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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 March 31, 2024

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Transition Period from ____ to ____

Commission file number 1-7657

AMERICAN EXPRESS COMPANY

(Exact name of registrant as specified in its charter)

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

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

None

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

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

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

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

Yes ☑ **No** ☐

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

Yes ☑ **No** ☐

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

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

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

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

Yes ☐ **No** ☑

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

Class	Outstanding at April 15, 2024
Common Shares (par value $0.20 per share)	719,303,053 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

American Express is a globally integrated payments company, providing 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 mechanisms, systems and products that leverage new technologies, business models and customer relationships to create payment, financing or banking solutions. The payments industry continues to undergo dynamic changes in response to evolving technologies, consumer habits and merchant needs, such as an increased shift to digital payments.

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. We are also subject to evolving and extensive government regulation and supervision in jurisdictions around the world.

Table 1: Summary of Financial Performance

(Millions, except percentages, per share amounts and where indicated)	As of or for the Three Months Ended March 31, 2024	2023	Change 2024 vs. 2023	
Selected Income Statement Data				
Total revenues net of interest expense	**$ 15,801**	$ 14,281	$ 1,520	11 %
Provisions for credit losses	**1,269**	1,055	214	20
Total expenses	**11,387**	11,059	328	3
Pretax income	**3,145**	2,167	978	45
Income tax provision	**708**	351	357	#
Net income	**2,437**	1,816	621	34
Earnings per common share — diluted [(a)]	**$ 3.33**	$ 2.40	$ 0.93	39 %
Selected Balance Sheet Data				
Cash and cash equivalents	**$ 54,213**	$ 40,836	$ 13,377	33 %
Card Member receivables	**59,775**	57,494	2,281	4
Card Member loans	**126,619**	109,050	17,569	16
Customer deposits	**134,418**	120,806	13,612	11
Long-term debt	**$ 48,826**	$ 41,138	$ 7,688	19 %
Common Share Statistics [(b)]				
Cash dividends declared per common share	**$ 0.70**	$ 0.60	$ 0.10	17
Average common shares outstanding:				
Basic	**721**	743	(22)	(3)
Diluted	**722**	744	(22)	(3)
Selected Metrics and Ratios				
Network volumes *(Billions)*	**$ 419.2**	$ 398.9	$ 20	5 %
Billed business *(Billions)*	**$ 367.0**	$ 345.5	$ 22	6 %
Card Member loans and receivables				
Net write-off rate — principal, interest and fees [(c)]	**2.3 %**	1.7 %		
Net write-off rate — principal only - consumer and small business [(c)(d)]	**2.1 %**	1.6 %		
30+ days past due as a % of total - consumer and small business [(e)]	**1.3 %**	1.2 %		
Effective tax rate	**22.5 %**	16.2 %		
Return on average equity [(f)]	**34.3 %**	28.7 %		
Common Equity Tier 1	**10.6 %**	10.6 %		

# Denotes a variance of 100 percent or more

(a) Represents net income, less (i) earnings allocated to participating share awards of $18 million and $14 million for the three months ended March 31, 2024 and 2023, respectively, and (ii) dividends on preferred shares of $14 million for both the three months ended March 31, 2024 and 2023.

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

(c) 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.

(d) A net write-off rate based on principal losses only is not available for corporate receivables due to system constraints.

(e) For corporate receivables, delinquency data is tracked based on days past billing status rather than days past due. Refer to Table 12 for 90+ days past billing metrics for corporate receivables.

(f) Return on average equity (ROE) is calculated by dividing (i) annualized net income for the period by (ii) average shareholders' equity for the period.

Business Environment

Our results for the first quarter reflect our continued investments in value propositions, marketing, technology capabilities and our brand, which are driving high levels of customer engagement and loyalty. The successful execution of our growth strategy, along with the strength of our premium customer base and differentiated business model, drove net income of $2.4 billion, or $3.33 per share, compared with net income of $1.8 billion, or $2.40 per share, a year ago.

Billed business, the most significant driver of our financial results, increased 6 percent year-over-year (7 percent on an FX-adjusted basis), in line with the overall spend environment we have seen the past few quarters.[1] U.S. Consumer Services billed business grew by 8 percent year-over-year, reflecting continued strength in spending trends across all generational cohorts, with the largest portion of this growth coming from our Millennial and Gen-Z Card Members. International Card Services billed business grew by 11 percent year-over-year (13 percent on an FX-adjusted basis), driven by continued growth in spend across all regions and customer types outside the United States.[1] Commercial Services billed business grew by 2 percent on a year-over-year basis, reflecting continued modest growth from U.S. small and mid-sized enterprise (SME) Card Members.

Total revenues net of interest expense increased 11 percent year-over-year. The growth in billed business drove a 5 percent increase in Discount revenue, our largest revenue line. Net card fees increased 15 percent year-over-year, reflecting high levels of new card acquisition and Card Member retention, as well as our cycle of product refreshes. Net interest income increased 26 percent versus the prior year, primarily reflecting growth in our revolving loan balances, which has moderated over the last several quarters, as well as continued net yield expansion versus the prior year.

Total loans and Card Member receivables increased 12 percent year-over-year, as our Card Members continue to spend and build balances. Provisions for credit losses increased, primarily driven by higher net write-offs, partially offset by a lower net reserve build in the current year. Net write-off and delinquency rates remained best-in-class, supported by our premium global customer base, our strong focus on risk management and disciplined growth strategy.

Card Member rewards, Card Member services and Business development expenses are generally correlated to volumes or are variable based on usage and collectively increased year-over-year primarily due to growth in billed business and premium card accounts, as well as higher usage of travel-related benefits. The year-over-year growth in these variable customer engagement expenses for the quarter was partially offset by a benefit related to enhancements to the models that estimate future redemptions of Membership Rewards points by U.S. Card Members resulting from our periodic evaluation of our liability estimation process and assumptions. Marketing expense increased 10 percent year-over-year, as we continue to invest in acquiring high spending, high quality customers and other growth initiatives. During the quarter we acquired 3.4 million proprietary new cards. Operating expenses were flat year-over-year, reflecting higher compensation costs to support business growth, offset by net losses on Amex Ventures investments in the prior year. We remain focused on driving marketing and operating expense efficiencies over time, while continuing to invest in our growth strategy.

During the first quarter, we maintained our capital ratios within our current target range of 10 to 11 percent and returned $1.6 billion of capital to our shareholders in the form of share repurchases and common stock dividends. We also increased our quarterly common stock dividend by 17 percent. We plan to continue to return to shareholders the excess capital we generate while managing our CET1 capital ratio within our target range and supporting balance sheet growth. Our robust capital, funding and liquidity positions provide us with significant flexibility to maintain a strong balance sheet.

As previously announced, we signed an agreement to sell fraud prevention solutions provider Accertify Inc., a wholly owned subsidiary we acquired in 2010, the operations of which are reported within the Global Merchant and Network Services segment. The transaction is subject to customary closing conditions and is expected to close in the second quarter of 2024. Upon closing, we expect to recognize a sizeable pre-tax gain, which will be recorded as a reduction to Other expense and is expected to be substantially reinvested back into our business.

Our performance continues to give us confidence in our business model and while we recognize the uncertainty of the geopolitical and macroeconomic environment and the evolving regulatory and competitive landscape, we remain committed to executing on our strategy to deliver sustainable and profitable 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 conversion 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 "Consolidated Results of Operations" and "Business Segment Results of Operations" provide commentary on the variances for the three months ended March 31, 2024 compared to the same period in the prior year, as presented in the accompanying tables.

Consolidated Results of Operations

Table 2: Total Revenues Net of Interest Expense Summary

(Millions, except percentages)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Change 2024 vs. 2023	Change 2024 vs. 2023 (%)
Discount revenue	**$ 8,380**	$ 7,947	$ 433	5 %
Net card fees	**1,974**	1,713	261	15
Service fees and other revenue	**1,292**	1,218	74	6
Processed revenue	**386**	420	(34)	(8)
Total non-interest revenues	**12,032**	11,298	734	6
Total interest income	**5,775**	4,416	1,359	31
Total interest expense	**2,006**	1,433	573	40
Net interest income	**3,769**	2,983	786	26
Total revenues net of interest expense	**$ 15,801**	$ 14,281	$ 1,520	11 %

Total Revenues Net of Interest Expense

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

Net card fees increased, primarily driven by growth in our premium card portfolios. See Table 5 for more details on proprietary cards-in-force and average fee per card.

Service fees and other revenue increased, primarily driven by increases in travel commissions and fees from our consumer travel business, revenue from the sale of reward points, foreign exchange related revenues associated with Card Member cross-currency spending and merchant service fees, partially offset by a benefit in the prior year related to a portion of the revenue allocated to a joint venture partner as described in Business development expense below.

Processed revenue decreased, primarily driven by a decrease in volumes associated with the decommission of one of our alternative payment solutions as well as a decrease in network partner volumes. See Tables 5 and 6 for more details on processed volume performance.

Interest income increased, primarily driven by growth in revolving loan balances and higher interest rates.

Interest expense increased, primarily driven by higher interest rates paid on, and growth in, customer deposits.

Table 3: Provisions for Credit Losses Summary

(Millions, except percentages)	Three Months Ended March 31, 2024	2023	Change 2024 vs. 2023	
Card Member loans				
Net write-offs	**$ 855**	$ 486	$ 369	76 %
Reserve build (release) [(a)]	**159**	300	(141)	(47)
Total	**1,014**	786	228	29
Card Member receivables				
Net write-offs	**217**	230	(13)	(6)
Reserve (release) build [(a)]	**(21)**	(8)	(13)	#
Total	**196**	222	(26)	(12)
Other				
Net write-offs - Other loans	**43**	16	27	#
Net write-offs - Other receivables	**6**	3	3	#
Reserve build (release) - Other loans [(a)]	**10**	24	(14)	(58)
Reserve build (release) - Other receivables [(a)]	**—**	4	(4)	#
Total	**59**	47	12	26
Total provisions for credit losses	**$ 1,269**	$ 1,055	$ 214	20 %

# Denotes a variance of 100 percent or more

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

Provisions for Credit Losses

Card Member loans provision for credit losses increased, primarily due to higher net write-offs, partially offset by a lower reserve build in the current period. The reserve build in the current period was primarily driven by an increase in loans outstanding and slightly higher delinquencies. The reserve build in the prior period was primarily driven by higher delinquencies and an increase in loans outstanding.

Card Member receivables provision for credit losses decreased, primarily due to lower net write-offs and a higher reserve release in the current period. The reserve release in the current period was primarily driven by a decrease in receivables outstanding. The reserve release in the prior period was primarily driven by a decrease in receivables outstanding, partially offset by higher delinquencies.

Other provisions for credit losses increased, primarily due to higher net write-offs, partially offset by a lower reserve build in the current period. The reserve builds in both the current and prior periods were primarily driven by increases in non-card loans outstanding in the respective periods.

Table 4: Expenses Summary

(Millions, except percentages)	Three Months Ended March 31, 2024	2023	Change 2024 vs. 2023	
Card Member rewards	**$ 3,774**	$ 3,766	$ 8	— %
Business development	**1,392**	1,393	(1)	—
Card Member services	**1,171**	983	188	19
Marketing	**1,476**	1,341	135	10
Salaries and employee benefits	**2,098**	2,014	84	4
Other, net	**1,476**	1,562	(86)	(6)
Total expenses	**$ 11,387**	$ 11,059	$ 328	3 %

Expenses

Card Member rewards expense was relatively flat, driven by an increase in cobrand rewards expense of $137 million, largely offset by a decrease in Membership Rewards and cash back rewards expenses, collectively, of $129 million. The increase in cobrand rewards expense was primarily driven by higher billed business. The decrease in Membership Rewards expense was driven by a $196 million benefit from enhancements to the models that estimate future redemptions of Membership Reward points by U.S. Card Members as well as lower redemption costs, partially offset by higher billed business.

The Membership Rewards Ultimate Redemption Rate (URR) for current program participants was 96 percent (rounded down) at both March 31, 2024 and 2023.

Business development expense was flat, primarily due to increased partner payments driven by higher network volumes and contractual rates, offset by a prior-year charge related to revenue allocated to a joint venture partner.

Card Member services expense increased, primarily due to growth in premium card accounts and higher usage of travel-related benefits by existing Card Members.

Marketing expense increased, reflecting higher levels of spending on customer acquisition and other growth initiatives.

Salaries and employee benefits expense increased, primarily driven by higher compensation costs, reflecting the continued investment in our colleagues to support business growth.

Other expenses decreased, primarily driven by net losses on Amex Ventures investments in the prior period.

Income Taxes

The effective tax rate was 22.5 percent and 16.2 percent for the three months ended March 31, 2024 and 2023, respectively. The increase in the effective tax rate primarily reflected discrete tax benefits in the prior period related to the resolution of certain prior-year tax items.

