



AMERICAN EXPRESS BANKING CORP.

INDIA BRANCH

(INCORPORATED IN THE UNITED STATES OF AMERICA)

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **AMERICAN EXPRESS BANKING CORP.-INDIA BRANCH** ("the Bank"), which comprise the Balance Sheet as at 31st March, 2022, 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 (together referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ("the Act") 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 31st March, 2022, and its loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial statements' section of our report. We are independent of the Bank in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India 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.

Emphasis of Matter

We draw attention to Note No. IV.20 of Schedule 18 of the financial statements, which fully describes that the bank has recognised provision on credit card receivables to reflect the business impact and uncertainties arising from the COVID-19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the uncertainties and events arising from the full impact of the COVID-19 pandemic.

Our opinion is not modified in respect of this matter.

Information other than the financial statements and Auditor's Report Thereon

The Bank's management is responsible for the other information. The other information comprises the information included in the Bank's Basel III-Pillar 3 disclosures and annual report but does not include the financial statements and our auditor's report thereon.

The other information is expected to be made available to us after the date of auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the other information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 "The Auditor's responsibilities Relating to other information".

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

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, read with the Companies (Accounting Standards) Rules, 2021 and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars, guidelines and directions issued by the Reserve Bank of India ("the RBI") from time to time as applicable to the Bank. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

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



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Auditor's responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system 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.

Materiality is the magnitude of misstatement in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

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

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

Other Matter

The Comparative financial information for the year ended 31st March 2021 included in the accompanying financial statements have been audited by Khimji Kunverji & Co. LLP, Chartered Accountants whose report dated 25th June, 2021, expressed unmodified opinion.

Our opinion is not modified in respect of the above matter.

Report on other legal and regulatory requirements

1. The Balance Sheet and Profit and Loss Account and the Cash Flow Statement have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Act read with Companies (Accounting Standards) Rules, 2021.
2. As required by sub-section (3) of Section 30 of the Banking Regulation Act, 1949, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and have found them to be satisfactory.
 - (b) The transactions of the Bank, which have come to our notice during the course of our audit have been within the power of the Bank, and
 - (c) Since the bank have only branch, the question on reporting the number of branches audited by us and the manner of audit doesn't arise.
3. 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 Bank so far as it appears from our examination of those books except that the backup of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India, Refer Note I of Schedule 18 of the financial statements wherein it has been stated that the backup of the books of accounts and other papers maintained in electronic mode has been maintained on servers located outside India.



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- (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, read with Companies (Accounting Standards) Rules, 2021 to the extent they are not inconsistent with the accounting policies prescribed by RBI.
- (e) There are no material observations or comments on the financial transactions or matters which have any adverse effect on the functioning of the Bank;
- (f) The reporting requirement of Section 164(2) of the Act is not applicable to the Bank considering it is a branch of American Express Banking Corp. which is incorporated with limited liability in United States of America.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
- (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 on its financial position in its financial statements - Refer Schedule 12 and Note No. IV.11 of the 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 including derivative contracts- Refer Note No. IV. I (g) of the Schedule 18 to the financial statements.
 - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Bank during the year ended 31st March, 2022.
 - iv.
 - a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity (“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.
 - b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Bank from any person or entity, including foreign entity (“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.
 - c) Based on the audit procedures that have been 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The clause (f) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 is not applicable to the branch as the branch has not declared or paid dividend during the year.
4. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:
The Bank is a Banking Company as defined under Banking Regulation Act, 1949. Accordingly, the requirements prescribed under Section 197 of the Companies Act, 2013 do not apply

For **SCV & Co. LLP**

Chartered Accountants

FIRM REGISTRATION No. 000235N/N500089

(RAJIV PURI)

PARTNER

MEMBERSHIP No. 084318

ICAI UDIN: 22084318ALMHUM9506

Place: Noida

Dated: 23rd June, 2022



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Annexure “A” To the Independent Auditor’s Report

Annexure referred to in paragraph 3(g) under the heading “Report on other legal and regulatory requirements” of our report of even date.

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

We have audited the internal financial controls over financial reporting of **AMERICAN EXPRESS BANKING CORP.-INDIA BRANCH** (“the Bank”) as of 31st March, 2022 in conjunction with our audit of the Financial statements of the Bank for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Bank’s management is responsible for establishing and maintaining internal financial controls based on the internal control 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 issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Bank’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A Bank’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank’s internal financial control over financial reporting 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 and directors 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, 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 issued by the Institute of Chartered Accountants of India.

For **SCV & Co. LLP**
Chartered Accountants
FIRM REGISTRATION No. 000235N/N500089

(RAJIV PURI)
PARTNER
MEMBERSHIP No. 084318
ICAI UDIN: 22084318ALMHUM9506

Place: Noida
Dated: 23rd June, 2022



AMERICAN EXPRESS BANKING CORP.

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BALANCE SHEET AS AT MARCH 31, 2022				PROFIT AND LOSS ACCOUNT FOR THE TWELVE MONTHS ENDED MARCH 31, 2022			
<i>(Amount in INR. '000)</i>				<i>(Amount in INR. '000)</i>			
Particulars	Schedule	As at March 31, 2022	As at March 31, 2021	Particulars	Schedule	Year ended March 31, 2022	Year ended March 31, 2021
CAPITAL AND LIABILITIES				INCOME			
Capital	1	22,153,299	22,153,299	Interest Earned	13	5,295,710	6,016,293
Reserves and Surplus	2	487,531	487,531	Other Income	14	9,366,073	7,227,740
Deposits	3	28,180,680	25,387,116	Total		14,661,783	13,244,033
Borrowings	4	21,046,741	15,685,034	EXPENDITURE			
Other Liabilities and Provisions	5	14,907,723	12,326,188	Interest Expended	15	1,069,998	1,032,258
Total		86,775,974	76,039,168	Operating Expenses	16	12,576,525	12,576,263
ASSETS				Provisions and Contingencies	17	1,064,646	2,602,461
Cash and Balances with Reserve Bank of India	6	2,375,608	1,885,697	Total		14,711,169	16,210,982
Balances with Banks and Money at Call and Short Notice	7	77,404	1,688,080	PROFIT / (LOSS)			
Investments	8	30,974,058	32,607,358	Net Profit / (Loss) for the Year		(49,386)	(2,966,949)
Advances	9	36,709,513	31,375,953	Profit / (Loss) brought forward		(5,677,520)	(2,710,571)
Fixed Assets	10	5,575,702	250,371	Transfer from Investment Fluctuation Reserve		(5,726,906)	(5,677,520)
Other Assets	11	11,063,689	8,231,709	APPROPRIATIONS			
Total		86,775,974	76,039,168	Transfer to Statutory Reserve		-	-
Contingent Liabilities	12	3,511,263	2,025,579	Transfer to Revenue and Other Reserves		-	-
Bills for Collection		-	-	Proposed dividend		-	-
				Balance carried over to Balance Sheet		(5,726,906)	(5,677,520)
						(5,726,906)	(5,677,520)
				Significant Accounting Policies and Notes to Financial Statements	18		

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

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

For SCV & Co. LLP
Chartered Accountants
FRN 000235N/N500089

Rajiv Puri
Partner
Membership No. 084318

Place: Noida
June 23, 2022

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

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

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

Sanjay Khanna
Interim Chief Executive Officer

Rupesh Satapathy
Financial Controller

Place: Gurugram
June 23, 2022



AMERICAN EXPRESS BANKING CORP.

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(INCORPORATED IN THE UNITED STATES OF AMERICA)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(Amount in INR. '000)

	Year ended March 31, 2022	Year ended March 31, 2021
Cash Flow from Operating activities		
Net profit/(loss) before income tax	(49,386)	(2,966,949)
Adjustments for :		
Net (write back)/depreciation on value of investments	-	-
Provision for standard advances	(290,105)	(44,230)
Provision for non-performing advances	(83,295)	1,750,305
Depreciation on fixed assets	559,370	112,497
Net (profit)/loss on sale of land, building and other assets	(1,823)	1,574
Operating profit before working capital changes	134,761	(1,146,803)
(Increase)/decrease in investments	1,633,300	802,566
(Increase)/decrease in advances	(5,250,265)	6,747,597
Increase/(decrease) in deposits	2,793,564	4,097,265
(Increase)/decrease in other assets	(2,325,435)	220,138
Increase/(decrease) in other liabilities and provisions	2,871,640	(10,131,581)
(Direct Taxes paid)/(Taxes deducted at source)/Refund received [net]	(457,159)	(106,844)
A Net Cash Flow (used in)/from operating activities	<u>(599,594)</u>	<u>482,338</u>
Cash Flow from Investing activities		
Fixed assets purchased	(5,896,209)	(128,127)
Proceeds from sale of fixed assets	13,331	70,697
B Net Cash Flow (used in)/from Investing activities	<u>(5,882,878)</u>	<u>(57,430)</u>
Cash Flow from Financing activities		
Infusion of capital	-	-
Proceeds/(Repayment) from/of Borrowings	5,361,707	(361,059)
Proceeds from Subordinate Debt	-	-
Long term borrowing	-	-
C Net Cash Flow from/(used in) Financing activities	<u>5,361,707</u>	<u>(361,059)</u>
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	<u>(1,120,765)</u>	<u>63,849</u>
Cash and cash equivalents at beginning of year	3,573,777	3,509,928
Cash and cash equivalents at end of year	2,453,012	3,573,777
Increase/(decrease) in cash and cash equivalents	<u>(1,120,765)</u>	<u>63,849</u>

Notes to the Cash Flow Statement

- Cash and cash equivalents represents cash and balances with banks, balance with RBI as disclosed in Schedules 6 and 7
- The above Cash Flow Statement has been prepared under the "Indirect method" as set out in the Accounting Standard (AS-3) on Cash Flow Statements prescribed under section 133 of Companies Act 2013 read with Companies (Accounting Standards) Rules, 2021.

