

1. Scope of Application

The Basel Pillar III disclosures contained herein relate to American Express Banking Corp. – India Branch, herein after referred to as “the Bank” for the period ended December 31, 2024. American Express Banking Corp. (AEBC) is organized under the New York State Banking Law and incorporated in the United States of America. AEBC is a wholly owned subsidiary of American Express Company and conducts business through a branch office in India. In India, AEBC holds a banking license issued by the Reserve Bank of India (RBI) and is subject to the provisions of the Banking Regulation Act. The Bank’s operations are confined to two business areas viz. card operations and acceptance of institutional deposits.

The disclosures have been compiled in accordance with Reserve Bank of India’s Master Circular DBR.No.BP.BC. 1/21.06.201/2015-16 dated July 1, 2015 on Basel III Capital Regulations and the amendments thereto issued from time to time.

The Bank does not have any subsidiaries, nor does it hold any significant stake in any companies. Further, the Bank is not required to prepare consolidated financial statements. No quantitative disclosures are required to be made, as the Bank has no subsidiaries. The Bank also does not have any interest in insurance entities.

2. Capital Adequacy

The primary objective of capital management at the Bank is to maintain a consistently strong and flexible capital position and to ensure that the Bank’s capital is of sufficient quality and quantity to meet at a minimum, all regulatory requirements and maintain adequate capital over and above regulatory minimums to act as a safety net for the variety of risks the Bank is exposed to, in its ordinary course of business.

The Bank has established a comprehensive internal capital adequacy assessment process (“ICAAP”) which enables the Bank to set internal capital targets and strategies for achieving those internal targets that are consistent with its business plans, risk profile, and operating environment. This framework facilitates the assessment of the overall capital adequacy of the Bank in relation to its risk profile which includes all material risks faced by the Bank which are not captured by the regulatory minimums prescribed by the regulator. The framework is aimed at ensuring that the Bank’s capital is adequate to address current and future risk and achieve strategic objectives. Key components of the Bank’s ICAAP include: Board and senior management oversight; sound capital assessment and planning; comprehensive assessment of risks, sensitivity and scenario analysis, monitoring and reporting

The Board of Directors is responsible for ultimate oversight of capital management and as such, oversees the annual review and approval of the Bank’s ICAAP, Internal Capital Targets, Capital Plan and ICAAP and Capital Management Policy.

The Bank has implemented a Board approved Stress Testing Framework which forms an integral part of the Bank's ICAAP. Stress Testing involves the use of various techniques

(such as macroeconomic stress testing and event driven scenario / single factor stress tests) to assess the Bank’s potential vulnerability (profitability and capital impacts) to extreme conditions. Stress tests are conducted on a periodic basis and the stress test results are reported to the India Country Asset Liability Management Committee (ALCO), India Risk Management Committee, Board and other governance committees of the Bank. The Bank periodically assesses and refines its stress tests in an effort to ensure that the stress scenarios capture material risks as well as reflect possible changes in the macro economic conditions. The stress tests are used in conjunction with the Banks business plans for the purpose of capital planning in the ICAAP.

Quantitative Disclosure:

	(Amount Rs.'000)	
	As at December 31, 2024	
Particulars	RWA*	Min. Cap. Req.**
Credit Risk		
- Portfolio subject to Standardized Approach	96,679,480	11,118,140
Market Risk		
- Interest Rate Risk	-	-
- Foreign Exchange Risk	1,856,250	213,469
Operational Risk		
- Basic Indicator Approach	31,441,458	3,615,768
Total	129,977,188	14,947,377

* RWA = Risk Weighted Assets.

** Min. Cap. Req. = Minimum Capital Requirement (including capital conservation buffer) at 11.50% of RWA.

Capital Adequacy Ratio	As at December 31, 2024
Common Equity Tier I Ratio	13.61%
Tier I Ratio	13.61%
Total Capital Ratio	19.46%

3. Credit Risk - General Disclosures

Credit Risk is defined as the risk of loss to the Bank due to non-payment of amounts that are contractually owed to the Bank. The Bank’s Management and the Board of Directors continuously monitor credit risk to ensure that prudent lending criteria are established and complied with to minimize the Bank's exposure to credit risk. The AEBC Credit Risk Management Committee (CRMC) is responsible for assisting the Bank in carrying out its credit risk management functions and reports to the Board. It has oversight responsibilities for the Bank’s credit risk and for ensuring compliance with all pertinent policies and regulatory requirements. The Bank’s lending is only in relation to card issuance business and loans to staff.

