



AMERICAN EXPRESS BANKING CORP.

INDIA BRANCH

(INCORPORATED IN THE UNITED STATES OF AMERICA)

INDEPENDENT AUDITOR'S REPORT

To the Chief Executive Officer of American Express Banking Corp. - India Branch

Report on Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of American Express Banking Corp- India Branch ("the Bank"), which comprise the Balance Sheet as at March 31, 2025, and the Profit and Loss Account and the Cash Flow Statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements together with notes thereon give the information required by the provisions of Section 29 of the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ("the Act") and circulars and guidelines issued by Reserve Bank of India ("RBI"), in the manner so required for banking companies and are in conformity with accounting principles generally accepted in India and give a true and fair view of the state of affairs of the Bank as at March 31, 2025, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

4. The Bank's Management is not required to prepare an annual report. Accordingly, the requirement for our reporting on such other information is not applicable.

Responsibilities of management and those charged with governance for the Financial Statements

5. The Bank's management is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, and the provisions of Section 29 of the Banking Regulations Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India ("RBI") from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.
7. The management is also responsible for overseeing the Bank's financial reporting process.

Auditor's responsibilities for the audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one



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resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

12. The financial statements of the Bank for the year ended March 31, 2024, were audited by another firm of chartered accountants under the Act and the Banking Regulation Act, 1949, who, vide their report dated June 25, 2024, expressed an unmodified opinion on those financial statements.

Report on other legal and regulatory requirements

13. In our opinion, the Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Act.
14. As required by sub-section (3) of Section 30 of the Banking Regulation Act, 1949, we report that:
- (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - (b) the transactions of the Bank, which have come to our notice during the course of our audit, have been within the powers of the Bank;
 - (c) As the Bank has only one branch, we do not comment on the number of branches audited by us and manner of audit thereon;
15. Further, as required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except:
 - in case of certain books of accounts, the back-up has been maintained in electronic mode on servers physically located in India on a daily basis from the respective dates mentioned in Note No. IV.11.cc of Schedule 18 and
 - the matters stated in paragraph 15(j)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
 - (c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under Section 133 of the Act, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
 - (e) The requirements of Section 164(2) of the Act are not applicable to the Bank considering it is a branch of American Express Banking Corp. which is incorporated and registered in United States of America with limited liability.
 - (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in paragraph 15(b) above on reporting under Section 143(3)(b) and paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
 - (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Bank and the operating effectiveness of such controls, refer to our separate report in "Annexure A".



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- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Bank has disclosed the impact of pending litigations, if any, on its financial position in its financial statements - Refer Schedule 12 and Note IV.11(r) of Schedule 18 to the financial statements;
 - ii. The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts - Refer Schedule 5 and Note IV.11(c) of Schedule 18 to the financial statements. The Bank did not have any derivative contracts as at March 31, 2025.
 - iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Bank, during the year ended March 31, 2025;
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the schedules to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note IV.11.z (i) of Schedule 18 to the financial statements);
(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the schedules to the accounts, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note IV.11.z (ii) of Schedule 18 to the financial statements); and
(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The requirements of Section 123 of the Act are not applicable to the Bank considering it is a branch of American Express Banking Corp. which is incorporated and registered in the United States of America with limited liability. Hence reporting under Rule 11(f) of the Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable.
 - vi. Based on our examination, which included test checks, the Bank has used multiple accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility. However, in respect of
 - (i) the core accounting software, the audit trail feature was not enabled during the year;
 - (ii) five ancillary accounting software, sufficient and appropriate evidence regarding enabling of the audit trail feature was not available; and
 - (iii) three other accounting software operated by third party service providers, the independent service auditor's report did not include any information pertaining to audit trail.

Accordingly, we are unable to comment on the audit trail (edit log) feature in respect of the aforementioned accounting software. Further, the question of our commenting on whether the audit trail feature had operated throughout the year or was tampered with does not arise. Additionally, in the absence of sufficient and appropriate evidence, we are unable to comment whether the audit trail maintained in the prior year has been preserved by the Bank as per the statutory requirements for record retention.

16. The provisions of Section 197 of the Act are not applicable to the Bank by virtue of Section 35B(2A) of the Banking Regulation Act, 1949. Accordingly, the reporting under Section 197(16) of the Act regarding payment/ provision for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act, is not applicable.

For **Price Waterhouse LLP**

Firm Registration Number: 301112E/E300264
Chartered Accountants

Sharad Vasant

Partner

Membership Number: 101119

UDIN:25101119BMIFDO2295

Place: Mumbai

Date: June 25, 2025



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Annexure A to Independent Auditor's Report

Referred to in paragraph 15(g) of the Independent Auditor's Report of even date to the Chief Executive Officer of American Express Banking Corp. - India Branch on the financial statements as of and for the year ended March 31, 2025

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of American Express Banking Corp. - India Branch ("the Bank") as of March 31, 2025 in conjunction with our audit of the financial statements of the Bank for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Bank's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Bank has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse LLP

Chartered Accountants

Firm Registration Number: 301112E/E300264

Sharad Vasant

Partner

Membership Number: 101119

UDIN:25101119BMIFDO2295

Place: Mumbai

Date: June 25, 2025



AMERICAN EXPRESS BANKING CORP.

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BALANCE SHEET AS AT MARCH 31, 2025

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2025

(Amounts in INR. '000)

(Amounts in INR. '000)

Particulars	Schedule	As at March 31, 2025	As at March 31, 2024	Particulars	Schedule	Year ended March 31, 2025	Year ended March 31, 2024
CAPITAL AND LIABILITIES				INCOME			
Capital	1	22,153,299	22,153,299	Interest Earned	13	7,529,684	6,658,335
Reserves and Surplus	2	(3,735,294)	(3,869,221)	Other Income	14	19,170,689	15,416,022
Deposits	3	51,575,965	41,165,047	Total		26,700,373	22,074,357
Borrowings	4	27,657,841	26,821,128	EXPENDITURE			
Other Liabilities and Provisions	5	24,785,751	20,164,525	Interest Expended	15	2,987,770	2,087,434
Total		122,437,562	106,434,778	Operating Expenses	16	22,326,205	19,093,658
ASSETS				Provisions and Contingencies	17	1,252,471	231,034
Cash and Balances with Reserve Bank of India	6	3,699,985	3,630,508	Total		26,566,446	21,412,126
Balances with Banks and Money at Call and Short Notice	7	97,144	61,756	PROFIT / (LOSS)			
Investments	8	46,605,838	46,099,075	Net Profit for the Year		133,927	662,231
Advances	9	61,947,637	47,187,231	(Loss) brought forward		(4,699,324)	(5,195,964)
Fixed Assets	10	3,166,378	3,881,511			(4,565,397)	(4,533,733)
Other Assets	11	6,920,580	5,574,697	APPROPRIATIONS			
Total		122,437,562	106,434,778	Transfer to Statutory Reserve		33,482	165,558
Contingent Liabilities	12	3,995,345	4,106,918	Transfer to Investment Fluctuation Reserve		100,445	33
Bills for Collection		—	—	Balance carried over to Balance Sheet		(4,699,324)	(4,699,324)
Significant Accounting Policies and Notes to Financial Statements	18					(4,565,397)	(4,533,733)

The schedules referred above form an integral part of the Balance Sheet.

The schedules referred above form an integral part of the Profit and Loss Account.

This is the Balance Sheet referred to in our Report of even date.

This is the Profit and Loss Account referred to in our Report of even date.

For **Price Waterhouse LLP**
Chartered Accountants
Firm Registration No. 301112E/E300246

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

Sharad Vasant
Partner
Membership No. 101119

Sanjay Khanna
Chief Executive Officer

Rupesh Satapathy
Financial Controller

Place: Mumbai
Date: June 25, 2025

Place: Gurugram
Date: June 24, 2025



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CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025

(Amounts in INR. '000)

	Year ended March 31, 2025	Year ended March 31, 2024
Cash Flow from Operating activities		
Net profit before income tax	133,927	662,231
Adjustments for :		
Provision for standard advances	70,691	(19,839)
Provision for non-performing advances	337,157	(229,691)
Depreciation on fixed assets	1,350,396	1,304,613
Net loss on sale of fixed assets	92,464	112,460
Operating profit before working capital changes	1,984,635	1,829,774
Increase in investments	(506,763)	(5,140,020)
Increase in advances	(15,097,563)	(7,246,629)
Increase in deposits	10,410,918	9,022,886
Increase in other assets	(1,270,586)	(1,010,489)
Increase in other liabilities and provisions	4,550,535	2,458,371
Taxes paid (net)	(75,297)	(20,292)
A Net Cash Flow used in operating activities	(4,121)	(106,399)
Cash Flow from Investing activities		
Fixed assets purchased	(739,390)	(398,656)
Proceeds from sale of fixed assets	11,663	21,304
B Net Cash Flow used in Investing activities	(727,727)	(377,352)
Cash Flow from Financing activities		
Proceeds from Borrowings (net)	836,713	1,007,200
C Net Cash Flow from Financing activities	836,713	1,007,200
Net Increase in cash and cash equivalents (A+B+C)	104,865	523,449
Cash and cash equivalents at beginning of year	3,692,264	3,168,815
Cash and cash equivalents at end of year	3,797,129	3,692,264
Increase in cash and cash equivalents	104,865	523,449
Notes: Cash and cash equivalents represent		
Cash and Balances with Reserve Bank of India (refer schedule 6)	3,699,985	3,630,508
Balances with banks and money at call and short notice (refer schedule 7)	97,144	61,756
TOTAL	3,797,129	3,692,264

This is the Cash Flow Statement referred to in our Report of even date.

For **Price Waterhouse LLP**
Chartered Accountants
Firm Registration No. 301112E/E300246

Sharad Vasant
Partner
Membership No. 101119

Place: Mumbai
Date: June 25, 2025

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

Sanjay Khanna
Chief Executive Officer

Rupesh Satapathy
Financial Controller

Place: Gurugram
Date: June 24, 2025



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SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

	(Amounts in INR. '000)			(Amounts in INR. '000)	
	As at March 31, 2025	As at March 31, 2024		As at March 31, 2025	As at March 31, 2024
SCHEDULE 1 – CAPITAL			SCHEDULE 4 – BORROWINGS		
Amount of deposit kept with Reserve Bank of India (RBI) under section 11 (2) of the Banking Regulation Act, 1949	879,123	666,038	I. BORROWINGS IN INDIA		
	<u>879,123</u>	<u>666,038</u>	Reserve Bank of India	–	–
HEAD OFFICE ACCOUNT			Other banks	4,627,541	3,790,828
Opening balance	22,153,299	22,153,299	II. BORROWINGS OUTSIDE INDIA		
Additions during the year	–	–	Tier 2 Debt Capital raised in the form of Head Office Borrowings in Foreign Currency [Refer Note IV.11. f of Schedule 18]	23,030,300	23,030,300
Closing balance	<u>22,153,299</u>	<u>22,153,299</u>		<u>27,657,841</u>	<u>26,821,128</u>
SCHEDULE 2 – RESERVES AND SURPLUS			Secured borrowings included in I and II above	–	–
I. STATUTORY RESERVES			SCHEDULE 5 – OTHER LIABILITIES AND PROVISIONS		
Opening balance	829,596	664,038	I. Bills payable	–	–
Additions during the year	33,482	165,558	II. Inter-office adjustments (net)	–	–
Closing balance	<u>863,078</u>	<u>829,596</u>	III. Interest accrued	1,717,143	1,276,097
II. INVESTMENT FLUCTUATION RESERVE			IV. Others (including provisions) *	23,068,608	18,888,428
Opening balance	507	474		<u>24,785,751</u>	<u>20,164,525</u>
Additions during the year	100,445	33	* Refer Note IV.11.h and IV.11.m of Schedule 18		
Closing balance	<u>100,952</u>	<u>507</u>	SCHEDULE 6 – CASH AND BALANCES WITH RESERVE BANK OF INDIA		
III. Balance of Profit and Loss Account	(4,699,324)	(4,699,324)	I. Cash in hand (including foreign currency notes)	–	–
	<u>(3,735,294)</u>	<u>(3,869,221)</u>	II. Balances with Reserve Bank of India		
SCHEDULE 3 – DEPOSITS			i) In Current Account	3,699,985	3,630,508
A. In India			ii) In Other Accounts	–	–
I. DEMAND DEPOSITS				<u>3,699,985</u>	<u>3,630,508</u>
From banks	–	–	SCHEDULE 7 – BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
From others	–	–	I. In India		
II. SAVINGS BANK DEPOSITS	–	–	Balances with banks		
III. TERM DEPOSITS			i) In Current Accounts	97,144	61,756
From banks	–	–	ii) In Other Deposit Accounts	–	–
From others (Institutional)	51,575,965	41,165,047	Money at call and short notice		
	<u>51,575,965</u>	<u>41,165,047</u>	i) With banks	–	–
B. (i) Deposits of branches in India	51,575,965	41,165,047	ii) With other institutions	–	–
(ii) Deposits of branches outside India	–	–		<u>97,144</u>	<u>61,756</u>
	<u>51,575,965</u>	<u>41,165,047</u>	II. Outside India		
			i) In Current Accounts	–	–
			ii) In Other Deposit Accounts	–	–
			iii) Money at call and short notice	–	–
				–	–
			Total (I + II)	<u>97,144</u>	<u>61,756</u>



