Table of Contents

**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**WASHINGTON, D.C. 20549**

**FORM 10-Q**

☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

**For the Quarterly Period Ended March 31, 2022**

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from ____ to ____

Commission file number 1-7657

# AMERICAN EXPRESS COMPANY

(Exact name of registrant as specified in its charter)

| **New York** | **13-4922250** |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| **200 Vesey Street, New York, New York** | **10285** |
| (Address of principal executive offices) | (Zip Code) |

Registrant's telephone number, including area code **(212) 640-2000**

None

Former name, former address and former fiscal year, if changed since last report.

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common shares (par value $0.20 per share) | AXP | New York Stock Exchange |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

**Yes** ☑ **No** ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

**Yes** ☑ **No** ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☑ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| | | Emerging growth company | ☐ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

**Yes** ☐ **No** ☑

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

| Class | Outstanding at April 18, 2022 |
|---|---|
| Common Shares (par value $0.20 per share) | 753,060,278 Shares |

Table of Contents

**AMERICAN EXPRESS COMPANY**
**FORM 10-Q**
**INDEX**


| | | | Page No. |
|---|---|---|---|
| **Part I.** | **Financial Information** | | |
| | Item 1. | Financial Statements | |
| | | Consolidated Statements of Income – Three Months Ended March 31, 2022 and 2021 | 34 |
| | | Consolidated Statements of Comprehensive Income – Three Months Ended March 31, 2022 and 2021 | 35 |
| | | Consolidated Balance Sheets – March 31, 2022 and December 31, 2021 | 36 |
| | | Consolidated Statements of Cash Flows – Three Months Ended March 31, 2022 and 2021 | 37 |
| | | Consolidated Statements of Shareholders' Equity - Three Months Ended March 31, 2022 and 2021 | 38 |
| | | Notes to Consolidated Financial Statements | 39 |
| | Item 2. | Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) | 1 |
| | Item 3. | Quantitative and Qualitative Disclosures about Market Risk | 67 |
| | Item 4. | Controls and Procedures | 67 |
| **Part II.** | **Other Information** | | |
| | Item 1. | Legal Proceedings | 68 |
| | Item 1A. | Risk Factors | 68 |
| | Item 2. | Unregistered Sales of Equity Securities and Use of Proceeds | 69 |
| | Item 5. | Other Information | 70 |
| | Item 6. | Exhibits | 71 |
| **Signatures** | | | 72 |


Throughout this report the terms "American Express," "we," "our" or "us," refer to American Express Company and its subsidiaries on a consolidated basis, unless stated or the context implies otherwise. The use of the term "partner" or "partnering" in this report does not mean or imply a formal legal partnership, and is not meant in any way to alter the terms of American Express' relationship with any third parties. Refer to the "MD&A— Glossary of Selected Terminology" for the definitions of other key terms used in this report.

**PART I. FINANCIAL INFORMATION**

# ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (MD&A)

***Business Introduction***

We are a globally integrated payments company that provides our customers with access to products, insights and experiences that enrich lives and build business success. Our principal products and services are credit and charge card products, along with travel and lifestyle related services, offered to consumers and businesses around the world. Our range of products and services includes:

- Credit card, charge card, banking and other payment and financing products
- Merchant acquisition and processing, servicing and settlement, and point-of-sale marketing and information products and services for merchants
- Network services
- Other fee services, including fraud prevention services and the design and operation of customer loyalty programs
- Expense management products and services
- Travel and lifestyle services

Our various products and services are sold globally to diverse customer groups, including consumers, small businesses, mid-sized companies and large corporations. These products and services are sold through various channels, including mobile and online applications, affiliate marketing, customer referral programs, third-party service providers and business partners, direct mail, telephone, in-house sales teams, and direct response advertising. We have a significant ownership position in, and extensive commercial arrangements with, American Express Global Business Travel (GBT). The commercial arrangements with GBT include, among other things, a long-term trademark license agreement pursuant to which GBT uses the American Express brand, GBT's support of certain of our partnerships, joint negotiation with travel suppliers and a strategic relationship between GBT and our Global Commercial Services (GCS) business.

We compete in the global payments industry with card networks, issuers and acquirers, paper-based transactions (e.g., cash and checks), bank transfer models (e.g., wire transfers and Automated Clearing House (ACH)), as well as evolving and growing alternative payment and financing providers. As the payments industry continues to evolve, we face increasing competition from non-traditional players that leverage new technologies, business models and customer relationships to create payment or financing solutions.

Effective for the first quarter of 2022, we made the following reporting presentation changes to our Consolidated Statements of Income:

Within Non-interest revenues:

- Processed revenue represents revenues earned from processed volumes, previously reported in Discount revenue, Other fees and commissions and Other revenue.
- Service fees and other revenue combines the remaining balances from Other fees and commissions and Other revenue.

Within Total expenses:

- Disaggregated Marketing and business development expense into Business development expense and Marketing expense.

Prior period amounts have been recast to conform with current period presentation; there was no impact to Total non-interest revenues or Total expenses.

Refer to the "Glossary of Selected Terminology" for the definitions of certain key terms and related information appearing within this Form 10-Q.

***Forward-Looking Statements and Non-GAAP Measures***

Certain of the statements in this Form 10-Q are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Refer to the "Cautionary Note Regarding Forward-Looking Statements" section. We prepare our Consolidated Financial Statements in accordance with accounting principles generally accepted in the United States of America (GAAP). However, certain information included within this Form 10-Q constitutes non-GAAP financial measures. Our calculations of non-GAAP financial measures may differ from the calculations of similarly titled measures by other companies.

***Bank Holding Company***

American Express is a bank holding company under the Bank Holding Company Act of 1956 and The Board of Governors of the Federal Reserve System (the Federal Reserve) is our primary federal regulator. As such, we are subject to the Federal Reserve's regulations, policies and minimum capital standards.

**Table 1: Summary of Financial Performance**

| *(Millions, except percentages, per share amounts and where indicated)* | As of or for the Three Months Ended March 31, 2022 | 2021 | Change 2022 vs. 2021 | |
|---|---|---|---|---|
| **Selected Income Statement Data** | | | | |
| Total revenues net of interest expense | **$ 11,735** | $ 9,064 | $ 2,671 | 29 % |
| Provisions for credit losses | **(33)** | (675) | 642 | 95 |
| Expenses | **9,056** | 6,746 | 2,310 | 34 |
| Pretax income | **2,712** | 2,993 | (281) | (9) |
| Income tax provision | **613** | 758 | (145) | (19) |
| Net income | **2,099** | 2,235 | (136) | (6) |
| Earnings per common share — diluted [(a)] | **$ 2.73** | $ 2.74 | $ (0.01) | — % |
| | | | | |
| **Common Share Statistics** [(b)] | | | | |
| Cash dividends declared per common share | **$ 0.52** | $ 0.43 | $ 0.09 | 21 % |
| Average common shares outstanding: | | | | |
| Basic | **757** | 804 | (47) | (6)% |
| Diluted | **758** | 805 | (47) | (6)% |
| | | | | |
| **Selected Metrics and Ratios** | | | | |
| Network volumes *(Billions)* | **$ 350.3** | $ 269.3 | $ 81 | 30 % |
| Return on average equity [(c)] | **37.7 %** | 37.7 % | | |
| Net interest income divided by average Card Member loans | **10.1 %** | 10.4 % | | |
| Net interest yield on average Card Member loans [(d)] | **10.5 %** | 11.3 % | | |
| Effective tax rate | **22.6 %** | 25.3 % | | |
| Common Equity Tier 1 | **10.4 %** | 14.8 % | | |
| | | | | |
| **Selected Balance Sheet Data** *($ in millions)* | | | | |
| Cash and cash equivalents | **$ 27,678** | $ 40,280 | $ (12,602) | (31)% |
| Card Member receivables | **53,164** | 42,002 | 11,162 | 27 |
| Card Member loans | **88,832** | 70,100 | 18,732 | 27 |
| Customer deposits | **90,917** | 89,193 | 1,724 | 2 |
| Long-term debt | **$ 38,337** | $ 42,019 | $ (3,682) | (9)% |

# Denotes a variance of 100 percent or more

(a) Represents net income, less (i) earnings allocated to participating share awards of $16 million and $15 million for the three months ended March 31, 2022 and 2021, respectively, and (ii) dividends on preferred shares of $14 million for both the three months ended March 31, 2022 and 2021.

(b) Our common stock trades principally on The New York Stock Exchange under the trading symbol AXP.

(c) Return on average equity (ROE) is calculated by dividing (i) annualized net income for the period by (ii) average shareholders' equity for the period. Effective for the first quarter of 2022, the interim period calculation methodology for Return on average equity was modified to present the returns for the period on an annualized basis rather than the preceding twelve months. Prior period amounts have been recast to conform with current period presentation.

(d) Net interest yield on average Card Member loans reflects adjusted net interest income divided by average Card Member loans, computed on an annualized basis. Adjusted net interest income and net interest yield on average Card Member loans are non-GAAP measures. Refer to Table 8 for a reconciliation to Net interest income divided by average Card Member loans.

***Business Environment***

Our results for the first quarter reflect the continued strong growth momentum we have seen in our business during the last several quarters. We are committed to investing in our brand, customers, value proposition, coverage, technology and talent, which is driving sustainable growth across our businesses.

Worldwide network volumes for the first quarter increased 30 percent year-over-year and billed business, which represented 86 percent of our total network volumes and drives most of our financial results, increased 34 percent. G&S spend, which accounts for the majority of our billed business, grew by 19 percent on a year-over-year basis, primarily driven by ongoing strong growth in online and card-not-present spending, even while offline spending growth accelerated further. T&E spend increased 119 percent versus the prior year and essentially reached the pre-pandemic levels of 2019 globally in March.

Total revenues net of interest expense increased 29 percent year-over-year reflecting double digit growth in most of our revenue lines. The growth in network volumes drove increases in Discount revenue, our largest revenue line, and Processed revenue. Service fees and other revenue increased 42 percent year-over-year, primarily driven by higher travel-related revenues. Net card fees grew 14 percent year over year, as new card acquisitions increased and Card Member retention remained high, demonstrating the impact of investments we have made in our premium value propositions. Net interest income grew by 20 percent year-over-year, primarily driven by growth in loans, partially offset by higher paydown rates on loan balances.

Card Member loans grew 27 percent year-over-year, which was lower than the growth in billed business due to higher paydown rates driven in part by the continued liquidity and financial strength of our customer base. Provisions for credit losses increased, resulting in a lower net benefit in the current quarter as compared to a year ago, primarily due to a lower net reserve release in the current quarter, partially offset by lower net write-offs. The reserve release in the current period was primarily driven by a reduction in pandemic-driven reserves reflecting sustained recovery from the macroeconomic impact of the COVID-19 pandemic. While delinquency and net write-off rates remain well below pre-pandemic levels, they increased modestly on a sequential basis as compared to the prior quarter.

Card Member rewards, Business development, and Card Member services increased year-over-year due to spend growth and higher usage of travel-related benefits. Card Member rewards expense growth was also driven by a larger proportion of spend in categories that earn incremental rewards such as travel. Marketing expense increased 27 percent year-over-year, due to higher investments to drive growth momentum and accelerate new card acquisitions. We continue to see great demand for our products and a wide range of attractive investment opportunities. Operating expenses increased 26 percent year-over-year primarily due to prior-year net gains on our Amex Ventures equity investments and higher compensation costs in the current quarter.

During the quarter, we maintained our capital ratios within our target range and returned $1.9 billion of capital to our shareholders through share buybacks and dividends. We also increased our quarterly common stock dividend by 21 percent. We plan to continue to return to shareholders the excess capital we generate while supporting our balance sheet growth.

Although we recognize the uncertainty in the geopolitical and inflationary environment, the combination of our investments, successful execution of our strategy, and a number of structural shifts have all come together to deliver our strong first quarter results and build growth momentum.

See “Certain Legislative, Regulatory and Other Developments” and "Risk Factors" for information on certain matters that could have a material adverse effect on our results of operations and financial condition.

# Results of Operations

The discussions in both the "Consolidated Results of Operations" and "Business Segment Results of Operations" provide commentary on the variances for the three months ended March 31, 2022 compared to the same period in the prior year, as presented in the accompanying tables.

## Consolidated Results of Operations

**Table 2: Total Revenues Net of Interest Expense Summary**

| *(Millions, except percentages)* | Three Months Ended March 31, 2022 | 2021 | Change 2022 vs. 2021 | |
|---|---|---|---|---|
| Discount revenue | **$ 6,835** | $ 5,001 | $ 1,834 | 37% |
| Net card fees [(a)] | **1,423** | 1,253 | 170 | 14 |
| Service fees and other revenue | **906** | 638 | 268 | 42 |
| Processed revenue | **372** | 342 | 30 | 9 |
| Total non-interest revenues | **9,536** | 7,234 | 2,302 | 32 |
| Total interest income | **2,520** | 2,192 | 328 | 15 |
| Total interest expense | **321** | 362 | (41) | (11) |
| Net interest income | **2,199** | 1,830 | 369 | 20 |
| **Total revenues net of interest expense** | **$ 11,735** | $ 9,064 | $ 2,671 | 29% |

(a) Effective April 1, 2021, we prospectively changed the recognition of certain costs paid to a third party previously recognized over the twelve month card membership period in Net card fees in the Consolidated Statements of Income; such costs are now recorded as incurred in Marketing expense.

***Total Revenues Net of Interest Expense***

Discount revenue increased, primarily driven by an increase in billed business of 34 percent. U.S. billed business increased 33 percent and non-U.S. billed business increased 34 percent. See Tables 5 and 6 for more details on billed business performance.

Net card fees increased, primarily driven by growth in our premium card portfolios. The year-over-year growth rate also reflected a prospective change we made in the recognition of certain costs paid to a third party previously recognized in Net card fees, effective April 1, 2021.

Service fees and other revenue increased, primarily due to higher foreign exchange conversion revenue related to cross-border Card Member spending, higher travel commissions and fees from our consumer travel business and a lower net loss from GBT in the current year compared to the prior year.

Processed revenue increased, primarily driven by an increase in processed volumes, partially offset by the repositioning of certain of our alternative payment solutions.

Interest income increased, primarily due to an increase in average Card Member loan balances, partially offset by higher paydown rates on Card Member loan balances.

Interest expense decreased, primarily driven by a reduction in average debt and lower interest rates paid on deposits.

**Table 3: Provisions for Credit Losses Summary**

| *(Millions, except percentages)* | Three Months Ended March 31, **2022** | 2021 | Change 2022 vs. 2021 | |
|---|---|---|---|---|
| Card Member receivables | | | | |
| Net write-offs | **$ 67** | $ 53 | $ 14 | 26% |
| Reserve (release) build [(a)] | **13** | (63) | 76 | # |
| Total | **80** | (10) | 90 | # |
| Card Member loans | | | | |
| Net write-offs | **215** | 304 | (89) | (29) |
| Reserve (release) build [(a)] | **(326)** | (877) | 551 | 63 |
| Total | **(111)** | (573) | 462 | 81 |
| Other | | | | |
| Net write-offs - Other loans [(b)] | **2** | 14 | (12) | (86) |
| Net write-offs - Other receivables [(c)] | **3** | 8 | (5) | (63) |
| Reserve (release) build - Other loans [(a)(b)] | **(4)** | (96) | 92 | 96 |
| Reserve (release) build - Other receivables [(a)(c)] | **(3)** | (18) | 15 | 83 |
| Total | **(2)** | (92) | 90 | 98 |
| Total provisions for credit losses | **$ (33)** | $ (675) | $ 642 | 95% |

# Denotes a variance of 100 percent or more

(a) Refer to the "Glossary of Selected Terminology" for a definition of reserve (release) build.

(b) Relates to Other loans of $3.3 billion and $2.9 billion, less reserves of $48 million and $52 million, as of March 31, 2022 and December 31, 2021, respectively; and $2.3 billion and $2.9 billion, less reserves of $143 million and $238 million, as of March 31, 2021 and December 31, 2020, respectively.

(c) Relates to Other receivables included in Other assets on the Consolidated Balance Sheets of $2.7 billion and $2.7 billion, less reserves of $22 million, and $25 million, as of March 31, 2022 and December 31, 2021, respectively; and $2.4 billion and $3.0 billion, less reserves of $67 million and $85 million, as of March 31, 2021 and December 31, 2020, respectively.

***Provisions for Credit Losses***

Card Member loans provision for credit losses resulted in a lower net benefit for the current three month period, primarily due to a lower reserve release in the current period, partially offset by lower net write-offs. The reserve release in the current period was primarily driven by a reduction in pandemic-driven reserves reflecting sustained recovery from the macroeconomic impact of the COVID-19 pandemic. The reserve release in the prior period was driven by improving macroeconomic indicators as well as improved credit performance.

Card Member receivables provision for credit losses increased for the current three month period, primarily due to a reserve build in the current period, versus a reserve release in the prior period, primarily driven by higher delinquencies.

Other loans provision for credit losses resulted in a lower net benefit for the current three month period, primarily due to a higher reserve release in the prior period, partially offset by lower net write-offs. The reserve release in the prior period was due to improved credit performance and lower balances on non-card loans.

Refer to Note 3 to the "Consolidated Financial Statements" for further information regarding our reserves for credit losses.

**Table 4: Expenses Summary**

| *(Millions, except percentages)* | Three Months Ended March 31, 2022 | 2021 | Change 2022 vs. 2021 | |
|---|---|---|---|---|
| Card Member rewards | **$ 3,111** | $ 2,243 | $ 868 | 39% |
| Business development | **1,043** | 802 | 241 | 30 |
| Card Member services | **626** | 317 | 309 | 97 |
| Marketing | **1,224** | 964 | 260 | 27 |
| Salaries and employee benefits | **1,654** | 1,550 | 104 | 7 |
| Other, net | **1,398** | 870 | 528 | 61 |
| **Total expenses** | **$ 9,056** | **$ 6,746** | $ 2,310 | 34% |

***Expenses***

Card Member rewards expense increased, primarily driven by increases in Membership Rewards and cash back rewards expenses of $563 million and cobrand rewards expense of $305 million, both of which were primarily driven by higher billed business. The increase in Membership Rewards expense was also driven by a larger proportion of spend in categories that earn incremental rewards such as travel.

The Membership Rewards Ultimate Redemption Rate (URR) for current program participants was 96 percent (rounded down) at March 31, 2022 and 96 percent (rounded up) at March 31, 2021.

Business development expense increased, primarily due to increased partner payments driven by higher billed business.

Card Member services expense increased, primarily due to higher usage of travel-related benefits.

Marketing expense increased, primarily due to increases in business investments. The year-over-year growth rate also reflected the previously mentioned prospective change we made in the recognition of certain costs paid to a third party previously recognized in Net card fees, effective April 1, 2021.

Salaries and employee benefits expense increased, primarily driven by higher compensation.

Other expenses increased, primarily driven by net gains on Amex Ventures equity investments in the prior year and an increase in professional services expense.

***Income Taxes***

The effective tax rate was 22.6 percent and 25.3 percent for the three months ended March 31, 2022 and 2021, respectively. The decrease primarily reflected discrete tax benefits in the current period related to the resolution of certain prior years' tax items and stock-based compensation. The prior period effective tax rate also reflected the prospective implementation of the Proportional Amortization Method to account for investments in qualified affordable housing projects.

**Table 5: Selected Card-Related Statistical Information**

| | As of or for the Three Months Ended March 31, | | Change 2022 vs. 2021 |
|---|---|---|---|
| | **2022** | 2021 | |
| Network volumes: *(billions)* | | | |
| U.S. | **$ 244.5** | $ 186.2 | 31 % |
| Outside the U.S. | **105.8** | 83.1 | 27 |
| Total | **$ 350.3** | $ 269.3 | 30 |
| Billed business | **$ 301.0** | $ 225.4 | 34 |
| Processed volumes | **49.3** | 43.9 | 12 |
| Total | **$ 350.3** | $ 269.3 | 30 |
| Cards-in-force: *(millions)* | | | |
| U.S. | **57.7** | 54.1 | 7 |
| Outside the U.S. | **66.9** | 58.8 | 14 |
| Total | **124.6** | 112.9 | 10 |
| Proprietary | **72.8** | 69.0 | 6 |
| Basic cards-in-force: *(millions)* | | | |
| U.S. | **45.4** | 42.4 | 7 |
| Outside the U.S. | **57.9** | 49.8 | 16 |
| Total | **103.3** | 92.2 | 12 |
| Average proprietary basic Card Member spending: *(dollars)* | | | |
| U.S. | **$ 5,965** | $ 4,723 | 26 |
| Outside the U.S. | **4,165** | 3,170 | 31 |
| Worldwide Average | **$ 5,452** | $ 4,270 | 28 |
| Average discount rate | **2.32 %** | 2.26 % | |
| Average fee per card *(dollars)*[(a)] | **$ 79** | $ 73 | 8 % |

(a) Average fee per card is computed on an annualized basis based on proprietary Net card fees divided by average proprietary total cards-in-force.

**Table 6: Network Volumes-Related Statistical Information**

| | Three Months Ended March 31, 2022 | |
|---|---|---|
| | Year over Year Percentage Increase (Decrease) | Year over Year Percentage Increase (Decrease) Assuming No Changes in FX Rates [(a)] |
| **Worldwide** | | |
| Network volumes | **30 %** | **32 %** |
| Total billed business | **34** | **35** |
| Consumer billed business | **37** | **39** |
| Commercial billed business | **30** | **32** |
| Processed volumes | **12** | **15** |
| | | |
| **U.S.** | | |
| Network volumes | **31** | |
| Total billed business | **33** | |
| Consumer billed business | **38** | |
| Commercial billed business | **30** | |
| | | |
| **Outside the U.S.** | | |
| Network volumes | **27** | **33** |
| Total billed business | **34** | **41** |
| Consumer billed business | **36** | **43** |
| Commercial billed business | **32** | **39** |
| Asia Pacific, Australia & New Zealand network volumes | **13** | **19** |
| Latin America, Canada & Caribbean network volumes | **39** | **40** |
| Europe, the Middle East & Africa network volumes | **50** | **57** |
| | | |
| **Merchant Industry Metrics** | | |
| Worldwide billed business | | |
| G&S-related (77% of worldwide billed business) | **19** | **21** |
| T&E-related (23% of worldwide billed business) | **119** | **121** |
| Airline-related (5% of worldwide billed business) | **241** | **246 %** |
| U.S. billed business | | |
| G&S-related (77% of U.S. billed business) | **20** | |
| T&E-related (23% of U.S. billed business) | **110** | |
| Airline-related (5% of U.S. billed business) | **217 %** | |

(a) The foreign currency adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars (i.e., assumes the foreign exchange rates used to determine results for the current period apply to the corresponding prior year period against which such results are being compared).

**Table 7: Selected Credit-Related Statistical Information**

| *(Millions, except percentages and where indicated)* | As of or for the Three Months Ended March 31, **2022** | 2021 | Change 2022 vs. 2021 |
|---|---|---|---|
| **Worldwide Card Member loans:** | | | |
| Card Member loans: *(billions)* | | | |
| U.S. | **$ 77.2** | $ 61.6 | 25 % |
| Outside the U.S. | **11.6** | 8.5 | 36 |
| Total | **$ 88.8** | $ 70.1 | 27 |
| Credit loss reserves: | | | |
| Beginning balance | **$ 3,305** | $ 5,344 | (38) |
| Provisions - principal, interest and fees | **(111)** | (573) | 81 |
| Net write-offs — principal less recoveries | **(165)** | (241) | (32) |
| Net write-offs — interest and fees less recoveries | **(50)** | (63) | (21) |
| Other [a] | **2** | — | — |
| Ending balance | **$ 2,981** | $ 4,467 | (33) |
| % of loans | **3.4 %** | 6.4 % | |
| % of past due | **455 %** | 723 % | |
| Average loans *(billions)* | **$ 86.8** | $ 70.7 | 23 |
| Net write-off rate — principal only [b] | **0.8 %** | 1.4 % | |
| Net write-off rate — principal, interest and fees [b] | **1.0** | 1.7 | |
| 30+ days past due as a % of total | **0.7 %** | 0.9 % | |
| | | | |
| **Worldwide Card Member receivables:** | | | |
| Card Member receivables: *(billions)* | | | |
| U.S. | **$ 38.2** | $ 30.1 | 27 |
| Outside the U.S. | **15.0** | 11.9 | 26 |
| Total | **$ 53.2** | $ 42.0 | 27 |
| Credit loss reserves: | | | |
| Beginning balance | **$ 64** | $ 267 | (76) |
| Provisions - principal and fees | **80** | (10) | # |
| Net write-offs - principal and fees less recoveries | **(67)** | (53) | 26 |
| Other [a] | **(1)** | (2) | (50) |
| Ending balance | **$ 76** | $ 202 | (62)% |
| % of receivables | **0.1 %** | 0.5 % | |
| Net write-off rate — principal and fees [c] | **0.5 %** | 0.5 % | |

# Denotes a variance of 100 percent or more

(a) Other includes foreign currency translation adjustments.

(b) We present a net write-off rate based on principal losses only (i.e., excluding interest and/or fees) to be consistent with industry convention. In addition, as our practice is to include uncollectible interest and/or fees as part of our total provision for credit losses, a net write-off rate including principal, interest and/or fees is also presented.

(c) Refer to Tables 10 and 13 for Net write-off rate - principal only and 30+ days past due metrics for Global Consumer Services Group (GCSG) and Global Small Business Services (GSBS) receivables, respectively. A net write-off rate based on principal losses only for Global Corporate Payments (GCP), which reflects global, large and middle market corporate accounts, is not available due to system constraints.

**Table 8: Net Interest Yield on Average Card Member Loans**

| *(Millions, except percentages and where indicated)* | Three Months Ended March 31, **2022** | 2021 |
|---|---|---|
| Net interest income | **$ 2,199** | $ 1,830 |
| Exclude: | | |
| Interest expense not attributable to our Card Member loan portfolio [(a)] | **158** | 236 |
| Interest income not attributable to our Card Member loan portfolio [(b)] | **(105)** | (96) |
| Adjusted net interest income [(c)] | **$ 2,252** | $ 1,970 |
| Average Card Member loans *(billions)* | **$ 86.8** | $ 70.7 |
| Net interest income divided by average Card Member loans [(c)] | **10.1 %** | 10.4 % |
| Net interest yield on average Card Member loans [(c)] | **10.5 %** | 11.3 % |

(a) Primarily represents interest expense attributable to maintaining our corporate liquidity pool and funding Card Member receivables.

(b) Primarily represents interest income attributable to Other loans, interest-bearing deposits and the fixed income investment portfolios.

(c) Adjusted net interest income and net interest yield on average Card Member loans are non-GAAP measures. Refer to "Glossary of Selected Terminology" for the definitions of these terms. We believe adjusted net interest income is useful to investors because it represents the interest expense and interest income attributable to our Card Member loan portfolio and is a component of net interest yield on average Card Member loans, which provides a measure of profitability of our Card Member loan portfolio. Net interest yield on average Card Member loans reflects adjusted net interest income divided by average Card Member loans, computed on an annualized basis. Net interest income divided by average Card Member loans, computed on an annualized basis, a GAAP measure, includes elements of total interest income and total interest expense that are not attributable to the Card Member loan portfolio, and thus is not representative of net interest yield on average Card Member loans.

