American Express Ecosystem

American Express Company
200 Vesey Street
New York, New York 10285
Phone: (212) 640-2000: Website https://www.americanexpress.com/

American Express Company (a New York corporation)

Debt Structure

Interest-Bearing Deposit Liabilities and Long-Term Debt ($137.4 Billion @ 12/31/2022) | **Credit Ratings: A2** (Moody's), **BBB+** (S&P), **A** (Fitch)

American Express National Bank:
- Customer Deposits: $110.2 B

American Express Company:
- Committed, Revolving Secured Borrowing Facility: $2.0B (right to sell $2 billion of certificates issued from the Lending Trust through September 2024)
- 2023-2042 Fixed Rate Senior Notes @ 3.34%; $23.813 B
- 2023-2026 Floating Rate Senior Notes @ 4.78%; $3.000 B
- 2033 Fixed-to-Floating Rate Senior Notes @ 4.42%; $1.25 B
- 2024 Fixed Rate Sub-ordinated Notes @ 3.63%; $574 M
- 2033 Fixed-to-Floating Rate Sub-ordinated Notes @ 4.99%; $750M

American Express Credit Corporation:
- 2027 Fixed Rate Senior Notes @ 3.30%; $328 M

American Express Lending Trust:
- 2023-2025 Fixed Rate Senior Notes @ 2.81%; $10.499 B
- 2023 Floating Rate Senior Notes @ 4.67; $2.125 B

Key Entities

Public: Institutions 86% | Public: Individuals 14%

American Express Company (New York: NYSE: AXP; a Bank Holding Company) — 100%

American Express Travel Related Services Company, Inc. (a Bank Holding Company; the Principal Operating Subsidiary) — 100%

- American Express National Bank, N.A. (a Federally Chartered Bank) — 100%
- American Express Travel Related Services Company, Inc. (Business Travel-Related Services) — 50%
- American Express Limited (Holds International Subsidiaries) — 100%
- American Express Kabbage Inc. (Small Business Loans) — 100%

Banking Subsidiary | Card, Travel and Other Key Subsidiaries

Equity Structure

Equity Capital and Buyback Program

Share Repurchase Program
Authorized: 120 M common shares
Expiration: None
Balance: 36.4 M shares

Preferred Shares
Authorized Shares: 20 M
Issued & Outstanding: 1,600 shares (represented by 1.6 M depositary shares)
Dividend Rate: 3.55% (resets in Sept 2026 and every 5 years thereafter)

Common Shares
Authorized Shares: 3.6 B
Issued & Outstanding Shares: 744.2 million
Record Holders: 18,060

Governance

Board of Directors

Stephen J. Squeri	Thomas J. Baltimore (A)	John J. Brennan (A,C)	Committees: Audit and Compliance Committee (A), Compensation and Benefits Committee (C), Nominating, Governance and Public Responsibility Committee (N), Risk Committee (R)
Peter Chern (C, N)	Walter J. Clayton III (R)	Ralph de la Veg (A, C)	
Lynn A. Pike (C)	Theodore J. Leonsis (C, N)	Karen L. Parkhill (A, R)	
Charles E. Phillips (R)	Deborah P. Majoras (N)	Daniel L. Vasella (C, N)	
Lisa W. Wardell (R)	Christopher D. Young (N)		

Management Team

Stephen J. Squeri (CEO)	Andres Espinosa (AMEX Chief Credit Officer)	Rafael Marquez (President, International Card Services)	Denise Pickett (President, Global Services Group)	André Williams (CEO, AENB; Group President, AMEX Enterprises Services)
Doug Buckminster (Vice Chairman)	Alan Gallo (EVP, Chief Audit Executive Internal Audit Group)	Anna Marrs (Group Pres., Global Commercial Services; Credit/Fraud Risk	Ravi Radhakrishnan (Chief Information Officer)	
Mohammed Badi (President, Global Network Services)	Howard Grosfield (President, U.S. Consumer Services)	Glenda McNeal (President, Enterprise Strategic Partnerships)	Elizabeth Rutledge (Chief Marketing Officer)	
Jeff Campbell (Vice Chairman and CFO)	Monique R. Herena (Chief Colleague Experience Officer)	David Nigro (Chief Risk Officer)	Laureen E. Seeger (Chief Legal Officer)	
Alex Drummond (Chief Strategy Officer)	Raymond Jaobar (Group Pres., Global Merchant & Network Services)	Rick Petrino (Chief Operating Officer, AENB)	Jennifer Skyler (Chief Corporate Affairs Officer)	