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SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(Amounts in INR. '000)			(Amounts in INR. '000)		
	As at March 31, 2025	As at March 31, 2024		As at March 31, 2025	As at March 31, 2024
SCHEDULE 8 – INVESTMENTS			SCHEDULE 10 – FIXED ASSETS		
I. Investment in India in			I. PREMISES		
i) Government Securities (Treasury Bills)*	46,605,838	46,099,075	At cost as on 31 March of the preceding year	–	–
ii) Other approved securities	–	–	Additions during the year	–	–
iii) Shares	–	–	Deductions during the year	–	–
iv) Debentures and Bonds	–	–		–	–
v) Subsidiaries and/or joint ventures	–	–	Depreciation to date	–	–
vi) Others	–	–	Total Net Book Value I	–	–
	<u>46,605,838</u>	<u>46,099,075</u>			
II. Investment outside India in			II. OTHER FIXED ASSETS		
i) Government Securities (including local authorities)	–	–	(Including Furniture & Fixtures and Software)*		
ii) Subsidiaries and/or joint ventures abroad	–	–	At cost as on March 31 of the preceding year	7,907,368	7,933,650
iii) Others	–	–	Additions during the year	811,890	567,215
	–	–	Deductions during the year	(478,525)	(593,497)
	–	–		8,240,733	7,907,368
	<u>46,605,838</u>	<u>46,099,075</u>	Depreciation to date	(5,074,355)	(4,025,857)
			Total Net Book Value II	3,166,378	3,881,511
			Net Book Value I and II	<u>3,166,378</u>	<u>3,881,511</u>
*Treasury Bills of face value of INR 880,000 thousand (Previous year: INR 710,000 thousand) are pledged with RBI under section 11(2) of the Banking Regulation Act.			* Refer Note III. 7 of Schedule 18		
SCHEDULE 9 – ADVANCES			SCHEDULE 11 – OTHER ASSETS		
A. i) Bills purchased and discounted	–	–	I. Inter-office adjustments (net)	–	–
ii) Cash credits, overdraft and loan repayable on demand	61,947,637	47,187,231	II. Interest accrued	229,488	173,024
	<u>61,947,637</u>	<u>47,187,231</u>	III. Tax paid in advance / tax deducted at source	897,033	954,846
B. i) Secured by tangible assets (Secured by Fixed Deposits)	833,347	255,505	IV. Stationery and Stamps	–	–
ii) Covered by bank guarantees	146,083	172,784	V. Non-banking assets acquired in satisfaction of claims	–	–
iii) Unsecured	60,968,207	46,758,942	VI. Deferred tax asset	–	–
	<u>61,947,637</u>	<u>47,187,231</u>	VII. Other Assets*	5,794,059	4,446,827
				<u>6,920,580</u>	<u>5,574,697</u>
* Refer Note IV.11.h of Schedule 18			SCHEDULE 12 – CONTINGENT LIABILITIES		
C. I. Advances in India			I. Claims against the bank not acknowledged as debts	3,665,347	3,863,887
i) Priority sector *	–	–	II. Liability for partly paid investments	–	–
ii) Public sector	–	–	III. Liability on account of outstanding forward exchange and derivatives contracts	–	–
iii) Banks	41,099	31,634	IV. Guarantees given on behalf of constituents	–	–
iv) Others	61,906,538	47,155,597	a) In India	–	–
	<u>61,947,637</u>	<u>47,187,231</u>	b) Outside India	–	–
			V. Acceptances, endorsements and other obligations	–	–
II. Advances Outside India			VI. Other items for which the bank is contingently liable	329,998	243,031
i) Due from banks	–	–		<u>3,995,345</u>	<u>4,106,918</u>
ii) Due from others					
(a) Bills purchased and discounted	–	–			
(b) Syndicated loans	–	–			
(c) Others	–	–			
	<u>61,947,637</u>	<u>47,187,231</u>			
* Not applicable to the Bank vide RBI letter no. RPCD. CO.Plan.11642/04.09.09/2008-09 dated 11/05/2009					



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	(Amounts in INR. '000)			(Amounts in INR. '000)	
	Year ended March 31, 2025	Year ended March 31, 2024		Year ended March 31, 2025	Year ended March 31, 2024
SCHEDULE 13 – INTEREST EARNED			SCHEDULE 16 – OPERATING EXPENSES		
Interest/discount on advances/bills	4,459,181	3,763,598	Payments to and provisions for employees	4,133,724	3,712,183
Income on investments	3,070,503	2,894,737	Rent, taxes and lighting	1,093,968	1,012,304
Interest on balances with the Reserve Bank of India and other inter-bank funds	–	–	Printing and stationery	258,343	183,397
Others	–	–	Advertisement and publicity	11,408,129	8,531,946
	<u>7,529,684</u>	<u>6,658,335</u>	Depreciation on Fixed Assets	1,350,396	1,304,613
SCHEDULE 14 – OTHER INCOME			Director's fee, allowances and expenses	–	–
Commission, exchange and brokerage (net) [Refer Note IV.11.i of Schedule 18]	18,944,987	15,282,050	Auditor's fees and expenses [Refer Note IV.11.v of Schedule 18]	12,717	7,754
Net Profit/(Loss) on sale of investments	31	33	Law charges	56,386	26,475
Net Profit/(Loss) on revaluation of investments	–	–	Postage, telegram, telephones etc.	319,710	325,244
Net Loss on sale of fixed assets	(92,464)	(112,460)	Repairs and maintenance	133,511	136,547
Net profit on exchange transactions	–	–	Insurance	55,162	45,072
Income earned by way of dividends etc. from subsidiaries, companies and/or joint ventures abroad/in India	–	–	Business Support Cost	5,145,775	4,624,770
Miscellaneous Income*	318,135	246,399	Other expenditure	2,772,168	2,289,825
	<u>19,170,689</u>	<u>15,416,022</u>	Total Expenses	<u>26,739,989</u>	<u>22,200,130</u>
* Refer Note IV.11.h of Schedule 18			Less: Market Support Receipt and Cost Recovery*	(4,413,784)	(3,106,472)
SCHEDULE 15 – INTEREST EXPENDED				<u>22,326,205</u>	<u>19,093,658</u>
Interest on deposits	2,942,145	2,046,019	SCHEDULE 17 – PROVISIONS AND CONTINGENCIES *		
Interest on Reserve Bank of India/ interbank borrowings	45,625	41,415	Depreciation in the value of securities	–	–
Other Interest	–	–	Provision for advances and receivables	1,252,471	231,034
	<u>2,987,770</u>	<u>2,087,434</u>	Provision for income tax and wealth tax:		
			Income tax	–	–
			Deferred Income Tax	–	–
				<u>1,252,471</u>	<u>231,034</u>
			*Refer Note IV.11.c of Schedule 18 for details		

Schedules forming part of the Financial Statements for the year ended March 31, 2025

SCHEDULE – 18 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

I. The financial statements for the year ended March 31, 2025 comprises the Balance Sheet, Profit and Loss Account, Cash Flow Statement and Schedules of the India Branch of American Express Banking Corp. (the "Bank"), which is incorporated in the New York State Banking Law, United States of America. The Bank's ultimate holding company is American Express Company, which is incorporated in the United States of America.

II. Background

American Express Banking Corp. - India Branch has been granted license by Reserve Bank of India ('RBI') to carry on banking business in India. The license authorises the Bank to conduct credit card business and accept institutional deposits. The branch is using the network owned by American Express Travel Related Services (AETRS). The Bank has also been granted the Insurance Corporate Agency License for selling a composite set of insurances under Non-Life and Life Insurance category.

In line with the market practice and the RBI Guidelines, the bank issues credit cards and provides payment solutions to corporates and other entities.

III. Significant Accounting Policies

1. Basis of preparation

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting, unless otherwise stated and are in accordance with the generally accepted accounting principles in India, statutory provisions



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prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time and Accounting Standards (AS) prescribed under Section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules, 2021 to the extent applicable to banks and conform to the statutory requirements prescribed by the RBI from time to time and current practices prevailing within the banking industry in India.

The financial statements are presented in Indian Rupees rounded off to the nearest thousand unless otherwise stated.

2. Use of Estimates

The preparation of financial statements, in conformity with the generally accepted accounting principles, requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates and these differences are recognized prospectively in the current and future periods.

3. Revenue Recognition

- (i) Fees and commissions received, net of rebates/commissions paid, are recognized upon the occurrence of the transactions. Joining fees, annual card fees, net of direct card acquisition costs are amortized over the period of one year.
- (ii) Interest income and other charges on card balances are recognized as it accrues, except in the case of non-performing assets, where it is recognised on realisation, as per the prudential norms prescribed by RBI.
- (iii) Recovery from bad debts written off is recognized as income on the basis of actual realization from customers.
- (iv) Interest income on discounted instruments is recognised over the tenure of the instruments.
- (v) Penal interest/charge is recognised as income on realisation other than on running accounts where it is recognised when due.
- (vi) Delinquency fees are recognised when due, where the Bank is reasonably certain of ultimate collection.

4. Foreign Currency transactions and balances

Transactions denominated in foreign currencies are recorded on the date of transactions at the standard exchange rate determined by the Bank. Exchange differences arising on the foreign currency transactions settled during the year are recognized in the Profit and Loss Account of the same year.

Monetary Assets and Liabilities denominated in foreign currencies as at the Balance Sheet date are restated at the closing rates notified by Foreign Exchange Dealers' Association of India (FEDAI) and the resultant exchange differences are recognised in the Profit and Loss Account. Transactions wherein there is no foreign exchange risk, the amounts are carried at the settlement rates.

5. Investments

(i) Classification

In accordance with Reserve Bank of India ('RBI') guidelines, investments are classified on the date of purchase into "Held to Maturity" ('HTM'), "Available for Sale" ('AFS') and "Fair value through Profit and Loss" ('FVTPL') categories. "Held for Trading" ('HFT') is a separate investment sub-category within FVTPL. Under each of these categories, investments are further classified under six groups - Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investments in Subsidiaries / Joint Ventures and Other Investments. There is no impact in the current year on account of change in accounting policy.

Investments which the Bank intends to hold till maturity and contractual terms there of gives rise to cash flows that are solely payment of principal and interest on principal outstanding (SPPI) are classified under HTM category. Investments which the Bank acquires with an objective that is achieved by both collecting contractual cashflows and selling securities and where the contractual terms of the investment meet the SPPI criterion are classified under AFS category. Investments not classified in any of the above categories are classified under FVTPL category. HFT, which is a sub-category of FVTPL consists of all instruments that meet the specifications for HFT instruments prescribed by the RBI. As on date, all investments are classified as 'Available for Sale'.

(ii) Valuation

Treasury Bills, being discounted instruments are valued at carrying cost as per RBI guidelines.

(iii) Acquisition Cost

Brokerage, commission, and broken period interest, paid at the time of acquisition of debt securities are charged to Profit and Loss Account.

(iv) Disposal of Investments

Profit or loss on sale of investments is recognised in the Profit and Loss Account on settlement date.

6. Advances

Loans and Advances are stated net of specific provision made towards Non-Performing Assets (NPAs) and provision towards diminution on restructured advances.

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 additional provision based on best estimate of probable losses.



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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.

The Bank writes off the delinquent card accounts, the outstanding card receivables which are 210 days past billing from bill generation date. Accounts classified as doubtful/loss are provided at 100% till written off. Accelerated write off is effected for card receivables which are due for less than 210 days from bill generation date, where it is evident that the outstanding amount is unlikely to be recovered.

Restructured assets are classified and provided for in accordance with the guidelines issued by RBI from time to time.