Table 5: Selected Card-Related Statistical Information

	As of or for the Three Months Ended March 31,		Change 2024 vs. 2023
	2024	2023	
Network volumes *(billions)*	**$ 419.2**	$ 398.9	5 %
Billed business	**$ 367.0**	$ 345.5	6
Processed volumes	**$ 52.2**	$ 53.4	(2)
Cards-in-force *(millions)*	**142.4**	135.7	5
Proprietary cards-in-force	**81.1**	78.0	4
Basic cards-in-force *(millions)*	**119.8**	113.7	5
Proprietary basic cards-in-force	**62.3**	60.1	4
Average proprietary basic Card Member spending *(dollars)*	**$ 5,919**	$ 5,792	2
Average fee per card *(dollars)* [(a)]	**$ 98**	$ 88	11 %
Discount revenue as a % of Billed business	**2.28%**	2.30%	

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

Table 6: Network Volumes-Related Statistical Information

	Three Months Ended March 31, 2024	
	Year over Year Percentage Increase (Decrease)	Year over Year Percentage Increase (Decrease) Assuming No Changes in FX Rates [(a)]
Network volumes	**5 %**	**6 %**
Total billed business	**6**	**7**
U.S. Consumer Services	**8**	
Commercial Services	**2**	**2**
International Card Services	**11**	**13**
Processed volumes	**(2)**	**2**
Merchant industry billed business metrics		
G&S spend (72% of billed business)	**6**	**6**
T&E spend (28% of billed business)	**8**	**8**
Airline spend (8% of billed business)	**8 %**	**9 %**

(a) The foreign currency adjusted information assumes a constant exchange rate between the periods being compared for purposes of conversion 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

	As of or for the Three Months Ended March 31,		Change 2024 vs. 2023
(Millions, except percentages and where indicated)	**2024**	2023	
Card Member loans and receivables:			
Net write-off rate — principal, interest and fees [(a)]	**2.3 %**	1.7 %	
Net write-off rate — principal only - consumer and small business [(a)(b)]	**2.1 %**	1.6 %	
30+ days past due as a % of total - consumer and small business [(c)]	**1.3 %**	1.2 %	
Card Member loans:			
Card Member loans *(billions)*	**$ 126.6**	$ 109.1	16 %
Credit loss reserves:			
Beginning balance	**$ 5,118**	$ 3,747	37
Provisions - principal, interest and fees	**1,014**	786	29
Net write-offs — principal less recoveries	**(705)**	(397)	78
Net write-offs — interest and fees less recoveries	**(150)**	(89)	69
Other [(d)]	**(6)**	6	#
Ending balance	**$ 5,271**	$ 4,053	30
% of loans	**4.2 %**	3.7 %	
% of past due	**297 %**	330 %	
Average loans *(billions)*	**$ 124.7**	$ 107.7	16
Net write-off rate — principal, interest and fees [(a)]	**2.7 %**	1.8 %	
Net write-off rate — principal only [(a)]	**2.3 %**	1.5 %	
30+ days past due as a % of total	**1.4 %**	1.1 %	
Card Member receivables:			
Card Member receivables *(billions)*	**$ 59.8**	$ 57.5	4
Credit loss reserves:			
Beginning balance	**$ 174**	$ 229	(24)
Provisions - principal and fees	**196**	222	(12)
Net write-offs — principal and fees less recoveries	**(217)**	(230)	(6)
Other [(d)]	**(2)**	2	#
Ending balance	**$ 151**	$ 223	(32) %
% of receivables	**0.3 %**	0.4 %	
Net write-off rate — principal and fees [(a)]	**1.5 %**	1.6 %	
Net write-off rate — principal only - consumer and small business [(a)(b)]	**1.7 %**	1.9 %	
30+ days past due as a % of total - consumer and small business [(c)]	**1.1 %**	1.4 %	

# Denotes a variance of 100 percent or more

(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) A net write-off rate based on principal losses only is not available for corporate receivables due to system constraints.

(c) For corporate receivables, delinquency data is tracked based on days past billing status rather than days past due. Refer to Table 12 for 90+ days past billing metrics for corporate receivables.

(d) Other includes foreign currency translation adjustments.

Table 8: Net Interest Yield on Average Card Member Loans

(Millions, except percentages and where indicated)	Three Months Ended March 31, 2024	2023
Net interest income	**$ 3,769**	$ 2,983
Exclude:		
Interest expense not attributable to our Card Member loan portfolio [(a)]	**882**	624
Interest income not attributable to our Card Member loan portfolio [(b)]	**(916)**	(602)
Adjusted net interest income [(c)]	**$ 3,735**	$ 3,005
Average Card Member loans *(billions)*	**$ 124.7**	$ 107.7
Net interest income divided by average Card Member loans [(c)]	**12.2 %**	11.2 %
Net interest yield on average Card Member loans [(c)]	**12.0 %**	11.3 %

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

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

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

Business Segment Results of Operations

Effective as of the second quarter of 2023, our U.S. travel and lifestyle services (TLS) results, which were previously reported within the U.S. Consumer Services (USCS) segment, are now reported within both the USCS and Commercial Services (CS) segments, allocated based on customer usage.

U.S. Consumer Services

Table 9: USCS Selected Income Statement Data

(Millions, except percentages)	Three Months Ended March 31, 2024	2023	Change 2024 vs. 2023	
Revenues				
Non-interest revenues	**$ 4,766**	$ 4,359	$ 407	9 %
Interest income	**3,481**	2,775	706	25
Interest expense	**748**	551	197	36
Net interest income	**2,733**	2,224	509	23
Total revenues net of interest expense	**7,499**	6,583	916	14
Provisions for credit losses	**727**	584	143	24
Total revenues net of interest expense after provisions for credit losses	**6,772**	5,999	773	13
Expenses				
Card Member rewards, business development, Card Member services and marketing	**4,075**	3,813	262	7
Salaries and employee benefits and other operating expenses	**1,084**	1,056	28	3
Total expenses	**5,159**	4,869	290	6
Pretax segment income	**$ 1,613**	$ 1,130	$ 483	43 %

U.S. Consumer Services 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.

TOTAL REVENUES NET OF INTEREST EXPENSE

Non-interest revenues increased across all revenue categories, primarily driven by higher Discount revenue and Net card fees.

Discount revenue increased 7 percent, primarily driven by an increase in U.S. consumer billed business. See Tables 5, 6 and 10 for more details on billed business performance.

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

Service fees and other revenue increased 8 percent, primarily driven by increases in travel commissions and fees from our consumer travel business and revenue from the sale of reward points, partially offset by the change in the allocation of TLS revenues described above.

Interest income increased, primarily driven by growth in revolving loan balances and higher interest rates.

Interest expense increased, primarily driven by a higher cost of funds.

PROVISIONS FOR CREDIT LOSSES

Card Member loans provision for credit losses increased, primarily due to higher net write-offs, partially offset by a lower reserve build in the current period. The reserve build in the current period was primarily driven by slightly higher delinquencies. The reserve build in the prior period was primarily driven by higher delinquencies and an increase in loans outstanding.

Card Member receivables provision for credit losses increased, primarily due to higher net write-offs, partially offset by a higher reserve release in the current period. The reserve releases in both the current and prior periods were primarily driven by decreases in receivables outstanding in the respective periods.

EXPENSES

Total expenses increased, primarily driven by higher Card Member services, Business development and Operating expenses.

Card Member rewards expense increased, driven by an increase in cobrand rewards expense, partially offset by a decrease in Membership Rewards and cash back rewards expense. The increase in cobrand rewards expense was primarily driven by higher billed business. The decrease in Membership Rewards expense was driven by the above-mentioned benefit from enhancements to the U.S. URR models as well as lower redemption costs, partially offset by higher billed business.

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

Card Member services expense increased, primarily due to growth in premium card accounts and higher usage of travel-related benefits by existing Card Members.

Marketing expense increased, reflecting higher levels of spending on customer acquisition and other growth initiatives.

Salaries and employee benefits and other expenses increased, primarily due to an increase in allocated service costs, which includes an allocation of TLS servicing costs as described above, partially offset by lower compensation costs.

Table 10: USCS Selected Statistical Information

(Millions, except percentages and where indicated)	As of or for the Three Months Ended March 31, 2024	2023	Change 2024 vs. 2023
Billed business *(billions)*	**$ 153.4**	$ 142.3	8 %
Proprietary cards-in-force	**44.4**	42.4	5
Proprietary basic cards-in-force	**31.1**	29.7	5
Average proprietary basic Card Member spending *(dollars)*	**$ 4,962**	$ 4,822	3
Total segment assets *(billions)*	**$ 104.3**	$ 90.6	15
Card Member loans:			
Total loans *(billions)*	**$ 82.3**	$ 72.0	14
Average loans *(billions)*	**$ 81.7**	$ 71.6	14
Net write-off rate — principal, interest and fees [(a)]	**2.8 %**	1.9 %	
Net write-off rate — principal only [(a)]	**2.3 %**	1.5 %	
30+ days past due as a % of total	**1.4 %**	1.1 %	
Calculation of Net Interest Yield on Average Card Member Loans:			
Net interest income	**$ 2,733**	$ 2,224	
Exclude:			
Interest expense not attributable to our Card Member loan portfolio [(b)]	**36**	36	
Interest income not attributable to our Card Member loan portfolio [(c)]	**(122)**	(82)	
Adjusted net interest income [(d)]	**$ 2,647**	$ 2,178	
Average Card Member loans *(billions)*	**$ 81.7**	$ 71.6	
Net interest income divided by average Card Member loans [(d)]	**13.4 %**	12.6 %	
Net interest yield on average Card Member loans [(d)]	**13.0 %**	12.3 %	
Card Member receivables:			
Total receivables *(billions)*	**$ 13.6**	$ 13.3	2 %
Net write-off rate — principal and fees [(a)]	**1.5 %**	1.3 %	
Net write-off rate — principal only [(a)]	**1.3 %**	1.2 %	
30+ days past due as a % of total	**0.8 %**	1.0 %	

(a) Refer to Table 7 footnote (a).
(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 March 31, 2024	2023	Change 2024 vs. 2023	
Revenues				
Non-interest revenues	**$ 3,194**	$ 3,107	$ 87	3 %
Interest income	**1,005**	706	299	42
Interest expense	**414**	321	93	29
Net interest income	**591**	385	206	54
Total revenues net of interest expense	**3,785**	3,492	293	8
Provisions for credit losses	**355**	283	72	25
Total revenues net of interest expense after provisions for credit losses	**3,430**	3,209	221	7
Expenses				
Card Member rewards, business development, Card Member services and marketing	**1,819**	1,854	(35)	(2)
Salaries and employee benefits and other operating expenses	**733**	725	8	1
Total expenses	**2,552**	2,579	(27)	(1)
Pretax segment income	**$ 878**	$ 630	$ 248	39 %

Commercial Services 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.

TOTAL REVENUES NET OF INTEREST EXPENSE

Non-interest revenues increased, primarily driven by higher Discount revenue, Net card fees and Service fees and other revenue.

Discount revenue increased 1 percent, primarily driven by an increase in commercial billed business. See Tables 5, 6 and 12 for more details on billed business performance.

Net card fees increased 12 percent, primarily driven by growth in our premium card portfolios.

Service fees and other revenue increased 29 percent, largely driven by the change in the allocation of TLS revenues described above.

Interest income increased, primarily driven by growth in revolving loan balances and higher interest rates.

Interest expense increased, primarily driven by a higher cost of funds.

PROVISIONS FOR CREDIT LOSSES

Card Member loans provision for credit losses increased, primarily due to higher net write-offs, partially offset by a lower reserve build in the current period. The reserve builds in both the current and prior periods were primarily driven by higher delinquencies and increases in loans outstanding in the respective periods.

Card Member receivables provision for credit losses decreased, primarily due to a reserve release in the current period, versus a reserve build in the prior period, and lower net write-offs. The reserve release in the current period was primarily driven by lower delinquencies.

EXPENSES

Total expenses decreased, primarily driven by lower Card Member rewards expense, partially offset by higher Marketing and Operating expenses.

Card Member rewards expense decreased, driven by a decrease in Membership Rewards and cash back rewards expense, partially offset by an increase in cobrand rewards expense. The decrease in Membership Rewards expense was driven by the above-mentioned benefit from enhancements to the U.S. URR models as well as lower redemption costs, partially offset by higher billed business. The increase in cobrand rewards expense was primarily driven by higher billed business.

Business development expense increased, primarily due to increased partner payments, primarily driven by an increase in billed business and higher contractual rates, partially offset by lower client incentives.

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

Marketing expense increased, primarily reflecting higher levels of spending on customer acquisition and other growth initiatives.

Salaries and employee benefits and other expenses increased, primarily due to an increase in allocated service costs, which includes an allocation of TLS servicing costs as described above, partially offset by lower compensation costs.

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Table 12: CS Selected Statistical Information

(Millions, except percentages and where indicated)	As of or for the Three Months Ended March 31, 2024	2023	Change 2024 vs 2023
Billed business *(billions)*	**$ 127.1**	$ 125.0	2 %
Proprietary cards-in-force	**15.4**	15.2	1
Average Card Member spending *(dollars)*	**$ 8,261**	$ 8,283	—
Total segment assets *(billions)*	**$ 58.1**	$ 53.8	8
Card Member loans:			
Total loans *(billions)*	**$ 27.6**	$ 23.1	19
Average loans *(billions)*	**$ 26.6**	$ 22.1	20
Net write-off rate — principal, interest and fees [(a)]	**2.6 %**	1.4 %	
Net write-off rate — principal only [(a)]	**2.3 %**	1.2 %	
30+ days past due as a % of total	**1.5 %**	1.1 %	
Calculation of Net Interest Yield on Average Card Member Loans:			
Net interest income	**$ 591**	$ 385	
Exclude:			
Interest expense not attributable to our Card Member loan portfolio [(b)]	**184**	162	
Interest income not attributable to our Card Member loan portfolio [(c)]	**(74)**	(38)	
Adjusted net interest income [(d)]	**$ 701**	$ 509	
Average Card Member loans *(billions)*	**$ 26.6**	$ 22.1	
Net interest income divided by average Card Member loans [(d)]	**9.0 %**	7.1 %	
Net interest yield on average Card Member loans [(d)]	**10.6 %**	9.4 %	
Card Member receivables:			
Total receivables *(billions)*	**$ 27.0**	$ 27.5	(2)%
Net write-off rate — principal and fees [(e)]	**1.4 %**	1.5 %	
Net write-off rate — principal only [(a)] - small business	**2.1 %**	2.1 %	
30+ days past due as a % of total - small business	**1.4 %**	1.8 %	
90+ days past billing as a % of total [(e)] - corporate	**0.5 %**	0.5 %	

(a) Refer to Table 7 footnote (a).
(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 March 31,		Change	
(Millions, except percentages)	**2024**	2023	2024 vs. 2023	
Revenues				
Non-interest revenues	**$ 2,437**	$ 2,267	$ 170	7 %
Interest income	**583**	467	116	25
Interest expense	**307**	224	83	37
Net interest income	**276**	243	33	14
Total revenues net of interest expense	**2,713**	2,510	203	8
Provisions for credit losses	**182**	181	1	1
Total revenues net of interest expense after provisions for credit losses	**2,531**	2,329	202	9
Expenses				
Card Member rewards, business development, Card Member services and marketing	**1,555**	1,419	136	10
Salaries and employee benefits and other operating expenses	**724**	721	3	—
Total expenses	**2,279**	2,140	139	6
Pretax segment income	**$ 252**	$ 189	$ 63	33 %

International Card Services (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.

