

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 September 30, 2019. 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 three business areas viz. card operations, distribution of travellers’ cheques 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)		
Particulars	As at September 30, 2019	
	RWA*	Min. Cap. Req.**
Credit Risk		
- Portfolio subject to Standardised Approach	77,780,590	8,458,639
Market Risk		
- Interest Rate Risk	1,108,988	120,602
- Foreign Exchange Risk	1,687,500	183,516
Operational Risk		
- Basic Indicator Approach	27,772,736	3,020,285
Total	108,349,814	11,783,042

* RWA = Risk Weighted Assets.

** Min. Cap. Req. = Minimum Capital Requirement (including capital conservation buffer) at 10.875% of RWA.

Capital Adequacy Ratio	As at September 30, 2019
Common Equity Tier I Ratio	14.14%
Tier I Ratio	14.14%
Total Capital Ratio	23.10%

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 Policy Committee (CPC) 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. 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.

Quantitative Disclosure:

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

(Amount Rs.'000)

	As at September 30, 2019		
	Fund Based	Non-fund Based	Total
Domestic			
Investments	-	-	-
Advances:	-	-	-
Mining and Quarrying	277,987	-	277,987
Coal	16,728	-	16,728
Others	261,259	-	261,259
Food Processing	653,542	-	653,542
Sugar	4,032	-	4,032
Edible Oils and Vanaspati	18,185	-	18,185
Tea	13,372	-	13,372
Others	617,953	-	617,953
Beverages (excluding Tea & Coffee) and Tobacco	198,175	-	198,175
Tobacco and tobacco products	16,921	-	16,921
Others	181,254	-	181,254
Textiles	644,025	-	644,025
Cotton	201,056	-	201,056
Jute	7,268	-	7,268
Man-made	6,250	-	6,250
Others	429,451	-	429,451
Leather and Leather products	137,201	-	137,201
Leather and Leather products	137,201	-	137,201
Wood and Wood Products	36,878	-	36,878
Wood and Wood Products	36,878	-	36,878
Paper and Paper Products	69,293	-	69,293
Paper and Paper Products	69,293	-	69,293
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	62,967	-	62,967
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	62,967	-	62,967
Chemicals and Chemical Products (Dyes, Paints, etc.)	2,421,396	-	2,421,396
Fertilizers	125,981	-	125,981
Drugs and Pharmaceuticals	1,122,838	-	1,122,838
Petro-chemicals (excluding under Infrastructure)	2,106	-	2,106
Others	1,170,471	-	1,170,471
Rubber, Plastic and their Products	523,925	-	523,925

Rubber, Plastic and their Products	523,925	-	523,925
Glass & Glassware	159,140	-	159,140
Glass & Glassware	159,140	-	159,140
Cement and Cement Products	429,382	-	429,382
Cement and Cement Products	429,382	-	429,382
Basic Metal and Metal Products	449,765	-	449,765
Iron and Steel	245,389	-	245,389
Other Metal and Metal Products	204,376	-	204,376
All Engineering	3,202,556	-	3,202,556
Electronics	1,363,566	-	1,363,566
Others	1,838,990	-	1,838,990
Vehicles, Vehicle Parts and Transport Equipments	869,740	-	869,740
Vehicles, Vehicle Parts and Transport Equipments	869,740	-	869,740
Gems and Jewellery	17,302	-	17,302
Gems and Jewellery	17,302	-	17,302
Construction	1,352,836	-	1,352,836
Construction	1,352,836	-	1,352,836
Infrastructure	68,764	-	68,764
Electricity generation and distribution	64,220	-	64,220
Water supply pipelines	4,544	-	4,544
Other Industries	1,400,595	-	1,400,595
Other Industries	1,400,595	-	1,400,595
Service	24,829,745	-	24,829,745
Transport Operators	240,511	-	240,511
Computer Software	6,898,980	-	6,898,980
Tourism, Hotel and Restaurants	5,452,412	-	5,452,412
Professional Services	4,897,568	-	4,897,568
Commercial Real Estate	117,379	-	117,379
NBFCs	297,193	-	297,193
Bank	335,445	-	335,445
Other Services	6,590,257	-	6,590,257
Trade	4,815,101	-	4,815,101
Wholesale Trade (other than Food Procurement)	813,344	-	813,344
Retail Trade	4,001,757	-	4,001,757
Personal Loans	203,615,542	-	203,615,542
Credit Card and Staff Loan	203,615,542	-	203,615,542
Total	246,235,857	-	246,235,857

