

AMERICAN EXPRESS BANKING CORP. - INDIA BRANCH
(INCORPORATED IN THE UNITED STATES OF AMERICA)
CONDENSED PROFIT & LOSS ACCOUNT FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2021

Particulars	<i>Amount in INR '000</i>				
	Quarter ended September 30, 2021	Quarter ended September 30, 2020	Half Year ended September 30, 2021	Half Year ended September 30, 2020	Year ended March 31, 2021
INCOME					
Interest Earned	1,318,712	1,690,253	2,626,107	3,356,755	6,016,293
Other Income	2,315,054	1,703,665	4,043,732	3,030,383	7,227,739
TOTAL INCOME	3,633,766	3,393,918	6,669,839	6,387,138	13,244,032
EXPENDITURE					
Interest Expended	261,510	259,778	514,221	537,268	1,032,258
Operating Expenses	3,271,121	3,153,360	6,465,681	6,047,330	12,576,263
TOTAL EXPENDITURE (excluding Provisions & Contingencies)	3,532,631	3,413,138	6,979,902	6,584,598	13,608,521
OPERATING PROFIT (Profit before Provisions & Contingencies)	101,135	(19,220)	(310,063)	(197,460)	(364,489)
Provisions and Contingencies Exceptional Items	454,712	17,126	434,409	715,439	2,602,460
Net Profit / (Loss) from Ordinary activity before taxes	(353,577)	(36,346)	(744,472)	(912,899)	(2,966,949)
Tax Expenses					
Net Profit / (Loss) from Ordinary activity after tax	(353,577)	(36,346)	(744,472)	(912,899)	(2,966,949)
Paid-up equity share capital	22,153,299	17,603,299	22,153,299	17,603,299	22,153,299
Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)	487,531	487,531	487,531	487,531	487,531
Analytical Ratios					
(i) Percentage of shares held by Government of India	-	-	-	-	-
(ii) Capital Adequacy Ratio					
(a) CET 1 Ratio	19.55%	17.87%	19.55%	17.87%	21.42%
(b) Additional Tier 1 Ratio	-	-	-	-	-
(iii) Earning per share					
(iv) (a) Amount of gross non-performing assets	1,559,794	492,122	1,559,794	492,122	2,533,102
(b) Amount of net non-performing assets	218,975	260,743	218,975	260,743	407,576
(c) % of gross NPAs	4.51%	1.50%	4.51%	1.50%	7.55%
(d) % of net NPAs	0.66%	0.80%	0.66%	0.80%	1.30%
(v) Return on Assets (annualised)	-1.94%	-0.21%	-2.04%	-2.64%	-4.18%

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

Manoj Adlakha
Chief Executive Officer

Rupesh Satapathy
Financial Controller

Place: Gurugram
November 29, 2021

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NOTES

1. CONDENSED BALANCE SHEET AS AT SEPTEMBER 30, 2021

Particulars	<i>Amount in INR '000</i>		
	As at September 30, 2021	As at March 31, 2021	As at September 30, 2020
CAPITAL AND LIABILITIES			
Capital	22,153,299	22,153,299	17,603,299
Reserves and Surplus	487,531	487,531	487,531
Deposits	27,161,016	25,387,116	24,347,108
Borrowings	16,006,044	15,685,034	19,831,861
Other Liabilities and Provisions	15,438,303	12,326,188	11,820,889
Total	81,246,193	76,039,168	74,090,688
ASSETS			
Cash and Balances with Reserve Bank of India	2,155,697	1,885,697	1,855,697
Balances with Banks and Money at Call and Short Notice	1,186,296	1,688,080	3,051,895
Investments	32,504,532	32,607,358	30,212,882
Advances	33,207,167	31,375,953	32,652,196
Fixed Assets	2,326,083	250,371	320,663
Other Assets	9,866,418	8,231,709	5,997,355
Total	81,246,193	76,039,168	74,090,688
Contingent Liabilities	3,075,938	2,025,579	1,731,067
Bills for Collection	-	-	-

2. CONDENSED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2021

	<i>Amount in INR '000</i>	
	As at September 30, 2021	As at September 30, 2020
A Net Cash Flow (used in)/from operating activities	1,578,556	2,237,098
B Net Cash Flow (used in)/from Investing activities	(2,131,350)	(75,202)
C Net Cash Flow from/(used in)Financing activities	321,010	(764,232)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	(231,784)	1,397,664
Cash and cash equivalents at beginning of period	3,573,777	3,509,928
Cash and cash equivalents at end of period	3,341,993	4,907,592
Increase/(decrease) in cash and cash equivalents	(231,784)	1,397,664