Net Receivables from/payables to overseas group entities on account of merchant payments made for spends made by overseas/ Indian card members in India/overseas, have been classified under Other Assets/Other Liabilities in the Financial Statements.

7. Fixed assets and depreciation

- (i) Fixed assets are stated at cost less accumulated depreciation. The Bank capitalises all costs relating to acquisition and installation of fixed assets.
- (ii) Carrying amounts of cash generating units are reviewed at each Balance Sheet date to determine whether there is any impairment. Impairment loss, if any, is recognised in the Profit and Loss Account whenever the carrying amount exceeds the recoverable amount.
- (iii) Depreciation on fixed assets is provided on pro-rata basis over the period of the estimated useful life of the asset on Straight Line Method over the estimated useful life prescribed in Schedule II to the Companies Act, 2013.
- (iv) Fixed assets are depreciated over the estimated useful life given in the table below:

<u>Asset</u>	<u>Estimated Useful Life</u>
Leasehold Improvements	Over the lease period
Data Processing Equipment	
Server and Networks	6 years
End User Devices such as laptop, desktop etc.	3 years
Transport Equipment	8 years
Furniture and Fixtures	10 years
Machinery and Equipment	
Office Equipment	5 years
Headsets and mobile phones*	3 years
Software	
Perpetual	5 years
Fixed Term	As per Term

*Considered at par with End User Devices

8. Accounting for Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessors are classified as operating lease. Lease payments for assets taken on operating leases are recognized as an expense in the Profit and Loss Account over the lease term on a straight-line basis.

9. Employee Benefits

a) Provident Fund

The Bank contributes to mandatory government administered provident funds which are defined contribution schemes as the Bank does not carry any further obligation, apart from the contributions made on a monthly basis. The contributions are accounted for on an accrual basis and recognized in the Profit and Loss Account.

b) Pension

- (i) The Bank has a pension scheme which is a defined contribution plan. Eligible employees of the Bank are entitled to receive retirement benefits under the Bank's Superannuation scheme under a defined contribution plan to the pension fund. Contributions under these schemes are recognised in the Profit and Loss Account in the period in which they accrue.

- (ii) In addition to the above arrangement, there are deferred (exited) employees who had opted for the defined benefit scheme.

The Bank has set up a Pension Trust viz. American Express Banking Corp. India Staff Superannuation Fund to manage the contributions to the pension fund. The Bank provides for its pension liability based on actuarial valuation of the pension liability, based on Projected Unit Credit Method, as at the Balance Sheet date carried out by an independent actuary and contributes to the pension fund. The contributions made to the Trust are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet. Actuarial gains or losses are recognized in the Profit and Loss Account in the year in which they arise.



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c) Gratuity

The Bank has set up a Gratuity Trust viz. American Express Banking Corp. India Employees Gratuity Fund which is defined benefit scheme to manage the contributions to the gratuity fund. The Bank provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary and contributes to the gratuity fund. The contributions made to the Trust are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet. Actuarial gains or losses are recognized in the Profit and Loss Account in the year in which they arise.

d) Leave encashment/ Compensated Absences

The Bank provides for leave encashment/compensated absences liability, which is payable on separation or termination of service. The liability for leave encashment, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

10. Income Taxes

Income tax expense comprises of the current tax, the net change in the deferred tax asset and the deferred tax liability during the year. Current tax is determined as the amount of tax payable in respect of taxable income for the year on the basis of the provisions of the Income Tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax asset, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

In case there are carry forward tax losses, the Deferred Tax Asset is recognized only when there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

11. Membership Reward Points

The Membership Reward programme is a card-based rewards programme through which eligible card members can earn points for purchases charged on the Bank's card products. Membership Rewards points can be redeemed for a broad variety of rewards. The Bank establishes balance sheet provisions that represent the estimated cost of points earned to date that are ultimately expected to be redeemed based on the management's judgement and historical information shown as a part of Other Liabilities and Provisions. The cost of Membership Reward Points is included as part of Advertisement and Publicity Expense.

12. Accounting for Provision, Contingent Liabilities and Contingent Assets

The Bank creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate of the amount of the obligation can be made.

A disclosure for 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.

The provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

Contingent assets are not recognized in the financial statements.

13. Segment Reporting

The Bank has recognised Banking Operations and Treasury operations, as the primary reporting Business Segments, in accordance with the RBI guidelines in compliance with Accounting Standard - 17 issued by Ministry of Corporate Affairs (MCA) 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. 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 relevant expenses related to these activities comprise the revenue and expense of this segment.

14. Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, balance with RBI, demand deposits with banks and other fixed deposits with bank with original maturities of three months or less.



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15. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date to ascertain if there is any indication of impairment based on internal/external factors in accordance with Accounting Standard - 28, Impairment of Assets issued by Ministry of Corporate Affairs (MCA) as specified under Section 133 of Companies Act, 2013 read with Companies (Accounting Standards) Rules, 2021. The carrying amount is reduced to the recoverable amount and reduction is recognised as an impairment loss in the Profit and Loss Account.

16. Cash Flow Statement

Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on “Cash Flow Statements” and presents the cash flows by operating, investing and financing activities of the Bank. Cash and cash equivalents consist of Cash and Balances with Reserve Bank of India and Balances with Banks.

IV. NOTES TO FINANCIAL STATEMENTS

1. Regulatory Capital

a) Composition of Regulatory Capital

In terms of the extant RBI guidelines on Basel III Capital Regulations, as of March 31, 2025, the Bank is required to maintain a minimum Pillar I Capital to Risk-weighted Asset Ratio (CRAR) (including capital conservation buffer of 2.5%) of 11.5%. Further, within this overall capital requirement, the Bank is also required to maintain a Minimum Common Equity Tier 1 (including capital conservation buffer of 2.5%) of 8% and Minimum Tier 1 Capital of 7%. The Bank's Capital Adequacy Ratio, calculated as per the Basel III Capital Regulations is provided here under.

(Amounts in '000)

Particulars	2024-25	2023-24
Common Equity Tier 1 capital (i)	17,884,030	18,283,571
Additional Tier I Capital (ii)	—	—
Tier I Capital (i+ii)	17,884,030	18,283,571
Tier II Capital	5,685,369	8,087,905
Total Capital (Tier I and Tier II)	23,569,399	26,371,476
Total Risk Weighted Assets (RWAs)	137,010,554	112,317,751
CET 1 Ratio (CET 1 as a % of RWAs)	13.05%	16.28%
Tier I Ratio (Tier 1 capital as a % of RWAs)	13.05%	16.28%
Tier II Ratio (Tier 2 capital as a % of RWAs)	4.15%	7.20%
Capital to Risk Weighted Assets Ratio (CRAR) (Total capital as a % of RWAs)	17.20%	23.48%
Leverage Ratio	11.91%	14.15%
Percentage of the shareholding of the Government of India in public sector banks	NA	NA
Amount of paid-up equity capital raised during the year		
- Head Office Funds	—	—
- Conversion of Subordinated Debt to Head Office Funds	—	—
Amount of non-equity Tier 1 capital raised during the year, of which-		
- Basel III compliant Perpetual Non-Cumulative Preference shares	—	—
- Basel III compliant Perpetual Debt Instruments	—	—
Amount of Tier II capital raised during the year, of which		
- Basel III compliant Debt Capital instrument	—	—
- Basel III compliant Perpetual Non-cumulative Preference Share Capital	—	—

2. Asset Liability Management

a) Maturity Pattern of Certain items of Assets and Liabilities

Classification of assets and liabilities under the different maturity buckets are based on the estimates and assumptions used by the Bank. These estimates and assumptions are based on the guidelines on Asset Liability Management issued by Reserve Bank of India.



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(Amounts Rs. in '000)

Particulars	Day - 1	2-7 Days	8-14 Days	15-30 Days	31 Days & upto 2 months	Over 2 Months and upto 3 months	Over 3 Months and upto 6 months	Over 6 Months and upto 1 year	Over 1 Year and upto 3 years	Over 3 Year and upto 5 years	Over 5 years	Total
Deposits -												
Current Year	–	2,806,475	885,000	5,327,240	3,860,295	989,838	4,100,129	13,545,075	20,061,913	–	–	51,575,965
Previous Year	2,216	2,302,716	850,000	4,971,479	5,559,045	2,278,183	5,108,564	7,288,920	12,803,924	–	–	41,165,047
Advances -												
Current Year	1,562,110	9,372,658	10934768	24,993,753	2,737,702	1,394,394	2,725,374	3,519,433	4,166,182	378,160	163,103	61,947,637
Previous Year	1,151,497	6,908,984	8,060,482	18,423,957	2,455,173	1,036,279	1,972,504	2,581,131	4,111,956	381,327	103,941	47,187,231
Investments												
Current Year	32,321,575	1,153,318	420,467	1,362,968	581,709	162,820	557,135	1,973,105	7,950,135	–	122,606	46,605,838
Previous Year	33,202,097	999,010	321,488	1,321,360	826,007	332,574	824,264	1,768,446	5,156,294	1,239,840	107,695	46,099,075
Borrowings -												
Current Year	4,177,984	–	–	–	–	351	–	5,599,806	17,879,700	–	–	27,657,841
Previous Year	2,781,956	–	–	–	–	–	–	1,008,872	15,281,300	7,749,000	–	26,821,128
Foreign Currency Assets -												
Current Year	–	–	–	1,088,936	–	–	–	–	–	–	–	1,088,936
Previous Year	–	–	1,714	304,064	–	–	–	–	–	–	–	305,778
Foreign Currency Liabilities -												
Current Year	110,660	618,903	244	855,363	13,540	–	–	5,802,901	17,879,700	–	–	25,281,311
Previous Year	71,340	425,124	21	638,067	36,872	–	–	482,075	15,281,300	7,749,000	–	24,683,799

b) Liquidity Coverage Ratio (LCR)

As per 'Basel III Framework on Liquidity Standards - Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards' dated June 9, 2014 (Circular Ref No. RBI/2013-14/635/DBOD.BP.BC.No.120/21.04.098/2013-14) and subsequent amendments, banks are required to monitor their resilience to potential liquidity disruptions under stress scenarios by ensuring that they have sufficient high quality liquid assets to survive an acute stress scenario lasting for 30 days and fund their activities with more stable sources of funding on an ongoing basis.

Banks are required to maintain High Quality Liquid Assets as a %age of its Net Cash Outflows, at a minimum as prescribed by the extant regulations.

Qualitative Disclosures

Liquidity Risk is defined as the inability of the Bank to meet its ongoing financial and business obligations as they become due, at a reasonable cost. The Bank manages its liquidity risk by maintaining access to a diverse set of readily marketable securities, and contingent sources of liquidity to ensure that it can continuously meet its business requirements and financial obligations. The India Country ALCO chaired by the CEO oversees the Bank's liquidity and funding risk program including adherence to internal and regulatory funding/liquidity limits.

General principles and the overall framework for managing liquidity and funding risk are defined in the Liquidity and Funding Policy of the Bank duly approved by the Country Executive Committee (CEC).

The Bank incurs and accepts liquidity risk through its established business model and through the normal course of offering its products and services. The liquidity risk the Bank is willing to accept is controlled through a liquidity risk tolerance limit which provides for the maintenance of a cushion of high quality, unencumbered liquid assets to be held against identified funding requirements under stress for defined liquidity risk survival horizon. In addition, the Bank maintains a contingency funding plan which provides a framework for analyzing and responding to liquidity events that are both market-driven as well as institution-specific. Further, the CFP describes the governance and protocol to be put into effect upon the occurrence of a liquidity event and details the roles and responsibilities of Senior Management.

The Bank also seeks to diversify its funding sources across capital, institutional deposits, subordinated debt from head office and lines of credit from local banks. Funding from significant counterparties is monitored regularly as part of its ongoing liquidity management.

The Bank has institutionalized a process of measuring, monitoring and reporting of the LCR in line with the Reserve Bank of India's guidelines on LCR. The Bank has been in compliance with the minimum standard as set by the extant regulations since the guidelines became applicable.

The LCR is calculated by dividing the amount of high-quality liquid unencumbered assets (HQLA) by the estimated net cash outflows over a stressed 30 calendar day period.

Detailed compositions of elements of the LCR are listed below -



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High Quality liquid assets (HQLA)

Assets are HQLA if they can be converted into cash at little or no loss of value. The Bank holds stock of Level 1 HQLA in the form of excess CRR balances with RBI and excess Government securities over and above the SLR requirements. Additionally, the Bank also reckons government securities within the mandatory SLR requirement, to the extent allowed by the Reserve Bank under Marginal Standing Facility and Facility to avail Liquidity for LCR as Level 1 HQLA.

