

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 quarter ended 31st March 2016. 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 Prudential Guidelines on Implementation of New Capital Adequacy Framework vide their Circular DBR.No.BP.BC. 4/21.06.001/2015-16 dated July 1, 2015 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 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 Bank's business plans for the purpose of capital planning in the ICAAP.

Quantitative Disclosure:

	(Amount Rs.'000)			
	March 31, 2016		March 31, 2015	
	RWA*	Min. Cap. Req.**	RWA*	Min. Cap. Req.**
Credit Risk				
- Portfolio subject to Standardised Approach	38,516,370	3,466,473	31,109,150	2,799,824
Market Risk				
- Interest Rate Risk	310,809	27,973	196,919	17,723
- Foreign Exchange Risk	363,365	32,703	354,319	31,888
Operational Risk				
- Basic Indicator Approach	11,778,074	1,060,027	9,178,942	826,105
Total	50,968,618	4,587,176	40,839,330	3,675,540

* RWA = Risk Weighted Assets.

** Min. Cap. Req. = Minimum Capital Requirement at 9% of RWA.

Capital Adequacy Ratio	March 31, 2016	March 31, 2015
Common Equity Tier I Ratio	11.98%	15.57%
Tier I Ratio	11.98%	15.57%
Total Capital Ratio	21.31%	19.07%

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 180 days past due. In addition, accelerated write off is effected where it is evident that the outstanding is unlikely to be recovered.

Provision for Non Performing Assets and Standard Assets 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.

Quantitative Disclosure:**(a) Total credit exposure by industry and geographic distribution of exposure**

	March 31, 2016			March 31, 2015			(Amount Rs.'000)
	Fund Based	Non- fund Based	Total	Fund Based	Non- fund Based	Total	
Domestic							
Inter - Bank	676,936	-	676,936	1,993,322	-	1,993,322	
Investments	-	-	-	-	-	-	-
Advances -							
- Card Receivables	30,142,434	-	30,142,434	23,338,526	-	23,338,526	
- Others	132	-	132	147	-	147	
Overseas	-	-	-	-	-	-	-
Total	30,819,502	-	30,819,502	25,331,995	-	25,331,995	

(b) Maturity pattern of total assets:

As at March 31, 2016

(Amount Rs.'000)

	Cash and Balances with RBI	Balances with Banks	Investments	Advances (Net)	Fixed Assets	Other Assets	Total
1 - 14 days	349,775	676,736	4,232,853	11,499,498	-	559,071	17,317,933
15 - 28 days	71,028	-	346,465	11,499,498	-	384,453	12,301,445
29 days - 3 months	179,166	-	1,631,984	3,516,457	-	311,593	5,639,201
3 months - 6 months	162,034	-	946,764	1,087,068	-	-	2,195,866
6 months - 1 year	84,009	-	459,750	645,218	-	3,059	1,192,036
1 year - 3 years	53,530	200	260,921	1,398,370	-	252,569	1,965,589
3 years - 5 years	318	-	1,552	247,952	-	-	249,823
Over 5 years	190,837	-	930,322	-	294,879	-	1,416,037
TOTAL	1,090,697	676,936	8,810,611	29,894,061	294,879	1,510,745	42,277,930

The maturity pattern of assets is based on the methodology used for reporting positions to RBI on asset-liability management.

As at March 31, 2015

(Amount Rs.'000)

	Cash and Balances with RBI	Balances with Banks	Investments	Advances (Net)	Fixed Assets	Other Assets	Total
1 – 14 days	267,978	1,993,122	1,477,494	9,245,226	-	519,526	13,503,346
15 – 28 days	68,777	-	1,149,042	9,245,226	-	289,203	10,752,248
29 days – 3 months	249,864	-	1,582,378	2,681,373	-	637,438	5,151,053
3 months – 6 months	155,153	-	835,012	732,152	-	-	1,722,317
6 months – 1 year	88,863	-	477,638	417,073	-	-	983,574
1 year – 3 years	52,483	200	282,055	815,207	-	269,000	1,418,945
3 years – 5 years	277	-	1,491	151,849	-	-	153,617
Over 5 years	67,302	-	361,746	0	365,839	-	794,887
TOTAL	950,697	1,993,322	6,166,856	23,288,106	365,839	1,715,167	34,479,987

The maturity pattern of assets is based on the methodology used for reporting positions to RBI on asset-liability management.