Corporate Matters

Strategy
- Medium-to-Long Term Enterprise-Wide Strategy
- Long-Range Planning
- Business Alignment (Enterprise and Business Unit)
- M&A Strategies

Credit
- Credit, Fraud and Predictive Decisioning Functions

Information
- Technology Capability (Delivery and Operations)
- Information Services
- Platforms
- Information Security
- Technology Risk

Finance and Accounting
- Accounting, Financial Reporting, and Financial Planning and Analysis
- Treasury and Tax
- Investor Relations

Partnerships
- Partner Strategy and Relationships (Travel, e-Commerce, Technology, and Retail Partnerships)

Marketing
- Global Media
- Sponsorships
- Experiences and Customer Insights
- Strategic Brand Planning (The American Express brand in ranked among the most valuable brands in the world; considerable effort is made to secure Amex intellectual property rights)

Corporate Affairs
- Public Affairs and Media Relations
- Colleague Communications
- Social Media
- Reputational Risk Management
- Corporate Social Responsibility
- American Express Foundation

Colleague Experience
- Talent Acquisition and Management
- Leadership Development
- Colleague Servicing
- Compensation
- Total Well-Being

Legal
- Government Affairs
- Legal Operations
- Global Security
- Corporate Governance
- Law Compliance
- Corporate Secretarial

Global Services
- Customer Service
- Credit & Fraud Operations
- Consumer Travel and Lifestyle Services
- Internal Shared Services (Real Estate, Procurement, Sales Enablement)

Audit, Risk & Compliance
- Internal/External Audit
- Risk Profile (Safety and Soundness)
- Control and Compliance Environment Oversight (including Fraud Controls)
- Oversight/Governance of Enterprise Risks
- Regulatory Exams
- Global Privacy Program

Network Services
- Network Services and Operations
- Global Network Partnerships
- Accertify Merchant Fraud Protection Unit

Operations

CARD ISSUING BUSINESSES

U.S. Consumer Services (USCS) (2022 Revenues: $23.914 Billion)

The U.S. Consumer Services (USCS) segment (1) issues a wide range of proprietary consumer cards and (2) provides travel and lifestyle services as well as banking and non-card financing products to ***U.S. consumers***.

36% OF NETWORK VOLUME

Commercial Services (CS) (2022 Revenues: $13.569 Billion)

The Commercial Services (CS) segment (1) issues a wide range of proprietary corporate and small business cards and (2) provides payment and expense management services as well as banking and non-card financing products to ***U.S. businesses***. This segment also issues proprietary corporate cards and provides services to select ***global corporate clients***.

32% OF NETWORK VOLUME

International Card Services (ICS) (2022 Revenues: $9.061 Billion)

The International Card Services (ICS) segment (1) issues a wide range of proprietary consumer cards, small and mid-sized enterprises (SME) business cards, and large commercial enterprise corporate cards outside the United States, (2) provides travel and lifestyle services to international customers, and (3) manages certain international joint ventures and its loyalty coalition businesses. A significant portion of Amex's billed international Business comes from the United Kingdom, European Union, Australia, Japan, Canada, and Mexico.

18% OF NETWORK VOLUME

MERCHANT ACQUIRING BUSINESSES

Global Merchant and Network Services (GMNS) (2022 Revenues: $6.475 Billion)

Global Merchant and Network Services (GMNS) (1) operates a global payments network that processes and settles card transactions for merchants, (2) "acquires merchants," and (3) provides multi-channel marketing programs, services and data analytics to merchants. To acquire merchants, GMNS builds relationships with millions of merchants around the world, signs up new merchants to accepts AMEX cards, agrees on the discount rate (the fee charged to the merchant for accepting AMEX cards), and handles card processing. GMNS also manages relationships with third-party banks and financial institutions in 100+ countries to which AMEX has licensed the right to issue local currency AMEX-branded cards in their countries and/or serve as the merchant acquirer for local merchants. 14% OF NETWORK VOLUME