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

For **SCV & Co. LLP**
Chartered Accountants
FRN 000235N/N500089

Rajiv Puri
Partner
Membership No. 084318

Place: Noida
June 23, 2022

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

Sanjay Khanna
Interim Chief Executive Officer

Rupesh Satapathy
Financial Controller

Place: Gurugram
June 23, 2022



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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

(Amount in INR. '000)			(Amount in INR. '000)		
	As at March 31, 2022	As at March 31, 2021		As at March 31, 2022	As at March 31, 2021
SCHEDULE 1 - CAPITAL			SCHEDULE 4 - BORROWINGS		
Amount of deposit kept with RBI under section 11 (2) of the Banking Regulation Act, 1949 as per contra.	489,057	489,057	I. BORROWINGS IN INDIA		
	<u>489,057</u>	<u>489,057</u>	Reserve Bank of India	-	-
HEAD OFFICE ACCOUNT			Other banks	5,765,441	403,734
Opening balance	22,153,299	17,603,299	II. BORROWINGS OUTSIDE INDIA		
Additions during the year	-	4,550,000	Tier 2 Debt Capital raised in the form of Head Office Borrowings in Foreign Currency		
Closing balance	<u>22,153,299</u>	<u>22,153,299</u>	[Refer Note IV. 1. b of Schedule 18]	15,281,300	15,281,300
SCHEDULE 2 - RESERVES AND SURPLUS				<u>21,046,741</u>	<u>15,685,034</u>
I. STATUTORY RESERVES			Secured borrowings included in I and II above	-	-
Opening balance	487,057	487,057	SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
Additions during the year	-	-	I. Bills payable	-	-
Closing balance	<u>487,057</u>	<u>487,057</u>	II. Inter-office adjustments (net)	-	-
II. CAPITAL RESERVES			III. Interest accrued	660,269	538,154
Opening balance	-	-	IV. Others (including provisions) *	14,247,454	11,788,034
Additions during the year	-	-		<u>14,907,723</u>	<u>12,326,188</u>
Closing balance	-	-	* Refer Note IV. 6 of Schedule 18		
III. SHARE PREMIUM			SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA		
Opening balance	-	-	I. Cash in hand (including foreign currency notes)	-	-
Additions during the year	-	-	II. Balances with Reserve Bank of India		
Closing balance	-	-	i) In Current Account	2,375,608	1,885,697
IV. REVENUE AND OTHER RESERVES			ii) In Other Accounts	-	-
Opening balance	474	474		<u>2,375,608</u>	<u>1,885,697</u>
Additions during the year	-	-	SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
Closing balance	<u>474</u>	<u>474</u>	I. In India		
V. Balance of Profit and Loss Account	-	-	Balances with banks		
	<u>487,531</u>	<u>487,531</u>	i) In Current Accounts	77,404	1,688,080
SCHEDULE 3 - DEPOSITS			ii) In Other Deposit Accounts	-	-
A. In India			Money at call and short notice		
I. DEMAND DEPOSITS			i) With banks	-	-
From banks	-	-	ii) With other institutions	-	-
From others	-	-		<u>77,404</u>	<u>1,688,080</u>
II. SAVINGS BANK DEPOSITS	-	-	II. Outside India		
III. TERM DEPOSITS			i) In Current Accounts	-	-
From banks	-	-	ii) In Other Deposit Accounts	-	-
From others (Institutional)	28,180,680	25,387,116	iii) Money at call and short notice	-	-
	<u>28,180,680</u>	<u>25,387,116</u>		-	-
B. (i) Deposits of branches in India	28,180,680	25,387,116	Total (I + II)	<u>77,404</u>	<u>1,688,080</u>
(ii) Deposits of branches outside India	-	-			
	<u>28,180,680</u>	<u>25,387,116</u>			



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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

(Amount in INR. '000)			(Amount in INR. '000)		
	As at March 31, 2022	As at March 31, 2021		As at March 31, 2022	As at March 31, 2021
SCHEDULE 8 - INVESTMENTS			SCHEDULE 10 - FIXED ASSETS		
I. Investment in India in			I. PREMISES		
i) Government Securities (Treasury Bills)	30,974,058	32,607,358	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	-	-
	30,974,058	32,607,358	II OTHER FIXED ASSETS (Including Furniture & Fixtures and Software)*		
II. Investment outside India in			At cost as on March 31 of the preceding year	1,458,396	1,479,931
i) Government Securities (including local authorities)	-	-	Additions during the year	5,896,209	128,127
ii) Subsidiaries and/or joint ventures abroad	-	-	Deductions during the year	(35,089)	(149,662)
iii) Others	-	-		<u>7,319,516</u>	<u>1,458,396</u>
	30,974,058	32,607,358	Depreciation to date	(1,743,814)	(1,208,025)
SCHEDULE 9 - ADVANCES			Total Net Book Value II	<u>5,575,702</u>	<u>250,371</u>
A. i) Bills purchased and discounted	-	-	Net Book Value I and II	<u>5,575,702</u>	<u>250,371</u>
ii) Cash credits, overdraft and loan repayable on demand #	36,709,490	31,375,911	* Refer Note III. 7 of Schedule 18		
iii) Term loans - Staff	23	42	SCHEDULE 11 - OTHER ASSETS		
	36,709,513	31,375,953	I. Inter-office adjustments (net)	-	-
B. i) Secured by tangible assets (Secured primarily by Fixed Deposits)	154,246	352,886	II. Interest accrued	182,054	218,784
ii) Covered by bank/ governments guarantees	178,146	208,708	III. Tax paid in advance / tax deducted at source	925,941	468,782
iii) Unsecured	<u>36,377,121</u>	<u>30,814,359</u>	V. Stationery and Stamps	-	-
	36,709,513	31,375,953	VI. Non-banking assets acquired in satisfaction of claims	-	-
C. I. Advances in India			VII. Deferred tax asset	-	-
i) Priority sector *	-	-	VIII. Others (Including Debit Balance in Profit and Loss Account Rs. 5,726,906 (000); Previous Year Rs. 5,677,520 (000))	9,955,694	7,544,143
ii) Public sector	-	-		<u>11,063,689</u>	<u>8,231,709</u>
iii) Banks	16,521	6,876	SCHEDULE 12 - CONTINGENT LIABILITIES		
iv) Others	<u>36,692,992</u>	<u>31,369,077</u>	I. Claims against the bank not acknowledged as debts	-	-
	36,709,513	31,375,953	II. Liability for partly paid investments	-	-
II. Advances Outside India			III. Liability on account of outstanding forward exchange and derivatives contracts	-	-
i) Due from banks	-	-	IV. Guarantees given on behalf of constituents	-	-
ii) Due from others			a) In India	-	-
(a) Bills purchased and discounted	-	-	b) Outside India	-	-
(b) Syndicated loans	-	-	V. Acceptances, endorsements and other obligations	-	-
(c) Others	-	-	VI. Other items for which the bank is contingently liable	3,511,263	2,025,579
	<u>36,709,513</u>	<u>31,375,953</u>		3,511,263	2,025,579