## Business Segment Results of Operations

Effective for the first quarter of 2022, we updated the methodology used to allocate certain revenues across reportable operating segments. Prior period amounts have been recast to conform with current period presentation.

## Global Consumer Services Group

**Table 9: GCSG Selected Income Statement Data**

| | Three Months Ended March 31, | | Change | |
|---|---|---|---|---|
| *(Millions, except percentages)* | **2022** | 2021 | 2022 vs. 2021 | |
| Revenues | | | | |
| Non-interest revenues | **$ 5,049** | $ 3,809 | $ 1,240 | 33% |
| Interest income | **2,040** | 1,808 | 232 | 13 |
| Interest expense | **192** | 188 | 4 | 2 |
| Net interest income | **1,848** | 1,620 | 228 | 14 |
| Total revenues net of interest expense | **6,897** | 5,429 | 1,468 | 27 |
| Provisions for credit losses | **(55)** | (503) | 448 | 89 |
| Total revenues net of interest expense after provisions for credit losses | **6,952** | 5,932 | 1,020 | 17 |
| Total expenses | **5,217** | 3,787 | 1,430 | 38 |
| Pretax segment income | **$ 1,735** | $ 2,145 | $ (410) | (19)% |

GCSG primarily issues a wide range of proprietary consumer cards globally. GCSG also provides services to consumers, including travel and lifestyle services and non-card financing products, and manages certain international joint ventures, our partnership agreements in China and our loyalty coalition businesses operated in certain countries.

Non-interest revenues increased across all revenue categories.

Discount revenue increased 40 percent, primarily driven by an increase in consumer billed business of 37 percent.

See Tables 5, 6 and 10 for more details on volume performance.

Net card fees increased 13 percent, primarily driven by growth in our premium card portfolios. The year-over-year growth rate also reflected the previously-mentioned prospective change we made in the recognition of certain costs paid to a third party previously recognized in Net card fees, effective April 1, 2021.

Service fees and other revenue increased 38 percent, primarily due to higher foreign exchange conversion revenue related to cross-border Card Member spending and higher travel commissions and fees from our consumer travel business.

Net interest income increased, primarily due to an increase in average Card Member loan balances, partially offset by higher paydown rates on Card Member loan balances.

Card Member loans provision for credit losses resulted in a lower net benefit for the current three month period, primarily due to a lower reserve release in the current period, partially offset by lower net write-offs. The reserve release in the current period was primarily driven by a reduction in pandemic-driven reserves reflecting sustained recovery from the macroeconomic impact of the COVID-19 pandemic. The reserve release in the prior period was driven by improving macroeconomic indicators as well as improved credit performance.

Card Member receivables provision for credit losses increased for the current three month period, primarily due to a reserve build in the current period, versus a reserve release in the prior period, primarily driven by higher delinquencies.

Card Member rewards expense increased 43 percent, primarily driven by higher billed business as well as a larger proportion of spend in categories that earn incremental rewards such as travel.

Business development expense increased 38 percent, primarily due to increased partner payments driven by higher network volumes.

Card Member services expense increased 97 percent, primarily due to higher usage of travel-related benefits in the current year.

Marketing expense increased 32 percent, primarily due to increases in business investments. The year-over-year growth rate also reflected the previously-mentioned prospective change we made in the recognition of certain costs paid to a third party previously recognized in Net card fees, effective April 1, 2021.

Salaries and employee benefits and other operating expenses increased 21 percent, primarily driven by higher compensation and higher technology and other servicing-related costs.

**Table 10: GCSG Selected Statistical Information**

| *(Millions, except percentages and where indicated)* | As of or for the Three Months Ended March 31, **2022** | 2021 | Change 2022 vs. 2021 |
|---|---|---|---|
| Billed business: *(billions)* | | | |
| U.S. | **$ 122.7** | $ 89.0 | 38 % |
| Outside the U.S. | **41.1** | 30.3 | 36 |
| Total | **$ 163.8** | $ 119.3 | 37 |
| Proprietary cards-in-force: | | | |
| U.S. | **39.8** | 37.8 | 5 |
| Outside the U.S. | **17.2** | 16.7 | 3 |
| Total | **57.0** | 54.5 | 5 |
| Proprietary basic cards-in-force: | | | |
| U.S. | **27.9** | 26.7 | 4 |
| Outside the U.S. | **12.1** | 11.6 | 4 |
| Total | **40.0** | 38.3 | 4 |
| Average proprietary basic Card Member spending: *(dollars)* | | | |
| U.S. | **$ 4,444** | $ 3,336 | 33 |
| Outside the U.S. | **$ 3,434** | $ 2,616 | 31 |
| Average | **$ 4,138** | $ 3,118 | 33 |
| Total segment assets *(billions)* | **$ 101.0** | $ 81.9 | 23 |
| Card Member loans: | | | |
| Total loans *(billions)* | | | |
| U.S. | **$ 59.1** | $ 48.3 | 22 |
| Outside the U.S. | **10.4** | 8.0 | 30 |
| Total | **$ 69.5** | $ 56.3 | 23 |
| Average loans *(billions)* | | | |
| U.S. | **$ 58.1** | $ 49.0 | 19 |
| Outside the U.S. | **10.4** | 8.3 | 25 |
| Total | **$ 68.5** | $ 57.3 | 20 % |
| | | | |
| U.S. | | | |
| Net write-off rate - principal only [(a)] | **0.8 %** | 1.3 % | |
| Net write-off rate - principal, interest and fees [(a)] | **1.0** | 1.6 | |
| 30+ days past due as a % of total | **0.8** | 0.9 | |
| Outside the U.S. | | | |
| Net write-off rate - principal only [(a)] | **1.0** | 2.5 | |
| Net write-off rate - principal, interest and fees [(a)] | **1.3** | 3.2 | |
| 30+ days past due as a % of total | **0.9** | 1.6 | |
| Total | | | |
| Net write-off rate – principal only [(a)] | **0.8** | 1.4 | |
| Net write-off rate – principal, interest and fees [(a)] | **1.1** | 1.8 | |
| 30+ days past due as a % of total | **0.8 %** | 1.0 % | |

| *(Millions, except percentages and where indicated)* | As of or for the Three Months Ended March 31, **2022** | 2021 | Change 2022 vs. 2021 |
|---|---|---|---|
| Card Member receivables: *(billions)* | | | |
| U.S. | **$ 13.4** | $ 11.2 | 20 % |
| Outside the U.S. | **7.2** | 6.0 | 20 |
| Total | **$ 20.6** | $ 17.2 | 20 % |
| | | | |
| U.S. | | | |
| Net write-off rate – principal only [(a)] | **0.2 %** | — % | |
| Net write-off rate – principal and fees [(a)] | **0.3** | 0.1 | |
| 30+ days past due as a % of total | **0.6** | 0.4 | |
| Outside the U.S. | | | |
| Net write-off rate – principal only [(a)] | **0.9** | 1.3 | |
| Net write-off rate – principal and fees [(a)] | **0.9** | 1.4 | |
| 30+ days past due as a % of total | **1.0** | 0.9 | |
| Total | | | |
| Net write-off rate – principal only [(a)] | **0.5** | 0.5 | |
| Net write-off rate – principal and fees [(a)] | **0.5** | 0.6 | |
| 30+ days past due as a % of total | **0.7 %** | 0.6 % | |

(a) Refer to Table 7 footnote (b).

**Table 11: GCSG Net Interest Yield on Average Card Member Loans**

| *(Millions, except percentages and where indicated)* | Three Months Ended March 31, 2022 | 2021 |
|---|---|---|
| U.S. | | |
| Net interest income | **$ 1,633** | $ 1,421 |
| Exclude: | | |
| Interest expense not attributable to our Card Member loan portfolio [(a)] | **34** | 60 |
| Interest income not attributable to our Card Member loan portfolio [(b)] | **(42)** | (25) |
| Adjusted net interest income [(c)] | **$ 1,625** | $ 1,456 |
| Average Card Member loans *(billions)* | **$ 58.1** | $ 49.0 |
| Net interest income divided by average Card Member loans [(c)] | **11.2 %** | 11.6 % |
| Net interest yield on average Card Member loans [(c)] | **11.3 %** | 12.1 % |
| Outside the U.S. | | |
| Net interest income | **$ 215** | $ 199 |
| Exclude: | | |
| Interest expense not attributable to our Card Member loan portfolio [(a)] | **26** | 26 |
| Interest income not attributable to our Card Member loan portfolio [(b)] | **(3)** | (2) |
| Adjusted net interest income [(c)] | **$ 238** | $ 223 |
| Average Card Member loans *(billions)* | **$ 10.4** | $ 8.3 |
| Net interest income divided by average Card Member loans [(c)] | **8.3 %** | 9.6 % |
| Net interest yield on average Card Member loans [(c)] | **9.3 %** | 10.9 % |
| Total | | |
| Net interest income | **$ 1,848** | $ 1,620 |
| Exclude: | | |
| Interest expense not attributable to our Card Member loan portfolio [(a)] | **59** | 86 |
| Interest income not attributable to our Card Member loan portfolio [(b)] | **(44)** | (27) |
| Adjusted net interest income [(c)] | **$ 1,863** | $ 1,679 |
| Average Card Member loans *(billions)* | **$ 68.5** | $ 57.3 |
| Net interest income divided by average Card Member loans [(c)] | **10.8 %** | 11.3 % |
| Net interest yield on average Card Member loans [(c)] | **11.0 %** | 11.9 % |

(a) Refer to Table 8 footnote (a).
(b) Refer to Table 8 footnote (b).
(c) Refer to Table 8 footnote (c).

# Global Commercial Services

**Table 12: GCS Selected Income Statement Data**

| *(Millions, except percentages)* | Three Months Ended March 31, 2022 | 2021 | Change 2022 vs. 2021 | |
|---|---|---|---|---|
| Revenues | | | | |
| Non-interest revenues | **$ 3,180** | $ 2,442 | $ 738 | 30 % |
| Interest income | **436** | 336 | 100 | 30 |
| Interest expense | **122** | 116 | 6 | 5 |
| Net interest income | **314** | 220 | 94 | 43 |
| Total revenues net of interest expense | **3,494** | 2,662 | 832 | 31 |
| Provisions for credit losses | **21** | (161) | 182 | # |
| Total revenues net of interest expense after provisions for credit losses | **3,473** | 2,823 | 650 | 23 |
| Total expenses | **2,669** | 2,148 | 521 | 24 |
| Pretax segment income | **$ 804** | $ 675 | $ 129 | 19 % |

# Denotes a variance of 100 percent or more

GCS primarily issues a wide range of proprietary corporate and small business cards globally. GCS also provides payment, expense management and financing solutions to businesses.

Non-interest revenues increased, primarily driven by higher Discount revenue, Net card fees and Service fees and other revenue, partially offset by a decrease in Processed revenue.

Discount revenue increased 34 percent, primarily driven by an increase in commercial billed business of 30 percent.

See Tables 5, 6 and 13 for more details on volume performance.

Net card fees increased 16 percent, primarily driven by growth in our premium card portfolios.

Processed revenue decreased 48 percent, primarily driven by the repositioning of certain of our alternative payment solutions.

Net interest income increased, primarily due to an increase in average Card Member loan balances, partially offset by higher paydown rates on Card Member loan balances.

Card Member loans provision for credit losses resulted in a lower net benefit for the current three month period, primarily due to a lower reserve release in the current period, partially offset by lower net write-offs. The reserve release in the current period was primarily driven by a reduction in pandemic-driven reserves reflecting sustained recovery from the macroeconomic impact of the COVID-19 pandemic. The reserve release in the prior period was driven by improving macroeconomic indicators as well as improved credit performance.

Card Member receivables provision for credit losses increased for the current three month period, primarily due to a lower reserve release in the current period versus the prior period, primarily driven by higher delinquencies.

Card Member rewards expense increased 32 percent, primarily driven by higher billed business as well as a larger proportion of spend in categories that earn incremental rewards such as travel.

Business development expense increased 41 percent, primarily due to increased partner payments driven by higher billed business.

Card Member services expense increased 116 percent, primarily due to higher usage of travel-related benefits in the current year.

Marketing expense increased 20 percent, primarily due to increases in business investments.

Salaries and employee benefits and other operating expenses increased 8 percent, primarily driven by higher compensation and higher technology and other servicing-related costs.

**Table 13: GCS Selected Statistical Information**

| *(Millions, except percentages and where indicated)* | As of or for the Three Months Ended March 31, 2022 | 2021 | Change 2022 vs 2021 |
|---|---|---|---|
| Billed business *(billions)* | **$ 135.7** | $ 104.0 | 30 % |
| Proprietary cards-in-force | **15.8** | 14.5 | 9 |
| Average Card Member spending *(dollars)* | **$ 8,682** | $ 7,159 | 21 |
| Total segment assets *(billions)* | **$ 55.6** | $ 42.4 | 31 |
| GSBS Card Member loans: | | | |
| Total loans *(billions)* | **$ 19.3** | $ 13.8 | 40 |
| Average loans *(billions)* | **$ 18.2** | $ 13.4 | 36 |
| Net write-off rate - principal only [(a)] | **0.6 %** | 1.0 % | |
| Net write-off rate - principal, interest and fees [(a)] | **0.7 %** | 1.2 % | |
| 30+ days past due as a % of total | **0.6 %** | 0.6 % | |
| Calculation of Net Interest Yield on Average Card Member Loans: | | | |
| Net interest income | **$ 314** | $ 220 | |
| Exclude: | | | |
| Interest expense not attributable to our Card Member loan portfolio [(b)] | **91** | 93 | |
| Interest income not attributable to our Card Member loan portfolio [(c)] | **(16)** | (22) | |
| Adjusted net interest income [(d)] | **$ 389** | $ 291 | |
| Average Card Member loans *(billions)* | **$ 18.3** | $ 13.5 | |
| Net interest income divided by average Card Member loans [(d)] | **6.9 %** | 6.5 % | |
| Net interest yield on average Card Member loans [(d)] | **8.6 %** | 8.7 % | |
| Card Member receivables: | | | |
| Total receivables *(billions)* | **$ 32.5** | $ 24.8 | 31 |
| Net write-off rate - principal and fees [(e)] | **0.5 %** | 0.5 % | |
| GCP Card Member receivables: | | | |
| Total receivables *(billions)* | **$ 14.5** | $ 10.5 | 38 |
| 90+ days past billing as a % of total [(e)] | **0.3 %** | 0.4 % | |
| Net write-off rate - principal and fees [(e)] | **0.2 %** | 0.4 % | |
| GSBS Card Member receivables: | | | |
| Total receivables *(billions)* | **$ 18.0** | $ 14.3 | 26 % |
| Net write-off rate - principal only [(a)] | **0.7 %** | 0.5 % | |
| Net write-off rate - principal and fees [(a)] | **0.8 %** | 0.5 % | |
| 30+ days past due as a % of total | **0.9 %** | 0.6 % | |

(a) Refer to Table 7 footnote (b).

(b) Refer to Table 8 footnote (a).

(c) Refer to Table 8 footnote (b).

(d) Refer to Table 8 footnote (c).

(e) For GCP Card Member receivables, delinquency data is tracked based on days past billing status rather than days past due. A Card Member account is considered 90 days past billing if payment has not been received within 90 days of the Card Member's billing statement date. In addition, if we initiate collection procedures on an account prior to the account becoming 90 days past billing, the associated Card Member receivable balance is classified as 90 days past billing. GCP delinquency data for periods other than 90+ days past billing and the net write-off rate based on principal losses only are not available due to system constraints.

# Global Merchant and Network Services

**Table 14: GMNS Selected Income Statement and Other Data**

| *(Millions, except percentages and where indicated)* | Three Months Ended March 31, **2022** | 2021 | Change 2022 vs. 2021 | |
|---|---|---|---|---|
| Revenues | | | | |
| Non-interest revenues | **$ 1,356** | $ 1,061 | $ 295 | 28% |
| Interest income | **2** | 4 | (2) | (50) |
| Interest expense | **(44)** | (17) | (27) | # |
| Net interest income | **46** | 21 | 25 | # |
| Total revenues net of interest expense | **1,402** | 1,082 | 320 | 30 |
| Provisions for credit losses | **—** | (10) | 10 | # |
| Total revenues net of interest expense after provisions for credit losses | **1,402** | 1,092 | 310 | 28 |
| Total expenses | **715** | **707** | 8 | 1 |
| Pretax segment income | **687** | 385 | 302 | 78 |
| Total segment assets *(billions)* | **$ 16.1** | $ 13.6 | | 18% |

# Denotes a variance of 100 percent or more

GMNS operates a global payments network that processes and settles card transactions, acquires merchants and provides multi-channel marketing programs and capabilities, services and data analytics, leveraging our global integrated network. GMNS manages our partnership relationships with third-party card issuers, merchant acquirers and a prepaid reloadable and gift card program manager, licensing the American Express brand and extending the reach of the global network.

Non-interest revenues increased, primarily driven by higher Discount revenue due to a 34 percent increase in worldwide billed business.

See Tables 5 and 6 for more details on volume performance.

GMNS receives an interest expense credit relating to internal transfer pricing due to its merchant payables. Net interest income increased, primarily due to a higher interest expense credit, largely driven by an increase in average merchant payables related to year-over-year network volume growth.

Business development expense increased 9 percent, primarily due to increased partner payments driven by higher network volumes.

Marketing expense increased 13 percent, primarily due to increases in business investments.

Salaries and employee benefits and other operating expenses decreased 5 percent, primarily driven by a current year reserve release versus a prior year reserve build for merchant exposure associated with Card Member travel-related purchases during the COVID-19 pandemic, partially offset by higher compensation.

## Corporate & Other

Corporate functions and certain other businesses are included in Corporate & Other.

Corporate & Other pretax loss was $514 million for the three months ended March 31, 2022, compared to $212 million for the same period in the prior year. The increase in the pretax loss was primarily driven by net gains on Amex Ventures equity investments in the prior year, partially offset by lower deferred and current compensation costs and a lower net loss in the current year from GBT.

# CONSOLIDATED CAPITAL RESOURCES AND LIQUIDITY

Our balance sheet management objectives are to maintain:

- A solid and flexible equity capital profile;
- A broad, deep and diverse set of funding sources to finance our assets and meet operating requirements; and
- Liquidity programs that enable us to continuously meet expected future financing obligations and business requirements for at least a twelve month period in the event we are unable to continue to raise new funds under our regular funding programs during a substantial weakening in economic conditions.

We continue to see volatility in the capital markets due to a variety of factors, including the COVID-19 pandemic, the ongoing military conflict between Russia and Ukraine, supply chain disruptions and inflation. We monitor the changing macroeconomic environment and manage our balance sheet to reflect evolving circumstances.

***Capital***

We believe capital allocated to growing businesses with a return on risk-adjusted equity in excess of our costs will generate shareholder value. Our objective is to retain sufficient levels of capital generated through net income and other sources, such as the exercise of stock options by employees, to maintain a strong balance sheet, provide flexibility to support future business growth, and distribute excess capital to shareholders through dividends and share repurchases. See “Dividends and Share Repurchases” below.

We seek to maintain capital levels and ratios in excess of the minimum regulatory requirements, specifically within a 10 to 11 percent target range for American Express Company's Common Equity Tier 1 (CET1) risk-based capital ratio.

We maintain certain flexibility to shift capital across our businesses as appropriate. For example, we may infuse additional capital into subsidiaries to maintain capital at targeted levels in consideration of debt ratings and regulatory requirements. These infused amounts can affect the capital and liquidity positions at the American Express parent company level or in other subsidiaries.

We report our capital ratios using the Basel III capital definitions and the Basel III standardized approach for calculating risk-weighted assets.

The following table presents our regulatory risk-based capital and leverage ratios and those of our U.S. bank subsidiary, American Express National Bank (AENB), as of March 31, 2022.

**Table 15: Regulatory Risk-Based Capital and Leverage Ratios**

| | Effective Minimum [(a)] | Ratios as of March 31, 2022 |
|---|---|---|
| **Risk-Based Capital** | | |
| Common Equity Tier 1 | **7.0 %** | |
| *American Express Company* | | **10.4 %** |
| *American Express National Bank* | | **12.6** |
| Tier 1 | **8.5** | |
| *American Express Company* | | **11.4** |
| *American Express National Bank* | | **12.6** |
| Total | **10.5** | |
| *American Express Company* | | **12.8** |
| *American Express National Bank* | | **14.6** |
| **Tier 1 Leverage** | **4.0 %** | |
| *American Express Company* | | **10.4** |
| *American Express National Bank* | | **10.9 %** |

(a) Represents Basel III minimum requirements and applicable regulatory buffers as defined by the federal banking regulators, which includes the stress capital buffer (SCB) for American Express Company and the capital conservation buffer for AENB.

The following table presents American Express Company's regulatory risk-based capital and risk-weighted assets as of March 31, 2022:

**Table 16: Regulatory Risk-Based Capital Components and Risk Weighted Assets**

| **American Express Company** ***($ in Billions)*** | March 31, 2022 |
|---|---|
| **Risk-Based Capital** | |
| Common Equity Tier 1 | **$ 17.6** |
| Tier 1 Capital | **19.3** |
| Tier 2 Capital | **2.4** |
| Total Capital | **21.6** |
| | |
| **Risk-Weighted Assets** | **169.4** |
| **Average Total Assets to calculate the Tier 1 Leverage Ratio** | **$ 185.3** |

The following are definitions for our regulatory risk-based capital ratios and leverage ratio, which are calculated as per standard regulatory guidance:

*Risk-Weighted Assets* — Assets are weighted for risk according to a formula used by the Federal Reserve to conform to capital adequacy guidelines. On- and off-balance sheet items are weighted for risk, with off-balance sheet items converted to balance sheet equivalents, using risk conversion factors, before being allocated a risk-adjusted weight. Off-balance sheet exposures comprise a minimal part of the total risk-weighted assets.

*Common Equity Tier 1 Risk-Based Capital Ratio* — Calculated as CET1 capital, divided by risk-weighted assets. CET1 capital is common shareholders' equity, adjusted for ineligible goodwill and intangible assets and certain deferred tax assets. CET1 capital is also adjusted for the Current Expected Credit Loss (CECL) final rules, as described below.

*Tier 1 Risk-Based Capital Ratio* — Calculated as Tier 1 capital divided by risk-weighted assets. Tier 1 capital is the sum of CET1 capital, preferred shares and third-party non-controlling interests in consolidated subsidiaries, adjusted for capital held by insurance subsidiaries. The minimum requirement for the Tier 1 risk-based capital ratio is 1.5 percent higher than the minimum for the CET1 risk-based capital ratio. We have $1.6 billion of preferred shares outstanding to help address a portion of the Tier 1 capital requirements in excess of common equity requirements.

*Total Risk-Based Capital Ratio* — Calculated as the sum of Tier 1 capital and Tier 2 capital, divided by risk-weighted assets. Tier 2 capital is the sum of the reserve for loan and receivable credit losses adjusted for the CECL final rules (limited to 1.25 percent of risk-weighted assets) and $240 million of eligible subordinated notes, adjusted for capital held by insurance subsidiaries. The $240 million of eligible subordinated notes reflect a 60 percent, or $360 million, reduction of Tier 2 capital credit for the $600 million subordinated debt issued in December 2014.

*Tier 1 Leverage Ratio* — Calculated by dividing Tier 1 capital by our average total consolidated assets for the most recent quarter.

We elected to delay the impact of the adoption of the CECL methodology on regulatory capital for two years followed by a three-year phase-in period pursuant to rules issued by federal banking regulators (the CECL final rules). We have begun phasing in the $0.7 billion cumulative amount that is not recognized in regulatory capital at 25 percent per year beginning January 1, 2022.

As a Category IV firm, we are subject to the Federal Reserve's supervisory stress tests in 2022. We submitted to the Federal Reserve our annual capital plan in April 2022. The Federal Reserve is expected to notify us of our SCB by the end of the second quarter of 2022, which will be effective by the beginning of the fourth quarter of 2022.

***Dividends and Share Repurchases***

We return capital to common shareholders through dividends and share repurchases. The share repurchases reduce common shares outstanding and generally more than offset the issuance of new shares as part of employee compensation plans.

During the three months ended March 31, 2022, we returned $1.9 billion to our shareholders in the form of common stock dividends of $0.4 billion and share repurchases of $1.5 billion. We repurchased 8.2 million common shares at an average price of $180.64 in the first quarter of 2022.

In addition, during the three months ended March 31, 2022, we paid $14 million in dividends on non-cumulative perpetual preferred shares outstanding.

***Funding Strategy***

Our principal funding objective is to maintain broad and well-diversified funding sources to allow us to finance our global businesses and to maintain a strong liquidity profile.

We aim to satisfy our financing needs with a diverse set of funding sources. The diversity of funding sources by type of instrument, by tenor and by investor base, among other factors, mitigates the impact of disruptions in any one type of instrument, tenor or investor. We seek to achieve diversity and cost efficiency in our funding sources by maintaining scale and market relevance in unsecured debt, asset securitizations and deposits, and access to secured borrowing facilities and a committed bank credit facility.

*Summary of Consolidated Debt*

We had the following customer deposits and consolidated debt outstanding as of March 31, 2022 and December 31, 2021:

**Table 17: Summary of Customer Deposits and Consolidated Debt**

| *(Billions)* | **March 31, 2022** | December 31, 2021 |
|---|---|---|
| Customer deposits | **$ 90.9** | $ 84.4 |
| Short-term borrowings | **2.1** | 2.2 |
| Long-term debt | **38.3** | 38.7 |
| Total customer deposits and debt | **$ 131.3** | $ 125.3 |

We may redeem from time to time certain debt securities prior to the original contractual maturity dates in accordance with the optional redemption provisions of those debt securities.

**Table 18: Debt Issuances**

| *(Billions)* | | 2022 |
|---|---|---|
| American Express Company: | | |
| Fixed Rate Senior Notes (weighted-average coupon rate of 2.40%) | $ | 3.5 |
| Floating Rate Senior Notes (compounded SOFR [a] plus weighted-average spread of 93 basis points) | | 0.5 |
| American Express Credit Account Master Trust: | | |
| Fixed Rate Class A Certificates (weighted-average coupon of 2.21%) | | 1.3 |
| Total | $ | 5.3 |

(a) Secured overnight financing rate (SOFR).

Our equity capital and funding strategies are designed, among other things, to maintain appropriate and stable unsecured debt ratings from the major credit rating agencies: Moody's Investor Services (Moody's), Standard & Poor's (S&P) and Fitch Ratings (Fitch). Such ratings help support our access to cost-effective unsecured funding as part of our overall funding strategy. Our asset securitization activities are rated separately.