Net Cash Outflows

The total net cash outflows are defined as the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days. Total expected cash outflows, are calculated by multiplying the outstanding balances of various categories or types of liabilities by the rates at which they are expected to run off or be drawn down and total expected cash inflows are calculated by multiplying the outstanding balances of various categories of receivables by the rates at which they are expected to flow in, up to an aggregate cap of 75% of total expected cash outflows, in line with RBI guidelines.

The major components of cash outflow for the Bank are unsecured wholesale funding (lines of credit from Banks and Institutional Deposits), uncommitted, revocable credit facilities extended to customers and other contractual payouts such as merchant payables, membership rewards etc. The key constituents of cash inflow for the Bank are remittances from card members, balances with banks etc.

The daily average LCR for the Bank for the quarter ended March 31, 2025 stood at 200.74%.

Quantitative Disclosures

(Amounts Rs. in '000)

		Quarter ended 31st March 2025		Quarter ended 31st December 2024		Quarter ended 30th September 2024		Quarter ended 30th June 2024	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)		46,372,959		45,203,186		46,663,811		46,447,644
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	–	–	–	–	–	–	–	–
(i)	Stable deposits	–	–	–	–	–	–	–	–
(ii)	Less stable deposits	–	–	–	–	–	–	–	–
3	Unsecured wholesale funding, of which:	15,411,789	7,300,409	12,798,392	6,251,128	11,254,751	5,292,431	11,084,502	5,336,588
(i)	Operational deposits (all counterparties)	–	–	–	–	–	–	–	–
(ii)	Non-operational deposits (all counterparties)	13,505,629	5,397,892	10,921,468	4,381,168	9,937,200	3,974,880	9,579,857	3,831,943
(iii)	Unsecured debt	1,906,160	1,902,517	1,876,924	1,869,960	1,317,551	1,317,551	1,504,645	1,504,645
4	Secured wholesale funding		–		–		–		–
5	Additional requirements, of which	693,763	688,892	702,052	701,903	734,843	734,843	619,529	619,529
(i)	Outflows related to derivative exposures and other collateral requirements	693,763	688,892	702,052	701,903	734,843	734,843	619,529	619,529
(ii)	Outflows related to loss of funding on debt products	–	–	–	–	–	–	–	–
(iii)	Credit and liquidity facilities	–	–	–	–	–	–	–	–
6	Other contractual funding obligations	15,236,747	15,183,778	15,607,491	15,575,975	14,741,952	14,741,952	13,095,707	13,095,707
7	Other contingent funding obligations	270,575,141	13,490,376	256,123,008	12,811,875	242,463,871	12,123,193	231,194,186	11,559,709
8	Total Cash Outflows		36,663,455		35,340,881		32,892,419		30,611,533
Cash Inflows									
9	Secured lending (e.g. reverse repos)	–	–	–	–	–	–	–	–
10	Inflows from fully performing exposures	22,388,058	11,146,569	21,597,149	10,799,414	19,569,815	9,784,908	18,697,682	9,348,841
11	Other cash inflows	17,922,873	2,415,892	17,259,362	2,369,977	18,057,894	2,566,881	16,778,123	1,822,513
12	Total Cash Inflows	40,310,931	13,562,461	38,856,511	13,169,391	37,627,709	12,351,789	35,475,805	11,171,354
13	TOTAL HQLA		46,372,959		45,203,186		46,663,811		46,447,644
14	Total Net Cash Outflows		23,100,994		22,171,490		20,540,630		19,440,179
15	Liquidity Coverage Ratio (%)		200.74%		203.88%		227.18%		238.93%



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The daily average LCR for the Bank for the quarter ended March 31, 2024 stood at 254.13%

(Amounts Rs. in '000)

		Quarter ended 31st March 2024		Quarter ended 31st December 2023		Quarter ended 30th September 2023		Quarter ended 30th June 2023	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)		48,379,100		45,256,845		42,249,914		38,987,117
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	–	–	–	–	–	–	–	–
(i)	Stable deposits	–	–	–	–	–	–	–	–
(ii)	Less stable deposits	–	–	–	–	–	–	–	–
3	Unsecured wholesale funding, of which:	12,377,613	5,772,816	11,994,957	5,644,919	11,062,474	5,408,289	10,118,496	4,991,057
(i)	Operational deposits (all counterparties)	–	–	–	–	–	–	–	–
(ii)	Non-operational deposits (all counterparties)	11,007,995	4,403,198	10,583,396	4,233,358	9,423,642	3,769,457	8,545,731	3,418,292
(iii)	Unsecured debt	1,369,618	1,369,618	1,411,561	1,411,561	1,638,832	1,638,832	1,572,765	1,572,765
4	Secured wholesale funding		–		–		–		–
5	Additional requirements, of which	387,072	387,072	369,748	369,748	333,729	333,729	296,927	296,927
(i)	Outflows related to derivative exposures and other collateral requirements	387,072	387,072	369,748	369,748	333,729	333,729	296,927	296,927
(ii)	Outflows related to loss of funding on debt products	–	–	–	–	–	–	–	–
(iii)	Credit and liquidity facilities	–	–	–	–	–	–	–	–
6	Other contractual funding obligations	12,090,610	12,090,610	11,579,930	11,579,930	11,180,498	11,180,498	11,392,002	11,392,002
7	Other contingent funding obligations	223,260,228	11,163,011	215,638,662	10,781,933	206,197,085	10,309,854	199,092,719	9,954,636
8	Total Cash Outflows		29,413,509		28,376,530		27,232,370		26,634,622
Cash Inflows									
9	Secured lending (e.g. reverse repos)	–	–	–	–	–	–	–	–
10	Inflows from fully performing exposures	16,512,355	8,256,178	16,068,997	8,034,499	15,038,556	7,519,278	14,595,254	7,297,627
11	Other cash inflows	17,013,556	2,120,397	17,255,612	2,088,521	17,676,221	2,094,990	17,356,175	1,951,210
12	Total Cash Inflows	33,525,911	10,376,575	33,324,609	10,123,020	32,714,777	9,614,268	31,951,429	9,248,837
13	TOTAL HQLA		48,379,100		45,256,845		42,249,914		38,987,117
14	Total Net Cash Outflows		19,036,934		18,253,510		17,618,102		17,385,785
15	Liquidity Coverage Ratio (%)		254.13%		247.94%		239.81%		224.25%

3. Investments

a) (i) Composition of Investment Portfolio

	March 31, 2025							
	HTM		AFS		FVTPL		Subsidiaries, Associates & JV	
	At Cost	Fair Value	At Cost		HFT	Non-HFT	At Cost	Fair Value
I. Investments in India								
(i) Government Securities	–	–	46,605,838		–	–	–	–
(ii) Other Approved Securities	–	–	–		–	–	–	–
(iii) Shares	–	–	–		–	–	–	–
(iv) Debentures and Bonds	–	–	–		–	–	–	–
(v) Subsidiaries, Associates & Joint Ventures	–	–	–		–	–	–	–
(vi) Others	–	–	–		–	–	–	–
Total	–	–	–		–	–	–	–
Less: Provision for impairment/NPI	–	–	–		–	–	–	–
Net	–	–	46,605,838		–	–	–	–



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(Amounts Rs. in '000)

	March 31, 2024					
	HTM		AFS	FVTPL		Subsidiaries, Associates & JV
I. Investments in India	At Cost	Fair Value	At Cost	HFT	Non-HFT	At Cost
(i) Government Securities	—	—	46,099,075	—	—	—
(ii) Other Approved Securities	—	—	—	—	—	—
(iii) Shares	—	—	—	—	—	—
(iv) Debentures and Bonds	—	—	—	—	—	—
(v) Subsidiaries, Associates & Joint Ventures	—	—	—	—	—	—
(vi) Others	—	—	—	—	—	—
Total	—	—	—	—	—	—
Less: Provision for impairment/ NPI	—	—	—	—	—	—
Net	—	—	46,099,075	—	—	—

a) (ii) Composition of Investment Portfolio

As at March 31, 2025

(Amounts Rs. in '000)

	Investments in India					
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others
Held to Maturity						
Gross	—	—	—	—	—	—
Less: Provision for non-performing investments (NPI)	—	—	—	—	—	—
Net	—	—	—	—	—	—
Available for sale						
Gross	46,605,838	—	—	—	—	—
Less: Provision for depreciation and NPI	—	—	—	—	—	—
Net	46,605,838	—	—	—	—	—
Held for Trading						
Gross	—	—	—	—	—	—
Less: Provision for depreciation and NPI	—	—	—	—	—	—
Net	—	—	—	—	—	—
Total Investments	46,605,838	—	—	—	—	—
Less: Provision for non-performing investments	—	—	—	—	—	—
Less: Provision for depreciation and NPI	—	—	—	—	—	—
Net	46,605,838	—	—	—	—	—



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As at March 31, 2024

(Amounts Rs. in '000)

	Investments in India						
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India
Held to Maturity							
Gross	—	—	—	—	—	—	—
Less: Provision for non-performing investments (NPI)	—	—	—	—	—	—	—
Net	—	—	—	—	—	—	—
Available for sale							
Gross	46,099,075	—	—	—	—	—	46,099,075
Less: Provision for depreciation and NPI	—	—	—	—	—	—	—
Net	46,099,075	—	—	—	—	—	46,099,075
Held for Trading							
Gross	—	—	—	—	—	—	—
Less: Provision for depreciation and NPI	—	—	—	—	—	—	—
Net	—	—	—	—	—	—	—
Total Investments	46,099,075	—	—	—	—	—	46,099,075
Less: Provision for non-performing investments	—	—	—	—	—	—	—
Less: Provision for depreciation and NPI	—	—	—	—	—	—	—
Net	46,099,075	—	—	—	—	—	46,099,075

b) Movement of provisions for depreciation and Investment Fluctuation Reserve

(Amounts Rs. in '000)

Particulars	2024-25	2023-24
Movement of provision held towards depreciation on investments		
a) Opening Balance	—	—
b) Add: Provisions made during the year	—	—
c) Less: Write off/write back of excess provisions during the year	—	—
d) Closing balance	—	—
Movement of Investment Fluctuation Reserve		
a) Opening Balance	507	474
b) Add: Amount transferred during the year	100,445	33
c) Less: Drawdown during the Year	—	—
d) Closing balance	100,952	507
Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	0.2166%	0.0011%

c) Fair Value hierarchy of investment portfolio measured at fair value:

The bank has invested in treasury bills which are carried at cost, hence disclosure related to fair value hierarchy is not applicable.

d) Details of Government Security Lending (GSL) transactions:

The Bank has not done any Government Security Lending transactions during the year ended March 31, 2025 and March 31, 2024.



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Schedule 18 – Significant Accounting Policies and Notes to Financial Statements (Contd.)

4. Asset Quality

a) Classification of advances and provisions held.