(b) Maturity pattern of total assets:

As at September 30, 2019

(Amount Rs.'000)

	Cash and Balances with RBI	Balances with Banks	Investments	Advances (Net)	Fixed Assets	Other Assets	Total
1 – 14 days	545,379	104,328	21,078,134	16,371,785	0	1,971,119	40,070,745
15 – 30 days	187,172	11,214	761,965	18,710,612	0	226,054	19,897,017
31 days – 2 months	184,825	17,413	1,183,211	3,502,751	0	373,815	5,262,015
2 months – 3 months	126,878	8,844	600,978	1,545,669	0	266,171	2,548,540
3 months – 6 months	194,499	12,294	835,381	3,959,325	0	0	5,001,499
6 months – 1 year	165,568	9,938	675,302	2,496,478	0	62	3,347,348
1 year – 3 years	1,578	11	733	5,625,085	0	375,601	6,003,008
3 years – 5 years	50,306	3,029	205,826	606,297	0	0	865,458
Over 5 years	339,492	20,457	1,390,006	459,826	297,075	311,166	2,818,022
TOTAL	1,795,697	187,528	26,731,536	53,277,828	297,075	3,523,988	85,813,652

(c) Amount of NPAs (Gross) - Total

(Amount Rs.'000)

Nonperforming asset category	As at September 30, 2019
Sub standard	1,145,734
Doubtful	333,499
Loss	0
Total	1,479,233

(d) Net NPAs

(Amount Rs.'000)

Net Nonperforming asset category	As at September 30, 2019
Sub- Standard	606,232
Doubtful	-
Loss	-
Total	606,232

(e) NPA Ratios

(Amount Rs.'000)

Particulars	As at September 30, 2019
Gross NPA as a ratio to gross advances	2.73%
Net NPAs to net advances	1.14%

(f) Movement of NPAs Gross

(Amount Rs.'000)

Particulars	For the half year ended September 30, 2019
Opening Balance (As at April 1, 2019)	1,995,881
Additions during the period	6,796,371
Reductions during the period	7,313,019
Closing Balance (As at September 30, 2019)	1,479,233

(g) Movement of Provisions for NPAs

(Amount Rs.'000)

Particulars	For the half year ended September 30, 2019
Opening balance (As at April 1, 2019)	913,808
Provisions made during the period	4,040,590
Reductions made during the period due to write-off, upgradation and recoveries	4,081,397
Any other Adjustments, including transfer between provisions	-
Write-back of excess provisions	-
Closing balance (As at September 30, 2019)	873,001

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

(Amount Rs.'000)

Particulars	For the half year ended September 30, 2019
Write offs	979,672
Recoveries	322,577

(i) Movement of Provisions for Standard Assets*

(Amount Rs.'000)

Particulars	For the half year ended September 30, 2019
Opening balance (As at April 1, 2019)	360,578
Provisions made during the period	1,436
Write-back of excess provisions	-
Closing balance (As at September 30, 2019)	362,014

* includes provision created for Unhedged Foreign Currency Exposure and Willful Defaulters

(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 September 30, 2019

(Amount Rs. '000)

Particulars	Gross NPA	Provision towards NPA	NPA Write offs	Provision for Standard Assets*
Coal	25,593	12,699	-	1,897
Others	-	-	-	120
Food Processing	25,593	12,699	-	1,777
Sugar	7,647	4,007	75,340	3,709
Edible Oils and Vanaspati	26	26	-	6
Tea	-	-	-	29
Coffee	-	-	-	115
Others	-	-	-	-
Beverages (excluding Tea & Coffee) and Tobacco	7,621	3,981	75,340	3,559
Tobacco and tobacco products	1,867	969	179	1,478
Others	-	-	-	-
Textiles	1,867	969	179	1,477
Cotton	5,482	2,918	2,299	1,981
Jute	1	-	1,497	465
Man-made	-	-	-	39
Others	5,481	2,918	802	1,478
Leather and Leather products	2,794	1,825	-	486
LeatLeather and Leather products	2,794	1,825	-	486
Wood and Wood Products	-	-	18	143
Wood and Wood Products	-	-	18	143
Paper and Paper Products	-	-	1,602	388
Paper and Paper Products	-	-	1,602	388
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	5	2	-	212
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	5	2	-	212
Chemicals and Chemical Products (Dyes, Paints, etc.)	14,246	10,532	5,369	9,818
Fertilizers	-	-	-	437
Drugs and Pharmaceuticals	4,464	2,441	2,728	4,992
Petro-chemicals (excluding under Infrastructure)	-	-	-	6
Others	9,782	8,091	2,641	4,383
Rubber, Plastic and their Products	105	52	-	1,538
Rubber, Plastic and their Products	105	52	-	1,538
Glass & Glassware	6,226	3,089	-	965
Glass & Glassware	6,226	3,089	-	965
Cement and Cement Products	-	-	-	90
Cement and Cement Products	-	-	-	90
Basic Metal and Metal Products	10,126	5,069	42	1,888
Iron and Steel	10,101	5,044	16	875