TOTAL REVENUES NET OF INTEREST EXPENSE

Non-interest revenues increased, primarily driven by higher Discount revenue and Net card fees.

Discount revenue increased 11 percent, primarily reflecting an increase in international billed business. See Tables 5, 6 and 14 for more details on billed business performance.

Net card fees increased 15 percent (18 percent on an FX-adjusted basis), primarily driven by growth in our premium card portfolios.[2]

Service fees and other revenue decreased 4 percent, primarily driven by a benefit in the prior year related to a portion of the revenue allocated to a joint venture partner as described in Business development expense below, partially offset by higher loyalty coalition-related fees and an increase in foreign exchange-related revenues associated with Card Member cross-currency spending.

Interest income increased, primarily driven by growth in revolving loan balances and higher interest rates.

Interest expense increased, primarily driven by a higher cost of funds.

PROVISIONS FOR CREDIT LOSSES

Card Member loans provision for credit losses increased, primarily due to higher net write-offs, partially offset by a reserve release in the current period, versus a reserve build in the prior period. The reserve release in the current period was driven by the performance of portfolios in certain international markets. The reserve build in the prior period was driven by higher delinquencies and an increase in loans outstanding.

Card Member receivables provision for credit losses decreased, primarily due to lower net write-offs.

[2]Refer to footnote 1 on page 3 for details regarding foreign currency adjusted information.

EXPENSES

Total expenses increased, primarily driven by higher Card Member rewards and Marketing expenses, partially offset by lower Business development expense.

Card Member rewards expense increased, primarily driven by higher billed business.

Business development expense decreased, primarily driven by a prior-year charge related to revenue allocated to a joint venture partner.

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

Marketing expense increased, reflecting higher levels of spending on customer acquisition and other growth initiatives.

Salaries and employee benefits and other expenses increased, primarily due to an increase in allocated service costs, partially offset by lower compensation costs.

Table 14: ICS Selected Statistical Information

(Millions, except percentages and where indicated)	As of or for the Three Months Ended March 31, 2024	2023	Change 2024 vs. 2023
Billed business *(billions)*	**$ 85.4**	$ 76.9	11 %
Proprietary cards-in-force	**21.3**	20.4	4
Proprietary basic cards-in-force	**15.8**	15.2	4
Average proprietary basic Card Member spending *(dollars)*	**$ 5,436**	$ 5,110	6
Total segment assets *(billions)*	**$ 41.5**	$ 36.3	14
Card Member loans - consumer and small business:			
Total loans *(billions)*	**$ 16.7**	$ 14.0	19
Average loans *(billions)*	**$ 16.4**	$ 13.9	18
Net write-off rate - principal, interest and fees [(a)]	**2.6 %**	2.1 %	
Net write-off rate - principal only [(a)]	**2.2 %**	1.8 %	
30+ days past due as a % of total	**1.3 %**	1.4 %	
Calculation of Net Interest Yield on Average Card Member Loans:			
Net interest income	**$ 276**	$ 243	
Exclude:			
Interest expense not attributable to our Card Member loan portfolio [(b)]	**126**	88	
Interest income not attributable to our Card Member loan portfolio [(c)]	**(15)**	(13)	
Adjusted net interest income [(d)]	**$ 387**	$ 318	
Average Card Member loans *(billions)*	**$ 16.4**	$ 14.0	
Net interest income divided by average Card Member loans [(d)]	**6.8 %**	7.0 %	
Net interest yield on average Card Member loans [(d)]	**9.5 %**	9.2 %	
Card Member receivables:			
Total receivables *(billions)*	**$ 19.2**	$ 16.7	15 %
Net write-off rate — principal and fees [(e)]	**1.6 %**	2.1 %	
Net write-off rate — principal only [(a)] - consumer and small business	**1.7 %**	2.4 %	
30+ days past due as a % of total - consumer and small business	**1.0 %**	1.3 %	
90+ days past billing as a % of total [(e)] - corporate	**0.5 %**	0.4 %	

(a) Refer to Table 7 footnote (a).
(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 March 31, 2024	2023	Change 2024 vs. 2023	
Revenues				
Non-interest revenues	**$ 1,655**	$ 1,596	$ 59	4 %
Interest income	**17**	14	3	21
Interest expense	**(198)**	(131)	(67)	(51)
Net interest income	**215**	145	70	48
Total revenues net of interest expense	**1,870**	1,741	129	7
Provisions for credit losses	**6**	6	—	—
Total revenues net of interest expense after provisions for credit losses	**1,864**	1,735	129	7
Expenses				
Business development, Card Member services and marketing	**352**	388	(36)	(9)
Salaries and employee benefits and other operating expenses	**495**	462	33	7
Total expenses	**847**	850	(3)	—
Pretax segment income	**1,017**	885	132	15
Network volumes *(billions)*	**419.2**	398.9	$ 20	5
Total segment assets *(billions)*	**$ 24.9**	$ 17.1		46 %

Global Merchant and Network Services (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.

TOTAL REVENUES NET OF INTEREST EXPENSE

Non-interest revenues increased, primarily driven by Service fees and other revenues and Discount revenue, partially offset by lower Processed revenue.

Discount revenue increased 4 percent, primarily driven by an increase in billed business. See Tables 5 and 6 for more details on billed business performance.

Service fees and other revenue increased 13 percent, primarily due to higher merchant service fees and an increase in foreign exchange-related revenues associated with Card Member cross-currency spending.

Processed revenue decreased 4 percent and increased 2 percent on an FX-adjusted basis, primarily driven by an increase in FX-adjusted processed volumes.[3]

GMNS receives an interest expense credit relating to internal transfer pricing due to its merchant payables. Net interest income increased, primarily due to a higher interest expense credit, primarily driven by higher interest rates and an increase in average merchant payables.

EXPENSES

Total expenses were relatively flat, primarily driven by lower Business development and Marketing expenses, largely offset by higher Operating expenses.

Business development expense decreased, primarily due to decreased partner payments driven by lower contractual rates.

Marketing expense decreased, reflecting lower levels of spending on merchant engagement initiatives.

Salaries and employee benefits and other expenses increased, primarily driven by an increase in allocated service expense, higher joint venture related expense, and higher compensation costs.

[3]Refer to footnote 1 on page 3 for details regarding foreign currency adjusted information.

Corporate & Other

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

Corporate & Other pretax loss was $615 million and $667 million for the three months ended March 31, 2024 and 2023, respectively. The decrease in pretax loss was primarily driven by net losses on Amex Ventures investments in the prior period, partially offset by higher compensation costs in the current period.

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 under a variety of adverse circumstances.

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 colleagues, 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 our 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 American Express Company or at our subsidiaries.

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

On July 27, 2023, the U.S. federal bank regulatory agencies issued a notice of proposed rulemaking that would significantly revise U.S. regulatory capital requirements for large banking organizations, including American Express Company and American Express National Bank (AENB). See the “Supervision and Regulation — Capital and Liquidity Regulation” section of our Annual Report on Form 10-K for the year ended December 31, 2023 (the 2023 Form 10-K) for more information.

The following table presents our regulatory risk-based capital and leverage ratios and those of AENB, as of March 31, 2024:

Table 16: Regulatory Risk-Based Capital and Leverage Ratios

	Effective Minimum [(a)]	Ratios as of March 31, 2024
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		**11.3**
American Express National Bank		**11.2**
Total	**10.5 %**	
American Express Company		**13.2**
American Express National Bank		**12.9**
Tier 1 Leverage	**4.0 %**	
American Express Company		**9.8**
American Express National Bank		**9.0 %**

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

The following table presents American Express Company’s regulatory risk-based capital and risk-weighted assets as of March 31, 2024:

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

American Express Company *($ in Billions)*	March 31, 2024
Risk-Based Capital	
Common Equity Tier 1	**$ 23.7**
Tier 1 Capital	**25.3**
Tier 2 Capital	**4.1**
Total Capital	**29.4**
Risk-Weighted Assets	**223.4**
Average Total Assets to calculate the Tier 1 Leverage Ratio	**$ 257.6**

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 allowance for credit losses adjusted for the CECL final rules (limited to 1.25 percent of risk-weighted assets) and $1,250 million of eligible subordinated notes, adjusted for capital held by insurance subsidiaries. The $1,250 million of eligible subordinated notes includes the $500 million subordinated debt issued in July 2023 and the $750 million subordinated debt issued in May 2022.

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 recognition of $0.7 billion of reduction in regulatory capital from the adoption of the CECL methodology for two years, followed by a three-year phase-in period at 25 percent once per year beginning January 1, 2022, pursuant to rules issued by federal banking regulators (the CECL final rules). As of January 1, 2024, we have phased in 75 percent of such amount.

We continue to include accumulated other comprehensive income (loss) in regulatory capital.

We are subject to the Federal Reserve's supervisory stress tests in 2024. We submitted our annual capital plan to the Federal Reserve on April 3, 2024. Our current SCB of 2.5 percent is effective until September 30, 2024. The Federal Reserve is expected to notify us in the second quarter of 2024 of the SCB that will be effective October 1, 2024 to September 30, 2025.

Dividends and Share Repurchases

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

During the three months ended March 31, 2024, we returned $1.6 billion to our shareholders in the form of share repurchases of $1.1 billion and common stock dividends of $0.5 billion. We repurchased 5.3 million common shares at an average price of $213.59 in the first quarter of 2024.

In addition, during the three months ended March 31, 2024, we paid $14 million in dividends on non-cumulative perpetual preferred shares outstanding.

Funding Strategy

Our principal funding objective is to maintain broad and well-diversified funding sources to allow us to finance our global businesses and to maintain a strong liquidity profile. Our funding strategy and activities are integrated into our asset-liability management activities. We have in place a funding policy covering American Express Company and all of our subsidiaries.

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 deposits, unsecured debt and asset securitizations, and access to secured borrowing facilities and a committed bank credit facility. In particular, we are focused on continuing to grow our direct retail deposit program as a funding source.

Summary of Consolidated Debt

We had the following customer deposits and consolidated debt outstanding as of March 31, 2024 and December 31, 2023:

Table 18: Summary of Customer Deposits and Consolidated Debt

(Billions)	**March 31, 2024**	December 31, 2023
Customer deposits	**$ 134.4**	$ 129.1
Short-term borrowings	**1.7**	1.3
Long-term debt	**48.8**	47.9
Total customer deposits and debt	**$ 184.9**	$ 178.3

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 March 31, 2024:

Table 19: Debt Issuances

(Billions)	Three Months Ended March 31, 2024
American Express Company:	
Floating Rate Senior Notes (compounded SOFR[a] plus 100 basis points)	$ 0.3
Fixed-to-Floating Rate Senior Notes (coupon of 5.098% during the fixed rate period and compounded SOFR[a] plus 100 basis points during the floating rate period)	1.7
Total	$ 2.0

(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/R	A-2	F1
	Outlook	Stable	Stable	Stable
American Express Travel Related Services Company, Inc.	Long Term	A2	A-	A
	Short Term	P-1	A-2	F1
	Outlook	Stable	Stable	Stable
American Express National Bank	Long Term	A3	A-	A
	Short Term	P-1	A-2	F1
	Outlook	Stable	Stable	Stable
American Express Credit Corporation	Long Term	A2	A-	A
	Short Term	N/R	N/R	N/R
	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.

On August 29, 2023, the U.S federal bank regulatory agencies issued a notice of proposed rulemaking that, if adopted as proposed, would require covered bank holding companies such as American Express Company to issue and maintain minimum amounts of eligible external long-term debt and certain insured depository institutions such as AENB to issue and maintain minimum amounts of eligible internal long-term debt. See the "Supervision and Regulation — Capital and Liquidity Regulation" section of the 2023 Form 10-K for more information.

Deposit Programs

We offer deposits within our U.S. bank subsidiary, AENB. These funds are currently insured up to an amount that is at least $250,000 per account holder through the FDIC; as of March 31, 2024, approximately 92 percent of these deposits were insured. Our ability to obtain deposit funding and offer competitive interest rates is dependent on, among other factors, the capital level of AENB. Direct retail deposits offered by AENB is our primary deposit product channel, which makes FDIC-insured high-yield savings account, certificates of deposit (CDs), business checking and consumer rewards checking account products available directly to customers. As of March 31, 2024, our direct retail deposit program had approximately 2.7 million accounts. AENB also sources deposits through third-party distribution channels as needed to meet our overall funding objectives. CDs carry stated maturities while high-yield savings account, checking account and third-party sweep deposit products do not. We manage the duration of our maturing obligations, including CDs, to reduce concentration and refinancing risk.