**Table 19: Unsecured Debt Ratings**

| American Express Entity | | Moody's | S&P | Fitch |
|---|---|---|---|---|
| American Express Company | Long Term | A2 | BBB+ | A |
| | Short Term | N/A | A-2 | F1 |
| | Outlook | Stable | Stable | Stable |
| American Express Travel Related Services Company, Inc. | Long Term | A2 | A- | A |
| | Short Term | Prime-1 | A-2 | F1 |
| | Outlook | Stable | Stable | Stable |
| American Express National Bank | Long Term | A3 | A- | A |
| | Short Term | Prime-1 | A-2 | F1 |
| | Outlook | Stable | Stable | Stable |
| American Express Credit Corporation | Long Term | A2 | A- | A |
| | Short Term | N/A | N/A | N/A |
| | Outlook | Stable | Stable | Stable |

These ratings are not a recommendation to buy or hold any of our securities and they may be revised or revoked at any time at the sole discretion of the rating organization.

Downgrades in the ratings of our unsecured debt or asset securitization program securities could result in higher funding costs, as well as higher fees related to borrowings under our unused credit facilities. Declines in credit ratings could also reduce our borrowing capacity in the unsecured debt and asset securitization capital markets. We believe our funding mix, including the proportion of U.S. retail deposits insured by the Federal Deposit Insurance Corporation (FDIC) to total funding, should reduce the impact that credit rating downgrades would have on our funding capacity and costs.

***Liquidity Management***

Our liquidity objective is to maintain access to a diverse set of on- and off-balance sheet liquidity sources. We seek to maintain liquidity sources in amounts sufficient to meet our expected future financial obligations and business requirements for liquidity for a period of at least twelve months in the event we are unable to raise new funds under our regular funding programs during a substantial weakening in economic conditions.

Our liquidity management strategy includes a number of elements, including, but not limited to:

- Maintaining diversified funding sources (refer to the "Funding Strategy" section for more details);
- Maintaining unencumbered liquid assets and off-balance sheet liquidity sources;
- Projecting cash inflows and outflows under a variety of economic and market scenarios; and
- Establishing clear objectives for liquidity risk management, including compliance with regulatory requirements.

The amount and type of liquidity resources we maintain can vary over time, based upon the results of stress scenarios required under the Dodd-Frank Wall Street Reform and Consumer Protection Act, as well as additional stress scenarios required under our liquidity risk policy.

The investment income we receive on liquidity resources is less than the interest expense on the sources of funding for these balances. The net interest costs to maintain these resources have been substantial. The level of future net interest costs depends on the amount of liquidity resources we maintain and the difference between our cost of funding these amounts and their investment yields.

*Securitized Borrowing Capacity*

As of March 31, 2022, we maintained our committed, revolving, secured borrowing facility, with a maturity date of July 15, 2024, which gives us the right to sell up to $3.0 billion face amount of eligible AAA notes from the American Express Issuance Trust II (the Charge Trust). We also maintained our committed, revolving, secured borrowing facility with a maturity date of September 16, 2024, which gives us the right to sell up to $2.0 billion face amount of eligible AAA certificates from the American Express Credit Account Master Trust (the Lending Trust). Both facilities are used in the ordinary course of business to fund working capital needs, as well as to further enhance our contingent funding resources. As of March 31, 2022, $1.0 billion was drawn on the Charge Trust facility and no amounts were drawn on the Lending Trust facility.

*Federal Reserve Discount Window*

As an insured depository institution, AENB may borrow from the Federal Reserve Bank of San Francisco, subject to the amount of qualifying collateral that it may pledge. The Federal Reserve has indicated that both credit and charge card receivables are a form of qualifying collateral for secured borrowings made through the discount window. Whether specific assets will be considered qualifying collateral and the amount that may be borrowed against the collateral remain at the discretion of the Federal Reserve.

As of March 31, 2022, we had approximately $85.1 billion in U.S. credit card loans and charge card receivables that could be sold over time through our securitization trusts or pledged in return for secured borrowings to provide further liquidity, subject in each case to applicable market conditions and eligibility criteria.

*Committed Bank Credit Facility*

In addition to the secured borrowing facilities described above, we maintained a committed syndicated bank credit facility of $3.5 billion as of March 31, 2022, with a maturity date of October 15, 2024. As of March 31, 2022, no amounts were drawn on this facility.

***Unused Credit Outstanding***

As of March 31, 2022, we had approximately $337 billion of unused credit available to Card Members as part of established lending product agreements. Total unused credit available to Card Members does not represent potential future cash requirements, as a significant portion of this unused credit will likely not be drawn. Our charge card products generally have no pre-set spending limit and therefore are not reflected in unused credit available to Card Members.

***Cash Flows***

The following table summarizes our cash flow activity, followed by a discussion of the major drivers impacting operating, investing and financing cash flows for the three months ended March 31:

**Table 20: Cash Flows**

| *(Billions)* | **2022** | 2021 |
|---|---|---|
| Total cash provided by (used in): | | |
| Operating activities | **$ 3.9** | $ 2.3 |
| Investing activities | **(2.8)** | 4.8 |
| Financing activities | **4.5** | 0.4 |
| Effect of foreign currency exchange rates on cash and cash equivalents | — | (0.2) |
| Net increase in cash and cash equivalents | **$ 5.6** | $ 7.3 |

*Cash Flows from Operating Activities*

Our cash flows from operating activities primarily include net income adjusted for (i) non-cash items included in net income, such as provisions for credit losses, depreciation and amortization, stock-based compensation, deferred taxes and other non-cash items and (ii) changes in the balances of operating assets and liabilities, which can vary significantly in the normal course of business due to the amount and timing of payments.

In 2022, the net cash provided by operating activities was primarily driven by cash generated from net income for the period and higher net operating liabilities.

In 2021, the net cash provided by operating activities was primarily driven by cash generated from net income for the period and lower net operating assets and liabilities.

*Cash Flows from Investing Activities*

Our cash flows from investing activities primarily include changes in Card Member loans and receivables, as well as changes in our available-for-sale investment securities portfolio.

In 2022, the net cash used in investing activities was primarily driven by net purchases of investment securities.

In 2021, the net cash provided by investing activities was primarily driven by lower Card Member loans and receivables balances. The decline in Card Member loans and receivables balances was due to ongoing paydown of outstanding balances by Card Members, combined with the decline in spending that occurred due to the COVID-19 pandemic.

*Cash Flows from Financing Activities*

Our cash flows from financing activities primarily include changes in customer deposits, long-term debt and short-term borrowings, as well as dividend payments and share repurchases.

In 2022, the net cash provided by financing activities was primarily driven by growth in customer deposits, partially offset by share repurchases and dividend payments.

In 2021, the net cash provided by financing activities was primarily driven by growth in customer deposits, partially offset by debt repayments and share repurchases and dividend payments.

# OTHER MATTERS

***Certain Legislative, Regulatory and Other Developments***

*Supervision & Regulation*

We are subject to extensive government regulation and supervision in jurisdictions around the world, and the costs of compliance are substantial. The financial services industry is subject to rigorous scrutiny, high regulatory expectations, a range of regulations, and a stringent and unpredictable enforcement environment.

Governmental authorities have focused, and we believe will continue to focus, considerable attention on reviewing compliance by financial services firms with laws and regulations, and we continually work to evolve and improve our risk management framework, governance structures, practices and procedures. Reviews by us and governmental authorities to assess compliance with laws and regulations, as well as our own internal reviews to assess compliance with internal policies, including errors or misconduct by employees or third parties or control failures, have resulted in, and are likely to continue to result in, changes to our products, practices and procedures, restitution to our customers and increased costs related to regulatory oversight, supervision and examination. We have also been subject to regulatory actions and may continue to be the subject of such actions, including governmental inquiries, investigations, enforcement proceedings and the imposition of fines or civil money penalties, in the event of noncompliance or alleged noncompliance with laws or regulations. External publicity concerning investigations can increase the scope and scale of those investigations and lead to further regulatory inquiries.

For example, as previously disclosed, beginning in May 2020 we began responding to a regulatory review led by the Office of the Comptroller of the Currency and the Department of Justice Civil Division regarding historical sales practices relating to certain small business card sales. In January 2021, we received a grand jury subpoena from the United States Attorney's Office for the Eastern District of New York regarding the sales practices for small business cards and a Civil Investigative Demand from the Consumer Financial Protection Bureau (CFPB) seeking information on sales practices related to consumers. We are cooperating with all inquiries into our sales practices and related compliance practices. We continue to review and enhance our processes and controls related to our sales practices and business conduct generally, take disciplinary and remedial actions where appropriate, and provide information regarding our reviews to our regulators, including the Federal Reserve. We do not believe these matters will have a material adverse impact on our business or results of operations.

Please see the "Supervision and Regulation" and "Risk Factors" sections of our Annual Report on Form 10-K for the year ended December 31, 2021 (the 2021 Form 10-K) for further information.

*Consumer Financial Products Regulation*

In the United States, our marketing, sale and servicing of consumer financial products and our compliance with certain federal consumer financial laws are supervised and examined by the CFPB, which has broad rulemaking and enforcement authority over providers of credit, savings and payment services and products and authority to prevent "unfair, deceptive or abusive" acts or practices. In addition, a number of U.S. states have significant consumer credit protection, disclosure and other laws (in certain cases more stringent than U.S. federal laws). U.S. federal law also regulates abusive debt collection practices, which along with bankruptcy and debtor relief laws, can affect our ability to collect amounts owed to us or subject us to regulatory scrutiny. Other jurisdictions around the world are increasingly focusing on consumer financial protection.

For more information on consumer financial products regulation, as well as the potential impacts on our results of operations and business, please see the "Supervision and Regulation" and "Risk Factors" sections of the 2021 Form 10-K.

*Payments Regulation*

Legislators and regulators in various countries in which we operate have focused on the operation of card networks, including through enforcement actions, legislation and regulations to change certain practices or pricing of card issuers, merchant acquirers and payment networks, and, in some cases, to establish broad and ongoing regulatory oversight regimes for payment systems.

The European Union, Australia, Canada and other jurisdictions have focused on interchange fees (that is, the fee paid by the bankcard merchant acquirer to the card issuer in payment networks like Visa and Mastercard), as well as the rules, contract terms and practices governing merchant card acceptance. Regulation and other governmental actions relating to pricing or practices could affect all networks directly or indirectly, as well as adversely impact consumers and merchants. Among other things, regulation of bankcard fees has negatively impacted, and may continue to negatively impact, the discount revenue we earn, including as a result of downward pressure on our merchant discount rates from decreases in competitor pricing in connection with caps on interchange fees. In some cases, regulations also extend to certain aspects of our business, such as network and cobrand arrangements or the terms of card acceptance for merchants. There is uncertainty as to when or how interchange fee caps and other provisions of the EU and U.K. payments legislation might apply when we work with cobrand partners and agents in the EU and the U.K. Given differing interpretations by regulators and participants in cobrand arrangements, we are subject to regulatory action, penalties and the possibility we will not be able to maintain our existing cobrand and agent relationships in the EU or the U.K.

Broad regulatory oversight over payment systems can also include, in some cases, requirements for international card networks to localize aspects of their operations, such as processing infrastructure and data storage, which increases our costs and could diminish the value of our closed loop. The development and enforcement of payment system regulatory regimes generally continue to grow and may adversely affect our ability to compete effectively and maintain and extend our global network. On April 23, 2021, the Reserve Bank of India imposed restrictions on the ability of American Express Banking Corp. to engage in certain card issuing activities in India from May 1, 2021 until it complies with a regulation requiring storage of payment transaction data exclusively in India. This order does not impact existing customers. We are working towards complying with the regulation.

For more information on payments regulation, as well as the potential impacts on our results of operations and business, please see the “Supervision and Regulation” and “Risk Factors” sections of the 2021 Form 10-K.

*Surcharging*

In various countries, such as certain Member States in the EU and Australia, merchants are permitted by law to surcharge card purchases. In addition, the laws of a number of states in the United States that prohibit surcharging have been overturned and certain states have passed or are considering laws to permit surcharging by merchants. Surcharging is an adverse customer experience and could have a material adverse effect on us, particularly where it only or disproportionately impacts credit card usage or card usage generally, our Card Members or our business. In addition, other steering or differential acceptance practices that are permitted by regulation in some jurisdictions could also have a material adverse effect on us.

For more information on the potential impacts of surcharging and other actions that could impair the Card Member experience, please see the “Risk Factors” section of the 2021 Form 10-K.

*Antitrust Litigation*

We continue to vigorously defend antitrust and other claims initiated by merchants. See Note 7 to the "Consolidated Financial Statements" for descriptions of the cases. It is possible that actions impairing the Card Member experience, or the resolution of one or any combination of these merchant claims for damages, could have a material adverse effect on our business. For more information on the potential impacts of an adverse decision in the merchant litigations on our business, please see the “Risk Factors” section of the 2021 Form 10-K.

*Privacy, Data Protection, Data Governance, Information and Cyber Security*

Regulatory and legislative activity in the areas of privacy, data protection, data governance, resiliency and information and cyber security continues to increase worldwide. We have established, and continue to maintain, policies and a governance framework to comply with applicable laws, meet evolving customer and industry expectations and support and enable business innovation and growth. Global financial institutions like us, as well as our customers, employees, regulators, service providers and other third parties, have experienced a significant increase in information and cyber security risk in recent years and will likely continue to be the target of increasingly sophisticated cyberattacks, including computer viruses, malicious or destructive code, ransomware, social engineering attacks (including phishing, impersonation and identity takeover attempts), corporate espionage, hacking, website defacement, denial-of-service attacks, exploitation of vulnerabilities and other attacks and similar disruptions from the misconfiguration or unauthorized use of or access to computer systems. For more information on privacy, data protection and information and cyber security regulation and the potential impacts of a major information or cyber security incident on our results of operations and business, please see the "Supervision and Regulation" and "Risk Factors" sections of the 2021 Form 10-K.

*Anti-Money Laundering*

We are subject to significant supervision and regulation, and an increasingly stringent enforcement environment, with respect to compliance with anti-money laundering (AML) laws and regulations. In the United States, the majority of AML requirements are derived from the Currency and Foreign Transactions Reporting Act and the accompanying regulations issued by the U.S. Department of the Treasury (collectively referred to as the Bank Secrecy Act), as amended by the USA PATRIOT Act of 2001. The Anti-Money Laundering Act of 2020 (the AMLA), enacted in January 2021, amended the Bank Secrecy Act and is intended to comprehensively reform and modernize U.S. AML laws. Many of the statutory provisions in the AMLA will require additional rulemakings, reports and other measures, the effects of which are not known at this time. In Europe, AML requirements are largely the result of countries transposing the 5th and 6th EU Anti-Money Laundering Directives (and preceding EU Anti-Money Laundering Directives) into local laws and regulations. Numerous other countries have also enacted or proposed new or enhanced AML legislation and regulations applicable to American Express.

Among other things, these laws and regulations require us to establish AML programs that meet certain standards, including, in some instances, expanded reporting, particularly in the area of suspicious transactions, and enhanced information gathering and recordkeeping requirements. Our AML programs have become the subject of heightened scrutiny in some countries, including certain member states in the EU. Any errors, failures or delays in complying with AML and counter-terrorist financing laws, perceived deficiencies in our AML programs or association of our business with money laundering, terrorist financing, tax fraud or other illicit activity can give rise to significant supervisory, criminal and civil proceedings and lawsuits, which could result in significant penalties and forfeiture of assets, loss of licenses or restrictions on business activities, or other enforcement actions. For more information on AML regulation, as well as the potential impacts on our results of operations and business, please see the "Supervision and Regulation" and "Risk Factors" sections of the 2021 Form 10-K.

***Recently Issued Accounting Standards***

Refer to the Recently Issued Accounting Standards section of Note 1 to the "Consolidated Financial Statements."

***Glossary of Selected Terminology***

*Adjusted net interest income* — A non-GAAP measure that represents net interest income attributable to our Card Member loans (which includes, on a GAAP basis, interest that is deemed uncollectible), excluding the impact of interest expense and interest income not attributable to our Card Member loans.

*Airline-related volume* — Represents spend at airlines as a merchant, which is included within T&E-related volume.

*Asset securitizations* — Asset securitization involves the transfer and sale of loans or receivables to a special-purpose entity created for the securitization activity, typically a trust. The trust, in turn, issues securities, commonly referred to as asset-backed securities that are secured by the transferred loans and receivables. The trust uses the proceeds from the sale of such securities to pay the purchase price for the transferred loans or receivables. The securitized loans and receivables of our Lending Trust and Charge Trust (collectively, the Trusts) are reported as assets and the securities issued by the Trusts are reported as liabilities on our Consolidated Balance Sheets.

*Average discount rate* — This calculation is generally designed to reflect the average pricing at all merchants accepting American Express cards and represents the percentage of network volumes retained by us from spend at merchants we acquire, or from merchants acquired by third parties on our behalf, net of amounts retained by such third parties. The average discount rate, together with billed business, drive our discount revenue.

*Billed business* — Represents transaction volumes (including cash advances) on payment products issued by American Express. Billed business is reported as inside the United States or outside the United States based on the location of the issuer.

*Capital ratios* — Represents the minimum standards established by regulatory agencies as a measure to determine whether the regulated entity has sufficient capital to absorb on- and off-balance sheet losses beyond current loss accrual estimates. Refer to the Capital Strategy section under "Consolidated Capital Resources and Liquidity" for further related definitions under Basel III.

*Card Member* — The individual holder of an issued American Express-branded card.

*Card Member loans* — Represents revolve-eligible transactions on our card products, as well as any interest charges and associated card-related fees.

*Card Member receivables* — Represents transactions on our card products and card related fees that need to be paid in full on or before the Card Member's payment due date.

*Cards-in-force* — Represents the number of cards that are issued and outstanding by American Express (proprietary cards-in-force) and cards issued and outstanding under network partnership agreements with banks and other institutions, except for retail cobrand cards issued by network partners that had no out-of-store spending activity during the prior twelve months. *Basic cards-in-force* excludes supplemental cards issued on consumer accounts. Cards-in-force is useful in understanding the size of our Card Member base.

*Charge cards* — Represents cards that generally carry no pre-set spending limits and are primarily designed as a method of payment and not as a means of financing purchases. Each charge card transaction is authorized based on its likely economics reflecting a Card Member's most recent credit information and spend patterns. Charge Card Members must pay the full amount of balances billed each month, with the exception of balances that can be revolved under lending features offered on certain charge cards, such as Pay Over Time and Plan It, that allow Card Members to pay for eligible purchases with interest over time.

*Cobrand cards* — Cards issued under cobrand agreements with selected commercial partners. Pursuant to the cobrand agreements, we make payments to our cobrand partners, which can be significant, based primarily on the amount of Card Member spending and corresponding rewards earned on such spending and, under certain arrangements, on the number of accounts acquired and retained. The partner is then liable for providing rewards to the Card Member under the cobrand partner's own loyalty program.

*Credit cards* — Represents cards that have a range of revolving payment terms, structured payment features (e.g. Plan It), grace periods, and rate and fee structures.

*Discount revenue* — Represents the proportion of billed business earned and retained by us for facilitating transactions between Card Members and merchants on payment products issued by American Express.

*Goods and Services (G&S)-related volume* — Includes spend in merchant categories other than T&E-related merchant categories, which includes B2B spending by small and medium size enterprise customers in our GCS segment.

*Interest expense* — Includes interest incurred primarily to fund Card Member loans and receivables, general corporate purposes and liquidity needs. Interest expense is divided principally into two categories: (i) deposits, which primarily relates to interest expense on deposits taken from customers and institutions, and (ii) debt, which primarily relates to interest expense on our long-term financing and short-term borrowings, (e.g., commercial paper, federal funds purchased, bank overdrafts and other short-term borrowings), as well as the realized impact of derivatives hedging interest rate risk on our long-term debt.

*Interest income* — Includes (i) interest on loans, (ii) interest and dividends on investment securities and (iii) interest income on deposits with banks and other.

*Interest on loans* — Assessed using the average daily balance method for Card Member loans. Unless the loan is classified as non-accrual, interest is recognized based upon the principal amount outstanding in accordance with the terms of the applicable account agreement until the outstanding balance is paid or written off.

*Interest and dividends on investment securities* — Primarily relates to our performing fixed-income securities. Interest income is recognized using the effective interest method, which adjusts the yield for security premiums and discounts, fees and other payments, so a constant rate of return is recognized on the outstanding balance of the related investment security throughout its term. Amounts are recognized until securities are in default or when it is likely that future interest payments will not be made as scheduled.

*Interest income on deposits with banks and other* — Primarily relates to the placement of cash in excess of near-term funding requirements in interest-bearing time deposits, overnight sweep accounts, and other interest-bearing demand and call accounts.

*Loyalty coalitions* — Programs that enable consumers to earn rewards points and use them to save on purchases from a variety of participating merchants through multi-category rewards platforms. Merchants in these programs generally fund the consumer offers and are responsible to us for the cost of rewards points; we earn revenue from operating the loyalty platform and by providing marketing support.

*Net card fees* — Represents the card membership fees earned during the period recognized as revenue over the covered card membership period (typically one year), net of the provision for projected refunds for Card Membership cancellation and deferred acquisition costs.

*Net interest yield on average Card Member loans* — A non-GAAP measure that is computed by dividing adjusted net interest income by average Card Member loans, computed on an annualized basis. Reserves and net write-offs related to uncollectible interest are recorded through provision for credit losses and are thus not included in the net interest yield calculation.

*Net write-off rate — principal only* — Represents the amount of proprietary consumer or small business Card Member loans or receivables written off, consisting of principal (resulting from authorized transactions), less recoveries, as a percentage of the average loan or receivable balance during the period.

*Net write-off rate — principal, interest and fees* — Includes, in the calculation of the net write-off rate, amounts for interest and fees in addition to principal for Card Member loans, and fees in addition to principal for Card Member receivables.

*Network volumes* — Represents the total of billed business and processed volumes. Network volumes are reported as United States or outside the United States based on the location of the issuer.

*Operating expenses* — Represents salaries and employee benefits, professional services, data processing and equipment, and other expenses.

*Processed revenue* — Represents revenues related to network partnership agreements, comprising royalties, fees and amounts earned for facilitating transactions on cards issued by network partners. Processed revenue also includes fees earned on alternative payment solutions facilitated by American Express.

*Processed volumes* — Represents transaction volumes (including cash advances) on cards issued under network partnership agreements with banks and other institutions, including joint ventures, as well as alternative payment solutions facilitated by American Express. Processed volume is reported as United States or outside the United States based on the location of the issuer.

*Reserve build (release)* — Represents the portion of the provisions for credit losses for the period related to increasing or decreasing reserves for credit losses as a result of, among other things, changes in volumes, macroeconomic outlook, portfolio composition and credit quality of portfolios. Reserve build represents the amount by which the provision for credit losses exceeds net write-offs, while reserve release represents the amount by which net write-offs exceed the provision for credit losses.

*T&E-related volume* — Represents spend on travel and entertainment, which primarily includes airline, cruise, lodging and dining merchant categories.

# CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are subject to risks and uncertainties. The forward-looking statements, which address our current expectations regarding business and financial performance, among other matters, contain words such as “believe,” “expect,” “anticipate,” “intend,” “plan,” “aim,” “will,” “may,” “should,” “could,” “would,” “likely,” “estimate,” “predict,” “potential,” “continue” and similar expressions. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. We undertake no obligation to update or revise any forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements, include, but are not limited to, the following:

- our ability to grow earnings per share in the future, which will depend in part on revenue growth, credit performance and the effective tax rate remaining consistent with current expectations and our ability to continue investing in our brand, customers, value proposition, coverage, technology and talent, controlling operating expenses, effectively managing risk and executing our share repurchase program; any of which could be impacted by, among other things, the factors identified in the subsequent paragraphs as well as the following: the extent and duration of the effect of the pandemic on the economy, consumer and business spending, and customer behaviors, such as with respect to travel, dining, shopping and in-person events; Russia's invasion of Ukraine and related geopolitical impacts; the effects and duration of inflation, staffing shortages, supply chain issues and increased energy costs; the impact on consumers and businesses as forbearance and government support programs end; issues impacting brand perceptions and our reputation; the impact of any future contingencies, including, but not limited to, restructurings, investment gains or losses, impairments, changes in reserves, legal costs and settlements, the imposition of fines or civil money penalties and increases in Card Member remediation; impacts related to new or renegotiated cobrand and other partner agreements; and the impact of regulation and litigation, which could affect the profitability of our business activities, limit our ability to pursue business opportunities, require changes to business practices or alter our relationships with Card Members, partners and merchants;
- our ability to grow revenues net of interest expense, which could be impacted by, among other things, the factors identified above and in the subsequent paragraphs, as well as the following: a deterioration in global economic and business conditions; consumer and business spending not growing in line with expectations; the amount and efficacy of investments in share, scale and relevance; an inability to address competitive pressures and implement strategies and business initiatives, including within the premium consumer space, commercial payments, the global merchant network and digital environment; uncertainty regarding the continued spread of COVID-19 (including new variants) and the availability, distribution and use of effective treatments and vaccines; prolonged measures to contain the spread of COVID-19 (including travel restrictions), concern of the possible imposition of further containment measures and health concerns associated with the pandemic continuing to affect customer behaviors and travel patterns and demand, any of which could further exacerbate the effects on economic activity and travel-related revenues; and merchant discount rates changing by a greater or lesser amount than expected;
- net card fees not performing consistently with expectations, which could be impacted by, among other things, a deterioration in macroeconomic conditions impacting the ability and desire of Card Members to pay card fees; higher Card Member attrition rates; the pace of Card Member acquisition activity; and our inability to address competitive pressures, develop attractive value propositions and implement our strategy of refreshing card products and enhancing benefits and services;
- net interest income and the growth rate of loans outstanding being higher or lower than expectations, which could be impacted by, among other things, the behavior of Card Members and their actual spending, borrowing and paydown patterns; our ability to effectively manage risk and enhance Card Member value propositions; changes in benchmark interest rates; changes in capital and credit market conditions and the availability and cost of capital; credit actions, including line size and other adjustments to credit availability; the yield on Card Member loans not remaining consistent with current expectations; and the effectiveness of our strategies to capture a greater share of existing Card Members’ spending and borrowings, and attract new, and retain existing, customers;
- future credit performance, the level of future delinquency and write-off rates and the amount and timing of future reserve builds and releases, which will depend in part on changes in consumer behavior that affect loan and receivable balances (such as paydown and revolve rates); macroeconomic factors such as unemployment rates, GDP and the volume of bankruptcies; the ability and willingness of Card Members to pay amounts owed to us, particularly as forbearance and government support programs end; the enrollment in, and effectiveness of, financial relief programs and the performance of accounts as they exit from such programs; collections capabilities and recoveries of previously written-off loans and receivables; and governmental actions that provide forms of relief with respect to certain loans and fees, such as limiting debt collections efforts and encouraging or requiring extensions, modifications or forbearance;
- the actual amount we spend on marketing in the future, which will be based in part on continued changes in the macroeconomic and competitive environment and business performance; management’s identification and assessment of attractive investment opportunities and the receptivity of Card Members and prospective customers to advertising

and customer acquisition initiatives; our ability to balance expense control and investments in the business; and management's ability to drive increases in revenues and realize efficiencies and optimize investment spending;