Other Metal and Metal Products	25	25	26	1,013
All Engineering	21,491	12,457	307,938	18,929
Electronics	13,262	7,587	3,739	8,970
Others	8,229	4,870	304,199	9,959
Vehicle Parts and Transport Equipments	1,152	719	113	3,280
Vehicle Parts and Transport Equipments	1,152	719	113	3,280
Gems and Jewellery	1	-	-	50
Gems and Jewellery	1	-	-	50
Construction	659	329	191	21,361
Construction	659	329	191	21,361
Infrastructure	18,499	9,179	-	1,266
Electricity generation	18,449	9,154	-	1,160
Electricity Distribution	50	25	-	91
Gas Pipelines	-	-	-	-
Water supply pipelines	-	-	-	15
Other Industries	1,453	733	103	1,862
Other Industries	1,453	733	103	1,862
Services	197,524	120,370	31,950	129,678
Transport Operators	-	-	2	1,072
Computer Software	55,723	34,104	4,699	38,514
Tourism, Hotel and Restaurants	87,714	50,406	8,904	30,686
Professional Services	27,390	19,071	6,876	29,479
Commercial Real Estate	-	-	1	731
NBFCs	137	137	4	318
Banks	954	591	5	273
Other Services	25,606	16,061	11,459	28,605
Trade	65,399	39,409	601	31,129
Wholesale Trade (other than Food Procurement)	59,173	33,647	347	4,147
Retail Trade	6,226	5,762	254	26,982
Personal Loans	1,098,964	648,643	473,037	129,866
Personal Loans	1,098,964	648,643	473,037	129,866
Total	1,479,233	873,001	898,782	362,014

* includes provision created for Unhedged Foreign Currency Exposure and Willful Defaulters

4. Credit Risk: Disclosures for Portfolios Subject to Standardised 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 125%, 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:

Risk Weight Applied*	(Amount Rs.'000)
As at September 30, 2019	
Below 100 % risk weight	28,980,860
100 % risk weight	4,015,418
More than 100 % risk weight	51,960,143
Deducted (in computation of Net Owned Funds)	-

* Net of provisions and collaterals

5. Credit Risk Mitigation: Disclosures for Standardised Approach

The Bank's advances arise from its card operations and there are normally no collaterals for these lending. However, in few cases, to mitigate credit risk, the Bank uses Bank Guarantees and Institutional deposits from customers as collaterals.

Quantitative Disclosure:

Particulars	(Amount Rs.'000)
As at September 30, 2019	
Exposure covered by Bank Guarantees	1,701,745
Exposure covered primarily by Institutional Deposits	1,968,498

6. Securitization : Disclosure for Standardized Approach

The Bank does not have any securitization exposure.

7. Market Risk in Trading Book

Market Risk is defined as the risk to earnings or risk to the value of assets or liabilities resulting from changes in market risk factors such as interest and foreign exchange rates.

The Bank does not engage in any trading but maintains a portfolio of high quality liquid assets in the form of investments which are limited to GOI Treasury Bills to meet the Statutory Liquidity Ratio (SLR) and Liquidity Coverage Ratio (LCR) requirements. These investments are held under the Available for Sale (AFS) category and do not carry any credit risk. Foreign exchange risk in the banking book is limited and is generated on account of foreign currency denominated exposures in the balance sheet.

The general market risk capital charge towards interest rate risk and foreign exchange risk is provided as per the extant RBI guidelines, using the Standardized Duration Approach. The market risk management architecture is similar to interest rate risk and has been outlined in subsequent sections.