As of March 31, 2024 and December 31, 2023, we had $134.4 billion and $129.1 billion, respectively, in deposits. Refer to Note 6 to the “Consolidated Financial Statements” for a further description of these deposits and scheduled maturities of certificates of deposits.

The following table sets forth the average interest rate we paid on different types of deposits during the three months ended March 31, 2024 and 2023. Changes in the average interest rate we paid on our deposits were primarily due to the impact of higher market interest rates offered for retail deposits.

Table 21: Average Interest Rates Paid on Deposits

	Three Months Ended March 31,					
	2024			2023		
(Millions, except percentages)	Average Balance	Interest Expense	Average Interest Rate (a)	Average Balance	Interest Expense	Average Interest Rate (a)
Savings and transaction accounts	**$ 97,385**	**$ 1,022**	**4.2 %**	$ 80,446	$ 670	3.4 %
Certificates of deposit:						
Direct	**5,438**	**57**	**4.2**	3,407	25	2.9
Third-party (brokered)	**12,481**	**126**	**4.0**	13,930	112	3.3
Sweep accounts — Third-party (brokered)	**15,696**	**221**	**5.7**	15,974	186	4.7
Total U.S. retail interest-bearing deposits	**$ 131,000**	**$ 1,426**	**4.4 %**	$ 113,757	$ 993	3.5 %

(a) Average interest rate reflects interest expense divided by average deposits, computed on an annualized basis.

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 under a variety of adverse circumstances. These include, but are not limited to, an event where 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 "Funding Strategy" above 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.

We seek to maintain access to a diverse set of on-balance sheet and off-balance sheet liquidity sources, including cash and other liquid assets, secured borrowing facilities and a committed bank credit facility. Through our U.S. bank subsidiary, AENB, we also hold collateral eligible for use at the Federal Reserve's discount window.

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. Additionally, we anticipate becoming a Category III firm in 2024 and thus being subject to the regulatory requirements under the liquidity coverage ratio and net stable funding ratio rules. See the "Supervision and Regulation — Capital and Liquidity Regulation" section of the 2023 Form 10-K for more information. We believe that we currently maintain sufficient liquidity to meet all internal and regulatory liquidity requirements.

As of March 31, 2024 and December 31, 2023, we had $54.2 billion and $46.6 billion in Cash and cash equivalents, respectively. Refer to the "Cash Flows" section below for a discussion of the major drivers impacting cash flows for the three months ended March 31, 2024. The investment income we receive on liquidity resources has historically been less than the interest expense on the sources of funding for these balances. From time to time, including in this quarter, interest income may exceed the interest expense associated with the liquidity portfolio. Depending on the interest rate environment, our funding composition and the amount of liquidity resources we maintain, the level of future net interest income or expense associated with our liquidity resources will vary.

Securitized Borrowing Capacity

As of March 31, 2024, we maintained our committed, revolving, secured borrowing facility, with a maturity date of July 15, 2026, 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 15, 2026, which gives us the right to sell up to $3.0 billion face amount of eligible AAA certificates from American Express Credit Account Master Trust (the Lending Trust). These facilities enhance our contingent funding resources and are also used in the ordinary course of business to fund working capital needs. As of March 31, 2024, no amounts were drawn on the Charge Trust facility or Lending Trust facility.

Committed Bank Credit Facility

As of March 31, 2024, we maintained a committed syndicated bank credit facility of $4.0 billion with a maturity date of October 30, 2026. This facility enhances our contingent funding resources and is also used in the ordinary course of business to fund working capital needs. As of March 31, 2024, $350 million was drawn on this facility, which was subsequently repaid in full.

Other Sources of Liquidity

In addition to cash and other liquid assets and the secured borrowing facilities and committed bank credit facility described above, as an insured depository institution, AENB may borrow from the Federal Reserve Bank of San Francisco through the discount window against the U.S. credit card loans and charge card receivables that it pledged. As of March 31, 2024, AENB had available borrowing capacity of $60.0 billion based on the amount and collateral valuation of receivables that were pledged to the Federal Reserve Bank of San Francisco. 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. Due to regulatory restrictions, liquidity generated by AENB can generally be used only to fund obligations within AENB, and transfers to the parent company or non-bank affiliates may be subject to prior regulatory approval.

Unused Credit Outstanding

As of March 31, 2024, we had approximately $408 billion of unused credit available to customers. Total unused credit does not represent potential future cash requirements, as a significant portion of this unused credit will likely not be drawn. Charge card products with no pre-set spending limits are not reflected in unused credit.

Cash Flows

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

Table 22: Cash Flows

(Billions)	**2024**	2023
Total cash provided by (used in):		
Operating activities	**$ 5.5**	$ (0.4)
Investing activities	**(3.1)**	(1.4)
Financing activities	**5.2**	8.6
Effect of foreign currency exchange rates on cash and cash equivalents	**—**	0.1
Net increase in cash and cash equivalents	**$ 7.6**	$ 6.9

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 2024, the net cash provided by operating activities was driven by cash generated from net income for the period and higher net operating liabilities primarily driven by higher book overdrafts due to timing differences arising in the ordinary course of business and higher accounts payable to merchants to settle daily transaction volume, partially offset by payments related to annual incentive compensation.

In 2023, the net cash used in operating activities was driven by lower net operating liabilities, primarily related to the timing of normal course payments to our merchants to settle daily transaction volume and payments related to annual incentive compensation, partially offset by cash generated from net income for the period.

Cash Flows from Investing Activities

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

In 2024, the net cash used in investing activities was primarily driven by higher loans and Card Member receivables outstanding.

In 2023, the net cash used in investing activities was primarily driven by higher Card Member loans 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 2024, the net cash provided by financing activities was primarily driven by growth in customer deposits and net debt issuances, partially offset by share repurchases and dividend payments.

In 2023, the net cash provided by financing activities was primarily driven by growth in customer deposits, partially offset by net debt repayments, dividend payments and share repurchases.

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.

Governments and regulators are increasingly requiring financial services firms and payment systems to be locally licensed and/or to localize aspects of their operations, compliance programs and governance frameworks. The development and enforcement of these and other similar laws, regulations and policies may increase our operational complexity and compliance costs, result in enforcement actions and penalties and adversely affect our ability to compete effectively and maintain and extend our global network.

Governmental authorities have also focused, and we believe will continue to focus, considerable attention on reviewing compliance by financial services firms and payment systems with laws and regulations, and as a result, 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 colleagues 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. For example, as previously disclosed, we are cooperating with governmental investigations related to our historical sales practices, which are described in more detail in Note 7 to the “Consolidated Financial Statements.” In addition, various bank regulators have announced they are reviewing credit card rewards programs for compliance with certain consumer protection laws and regulations. As previously disclosed, we identified during an internal review that certain U.S. Card Members were not credited certain Membership Rewards points they had earned and we have taken actions to remediate it and enhance our related procedures. We are cooperating with regulators in their ongoing regulatory examination of rewards and benefits programs. External publicity concerning investigations can increase the scope and scale of investigations and lead to further regulatory inquiries.

Please see the “Supervision and Regulation” and “Risk Factors” sections of the 2023 Form 10-K for further information.

Enhanced Prudential Standards

We are subject to the U.S. federal bank regulatory agencies’ rules that tailor the application of enhanced prudential standards to bank holding companies and depository institutions with $100 billion or more in total consolidated assets. Under these rules, American Express Company (and its depository institution subsidiary, AENB) is currently subject to Category IV standards; however, we anticipate becoming a Category III firm in 2024 following our total consolidated assets exceeding $250 billion, calculated based on a daily average of total consolidated assets for the trailing four quarters. Category III firms are subject to heightened capital, liquidity and prudential requirements, single-counterparty credit limits and additional stress tests, which in some cases are subject to a transition period following a financial institution becoming a Category III firm. Please see the “Supervision and Regulation” and “Risk Factors” sections of the 2023 Form 10-K for further information.

Consumer Financial Products Regulation

Our consumer-oriented activities are subject to regulation and supervision in the United States and internationally. 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 Consumer Financial Protection Bureau (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.

On March 5, 2024, the CFPB issued a final rule that lowers the safe harbor amount for credit card late fees that would be considered to be “reasonable and proportional” to the costs incurred by credit card issuers for late payments to $8, eliminates a higher late fee safe harbor amount for subsequent late payments and eliminates the annual inflation adjustment for the safe harbor amount. The final rule has an effective date of May 14, 2024; however, it is being challenged in litigation, which could delay or, if such challenge is successful, halt implementation of the final rule. We are assessing the impact of the final rule and how we intend to comply with it if it goes into effect. In the absence of providing a cost justification to support a late fee higher than the safe harbor amount, which would be permissible under the final rule, we would be required to reduce our late fees, resulting in a decrease to our delinquency fee revenue. In addition, a reduction in the late fee amount could alter Card Member behavior and impact repayment rates.

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 2023 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 regulatory regimes for payment systems.

The European Union (EU), 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. For example, we exited our network business in the EU and Australia as a result of regulation in those jurisdictions. In addition, there is uncertainty as to when or how interchange fee caps and other provisions of the EU payments legislation might apply when we work with cobrand partners and agents in the EU. In a ruling issued on February 7, 2018, the EU Court of Justice confirmed the validity of fee capping and other provisions in circumstances where three-party networks issue cards with a cobrand partner or through an agent, although the ruling provided only limited guidance as to when or how the provisions might apply in such circumstances and remains subject to differing interpretations by regulators and participants in cobrand arrangements. On August 29, 2023, the Dutch Trade and Industry Appeals Tribunal referred questions to the EU Court of Justice on the interpretation of the application of the interchange fee caps in connection with an administrative proceeding by the Netherlands Authority for Consumers and Markets regarding our cobrand relationship with KLM Royal Dutch Airlines. 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.

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 2023 Form 10-K.

Surcharging

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

For more information on the potential impacts of surcharging and other actions that could impair the Card Member experience, please see the “Risk Factors” section of the 2023 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 2023 Form 10-K.

Privacy, Data Protection, Data Governance, Information Security and Cybersecurity

Regulatory and legislative activity in the areas of privacy, data protection, data governance and information security and cybersecurity continues to increase worldwide. We have established, and continue to maintain and enhance, policies and a governance framework to comply with applicable laws, meet evolving customer and industry expectations and support and enable business innovation and growth; however our policies and governance framework may be insufficient given the size and complexity of our business and heightened regulatory scrutiny. Laws and regulations related to automated decision making, artificial intelligence and machine learning are still evolving and there is uncertainty as to new laws and regulations that will be adopted and the application of existing laws and regulations, which may restrict us or impose burdensome and costly requirements, including on our ability to use artificial intelligence and machine learning. Global financial institutions like us, as well as our customers, colleagues, regulators, service providers and other third parties, have experienced a significant increase in information security and cybersecurity 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), artificial intelligence-assisted deepfake attacks and disinformation campaigns, 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 security and cybersecurity regulation and the potential impacts of a major information security or cybersecurity incident on our results of operations and business, please see the “Supervision and Regulation” and “Risk Factors” sections of the 2023 Form 10-K.

Anti-Money Laundering and Countering the Financing of Terrorism

We are subject to significant supervision and regulation, and an increasingly stringent enforcement environment, with respect to compliance with anti-money laundering (AML) and countering the financing of terrorism (CFT) laws and regulations. In the United States, the majority of AML/CFT 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/CFT laws. Many of the statutory provisions in the AMLA will require additional rulemakings, reports and other measures and the impact of the AMLA will depend on, among other things, rulemaking and implementation guidance.

In Europe, AML/CFT 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/CFT legislation and regulations applicable to American Express.

Among other things, these laws and regulations generally require us to establish AML/CFT programs that meet certain standards, including, policies and procedures to collect information from and verify the identities of our customers, and to monitor for and report suspicious transactions, in addition to other information gathering and recordkeeping requirements. Our AML/CFT 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/CFT laws, perceived deficiencies in our AML/CFT 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/CFT 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 2023 Form 10-K.

Recently Adopted and Issued Accounting Standards

Refer to the Recently Adopted and 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 spend — Represents spend at airlines as a merchant, which is included within T&E spend.

Allocated service costs — Represents salaries and benefits associated with our technology and customer servicing groups, allocated based on activities directly attributable to our reportable operating segments, as well as overhead expenses, which are allocated to our reportable operating segments based on their relative levels of revenue and Card Member loans and receivables.

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.

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 transaction on a charge card with no pre-set spending limit 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 — Represents 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 amount we earn and retain from the merchant payable for facilitating transactions between Card Members and merchants on payment products issued by American Express.