* 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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	<i>(Amount in INR. '000)</i>		<i>(Amount in INR. '000)</i>	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
SCHEDULE 13 - INTEREST EARNED			SCHEDULE 16 - OPERATING EXPENSES	
Interest/discount on advances/bills	4,082,084	4,698,951	Payments to and provisions for employees	2,738,675
Income on investments	1,213,626	1,317,342	Rent, taxes and lighting	796,032
Interest on balances with the Reserve Bank of India and other inter-bank funds	-	-	Printing and stationery	54,085
Others	-	-	Advertisement and publicity	4,660,952
	<u>5,295,710</u>	<u>6,016,293</u>	Depreciation on Bank's property	559,370
SCHEDULE 14 - OTHER INCOME			Director's fee, allowances and expenses	-
Commission, exchange and brokerage (net)			Auditors' fees and expenses	-
[Refer Note IV. 2 of Schedule 18]	9,219,965	7,113,175	[Refer Note IV. 17 of Schedule 18]	6,247
Net Profit/(Loss) on sale of investments	14	234	Law charges	36,581
Net Profit/(Loss) on revaluation of investments	-	-	Postage, telegram, telephones etc.	145,643
Profit on sale of land, building and other assets	3,206	2,504	Repairs and maintenance	103,223
Less: Loss on sale of land, building and other assets	(1,383)	(4,078)	Insurance	34,568
Net profit on exchange transactions	-	-	Business Support Cost (net)*	1,866,810
Income earned by way of dividends etc. from subsidiaries, companies and/or joint ventures abroad/in India	-	-	Other expenditure	1,574,339
Miscellaneous Income	144,271	115,905		<u>12,576,525</u>
	<u>9,366,073</u>	<u>7,227,740</u>		<u>12,576,263</u>
SCHEDULE 15 - INTEREST EXPENDED				
Interest on deposits	1,054,035	1,030,937		
Interest on Reserve Bank of India/ interbank borrowings	15,963	1,321		
Other Interest	-	-		
	<u>1,069,998</u>	<u>1,032,258</u>		

*Business Support Cost (net) includes Market Support payment amounting to INR 1,925,458 ('000) received from American Express Travel Related Services Company, Inc.

SCHEDULE 17 - PROVISIONS AND CONTINGENCIES *

Depreciation in the value of securities	-	-
Provision for advances and receivables	1,064,646	2,602,461
Provision for income tax and wealth tax :		
Income tax	-	-
Fringe Benefit Tax	-	-
Deferred Income Tax	-	-
	<u>1,064,646</u>	<u>2,602,461</u>

*Refer Note IV.1.g) of Schedule 18 for details

Schedules forming part of the Financial Statements for the year ended March 31, 2022

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

- I. The financial statements for the year ended March 31, 2022 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. The Bank has maintained the books of accounts and other books and papers in the electronic mode, periodic backup of which have been maintained on servers physically located outside of India.
- 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. In line with the market practice and the RBI Guidelines, the bank issues credit cards and provides payment solutions to corporates and other entities for their purchases like inventory, fixed assets, payroll cost and other expenses like office supplies, utilities, advertising, couriers, etc.
- 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 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



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

(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. Annual card fees, net of direct card acquisition costs are amortized over the period of one year. Joining fees on cards are recognised in the year of billing.
- (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.

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, all investments are categorised as 'Held to Maturity', or 'Held for Trading' or 'Available for Sale'.

Investments that the Bank intends to hold to maturity are classified as 'Held to Maturity'. Investments that are held principally for resale within ninety days from the date of purchase are classified as 'Held for Trading'. All other investments are classified as 'Available for Sale'. An Investment is classified as 'Held to Maturity', 'Available for Sale' or 'Held for Trading' at the time of its purchase. Any subsequent change in classification is done as per RBI norms. As on date, all the 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, broken period interest etc., 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 trade/settlement date.

6. **Advances**

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

Provision for NPAs on card balances outstanding is made at card member level as per Bank's credit loss provisioning policy in accordance with the prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances issued by the Reserve Bank of India and are monitored and tracked at a portfolio level. Corporate clients who are solely or jointly liable, are classified based on their overdue amounts in excess of reserves, as agreed with the client. 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. The interest and other income on non-performing assets is not recognised as income until realised.

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



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

The Bank identifies all card accounts with delinquencies and generally writes off in the books of account, 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 assets 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.

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



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

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.

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 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 on compliance with Accounting Standard – 17 issued by Institute of Chartered Accountants of India as specified under Section 133 of Companies Act, 2013 read with Companies (Accounting Standards) Rules, 2021.

Banking Operations include card operations and institutional deposits. Interest income and expense (other than those identified with the Treasury Operations), other identified income and operating expenses are reckoned in the operating results of this segment.

Treasury activities are limited to managing liquidity and funding requirements for business operations of the bank as a support function and doesn't undertake any independent business activity such as trading investments, derivatives, etc. It includes the investments and balance in bank account to meet the Statutory Liquidity Ratio (SLR), Liquidity Coverage Ratio (LCR) and maintenance of Cash Balances to meet the Cash Reserve Ratio (CRR) requirement and the corresponding funding to meet these requirements. The interest income and interest expenses related to these activities comprise the revenue and expense of this segment.

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.

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 Institute of Chartered Accountants of India 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.



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

IV. NOTES TO FINANCIAL STATEMENTS

1. Statutory Disclosures as per RBI norms:

a) Composition of Regulatory Capital

In terms of the extant RBI guidelines on Basel III Capital Regulations, as of March 31, 2022, 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.

(Amount in '000)

Particulars	2021-22	2020-21
Common Equity Tier 1 capital (i)	16,913,450	16,962,836
Additional Tier 1 Capital (ii)	-	-
Tier I Capital (i+ii)	16,913,450	16,962,836
Tier II Capital	9,733,797	12,766,087
Total Capital (Tier I and Tier II)	26,647,247	29,728,923
Total Risk Weighted Assets (RWAs)	92,738,675	79,195,660
CET 1 Ratio (CET 1 as a % of RWAs)	18.24%	21.42%
Tier I Ratio (Tier 1 capital as a % of RWAs)	18.24%	21.42%
Tier II Ratio (Tier 2 capital as a % of RWAs)	10.49%	16.12%
Capital to Risk Weighted Assets Ratio (CRAR) (Total capital as a % of RWAs)	28.73%	37.54%
Leverage Ratio	17.00%	18.98%
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	-	4,550,000
Amount of non-equity Tier 1 capital raised during the year, of which-		
- Basel III complaint Perpetual Non-Cumulative Preference shares	-	-
- Basel III complaint Perpetual Debt Instruments	-	-
Amount of Tier II capital raised during the year, of which		
- Perpetual Debt Capital instrument	-	-
- Perpetual Non-cumulative Preference Share Capital	-	-

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

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

(Amount Rs. in '000)

Particulars	Tranche 1	Tranche 2	Tranche 3
Date of Borrowing	04-May-2018	11-Mar-2020	17-Mar-2020
Rate of Interest	Interest Free	Interest Free	Interest Free
Amount (Rs. '000)	4,950,000	5,150,600	5,180,700
Date of Repayment	04-May-2028	11-Mar-2026	17-Mar-2027
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 01-May-2025.	After completion of 5 years from the Issuance date (11-Mar-2025), with a prior notice of 90 days to the Lender.	After completion of 5 years from the Issuance date (17-Mar-2025), with a prior notice of 90 days to the Lender.

c) Business/Information Ratios:

Particulars	2021-22	2020-21
a. Interest income as a percentage to working funds (%)	7.02	8.47
b. Non-interest income as a percentage to working funds (%)	12.42	10.18
c. Cost of deposits (%)	3.77	4.40
d. Net Interest margin (%)	6.40	7.75
e. Operating profit as a percentage to working funds (%)	1.34	(0.51)
f. Return on assets (%)	(0.07)	(4.18)
g. Business (deposits plus advances) per employee (Amount in Rs. '000)	46,317	40,368
h. Profit/(loss) per employee (Amount in Rs. '000)	(38)	(2,144)



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

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.

d) Asset Liability Management - Maturity Pattern of Certain 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.

(Amount 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	150,000	1,321,714	810,650	2,419,131	1,810,689	1,580,187	3,919,447	6,627,550	9,541,312	-	-	28,180,680
Previous Year	-	1,371,128	1,003,251	2,853,141	1,073,426	1,181,920	669,101	6,424,356	10,810,793	-	-	25,387,116
Advances - Current Year	711,455	4,268,731	4,980,186	11,383,282	1,700,792	1,449,446	3,266,566	2,010,895	5,429,390	1,373,299	135,471	36,709,513
Previous Year	581,022	3,486,130	4,067,151	9,296,346	1,715,376	1,247,668	2,701,457	2,027,277	5,617,726	517,974	117,826	31,375,953
Investments - Current Year	21,962,031	635,849	628,379	483,612	301,333	251,166	639,633	1,436,810	2,118,405	2,445,263	71,577	30,974,058
Previous Year	24,836,458	209,868	450,139	624,861	170,598	52,690	210,675	867,018	2,354,304	2,785,636	45,111	32,607,358
Borrowings - Current Year	1,146,292	-	-	-	-	-	-	4,619,149	-	15,281,300	-	21,046,741
Previous Year	403,734	-	-	-	-	-	-	-	-	15,281,300	-	15,685,034
Foreign Currency Assets - Current Year	-	-	-	597,641	-	-	-	-	-	-	-	597,641
Previous Year	-	-	-	4	-	-	-	-	-	-	-	4
Foreign Currency Liabilities - Current Year	29,968	182,308	-	597,167	21,530	-	-	79,166	-	15,281,300	-	16,191,439
Previous Year	18,430	318,216	340	123,416	28,172	-	-	124,803	-	15,281,300	-	15,894,677

e) Exposures

(i) Exposure to real estate sector

(Amount Rs. in ‘000)