Capital Requirements

	(Amount Rs.'000)
	As at September 30, 2019
Interest rate Risk	120,602
Equity position risk	-
Foreign exchange risk	183,516

8. Operational Risk

Operational Risk is defined as the risk of not achieving business objective due to inadequate or failed processes, people or information systems, or to the external environment, including failures to comply with laws and regulations. It includes legal risk, but does not include strategic and reputation risks.

The Bank has in place an Operational Risk Management Policy framework that defines the key elements of Operational Risk Management. The Operational Risk Management framework defines governance principles, globally accepted risk assessment methodologies and processes for capturing and analyzing Operational Risk events and exposures. Internal and external drivers shape the framework, including regulatory requirements and market pressures. The framework and its supporting programs are designed to be adaptable to address emerging risks and external influences as they develop.

The Bank has adopted the Basic Indicator Approach (BIA) for measuring the capital requirements for

9. Interest Rate Risk in the Banking Book (IRRBB)

Interest Rate Risk in the banking book is defined as the risk to earnings or risk to the value of assets or liabilities resulting from changes in interest rates. Interest rate risk is primarily generated by funding card member receivables and investments with different tenure of borrowings and deposits. These assets and liabilities generally do not create naturally off-setting positions with respect to re-pricing or maturity characteristics which may lead to changes in the Bank's earnings, net interest income and economic value. The Bank incurs and accepts Interest rate risk exposure as a necessary accompaniment to its business model, in the regular course of offering its products and services. It does not actively seek to create Interest rate risk exposure in excess of that is incurred through its business model. The Bank's objective is to identify and manage interest rate risk exposures in the context of its overall business model.

The Bank's objective is to identify and manage interest rate risk exposures in the context of its overall business model while supporting sustainable earnings growth. This is accomplished by identifying, measuring and reporting such exposures on a monthly basis and managing the same within predefined Board limits. The Bank measures IRRBB from two separate, but complimentary perspectives i.e. earnings at Risk (EaR) and economic value of equity (EVE). EaR measures the level of the Bank's exposure to interest rate risk in terms of sensitivity of its Net Interest Income (NII) to interest rate movements over a time horizon of 1 year. EVE measures the level of the Bank's exposure to interest rate risk in terms of sensitivity of its market value of equity to interest rate movements using the Duration gap approach. EaR is monitored assuming a 100 bps parallel shift in yield curve, while EVE is measured for a 200 bps parallel shift in yield curve. The Bank also undertakes periodic stress testing to keep the management informed of the potential impacts of extremely adverse interest rate movements.

Liquidity and Funding Risk

The Bank incurs and accepts liquidity and funding risk through its established business model and through the normal course of offering its products and services. The Bank has established clear objectives for its funding and liquidity management activities and maintains processes to ensure that its liquidity profile continuously remains consistent and compliant with those objectives. The objectives include, but are not limited to:

- The maintenance of a diversified set of on and off balance sheet funding sources that utilizes a prudent amount of short-term funding liabilities.
- The maintenance of a cushion of high quality, unencumbered liquid assets to be held against identified funding requirements under stress (as prescribed by the regulator) for a liquidity risk survival horizon of 30 Days.
- The projection of cash inflows and outflows from a variety of sources under various stress scenarios.
- The capacity to conduct a range of hypothetical analyses of changes to funding requirements under stress scenarios.
- A framework for the ongoing identification, measurement, management and monitoring of liquidity requirements

Liquidity Risk at the Bank is measured using the flow and stock approach. Flow approach involves comprehensive tracking of cash flow mismatches, while stock approach involves measurement of critical ratios in respect of liquidity and funding risk. Additionally, the Bank has Board approved liquidity stress test framework and maintains a Contingency Funding Plan in the event a material funding or liquidity crisis occurs. The Bank also has mechanisms in place to monitor intraday liquidity risk.

General principles and the overall framework for managing market risk, interest rate risk, liquidity and funding risk are defined in the Bank's Internal Policies.

Interest Rate Risk, liquidity and funding risk is managed and monitored by the India Country Asset Liability Management Committee (ALCO) of the Bank which is responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity, funding and interest rate risk management strategy of the Bank in line with its risk management objectives. The India Risk Management Committee (India RMC) also oversees and monitors interest rate risk, liquidity and funding risk as part of its enterprise wide risk related responsibilities and reports to the Board of the Bank.