Goods & Services (G&S) spend — 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 spend — 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,” “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, marketing, 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, changes in interest rates, effects of inflation, labor shortages or higher rates of unemployment, supply chain issues, energy costs and fiscal and monetary policies; geopolitical instability, including the ongoing Ukraine and Israel wars, broader regional hostilities and tensions involving China and the United States; the impact of any future contingencies, including, but not limited to, legal costs and settlements, the imposition of fines or monetary penalties, increases in Card Member remediation, investment gains or losses, restructurings, impairments and changes in reserves; issues impacting brand perceptions and our reputation; impacts related to new or renegotiated cobrand and other partner agreements and joint ventures; 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 and the sustainability of our future growth, which could be impacted by, among other things, the factors identified above and in the subsequent paragraphs, as well as the following: spending volumes and the spending environment not being consistent with expectations, including T&E spend growing slower than expected, further slowing in spend by U.S. small and mid-sized enterprise or U.S. large and global corporate customers, or a general slowdown or increase in volatility in consumer and business spending volumes; changes in foreign currency exchange rates; an inability to address competitive pressures, innovate and expand our products and services, leverage the advantages of our differentiated business model, attract customers across generations and age cohorts, including Millennial and Gen Z customers and implement strategies and business initiatives, including within the premium consumer space, commercial payments and the global network; the effects of regulatory initiatives on fees; 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 demand for our fee-based products; and our inability to address competitive pressures, develop attractive premium value propositions and implement our strategy of refreshing card products, enhancing and delivering benefits and services and continuing to innovate with respect to our products;
- net interest income, the effects of changes in interest rates and the growth of loans and Card Member receivables outstanding, and the portion of which that is interest bearing, being higher or lower than expectations, which could be impacted by, among other things, the behavior and financial strength of Card Members and their actual spending, borrowing and paydown patterns; our ability to effectively manage underwriting risk and enhance Card Member value propositions to continue to attract premium Card Members; changes in benchmark interest rates, including where such changes affect our assets or liabilities differently than expected; 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; our deposit levels or the interest rates we offer on deposits changing from 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, reserve and write-off rates and the amount and timing of future reserve builds and releases, which will depend in part on 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; changes in consumer behavior that affect loan and receivable balances (such as paydown and revolve rates); the credit profiles of new customers acquired; the enrollment in, and effectiveness of, financial relief programs and the performance of accounts as they exit from such programs; the impact of the usage of debt settlement companies;

collections capabilities and recoveries of previously written-off loans and receivables; and governmental actions providing forms of relief with respect to certain loans and fees, and the termination of such actions;

- 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; 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; our ability to identify and negotiate partner-funded value for Card Members; and the pace and cost of the expansion of our global lounge collection;
- 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, including the levels of demand for our products; management's decisions regarding the timing of spending on marketing and the effectiveness of management's investment optimization process, management's identification and assessment of attractive investment opportunities; management's ability to develop premium value propositions and drive customer demand; the receptivity of Card Members and prospective customers to advertising and customer acquisition initiatives; our ability to realize marketing efficiencies and balance expense control and investments in the business;
- our ability to control operating expenses, including relative to future revenue growth, 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; a persistent inflationary environment; our ability to realize operational efficiencies, including through automation; management's decision to increase or decrease spending in such areas as technology, business and product development, sales force, premium servicing and digital capabilities; our ability to innovate efficient channels of customer interactions and the willingness of Card Members to self-service and address issues through digital channels; restructuring activity; supply chain issues; fraud costs; compliance expenses and consulting, legal and other professional services fees, including as a result of litigation or internal and regulatory reviews; regulatory assessments; the level of M&A activity and related expenses, including related to the completion of our sale of Accertify Inc.; information or cybersecurity incidents; the payment of fines, penalties, disgorgement, restitution, non-income tax assessments and litigation-related settlements; the performance of Amex Ventures and other of our investments; impairments of goodwill or other assets; and the impact of changes in foreign currency exchange rates on costs, such as due to the devaluation of foreign currencies;
- our tax rate not remaining consistent with expectations, which could be impacted by, among other things, further changes in tax laws and regulation (or the expiration of provisions of tax laws or regulations), the timing and manner of the implementation of tax guidelines by jurisdictions, 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 our capital levels and regulatory capital ratios; changes in the stress testing and capital planning process and new rulemakings and guidance from the Federal Reserve and other banking regulators, including changes to regulatory capital requirements, such as final rules resulting from the U.S. federal bank regulatory agencies' capital rule proposal; 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 affecting the expected timing for closing the sale of Accertify Inc., the amount of the potential gain we recognize upon the closing and the portion of such gain management determines to reinvest back into our business, which will depend on regulatory and other approvals, consultation requirements, the execution of ancillary agreements, the cost and availability of financing for the purchaser to fund the transaction and the potential loss of key customers, vendors and other business partners and management's decisions regarding future operations, strategies and business initiatives;
- changes in the substantial and increasing worldwide competition in the payments industry, including competitive pressure and competitor settlements and mergers that may materially impact the prices charged to merchants that accept American Express cards and surcharging by merchants, the desirability of our premium card products, competition for new and existing cobrand relationships, competition with respect to new products, services and technologies, 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 our 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 use 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 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 processors 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 successfully invest in and compete with respect to technological developments 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 machine learning 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 or data localization, favoring local competitors or prohibiting or limiting foreign ownership of certain businesses; our inability to tailor products and services to make them attractive to local customers; competitors with more scale, local experience and established relationships with relevant customers, regulators and industry participants; 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 the Ukraine and Israel wars;
- 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, our 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 preferences and 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 governance, or alter our relationships with Card Members, partners, merchants and other third parties, including our ability to continue certain cobrand relationships in the EU; impact card fees and rewards programs; exert further pressure on merchant discount rates and our network business, as well as result in an increase in surcharging or steering; alter the competitive landscape; subject us to heightened regulatory scrutiny and result in increased costs related to regulatory oversight and compliance, litigation-related settlements, judgments or expenses, restitution to Card Members or the imposition of fines or monetary 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, merchants that represent a significant portion of our business, 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 global economic and business conditions, consumer and business spending generally, unemployment rates, geopolitical conditions, including further escalations or widening of ongoing military conflicts and regional hostilities, adverse developments affecting third parties, including other financial institutions, merchants or vendors, as well as severe weather conditions, natural disasters, power loss, disruptions in telecommunications, health pandemics, 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, deposit levels 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 2023 Form 10-K and other reports filed with the Securities and Exchange Commission.

ITEM 1. FINANCIAL STATEMENTS

AMERICAN EXPRESS COMPANY
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

Three Months Ended March 31 (Millions, except per share amounts)	**2024**	2023
Revenues		
Non-interest revenues		
Discount revenue	**$ 8,380**	$ 7,947
Net card fees	**1,974**	1,713
Service fees and other revenue	**1,292**	1,218
Processed revenue	**386**	420
Total non-interest revenues	**12,032**	11,298
Interest income		
Interest on loans	**5,058**	3,939
Interest and dividends on investment securities	**25**	30
Deposits with banks and other	**692**	447
Total interest income	**5,775**	4,416
Interest expense		
Deposits	**1,427**	994
Long-term debt and other	**579**	439
Total interest expense	**2,006**	1,433
Net interest income	**3,769**	2,983
Total revenues net of interest expense	**15,801**	14,281
Provisions for credit losses		
Card Member receivables	**196**	222
Card Member loans	**1,014**	786
Other	**59**	47
Total provisions for credit losses	**1,269**	1,055
Total revenues net of interest expense after provisions for credit losses	**14,532**	13,226
Expenses		
Card Member rewards	**3,774**	3,766
Business development	**1,392**	1,393
Card Member services	**1,171**	983
Marketing	**1,476**	1,341
Salaries and employee benefits	**2,098**	2,014
Other, net	**1,476**	1,562
Total expenses	**11,387**	11,059
Pretax income	**3,145**	2,167
Income tax provision	**708**	351
Net income	**$ 2,437**	$ 1,816
Earnings per Common Share (Note 14)[(a)]		
Basic	**$ 3.34**	$ 2.41
Diluted	**$ 3.33**	$ 2.40
Average common shares outstanding for earnings per common share:		
Basic	**721**	743
Diluted	**722**	744

(a) Represents net income less (i) earnings allocated to participating share awards of $18 million and $14 million for the three months ended March 31, 2024 and 2023, respectively, and (ii) dividends on preferred shares of $14 million for both the three months ended March 31, 2024 and 2023.

See Notes to Consolidated Financial Statements.

AMERICAN EXPRESS COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended March 31,	
(Millions)	**2024**	2023
Net income	**$ 2,437**	$ 1,816
Other comprehensive (loss) income:		
Net unrealized debt securities gains (losses), net of tax	**1**	19
Foreign currency translation adjustments, net of hedges and tax	**(87)**	28
Net unrealized pension and other postretirement benefits, net of tax	**3**	57
Other comprehensive (loss) income	**(83)**	104
Comprehensive income	**$ 2,354**	$ 1,920

See Notes to Consolidated Financial Statements.

AMERICAN EXPRESS COMPANY
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Millions, except share data)	March 31, 2024	December 31, 2023
Assets		
Cash and cash equivalents		
Cash and due from banks	**$ 6,264**	$ 7,118
Interest-bearing deposits in other banks	**47,880**	39,312
Short-term investment securities (includes restricted investments of consolidated variable interest entities: 2024, $68; 2023, $66)	**69**	166
Total cash and cash equivalents (includes restricted cash: 2024, $526; 2023, $514)	**54,213**	46,596
Card Member receivables (includes gross receivables available to settle obligations of a consolidated variable interest entity: 2024, $4,851; 2023, $4,587), less reserves for credit losses: 2024, $151; 2023, $174	**59,624**	60,237
Card Member loans (includes gross loans available to settle obligations of a consolidated variable interest entity: 2024, $27,325; 2023, $28,590), less reserves for credit losses: 2024, $5,271; 2023, $5,118	**121,348**	120,877
Other loans, less reserves for credit losses: 2024, $136; 2023, $126	**7,465**	6,960
Investment securities	**2,232**	2,186
Premises and equipment, less accumulated depreciation and amortization: 2024, $10,211; 2023, $9,911	**5,138**	5,138
Other assets, less reserves for credit losses: 2024, $27; 2023, $27	**19,241**	19,114
Total assets	**$ 269,261**	$ 261,108
Liabilities and Shareholders' Equity		
Liabilities		
Customer deposits	**$ 134,418**	$ 129,144
Accounts payable	**13,411**	13,109
Short-term borrowings	**1,742**	1,293
Long-term debt (includes debt issued by consolidated variable interest entities: 2024, $13,429; 2023, $13,426)	**48,826**	47,866
Other liabilities	**42,100**	41,639
Total liabilities	**$ 240,497**	$ 233,051
Contingencies (Note 7)		
Shareholders' Equity		
Preferred shares, $1.66^{2/3}$ par value, authorized 20 million shares; issued and outstanding 1,600 shares as of March 31, 2024 and December 31, 2023	**—**	—
Common shares, $0.20 par value, authorized 3.6 billion shares; issued and outstanding 719 million shares as of March 31, 2024 and 723 million shares as of December 31, 2023	**144**	145
Additional paid-in capital	**11,354**	11,372
Retained earnings	**20,421**	19,612
Accumulated other comprehensive income (loss)	**(3,155)**	(3,072)
Total shareholders' equity	**28,764**	28,057
Total liabilities and shareholders' equity	**$ 269,261**	$ 261,108

See Notes to Consolidated Financial Statements.

AMERICAN EXPRESS COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

Three Months Ended March 31 *(Millions)*	**2024**	2023
Cash Flows from Operating Activities		
Net income	**$ 2,437**	$ 1,816
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Provisions for credit losses	**1,269**	1,055
Depreciation and amortization	**390**	400
Stock-based compensation	**176**	140
Deferred taxes	**(134)**	(334)
Other items [(a)]	**(193)**	152
Originations of loans held-for-sale	**—**	(54)
Proceeds from sales of loans held-for-sale	**—**	59
Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:		
Other assets	**195**	(52)
Accounts payable & other liabilities	**1,412**	(3,559)
Net cash provided by (used in) operating activities	**5,552**	(377)
Cash Flows from Investing Activities		
Sale of investments	**2**	—
Maturities and redemptions of investments	**282**	900
Purchase of investments	**(407)**	(277)
Net increase in loans and Card Member receivables [(b)]	**(2,625)**	(1,603)
Purchase of premises and equipment, net of sales: 2024, $1; 2023, $1	**(396)**	(360)
Net (Acquisitions)/dispositions, net of cash acquired	**—**	(64)
Net cash used in investing activities	**(3,144)**	(1,404)
Cash Flows from Financing Activities		
Net increase in customer deposits	**5,283**	10,566
Net increase in short-term borrowings [(b)]	**518**	239
Proceeds from long-term debt	**2,345**	1,498
Payments of long-term debt	**(1,250)**	(3,003)
Issuance of American Express common shares	**29**	18
Repurchase of American Express common shares and other	**(1,292)**	(316)
Dividends paid	**(452)**	(405)
Net cash provided by financing activities	**5,181**	8,597
Effect of foreign currency exchange rates on cash and cash equivalents	**28**	106
Net increase in cash and cash equivalents	**7,617**	6,922
Cash and cash equivalents at beginning of period	**46,596**	33,914
Cash and cash equivalents at end of period	**$ 54,213**	$ 40,836

(a) Includes changes in reserves, gains/losses on fair value hedges, changes in equity method investments, losses on tax credit investments and gains/losses on Amex Ventures investments.
(b) Excludes an increase of $117 million related to non-cash activity during the three months ended March 31, 2023.

See Notes to Consolidated Financial Statements.