(c) Amount of NPAs (Gross) - Total

(Amount Rs.'000)

Nonperforming asset category	March 31, 2016	March 31, 2015
Sub standard	465,319	202,268
Doubtful 1	-	-
Doubtful 2	-	-
Doubtful 3	-	-
Loss	31,007	-
Total	496,326	202,268

(d) Net NPAs

(Amount Rs.'000)

Nonperforming asset category	March 31, 2016	March 31, 2015
Net NPAs (Sub standard)	247,821	151,701
Total	247,821	151,701

(e) NPA Ratios

(Amount Rs.'000)

Particulars	March 31, 2016	March 31, 2015
Gross NPA as a ratio to gross advances	1.65%	0.87%
Net NPAs to net advances	0.83%	0.65%

(f) Movement of NPAs Gross

Particulars	(Amount Rs.'000)	
	March 31, 2016	March 31, 2015
Opening Balance	202,268	195,153
Additions during the period	1,720,644	839,543
Reductions during the period	1,426,586	832,428
Closing Balance	496,326	202,268

(g) Movement of Provisions for NPAs

Particulars	(Amount Rs.'000)	
	March 31, 2016	March 31, 2015
Opening balance	50,567	84,675
Provisions made during the period	915,539	209,886
Write-off	717,601	243,994
Any other Adjustments, including transfer between provisions	-	-
Write-back of excess provisions	-	-
Closing balance	248,505	50,567

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

Particulars	(Amount Rs.'000)	
	March 31, 2016	March 31, 2015
Write offs	953,056	660,224
Recoveries	271,761	210,013

(i) Movement of Provisions for Standard Assets

Particulars	(Amount Rs.'000)	
	March 31, 2016	March 31, 2015
Opening balance	92,546	84,478
Provisions made during the period	26,039	8,068
Write-back of excess provisions	-	-
Closing balance	118,585	92,546

(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

Banks' advances are only to retail industry as these are only in the nature of credit card receivables and loan to staff in India.

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 and loans to staff come under the Specified Category as per the RBI guidelines and attract the risk weight as prescribed therein. All exposures to 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)	
	March 31, 2016	March 31, 2015
Below 100 % risk weight	1,805,217	2,978,827
100 % risk weight	1,996,294	2,186,120
More than 100 % risk weight	29,107,730	22,819,455
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)	
	March 31, 2016	March 31, 2015
Exposure covered by Bank Guarantees	971,844	804,372
Exposure covered primarily by Institutional Deposits	538,378	316,918

6. Securitization : Disclosure for Standardized Approach

The Bank does not have any securitization exposure.

7. Market Risk in Trading Book

Market risk is the risk to earnings resulting from unfavorable movements in market factors such as interest rates or foreign exchange rates.

The Bank does not engage in trading activity 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 balance sheet exposures.

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)	
	March 31, 2016	March 31, 2015
Interest rate Risk	27,973	17,723
Equity position risk	-	-
Foreign exchange risk	32,703	31,888

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 operational risk.

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

Interest rate risk in the banking book represents the risk that movement in interest rates will have an adverse effect on the interest rate sensitive assets and liabilities held by the Bank in the banking book. 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 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 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 risk. Additionally, the Bank has a 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 a mechanism 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 Treasury Policy.

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 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 into the Board of the Bank.