- the actual amount to be spent on Card Member rewards and services and business development, and the relationship of these variable customer engagement costs to revenues, which could be impacted by continued changes in macroeconomic conditions and Card Member behavior as it relates to their spending patterns (including the level of spend in bonus categories), the redemption of rewards and offers (including travel redemptions) and usage of travel-related benefits; the costs related to reward point redemptions; inflation; further enhancements to product benefits to make them attractive to Card Members and prospective customers, potentially in a manner that is not cost-effective; new and renegotiated contractual obligations with business partners; and the pace and cost of the expansion of our global lounge collection;
- our ability to control operating expenses, the actual amount we spend on operating expenses in the future and the relationship of operating expense growth to revenue growth, which could be impacted by, among other things, salary and benefit expenses to attract and retain talent; costs due to new hybrid working arrangements; supply chain issues; a persistent inflationary environment; management's decision to increase or decrease spending in such areas as technology, business and product development, sales force, premium servicing and digital capabilities depending on overall business performance; our ability to innovate efficient channels of customer interactions and the willingness of Card Members to self-service and address issues through digital channels; our ability to increase automation; restructuring activity; fraud costs; information security or compliance expenses or consulting, legal and other professional services fees, including as a result of litigation or internal and regulatory reviews; the level of M&A activity and related expenses; information or cyber security incidents; the payment of civil money penalties, disgorgement, restitution, non-income tax assessments and litigation-related settlements; impairments of goodwill or other assets; and the impact of changes in foreign currency exchange rates on costs;
- our tax rate not remaining consistent with current levels, which could be impacted by, among other things, further changes in tax laws and regulation, our geographic mix of income, unfavorable tax audits and other unanticipated tax items;
- changes affecting our plans regarding the return of capital to shareholders, which will depend on factors such as capital levels and regulatory capital ratios; changes in the stress testing and capital planning process and new guidance from the Federal Reserve; our results of operations and financial condition; our credit ratings and rating agency considerations; and the economic environment and market conditions in any given period;
- changes in the substantial and increasing worldwide competition in the payments industry, including competitive pressure that may materially impact the prices charged to merchants that accept American Express cards, the desirability of our premium card products, competition for new and existing cobrand relationships, competition from new and non-traditional competitors and the success of marketing, promotion and rewards programs;
- our ability to expand our leadership in the premium consumer space, which will be impacted in part by competition, brand perceptions (including perceptions related to merchant coverage) and reputation, and our ability to develop and market new benefits and value propositions that appeal to Card Members and new customers, offer attractive services and rewards programs and build greater customer loyalty, which will depend in part on identifying and funding investment opportunities, addressing changing customer behaviors, new product innovation and development, Card Member acquisition efforts and enrollment processes, including through digital channels, continuing to realize the benefits from strategic partnerships, and evolving infrastructure to support new products, services and benefits;
- our ability to build on our leadership in commercial payments, which will depend in part on competition, the willingness and ability of companies to credit and charge cards for procurement and other business expenditures as well as use our other products and services for financing needs, perceived or actual difficulties and costs related to setting up card-based B2B payment platforms, our ability to offer attractive value propositions and new products to potential customers, our ability to enhance and expand our payment and lending solutions, and build out a multi-product digital ecosystem to integrate our broad product set, which is dependent on our continued investment in capabilities, features, functionalities, platforms and technologies;
- our ability to expand merchant coverage globally and our success, as well as the success of OptBlue merchant acquirers and network partners, in signing merchants to accept American Express, which will depend on, among other factors, the value propositions offered to merchants and merchant acquirers for card acceptance, the awareness and willingness of Card Members to use American Express cards at merchants, scaling marketing and expanding programs to increase card usage, identifying new-to-plastic industries and businesses as they form, working with commercial buyers and suppliers to establish B2B acceptance, increasing coverage in priority international cities and countries and key industry verticals, and executing on our plans in China and for continued technological developments, including capabilities that allow for greater digital integration and modernization of our authorization platform;
- our ability to stay on the leading edge of technology and digital payment and travel solutions, which will depend in part on our success in evolving our products and processes for the digital environment, developing new features in the Amex app and enhancing our digital channels, building partnerships and executing programs with other companies, effectively utilizing artificial intelligence and increasing automation to address servicing and other customer needs, and supporting the use of our products as a means of payment through online and mobile channels, all of which will be impacted by investment levels, new product innovation and development and infrastructure to support new products, services, benefits and partner integrations;

- our ability to grow internationally, which could be impacted by regulation and business practices, such as those capping interchange or other fees, mandating network access, favoring local competitors or prohibiting or limiting foreign ownership of certain businesses; the success of our network partners in acquiring Card Members and/or merchants; political or economic instability or regional hostilities, including as a result of Russia's invasion of Ukraine and related geopolitical impacts, which could affect commercial activities; our ability to tailor products and services to make them attractive to local customers; and competitors with more scale and experience and more established relationships with relevant customers, regulators and industry participants;
- a failure in or breach of our operational or security systems, processes or infrastructure, or those of third parties, including as a result of cyberattacks, which could compromise the confidentiality, integrity, privacy and/or security of data, disrupt our operations, reduce the use and acceptance of American Express cards and lead to regulatory scrutiny, litigation, remediation and response costs, and reputational harm;
- changes in capital and credit market conditions, which may significantly affect our ability to meet our liquidity needs and expectations regarding capital ratios; our access to capital and funding costs; the valuation of our assets; and our credit ratings or those of our subsidiaries;
- our ability to implement our ESG strategies and initiatives, which depend in part on the amount and efficacy of our investments in product innovations, marketing campaigns, our supply chain and operations, and philanthropic, colleague and community programs; customer behaviors; and the cost and availability of solutions for a low carbon economy;
- legal and regulatory developments, which could affect the profitability of our business activities; limit our ability to pursue business opportunities or conduct business in certain jurisdictions; require changes to business practices or alter our relationships with Card Members, partners, merchants and other third parties, including our ability to continue certain cobrand relationships in the EU and UK; exert further pressure on the merchant discount rates and our network business; result in increased costs related to regulatory oversight, litigation-related settlements, judgments or expenses, restitution to Card Members or the imposition of fines or civil money penalties; materially affect capital or liquidity requirements, results of operations or ability to pay dividends; or result in harm to the American Express brand;
- changes in the financial condition and creditworthiness of our business partners, such as bankruptcies, restructurings or consolidations, including of cobrand partners and merchants that represent a significant portion of our business, such as the airline industry, network partners or financial institutions that we rely on for routine funding and liquidity, which could materially affect our financial condition or results of operations; and
- factors beyond our control such as a further escalation of the military conflict between Russia and Ukraine, future waves of COVID-19 cases, the severity and contagiousness of new variants, severe weather conditions, natural disasters, power loss, disruptions in telecommunications, terrorism and other catastrophic events, any of which could significantly affect demand for and spending on American Express cards, delinquency rates, loan and receivable balances and other aspects of our business and results of operations or disrupt our global network systems and ability to process transactions.

A further description of these uncertainties and other risks can be found in the 2021 Form 10-K and other reports filed with the Securities and Exchange Commission.

# ITEM 1. FINANCIAL STATEMENTS

**AMERICAN EXPRESS COMPANY**
**CONSOLIDATED STATEMENTS OF INCOME**
**(Unaudited)**

| *Three Months Ended March 31 (Millions, except per share amounts)* | **2022** | 2021 |
|---|---|---|
| **Revenues** | | |
| Non-interest revenues | | |
| Discount revenue | **$ 6,835** | $ 5,001 |
| Net card fees | **1,423** | 1,253 |
| Service fees and other revenue | **906** | 638 |
| Processed revenue | **372** | 342 |
| Total non-interest revenues | **9,536** | 7,234 |
| Interest income | | |
| Interest on loans | **2,473** | 2,144 |
| Interest and dividends on investment securities | **13** | 24 |
| Deposits with banks and other | **34** | 24 |
| Total interest income | **2,520** | 2,192 |
| Interest expense | | |
| Deposits | **122** | 134 |
| Long-term debt and other | **199** | 228 |
| Total interest expense | **321** | 362 |
| Net interest income | **2,199** | 1,830 |
| Total revenues net of interest expense | **11,735** | 9,064 |
| Provisions for credit losses | | |
| Card Member receivables | **80** | (10) |
| Card Member loans | **(111)** | (573) |
| Other | **(2)** | (92) |
| Total provisions for credit losses | **(33)** | (675) |
| Total revenues net of interest expense after provisions for credit losses | **11,768** | 9,739 |
| **Expenses** | | |
| Card Member rewards | **3,111** | 2,243 |
| Business development | **1,043** | 802 |
| Card Member services | **626** | 317 |
| Marketing | **1,224** | 964 |
| Salaries and employee benefits | **1,654** | 1,550 |
| Other, net | **1,398** | 870 |
| Total expenses | **9,056** | 6,746 |
| Pretax income | **2,712** | 2,993 |
| Income tax provision | **613** | 758 |
| Net income | **$ 2,099** | $ 2,235 |
| **Earnings per Common Share (Note 14)**[(a)] | | |
| Basic | **$ 2.73** | $ 2.74 |
| Diluted | **$ 2.73** | $ 2.74 |
| Average common shares outstanding for earnings per common share: | | |
| Basic | **757** | 804 |
| Diluted | **758** | 805 |

(a) Represents net income less (i) earnings allocated to participating share awards of $16 million and $15 million for the three months ended March 31, 2022 and 2021, respectively, and (ii) dividends on preferred shares of $14 million for both the three months ended March 31, 2022 and 2021.

See Notes to Consolidated Financial Statements.

**AMERICAN EXPRESS COMPANY**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**(Unaudited)**

| | Three Months Ended March 31, | |
|---|---|---|
| *(Millions)* | **2022** | 2021 |
| Net income | **$ 2,099** | $ 2,235 |
| Other comprehensive income (loss): | | |
| Net unrealized debt securities (losses) gains, net of tax | **(28)** | (12) |
| Foreign currency translation adjustments, net of hedges and tax | **(20)** | (17) |
| Net unrealized pension and other postretirement benefits, net of tax | **20** | 26 |
| Other comprehensive income (loss) | **(28)** | (3) |
| Comprehensive income | **$ 2,071** | $ 2,232 |

See Notes to Consolidated Financial Statements.

**AMERICAN EXPRESS COMPANY**
**CONSOLIDATED BALANCE SHEETS**
**(Unaudited)**

| *(Millions, except share data)* | | **March 31, 2022** | | December 31, 2021 |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and cash equivalents | | | | |
| Cash and due from banks (includes restricted cash of consolidated variable interest entities: 2022, $8; 2021, $11) | **$** | **3,011** | $ | 1,292 |
| Interest-bearing deposits in other banks (includes securities purchased under resale agreements: 2022, $476; 2021, $463) | | **22,896** | | 20,548 |
| Short-term investment securities (includes restricted investments of consolidated variable interest entities: 2022, $1,745; 2021, $32) | | **1,771** | | 188 |
| Total cash and cash equivalents | | **27,678** | | 22,028 |
| Card Member receivables (includes gross receivables available to settle obligations of a consolidated variable interest entity: 2022, $5,640; 2021, $5,175), less reserves for credit losses: 2022, $76; 2021, $64 | | **53,088** | | 53,581 |
| Card Member loans (includes gross loans available to settle obligations of a consolidated variable interest entity: 2022, $26,017; 2021, $26,587), less reserves for credit losses: 2022, $2,981; 2021, $3,305 | | **85,851** | | 85,257 |
| Other loans, less reserves for credit losses: 2022, $48; 2021, $52 | | **3,264** | | 2,859 |
| Investment securities | | **4,058** | | 2,591 |
| Premises and equipment, less accumulated depreciation and amortization: 2022, $8,907; 2021, $8,602 | | **5,046** | | 4,988 |
| Other assets, less reserves for credit losses: 2022, $22; 2021, $25 | | **16,877** | | 17,244 |
| Total assets | **$** | **195,862** | $ | 188,548 |
| **Liabilities and Shareholders' Equity** | | | | |
| **Liabilities** | | | | |
| Customer deposits | **$** | **90,917** | $ | 84,382 |
| Accounts payable | | **11,196** | | 10,574 |
| Short-term borrowings | | **2,122** | | 2,243 |
| Long-term debt (includes debt issued by consolidated variable interest entities: 2022, $11,788; 2021, $13,803) | | **38,337** | | 38,675 |
| Other liabilities | | **30,907** | | 30,497 |
| Total liabilities | **$** | **173,479** | $ | 166,371 |
| **Contingencies (Note 7)** | | | | |
| **Shareholders' Equity** | | | | |
| Preferred shares, $1.66$^{2/3}$ par value, authorized 20 million shares; issued and outstanding 1,600 shares as of March 31, 2022 and December 31, 2021 | | — | | — |
| Common shares, $0.20 par value, authorized 3.6 billion shares; issued and outstanding 755 million shares as of March 31, 2022 and 761 million shares as of December 31, 2021 | | **151** | | 153 |
| Additional paid-in capital | | **11,451** | | 11,495 |
| Retained earnings | | **13,754** | | 13,474 |
| Accumulated other comprehensive income (loss) | | **(2,973)** | | (2,945) |
| Total shareholders' equity | | **22,383** | | 22,177 |
| Total liabilities and shareholders' equity | **$** | **195,862** | $ | 188,548 |

See Notes to Consolidated Financial Statements.

**AMERICAN EXPRESS COMPANY**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(Unaudited)**

| Three Months Ended March 31 *(Millions)* | 2022 | 2021 |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Net income | **$ 2,099** | $ 2,235 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Provisions for credit losses | **(33)** | (675) |
| Depreciation and amortization | **398** | 422 |
| Stock-based compensation | **122** | 98 |
| Deferred taxes | **(69)** | 194 |
| Other non-cash items [(a)] | **(47)** | (275) |
| Changes in operating assets and liabilities, net of effects of acquisitions and dispositions: | | |
| Other assets | **323** | 477 |
| Accounts payable & other liabilities | **1,087** | (196) |
| Net cash provided by operating activities | **3,880** | 2,280 |
| **Cash Flows from Investing Activities** | | |
| Sale of investment securities | **16** | 37 |
| Maturities and redemptions of investment securities | **767** | 553 |
| Purchase of investments | **(2,328)** | (366) |
| Net (increase) decrease in Card Member loans and receivables, and other loans | **(785)** | 4,869 |
| Purchase of premises and equipment, net of sales: 2022, nil; 2021, $3 | **(447)** | (319) |
| Net cash (used in) provided by investing activities | **(2,777)** | 4,774 |
| **Cash Flows from Financing Activities** | | |
| Net increase in customer deposits | **6,541** | 2,327 |
| Net decrease in short-term borrowings | **(59)** | (271) |
| Proceeds from long-term debt | **6,231** | — |
| Payments of long-term debt | **(6,314)** | (750) |
| Issuance of American Express common shares | **49** | 31 |
| Repurchase of American Express common shares and other | **(1,570)** | (513) |
| Dividends paid | **(345)** | (363) |
| Net cash provided by financing activities | **4,533** | 461 |
| Effect of foreign currency exchange rates on cash and cash equivalents | **14** | (200) |
| Net increase in cash and cash equivalents | **5,650** | 7,315 |
| Cash and cash equivalents at beginning of period | **22,028** | 32,965 |
| Cash and cash equivalents at end of period | **$ 27,678** | $ 40,280 |

**Supplemental cash flow information**

| **Cash and cash equivalents reconciliation** | **Mar-22** | Dec-21 | Mar-21 | Dec-20 |
|---|---|---|---|---|
| Cash and cash equivalents per Consolidated Balance Sheets | **$ 27,678** | $ 22,028 | $ 40,280 | $ 32,965 |
| Restricted balances included in Cash and cash equivalents | **2,207** | 525 | 527 | 606 |
| Total Cash and cash equivalents, excluding restricted balances | **$ 25,471** | $ 21,503 | $ 39,753 | $ 32,359 |

(a) Includes net gains and losses on fair value hedges, changes in equity method investments and net gains and losses on Amex Ventures equity investments.

See Notes to Consolidated Financial Statements.

**AMERICAN EXPRESS COMPANY**
**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**
**(Unaudited)**

| *Three months ended March 31, 2022 (Millions, except per share amounts)* | Total | Preferred Shares | Common Shares | Additional Paid-in Capital | Accumulated Other Comprehensive Income (Loss) | Retained Earnings |
|---|---|---|---|---|---|---|
| **Balances as of December 31, 2021** | $ 22,177 | $ — | $ 153 | $ 11,495 | $ (2,945) | $ 13,474 |
| Net income | **2,099** | — | — | — | — | **2,099** |
| Other comprehensive loss | **(28)** | — | — | — | **(28)** | — |
| Repurchase of common shares | **(1,483)** | — | **(2)** | **(126)** | — | **(1,355)** |
| Other changes, primarily employee plans | **26** | — | — | **82** | — | **(56)** |
| Cash dividends declared preferred Series D, $8,875.00 per share | **(14)** | — | — | — | — | **(14)** |
| Cash dividends declared common, $0.52 per share | **(394)** | — | — | — | — | **(394)** |
| **Balances as of March 31, 2022** | **$ 22,383** | **$ —** | **$ 151** | **$ 11,451** | **$ (2,973)** | **$ 13,754** |

| *Three months ended March 31, 2021 (Millions, except per share amounts)* | Total | Preferred Shares | Common Shares | Additional Paid-in Capital | Accumulated Other Comprehensive Income (Loss) | Retained Earnings |
|---|---|---|---|---|---|---|
| Balances as of December 31, 2020 | $ 22,984 | $ — | $ 161 | $ 11,881 | $ (2,895) | $ 13,837 |
| Net income | 2,235 | — | — | — | — | 2,235 |
| Other comprehensive loss | (3) | — | — | — | (3) | — |
| Repurchase of common shares | (438) | — | (1) | (49) | — | (388) |
| Other changes, primarily employee plans | 32 | — | 1 | 46 | — | (15) |
| Cash dividends declared preferred Series B, $9,325.22 per share | (7) | — | — | — | — | (7) |
| Cash dividends declared preferred Series C, $8,753.75 per share | (7) | — | — | — | — | (7) |
| Cash dividends declared common, $0.43 per share | (347) | — | — | — | — | (347) |
| Balances as of March 31, 2021 | $ 24,449 | $ — | $ 161 | $ 11,878 | $ (2,898) | $ 15,308 |

See Notes to Consolidated Financial Statements.

**AMERICAN EXPRESS COMPANY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(Unaudited)**

# 1. Basis of Presentation

**The Company**

We are a globally integrated payments company that provides our customers with access to products, insights and experiences that enrich lives and build business success. Our principal products and services are credit and charge card products, along with travel and lifestyle related services, offered to consumers and businesses around the world. Our various products and services are sold globally to diverse customer groups, including consumers, small businesses, mid-sized companies and large corporations. These products and services are sold through various channels, including mobile and online applications, affiliate marketing, customer referral programs, third-party service providers and business partners, direct mail, telephone, in-house sales teams, and direct response advertising.

The accompanying Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2021 (the 2021 Form 10-K). If not materially different, certain note disclosures included therein have been omitted from these Consolidated Financial Statements.

The interim Consolidated Financial Statements included in this report have not been audited. In the opinion of management, all adjustments, which consist of normal recurring adjustments necessary for a fair statement of the interim Consolidated Financial Statements, have been made. Results of operations reported for interim periods are not necessarily indicative of results for the entire year.

The preparation of Consolidated Financial Statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosures of contingent assets and liabilities. These accounting estimates reflect the best judgment of management, but actual results could differ.

Effective for the first quarter of 2022, we made the following reporting presentation changes to our Consolidated Statements of Income:

Within Non-interest revenues:

- Processed revenue represents revenues earned from processed volumes, previously reported in Discount revenue, Other fees and commissions and Other revenue.
- Service fees and other revenue combines the remaining balances from Other fees and commissions and Other revenue.

Within Total expenses:

- Disaggregated Marketing and business development expense into Business Development expense and Marketing expense.

Prior period amounts have been recast to conform with current period presentation; there was no impact to Total non-interest revenues or Total expenses.

The significant Consolidated Statements of Income accounting policies below provides updates to the significant accounting policy disclosures as presented in the 2021 Form 10-K to reflect the reporting presentation changes.

**Discount Revenue**

Discount revenue represents the amount we earn and retain from the merchant payable for facilitating transactions on payment products issued by American Express. The amount of fees charged for accepting our cards as payment, or merchant discount, varies with, among other factors, the industry in which the merchant conducts business, the merchant's overall American Express-related transaction volume, the method of payment, the settlement terms with the merchant, the method of submission of transactions and, in certain instances, the geographic scope of the card acceptance agreement between the merchant and us (e.g., local or global) and the transaction amount. Discount revenue is generally recorded at the time the Card Member transaction occurs.

**AMERICAN EXPRESS COMPANY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(Unaudited)**

Card acceptance agreements, which include the agreed-upon terms for charging the merchant discount fee, vary in duration. Our contracts with small- and medium-sized merchants generally have no fixed contractual duration, while those with large merchants are generally for fixed periods, which typically range from three to seven years in duration. Our fixed-period agreements may include auto-renewal features, which may allow the existing terms to continue beyond the stated expiration date until a new agreement is reached. We satisfy our obligations under these agreements over the contract term, often on a daily basis, including through the processing of Card Member transactions and the availability of our payment network.

In cases where the merchant acquirer is a third party (which is the case, for example, under our OptBlue program, or with certain of our network partners), we receive a network rate fee in our settlement with the merchant acquirer, which is individually negotiated between us and that merchant acquirer and is recorded as discount revenue at the time the Card Member transaction occurs.

**Service Fees and Other Revenue**

Service fees and other revenue includes service fees earned from merchants and other customers and travel commissions and fees, which are generally recognized in the period when the service is performed, and delinquency and foreign currency-related fees, which are primarily recognized in the period when they are charged to the Card Member. In addition, Service fees and other revenue includes income (losses) from our investments in which we have significant influence and therefore account for under the equity method.

**Processed Revenue**

Processed revenue primarily represents amounts earned for facilitating transactions on cards issued by network partners. In our role as the operator of the American Express network, we settle with merchants on behalf of our network card issuing partners. The amount of fees charged for accepting American Express-branded cards are generally deducted from the payment to the merchant and recorded as Processed revenue at the time the Card Member transaction occurs. Our network card issuing partners receive an issuer rate that is individually negotiated between that issuer and us and is recorded as contra-revenue within Processed revenue to the extent that there is revenue from the same customer, after which any additional issuer rate is recorded as expense in Business development. Processed revenue also includes other fees related to network partnership agreements and fees earned on alternative payment solutions, all of which are generally recognized when the service is performed.

**Business Development**

Business development expense includes payments to our cobrand partners, corporate client incentive payments earned on achievement of pre-set targets and certain payments to network partners. These costs are generally expensed as incurred.

**Marketing**

Marketing includes costs incurred in the development and initial placement of advertising, which are expensed in the period in which the advertising first takes place. All other marketing expenses are generally expensed as incurred.

**Recently Issued Accounting Standards**

In March 2022, the Financial Accounting Standards Board issued new accounting guidance on troubled debt restructuring (TDR) and write-offs, effective January 1, 2023, with early adoption permitted, The amendments eliminate the TDR accounting guidance for Current Expected Credit Loss (CECL) adopters, create a single loan modification accounting model and clarify disclosure requirements for loan modifications and write-offs. We are currently evaluating the impact of the updated guidance on our Consolidated Financial Statements.

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

## 2. Loans and Card Member Receivables

Our lending and charge payment card products result in the generation of Card Member loans and Card Member receivables. We also extend credit to consumer and commercial customers through non-card financing products, resulting in Other loans.

Card Member loans by segment and Other loans as of March 31, 2022 and December 31, 2021 consisted of:

| *(Millions)* | | **2022** | | 2021 |
|---|---|---|---|---|
| Global Consumer Services Group [(a)] | **$** | **69,480** | $ | 70,467 |
| Global Commercial Services | | **19,352** | | 18,095 |
| Card Member loans | | **88,832** | | 88,562 |
| Less: Reserves for credit losses | | **2,981** | | 3,305 |
| Card Member loans, net | **$** | **85,851** | $ | 85,257 |
| Other loans, net [(b)] | **$** | **3,264** | $ | 2,859 |

(a) Includes approximately $26.0 billion and $26.6 billion of gross Card Member loans available to settle obligations of a consolidated variable interest entity (VIE) as of March 31, 2022 and December 31, 2021, respectively.

(b) Other loans are presented net of reserves for credit losses of $48 million and $52 million as of March 31, 2022 and December 31, 2021, respectively.

Card Member receivables by segment as of March 31, 2022 and December 31, 2021 consisted of:

| *(Millions)* | | **2022** | | 2021 |
|---|---|---|---|---|
| Global Consumer Services Group | **$** | **20,644** | $ | 22,392 |
| Global Commercial Services [(a)] | | **32,520** | | 31,253 |
| Card Member receivables | | **53,164** | | 53,645 |
| Less: Reserves for credit losses | | **76** | | 64 |
| Card Member receivables, net | **$** | **53,088** | $ | 53,581 |

(a) Includes $5.6 billion and $5.2 billion of gross Card Member receivables available to settle obligations of a consolidated VIE as of March 31, 2022 and December 31, 2021, respectively.

**AMERICAN EXPRESS COMPANY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(Unaudited)**

## Card Member Loans and Receivables Aging

Generally, a Card Member account is considered past due if payment due is not received within 30 days after the billing statement date. The following table presents the aging of Card Member loans and receivables as of March 31, 2022 and December 31, 2021:

| **2022 (Millions)** | Current | 30-59 Days Past Due | 60-89 Days Past Due | 90+ Days Past Due | Total |
|---|---|---|---|---|---|
| **Card Member Loans:** | | | | | |
| Global Consumer Services Group | **$ 68,933** | **$ 170** | **$ 121** | **$ 256** | **$ 69,480** |
| Global Commercial Services | | | | | |
| Global Small Business Services | **19,161** | **40** | **26** | **43** | **19,270** |
| Global Corporate Payments [(a)] | **(b)** | **(b)** | **(b)** | **—** | **82** |
| **Card Member Receivables:** | | | | | |
| Global Consumer Services Group | **20,499** | **53** | **33** | **59** | **20,644** |
| Global Commercial Services | | | | | |
| Global Small Business Services | **$ 17,844** | **$ 65** | **$ 40** | **$ 56** | **$ 18,005** |
| Global Corporate Payments [(a)] | **(b)** | **(b)** | **(b)** | **$ 50** | **$ 14,515** |

| 2021 (Millions) | Current | 30-59 Days Past Due | 60-89 Days Past Due | 90+ Days Past Due | Total |
|---|---|---|---|---|---|
| **Card Member Loans:** | | | | | |
| Global Consumer Services Group | $ 69,960 | $ 158 | $ 112 | $ 237 | $ 70,467 |
| Global Commercial Services | | | | | |
| Global Small Business Services | 17,950 | 34 | 19 | 37 | 18,040 |
| Global Corporate Payments [(a)] | (b) | (b) | (b) | — | 55 |
| **Card Member Receivables:** | | | | | |
| Global Consumer Services Group | 22,279 | 41 | 24 | 48 | 22,392 |
| Global Commercial Services | | | | | |
| Global Small Business Services | $ 17,846 | $ 59 | $ 28 | $ 44 | $ 17,977 |
| Global Corporate Payments [(a)] | (b) | (b) | (b) | $ 42 | $ 13,276 |

(a) Global Corporate Payments (GCP) reflects global, large and middle market corporate accounts. Delinquency data is tracked based on days past billing status rather than days past due. A Card Member account is considered 90 days past billing if payment has not been received within 90 days of the Card Member's billing statement date. In addition, if we initiate collection procedures on an account prior to the account becoming 90 days past billing, the associated Card Member loan or receivable balance is classified as 90 days past billing. These amounts are shown above as 90+ Days Past Due for presentation purposes. See also (b).