As at 31st March 2025

(Amounts Rs. in '000)

	Standard	Non-Performing				Total
	Total Standard advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening balance	46,811,526	1,070,935	1,547,859	—	2,618,794	49,430,320
Add: Additions during the year					20,063,593	
Less: Reductions during the year					19,729,603	
Closing balance	61,570,360	1,057,997	1,894,787	—	2,952,784	64,523,144
Reductions in Gross NPAs due to:						
i) Upgradation					3,552,717	
ii) Recoveries (excluding recoveries from upgraded accounts)					14,806,197	
iii) Technical/ Prudential Write-offs					—	
iv) Write-offs other than those under (iii) above					1,370,689	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	388,927	689,608	1,547,859	—	2,237,467	2,626,394
Add: Fresh provisions made during the year					17,846,230	
Less: Excess provision reversed/ Write-off loans					17,509,072	
Closing balance of provisions held*	459,617	679,838	1,894,787	—	2,574,625	3,034,242
Net NPAs						
Opening balance		381,327	—	—	381,327	
Add: Fresh additions during the year					2,217,363	
Less: Reductions during the year					2,220,531	
Closing balance		378,159	—	—	378,159	378,159
Floating Provisions						
Opening balance						—
Add: Additional provisions made during the year						—
Less: Amount drawn down during the year						—
Closing balance of floating provisions						—
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						—
Add: Technical/ Prudential write-offs during the year						—
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						—
Closing balance						—



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As at 31st March 2024

(Amounts Rs. in '000)

	Standard	Non-Performing				Total
	Total Standard advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening balance	39,302,518	1,418,704	1,462,468	—	2,881,172	42,183,690
Add: Additions during the year					18,704,554	
Less: Reductions during the year					18,966,932	
Closing balance	46,811,526	1,070,935	1,547,859	—	2,618,794	49,430,320
Reductions in Gross NPAs due to:						
i) Upgradation					2,974,608	
ii) Recoveries (excluding recoveries from upgraded accounts)					15,006,425	
iii) Technical/ Prudential Write-offs					—	
iv) Write-offs other than those under (iii) above					985,899	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	408,766	1,004,690	1,462,468	—	2,467,158	2,875,924
Add: Fresh provisions made during the year					16,313,145	
Less: Excess provision reversed/ Write-off loans					16,542,836	
Closing balance of provisions held*	388,927	689,608	1,547,859	—	2,237,467	2,626,394
Net NPAs						
Opening balance		414,015	—	—	414,015	
Add: Fresh additions during the year					2,391,408	
Less: Reductions during the year					2,424,096	
Closing balance		381,327	—	—	381,327	381,327
Floating Provisions						
Opening balance						—
Add: Additional provisions made during the year						—
Less: Amount drawn down during the year						—
Closing balance of floating provisions						—
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						—
Add: Technical/ Prudential write-offs during the year						—
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						—
Closing balance						—
Ratios (in %)					2024-25	2023-24
Gross NPA to Gross Advances					4.58%	5.30%
Net NPA to Net Advances					0.61%	0.81%
Provision Coverage Ratio					90.19%	88.82%
Provision Coverage Ratio without Countercyclical Buffer					87.19%	85.44%

* Closing balance of provisions held for Standard Assets include Countercyclical Buffer of Rs. 88,500 ('000) [Previous Year Rs. 88,500('000)] and provision for diminution on standard restructured advances of Rs. 882 ('000) [Previous Year Rs. 5,622 ('000)] Provision for diminution on standard restructured advances are netted off against Schedule 9.



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b) Sector-wise Advances and Gross NPAs

(Amounts Rs. in '000)

S. No.	Sector	2024-25			2023-24		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPA to Total Advances	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPA to Total Advances
A	Priority Sector*						
1	Agriculture and allied activities	–	–	–	–	–	–
2	Industry (Micro & small, Medium and Large)	–	–	–	–	–	–
3	Services	–	–	–	–	–	–
	Personal Loans	–	–	–	–	–	–
	Sub Total (A)						
B	Non Priority Sector						
1	Agriculture and allied activities	–	–	–	–	–	–
2	Industry (Micro & small, Medium and Large) #	4,329,640	460,791	10.64%	3,635,922	391,172	10.76%
	- Chemicals and Chemical Products (Dyes, Paints, etc.)	784,945	39,824	5.07%	765,318	130,501	17.05%
	- All Engineering (Electronics & Others)	1,494,518	310,854	20.80%	1,148,104	206,219	17.96%
	- Others	2,050,177	110,113	5.37%	1,722,500	54,452	3.16%
3	Services #	12,617,194	1,501,869	11.90%	9,168,762	1,370,824	14.95%
	- Computer Software	2,819,959	638,817	22.65%	2,302,611	646,888	28.09%
	- Tourism, Hotel and Restaurants	1,933,727	40,207	2.08%	1,327,267	14,077	1.06%
	- Professional Services	2,797,266	598,551	21.40%	1,860,969	500,853	26.91%
	- Retail Trade	2,246,954	17,195	0.77%	1,568,165	2,540	0.16%
	- Others	2,819,288	207,099	7.35%	2,109,750	206,466	9.79%
4	Personal Loans	47,576,310	990,124	2.08%	36,625,636	856,798	2.34%
	Sub Total (B)	64,523,144	2,952,784	4.58%	49,430,320	2,618,794	5.30%
	Totals (A+B)	64,523,144	2,952,784	4.58%	49,430,320	2,618,794	5.30%

* Not applicable to the Bank vide RBI letter no. RPCD.CO.Plan.11642/04.09.09/2008-09 dated 11/05/2009

Represents indirect exposure towards corporates and engaged in industry and services as mentioned above

c) Particulars of resolution plan and restructuring

(Amounts Rs. in '000)

		Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
		FY 24-25	FY 23-24	FY 24-25	FY 23-24	FY 24-25	FY 23-24	FY 24-25	FY 23-24	FY 24-25	FY 23-24
Standard	Number of borrowers	–	–	1	–	–	–	40	473	41	473
	Gross Amount	–	–	2,892	–*	–	–	1,977	33,652	4,869	33,652
	Provision held	–	–	563	–	–	–	377	7,188	940	7,188
Sub-standard	Number of borrowers	–	–	17	–	–	–	1,412	1,585	1,429	1,585
	Gross Amount	–	–	15,145	–	–	–	246,651	245,286	261,796	245,286
	Provision held	–	–	12,035	–	–	–	190,051	189,292	202,086	189,292
Doubtful	Number of borrowers	–	–	2	–	–	–	298	431	300	431
	Gross Amount	–	–	938	–	–	–	14,647	26,616	15,585	26,616
	Provision held	–	–	938	–	–	–	14,647	26,616	15,585	26,616
Total	Number of borrowers	–	–	20	–	–	–	1,750	2,489	1,770	2,489
	Gross Amount	–	–	18,975	–	–	–	263,275	305,554	282,250	305,554
	Provision held	–	–	13,536	–	–	–	205,075	223,096	218,611	223,096



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d) Divergence in the asset classification and provisioning

RBI vide its circular RBI/2016-17/283 DBR.BP.BC.No.63/21.04.018/2016-17 dated April 18, 2017, circular RBI/2018-19/157 DBR.BP.BC.No.32/21.04.018/2018-19 dated April 01, 2019, and subsequently vide its circular RBI/2022-23/130 DOR.ACC.REC.No.74/21.04.018/2022-23 dated October 11, 2022, has directed that banks shall make suitable disclosures, wherever either (a) the additional provisioning for NPAs assessed by RBI exceeds 5 percent of the reported profit before provisions and contingencies for the reference period or (b) the additional Gross NPAs identified by RBI exceed 5 percent of the published incremental Gross NPAs for the reference period, or both.

Based on the condition mentioned in RBI circular, no disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory process for the year ended 31 March 2025 and 31 March 2024. Further RBI has not assessed any additional provisioning requirement or Gross NPAs for the Bank.

e) Disclosure on Frauds

(Amounts Rs. in '000)

Particulars	2024-25	2023-24
Number of frauds reported (in numbers)	4,380	1,710
Amount Involved in fraud	204,517	123,873
Amount Written-Off	204,517	123,873
Amount Recovered*	168,046	42,096
Amount of Unamortized provision debited from 'other reserves' as at the end of the year	—	—

*Amount recovered pertains to fraud reported in current year as well as previous years

5. Exposures

a) Exposure to real estate sector

(Amounts Rs. in '000)

Particulars	2024-25	2023-24
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		
Others		
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estate		
Others		
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized 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)	—	—
Others*		
(i) Residential Real Estate	21,450	23,972
(ii) Commercial Real Estate	196,712	70,449
Total Exposure to Real Estate Sector	218,162	94,421

*Represents exposure towards cards issued to corporates engaged in real estate sector



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b) Exposure to capital market

(Amounts Rs. in '000)

Particulars	2024-25	2023-24
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	—	—
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	—	—
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	—	—
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds ` does not fully cover the advances;	—	—
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers*	158,432	158,796
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	—	—
(vii) bridge loans to companies against expected equity flows / issues;	—	—
(viii) underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	—	—
(ix) financing to stockbrokers for margin trading;	—	—
(x) all exposures to Venture Capital Funds (both registered and unregistered)	—	—
Total Exposure to Capital Market	158,432	158,796

*Represents exposure towards cards issued to corporates engaged in stockbroking activities.

c) Risk Category wise Country Exposure

Provision for country risk exposure in terms of RBI Circular DBOD.BP.BC.71/21.04.103/2002-03 dated February 19, 2003 and any amendments thereafter is as follows:

(Amounts Rs. in '000)

Risk Category	Exposure (Net) as at March 31, 2025	Provision as at March 31, 2025	Exposure (Net) as at March 31, 2024	Provision as at March 31, 2024
Insignificant	1,088,936	—	299,472	—
Low	—	—	4,500	—
Moderately Low	—	—	—	—
Moderate	—	—	—	—
Moderately High	—	—	—	—
High	—	—	—	—
Very High	—	—	—	—
Total	1,088,936	—	303,972	—

d) Intra-Group Exposure

As a prudential measure aimed at better risk management and avoiding concentration and contagion of credit and liquidity risk that may arise from Intra Group Exposures, the Reserve Bank of India (RBI) has issued Guidelines on Management of Intra Group Transactions and Exposures (ITEs) vide its Circular No. RBI/2013-14/487 DBOD.No.BP.BC.96/21.06.102/2013-14 dated February 11, 2014. Quantitative disclosures under the above guidelines are provided here.

(Amounts Rs. in '000)

S. No.	Particulars	March 31, 2025	March 31, 2024
1	Total amount of intra-group exposures	79,730	57,286
2	Total amount of top-20 intra-group exposures	79,730	57,286
3	Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	0.02%	0.02%
4	Details of breach of limits on intra-group exposures and regulatory action thereon, if any	None	None



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e) Unhedged Foreign Currency Exposure (UFCE):

The RBI has issued various guidelines advising banks to closely monitor the unhedged foreign currency exposures of their borrowing clients. However, the extent of unhedged foreign currency exposures of the entities continues to be significant and this can increase the probability of default in times of high currency volatility.

The RBI had, therefore, introduced incremental provisioning and capital requirements for bank exposures to entities with unhedged foreign currency exposures.

The process for ascertaining the amount of UFCE, estimating the extent of the likely loss, the riskiness of the unhedged positions, provisions thereof, etc. are to be done as per the RBI Circular RBI/2023-24/06 DOR.STR.REC.3/21.04.048/2023-24 dated 01 April 2023 on prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to advances. AEBC India's policy Guidelines for Monitoring Unhedged Foreign Currency Exposures of Corporates, Provisioning and Capital requirements encompass the RBI guidelines in this regard.

This guideline indicates the definition of "unhedged foreign currency exposure" (as per the RBI) and how to estimate the extent of likely loss. Likely loss is defined as "The loss to the entity in case of movement in USD-INR exchange rate may be calculated using the annualised volatilities". Once the loss figure is calculated, it may be compared with the annual Earnings before Interest and Depreciation (EBID) of the corporate as per the latest quarterly results certified by the respective statutory auditors. This loss may be computed as a percentage of EBID. Higher this percentage, higher will be the susceptibility of the entity to adverse exchange rate movements. Therefore, as a prudential measure, all exposures to such entities would attract incremental capital and provisioning requirements (i.e., over and above the present requirements) as prescribed by the RBI. As per the RBI guideline, the UFCE may be obtained from entities every quarter based on either self-declaration, internal audit or statutory audit. However, at least on an annual basis, UFCE information should be audited and certified by the statutory auditors of the entity for its authenticity.

Provision towards unhedged foreign currency exposures as on 31 March 2025 is Rs. 115,979 ('000) [2023-24: Rs. 101,688 ('000)] and the capital held by the Bank towards this risk is Rs. 396,842 ('000) [2023-24: Rs 312,712 ('000)] as per RBI master circular RBI/2023-24/06 DOR.STR.REC.3/21.04.048/2023-24 dated 01 April 2023 on prudential norms on income recognition, asset classification and provisioning pertaining to advances.

6. Concentration of Deposits, Advances, Exposures and NPAs:

a) Concentration of Deposits

(Amounts Rs. in '000)

S. No.	Particulars	2024-25	2023-24
1	Total Deposits of twenty largest depositors	51,252,695	40,864,784
2	Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	99.37%	99.27%

b) Concentration of Advances

(Amounts Rs. in '000)

S. No.	Particulars	2024-25	2023-24
1	Total Advances to twenty largest borrowers	3,927,491	2,839,959
2	Percentage of Advances of twenty largest borrowers to Total Advances of the Bank	6.09%	5.75%

c) Concentration of Exposures

(Amounts Rs. in '000)

S. No.	Particulars	2024-25	2023-24
1	Total Exposure to twenty largest borrowers / customers	6,027,316	5,164,201
2	Percentage of Exposures to twenty largest borrowers/ customers to Total Exposure of the bank on borrowers/ customers	1.75%	1.88%

d) Concentration of NPAs

(Amounts Rs. in '000)

S. No.	Particulars	2024-25	2023-24
1	Total Exposure to the top twenty NPA accounts *	1,252,147	1,096,512
2	Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs	42.41%	41.87%

*The Bank is in the card business and the exposure shown above is equivalent to the outstanding balance.