Products and Services Offered to Card Members

- **Payment and Financing Products**: Credit cards, charge cards, banking, and other payment and financing products
- **Expense Management Products and Services**
- **Travel and Lifestyle Services**: Airport lounge access, travel lifestyle benefit, and business travel-related services
- **Reward/Incentive Programs**: American Express offers reward programs, such as (1) membership and loyalty rewards programs providing credits, points, discounts, and other benefits for doing business with Amex partners and (2) various cash back programs. Through the Membership Rewards Program, cardholders can accumulate points, credits or discounts based on purchases that can be redeemed for airfare, travel or other merchandise provided by Amex partners. These programs drive high overall payment rates.

Types of Revenue Generated

- **Interest Income**: Interest earned on outstanding loan balances of card members
- **Net Card Fees**: Revenue earned from annual card membership fees charged to card members; amounts vary based on the type of card and number of cards for each customer account
- **Service Fees and Other Revenue**: Service fees earned from merchants and other customers, travel commissions and fees, card member enrollment fees, foreign currency related fees charged to card members, and income (and losses) from Amex's investments in which it has significant influence
- **Discount Revenue** (Largest Revenue Source): The *largest component* of the overall discount revenue generated by each Card Issuing Business segment's card members

Card Issuing Business Statistical Data

- Network Volumes: 1.553 Billion
- Billed Business: 1.338 Billion
- Proprietary Cards-in-force: 133 Million
- Average Discount Rate: 2.34%
- Average Fee Per Card: $82
- Card Member Loans: $108 Billion
- Net Write-off Rate: 1.1%

USCS Statistical Data

Proprietary Cards in Force: 41.7 Million	Billed Business: $553 Billion
Net Write Off Rate (Principal, Interest, Fees): 1.1%	Total Loans: $72.7 Billion
Net Interest Income: $7.474 Billion	Net Interest Yield: 11.6%

CS Statistical Data

Proprietary Cards in Force: 14.9 Million	Billed Business: $500 B
Net Write Off Rate (Principal, Interest, Fees): 0.8%	Total Loans: $21.4 Billion
Net Interest Income: $1.714 Billion	Net Interest Yield: 8.9%

ICS Statistical Data

Proprietary Cards in Force: 20.1 Million	Billed Business: $282 Billion
Net Write Off Rate (Principal, Interest, Fees): 1.4%	Total Loans: $13.8 Billion
Net Interest Income: $799 Million	Net Interest Yield: 8.4%

Services Offered to Merchants and Network Partners

- **Integrated Payments Platform**: AMEX performs all of the card issuing, merchant acquisition, card network processing, servicing and settlement functions, as well as point-of-sale marketing and information products and services for merchants
- **Analytics and Loss Prevention Services**: Data analytics and algorithms on card member spending ("spend within Node") fraud prevention, information services and innovative products appealing to targeted customer needs, digital and mobile services
- **GMNS Statistical Data**
  - Non-Interest Revenues: 6.123 Billion
  - Pre-Tax Segment Income: $2.954 Billion
  - Network Volumes: $1.553 Trillion
  - Processed Volumes: $214.5 Million

Types of Revenue Generated

- **Discount Revenue** (Largest Revenue Source): The amount Amex earns and retains from merchants payable for facilitating transactions between card members and merchants on payments products issues by Amex; this reflects the *Network and Acquirer component* of the overall discount revenue being allocated
- **Service Fees and Other Revenue**: Service fees earned from merchants
- **Processed Revenue**: Revenues related to network partnership agreements, comprising royalties, fees and amounts earned for facilitating transactions on cards issued by network partners