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

Three months ended March 31, 2024 (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, 2023	$ 28,057	$ —	$ 145	$ 11,372	$ (3,072)	$ 19,612
Net income	**2,437**	—	—	—	—	**2,437**
Other comprehensive loss	**(83)**	—	—	—	**(83)**	—
Repurchase of common shares	**(1,136)**	—	**(1)**	**(83)**	—	**(1,052)**
Other changes, including employee plans	**10**	—	—	**65**	—	**(55)**
Cash dividends declared preferred Series D, $8,973.61 per share	**(14)**	—	—	—	—	**(14)**
Cash dividends declared common, $0.70 per share	**(507)**	—	—	—	—	**(507)**
Balances as of March 31, 2024	**$ 28,764**	**$ —**	**$ 144**	**$ 11,354**	**$ (3,155)**	**$ 20,421**

Three months ended March 31, 2023 (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, 2022	$ 24,711	$ —	$ 149	$ 11,493	$ (3,210)	$ 16,279
Net income	1,816	—	—	—	—	1,816
Other comprehensive income	104	—	—	—	104	—
Repurchase of common shares	(195)	—	—	(17)	—	(178)
Other changes, including employee plans	20	—	—	46	—	(26)
Cash dividends declared preferred Series D, $8,875.00 per share	(14)	—	—	—	—	(14)
Cash dividends declared common, $0.60 per share	(450)	—	—	—	—	(450)
Balances as of March 31, 2023	$ 25,992	$ —	$ 149	$ 11,522	$ (3,106)	$ 17,427

See Notes to Consolidated Financial Statements.

1. Basis of Presentation

The Company

We are a globally integrated payments company, providing customers with access to products, insights and experiences that enrich lives and build business success. We are a leader in providing credit and charge cards to consumers, small businesses, mid-sized companies and large corporations around the world. Our various products and services are offered globally to diverse customer groups 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, 2023 (the 2023 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.

Recently Issued Accounting Standards

In November 2023, the Financial Accounting Standards Board issued updated accounting guidance for segment reporting, effective for annual reporting periods beginning after December 15, 2023 and for interim reporting periods beginning January 1, 2025. The updated guidance requires enhanced disclosures for significant expenses by reportable operating segment. Significant expense categories and amounts are those regularly provided to the chief operating decision maker (CODM) and included in the measure of a segment's profit or loss. The updated guidance will also require us to disclose the title and position of our CODM, including an explanation of how our CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources. The updated guidance is not expected to have a material impact to our Consolidated Financial Statements.

In December 2023, the Financial Accounting Standards Board issued updated accounting guidance on Disclosures for Income Taxes, effective January 1, 2025, with early adoption permitted. The updated guidance requires additional disclosure and disaggregated information in the Income Tax Rate reconciliation using both percentages and reporting currency amounts, with additional qualitative explanations of individually significant reconciling items. The updated guidance also requires disclosure of the amount of income taxes paid (net of refunds received) disaggregated by jurisdictional categories (federal (national), state and foreign). We are currently assessing the updated guidance, however it is not expected to have 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 March 31, 2024 and December 31, 2023 consisted of:

(Millions)	**2024**	2023
Consumer [(a)]	**$ 96,789**	$ 98,111
Small Business	**29,733**	27,833
Corporate	**97**	51
Card Member loans	**126,619**	125,995
Less: Reserves for credit losses	**5,271**	5,118
Card Member loans, net	**$ 121,348**	$ 120,877
Other loans, net [(b)]	**$ 7,465**	$ 6,960

(a) Includes approximately $27.3 billion and $28.6 billion of gross Card Member loans available to settle obligations of a consolidated variable interest entity (VIE) as of March 31, 2024 and December 31, 2023, respectively.

(b) Other loans are presented net of reserves for credit losses of $136 million and $126 million as of March 31, 2024 and December 31, 2023, respectively.

Card Member receivables as of March 31, 2024 and December 31, 2023 consisted of:

(Millions)	**2024**	2023
Consumer	**$ 24,015**	$ 25,578
Small Business	**19,084**	19,286
Corporate [(a)]	**16,676**	15,547
Card Member receivables	**59,775**	60,411
Less: Reserves for credit losses	**151**	174
Card Member receivables, net	**$ 59,624**	$ 60,237

(a) Includes $4.9 billion and $4.6 billion of gross Card Member receivables available to settle obligations of a consolidated VIE as of March 31, 2024 and December 31, 2023, respectively.

Card Member Loans and Receivables Aging

Generally, a Card Member account is considered past due if payment due is not received within 30 days after the billing statement date. The following table presents the aging of Card Member loans and receivables as of March 31, 2024 and December 31, 2023:

2024 (*Millions*)	Current	30-59 Days Past Due	60-89 Days Past Due	90+ Days Past Due	Total	90+ Days Past Due and Still Accruing Interest [(c)]	Non-Accruals[(d)]
Card Member Loans:							
Consumer	**$ 95,437**	**$ 402**	**$ 296**	**$ 654**	**$ 96,789**	**$ 412**	**$ 390**
Small Business	**29,310**	**136**	**98**	**189**	**29,733**	**116**	**110**
Corporate [(a)]	**(b)**	**(b)**	**(b)**	**—**	**97**	**—**	**—**
Card Member Receivables:							
Consumer	**23,805**	**67**	**49**	**94**	**24,015**	**—**	**—**
Small Business	**$ 18,829**	**$ 96**	**$ 58**	**101**	**19,084**	**—**	**—**
Corporate [(a)]	**(b)**	**(b)**	**(b)**	**$ 85**	**$ 16,676**	**$ —**	**$ —**

2023 (*Millions*)	Current	30-59 Days Past Due	60-89 Days Past Due	90+ Days Past Due	Total	90+ Days Past Due and Still Accruing Interest [(c)]	Non-Accruals[(d)]
Card Member Loans:							
Consumer	$ 96,779	$ 420	$ 298	$ 614	$ 98,111	$ 393	$ 344
Small Business	27,444	133	85	171	27,833	109	95
Corporate [(a)]	(b)	(b)	(b)	—	51	—	—
Card Member Receivables:							
Consumer	25,355	70	47	106	25,578	—	—
Small Business	$ 19,020	$ 104	$ 62	100	19,286	—	—
Corporate [(a)]	(b)	(b)	(b)	$ 67	$ 15,547	$ —	$ —

(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.

(c) 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.

(d) Non-accrual loans primarily include certain loans placed with outside collection agencies for which we have ceased accruing interest.

Credit Quality Indicators for Card Member Loans and Receivables

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

	2024			2023		
	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	**2.3 %**	**2.8 %**	**1.4 %**	1.5 %	1.9 %	1.1 %
Small Business	**2.2 %**	**2.6 %**	**1.4 %**	1.2 %	1.4 %	1.1 %
Card Member Receivables:						
Consumer	**1.4 %**	**1.5 %**	**0.9 %**	1.7 %	1.8 %	1.1 %
Small Business	**2.1 %**	**2.3 %**	**1.3 %**	2.1 %	2.3 %	1.7 %
Corporate	**(b)**	**0.5 %**	**(c)**	(b)	0.6 %	(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 0.5% as of both March 31, 2024 and 2023.

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

Loans and Receivables Restructurings for Borrowers Experiencing Financial Difficulty

Effective January 1, 2023, we prospectively adopted the new guidance that eliminated the recognition and measurement of troubled debt restructurings. Following the adoption of this guidance, we evaluate all loans and receivables restructurings according to the accounting guidance for loan refinancing and restructuring to determine whether such loan modification should be accounted for as a new loan or a continuation of the existing loan. Our loans and receivables restructurings for borrowers experiencing financial difficulty are generally accounted for as a continuation of the existing loan, which reflects the ongoing effort to support our customer and recover our investment in the existing loan.

We offer several types of loans and receivables modification programs to customers experiencing financial difficulty. In such instances, we may modify loans and receivables with the intention to minimize losses and improve collectability, while providing customers with temporary or permanent financial relief.

Such modifications to the loans and receivables primarily include (i) temporary interest rate reductions (reducing interest rates to as low as zero percent, in which case the loan is characterized as non-accrual), and/or (ii) placing the customer on a fixed payment plan not to exceed 60 months. Upon entering the modification program, the customer's ability to make future purchases is limited, canceled or, in certain cases, suspended until the customer successfully exits from the modification program. As of March 31, 2024 and 2023, we had $28 million and $14 million, respectively, of unused credit available to customers with loans and receivables modified during each of the respective three month periods. In accordance with the modification agreement with the customer, loans and/or receivables may revert to the original contractual terms (including the contractual interest rate where applicable) when the customer exits the modification program, which is either (i) when all payments have been made in accordance with the modification agreement or (ii) when the customer defaults out of the modification program.

The following table provides information relating to loans and receivables modifications for borrowers experiencing financial difficulty during the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,							
	2024				2023			
	Account Balances (*Millions*) (a)	% of Total Class of Financing Receivables	Weighted Average Interest Rate Reduction (% points)	Weighted Average Payment Term Extensions (# of months)	Account Balances (*Millions*) (a)	% of Total Class of Financing Receivables	Weighted Average Interest Rate Reduction (% points)	Weighted Average Payment Term Extensions (# of months)
Interest Rate Reduction								
Card Member Loans								
Consumer	**$ 586**	**0.6 %**	**18.0 %**	**(b)**	$ 329	0.4 %	15.3 %	(b)
Small Business	**206**	**0.7 %**	**17.4 %**	**(b)**	144	0.6 %	15.1 %	(b)
Corporate	—	—	—	**(b)**	—	—	—	(b)
Term Extension								
Card Member Receivables								
Consumer	**114**	**0.5 %**	**(c)**	**29**	117	0.5 %	(c)	23
Small Business	**174**	**0.9 %**	**(c)**	**29**	199	1.0 %	(c)	24
Corporate	**6**	**0.04 %**	**(c)**	**9**	7	0.04 %	(c)	10
Other Loans	**11**	**0.1 %**	—	**19**	6	0.1 %	—	18
Interest Rate Reduction and Term Extension								
Other Loans	**18**	**0.2 %**	**2.3 %**	**19**	5	0.1 %	1.9 %	18
Total	**$ 1,115**				$ 807			

(a) Represents the outstanding balances as of March 31, 2024 and 2023 of all modifications undertaken in the prior three months for loans and receivables that remain in modification programs as of, or that defaulted on or before, March 31, 2024 and 2023, respectively. The outstanding balances include 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.

The following table provides information with respect to modified loans and receivables that defaulted during the period presented and were modified in the twelve months prior to the payment default. A customer can miss up to three payments before being considered in default, depending on the terms of the modification program. For loans and receivables modified on or after January 1, 2023, the amount of defaulted balances was immaterial for the three months ended March 31, 2023.

	Three Months Ended March 31, 2024			
Account Balance (*Millions*) (a)	Interest Rate Reduction	Term Extension	Interest Rate Reduction and Term Extension	Total
Card Member Loans				
Consumer	**$ 40**	**(b)**	**$ —**	**$ 40**
Small Business	**18**	**(b)**	**—**	**18**
Corporate	**—**	**(b)**	**—**	**—**
Card Member Receivables				
Consumer	**(c)**	**$ 6**	**—**	**6**
Small Business	**(c)**	**13**	**—**	**13**
Corporate	**(c)**	**1**	**—**	**1**
Other Loans	**—**	**—**	**1**	**1**
Total	**$ 58**	**$ 20**	**$ 1**	**$ 79**

(a) Represents the outstanding balances as of March 31, 2024 of all modifications that defaulted in the three months ended March 31, 2024 and were modified in the twelve months prior to payment default. The outstanding balance includes principal, fees and accrued interest on loans and principal and fees on receivables.
(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.

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The following table provides information relating to the performance of loans and receivables that were modified during the prior twelve months and that remain in modification programs as of, or that defaulted on or before, March 31, 2024.

	As of March 31, 2024		
Account Balances (*Millions*) (a)	Current	30-89 Days Past Due	90+ Days Past Due
Card Member Loans			
Consumer	**$ 1,635**	**$ 106**	**$ 39**
Small Business	**535**	**51**	**17**
Corporate	—	—	—
Card Member Receivables:			
Consumer	**312**	**23**	**6**
Small Business	**468**	**48**	**13**
Corporate	**8**	**1**	**2**
Other Loans	**71**	**6**	**2**
Total	**$ 3,029**	**$ 235**	**$ 79**

(a) The outstanding balance as of March 31, 2024 includes principal, fees and accrued interest on loans and principal and fees on receivables.

The following table provides information relating to the performance of loans and receivables that were modified on or after January 1, 2023 and that remained in modification programs as of, or that defaulted on or before, March 31, 2023.

	As of March 31, 2023		
Account Balances (*Millions*) (a)	Current	30-89 Days Past Due	90+ Days Past
Card Member Loans			
Consumer	**$ 273**	**$ 43**	**$** [illegible]
Small Business	**119**	**20**	
Corporate	—	—	
Card Member Receivables:			
Consumer	**100**	**14**	
Small Business	**157**	**36**	
Corporate	**7**	—	
Other Loans	**11**	—	
Total	**$ 667**	**$ 113**	**$** [illegible]

(a) The outstanding balance as of March 31, 2023 includes principal, fees and accrued interest on loans and principal and fees on receivables.

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. This history includes the performance of loans and receivables modifications for borrowers experiencing financial difficulty, including their subsequent defaults.

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 assigns probability weights to each scenario, generally with a consistent initial distribution. At times, due to macroeconomic uncertainty and volatility, management may apply judgment and assign different probability weights to scenarios. These macroeconomic scenarios contain certain variables, including unemployment rates and real gross domestic product (GDP), that are significant to our models.

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

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

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

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

	U.S. Unemployment Rate		U.S. GDP Growth (Contraction) [(a)]	
	March 31, 2024	**December 31, 2023**	**March 31, 2024**	**December 31, 2023**
First quarter of 2024	4%	3% - 6%	2%	4% - (3)%
Fourth quarter of 2024	3% - 7%	3% - 8%	3% - (3)%	3% - 1%
Fourth quarter of 2025	3% - 7%	3% - 7%	3% - 2%	2%
Fourth quarter of 2026	3% - 6%	3% - 6%	3% - 2%	3% - 2%

(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 March 31, 2024, primarily driven by an increase in loans outstanding and slightly higher delinquencies.