Quantitative Disclosure

Impact on earnings and economic value of capital:

As at March 31, 2016

	Impact of increase in interest rates by 100 bps	Impact of decrease in interest rates by 100 bps	(Amount Rs.'000)
Earnings perspective	(102,234)	102,234	
	Impact of increase in interest rates by 200 bps	Impact of decrease in interest rates by 200 bps	
Economic value perspective	(134,893)	134,893	

As at March 31, 2015

	Impact of increase in interest rates by 100 bps	Impact of decrease in interest rates by 100 bps	
Earnings perspective	(71,354)	71,354	
	Impact of increase in interest rates by 200 bps	Impact of decrease in interest rates by 200 bps	
Economic value perspective	(78,112)	78,112	

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

Not Applicable

11. Composition of Capital

		As at March 31, 2016		As at March 31, 2015		(Amount Rs.'000)
Composition of Capital		Amounts Subject to Pre-Basel III Treatment	Ref No.	Amounts Subject to Pre-Basel III Treatment	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	9,969,644		9,969,644		

		As at March 31, 2016			As at March 31, 2015		
Composition of Capital			Amounts Subject to Pre-Basel III Treatment	Ref No.		Amounts Subject to Pre-Basel III Treatment	Ref No.
2	Retained earnings	76,810			76,810		
3	Accumulated other comprehensive income (and other reserves)	(3,940,838)			(3,689,565)		
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	6,105,616			6,356,889		
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	-			-		
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	-			-		

		As at March 31, 2016			As at March 31, 2015		
Composition of Capital			Amounts Subject to Pre-Basel III Treatment	Ref No.		Amounts Subject to Pre-Basel III Treatment	Ref No.
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: Unamortised 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 unrealised losses on AFS debt 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 Tier 1	-			-		
29	Common Equity Tier 1 capital (CET1)	6,105,616			6,356,889		
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)	-			-		

		As at March 31, 2016			As at March 31, 2015		
Composition of Capital			Amounts Subject to Pre-Basel III Treatment	Ref No.		Amounts Subject to Pre-Basel III Treatment	Ref No.
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	-			-		
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)	6,105,616			6,356,889		
Tier 2 capital: instruments and provisions							
46	Directly issued qualifying Tier 2 instruments plus related stock surplus – Sub-ordinate debt	4,550,000			1,250,000		
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	207,085			181,046		
51	Tier 2 capital before regulatory adjustments	4,757,085			1,431,046		
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	-			-		

		As at March 31, 2016			As at March 31, 2015		
Composition of Capital			Amounts Subject to Pre-Basel III Treatment	Ref No.		Amounts Subject to Pre-Basel III Treatment	Ref No.
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	-			-		
58	Tier 2 capital (T2)	4,757,085			1,431,046		
59	Total capital (TC = T1 + T2) (45 + 58c)	10,862,701			7,787,935		
	Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment						
60	Total risk weighted assets (60a + 60b + 60c)	50,968,618			40,839,330		
60a	of which: total credit risk weighted assets	38,516,370			31,109,150		
60b	of which: total market risk weighted assets	674,174			551,238		
60c	of which: total operational risk weighted assets	11,778,074			9,178,942		
Capital ratios							
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	11.98%			15.57%		
62	Tier 1 (as a percentage of risk weighted assets)	11.98%			15.57%		
63	Total capital (as a percentage of risk weighted assets)	21.31%			19.07%		
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	6.125%			-		
65	of which: capital conservation buffer requirement	0.625%			-		
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)	4.98%			-		
National minima (if different from Basel III)							
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%			5.50%		
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%			7.00%		
71	National total capital minimum ratio (if different from Basel III minimum)	9.00%			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)	-					

		As at March 31, 2016			As at March 31, 2015		
Composition of Capital		Amounts Subject to Pre-Basel III Treatment	Ref No.		Amounts Subject to Pre-Basel III Treatment	Ref No.	
Applicable caps on the inclusion of provisions in Tier 2							
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	207,085			181,046		
77	Cap on inclusion of provisions in Tier 2 under standardised approach	481,455			388,864		
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, 2017 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 March 31, 2016	As at March 31, 2015
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	-	-

Row No. of the template	Particular	As at March 31, 2016	As at March 31, 2015
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	207,085	181,046
	Eligible Revaluation Reserves included in Tier 2 capital	-	-
	Total of row 50	207,085	181,046

12. Composition of Capital – Reconciliation requirements: Not Applicable

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

Sl. No.	Items	As at March 31, 2016		As at March 31, 2015
		I	II	
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
	<i>Regulatory treatment</i>			
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 1250 million.	INR 3300 million.	INR 1250 million.