It is the policy of the Bank to:

- Extend Credit only on a safe, sound and collectible basis.
- Extend Credit in an economically sound fashion.
- Extend Credit only in compliance with applicable law and regulations and the policies of the
- Bank and in full consideration of applicable regulatory guidance.
- Document credit decisions.
- Adopt and use best-in-class risk management tools and practices.
- Require its vendors, including its affiliates, to act in accordance with the policies of the Bank when conducting business on the Bank's behalf.

The Bank has established policies and procedures to control and manage the credit risk. These policies and procedures, in particular:

- Establish the governance structure through which credit risk will be identified, assessed, controlled, monitored and reported.
- Details the credit products and services that the Bank may offer.
- Specifies certain key metrics to be used in managing credit risk.
- Establishes the conditions under which exceptions to credit policy may occur.

Management can never eliminate the Bank's credit risk. However, consistent application of the above practices will result in the credit risk being controlled to an acceptable level. Therefore, Management and the Board of Directors continuously monitor credit risk to ensure that prudent lending criterion are established and complied with so as to minimize the Bank's exposure to credit risk.

The Bank follows the RBI guidelines for asset classification. Accordingly, card receivables are treated as non-performing, if any amount is overdue for a period of more than 90 days.

The Bank also identifies all card accounts with delinquencies and writes off in the books of accounts, the outstanding card receivables which are 210 days past billing. In addition, accelerated write off is effected where it is evident that the outstanding is unlikely to be recovered.

Provision for Non-Performing Assets, Standard Assets and Unhedged Foreign Currency Exposure are made in compliance with the prudential norms prescribed by Reserve Bank of India. Corporate clients who are solely or jointly liable, are classified based on their overdue amounts. In the case of sub-standard assets, in addition to minimum provision requirement prescribed by RBI, the bank makes additional provision based on best estimate of probable losses. Accounts classified as doubtful/loss are provided at 100% till written off. Restructured assets are classified and provided for in accordance with the guidelines issued by RBI from time to time. The provisions held by the Bank are in excess of the RBI prescribed norms.

Quantitative Disclosure:

(a) Total credit exposure by industry and geographic distribution of exposure

As at December 31, 2024

(Amount Rs.'000)

Particulars	Fund Based	Non-fund Based	Total
Domestic			
Investments	-	-	-
Advances:	-	-	-
Mining and Quarrying	131,552	-	131,552
Coal	-	-	-
Others	131,552	-	131,552
Food Processing	742,996	-	742,996
Sugar	750	-	750
Edible Oils and Vanaspati	297,065	-	297,065
Tea	8,719	-	8,719
Coffee	20,000	-	20,000
Others	416,462	-	416,462
Beverages (excluding Tea & Coffee) and Tobacco	442,155	-	442,155
Tobacco and tobacco products	-	-	-
Others	442,155	-	442,155
Textiles	1,094,716	-	1,094,716
Cotton	232,702	-	232,702
Jute	20,629	-	20,629
Man-made	57,560.00	-	57,560.00
Others	783,825	-	783,825
Leather and Leather products	130,363	-	130,363
Leather and Leather products	130,363	-	130,363
Wood and Wood Products	109,318	-	109,318
Wood and Wood Products	109,318	-	109,318
Paper and Paper Products	149,137	-	149,137
Paper and Paper Products	149,137	-	149,137
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	96,166	-	96,166
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	96,166	-	96,166
Chemicals and Chemical Products (Dyes, Paints, etc.)	2,203,513	-	2,203,513
Fertilizers	95,435	-	95,435
Drugs and Pharmaceuticals	1,037,937	-	1,037,937
Petro-chemicals (excluding under Infrastructure)	3,360	-	3,360
Others	1,066,781	-	1,066,781
Rubber, Plastic, and their Products	746,916	-	746,916
Rubber, Plastic, and their Products	746,916	-	746,916
Glass, Glassware, and other non-metallic mineral products	95,474	-	95,474