Particulars	2021-22	2020-21
a) Direct exposure	100,994	23,485
(i) Residential Mortgages –	13,575	3,700
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
(ii) Commercial Real Estate –	87,419	19,785
Lending secured by mortgages on commercial real estate	-	-
Others	87,419	19,785
(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)	-	-
Total Exposure to Real Estate Sector	100,994	23,485



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

(ii) Exposure to capital market

(Amount Rs. in '000)

Particulars	2021-22	2020-21
(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;	162,542	20,828
(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	162,542	20,828

f) 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 June 17, 2004 is as follows:

(Amount Rs. in '000)

Risk Category	Exposure (Net) as at March 31, 2022	Provision as at March 31, 2022	Exposure (Net) as at March 31, 2021	Provision as at March 31, 2021
Insignificant	597,576	-	4	-
Low	65	-	-	-
Moderately Low	-	-	-	-
Moderate	-	-	-	-
Moderately High	-	-	-	-
High	-	-	-	-
Very High	-	-	-	-
Total	597,641	-	4	-

g) Provisions and Contingencies:

(Amount Rs. in '000)

Particulars	2021-22	2020-21
Provision for depreciation on Investment	-	-
Provision for Non-Performing Investment	-	-
Provision towards Non-Performing Assets	(56,915)	1,750,305
Provision towards Standard assets	(316,485)	(44,229)
Write-offs	2,254,928	1,552,006
Recoveries	(824,332)	(703,828)
Provision made towards Income tax and wealth tax	-	-
Other Provisions and Contingencies	7,450	48,207
TOTAL	1,064,646	2,602,461



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h) Composition of Investment Portfolio As at 31st March, 2022

(Amount Rs. in '000)

	Investments in India						Total 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	30,974,058	-	-	-	-	-	30,974,058
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-
Net	30,974,058	-	-	-	-	-	30,974,058
Held for Trading							
Gross	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-
Total Investments	30,974,058	-	-	-	-	-	30,974,058
Less: Provision for non-performing investments	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-
Net	30,974,058	-	-	-	-	-	30,974,058

As at 31st March, 2021

(Amount Rs. in '000)

	Investments in India						Total 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	32,607,358	-	-	-	-	-	32,607,358
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-
Net	32,607,358	-	-	-	-	-	32,607,358
Held for Trading							
Gross	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-
Total Investments	32,607,358	-	-	-	-	-	32,607,358
Less: Provision for non-performing investments	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-
Net	32,607,358	-	-	-	-	-	32,607,358

The bank does not have investments outside India.



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i) Movement of provisions for depreciation and Investment Fluctuation Reserve (Amount Rs. in '000)

Particulars	2021-22	2020-21
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	474	474
b) Add: Amount transferred during the year	-	-
c) Less: Drawdown	-	-
d) Closing balance	474	474
Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	0.0015%	0.0015%

j) 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.

k) Disclosure of complaints:

Summary information on complaints received by the bank from customers and from the OBOs

S No	Particulars	2021-22	2020-21
Complaints received by the bank from its customers			
1	No of complaints pending at the beginning of the year	1,083	368
2	No of complaints received during the Year	22,157	25,550
3	No of complaints disposed during the year	22,751	24,835
4	3.1 Of which, number of complaints rejected by the bank	-	-
	No of complaints outstanding at the end of the year	489	1,083
Maintainable complaints received by the bank from OBOs			
5	Number of maintainable complaints received by the bank from OBOs	238	337
5.1	Of 5, number of complaints resolved in favor of the bank by Bos	100	136
5.2	Of 5, number of complaints resolved through conciliation/mediation/ settled/withdrawn/advisories issued by Bos	138	201
5.3	Of 5, number of complaints resolved after passing of Awards by Bos against the bank	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

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
2021-22					
Levy of charges without prior notice/excessive charges/foreclosure charges	295	6,538	-18%	104	-
Account opening/difficulty in operation of accounts	208	3,686	-31%	71	-
Credit Cards	140	3,267	-13%	78	-
Non-observance of Fair Practices Code	61	1,887	31%	62	-
Mis-selling/Para-banking	44	1,144	17%	37	-
Others	335	5,635	-8%	137	-
Total	1,083	22,157	-13%	489	-



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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
2020-21					
Levy of charges without prior notice/excessive charges/foreclosure charges	90	7,927	89%	295	-
Account opening/difficulty in operation of accounts	51	5,337	-10%	208	-
Credit Cards	96	3,766	-1%	140	-
Non-observance of Fair Practices Code	14	1,437	-29%	61	-
Mis-selling/Para-banking	20	980	26%	44	-
Others	97	6,103	-3%	335	1
Total	368	25,550	11.06%	1083	1

1) Concentration of Deposits, Advances, Exposures and NPAs :

Concentration of Deposits

(Amount Rs. in '000)

S. No.	Particulars	2021-22	2020-21
1	Total Deposits of twenty largest depositors	27,915,476	25,070,748
2	Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	99.06%	98.75%

Concentration of Advances

(Amount Rs. in '000)

S. No.	Particulars	2021-22	2020-21
1	Total Advances to twenty largest borrowers	1,923,737	1,932,552
2	Percentage of Advances of twenty largest borrowers to Total Advances of the Bank	4.96%	5.76%

Concentration of Exposures

(Amount Rs. in '000)

S. No.	Particulars	2021-22	2020-21
1	Total Exposure to twenty largest borrowers/customers	3,841,484	4,178,740
2	Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	1.72%	1.87%

Concentration of NPAs

(Amount Rs. in '000)

S. No.	Particulars	2021-22	2020-21
1	Total Exposure to the top twenty NPA accounts	863,848	762,092
2	Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs	38.00%	30.09%



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m) Asset Quality

i. Classification of advances and provisions held
As at 31st March 2022

(Amount 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	31,025,588	1,881,741	574,949	76,412	2,533,102	33,558,690
Add: Additions during the year					6,866,966	
Less: Reductions during the year					7,126,536	
Closing balance	36,535,425	1,038,353	1,235,179	-	2,273,532	38,808,957
Reductions in Gross NPAs due to:						
i) Upgradation					215,497	
ii) Recoveries (excluding recoveries from upgraded accounts)					4,759,504	
iii) Technical/Prudential Write-offs					-	
iv) Write-offs other than those under (iii) above					2,151,535	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	870,382	1,474,165	574,949	76,412	2,125,526	2,995,908
Add: Fresh provisions made during the year					5,921,183	
Less: Excess provision reversed/ Write-off loans					5,978,097	
Closing balance of provisions held	580,277	833,433	1,235,179	-	2,068,612	2,648,889
Net NPAs						
Opening balance		407,576	-	-	407,576	
Add: Fresh additions during the year					945,783	
Less: Reductions during the year					1,148,439	
Closing balance		204,920	-	-	204,920	204,920
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 2021

(Amount 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	39,505,270	729,012	71,666	491	801,169	40,306,439
Add: Additions during the year					4,049,789	
Less: Reductions during the year					2,317,856	
Closing balance	31,025,588	1,881,741	574,949	76,412	2,533,102	33,558,690
Reductions in Gross NPAs due to:						
i) Upgradation					549	
ii) Recoveries (excluding recoveries from upgraded accounts)					1,047,223	
iii) Technical/Prudential Write-offs					-	
iv) Write-offs other than those under (iii) above					1,270,084	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	914,612	360,427	71,666	491	432,584	1,347,196
Add: Fresh provisions made during the year					3,066,562	
Less: Excess provision reversed/Write-off loans					1,373,620	
Closing balance of provisions held	870,382	1,474,165	574,949	76,412	2,125,526	2,995,908
Net NPAs						
Opening balance		368,585	-	-	368,585	
Add: Fresh additions during the year					983,227	
Less: Reductions during the year					944,236	
Closing balance		407,576	-	-	407,576	407,576
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 %)	2021-22	2020-21
Gross NPA to Gross Advances	5.86%	7.55%
Net NPA to Net Advances	0.56%	1.30%
Provision Coverage Ratio	94.88%	87.40%



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

n) Sector-wise Advances and Gross NPAs

(Amount Rs. in '000)

