

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 June 30, 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 June 30, 2024	
Particulars	RWA*	Min. Cap. Req.**
Credit Risk		
- Portfolio subject to Standardized Approach	87,385,015	10,049,277
Market Risk		
- Foreign Exchange Risk	1,856,250	213,469
Operational Risk		
- Basic Indicator Approach	31,441,458	3,615,768
Total	120,682,723	13,878,514

* RWA = Risk Weighted Assets.

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

Capital Adequacy Ratio	As at June 30, 2024
Common Equity Tier I Ratio	15.00%
Tier I Ratio	15.00%
Total Capital Ratio	19.19%

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 June 30, 2024

(Amount Rs.'000)

Particulars	Fund Based	Non-fund Based	Total
Domestic			
Investments	-	-	-
Advances:	-	-	-
Mining and Quarrying	125,088	-	125,088
Coal	5,000	-	5,000
Others	120,088	-	120,088
Food Processing	601,351	-	601,351
Sugar	750	-	750
Edible Oils and Vanaspati	286,745	-	286,745
Tea	6,229	-	6,229
Coffee	20,000	-	20,000
Others	287,627	-	287,627
Beverages (excluding Tea & Coffee) and Tobacco	384,494	-	384,494
Tobacco and tobacco products	-	-	-
Others	384,494	-	384,494
Textiles	982,663	-	982,663
Cotton	215,732	-	215,732
Jute	14,759	-	14,759
Man-made	11,260	-	11,260
Others	740,912	-	740,912
Leather and Leather products	114,704	-	114,704
Leather and Leather products	114,704	-	114,704
Wood and Wood Products	99,822	-	99,822
Wood and Wood Products	99,822	-	99,822
Paper and Paper Products	129,125	-	129,125
Paper and Paper Products	129,125	-	129,125
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	64,114	-	64,114
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	64,114	-	64,114
Chemicals and Chemical Products (Dyes, Paints, etc.)	2,151,641	-	2,151,641
Fertilizers	70,139	-	70,139
Drugs and Pharmaceuticals	1,042,361	-	1,042,361
Petro-chemicals (excluding under Infrastructure)	3,360	-	3,360
Others	1,035,781	-	1,035,781
Rubber, Plastic, and their Products	719,676	-	719,676
Rubber, Plastic, and their Products	719,676	-	719,676
Glass, Glassware, and other non-metallic mineral products	76,484	-	76,484

(Except Cement and Cement products)			
Glass, Glassware, and other non-metallic mineral products (Except Cement and Cement products)	76,484	-	76,484
Cement and Cement Products	55,397	-	55,397
Cement and Cement Products	55,397	-	55,397
Basic Metal and Metal Products	662,470	-	662,470
Iron and Steel	330,868	-	330,868
Other Metal and Metal Products	331,602	-	331,602
All Engineering	3,155,410	-	3,155,410
Electronics	1,529,353	-	1,529,353
Others	1,626,057	-	1,626,057
Vehicles, Vehicle Parts and Transport Equipment's	857,699	-	857,699
Vehicles, Vehicle Parts and Transport Equipment's	857,699	-	857,699
Gems and Jewellery	42,097	-	42,097
Gems and Jewellery	42,097	-	42,097
Construction	410,787	-	410,787
Construction	410,787	-	410,787
Infrastructure	55,567	-	55,567
Infrastructure	55,567	-	55,567
Other Industries	3,101,343	-	3,101,343
Other Industries	3,101,343	-	3,101,343
Services	21,767,451	-	21,767,451
Land Transport and Pipelines	376,578	-	376,578
Water Transport	23,951	-	23,951
Air Transport (Aviation)	42,764	-	42,764
Post and courier activities	10,165	-	10,165
Telecommunication	450,756	-	450,756
Tourism, Hotel and Restaurants	3,640,976	-	3,640,976
Scheduled Commercial Banks	2,164,679	-	2,164,679
Housing Finance Companies (HFCs)	3,035	-	3,035
Other NBFCs	32,962	-	32,962
Mutual Fund (MFs)	14,532	-	14,532
Insurance and Pension Funding, Except compulsory Social Security	108,223	-	108,223
DFIs	350	-	350
Other Financial Intermediation activities (please specify)	959,293	-	959,293
Real Estate Activities (Other than Residential Mortgages)	113,352	-	113,352
Computer and Related Activities	5,857,124	-	5,857,124
Professional Services	4,244,569	-	4,244,569
Other Services	3,724,142	-	3,724,142
Trade	5,814,743	-	5,814,743
Wholesale Trade (other than Food Procurement)	1,231,950	-	1,231,950
Retail Trade	4,582,793	-	4,582,793
Personal Loans	251,383,851	-	251,383,851