Merchant Pricing

Merchant Categories

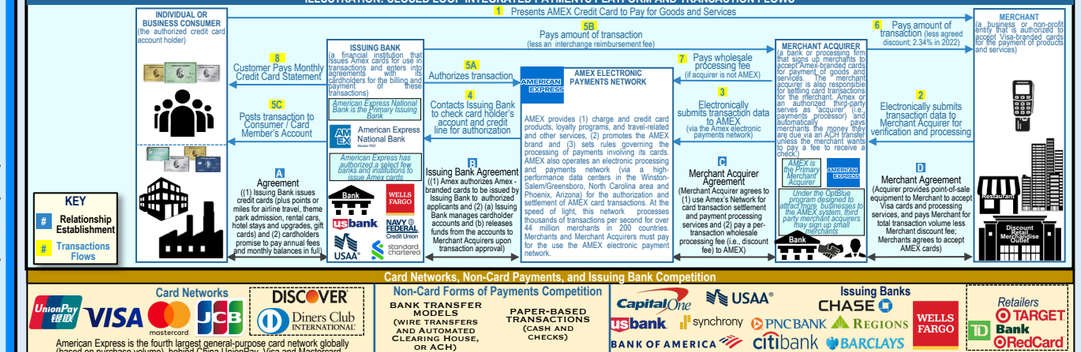
There are over 130 categories of merchants, the most recognizable of which are as follows:
- Restaurant
- Retail
- Healthcare
- Lodging
- Mail Order
- Travel & Entertainment
- Services

Pricing Structure

Various fees are imposed on merchants for accepting American Express cards. The primary one is the discount rate. This rate varies, but typical merchant discount rate falls between 2.5% and 3.5%. The average discount in 2022 was 2.34%.

- Discount/Processing Rate (% plus flat rate)
  - Restaurant Merchants (for sales under $25): 1.85% plus $0.10
  - Services Merchants (for sales under $400): 1.60% plus $0.10
- Cross-Border Fee (0.40% for any international charge)
  - Manual Keyed Fee (0.30% for any manually keyed-in taction charge)
- Voice Authorization Fee (0.65% if Merchant POS system calls for AMEX authorization)

ILLUSTRATION: CLOSED LOOP INTEGRATED PAYMENTS PLATFORM AND TRANSACTION FLOWS



Card Networks, Non-Card Payments, and Issuing Bank Competition

Card Networks: UnionPay, VISA, mastercard, JCB, DISCOVER, Diners Club International

American Express is the fourth largest general-purpose card network globally (based on purchase volume), behind China UnionPay, Visa and Mastercard

Non-Card Forms of Payments Competition
- BANK TRANSFER MODELS (WIRE TRANSFERS AND AUTOMATED CLEARING HOUSE, OR ACH)
- PAPER-BASED TRANSACTIONS (CASH AND CHECKS)

Issuing Banks: Capital One, USAA, U.S. Bank, Synchrony, PNC Bank, Regions, Bank of America, Citibank, Barclays, Chase, Wells Fargo

Retailers: Target, Bank of RedCard

Global Merchant and Network Services Competition

Merchant Acquirers, Processors and Web- and Mobile-based Payment Platforms: PayPal, venmo, Alipay, Apple Pay, NPCI

Outside Relationships

Regulators

Key Subjects of Regulation

Financial Services

Financial Service Regulators

Fed: Board of Governors of the Federal Reserve System

OCC: Office of the Comptroller of the Currency

FDIC: Federal Deposit Insurance Corporation

CFPB: Consumer Financial Protection Bureau

Treasury: U.S. Department of the Treasury

Others: Various Other Domestic and Foreign Financial Supervisory Regulators

- Banking Regulation (Activities, Acquisition and Investments (Fed and OCC))
- Supervision, Regulation and Examination of Banking Holding Companies and National Banks (Fed, OCC, FDIC, and CFPB)
- Capital Adequacy, Liquidity and Risk Management Requirement (the Fed)
- Stress Testing and Capital Planning (the Fed)
- Dividends and Other Capital Distributions (the Fed and OCC)
- Resolution Planning (the Fed and FDIC)
- Deposit Insurance and Regulation, Supervision, and Examinations, Recordkeeping Requirements: $250,000 of Deposit Insurance per Depositor (FDIC)
- Community Reinvestment: Banks must achieve satisfactory for the bank meeting the credit needs of its communities, including low- and moderate-income neighborhoods (OCC)

- Consumer Financial Products Regulation (CFPB and Others)
- Credit, Savings, and Payment Services and Products
- Debt Collection Practices
- Disclosure Requirements

- Payments Regulation (Various Countries)
- Operations and Pricing of Card Issuers, Merchant Acquirers and Payments Networks.
- Interchange Fees Payable by Merchants
- Pricing of Card Issuers

