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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 September 30, 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 October 12, 2022
Common Shares (par value $0.20 per share)	747,232,696 Shares

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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 offered globally to diverse customer groups, including consumers, small businesses, mid-sized companies and large corporations. These products and services are offered 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 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.

Effective for the third quarter of 2022, we realigned our reportable segments to reflect organizational changes announced during the second quarter of 2022. Prior periods have been recast to conform to the new reportable operating segments, which are: U.S. Consumer Services (USCS), Commercial Services (CS), International Card Services (ICS) and Global Merchant and Network Services (GMNS), with corporate functions and certain other businesses and operations included in Corporate & Other. Refer to Note 1 to the "Consolidated Financial Statements" for additional information.

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 September 30,		Change 2022 vs. 2021		As of or for the Nine Months Ended September 30,		Change 2022 vs. 2021	
	2022	2021			**2022**	2021		
Selected Income Statement Data								
Total revenues net of interest expense	**$ 13,556**	$ 10,928	$ 2,628	24 %	**$ 38,686**	$ 30,235	$ 8,451	28 %
Provisions for credit losses	**778**	(191)	969	#	**1,155**	(1,472)	2,627	#
Expenses	**10,319**	8,669	1,650	19	**29,817**	23,324	6,493	28
Pretax income	**2,459**	2,450	9	—	**7,714**	8,383	(669)	(8)
Income tax provision	**580**	624	(44)	(7)	**1,772**	2,042	(270)	(13)
Net income	**1,879**	1,826	53	3	**5,942**	6,341	(399)	(6)
Earnings per common share — diluted [(a)]	**$ 2.47**	$ 2.27	$ 0.20	9 %	**$ 7.77**	$ 7.82	$ (0.05)	(1)%
Common Share Statistics [(b)]								
Cash dividends declared per common share	**$ 0.52**	$ 0.43	$ 0.09	21 %	**$ 1.56**	$ 1.29	$ 0.27	21 %
Average common shares outstanding:								
Basic	**748**	786	(38)	(5)%	**752**	796	(44)	(6)%
Diluted	**749**	787	(38)	(5)%	**753**	797	(44)	(6)%
Selected Metrics and Ratios								
Network volumes *(Billions)*	**$ 394.4**	$ 330.7	$ 64	19 %	**$ 1,139.5**	$ 916.1	$ 223	24 %
Return on average equity [(c)]	**31.9 %**	29.2 %			**34.5 %**	34.7 %		
Net interest income divided by average Card Member loans	**10.5 %**	10.4 %			**10.3 %**	10.2 %		
Net interest yield on average Card Member loans [(d)]	**10.8 %**	10.8 %			**10.6 %**	10.9 %		
Effective tax rate	**23.6 %**	25.5 %			**23.0 %**	24.4 %		
Common Equity Tier 1	**10.6 %**	12.6 %			**10.6 %**	12.6 %		
Selected Balance Sheet Data								
Cash and cash equivalents	**$ 31,182**	$ 27,916	$ 3,266	12 %	**$ 31,182**	$ 27,916	$ 3,266	12 %
Card Member receivables	**55,275**	48,758	6,517	13	**55,275**	48,758	6,517	13
Card Member loans	**99,038**	77,026	22,012	29	**99,038**	77,026	22,012	29
Customer deposits	**103,463**	84,326	19,137	23	**103,463**	84,326	19,137	23
Long-term debt	**$ 42,393**	$ 34,483	$ 7,910	23 %	**$ 42,393**	$ 34,483	$ 7,910	23 %

# Denotes a variance of 100 percent or more

(a) Represents net income, less (i) earnings allocated to participating share awards of $14 million for both the three months ended September 30, 2022 and 2021 and $45 million for both the nine months ended September 30, 2022 and 2021, (ii) dividends on preferred shares of $14 million and $20 million for the three months ended September 30, 2022 and 2021, respectively, and $43 million and $49 million for the nine months ended September 30, 2022 and 2021, respectively, and (iii) an equity-related adjustment of $9 million related to the redemption of preferred shares for both the three and nine months ended September 30, 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 ROE 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 third quarter reflect strong performance and continued strength in our premium Card Member base, despite uncertainties in the macroeconomic environment. We continue to invest in our brand, value propositions, customers, colleagues, technology and coverage, which is driving growth across our businesses.

Our network volumes for the third quarter increased 19 percent year-over-year (23 percent on an FX-adjusted basis[1]) and billed business, which accounts for the majority of our total network volumes and is the most significant driver of our financial results, increased 21 percent year-over-year (24 percent on an FX-adjusted basis[1]). The increase in billed business across our segments was driven by sustained growth in Goods & Services spending and the continued momentum in T&E spending, including T&E spending in our international markets exceeding pre-pandemic levels on an FX-adjusted basis[1]. U.S. Consumer billed business grew by 22 percent year-over-year, reflecting continued strength in spending trends from our premium U.S. consumer Card Members. Billed business in our Commercial Services segment grew by 20 percent on a year-over-year basis reflecting continued strength in spending by our U.S. small and mid-sized enterprise customers, as well as continued recovery in spending by our U.S. large and global corporate clients. International billed business grew by 21 percent year-over-year (37 percent on an FX-adjusted basis[1]), driven by increased spending by both consumer and commercial customers. Inflation was a modest contributor to our strong billed business growth, while the continuing strengthening of the U.S. dollar, relative to the prior year, against most major currencies in which we operate, had a negative impact on our international billings.

Total revenues net of interest expense increased 24 percent year-over-year (27 percent on an FX-adjusted basis[1]) reflecting strong growth in all our revenue lines. Discount revenue, our largest revenue line, increased 23 percent year-over-year, driven primarily by growth in Card Member spending. Service fees and other revenue increased 39 percent year-over-year, driven in part by higher travel-related revenues. Net card fees grew 17 percent year-over-year, as new card acquisitions increased and Card Member retention remained high due to the investments we have been making in our premium value propositions. Net interest income grew by 29 percent year-over-year, primarily driven by growth in loans, partially offset by higher interest expense due to higher rates.

Card Member loans grew 29 percent year-over-year, driven by ongoing strong growth in billed business. The interest-bearing portion of our loan balances also continues to increase quarter-over-quarter. Provisions for credit losses increased, primarily driven by reserve builds in the current period, as compared to reserve releases in the prior period, and higher net write-offs. The reserve builds in the current period reflected the strong growth in loans and changes in the macroeconomic outlook. Write-off and delinquency rates remained low in the current quarter; however, delinquency rates modestly increased on a sequential basis.

Card Member rewards, Business development and Card Member services are generally correlated to volumes or are variable based on usage and increased year-over-year primarily due to network volume growth and higher usage of travel-related benefits. Card Member rewards expense growth was also driven by a larger proportion of billed business in categories that earn incremental rewards such as travel.

Operating expenses increased 22 percent year-over-year primarily due to higher compensation costs in the current quarter and net losses on Amex Ventures investments in the current period as compared to net gains in the prior period, partially offset by the impact of the strengthening U.S. dollar on our international expenses. During the quarter, we maintained our capital ratios within our target range and returned $1.0 billion of capital to our shareholders through share buybacks and dividends. We plan to continue to return to shareholders the excess capital we generate while supporting our balance sheet growth.

Our strong performance continues to give us confidence in our business model, although we recognize the uncertainty of the geopolitical and macroeconomic environment. We remain committed to executing on our strategy for building sustainable long-term growth.

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.

[1] 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). FX-adjusted revenues is a non-GAAP measure. We believe the presentation of information on a foreign currency

adjusted basis is helpful to investors by making it easier to compare our performance in one period to that of another period without the variability caused by fluctuations in currency exchange rates.

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 and nine months ended September 30, 2022 compared to the same periods in the prior year, as presented in the accompanying tables.

Consolidated Results of Operations

Table 2: Total Revenues Net of Interest Expense Summary

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
(Millions, except percentages)	**2022**	2021	2022 vs. 2021		**2022**	2021	2022 vs. 2021	
Discount revenue	**$ 7,848**	$ 6,369	$ 1,479	23 %	**$ 22,556**	$ 17,414	$ 5,142	30 %
Net card fees	**1,541**	1,312	229	17	**4,445**	3,851	594	15
Service fees and other revenue	**1,169**	839	330	39	**3,340**	2,182	1,158	53
Processed revenue	**420**	414	6	1	**1,208**	1,146	62	5
Total non-interest revenues	**10,978**	8,934	2,044	23	**31,549**	24,593	6,956	28
Total interest income	**3,374**	2,301	1,073	47	**8,693**	6,633	2,060	31
Total interest expense	**796**	307	489	#	**1,556**	991	565	57
Net interest income	**2,578**	1,994	584	29	**7,137**	5,642	1,495	26
Total revenues net of interest expense	**$ 13,556**	$ 10,928	$ 2,628	24 %	**$ 38,686**	$ 30,235	$ 8,451	28 %

# Denotes a variance of 100 percent or more

Total Revenues Net of Interest Expense

Discount revenue increased for both the three and nine month periods, primarily driven by increases in billed business of 21 percent and 27 percent, respectively. See Tables 5 and 6 for more details on billed business performance.

Net card fees increased for both the three and nine month periods, primarily driven by growth in our premium card portfolios.

Service fees and other revenue increased for both the three and nine month periods, primarily driven by higher travel related revenues from foreign exchange-related revenues associated with Card Member cross-currency spending and higher travel commissions and fees from our consumer travel business. The increase for the nine month period also reflected income from equity method investments in the current period, which included a portion of the revenue allocated to a joint venture partner as described in Business development expense below, versus a net loss in the prior period.

Processed revenue increased for both the three and nine month periods, primarily driven by increases in processed volumes, partially offset by the repositioning of certain of our alternative payment solutions.

Interest income increased for both the three and nine month periods, primarily reflecting higher average Card Member loan balances and higher interest rates.

Interest expense increased for both the three and nine month periods, primarily driven by higher interest rates.

Table 3: Provisions for Credit Losses Summary

(Millions, except percentages)	Three Months Ended September 30, 2022	2021	Change 2022 vs. 2021		Nine Months Ended September 30, 2022	2021	Change 2022 vs. 2021	
Card Member loans								
Net write-offs	**$ 259**	$ 161	$ 98	61 %	**$ 721**	$ 708	$ 13	2 %
Reserve (release) build [a]	**337**	(338)	675	#	**36**	(1,854)	1,890	#
Total	**596**	(177)	773	#	**757**	(1,146)	1,903	#
Card Member receivables								
Net write-offs	**122**	32	90	#	**284**	89	195	#
Reserve (release) build [a]	**43**	(44)	87	#	**99**	(236)	335	#
Total	**165**	(12)	177	#	**383**	(147)	530	#
Other								
Net write-offs - Other loans [b]	**6**	—	6	—	**12**	19	(7)	(37)
Net write-offs - Other receivables [c]	**4**	9	(5)	(56)	**13**	25	(12)	(48)
Reserve (release) build - Other loans [a][b]	**8**	(5)	13	#	**(6)**	(171)	165	96
Reserve (release) build - Other receivables [a][c]	**(1)**	(6)	5	83	**(4)**	(52)	48	92
Total	**17**	(2)	19	#	**15**	(179)	194	#
Total provisions for credit losses	**$ 778**	$ (191)	$ 969	# %	**$ 1,155**	$ (1,472)	$ 2,627	# %

# 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 $4.8 billion and $2.9 billion, less reserves of $46 million and $52 million, as of September 30, 2022 and December 31, 2021, respectively; and $2.4 billion and $2.9 billion, less reserves of $66 million and $238 million, as of September 30, 2021 and December 31, 2020, respectively.

(c) Relates to Other receivables included in Other assets on the Consolidated Balance Sheets of $3.0 billion and $2.7 billion, less reserves of $22 million and $25 million, as of September 30, 2022 and December 31, 2021, respectively; and $2.7 billion and $3.0 billion, less reserves of $33 million and $85 million, as of September 30, 2021 and December 31, 2020, respectively.

Provisions for Credit Losses

Card Member loans provision for credit losses increased for both the three and nine month periods, primarily due to reserve builds in the current periods, versus reserve releases in the prior periods, and higher net write-offs. The reserve builds in the current periods were primarily driven by increases in loans outstanding and deterioration in the macroeconomic outlook, partially offset, for the current nine month period, by a reduction in COVID-19 pandemic-driven reserves. The reserve releases in the prior periods were driven by lower delinquencies and improved portfolio quality and macroeconomic outlook, partially offset by an increase in loans outstanding.

Card Member receivables provision for credit losses increased for both the three and nine month periods, primarily due to reserve builds in the current periods, versus reserve releases in the prior periods, and higher net write-offs. The reserve build in the current three month period was primarily driven by higher delinquencies. The reserve build in the current nine month period was primarily driven by an increase in receivables outstanding and higher delinquencies. The reserve releases in the prior periods were driven by lower delinquencies and improved portfolio quality and macroeconomic outlook, partially offset by an increase in receivables outstanding.

Other loans provision for credit losses increased for both the three and nine month periods. The increase for the three month period was primarily due to a reserve build in the current period, driven by higher non-card balances, versus a reserve release in the prior period, and higher net write-offs. The increase for the nine month period was primarily due to a lower reserve release in the current period, partially offset by lower net write-offs. The reserve releases in the prior periods were due to improved credit performance and lower non-card loans outstanding.

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 September 30, 2022	2021	Change 2022 vs. 2021		Nine Months Ended September 30, 2022	2021	Change 2022 vs. 2021	
Card Member rewards	**$ 3,571**	$ 3,020	$ 551	18 %	**$ 10,273**	$ 7,975	$ 2,298	29 %
Business development	**1,194**	943	251	27	**3,641**	2,634	1,007	38
Card Member services	**774**	579	195	34	**2,078**	1,328	750	56
Marketing	**1,458**	1,412	46	3	**4,184**	3,706	478	13
Salaries and employee benefits	**1,748**	1,497	251	17	**5,218**	4,586	632	14
Other, net	**1,574**	1,218	356	29	**4,423**	3,095	1,328	43
Total expenses	**$ 10,319**	$ 8,669	$ 1,650	19 %	**$ 29,817**	$ 23,324	$ 6,493	28 %

Expenses

Card Member rewards expense increased for both the three and nine month periods, driven by increases in Membership Rewards and cash back rewards expenses, collectively, of $319 million and $1.5 billion, and cobrand rewards expense of $232 million and $824 million for the three and nine month periods, respectively, all of which were primarily driven by higher billed business. The increases in Membership Rewards expense were also driven by a larger proportion of spend in categories that earn incremental rewards such as travel, partially offset by a lower mix of redemptions in travel-related categories, as compared to the prior periods.

The Membership Rewards Ultimate Redemption Rate (URR) for current program participants was 96 percent (rounded down) at September 30, 2022 and 96 percent at September 30, 2021.

Business development expense increased for both the three and nine month periods, primarily due to increased partner payments and client incentives, both of which were driven by higher network volumes and, for the nine month period, a charge related to revenue allocated to a joint venture partner for certain categories of transactions.

Card Member services expense increased for both the three and nine month periods, primarily due to higher usage of travel-related benefits.

Marketing expense increased for both the three and nine month periods, primarily due to increases in business investments to continue building growth momentum.

Salaries and employee benefits expense increased for both the three and nine month periods, primarily due to higher compensation expenses driven by increased headcount and compensation decisions.

Other expenses increased for both the three and nine month periods, primarily driven by net losses on Amex Ventures investments in the current periods, as compared to net gains in the prior periods, higher technology costs and increases in professional services expenses in the current periods.

Income Taxes

The effective tax rate was 23.6 percent and 25.5 percent for the three months ended September 30, 2022 and 2021, respectively, and 23.0 percent and 24.4 percent for the nine months ended September 30, 2022 and 2021, respectively. The decrease in the effective tax rate for the three month period primarily reflected changes in the geographic mix of pretax income. The decrease in the effective tax rate for the nine month period primarily reflected discrete tax benefits in the current period related to the resolution of certain prior years' tax items and stock-based compensation.

Table 5: Selected Card-Related Statistical Information

	As of or for the Three Months Ended September 30,		Change 2022 vs. 2021	As of or for the Nine Months Ended September 30,		Change 2022 vs. 2021
	2022	2021		**2022**	2021	
Network volumes *(billions)*	**$ 394.4**	$ 330.7	19 %	**$ 1,139.5**	$ 916.1	24 %
Billed business	**$ 339.0**	$ 280.4	21	**$ 980.9**	$ 773.6	27
Processed volumes	**$ 55.4**	$ 50.3	10	**$ 158.6**	$ 142.5	11
Cards-in-force *(millions)*	**131.4**	119.2	10	**131.4**	119.2	10
Proprietary cards-in-force	**75.6**	70.6	7	**75.6**	70.6	7
Basic cards-in-force *(millions)*	**109.9**	98.3	12	**109.9**	98.3	12
Proprietary basic cards-in-force	**58.2**	54.0	8	**58.2**	54.0	8
Average proprietary basic Card Member spending *(dollars)*	**$ 5,886**	$ 5,231	13	**$ 17,399**	$ 14,555	20
Average discount rate	**2.36 %**	2.32 %		**2.34 %**	2.30 %	
Average fee per card *(dollars)*[(a)]	**$ 82**	$ 75	9 %	**$ 81**	$ 74	9 %

(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 September 30, 2022		Nine Months Ended September 30, 2022	
	Year over Year Percentage Increase (Decrease)	Year over Year Percentage Increase (Decrease) Assuming No Changes in FX Rates [(a)]	Year over Year Percentage Increase (Decrease)	Year over Year Percentage Increase (Decrease) Assuming No Changes in FX Rates [(a)]
Network volumes	**19 %**	**23 %**	**24 %**	**28 %**
Total billed business	**21**	**24**	**27**	**29**
U.S. Consumer Services	**22**		**28**	
Commercial Services	**20**	**20**	**26**	**26**
International Card Services	**21**	**37**	**27**	**40**
Processed volumes	**10**	**19**	**11**	**18**
Merchant Industry Metrics				
G&S-related (74% and 75% of billed business for the three and nine months ended September 30, 2022, respectively)	**13**	**16**	**16**	**18**
T&E-related (26% and 25% of billed business for the three and nine months ended September 30, 2022, respectively)	**52**	**57**	**77**	**81**
Airline-related (6% of billed business for both the three and nine months ended September 30, 2022)	**110 %**	**118 %**	**149 %**	**155 %**

(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 September 30, 2022	2021	Change 2022 vs. 2021	As of or for the Nine Months Ended September 30, 2022	2021	Change 2022 vs. 2021
Card Member loans:						
Card Member loans *(billions)*	**$ 99.0**	$ 77.0	29 %	**$ 99.0**	$ 77.0	29 %
Credit loss reserves:						
Beginning balance	**$ 2,997**	$ 3,835	(22)	**$ 3,305**	$ 5,344	(38)
Provisions - principal, interest and fees	**596**	(177)	#	**757**	(1,146)	#
Net write-offs — principal less recoveries	**(203)**	(118)	72	**(560)**	(544)	3
Net write-offs — interest and fees less recoveries	**(56)**	(43)	30	**(161)**	(164)	(2)
Other [a]	**(15)**	(8)	(88)	**(22)**	(1)	#
Ending balance	**$ 3,319**	$ 3,489	(5)	**$ 3,319**	$ 3,489	(5)
% of loans	**3.4 %**	4.5 %		**3.4 %**	4.5 %	
% of past due	**393 %**	666 %		**393 %**	666 %	
Average loans *(billions)*	**$ 97.7**	$ 76.4	28	**$ 92.3**	$ 73.4	26
Net write-off rate — principal, interest and fees [b]	**1.1 %**	0.8 %		**1.0 %**	1.3 %	
Net write-off rate — principal only [b]	**0.8 %**	0.6 %		**0.8 %**	1.0 %	
30+ days past due as a % of total	**0.9 %**	0.7 %		**0.9 %**	0.7 %	
Card Member receivables:						
Card Member receivables *(billions)*	**$ 55.3**	$ 48.8	13	**$ 55.3**	$ 48.8	13
Credit loss reserves:						
Beginning balance	**$ 119**	$ 73	63	**$ 64**	$ 267	(76)
Provisions - principal and fees	**165**	(12)	#	**383**	(147)	#
Net write-offs — principal and fees less recoveries [c]	**(122)**	(32)	#	**(284)**	(89)	#
Other [a]	**(3)**	1	#	**(4)**	(1)	#
Ending balance	**$ 159**	$ 30	# %	**$ 159**	$ 30	# %
% of receivables	**0.3 %**	0.1 %		**0.3 %**	0.1 %	
Net write-off rate — principal and fees [d]	**0.9 %**	0.3 %		**0.7 %**	0.3 %	

# 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) The prior nine-month period includes a $37 million partial recovery in Card Member receivables related to a corporate client bankruptcy, which resulted in a write-off in 2020 in the ICS segment.

(d) Refer to Tables 10, 12 and 14 for Net write-off rate — principal only and 30+ days past due metrics for U.S. consumer receivables, U.S. small business receivables and International small business and consumer receivables, respectively. A net write-off rate based on principal losses only and delinquency data for periods other than 90+ days past billing for corporate receivables are 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 September 30,		Nine Months Ended September 30,	
	2022	2021	**2022**	2021
Net interest income	**$ 2,578**	$ 1,994	**$ 7,137**	$ 5,642
Exclude:				
Interest expense not attributable to our Card Member loan portfolio [(a)]	**374**	172	**743**	603
Interest income not attributable to our Card Member loan portfolio [(b)]	**(300)**	(92)	**(572)**	(281)
Adjusted net interest income [(c)]	**$ 2,652**	$ 2,074	**$ 7,308**	$ 5,964
Average Card Member loans *(billions)*	**$ 97.7**	$ 76.4	**$ 92.3**	$ 73.4
Net interest income divided by average Card Member loans [(c)]	**10.5 %**	10.4 %	**10.3 %**	10.2 %
Net interest yield on average Card Member loans [(c)]	**10.8 %**	10.8 %	**10.6 %**	10.9 %

(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

U.S. Consumer Services

Table 9: USCS Selected Income Statement Data

(Millions, except percentages)	Three Months Ended September 30, 2022	2021	Change 2022 vs. 2021		Nine Months Ended September 30, 2022	2021	Change 2022 vs. 2021	
Revenues								
Non-interest revenues	**$ 4,233**	$ 3,372	$ 861	26 %	**$ 12,024**	$ 9,291	$ 2,733	29 %
Interest income	**2,251**	1,613	638	40	**5,880**	4,647	1,233	27
Interest expense	**274**	89	185	#	**513**	310	203	65
Net interest income	**1,977**	1,524	453	30	**5,367**	4,337	1,030	24
Total revenues net of interest expense	**6,210**	4,896	1,314	27	**17,391**	13,628	3,763	28
Provisions for credit losses	**403**	(119)	522	#	**479**	(910)	1,389	#
Total revenues net of interest expense after provisions for credit losses	**5,807**	5,015	792	16	**16,912**	14,538	2,374	16
Total expenses	**4,498**	3,764	734	20	**12,798**	9,861	2,937	30
Pretax segment income	**$ 1,309**	$ 1,251	$ 58	5 %	**$ 4,114**	$ 4,677	$ (563)	(12)%

# Denotes a variance of 100 percent or more

USCS issues a wide range of proprietary consumer cards and provides services to U.S. consumers, including travel and lifestyle services as well as banking and non-card financing products.