Quantitative Disclosure

Impact on earnings and economic value of capital:

As at September 30, 2019

(Amount Rs.'000)

	Impact of increase in interest rates by 100 bps	Impact of decrease in interest rates by 100 bps
Earnings perspective	(43,016)	43,016
	Impact of increase in interest rates by 200 bps	Impact of decrease in interest rates by 200 bps
Economic value perspective	(573,608)	573,608

10. General Disclosure for Exposures Related to Counterparty Credit Risk:

Not Applicable

11. Composition of Capital

(Amount Rs.'000)

Composition of Capital		As at September 30, 2019	Ref No.
Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying common share capital plus related stock surplus (share premium)/Head office funds	17,603,299	a
2	Retained earnings / Reserves & Surplus	472,981	B
3	Accumulated other comprehensive income (and other reserves)	(2,752,497)	e
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-	
	Public sector capital injections grandfathered until January 1, 2018		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6	Common Equity Tier 1 capital before regulatory adjustments	15,323,783	
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	-	
10	Deferred tax assets	-	

Composition of Capital		As at September 30, 2019	Ref No.
11	Cash-flow hedge reserve	-	
12	Shortfall of provisions to expected losses	-	
13	Securitisation gain on sale	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15	Defined-benefit pension fund net assets	-	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in common equity	-	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-	
20	Mortgage servicing rights (amount above 10% threshold)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
22	Amount exceeding the 15% threshold	-	
23	of which: significant investments in the common stock of financial entities	-	
24	of which: mortgage servicing rights	-	
25	of which: deferred tax assets arising from temporary differences	-	
26	National specific regulatory adjustments (26a+26b+26c+26d)	-	
26a	of which: Investments in the equity capital of the unconsolidated insurance subsidiaries	-	
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries	-	
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank	-	
26d	of which: Unamortized pension funds expenditures	-	
	Regulatory Adjustments Applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	-	
	of which: [INSERT TYPE OF ADJUSTMENT]	-	
	For example: filtering out of unrealized losses on AFS debt	-	

Composition of Capital		As at September 30, 2019	Ref No.
	securities (not relevant in Indian context)		
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions		-
28	Total regulatory adjustments to Common equity Tier1		-
29	Common Equity Tier 1 capital (CET1)	15,323,783	
Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)		-
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)		-
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)		-
33	Directly issued capital instruments subject to phase out from Additional Tier 1		-
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)		-
35	of which: instruments		-
36	Additional Tier 1 capital before regulatory adjustments		-
Additional Tier 1 capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments		-
38	Reciprocal cross-holdings in Additional Tier 1 instruments		-
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)		-
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		-
41	National specific regulatory adjustments (41a+41b)		-
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries		-
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the bank		-
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions		-

		As at September 30, 2019	Ref No.
43	Total regulatory adjustments to Additional Tier 1 capital	-	
44	Additional Tier 1 capital (AT1)	-	
44a	Additional Tier 1 capital reckoned for capital adequacy	-	
45	Tier 1 capital (T1 = CET1 + AT1) (29 + 44a)	15,323,783	
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus – Sub-ordinate debt	9,250,000	C
47	Directly issued capital instruments subject to phase out from Tier 2	-	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Provisions:	450,688	
	General Provisions	450,514	D
	Investment Fluctuation Reserve	174	B
51	Tier 2 capital before regulatory adjustments	9,700,688	
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	-	
53	Reciprocal cross-holdings in Tier 2 instruments	-	
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-	
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56	National specific regulatory adjustments (56a+56b)	-	
56a	of which: Investments in the Tier 2 capital of unconsolidated subsidiaries	-	
56b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	-	
	Regulatory Adjustments Applied To Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment	-	
57	Total regulatory adjustments to Tier 2 capital	-	

		As at September 30, 2019	Ref No.
58	Tier 2 capital (T2)	9,700,688	
59	Total capital (TC = T1 + T2) (45 + 58c)	25,024,471	
	Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment		
60	Total risk weighted assets (60a + 60b + 60c)	108,349,814	
60a	of which: total credit risk weighted assets	77,780,590	
60b	of which: total market risk weighted assets	2,796,488	
60c	of which: total operational risk weighted assets	27,772,736	
Capital ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	14.14%	
62	Tier 1 (as a percentage of risk weighted assets)	14.14%	
63	Total capital (as a percentage of risk weighted assets)	23.10%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	7.38%	
65	of which: capital conservation buffer requirement	1.88%	
66	of which: bank specific countercyclical buffer requirement	-	
67	of which: G-SIB buffer requirement	-	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	8.64%	
National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%	
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%	
Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financial entities	-	
73	Significant investments in the common stock of financial entities	-	
74	Mortgage servicing rights (net of related tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-	
Applicable caps on the inclusion of provisions in Tier 2			