- Compensation Practices (Fed)

Consumer Credit

- Federal Trade Commission (FTC enforces UDAAP laws regarding consumer credit practices)
- Truth-in-Lending Act requires disclosures to prospective purchasers in *retail financing*, including terms of repayment, amount financed, total finance charge, and annual percentage rate of interest
- Consumer Leasing Act requires disclosures to prospective lessees in *operating lease transactions*, including amount due at lease inception, terms for payment, and information about lease charges, insurance, excess mileage, wear and use charges, and liability on early termination
- Fair Credit Reporting Act requires disclosures to consumers whose credit applications are not approved on the basis of a consumer credit report; requirements regarding identity theft, privacy, and accuracy in credit reporting
- Equal Credit Opportunity Act prohibits discriminatory practices against credit applicants and customers on the basis of race, religion, national origin, sex, marital status, age; requires disclosure regarding consumer rights and the reasons credit applications were denied
- Gramm-Leach-Bliley Act requires confidentiality and safeguarding of consumer data and periodic notifications on privacy matters)
- Dodd-Frank Wall Street Reform and Consumer Protection Act prohibits unfair, deceptive, or abusive credit practices and acts

Capital

- Purchasers of Lending Trust Certificates
- Hedge Counterparties
- Bank Customers
- Public Debt Holders (**Key *Underwriters***: Barclays Capital, MUFG Securities Americas, RBS Capital Markets, and Wells Fargo Securities)

Federal Reserve Bank of San Francisco

As Borrower
- Holds National Bank Reserves / Deposits at Federal Funds Rate (5.25% on 7/21/2023)

As Lender
- Federal Discount Rate (≥ 5.25% on 7/21/2023)

FEDERAL RESERVE BANK OF SAN FRANCISCO

Brookfield Financial Properties Affiliate **Brookfield**
(2.2 million square foot ***building*** in lower Manhattan on ***land*** leased from Battery Park City Authority until 2069; Amex owns a 49% interest in building and Brookfield owns a 51% interest)

NEW YORK STATE OF OPPORTUNITY. Battery Park City Authority

Card Holder Customers (Individuals)
- U.S. Individual Consumers
- Non-U.S. Individual Consumers

American Express Global Business Travel Company (50% Amex-Owned)

GLOBAL BUSINESS TRAVEL
(Business Travel-Related Services Joint Venture with Certares Investor Group—Qatar Holding, BlackRock, Certares, and Macquarie Capital)

Card Holder Customers (Commercial Enterprises)
- Small Businesses
- Mid-sized Companies
- Large Corporations

Lianlian DigiTech Co. Ltd. (Chinese Joint Venture Partner)
LianLian Global

Suppliers

- Working Capital Financing
- Foreign Exchange Forward Contracts, and Interest Rate Swaps
- Cash Deposits
- Bond Financing
- Financial Services and Consumer Credit Regulation
- Park Excess Reserves with Fed
- Loans from Fed Discount Window
- Lease of New York City Headquarters Building and Land

- Issuance of Charge Cards, Cash Advances/Loans, and Delivery of Rewards and Travel- and Lifestyle-Related Services to U.S. and International Customers
- Offerings of FDIC-insured Retail Deposit Account Products (e.g., high-yield savings accounts, certificates of deposit (CDs), and consumer rewards checking account products) to U.S. Customers
- Joint Venture for the Operation of American Express Global Business Travel Company (one of the world's largest travel agency networks with locations in 139 countries offering travel reservations and arrangements, consulting services, proprietary research, and end-to-end meetings and events capabilities)
- Issuance of Charge Cards, Cash Advances/Loans, and Delivery of Rewards and Card Member Services
- Payments and Expense Management Services
- Offerings of Business Deposit/Checking Accounts
- Commercial Financings
- Mainland China Joint Venture for Transaction Processing and Network Clearing