Credit Card and Staff Loan	251,383,851	251,383,851
Total	292,755,977	292,755,977

(b) Maturity pattern of total assets:

As at June 30, 2024

(Amount Rs.'000)

	Cash and Balances with RBI	Balances with Banks	Investments	Advances (Net)	Fixed Assets	Other Assets	Total
1 - 14 days	632,688	568,982	33,519,483	18,166,327	-	2,747,243	55,634,723
15 - 30 days	249,531	-	884,295	20,761,517	-	916,019	22,811,362
31 days - 2 months	235,074	-	835,603	2,324,975	-	423,312	3,818,964
2 months - 3 months	94,786	-	337,011	1,228,792	-	-	1,660,589
3 months - 6 months	212,264	-	754,698	2,431,664	-	-	3,398,626
6 months - 1 year	752,106	-	2,674,157	2,881,507	-	-	6,307,770
1 year - 3 years	1,235,064	-	4,382,537	3,020,561	-	160,344	8,798,506
3 years - 5 years	348,705	-	1,239,840	422,137	-	955,034	2,965,716
Over 5 years	30,290	-	107,694	118,816	3,548,162	492,051	4,297,013
TOTAL	3,790,508	568,982	44,735,318	51,356,296	3,548,162	5,694,003	109,693,269

(c) Amount of NPAs (Gross) - Total

(Amount Rs.'000)

Non performing asset category	As at June 30, 2024
Sub standard	1,158,012
Doubtful	1,766,822
Loss	904
Total	2,925,738

(d) Net NPAs

(Amount Rs.'000)

Net Non performing asset category	As at June 30, 2024
Sub- Standard	422,136
Doubtful	-
Loss	-
Total	422,136

(e) NPA Ratios

(Amount Rs.'000)

Particulars	As at June 30, 2024
Gross NPA as a ratio to gross advances	5.43%
Net NPAs to net advances	0.82%

(f) Movement of Gross NPAs

(Amount Rs.'000)

Particulars	For the quarter ended June 30, 2024
Opening Balance (As at April 1, 2024)	2,618,794
Additions during the period	4,741,016
Reductions during the period	4,434,072
Closing Balance (As at June 30, 2024)	2,925,738

(g) Movement of Provisions for NPAs#

(Amount Rs.'000)

Particulars	For the quarter ended June 30, 2024
Opening balance (As at April 1, 2024)	2,237,468
Provisions made during the period	4,205,032
Reductions made during the period due to write-off, upgradation and recoveries	3,938,898
Any other Adjustments, including transfer between provisions	-
Write-back of excess provisions	-
Closing balance (As at June 30, 2024)	2,503,602

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 quarter ended June 30, 2024
Write offs	302,039
Recoveries	141,548

(i) Movement of Provisions for Standard Assets*

(Amount Rs.'000)

Particulars	For the quarter ended June 30, 2024
Opening balance (As at April 1, 2024)	300,427
Provisions made during the period	18,254
Write-back of excess provisions	-
Closing balance (As at June 30, 2024)	318,681

* includes provision created for Unhedged Foreign Currency Exposure, provision for diminution, Willful Defaulters and other provisions created and recorded as part of standard

asset provision, excluding provision 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 June 30, 2024

(Amount Rs. '000)

Particulars	Gross NPA	Provision towards NPA**	NPA Write offs	Provision for Standard Assets*
Mining and Quarrying	4,282	4,282	-	554
Coal	-	-	-	-
Others	4,282	4,282	-	554
Food Processing	15	15	970	2,845
Sugar	-	-	-	4
Edible Oils and Vanaspati	-	-	-	1,519
Tea	-	-	-	15
Coffee	-	-	-	51
Others	15	15	970	1,256
Beverages (excluding Tea & Coffee) and Tobacco	15,856	15,856	4	2,063
Tobacco and tobacco products	-	-	-	-
Others	15,856	15,856	4	2,063
Textiles	3,022	2,275	547	2,193
Cotton	-	-	-	418
Jute	-	-	-	8
Man-made	-	-	-	110
Others	3,022	2,275	547	1,657
Leather and Leather products	21,506	13,014	940	340
Leather and Leather products	21,506	13,014	940	340
Wood and Wood Products	238	238	-	378
Wood and Wood Products	238	238	-	378
Paper and Paper Products	-	-	-	246
Paper and Paper Products	-	-	-	246
Petroleum (non-infra), Coal Products (non-mining)	295	295	-	200