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

As per guidelines issued by RBI in relation to Depositor Education and Awareness Fund Scheme, 2014, banks are required to transfer to a designated fund, the amounts becoming due in each calendar month i.e. proceeds of the inoperative accounts and balances remaining unclaimed for ten years or more as specified in the Scheme and the interest accrued thereon on the last working day of the subsequent month.



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Below are the details of amount transferred to Depositor Education and Awareness Fund as of March 2025.

(Amounts Rs. in '000)

Particulars	2024-25	2023-24
Opening balance of amounts transferred to DEAF	239,932	184,052
Add : Amounts transferred to DEAF during the year	86,966	55,882
Less : Amounts reimbursed by DEAF towards claims	–	2
Closing balance of amounts transferred to DEAF	326,898	239,932

Closing balance of the amount transferred to DEAF, as disclosed above, is also included under 'Schedule 12 – Contingent Liabilities - Other items for which the bank is contingently liable'.

8. Investor education and protection fund

There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Bank, during the year ended March 31, 2025.

9. Disclosure of complaints:

Summary information on complaints received by the bank from customers and from the Office of Banking Ombudsman (OBOs)

S No	Particulars	2024-25	2023-24
Complaints received by the bank from its customers			
1	No of complaints pending at the beginning of the year	2,638	1,764
	Adj to PY*	(1)	
2	No of complaints received during the Year	70,971	55,344
3	No of complaints disposed during the year	69,819	54,470
3.1	Of which, number of complaints rejected by the bank	–	–
4	No of complaints outstanding at the end of the year	3,789	2,638
Maintainable complaints received by the bank from OBOs			
5	Number of maintainable complaints received by the bank from OBOs	303	325
5.1	Of 5, number of complaints resolved in favor of the bank by OBOs	160	151
5.2	Of 5, number of complaints resolved through conciliation/ mediation/settled/withdrawn/advisories issued by OBOs	143	174
5.3	Of 5, number of complaints resolved after passing of Awards by OBOs against the bank	–	–
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	–	–

*Adjustment due to the complaint reopened and subsequently reclassified as non-reportable.

Grounds of complaints received by the bank from customers: (Top 5 grounds required)

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ (decrease) in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
2024-25					
Credit Cards	1,338	34,469	54%	1,624	3
Account opening/difficulty in operation of accounts	285	9,471	0%	551	0
Levy of charges without prior notice/excessive charges/ foreclosure charges	184	7,121	14%	346	0
Non-observance of Fair Practices Code	151	3,213	23%	177	0
Mis-selling/Para-banking	166	2,394	11%	174	0
Others	514	14,303	14%	917	1
Total	2,638	70,971	28%	3,789	4



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Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ (decrease) in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
2023-24					
Credit Cards	555	22,325	-13%	1,338	28
Account opening/difficulty in operation of accounts	276	9,476	-8%	285	—
Levy of charges without prior notice/excessive charges/ foreclosure charges	247	6,223	-14%	184	—
Non-observance of Fair Practices Code	71	2,607	19%	151	—
Mis-selling/Para-banking	108	2,159	14%	166	—
Others	507	12,554	-4%	514	—
Total	1,764	55,344	-8%	2,638	28

10. Disclosures on Remuneration:

Qualitative Disclosures

Being a Branch of a Foreign Bank, the Bank does not have any Remuneration Committee for approval of the Managerial Remuneration. The Bank's compensation structure is in conformity with the principles and practices set out by the Financial Stability Board (FSB). Further, the Bank has obtained the RBI's approval for the Chief Executive Officer's (CEO) remuneration.

Quantitative Disclosures

The quantitative disclosures cover the Bank's CEO and Key Risk Takers. The Bank's Key Risk Takers include the CEO, Head of Business Units and select roles in Treasury and Risk.

(Amounts in Rs. '000)

No.	Particulars	2024-25	2023-24
1	(i) Number of employees having received a variable remuneration award during the financial year.	5	5
	(ii) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	8,695	1,723
	(iii) Total amount of deferred remuneration paid out in the financial year	4,778	862
2	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.		
	Fixed	70,503	62,312
	Variable	47,605	29,534
	Deferred	—	—
	Non-deferred	47,605	29,534
3	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	—	—
	(ii) Total amount of reductions during the financial year due to ex-post explicit adjustments.	—	—
	(iii) Total amount of reductions during the financial year due to ex-post implicit adjustments.	—	—
4	Retirals (PF, Gratuity, SA)	4,997	4,671

Variable pay included above is on cash basis i.e. the year in which the same is paid out.

Compensation for CEO is as approved by the RBI and paid by the Bank to the CEO. Compensation for other risk takers is as approved by the Bank.

Charges for long term incentive awards in form of shares, issued by the ultimate parent company to the key risk takers, has not been considered for the disclosure purpose as there is no charge to Profit and Loss account of the Bank.



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11. Other Disclosures

a) Business / Information Ratios:

	Particulars	2024-25	2023-24
a.	Interest income as a percentage to working funds (%)	6.48	6.56
b.	Non-interest income as a percentage to working funds (%)	16.50	15.19
c.	Cost of deposits (%)	6.38	5.48
d.	Net Interest margin with charge card (%)	4.49	5.21
e.	Net Interest margin without charge card (%)	6.32	7.04
f.	Operating profit as a percentage to working funds (%)	1.27	0.99
g.	Return on assets (%)	0.12	0.65
h.	Business (deposits plus advances) per employee (Amount in Rs. '000)	70,929	58,606
i.	Profit/(loss) per employee (Amount in Rs. '000)	93	476

Definitions:

- Working funds is the average of total assets as reported in return Form X under Section 27 of Banking Regulation Act, 1949 (excluding accumulated losses) during the year
- Operating profit = (Interest income + other income - interest expenses - operating expenses - amortization of premium on investments - profit / (loss) on sale of fixed assets).
- "Business" is the average of the total of advances and deposits (net of inter-bank deposits).
- Productivity ratios are based on number of employees at year end.

b) Details of fees / remuneration received in respect of Bancassurance business: (Amounts in Rs. '000)

Particulars	2024-25	2023-24
Others - Income from Insurance Corporate Agency Business		
- For selling life insurance products	113,109	107,958
- For selling non-life insurance products	223,131	185,740

c) Provisions and Contingencies: (Amounts Rs. in '000)

Particulars	2024-25	2023-24
Provision towards Non-Performing Assets	337,158	(229,690)
Provision towards Standard assets	70,691	(19,838)
Write- offs	1,464,237	1,052,909
Recoveries	(666,190)	(588,236)
Provision made towards Income tax	—	—
Other Provisions and Contingencies	46,575	15,889
TOTAL	1,252,471	231,034

d) Payment of DICGC Insurance Premium (Amounts Rs. in '000)

Sr. No.	Particulars	2024-25	2023-24
i)	Payment of DICGC Insurance Premium	64,902	52,995
ii)	Arrears in payment of DICGC premium	—	—

e) Portfolio-level information on the use of funds raised from green deposits

The Bank has not raised green deposits on or after June 1, 2023 based on the Framework for the acceptance of Green deposits issued by RBI.

f) Subordinated Debt - Tier 2 Debt Capital Raised in the form of Head Office Borrowings in Foreign Currency:

Schedule 4 – Borrowings include an amount of Rs.4,950,000 thousands, Rs.10,331,300 thousands and Rs.7,749,000 thousands pertaining to Tier 2 debt capital raised in the form of Head Office borrowings in foreign currency during 2018-19, 2019-20 and 2022-23 respectively from Head Office. Details of the Head Office borrowings are as under:

(Amounts Rs. in '000)

Particulars	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Date of Borrowing	04-May-2018	11-Mar-2020	17-Mar-2020	26-May-2022
Rate of Interest	Interest Free	Interest Free	Interest Free	Interest Free
Amount (Rs. '000)	4,950,000	5,150,600	5,180,700	7,749,000
Date of Repayment	04-May-2028	11-Mar-2026	17-Mar-2027	26-May-2029
Call Option with the Bank	After completion of 5 years from the Issuance date (04-May-2023), with a prior notice of 90 days to the Lender. The bank has decided to exercise the prepayment option only after 03-Aug-2026.	After completion of 5 years from the Issuance date (11-Mar-2025), with a prior notice of 90 days to the Lender. The bank has decided not to exercise the prepayment option till the maturity date i.e. 11-Mar-2026.	After completion of 5 years from the Issuance date (17-Mar-2025), with a prior notice of 90 days to the Lender. The bank has decided not to exercise the prepayment option till the maturity date i.e. 17-Mar-2027	After completion of 5 years from the Issuance date (26-May-2027), with a prior notice of 90 days to the Lender.



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g) Single Borrower Limit (SBL) and Group Borrower Limits (GBL):

During the year, the Bank's credit exposure to single borrowers and group borrowers were within the limits prescribed by Reserve Bank of India.

h) Disclosure of Material Items:

Details of Miscellaneous income under the head "Schedule 14 – Other Income" exceeding 1 percent of total income are below:
(Amounts Rs. in '000)

Particulars	2024-25	2023-24
Convenience Fee	301,678	236,525
Total	301,678	236,525

Details of Other Expenditure under the head "Schedule 16– Operating Expenses" exceeding 1 percent of total income are below:

(Amounts Rs. in '000)

Particulars	2024-25	2023-24
Technology Expense	1,391,539	891,241
Professional Fees	757,274	883,259
Collection Expense	302,042	303,069
Total	2,450,855	2,077,569

Details of Other Liabilities under schedule 5(IV)-Other Liabilities and Provisions exceeding 1 percent of total assets are below:

(Amounts Rs. in '000)

Particulars	2024-25	2023-24
Merchant Payables	5,765,661	5,001,905
Membership Reward Liability	6,287,935	4,569,947
Deferred Income	2,794,872	2,071,053
Inter-affiliate Payables	2,012,873	1,480,695
Card Member Credit Balances	1,436,064	1,291,054
Operating and other expenses accrual	1,261,202	1,116,732
Employee Benefits	1,239,501	1,077,247
Total	20,798,108	16,608,633

Details of Other Assets under schedule 11(VII)-Other Assets exceeding 1 percent of total assets are below:

(Amounts Rs. in '000)

Particulars	2024-25	2023-24
Inter-affiliate Receivables	1,151,140	1,185,871
Total	1,151,140	1,185,871

i) Commission, exchange and brokerage (net)

Commission, exchange and brokerage is netted off with the amount shared with affiliates on overseas Card Member spend on the Bank's merchant and volume rebates amounting to Rs. 4,131,983 ('000) [2023-24: Rs. 3,052,588 ('000)].

j) Deferred Taxes

In accordance with AS-22 on 'Accounting for Taxes on Income' issued by Ministry of Corporate Affairs (MCA), the Bank recognizes Deferred Tax Assets on timing differences to the extent that there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. As of March 31, 2025, in view of lack of virtual certainty supported by convincing evidence that sufficient taxable income would accrue in the immediate future, as a matter of prudence, the Bank has decided not to recognise Net Deferred Tax Assets as on March 31, 2025.