Customers

- Securities Regulation and Stock Exchange Rules
- Equity Capital
- Common and Preferred Dividends and Common Share Repurchases (Amex returned $4.9 billion of capital to shareholders in 2022)
- Professional Services
- Letter Agreement (so long as Berkshire Hathaway owns at least (1) 5% of American Express voting securities, Berkshire Hathaway (a) will not dispose of any shares, without Amex consent, to any person seeking a change in control or ownership of more than 5% of Amex voting securities and (b) vote in accordance with the recommendation of the Amex board; and (2) 10% of Amex voting securities, Berkshire Hathaway will comply with its passivity commitments made to the Board of Governors of the U.S. Federal Reserve System (e.g., not exert a controlling influence over Amex or acquire 25% or more of its equity capital or vote))
- Software and Hardware (e.g., Credit Card Machines and Point of Sale Systems under Direct Agreement with AMEX)
- Charge Card Transaction Settlement and Payment Processing Services (under Direct Card Acceptance Agreement with AMEX)
- Data Analytics, Fraud Prevention, and Marketing Support Services
- Discount Fee and Other AMEX Network Processing Fees
- OptBlue Processing Payment Program (Allows U.S. Third-Party Payments Processors—a Merchant Acquiring Bank or Merchant Service Provider—to Sign Up Low-Volume Small Businesses as Merchants to Accept AMEX Charge Cards for Payments; Small Business Merchants Pay (a) Affordable Interchange Fees at Processors' Wholesale Processing Rates Agreed with AMEX plus (b) a Processor Mark-Up)
- Wholesale Processing Fees
- Provides Kabbage Digital Checking Accounts Offerings (Through its Kabbage subsidiary, AMEX offers small businesses a no-fee, no minimum deposit online checking account with mobile deposits, a credit card, bill pay, savings features, and access to a network of ATMs and retail locations for cash transactions)
- Personal Savings Accounts and Other Consumer Banking Services
- Interchange Fees

Significant Shareholders
- Berkshire Hathaway, Inc. (20.40%) BERKSHIRE HATHAWAY INC
- The Vanguard Group, Inc. (6.68%) Vanguard
- SSgA Funds Management, Inc. (4.01%) STATE STREET GLOBAL ADVISORS
- BlackRock Fund Advisors (3.57%) BlackRock
- Wellington Management Co. LLP (2.96%) WELLINGTON MANAGEMENT
- Institutional Ownership: 85.66%
- Berkshire Hathaway, Inc. BERKSHIRE HATHAWAY INC

Key Professional Services Firms
- PwC LLP (Audit Services) pwc
- Universal McCann (Part of IPG) (Media Services) UM
- Rich Feuer Anderson (Lobbying Services) RFA
- Stroock & Stroock & Lavan LLP (Litigation Services) STROOCK
- Shook, Hardy & Bacon LLP (Litigation Services) SHB

Merchant Customers
- Large Companies
- Medium-Size Companies
- High Volume Small-Size Merchants (at Least $1 Million in Amex transactions per year)
- American Express card acceptance has reached 44.2 million merchants worldwide, partly due to recent expansions in China and bank partnerships in other key countries around the world

OptBlue Partners

Eligible Third-Party Merchant Acquirers and Payment Processing Companies (Payment Depot, Stax, Payment Cloud, Square, National Processing, Host Merchant Services)

OptBlue

Software, Hardware, and Transaction Processing Services under OptBlue Program

- Low Volume Small- Size Merchants (Less than $1 Million in Amex transactions per year)
- Individual Bank Customers

Subjects of Regulation

Financial Services
- U.S. Securities and Exchange Commission (SEC) (Regulation of Offers and Sales of Securities, Material Event Disclosure, and Financial Reporting Requirements; Anti-Bribery Law Record-Keeping Requirements)
- New York Stock Exchange (NYSE) (Listing, Maintenance and Corporate Accountability Rules)

Sanctions and Privacy
- Anti-Money Laundering, Sanctions and Anti-Corruption Compliance (Treasury)
- 'Know Your Customer' Data Collection Requirements / Bank Secrecy Act Recordkeeping and Recording Requirements and Reporting of Suspicious Transactions / Anti-Money Laundering Regulation
- Prohibition of Business Transactions with Terrorists and Narcotics Traffickers
- Privacy, Data Protection and Governance; Anti-Bribery Regulation (California and Various U.S., State and Foreign Regulators)

Key Company Data (as of 12/31/2022)

Business Overview: American Express (Amex) is a globally integrated payments company, providing customers with access to products, insights and experiences to enrich lives and build business success. Founded in 1850, Amex has evolved into a leader in providing credit and charge cards to individual consumers, small businesses, mid-sized companies and large corporations around the world. Amex card issued by Amex, as well as by third-party banks and other institutions on the American Express Network, can be used by members to charge purchases at millions of merchants around the world that accept cards bearing the Amex logo. Amex has also built a reputation for the exclusive perquisites and rewards programs that accompany the use of their cards. Beyond cards, Amex provides a wide array of services such as merchant services (e.g., fraud prevention and analytics), travel services, personal savings accounts, and small business solutions.