and Nuclear Fuels				
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	295	295	-	200
Chemicals and Chemical Products (Dyes, Paints, etc.)	88,189	77,185	3	7,347
Fertilizers	1,882	1,129	-	147
Drugs and Pharmaceuticals	27,318	25,408	3	3,405
Petro-chemicals (excluding under Infrastructure)	-	-	-	20
Others	58,989	50,648	-	3,775
Rubber, Plastic and their Products	39	39	336	3,046
Rubber, Plastic and their Products	39	39	336	3,046
Glass, Glassware and other non-metallic mineral products (Except Cement and Cement products)	-	-	-	234
Glass, Glassware and other non-metallic mineral products (Except Cement and Cement products)	-	-	-	234
Cement and Cement Products	-	-	-	68
Cement and Cement Products	-	-	-	68
Basic Metal and Metal Products	2,800	2,465	275	1,540
Iron and Steel	1,758	1,758	-	1,071
Other Metal and Metal Products	1,042	707	275	469
All Engineering	296,925	243,776	3,400	12,893
Electronics	124,677	86,421	1,316	7,856
Others	172,248	157,355	2,084	5,037
Vehicles, Vehicle Parts and Transport Equipments	3,621	3,621	-	3,336
Vehicles, Vehicle Parts and Transport Equipments	3,621	3,621	-	3,336
Gems and Jewellery	733	733	-	134
Gems and Jewellery	733	733	-	134
Construction	2,728	1,650	-	2,112
Construction	2,728	1,650	-	2,112
Infrastructure (Pertaining to Industries Sector Only)	-	-	-	177
Infrastructure (Pertaining to Industries Sector Only)	-	-	-	177
Other Industries	19,079	14,555	2,025	3,044
Other Industries	19,079	14,555	2,025	3,044
Services	1,520,135	1,384,087	12,703	85,623
Land Transport and Pipelines	14,316	8,776	-	1,686
Water Transport	-	-	-	72
Air Transport (Aviation)	56	56	-	56
Post and courier activities	-	-	-	14
Telecommunication	26,851	26,851	-	1,120
Tourism, Hotel and Restaurants	33,483	27,299	706	15,729
Scheduled Commercial Banks	11,050	11,050	-	359

Housing Finance Companies (HFCs)	-	-	-	-
Other NBFCs	-	-	-	61
Mutual Fund (MFs)	-	-	-	90
Insurance and Pension Funding, Except compulsory Social Security	14,874	14,874	2	390
DFIs	-	-	-	-
Other Financial Intermediation activities	39,075	24,489	-	4,899
Real Estate Activities (Other than Residential Mortgages)	31	31	-	568
Computer and Related Activities	719,265	648,273	8,023	28,405
Professional Services	512,803	497,495	1,847	20,137
Other Services	148,331	124,893	2,125	12,037
Trade	37,415	35,652	2,098	25,504
Wholesale Trade (other than Food Procurement)	36,000	34,547	-	21,478
Retail Trade	1,415	1,105	2,098	4,026
Personal Loans	908,860	662,819	259,449	159,155
Credit Card and Staff Loan	908,860	662,819	259,449	159,155
Total	2,925,738	2,462,557	282,750	313,032

* 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 5,649 ('000) and Counter Cyclical Provisioning Buffer amounting INR 88,500 ('000).

**excluding provision for diminution on NPA restructured advances amounting INR 41,044 ('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)
Risk Weight Applied*	As at June 30, 2024
Below 100 % risk weight	50,049,842
100 % risk weight	8,709,268

More than 100 % risk weight	50,563,877
Deducted (in computation of Net Owned Funds)	-

* Net of provisions and collaterals

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

As at June 30, 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	114,567,784
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)	24,024,522
7	Other adjustments (Debit balance in Profit & Loss Account)	(4,874,515)
8	Leverage ratio exposure	133,717,791

Leverage Ratio as at June 30, 2024

(Amount Rs.'000)

S No.	Particulars	Leverage ratio
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	114,567,784
2	Asset amounts deducted in determining Basel III Tier 1 capital	(4,874,515)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1, 2 and 2A)	109,693,269
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 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	240,245,224
18	(Adjustments for conversion to credit equivalent amounts)	(-216,220,702)
19	Off-balance sheet items (sum of lines 17 and 18)	24,024,522
Capital and total exposures		
20	Tier 1 capital	18,108,380
21	Total exposures (sum of lines 3, 11, 16 and 19)	133,717,791
Leverage ratio		
22	Basel III leverage ratio	13.54%