Non-interest revenues increased for both the three and nine month periods across all revenue categories.

Discount revenue increased 23 percent and 29 percent for the three and nine month periods, respectively, primarily driven by increases in U.S. consumer billed business.

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

Net card fees increased 27 percent and 23 percent for the three and nine month periods, respectively, primarily driven by growth in our premium card portfolios.

Service fees and other revenue increased 56 percent and 55 percent for the three and nine month periods, respectively, primarily driven by higher travel commissions and fees from our consumer travel business.

Net interest income increased for both the three and nine month periods, primarily driven by an increase in average Card Member loan balances.

Card Member loans provision for credit losses increased for both the three and nine month periods. The increase for the three month period was primarily due to a reserve build in the current period, versus a reserve release in the prior period, and higher net write-offs. The increase for the nine month period was primarily due to a lower reserve release in the current period and higher net write-offs. The reserve build in the current three month period was driven by an increase in loans outstanding and deterioration in the macroeconomic outlook. The reserve release in the current nine month period was primarily driven by reduction in COVID-19 pandemic-driven reserves, partially offset by an increase in loans outstanding and deterioration in the macroeconomic outlook. The reserve releases in the prior periods were driven by lower delinquencies and improved portfolio quality and macroeconomic outlook, partially offset by increases in loans outstanding.

Card Member receivables provision for credit losses increased for both the three and nine month periods, primarily due to reserve builds in the current periods, versus reserve releases in the prior periods, and higher net write-offs. The reserve builds in the current periods were primarily driven by higher delinquencies. The reserve build in the current three month period was partially offset by a decrease in receivables outstanding. The reserve releases in the prior periods were driven by lower delinquencies and improved portfolio quality and macroeconomic outlook, partially offset by increases in receivables outstanding.

Total expenses increased for both the three and nine month periods across all expense categories.

Card Member rewards expense increased for both the three and nine month periods, primarily driven by higher billed business as well as higher travel-related redemptions.

Business development expense increased for both the three and nine month periods, primarily due to increased partner payments driven by higher billed business.

Card Member services expense increased for both the three and nine month periods, primarily driven by higher usage of travel-related benefits.

Marketing expense increased for both the three and nine month periods, primarily driven by increases in business investments.

Salaries and employee benefits and other operating expenses increased for both the three and nine month periods, primarily driven by higher technology, servicing and compensation costs.

Table 10: USCS Selected Statistical Information

(Millions, except percentages and where indicated)	As of or for the Three Months Ended September 30, **2022**	2021	Change 2022 vs. 2021	As of or for the Nine Months Ended September 30, **2022**	2021	Change 2022 vs. 2021
Billed business *(billions)*	**$ 140.3**	$ 114.9	22 %	**$ 404.1**	$ 314.7	28 %
Proprietary cards-in-force	**41.2**	38.7	6	**41.2**	38.7	6
Proprietary basic cards-in-force	**28.9**	27.2	6	**28.9**	27.2	6
Average proprietary basic Card Member spending *(dollars)*	**$ 4,908**	$ 4,255	15	**$ 14,387**	$ 11,731	23
Total segment assets *(billions)*	**$ 84.8**	$ 68.4	24	**$ 84.8**	$ 68.4	24
Card Member loans:						
Total loans *(billions)*	**$ 66.3**	$ 52.6	26	**$ 66.3**	$ 52.6	26
Average loans *(billions)*	**$ 65.3**	$ 52.3	25	**$ 61.7**	$ 50.5	22
Net write-off rate - principal, interest and fees [(a)]	**1.1 %**	0.8 %		**1.1 %**	1.2 %	
Net write-off rate - principal only [(a)]	**0.8 %**	0.5 %		**0.8 %**	0.9 %	
30+ days past due as a % of total	**0.9 %**	0.7 %		**0.9 %**	0.7 %	
Calculation of Net Interest Yield on Average Card Member Loans:						
Net interest income	**$ 1,977**	$ 1,524		**$ 5,366**	$ 4,337	
Exclude:						
Interest expense not attributable to our Card Member loan portfolio [(b)]	**34**	31		**95**	135	
Interest income not attributable to our Card Member loan portfolio [(c)]	**(61)**	(27)		**(155)**	(74)	
Adjusted net interest income [(d)]	**$ 1,950**	$ 1,528		**$ 5,306**	$ 4,398	
Average Card Member loans *(billions)*	**$ 65.3**	$ 52.3		**$ 61.7**	$ 50.5	
Net interest income divided by average Card Member loans [(d)]	**12.0 %**	11.7 %		**11.6 %**	11.5 %	
Net interest yield on average Card Member loans [(d)]	**11.9 %**	11.6 %		**11.5 %**	11.7 %	
Card Member receivables:						
Total receivables *(billions)*	**$ 13.2**	$ 12.6	5 %	**$ 13.2**	$ 12.6	5 %
Net write-off rate – principal and fees [(a)]	**0.6 %**	0.1 %		**0.5 %**	— %	
Net write-off rate – principal only [(a)]	**0.6 %**	— %		**0.4 %**	— %	
30+ days past due as a % of total	**0.9 %**	0.4 %		**0.9 %**	0.4 %	

(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).

Commercial Services

Table 11: CS Selected Income Statement Data

(Millions, except percentages)	Three Months Ended September 30, 2022	2021	Change 2022 vs. 2021		Nine Months Ended September 30, 2022	2021	Change 2022 vs. 2021	
Revenues								
Non-interest revenues	**$ 3,145**	$ 2,558	$ 587	23 %	**$ 8,986**	$ 7,053	$ 1,933	27 %
Interest income	**552**	365	187	51	**1,435**	1,020	415	41
Interest expense	**201**	81	120	#	**409**	253	156	62
Net interest income	**351**	284	67	24	**1,026**	767	259	34
Total revenues net of interest expense	**3,496**	2,842	654	23	**10,012**	7,820	2,192	28
Provisions for credit losses	**196**	(67)	263	#	**294**	(429)	723	#
Total revenues net of interest expense after provisions for credit losses	**3,300**	2,909	391	13	**9,718**	8,249	1,469	18
Total expenses	**2,526**	2,210	316	14	**7,385**	6,030	1,355	22
Pretax segment income	**$ 774**	$ 699	$ 75	11 %	**$ 2,333**	$ 2,219	$ 114	5 %

# Denotes a variance of 100 percent or more

CS issues a wide range of proprietary corporate and small business cards and provides services to U.S. businesses, including payment and expense management, banking and non-card financing products. CS also issues proprietary corporate cards and provides services to select global corporate clients.

Non-interest revenues increased for both the three and nine month periods, primarily driven by higher Discount revenue.

Discount revenue increased 24 percent and 30 percent for the three and nine month periods, respectively, primarily reflecting increases in commercial billed business.

See Tables 5, 6 and 12 for more details on billed business performance.

Net card fees increased 23 percent and 20 percent for the three and nine month periods, respectively, primarily driven by growth in our premium card portfolios.

Service fees and other revenue increased 56 percent and 62 percent for the three and nine month periods, respectively, primarily due to higher foreign exchange related revenues associated with Card Member cross-currency spending and higher delinquency fees.

Processed revenue decreased 75 percent for both the three and nine month periods, primarily driven by the repositioning of certain of our alternative payment solutions.

Net interest income increased for both the three and nine month periods, primarily driven by higher revolving Card Member loan balances.

Card Member loans provision for credit losses increased for both the three and nine month periods, primarily due to reserve builds in the current periods, versus reserve releases in the prior periods, and higher net write-offs. The reserve builds in the current three and nine month periods were primarily driven by increases in loans outstanding, deterioration in the macroeconomic outlook and higher delinquencies. The reserve build in the current nine month period was partially offset by reductions in COVID-19 pandemic-driven reserves. The reserve releases in the prior periods were driven by lower delinquencies and improved portfolio quality and macroeconomic outlook, partially offset by an increase in loans outstanding.

Card Member receivables provision for credit losses increased for both the three and nine month periods, primarily due to reserve builds in the current periods, versus reserve releases in the prior periods, and higher net write-offs. The reserve builds in the current periods were primarily driven by higher delinquencies and, for the current nine month period, an increase in receivables outstanding. The reserve releases in the prior periods were driven by lower delinquencies and improved portfolio quality and macroeconomic outlook, partially offset by an increase in receivables outstanding.

Total expenses increased for both the three and nine month periods across all expense categories.

Card Member rewards expense increased for both the three and nine month periods, primarily driven by higher billed business as well as higher travel-related redemptions.

Business development expense increased for both the three and nine month periods, primarily due to increased client incentive payments driven by higher billed business.

Card Member services expense increased for both the three and nine month periods, primarily driven by higher usage of travel-related benefits.

Marketing expense increased for both the three and nine month periods, primarily driven by higher marketing investments to continue building growth momentum.

Salaries and employee benefits and other expenses increased for both the three and nine month periods, primarily driven by higher technology and servicing costs.

Table 12: CS Selected Statistical Information

(Millions, except percentages and where indicated)	As of or for the Three Months Ended September 30, **2022**	2021	Change 2022 vs 2021	As of or for the Nine Months Ended September 30, **2022**	2021	Change 2022 vs 2021
Billed business *(billions)*	**$ 127.6**	$ 106.1	20 %	**$ 369.0**	$ 293.7	26 %
Proprietary cards-in-force	**14.6**	13.1	11	**14.6**	13.1	11
Average Card Member spending *(dollars)*	**$ 8,848**	$ 8,212	8	**$ 26,377**	$ 23,099	14
Total segment assets *(billions)*	**$ 51.3**	$ 40.5	27	**$ 51.3**	$ 40.5	27
Card Member loans:						
Total loans *(billions)*	**$ 20.7**	$ 14.9	39	**$ 20.7**	$ 14.9	39
Average loans *(billions)*	**$ 20.1**	$ 14.7	37	**$ 18.7**	$ 13.8	36
Net write-off rate - principal, interest and fees [(a)]	**0.8 %**	0.5 %		**0.8 %**	0.8 %	
Net write-off rate - principal only [(a)]	**0.7 %**	0.4 %		**0.6 %**	0.7 %	
30+ days past due as a % of total	**0.7 %**	0.5 %		**0.7 %**	0.5 %	
Calculation of Net Interest Yield on Average Card Member Loans:						
Net interest income	**$ 351**	$ 284		**$ 1,026**	$ 767	
Exclude:						
Interest expense not attributable to our Card Member loan portfolio [(b)]	**124**	61		**272**	195	
Interest income not attributable to our Card Member loan portfolio [(c)]	**(24)**	(16)		**(57)**	(61)	
Adjusted net interest income [(d)]	**$ 451**	$ 329		**$ 1,241**	$ 901	
Average Card Member loans *(billions)*	**$ 20.1**	$ 14.7		**$ 18.7**	$ 13.8	
Net interest income divided by average Card Member loans [(d)]	**6.9 %**	7.7 %		**7.4 %**	7.4 %	
Net interest yield on average Card Member loans [(d)]	**8.9 %**	8.9 %		**8.9 %**	8.7 %	
Card Member receivables:						
Total receivables *(billions)*	**$ 27.6**	$ 23.0	20 %	**$ 27.6**	$ 23.0	20 %
Net write-off rate - principal and fees [(e)]	**0.7 %**	0.1 %		**0.6 %**	0.2 %	
Net write-off rate - principal only [(a)] - small business	**0.9 %**	0.1 %		**0.7 %**	0.1 %	
30+ days past due as a % of total - small business	**1.4 %**	0.6 %		**1.4 %**	0.6 %	
90+ days past billing as a % of total [(e)] - corporate	**0.6 %**	0.3 %		**0.6 %**	0.3 %	

(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 corporate 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. Corporate receivables 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.

International Card Services

Table 13: ICS Selected Income Statement Data

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
(Millions, except percentages)	**2022**	2021	2022 vs. 2021		**2022**	2021	2022 vs. 2021	
Revenues								
Non-interest revenues	**$ 2,066**	$ 1,732	$ 334	19 %	**$ 6,065**	$ 4,814	$ 1,251	26 %
Interest income	**364**	278	86	31	**1,035**	827	208	25
Interest expense	**178**	114	64	56	**445**	309	136	44
Net interest income	**186**	**164**	22	13	**590**	**518**	72	14
Total revenues net of interest expense	**2,252**	1,896	356	19	**6,655**	5,332	1,323	25
Provisions for credit losses	**176**	(6)	182	#	**374**	(96)	470	#
Total revenues net of interest expense after provisions for credit losses	**2,076**	**1,902**	174	9	**6,281**	**5,428**	853	16
Total expenses	**1,910**	**1,633**	277	17	**5,688**	4,539	1,149	25
Pretax segment income	**$ 166**	$ 269	$ (103)	(38)%	**$ 593**	$ 889	$ (296)	(33)%

# Denotes a variance of 100 percent or more

ICS issues a wide range of proprietary consumer, small business and corporate cards outside the United States. ICS also provides services to our international customers, including travel and lifestyle services, and manages certain international joint ventures and our loyalty coalition businesses.

Non-interest revenues increased for both the three and nine month periods, primarily driven by higher Discount revenue.

Discount revenue increased 23 percent and 31 percent for the three and nine month periods, respectively, and increased 39 percent and 43 percent for the same respective periods on an FX-adjusted basis, primarily reflecting increases in billed business.[1]

See Tables 5, 6 and 14 for more details on billed business performance.

Net card fees remained flat and increased 2 percent for the three and nine month periods, respectively, and increased 15 percent and 12 percent for the same respective periods on an FX-adjusted basis, primarily driven by growth in our premium card portfolios.[1]

Service fees and other revenue increased 34 percent and 46 percent for the three and nine month periods, respectively, and increased 51 percent and 60 percent for the same respective periods on an FX-adjusted basis, primarily due to higher foreign exchange-related revenues associated with Card Member cross-currency spending, higher delinquency fees and, for the nine month period, higher income from equity method investments, which included a portion of the revenue allocated to a joint venture partner as described in Business development expense below, versus a net loss in the prior nine month period.[1]

Processed revenue increased 20 percent and 36 percent for the three and nine month periods, respectively, and increased 26 percent and 43 percent for the same respective periods on an FX-adjusted basis, primarily driven by increases in processed volumes.[1]

Net interest income increased for both the three and nine month periods, primarily driven by higher revolving Card Member loan balances, partially offset by higher interest expense due to higher rates and the negative impact of the strengthening U.S. dollar on interest income.

[1] 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). FX-adjusted revenues is a non-GAAP measure. We believe the presentation of information on a foreign currency adjusted basis is helpful to investors by making it easier to compare our performance in one period to that of another period without the variability caused by fluctuations in currency exchange rates.

Card Member loans provision for credit losses increased for both the three and nine month periods. The increase for the three month period was primarily due to a reserve build in the current period, versus a reserve release in the prior period, and higher net write-offs. The increase for the nine month period was primarily due to a reserve build in the current period, versus a reserve release in the prior period, partially offset by lower net write-offs. The reserve builds in the current three month and nine month periods were primarily driven by higher delinquencies and deterioration in the macroeconomic outlook. The reserve releases in the prior periods were driven by lower delinquencies and improved portfolio quality and macroeconomic outlook, partially offset by an increase in loans outstanding.

Card Member receivables provision for credit losses increased for both the three and nine month periods, primarily due to reserve builds in the current periods, versus reserve releases in the prior periods, and higher net write-offs. The reserve builds in the current three month and nine month periods were primarily driven by higher delinquencies. The reserve releases in the prior periods were driven by lower delinquencies and improved portfolio quality and macroeconomic outlook, partially offset by an increase in receivables outstanding.

Card Member rewards expense increased for both the three and nine month periods, primarily driven by higher billed business as well as higher travel-related redemptions.

Business development expense increased for both the three and nine month periods, primarily due to increased partner payments and client incentives driven by higher billed business. The year-over-year increase for the nine month period included a charge related to revenue allocated to a joint venture partner for certain categories of transactions.

Card Member services expense increased for both the three and nine month periods, primarily driven by higher usage of travel-related benefits.

Marketing expense decreased 3 percent and increased 6 percent for the three and nine month periods, respectively. The year-over-year movements in both the three and nine month periods reflect higher marketing investments to continue building growth momentum.

Salaries and employee benefits and other expenses increased for both the three and nine month periods, primarily driven by higher technology, servicing and compensation costs.

In addition to the variance drivers described above, provisions for losses and all expense categories for ICS benefited from the strengthening of the U.S. dollar for both the three and nine month periods.

Table 14: ICS Selected Statistical Information

(Millions, except percentages and where indicated)	As of or for the Three Months Ended September 30, **2022**	2021	Change 2022 vs. 2021	As of or for the Nine Months Ended September 30, **2022**	2021	Change 2022 vs. 2021
Billed business *(billions)*	**$ 70.2**	$ 58.2	21 %	**$ 204.5**	$ 160.6	27 %
Proprietary cards-in-force	**19.8**	18.8	5	**19.8**	18.8	5
Proprietary basic cards-in-force	**14.7**	13.7	7	**14.7**	13.7	7
Average proprietary basic Card Member spending *(dollars)*	**$ 4,824**	$ 4,258	13	**$ 14,300**	$ 11,801	21
Total segment assets *(billions)*	**$ 32.9**	$ 29.7	11	**$ 32.9**	$ 29.7	11
Card Member loans - consumer and small business:						
Total loans *(billions)*	**$ 12.0**	$ 9.5	26	**$ 12.0**	$ 9.5	26
Average loans *(billions)*	**$ 12.3**	$ 9.4	31	**$ 11.9**	$ 9.0	32
Net write-off rate - principal, interest and fees [(a)]	**1.4 %**	1.7 %		**1.3 %**	2.5 %	
Net write-off rate - principal only [(a)]	**1.2 %**	1.3 %		**1.1 %**	1.9 %	
30+ days past due as a % of total	**1.0 %**	1.0 %		**1.0 %**	1.0 %	
Calculation of Net Interest Yield on Average Card Member Loans:						
Net interest income	**$ 186**	$ 164		**$ 590**	$ 518	
Exclude:						
Interest expense not attributable to our Card Member loan portfolio [(b)]	**72**	55		**187**	154	
Interest income not attributable to our Card Member loan portfolio [(c)]	**(7)**	(3)		**(16)**	(8)	
Adjusted net interest income [(d)]	**$ 251**	$ 216		**$ 761**	$ 664	
Average Card Member loans *(billions)*	**$ 12.4**	$ 9.4		**$ 12.0**	$ 9.1	
Net interest income divided by average Card Member loans [(d)]	**6.0 %**	6.9 %		**6.6 %**	7.6 %	
Net interest yield on average Card Member loans [(d)]	**8.0 %**	9.1 %		**8.5 %**	9.8 %	
Card Member receivables:						
Total receivables *(billions)*	**$ 14.5**	$ 13.2	10 %	**$ 14.5**	$ 13.2	10 %
Net write-off rate - principal and fees [(e)]	**1.4 %**	0.7 %		**1.1 %**	0.6 %	
Net write-off rate - principal only [(a)] - consumer and small business	**1.6 %**	0.7 %		**1.3 %**	0.9 %	
30+ days past due as a % of total - consumer and small business	**1.2 %**	0.6 %		**1.2 %**	0.6 %	
90+ days past billing as a % of total [(e)] - corporate	**0.5 %**	0.3 %		**0.5 %**	0.3 %	

(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 corporate 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. Corporate receivables 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 15: GMNS Selected Income Statement and Other Data

(Millions, except percentages and where indicated)	Three Months Ended September 30, **2022**	2021	Change 2022 vs. 2021		Nine Months Ended September 30, **2022**	2021	Change 2022 vs. 2021	
Revenues								
Non-interest revenues	**$ 1,562**	$ 1,294	$ 268	21 %	**$ 4,502**	$ 3,589	$ 913	25 %
Interest income	**6**	4	2	50	**13**	12	1	8
Interest expense	**(97)**	(24)	(73)	#	**(202)**	(61)	(141)	#
Net interest income	**103**	28	75	#	**215**	73	142	#
Total revenues net of interest expense	**1,665**	1,322	343	26	**4,717**	3,662	1,055	29
Provisions for credit losses	**3**	—	3	—	**6**	(37)	43	#
Total revenues net of interest expense after provisions for credit losses	**1,662**	1,322	340	26	**4,711**	3,699	1,012	27
Total expenses	**870**	809	61	8	**2,448**	2,300	148	6
Pretax segment income	**792**	513	279	54	**2,263**	1,399	864	62
Network volumes *(billions)*	**394.4**	330.7	$ 64	19	**1,139.5**	916.1	$ 223	24
Total segment assets *(billions)*	**$ 15.4**	$ 14.3		8 %	**$ 15.4**	$ 14.3		8 %

# 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 (including our network partnership agreements in China), 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 for both the three and nine month periods across all revenue categories.

Discount revenue increased 22 percent and 28 percent for the three and nine month periods, respectively, primarily driven by increases in billed business.

See Tables 5 and 6 for more details on billed business performance.