S. No.	Sector	2021-22			2020-21		
		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	-	-	-	-	-	-
4	Personal Loans	-	-	-	-	-	-
	Sub Total (A)	-	-	-	-	-	-
B	Non Priority Sector						
1	Agriculture and allied activities	-	-	-	-	-	-
2	Industry (Micro & small, Medium and Large)	2,065,870	250,092	12.11%	1,676,657	105,142	6.27%
	– Food Processing	218,043	1,558	0.71%	226,257	4	0.00%
	– Chemicals and Chemical Products (Dyes, Paints, etc.)	463,367	64,091	13.83%	382,695	25,801	6.74%
	– All Engineering (Electronics & Others)	621,853	95,474	15.35%	407,107	50,790	12.48%
	– Others	762,607	88,969	11.67%	660,598	28,547	4.32%
3	Services	4,853,440	1,008,746	20.78%	3,398,530	804,311	23.67%
	– Computer Software	1,291,435	118,757	9.20%	547,450	90,143	16.47%
	– Tourism, Hotel and Restaurants	675,648	28,843	4.27%	646,340	9,888	1.53%
	– Professional Services	1,161,946	517,220	44.51%	560,056	213,276	38.08%
	– Retail Trade	466,313	7,268	1.56%	799,226	413,279	51.71%
	– Others	1,258,098	336,658	26.76%	845,458	77,725	9.19%
4	Personal Loans	31,889,647	1,014,694	3.18%	28,483,503	1,623,649	5.70%
	Sub Total (B)	38,808,957	2,273,532	5.86%	33,558,690	2,533,102	7.55%
	Totals (A+B)	38,808,957	2,273,532	5.86%	33,558,690	2,533,102	7.55%

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

o) Particulars of resolution plan and restructuring

(Amount Rs. in '000)

		Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
		FY 21-22	FY 20-21	FY 21-22	FY 20-21	FY 21-22	FY 20-21	FY 21-22	FY 20-21	FY 21-22	FY 20-21
Standard	Number of borrowers	-	-	-	-	8	10	1,571	1,993	1,579	2,003
	Gross Amount	-	-	-	-	1,582	14,501	189,157	331,090	190,739	345,591
	Provision held	-	-	-	-	430	4,216	47,163	83,063	47,593	87,279
Sub-standard	Number of borrowers	-	-	-	-	8	2	2,517	2,253	2,525	2,255
	Gross Amount	-	-	-	-	4,231	1,073	289,399	321,964	293,630	323,037
	Provision held	-	-	-	-	3,997	974	270,893	294,801	274,890	295,775
Doubtful	Number of borrowers	-	-	-	-	2	3	1,308	491	1,310	494
	Gross Amount	-	-	-	-	377	5,197	116,128	46,903	116,505	52,100
	Provision held	-	-	-	-	377	5,197	116,128	46,903	116,505	52,100
Total	Number of borrowers	-	-	-	-	18	15	5,396	4,737	5,414	4,752
	Gross Amount	-	-	-	-	6,190	20,772	594,684	699,956	600,874	720,728
	Provision held	-	-	-	-	4,804	10,387	434,184	424,766	438,988	435,153



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p) Payment of DICGC Insurance Premium

(Amount Rs. in '000)

Sr. No.	Particulars	2021-22	2020-21
i)	Payment of DICGC Insurance Premium	40,791	35,993
ii)	Arrears in payment of DICGC premium	-	-

q) Provisioning Coverage Ratio (PCR)

In terms of the RBI guidelines, the Bank's Provisioning Coverage Ratio as of September 30, 2010 was 82.88%. The provisioning coverage ratio of the Bank with regard to the NPAs as on March 31, 2022 computed as per the RBI guidelines is 94.88% [2020-21: 87.40%].

r) 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.

(Amount Rs. in '000)

S. No.	Particulars	March 31, 2022	March 31, 2021
1	Total amount of intra-group exposures	47,845	274,488
2	Total amount of top-20 intra-group exposures	47,845	274,488
3	Percentage of intra-group exposures to total exposure of the bank on borrowers/customers	0.02%	0.12%
4	Details of breach of limits on intra-group exposures and regulatory action thereon, if any	None	None

s) 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.

Below are the details of amount transferred to Depositor Education and Awareness Fund as of March 2022.

(Amount Rs. in '000)

Particulars	2021-22	2020-21
Opening balance of amounts transferred to DEAF	88,779	55,029
Add : Amounts transferred to DEAF during the year	50,565	33,750
Less : Amounts reimbursed by DEAF towards claims	107	-
Closing balance of amounts transferred to DEAF	139,237	88,779

t) Liquidity Coverage Ratio

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/2012-13/635/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.



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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 –

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 ending March 31, 2022 stood at 212.35%



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Quantitative Disclosures

(Amount Rs. in '000)

	Qtr ended 31st March 2022		Qtr ended 31st December 2021		Qtr ended 30th September 2021		Qtr ended 30th June 2021		Quarter ended 31st March 2021	
	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)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets										
1	Total High Quality Liquid Assets (HQLA)	32,025,070		30,288,167		35,220,221		38,192,823		32,990,292
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:	6,732,379	3,025,589	6,315,063	3,160,273	7,100,274	3,737,199	6,729,277	3,070,748	6,821,988
(i)	Operational deposits (all counterparties)	-	-	-	-	-	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	6,177,984	2,471,194	5,257,984	2,103,194	5,605,125	2,242,050	6,097,548	2,439,019	6,729,781
(iii)	Unsecured debt	554,395	554,395	1,057,079	1,057,079	1,495,149	1,495,149	631,729	631,729	92,207
4	Secured wholesale funding		-		-		-		-	-
5	Additional requirements, of which	353,201	353,201	378,820	378,820	397,914	397,914	464,733	464,733	460,787
(i)	Outflows related to derivative exposures and other collateral requirements	353,201	353,201	378,820	378,820	397,914	397,914	464,733	464,733	460,787
(ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	9,059,612	9,059,612	9,168,420	9,168,420	8,235,551	8,235,551	7,180,985	7,180,985	8,133,578
7	Other contingent funding obligations	185,580,634	9,279,032	184,220,602	9,211,030	187,763,334	9,388,167	189,401,295	9,470,065	191,245,064
8	Total Cash Outflows		21,717,434		21,918,543		21,758,831		20,186,531	20,940,738
Cash Inflows										
9	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	9,369,199	4,684,599	10,208,690	5,104,345	8,958,158	4,479,079	7,500,579	3,750,289	10,098,478
11	Other cash inflows	11,847,063	1,951,849	13,651,330	2,539,505	14,040,703	2,676,946	12,805,267	1,855,780	15,355,624
12	Total Cash Inflows	21,216,262	6,636,448	23,860,020	7,643,850	22,998,861	7,156,025	20,305,846	5,606,069	25,454,102
			Total Ad-justed Value		Total Ad-justed Value		Total Ad-justed Value		Total Ad-justed Value	Total Ad-justed Value
13	TOTAL HQLA		32,025,070		30,288,167		35,220,221		38,192,823	32,990,292
14	Total Net Cash Outflows		15,080,986		14,274,694		14,602,805		14,580,462	13,157,150
15	Liquidity Coverage Ratio (%)		212.35%		212.18%		241.19%		261.95%	250.74%

* Higher of [25% of Total Cash Outflows] or [Total Cash Outflows less Total Cash Inflows]

u) Net Stable Funding Ratio (NSFR)

Qualitative Disclosures

Net stable funding ratio (NSFR) was introduced by Basel Committee on Banking Supervision (BCBS) in order to ensure that banks maintain a stable funding profile in relation to the composition of the assets, liabilities, and off-balance sheet activities. NSFR limits overreliance on short-term funding and promotes funding the activities with longer term stable sources indicating funding stability. RBI issued the regulations on the implementation of the Net Stable Funding Ratio in May 2018 with minimum requirement of equal to at least 100%. The implementation was effective from 1st October 2021.

NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. "Available stable funding" (ASF) is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of stable funding required ("Required stable funding") (RSF) of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off-balance sheet (OBS) exposures.

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



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Following table sets out the details of NSFR of the bank as on 31st December, 2021.