Composition of Capital		As at September 30,2019	Ref No.
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	450,688	
77	Cap on inclusion of provisions in Tier 2 under standardized approach	972,257	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	
Capital instruments subject to phase-out arrangements (only applicable between March 31, 2018 and March 31, 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

Notes to Template

(Amount Rs.'000)

Row No. of the template	Particular	As at September 30 , 2019
10	Deferred tax assets associated with accumulated losses	-
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	-
	Total as indicated in row 10	-
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	-
	of which: Increase in Common Equity Tier 1 capital	-
	of which: Increase in Additional Tier 1 capital	-
	of which: Increase in Tier 2 capital	-
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	
	(i) Increase in Common Equity Tier 1 capital	
	(ii) Increase in risk weighted assets	
44a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)	-
	of which: Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b	-
50	Eligible Provisions included in Tier 2 capital	450,514
	Eligible Investment Fluctuation Reserves included in Tier 2 capital	174
	Eligible Revaluation Reserves included in Tier 2 capital	-
	Total of row 50	450,688

12. Composition of Capital – Reconciliation requirements:

	Step - I		Amount in '000
		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation
		As on September 30, 2019	As on September 30, 2019
A	Capital & Liabilities		
I	Paid-up Capital	17,603,299	17,603,299
	Reserves & Surplus	473,155	473,155
	Minority Interest	-	-
	Total Capital & Reserves	18,076,454	18,076,454

	Deposits	20,692,091	20,692,091
II	of which: Deposits from banks	-	-
	of which: Customer deposits	20,692,091	20,692,091
	of which: Other deposits (pl. specify)	-	-
	Borrowings	14,853,795	14,853,795
III	of which: From RBI	-	-
	of which: From banks	5,353,795	5,353,795
	of which: From other institutions & agencies	-	-
	of which: Others (pl. specify)	-	-
	of which: Capital instruments	9,500,000	9,500,000
IV	Other liabilities & provisions	34,524,418	34,524,418
	Total	88,146,758	88,146,758
B Assets			
I	Cash and balances with Reserve Bank of India	1,795,697	1,795,697
	Balance with banks and money at call and short notice	187,528	187,528
II	Investments:	26,731,536	26,731,536
	of which: Government securities	26,731,536	26,731,536
	of which: Other approved securities	-	-
	of which: Shares	-	-
	of which: Debentures & Bonds	-	-
	of which: Subsidiaries / Joint Ventures / Associates	-	-
	of which: Others (Commercial Papers, Mutual Funds etc.)	-	-
III	Loans and advances	53,277,828	53,277,828
	of which: Loans and advances to banks	69,089	69,089
	of which: Loans and advances to customers	53,208,739	53,208,739
IV	Fixed assets	297,075	297,075
V	Other assets	3,523,988	3,523,988
	of which: Goodwill and intangible assets	-	-
	of which: Deferred tax assets	-	-
VI	Goodwill on consolidation	-	-
VII	Debit balance in Profit & Loss account	2,333,106	2,333,106
	Total Assets	88,146,758	88,146,758

	Step - II	Amount in '000		
		Balance sheet as in financial statements	Balance sheet under regulatory scope of consolidation	Ref
		As on September 30, 2019	As on September 30, 2019	
A	Capital & Liabilities			
	Paid-up Capital	17,603,299	17,603,299	a
	of which: Amount eligible for CET1	17,603,299	17,603,299	
	of which: Amount eligible for AT1	-	-	
I	Reserves & Surplus	473,155	473,155	b
	of which: Statutory Reserve	472,981	472,981	
	of which: Investment Fluctuation Reserve	174	174	
	Minority Interest	-	-	
	Total Capital	18,076,454	18,076,454	
II	Deposits	20,692,091	20,692,091	
	of which: Deposits from banks	-	-	
	of which: Customer deposits	20,692,091	20,692,091	
	of which: Other deposits (pl. specify)	-	-	
III	Borrowings	14,853,795	14,853,795	
	of which: From RBI	-	-	
	of which: From banks	5,353,795	5,353,795	
	of which: From other institutions & agencies	-	-	
	of which: Others (pl. specify)	-	-	
	of which: Capital instruments	9,500,000	9,500,000	c
IV	Other liabilities & provisions	34,524,419	34,524,419	
	of which: general provisions	450,514	450,514	d
	of which: other liabilities	34,073,904	34,073,904	
	Total	88,146,758	88,146,758	
B	Assets			
I	Cash and balances with Reserve Bank of India	1,795,697	1,795,697	
	Balance with banks and money at call and short notice	187,528	187,528	
II	Investments	26,731,536	26,731,536	
	of which: Government securities	26,731,536	26,731,536	
	of which: Other approved securities	-	-	
	of which: Shares	-	-	
	of which: Debentures & Bonds	-	-	
	of which: Subsidiaries / Joint Ventures / Associates	-	-	
	of which: Others (Commercial Papers, Mutual Funds etc.)	-	-	
III	Loans and advances	53,277,828	53,277,828	
	of which: Loans and advances to banks	69,089	69,089	