Service fees and other revenue increased 30 percent and 32 percent for the three and nine month periods, respectively, primarily due to higher foreign currency-related revenue.

Processed revenue increased 12 percent and 16 percent for the three and nine month periods, respectively, primarily driven by higher processed volumes.

GMNS receives an interest expense credit relating to internal transfer pricing due to its merchant payables. Net interest income increased for both the three and nine month periods, primarily due to higher interest expense credits, largely driven by increases in average merchant payables related to year-over-year billed business growth and higher interest rates.

Business development expense increased for both the three and nine month periods, primarily due to increased partner payments driven by higher network volumes.

Marketing expense decreased for both the three and nine month periods, primarily due to lower levels of spending on growth initiatives in the current periods compared to the prior periods.

Salaries and employee benefits and other operating expenses increased for both the three and nine month periods, primarily driven by higher compensation expense and a prior year reserve release for merchant exposure associated with Card Member travel-related purchases earlier in the COVID-19 pandemic.

Corporate & Other

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

Corporate & Other pretax loss was $582 million for the three months ended September 30, 2022, compared to $282 million for the same period in the prior year, and $1.6 billion for the nine months ended September 30, 2022, compared to $801 million for the same period in the prior year. The increases in pretax loss were primarily driven by net losses on Amex Ventures investments in the current periods as compared to net gains on Amex Ventures investments in the prior periods and higher compensation costs, partially offset by lower net losses from Global Business Travel Group, Inc.

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 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 September 30, 2022:

Table 16: Regulatory Risk-Based Capital and Leverage Ratios

	Effective Minimum [a]	Ratios as of September 30, 2022
Risk-Based Capital		
Common Equity Tier 1	**7.0 %**	
American Express Company		**10.6 %**
American Express National Bank		**11.2**
Tier 1	**8.5 %**	
American Express Company		**11.5**
American Express National Bank		**11.2**
Total	**10.5 %**	
American Express Company		**13.3**
American Express National Bank		**13.1**
Tier 1 Leverage	**4.0 %**	
American Express Company		**10.1**
American Express National Bank		**9.5 %**

(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 September 30, 2022:

Table 17: Regulatory Risk-Based Capital Components and Risk Weighted Assets

American Express Company *($ in Billions)*	September 30, 2022
Risk-Based Capital	
Common Equity Tier 1	**$ 19.3**
Tier 1 Capital	**20.9**
Tier 2 Capital	**3.2**
Total Capital	**24.1**
Risk-Weighted Assets	**181.7**
Average Total Assets to calculate the Tier 1 Leverage Ratio	**$ 207.6**

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 $990 million of eligible subordinated notes, adjusted for capital held by insurance subsidiaries. The $990 million of eligible subordinated notes includes the $750 million subordinated debt issued in May 2022 and the $240 million remaining 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 participated in the Federal Reserve's supervisory stress tests in 2022. On August 4, 2022, the Federal Reserve confirmed our SCB of 2.5 percent, which resulted in a minimum CET1 ratio of 7 percent, effective October 1, 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 and nine months ended September 30, 2022, we returned $1.0 billion and $3.9 billion, respectively, to our shareholders in the form of common stock dividends of $0.4 billion and $1.2 billion, respectively, and share repurchases of $0.6 billion and $2.7 billion, respectively. We repurchased 4.0 million common shares at an average price of $149.33 in the third quarter of 2022.

In addition, during the three and nine months ended September 30, 2022, we paid $14 million and $43 million, respectively, 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 September 30, 2022 and December 31, 2021:

Table 18: Summary of Customer Deposits and Consolidated Debt

(Billions)	**September 30, 2022**	December 31, 2021
Customer deposits	**$ 103.5**	$ 84.4
Short-term borrowings	**1.5**	2.2
Long-term debt	**42.4**	38.7
Total customer deposits and debt	**$ 147.4**	$ 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.

Our funding needs are driven by, among other factors, maturing obligations, our liquidity position and the pace of growth in our loans and receivables balances. Actual funding activities can vary from our plans due to various factors, such as future business growth, the impact of global economic, political and other events on market capacity and funding needs, demand for securities offered by us, regulatory changes, ability to securitize and sell loans and receivables, and the performance of loans and receivables previously sold in securitization transactions. Many of these factors are beyond our control.

The following table presents our debt issuances for the three months ended September 30, 2022:

Table 19: Debt Issuances

(Billions)	Three Months Ended September 30, 2022
American Express Company:	
Fixed Rate Senior Notes (weighted-average coupon of 3.95%)	$ 2.25
Fixed-to-Floating Rate Senior Notes (4.42% coupon during the fixed rate period and compounded SOFR[(a)] plus 1.76% during the floating rate period)	1.25
American Express Credit Account Master Trust:	
Fixed Rate Class A Certificates (weighted-average coupon of 3.75%)	2.25
Total	$ 5.75

(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 20: 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 future net interest margin associated with our liquidity resources depends on the difference between our cost of funding these resources and their investment yields.

Securitized Borrowing Capacity

As of September 30, 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 September 30, 2022, no amounts were drawn on the Charge Trust facility or 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 September 30, 2022, we had approximately $96.2 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 September 30, 2022, with a maturity date of October 15, 2024. We use this facility from time to time in the ordinary course of business to fund working capital needs. As of September 30, 2022, $300 million was drawn on this facility, which was repaid in full on October 5, 2022.

Unused Credit Outstanding

As of September 30, 2022, we had approximately $345 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 nine months ended September 30:

Table 21: Cash Flows

(Billions)	**2022**	2021
Total cash provided by (used in):		
Operating activities	**$ 12.6**	$ 9.6
Investing activities	**(22.9)**	0.8
Financing activities	**18.9**	(15.3)
Effect of foreign currency exchange rates on cash and cash equivalents	**0.5**	(0.2)
Net increase (decrease) in cash and cash equivalents	**$ 9.1**	$ (5.1)

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, primarily resulting from higher accounts payable to merchants and an increase in Membership Rewards liability driven by higher Card Member spending.

In 2021, the net cash provided by operating activities was primarily driven by cash generated from net income for the period and higher net operating liabilities, primarily resulting from an increase in Membership Rewards liability driven by higher Card Member spending.

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 higher Card Member loans and receivables outstanding and net purchases of investment securities.

In 2021, the net cash provided by investing activities was primarily driven by net maturities of our investment securities, partially offset by higher Card Member loans and receivables outstanding.

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 proceeds from debt issuances and growth in customer deposits, partially offset by debt repayments, share repurchases and dividend payments.

In 2021, the net cash used in financing activities was primarily driven by debt repayments, share repurchases, decreases in customer deposits, dividend payments and redemption of preferred shares, partially offset by the proceeds from the issuance of preferred shares.

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 August 24, 2022, the Reserve Bank of India lifted the restrictions it imposed on American Express Banking Corp.'s ability to onboard new customers as a result of local investments in technology, infrastructure and resources to comply with a regulation requiring storage of payment transaction data exclusively in India.

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. Effective October 6, 2022, merchants in Canada (other than in Quebec) are now permitted to surcharge card purchases up to a maximum of 2.4 percent as a result of a litigation settlement with Visa and Mastercard. 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.

Merchant 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, 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.

Environmental, Social and Governance (ESG) Matters

On August 4, 2022, we published our 2021-2022 ESG Report, which includes our ESG strategy and objectives in three areas: Promoting Diversity, Equity and Inclusion (DE&I); Advancing Climate Solutions; and Building Financial Confidence. The Report follows the Global Reporting Initiative, Sustainability Accounting Standards Board and Task Force on Climate-related Financial Disclosures (TCFD) reporting guidelines, including the results of a qualitative climate-related risk assessment. Potential physical risks related to climate change identified in the TCFD index include severe weather conditions across some of our critical sites. Potential transition risks and opportunities identified in the TCFD index relate to current and emerging regulations, shifting consumer preferences, reputational risks, increased operating costs, impacts to travel patterns and geographic or location-based risks. We continue to identify and assess climate-related risks and opportunities, as well as pursue initiatives to promote DE&I and build financial resilience for our colleagues, customers and communities.

Other Developments

As part of an internal review, we identified that over time certain current and former U.S. Card Members with multiple cards were not credited certain Membership Rewards points that they had earned. This review is expected to be completed by the end of 2022. We currently expect that this review will likely lead to an increase in the liability for Membership Rewards, with a corresponding increase in Card Member rewards expenses, and could result in customer remediation costs. The amount of the increase in the liability, expenses and remediation costs has not yet been determined, but we do not believe it will have a material adverse impact on our results of operations or financial condition.

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 (Card Member spending) — Represents transaction volumes (including cash advances) on payment products issued by American Express.

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 mid-sized enterprise customers in our CS and ICS segments.

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.

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.

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 at high levels in areas that can drive sustainable growth (including our brand, value propositions, customers, colleagues, technology and coverage), 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: macroeconomic conditions, such as recession risks, effects of inflation, labor shortages, supply chain issues, higher interest rates and energy costs and the continued effects of the pandemic; the military conflict between Russia and Ukraine and related geopolitical impacts; 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 macroeconomic conditions; consumer and business spending, including in T&E categories and by large and global corporate clients, not growing in line with expectations; the strengthening of the U.S. dollar beyond expectations; an inability to address competitive pressures, invest with a longer-term view 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; higher-than-expected customer remediation expenses; 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 and the actual amount we spend on operating expenses in the future, which could be impacted by, among other things, salary and benefit expenses to attract and retain talent, including with respect to an increased colleague headcount; 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; supply chain issues; 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; the performance of Amex Ventures investments; 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 funding plan being implemented in a manner inconsistent with current expectations, which will depend on various factors such as future business growth, the impact of global economic, political and other events on market capacity, demand for securities we offer, regulatory changes, ability to securitize and sell loans and receivables and the performance of loans and receivables previously sold in securitization transactions;
- 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, the Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 2022, 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 September 30 (Millions, except per share amounts)	**2022**	2021
Revenues		
Non-interest revenues		
Discount revenue	**$ 7,848**	$ 6,369
Net card fees	**1,541**	1,312
Service fees and other revenue	**1,169**	839
Processed revenue	**420**	414
Total non-interest revenues	**10,978**	8,934
Interest income		
Interest on loans	**3,164**	2,256
Interest and dividends on investment securities	**27**	18
Deposits with banks and other	**183**	27
Total interest income	**3,374**	2,301
Interest expense		
Deposits	**440**	109
Long-term debt and other	**356**	198
Total interest expense	**796**	307
Net interest income	**2,578**	1,994
Total revenues net of interest expense	**13,556**	10,928
Provisions for credit losses		
Card Member receivables	**165**	(12)
Card Member loans	**596**	(177)
Other	**17**	(2)
Total provisions for credit losses	**778**	(191)
Total revenues net of interest expense after provisions for credit losses	**12,778**	11,119
Expenses		
Card Member rewards	**3,571**	3,020
Business development	**1,194**	943
Card Member services	**774**	579
Marketing	**1,458**	1,412
Salaries and employee benefits	**1,748**	1,497
Other, net	**1,574**	1,218
Total expenses	**10,319**	8,669
Pretax income	**2,459**	2,450
Income tax provision	**580**	624
Net income	**$ 1,879**	$ 1,826
Earnings per Common Share (Note 14)[(a)]		
Basic	**$ 2.47**	$ 2.27
Diluted	**$ 2.47**	$ 2.27
Average common shares outstanding for earnings per common share:		
Basic	**748**	786
Diluted	**749**	787

(a) Represents net income less (i) earnings allocated to participating share awards of $14 million for both the three months ended September 30, 2022 and 2021, (ii) dividends on preferred shares of $14 million and $20 million for the three months ended September 30, 2022 and 2021, respectively, and (iii) an equity-related adjustment of $9 million related to the redemption of preferred shares for the three months ended September 30, 2021.

See Notes to Consolidated Financial Statements.

AMERICAN EXPRESS COMPANY
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

Nine Months Ended September 30 (Millions, except per share amounts)	**2022**	2021
Revenues		
Non-interest revenues		
Discount revenue	**$ 22,556**	$ 17,414
Net card fees	**4,445**	3,851
Service fees and other revenue	**3,340**	2,182
Processed revenue	**1,208**	1,146
Total non-interest revenues	**31,549**	24,593
Interest income		
Interest on loans	**8,344**	6,494
Interest and dividends on investment securities	**62**	66
Deposits with banks and other	**287**	73
Total interest income	**8,693**	6,633
Interest expense		
Deposits	**749**	356
Long-term debt and other	**807**	635
Total interest expense	**1,556**	991
Net interest income	**7,137**	5,642
Total revenues net of interest expense	**38,686**	30,235
Provisions for credit losses		
Card Member receivables	**383**	(147)
Card Member loans	**757**	(1,146)
Other	**15**	(179)
Total provisions for credit losses	**1,155**	(1,472)
Total revenues net of interest expense after provisions for credit losses	**37,531**	31,707
Expenses		
Card Member rewards	**10,273**	7,975
Business development	**3,641**	2,634
Card Member services	**2,078**	1,328
Marketing	**4,184**	3,706
Salaries and employee benefits	**5,218**	4,586
Other, net	**4,423**	3,095
Total expenses	**29,817**	23,324
Pretax income	**7,714**	8,383
Income tax provision	**1,772**	2,042
Net income	**$ 5,942**	$ 6,341
Earnings per Common Share (Note 14)[(a)]		
Basic	**$ 7.78**	$ 7.84
Diluted	**$ 7.77**	$ 7.82
Average common shares outstanding for earnings per common share:		
Basic	**752**	796
Diluted	**753**	797

(a) Represents net income less (i) earnings allocated to participating share awards of $45 million for both the nine months ended September 30, 2022 and 2021, (ii) dividends on preferred shares of $43 million and $49 million for the nine months ended September 30, 2022 and 2021, respectively, and (iii) an equity-related adjustment of $9 million related to the redemption of preferred shares for the nine months ended September 30, 2021.

See Notes to Consolidated Financial Statements.

AMERICAN EXPRESS COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Millions)	**2022**	2021	**2022**	2021
Net income	**$ 1,879**	$ 1,826	**$ 5,942**	$ 6,341
Other comprehensive income (loss):				
Net unrealized debt securities (losses) gains, net of tax	**(39)**	(8)	**(92)**	(31)
Foreign currency translation adjustments, net of hedges and tax	**(200)**	(83)	**(377)**	(81)
Net unrealized pension and other postretirement benefits, net of tax	**5**	9	**37**	44
Other comprehensive income (loss)	**(234)**	(82)	**(432)**	(68)
Comprehensive income	**$ 1,645**	$ 1,744	**$ 5,510**	$ 6,273

See Notes to Consolidated Financial Statements.

AMERICAN EXPRESS COMPANY
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Millions, except share data)	**September 30, 2022**	December 31, 2021
Assets		
Cash and cash equivalents		
Cash and due from banks (includes restricted cash of consolidated variable interest entities: 2022, $4; 2021, $11)	**$ 3,012**	$ 1,292
Interest-bearing deposits in other banks (includes securities purchased under resale agreements: 2022, $293; 2021, $463)	**27,167**	20,548
Short-term investment securities (includes restricted investments of consolidated variable interest entities: 2022, $903; 2021, $32)	**1,003**	188
Total cash and cash equivalents	**31,182**	22,028
Card Member receivables (includes gross receivables available to settle obligations of a consolidated variable interest entity: 2022, $5,849; 2021, $5,175), less reserves for credit losses: 2022, $159; 2021, $64	**55,116**	53,581
Card Member loans (includes gross loans available to settle obligations of a consolidated variable interest entity: 2022, $26,713; 2021, $26,587), less reserves for credit losses: 2022, $3,319; 2021, $3,305	**95,719**	85,257
Other loans, less reserves for credit losses: 2022, $46; 2021, $52	**4,797**	2,859
Investment securities	**4,539**	2,591
Premises and equipment, less accumulated depreciation and amortization: 2022, $9,519; 2021, $8,602	**5,095**	4,988
Other assets, less reserves for credit losses: 2022, $22; 2021, $25	**18,467**	17,244
Total assets	**$ 214,915**	$ 188,548
Liabilities and Shareholders' Equity		
Liabilities		
Customer deposits	**$ 103,463**	$ 84,382
Accounts payable	**11,021**	10,574
Short-term borrowings	**1,515**	2,243
Long-term debt (includes debt issued by consolidated variable interest entities: 2022, $12,444; 2021, $13,803)	**42,393**	38,675
Other liabilities	**32,583**	30,497
Total liabilities	**$ 190,975**	$ 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 September 30, 2022 and December 31, 2021	—	—
Common shares, $0.20 par value, authorized 3.6 billion shares; issued and outstanding 747 million shares as of September 30, 2022 and 761 million shares as of December 31, 2021	**150**	153
Additional paid-in capital	**11,482**	11,495
Retained earnings	**15,685**	13,474
Accumulated other comprehensive income (loss)	**(3,377)**	(2,945)
Total shareholders' equity	**23,940**	22,177
Total liabilities and shareholders' equity	**$ 214,915**	$ 188,548

See Notes to Consolidated Financial Statements.

AMERICAN EXPRESS COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

Nine Months Ended September 30 *(Millions)*	2022	2021
Cash Flows from Operating Activities		
Net income	**$ 5,942**	$ 6,341
Adjustments to reconcile net income to net cash provided by operating activities:		
Provisions for credit losses	**1,155**	(1,472)
Depreciation and amortization	**1,208**	1,276
Stock-based compensation	**282**	256
Deferred taxes	**(749)**	153
Other non-cash items [(a)]	**535**	(599)
Originations of loans held-for-sale	**(185)**	—
Proceeds from sales of loans held-for-sale	**180**	—
Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:		
Other assets	**409**	863
Accounts payable & other liabilities	**3,870**	2,819
Net cash provided by operating activities	**12,647**	9,637
Cash Flows from Investing Activities		
Sale of investment securities	**25**	37
Maturities and redemptions of investment securities	**1,738**	12,803
Purchase of investments	**(3,890)**	(1,179)
Net increase in Card Member loans and receivables, and other loans	**(19,431)**	(9,790)
Purchase of premises and equipment, net of sales: 2022, $1; 2021, $41	**(1,342)**	(1,079)
Acquisitions/dispositions, net of cash acquired	**(15)**	1
Net cash (used in) provided by investing activities	**(22,915)**	793
Cash Flows from Financing Activities		
Net increase (decrease) in customer deposits	**19,148**	(2,534)
Net (decrease) increase in short-term borrowings	**(438)**	428
Proceeds from long-term debt	**20,740**	38
Payments of long-term debt	**(16,549)**	(8,247)
Issuance of American Express preferred shares	**—**	1,584
Redemption of American Express preferred shares	**—**	(850)
Issuance of American Express common shares	**54**	54
Repurchase of American Express common shares and other	**(2,862)**	(4,681)
Dividends paid	**(1,160)**	(1,090)
Net cash provided by (used in) financing activities	**18,933**	(15,298)
Effect of foreign currency exchange rates on cash and cash equivalents	**489**	(181)
Net increase (decrease) in cash and cash equivalents	**9,154**	(5,049)
Cash and cash equivalents at beginning of period	**22,028**	32,965
Cash and cash equivalents at end of period	**$ 31,182**	$ 27,916

Supplemental cash flow information

Cash and cash equivalents reconciliation	**Sep-22**	Dec-21	Sep-21	Dec-20
Cash and cash equivalents per Consolidated Balance Sheets	**$ 31,182**	$ 22,028	$ 27,916	$ 32,965
Restricted balances included in Cash and cash equivalents	**1,360**	525	475	606
Total Cash and cash equivalents, excluding restricted balances	**$ 29,822**	$ 21,503	$ 27,441	$ 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 investments.

See Notes to Consolidated Financial Statements.

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

Three months ended September 30, 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 June 30, 2022	$ 23,235	$ —	$ 151	$ 11,476	$ (3,143)	$ 14,751
Net income	**1,879**	—	—	—	—	**1,879**
Other comprehensive loss	**(234)**	—	—	—	**(234)**	—
Repurchase of common shares	**(600)**	—	**(1)**	**(61)**	—	**(538)**
Other changes, primarily employee plans	**65**	—	—	**67**	—	**(2)**
Cash dividends declared preferred Series D, $9,072.22 per share	**(14)**	—	—	—	—	**(14)**
Cash dividends declared common, $0.52 per share	**(391)**	—	—	—	—	**(391)**
Balances as of September 30, 2022	**$ 23,940**	**$ —**	**$ 150**	**$ 11,482**	**$ (3,377)**	**$ 15,685**

Nine months ended September 30, 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	**5,942**	—	—	—	—	**5,942**
Other comprehensive loss	**(432)**	—	—	—	**(432)**	—
Repurchase of common shares	**(2,694)**	—	**(3)**	**(240)**	—	**(2,451)**
Other changes, primarily employee plans	**168**	—	—	**227**	—	**(59)**
Cash dividends declared preferred Series D, $27,019.44 per share	**(43)**	—	—	—	—	**(43)**
Cash dividends declared common, $1.56 per share	**(1,178)**	—	—	—	—	**(1,178)**
Balances as of September 30, 2022	**$ 23,940**	$ —	**$ 150**	**$ 11,482**	**$ (3,377)**	**$ 15,685**

See Notes to Consolidated Financial Statements.