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3. The above financial results comprising condensed Balance Sheet, condensed Profit & Loss Account, Condensed Cash Flow Statements, and relevant notes for the half year ended September 30, 2021 have been reviewed and approved by Country Executive Committee of the Bank at its meeting held on November 29, 2021. The above results have been reviewed by the statutory auditors of the Bank. The report thereon is unmodified. The figures reported in the financial results for the half year ended September 30, 2020 were not subjected to review.
4. The financial results have been prepared in accordance with the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India from time to time to the extent applicable, recognition and measurement principles including use of estimates given in Accounting Standard (AS) 25 on 'Interim Financial Reporting' as prescribed under Companies Act, 2013. The Bank has applied its significant accounting policies in the preparation of financial results for half year ended September 30, 2021 in line with those followed in the annual financial statements for the year ended March 31, 2021. Based on RBI Master Direction on Financial Statements – Presentation and Disclosures issued on August 30, 2021, recoveries from written off accounts hitherto included as part of other income have been adjusted as a credit to provisions and contingencies and accordingly previous period figures have also been restated.
5. The Bank has recognised Banking Operations and Treasury operations, as the primary reporting Business Segments, in accordance with the RBI guidelines on compliance with Accounting Standard – 17 issued by Institute of Chartered Accountants of India as specified under Section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounting) Rules, 2014. Banking Operations include card operations, travellers' cheque distribution 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 include the Investments and balance in bank account to meet the Statutory Liquidity Ratio (SLR), Liquidity Coverage Ratio (LCR) and maintenance of Cash Balances to meet the Cash Reserve Ratio (CRR) requirement and the corresponding funding to meet these requirements. The interest income and interest expenses related to these activities comprise the revenue and expense of this segment.
6. (a) The novel coronavirus (COVID-19) pandemic continues to spread rapidly across the globe including India. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. COVID-19 has taken its toll on not just human life, but business and financial markets too, the extent of which is currently unascertainable. Various governments, civil society, and many organisations, including the Bank, have introduced a variety of measures to contain the spread of the virus to protect lives and livelihood. The extent to which COVID-19 pandemic will impact the Bank's operations and financial results is dependent on the future developments, which are highly uncertain, including among many the other things, any new information concerning the severity of the pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Bank. On account of uncertainties arising from the COVID-19 pandemic across the world and in India, including the current 'second wave' which has resulted in imposition of renewed restrictions in various parts of the country, 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 583,036 ('000) as at September 30, 2021 (March 31, 2021 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
6. (b) 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. UOI & Ors, and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17/DOR.STR.REC, 4/21.04.048/2021.22 dated April 7, 2021 issued in this connection, the Bank has continued with asset classification of borrower accounts as per the extant RBI instructions / IRAC norms as applicable for the period ended 30 September, 2021.

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7. The summary of the segmental information of the Bank for the half year ended September 30, 2021 are given below
(Amount in Rs. '000')

Segmentation	Banking operations		Treasury		Total	
	Half Year Ended September 30, 2021	Year Ended September 30, 2020	Half Year Ended September 30, 2021	Year Ended September 30, 2020	Half Year Ended September 30, 2021	Year Ended September 30, 2020
Segment revenue	6,031,459	5,654,923	638,380	732,215	6,669,839	6,387,138
Segment result	(440,620)	(769,787)	(303,852)	(143,112)	(744,472)	(912,899)
Unallocated expenses						
Operating Profits /(Loss)	(440,620)	(769,787)	(303,852)	(143,112)	(744,472)	(912,899)
<i>Income taxes</i>						
Extraordinary profit / (loss)						
Net profit (loss)					(744,472)	(912,899)
Other information:						
Segment assets	39,684,612	37,884,681	34,669,296	32,122,556	74,353,908	70,007,237
Unallocated assets (Taxes and accumulated losses)					6,892,285	4,083,451
Total assets	39,684,612	37,884,681	34,669,296	32,122,556	81,246,193	74,090,688
Segment liabilities	23,936,067	23,877,302	34,669,296	32,122,556	58,605,363	55,999,858
Unallocated liabilities (Taxes, Capital and Reserve and Surplus)					22,640,830	18,090,830
Total liability	23,936,067	23,877,302	34,669,296	32,122,556	81,246,193	74,090,688

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

8. Resolution Framework for COVID-19-related Stress

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

(Amount in Rs '000')

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan	(C) of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	2369	403,031	-	-	40,303
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	2369	403,031	-	-	40,303

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

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(Amount in Rs '000')

Particulars	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of half-year
Personal Loans	331,089	83,791	28,303	36,073	182,922
Corporate persons*	-	-	-	-	-
of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	331,089	83,791	28,303	36,073	182,922

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

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

S.No.	Description	Individual Borrowers		Small Businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process under Part A (Nos)	709	-	-
(B)	Number of accounts where resolution plan has been implemented under this window (Nos)	709	-	-
(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	-	-

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

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

Manoj Adlakha
Chief Executive Officer

Rupesh Satapathy
Financial Controller

Place: Gurugram
Date: November 29, 2021