The major composition of Deferred Tax Assets (DTA) and Deferred Tax Liabilities (DTL) is as under:

(Amounts in Rs. '000)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax assets/ (liabilities)		
Provision for Bad and Doubtful Debts	1,213,243	1,153,308
Provision for Employee Benefits	519,547	421,621
Accumulated Taxable Losses	2,631	567,625
Depreciation on fixed assets	(398,629)	(573,755)
Deferred Rent and Other reserves	36,926	35,094
MAT Credit	133,110	-
Total	15,06,828	16,03,893



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k) Segment Reporting

The summary of the segmental information of the Bank for the Year ended 31st March, 2025 are given below-

Segmentation	Banking operations		Treasury		Total	
Particulars	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Segment Revenue (a)	23,629,870	19,179,620	3,070,503	2,894,737	26,700,373	22,074,357
Segment Expense (b)	24,407,690	19,780,381	2,158,756	1,631,745	26,566,446	21,412,126
Unallocated Expenses (c)					–	–
Segment result (d) = (a) – (b) – (c)	(777,820)	(600,761)	911,747	1,262,992	133,927	662,231
Operating Profits / (Loss)					133,927	662,231
<i>Income taxes</i>					–	–
Extraordinary profit / (loss)					–	–
Net profit (loss)					133,927	662,231
Other information:						
Segment assets	71,066,240	55,750,349	50,341,179	49,729,583	121,407,419	105,479,932
Unallocated assets (Taxes and accumulated losses)					1,030,143	954,846
Total assets	71,066,240	55,750,349	50,341,179	49,729,583	122,437,562	106,434,778
Segment liabilities	53,678,378	38,421,117	50,341,179	49,729,583	104,019,557	88,150,700
Unallocated liabilities (Taxes, Capital and Reserve and Surplus)					18,418,005	18,284,078
Total liability	53,678,378	38,421,117	50,341,179	49,729,583	122,437,562	106,434,778
Cost to acquire fixed assets	811,890	567,215	–	–	811,890	567,215
Depreciation	1,350,396	1,304,613	–	–	1,350,396	1,304,613

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.

l) Related Party Disclosures

In the terms of the Accounting Standard 18 on 'Related Party Disclosures' issued by Ministry of Corporate Affairs as specified under Section 133 of Companies Act, 2013 read with Companies (Accounting Standards) Rules, 2021 and the related guideline issued by the RBI, the details pertaining to related parties are as under:

Related Party Relationship:

Sr. No.	Relationship	Party Name
1.	Parent - Head Office	American Express Banking Corp., New York.
2.	Ultimate Holding Company	American Express Company
3.	Subsidiaries of Ultimate Holding Company	American Express (Malaysia) Sdn. Bhd. American Express Australia Ltd American Express Business Solutions (India) Private Limited American Express Europe Limited Global Business Travels Private Limited American Express India Pvt Ltd. American Express International, Inc. - Branch - Singapore American Express International, Inc. - Branch - Hong Kong American Express International, Inc. - Japan American Express Limited American Express Services India Pvt Ltd American Express Travel Related Services Company, Inc. Amex Canada Inc. American Express Indonesia American Express International (Taiwan), Inc.
4.	Subsidiaries/ Associates/ Joint Ventures	–
5.	Key Management Personnel**	Sanjay Khanna as Chief Executive Officer



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The related party balances and transactions for the year ended March 31, 2025 are summarized as follows: (Amounts in Rs. '000)

Particulars	Year	Parent - Head Office	Total
		American Express Banking Corp, New York	
Borrowings	2024-25	23,030,300	23,030,300
	2023-24	23,030,300	23,030,300
Maximum Outstanding	2024-25	23,030,300	23,030,300
	2023-24	23,030,300	23,030,300

(Amounts in Rs. '000)

Particulars	Year	Subsidiaries of Ultimate Holding Company						Total
		American Express Travel Related Services Company, Inc.	American Express International, Inc. - Branch - Singapore	American Express India Pvt Ltd.	Global Business Travels Private Limited	American Express Company	Others	
Deposits	2024-25	—	—	46,252,000	—		4,430,000	50,682,000
	2023-24	—	—	36,566,000	—		4,055,000	40,621,000
Maximum Outstanding	2024-25	—	—	54,126,000	—		4,830,000	
	2023-24	—	—	46,019,000	—		4,315,000	
Advances	2024-25	—	—	483,735	30,779		—	514,514
	2023-24	—	—	27,714	7,642		—	35,356
Maximum Outstanding	2024-25	—	—	572,473	30,779		36	
	2023-24	—	—	87,449	14,082		83	
Receivables	2024-25	1,088,763	—	55,724	—		6,653	1,151,140
	2023-24	299,216	—	875,587	—		11,068	1,185,871
Payables	2024-25	1,142,067	445,496	1,823,940	68,863		284,961	3,765,327
	2023-24	743,473	336,289	1,394,079	52,795		268,543	2,795,179
Sale / (Purchase) of assets	2024-25	—	—	3,988	—		(111)	3,877
	2023-24	—	—	(13,358)	—		9	(13,349)
Interest Expense	2024-25	—	—	2,604,638	—		278,579	2,883,217
	2023-24	—	—	1,808,069	—		206,245	2,014,314
Re-imbursements on account of internal employee transfer	2024-25	—	—	1,248,553	—		6,862	1,255,415
	2023-24	—	—	1,685,468	—		48,986	1,734,454
Revenue from Services Rendered								
Commission, exchange and brokerage (gross)	2024-25	3,823,042	—	4,202	—		—	3,827,244
	2023-24	3,029,146	—	2,731	—		—	3,031,877
Less: Volume Rebate and Issuer Rate Payable	2024-25	(2,355,079)	(1,492)	—	—		(136,165)	(2,492,736)
	2023-24	(1,894,447)	(1,610)	—	—		(105,493)	(2,001,550)
Revenue from Services Rendered Total	2024-25	1,467,963	(1,492)	4,202	—		(136,165)	1,334,508
	2023-24	1,134,699	(1,610)	2,731	—		(105,493)	1,030,327
Cost of Services Received								
Business Support Cost	2024-25	2,436,691	43,683	2,535,899	—	111,315	19,160	5,146,748
	2023-24	2,169,222	6,153	2,318,822	—	99,494	32,462	4,626,153
Other expenditure	2024-25	(588)	—	486	40,291		—	40,189
	2023-24	—	—	493	46,993		—	47,486
Rent, taxes and lighting	2024-25	—	—	141,832	—		70,698	212,530
	2023-24	—	—	100,073	—		65,767	165,840



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Particulars	Year	Subsidiaries of Ultimate Holding Company						Total
		American Express Travel Related Services Company, Inc.	American Express International, Inc. - Branch - Singapore	American Express India Pvt Ltd.	Global Business Travels Private Limited	American Express Company	Others	
Re-imbursements of cost to/(from) Related Party	2024-25	(973)	–	58,013	–	–	–	57,040
	2023-24	(1,382)	–	8,241	–	–	–	6,859
Cost of Services Received Total	2024-25	2,435,130	43,683	2,736,230	40,291	111,315	89,858	5,456,507
	2023-24	2,167,840	6,153	2,427,629	46,993	99,494	98,229	4,846,338
Market Support Receipt \$	2024-25	(4,248,571)	–	(148,064)	–	–	(17,149)	(4,413,784)
	2023-24	(3,106,472)	–	–	–	–	–	(3,106,472)

**No disclosure has been made in respect of Key Management Personnel, keeping in view the secrecy clauses and the provisions of the RBI guidelines.

Payables include amount with respect to settlements with overseas group entities on account of spends made by overseas/Indian card members in India/outside India. However, volume of such transactions is not considered for disclosure.

\$ Receipt is towards the market support payments from American Express Travel Related Services Company, Inc for implementation cost towards multiphase initiative projects refer note no. 18.IV.11.aa.

m) Other Liabilities include:

(Amounts in Rs. '000)

Particulars	2024-25	2023-24
Provisions towards Standard Assets [#]	370,235	294,805
Counter Cyclical Provisioning Buffer	88,500	88,500

#Includes Provision on Unhedged Foreign Currency Exposure of Rs. 1,15,979 ('000) [2023-24: Rs. 1,01,688 ('000)]

n) Floating Provisions: The Bank has not created any floating provisions.

o) Leases

The Bank's significant leasing arrangements are in respect of operating leases for commercial premises and hardware. Lease expenditure for operating leases is recognized on a straight-line basis over the primary period of lease.

(Amounts in Rs. '000)

Particulars	2024-25	2023-24
Future minimum lease payments under non-cancellable Operating leases		
- Not later than 1 year	1,271,234	1,027,389
- Later than 1 year and not later than 5 years	1,476,090	1,128,873
- Later than 5 years	–	–
Lease payments recognized in the Profit and Loss Account in respect of operating leases	1,025,836	937,541

p) Provision, Contingent Liabilities and Contingent Assets

Movement in provision for membership reward points:

(Amounts in Rs. '000)

Particulars	2024-25	2023-24
Opening	4,569,947	3,726,266
Additions	6,408,015	4,633,570
Utilisations/Write backs	4,690,027	3,789,889
Closing Balance	6,287,935	4,569,947

The bank estimates provision for card reward points by applying historic redemption rates on points eligible for redemption by a card member.

q) Taxes

The income tax expenses comprise the following:

(Amounts in Rs. '000)

Particulars	2024-25	2023-24
Current Income Tax (MAT Charge)	–	–
Deferred Income tax (benefit)/expense	–	–
Total	–	–



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Schedule 18 – Significant Accounting Policies and Notes to Financial Statements (Contd.)

r) Description of contingent liabilities

Contingent Liabilities	Brief Description
Claims against the bank not acknowledged as debts*	The Bank is a party to various legal proceedings and direct/indirect tax assessments in the normal course of business. The Bank does not expect the outcome of any of legal proceedings to have a material adverse effect on the Bank's financial condition, result of operations and cash flows. Direct/indirect tax matters for which appeal is pending having tax impact of Rs. 3,665,347 ('000) [2023-24: Rs. 3,863,887 ('000)] has been disputed by bank and hence disclosed as contingent liability.
Other items for which the bank is contingently liable*	The Bank as part of certain service contracts has potential obligations towards Government Departments for its own commercial operations which amount to Rs. 3,100 ('000) [2023-24: Rs. 3,100 ('000)]. - Rs 2,500 ('000) [2023-24: Rs. 2,500 ('000)] towards Unique Identification Authority of India (guaranteed through Standard Chartered Bank) for e-KYC and authentication services. Rs. 600 ('000) [2023-24: Rs. 600 ('000)] towards Department of Posts for availing 'Book Now Pay Later' services. The amount deposited in Depositor Education and Awareness Fund amounting to Rs. 326,898 ('000) [2023-24: Rs.239,932 ('000)].

* Also refer Schedule 12 – Contingent Liabilities

s) Employee Benefits

The disclosures required as per the revised AS 15 are as under:

Brief description of the Plans

The Bank has various schemes for long-term benefits such as provident fund, pension, and gratuity and leave encashment. The Bank's defined contribution plans are provident fund and employees' pension scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952), and the Bank has no further obligation beyond making the contributions. The Bank's defined benefit plans includes pension for deferred/vested pensioner (left employees), gratuity and leave encashment.

(Amounts in Rs. '000)

A	Charge to the Profit and Loss Account based on contributions:	2024-25	2023-24
	Provident fund	129,900	120,753
	Superannuation	856	1,211
	TOTAL	130,756	121,964

(Amounts in Rs. '000)

B	Contribution towards Pension for deferred / vested pensioners (left employees):
	The above employee benefit is covered under Pension Trust and as detailed under Paragraph III 9 (b) of Schedule 18 above.

Pension: The components of net benefit expenses recognized in the Profit and Loss Account and Balance Sheet and the funded status for the pension benefit plan are summarised below :

		As at March 31, 2025	As at March 31, 2024
I	Assumptions		
	Mortality Rate (in deferment)	Annuitants Mortality Table 12-15	Annuitants Mortality Table 12-15
	Mortality Rate (Post retirement)	Annuitants Mortality Table 12-15	Annuitants Mortality Table 12-15
	Discount Rate	6.50%	7.00%
	Rate of increase in compensation	Not Applicable	Not Applicable
	Rate of return(expected) on plan assets	7.50%	7.50%
		As at March 31, 2025	As at March 31, 2024
II	Changes in present value of obligations		
	Defined Benefit Obligation at beginning of the Year	33,329	32,955
	Interest Cost	2,090	2,304
	Current Service Cost	—	—
	Actuarial Losses/(Gains)	3,485	(30)
	Benefit Payments	(6,939)	(1,900)
	Defined Benefit Obligation at end of the Year	31,965	33,329



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III	Changes in fair value of plan assets		
	Fair Value of Plan Assets at beginning of the Year	50,897	52,580
	Expected return on plan assets	3,557	3,872
	Actuarial Gain / (Loss)	(617)	(3,655)
	Benefit Payments	(6,939)	(1,900)
	Fair Value of Plan Assets at end of the Year	46,898	50,897
IV	Amounts to be recognised in the Balance Sheet		
	Defined Benefit Obligation at the end of the Year	31,965	33,329
	Fair Value of Plan Assets at the end of the Year	46,898	50,897
	Amount not recognised as an Asset	–	–
	Surplus Assets	14,933	17,568
V	Expense Recognised	–	–

The Pension Fund assets are invested in government securities, corporate bonds and other eligible investments.