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

Three months ended September 30, 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 June 30, 2021	$ 25,539	$ —	$ 160	$ 11,858	$ (2,881)	$ 16,402
Net income	1,826	—	—	—	—	1,826
Other comprehensive loss	(82)	—	—	—	(82)	—
Preferred shares issued	1,584	—	—	1,584	—	—
Redemption of preferred shares	(850)	—	—	(841)	—	(9)
Repurchase of common shares	(3,300)	—	(4)	(266)	—	(3,030)
Other changes, primarily employee plans	66	—	—	66	—	—
Cash dividends declared preferred Series B, $9,059.25 per share	(7)	—	—	—	—	(7)
Cash dividends declared preferred Series C, $8,698.80 per share	(7)	—	—	—	—	(7)
Cash dividends declared preferred Series D, $4,240.28 per share	(6)	—	—	—	—	(6)
Cash dividends declared common, $0.43 per share	(337)	—	—	—	—	(337)
Balances as of September 30, 2021	$ 24,426	$ —	$ 156	$ 12,401	$ (2,963)	$ 14,832

Nine months ended September 30, 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	6,341	—	—	—	—	6,341
Other comprehensive loss	(68)	—	—	—	(68)	—
Preferred shares issued	1,584	—	—	1,584	—	—
Redemption of preferred shares	(850)	—	—	(841)	—	(9)
Repurchase of common shares	(4,646)	—	(6)	(400)	—	(4,240)
Other changes, primarily employee plans	160	—	1	177	—	(18)
Cash dividends declared preferred Series B, $27,438.85 per share	(21)	—	—	—	—	(21)
Cash dividends declared preferred Series C, $26,317.47 per share	(22)	—	—	—	—	(22)
Cash dividends declared preferred Series D, $4,240.28 per share	(6)	—	—	—	—	(6)
Cash dividends declared common, $1.29 per share	(1,030)	—	—	—	—	(1,030)
Balances as of September 30, 2021	$ 24,426	$ —	$ 156	$ 12,401	$ (2,963)	$ 14,832

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 offered globally to diverse customer groups, including consumers, small businesses, mid-sized companies and large corporations. These products and services are offered 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.

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Effective for the third quarter of 2022, we realigned our reportable segments to reflect organizational changes announced during the second quarter of 2022. Prior periods have been recast to conform to the new reportable operating segments, which are as follows:

- U.S. Consumer Services (USCS), which issues a wide range of proprietary consumer cards and provides services to U.S. consumers, including travel and lifestyle services as well as banking and non-card financing products.
- Commercial Services (CS), which issues a wide range of proprietary corporate and small business cards and provides services to U.S. businesses, including payment and expense management, banking and non-card financing products. CS also issues proprietary corporate cards and provides services to select global corporate clients.
- International Card Services (ICS), which issues a wide range of proprietary consumer, small business and corporate cards outside the United States. ICS also provides services to our international customers, including travel and lifestyle services, and manages certain international joint ventures and our loyalty coalition businesses.
- Global Merchant and Network Services (GMNS), which 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 (including our network partnership agreements in China), merchant acquirers and a prepaid reloadable and gift card program manager, licensing the American Express brand and extending the reach of the global network.

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

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.

Card acceptance agreements, which include the agreed-upon terms for charging the merchant discount fee, vary in duration. Our contracts with small- and mid-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.

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

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 and our third-party merchant acquirers 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 or third-party merchant acquirer 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 existing TDR guidance for those entities that have adopted Update 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, create a single loan modification accounting model and enhance disclosure requirements for loan modifications and write-offs. We anticipate that we will adopt the updated guidance on January 1, 2023 on a prospective basis and do not expect a material impact to our Consolidated Financial Statements.

2. Loans and Card Member Receivables

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

Card Member and Other loans as of September 30, 2022 and December 31, 2021 consisted of:

(Millions)		**2022**		2021
Consumer [(a)]	**$**	**76,966**	$	70,467
Small Business		**22,018**		18,040
Corporate		**54**		55
Card Member loans		**99,038**		88,562
Less: Reserves for credit losses		**3,319**		3,305
Card Member loans, net	**$**	**95,719**	$	85,257
Other loans, net [(b)]	**$**	**4,797**	$	2,859

(a) Includes approximately $26.7 billion and $26.6 billion of gross Card Member loans available to settle obligations of a consolidated variable interest entity (VIE) as of September 30, 2022 and December 31, 2021, respectively.

(b) Other loans are presented net of reserves for credit losses of $46 million and $52 million as of September 30, 2022 and December 31, 2021, respectively.

Card Member receivables as of September 30, 2022 and December 31, 2021 consisted of:

(Millions)		**2022**		2021
Consumer	**$**	**20,366**	$	22,392
Small Business		**18,969**		17,977
Corporate [(a)]		**15,940**		13,276
Card Member receivables		**55,275**		53,645
Less: Reserves for credit losses		**159**		64
Card Member receivables, net	**$**	**55,116**	$	53,581

(a) Includes $5.8 billion and $5.2 billion of gross Card Member receivables available to settle obligations of a consolidated VIE as of September 30, 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 September 30, 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:					
Consumer	**$ 76,283**	**$ 229**	**$ 154**	**$ 300**	**$ 76,966**
Small Business	**21,857**	**61**	**38**	**62**	**22,018**
Corporate [(a)]	**(b)**	**(b)**	**(b)**	**—**	**54**
Card Member Receivables:					
Consumer	**20,161**	**77**	**47**	**81**	**20,366**
Small Business	**$ 18,722**	**$ 103**	**$ 57**	**$ 87**	**$ 18,969**
Corporate [(a)]	**(b)**	**(b)**	**(b)**	**$ 98**	**$ 15,940**

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

(a) For 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 nine months ended September 30:

	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:						
Consumer	**0.9 %**	**1.1 %**	**0.9 %**	1.1 %	1.4 %	0.7 %
Small Business	**0.6 %**	**0.7 %**	**0.7 %**	0.7 %	0.8 %	0.5 %
Card Member Receivables:						
Consumer	**0.7 %**	**0.8 %**	**1.0 %**	0.3 %	0.4 %	0.5 %
Small Business	**0.9 %**	**1.0 %**	**1.3 %**	0.3 %	0.4 %	0.6 %
Corporate [d]	**(b)**	**0.3 %**	**(c)**	(b)	(0.1)%	(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 corporate 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 0.6% and 0.3% as of September 30, 2022 and 2021, respectively.

(d) The net write-off rate for the nine months ended September 30, 2021 includes a $37 million partial recovery in Card Member receivables related to a corporate client bankruptcy, which resulted in a write-off in 2020.

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 September 30, 2022 and December 31, 2021:

	As of September 30, 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:						
Consumer	**$ 197**	**$ 110**	**$ 672**	**$ 1,057**	**$ 2,036**	**$ 302**
Small Business	**38**	**24**	**210**	**372**	**644**	**92**
Corporate	**—**	**—**	**—**	**—**	**—**	**—**
Card Member Receivables:						
Consumer	**—**	**—**	**204**	**171**	**375**	**13**
Small Business	**—**	**—**	**341**	**405**	**746**	**32**
Corporate	**—**	**—**	**1**	**6**	**7**	**—**
Other Loans [f]	**3**	**1**	**25**	**1**	**30**	**—**
Total	**$ 238**	**$ 135**	**$ 1,453**	**$ 2,012**	**$ 3,838**	**$ 439**

	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:						
Consumer	$ 149	$ 82	$ 708	$ 997	$ 1,936	$ 415
Small Business	19	14	176	332	541	132
Corporate	—	—	—	—	—	—
Card Member Receivables:						
Consumer	—	—	133	130	263	9
Small Business	—	—	247	297	544	39
Corporate	—	—	1	6	7	—
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 $45 million and $41 million that are over 90 days past due and accruing interest as of September 30, 2022 and December 31, 2021, respectively, and $14 million and $19 million that are non-accruals as of September 30, 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 $1.9 billion and $1.6 billion of accounts that have successfully completed a modification program and $141 million and $143 million of accounts that were not in compliance with the terms of the modification programs as of September 30, 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 and nine months ended September 30, 2022 and 2021:

	Three Months Ended September 30, 2022				Nine Months Ended September 30, 2022			
	Number of Accounts (thousands)	Account Balances (millions)[a]	Average Interest Rate Reduction (% points)	Average Payment Term Extensions (# of months)	Number of Accounts (thousands)	Account Balances (millions)[a]	Average Interest Rate Reduction (% Points)	Average Payment Term Extension (# of Months)
Troubled Debt Restructurings:								
Card Member Loans	**44**	**$ 285**	**14**	**(b)**	**97**	**$ 633**	**14**	**(b)**
Card Member Receivables	**7**	**258**	**(c)**	**20**	**18**	**591**	**(c)**	**19**
Other Loans [d]	**1**	**3**	**2**	**16**	**3**	**$ 5**	**2**	**16**
Total	**52**	**$ 546**			**118**	**$ 1,229**		

	Three Months Ended September 30, 2021				Nine Months Ended September 30, 2021			
	Number of Accounts (thousands)	Account Balances (millions)[a]	Average Interest Rate Reduction (% points)	Average Payment Term Extensions (# of months)	Number of Accounts (thousands)	Account Balances (millions)[a]	Average Interest Rate Reduction (% Points)	Average Payment Term Extension (# of Months)
Troubled Debt Restructurings:								
Card Member Loans	26	$ 177	13	(b)	87	$ 636	13	(b)
Card Member Receivables	5	114	(c)	17	16	314	(c)	18
Other Loans [d]	1	$ 2	3	17	3	$ 12	3	16
Total	32	$ 293			106	$ 962		

(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 September 30, 2022		Nine Months Ended September 30, 2022	
	Number of Accounts (thousands)	Aggregated Outstanding Balances Upon Default (millions)[a]	Number of Accounts (thousands)	Aggregated Outstanding Balances Upon Default (millions)[a]
Troubled Debt Restructurings That Subsequently Defaulted:				
Card Member Loans	**4**	**$ 18**	**12**	**$ 70**
Card Member Receivables	**1**	**7**	**3**	**27**
Other Loans [b]	—	—	—	—
Total	**5**	**$ 25**	**15**	**$ 97**

	Three Months Ended September 30, 2021		Nine Months Ended September 30, 2021	
	Number of Accounts (thousands)	Aggregated Outstanding Balances Upon Default (millions)[a]	Number of Accounts (thousands)	Aggregated Outstanding Balances Upon Default (millions)[a]
Troubled Debt Restructurings That Subsequently Defaulted:				
Card Member Loans	4	$ 32	20	$ 148
Card Member Receivables	1	10	5	48
Other Loans [b]	1	1	3	$ 9
Total	6	$ 43	28	$ 205

(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.

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.

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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]	
	September 30, 2022	**December 31, 2021**	**September 30, 2022**	**December 31, 2021**
Third quarter of 2022	4%	4% - 8%	2%	3% - (2)%
Fourth quarter of 2022	4% - 6%	4% - 9%	1% - (1)%	2% - 1%
Fourth quarter of 2023	4% - 8%	3% - 7%	3% - 2%	4% - 3%
Fourth quarter of 2024	4% - 6%	4% -6%	4% - 3%	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 increased for the three months ended September 30, 2022, primarily driven by an increase in loans outstanding and deterioration in the macroeconomic outlook.

Card Member loans reserve for credit losses increased for the nine months ended September 30, 2022, primarily driven by an increase in loans outstanding and deterioration in the macroeconomic outlook, partially offset by a reduction in COVID-19 pandemic-driven reserves.

Card Member loans reserve for credit losses decreased for both the three and nine months ended September 30, 2021, driven by lower delinquencies and improved portfolio quality and macroeconomic outlook, partially offset by an increase in loans outstanding.

The following table presents changes in the Card Member loans reserve for credit losses for the three and nine months ended September 30:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Millions)	**2022**	2021	**2022**	2021
Beginning Balance	**$ 2,997**	$ 3,835	**$ 3,305**	$ 5,344
Provisions [a]	**596**	(177)	**757**	(1,146)
Net write-offs [b]				
Principal	**(203)**	(118)	**(560)**	(544)
Interest and fees	**(56)**	(43)	**(161)**	(164)
Other [c]	**(15)**	(8)	**(22)**	(1)
Ending Balance	**$ 3,319**	$ 3,489	**$ 3,319**	$ 3,489

(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 $133 million and $167 million for the three months ended September 30, 2022 and 2021, respectively, and $415 million and $507 million for the nine months ended September 30, 2022 and 2021, respectively. Recoveries of interest and fees were not significant. Amounts include net (write-offs) recoveries from TDRs of $(48) million and $(36) million for the three months ended September 30, 2022 and 2021, respectively, and $(156) million and $(124) million for the nine months ended September 30, 2022 and 2021, respectively.

(c) Primarily includes foreign currency translation adjustments of $(16) million and $(8) million for the three months ended September 30, 2022 and 2021, respectively, and $(22) million and $(2) million for the nine months ended September 30, 2022 and 2021, respectively.

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Changes in Card Member Receivables Reserve for Credit Losses

Card Member receivables reserve for credit losses increased for the three months ended September 30, 2022, primarily driven by higher delinquencies.

Card Member receivables reserve for credit losses increased for the nine months ended September 30, 2022, primarily driven by an increase in receivables outstanding and higher delinquencies.

Card Member receivables reserve for credit losses decreased for both the three and nine months ended September 30, 2021, driven by lower delinquencies and improved portfolio quality and macroeconomic outlook, partially offset by an increase in receivables outstanding.

The following table presents changes in the Card Member receivables reserve for credit losses for the three and nine months ended September 30:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Millions)	**2022**	2021	**2022**	2021
Beginning Balance	**$ 119**	$ 73	**$ 64**	$ 267
Provisions [a]	**165**	(12)	**383**	(147)
Net write-offs [b]	**(122)**	(32)	**(284)**	(89)
Other [c]	**(3)**	1	**(4)**	(1)
Ending Balance	**$ 159**	$ 30	**$ 159**	$ 30

(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 $60 million and $79 million for the three months ended September 30, 2022 and 2021, respectively, and $195 million and $303 million for the nine months ended September 30, 2022 and 2021, respectively. Amounts include net (write-offs) recoveries from TDRs of $(19) million and $(15) million for the three months ended September 30, 2022 and 2021, respectively, and $(48) million and $(51) million for the nine months ended September 30, 2022 and 2021, respectively.

(c) Primarily includes foreign currency translation adjustments of $(2) million and nil for the three months ended September 30, 2022 and 2021, respectively, and $(4) million and $(1) million for the nine months ended September 30, 2022 and 2021, respectively.

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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 $15 million and $12 million as of September 30, 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 September 30, 2022 and December 31, 2021:

	2022				2021			
Description of Securities *(Millions)*	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Available-for-sale debt securities:								
State and municipal obligations	**$ 66**	**$ —**	**$ (11)**	**$ 55**	$ 106	$ 5	$ —	$ 111
U.S. Government agency obligations	**5**	**—**	**—**	**5**	6	—	—	6
U.S. Government treasury obligations	**3,844**	**—**	**(77)**	**3,767**	1,680	25	(1)	1,704
Mortgage-backed securities [(a)]	**13**	**—**	**—**	**13**	17	1	—	18
Foreign government bonds and obligations	**627**	**—**	**(3)**	**624**	630	—	—	630
Other [(b)]	**32**	**—**	**—**	**32**	43	—	—	43
Equity securities [(c)]	**53**	**—**	**(10)**	**43**	66	17	(4)	79
Total	**$ 4,640**	**$ —**	**$ (101)**	**$ 4,539**	$ 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 September 30, 2022 and December 31, 2021:

	2022				2021			
	Less than 12 months		12 months or more		Less than 12 months		12 months or more	
Description of Securities (*Millions*)	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses
State and municipal obligations	**$ 52**	**$ (11)**	**$ —**	**$ —**	$ —	$ —	$ —	$ —
U.S. Government treasury obligations	**3,709**	**(75)**	**48**	**(2)**	477	(1)	—	—
Foreign government bonds and obligations	**600**	**(3)**	**—**	**—**	—	—	—	—
Total	**$ 4,361**	**$ (89)**	**$ 48**	**$ (2)**	$ 477	$ (1)	$ —	$ —

The gross unrealized losses on our available-for-sale debt securities are primarily attributable to an increase in the current benchmark interest rate. Overall, for the available-for-sale debt securities in gross unrealized loss positions, (i) we do not intend to sell the securities, (ii) it is not more likely than not that we will be required to sell the securities before recovery of the unrealized losses, and (iii) we expect that the contractual principal and interest will be received on the securities. We concluded that there was no credit loss attributable to the securities in an unrealized loss position for the periods presented.

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The following table summarizes the gross unrealized losses by ratio of fair value to amortized cost as of September 30, 2022 and December 31, 2021:

Ratio of Fair Value to Amortized Cost (*Dollars in millions*)	Less than 12 months			12 months or more			Total		
	Number of Securities	Estimated Fair Value	Gross Unrealized Losses	Number of Securities	Estimated Fair Value	Gross Unrealized Losses	Number of Securities	Estimated Fair Value	Gross Unrealized Losses
2022:									
90–100%	**84**	**$ 4,333**	**$ (79)**	**1**	**$ 48**	**$ (2)**	**85**	**$ 4,381**	**$ (81)**
Less than 90%	**12**	**28**	**(10)**	**—**	**$ —**	**$ —**	**12**	**$ 28**	**$ (10)**
Total as of September 30, 2022	**96**	**$ 4,361**	**$ (89)**	**1**	**$ 48**	**$ (2)**	**97**	**$ 4,409**	**$ (91)**
2021:									
90–100%	5	$ 477	$ (1)	—	$ —	$ —	5	$ 477	$ (1)
Less than 90%	—	$ —	$ —	—	$ —	$ —	—	$ —	$ —
Total as of December 31, 2021	5	$ 477	$ (1)	—	$ —	$ —	5	$ 477	$ (1)

Contractual maturities for available-for-sale debt securities with stated maturities as of September 30, 2022 were as follows:

(Millions)	Cost	Estimated Fair Value
Due within 1 year	**$ 2,359**	**$ 2,328**
Due after 1 year but within 5 years	**2,137**	**2,088**
Due after 5 years but within 10 years	**30**	**30**
Due after 10 years	**61**	**50**
Total	**$ 4,587**	**$ 4,496**

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. Our ownership of variable interests for the Lending Trust was $14.4 billion and $15.0 billion as of September 30, 2022 and December 31, 2021, respectively, and for the Charge Trust was $5.9 billion and $3.2 billion as of September 30, 2022 and December 31, 2021, respectively. 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 was $907 million and $42 million as of September 30, 2022 and December 31, 2021, respectively, and for the Charge Trust was nil and $1 million as of September 30, 2022 and December 31, 2021, respectively. 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 nine months ended September 30, 2022 and the year ended December 31, 2021, no such triggering events occurred.

6. Customer Deposits

As of September 30, 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	**$ 102,441**	$ 83,304
Non-interest-bearing (includes Card Member credit balances of: 2022, $509; 2021, $527)	**556**	553
Non-U.S.:		
Interest-bearing	**15**	18
Non-interest-bearing (includes Card Member credit balances of: 2022, $448; 2021, $503)	**451**	507
Total customer deposits	**$ 103,463**	$ 84,382

Customer deposits by deposit type as of September 30, 2022 and December 31, 2021 were as follows:

(Millions)	**2022**	2021
Savings and transaction accounts	**$ 72,862**	$ 66,142
Certificates of deposit:		
Direct	**1,998**	1,415
Third-party (brokered)	**11,216**	3,095
Sweep accounts – Third-party (brokered)	**16,388**	12,658
Other deposits	**42**	42
Card Member credit balances	**957**	1,030
Total customer deposits	**$ 103,463**	$ 84,382

The scheduled maturities of certificates of deposit as of September 30, 2022 were as follows:

(Millions)	2022	2023	2024	2025	2026	After 5 Years	Total
Certificates of deposit	**$ 373**	**$ 4,557**	**$ 6,069**	**$ 1,647**	**$ 29**	**$ 539**	**$ 13,214**

As of September 30, 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.	**$ 735**	$ 521
Non-U.S.	**1**	1
Total	**$ 736**	$ 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. In May 2022, the tribunal further clarified the 2021 partial award and the discount rate that should apply to transactions through non-physical channels. A final award is now expected in the first half of 2023.

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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 $160 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 September 30, 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 September 30, 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 September 30, 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 September 30, 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]	**$ —**	$ 204	**$ 223**	$ —
Net investment hedges - Foreign exchange contracts	**954**	219	**75**	54
Total derivatives designated as hedging instruments	**954**	423	**298**	54
Derivatives not designated as hedging instruments:				
Foreign exchange contracts and other	**941**	167	**270**	85
Total derivatives, gross	**1,895**	590	**568**	139
Derivative asset and derivative liability netting [b]	**(269)**	(93)	**(269)**	(93)
Cash collateral netting [c]	**(64)**	(204)	**(223)**	(4)
Total derivatives, net	**$ 1,562**	$ 293	**$ 76**	$ 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 $10 million and $11 million as of September 30, 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.

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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 $8.1 billion and $12.9 billion of fixed-rate debt obligations designated in fair value hedging relationships as of September 30, 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 and nine months ended September 30:

	Gains (losses)			
	Three Months Ended September 30,		Nine Months Ended September 30,	
(Millions)	**2022**	2021	**2022**	2021
Fixed-rate long-term debt	**$ 121**	$ 59	**$ 485**	$ 257
Derivatives designated as hedging instruments	**(121)**	(58)	**(488)**	(257)
Total	**$ —**	$ 1	**$ (3)**	$ —

The carrying values of the hedged liabilities, recorded within Long-term debt on the Consolidated Balance Sheets, were $7.8 billion and $13.1 billion as of September 30, 2022 and December 31, 2021, respectively, including the cumulative amount of fair value hedging adjustments of $(248) million and $237 million for the respective periods.

We recognized in Interest expense on Long-term debt a net increase of $3 million and a net decrease $60 million for the three months ended September 30, 2022 and 2021, respectively, and net decreases of 88 million and $196 million for the nine months ended September 30, 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 $12.5 billion and $12.6 billion of foreign currency derivatives designated as net investment hedges as of September 30, 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 gains of $520 million and $155 million for the three months ended September 30, 2022 and 2021, respectively, and gains of $728 million and $53 million for the nine months ended September 30, 2022 and 2021, respectively. Net investment hedge reclassifications out of AOCI into the Consolidated Statements of Income were not significant for any of the three and nine months ended September 30, 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 $19.7 billion and $19.0 billion as of September 30, 2022 and December 31, 2021, respectively. The changes in the fair value of the derivatives and the related underlying foreign currency exposures resulted in a net gain of $23 million and a net loss of $10 million for the three months ended September 30, 2022 and 2021, respectively, and a net gain of $10 million and a net loss of $24 million for the nine months ended September 30, 2022 and 2021, respectively, that are recognized in Other, net expenses in the Consolidated Statements of Income.