(b) Delinquency data for periods other than 90+ days past billing is not available due to system constraints. Therefore, such data has not been utilized for risk management purposes. The balances that are current to 89 days past due can be derived as the difference between the Total and the 90+ Days Past Due balances.

**AMERICAN EXPRESS COMPANY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(Unaudited)**

## Credit Quality Indicators for Card Member Loans and Receivables

The following tables present the key credit quality indicators as of or for the three months ended March 31:

| | 2022 | | | 2021 | | |
|---|---|---|---|---|---|---|
| | Net Write-Off Rate | | | Net Write-Off Rate | | |
| | Principal Only[a] | Principal, Interest & Fees[a] | 30+ Days Past Due as a % of Total | Principal Only[a] | Principal, Interest & Fees[a] | 30+ Days Past Due as a % of Total |
| **Card Member Loans:** | | | | | | |
| Global Consumer Services Group | **0.8 %** | **1.1 %** | **0.8 %** | 1.4 % | 1.8 % | 1.0 % |
| Global Small Business Services | **0.6 %** | **0.7 %** | **0.6 %** | 1.0 % | 1.2 % | 0.6 % |
| **Card Member Receivables:** | | | | | | |
| Global Consumer Services Group | **0.5 %** | **0.5 %** | **0.7 %** | 0.5 % | 0.6 % | 0.6 % |
| Global Small Business Services | **0.7 %** | **0.8 %** | **0.9 %** | 0.5 % | 0.5 % | 0.6 % |
| Global Corporate Payments | **(b)** | **0.2 %** | **(c)** | (b) | 0.4 % | (c) |

(a) We present a net write-off rate based on principal losses only (i.e., excluding interest and/or fees) to be consistent with industry convention. In addition, as our practice is to include uncollectible interest and/or fees as part of our total provision for credit losses, a net write-off rate including principal, interest and/or fees is also presented.

(b) Net write-off rate based on principal losses only is not available due to system constraints.

(c) For GCP Card Member receivables, delinquency data is tracked based on days past billing status rather than days past due. Delinquency data for periods other than 90+ days past billing is not available due to system constraints. 90+ days past billing as a % of total was 0.3% and 0.4% as of March 31, 2022 and 2021, respectively.

Refer to Note 3 for additional indicators, including external environmental qualitative factors, management considers in its evaluation process for reserves for credit losses.

**AMERICAN EXPRESS COMPANY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(Unaudited)**

## Impaired Loans and Receivables

Impaired loans and receivables are individual larger balance or homogeneous pools of smaller balance loans and receivables for which it is probable that we will be unable to collect all amounts due according to the original contractual terms of the customer agreement. We consider impaired loans and receivables to include (i) loans over 90 days past due still accruing interest, (ii) non-accrual loans and (iii) loans and receivables modified as troubled debt restructurings (TDRs).

In instances where the customer is experiencing financial difficulty, we may modify, through various financial relief programs, loans and receivables with the intention to minimize losses and improve collectability, while providing customers with temporary or permanent financial relief. We have classified loans and receivables in these modification programs as TDRs and continue to classify customer accounts that have exited a modification program as a TDR, with such accounts identified as "Out of Program TDRs."

The following tables provide additional information with respect to our impaired loans and receivables as of March 31, 2022 and December 31, 2021:

| | As of March 31, 2022 | | | | | |
|---|---|---|---|---|---|---|
| | | | Accounts Classified as a TDR [c] | | | |
| **2022 (Millions)** | Over 90 days Past Due & Accruing Interest[a] | Non-Accruals[b] | In Program[d] | Out of Program[e] | Total Impaired Balance | Reserve for Credit Losses - TDRs |
| **Card Member Loans:** | | | | | | |
| Global Consumer Services Group | **$ 170** | **$ 84** | **$ 644** | **$ 1,015** | **$ 1,913** | **$ 315** |
| Global Commercial Services | **24** | **17** | **175** | **352** | **568** | **88** |
| **Card Member Receivables:** | | | | | | |
| Global Consumer Services Group | **—** | **—** | **144** | **144** | **288** | **8** |
| Global Commercial Services | **—** | **—** | **276** | **359** | **635** | **26** |
| **Other Loans [f]** | **1** | **1** | **48** | **1** | **51** | **—** |
| Total | **$ 195** | **$ 102** | **$ 1,287** | **$ 1,871** | **$ 3,455** | **$ 437** |

| | As of December 31, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | | | Accounts Classified as a TDR [c] | | | |
| 2021 (Millions) | Over 90 days Past Due & Accruing Interest[a] | Non-Accruals[b] | In Program[d] | Out of Program[e] | Total Impaired Balance | Reserve for Credit Losses - TDRs |
| **Card Member Loans:** | | | | | | |
| Global Consumer Services Group | $ 149 | $ 82 | $ 708 | $ 997 | $ 1,936 | $ 415 |
| Global Commercial Services | 19 | 14 | 176 | 332 | 541 | 132 |
| **Card Member Receivables:** | | | | | | |
| Global Consumer Services Group | — | — | 133 | 130 | 263 | 9 |
| Global Commercial Services | — | — | 248 | 303 | 551 | 39 |
| **Other Loans [f]** | 1 | — | 67 | 2 | 70 | 1 |
| Total | $ 169 | $ 96 | $ 1,332 | $ 1,764 | $ 3,361 | $ 596 |

(a) Our policy is generally to accrue interest through the date of write-off (typically 180 days past due). We establish reserves for interest that we believe will not be collected. Amounts presented exclude loans classified as a TDR.

(b) Non-accrual loans not in modification programs primarily include certain loans placed with outside collection agencies for which we have ceased accruing interest. Amounts presented exclude loans classified as TDRs.

(c) Accounts classified as a TDR include $46 million and $41 million that are over 90 days past due and accruing interest as of March 31, 2022 and December 31, 2021, respectively, and $15 million and $19 million that are non-accruals as of March 31, 2022 and December 31, 2021, respectively.

(d) In Program TDRs include accounts that are currently enrolled in a modification program.

(e) Out of Program TDRs include $1,719 million and $1,621 million of accounts that have successfully completed a modification program and $152 million and $143 million of accounts that were not in compliance with the terms of the modification programs as of March 31, 2022 and December 31, 2021, respectively.

(f) Other loans primarily represent consumer and commercial non-card financing products.

**AMERICAN EXPRESS COMPANY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(Unaudited)**

## Loans and Receivables Modified as TDRs

The following tables provide additional information with respect to loans and receivables that were modified as TDRs during the three months ended March 31, 2022 and 2021:

| | Three Months Ended March 31, 2022 | | | |
|---|---|---|---|---|
| | Number of Accounts (thousands) | Account Balances (millions)[a] | Average Interest Rate Reduction (% points) | Average Payment Term Extensions (# of months) |
| **Troubled Debt Restructurings:** | | | | |
| Card Member Loans | **27** | **$ 177** | **14** | **(b)** |
| Card Member Receivables | **6** | **171** | **(c)** | **17** |
| Other Loans [d] | **1** | **1** | **2** | **15** |
| Total | **34** | **$ 349** | | |

| | Three Months Ended March 31, 2021 | | | |
|---|---|---|---|---|
| | Number of Accounts (thousands) | Account Balances (millions)[a] | Average Interest Rate Reduction (% points) | Average Payment Term Extensions (# of months) |
| **Troubled Debt Restructurings:** | | | | |
| Card Member Loans | 38 | $ 287 | 13 | (b) |
| Card Member Receivables | 7 | 117 | (c) | 18 |
| Other Loans [d] | 1 | $ 8 | 3 | 15 |
| Total | 46 | $ 412 | | |

(a) Represents the outstanding balance immediately prior to modification. The outstanding balance includes principal, fees and accrued interest on loans and principal and fees on receivables. Modifications did not reduce the principal balance.

(b) For Card Member loans, there have been no payment term extensions.

(c) We do not offer interest rate reduction programs for Card Member receivables as the receivables are non-interest bearing.

(d) Other loans primarily represent consumer and commercial non-card financing products.

**AMERICAN EXPRESS COMPANY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(Unaudited)**

The following tables provide information with respect to loans and receivables modified as TDRs that subsequently defaulted within twelve months of modification. A customer can miss up to three payments before being considered in default, depending on the terms of the modification program.

| | Three Months Ended March 31, 2022 | |
|---|---|---|
| | Number of Accounts (thousands) | Aggregated Outstanding Balances Upon Default (millions)[a] |
| **Troubled Debt Restructurings That Subsequently Defaulted:** | | |
| Card Member Loans | **4** | **$ 29** |
| Card Member Receivables | **1** | **10** |
| Other Loans [b] | — | — |
| Total | **5** | **$ 39** |

| | Three Months Ended March 31, 2021 | |
|---|---|---|
| | Number of Accounts (thousands) | Aggregated Outstanding Balances Upon Default (millions)[a] |
| **Troubled Debt Restructurings That Subsequently Defaulted:** | | |
| Card Member Loans | 7 | $ 47 |
| Card Member Receivables | 1 | 19 |
| Other Loans [b] | 1 | 5 |
| Total | 9 | $ 71 |

(a) The outstanding balances upon default include principal, fees and accrued interest on loans, and principal and fees on receivables.
(b) Other loans primarily represent consumer and commercial non-card financing products.

**AMERICAN EXPRESS COMPANY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(Unaudited)**

## 3. Reserves for Credit Losses

Reserves for credit losses represent our best estimate of the expected credit losses in our outstanding portfolio of Card Member loans and receivables as of the balance sheet date. The CECL methodology requires us to estimate lifetime expected credit losses by incorporating historical loss experience, as well as current and future economic conditions over a reasonable and supportable period (R&S Period), which is approximately three years, beyond the balance sheet date. We make various judgments combined with historical loss experience to determine a reserve rate that is applied to the outstanding loan or receivable balance to produce a reserve for expected credit losses.

We use a combination of statistically-based models that incorporate current and future economic conditions throughout the R&S Period. The process of estimating expected credit losses is based on several key models: Probability of Default (PD), Exposure at Default (EAD), and future recoveries for each month of the R&S Period. Beyond the R&S Period, we estimate expected credit losses by immediately reverting to long-term average loss rates.

- PD models are used to estimate the likelihood an account will be written-off.
- EAD models are used to estimate the balance of an account at the time of write-off. This includes balances less expected repayments based on historical payment and revolve behavior, which vary by customer. Due to the nature of revolving loan portfolios, the EAD models are complex and involve assumptions regarding the relationship between future spend and payment behaviors.
- Recovery models are used to estimate amounts that are expected to be received from Card Members after default occurs, typically as a result of collection efforts. Future recoveries are estimated taking into consideration the time of default, time elapsed since default and macroeconomic conditions.

We also estimate the likelihood and magnitude of recovery of previously written off accounts considering how long ago the account was written off and future economic conditions, even if such expected recoveries exceed expected losses. Our models are developed using historical loss experience covering the economic cycle and consider the impact of account characteristics on expected losses.

Future economic conditions that are incorporated over the R&S Period include multiple macroeconomic scenarios provided to us by an independent third party. Management reviews these economic scenarios each period and applies judgment to weight them in order to reflect the uncertainty surrounding these scenarios. These macroeconomic scenarios contain certain variables, including unemployment rates and real gross domestic product (GDP), that are significant to our models.

We also evaluate whether to include qualitative reserves to cover losses that are expected but, in our assessment, may not be adequately represented in the quantitative methods or the economic assumptions. We consider whether to adjust the quantitative reserves (higher or lower) to address possible limitations within the models or factors not included within the models, such as external conditions, emerging portfolio trends, the nature and size of the portfolio, portfolio concentrations, the volume and severity of past due accounts, or management risk actions.

Lifetime losses for most of our loans and receivables are evaluated at an appropriate level of granularity, including assessment on a pooled basis where financial assets share similar risk characteristics, such as past spend and remittance behaviors, credit bureau scores where available, delinquency status, tenure of balance outstanding, amongst others. Credit losses on accrued interest are measured and presented as part of Reserves for credit losses on the Consolidated Balance Sheets and within the Provisions for credit losses in the Consolidated Statements of Income, rather than reversing interest income. Separate models are used for accounts deemed a troubled debt restructuring, which are measured individually and incorporate a discounted cash flow model.

Loans and receivable balances are written off when we consider amounts to be uncollectible, which is generally determined by the number of days past due and is typically no later than 180 days past due for pay in full or revolving loans and 120 days past due for term loans. Loans and receivables in bankruptcy or owed by deceased individuals are generally written off upon notification.

The following table reflects the range of macroeconomic scenario key variables used, in conjunction with other inputs, to calculate reserves for credit losses:

| | U.S. Unemployment Rate | | U.S. GDP Growth (Contraction) [a] | |
|---|---|---|---|---|
| | March 31, 2022 | December 31, 2021 | March 31, 2022 | December 31, 2021 |
| First quarter of 2022 | 4% | 4% - 7% | 0.5% | 6% - (4)% |
| Fourth quarter of 2022 | 3% - 7% | 4% - 9% | 4% - (2)% | 2% - 1% |
| Fourth quarter of 2023 | 3% - 7% | 3% - 7% | 4% - 2% | 4% - 3% |
| Fourth quarter of 2024 | 3% - 6% | 4% -6% | 4% - 2% | 3% |

(a) Real GDP quarter over quarter percentage change seasonally adjusted to annualized rates.

**Changes in Card Member Loans Reserve for Credit Losses**

Card Member loans reserve for credit losses decreased for the three months ended March 31, 2022, primarily driven by a reduction in pandemic-driven reserves reflecting sustained recovery from the macroeconomic impact of the COVID-19 pandemic.

Card Member loans reserve for credit losses decreased for the three months ended March 31, 2021, driven by improving macroeconomic indicators including unemployment and GDP, as well as improved credit performance.

The following table presents changes in the Card Member loans reserve for credit losses for the three months ended March 31:

| | Three Months Ended March 31, | |
|---|---|---|
| *(Millions)* | **2022** | 2021 |
| Beginning Balance | **$ 3,305** | $ 5,344 |
| Provisions [a] | **(111)** | (573) |
| Net write-offs [b] | | |
| Principal | **(165)** | (241) |
| Interest and fees | **(50)** | (63) |
| Other [c] | **2** | — |
| Ending Balance | **$ 2,981** | $ 4,467 |

(a) Provisions for principal, interest and fee reserve components. Provisions for credit losses includes reserve build (release) and replenishment for net write-offs.

(b) Principal write-offs are presented less recoveries of $144 million and $168 million for the three months ended March 31, 2022 and 2021, respectively. Recoveries of interest and fees were not significant. Amounts include net (write-offs) recoveries from TDRs of $(55) million and $(45) million for the three months ended March 31, 2022 and 2021, respectively.

(c) Primarily includes foreign currency translation adjustments of $2 million and $(1) million for the three months ended March 31, 2022 and 2021, respectively.

**AMERICAN EXPRESS COMPANY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(Unaudited)**

**Changes in Card Member Receivables Reserve for Credit Losses**

Card Member receivables reserve for credit losses increased for the three months ended March 31, 2022, primarily driven by higher delinquencies.

Card Member receivables reserve for credit losses decreased for the three months ended March 31, 2021, driven by improving macroeconomic indicators including unemployment and GDP, as well as improved credit performance.

The following table presents changes in the Card Member receivables reserve for credit losses for the three months ended March 31:

| | Three Months Ended March 31, | |
|---|---|---|
| *(Millions)* | **2022** | 2021 |
| Beginning Balance | **$ 64** | $ 267 |
| Provisions [(a)] | **80** | (10) |
| Net write-offs [(b)] | **(67)** | (53) |
| Other [(c)] | **(1)** | (2) |
| Ending Balance | **$ 76** | $ 202 |

(a) Provisions for principal and fee reserve components. Provisions for credit losses includes reserve build (release) and replenishment for net write-offs.

(b) Net write-offs are presented less recoveries of $67 million and $97 million for the three months ended March 31, 2022 and 2021, respectively. Amounts include net (write-offs) recoveries from TDRs of $(12) million and $(20) million for the three months ended March 31, 2022 and 2021, respectively.

(c) Primarily includes foreign currency translation adjustments of nil and $(1) million for the three months ended March 31, 2022 and 2021, respectively.

**AMERICAN EXPRESS COMPANY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(Unaudited)**

# 4. Investment Securities

Investment securities principally include available-for-sale debt securities carried at fair value on the Consolidated Balance Sheets. Unrealized losses attributable to credit deterioration are recorded in the Consolidated Statements of Income in Other loans Provision for credit losses. Unrealized gains and any portion of a security's unrealized loss attributable to non-credit losses are recorded in the Consolidated Statements of Comprehensive Income, net of tax. We had accrued interest on our available-for-sale debt securities totaling $7 million and $12 million as of March 31, 2022 and December 31, 2021, respectively, presented as Other assets on the Consolidated Balance Sheets.

Investment securities also include equity securities carried at fair value on the Consolidated Balance Sheets with unrealized gains and losses recorded in the Consolidated Statements of Income as Other, net expense.

Realized gains and losses are recognized upon disposition of the securities using the specific identification method and recorded in the Consolidated Statements of Income as Other, net expense.

The following is a summary of investment securities as of March 31, 2022 and December 31, 2021:

| Description of Securities *(Millions)* | **2022** Cost | **2022** Gross Unrealized Gains | **2022** Gross Unrealized Losses | **2022** Estimated Fair Value | 2021 Cost | 2021 Gross Unrealized Gains | 2021 Gross Unrealized Losses | 2021 Estimated Fair Value |
|---|---|---|---|---|---|---|---|---|
| Available-for-sale debt securities: | | | | | | | | |
| State and municipal obligations | **$ 74** | **$ 2** | **$ (4)** | **$ 72** | $ 106 | $ 5 | $ — | $ 111 |
| U.S. Government agency obligations | **6** | **—** | **—** | **6** | 6 | — | — | 6 |
| U.S. Government treasury obligations | **3,240** | **7** | **(12)** | **3,235** | 1,680 | 25 | (1) | 1,704 |
| Mortgage-backed securities [a] | **15** | **1** | **—** | **16** | 17 | 1 | — | 18 |
| Foreign government bonds and obligations | **636** | **—** | **(1)** | **635** | 630 | — | — | 630 |
| Other [b] | **39** | **—** | **—** | **39** | 43 | — | — | 43 |
| Equity securities [c] | **61** | **1** | **(7)** | **55** | 66 | 17 | (4) | 79 |
| Total | **$ 4,071** | **$ 11** | **$ (24)** | **$ 4,058** | $ 2,548 | $ 48 | $ (5) | $ 2,591 |

(a) Represents mortgage-backed securities guaranteed by Fannie Mae, Freddie Mac or Ginnie Mae.

(b) Represents investments in Corporate debt securities and debt securities issued by Community Development Financial Institutions.

(c) Equity securities comprise investments in common stock, exchange-traded funds and mutual funds.

The following table provides information about our available-for-sale debt securities with gross unrealized losses and the length of time that individual securities have been in a continuous unrealized loss position as of March 31, 2022 and December 31, 2021. There were no securities in a gross unrealized loss position for 12 months or more as of both March 31, 2022 and December 31, 2021.

| Description of Securities (*Millions*) | **2022** Less than 12 months Estimated Fair Value | **2022** Less than 12 months Gross Unrealized Losses | 2021 Less than 12 months Estimated Fair Value | 2021 Less than 12 months Gross Unrealized Losses |
|---|---|---|---|---|
| State and municipal obligations | **$ 44** | **$ (4)** | $ — | $ — |
| U.S. Government treasury obligations | **2,554** | **(12)** | 477 | (1) |
| Foreign government bonds and obligations | **440** | **(1)** | — | — |
| Total | **$ 3,038** | **$ (17)** | $ 477 | $ (1) |

**AMERICAN EXPRESS COMPANY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(Unaudited)**

The following table summarizes the gross unrealized losses by ratio of fair value to amortized cost as of March 31, 2022 and December 31, 2021:

| Ratio of Fair Value to Amortized Cost (*Dollars in millions*) | Less than 12 months | | |
|---|---|---|---|
| | Number of Securities | Estimated Fair Value | Gross Unrealized Losses |
| **2022:** | | | |
| 90–100% | **44** | **$ 3,032** | **$ (16)** |
| Less than 90% | **4** | **6** | **(1)** |
| Total as of March 31, 2022 | **48** | **$ 3,038** | **$ (17)** |
| 2021: | | | |
| 90–100% | 5 | $ 477 | $ (1) |
| Total as of December 31, 2021 | 5 | $ 477 | $ (1) |

Contractual maturities for available-for-sale debt securities with stated maturities as of March 31, 2022 were as follows:

| *(Millions)* | Cost | Estimated Fair Value |
|---|---|---|
| Due within 1 year | **$ 1,740** | **$ 1,745** |
| Due after 1 year but within 5 years | **2,167** | **2,155** |
| Due after 5 years but within 10 years | **35** | **38** |
| Due after 10 years | **68** | **65** |
| Total | **$ 4,010** | **$ 4,003** |

The expected payments on state and municipal obligations, U.S. Government agency obligations and mortgage-backed securities may not coincide with their contractual maturities because the issuers have the right to call or prepay certain obligations.

## 5. Asset Securitizations

We periodically securitize Card Member loans and receivables arising from our card businesses through the transfer of those assets to securitization trusts, American Express Credit Account Master Trust (the Lending Trust) and American Express Issuance Trust II (the Charge Trust and together with the Lending Trust, the Trusts). The Trusts then issue debt securities collateralized by the transferred assets to third-party investors.

The Trusts are considered VIEs as they have insufficient equity at risk to finance their activities, which are to issue debt securities that are collateralized by the underlying Card Member loans and receivables. We perform the servicing and key decision making for the Trusts, and therefore have the power to direct the activities that most significantly impact the Trusts' economic performance, which are the collection of the underlying Card Member loans and receivables. In addition, we hold all of the variable interests in both Trusts, with the exception of the debt securities issued to third-party investors. As of March 31, 2022 and December 31, 2021, our ownership of variable interests was $15.4 billion and $15.0 billion, respectively, for the Lending Trust and $4.6 billion and $3.2 billion, respectively, for the Charge Trust. These variable interests held by us provide us with the right to receive benefits and the obligation to absorb losses, which could be significant to both the Lending Trust and the Charge Trust. Based on these considerations, we are the primary beneficiary of the Trusts and therefore consolidate the Trusts.

Restricted cash and cash equivalents held by the Lending Trust and Charge Trust was $1.8 billion and $1 million, respectively, as of March 31, 2022 and $42 million and $1 million, respectively, as of December 31, 2021. These amounts relate to collections of Card Member loans and receivables to be used by the Trusts to fund future expenses and obligations, including interest on debt securities, credit losses and upcoming debt maturities.

Under the respective terms of the Lending Trust and the Charge Trust agreements, the occurrence of certain triggering events associated with the performance of the assets of each Trust could result in payment of trust expenses, establishment of reserve funds, or, in a worst-case scenario, early amortization of debt securities. During the three months ended March 31, 2022 and the year ended December 31, 2021, no such triggering events occurred.

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

# 6. Customer Deposits

As of March 31, 2022 and December 31, 2021, customer deposits were categorized as interest-bearing or non-interest-bearing as follows:

| *(Millions)* | **2022** | 2021 |
|---|---|---|
| U.S.: | | |
| Interest-bearing | **$ 89,899** | $ 83,304 |
| Non-interest-bearing (includes Card Member credit balances of: 2022, $481; 2021, $527) | **508** | 553 |
| Non-U.S.: | | |
| Interest-bearing | **17** | 18 |
| Non-interest-bearing (includes Card Member credit balances of: 2022, $489; 2021, $503) | **493** | 507 |
| Total customer deposits | **$ 90,917** | $ 84,382 |

Customer deposits by deposit type as of March 31, 2022 and December 31, 2021 were as follows:

| *(Millions)* | **2022** | 2021 |
|---|---|---|
| Savings and transaction accounts | **$ 71,512** | $ 66,142 |
| Certificates of deposit: | | |
| Direct | **1,229** | 1,415 |
| Third-party (brokered) | **4,018** | 3,095 |
| Sweep accounts – Third-party (brokered) | **13,146** | 12,658 |
| Other deposits | **42** | 42 |
| Card Member credit balances | **970** | 1,030 |
| Total customer deposits | **$ 90,917** | $ 84,382 |

The scheduled maturities of certificates of deposit as of March 31, 2022 were as follows:

| *(Millions)* | 2022 | 2023 | 2024 | 2025 | 2026 | After 5 Years | Total |
|---|---|---|---|---|---|---|---|
| Certificates of deposit | **$ 2,804** | **$ 794** | **$ 991** | **$ 500** | **$ 20** | **$ 138** | **5,247** |

As of March 31, 2022 and December 31, 2021, certificates of deposit in denominations of $250,000 or more, in the aggregate, were as follows:

| *(Millions)* | **2022** | 2021 |
|---|---|---|
| U.S. | **$ 449** | $ 521 |
| Non-U.S. | **1** | 1 |
| Total | **$ 450** | $ 522 |

## 7. Contingencies

In the ordinary course of business, we and our subsidiaries are subject to various pending and potential legal actions, arbitration proceedings, claims, investigations, examinations, regulatory proceedings, information gathering requests, subpoenas, inquiries and matters relating to compliance with laws and regulations (collectively, legal proceedings).

Based on our current knowledge, and taking into consideration our litigation-related liabilities, we do not believe we are a party to, nor are any of our properties the subject of, any legal proceeding that would have a material adverse effect on our consolidated financial condition or liquidity. However, in light of the uncertainties involved in such matters, including the fact that some pending legal proceedings are at preliminary stages or seek an indeterminate amount of damages, it is possible that the outcome of legal proceedings could have a material impact on our results of operations. Certain legal proceedings involving us or our subsidiaries are described below.

On February 25, 2020, we were named as a defendant in a case filed in the Superior Court of California, Los Angeles County, captioned Laurelwood Cleaners LLC v. American Express Co., et al., in which the plaintiff seeks a public injunction in California prohibiting American Express from enforcing its anti-steering and non-discrimination provisions and from requiring merchants "to offer the service of Amex-card acceptance for free." The case has been stayed pending the outcome of arbitration proceedings.