	As at March 31, 2025	As at March 31, 2024
	Percentage	
Government of India securities (Central and State)	–	–
High quality corporate Bonds (Including Public Sector Bonds)	–	–
Equity shares	–	–
Cash (Including Special Deposits)	67.96	76.19
Others	32.04	23.81
Total	100.00	100.00

(Amounts in Rs. '000)

Experience Adjustments	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Defined Benefit Obligation at end of the period	(31,965)	(33,329)	(32,955)	(35,457)	(39,410)
Plan Asset as at the end of the period	46,898	50,897	43,613	55,434	51,178
Funded Status	14,933	17,568	10,658	19,977	11,768
Experience Gain/(Loss) adjustments on plan liabilities	(3,323)	306	(145)	528	(289)
Experience Gain/(Loss) adjustments on plan assets	(617)	(3,655)	(11,776)	4,756	(10,207)
Actuarial Gain/(Loss) due to change on assumptions	(162)	(276)	869	1,631	(1,195)

(Amounts in Rs. '000)

C	Contribution towards Gratuity: The above employee benefit is covered under a Gratuity Trust and as detailed under Paragraph III 9 (c) of Schedule 18 above.
Gratuity : The components of net benefit expenses recognized in the Profit and Loss Account and Balance Sheet and the funded status for gratuity benefit plan are summarised below:	

	As at March 31, 2025	As at March 31, 2024
I		
Assumptions		
Mortality	Indian Assured Lives Mortality (2006-08) (modified) Ult.	Indian Assured Lives Mortality (2006-08) (modified) Ult.
Discount Rate	6.50%	7.00%
Rate of increase in compensation	Band 35 and below: 10% Others: 8.5%	Band 40 and below: 10% Others: 9%
Rate of return (expected) on plan assets	2.00%	2.00%
Withdrawal rates	Up to age 30 - 20% age 31-40 - 10% age 41-50 - 10% age 51 and above - 10%	Up to age 30 - 15% age 31-40 - 15% age 41-50 - 10% age 51 and above - 5%



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Schedule 18 – Significant Accounting Policies and Notes to Financial Statements (Contd.)

II	Changes in present value of obligations		
	Defined benefits obligations at beginning of the Year	528,328	458,842
	Interest Cost	35,726	32,135
	Current Service Cost	54,695	51,050
	Benefits Paid	(35,908)	(25,039)
	Actuarial Losses/(Gains) on obligation	39,790	14,263
	Liabilities extinguished on settlements	–	–
	Liability released due to employee transfer	–	–
	Plan Amendment Cost	–	–
	Acquisitions Cost	9,114	(2,923)
	Defined benefits obligations at end of the Year	631,745	528,328
III	Changes in fair value of plan assets		
	Fair Value of Plan Assets at beginning of Year	3,680	299
	Expected Return of Plan Assets	37	40
	Contributions	32,217	28,401
	Benefits paid	(35,908)	(25,039)
	Assets distributed in settlements	–	–
	Actuarial gain / (loss) on plan assets	81	(21)
	Fair Value of Plan Assets at end of the Year	107	3,680
IV	Amounts to be recognised in the Balance Sheet		
	Present Value of DBO at the end of the Year	631,745	528,328
	Fair Value of Plan Assets at end of the Year	107	3,680
	Funded/(Unfunded) Status	(631,638)	(524,648)
	Unrecognised Past Service Costs	–	–
	Net Asset /(Liability) recognised in the Balance Sheet	(631,638)	(524,648)
V	Expense Recognised		
	Current Service Cost	54,695	51,050
	Interest Cost	35,726	32,135
	Expected Return on Plan Assets	(37)	(40)
	Net Actuarial (Gain) /Loss recognised for the Year	39,709	14,284
	Past Service Cost	–	–
	Expense recognised in the Profit and Loss A/c	130,093	97,429

The estimate of future salary increases, considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in employee market.

The Gratuity Fund assets are invested in government securities, corporate bonds and other eligible investments.

Major categories of Plan assets as a percentage of total plan assets.

	As at March 31, 2025	As at March 31, 2024
	Percentage	
Government of India securities (Central and State)	-	-
High quality corporate Bonds (Including Public Sector Bonds)	-	-
Equity shares	-	-
Cash (Including Special Deposits)	100.00	100.00
Others	-	-
Total	100.00	100.00



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(Amounts in Rs. '000)

Experience Adjustments	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Defined Benefit Obligation at end of the period	(631,745)	(528,328)	(458,842)	(408,800)	(293,010)
Plan Asset as at the end of the period	107	3,680	299	1,884	6,415
Funded Status	(631,638)	(524,648)	(458,842)	(406,916)	(286,595)
Experience Gain/(Loss) adjustments on plan liabilities	(26,684)	(5,782)	(10,240)	(59,640)	(16,502)
Experience Gain/(Loss) adjustments on plan assets	81	(21)	4	(260)	(193)
Actuarial Gain/(Loss) due to change on assumptions	(13,106)	(8,481)	15,282	(18,783)	16,302

B

Leave Encashment/Compensated Absences

The amount charged/(released) to Profit and Loss Account during the year towards Leave Encashment and compensated absences Rs. 44,433 ('000) (Previous year Rs. 54,359 ('000))

The liability for leave encashment and compensated absences as on March 31, 2025 is Rs. 292,531 ('000) (Previous Year Rs. 263,032 ('000)).

t) Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:

To the extent of the information received by the Bank from its vendors, the below are the transactions with suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006 during the financial year.

(Amounts in Rs. '000)

	Particulars	2024-25	2023-24
1	Principal amount due remaining unpaid	–	–
2	Interest amount due thereon and remaining unpaid	–	–
3	Amount of interest paid in terms of Section 18 of the MSMED Act, 2006	2,423	2,024
4	Interest due and payable (under the MSMED Act, 2006) which have not been paid (covering all payments)	3,134	2,423
5	The amount of interest accrued and remaining unpaid at the end of the accounting year (i.e. including amount brought forward from previous year)	3,134	2,423
6	Details on payments made in respect of outstanding as at Sl. No. 1 above.	–	–

u) Disclosure on Corporate Social Responsibility (CSR)

The Bank believes that serving our communities is not only integral to running a business successfully; it is part of our individual responsibilities as corporate citizen.

The CSR committee was formed in accordance with the Bank's CSR policy to comply with the provisions of the Section 135 of the Companies Act, 2013.

(Amounts in Rs. '000)

S.no.	Particulars	2024-25			2023-24		
A.	Gross amount required to be spent by the Bank during the year	6,320			–		
B.	Amount approved by the Board to be spent during the year	6,320			–		
C.	Amount spent during the year:	In Cash	Yet to Paid in Cash	Total	In Cash	Yet to Paid in Cash	Total
(i)	Construction/acquisition of any asset	–	–	–	–	–	–
(ii)	On purposes other than (i) above	6,320	–	6,320	–	–	–
D.	CSR expenditure incurred by the Bank is to entities controlled by the Related Parties identified by the Management as per AS 18 - 'Related Party Disclosure'	–	–	–	–	–	–
E.	No unspent amount as per section 135(5) during the year						



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v) Auditors' Remuneration [excluding goods & service tax]

(Amounts in Rs. '000)

Particulars	2024-25	2023-24
As Auditors:		
- Statutory Audit	10,000	4,600
- Tax Audit	500	500
- Certifications	2,000	1,700
- Half yearly review	–	800
- Out of Pocket Expenses	217	154
Total	12,717	7,754

w) The Bank has no disclosure to make in respect of the following items as the relevant items are Nil

(i)	Investments :	Repo Transactions (in face value terms) Non-SLR Investment Portfolio Sale and transfers to/from HTM category
(ii)	Asset Quality :	Unsecured Advances: Assets for which intangible securities have been taken as collateral
(iii)	Disclosure relating to securitisation	
(iv)	Draw down from Reserves	
(v)	Penalties imposed by Reserve Bank of India	
(vi)	Discontinuing Operations	
(vii)	Unamortised Pension and Gratuity Liabilities	
(viii)	Factoring exposures	
(ix)	Details of fees/ remuneration received in respect of marketing and distribution function (excluding bancassurance business)	
(x)	The amount of PSLCs (category-wise) sold and purchased during the year shall be disclosed	
(xi)	Disclosure of transfer of loan exposures	

x) The Bank has no disclosure to make in respect of the following items as the relevant items are Not Applicable

(i)	Investments :	Investments in Associates
(ii)	Derivatives :	Forward Rate Agreements/ Interest Rate Swaps Exchange Traded Interest Rate Derivatives Disclosure on risk exposure in derivatives Credit Default Swaps
(iii)	Letter of Comforts issued by the Bank	
(iv)	Earnings per share	
(v)	Consolidated Financial Statements	
(vi)	Overseas Assets, NPAs and Revenue	
(vii)	Off-Balance Sheet SPVs sponsored	

y) Implementation of Indian Accounting Standards (IND AS)

In January 2016, the Ministry of Corporate Affairs issued the roadmap for implementation of new Indian Accounting Standards (IND AS) for scheduled commercial banks, insurance companies and non-banking financial companies (NBFCs). The RBI has also issued a circular RBI/2015-16/315 DBR.BP.BC.No.76/21.07.001/2015-16 dated February 11th, 2016 advising that the Banks in India are required to implement IND AS from April 1, 2018. Subsequently, RBI in its press release issued on 5th April 2018 and vide notification RBI/2018-2019/146 DBR.BP.BC.No.29/21.07.001/2018-19 dated March 22, 2019 has deferred the applicability of IND AS for Scheduled Commercial Banks.

Based on RBI directions, the Bank has formed a Steering Committee to oversee IND AS implementation. The bank submitted proforma IND AS financial statements to the RBI for the half-year ended September 30, 2016 and quarter ended June 30, 2017. Further, the Bank is also submitting proforma IND AS financials to RBI periodically as per prescribed frequency since June 2018.

z) Other Statutory Information

- The Bank has not advanced or loaned or invested funds in any other person or entity including foreign entity (intermediary) with the understanding that the intermediary shall:
 - Directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.



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- (ii) The Bank has not received any funds from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) the Company shall:
- (a) Directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Funding Party Company (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

aa) Update on Strategic Initiatives and Temporary Pause of Certain Card Acquisition Activities

The bank has entered into a multi-phase initiative (project) to enhance the future growth and success of its domestic business in India which involves partnering with third parties to provide issuing technology capabilities for its domestic card issuing business. As part of the project implementation, the bank commenced testing of key platforms related to onboarding and servicing domestic customer accounts during the month of March 2025. To ensure a smooth transition and minimize potential customer disruption during this critical phase of the project implementation, the bank temporarily paused certain domestic card acquisition activities in India from March 2025. This pause will allow the bank's operations teams to focus on preparing for the planned system and platform changes. During the pause, the bank will be actively engaged in system testing and preparing for the full implementation of project. This temporary pause in select acquisition activities will ultimately position the bank's domestic business for sustainable long-term growth. During this period, the bank will maintain full operational capacity to serve its existing customer base, ensuring uninterrupted access to all services and support.

bb) Audit Trail

As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014, the Bank uses such accounting software for maintaining its books of account that have a feature of recording audit trail. However, the features of audit trail was not enabled at application level and data base level throughout the year. Further in respect of accounting software maintained by the third party service providers, the SOC report received by the Bank does not contain the information related to recording and preservation of audit trail.

The Bank has internal controls in place over audit trail at application layer wherein all transactions and masters' updates / uploads follow a four-eye principle and wherein adequate maker-checker controls are in place to ensure that the transactions are valid and authorised. Further, in case of database layer, access to in-scope databases is controlled via privilege access management tool, the access of which is granted on need basis only and which is controlled through access management process of the Bank. Based on the above factors, the Bank has established and maintained an adequate internal control framework and based on its assessment believes that this was effective for the year ended 31 March 2025.

cc) Backup

The Bank has maintained daily backups of its books of accounts and other books and documents on servers physically located in India throughout the year in accordance with the terms of Rules 3(1) and 3 (5) of the Companies (Accounts) Rules 2014 other than certain books of accounts where the backups has been maintained on servers physically located in India on daily basis with effect from the date as mentioned in the table below :

S.No.	Application Name	Daily back up since
1	Oracle	12/01/2025
2	Concur	28/02/2025
3	ADP	21/03/2025
4	Quantum	12/03/2025
5	CIS	31/01/2025

12 Comparative figures

Previous year figures have been reclassified and regrouped wherever considered necessary to conform to current year's presentation.

For **Price Waterhouse LLP**
Chartered Accountants
Firm Registration No. 301112E/E300264

Sharad Vasant
Partner
Membership No. 101119

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

Sanjay Khanna
Chief Executive Officer

Rupesh Satapathy
Financial Controller

Place: Mumbai
Date: June 25, 2025

Place: Gurugram
Date: June 24, 2025