During the quarter ended June 30, 2022, we recorded an embedded derivative with a notional amount of $78 million, related to seller earnout shares granted to us upon the completion of a business combination between our equity method investee, American Express Global Business Travel, and Apollo Strategic Growth Capital. This embedded derivative had a fair value of $19 million as of September 30, 2022. The changes in the fair value of the embedded derivative resulted in losses of nil and $4 million for the three and nine months ended September 30, 2022, respectively, which were recognized in Service Fees and Other Revenue in the Consolidated Statements of Income.

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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 September 30, 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	**$ 43**	**$ 42**	**$ 1**	**$ —**	$ 79	$ 78	$ 1	$ —
Debt securities	**4,496**	**—**	**4,464**	**32**	2,512	—	2,480	32
Derivatives, gross [a][b]	**1,895**	**—**	**1,876**	**19**	590	—	590	—
Total Assets	**6,434**	**42**	**6,341**	**51**	3,181	78	3,071	32
Liabilities:								
Derivatives, gross [a]	**568**	**—**	**568**	**—**	139	—	139	—
Total Liabilities	**$ 568**	**$ —**	**$ 568**	**$ —**	$ 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.

(b) Level 3 fair value reflects an embedded derivative. Management reviews and applies judgment to the valuation of the embedded derivative that is performed by an independent third party using a Monte Carlo simulation that models a range of probable future stock prices based on implied volatility in a risk neutral framework. Refer to Note 8 for additional information about this embedded derivative.

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 September 30, 2022 and December 31, 2021. The fair values of these financial instruments are estimates based upon the market conditions and perceived risks as of September 30, 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]	**$ 31**	**$ 31**	**$ 29**	**$ 2**	**$ —**
Other financial assets [b]	**58**	**58**	**—**	**58**	**—**
Financial assets carried at other than fair value					
Card Member and Other loans, less reserves [c]	**101**	**104**	**—**	**—**	**104**
Financial Liabilities:					
Financial liabilities for which carrying values equal or approximate fair value	**115**	**115**	**—**	**115**	**—**
Financial liabilities carried at other than fair value					
Certificates of deposit [d]	**13**	**13**	**—**	**13**	**—**
Long-term debt [c]	**$ 42**	**$ 41**	**$ —**	**$ 41**	**$ —**

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 $5.8 billion and $5.2 billion held by a consolidated VIE as of September 30, 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 $26.7 billion as of both September 30, 2022 and December 31, 2021, and the fair values of Long-term debt were $12.1 billion and $13.9 billion as of September 30, 2022 and December 31, 2021, respectively.

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

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

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.

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 $1.2 billion and $1.3 billion as of September 30, 2022 and December 31, 2021, respectively. These amounts are included within Other assets on the Consolidated Balance Sheets. We recorded unrealized gains of $6 million and $103 million for the three months ended September 30, 2022 and 2021, respectively, and $94 million and $730 million for the nine months ended September 30, 2022 and 2021, respectively. Unrealized losses including any impairments were $51 million and nil for the three months ended September 30, 2022 and 2021, respectively, and $153 million and $2 million for the nine months ended September 30, 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 $1.2 billion and $1.1 billion as of September 30, 2022 and December 31, 2021, respectively, and cumulative unrealized losses including any impairments were $159 million and $10 million as of September 30, 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 September 30, 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 $28 million, respectively, as of September 30, 2022, and $1 billion and $24 million, respectively, as of December 31, 2021, all of which were primarily related to our real estate arrangements 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 and nine months ended September 30, 2022 and 2021 were as follows:

Three Months Ended September 30, 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 June 30, 2022	$ (30)	$ (2,569)	$ (544)	$ (3,143)
Net change	**(39)**	**(200)**	**5**	**(234)**
Balances as of September 30, 2022	**$ (69)**	**$ (2,769)**	**$ (539)**	**$ (3,377)**

Nine Months Ended September 30, 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	**(92)**	**(377)**	**37**	**(432)**
Balances as of September 30, 2022	**$ (69)**	**$ (2,769)**	**$ (539)**	**$ (3,377)**

Three Months Ended September 30, 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 June 30, 2021	$ 42	$ (2,227)	$ (696)	$ (2,881)
Net change	(8)	(83)	9	(82)
Balances as of September 30, 2021	$ 34	$ (2,310)	$ (687)	$ (2,963)

Nine Months Ended September 30, 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	(31)	(81)	44	(68)
Balances as of September 30, 2021	$ 34	$ (2,310)	$ (687)	$ (2,963)

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

The following table shows the tax impact for the three and nine months ended September 30 for the changes in each component of AOCI presented above:

	Tax expense (benefit)			
	Three Months Ended September 30,		Nine Months Ended September 30,	
(Millions)	**2022**	2021	**2022**	2021
Net unrealized (losses) gains on debt securities	**$ (13)**	$ (3)	**$ (29)**	$ (9)
Foreign currency translation adjustment, net of hedges	**169**	45	**231**	15
Pension and other postretirement benefits	**16**	5	**33**	18
Total tax impact	**$ 172**	$ 47	**$ 235**	$ 24

Reclassifications out of AOCI into the Consolidated Statements of Income, net of taxes, were not significant for any of the three and nine months ended September 30, 2022 and 2021.

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 and nine months ended September 30:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Millions)	**2022**	2021	**2022**	2021
Service fees	**$ 353**	$ 340	**$ 1,072**	$ 1,014
Foreign currency-related revenue	**338**	169	**867**	414
Delinquency fees	**211**	167	**583**	460
Travel commissions and fees	**155**	74	**374**	165
Other fees and revenues	**112**	89	**444**	129
Total Service fees and other revenue	**$ 1,169**	$ 839	**$ 3,340**	$ 2,182

The following is a detail of Other expenses for the three and nine months ended September 30:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Millions)	**2022**	2021	**2022**	2021
Data processing and equipment	**$ 651**	$ 613	**$ 1,874**	$ 1,772
Professional services	**500**	490	**1,473**	1,351
Net unrealized and realized losses (gains) on Amex Ventures investments	**47**	(142)	**68**	(773)
Other	**376**	257	**1,008**	745
Total Other expenses	**$ 1,574**	$ 1,218	**$ 4,423**	$ 3,095

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

13. Income Taxes

The effective tax rate was 23.6 percent and 25.5 percent for the three months ended September 30, 2022 and 2021, respectively, and 23.0 percent and 24.4 percent for the nine months ended September 30, 2022 and 2021, respectively. The decrease in the effective tax rate for the three month period primarily reflected changes in the geographic mix of pretax income. The decrease in the effective tax rate for the nine month period primarily reflected discrete tax benefits in the current period related to the resolution of certain prior years' tax items and stock-based compensation.

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 $173 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 $173 million of unrecognized tax benefits, approximately $137 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 and nine months ended September 30 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Millions, except per share amounts)	**2022**	2021	**2022**	2021
Numerator:				
Basic and diluted:				
Net income	**$ 1,879**	$ 1,826	**$ 5,942**	$ 6,341
Preferred dividends	**(14)**	(20)	**(43)**	(49)
Equity-related adjustment [a]	**—**	(9)	**—**	(9)
Net income available to common shareholders	**$ 1,865**	$ 1,797	**$ 5,899**	$ 6,283
Earnings allocated to participating share awards [b]	**(14)**	(14)	**(45)**	(45)
Net income attributable to common shareholders	**$ 1,851**	$ 1,783	**$ 5,854**	$ 6,238
Denominator:[a]				
Basic: Weighted-average common stock	**748**	786	**752**	796
Add: Weighted-average stock options [c]	**1**	1	**1**	1
Diluted	**749**	787	**753**	797
Basic EPS	**$ 2.47**	$ 2.27	**$ 7.78**	$ 7.84
Diluted EPS	**$ 2.47**	$ 2.27	**$ 7.77**	$ 7.82

(a) Represents the difference between the redemption value and carrying value of the Series C preferred shares, which were redeemed on September 15, 2021. The carrying value represents the original issuance proceeds, net of underwriting fees and offering costs for the Series C preferred shares.

(b) 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.

(c) The dilutive effect of unexercised stock options excludes from the computation of EPS 0.26 million and 0.01 million of options for the three months ended September 30, 2022 and 2021, respectively, and 0.23 million and 0.01 million of options for the nine months ended September 30, 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 third quarter of 2022, we realigned our reportable operating segments to reflect organizational changes announced during the second quarter of 2022. Refer to Note 1 for further details. Prior periods have been recast to conform to the new reportable operating segments.

The following table presents certain selected financial information for our reportable operating segments and Corporate & Other as of or for the three and nine months ended September 30:

Three Months Ended September 30, 2022 (Millions, except where indicated)	USCS	CS	ICS	GMNS	Corporate & Other[a]	Consolidated
Total non-interest revenues	**$ 4,233**	**$ 3,145**	**$ 2,066**	**$ 1,562**	**$ (28)**	**$ 10,978**
Revenue from contracts with customers [b]	**3,200**	**2,791**	**1,332**	**1,423**	**(13)**	**8,733**
Interest income	**2,251**	**552**	**364**	**6**	**201**	**3,374**
Interest expense	**274**	**201**	**178**	**(97)**	**240**	**796**
Total revenues net of interest expense	**6,210**	**3,496**	**2,252**	**1,665**	**(67)**	**13,556**
Pretax segment income (loss)	**$ 1,309**	**$ 774**	**$ 166**	**$ 792**	**$ (582)**	**$ 2,459**
Total assets *(billions)*	**$ 85**	**$ 51**	**$ 33**	**$ 15**	**$ 31**	**$ 215**

Nine Months Ended September 30, 2022 (Millions, except where indicated)	USCS	CS	ICS	GMNS	Corporate & Other[a]	Consolidated
Total non-interest revenues	**$ 12,024**	**$ 8,986**	**$ 6,065**	**$ 4,502**	**$ (28)**	**$ 31,549**
Revenue from contracts with customers [b]	**9,139**	**8,003**	**3,857**	**4,131**	**14**	**25,144**
Interest income	**5,880**	**1,435**	**1,035**	**13**	**330**	**8,693**
Interest expense	**513**	**409**	**445**	**(202)**	**391**	**1,556**
Total revenues net of interest expense	**17,391**	**10,012**	**6,655**	**4,717**	**(89)**	**38,686**
Pretax segment income (loss)	**$ 4,114**	**$ 2,333**	**$ 593**	**$ 2,263**	**$ (1,589)**	**$ 7,714**
Total assets *(billions)*	**$ 85**	**$ 51**	**$ 33**	**$ 15**	**$ 31**	**$ 215**

Three Months Ended September 30, 2021 (Millions, except where indicated)	USCS	CS	ICS	GMNS	Corporate & Other[a]	Consolidated
Total non-interest revenues	$ 3,372	$ 2,558	$ 1,732	$ 1,294	$ (22)	$ 8,934
Revenue from contracts with customers [b]	2,566	2,250	1,116	1,212	(6)	7,138
Interest income	1,613	365	278	4	41	2,301
Interest expense	89	81	114	(24)	47	307
Total revenues net of interest expense	4,896	2,842	1,896	1,322	(28)	10,928
Pretax segment income (loss)	$ 1,251	$ 699	$ 269	$ 513	$ (282)	$ 2,450
Total assets *(billions)*	$ 68	$ 41	$ 30	$ 14	$ 31	$ 184

Nine Months Ended September 30, 2021 (Millions, except where indicated)	USCS	CS	ICS	GMNS	Corporate & Other[a]	Consolidated
Total non-interest revenues	$ 9,291	$ 7,053	$ 4,814	$ 3,589	$ (154)	$ 24,593
Revenue from contracts with customers [b]	6,967	6,174	3,060	3,370	(18)	19,553
Interest income	4,647	1,020	827	12	127	6,633
Interest expense	310	253	309	(61)	180	991
Total revenues net of interest expense	13,628	7,820	5,332	3,662	(207)	30,235
Pretax segment income (loss)	$ 4,677	$ 2,219	$ 889	$ 1,399	$ (801)	$ 8,383
Total assets *(billions)*	$ 68	$ 41	$ 30	$ 14	$ 31	$ 184

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

(b) Includes discount revenue, certain service fees and other revenue and processed revenues 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 foreign exchange risk.

We analyze a variety of interest rate scenarios to inform us of the potential impacts from interest rate changes on earnings and the value of assets, liabilities and the economic value of equity. Our interest rate exposure can vary over time as a result of, among other things, the proportion of our total funding provided by variable and fixed-rate debt and deposits compared to our Card Member loans and receivables. Interest rate swaps are used from time to time to effectively convert debt issuances to variable-rate from fixed-rate, or vice versa.

Compared to December 31, 2021, the adverse impact of changes in market interest rates on our net interest income decreased, primarily due to the issuance of fixed rate liabilities. As of September 30, 2022, a hypothetical, immediate 100 basis point increase in market interest rates would have a detrimental impact of approximately $101 million on our annual net interest income. A hypothetical immediate 100 basis point decrease in market interest rates would have a smaller but still detrimental impact on our annual net interest income. This measure first projects net interest income over the following twelve-month time horizon considering forecasted business growth and anticipated future market interest rates. The detrimental impact from rate changes is then measured by instantaneously increasing or decreasing the anticipated future interest rates by 100 basis points. Our estimated repricing risk assumes that our interest-rate sensitive assets and liabilities that reprice within the twelve-month horizon generally reprice by the same magnitude as benchmark rate changes. It is further assumed that, within our interest-rate sensitive liabilities, certain deposits reprice at lower magnitudes than benchmark rate movements, and the magnitude of this repricing in turn depends on, among other factors, the direction of rate movements. These assumptions are consistent with historical deposit repricing experience in the industry and within our own portfolio. Actual changes in our net interest income will depend on many factors, and therefore may differ from our estimated risk to changes in market interest rates.

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

For a discussion of our risk factors, see 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) and Part II, Item 1A. “Risk Factors” of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 (the First Quarter Form 10-Q). The information included in the “Risk Factors” section of the First Quarter Form 10-Q is incorporated by reference herein. The risks and uncertainties that we face are not limited to those set forth in the 2021 Form 10-K, as supplemented and updated in the First Quarter Form 10-Q. 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.

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 September 30, 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
July 1-31, 2022				
Repurchase program[a]	2,587,134	$144.42	2,587,134	42,014,767
Employee transactions[b]	9	$142.19	N/A	N/A
August 1-31, 2022				
Repurchase program[a]	1,430,825	$158.21	1,430,825	40,583,942
Employee transactions[b]	13,955	$154.02	N/A	N/A
September 1-30, 2022				
Repurchase program[a]	—	—	—	40,583,942
Employee transactions[b]	—	—	N/A	N/A
Total				
Repurchase program[a]	4,017,959	$149.33	4,017,959	40,583,942
Employee transactions[b]	13,964	$154.01	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 October 19, 2022, our Board of Directors amended our By-Laws, effective immediately, to enhance procedural mechanics and disclosure requirements in connection with shareholder nominations of directors, including by requiring: (i) a shareholder delivering a nomination notice pursuant to Rule 14a-19 under the Exchange Act to certify that such shareholder has met the requirements of Rule 14a-19(a); (ii) a shareholder providing such a nomination notice to update and supplement such notice, if necessary, to be true and correct as of the record date for the shareholder meeting and the date that is 10 business days prior to the shareholder meeting; (iii) any proposed director nominee to submit to interviews with the Board of Directors or any committee thereof; and (iv) a shareholder directly or indirectly soliciting proxies from other shareholders to use a proxy card color other than white.

The amendments to the By-Laws also incorporated gender neutral terms and included certain other modifications that provide clarification and consistency.

The foregoing description of the amendments to the By-Laws is qualified in its entirety by the text of the By-Laws, as amended, a copy of which is attached as Exhibit 3.1 to this Quarterly Report on Form 10-Q and is incorporated herein by reference.

ITEM 6. EXHIBITS

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

Exhibit	Description
3.1	Company's By-Laws, as amended through October 19, 2022
10.1	Amendment No. 5, dated July 27, 2022, to the Time Sharing Agreement, dated February 13, 2018, by and between American Express Travel Related Services Company, Inc. and Stephen J. Squeri.
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: October 21, 2022

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

Date: October 21, 2022

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

EXHIBIT 3.1

BY-LAWS

OF

AMERICAN EXPRESS COMPANY
(A New York Corporation)

(As amended and restated as of October 19, 2022)

BY-LAWS
OF
AMERICAN EXPRESS COMPANY

ARTICLE I

OFFICES

SECTION 1.1 PRINCIPAL OFFICE. The principal office of the corporation within the State of New York shall be located in the City of New York, County of New York.

SECTION 1.2 OTHER OFFICES. The corporation may have such other offices and places of business within and without the State of New York as the business of the corporation may require.

ARTICLE II

SHAREHOLDERS

SECTION 2.1 ANNUAL MEETING. The annual meeting of shareholders for the election of directors and for the transaction of other business shall be held at such place, within or without the State of New York, on such date and at such time as shall be fixed by the Board of Directors (hereinafter referred to as the "Board") from time to time. If the election of directors shall not be held on the date so fixed for the annual meeting, a special meeting of shareholders for the election of directors shall be called forthwith in the manner provided herein for special meetings, or as may otherwise be provided by law. (B.C.L. Section 602.)[1]

SECTION 2.2 SPECIAL MEETINGS. Special meetings of shareholders may be held for such purpose or purposes as shall be specified in a call for such meeting made by (i) resolution of the Board or by a majority of the directors then in office or by the Chief Executive Officer, or (ii) solely to the extent required by this Section 2.2, by the Secretary of the corporation (the "Secretary"). (B.C.L. Section 602(c).)

[1] This and other references to the New York Business Corporation Law (referred to herein as “B.C.L.”) are not part of the by-laws, but are included solely for convenience in locating relevant portions of the statute.

Subject to the provisions of this Section 2.2 and all other applicable sections of these by-laws, a special meeting of shareholders shall be called by the Secretary upon written request (a "Special Meeting Request") to the Secretary of one or more record holders of common shares of the corporation representing not less than 25% of the voting power of all outstanding common shares of the corporation, which shares are determined to be "Net Long Shares" in accordance with this Section 2.2 (the "Requisite Percentage").

For purposes of this Section 2.2 and for determining the Requisite Percentage, Net Long Shares shall be limited to the number of shares beneficially owned, directly or indirectly, by any shareholder or beneficial owner that constitute such person's net long position as defined in Rule 14e-4 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), provided that for purposes of such definition, the date the tender offer is first announced shall instead be the date for determining and/or documenting a shareholder's or beneficial owner's Net Long Shares and the reference to the highest tender price shall refer to the market price on such date, and, to the extent not covered by such definition, reduced by any shares as to which such person does not have the right to vote or direct the vote at the special meeting or as to which such person has entered into a derivative or other agreement, arrangement or understanding that hedges or transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of such shares. In addition, to the extent any affiliates of the Requesting Shareholder (as defined below) are acting in concert with the Requesting Shareholder with respect to the calling of the special meeting, the determination of Net Long Shares may include the effect of aggregating the Net Long Shares (including any negative number) of such affiliate or affiliates. Whether shares constitute "Net Long Shares" shall be decided by the Board in its reasonable determination.

A Special Meeting Request must be delivered by hand or by registered U.S. mail, postage prepaid, return receipt requested, or courier service, postage prepaid, to the attention of the Secretary at the principal executive offices of the corporation. A Special Meeting Request shall only be valid if it is signed and dated by each shareholder of record submitting the Special Meeting Request and by each of the beneficial owners, if any, on whose behalf the Special Meeting Request is being made (each such record owner and beneficial owner, a "Requesting Shareholder") and includes (i) a statement of the specific purpose(s) of the special meeting and the matters proposed to be acted on at the special meeting, the text of any proposal or business (including the text of any resolutions proposed for consideration, and in the event that such business includes a proposal to amend the certificate of incorporation or by-laws of the corporation, the text of the proposed amendment), the reasons for conducting such business at the special meeting, and any material interest in such business of each Requesting Shareholder or any of its affiliates; (ii) in the case of any director nominations proposed to be presented at the special meeting, the information required by the second paragraph of Section 3.11 of these by-laws, including with respect to each Requesting Shareholder; (iii) in the case of any matter (other than a director nomination) proposed to be acted on at the special meeting, the information required by the second paragraph of Section 2.9 of these by-laws, including with respect to each Requesting Shareholder; (iv) a representation that each Requesting Shareholder, or one or more representatives of each such shareholder, intends to appear in person or by proxy at the special meeting to present the proposal(s) or business to be brought before the special meeting; (v) a representation as to whether the Requesting Shareholders intend, or are part of a group that intends, to solicit proxies with respect to the proposals or business to be presented at the special meeting; (vi) an agreement by the Requesting Shareholders to notify the corporation promptly in the event of any decrease in the number of Net Long Shares held by the Requesting Shareholders following the delivery of such Special Meeting Request and prior to the special meeting and an acknowledgement that any such decrease shall be deemed to be a revocation of such Special Meeting Request to the extent of such reduction; and (vii) documentary evidence that the Requesting Shareholders own the Requisite Percentage as of the date on which the Special Meeting Request is delivered to the Secretary; PROVIDED, HOWEVER, that if the shareholder(s) of record submitting the Special Meeting Request are not the beneficial owners of the shares representing the Requisite Percentage, then to be valid, the Special Meeting Request must also include documentary evidence (or, if not simultaneously provided with the Special Meeting Request, such documentary evidence must be delivered to the Secretary within 10 days after the date on which the Special Meeting Request is delivered to the Secretary) that the beneficial owners on whose behalf the Special Meeting Request is made beneficially own the Requisite Percentage as of the date on which such Special Meeting Request is delivered to the Secretary. In addition, each Requesting Shareholder shall provide any other information reasonably requested by the corporation promptly and in any event within five (5) business days after it has been requested.

The corporation will provide the Requesting Shareholders with notice of the record date for the determination of shareholders entitled to vote at the special meeting. Each Requesting Shareholder is required to update the notice delivered pursuant to this Section 2.2 not later than 10 business days after such record date to

provide any material changes in the foregoing information as of such record date and, with respect to the information required under clause (vii) of the previous paragraph, also as of a date not more than five business days before the scheduled date of the special meeting as to which the Special Meeting Request relates.