Common Share Data
- NYSE Ticker Symbol: AXP
- Share Price: $170.22 (07/21/2023)
- 2022 Earnings Per Share (Diluted): $9.85
- Earnings Per Share (Trailing 12 Months): $9.53
- 2022 Annual Dividend: $2.08/share
- Forward Annual Dividend: $2.40/share
- Market Capitalization: $126.5B (07/21/2023)

Resources
- Employees: 77,300
- Headquarters: New York City, New York
- Amex Data Center Locations: Phoenix, Arizona and Greensboro, North Carolina
- American Express National Bank Headquarters: Sandy, Utah
- Principal Executive Offices: Lower Manhattan, Phoenix, Arizona, Sunrise, Florida, Gurgaon, India, Brighton, England, Manila, Philippines, Tokyo, Japan, Kuala Lumpur, Malaysia, and Sydney, Australia

Financial Highlights

Statement of Income
- Net Revenues: $52.862 B
- Non-Interest Revenues (Discount Revenue, Processing Fees, Card Fees, Service Fees): $42.967 B
- Interest Income: $12.658 B
- Operating Expenses (Member Rewards, Business Development, Member Services, Marketing, Salaries and Benefits): $41.095 B
- Net Income: $7.514 B

Balance Sheet
- Total Assets: $228.354 B
- Total Liabilities: $203.643 B
- Long-Term Debt: $42.573 B
- Equity: $24.711 B

Cash Flow
- From Operations: $21.079 B
- Used In Investing: $(33.689) B
- From Financing: $24.509 B

Financial Returns
- Return on Equity: 30.41%

Amex's Distinguishing Characteristics

Closed System. American Express differs from Visa, Mastercard, and other major credit card brands by operating in a closed system, where the company controls both consumer card issuance and merchant acceptance.

Charge Card. The American Express Card is not a credit card. Instead, it is a charge card, meaning that purchases made with the American Express must be paid in full within a defined grace period. Customers cannot accumulate an unpaid balance month after month with an AMEX card, but they also do not pay arguably extortionate annual interest rates (e.g., 20-24%) charged by some credit card companies.

Partner Relationships and Co-Branding Agreements with Various Retail and Services Companies (cardholders can earn benefits, such as frequent-flier miles, hotel loyalty points, and cash back that may be redeemed with the co-branding partner)

Issuance of Charge Cards, Cash Advances/Loans, and Delivery of Rewards and Card Member Services

Payments and Expense Management Services

Issuing Bank Relationships (Arrangements with a Limited Number of Financial Institutions to Issue AMEX Cards)

International Consumer and Small Business Customers (Card Holders)
- Individual Outside the U.S.
- Small and Mid-Sized Enterprises Outside the U.S.
- Large Corporations Outside the U.S.

Selected AMEX Partner Relationships
- Delta Air Lines (Amex's largest strategic and co-branding partner; Delta offers Airline Lounge Access to certain cardholders)
- Fine Hotels and Resorts (Exclusive to Platinum and Centurion-Branded card-holders; hotel credits, free breakfast, late checkout) FINE HOTELS + RESORTS
- Marriott International Hotels
- PayPal
- Bill.com
- Hilton Hotels Worldwide
- British Airways
- Lowes
- SAP Ariba and Coupa
- OptBlue Program Partners (Payments Processing Companies and Merchant Acquirers—i.e., Banks Offering AMEX Charge Cards)

Selected Participating Banks and Credit Unions
- Wells Fargo Bank (Wells Fargo Propel American Express)
- U.S. Bank (U.S. Bank Flex-Perks Gold American Express Card)
- USAA
- Navy Federal
- Standard Chartered Bank
- American Express National Bank

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