</b>
<i>Income taxes</i>					-	-
Extraordinary profit / (loss)					-	-
<b>Net profit (loss)</b>					<b>576,731</b>	<b>(744,472)</b>
<b>Other information:</b>						
Segment assets	47,232,189	39,684,612	42,355,862	34,669,296	89,588,051	74,353,908
Unallocated assets (Taxes and accumulated losses)					6,075,907	6,892,285
<b>Total assets</b>	<b>47,232,189</b>	<b>39,684,612</b>	<b>42,355,862</b>	<b>34,669,296</b>	<b>95,663,958</b>	<b>81,246,193</b>
Segment liabilities	30,667,266	23,936,067	42,355,862	34,669,296	73,023,128	58,605,363
Unallocated liabilities (Taxes, Capital and Reserve and Surplus)					22,640,830	22,640,830
<b>Total liability</b>	<b>30,667,266</b>	<b>23,936,067</b>	<b>42,355,862</b>	<b>34,669,296</b>	<b>95,663,958</b>	<b>81,246,193</b>

The Bank does not have any overseas operations and hence there is no geographical segment reporting.

\*Treasury activities are limited to managing liquidity and funding requirements for business operations of the bank as a support function and doesn't undertake any independent business activity such as trading investments, derivatives, etc.

9. Resolution Framework for COVID-19-related Stress

- i) In reference to RBI circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 on 'Resolution Framework for COVID-19-related Stress'(Resolution Framework 1.0), below are the details of accounts where resolution plan was implemented:

**AMERICAN EXPRESS BANKING CORP. - INDIA BRANCH  
(INCORPORATED IN THE UNITED STATES OF AMERICA)**

(Amount in Rs '000')

Particulars	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of half-year
Personal Loans	122,296	21,337	668	6,805	93,487
Corporate persons*	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>122,296</b>	<b>21,337</b>	<b>668</b>	<b>6,805</b>	<b>93,487</b>

\*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

- ii) In reference to RBI circular RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 on 'Resolution Framework for COVID-19-related Stress'(Resolution Framework 2.0), below are the details of accounts where resolution plan was implemented:

(Amount in Rs '000')

Particulars	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of half-year
Personal Loans	66,861	12,414	219	9,974	44,255
Corporate persons*	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
<b>Total</b>	<b>66,861</b>	<b>12,414</b>	<b>219</b>	<b>9,974</b>	<b>44,255</b>

\*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

10. Micro, Small and Medium Enterprises (MSME) Sector – Restructuring of Advances

In reference to RBI circular RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 06, 2020 on 'Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances' and RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 05, 2021 on 'Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs)', no MSME accounts were identified during the period where resolution plan was to be implemented.

11. On April 23rd, 2021, the Reserve Bank of India (RBI) imposed restrictions on the Bank from on-boarding new domestic customers onto its card network from May 1st, 2021. This direction was passed based on the findings that AEBC was not fully compliant with the requirements of Storage of Payment System Data. With effect from August 24<sup>th</sup>, 2022, the restriction

**AMERICAN EXPRESS BANKING CORP. - INDIA BRANCH  
(INCORPORATED IN THE UNITED STATES OF AMERICA)**

imposed has been lifted in view of the satisfactory compliance demonstrated by the Bank with the RBI circular dated April 6th, 2018 on Standard of Payment System Data.

12. Previous period figures have also been regrouped/ reclassified as appropriate to make them comparable with current period figures.

For and on behalf of  
American Express Banking Corp.- India Branch

Sanjay Khanna  
Chief Executive Officer

Rupesh Satapathy  
Financial Controller

Place: Gurugram  
Date: November 25, 2022