A Special Meeting Request shall not be valid, and a special meeting requested by shareholders shall not be held, if (i) the Special Meeting Request does not comply with this Section 2.2; (ii) the Special Meeting Request relates to an item of business that is not a proper subject for shareholder action under applicable law; (iii) the Special Meeting Request is delivered during the period commencing 90 days prior to the first anniversary of the date of the immediately preceding annual meeting of shareholders and ending on the date of the next annual meeting; (iv) an identical or substantially similar item (as determined in good faith by the Board, a "Similar Item"), other than the election or removal of director(s), was presented at an annual or special meeting of shareholders held not more than 12 months before the Special Meeting Request is delivered; (v) the Special Meeting Request relates to the election or removal of director(s) and the election or removal of director(s) was presented at an annual or special meeting of shareholders held not more than 90 days before the Special Meeting Request is delivered; (vi) a Similar Item, including the election or removal of director(s), is included in the corporation's notice of meeting as an item of business to be brought before an annual or special meeting of shareholders that has been called but not yet held or that is called for a date within 120 days of the receipt by the corporation of a Special Meeting Request; or (vii) the Special Meeting Request was made in a manner that involved a violation of Regulation 14A under the Exchange Act or other applicable law. The Board shall determine in good faith whether all requirements set forth in this Section 2.2 have been satisfied and such determination shall be binding on the corporation and its shareholders.

Except as otherwise provided in this Section 2.2, a special meeting held following a Special Meeting Request shall be held at such date, time and place, within or without the State of New York, as may be fixed by the Board.

A Requesting Shareholder may revoke a Special Meeting Request by written revocation delivered to the Secretary at the principal executive offices of the corporation at any time prior to the special meeting. If, following such revocation (or following a deemed revocation pursuant to clause (vi) of the fourth paragraph of this Section 2.2), there are unrevoked requests from Requesting Shareholders holding, in the aggregate, less than the Requisite Percentage, the Board, in its discretion, may cancel the special meeting.

If none of the Requesting Shareholders appear or send a duly authorized agent to present the business to be presented for consideration specified in the Special Meeting Request, the corporation need not present such business for a vote at the special meeting, notwithstanding that proxies in respect of such matter may have been received by the corporation.

Business transacted at any special meeting shall be limited to (i) the purpose(s) stated in the valid Special Meeting Request for such special meeting and (ii) any additional matters the Board determines to submit to the shareholders at such special meeting. The chairman of a special meeting shall determine all matters relating to the conduct of the special meeting, including, without limitation, determining whether to adjourn the special meeting and whether any nomination or other item of business has been properly brought before the special meeting in accordance with these by-laws, and if the chairman should so determine and declare that any nomination or other item of business has not been properly brought before the special meeting, then such business shall not be transacted at the special meeting.

SECTION 2.3 NOTICE OF MEETINGS. Notice of any meeting of shareholders may be written or electronic and shall state the place, date and hour of the meeting and such other matters as may be required by law. Notice of any special meeting shall also state the purpose or purposes for which the meeting is called and shall indicate that it is being issued by or at the direction of the person or persons calling the meeting. Notice of any meeting shall be given not less than 10 nor more than 60 days before the date of the meeting, provided that a copy of such notice may be given by third class mail not less than 24 nor more than 60 days before the date of the meeting, to each shareholder entitled to vote at such meeting. If mailed, such notice shall be deemed given when deposited in the U.S. mail, with postage thereon prepaid, directed to the shareholder at their address as it appears on the record of shareholders, or, if the shareholder shall have filed with the Secretary a written request that notices to the shareholder be mailed at some other address, then directed to the shareholder at such other address. Notice of any adjourned meeting of shareholders shall not be required if the time and place to which the meeting is adjourned are

announced at the meeting at which the adjournment is taken, but if after the adjournment the Board or Chief Executive Officer fixes a new record date for the adjourned meeting, notice of the adjourned meeting shall be given to each shareholder of record on the new record date. The Chairman of the Board, or other officer presiding at any meeting of shareholders, shall have the power and authority to adjourn the meeting. (B.C.L. Section 605.)

SECTION 2.4 QUORUM AND VOTING. Except as otherwise provided by law or the certificate of incorporation, the holders of a majority of the votes of the shares entitled to vote thereat shall constitute a quorum at any meeting of shareholders for the transaction of any business, but a lesser interest may adjourn any meeting from time to time and from place to place until a quorum is obtained. Any business may be transacted at any adjourned meeting that might have been transacted at the original meeting. When a quorum is once present to organize a meeting of shareholders, it is not broken by the subsequent withdrawal of any shareholders. Any corporate action taken by vote of the shareholders shall, except as otherwise required by law or the certificate of incorporation, be authorized by a majority of the votes cast at a meeting of shareholders by the holders of shares entitled to vote thereon. Every shareholder of record shall be entitled at every meeting of shareholders to one vote for each share standing in their name on the record of shareholders, unless otherwise provided in the certificate of incorporation. Neither treasury shares, nor shares held by any other corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held by the corporation, shall be voted at any meeting or counted in determining the total number of outstanding shares then entitled to vote.

In a non-contested election of directors, any incumbent director nominee who is not elected by the shareholders shall immediately tender his or her resignation. The Board shall decide whether or not to accept such resignation and shall promptly disclose and explain its decision in a Form 8-K (or successor form) filed with the Securities and Exchange Commission within 90 days after the date the results of the election are certified. An incumbent director who tenders his or her resignation pursuant to this paragraph will not participate in the Board's deliberations with respect to such resignation. In acting on the resignation, the Board shall consider all factors that it may deem relevant.

If the incumbent director's resignation is not accepted by the Board, he or she shall continue to serve until the next annual meeting of shareholders and until his or her successor is elected and qualified. If the resignation is accepted or if the nominee who failed to receive the required vote is not an incumbent director, the Board may fill the resulting vacancy or decrease the size of the Board in accordance with these by-laws. (B.C.L. Sections 608, 614.)

SECTION 2.5 PROXIES. Every shareholder entitled to vote at a meeting of shareholders may authorize another person to vote for such shareholder by proxy executed in writing (or in such manner permitted by law, including Rule 14a-19 promulgated under the Exchange Act) by the shareholder or their attorney-in-fact. No proxy shall be valid after the expiration of 11 months from the date thereof, unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the shareholder executing it, except that a proxy which is entitled "irrevocable proxy" and which states that it is irrevocable shall be irrevocable when and to the extent permitted by law. (B.C.L. Section 609.)

Any shareholder directly or indirectly soliciting proxies from other shareholders must use a proxy card color other than white, which shall be reserved for the exclusive use by the Board.

SECTION 2.6 LIST OF SHAREHOLDERS AT MEETINGS. A list of shareholders as of the record date, certified by the Secretary or by the transfer agent of the corporation, shall be produced at any meeting of shareholders upon the request thereat or prior thereto of any shareholder. If the right to vote at any meeting is challenged, the inspectors of election or person presiding thereat shall require such list of shareholders to be produced as evidence of the right of the persons challenged to vote at such meeting, and all persons who appear from such list to be shareholders entitled to vote thereat may vote at such meeting. (B.C.L. Section 607.)

SECTION 2.7 WAIVER OF NOTICE. Notice of a shareholders' meeting need not be given to any shareholder who submits a waiver of notice, in person or by proxy, whether before or after the meeting. Waiver of notice may be written or electronic and shall be in such form as permitted by law. The attendance of any shareholder at a meeting, in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by such shareholder. (B.C.L. Section 606.)

SECTION 2.8 INSPECTORS AT SHAREHOLDERS' MEETINGS. The Board, in advance of any shareholders' meeting, may appoint one or more inspectors to act at the meeting or any adjournment thereof and to perform such duties thereat as are prescribed by law. If inspectors are not so appointed, the person presiding at a shareholders' meeting shall appoint one or more inspectors. In case any person appointed fails to appear or act, the vacancy may be filled by appointment made by the Board in advance of the meeting or at the meeting by the person presiding thereat. Each inspector, before entering upon the discharge of their duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of their ability. (B.C.L. Section 610.)

SECTION 2.9 BUSINESS TO BE TRANSACTED AT SHAREHOLDERS' MEETINGS. Only such business (other than nominations for the election of directors to the Board, which must comply with the provisions of Section 3.11 or Section 3.12 of these by-laws) may be transacted at any annual meeting of shareholders as is (i) specified in the notice of the meeting given by or at the direction of the Board (including, if so specified, any shareholder proposal submitted pursuant to the rules and regulations of the Securities and Exchange Commission), (ii) otherwise brought before the meeting by or at the direction of the Board or (iii) otherwise brought before the meeting in accordance with the procedure set forth in the following paragraph by a shareholder of the corporation entitled to vote at such meeting. This Section 2.9 is expressly intended to apply to any business proposed to be brought before an annual meeting of shareholders other than any proposal made pursuant to Rule 14a-8 under the Exchange Act.

For business to be brought by a shareholder before an annual meeting of shareholders pursuant to clause (iii) above, the shareholder must have given written notice thereof to the Secretary, such notice to be received at the principal executive offices of the corporation not less than 90 nor more than 120 days prior to the one-year anniversary of the date of the annual meeting of shareholders of the previous year; PROVIDED, HOWEVER, that in the event that the annual meeting of shareholders is called for a date that is not within 25 days before or after such anniversary date, notice by the shareholder must be received at the principal executive offices of the corporation not later than the close of business on the tenth day following the day on which the corporation's notice of the date of the meeting is first given or made to the shareholders or disclosed to the general public (which disclosure may be effected by means of a publicly available filing with the Securities and Exchange Commission), whichever occurs first. In no event shall any adjournment or postponement of an annual meeting or the public announcement thereof commence a new time period (or extend any time period) for the giving of a shareholder's notice pursuant to this Section 2.9. A shareholder's notice to the Secretary shall set forth, as to each matter the shareholder proposes to bring before the annual meeting of shareholders, (i) a brief description of the business proposed to be brought before the annual meeting of shareholders and of the reasons for bringing such business before the meeting and, if such business includes a proposal to amend either the certificate of incorporation or these by-laws, the text of the proposed amendment, (ii) the name and address of the shareholder proposing such business, (iii) as to the shareholder giving the notice, (A) the class, series and number of all shares of the corporation that are owned of record or beneficially by such shareholder or any of its affiliates, (B) the name of each nominee holder of shares owned beneficially but not of record by such shareholder or any of its affiliates and the number of shares of the corporation held by each such nominee holder, (C) whether and the extent to which any derivative instrument, swap, option, warrant, short interest, hedge or profit interest has been entered into by or on behalf of such shareholder or any of its affiliates with respect to the shares of the corporation, (D) whether any other transaction, agreement, arrangement or understanding (including any short position or any borrowing or lending of shares) has been made by or on behalf of such shareholder or any of its affiliates, the effect or intent of which is to mitigate loss to, or to manage risk or benefit of share price changes for, such shareholder or any of its affiliates or to increase or decrease the voting power or pecuniary or economic interest of such shareholder or any of its affiliates with respect to the shares of the corporation, (E) a description of all agreements, arrangements and understandings (whether written or oral) between or among such shareholder or any of its affiliates and any other person or persons (including their names) in connection with or relating to the corporation or the proposed business, including any material interest in the proposal of, or anticipated benefit from the proposal to, such shareholder or any of its affiliates, (F) a representation that the shareholder giving the notice intends to appear in person or by proxy at the annual meeting of shareholders to bring such business before the meeting and (G) a representation that such shareholder will notify the corporation in writing of the information required in clauses (A) through (E), in each case as in effect as of the record date for the meeting, promptly following the later of the record date and the date notice of the record date is first publicly disclosed (which disclosure may be effected by means of a publicly available filing with the Securities and Exchange Commission), (iv) any other material interest of the shareholder or any of its affiliates in such business and (v) such other information relating to the shareholder (including its affiliates) and the proposal that is

required to be disclosed in solicitations pursuant to the Exchange Act and the rules and regulations of the Securities and Exchange Commission or other applicable law.

Notwithstanding anything in these by-laws to the contrary, no business (other than nominations for the election of directors to the Board, which must comply with the provisions of Section 3.11 or Section 3.12 of these by-laws) shall be conducted at an annual meeting of shareholders except in accordance with the procedures set forth in this Section 2.9; PROVIDED, HOWEVER, that nothing in this Section 2.9 shall be deemed to preclude discussion by any shareholder of any business properly brought before the annual meeting of shareholders in accordance with such procedures. The chairman of an annual meeting of shareholders shall, if the facts warrant, determine and declare to the meeting that the business was not properly brought before the meeting in accordance with the provisions of this Section 2.9 (including the breach of any representations or agreements or failure to comply with any obligations under this Section 2.9), and if the chairman should so determine, such individual shall so declare to the meeting and any such business not properly brought before the annual meeting of shareholders shall not be transacted.

For purposes of these By-laws, the term “affiliate” shall have the meaning set forth in Rule 12b-2 promulgated under the Exchange Act.

For purposes of these By-laws, the terms “beneficial owner” and “beneficially owned” shall have the meanings set forth in Section 13(d) of the Exchange Act.

ARTICLE III

DIRECTORS

SECTION 3.1 POWERS, NUMBER, QUALIFICATIONS AND TERM OF OFFICE. The business of the corporation shall be managed by its Board, which shall consist of not less than seven persons, each of whom shall be at least twenty-one years of age. Subject to such limitation, the number of directors shall be fixed and may be increased or decreased from time to time by a majority of the entire Board. Directors need not be shareholders. Except as otherwise provided by law or these by-laws, the directors shall be elected at the annual meetings of the shareholders, and each director shall hold office until the next annual meeting of shareholders, and until their successor has been elected and qualified. Newly created directorships resulting from an increase in the number of directors and any vacancies occurring in the Board for any reason, including vacancies occurring by reason of the removal of any of the directors with or without cause, may be filled by vote of a majority of the directors then in office, although less than a quorum exists. No decrease in the number of directors shall shorten the term of any incumbent director. A director elected to fill a vacancy shall be elected to hold office for the unexpired term of their predecessor. In order to be eligible for election or re-election as a director of the corporation, a person must deliver to the Secretary at the principal executive offices of the corporation a written representation and agreement that such person (i) is not and will not become a party to (A) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the corporation in such representation and agreement or (B) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the corporation, with such person's fiduciary duties under applicable law, (ii) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with such person’s nomination, candidacy, service or action as a director that has not been disclosed to the corporation in such representation and agreement, (iii) will abide by the requirements of Section 2.4 of these by-laws, (iv) would be in compliance, if elected as a director of the corporation, and will comply with the corporation's code of business conduct, corporate governance principles, securities trading policies and guidelines and any other policies or guidelines of the corporation applicable to directors and (v) will make such other acknowledgments, enter into such agreements and provide such information as the Board requires of all directors, including promptly submitting all completed and signed questionnaires required of the corporation's directors. If the Board has not elected a Chairman of the Board as an officer, it may choose a Chairman of the Board from among its members to preside at its meetings. (B.C.L. Sections 701, 702, 703, 705.)

SECTION 3.2 REGULAR MEETINGS. There shall be regular meetings of the Board, which may be held on such dates and without notice or upon such notice as the Board may from time to time determine. Regular meetings shall be held at the principal office of the corporation within the State of New York or at such other place either within or without the State of New York and at such specific time as may be fixed by the Board from time to time. There shall also be a regular meeting of the Board, which may be held without notice or upon such notice as the Board may from time to time determine, after the annual meeting of shareholders or any special meeting of shareholders at which an election of directors is held. (B.C.L. Sections 710, 711.)

SECTION 3.3 SPECIAL MEETINGS. Special meetings of the Board may be held at any place within or without the State of New York at any time when called by the Chairman of the Board or the President or four or more directors. Notice of the time and place of special meetings shall be given to each director (i) by serving such notice upon the director personally within the City of New York at least one day prior to the time fixed for such meeting, (ii) by delivering such notice by facsimile or electronic mail to the facsimile number or electronic mail address designated by the director for receiving such communications at least one day prior to the time fixed for such meeting, (iii) by posting such notice on an electronic message board or network that the corporation has designated for such communications and delivering to the director a separate notice of the posting at least one day prior to the time fixed for such meeting or (iv) by mailing or telegraphing such notice, prepaid, addressed to the director at their post office address, as it appears on the books of the corporation, at least three days prior to the time fixed for such meeting. Neither the call or notice nor any waiver of notice need specify the purpose of any meeting of the Board. (B.C.L. Sections 710, 711.)

SECTION 3.4 WAIVER OF NOTICE. Notice of a meeting need not be given to any director who signs a waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to the director. (B.C.L. Section 711(c).)

SECTION 3.5 QUORUM AND VOTING. One-third of the entire Board shall constitute a quorum. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of any adjournment shall be given to the directors who were not present at the time of the adjournment and, unless the time and place of such adjournment are announced at the meeting, to the other directors. The vote of a majority of the directors present at the time of the vote, if a quorum is present at such time, shall be the act of the Board, except where a larger vote is required by law, the certificate of incorporation or these by-laws. (B.C.L. Sections 701, 708, 711(d).)

SECTION 3.6 ACTION BY THE BOARD. Any reference in these by-laws to corporate action to be taken by the Board shall mean such action at a meeting of the Board. However, any action required or permitted to be taken by the Board or any committee thereof may be taken without a meeting if all members of the Board or the committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consent thereto by the members of the Board or committee shall be filed with the minutes of the proceedings of the Board or committee. Any one or more members of the Board or any committee thereof may participate in a meeting of such Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at the meeting. (B.C.L. Section 708.)

SECTION 3.7 COMMITTEES OF THE BOARD. The Board by resolution adopted by a majority of the entire Board may designate from among its members one or more committees, each consisting of at least one director; PROVIDED, HOWEVER, that the Audit and Compliance Committee, the Compensation and Benefits Committee and the Nominating, Governance and Public Responsibility Committee shall each consist of at least three directors. Each such committee shall have all the authority of the Board to the extent provided in such resolution, except as limited by law. No such committee shall exercise its authority in a manner inconsistent with any action, direction or instruction of the Board.

The Board may appoint a Chairman of any committee (except for the Executive Committee, if one is established, in the case where the Chairman of the Executive Committee has been elected pursuant to Section 4.1 of these by-laws), who shall preside at meetings of their respective committees. The Board may fill any vacancy in any committee and may designate one or more directors as alternate members of such committee, who may replace

any absent or disqualified member or members at any meeting of such committee. Each such committee shall serve at the pleasure of the Board.

All acts done and powers conferred by any committee pursuant to the foregoing authorization shall be deemed to be and may be certified as being done or conferred under authority of the Board.

A record of the proceedings of each committee shall be kept and regular reports regarding such proceedings shall be made to the Board.

A majority of the members of any committee consisting of three or fewer directors, and at least one-third of the members (but not less than two) of any committee consisting of more than three directors, shall constitute a quorum for the transaction of business, and the vote of a majority of the members present at the time of the vote, if a quorum is present at such time, shall be the act of the committee. If a committee or the Board shall establish regular meetings of any committee, such meetings may be held without notice or upon such notice as the committee may from time to time determine. Notice of the time and place of special meetings of any committee shall be given to each member of the committee in the same manner as in the case of special meetings of the Board. Notice of a meeting need not be given to any member of a committee who signs a waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to the member. Except as otherwise provided in these by-laws, each committee may adopt its own rules of procedure. (B.C.L. Section 712.)

SECTION 3.8 COMPENSATION OF DIRECTORS. The Board shall have authority to fix the compensation of directors for services in any capacity.(B.C.L. Section 713(e).)

SECTION 3.9 RESIGNATION AND REMOVAL OF DIRECTORS. Any director may resign at any time by giving written notice thereof to the Chief Executive Officer or to the Board, and such resignation shall take effect at the time therein specified without the necessity of further action. Any director may be removed with or without cause by vote of the shareholders, or with cause by action of the Board. (B.C.L. Section 706.)

SECTION 3.10 THE "ENTIRE BOARD". As used in these by-laws the term "the entire Board" means the total number of directors which the corporation would have if there were no vacancies. (B.C.L. Section 702.)

SECTION 3.11 NOMINATION OF DIRECTORS. Subject to the rights of holders of any class or series of shares having a preference over the common shares as to dividends or upon liquidation, nominations for the election of directors may only be made (i) by the Board or a committee appointed by the Board, (ii) by a shareholder of record of the corporation entitled to vote at the meeting at which a person is to be nominated in accordance with the procedure set forth in the following paragraph or (iii) by a shareholder (or group of shareholders) who meets the requirements and complies with the procedures set forth in Section 3.12 of these by-laws.

A shareholder of record may nominate a person or persons for election as directors pursuant to this Section 3.11 only if the shareholder has given written notice of its intent to make such nomination to the Secretary, such notice to be received at the principal executive offices of the corporation (i) with respect to an annual meeting of shareholders, not less than 90 nor more than 120 days prior to the one-year anniversary of the date of the annual meeting of shareholders of the previous year; PROVIDED, HOWEVER, that in the event that the annual meeting of shareholders is called for a date that is not within 25 days before or after such anniversary date, notice by the shareholder of record must be received at the principal executive offices of the corporation not later than the close of business on the tenth day following the day on which the corporation's notice of the date of the meeting is first given or made to the shareholders or disclosed to the general public (which disclosure may be effected by means of a publicly available filing with the Securities and Exchange Commission), whichever occurs first, and (ii) with respect to a special meeting of shareholders called for the purpose of electing directors, not later than the close of business on the tenth day following the day on which the corporation's notice of the date of the meeting is first given or made to the shareholders or disclosed to the general public (which disclosure may be effected by means of a publicly available filing with the Securities and Exchange Commission), whichever occurs first. In no event shall any adjournment or postponement of an annual meeting or a special meeting called for the purpose of electing directors,

or the public announcement thereof, commence a new time period (or extend any time period) for the giving of a shareholder's notice pursuant to this Section 3.11.