On January 29, 2019, we were named in a putative class action brought in the United States District Court for the Eastern District of New York, captioned Anthony Oliver, et al. v. American Express Company and American Express Travel Related Services Company Inc., in which the plaintiffs are holders of MasterCard, Visa and/or Discover credit cards (but not American Express cards) and allege they paid higher prices as a result of our anti-steering and non-discrimination provisions in violation of federal antitrust law and the antitrust and consumer laws of various states. Plaintiffs seek unspecified damages and other forms of relief. The court dismissed plaintiffs' federal antitrust claim, numerous state antitrust and consumer protection claims and their unjust enrichment claim. The remaining claims in plaintiffs' complaint arise under the antitrust laws of 11 states and the consumer protection laws of six states.

On March 8, 2016, plaintiffs B&R Supermarket, Inc. d/b/a Milam's Market and Grove Liquors LLC, on behalf of themselves and others, filed a suit, captioned B&R Supermarket, Inc. d/b/a Milam's Market, et al. v. Visa Inc., et al., for violations of the Sherman Antitrust Act, the Clayton Antitrust Act, California's Cartwright Act and unjust enrichment in the United States District Court for the Northern District of California, against American Express Company, other credit and charge card networks, other issuing banks and EMVCo, LLC. Plaintiffs allege that the defendants, through EMVCo, conspired to shift liability for fraudulent, faulty and otherwise rejected consumer credit card transactions from themselves to merchants after the implementation of EMV chip payment terminals. Plaintiffs seek damages and injunctive relief. An amended complaint was filed on July 15, 2016. On September 30, 2016, the court denied our motion to dismiss as to claims brought by merchants who do not accept American Express cards, and on May 4, 2017, the California court transferred the case to the United States District Court for the Eastern District of New York. On August 28, 2020, the court granted plaintiffs' motion for class certification.

In July 2004, we were named as a defendant in a putative class action filed in the Southern District of New York and subsequently transferred to the Eastern District of New York, captioned The Marcus Corporation v. American Express Co., et al., in which the plaintiffs allege an unlawful antitrust tying arrangement between certain of our charge cards and credit cards in violation of various state and federal laws. The plaintiffs in this action seek injunctive relief and an unspecified amount of damages.

In 2006, Mawarid Investments Limited filed a request for confidential arbitration under the 1998 London Court of International Arbitration Rules in connection with certain claims arising under a shareholders agreement between Mawarid and American Express Travel Related Services Company, Inc. relating to a joint venture between the parties, Amex (Middle East) BSC(c) (AEME). In 2008, the tribunal rendered a partial award, including a direction that an audit should take place to verify whether acquirer discount revenue related to transactions occurring with airlines located in the Middle East region had been properly allocated to AEME since its inception in 1992. In September 2021, the tribunal rendered a further partial award regarding the location of transactions through non-physical channels. The consequences of the tribunal's 2008 and 2021 partial awards on the allocation of airline acquirer revenues will be determined in the remaining phase of the arbitration.

**AMERICAN EXPRESS COMPANY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(Unaudited)**

We are being challenged in a number of countries regarding our application of value-added taxes (VAT) to certain of our international transactions, which are in various stages of audit, or are being contested in legal actions. While we believe we have complied with all applicable tax laws, rules and regulations in the relevant jurisdictions, the tax authorities may determine that we owe additional VAT. In certain jurisdictions where we are contesting the assessments, we were required to pay the VAT assessments prior to contesting.

Our legal proceedings range from cases brought by a single plaintiff to class actions with millions of putative class members to governmental proceedings. These legal proceedings involve various lines of business and a variety of claims (including, but not limited to, common law tort, contract, application of tax laws, antitrust and consumer protection claims), some of which present novel factual allegations and/or unique legal theories. While some matters pending against us specify the damages sought, many seek an unspecified amount of damages or are at very early stages of the legal process. Even when the amount of damages claimed against us are stated, the claimed amount may be exaggerated and/or unsupported. As a result, some matters have not yet progressed sufficiently through discovery and/or development of important factual information and legal issues to enable us to estimate an amount of loss or a range of possible loss, while other matters have progressed sufficiently such that we are able to estimate an amount of loss or a range of possible loss.

We have accrued for certain of our outstanding legal proceedings. An accrual is recorded when it is both (a) probable that a loss has occurred and (b) the amount of loss can be reasonably estimated. There may be instances in which an exposure to loss exceeds the accrual. We evaluate, on a quarterly basis, developments in legal proceedings that could cause an increase or decrease in the amount of the accrual that has been previously recorded, or a revision to the disclosed estimated range of possible losses, as applicable.

For those disclosed legal proceedings where a loss is reasonably possible in future periods, whether in excess of a recorded accrual for legal or tax contingencies, or where there is no such accrual, and for which we are able to estimate a range of possible loss, the current estimated range is zero to $170 million in excess of any accruals related to those matters. This range represents management’s estimate based on currently available information and does not represent our maximum loss exposure; actual results may vary significantly. As such legal proceedings evolve, we may need to increase our range of possible loss or recorded accruals. In addition, it is possible that significantly increased merchant steering or other actions impairing the Card Member experience as a result of an adverse resolution in one or any combination of the disclosed merchant cases could have a material adverse effect on our business and results of operations.

# 8. Derivatives and Hedging Activities

We use derivative financial instruments to manage exposures to various market risks. These instruments derive their value from an underlying variable or multiple variables, including interest rates and foreign exchange rates, and are carried at fair value on the Consolidated Balance Sheets. These instruments enable end users to increase, reduce or alter exposure to various market risks and, for that reason, are an integral component of our market risk management. We do not transact in derivatives for trading purposes.

A majority of our derivative assets and liabilities as of March 31, 2022 and December 31, 2021 are subject to master netting agreements with our derivative counterparties. Accordingly, where appropriate, we have elected to present derivative assets and liabilities with the same counterparty on a net basis in the Consolidated Balance Sheets.

In relation to our credit risk, certain of our bilateral derivative agreements include provisions that allow our counterparties to terminate the agreement in the event of a downgrade of our debt credit rating below investment grade and settle the outstanding net liability position. As of March 31, 2022, these derivatives were not in a material net liability position. Based on our assessment of the credit risk of our derivative counterparties and our own credit risk as of March 31, 2022 and December 31, 2021, no credit risk adjustment to the derivative portfolio was required.

The following table summarizes the total fair value, excluding interest accruals, of derivative assets and liabilities as of March 31, 2022 and December 31, 2021:

| | Other Assets Fair Value | | Other Liabilities Fair Value | |
|---|---|---|---|---|
| *(Millions)* | **2022** | 2021 | **2022** | 2021 |
| Derivatives designated as hedging instruments: | | | | |
| Fair value hedges - Interest rate contracts [a] | **$ 34** | $ 204 | **$ 55** | $ — |
| Net investment hedges - Foreign exchange contracts | **165** | 219 | **182** | 54 |
| Total derivatives designated as hedging instruments | **199** | 423 | **237** | 54 |
| Derivatives not designated as hedging instruments: | | | | |
| Foreign exchange contracts | **224** | 167 | **104** | 85 |
| Total derivatives, gross | **423** | 590 | **341** | 139 |
| Derivative asset and derivative liability netting [b] | **(173)** | (93) | **(173)** | (93) |
| Cash collateral netting [c] | **(12)** | (204) | **(30)** | (4) |
| Total derivatives, net | **$ 238** | $ 293 | **$ 138** | $ 42 |

(a) For our centrally cleared derivatives, variation margin payments are legally characterized as settlement payments as opposed to collateral.

(b) Represents the amount of netting of derivative assets and derivative liabilities executed with the same counterparty under an enforceable master netting arrangement.

(c) Represents the offsetting of the fair value of bilateral interest rate contracts and certain foreign exchange contracts with the right to cash collateral held from the counterparty or cash collateral posted with the counterparty.

We posted $13 million and $11 million as of March 31, 2022 and December 31, 2021, respectively, as initial margin on our centrally cleared interest rate swaps; such amounts are recorded within Other assets on the Consolidated Balance Sheets and are not netted against the derivative balances.

**AMERICAN EXPRESS COMPANY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(Unaudited)**

**Fair Value Hedges**

We are exposed to interest rate risk associated with our fixed-rate debt obligations. At the time of issuance, certain fixed-rate long-term debt obligations are designated in fair value hedging relationships, using interest rate swaps, to economically convert the fixed interest rate to a floating interest rate. We had $11.1 billion and $12.9 billion of fixed-rate debt obligations designated in fair value hedging relationships as of March 31, 2022 and December 31, 2021, respectively.

The following table presents the gains and losses recognized in Interest expense on the Consolidated Statements of Income associated with the fair value hedges of our fixed-rate long-term debt for the three months ended March 31:

| | Gains (losses) | |
|---|---|---|
| | Three Months Ended March 31, | |
| *(Millions)* | **2022** | 2021 |
| Fixed-rate long-term debt | **$ 258** | $ 143 |
| Derivatives designated as hedging instruments | **(261)** | (145) |
| Total | **$ (3)** | $ (2) |

The carrying values of the hedged liabilities, recorded within Long-term debt on the Consolidated Balance Sheets, were $11.1 billion and $13.1 billion as of March 31, 2022 and December 31, 2021, respectively, including the cumulative amount of fair value hedging adjustments of $(21) million and $237 million for the respective periods.

We recognized in Interest expense on Long-term debt net decreases of $57 million and $73 million for the three months ended March 31, 2022 and 2021, respectively, primarily related to the net settlements including interest accruals on our interest rate derivatives designated as fair value hedges.

**Net Investment Hedges**

We primarily designate foreign currency derivatives as net investment hedges to reduce our exposure to changes in currency exchange rates on our investments in non-U.S. subsidiaries. We had notional amounts of approximately $12.2 billion and $12.6 billion of foreign currency derivatives designated as net investment hedges as of March 31, 2022 and December 31, 2021, respectively. The gain or loss on net investment hedges, net of taxes, recorded in Accumulated other comprehensive income (loss) (AOCI) as part of the cumulative translation adjustment, were losses of $85 million and gains of $6 million for the three months ended March 31, 2022 and 2021, respectively. Net investment hedge reclassifications out of AOCI into the Consolidated Statements of Income were not significant for both the three months ended March 31, 2022 and 2021.

**Derivatives Not Designated as Hedges**

The changes in the fair value of derivatives that are not designated as hedges are intended to offset the related foreign exchange gains or losses of the underlying foreign currency exposures. We had notional amounts of approximately $15.6 billion and $19.0 billion as of March 31, 2022 and December 31, 2021, respectively. The changes in the fair value of the derivatives and the related underlying foreign currency exposures resulted in net losses of $12 million and $5 million for the three months ended March 31, 2022 and 2021, respectively, that are recognized in Other, net expenses in the Consolidated Statements of Income.

**AMERICAN EXPRESS COMPANY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(Unaudited)**

# 9. Fair Values

## Financial Assets and Financial Liabilities Carried at Fair Value

The following table summarizes our financial assets and financial liabilities measured at fair value on a recurring basis, categorized by GAAP's fair value hierarchy, as of March 31, 2022 and December 31, 2021:

| | 2022 | | | | 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| *(Millions)* | Total | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 |
| **Assets:** | | | | | | | | |
| Investment securities: [a] | | | | | | | | |
| Equity securities | **$ 55** | **$ 54** | **$ 1** | **$ —** | $ 79 | $ 78 | $ 1 | $ — |
| Debt securities | **4,003** | **—** | **3,971** | **32** | 2,512 | — | 2,480 | 32 |
| Derivatives, gross [a] | **423** | **—** | **423** | **—** | 590 | — | 590 | — |
| Total Assets | **4,481** | **54** | **4,395** | **32** | 3,181 | 78 | 3,071 | 32 |
| **Liabilities:** | | | | | | | | |
| Derivatives, gross [a] | **341** | **—** | **341** | **—** | 139 | — | 139 | — |
| Total Liabilities | **$ 341** | **$ —** | **$ 341** | **$ —** | $ 139 | $ — | $ 139 | $ — |

(a) Refer to Note 4 for the fair values of investment securities and to Note 8 for the fair values of derivative assets and liabilities on a further disaggregated basis.

**AMERICAN EXPRESS COMPANY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(Unaudited)**

## Financial Assets and Financial Liabilities Carried at Other Than Fair Value

The following table summarizes the estimated fair values of our financial assets and financial liabilities that are measured at amortized cost, and not required to be carried at fair value on a recurring basis, as of March 31, 2022 and December 31, 2021. The fair values of these financial instruments are estimates based upon the market conditions and perceived risks as of March 31, 2022 and December 31, 2021, and require management's judgment. These figures may not be indicative of future fair values, nor can the fair value of American Express be estimated by aggregating the amounts presented.

| *2022 (Billions)* | Carrying Value | Corresponding Fair Value Amount | | | |
|---|---|---|---|---|---|
| | | Total | Level 1 | Level 2 | Level 3 |
| **Financial Assets:** | | | | | |
| Financial assets for which carrying values equal or approximate fair value | | | | | |
| Cash and cash equivalents [a] | **$ 28** | **$ 28** | **$ 25** | **$ 3** | **$ —** |
| Other financial assets [b] | **56** | **56** | | **56** | **—** |
| Financial assets carried at other than fair value | | | | | |
| Card Member and Other loans, less reserves [c] | **89** | **92** | **—** | **—** | **92** |
| | | | | | |
| **Financial Liabilities:** | | | | | |
| Financial liabilities for which carrying values equal or approximate fair value | **110** | **110** | **—** | **110** | **—** |
| Financial liabilities carried at other than fair value | | | | | |
| Certificates of deposit [d] | **5** | **5** | **—** | **5** | **—** |
| Long-term debt [c] | **$ 38** | **$ 39** | **$ —** | **$ 39** | **$ —** |

| *2021 (Billions)* | Carrying Value | Corresponding Fair Value Amount | | | |
|---|---|---|---|---|---|
| | | Total | Level 1 | Level 2 | Level 3 |
| **Financial Assets:** | | | | | |
| Financial assets for which carrying values equal or approximate fair value | | | | | |
| Cash and cash equivalents [a] | $ 22 | $ 22 | $ 20 | $ 2 | $ — |
| Other financial assets [b] | 56 | 56 | — | 56 | — |
| Financial assets carried at other than fair value | | | | | |
| Card Member and Other loans, less reserves [c] | 88 | 91 | — | — | 91 |
| | | | | | |
| **Financial Liabilities:** | | | | | |
| Financial liabilities for which carrying values equal or approximate fair value | 105 | 105 | — | 105 | — |
| Financial liabilities carried at other than fair value | | | | | |
| Certificates of deposit [d] | 5 | 5 | — | 5 | — |
| Long-term debt [c] | $ 39 | $ 40 | $ — | $ 40 | $ — |

(a) Level 2 fair value amounts reflect time deposits and short-term investments.

(b) Balances include Card Member receivables (including fair values of Card Member receivables of $5.6 billion and $5.2 billion held by a consolidated VIE as of March 31, 2022 and December 31, 2021, respectively), other receivables and other miscellaneous assets.

(c) Balances include amounts held by a consolidated VIE for which the fair values of Card Member loans were $26.1 billion and $26.7 billion as of March 31, 2022 and December 31, 2021, respectively, and the fair values of Long-term debt were $11.7 billion and $13.9 billion as of March 31, 2022 and December 31, 2021, respectively.

(d) Presented as a component of Customer deposits on the Consolidated Balance Sheets.

**Nonrecurring Fair Value Measurements**

We have certain assets that are subject to measurement at fair value on a nonrecurring basis. For these assets, measurement at fair value in periods subsequent to their initial recognition is applicable if they are determined to be impaired or where there are observable price changes for equity investments without readily determinable fair values. During the three months ended March 31, 2022 and the year ended December 31, 2021, we did not have any material assets that were measured at fair value due to impairment.

We estimate the Level 3 fair value of equity investments without readily determinable fair values based on price changes as of the date of new similar equity financing transactions completed by the companies in our portfolio. The carrying value of equity investments without readily determinable fair values totaled $1.3 billion as of both March 31, 2022 and December 31, 2021. These amounts are included within Other assets on the Consolidated Balance Sheets. We recorded unrealized gains of $12 million and $378 million for the three months ended March 31, 2022 and 2021, respectively. Unrealized losses including any impairments were $18 million and $1 million for the three months ended March 31, 2022 and 2021, respectively. Since the adoption of new accounting guidance on the recognition and measurement of financial assets and financial liabilities on January 1, 2018, cumulative unrealized gains for equity investments without readily determinable fair values totaled $1.1 billion as of both March 31, 2022 and December 31, 2021, and cumulative unrealized losses including any impairments were $29 million and $10 million as of March 31, 2022 and December 31, 2021, respectively.

In addition, we also have certain equity investments measured at fair value using the net asset value practical expedient. Such investments were immaterial as of both March 31, 2022 and December 31, 2021.

## 10. Guarantees

The maximum potential undiscounted future payments and related liability resulting from guarantees and indemnifications provided by us in the ordinary course of business were $1 billion and $30 million, respectively, as of March 31, 2022, and $1 billion and $24 million, respectively, as of December 31, 2021, all of which were primarily related to our real estate and business dispositions.

To date, we have not experienced any significant losses related to guarantees or indemnifications. Our recognition of these instruments is at fair value. In addition, we establish reserves when a loss is probable and the amount can be reasonably estimated.

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

## 11. Changes In Accumulated Other Comprehensive Income (Loss)

AOCI is comprised of items that have not been recognized in earnings but may be recognized in earnings in the future when certain events occur. Changes in each component for the three months ended March 31, 2022 and 2021 were as follows:

| Three Months Ended March 31, 2022 (Millions), net of tax | Net Unrealized Gains (Losses) on Debt Securities | Foreign Currency Translation Adjustment Gains (Losses), net of hedges [a] | Net Unrealized Pension and Other Postretirement Benefit Gains (Losses) | Accumulated Other Comprehensive Income (Loss) |
|---|---|---|---|---|
| **Balances as of December 31, 2021** | $ 23 | $ (2,392) | $ (576) | $ (2,945) |
| Net change | **(28)** | **(20)** | **20** | **(28)** |
| **Balances as of March 31, 2022** | **$ (5)** | **$ (2,412)** | **$ (556)** | **$ (2,973)** |

| Three Months Ended March 31, 2021 (Millions), net of tax | Net Unrealized Gains (Losses) on Debt Securities | Foreign Currency Translation Adjustment Gains (Losses),net of hedges [a] | Net Unrealized Pension and Other Postretirement Benefit Gains (Losses) | Accumulated Other Comprehensive Income (Loss) |
|---|---|---|---|---|
| **Balances as of December 31, 2020** | $ 65 | $ (2,229) | $ (731) | $ (2,895) |
| Net change | (12) | (17) | 26 | (3) |
| **Balances as of March 31, 2021** | $ 53 | $ (2,246) | $ (705) | $ (2,898) |

(a) Refer to Note 8 for additional information on hedging activity.

The following table shows the tax impact for the three months ended March 31 for the changes in each component of AOCI presented above:

| | Tax expense (benefit) | |
|---|---|---|
| | Three Months Ended March 31, | |
| *(Millions)* | **2022** | 2021 |
| Net unrealized (losses) gains on debt securities | **$ (9)** | $ (3) |
| Foreign currency translation adjustment, net of hedges | **(30)** | 8 |
| Pension and other postretirement benefits | **7** | 11 |
| Total tax impact | **$ (32)** | $ 16 |

Reclassifications out of AOCI into the Consolidated Statements of Income for the three months ended March 31, 2022 and 2021 were not significant.

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

## 12. Service Fees and Other Revenue and Other Expenses

The following is a detail of Service fees and other revenue for the three months ended March 31:

| | Three Months Ended March 31, | |
|---|---|---|
| *(Millions)* | **2022** | 2021 |
| Service fees | **$ 349** | $ 340 |
| Foreign currency-related revenue | **225** | 114 |
| Delinquency fees | **179** | 148 |
| Travel commissions and fees | **88** | 33 |
| Other fees and revenues | **65** | 3 |
| Total Service fees and other revenue | **$ 906** | $ 638 |

The following is a detail of Other expenses for the three months ended March 31:

| | Three Months Ended March 31, | |
|---|---|---|
| *(Millions)* | **2022** | 2021 |
| Data processing and equipment | **$ 600** | $ 582 |
| Professional services | **472** | 403 |
| Net unrealized and realized losses (gains) on Amex Ventures equity investments | **11** | (384) |
| Other [(a)] | **315** | 269 |
| Total Other expenses | **$ 1,398** | $ 870 |

(a) Other primarily includes general operating expenses, non-income taxes, communication expenses, Card Member and merchant-related fraud losses and foreign currency-related gains and losses.

## 13. Income Taxes

The effective tax rate was 22.6 percent and 25.3 percent for the three months ended March 31, 2022 and 2021, respectively. The decrease primarily reflected discrete tax benefits in the current period related to the resolution of certain prior years' tax items and stock-based compensation. The prior period effective tax rate also reflected the prospective implementation of the Proportional Amortization Method to account for investments in qualified affordable housing projects.

We are under continuous examination by the Internal Revenue Service (IRS) and tax authorities in other countries and states in which we have significant business operations. The tax years under examination and open for examination vary by jurisdiction. We are currently under examination by the IRS for the 2017 and 2018 tax years.

We believe it is reasonably possible that our unrecognized tax benefits could decrease within the next twelve months by as much as $168 million, principally as a result of potential resolutions of prior years' tax items with various taxing authorities. The prior years' tax items include unrecognized tax benefits relating to the deductibility of certain expenses or losses and the attribution of taxable income to a particular jurisdiction or jurisdictions. Of the $168 million of unrecognized tax benefits, approximately $132 million relates to amounts that, if recognized, would impact the effective tax rate in a future period.

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

# 14. Earnings Per Common Share (EPS)

The computations of basic and diluted EPS for the three months ended March 31 were as follows:

| | Three Months Ended March 31, | |
|---|---|---|
| *(Millions, except per share amounts)* | **2022** | 2021 |
| **Numerator:** | | |
| Basic and diluted: | | |
| Net income | **$ 2,099** | $ 2,235 |
| Preferred dividends | **(14)** | (14) |
| Net income available to common shareholders | **$ 2,085** | $ 2,221 |
| Earnings allocated to participating share awards [a] | **(16)** | (15) |
| Net income attributable to common shareholders | **$ 2,069** | $ 2,206 |
| **Denominator:**[a] | | |
| Basic: Weighted-average common stock | **757** | 804 |
| Add: Weighted-average stock options [b] | **1** | 1 |
| Diluted | **758** | 805 |
| | | |
| Basic EPS | **$ 2.73** | $ 2.74 |
| Diluted EPS | **$ 2.73** | $ 2.74 |

(a) Our unvested restricted stock awards, which include the right to receive non-forfeitable dividends or dividend equivalents, are considered participating securities. Calculations of EPS under the two-class method exclude from the numerator any dividends paid or owed on participating securities and any undistributed earnings considered to be attributable to participating securities. The related participating securities are similarly excluded from the denominator.

(b) The dilutive effect of unexercised stock options excludes from the computation of EPS 0.1 million and 0.3 million of options for the three months ended March 31, 2022 and 2021, respectively, because inclusion of the options would have been anti-dilutive.

**AMERICAN EXPRESS COMPANY**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(Unaudited)**

## 15. Reportable Operating Segments

Effective for the first quarter of 2022, we updated the methodology used to allocate certain revenues across reportable operating segments. Prior period amounts have been recast to conform with current period presentation.

The following table presents certain selected financial information for our reportable operating segments and Corporate & Other as of or for the three months ended March 31:

| *Three Months Ended March 31, 2022 (Millions, except where indicated)* | GCSG | GCS | GMNS | Corporate & Other [a] | Consolidated |
|---|---|---|---|---|---|
| Total non-interest revenues | **$ 5,049** | **$ 3,180** | **$ 1,356** | **$ (49)** | **$ 9,536** |
| Revenue from contracts with customers [b] | **3,619** | **2,759** | **1,258** | **4** | **7,640** |
| Interest income | **2,040** | **436** | **2** | **42** | **2,520** |
| Interest expense | **192** | **122** | **(44)** | **51** | **321** |
| Total revenues net of interest expense | **6,897** | **3,494** | **1,402** | **(58)** | **11,735** |
| Pretax segment income (loss) | **$ 1,735** | **$ 804** | **$ 687** | **$ (514)** | **$ 2,712** |
| Total assets *(billions)* | **$ 101** | **$ 56** | **$ 16** | **$ 23** | **$ 196** |

| *Three Months Ended March 31, 2021 (Millions, except where indicated)* | GCSG | GCS | GMNS | Corporate & Other [a] | Consolidated |
|---|---|---|---|---|---|
| Total non-interest revenues | $ 3,809 | $ 2,442 | $ 1,061 | $ (78) | $ 7,234 |
| Revenue from contracts with customers [b] | 2,604 | 2,062 | 994 | (6) | 5,654 |
| Interest income | 1,808 | 336 | 4 | 44 | 2,192 |
| Interest expense | 188 | 116 | (17) | 75 | 362 |
| Total revenues net of interest expense | 5,429 | 2,662 | 1,082 | (109) | 9,064 |
| Pretax segment income (loss) | $ 2,145 | $ 675 | $ 385 | $ (212) | $ 2,993 |
| Total assets *(billions)* | $ 82 | $ 42 | $ 14 | $ 55 | $ 193 |

(a) Corporate & Other includes adjustments and eliminations for intersegment activity.

(b) Includes discount revenue, certain service fees and other revenue and processed revenue from customers.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk to earnings or asset and liability values resulting from movements in market prices. Our market risk exposures include (i) interest rate risk due to changes in the relationship between the interest rates on our assets (such as loans, receivables and investment securities) and the interest rates on our liabilities (such as debt and deposits); and (ii) foreign exchange risk related to transactions, funding, investments and earnings in currencies other than the U.S. dollar. Since December 31, 2021, there have been no material changes in market risk exposures associated with interest rate risk due to rising interest rates or with foreign exchange risk described above. A hypothetical immediate 100 basis point decrease in market interest rates, which are assumed to remain at or above zero percent, would not have a detrimental impact on our annual net interest income.

## ITEM 4. CONTROLS AND PROCEDURES

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of the end of the period covered by this report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, our disclosure controls and procedures are effective and designed to ensure that the information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the requisite time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

# PART II. OTHER INFORMATION

## ITEM 1. LEGAL PROCEEDINGS

For information that updates the disclosures set forth under Part I, Item 3. “Legal Proceedings” in our 2021 Form 10-K, refer to Note 7 to the “Consolidated Financial Statements” in this Form 10-Q.