(Except Cement and Cement products)			
Glass, Glassware, and other non-metallic mineral products (Except Cement and Cement products)	95,474	-	95,474
Cement and Cement Products	62,580	-	62,580
Cement and Cement Products	62,580	-	62,580
Basic Metal and Metal Products	841,998	-	841,998
Iron and Steel	464,549	-	464,549
Other Metal and Metal Products	377,449	-	377,449
All Engineering	3,497,993	-	3,497,993
Electronics	1,714,600	-	1,714,600
Others	1,783,393	-	1,783,393
Vehicles, Vehicle Parts and Transport Equipment's	992,427	-	992,427
Vehicles, Vehicle Parts and Transport Equipment's	992,427	-	992,427
Gems and Jewellery	59,044	-	59,044
Gems and Jewellery	59,044	-	59,044
Construction	510,259	-	510,259
Construction	510,259	-	510,259
Infrastructure	65,363	-	65,363
Infrastructure	65,363	-	65,363
Other Industries	3,042,001	-	3,042,001
Other Industries	3,042,001	-	3,042,001
Services	23,840,880	-	23,840,880
Land Transport and Pipelines	489,277	-	489,277
Water Transport	21,950	-	21,950
Air Transport (Aviation)	26,839	-	26,839
Post and courier activities	31,533	-	31,533
Telecommunication	414,065	-	414,065
Tourism, Hotel and Restaurants	4,301,811	-	4,301,811
Scheduled Commercial Banks	1,611,769	-	1,611,769
Housing Finance Companies (HFCs)	-	-	-
Other NBFCs	36,364	-	36,364
Mutual Fund (MFs)	18,374	-	18,374
Insurance and Pension Funding, Except compulsory Social Security	156,307	-	156,307
DFIs	350	-	350
Other Financial Intermediation activities (please specify)	1,170,636	-	1,170,636
Real Estate Activities (Other than Residential Mortgages)	218,798	-	218,798
Computer and Related Activities	6,353,984	-	6,353,984
Professional Services	5,051,826	-	5,051,826
Other Services	3,936,997	-	3,936,997
Trade	7,329,979	-	7,329,979
Wholesale Trade (other than Food Procurement)	2,008,663	-	2,008,663
Retail Trade	5,321,316	-	5,321,316
Personal Loans	280,027,145	-	280,027,145
Credit Card and Staff Loan	280,027,145	-	280,027,145

Total	326,211,975	-	326,211,975
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(b) Maturity pattern of total assets:

As at December 31, 2024

(Amount Rs.'000)

	Cash and Balances with RBI	Balances with Banks	Investments	Advances (Net)	Fixed Assets	Other Assets	Total
1 – 14 days	499,473	80,226	32,793,670	20,419,004	-	2,528,701	56,321,074
15 – 30 days	192,311	-	766,225	23,336,003	-	1,000,229	25,294,768
31 days – 2 months	162,244	-	648,695	3,039,050	-	452,096	4,302,085
2 months – 3 months	326,966	-	1,307,822	958,525	-	-	2,593,313
3 months – 6 months	104,219	-	528,395	2,903,455	-	-	3,536,069
6 months – 1 year	316,753	-	1,266,972	3,261,858	-	161,806	5,007,389
1 year – 3 years	1,942,294	-	7,759,981	3,381,681	-	-	13,083,956
3 years – 5 years	-	-	-	432,029	-	1,025,246	1,457,275
Over 5 years	30,725	-	122,887	171,042	3,181,611	647,609	4,153,874
TOTAL	3,574,985	80,226	45,194,647	57,902,647	3,181,611	5,815,687	115,749,803

(c) Amount of NPAs (Gross) - Total

(Amount Rs.'000)

Non performing asset category	As at December 31, 2024
Sub standard	1,184,634
Doubtful	1,706,441
Loss	-
Total	2,891,075

(d) Net NPAs

(Amount Rs.'000)

Net Non performing asset category	As at December 31, 2024
Sub- Standard	432,029
Doubtful	-
Loss	-
Total	432,029

(e) NPA Ratios

(Amount Rs.'000)

Particulars	As at December 31, 2024
Gross NPA as a ratio to gross advances	4.79%
Net NPAs to net advances	0.75%

(f) Movement of Gross NPAs

(Amount Rs.'000)

Particulars	For the Nine-month ended December 31, 2024
Opening Balance (As at April 1, 2024)	2,618,794
Additions during the period	14,925,183
Reductions during the period	14,652,902
Closing Balance (As at December 31, 2024)	2,891,075

(g) Movement of Provisions for NPAs#

(Amount Rs.'000)

