Table of Contents

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

FORM 10-Q

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

For the Quarterly Period Ended March 31, 2015

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, NY	**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.

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 X No ___

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files).

Yes X No ___

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

Large accelerated filer ☒ Accelerated filer ☐

Smaller reporting company ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company)

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

Yes ___ No X

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 17, 2015
Common Shares (par value $0.20 per share)	1,015,795,685 shares

Table of Contents

AMERICAN EXPRESS COMPANY
FORM 10-Q

INDEX

			Page No.
Part I.	**Financial Information**		
	Item 1.	Financial Statements	
		Consolidated Statements of Income – Three Months Ended March 31, 2015 and 2014	1
		Consolidated Statements of Comprehensive Income – Three Months Ended March 31, 2015 and 2014	2
		Consolidated Balance Sheets – March 31, 2015 and December 31, 2014	3
		Consolidated Statements of Cash Flows – Three Months Ended March 31, 2015 and 2014	4
		Notes to Consolidated Financial Statements	5
	Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	29
	Item 3.	Quantitative and Qualitative Disclosures about Market Risk	67
	Item 4.	Controls and Procedures	68
Part II.	**Other Information**		
	Item 1.	Legal Proceedings	71
	Item 1A.	Risk Factors	72
	Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	73
	Item 5.	Other Information	74
	Item 6.	Exhibits	74
	Signatures		75
	Exhibit Index		E-1

Table of Contents

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

AMERICAN EXPRESS COMPANY
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

Three Months Ended March 31 *(Millions, except per share amounts)*	**2015**	2014
Revenues		
Non-interest revenues		
Discount revenue	**$ 4,660**	$ 4,620
Net card fees	**667**	674
Travel commissions and fees	**89**	423
Other commissions and fees	**619**	618
Other	**468**	501
Total non-interest revenues	**6,503**	6,836
Interest income		
Interest on loans	**1,795**	1,711
Interest and dividends on investment securities	**41**	46
Deposits with banks and other	**21**	19
Total interest income	**1,857**	1,776
Interest expense		
Deposits	**103**	94
Long-term debt and other	**307**	345
Total interest expense	**410**	439
Net interest income	**1,447**	1,337
Total revenues net of interest expense	**7,950**	8,173
Provisions for losses		
Charge card	**174**	215
Card Member loans	**235**	250
Other	**11**	20
Total provisions for losses	**420**	485
Total revenues net of interest expense after provisions for losses	**7,530**	7,688
Expenses		
Marketing and promotion	**609**	587
Card Member rewards	**1,640**	1,582
Card Member services and other	**261**	222
Salaries and employee benefits	**1,305**	1,540
Other, net	**1,399**	1,549
Total expenses	**5,214**	5,480
Pretax income	**2,316**	2,208
Income tax provision	**791**	776
Net income	**$ 1,525**	$ 1,432
Earnings per Common Share (Note 15): [(a)]		
Basic	**$ 1.49**	$ 1.34
Diluted	**$ 1.48**	$ 1.33
Average common shares outstanding for earnings per common share:		
Basic	**1,019**	1,060
Diluted	**1,023**	1,067
Cash dividends declared per common share	**$ 0.26**	$ 0.23

(a) Represents net income less earnings allocated to participating share awards of $11 million and $12 million for the three months ended March 31, 2015 and 2014, respectively.

See Notes to Consolidated Financial Statements.

Table of Contents

AMERICAN EXPRESS COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

Three Months Ended March 31 *(Millions)*	**2015**	2014
Net income	**$ 1,525**	$ 1,432
Other comprehensive (loss) income:		
Net unrealized securities gains, net of tax of: 2015, nil; 2014, $23	**—**	39
Foreign currency translation adjustments, net of tax of: 2015, $88; 2014, $(23)	**(255)**	(34)
Net unrealized pension and other postretirement benefit gains, net of tax of: 2015, $19; 2014, $15	**23**	27
Other comprehensive (loss) income	**(232)**	32
Comprehensive income	**$ 1,293**	$ 1,464

See Notes to Consolidated Financial Statements.