## ITEM 1A. RISK FACTORS

This section supplements and updates certain of the information found under Part I, Item 1A. “Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2021 (the 2021 Form 10-K) based on information currently known to us and recent developments since the date of the 2021 Form 10-K filing. The matters discussed below should be read in conjunction with the risk factors set forth in the 2021 Form 10-K. The risks and uncertainties that we face are not limited to those described below and those set forth in the 2021 Form 10-K. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business and the trading price of our securities, particularly in light of the fast-changing nature of the COVID-19 pandemic, containment measures, continued outbreaks and new variants, and the related impacts to economic and operating conditions.

***Our business is subject to the effects of geopolitical conditions, weather, natural disasters and other catastrophic events.***

As discussed in more detail in the 2021 Form 10-K, geopolitical conditions, terrorist attacks, natural disasters, severe weather, widespread health emergencies or pandemics, information or cyber security incidents (including intrusion into or degradation of systems or technology by cyberattacks) and other catastrophic events can have a material adverse effect on our business. Political and social conditions, fiscal and monetary policies, trade wars and tariffs, labor shortages, prolonged or recurring government shutdowns, regional or domestic hostilities, economic sanctions and the prospect or occurrence of more widespread conflicts could also negatively affect our business, operations and partners, consumer and business spending, including travel patterns and business investment, and demand for credit.

Following the Russian invasion of Ukraine, we announced that we suspended all business operations in Russia and Belarus. The U.S., the U.K., the EU and other countries have each imposed export controls on certain products and financial and economic sanctions on certain industry sectors and parties in and associated with Russia, and additional sanction packages to constrain Russia have been and continue to be proposed and adopted. The conflict in Ukraine has led to economic uncertainty and market disruptions, including significant volatility in commodity and energy prices and credit and capital markets. The broader consequences of this conflict are difficult to predict at this time, but may include further sanctions, regional instability and geopolitical shifts, increased prevalence and sophistication of cyberattacks against us, our customers, service providers and other third parties, potential retaliatory action by customers or the Russian government against companies such as us, heightened regulatory scrutiny related to sanctions compliance, increased inflation, further increases or fluctuations in commodity and energy prices, decreases in global travel, further disruptions to the global supply chain and the availability of certain natural resources and other adverse effects on macroeconomic conditions.

The duration of the conflict in Ukraine and the extent to which it may intensify or expand beyond Ukraine are currently unknown, and such events could exacerbate or heighten many of the other risk factors described in Part I, Item 1A. “Risk Factors” of the 2021 Form 10-K and have a material adverse effect on our business, financial condition and results of operations.

# ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

## (c) ISSUER PURCHASES OF SECURITIES

The table below sets forth the information with respect to purchases of our common stock made by or on behalf of us during the three months ended March 31, 2022.

| | Total Number of Shares Purchased | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [c] | Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs |
|---|---|---|---|---|
| January 1-31, 2022 | | | | |
| Repurchase program[a] | 3,191,300 | $167.51 | 3,191,300 | 53,042,565 |
| Employee transactions[b] | — | — | N/A | N/A |
| | | | | |
| February 1-28, 2022 | | | | |
| Repurchase program[a] | 2,420,658 | $193.31 | 2,420,658 | 50,621,907 |
| Employee transactions[b] | 718,621 | $175.53 | N/A | N/A |
| | | | | |
| March 1-31, 2022 | | | | |
| Repurchase program[a] | 2,594,969 | $184.97 | 2,594,969 | 48,026,938 |
| Employee transactions[b] | 67 | $177.06 | N/A | N/A |
| | | | | |
| Total | | | | |
| Repurchase program[a] | 8,206,927 | $180.64 | 8,206,927 | 48,026,938 |
| Employee transactions[b] | 718,688 | $175.53 | N/A | N/A |

(a) On September 23, 2019, the Board of Directors authorized the repurchase of up to 120 million common shares from time to time, subject to market conditions and in accordance with our capital plans. This authorization replaced the prior repurchase authorization and does not have an expiration date. See "MD&A – Consolidated Capital Resources and Liquidity" for additional information regarding share repurchases.

(b) Includes: (i) shares surrendered by holders of employee stock options who exercised options (granted under our incentive compensation plans) in satisfaction of the exercise price and/or tax withholding obligation of such holders and (ii) restricted shares withheld (under the terms of grants under our incentive compensation plans) to offset tax withholding obligations that occur upon vesting and release of restricted shares. Our incentive compensation plans provide that the value of the shares delivered or attested to, or withheld, be based on the price of our common stock on the date the relevant transaction occurs.

(c) Share purchases under publicly announced programs are made pursuant to open market purchases, 10b5-1 plans, privately negotiated transactions (including employee benefit plans) or other purchases, including block trades, accelerated share repurchase programs or any combination of such methods as market conditions warrant and at prices we deem appropriate.

# ITEM 5. OTHER INFORMATION

On April 20, 2022, we filed a Certificate of Amendment to our Amended and Restated Certificate of Incorporation (the "Certificate of Amendment") with the Secretary of State of the State of New York, which, upon filing, had the effect of eliminating from our Amended and Restated Certificate of Incorporation all matters set forth therein with respect to shares of our Fixed Rate Cumulative Perpetual Preferred Stock, Series A, 5.200% Fixed Rate / Floating Rate Noncumulative Preferred Shares, Series B, and 4.900% Fixed Rate / Floating Rate Noncumulative Preferred Shares, Series C, as no shares of any such series are currently outstanding. A copy of the Certificate of Amendment is attached as Exhibit 3.2 to this Quarterly Report on Form 10-Q and is incorporated by reference herein.

# ITEM 6. EXHIBITS

The following exhibits are filed as part of this Quarterly Report:

| Exhibit | Description |
|---|---|
| 3.1 | Conformed copy of Amended and Restated Certificate of Incorporation of American Express Company, as amended through April 20, 2022. |
| 3.2 | Certificate of Amendment to the Certificate of Incorporation of American Express Company, dated April 20, 2022 |
| 31.1 | Certification of Stephen J. Squeri pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended. |
| 31.2 | Certification of Jeffrey C. Campbell pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended. |
| 32.1 | Certification of Stephen J. Squeri pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | Certification of Jeffrey C. Campbell pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101.INS | XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document. |
| 101.SCH | XBRL Taxonomy Extension Schema Document |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document |
| 104 | Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101) |

# SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AMERICAN EXPRESS COMPANY
(Registrant)

Date: April 22, 2022

By /s/ Jeffrey C. Campbell
Jeffrey C. Campbell
Vice Chairman and Chief Financial Officer

Date: April 22, 2022

By /s/ Jessica Lieberman Quinn
Jessica Lieberman Quinn
Executive Vice President and
Corporate Controller
(Principal Accounting Officer)

**EXHIBIT 3.1**

**CONFORMED COPY TO REFLECT AMENDMENTS MADE THROUGH APRIL 20, 2022**

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

AMERICAN EXPRESS COMPANY

UNDER SECTION 807 OF THE BUSINESS CORPORATION LAW

* * * * *

SECTION 1. NAME

The name of the corporation is "AMERICAN EXPRESS COMPANY."

SECTION 2. PURPOSES

The purposes for which the corporation is formed are:

1. To continue to conduct and carry on the business heretofore conducted and carried on by American Express Company.

2. To engage in any lawful act or activity for which corporations may be organized under New York Business Corporation Law, and in furtherance of the foregoing purposes to exercise all powers now or hereafter granted or permitted by law, including, without limitation, the powers specified in the New York Business Corporation Law.

Notwithstanding the foregoing, the corporation will not engage in any acts or activities requiring the consent or approval of any state official, department, board, agency or other body without such consent or approval first being obtained.

SECTION 3. OFFICE

The office of the corporation within the State of New York is to be located in the City and County of New York.

SECTION 4. AUTHORIZED SHARES

1. The aggregate number of shares of all classes which the corporation shall have the authority to issue is 3,620,000,000 shares, consisting of 20,000,000 preferred shares of the par value of $1.66 2/3 each and 3,600,000,000 common shares of the par value of $.20 each.

2. No holder of common shares or of preferred shares of any series shall have any preemptive or preferential right to purchase or subscribe to any shares of any class or series of the corporation, whether now or hereafter authorized, or to any obligations or other securities convertible into or exchangeable for shares of the corporation or carrying options or rights to purchase shares of any class or series whatsoever, nor any right of subscription to any thereof, other than such, if any, as the Board of Directors in its discretion may, from time to time, determine or as may be specified in any certificate of amendment of this certificate of incorporation, and at such price or prices and at such rate or rates as the Board of Directors may from time to time fix pursuant to the authority conferred by the provisions of this Section 4; and any shares or obligations or other securities which the Board of Directors may determine to offer for subscription to the holders of shares may, as the Board shall determine, be offered exclusively either to the holders of preferred shares or any one or more series thereof or to the holders of common shares, or partly to the holders of preferred shares or any one or more series thereof and partly to the holders of common shares, and in such case in such proportions as between such classes and series as the Board of Directors in its discretion may determine.

3. Subject to the foregoing, the designations and the relative rights, preferences and limitations of the shares of each class, and the authority hereby vested in the Board of Directors of the corporation to establish and to fix the numbers, designations and relative rights, preferences and limitations of series of preferred shares, are as follows:

a. The preferred shares may be issued from time to time by the Board of Directors in one or more series and, subject only to the provisions of this Section 4 and the limitations prescribed by law, the Board of Directors is expressly authorized, prior to issuance, in the resolution or resolutions providing for the issue of, or providing for a change in the number of, shares of any particular series, and by filing a certificate of amendment pursuant to the Business Corporation Law of the State of New York, to establish or change the number of shares to be included in each such series and to fix the designation and relative rights, preferences and limitations of the shares of each such series. The authority of the Board of Directors with respect to each series shall include, but not be limited to, determination of the following:

(1) the distinctive serial designation of such series and the number of shares constituting such series (provided that the aggregate number of shares constituting all series of preferred shares shall not exceed the aggregate number of preferred shares authorized above);

(2) the times at which and the conditions under which dividends shall be payable on shares of such series, the annual dividend rate thereon, whether dividends shall be cumulative and, if so, from which date or dates, and the status of such dividends as participating or non-participating;

(3) whether the shares of such series shall be redeemable and, if so, the terms and conditions of such redemption, including the date or dates upon and after which such shares shall be redeemable, and the amount per share payable in case of redemption, which amount may vary under different conditions and at different redemption dates;

(4) the obligation, if any, of the corporation to retire shares of such series pursuant to a sinking fund or redemption or purchase account;

(5) whether the shares of such series shall be convertible into, or exchangeable for, shares of any other class or classes or shares of any series of any class, and, if so, the terms and conditions of such conversion or exchange, including the price or prices or the rate or rates of conversion or exchange and the terms of adjustment thereof, if any;

(6) whether the shares of such series shall have voting rights, in addition to the voting rights otherwise provided in this certificate of incorporation or by law, and, if so, the terms of such voting rights;

(7) the rights of the shares of such series in the event of voluntary or involuntary liquidation, dissolution or winding up of the affairs of the corporation; and

(8) any other relative rights, preferences and limitations of such series.

b. All preferred shares shall be of equal rank with each other regardless of series. In case the stated dividends and the amounts payable on liquidation are not paid in full, the preferred shares of all series shall share ratably in the payment of dividends including accumulations, if any, in accordance with the sums which would be payable on such shares if all dividends were declared and paid in full, and in any distribution of assets other than by the way of dividends in accordance with the sums which would be payable in such distribution if all sums payable were discharged in full.

The preferred shares of any one series shall be identical with each other in all respects except as to the dates from which cumulative dividends, if any, thereon shall be cumulative.

c. Subject to the rights of the preferred shares, dividends may be paid upon the common shares as and when declared by the Board of Directors out of any funds legally available therefor.

d. Upon any liquidation, dissolution or winding up of the affairs of the corporation (which shall not be deemed to include a consolidation or merger of the corporation, or the sale of all or substantially all of the corporation's assets, into, with or to any other corporation or corporations), whether voluntary or involuntary, and after the holders of the preferred shares shall have been paid in full the amounts, if any, to which they respectively shall be entitled or provision for such payment shall have been made, the remaining net assets of the corporation shall be distributed pro rata to the holders of the common shares.

e. So long as any preferred shares of any series are outstanding,

(1) Whenever dividends payable on the preferred shares of any series shall be in arrears in an aggregate amount at least equal to six full quarterly dividends (which need not be consecutive) on such series, the holders of the outstanding preferred shares of all series shall have the special right, voting separately as a single class, to elect two directors of the corporation, at the next succeeding annual meeting of shareholders (and at each succeeding annual meeting of shareholders thereafter until such right shall terminate as hereinafter provided), and, subject to the terms of any outstanding series of preferred shares, the holders of the common shares and the holders of one or more series of preferred shares then entitled to vote shall have the right, voting as a single class, to elect the remaining authorized number of directors.

At each meeting of shareholders at which the holders of the preferred shares of all series shall have the special right, voting separately as a single class, to elect directors as provided in this paragraph e, the presence in person or by proxy of the holders of record of one-third of the total number of the preferred shares of all series then issued and outstanding shall be necessary and sufficient to constitute a quorum of such class for such election by such shareholders.

Each director elected by the holders of the preferred shares of all series shall hold office until the annual meeting of shareholders next succeeding his election and until his successor, if any, is elected by such holders and qualified or until his death, resignation or removal in the manner provided in the by-laws of the corporation; provided, however, that notwithstanding any provision in the by-laws, a director elected by the holders of the preferred shares of all series may be removed only by such holders if such removal is without cause.

In case any vacancy shall occur among the directors elected by the holders of the preferred shares of all series such vacancy may be filled for the unexpired portion of the term by vote of the single remaining director theretofore elected by such shareholders, or his successor in office, or, if such vacancy shall occur more than 90 days prior to the first anniversary of the next preceding annual meeting of shareholders, by the vote of such shareholders given at a special meeting of such shareholders called for the purpose.

Whenever all arrears of dividends on the preferred shares of all series shall have been paid and dividends thereon for the current quarterly period shall have been paid or declared and provided for, the right of the holders of the preferred shares of all series to elect two directors as provided in this paragraph e shall terminate at the next succeeding annual meeting of shareholders, but subject always to the same provisions for the vesting of such special right, voting separately as a single class, to elect two directors in the case of any future arrearages of the kind and amount described in this paragraph e.

(2) The consent of the holders of at least two-thirds of the outstanding preferred shares, given in person or by proxy, at a special or annual meeting of shareholders called for the purpose, at which the holders of the preferred shares of all series shall vote separately as a single class, shall be necessary for effecting the authorization of any class of shares ranking prior to the preferred shares as to dividends or upon liquidation, dissolution or winding up, or an increase in the authorized amount of any class of shares so ranking prior to the preferred shares, or the authorization of any amendment of the certificate of incorporation or the by-laws of the corporation so as to affect adversely the relative rights, preferences or limitations of the preferred shares; provided, however, that, if any such amendment shall affect adversely the relative rights, preferences or limitations of one or more, but not all, of the series of preferred shares then outstanding, the consent of the holders of at least two-thirds of the outstanding preferred shares of the several series so affected shall be required in lieu of the consent of the holders of at least two-thirds of the outstanding preferred shares of all series.

(3) In any case in which the holders of the preferred shares shall be entitled to vote separately as a single class pursuant to the provisions hereof or pursuant to law, each holder of preferred shares of any series shall be entitled to one vote for each such share held.

SECTION 5. AGENT FOR PROCESS

The secretary of state is designated as agent of the corporation upon whom process against it may be served, and the post office address to which the secretary of state shall mail a copy of any process against the corporation served upon him is, American Express Company, 200 Vesey Street, New York, New York 10285. In addition, CT Corporation System, 1633 Broadway, New York, New York 10019 has been designated as the registered agent of the corporation in New York upon whom all process against the corporation may be served.

SECTION 6. SHAREHOLDER VOTE

1. Every holder of common shares of record shall be entitled at every meeting of shareholders to one vote for each common share standing in his name on the record of shareholders. Holders of each series of preferred shares shall be entitled to vote in accordance with the provisions of this certificate relating to such series.

2. At a meeting of shareholders following all requisite approvals under the New York Business Corporation Law, and subject to any rights granted to any holders of the corporation's preferred shares that may be issued from time to time, the affirmative vote of a majority of the votes of all outstanding shares entitled to vote thereon shall be required to take any of the following actions:

a. to adopt a plan of merger or consolidation in accordance with Section 903 of the New York Business Corporation Law or any successor provision thereto.

b. to approve the sale, lease, exchange or other disposition of all or substantially all of the assets of the corporation in accordance with Section 909 of the New York Business Corporation Law or any successor provision thereto.

c. to adopt a plan for the exchange of shares in accordance with Section 913 of the New York Business Corporation Law or any successor provision thereto.

d. to authorize the dissolution of the corporation in accordance with Section 1001 of the New York Business Corporation Law or any successor provision thereto.

3. Except in a contested election, the vote required for the election of a director by the shareholders shall be the affirmative vote of a majority of the votes cast in favor of or against a nominee at a meeting by the holders of shares entitled to vote on such election. In a contested election, directors shall be elected by a plurality of the votes so cast. An election shall be deemed contested if there are more nominees than positions on the Board of Directors to be filled at the meeting of shareholders as of the fourteenth (14th) day prior to the date on which the corporation files its definitive proxy statement with the Securities and Exchange Commission. The corporation's subsequent amendment or supplement of the definitive proxy statement shall not affect the status of the election.

SECTION 7. AMENDMENTS

The corporation reserves the right to amend, alter, change or repeal any provision herein contained in the manner now or hereafter prescribed by applicable law, and all rights conferred hereunder upon shareholders of the corporation are granted subject to this reservation.

SECTION 8. LIABILITY OF DIRECTORS

No director shall be personally liable to the corporation or any shareholder for damages for any breach of duty as a director, except for (a) the liability of any director if a judgment or other final adjudication adverse to him establishes that (i) his acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law or (ii) he personally gained in fact a financial profit or other advantage to which he was not legally entitled or (iii) his acts violated Section 719 of the New York Business Corporation Law, or (b) the liability of any director for any act or omission prior to the adoption of this Section 8. Any repeal or modification of this Section 8 by the shareholders of the corporation shall not, unless otherwise required by law, adversely affect any right or protection of a director existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification. If the New York Business Corporation Law is amended after approval by the shareholders of this Section 8 to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the New York Business Corporation Law, as amended from time to time.

SECTION 9. DESIGNATION OF 3.550% FIXED RATE RESET NONCUMULATIVE PREFERRED SHARES, SERIES D

1. Designation and Number of Shares.

(a) There is hereby created out of the authorized and unissued preferred shares of the Corporation a series of preferred shares designated as the "3.550% Fixed Rate Reset Noncumulative Preferred Shares, Series D" (the "Series D Preferred Shares").

(b) The number of authorized Series D Preferred Shares shall be 1,600. That number from time to time may be increased (but not in excess of the total number of authorized preferred shares) or decreased (but not below the number of Series D Preferred Shares then outstanding) by further resolution duly adopted by the Board of Directors, the Risk Committee thereof, the Preferred Share Pricing Committee thereof or any other duly authorized committee thereof and by the filing of a certificate pursuant to the provisions of the Business Corporation Law stating that such increase or reduction, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional Series D Preferred Shares.

2. General Matters.

Each Series D Preferred Share shall be identical in all respects to every other Series D Preferred Share. The Series D Preferred Shares shall be perpetual, subject to the provisions of Subsection 5 below.

3. Definitions.

As used in this Section 9:

"Appropriate Federal Banking Agency" means the "appropriate federal banking agency" with respect to the Corporation as that term is defined in Section 3(q) of the Federal Deposit Insurance Act of 1950, as amended, or any successor provision.

"Board of Directors" means the Board of Directors of the Corporation.

"Business Day" means any day that is not a Saturday or Sunday or any other day on which banks in New York City are authorized or obligated by law or regulation to close.

"Business Corporation Law" means the Business Corporation Law of the State of New York.

"By-Laws" means the bylaws of the Corporation, as they may be amended from time to time.

"Calculation Agent" means the Transfer Agent acting in its capacity as calculation agent for the Series D Preferred Shares, and its successors and permitted assigns.

"Common Shares" means the common shares of the Corporation, par value $0.20 per share, or any other shares of the capital stock of the Corporation into which such common shares shall be reclassified or changed.

"Corporation" means American Express Company, a New York corporation.

"Depositary" means DTC or its nominee or any successor depositary appointed by the Corporation.

"Dividend Payment Date" has the meaning set forth in Subsection 4(a) of this Section 9.

"Dividend Period" has the meaning set forth in Subsection 4(a) of this Section 9.

"Dividend Record Date" has the meaning set forth in Subsection 4(a) of this Section 9.

"DTC" means The Depository Trust Company.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"First Reset Date" means September 15, 2026.

"Five-Year Treasury Rate" means the rate that will be determined as follows:

- The average of the yields on actively traded U.S. treasury securities adjusted to constant maturity, for five-year maturities, for the five Business Days appearing under the caption "Treasury Constant Maturities" in the most recently published statistical release designated H.15 Daily Update or any successor publication which is published by the Federal Reserve Board as of 5:00 p.m. (Eastern Time) as of any date of determination, as determined by the Calculation Agent in its sole discretion.

- If no calculation is provided as described above, then the Corporation will use a substitute or successor rate that the Corporation (or its designee, which the Corporation may designate in its sole discretion and which may be an affiliate of the Corporation) has determined, in its (or such designee's) sole discretion after consulting any source the Corporation (or such designee) deems to be reasonable, is (i) the industry-accepted substitute or successor for the Five-Year Treasury Rate or (ii) if there is no such industry-accepted substitute or successor for the Five-Year Treasury Rate, a substitute or successor rate that is most comparable to the Five-Year Treasury Rate. Upon selection of a substitute or successor rate, the Corporation (or its designee) may determine, in its (or such designee's) sole discretion after consulting any source the Corporation (or such designee) deems to be reasonable, the day count

convention, the Business Day convention, the definition of Business Day, the Reset Dividend Determination Date and any other relevant methodology or definition for calculating such substitute or successor rate, including any adjustment factor it determines is needed to make such substitute or successor rate comparable to the Five-Year Treasury Rate, in a manner that is consistent with any industry-accepted practices for such substitute or successor rate. If the Corporation or its designee, in its (or such designee's) sole discretion, is unable to determine a substitute or successor rate in accordance with the foregoing, then the Five-Year Treasury Rate will be the same rate determined for the prior Reset Dividend Determination Date or, if this sentence is applicable with respect to the First Reset Date, 0.696%.

The Five-Year Treasury Rate will be determined on each Reset Dividend Determination Date.

Any determination, decision or election that may be made by the Corporation (or its designee, which may be an affiliate of the Corporation) pursuant to the provisions described in the definition of Five-Year Treasury Rate, including any determination with respect to tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, will be made in the Corporation's (or such designee's) sole discretion, and, notwithstanding anything to the contrary in this Certificate of Amendment, shall become effective without consent from the holders of the Series D Preferred Shares or any other party.

All percentages resulting from any calculation of the dividend rate will be rounded, if necessary, to the nearest 1/100,000 of 1% (.0000001), with five one-millionths of a percentage point rounded upward. All currency amounts used in, or resulting from, the calculation on the Series D Preferred Shares will be rounded to the nearest one-hundredth of a unit. For purposes of rounding, .005 of a unit shall be rounded upward.

"Holder" means the Person in whose name the shares of the Series D Preferred Shares are registered, which may be treated by the Corporation, Calculation Agent, Transfer Agent, Registrar and paying agent as the absolute owner of the Series D Preferred Shares for the purpose of making payment and for all other purposes.

"Junior Stock" means the Common Shares and any other class or series of capital stock of the Corporation now existing or hereafter authorized over which Series D Preferred Shares has preference or priority in the payment of dividends (whether such dividends are cumulative or non-cumulative) or in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

"Nonpayment" has the meaning set forth in Subsection 7(b)(i) of this Section 9.

"Parity Stock" means the 5.200% Fixed Rate / Floating Rate Noncumulative Preferred Shares, Series B, the 4.900% Fixed Rate/Floating Rate Noncumulative Preferred Shares, Series C and any other class or series of capital stock of the Corporation now existing or hereafter authorized that ranks on par with the Series D Preferred Shares in the payment of dividends (whether such dividends are cumulative or non-cumulative) or in the distribution of assets upon the voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

"Person" means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint-stock company, limited liability company, trust, or other entity.

"Preferred Shares" means the Series D Preferred Shares, the 5.200% Fixed Rate / Floating Rate Noncumulative Preferred Shares, Series B, the 4.900% Fixed Rate / Floating Rate Noncumulative Preferred Shares, Series C, and preferred shares of the Corporation of any series that by its terms votes together with the Series D Preferred Shares in the election of directors, as applicable.

"Preferred Share Director" has the meaning set forth in Subsection 7(b)(i) of this Section 9.

"Preferred Share Director Termination Date" has the meaning set forth in Subsection 7(b)(ii) of this Section 9.

"Registrar" means the Transfer Agent acting in its capacity as registrar for the Series D Preferred Shares, and its successors and permitted assigns.

"Regulatory Capital Event" means the good faith determination by the Corporation that, as a result of (i) any amendment to, clarification of, or change in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any Series D Preferred Shares, (ii) any proposed amendment to, clarification of, or change in those laws or regulations that is announced or becomes effective on or after the initial issuance of any Series D Preferred Shares, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations or policies with respect thereto that is announced on or after the initial issuance of any Series D Preferred Shares, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation preference amount of $1,000,000 per share of the Series D Preferred Shares then outstanding as Tier 1 capital (or its equivalent) for purposes of the capital adequacy guidelines of the Federal Reserve (or, as and if applicable, the capital adequacy guidelines or regulations of any successor Appropriate Federal Banking Agency) as then in effect and applicable, for so long as any Series D Preferred Share is outstanding.

"Reset Date" means the First Reset Date and each date falling on the fifth anniversary of the preceding Reset Date, and no Reset Date, including the First Reset Date, will be adjusted for Business Days.

"Reset Dividend Determination Date" means, in respect of any Reset Period, the day that is three Business Days prior to the beginning of such Reset Period.

"Reset Period" means the period from, and including, each Reset Date to, but excluding, the next succeeding Reset Date, except for the initial Reset Period, which will be the period from, and including, the First Reset Date to, but excluding, the next succeeding Reset Date.

"Series D Preferred Shares" has the meaning set forth in Subsection 1 of this Section 9.

"Transfer Agent" means Computershare Trust Company, N.A., acting as Transfer Agent, Calculation Agent, Registrar and paying agent for the Series D Preferred Shares, and its successors and permitted assigns.

"Trust" has the meaning set forth in Subsection 6(d) of this Section 9.