A shareholder's notice to the Secretary shall set forth or be accompanied by (i) the name and address of the shareholder who intends to make such nomination, (ii) the name, age, business and residence addresses and principal occupation of each person to be nominated, (iii) as to the shareholder giving the notice, (A) the class, series and number of all shares of the corporation that are owned of record or beneficially by such shareholder or any of its affiliates, (B) the name of each nominee holder of shares owned beneficially but not of record by such shareholder or any of its affiliates and the number of shares of the corporation held by each such nominee holder, (C) whether and the extent to which any derivative instrument, swap, option, warrant, short interest, hedge or profit interest has been entered into by or on behalf of such shareholder or any of its affiliates with respect to the shares of the corporation, (D) whether any other transaction, agreement, arrangement or understanding (including any short position or any borrowing or lending of shares) has been made by or on behalf of such shareholder or any of its affiliates, the effect or intent of which is to mitigate loss to, or to manage risk or benefit of share price changes for, such shareholder or any of its affiliates or to increase or decrease the voting power or pecuniary or economic interest of such shareholder or any of its affiliates with respect to the shares of the corporation, (E) any material interest of such shareholder or any of its affiliates in any nomination, including any anticipated benefit therefrom to such shareholder or any of its affiliates, (F) a representation that the shareholder intends to appear in person or by proxy at the annual meeting or special meeting to nominate the person(s) named in its notice and (G) a representation that such shareholder will notify the corporation in writing of the information required in clauses (A) through (E), in each case as in effect as of the record date for the meeting, promptly following the later of the record date and the date notice of the record date is first publicly disclosed (which disclosure may be effected by means of a publicly available filing with the Securities and Exchange Commission), (iv) a description of all agreements, arrangements and understandings (whether written or oral) between the shareholder or any of its affiliates and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such shareholder, (v) such other information relating to the shareholder (including its affiliates) and the proposed nominee(s) that is required to be disclosed in solicitations for proxies for the election of directors pursuant to the Exchange Act and the rules and regulations of the Securities and Exchange Commission or other applicable law, (vi) the written consent of each proposed nominee to be named as a nominee and to serve as a director of the corporation if elected and (vii) a written representation and agreement from each proposed nominee pursuant to Section 3.1 of these by-laws. In addition, a shareholder who has delivered a notice of nomination pursuant to this paragraph and Rule 14a-19 under the Exchange Act shall promptly certify to the Secretary, and notify the Secretary in writing, that such shareholder has met the requirements of Rule 14a-19(a) (including for the avoidance of doubt Rule 14a-19(a)(3) which provides that "No person may solicit proxies in support of director nominees other than the registrant's nominees unless such person:...Solicits the holders of shares representing at least 67% of the voting power of shares entitled to vote on the election of directors and includes a statement to that effect in the proxy statement or form of proxy.") and upon request of the corporation, shall, not later than five (5) business days prior to the date of the applicable meeting of shareholders, deliver to the corporation reasonable evidence of such compliance.

In addition, the shareholder(s) providing such notice and, if applicable, the proposed nominee for election as a director, shall update and supplement its notice to the corporation, if necessary, so that the information provided or required to be provided in such notice or accompany such notice pursuant to this Section 3.11 shall be true and correct (i) as of the record date for shareholders entitled to vote at the meeting and (ii) as of the day that is 10 business days prior to the meeting or any adjournment thereof. Such update and supplement shall be in writing and must be received by the Secretary of the corporation (x) in the case of the foregoing clause (i), not later than 5 business days after the record date for shareholders entitled to vote at the meeting, and (y) in the case of the foregoing clause (ii), not later than 8 business days prior to the date of the meeting, or any adjournment thereof. For the avoidance of doubt, the obligation to update and supplement as set forth in this paragraph shall not limit the corporation's rights with respect to any deficiencies in any notice provided by a shareholder, to extend any applicable deadlines hereunder or to permit a shareholder who has previously submitted notice hereunder to amend or update any proposal or to submit any new proposal, including by changing or adding matters, business or resolutions proposed to be brought before a meeting of the shareholders.

In addition to the information required pursuant to the preceding paragraphs or any other provision of these by-laws, the corporation may require any proposed nominee to furnish any other information (i) that may reasonably be requested by the corporation to determine whether the nominee would be independent under the rules

and listing standards of the securities exchanges upon which the common shares of the corporation are listed or traded, any applicable rules of the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"), and the Office of the Comptroller of the Currency (the "OCC") or any publicly disclosed standards used by the Board in determining and disclosing the independence of the corporation's directors (collectively, the "Independence Standards"), (ii) that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such nominee or (iii) that may reasonably be requested by the corporation to determine the eligibility of such nominee to serve as a director of the corporation and whether such nominee's election as a member of the Board would cause the corporation to be in violation of these by-laws, the certificate of incorporation, the rules and listing standards of the securities exchanges upon which the commons shares of the corporation are listed or traded or any applicable law, rule or regulation. In addition, the corporation may require any proposed nominee to submit to interviews with the Board or any committee thereof, and such proposed nominee shall make themselves available for any such interviews with no less than ten (10) business days following the date of such request.

The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the foregoing procedures (including the breach of any representations or agreements or failure to comply with any obligations under this Section 3.11) and if the chairman should so determine, such individual shall so declare to the meeting and the defective nomination shall be disregarded.

SECTION 3.12 PROXY ACCESS FOR DIRECTOR NOMINATIONS.

(a) Whenever the Board solicits proxies with respect to the election of directors at an annual meeting of shareholders, subject to the provisions of this Section 3.12, the corporation shall include in its proxy statement for such annual meeting, in addition to any persons nominated for election by the Board or a committee appointed by the Board, the name, together with the Required Information (as defined below), of any person nominated for election to the Board by an Eligible Shareholder (as defined in Section 3.12(d)) pursuant to and in accordance with this Section 3.12 (a "Shareholder Nominee"). For purposes of this Section 3.12, the "Required Information" that the corporation will include in its proxy statement is (i) the information provided to the Secretary concerning the Shareholder Nominee and the Eligible Shareholder that is required to be disclosed in the corporation's proxy statement pursuant to Section 14 of the Exchange Act, and the rules and regulations promulgated thereunder, and (ii) if the Eligible Shareholder so elects, a Supporting Statement (as defined in Section 3.12(h)). For the avoidance of doubt, nothing in this Section 3.12 shall limit the corporation's ability to solicit against any Shareholder Nominee or include in its proxy materials the corporation's own statements or other information relating to any Eligible Shareholder or Shareholder Nominee, including any information provided to the corporation pursuant to this Section 3.12. Subject to the provisions of this Section 3.12, the name of any Shareholder Nominee included in the corporation's proxy statement for an annual meeting of shareholders shall also be set forth on the form of proxy distributed by the corporation in connection with such annual meeting.

(b) In addition to any other applicable requirements, for a nomination to be made by an Eligible Shareholder pursuant to this Section 3.12, the Eligible Shareholder must have given written notice of its intent to make such nomination (the "Notice of Proxy Access Nomination") to the Secretary and must expressly request in the Notice of Proxy Access Nomination to have such nominee included in the corporation's proxy materials pursuant to this Section 3.12, such Notice of Proxy Access Nomination to be received at the principal executive offices of the corporation not less than 120 nor more than 150 days prior to the one-year anniversary of the date that the corporation first distributed its proxy statement to shareholders for the annual meeting of shareholders of the previous year. In no event shall any adjournment or postponement of an annual meeting or the public announcement thereof commence a new time period (or extend any time period) for the giving of a Notice of Proxy Access Nomination pursuant to this Section 3.12.

(c) The maximum number of Shareholder Nominees nominated by all Eligible Shareholders that will be included in the corporation's proxy materials with respect to an annual meeting of shareholders shall not exceed the greater of (i) two and (ii) 20% of the number of directors in office as of the last day on which a Notice of Proxy Access Nomination may be delivered pursuant to and in accordance with this Section 3.12 (the "Final Proxy Access Nomination Date") or, if such amount is not a whole number, the closest whole number below 20% (such greater number, as it may be adjusted pursuant to this Section 3.12(c), the "Permitted Number"). In the event that one or more vacancies for any reason occurs on the Board after the Final Proxy Access Nomination Date but before the date of the annual meeting and the Board resolves to reduce the size of the Board in connection therewith, the

Permitted Number shall be calculated based on the number of directors in office as so reduced. For purposes of determining when the Permitted Number has been reached, each of the following persons shall be counted as one of the Shareholder Nominees: (i) any individual nominated by an Eligible Shareholder for inclusion in the corporation's proxy materials pursuant to this Section 3.12 whose nomination is subsequently withdrawn, (ii) any individual nominated by an Eligible Shareholder for inclusion in the corporation's proxy materials pursuant to this Section 3.12 whom the Board decides to nominate for election to the Board, (iii) any director in office as of the Final Proxy Access Nomination Date who was included in the corporation's proxy materials as a Shareholder Nominee for either of the two preceding annual meetings of shareholders (including any individual counted as a Shareholder Nominee pursuant to the immediately preceding clause (ii)) and whom the Board decides to nominate for re-election to the Board and (iv) any individual who will be included in the corporation's proxy materials as a nominee recommended by the Board pursuant to an agreement, arrangement or other understanding with a shareholder or group of shareholders (other than any such agreement, arrangement or understanding entered into in connection with an acquisition of stock from the corporation by such shareholder or group of shareholders). Any Eligible Shareholder submitting more than one Shareholder Nominee for inclusion in the corporation's proxy materials pursuant to this Section 3.12 shall rank such Shareholder Nominees based on the order in which the Eligible Shareholder desires such Shareholder Nominees to be selected for inclusion in the corporation's proxy materials in the event that the total number of Shareholder Nominees submitted by Eligible Shareholders pursuant to this Section 3.12 exceeds the Permitted Number. In the event that the number of Shareholder Nominees submitted by Eligible Shareholders pursuant to this Section 3.12 exceeds the Permitted Number, the highest ranking Shareholder Nominee who meets the requirements of this Section 3.12 from each Eligible Shareholder will be selected for inclusion in the corporation's proxy materials until the Permitted Number is reached, going in order of the amount (largest to smallest) of common shares of the corporation each Eligible Shareholder disclosed as Owned in its Notice of Proxy Access Nomination. If the Permitted Number is not reached after the highest ranking Shareholder Nominee who meets the requirements of this Section 3.12 from each Eligible Shareholder has been selected, then the next highest ranking Shareholder Nominee who meets the requirements of this Section 3.12 from each Eligible Shareholder will be selected for inclusion in the corporation's proxy materials, and this process will continue as many times as necessary, following the same order each time, until the Permitted Number is reached. Notwithstanding anything to the contrary contained in this Section 3.12, the corporation shall not be required to include any Shareholder Nominees in its proxy materials pursuant to this Section 3.12 for any meeting of shareholders for which the Secretary receives notice (whether or not subsequently withdrawn) that the Eligible Shareholder or any other shareholder intends to nominate one or more persons for election to the Board pursuant to the advance notice requirements for shareholder nominees set forth in Section 3.11 of these by-laws.

(d) An "Eligible Shareholder" is a shareholder or group of no more than 20 shareholders (counting as one shareholder, for this purpose, any two or more funds that are part of the same Qualifying Fund Group (as defined below)) that (i) has Owned (as defined in Section 3.12(e)) continuously for at least three years (the "Minimum Holding Period") a number of common shares of the corporation that represents at least three percent of the voting power of all outstanding common shares of the corporation as of the date the Notice of Proxy Access Nomination is received by the Secretary at the principal executive offices of the corporation in accordance with this Section 3.12 (the "Required Shares"), (ii) continues to Own the Required Shares through the date of the annual meeting and (iii) satisfies all other requirements, and complies with all applicable procedures, set forth in this Section 3.12. A "Qualifying Fund Group" means two or more funds that are (A) under common management and investment control, (B) under common management and funded primarily by the same employer or (C) a "group of investment companies," as such term is defined in Section 12(d)(1)(G)(ii) of the Investment Company Act of 1940, as amended. Whenever the Eligible Shareholder consists of a group of shareholders (including a group of funds that are part of the same Qualifying Fund Group), (1) each provision in this Section 3.12 that requires the Eligible Shareholder to provide any written statements, representations, undertakings, agreements or other instruments or to meet any other conditions shall be deemed to require each shareholder (including each individual fund) that is a member of such group to provide such statements, representations, undertakings, agreements or other instruments and to meet such other conditions (except that the members of such group may aggregate the shares that each member has Owned continuously for the Minimum Holding Period in order to meet the three percent Ownership requirement of the "Required Shares" definition) and (2) a breach of any obligation, agreement or representation under this Section 3.12 by any member of such group shall be deemed a breach by the Eligible Shareholder. No person may be a member of more than one group of shareholders constituting an Eligible Shareholder with respect to any annual meeting.

(e) For purposes of this Section 3.12, a shareholder shall be deemed to "Own" only those outstanding common shares of the corporation as to which the shareholder possesses both (i) the full voting and

investment rights pertaining to the shares and (ii) the full economic interest in (including the opportunity for profit from and risk of loss on) such shares; provided that the number of shares calculated in accordance with clauses (i) and (ii) shall not include any shares (A) sold by such shareholder or any of its affiliates in any transaction that has not been settled or closed, including any short sale, (B) borrowed by such shareholder or any of its affiliates for any purposes or purchased by such shareholder or any of its affiliates subject to an agreement to resell or (C) subject to any option, warrant, forward contract, swap, contract of sale or other derivative or similar instrument or agreement entered into by such shareholder or any of its affiliates, whether any such instrument or agreement is to be settled with shares or with cash based on the notional amount or value of outstanding common shares of the corporation, in any such case which instrument or agreement has, or is intended to have, or if exercised would have, the purpose or effect of (1) reducing in any manner, to any extent or at any time in the future, such shareholder's or any of its affiliates' full right to vote or direct the voting of any such shares and/or (2) hedging, offsetting or altering to any degree any gain or loss realized or realizable from maintaining the full economic ownership of such shares by such shareholder or affiliate. A shareholder shall "Own" shares held in the name of a nominee or other intermediary so long as the shareholder retains the right to instruct how the shares are voted with respect to the election of directors and possesses the full economic interest in the shares. A shareholder's Ownership of shares shall be deemed to continue during any period in which (i) the shareholder has loaned such shares, provided that the shareholder has the power to recall such loaned shares on five business days' notice and includes in the Notice of Proxy Access Nomination an agreement that it (A) will promptly recall such loaned shares upon being notified that any of its Shareholder Nominees will be included in the corporation's proxy materials and (B) will continue to hold such recalled shares through the date of the annual meeting or (ii) the shareholder has delegated any voting power by means of a proxy, power of attorney or other instrument or arrangement that is revocable at any time by the shareholder. The terms "Owned," "Ownership" and other variations of the word "Own" shall have correlative meanings. Whether outstanding common shares of the corporation are "Owned" for these purposes shall be determined by the Board or any committee thereof.

(f) The Notice of Proxy Access Nomination must include or be accompanied by the following:

(i) a written statement by the Eligible Shareholder (A) setting forth and certifying as to the number of common shares it Owns and has Owned continuously during the Minimum Holding Period and (B) agreeing to continue to Own the Required Shares through the date of the annual meeting;

(ii) one or more written statements from the record holder of the Required Shares (and from each intermediary through which the Required Shares are or have been held during the Minimum Holding Period) verifying that, as of a date within seven calendar days prior to the date the Notice of Proxy Access Nomination is received by the Secretary at the principal executive offices of the corporation, the Eligible Shareholder Owns, and has Owned continuously for the Minimum Holding Period, the Required Shares, and the Eligible Shareholder's agreement to provide, within five business days following the later of the record date for the determination of shareholders entitled to vote at the annual meeting and the date on which notice of the record date is first publicly disclosed (which disclosure may be effected by means of a publicly available filing with the Securities and Exchange Commission), one or more written statements from the record holder and such intermediaries verifying the Eligible Shareholder's continuous Ownership of the Required Shares through the record date;

(iii) a copy of the Schedule 14N that has been or is concurrently being filed with the Securities and Exchange Commission as required by Rule 14a-18 under the Exchange Act;

(iv) the information, representations and agreements that would be required to be set forth in a shareholder's notice of a nomination pursuant to the third paragraph of Section 3.11 of these by-laws (including the written consent of each Shareholder Nominee to be named as a nominee in the corporation's proxy materials and to serve as a director of the corporation if elected);

(v) a representation that the Eligible Shareholder (A) acquired the Required Shares in the ordinary course of business and not with the intent to change or influence control at the corporation, and does not presently have such intent, (B) has not nominated and will not nominate for election to the Board at the annual meeting any person other than the Shareholder Nominee(s) it is nominating pursuant to this Section 3.12, (C) has not engaged and will not engage in, and has not and will not be a "participant" in another person's, "solicitation" within the meaning of Rule 14a-1(l) under the Exchange Act in support of the election of any individual as a director at the

annual meeting other than its Shareholder Nominee(s) or a nominee of the Board, (D) has not distributed and will not distribute to any shareholder of the corporation any form of proxy for the annual meeting other than the form distributed by the corporation, (E) has complied and will comply with all laws, rules and regulations applicable to solicitations and the use, if any, of soliciting material in connection with the annual meeting and (F) has provided and will provide facts, statements and other information in all communications with the corporation and its shareholders that are or will be true and correct in all material respects and do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

(vi) an undertaking that the Eligible Shareholder agrees to (A) assume all liability stemming from, and indemnify and hold harmless the corporation and each of its directors, officers and employees individually against, any liability, loss or damages in connection with any threatened or pending action, suit or proceeding, whether legal, administrative or investigative, against the corporation or any of its directors, officers or employees arising out of any legal or regulatory violation arising out of the Eligible Shareholder's communications with the shareholders of the corporation or out of the information that the Eligible Shareholder provided to the corporation and (B) file with the Securities and Exchange Commission any solicitation or other communication with the shareholders of the corporation relating to the meeting at which its Shareholder Nominee(s) will be nominated, regardless of whether any such filing is required under Regulation 14A of the Exchange Act or whether any exemption from filing is available for such solicitation or other communication under Regulation 14A of the Exchange Act;

(vii) in the case of a nomination by a group of shareholders together constituting an Eligible Shareholder, the designation by all group members of one member of the group that is authorized to receive communications, notices and inquiries from the corporation and to act on behalf of all members of the group with respect to all matters relating to the nomination under this Section 3.12 (including withdrawal of the nomination); and

(viii) in the case of a nomination by a group of shareholders together constituting an Eligible Shareholder in which two or more funds that are part of the same Qualifying Fund Group are counted as one shareholder for purposes of qualifying as an Eligible Shareholder, documentation reasonably satisfactory to the corporation that demonstrates that the funds are part of the same Qualifying Fund Group.

(g) In addition to the information required pursuant to Section 3.12(f) or any other provision of these by-laws, the corporation may require (i) any proposed Shareholder Nominee to furnish any other information (x) that may reasonably be requested by the corporation to determine whether the Shareholder Nominee would be independent under the Independence Standards, (y) that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such Shareholder Nominee or (z) that may reasonably be requested by the corporation to determine the eligibility of such Shareholder Nominee to be included in the corporation's proxy materials pursuant to this Section 3.12 or to serve as a director of the corporation and (ii) the Eligible Shareholder to furnish any other information that may reasonably be requested by the corporation to verify the Eligible Shareholder's continuous Ownership of the Required Shares for the Minimum Holding Period and through the date of the annual meeting.

(h) The Eligible Shareholder may, at its option, provide to the Secretary, at the time the Notice of Proxy Access Nomination is provided, a written statement, not to exceed 500 words, in support of the Shareholder Nominee(s)' candidacy (a "Supporting Statement"). Only one Supporting Statement may be submitted by an Eligible Shareholder (including any group of shareholders together constituting an Eligible Shareholder) in support of its Shareholder Nominee(s). Notwithstanding anything to the contrary contained in this Section 3.12, the corporation may omit from its proxy materials any information or Supporting Statement (or portion thereof) that it, in good faith, believes would violate any applicable law, rule or regulation.

(i) In the event that any information or communications provided by an Eligible Shareholder or a Shareholder Nominee to the corporation or its shareholders is not, when provided, or thereafter ceases to be true and correct in all material respects or omits to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading, such Eligible Shareholder or Shareholder Nominee, as the case may be, shall promptly notify the Secretary of any such defect and of the information that is required to correct any such defect. Without limiting the forgoing, an Eligible Shareholder shall provide immediate notice to the

corporation if the Eligible Shareholder ceases to Own any of the Required Shares prior to the date of the annual meeting. In addition, any person providing any information to the corporation pursuant to this Section 3.12 shall further update and supplement such information, if necessary, so that all such information shall be true and correct as of the record date for the determination of shareholders entitled to vote at the annual meeting, and such update and supplement shall be received by the Secretary at the principal executive offices of the corporation not later than five business days following the later of the record date and the date on which notice of the record date is first publicly disclosed (which disclosure may be effected by means of a publicly available filing with the Securities and Exchange Commission). For the avoidance of doubt, no notification, update or supplement provided pursuant to this Section 3.12(i) or otherwise shall be deemed to cure any defect in any previously provided information or communications or limit the remedies available to the corporation relating to any such defect (including the right to omit a Shareholder Nominee from its proxy materials pursuant to this Section 3.12).

(j) Notwithstanding anything to the contrary contained in this Section 3.12, the corporation shall not be required to include in its proxy materials, pursuant to this Section 3.12, any Shareholder Nominee (i) who would not be an independent director under the Independence Standards, (ii) whose nomination or election as a member of the Board would cause the corporation to be in violation of these by-laws, the certificate of incorporation, the rules and listing standards of the securities exchanges upon which the common shares of the corporation are listed or traded or any applicable law, rule or regulation, (iii) who is or has been, within the past three years, an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914, (iv) whose election as a member of the Board would cause the corporation to seek, or assist in the seeking of, advance approval or to obtain, or assist in the obtaining of, an interlock waiver pursuant to the rules or regulations of the Federal Reserve Board or the OCC, (v) who is a director, trustee, officer or employee with management functions for any depositary institution, depositary institution holding company or entity that has been designated as a Systemically Important Financial Institution, each as defined in the Depository Institution Management Interlocks Act, (vi) who is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses) or has been convicted in such a criminal proceeding within the past 10 years, (vii) who is subject to any order of the type specified in Rule 506(d) of Regulation D promulgated under the Securities Act of 1933, as amended, or (viii) who shall have provided any information to the corporation or its shareholders that was untrue in any material respect or that omitted to state a material fact necessary to make the statements made, in light of the circumstances in which they were made, not misleading.