Particulars	For the Nine-month ended December 31, 2024
Opening balance (As at April 1, 2024)	2,237,467
Provisions made during the period	13,255,922
Reductions made during the period due to write-off, upgradation and recoveries	13,034,343
Any other Adjustments, including transfer between provisions	-
Write-back of excess provisions	-
Closing balance (As at December 31, 2024)	2,459,046

including provision for diminution on NPA restructured advances

(h) Details of write offs and recoveries booked directly to the Income Statement

(Amount Rs.'000)

Particulars	For the Nine-month ended December 31, 2024
Write offs	1,043,766
Recoveries	491,007

(i) Movement of Provisions for Standard Assets*

(Amount Rs.'000)

Particulars	For the Nine-month ended December 31, 2024
Opening balance (As at April 1, 2024)	300,427
Provisions made during the period	29,474
Write-back of excess provisions	-
Closing balance (As at December 31, 2024)	329,901

* includes provision created for Unhedged Foreign Currency Exposure, Willful Defaulters and other provisions created and recorded as part of standard asset provision, excluding provision for Counter Cyclical Provisioning Buffer amounting INR 88,500 ('000).

(j) Amount of Non-Performing Investments: NIL

(k) Amount of Provision held for Non-Performing Investments: NIL

(l) Movement of Provision held for depreciation on Investments: NIL

(m) Geographic and industry wise distribution of Gross NPA, Provision for NPA, NPA Write-offs and Provision for Standard Assets

As at December 31, 2024

(Amount Rs. '000)

Particulars	Gross NPA	Provision towards NPA**	NPA Write offs	Provision for Standard Assets*
Mining and Quarrying	3,562	3,562	-	568
Coal	-	-	-	-
Others	3,562	3,562	-	568
Food Processing	2	2	1,259	2,689
Sugar	-	-	-	4
Edible Oils and Vanaspati	-	-	-	1,566
Tea	-	-	-	12
Coffee	-	-	-	156
Others	2	2	1,259	951
Beverages (excluding Tea & Coffee) and Tobacco	14,511	14,511	4	2,319
Tobacco and tobacco products	-	-	-	-
Others	14,511	14,511	4	2,319
Textiles	9,664	6,644	2,431	2,553
Cotton	1,567	1,009	1,794	601
Jute	-	-	-	12
Man-made	-	-	-	125
Others	8,097	5,635	637	1,815
Leather and Leather products	16,495	16,495	940	118
Leather and Leather products	16,495	16,495	940	118
Wood and Wood Products	595	595	-	450
Wood and Wood Products	595	595	-	450
Paper and Paper Products	481	289	-	304
Paper and Paper Products	481	289	-	304
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	-	-	295	263
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	-	-	295	263

Chemicals and Chemical Products (Dyes, Paints, etc.)	91,391	84,844	2,547	5,948
Fertilizers	362	217	-	124
Drugs and Pharmaceuticals	69,978	66,020	2,114	2,782
Petro-chemicals (excluding under Infrastructure)	-	-	-	4
Others	21,051	18,607	433	3,038
Rubber, Plastic and their Products	468	468	336	2,048
Rubber, Plastic and their Products	468	468	336	2,048
Glass, Glassware and other non-metallic mineral products (Except Cement and Cement products)	75	75	500	321
Glass, Glassware and other non-metallic mineral products (Except Cement and Cement products)	75	75	500	321
Cement and Cement Products	12	7	1,230	44
Cement and Cement Products	12	7	1,230	44
Basic Metal and Metal Products	1,968	1,513	1,112	1,850
Iron and Steel	1,139	684	-	1,216
Other Metal and Metal Products	829	829	1,112	634
All Engineering	205,544	175,334	9,389	15,875
Electronics	61,299	44,663	5,999	4,444
Others	144,245	130,671	3,390	11,431
Vehicles, Vehicle Parts and Transport Equipments	12,915	8,271	-	2,849
Vehicles, Vehicle Parts and Transport Equipments	12,915	8,271	-	2,849
Gems and Jewellery	162	144	-	94
Gems and Jewellery	162	144	-	94
Construction	5,261	3,238	2,136	2,234
Construction	5,261	3,238	2,136	2,234
Infrastructure (Pertaining to Industries Sector Only)	-	-	-	184
Infrastructure (Pertaining to Industries Sector Only)	-	-	-	184
Other Industries	6,512	6,140	3,795	3,129
Other Industries	6,512	6,140	3,795	3,129
Services	1,424,280	1,281,951	42,311	76,075
Land Transport and Pipelines	16,104	11,911	11,789	1,408
Water Transport	-	-	-	105
Air Transport (Aviation)	139	139	-	141
Post and courier activities	-	-	-	16
Telecommunication	18,302	18,302	-	649
Tourism, Hotel and Restaurants	96,985	86,133	8,718	18,295
Scheduled Commercial Banks	326	326	-	357
Housing Finance Companies (HFCs)	-	-	-	-
Other NBFCs	-	-	-	116
Mutual Fund (MFs)	-	-	-	29