(Amount Rs. in '000)

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF ITEM						
1	Capital (2+3)	16,820,676	-	-	25,532,300	42,352,976
2	Regulatory capital	16,820,676	-	-	9,168,780	25,989,456
3	Other capital instruments	-	-	-	16,363,520	16,363,520
4	Retail deposits and deposits from small business customers: (5+6)	-	-	-	-	-
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	-	-	-	-	-
7	Wholesale funding: (8+9)	-	14,038,743	7,459,430	3,629	10,750,901
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	14,038,743	7,459,430	3,629	10,750,901
10	Other liabilities: (11+12)	14,695,155	443,067	218,729	323,412	-
11	NSFR derivative liabilities	-	-	-	-	-
12	All other liabilities and equity not included in the above categories	14,695,155	443,069	218,729	323,410	-
13	Total ASF (1+4+7+10)					53,103,877
RSF ITEM						
14	Total NSFR high-quality liquid assets (HQLA)					1,525,929
15	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
16	Performing loans and securities: (17+18+19+21+23)	27,465,823	-	-	-	13,726,797
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	17,470	-	-	-	2,621
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	27,448,353	-	-	-	13,724,176
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
21	Performing residential mortgages, of which:	-	-	-	-	-
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
24	Other assets: (sum of rows 25 to 29)	19,175,037	-	-	-	17,708,281



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		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
27	NSFR derivative assets	-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	19,175,037	-	-	-	17,708,281
30	Off-balance sheet items	185,964,353	-	-	-	9,298,218
31	Total RSF	265,499,495	-	-	-	42,259,225
32	Net Stable Funding Ratio (%)					125.66%

Following table sets out the details of NSFR of the bank as on 31st March, 2022

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF ITEM						
1	Capital (2+3)	17,478,467	-	-	24,820,967	42,299,434
2	Regulatory capital	17,478,467	-	-	9,168,780	26,647,247
3	Other capital instruments	-	-	-	15,652,187	15,652,187
4	Retail deposits and deposits from small business customers: (5+6)	-	-	-	-	-
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	-	-	-	-	-
7	Wholesale funding: (8+9)	-	12,011,818	11,246,699	1,646	11,630,081
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	12,011,818	11,246,699	1,646	11,630,081
10	Other liabilities: (11+12)	16,928,645	281,435	155,282	223,551	-
11	NSFR derivative liabilities		-	-	-	
12	All other liabilities and equity not included in the above categories	16,928,645	281,435	155,282	223,551	-
13	Total ASF (1+4+7+10)					53,929,514
RSF ITEM						
14	Total NSFR high-quality liquid assets (HQLA)					1,523,788
15	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
16	Performing loans and securities: (17+18+19+21+23)	29,362,468	-	-	-	14,671,026
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	29,164	-	-	-	4,375



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		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks, and PSEs, of which:	29,333,303	-	-	-	14,666,652
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
21	Performing residential mortgages, of which:	-	-	-	-	-
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	-	-
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
24	Other assets: (sum of rows 25 to 29)	20,934,675	-	-	-	19,464,325
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
27	NSFR derivative assets	-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	20,934,675	-	-	-	19,464,325
30	Off-balance sheet items	184,546,647	-	-	-	9,227,332
31	Total RSF	267,695,156	-	-	-	44,886,472
32	Net Stable Funding Ratio (%)					120.15%

v) Disclosure on Frauds

(Amount Rs. in '000)

Particulars	2021-22	2020-21
Number of frauds reported (in numbers)	2,257	1,881
Amount Involved in fraud	74,786	120,417
Amount Written-Off	74,786	104,203
Amount Recovered	16,489	16,214
Amount of Unamortized provision debited from 'other reserves' as at the end of the year	-	-

w) Unhedged Foreign Currency Exposure:

Provision towards unhedged foreign currency exposures as on 31 March 2022 is Rs. 54,424 ('000) [2020-21: Rs. 40,464 ('000)] and the capital held by the Bank towards this risk is Rs. 191,028 ('000) [2020-21: Rs 106,210 ('000)] as per RBI master circular DBR.No.BP.BC.2/21.04.048/2015-16 dated 01 July 2015 on prudential norms on income recognition, asset classification and provisioning pertaining to advances.

x) 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 and subsequently vide its circular RBI/2019-20/157 DBR.BP.BC.No.32/21.04.018/2019-20 dated April 01, 2019, has directed that banks shall make suitable disclosures, wherever either (a) the additional provisioning for NPAs assessed by RBI exceeds 10 percent of the reported profit before provisions and contingencies for the reference period or (b) the additional Gross NPAs identified by RBI exceed 15 percent of the published incremental Gross NPAs for the reference period, or both.

For financial year 2020-21, RBI has not assessed any additional provisioning requirement or Gross NPAs for the Bank.



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y) 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 Non performing Non-SLR Investments Sale and transfers to/from HTM category
(ii)	Asset Quality :	Details of financial assets sold to Securitisation/Reconstruction Company for Asset Reconstruction Details of non-performing financial assets purchased/sold Unsecured Advances: Assets for which intangible securities have been taken as collateral Investment in Securities Receipts
(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 expenses	
(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	
(xii)	Resolution of Stressed Assets – Extension of Resolution Timelines	

z) 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	

2. 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. 1,229,416 ('000) [2020-21: Rs. 823,175 ('000)].

3. Deferred Taxes

In accordance with AS-22 on 'Accounting for Taxes on Income' issued by Institute of Chartered Accountants of India (ICAI), 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, 2022, 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, 2022.



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

(Amount in Rs. '000)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets/(liabilities)		
Provision for Bad & Doubtful Debts	1,198,549	1,585,546
Provision for Employee Benefits	296,478	276,064
Accumulated Taxable Losses	976,193	227,322
Depreciation on fixed assets	(236,063)	70,368
Deferred Rent & Other reserves	7,464	13,683

4. Segment Reporting

The summary of the segmental information of the Bank for the Year ended 31st March, 2022 are given below-

(Amount in Rs. '000)

Segmentation	Banking operations		Treasury		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Particulars						
Segment Revenue (a)	13,448,157	11,926,691	1,213,626	1,317,342	14,661,783	13,244,033
Segment Expense (b)	13,824,473	15,394,812	886,696	816,170	14,711,169	16,210,982
Unallocated Expenses (c)					-	-
Segment result (d) = (a) –(b) – (c)	(376,316)	(3,468,121)	326,930	501,172	(49,386)	(2,966,949)
Inter-Segment Adjustment (e) *	326,930	501,172	(326,930)	(501,172)	-	-
Segment result after inter-segment Adjustment (d) + (e)	(49,386)	(2,966,949)	-	-	(49,386)	(2,966,949)
Operating Profits/(Loss)					(49,386)	(2,966,949)
<i>Income taxes</i>					-	-
Extraordinary profit/(loss)					-	-
Net profit (loss)					(49,386)	(2,966,949)
Other information:						
Segment assets	46,768,659	35,391,950	33,354,468	34,500,916	80,123,127	69,892,866
Unallocated assets (Taxes and accumulated losses)					6,652,847	6,146,302
Total assets	46,768,659	35,391,950	33,354,468	34,500,916	86,775,974	76,039,168
Segment liabilities	30,780,676	18,897,422	33,354,468	34,500,916	64,135,144	53,398,338
Unallocated liabilities (Taxes, Capital and Reserve and Surplus)					22,640,830	22,640,830
Total liability	30,780,676	18,897,422	33,354,468	34,500,916	86,775,974	76,039,168
Cost to acquire fixed assets	5,896,209	128,127	-	-	5,896,209	128,127
Depreciation	559,370	112,497	-	-	559,370	112,497

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.

5. Related Party Disclosures

In the terms of the Accounting Standard 18 on 'Related Party Disclosures' issued by Institute of Chartered Accountants of India 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:



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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 (Thai) Co., Ltd. American Express Australia Ltd American Express Business Solutions (India) Private Limited American Express Europe Limited American Express Global Business Travel 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 Europe Limited American Express Services India Pvt Ltd American Express Travel Related Services Company, Inc. Amex Canada Inc. American Express Company (Mexico) Loyalty Solutions and Research Pvt Ltd (Till May 31, 2021)
4.	Subsidiaries/Associates/Joint Ventures	-
5.	Key Management Personnel **	Manoj Adlakha as Chief Executive Officer (Till May 13, 2022) Sanjay Khanna as Interim Chief Executive Officer (w.e.f. May 14, 2022)

The related party balances and transactions for the year ended March 31, 2022 are summarized as follows :

(Amount in Rs. '000)

Particulars	Year	Parent - Head Office		Total
		American Express Banking Corp, New York		
Borrowings	2021-22	15,281,300		15,281,300
	2020-21	15,281,300		15,281,300
<i>Maximum Outstanding</i>	2021-22	15,281,300		
	2020-21	19,831,300		

(Amount in Rs. '000)

Particulars	Year	Subsidiaries of Ultimate Holding Company						Others	Total
		American Express Travel Related Services Company, Inc.	American Express Services India Pvt Ltd	American Express International, Inc. - Branch - Singapore	American Express India Pvt Ltd.	American Express Global Business Travel	American Express Limited		
Deposits	2021-22	-	1,015,000	-	25,298,000	-	-	1,415,000	27,728,000
	2020-21	-	955,000	-	22,845,000	-	-	1,000,000	24,800,000
<i>Maximum Outstanding</i>	2021-22	-	10,20,000	-	31,479,000	-	-	1,695,000	
	2020-21	-	1,055,000	-	25,285,000	-	-	1,280,000	
Advances	2021-22	-	2	-	27,064	4,881	-	-	31,947
	2020-21	-	740	-	170,009	161	-	338	171,248
<i>Maximum Outstanding</i>	2021-22	-	3,060	-	733,986	4,881	-	25,030	
	2020-21	-	20,222	-	559,025	1,162	-	54,905	
Receivables	2021-22	597,286	-	-	-	-	4	351	597,641
	2020-21	-	-	-	-	-	4	-	4
Payables	2021-22	362,676	16,124	154,225	843,714	285,919	-	54,472	1,717,130
	2020-21	187,484	25,341	321,814	792,225	23,060	-	54,177	1,404,101
Sale/(Purchase) of assets	2021-22	(12,480)	(8,678)	-	9,333	-	-	92	(11,733)
	2020-21	-	(14,721)	-	43,807	-	-	1,187	30,273
Interest Expense	2021-22	-	30,309	-	968,775	-	-	33,208	1,032,292
	2020-21	-	29,977	-	931,336	-	-	33,505	994,818



