



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
WASHINGTON, DC 20551

March 10, 2026

Kerri Bernstein  
Executive Vice President & Corporate Treasurer  
American Express Company  
200 Vesey Street  
New York, New York 10285

Dear Ms. Bernstein:

This letter responds to the request from American Express Company (“Amex”), New York, New York, for one-year extensions of time to (1) submit an implementation plan to the Board, pursuant to section 217.121 of the Board’s Regulation Q, and to begin to comply with the advanced approaches capital adequacy framework (“advanced approaches rule”) and the related FFIEC 101 reporting requirements applicable to Category II banking organizations; and (2) comply with the deduction thresholds for deferred tax assets applicable to Category II banking organizations under section 217.22(d)(2) of the Board’s Regulation Q.<sup>1</sup> Amex requests that the one-year extensions of time begin on the compliance dates for these requirements that would otherwise apply after Amex becomes a Category II banking organization under the Board’s Regulation YY.

Under the Board’s regulatory framework, a banking organization is a “Category II banking organization,” and thereby becomes subject to certain heightened regulatory requirements, after the banking organization reaches either (i) \$700 billion in average total consolidated assets, or (ii) \$100 billion in average total consolidated assets and \$75 billion in average cross-jurisdictional activity.<sup>2</sup> As of December 2025, Amex reported \$300 billion in total consolidated assets and

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<sup>1</sup> See 12 CFR 217.22(d)(2) and .121; 12 CFR part 217, subpart E.

<sup>2</sup> 12 CFR 252.5(c). For each threshold, the average of the risk-based indicator is calculated over a rolling four-quarter period. 12 CFR 252.2.

\$76 billion in cross-jurisdictional activity. Amex estimates that it will exceed \$75 billion in average cross-jurisdictional activity as of March 31, 2026.

Among other enhanced regulatory requirements, a Category II banking organization is an “advanced approaches Board-regulated institution” and must comply with the advanced approaches rule.<sup>3</sup> In particular, within six months of becoming subject to the advanced approaches rule, a Category II banking organization is required to adopt and file with the Board a written implementation plan addressing how the firm complies, or plans to comply, with the requirements of the advanced approaches rule.<sup>4</sup> Category II banking organizations also are responsible for associated regulatory reporting, including the FFIEC 101, as well as more stringent deduction thresholds for certain assets, such as deferred tax assets, under section 217.22(d)(2).<sup>5</sup>

Amex represents that its increase in cross-jurisdictional activity is driven by organic growth in its domestic and international card business and does not reflect any material change in its business model, complexity, or risk profile. Amex also represents that although it has a significant amount of deferred tax assets in connection with its business model, Amex generally expects to realize deferred tax assets under stress. Absent the requested relief, Amex states that it would incur significant costs to come into compliance with heightened regulatory requirements applicable to Category II banking organizations. Providing Amex with an extension of time to comply with the advanced approaches rule and the more stringent deduction thresholds for deferred tax assets would provide additional time to consider the appropriate capital requirements for Amex based on the firm’s overall risk profile.<sup>6</sup>

Acting pursuant to authority delegated by the Board and having considered all the relevant facts, I have approved Amex’s request for one-year extensions of time, subject to the conditions described in this letter, to (1) submit an implementation plan to the Board, pursuant to section 217.121 of the Board’s Regulation Q, and to begin to comply with the advanced approaches rule and the related FFIEC 101 reporting requirements applicable to Category II banking organizations; and (2) comply with the deferred tax asset deduction thresholds

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<sup>3</sup> 12 CFR part 217, subpart E.

<sup>4</sup> See 12 CFR 217.121; 12 CFR part 217, subpart E.

<sup>5</sup> 12 CFR 217.22(d)(2).

<sup>6</sup> During the one-year extension period, Amex will comply with the deduction threshold in section 217.22(d)(1) for deferred tax assets, as well as the more stringent deduction thresholds in section 217.22(d)(2) for assets other than deferred tax assets, as applicable. 12 CFR 217.22(d)(1), (2).

applicable to Category II banking organizations under section 217.22(d)(2) of the Board's Regulation Q.<sup>7</sup>

This action is based on all the facts of record, including the information discussed above, and the representations in your submissions. Any material change in those facts or representations could affect this approval and should be communicated promptly to Board staff.

If you have any questions regarding this matter, please contact Helen Xu of the Board's Division of Supervision and Regulation.

Sincerely yours,

*(Signed) Benjamin W. McDonough*

Benjamin W. McDonough  
Secretary of the Board

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<sup>7</sup> 12 CFR 265.5(a)(2)(i). The extensions of time in this letter will expire if Amex does not meet or exceed (i) \$700 billion in average total consolidated assets, or (ii) \$100 billion in average total consolidated assets and \$75 billion in average cross-jurisdictional activity, by March 31, 2028. Amex must comply with the Category II requirements that are subject to the extensions in this letter within one year after the standard transition periods that apply to those requirements, unless in the intervening period those requirements or transition periods have been superseded. As noted, Amex estimates that it will have \$75 billion or more in average cross-jurisdictional activity as of March 31, 2026. If Amex exceeds the \$75 billion threshold on or before this date, Amex must comply with the requirements in this letter after the expiration of the relevant transition provisions based on a March 31, 2027, as-of date.