Insurance and Pension Funding, Except compulsory Social Security	13,846	13,846	260	316
DFIs	-	-	-	4
Other Financial Intermediation activities	30,050	29,221	568	3,463
Real Estate Activities (Other than Residential Mortgages)	52	52	-	615
Computer and Related Activities	654,077	564,572	10,932	23,568
Professional Services	482,770	453,736	5,617	16,175
Other Services	111,629	103,713	4,427	10,818
Trade	46,026	39,908	11,458	29,558
Wholesale Trade (other than Food Procurement)	29,519	29,267	6,817	8,283
Retail Trade	16,507	10,641	4,641	21,275
Personal Loans	1,051,151	773,348	883,525	180,003
Credit Card and Staff Loan	1,051,151	773,348	883,525	180,003
Total	2,891,075	2,417,339	963,268	329,476

* includes provision created for Unhedged Foreign Currency Exposure, Willful Defaulters and other provisions created and recorded as part of standard asset provision, excluding provision for diminution on standard restructured advances amounting INR 425 ('000) and Counter Cyclical Provisioning Buffer amounting INR 88,500 ('000).

**excluding provision for diminution on NPA restructured advances amounting INR 41,707 ('000)

4. Credit Risk: Disclosures for Portfolios Subject to Standardized Approach.

The Bank lending business is confined to card lending through its card issuance business and loans to staff. In view of this limited lending activity, the Bank does not use any rating assigned by the eligible external credit rating agencies for measuring credit risk. The card receivables under consumer portfolio are covered under the Specified Category attracting risk weight of 150%, card receivables under corporate portfolio are covered under the Claims on Corporates, AFCs and NBFC-IFCs Category attracting risk weight of 150% and loans to staff attract risk weight of 20% as per the RBI guidelines. All interbank balances with scheduled banks have been reckoned at 20% as per the RBI guidelines, as the counterparty banks have capital adequacy ratio of 9% and above.

Quantitative Disclosure:

Amount of bank's outstanding, by risk weight are as follows:

	(Amount Rs.'000)
	As at December 31, 2024
Risk Weight Applied*	
Below 100 % risk weight	49,875,104
100 % risk weight	8,404,081
More than 100 % risk weight	57,025,994
Deducted (in computation of Net Owned Funds)	-

* Net of provisions and collaterals

5. Comparison of accounting assets vs. leverage ratio exposure measure

As at December 31, 2024

Summary comparison of accounting assets vs. leverage ratio exposure measure		
S No.	Particulars	Amount in Rs. '000
1	Total consolidated assets as per published financial statements	121,045,409
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4	Adjustments for derivative financial instruments	-
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	26,774,827
7	Other adjustments (Debit balance in Profit & Loss Account)	(5,295,606)
8	Leverage ratio exposure	142,524,630

Leverage Ratio as at December 31, 2024

(Amount Rs.'000)

S No.	Particulars	Leverage ratio framework
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	121,045,409
2	Asset amounts deducted in determining Basel III Tier 1 capital	(5,295,606)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1, 2 and 2A)	115,749,803
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	-
5	Add-on amounts for PFE associated with all derivatives	-
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-

7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8	(Exempted CCP leg of client-cleared trade exposures)	-
9	Adjusted effective notional amount of written credit	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11	Total derivative exposures (sum of lines 4 to 10)	-
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	CCR exposure for SFT assets	-
15	Agent transaction exposures	-
16	Total securities financing transaction exposures (sum of lines	-
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	267,748,267
18	(Adjustments for conversion to credit equivalent amounts)	(240,973,440)
19	Off-balance sheet items (sum of lines 17 and 18)	26,774,827
Capital and total exposures		
20	Tier 1 capital	17,687,289
21	Total exposures (sum of lines 3, 11, 16 and 19)	142,524,630
Leverage ratio		
22	Basel III leverage ratio	12.41%