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Particulars	Year	Subsidiaries of Ultimate Holding Company						Others	Total
		American Express Travel Related Services Company, Inc.	American Express Services India Pvt Ltd	American Express International, Inc. - Branch - Singapore	American Express India Pvt Ltd.	American Express Global Business Travel	American Express Limited		
Payments by Related Party on Bank's Behalf or Payment/Receipt by Bank on behalf of Related Party	2021-22	-	730,440	-	473,558	-	-	33,820	1,237,818
	2020-21	-	324,370	-	320,133	-	-	3,782	648,285
Revenue from Services Rendered									
Commission, exchange and brokerage (gross)	2021-22	1,461,604	3	-	1,818	4	-	-	1,463,429
	2020-21	854,817	39	-	2,077	-	-	(2)	856,931
Less: Volume Rebate and Issuer Rate Payable	2021-22	(867,571)	-	(99)	-	-	-	5408	(862,262)
	2020-21	(476,246)	-	279	-	-	-	5,487	(470,480)
Miscellaneous Income	2021-22	-	-	-	-	-	-	-	-
	2020-21	1,368	-	-	-	-	-	-	1,368
Revenue from Services Rendered Total	2021-22	594,033	3	(99)	1,818	4	-	5,408	601,167
	2020-21	379,939	39	279	2,077	-	-	5,485	387,819
Cost of Services Received									
Business Support Cost	2021-22	1,729,051	32,968	2,808	2,060,008	-	-	194,221	4,019,056
	2020-21	1,583,500	1,040,570	21,431	1,974,150	-	-	499,339	5,118,990
Other expenditure	2021-22	-	-	-	-	326	-	-	326
	2020-21	-	-	-	-	71	-	-	71
Rent, taxes and lighting	2021-22	-	71,300	-	66,779	-	-	-	138,079
	2020-21	-	27,178	-	110,734	-	-	-	137,912
Advertisement and Publicity	2021-22	-	-	-	-	-	-	1,130	1,130
	2020-21	-	-	-	-	-	-	9,193	9,193
Re-imbursements of cost to/from Related Party	2021-22	(226,788)	-	-	(1,625)	-	-	-	(228,413)
	2020-21	(318,809)	-	-	(5,045)	-	-	-	(323,854)
Cost of Services Received Total	2021-22	1,502,263	104,268	2,808	2,125,162	326	-	195,351	3,930,178
	2020-21	1,264,692	1,067,749	21,431	2,079,839	71	-	508,530	4,942,312
Market Support Payment	2021-22	(1,925,458)	-	-	-	-	-	-	(1,925,458)
	2020-21	-	-	-	-	-	-	-	-

**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.

6. Other Liabilities include:

(Amount in Rs. '000)

Particulars	2021-22	2020-21
Provisions towards Standard Assets#	491,777	781,882
Counter Cyclical Provisioning Buffer	88,500	88,500

#Includes Unhedged Foreign Currency Provision of Rs. 54,424 ('000) [2020-21: Rs. 40,464 ('000)]

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

8. 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.

(Amount in Rs. '000)

Particulars	2021-22	2020-21
Future minimum lease payments under non-cancellable Operating leases		
– Not later than 1 year	1,106,682	220,772
– Later than 1 year and not later than 5 years	2,363,596	273,733
– Later than 5 years	-	-
Lease payments recognized in the Profit and Loss Account in respect of operating leases	763,706	215,225



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9. Provision, Contingent Liabilities and Contingent Assets

Movement in provision for membership reward points:

(Amount in Rs. '000)

Particulars	2021-22	2020-21
Opening	3,355,646	3,463,724
Additions	2,442,561	2,264,988
Utilisations/Write backs	2,564,282	2,373,066
Closing Balance	3,233,925	3,355,646

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

10. Taxes

The income tax expenses comprise the following:

(Amount in Rs. '000)

Particulars	2021-22	2020-21
Current Income Tax	-	-
Deferred Income tax (benefit)/expense	-	-
Total	-	-

11. Description of contingent liabilities

Contingent Liabilities	Brief Description
Other items for which the bank is contingently liable*	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. 3,349,446 ('000) [2020-21: Rs. 1,914,220 ('000)] has been disputed by bank and hence disclosed as contingent liability.
	The Bank as part of certain service contracts has provided guarantees which amount to Rs. 22,580 ('000) [2020-21: Rs. 22,580 ('000)].
	The amount deposited in Depositor Education and Awareness Fund amounting to Rs. 139,237 ('000) [2020-21: Rs. 88,779 ('000)].

* Also refer Schedule 12 – Contingent Liabilities

12. 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.

(Amount in Rs. '000)

A	Charge to the Profit and Loss Account based on contributions:	2021-22	2020-21
	Provident fund	89,646	68,607
	Superannuation	952	886
	Total	90,598	69,493



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(Amount 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, 2022	As at March 31, 2021
I	Assumptions		
	Mortality Rate (in deferment)	Annuitants Mortality Table 12-15	LIC (1996-98) Ultimate
	Mortality Rate (Post retirement)	Annuitants Mortality Table 12-15	LIC (1996-98) Ultimate
	Discount Rate	6.80%	6.40%
	Rate of increase in compensation	Not Applicable	Not Applicable
	Rate of return(expected) on plan assets	7.50%	7.50%
		As at March 31, 2022	As at March 31, 2021
II	Changes in present value of obligations		
	Defined Benefit Obligation at beginning of the Year	39,410	39,397
	Interest Cost	2,388	2,434
	Current Service Cost	-	-
	Actuarial Losses/(Gains)	(2,159)	1,484
	Benefit Payments	(4,182)	(3,905)
	Defined Benefit Obligation at end of the Year	35,457	39,410
III	Changes in fair value of plan assets		
	Fair Value of Plan Assets at beginning of the Year	51,178	60,632
	Expected return on plan assets	3,682	4,410
	Actuarial Gain/(Loss)	4,756	(10,207)
	Benefit Payments	(4,182)	(3,657)
	Fair Value of Plan Assets at end of the Year	55,434	51,178
IV	Amounts to be recognised in the Balance Sheet		
	Defined Benefit Obligation at the end of the Year	35,457	39,410
	Fair Value of Plan Assets at the end of the Year	55,434	51,178
	Amount not recognised as an Asset	-	-
	Surplus Assets	19,977	11,768
V	Expense Recognised	-	-
The Pension Fund assets are invested in government securities, corporate bonds and other eligible investments.			

	As at March 31, 2022	As at March 31, 2021
	Percentage	
Government of India securities (Central and State)	55.71	60.50
High quality corporate Bonds (Including Public Sector Bonds)	-	-
Equity shares	-	-
Cash (Including Special Deposits)	25.21	38.37
Others	19.08	1.13
Total	100.00	100.00



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(Amount in Rs. '000)

Experience Adjustments	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Defined Benefit Obligation at the end of the period	(35,457)	(39,410)	(39,397)	(37,957)	(37,026)
Plan Asset as at the end of the period	55,434	51,178	60,632	62,798	63,027
Funded Status	19,977	11,768	21,235	24,841	26,001
Experience Gain/(Loss) adjustments on plan liabilities	528	(289)	(71)	(104)	(2,854)
Experience Gain/(Loss) adjustments on plan assets	4,756	(10,207)	(2,295)	(2,838)	(1,407)
Actuarial Gain/(Loss) due to change on assumptions	1,631	(1,195)	(3,660)	(216)	748

(Amount 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:	
I	Assumptions
	As at March 31, 2022
	As at March 31, 2021
	Indian Assured Lives Mortality (2006-08) (modified) Ult.
	Indian Assured Lives Mortality (2006-08) (modified) Ult.
	Discount Rate
	6.80%
	6.40%
	Rate of increase in compensation
	Band 40 and below: 10%
	Others: 9%
	Band 35 and above: 0% for 1 st year & then 9%
	Others: 6% for 1 st year & then 9%
	Rate of return (expected) on plan assets
	2.00%
	7.50%
	Withdrawal rates
	Up to age 30 - 15%
	age 31-40 - 15%
	age 41-50 - 10%
	age 51 and above - 5%
	Up to age 30 - 27%
	age 31-40 - 18%
	age 41-50 - 7%
	age 51 and above - 8%
II	Changes in present value of obligations
	DBO at beginning of the Year
	293,010
	208,761
	Interest Cost
	17,745
	13,236
	Current Service Cost
	33,285
	22,554
	Benefits Paid
	(31,475)
	(10,263)
	Actuarial Losses/(Gains) on obligation
	78,423
	200
	Liabilities extinguished on settlements
	-
	-
	Liability released due to employee transfer
	-
	-
	Plan Amendment Cost
	-
	-
	Acquisitions Cost
	17,812
	58,522
	DBO at end of the Year
	408,800
	293,010