Card Member loans reserve for credit losses increased for the three months ended March 31, 2023, driven by higher delinquencies and an increase in loans outstanding.

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

	Three Months Ended March 31,	
(Millions)	**2024**	2023
Beginning Balance	**$ 5,118**	$ 3,747
Provisions [(a)]	**1,014**	786
Net write-offs [(b)]		
Principal	**(705)**	(397)
Interest and fees	**(150)**	(89)
Other [(c)]	**(6)**	6
Ending Balance	**$ 5,271**	$ 4,053

(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 $159 million and $128 million for the three months ended March 31, 2024 and 2023, respectively. Recoveries of interest and fees were not significant.

(c) Primarily includes foreign currency translation adjustments.

Changes in Card Member Receivables Reserve for Credit Losses

Card Member receivables reserve for credit losses decreased for the three months ended March 31, 2024, primarily driven by a decrease in receivables outstanding.

Card Member receivables reserve for credit losses decreased for the three months ended March 31, 2023, primarily driven by a sequential decrease in receivables outstanding, partially offset by higher delinquencies.

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

	Three Months Ended March 31,	
(Millions)	**2024**	2023
Beginning Balance	**$ 174**	$ 229
Provisions [(a)]	**196**	222
Net write-offs [(b)]	**(217)**	(230)
Other [(c)]	**(2)**	2
Ending Balance	**$ 151**	$ 223

(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 $76 million and $69 million for the three months ended March 31, 2024 and 2023, respectively.
(c) Primarily includes foreign currency translation adjustments.

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 $11 million and $5 million as of March 31, 2024 and December 31, 2023, respectively, presented as Other assets on the Consolidated Balance Sheets.

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

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

The following is a summary of investment securities as of March 31, 2024 and December 31, 2023:

Description of Securities *(Millions)*	**2024** Cost	**2024** Gross Unrealized Gains	**2024** Gross Unrealized Losses	**2024** Estimated Fair Value	2023 Cost	2023 Gross Unrealized Gains	2023 Gross Unrealized Losses	2023 Estimated Fair Value
Available-for-sale debt securities:								
State and municipal obligations	**$ 60**	**$ —**	**$ (7)**	**$ 53**	$ 61	$ —	$ (6)	$ 55
U.S. Government agency obligations	**4**	**—**	**—**	**4**	4	—	—	4
U.S. Government treasury obligations	**1,219**	**—**	**(8)**	**1,211**	1,217	1	(12)	1,206
Mortgage-backed securities [(a)]	**12**	**—**	**(1)**	**11**	12	—	(1)	11
Foreign government bonds and obligations	**815**	**—**	**—**	**815**	770	—	—	770
Other [(b)]	**74**	**—**	**—**	**74**	74	—	—	74
Equity securities [(c)]	**59**	**17**	**(12)**	**64**	60	16	(10)	66
Total	**$ 2,243**	**$ 17**	**$ (28)**	**$ 2,232**	$ 2,198	$ 17	$ (29)	$ 2,186

(a) Represents mortgage-backed securities guaranteed by Fannie Mae, Freddie Mac or Ginnie Mae.
(b) Represents investments in debt securities issued by Community Development Financial Institutions.
(c) Equity securities comprise investments in common stock, exchange-traded funds and mutual funds.

The following table provides information about our available-for-sale debt securities with gross unrealized losses and the length of time that individual securities have been in a continuous unrealized loss position as of March 31, 2024 and December 31, 2023:

	2024				2023			
	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	**$ —**	**$ —**	**$ 30**	**$ (7)**	$ —	$ —	$ 33	$ (6)
U.S. Government treasury obligations	**—**	**—**	**1,095**	**(8)**	—	—	1,114	(12)
Mortgage-backed securities	**—**	**—**	**9**	**(1)**	—	—	7	(1)
Total	**$ —**	**$ —**	**$ 1,134**	**$ (16)**	$ —	$ —	$ 1,154	$ (19)

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 more likely than not that we will not 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.

The following table summarizes the gross unrealized losses for available-for-sale debt securities by ratio of fair value to amortized cost as of March 31, 2024 and December 31, 2023:

	Less than 12 months			12 months or more			Total		
Ratio of Fair Value to Amortized Cost (*Dollars in millions*)	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
2024:									
90–100%	**—**	**$ —**	**$ —**	**68**	**$ 1,119**	**$ (10)**	**68**	**$ 1,119**	**$ (10)**
Less than 90%	**—**	**$ —**	**$ —**	**8**	**$ 15**	**$ (6)**	**8**	**$ 15**	**$ (6)**
Total as of March 31, 2024	**—**	**$ —**	**$ —**	**76**	**$ 1,134**	**$ (16)**	**76**	**$ 1,134**	**$ (16)**
2023:									
90–100%	—	$ —	$ —	69	$ 1,140	$ (14)	69	$ 1,140	$ (14)
Less than 90%	—	$ —	$ —	2	$ 14	$ (5)	2	$ 14	$ (5)
Total as of December 31, 2023	—	$ —	$ —	71	$ 1,154	$ (19)	71	$ 1,154	$ (19)

Contractual maturities for available-for-sale debt securities with stated maturities as of March 31, 2024 were as follows:

(*Millions*)	Cost	Estimated Fair Value
Due within 1 year	**$ 1,832**	**$ 1,828**
Due after 1 year but within 5 years	**267**	**262**
Due after 5 years but within 10 years	**31**	**31**
Due after 10 years	**54**	**47**
Total	**$ 2,184**	**$ 2,168**

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 $14.1 billion and $15.3 billion as of March 31, 2024 and December 31, 2023, respectively, and for the Charge Trust was $4.9 billion and $4.6 billion as of March 31, 2024 and December 31, 2023, 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 $68 million and $66 million as of March 31, 2024 and December 31, 2023, respectively, and for the Charge Trust was nil as of both March 31, 2024 and December 31, 2023. These amounts relate to collections of Card Member loans and receivables to be used by the Trusts to fund future expenses and obligations, including interest on debt securities, credit losses and upcoming debt maturities.

Under the respective terms of the Lending Trust and the Charge Trust agreements, the occurrence of certain triggering events associated with the performance of the assets of each Trust could result in payment of trust expenses, establishment of reserve funds, or, in a worst-case scenario, early amortization of debt securities. During the three months ended March 31, 2024 and the year ended December 31, 2023, no such triggering events occurred.

6. Customer Deposits

As of March 31, 2024 and December 31, 2023, customer deposits were categorized as interest-bearing or non-interest-bearing as follows:

(Millions)		2024		2023
U.S.:				
Interest-bearing	$	**133,483**	$	128,146
Non-interest-bearing (includes Card Member credit balances of: 2024, $446; 2023, $495)		**511**		557
Non-U.S.:				
Interest-bearing		**12**		12
Non-interest-bearing (includes Card Member credit balances of: 2024, $409; 2023, $426)		**412**		429
Total customer deposits	$	**134,418**	$	129,144

Customer deposits by deposit type as of March 31, 2024 and December 31, 2023 were as follows:

(Millions)		2024		2023
U.S. retail deposits:				
Savings and transaction accounts	$	**101,419**	$	93,722
Certificates of deposit:				
Direct		**5,166**		5,557
Third-party (brokered)		**11,092**		12,960
Sweep accounts – Third-party (brokered)		**15,806**		15,907
Total U.S. retail deposits	$	**133,483**	$	128,146
Other deposits		**80**		77
Card Member credit balances		**855**		921
Total customer deposits	$	**134,418**	$	129,144

The scheduled maturities of certificates of deposit as of March 31, 2024 were as follows:

(Millions)		2024		2025		2026		2027		2028		After 5 Years		Total
Certificates of deposit (a)	$	**8,820**	$	**4,950**	$	**1,012**	$	**772**	$	**699**	$	**11**	$	**16,264**

(a) Includes $6 million of non-U.S. direct certificates of deposit as of March 31, 2024.

As of March 31, 2024 and December 31, 2023, certificates of deposit in denominations that met or exceeded the insured limit were $1.7 billion and $1.8 billion, respectively.

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 March 21, 2024, we were named as a defendant in a case filed in the United States District Court of Rhode Island, captioned 5-Star General Store aka Bento LLC, et al. v. American Express Co., et al., in which plaintiffs seek, on behalf of themselves and a class of merchants, an injunction prohibiting us from enforcing our anti-steering and non-discrimination provisions and a declaration that we have violated antitrust laws.

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 and/or debit 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. For the remaining state antitrust or consumer protection claims, the court certified classes for (i) holders of Visa and MasterCard debit cards in eight states and Washington, D.C.; and (ii) holders of Visa, MasterCard and Discover credit cards that do not offer rewards or charge an annual fee in two states and Washington, D.C. We have appealed the court’s class certification decisions.

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.

In May 2020, we began responding to a review by the Office of the Comptroller of the Currency (OCC) and the Department of Justice (DOJ) Civil Division regarding historical sales practices relating to sales to small business customers in the United States. In January 2021, we received a grand jury subpoena from the United States Attorney's Office for the Eastern District of New York (EDNY) regarding these sales practices issues, as well as a Civil Investigative Demand from the Consumer Financial Protection Bureau (CFPB) pertaining to its investigation into sales practices related to consumers. We have also been made aware of a related investigation by the New York Department of Financial Services (NYDFS).

In January 2023, the CFPB notified us that its investigation was completed and that it does not intend to recommend an enforcement action be taken against us at this time. In July 2023, we reached a settlement with the OCC to resolve its review of historical sales practices to certain U.S. small business card customers that occurred between 2015 and 2017. The DOJ, EDNY and NYDFS investigations are ongoing, and we are cooperating with all inquiries.

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 $410 million in excess of any accruals related to those matters. This range represents management's estimate based on currently available information and does not represent our maximum loss exposure; actual results may vary significantly. As such legal proceedings evolve, we may need to increase our range of possible loss or recorded accruals. In addition, it is possible that significantly increased merchant steering or other actions impairing the Card Member experience as a result of an adverse resolution in one or any combination of the disclosed merchant cases could have a material adverse effect on our business and results of operations.

8. Derivatives and Hedging Activities

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

A majority of our derivative assets and liabilities as of March 31, 2024 and December 31, 2023 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 relevant agreement in the event of a downgrade of our debt credit rating below investment grade and settle the outstanding net liability position. As of March 31, 2024, these derivatives were not in a material net liability position. Based on our assessment of the credit risk of our derivative counterparties and our own credit risk as of March 31, 2024 and December 31, 2023, no credit risk adjustment to the derivative portfolio was required.

The following table summarizes the total fair value, excluding interest accruals, of derivative assets and liabilities as of March 31, 2024 and December 31, 2023:

	Other Assets Fair Value		Other Liabilities Fair Value	
(Millions)	**2024**	2023	**2024**	2023
Derivatives designated as hedging instruments:				
Fair value hedges - Interest rate contracts [(a)]	**$ —**	$ —	**$ 85**	$ 99
Net investment hedges - Foreign exchange contracts	**56**	9	**221**	455
Total derivatives designated as hedging instruments	**56**	9	**306**	554
Derivatives not designated as hedging instruments:				
Foreign exchange contracts and other	**127**	71	**53**	423
Total derivatives, gross	**183**	80	**359**	977
Derivative asset and derivative liability netting [(b)]	**(94)**	(57)	**(94)**	(57)
Cash collateral netting [(c)]	**—**	—	**(86)**	(106)
Total derivatives, net	**$ 89**	$ 23	**$ 179**	$ 814

(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 $194 million and $175 million as of March 31, 2024 and December 31, 2023, 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.

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 $13.4 billion and $11.7 billion of fixed-rate debt obligations designated in fair value hedging relationships as of March 31, 2024 and December 31, 2023, respectively.

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

	Gains (losses)	
	Three Months Ended March 31,	
(Millions)	**2024**	2023
Fixed-rate long-term debt	**$ 133**	$ (53)
Derivatives designated as hedging instruments	**(134)**	53
Total	**$ (1)**	$ —

The carrying values of the hedged liabilities, recorded within Long-term debt on the Consolidated Balance Sheets, were $13.3 billion and $11.7 billion as of March 31, 2024 and December 31, 2023, respectively, including the cumulative amount of fair value hedging adjustments of $(80) million and $53 million for the respective periods.

We recognized in Interest expense on Long-term debt net increases of $63 million and $39 million for the three months ended March 31, 2024 and 2023, 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 $14.3 billion and $14.1 billion of foreign currency derivatives designated as net investment hedges as of March 31, 2024 and December 31, 2023, 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, was a gain of $86 million and a loss of $198 million for the three months ended March 31, 2024 and 2023, respectively. Net investment hedge reclassifications out of AOCI into the Consolidated Statements of Income were not significant for both the three months ended March 31, 2024 and 2023.

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 $24.3 billion and $25.3 billion as of March 31, 2024 and December 31, 2023, respectively. The changes in the fair value of the derivatives and the related underlying foreign currency exposures resulted in net gains of $16 million and $5 million for the three months ended March 31, 2024 and 2023, respectively, that are recognized in Other, net expenses in the Consolidated Statements of Income.

Our embedded derivative related to seller earnout shares granted to us upon the completion of a business combination in the second quarter of 2022 between our equity method investee, American Express Global Business Travel, and Apollo Strategic Growth Capital had a notional amount of $78 million as of both March 31, 2024 and December 31, 2023. The changes in the fair value of the embedded derivative resulted in losses of $4 million for both the three months ended March 31, 2024 and 2023, which were recognized in Service fees and other revenue in the Consolidated Statements of Income.