Sl. No.	Items	As at March 31, 2016		As at March 31, 2015
		I	II	
9	Par value of instrument	INR 1250 million.	INR 3300 million.	INR 1250 million.
10	Accounting classification	Liability - Borrowings Outside India - Subordinated Debt.	Liability - Borrowings Outside India - Subordinated Debt.	Liability - Borrowings Outside India - Subordinated Debt.
11	Original date of issuance	1-Nov-13	27-Nov-15	1-Nov-13
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	1-Nov-23	27-Nov-25	1-Nov-23
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-18), 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-20), with a prior notice of 120 days to the Lender. The Bank has decided to exercise the prepayment option only after 01-April-2022. Tax/Regulatory call event - Not applicable Redemption Price : At par	After completion of 5 years from the Issuance date (i.e 1-Nov-18), with a prior notice of 120 days to the Lender. The Bank has decided to exercise the option only after 30-June-2020. Tax/Regulatory call event - Not applicable Redemption Price : At par

Sl. No.	Items	As at March 31, 2016		As at March 31, 2015
		I	II	
16	Subsequent call dates, if applicable	Not Applicable	Not Applicable	Not Applicable
	<i>Coupons / dividends</i>			
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
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

Sl. No.	Items	As at March 31, 2016		As at March 31, 2015
		I	II	
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. Disclosures on Remuneration

Qualitative Disclosures

Being a Branch of a Foreign Bank, the Bank does not have any Remuneration Committee for approval of the Managerial Remuneration. The Bank's compensation structure is in conformity with the principles and practices set out by the Financial Stability Board (FSB). Further, the Bank has obtained the RBI's approval for the Chief Executive Officer's (CEO) remuneration.

Quantitative Disclosures

The quantitative disclosures cover the Bank's CEO and Key Risk Takers. The Bank's Key Risk Takers include the CEO, Head of Business Units and select roles in Treasury and Risk.

(Amount Rs.'000)			
S No.	Particulars	2015-16	2014-15
1	(i) Number of employees having received a variable remuneration award during the financial year.	4	5
	(ii) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms.	-	-
	(iii) Total amount of deferred remuneration paid out in the financial year	-	-
2	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.		
	Fixed	39,691	35,496
	Variable	37,922	10,342
	Deferred	-	-
	Non-deferred	37,922	10,342

S No.	Particulars	2015-16	2014-15
3	(i) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.	-	-
	(ii) Total amount of reductions during the financial year due to ex- post explicit adjustments.	-	-
	(iii) Total amount of reductions during the financial year due to ex- post implicit adjustments.	-	-
4	Retrials' (PF, Gratuity, SA)	2,634	2,354

Variable pay included above is on cash basis i.e. the year in which the same is paid out.

Compensation for CEO is as approved by the RBI and paid by the Bank to the CEO. Compensation for other risk takers is as approved by the Bank.

Charges for ESOPs, issued by the ultimate parent company to the key risk takers, has not been considered for the disclosure purpose as there is no charge to Profit and Loss Account of the Bank.

15. Comparison of accounting assets vs. leverage ratio exposure measure *

As at 31st March, 2016

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	46,218,767
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)	3,372,272
7	Other adjustments (Debit Balance in Profit and Loss Account)	(3,940,837)
8	Leverage ratio exposure	45,650,202

16. Leverage Ratio as at March 31, 2016 *

		(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)	46,218,767
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(3,940,837)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	42,277,930
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. <u>net of eligible cash variation margin</u>)	-
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	33,722,724
18	(Adjustments for conversion to credit equivalent amounts)	(30,350,452)
19	Off-balance sheet items (sum of lines 17 and 18)	3,372,272
Capital and total exposures		
20	Tier 1 capital	6,105,616
21	Total exposures (sum of lines 3, 11, 16 and 19)	45,650,202
Leverage ratio		
22	Basel III leverage ratio	13.37%

*FY 2015-16 being the first year in which the disclosures of Leverage Ratio is required, comparatives are not disclosed.

17. Equities – Disclosure for Banking Book Positions - NIL