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		As at March 31, 2022	As at March 31, 2021
III	Changes in fair value of plan assets		
	Fair Value of Plan Assets at the beginning of Year	6,415	9,218
	Expected Return of Plan Assets	309	572
	Contributions	26,895	7,081
	Benefits paid	(31,475)	(10,263)
	Assets distributed in settlements	-	-
	Actuarial gain/(loss) on plan assets	(260)	(193)
	Fair Value of Plan Assets at end of the Year	1,884	6,415
IV	Amounts to be recognised in the Balance Sheet		
	Present Value of DBO at the end of the Year	408,800	293,010
	Fair Value of Plan Assets at end of the Year	1,884	6,415
	Funded/(Unfunded) Status	(406,916)	(286,595)
	Unrecognised Past Service Costs	-	-
	Net Asset/(Liability) recognised in the Balance Sheet	(406,916)	(286,595)
V	Expense Recognised		
	Current Service Cost	33,285	22,554
	Interest Cost	17,745	13,236
	Expected Return on Plan Assets	(309)	(572)
	Net Actuarial (Gain)/Loss recognised for the Year	78,683	393
	Past Service Cost	-	-
	Expense recognised in the P&L A/c	129,404	35,611

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, 2022	As at March 31, 2021
	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

(Amount in Rs. '000)

Experience Adjustments	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Defined Benefit Obligation at the end of the period	(408,800)	(293,010)	(208,761)	(174,029)	(146,177)
Plan Asset as at the end of the period	1,884	6,415	9,218	23,263	37,711
Funded Status	(406,916)	(286,595)	(199,543)	(150,766)	(108,466)
Experience Gain/(Loss) adjustments on plan liabilities	(59,640)	(16,502)	(1,719)	(7,998)	(844)
Experience Gain/(Loss) adjustments on plan assets	(260)	(193)	(618)	(1,277)	(1,097)
Actuarial Gain/(Loss) due to change on assumptions	(18,783)	16,302	(12,660)	(2,474)	18,429



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D	<p><u>Leave Encashment/Compensated Absences</u></p> <p>The amount charged/(released) to Profit and Loss Account during the year towards Leave Encashment and compensated absences Rs. 86,830 ('000) (Previous year Rs. 44,691 ('000))</p> <p>The liability for leave encashment and compensated absences as on March 31, 2022 is Rs. 290,283 ('000) (Previous Year Rs. 225,986 ('000)).</p>
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13. 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.

(Amount in Rs. '000)

	Particulars	2021-22	2020-21
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	772	811
4	Interest due and payable (under the MSMED Act, 2006) which have not been paid (covering all payments)	1,465	772
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)	1,465	772
6	Details on payments made in respect of outstanding as at Sl. No. 1 above.	-	-

14. Details of fees/remuneration received in respect of Bancassurance business:

(Amount in Rs. '000)

Particulars	2021-22	2020-21
Others - Income from Insurance Corporate Agency Business		
– For selling life insurance products	54,137	37,487
– For selling non-life insurance products	126,844	117,271

15. 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's 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.

(Amount in Rs. '000)

No.	Particulars	2021-22	2020-21
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.	-	-
	(iii) Total amount of deferred remuneration paid out in the financial year	-	-
2	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.		
	Fixed	55,039	66,279
	Variable	32,097	33,847
	Deferred	-	-
	Non-deferred	32,097	33,847
3	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.	-	-



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No.	Particulars	2021-22	2020-21
	(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)	3,846	4,439

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.

16. 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.

(Amount in Rs. '000)

S.no.	Particulars	2021-22			2020-21		
		In Cash	Yet to Paid in Cash	Total	In Cash	Yet to Paid in Cash	Total
A.	Gross amount required to be spent by the Bank during the year						
B.	Amount spent during the year:						
(i)	Construction/acquisition of any asset	-	-	-	-	-	-
(ii)	On purposes other than (i) above	-	-	-	15,005	-	15,005

17. Auditors' Remuneration [excluding goods & service tax]

(Amount in Rs. '000)

Particulars	2021-22	2020-21
As Auditors:		
– Statutory Audit	3800	3850
– Tax Audit	400	425
– Certificates	1400	1400
– Half yearly review	600	-
– Out of Pocket Expenses	47	28
Total	6,247	5,703

18. Transfer Pricing

The Bank has a comprehensive system of maintenance of information and documents required by transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. The management is of the opinion that international transactions are at arm's length so that the above legislation will not have material impact on the financial statements, particularly on the amount of tax expense and that of provision of taxes.

19. 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 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.



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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.

20. Impact of novel Coronavirus (COVID-19) Pandemic

In the aftermath of COVID-19 pandemic, the economy is still on the stage of revival. On account of uncertainties including travel restrictions arising from the COVID-19 pandemic across the world and in India, the extent to which the same will impact the Bank's operations and financial position will depend on various aspects including actions taken to mitigate its impact and other regulatory measures. The Bank holds provisions amounting INR 23,000 ('000) as at March 31, 2022 (Previous Year Rs. 583,036 ('000)) against the potential impact of COVID-19 based on the information available at this point in time. The provisions held by the bank are in excess of the RBI prescribed norms.

21. The Honourable Supreme Court in Writ petition (CIVIL) No 825 of 2020 by Gajendra Sharma Vs Union of India & Anr vide its interim order dated 03.09.2020 has directed that the accounts which were not declared non-performing assets (NPA) till 31.08.2020 shall not be declared NPA till further orders, pending disposal of the case by the Supreme Court.

The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. U018 Ors, and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RB1/2021-22/17DOR. STR.REC.4/21.04.048/2021.22 dated April 07, 2021 issued in this connection, the Bank has continued with the asset classification of borrower accounts as per the extant RBI instructions/IRAC norms as applicable for the year ended 31 March 2021.

22. In accordance with the RBI notification dated April 7, 2021, the Bank is required to refund/adjust 'interest on interest' to borrowers. As required by the RBI notification, the methodology for calculation of such interest on interest has been circulated by the Indian Banks' Association. As at March 31, 2021, the Bank has made suitable adjustments to its financial statements to give effect to the aforesaid. Subsequently, Bank has refunded interest on interest to borrowers during FY 2021-22.

23. Resolution Framework for COVID-19-related Stress

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

(Amount in Rs. '000)

	(A)	(B)	(C)	(D)	(E)
Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	182,922	23,454	1,345	35,827	122,296
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	182,922	23,454	1,345	35,827	122,296

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

In reference to RBI circular RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 on 'Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses', below are the details of accounts where resolution plan was implemented:



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(Amount in Rs. '000)

	(A)	(B)	(C)	(D)	(E)
Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	99,511	14,229	5,141	13,279	66,861
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	99,511	14,229	5,141	13,279	66,861

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

S.No.	Description	Individual Borrowers		Small Businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process under Part A (Nos)	715	-	-
(B)	Number of accounts where resolution plan has been implemented under this window (Nos)	715	-	-
(C)	Exposure to accounts mentioned at (B) before implementation of the plan (Amount in '000')	102,050	-	-
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
(F)	Increase in provisions on account of the implementation of the resolution plan (Amount in '000')	10,205	-	-

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

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

Number of accounts restructured during the year	Amounts of accounts restructured as of March 31, 2022 ('000)
7	2,470



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

25. 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:

- (a) 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
- (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

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.

26. On April 23rd, 2021, the Reserve Bank of India (RBI) imposed restrictions on the Bank from on-boarding new domestic customers onto its card network from May 1st, 2021. This direction was passed based on the findings that AEBC was not fully compliant with the requirements of Storage of Payment System Data. While the Bank continues to work on the remediation for removal of the restriction, the order does not impact existing customers of the Bank. As at March 31, 2022, Bank is progressing on the roadmap to implement solution for storage of payment data within India.

27. Comparative figures

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

Signature to Schedules 1 to 18

For **SCV & Co LLP**
Chartered Accountants
FRN 000235N/N500089

Rajiv Puri
Partner
Membership No. 084318

Place: Noida
Date: June 23, 2022

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

Sanjay Khanna
Interim Chief Executive Officer

Rupesh Satapathy
Financial Controller

Place: Gurugram
Date: June 23, 2022