9. Fair Values

Financial Assets and Financial Liabilities Carried at Fair Value

The following table summarizes our financial assets and financial liabilities measured at fair value on a recurring basis, categorized by GAAP's fair value hierarchy, as of March 31, 2024 and December 31, 2023:

	2024				2023			
(Millions)	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets:								
Investment securities: [(a)]								
Equity securities	**$ 64**	**$ 64**	**$ —**	**$ —**	$ 66	$ 66	$ —	$ —
Debt securities	**2,168**	**—**	**2,094**	**74**	2,120	—	2,046	74
Derivatives, gross [(a)(b)]	**183**	**—**	**169**	**14**	80	—	62	18
Total Assets	**2,415**	**64**	**2,263**	**88**	2,266	66	2,108	92
Liabilities:								
Derivatives, gross [(a)]	**359**	**—**	**359**	**—**	977	—	977	—
Total Liabilities	**$ 359**	**$ —**	**$ 359**	**$ —**	$ 977	$ —	$ 977	$ —

(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.

Financial Assets and Financial Liabilities Carried at Other Than Fair Value

The following table summarizes the estimated fair values of our financial assets and financial liabilities that are measured at amortized cost, and not required to be carried at fair value on a recurring basis, as of March 31, 2024 and December 31, 2023. The fair values of these financial instruments are estimates based upon the market conditions and perceived risks as of March 31, 2024 and December 31, 2023, 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.

		Corresponding Fair Value Amount			
2024 (Billions)	Carrying Value	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)]	**$ 54**	**$ 54**	**$ 52**	**$ 2**	**$ —**
Other financial assets [(b)]	**63**	**63**	**—**	**63**	**—**
Financial assets carried at other than fair value					
Card Member and Other loans, less reserves [(c)]	**129**	**134**	**—**	**—**	**134**
Financial Liabilities:					
Financial liabilities for which carrying values equal or approximate fair value	**152**	**152**	**—**	**152**	**—**
Financial liabilities carried at other than fair value					
Certificates of deposit [(d)]	**16**	**16**	**—**	**16**	**—**
Long-term debt [(c)]	**$ 49**	**$ 49**	**$ —**	**$ 49**	**$ —**

		Corresponding Fair Value Amount			
2023 (Billions)	Carrying Value	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)]	$ 47	$ 47	$ 45	$ 2	$ —
Other financial assets [(b)]	63	63	—	63	—
Financial assets carried at other than fair value					
Card Member and Other loans, less reserves [(c)]	128	133	—	—	133
Financial Liabilities:					
Financial liabilities for which carrying values equal or approximate fair value	143	143	—	143	—
Financial liabilities carried at other than fair value					
Certificates of deposit [(d)]	19	18	—	18	—
Long-term debt [(c)]	$ 48	$ 48	$ —	$ 48	$ —

(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 $4.8 billion and $4.6 billion held by a consolidated VIE as of March 31, 2024 and December 31, 2023, 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 $27.4 billion and $28.6 billion as of March 31, 2024 and December 31, 2023, respectively, and the fair value of Long-term debt was $13.3 billion as of both March 31, 2024 and December 31, 2023.

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

Nonrecurring Fair Value Measurements

We have certain assets that are subject to measurement at fair value on a nonrecurring basis. For these assets, measurement at fair value in periods subsequent to their initial recognition is applicable if they are determined to be impaired or where there are observable price changes for equity investments without readily determinable fair values.

We estimate the Level 3 fair value of equity investments without readily determinable fair values, which include investments in our Amex Ventures portfolio, based on price changes as of the date of new similar equity financing transactions completed by the companies in the portfolio. In addition, impairments on such investments are recorded to account for the difference between the estimated fair value and carrying value of an investment based on a qualitative assessment of impairment indicators such as business performance, general market conditions and the economic and regulatory environment. When an impairment triggering event occurs, the fair value measurement is generally derived by taking into account all available information, such as share prices of publicly traded peer companies, internal valuations performed by our investees, and other third-party fair value data. The fair value of impaired investments represents a Level 3 fair value measurement.
The carrying value of equity investments without readily determinable fair values totaled $0.9 billion as of both March 31, 2024 and December 31, 2023, of which investments representing nonrecurring Level 3 fair value measurement were nil as of both March 31, 2024 and December 31, 2023. These amounts are included within Other assets on the Consolidated Balance Sheets.

We recorded no unrealized gains for the three months ended March 31, 2024 and 2023. Unrealized losses were nil and $95 million for the three months ended March 31, 2024 and 2023, respectively. Unrealized gains and losses are recorded in Other, net on the Consolidated Statements of Income. Since the adoption of new accounting guidance on the recognition and measurement of financial assets and financial liabilities on January 1, 2018, cumulative unrealized gains for equity investments without readily determinable fair values totaled $1.1 billion as of both March 31, 2024 and December 31, 2023, and cumulative unrealized losses were $431 million as of both March 31, 2024 and December 31, 2023.

In addition, we also have certain equity investments measured at fair value using the net asset value practical expedient. Such investments were immaterial as of both March 31, 2024 and December 31, 2023.

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 $24 million, respectively, as of both March 31, 2024 and December 31, 2023, 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.

11. Changes In Accumulated Other Comprehensive Income (Loss)

AOCI is comprised of items that have not been recognized in earnings but may be recognized in earnings in the future when certain events occur. Changes in each component for the three months ended March 31, 2024 and 2023 were as follows:

Three Months Ended March 31, 2024 (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, 2023	$ (14)	$ (2,571)	$ (487)	$ (3,072)
Net change	**1**	**(87)**	**3**	**(83)**
Balances as of March 31, 2024	**$ (13)**	**$ (2,658)**	**$ (484)**	**$ (3,155)**

Three Months Ended March 31, 2023 (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, 2022	$ (64)	$ (2,622)	$ (524)	$ (3,210)
Net change	19	28	57	104
Balances as of March 31, 2023	$ (45)	$ (2,594)	$ (467)	$ (3,106)

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

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

	Tax expense (benefit)	
	Three Months Ended March 31,	
(Millions)	**2024**	2023
Net unrealized gains on debt securities	**$ 1**	$ 6
Foreign currency translation adjustment, net of hedges	**49**	(45)
Pension and other postretirement benefits	**2**	5
Total tax impact	**$ 52**	$ (34)

Reclassifications out of AOCI into the Consolidated Statements of Income for the three months ended March 31, 2024 and 2023 were not significant.

12. Service Fees and Other Revenue and Other Expenses

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

	Three Months Ended March 31,	
(Millions)	**2024**	2023
Service fees	**$ 442**	$ 366
Foreign currency-related revenue	**358**	338
Delinquency fees	**234**	233
Travel commissions and fees	**167**	135
Other fees and revenues	**91**	146
Total Service fees and other revenue	**$ 1,292**	$ 1,218

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

	Three Months Ended March 31,	
(Millions)	**2024**	2023
Data processing and equipment	**$ 657**	$ 660
Professional services	**455**	440
Other	**364**	462
Total Other expenses	**$ 1,476**	$ 1,562

13. Income Taxes

The effective tax rate was 22.5 percent and 16.2 percent for the three months ended March 31, 2024 and 2023, respectively. The increase in the effective tax rate primarily reflected discrete tax benefits in the prior period related to the resolution of certain prior year tax items.

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 $105 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 $105 million of unrecognized tax benefits, approximately $83 million relates to amounts that, if recognized, would impact the effective tax rate in a future period.

Tax Credit Investments

As of March 31, 2024 and 2023, we had $1,454 million and $1,173 million in tax credit investments, respectively, included in Other assets on the Consolidated Balance Sheets, comprised of Low Income Housing Tax Credit investments and other qualifying investments. We account for such tax credit investments using the Proportional Amortization Method.

The following table presents tax credit investment expenses and associated income tax credits and other income tax benefits for the three months ended March 31:

	Three Months Ended March 31,	
(Millions)	**2024**	2023
Proportional amortization recognized in tax provision	**$ 47**	$ 41
Income tax credits and Other income tax benefits [(a)] recognized in tax provision	**57**	52

(a) Other income tax benefits are a result of tax deductible expenses generated by our tax credit investments

Income tax credits and other income tax benefits associated with our tax credit investments are also recognized in the Consolidated Statements of Cash Flows in the Operating activities section primarily under Accounts payable and other liabilities. Refer to Note 6 to our "Consolidated Financial Statements" in the 2023 Form 10-K for additional information on our tax credit investments for the year ended December 31, 2023.

14. Earnings Per Common Share (EPS)

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

	Three Months Ended March 31,	
(Millions, except per share amounts)	**2024**	2023
Numerator:		
Basic and diluted:		
Net income	**$ 2,437**	$ 1,816
Preferred dividends	**(14)**	(14)
Net income available to common shareholders	**$ 2,423**	$ 1,802
Earnings allocated to participating share awards [(a)]	**(18)**	(14)
Net income attributable to common shareholders	**$ 2,405**	$ 1,788
Denominator:[(a)]		
Basic: Weighted-average common stock	**721**	743
Add: Weighted-average stock options [(b)]	**1**	1
Diluted	**722**	744
Basic EPS	**$ 3.34**	$ 2.41
Diluted EPS	**$ 3.33**	$ 2.40

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

(b) The dilutive effect of unexercised stock options excludes from the computation of EPS 0.1 million and 1.3 million of options for the three months ended March 31, 2024 and 2023, respectively, because inclusion of the options would have been anti-dilutive.

15. 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 months ended March 31:

Three Months Ended March 31, 2024 (Millions, except where indicated)	USCS	CS	ICS	GMNS	Corporate & Other [a]	Consolidated
Total non-interest revenues	**$ 4,766**	**$ 3,194**	**$ 2,437**	**$ 1,655**	**$ (20)**	**$ 12,032**
Revenue from contracts with customers [b]	**3,469**	**2,795**	**1,590**	**1,495**	**(10)**	**9,339**
Interest income	**3,481**	**1,005**	**583**	**17**	**689**	**5,775**
Interest expense	**748**	**414**	**307**	**(198)**	**735**	**2,006**
Total revenues net of interest expense	**7,499**	**3,785**	**2,713**	**1,870**	**(66)**	**15,801**
Pretax income (loss)	**1,613**	**878**	**252**	**1,017**	**(615)**	**3,145**
Total assets *(billions)*	**$ 104**	**$ 58**	**$ 41**	**$ 25**	**$ 41**	**$ 269**

Three Months Ended March 31, 2023 (Millions, except where indicated)	USCS	CS	ICS	GMNS	Corporate & Other [a]	Consolidated
Total non-interest revenues	$ 4,359	$ 3,107	$ 2,267	$ 1,596	$ (31)	$ 11,298
Revenue from contracts with customers [b]	3,239	2,731	1,441	1,448	(13)	8,846
Interest income	2,775	706	467	14	454	4,416
Interest expense	551	321	224	(131)	468	1,433
Total revenues net of interest expense	6,583	3,492	2,510	1,741	(45)	14,281
Pretax income (loss)	1,130	630	189	885	(667)	2,167
Total assets *(billions)*	$ 91	$ 54	$ 36	$ 17	$ 38	$ 236

(a) Corporate & Other includes adjustments and eliminations for intersegment activity.
(b) Includes discount revenue, certain service fees and other revenue and processed revenue from customers.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk to earnings or asset and liability values resulting from movements in market prices. Our market risk exposures include (i) interest rate risk due to changes in the relationship between the interest rates on our assets (such as loans, receivables and investment securities) and the interest rates on our liabilities (such as debt and deposits); and (ii) foreign exchange risk related to transactions, funding, investments and earnings in currencies other than the U.S. dollar. Since December 31, 2023, there have been no material changes in our market risk exposures associated with interest rates or foreign currencies.

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 the 2023 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 the 2023 Form 10-K. The risks and uncertainties that we face are not limited to those set forth in the 2023 Form 10-K. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business and the trading price of our securities.

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

(c) ISSUER PURCHASES OF SECURITIES

The table below sets forth the information with respect to purchases of our common stock made by or on behalf of us during the three months ended March 31, 2024.

	Total Number of Shares Purchased	Average Price Paid Per Share [c]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [d]	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
January 1-31, 2024				
Repurchase programs[a]	356,200	$203.22	356,200	98,724,557
Employee transactions[b]	711,094	$201.43	N/A	N/A
February 1-29, 2024				
Repurchase programs[a]	3,289,001	$211.43	3,289,001	95,435,556
Employee transactions[b]	101,393	200.74	N/A	N/A
March 1-31, 2024				
Repurchase programs[a]	1,634,094	$220.22	1,634,094	93,801,462
Employee transactions[b]	—	—	N/A	N/A
Total				
Repurchase programs[a]	5,279,295	$213.59	5,279,295	93,801,462
Employee transactions[b]	812,487	$201.34	N/A	N/A

(a) On March 8, 2023, 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. 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) The average price paid per share does not reflect costs and taxes associated with the purchase of shares.

(d) Share purchases under publicly announced programs are made pursuant to open market purchases, plans intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act, privately negotiated transactions 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

Rule 10b5-1 Trading Plans

During the three months ended March 31, 2024, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act or any "non-Rule 10b5-1 trading arrangement" as defined in Item 408(c) of Regulation S-K.

ITEM 6. EXHIBITS

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

Exhibit	Description
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 Christophe Y. Le Caillec 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 Christophe Y. Le Caillec pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

SIGNATURES

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

AMERICAN EXPRESS COMPANY
(Registrant)

Date: April 19, 2024	By	/s/ Christophe Y. Le Caillec Christophe Y. Le Caillec Chief Financial Officer
Date: April 19, 2024	By	/s/ Jessica Lieberman Quinn Jessica Lieberman Quinn Executive Vice President and Corporate Controller (Principal Accounting Officer)