(k) Notwithstanding anything to the contrary set forth herein, if (i) a Shareholder Nominee and/or the applicable Eligible Shareholder breaches any of its agreements or representations or fails to comply with its obligations under this Section 3.12 or (ii) a Shareholder Nominee otherwise becomes ineligible for inclusion in the corporation's proxy materials pursuant to this Section 3.12 or dies, becomes disabled or otherwise becomes ineligible or unavailable for election at the annual meeting, in each case as determined by the Board, any committee thereof or the chairman of the annual meeting, (A) the corporation may omit or, to the extent feasible, remove the information concerning such Shareholder Nominee and the related Supporting Statement from its proxy materials and/or otherwise communicate to its shareholders that such Shareholder Nominee will not be eligible for election at the annual meeting, (B) the corporation shall not be required to include in its proxy materials any successor or replacement nominee proposed by the applicable Eligible Shareholder or any other Eligible Shareholder and (C) the Board or the chairman of the annual meeting shall declare such nomination to be invalid and such nomination shall be disregarded notwithstanding that proxies in respect of such vote may have been received by the corporation. In addition, if the Eligible Shareholder (or a representative thereof) does not appear at the annual meeting to present any nomination pursuant to this Section 3.12, such nomination shall be declared invalid and disregarded as provided in clause (C) above.

(l) Any Shareholder Nominee who is included in the corporation's proxy materials for a particular annual meeting of shareholders but either (i) withdraws from or becomes ineligible or unavailable for election at the annual meeting, or (ii) does not receive at least 25% of the votes cast in favor of such Shareholder Nominee's election, will be ineligible to be a Shareholder Nominee pursuant to this Section 3.12 for the next two annual meetings of shareholders. For the avoidance of doubt, the immediately preceding sentence shall not prevent any shareholder from nominating any person to the Board pursuant to and in accordance with Section 3.11 of these by-laws.

(m) This Section 3.12 provides the exclusive method for a shareholder to include nominees for election to the Board in the corporation's proxy materials other than with respect to Rule 14a-19 under the Exchange Act to the extent applicable with respect to form of proxies.

ARTICLE IV

OFFICERS AND OFFICIALS

SECTION 4.1 OFFICERS. The Board shall elect a Chairman of the Board or a President or both, and a Secretary, a Treasurer and a Controller, and may elect such other officers, including a Chairman of the Executive Committee and one or more Vice Chairmen of the Board, as the Board shall determine. Each officer shall have such powers and perform such duties as are provided in these by-laws and as may be provided from time to time by the Board or by the Chief Executive Officer. Each officer shall at all times be subject to the control of the Board, and any power or duty assigned to an officer by these by-laws or the Board or the Chief Executive Officer shall be subject to control, withdrawal or limitation by the Board. (B.C.L. Section 715.)

SECTION 4.2 QUALIFICATIONS. Any person may hold two or more offices, except that neither the Chairman of the Board nor the President shall be Secretary or Treasurer. The Board may require any officer to give security for the faithful performance of their duties.(B.C.L. Sections 715(e) and (f).)

SECTION 4.3 ELECTION AND TERMINATION. The Board shall elect officers at the meeting of the Board following the annual meeting of shareholders and may elect additional officers and fill vacancies at any other time. Unless the Board shall otherwise specify, each officer shall hold office until the meeting of the Board following the next annual meeting of shareholders, and until their successor has been elected and qualified, except as hereinafter provided. The Board may remove any officer or terminate their duties and powers at any time, with or without cause. Any officer may resign at any time by giving written notice thereof to the Chief Executive Officer or to the Board, or by retiring or by leaving the employ of the corporation (without being employed by a subsidiary or affiliate), and any such action shall take effect as a resignation without necessity of further action. The Chief Executive Officer may suspend any officer until the next meeting of the Board. (B.C.L. Sections 715, 716.)

SECTION 4.4 DELEGATION OF POWERS. Each officer may delegate to any other officer and to any official, employee or agent of the corporation, such portions of their powers as the officer shall deem appropriate, subject to such limitations and expirations as the officer shall specify, and may revoke such delegation at any time.

SECTION 4.5 CHAIRMAN OF THE BOARD. The Chairman of the Board may be, but need not be, a person other than the Chief Executive Officer of the corporation. The Chairman of the Board may be, but need not be, an officer or employee of the corporation. The Chairman of the Board shall preside at meetings of the Board and shall establish agendas for such meetings. In addition, the Chairman of the Board shall assure that matters of significant interest to shareholders and the investment community are addressed by management. The Chairman of the Board shall be a member of the Executive Committee.

SECTION 4.6 CHIEF EXECUTIVE OFFICER. The Chief Executive Officer shall, subject to the direction of the Board, have general and active control of the affairs and business of the corporation and general supervision of its officers, officials, employees and agents. The Chief Executive Officer shall preside at all meetings of the shareholders. The Chief Executive Officer shall also preside at all meetings of the Board and any committee thereof of which this individual is a member, unless the Board or such committee shall have chosen another chairman. The Chief Executive Officer shall see that all orders and resolutions of the Board are carried into effect, and in addition this individual shall have all the powers and perform all the duties generally appertaining to the office of the Chief Executive Officer of a corporation. The Chief Executive Officer shall designate the person or persons who shall exercise their powers and perform their duties in their absence or disability and the absence or disability of the President.

SECTION 4.7 PRESIDENT. The President may be Chief Executive Officer if so designated by the Board. If not, the President shall have such powers and perform such duties as are prescribed by the Chief

Executive Officer or by the Board, and, in the absence or disability of the Chief Executive Officer, the President shall have the powers and perform the duties of the Chief Executive Officer, except to the extent that the Board shall have otherwise provided.

SECTION 4.8 CHAIRMAN OF THE EXECUTIVE COMMITTEE. The Chairman of the Executive Committee shall be a member of the Executive Committee. The Chairman of the Executive Committee shall preside at meetings of the Executive Committee and shall have such other powers and perform such other duties as are prescribed by the Board or by the Chief Executive Officer.

SECTION 4.9 VICE CHAIRMAN OF THE BOARD. Each Vice Chairman of the Board shall have such powers and perform such duties as are prescribed by the Chief Executive Officer or by the Board.

SECTION 4.10 SECRETARY. The Secretary shall attend all meetings and keep the minutes of all proceedings of the shareholders, the Board, the Executive Committee and any other committee unless it shall have chosen another secretary. The Secretary shall give notice of all such meetings and all other notices required by law or by these by-laws. The Secretary shall have custody of the seal of the corporation and shall have power to affix it to any instrument and to attest thereto. The Secretary shall have charge of the record of shareholders required by law, which may be kept by any transfer agent or agents under the Secretary's direction. The Secretary shall maintain the records of directors and officers as required by law. The Secretary shall have charge of all documents and other records, except those for which some other officer or agent is properly accountable, and shall generally perform all duties appertaining to the office of secretary of a corporation. (B.C.L. Sections 605, 624, 718.)

SECTION 4.11 TREASURER. The Treasurer shall have the care and custody of all of the funds, securities and other valuables of the corporation, except to the extent they shall be entrusted to other officers, employees or agents by direction of the Chief Executive Officer or the Board. The Treasurer may hold the funds, securities and other valuables in their care in such vaults or safe deposit facilities, or may deposit them in and entrust them to such bank, trust companies and other depositories, all as the Treasurer shall determine with the written concurrence of the Chief Executive Officer or their delegate. The Treasurer shall account regularly to the Controller for all of their receipts, disbursements and deliveries of funds, securities and other valuables.

The Treasurer or their delegate, jointly with the Chief Executive Officer or their delegate, may designate in writing and certify to any bank, trust company, safe deposit company or other depository the persons (including themselves) who are authorized, singly or jointly as they shall specify in each case, to open accounts in the name of the corporation with banks, trust companies and other depositories, to deposit therein funds, instruments and securities belonging to the corporation, to draw checks or drafts on such accounts in amounts not exceeding the credit balances therein, to order the delivery of securities therefrom, to rent safe deposit boxes or vaults in the name of the corporation, to have access to such facility and to deposit therein and remove therefrom securities and other valuables. Any such designation and certification shall contain the regulations, terms and conditions applicable to such authority and may be amended or terminated at any time.

Such powers may also be granted to any other officer, official, employee or agent of the corporation by resolution of the Board or by power of attorney authorized by the Board.

SECTION 4.12 CONTROLLER. The Controller shall be the chief accounting officer of the corporation and shall have control of all its books of account. The Controller shall see that correct and complete books and records of account are kept as required by law, showing fully, in such form as the Controller shall prescribe, all transactions of the corporation, and the Controller shall require, keep and preserve all vouchers relating thereto for such period as may be necessary.

The Controller shall render periodically such financial statements and such other reports relating to the corporation's business as may be required by the Chief Executive Officer or the Board. The Controller shall generally perform all duties appertaining to the office of Controller of a corporation. (B.C.L. Section 624.)

SECTION 4.13 OFFICIALS AND AGENTS. The Chief Executive Officer or their delegate may appoint such officials and agents of the corporation as the conduct of its business may require, and assign to them

such titles, powers, duties and compensation as the Chief Executive Officer shall see fit, and may remove or suspend or modify such titles, powers, duties or compensation at any time with or without cause.

ARTICLE V

SHARES

SECTION 5.1 CERTIFICATES. The shares of the corporation shall be represented by certificates or shall be uncertificated shares. Certificates shall be in such form, consistent with law, as prescribed by the Board, and signed and sealed as provided by law. (B.C.L. Section 508.)

SECTION 5.2 TRANSFER OF SHARES. Except as provided in the certificate of incorporation, upon surrender to the corporation or to its transfer agent of a certificate representing shares, duly endorsed or accompanied with proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto and to cancel the old certificate. The corporation shall be entitled to treat the holder of record of any shares as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person, whether or not the corporation shall have express or other notice thereof, except as may be required by law. (B.C.L. Section 508(d).)

SECTION 5.3 RECORD OF SHAREHOLDERS. The corporation shall keep at its principal office within the State of New York, or at the office of its transfer agent or registrar in the State of New York, a record in written form, or in any other form capable of being converted into written form within a reasonable time, which shall contain the names and addresses of all shareholders, the numbers and class of shares held by each and the dates when they respectively became the owners of record thereof. (B.C.L. Section 624(a).)

SECTION 5.4 LOST OR DESTROYED CERTIFICATES. In case of the alleged loss, destruction or mutilation of a certificate or certificates representing shares, the Board may direct the issuance of a new certificate or certificates in lieu thereof upon such terms and conditions in conformity with law as the Board may prescribe. (B.C.L. Section 508(e).)

SECTION 5.5 FIXING RECORD DATE. The Board or the Chief Executive Officer may fix, in advance, a date as the record date for the purpose of determining the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or for the purpose of determining shareholders entitled to receive payment of any dividend or the allotment of any rights, or for the purpose of any other action. Such date shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 60 days prior to any other action. (B.C.L. Section 604.)

ARTICLE VI

INDEMNIFICATION OF CORPORATION PERSONNEL

SECTION 6.1 DIRECTORS, OFFICERS AND EMPLOYEES. The corporation shall, to the fullest extent permitted by applicable law as the same exists or may hereafter be in effect, indemnify any person made, or threatened to be made, a party to, or who is otherwise involved in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, legislative or investigative, by reason of the fact that such person is or was or has agreed to become a director of the corporation, or is or was an officer or employee of the corporation, or serves or served or has agreed to serve any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity at the request of the corporation, against judgments, fines, penalties, amounts paid in settlement and reasonable expenses, including attorneys' fees actually and necessarily incurred in connection with such action, suit or proceeding, or any appeal therein; PROVIDED, HOWEVER, that no indemnification shall be provided to any such person if a judgment or other final adjudication adverse to the director, officer or employee establishes that (i) their acts were committed in bad faith or were the result of active

and deliberate dishonesty and, in either case, were material to the cause of action so adjudicated or (ii) such person personally gained in fact a financial profit or other advantage to which they were not legally entitled. Any action, suit or proceeding by or in the right of the corporation to procure a judgment in its favor or by or in the right of any other corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise, which any director, officer or employee serves or served or agreed to serve at the request of the corporation shall be included in the actions for which directors, officers and employees will be indemnified under the terms of this Section 6.1. Such indemnification shall include the right to be paid advances of any expenses incurred by such person in connection with such action, suit or proceeding, upon receipt of an undertaking by or on behalf of such person to repay such amount consistent with the provisions of applicable law. Notwithstanding anything to the contrary set forth herein, no indemnification, nor the right to be paid advances of any expenses, shall be provided to (A) any such person with respect to any action, suit or proceeding, or part thereof, brought by such person against the corporation or any affiliate of the corporation, whether by way of direct claim, counterclaim, claim for contribution or otherwise, unless consented to by the Board (other than in connection with any action, suit or proceeding that successfully enforces such person's rights to indemnification and advancement of expenses hereunder), or (B) any such person other than a present or former officer or director of the corporation unless such person reasonably cooperates with the corporation and its insurers in connection with the action, suit or proceeding and any related matter, including the determination of such person's entitlement to indemnification hereunder, and agrees to such other terms and conditions as the corporation may reasonably request. (B.C.L. Sections 721, 722, 723(c).)

SECTION 6.2 OTHER INDEMNIFICATION. The corporation may indemnify any person to whom the corporation is permitted by applicable law or these by-laws to provide indemnification or the advancement of expenses, whether pursuant to rights granted pursuant to, or provided by, the New York Business Corporation Law or any other law or these by-laws or other rights created by (i) a resolution of shareholders, (ii) a resolution of directors or (iii) an agreement providing for such indemnification, it being expressly intended that these by-laws authorize the creation of other rights in any such manner. The right to be indemnified and to the reimbursement or advancement of expenses incurred in defending a proceeding in advance of its final disposition authorized by this Section 6.2 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the certificate of incorporation, by-laws, agreement, vote of shareholders or disinterested directors or otherwise. (B.C.L. Sections 721, 723(c).)

SECTION 6.3 MISCELLANEOUS. The right to indemnification conferred by Section 6.1, and any indemnification extended under Section 6.2, (i) is a contract right pursuant to which the person entitled thereto may bring suit as if the provisions thereof were set forth in a separate written contract between the corporation and such person, (ii) is intended to be retroactive to events occurring prior to the adoption of this Article VI, to the fullest extent permitted by applicable law, and (iii) shall continue to exist after the rescission or restrictive modification thereof with respect to events occurring prior thereto. The benefits of Section 6.1 shall extend to the heirs, executors, administrators and legal representatives of any person entitled to indemnification under this Article.

ARTICLE VII

MISCELLANEOUS

SECTION 7.1 FISCAL YEAR. The fiscal year of the corporation shall be the calendar year.

SECTION 7.2 VOTING OF SHARES OF OTHER CORPORATIONS. The Board may authorize any officer, agent or proxy to vote shares of any domestic or foreign corporation of any type or kind standing in the name of the corporation and to execute written consents respecting the same, but in the absence of such specific authorization, the Chief Executive Officer of the corporation or their delegate may vote such shares and may execute proxies and written consents with relation thereto.

SECTION 7.3 INTERPRETATION AND APPLICATION OF THE BY-LAWS. To the fullest extent permitted by law and except as otherwise expressly provided by these by-laws, the Board (or any other person or body authorized by the Board) shall have the power and authority to interpret these by-laws and make any and all determinations necessary or appropriate to apply any provision of these by-laws to any persons, facts or

circumstances. Any such interpretation or determination made in good faith by the Board (or any other person or body authorized by the Board) shall be conclusive and binding on all persons, including the corporation and its shareholders.

ARTICLE VIII

AMENDMENTS

SECTION 8.1 GENERAL. Except as otherwise provided by law, these by-laws may be amended or repealed or new by-laws may be adopted by the Board, or by vote of the holders of the shares at the time entitled to vote in the election of any directors, except that the Board may not amend or repeal any by-law, or adopt any new by-law with respect to the subject matter of any by-law, which specifically states that it may be amended or repealed only by the shareholders. (B.C.L. Section 601.)

SECTION 8.2 AMENDMENT OF THIS ARTICLE. This Article VIII may be amended or repealed only by the shareholders entitled to vote hereon as provided in Section 8.1 above.

* * * * *

EXHIBIT 10.1

AMENDMENT NO. 5 TO THE
TIME SHARING AGREEMENT

This Amendment No. 5 (including the Schedules A and B attached hereto, collectively hereinafter "Amendment No. 5"), dated as of July 27, 2022, to the Time Sharing Agreement will amend that certain Time Sharing Agreement, dated as of February 13, 2018, as previously amended, by and between American Express Travel Related Services Company, Inc., ("AETRSC") and Stephen J. Squeri ("User") (including any Schedules attached to the foregoing, and as previously amended, collectively hereinafter "Time Sharing Agreement").

W I T N E S S E T H:

WHEREAS, AETRSC and User desire to amend the Time Sharing Agreement, as provided herein;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree that, from and as of the date hereof, the Time Sharing Agreement shall be, and hereby is, amended as set forth below.

1. AETRSC and User desire to remove certain aircraft from Schedule A to the Time Sharing Agreement; accordingly, AETRSC and User hereby expressly agree that the Schedule A attached hereto amends and replaces any and all prior versions of Schedule A attached to the Time Sharing Agreement.
2. All notices and other communications given pursuant to Section 12 of the Time Sharing Agreement under this Amendment No. 5 and/or the Time Sharing Agreement shall be addressed to the parties as provided on the signature page of this Amendment No. 5.
3. All capitalized terms not defined herein shall have the meanings ascribed to them in the Time Sharing Agreement.
4. Except as expressly amended by this Amendment No. 5 the Time Sharing Agreement remains in full force and effect, and this Amendment No. 5 shall not be construed to alter or amend any of the other terms or conditions set forth in the Time Sharing Agreement. In the event of a conflict between the terms of the Time Sharing Agreement and this Amendment No. 5, the provisions of this Amendment No. 5 shall prevail.
5. This Amendment No. 5 may be executed in counterparts, each of which will be deemed to be an original, but both of which together shall constitute one and the same instrument.
6. TRUTH-IN-LEASING STATEMENT PURSUANT TO SECTION 91.23 OF THE FEDERAL AVIATION REGULATIONS.

THE AIRCRAFT LISTED ON SCHEDULE A ATTACHED HERETO HAVE BEEN MAINTAINED AND INSPECTED UNDER FAR PART 91 DURING THE 12-MONTH PERIOD PRECEDING THE DATE OF THIS AGREEMENT OR, IF THE AIRCRAFT ARE LESS THAN 12 MONTHS OLD, SINCE NEW. AMERICAN EXPRESS TRAVEL RELATED SERVICES COMPANY, INC., 1 EXPRESS DR., NEWBURGH, NY 12550, CERTIFIES THAT ALL OF THE AIRCRAFT LISTED ON SCHEDULE A ATTACHED HERETO ARE COMPLIANT WITH APPLICABLE MAINTENANCE AND INSPECTION REQUIREMENTS OF FAR PART 91 FOR THE OPERATIONS TO BE CONDUCTED UNDER THIS AGREEMENT. ALL OF THE AIRCRAFT LISTED ON SCHEDULE A ATTACHED HERETO WILL BE MAINTAINED AND INSPECTED UNDER FAR PART 91 FOR OPERATIONS TO BE CONDUCTED UNDER THIS AGREEMENT.

DURING THE DURATION OF THIS AGREEMENT, AMERICAN EXPRESS TRAVEL RELATED SERVICES COMPANY, INC., 1 EXPRESS DR., NEWBURGH, NY 12550, IS CONSIDERED RESPONSIBLE FOR OPERATIONAL CONTROL OF ALL OF THE AIRCRAFT UNDER THIS AGREEMENT.

AN EXPLANATION OF FACTORS BEARING ON OPERATIONAL CONTROL AND PERTINENT FEDERAL AVIATION REGULATIONS CAN BE OBTAINED FROM THE RESPONSIBLE FAA FLIGHT STANDARDS DISTRICT OFFICE.

THE “INSTRUCTIONS FOR COMPLIANCE WITH TRUTH-IN-LEASING REQUIREMENTS” ATTACHED HERETO IN SCHEDULE B ARE INCORPORATED HEREIN BY REFERENCE.

THE UNDERSIGNED, AS A DULY AUTHORIZED OFFICER OF AMERICAN EXPRESS TRAVEL RELATED SERVICES COMPANY, INC., 1 EXPRESS DR., NEWBURGH, NY 12550, CERTIFIES THAT IT IS RESPONSIBLE FOR OPERATIONAL CONTROL OF ALL OF THE AIRCRAFT LISTED ON SCHEDULE A ATTACHED HERETO AND THAT IT UNDERSTANDS ITS RESPONSIBILITIES FOR COMPLIANCE WITH APPLICABLE FEDERAL AVIATION REGULATIONS.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 5 to be duly executed on the day and year first above written. The persons signing below warrant their authority to sign.

AMERICAN EXPRESS TRAVEL RELATED SERVICES COMPANY, INC.

By: /s/ Richard J. Walsh
Name: Richard J. Walsh
Title: Vice President, Aviation

Address: American Express Travel
Related Services Company, Inc.
Attn: VP of Flight Operations
1 Express Dr.
Newburgh, NY 12550
Phone: [redacted]
Facsimile: [redacted]
E-mail: [redacted]@aexp.com

STEPHEN J. SQUERI

/s/ Stephen J. Squeri
Stephen J. Squeri

Address: Stephen J. Squeri
c/o American Express Company
200 Vesey St., [redacted]
New York, NY 10285
Phone: [redacted]
Facsimile: [redacted]
Email: [redacted]@aexp.com

A legible copy of this Amendment No. 5 shall be kept in the Aircraft for all operations conducted hereunder.

SCHEDULE A

[Schedule of aircraft subject to time-sharing agreement omitted pursuant to Item 601(a)(5) of Regulation S-K. Such schedules and exhibits will be furnished to the SEC upon request.]

SCHEDULE B

[Instructions for compliance with Federal Aviation Administration "truth-in-leasing" requirements omitted pursuant to Item 601(a)(5) of Regulation S-K. Such schedules and exhibits will be furnished to the SEC upon request.]

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: October 21, 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: October 21, 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 September 30, 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: October 21, 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 September 30, 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: October 21, 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.