	of which: Loans and advances to customers	53,208,739	53,208,739	
IV	Fixed assets	297,075	297,075	
	Other assets	3,523,989	3,523,989	
	of which: Goodwill and intangible assets Out of which:	-	-	
V	Goodwill	-	-	
	Other intangibles (excluding MSRs)	-	-	
	Deferred tax assets	-	-	
VI	Goodwill on consolidation	-	-	
VII	Debit balance in Profit & Loss account	2,333,106	2,333,106	
	of which: Accumulated Losses	2,752,497	2,752,497	e
	of which: (Profit)/Loss during the year	(419,391)	(419,391)	
	Total Assets	88,146,758	88,146,758	

	Step – III	Amount in '000		
	Extract of Basel III common disclosure template (with added column) – Table DF-11 (Part I / Part II whichever, applicable)			
	Tier 1 & Tier 2 Capital			
		Component of regulatory capital reported by bank	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation from step 2	Ref
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	17,603,299	17,603,299	a
2	Statutory Reserves	472,981	472,981	b
3	Accumulated Losses	(2,752,497)	(2,752,497)	e
	Tier 1 capital (1+2+3)	15,323,783	15,323,783	
4	Investment fluctuation	174	174	b
5	Provisions	450,514	450,514	d
6	Subordinate Debt	9,500,000	9,500,000	c
a	Of which: admissible as Tier 2 Capital	9,250,000	9,250,000	
	Tier 2 capital (4+5+6a)	9,700,688	9,700,688	

13. Disclosures on Main Features of Regulatory Capital Instruments and Full Terms and Conditions

The capital of the bank comprises of interest free funds from Head Office, reserves & surplus, subordinated debt and general provisions on standard assets (including provision for unhedged foreign currency exposure).

Further, the bank has issued below capital instruments forming part of Tier 2 Debt Capital raised in the form of Head Office Borrowings in Foreign Currency:

S.No.	Items	As at September 30, 2019		
		I	II	III
1	Issuer	American Express Banking Corp. - India Branch	American Express Banking Corp. - India Branch	American Express Banking Corp. - India Branch
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	Not Applicable	Not Applicable	Not Applicable
3	Governing law(s) of the instrument	Applicable Indian statutes and regulatory requirements	Applicable Indian statutes and regulatory requirements	Applicable Indian statutes and regulatory requirements
	Regulatory treatment			
4	Transitional Basel III rules	Tier 2	Tier 2	Tier 2
5	Post-transitional Basel III rules	Tier 2	Tier 2	Tier 2
6	Eligible at solo/group/ group & solo	Solo	Solo	Solo
7	Instrument type	Tier 2 Debt instrument - Head Office Borrowings	Tier 2 Debt instrument - Head Office Borrowings	Tier 2 Debt instrument - Head Office Borrowings
8	Amount recognized in regulatory capital (Rs. in million, as of most recent reporting date)	INR 1000 million.	INR 3300 million.	INR 4950 million.
9	Par value of instrument	INR 1250 million.	INR 3300 million.	INR 4950 million.
10	Accounting classification	Liability - Borrowings Outside India - Tier 2 Debt Capital raised in the form of Head Office Borrowings in Foreign Currency	Liability - Borrowings Outside India - Tier 2 Debt Capital raised in the form of Head Office Borrowings in Foreign Currency	Liability - Borrowings Outside India - Tier 2 Debt Capital raised in the form of Head Office Borrowings in Foreign Currency
11	Original date of issuance	1-Nov-2013	27-Nov-2015	04-May-2018
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	1-Nov-2023	27-Nov-2025	04-May-2028