4. Dividends.

(a) Rate. Holders shall be entitled to receive, only when, as, and if declared by the Board of Directors or any duly authorized committee thereof, but only out of funds legally available therefor, noncumulative cash dividends on the Series D Preferred Shares in the amounts specified below in this Subsection 4, and no more, payable quarterly in arrears, on the 15th of March, June, September and December of each year, beginning on September 15, 2021; provided, however, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day, without any interest or other payment in respect of such postponement (each such day on which dividends are payable a "Dividend Payment Date"). The period from and including the date of issuance of the Series D Preferred Shares or any Dividend Payment Date to, but excluding, the next Dividend Payment Date is a "Dividend Period." Dividends on each Series D Preferred Share will accrue on the liquidation preference of $1,000,000 per share at a rate per annum equal to (i) 3.550% for each Dividend Period from and including the date of issuance to, but excluding, the First Reset Date on September 15, 2026 and (ii) the Five-Year Treasury Rate as of the most recent Reset Dividend Determination Date plus 2.854%, for each Dividend Period from and including the First Reset Date. The record date for payment of dividends on the Series D Preferred Shares will be the record date fixed by the Board of Directors or any other duly authorized committee thereof that is not more than 30 days prior to such Dividend Payment Date (each, a "Dividend Record Date"). Any such day that is a Dividend Record Date will be a

Dividend Record Date whether or not such day is a Business Day. The amount of dividends payable with respect to any Dividend Period will be computed on the basis of a 360-day year and the actual number of days elapsed.

(b) Noncumulative Dividends. If the Board of Directors or any duly authorized committee thereof does not declare a dividend on the Series D Preferred Shares for any Dividend Period prior to the related Dividend Payment Date, that dividend will not accrue, and the Corporation will have no obligation to pay, and Holders shall have no right to receive, a dividend for that Dividend Period on the related Dividend Payment Date or at any future time, whether or not dividends on the Series D Preferred Shares or any other series of preferred shares or common shares are declared for any subsequent period. References herein to the "accrual" of dividends refer only to the determination of the amount of such dividend and do not imply that any right to a dividend arises prior to the date on which a dividend is declared.

(c) Priority of Dividends. So long as any Series D Preferred Shares remain outstanding, unless as to a Dividend Payment Date full dividends on all outstanding Series D Preferred Shares have been declared and paid or declared and a sum sufficient for the payment of those dividends has been set aside for the Dividend Period then ending, the Corporation will not, and will cause its subsidiaries not to, during the next succeeding Dividend Period that commences on such Dividend Payment Date, declare or pay any dividend on, make any distributions relating to, or redeem, purchase, acquire or make a liquidation payment relating to, any Junior Stock, or make any guarantee payment with respect thereto, other than:

(i) purchases, redemptions or other acquisitions of shares of Junior Stock in connection with (A) any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors or consultants or (B) a dividend reinvestment or share purchase plan;

(ii) purchases or repurchases of shares of capital stock of the Corporation pursuant to a contractually binding requirement to buy stock existing prior to the commencement of the then-current Dividend Period, including under a contractually binding share repurchase plan;

(iii) any declaration of a dividend in connection with any shareholders' rights plan, or the issuance of rights, shares or other property under any shareholders' rights plan, or the redemption or repurchase of rights pursuant to the plan;

(iv) through the use of proceeds of a substantially contemporaneous sale of other shares of Junior Stock;

(v) as a result of an exchange, reclassification or conversion of any class or series of Junior Stock for any other class or series of Junior Stock;

(vi) the purchase of fractional interests in shares of Junior Stock pursuant to the conversion or exchange provisions of such Junior Stock or the security being converted or exchanged;

(vii) the purchase of Junior Stock by any subsidiary of the Corporation in connection with the distribution thereof; or

(viii) the purchase of Junior Stock by any subsidiary of the Corporation in connection with market-making or other secondary-market activities in the ordinary course of business.

The restrictions set forth in the preceding provisions of this Subsection 4(c) shall not apply to any Junior Stock dividends paid by the Corporation where the dividend is in the form of the same shares (or the right to buy the same shares) as that on which the dividend is being paid or ranks equal or junior to the Series D Preferred Shares as to both dividends and distributions upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

Except as provided below, for so long as any Series D Preferred Shares remain outstanding, if dividends are not declared and paid in full upon the Series D Preferred Shares and any Parity Stock, all dividends declared upon the Series D Preferred Shares and such other Parity Stock will be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current Dividend Period per Series D Preferred Share and accrued dividends for the then-current Dividend Period per share of such other Parity Stock (including, in the case of any such other Parity Stock that bears cumulative dividends, all accrued and unpaid dividends), bear to each other.

Subject to the foregoing, and not otherwise, such dividends payable in cash, shares or otherwise, as may be determined by the Board of Directors or any duly authorized committee thereof, may be declared and paid on any other class or series of capital stock of the Corporation from time to time out of any funds legally available for such payment, and Holders will not be entitled to participate in those dividends.

5. Liquidation Rights.

(a) Liquidation. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, Holders shall be entitled, out of funds legally available therefor, before any distribution or payment may be made by the Corporation or set aside for the holders of any Junior Stock and subject to the rights of the holders of any class or series of capital stock ranking senior to or on parity with Series D Preferred Shares upon liquidation and the rights of the Corporation's depositors and other creditors, to receive in full a liquidating distribution in the amount of the liquidation preference of $1,000,000 per share (the "Series D Liquidation Preference"), plus any declared and unpaid dividends thereon, without accumulation of any undeclared dividends, from the last Dividend Payment Date to, but excluding, the date of such voluntary or involuntary liquidation, dissolution or winding up of the Corporation. Holders shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the Corporation other than what is expressly provided for in this Subsection 5.

(b) Partial Payment. If the assets of the Corporation are not sufficient to pay in full the aforesaid liquidation distributions to the Holders and any liquidation distributions owed to holders of any class or series of capital stock of the Corporation ranking equally with the Series D Preferred Shares in the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the amounts paid to the Holders and to the holders of all such equally ranking capital stock shall be pro rata in accordance with the respective aggregate liquidating distributions to which they would otherwise be entitled.

(c) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Subsection 5, the sale, conveyance, exchange or transfer (for cash, shares of capital stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or Person or the merger, consolidation or any other business combination transaction of any other corporation or Person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the Corporation.

6. Redemption.

(a) Optional Redemption. The Series D Preferred Shares are perpetual and have no maturity date. At its option, the Corporation may redeem out of funds legally available therefor the Series D Preferred Shares at the time outstanding, (i) in whole or in part, from time to time, in each case on any Dividend Payment Date after the First Reset Date on September 15, 2026, or (ii) in whole but not in part at any time within 90 days following a Regulatory Capital Event, in the case of each clause (i) and (ii) at a cash redemption price equal to $1,000,000 per share plus any declared and unpaid dividends, without accumulation of any undeclared dividends, to but excluding the redemption date, upon notice given as provided in Subsection 6(b) below.

(b) Notice of Redemption. Notice of every redemption of Series D Preferred Shares shall be mailed by first class mail, postage prepaid, addressed to the Holders of such shares to be redeemed at their respective last

addresses appearing on the share register of the Corporation. Such mailing shall be at least 5 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection 6(b) shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any Holder of Series D Preferred Shares designated for redemption shall not affect the validity of the proceedings for the redemption of any other Series D Preferred Shares. Each notice shall state:

(i) the redemption date;

(ii) the total number of Series D Preferred Shares to be redeemed and, if fewer than all the shares of a Holder are to be redeemed, the number of such shares to be redeemed;

(iii) the redemption price;

(iv) the place or places where the certificates for such shares are to be surrendered for payment of the redemption price, if applicable; and

(v) that dividends on the shares to be redeemed will cease to accrue on the redemption date.

Notwithstanding the foregoing, if the Series D Preferred Stock or depositary shares representing an interest in shares of Series D Preferred Stock are held in book-entry form through the Depositary or any other similar facility, the Corporation may give such notice in any manner permitted by the Depositary or such facility.

(c) Partial Redemption. In case of any redemption of only part of the Series D Preferred Shares at the time outstanding, the Series D Preferred Shares to be redeemed shall be selected (i) pro rata from the Holders in proportion to the number of Series D Preferred Shares held by such Holders, (ii) by lot or (iii) in such other manner as the Board of Directors or any duly authorized committee thereof may determine, in its sole discretion, to be fair and equitable.

(d) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other assets, for the pro rata benefit of the Holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors or any duly authorized committee thereof (the "Trust") in trust for the pro rata benefit of the Holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue on such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the Holders thereof to receive the amount payable on such redemption from the Trust at any time after the redemption date from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Trust any interest accrued on such funds, and the Holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released or repaid to the Corporation, and in the event of such repayment to the Corporation, the Holders of the shares so called for redemption shall be deemed to be unsecured creditors of the Corporation for an amount equivalent to the amount deposited as stated above for the redemption of such shares and so repaid to the Corporation, but shall in no event be entitled to any interest.

7. Voting Rights.

(a) General. The Holders shall not be entitled to vote on any matter except as set forth in this Subsection 7 or as required by the Business Corporation Law. In any case in which the Holders shall be entitled to vote separately as a single class pursuant to the provisions of the Certificate of Incorporation or pursuant to law, each Holder shall be entitled to one vote for each Series D Preferred Share held.

(b) Preferred Share Directors.

(i) Voting Right. Whenever dividends payable on the Preferred Shares of any series in an aggregate amount at least equal to six full quarterly dividends (which need not be consecutive) on such series shall not have been paid (a "Nonpayment"), the authorized number of directors of the Corporation shall automatically be increased by two and the holders of the outstanding Preferred Shares of all series shall have the special right, voting separately as a single class, to elect two directors of the Corporation (hereinafter the "Preferred Share Directors" and each a "Preferred Share Director"), to fill such newly created directorships until such right shall terminate as provided below in Subsection 7(b)(ii); provided, however that it shall be a qualification for election of any such director that the election of such director shall not cause the Corporation to violate the corporate governance requirements of the New York Stock Exchange (or other exchange on which the Corporation's securities may be listed) that listed companies must have a majority of independent directors. At each meeting of shareholders at which the holders of the Preferred Shares of all series shall have the special right, voting separately as a single class, to elect directors as provided in this Subsection (7)(b), the presence in person or by proxy of the holders of record of one-third of the total number of the issued and outstanding Preferred Shares of all series shall be necessary and sufficient to constitute a quorum of such class for such election by such shareholders, and such election shall be by a plurality of the votes cast at such meeting by such shareholders.

(ii) Termination. Each Preferred Share Director shall hold office until the annual meeting of shareholders next succeeding his or her election and until his or her successor, if any, is elected by the holders of the issued and outstanding Preferred Shares and qualified or, if earlier, until the Preferred Share Director Termination Date or his or her death, resignation or removal in the manner provided in the By-Laws; provided, however, that notwithstanding any provision in the By-Laws, a Preferred Share Director may be removed only by the affirmative vote of the holders a majority of the issued and outstanding Preferred Shares if such removal is without cause. In case any vacancy shall occur among the Preferred Share Directors, such vacancy may be filled for the unexpired portion of the term by vote of the single remaining Preferred Share Director or his or her successor in office, or, if such vacancy shall occur more than 90 days prior to the first anniversary of the next preceding annual meeting of shareholders, by the holders of the issued and outstanding Preferred Shares at a special meeting of such shareholders called for the purpose. Whenever the Corporation has paid noncumulative dividends in full on all series of Preferred Shares for at least four consecutive quarterly Dividend Periods following a Nonpayment and has paid arrearages of cumulative dividends in full on any Preferred Shares entitled to cumulative dividends, then the right of the Holders to elect Preferred Share Directors will cease (the time of such cessation, the "Preferred Share Director Termination Date"). Upon a Preferred Share Director Termination Date, the terms of office of the Preferred Share Directors will immediately terminate, the persons then serving as Preferred Share Directors shall immediately cease to be qualified to hold office as Preferred Share Directors, the Preferred Share Directors shall cease to be directors of the Corporation and the number of directors constituting the Board of Directors shall be automatically reduced, without any action by the Board of Directors or the shareholders of the Corporation, by the number of Preferred Share Directors authorized immediately prior to such termination, but subject always to the same provisions for the vesting of such special right, voting separately as a single class, to elect two directors in the case of any future arrearages in an aggregate amount at least equal to six full quarterly dividends as described in this Subsection (7)(b). Notwithstanding the foregoing, if (a) the date of the first annual meeting of shareholders following the date on which all arrears of dividends on the issued and outstanding Preferred Shares of all series providing for cumulative dividends shall have been paid and dividends on the issued and outstanding Preferred Shares of all series for the current quarterly period shall have been paid or

declared and provided for is later than (b) the Preferred Share Director Termination Date that would be applicable pursuant to the foregoing provision, the Preferred Share Director Termination Date shall instead be the date of such later annual meeting. At any time after the special voting power has vested pursuant to Subsection 7(b)(i) above, the secretary of the Corporation may, and upon the written request (addressed to the secretary at the Corporation's principal office) of the holders of at least 20% of the voting power of the Series D Preferred Shares or the holders of at least 20% of the voting power of any series of Preferred Shares (with such voting power measured based on the voting power to elect Preferred Share Directors), must (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the shareholders at which Preferred Share Directors are to be elected, in which event such election shall be held at such next annual or special meeting of shareholders), call a special meeting of the holders of the Preferred Shares of all series for the purposes of electing Preferred Share Directors.

(iii) Vote. The Preferred Share Directors shall each be entitled to one vote per director on any matter.

(iv) Notice of Special Meeting. Notice for a special meeting to elect Preferred Share Directors will be given in a similar manner to that provided in the By-Laws for a special meeting of the shareholders. If the secretary of the Corporation does not call a special meeting within 20 days after receipt of any request (although the special voting power has vested pursuant to Subsection 7(b)(i) above), then any Holders meeting the requirements of Subsection 7(b)(ii) may (at the expense of the Corporation) call such meeting, upon notice as provided in this Subsection 7(b)(iv), and for that purpose will have access to the share register of the Corporation. The Preferred Share Directors elected at any such special meeting, and each Preferred Share Director elected at a subsequent annual or special meeting of shareholders, will be elected for term expiring upon the earlier of the Preferred Share Director Termination Date and the next annual meeting of shareholders following such Preferred Share Director's election. Preferred Share Directors may only be elected by the holders of the Preferred Shares in accordance with this Subsection 7. If the holders of the Preferred Shares fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors pursuant to this Subsection 7, then any directorship not so filled shall remain vacant until such time as the holders of the Preferred Shares elect a person to fill such directorship in accordance with this Subsection 7, or such vacancy is otherwise filled in accordance with this Subsection 7; and no such directorship may be filled by shareholders of the Corporation other than in accordance with this Subsection 7.

(c) Senior Issuances; Adverse Changes. So long as any Series D Preferred Share is outstanding, but subject to the final paragraph of this Subsection 7(c), in addition to any other vote or consent of holders of the Corporation's capital stock required by New York law, the vote or consent of the holders of at least two-thirds of the voting power of the Series D Preferred Shares and any other issued and outstanding preferred shares of the Corporation entitled to vote together with the Series D Preferred Shares thereon, given in person or by proxy, at an annual or special meeting of shareholders called for the purpose, at which all holders of all issued and outstanding Series D Preferred Shares and such preferred shares shall vote separately as a single class, shall be necessary for effecting any of the following actions, whether or not such approval is required by New York law:

(i) any amendment, alteration or repeal of any provision of the Certificate of Incorporation (including this Section 9) or the By-Laws so as to adversely affect the relative rights, preferences or limitations of the Series D Preferred Shares;

(ii) the authorization of any class or series of capital stock of the Corporation (a) ranking prior to the Series D Preferred Shares in the payment of dividends and/or the distribution of assets upon the voluntary or involuntary liquidation, dissolution or winding up of the Corporation, or an increase in the authorized amount of any shares of, or any securities convertible into shares of, any class or series of capital stock of the Corporation ranking prior to the Series D Preferred Shares in the payment of dividends or in the distribution of assets on any liquidation, dissolution, or winding up of the Corporation or (b) voting together with the Series D Preferred Shares on a basis that grants such class or series more than one vote per $1,000,000 of liquidation preference; or

(iii) the consummation of a binding share exchange or reclassification involving the Series D Preferred Shares or a merger or consolidation of the Corporation with another entity, except that holders of the Series D Preferred Shares will have no right to vote under this provision or otherwise under applicable law if in each case (i) the Series D Preferred Shares remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preferred securities of the surviving or resulting entity or its ultimate parent, and (ii) such Series D Preferred Shares remaining outstanding or such preferred securities, as the case may be, have such relative rights, preferences or limitations, taken as a whole, as are not less favorable to the holders thereof than the relative rights, preferences and limitations of the Series D Preferred Shares, taken as a whole;

provided, however, that, for the avoidance of doubt, any increase in the amount of the authorized or issued Series D Preferred Shares or authorized Common Shares or Parity Stock or any securities convertible into Common Shares or Parity Stock or the creation and issuance, or an increase in the authorized or issued amount, of series of Junior Stock or any securities convertible into Junior Stock will not be deemed to adversely affect the voting powers, preferences or special rights of the Series D Preferred Shares, and no shareholder will have the right to vote on such an increase, creation or issuance by reason of this Subsection 7.

If any amendment, alteration, repeal, share exchange, reclassification, merger or consolidation specified in this Subsection 7(c) would adversely affect the relative rights preferences or limitations of the Series D Preferred Shares but not all other series of issued and outstanding preferred shares of the Corporation, then only such series of issued and outstanding preferred shares as are adversely affected by and entitled to vote on the matter shall vote on the matter together with the Series D Preferred Shares as a single class (in lieu of all other series of preferred shares of the Corporation) for purposes of the vote or consent required by this Subsection 7(c).

(d) Changes Permitted without Consent. Without the consent of the holders of the Series D Preferred Shares, so long as such action does not adversely affect the rights, preferences, privileges and voting powers of the Series D Preferred Shares, the Corporation may amend, alter, supplement or repeal any terms of the Series D Preferred Shares:

(i) to cure any ambiguity, or to cure, correct or supplement any provision contained in this Certificate of Amendment for the Series D Preferred Shares that may be defective or inconsistent; or

(ii) to make any provision with respect to matters or questions arising with respect to the Series D Preferred Shares that is not inconsistent with the provisions of this Certificate of Amendment.

(e) No Vote if Redemption. No vote or consent of the Holders shall be required pursuant to Subsection 7(b) or 7(c) if, at or prior to the time when the act with respect to such vote or consent would otherwise be required shall be effected, the Corporation shall have redeemed or shall have called for redemption all outstanding Series D Preferred Shares, with proper notice and sufficient funds having been set aside for such redemption, in each case pursuant to Subsection 6 above.

8. Preemption and Conversion Rights.

The Holders shall not have any preemptive rights or conversion rights as a result of the terms hereof.

9. Rank.

For the avoidance of doubt, the Board of Directors or any duly authorized committee thereof may, without the vote of the Holders, authorize and issue additional shares of Junior Stock or Parity Stock.

10. Reacquired Shares.

The Board of Directors shall take such actions as are necessary to cause the Series D Preferred Shares that have been redeemed or otherwise purchased or acquired by the Corporation to be retired and restored to the status of authorized but unissued preferred shares without designation as to series.

11. No Sinking Fund.

The Series D Preferred Shares are not subject to the operation of a sinking fund.

12. Transfer Agent, Calculation Agent, Registrar and Paying Agent.

The duly appointed Transfer Agent, Calculation Agent, Registrar and paying agent for the Series D Preferred Shares shall be Computershare Trust Company, N.A. The Corporation may, in its sole discretion, remove the Transfer Agent, Calculation Agent, Registrar and paying agent in accordance with the agreement between such party and the Corporation; provided, however, that the Corporation shall appoint a successor transfer agent who shall accept such appointment prior to the effectiveness of such removal. Upon any such removal or appointment, the Corporation shall send notice thereof by first-class mail, postage prepaid, to the Holders.

13. Replacement Certificates for Mutilated, Destroyed, Stolen and Lost Certificates.

If physical certificates are issued, the Corporation shall replace any mutilated certificate at the Holder's expense upon surrender of that certificate to the Transfer Agent. The Corporation shall replace certificates that become destroyed, stolen or lost at the Holder's expense upon delivery to the Corporation and the Transfer Agent of satisfactory evidence that the certificate has been destroyed, stolen or lost, together with any indemnity that may be required by the Transfer Agent and the Corporation.

14. Form.

(a) Series D Preferred Shares Certificates. The Corporation may at its option issue shares of Series D Preferred Shares without certificates.

15. Taxes.

(a) Transfer Taxes. The Corporation shall pay any and all stock transfer, documentary, stamp and similar taxes or governmental charges that may be payable in respect of any issuance or delivery of Series D Preferred Shares. The Corporation shall not, however, be required to pay any such tax or governmental charge that may be payable in respect of any transfer involved in the issuance or delivery of Series D Preferred Shares, in a name other than that in which the Series D Preferred Shares were registered, or in respect of any payment to any Person other than a payment to the registered holder thereof, and shall not be required to make any such issuance, delivery or payment unless and until the Person otherwise entitled to such issuance, delivery or payment has paid to the Corporation the amount of any such tax or governmental charge or has established, to the satisfaction of the Corporation, that such tax has been paid or is not payable.

(b) Withholding Taxes. All payments and distributions (or deemed distributions) on the Series D Preferred Shares shall be subject to withholding and backup withholding of tax to the extent required by law, subject to applicable exemptions, and amounts withheld, if any, shall be treated as received by Holders.

16. Notices.

All notices referred to in this Section 9 shall be in writing, and, unless otherwise specified in this Section 9, all notices hereunder shall be deemed to have been given upon the earlier of receipt thereof or three Business Days after the mailing thereof if sent by registered or certified mail (unless first class mail shall be specifically permitted for such notice under the terms of this Section 9) with postage prepaid, addressed: (i) if to the Corporation, to its office at American Express Tower, 200 Vesey Street, New York, New York 10285 (Attention: Secretary) or to the Transfer Agent at its office at 150 Royall Street, Canton, Massachusetts 02021 (Attn: General Counsel), or other agent of the Corporation designated as permitted by this Section 9, or (ii) if to any Holder, to such Holder at the address of such Holder as listed in the share record books of the Corporation (which may include the records of the Transfer Agent) or (iii) to such other address as the Corporation or any such Holder, as the case may be, shall have designated by notice similarly given. Notwithstanding the foregoing, if the Series D Preferred Stock or depositary shares representing an interest in shares of Series D Preferred Stock are held in book-entry form through the Depositary or any other similar facility, such notices may be given to the holders of the Series D Preferred Stock in any manner permitted by the Depositary or such facility.

17. Other Rights Disclaimed.

The Series D Preferred Shares have no voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth in this Section 9 or elsewhere in the Certificate of Incorporation.

**EXHIBIT 3.2**

CERTIFICATE OF AMENDMENT

OF

AMERICAN EXPRESS COMPANY

---

Under Section 805 of the
Business Corporation Law

---

AMERICAN EXPRESS COMPANY
American Express Tower
200 Vesey Street
New York, NY 10285

CERTIFICATE OF AMENDMENT

OF THE

CERTIFICATE OF INCORPORATION

OF

AMERICAN EXPRESS COMPANY

(UNDER SECTION 805 OF THE BUSINESS CORPORATION LAW)

The undersigned, being the Corporate Secretary of AMERICAN EXPRESS COMPANY, a New York corporation (the "Corporation"), hereby certifies that:

1. The name of the Corporation is AMERICAN EXPRESS COMPANY.

2. The Certificate of Incorporation of the Corporation was filed by the Department of State on June 10, 1965.

3. The Certificate of Incorporation, as heretofore amended, is hereby further amended pursuant to Sections 805 and 502 of the Business Corporation Law to (i) eliminate the series of the Corporation's preferred shares, par value $1.66 2/3 per share, designated as "Fixed Rate Cumulative Perpetual Preferred Stock, Series A" (the "Series A Preferred Shares"), no shares of which are outstanding and no shares of which series will be issued subject to the Certificate of Incorporation, (ii) eliminate the series of the Corporation's preferred shares, par value $1.66 2/3 per share, designated as "5.200% Fixed Rate / Floating Rate Noncumulative Preferred Shares, Series B" (the "Series B Preferred Shares"), no shares of which are outstanding and no shares of which series will be issued subject to the Certificate of Incorporation and (iii) eliminate the series of the Corporation's preferred shares, par value $1.66 2/3 per share, designated as "4.900% Fixed Rate / Floating Rate Noncumulative Preferred Shares, Series C" (the "Series C Preferred Shares"), no shares of which are outstanding and no shares of which series will be issued subject to the Certificate of Incorporation. This Certificate of Amendment constitutes series eliminations. It does not change the number of authorized preferred shares under Section 4 of the Certificate of Incorporation.

4. When this Certificate of Amendment becomes accepted for filing, it shall have the effect of eliminating from the Certificate of Incorporation all matters set forth therein with respect to the Series A Preferred Shares, the Series B Preferred Shares and the Series C Preferred Shares. In furtherance thereof, Section 9, Section 10 and Section 11 of the Certificate of Incorporation, relating to the Series A Preferred Shares, the Series B Preferred Shares and the Series C Preferred Shares, respectively, are hereby stricken out in their entirety. Section 12 of the Certificate of Incorporation is hereby renumbered as Section 9 and any references to such section are updated accordingly.

5. Following the elimination of the 3,388,890 shares of Series A Preferred Shares, 750 shares of Series B Preferred Shares and 850 shares of Series C Preferred Shares, the aggregate number of preferred shares which the Board of Directors of the Corporation shall continue to be authorized to issue shall be 20,000,000 preferred shares, par value $1.66 2/3 per share, under Section 4 of the Certificate of Incorporation.

6. The Board of Directors of the Corporation authorized the amendment of the Certificate of Incorporation under the authority vested in said Board under the provisions of the Certificate of Incorporation and of Section 502 of the Business Corporation Law.

IN WITNESS WHEREOF, the undersigned has signed this Certificate of Amendment of the Certificate of Incorporation of American Express Company on the 20th day of April, 2022.

/s/ Kristina V. Fink
Name: Kristina V. Fink
Title: Corporate Secretary

**EXHIBIT 31.1**

CERTIFICATION

I, Stephen J. Squeri, certify that:

1. I have reviewed this quarterly report on Form 10-Q of American Express Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 22, 2022

/s/ Stephen J. Squeri
Stephen J. Squeri
Chief Executive Officer

**EXHIBIT 31.2**

CERTIFICATION

I, Jeffrey C. Campbell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of American Express Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 22, 2022

/s/ Jeffrey C. Campbell
Jeffrey C. Campbell
Chief Financial Officer

**EXHIBIT 32.1**

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of American Express Company (the "Company") for the quarterly period ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Stephen J. Squeri, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Stephen J. Squeri

Name: Stephen J. Squeri
Title: Chief Executive Officer
Date: April 22, 2022

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and is not being "filed" as part of the Form 10-Q or as a separate disclosure document for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to liability under that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act except to the extent that this Exhibit 32.1 is expressly and specifically incorporated by reference in any such filing.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**EXHIBIT 32.2**

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of American Express Company (the "Company") for the quarterly period ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Jeffrey C. Campbell, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jeffrey C. Campbell

Name: Jeffrey C. Campbell
Title: Chief Financial Officer
Date: April 22, 2022

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and is not being "filed" as part of the Form 10-Q or as a separate disclosure document for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to liability under that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act except to the extent that this Exhibit 32.2 is expressly and specifically incorporated by reference in any such filing.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.