S.No.	Items	As at September 30, 2019		
		I	II	III
14	Issuer call subject to prior supervisory approval	Yes (as per current guidelines RBI approval is required)	Yes (as per current guidelines RBI approval is required)	Yes (as per current guidelines RBI approval is required)
15	Optional call date, contingent call dates and redemption amount	After completion of 5 years from the Issuance date (i.e 1-Nov-2018), with a prior notice of 120 days to the Lender. The Bank has decided not to exercise the prepayment option. Tax/Regulatory call event - Not applicable Redemption Price : At par	After completion of 5 years from the Issuance date (i.e. 27-Nov-2020), with a prior notice of 120 days to the Lender. The Bank has decided not to exercise the prepayment option. Tax/Regulatory call event - Not applicable Redemption Price : At par	After completion of 5 years from the Issuance date (i.e. 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. Tax/Regulatory call event - Not applicable Redemption Price : At par
16	Subsequent call dates, if applicable	Not Applicable	Not Applicable	Not Applicable
	Coupons / dividends			
17	Fixed or floating dividend/coupon	Interest Free	Interest Free	Interest Free
18	Coupon rate and any related index	Not Applicable	Not Applicable	Not Applicable
19	Existence of a dividend stopper	Not Applicable	Not Applicable	Not Applicable
20	Fully discretionary, partially discretionary or mandatory	Not Applicable	Not Applicable	Not Applicable
21	Existence of step up or other incentive to redeem	Not Applicable	Not Applicable	Not Applicable
22	Noncumulative or cumulative	Not Applicable	Not Applicable	Not Applicable
23	Convertible or non-convertible	Not Applicable	Not Applicable	Not Applicable
24	If convertible, conversion trigger(s)	Not Applicable	Not Applicable	Not Applicable
25	If convertible, fully or partially	Not Applicable	Not Applicable	Not Applicable

S.No.	Items	As at September 30, 2019		
		I	II	III
26	If convertible, conversion rate	Not Applicable	Not Applicable	Not Applicable
27	If convertible, mandatory or optional conversion	Not Applicable	Not Applicable	Not Applicable
28	If convertible, specify instrument type convertible into	Not Applicable	Not Applicable	Not Applicable
29	If convertible, specify issuer of instrument it converts into	Not Applicable	Not Applicable	Not Applicable
30	Write-down feature	Not Applicable	Not Applicable	Not Applicable
31	If write-down, write-down trigger(s)	Not Applicable	Not Applicable	Not Applicable
32	If write-down, full or partial	Not Applicable	Not Applicable	Not Applicable
33	If write-down, permanent or temporary	Not Applicable	Not Applicable	Not Applicable
34	If temporary write-down, description of write-up mechanism	Not Applicable	Not Applicable	Not Applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to the claims of all depositors and general creditors.	Subordinate to the claims of all depositors and general creditors.	Subordinate to the claims of all depositors and general creditors.
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	Not Applicable	Not Applicable	Not Applicable

14. Full Terms and Conditions of Regulatory Capital instruments:

The capital of the bank comprises of interest free funds from Head Office, reserves & surplus, subordinated debt and general provisions on standard assets (including provision for unhedged foreign currency exposure and willful defaulters). The details of issued Tier 2 capital is as above.

15. Comparison of accounting assets vs. leverage ratio exposure measure**As at September 30, 2019**

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	88,146,758
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)	19,383,093
7	Other adjustments (Debit balance in Profit & Loss Account)	(2,333,106)
8	Leverage ratio exposure	105,196,745

Leverage Ratio as at September 30, 2019**(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)	88,146,758
2	Asset amounts deducted in determining Basel III Tier 1 capital	(2,752,497)
2A	Surplus for the period ended September 30, 2019	419,391
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1, 2 and 2A)	85,813,652
Derivative exposures		
4	Replacement cost associated with all derivatives transactions <i>(i.e. net of eligible cash variation margin)</i>	-
5	Add-on amounts for PFE associated with all derivatives transactions	-

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 derivatives	-
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 12 to 15)	-
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	193,830,932
18	(Adjustments for conversion to credit equivalent amounts)	-174,447,839
19	Off-balance sheet items (sum of lines 17 and 18)	19,383,093
Capital and total exposures		
20	Tier 1 capital	15,323,783
21	Total exposures (sum of lines 3, 11, 16 and 19)	105,196,745
Leverage ratio		
22	Basel III leverage ratio	14.57%