Table of Contents

AMERICAN EXPRESS COMPANY
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Millions, except share data)	**March 31, 2015**	December 31, 2014
Assets		
Cash and cash equivalents		
Cash and due from banks	**$ 2,286**	$ 2,628
Interest-bearing deposits in other banks (includes securities purchased under resale agreements: 2015, $226; 2014, $204)	**20,933**	19,190
Short-term investment securities	**353**	470
Total cash and cash equivalents	**23,572**	22,288
Accounts receivable		
Card Member receivables (includes gross receivables available to settle obligations of a consolidated variable interest entity: 2015, $6,067; 2014, $7,025), less reserves: 2015, $429; 2014, $465	**43,274**	44,386
Other receivables, less reserves: 2015, $56; 2014, $61	**2,354**	2,614
Loans		
Card Member loans (includes gross loans available to settle obligations of a consolidated variable interest entity: 2015, $27,600; 2014, $30,115), less reserves: 2015, $1,130; 2014, $1,201	**65,705**	69,184
Other loans, less reserves: 2015, $13; 2014, $12	**951**	920
Investment securities	**4,417**	4,431
Premises and equipment, less accumulated depreciation and amortization: 2015, $6,369; 2014, $6,270	**3,940**	3,938
Other assets (includes restricted cash of consolidated variable interest entities: 2015, $54; 2014, $64)	**10,471**	11,342
Total assets	**$ 154,684**	$ 159,103
Liabilities and Shareholders' Equity		
Liabilities		
Customer deposits	**$ 44,928**	$ 44,171
Travelers Cheques and other prepaid products	**3,364**	3,673
Accounts payable	**10,643**	11,300
Short-term borrowings	**2,361**	3,480
Long-term debt (includes debt issued by consolidated variable interest entities: 2015, $16,419; 2014, $19,516)	**54,712**	57,955
Other liabilities	**16,846**	17,851
Total liabilities	**132,854**	138,430
Contingencies (Note 8)		
Shareholders' Equity		
Preferred shares, $1.66 2/3 par value, authorized 20 million shares; issued and outstanding 1,600 shares as of March 31, 2015 and 750 shares as of December 31, 2014	**—**	—
Common shares, $0.20 par value, authorized 3.6 billion shares; issued and outstanding 1,016 million shares as of March 31, 2015 and 1,023 million shares as of December 31, 2014	**204**	205
Additional paid-in capital	**13,670**	12,874
Retained earnings	**10,107**	9,513
Accumulated other comprehensive loss		
Net unrealized securities gains, net of tax: 2015, $51; 2014, $52	**96**	96
Foreign currency translation adjustments, net of tax: 2015, $(229); 2014, $(317)	**(1,754)**	(1,499)
Net unrealized pension and other postretirement benefit losses, net of tax: 2015, $(204); 2014, $(223)	**(493)**	(516)
Total accumulated other comprehensive loss	**(2,151)**	(1,919)
Total shareholders' equity	**21,830**	20,673
Total liabilities and shareholders' equity	**$ 154,684**	$ 159,103

See Notes to Consolidated Financial Statements.

AMERICAN EXPRESS COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

Three Months Ended March 31 *(Millions)*	**2015**	2014
Cash Flows from Operating Activities		
Net income	**$ 1,525**	$ 1,432
Adjustments to reconcile net income to net cash provided by operating activities:		
Provisions for losses	**420**	485
Depreciation and amortization	**251**	249
Deferred taxes and other	**219**	44
Stock-based compensation	**71**	88
Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:		
Other receivables	**175**	297
Other assets	**957**	478
Accounts payable and other liabilities	**(1,230)**	607
Travelers Cheques and other prepaid products	**(262)**	(395)
Net cash provided by operating activities	**2,126**	3,285
Cash Flows from Investing Activities		
Sales of available-for-sale investment securities	**—**	44
Maturities and redemptions of available-for-sale investment securities	**439**	354
Purchase of investments	**(447)**	(71)
Net increase (decrease) in Card Member receivables/loans	**3,129**	2,072
Purchase of premises and equipment, net of sales: 2015, $17; 2014, $2	**(256)**	(226)
Business acquisitions, net of cash acquired	**(59)**	(6)
Net increase (decrease) in restricted cash	**15**	(610)
Net cash provided by investing activities	**2,821**	1,557
Cash Flows from Financing Activities		
Net increase in customer deposits	**784**	918
Net decrease in short-term borrowings	**(1,062)**	(2,245)
Issuance of long-term debt	**—**	2,240
Principal payments on long-term debt	**(3,100)**	(3,500)
Issuance of American Express preferred shares	**841**	—
Issuance of American Express common shares	**54**	233
Repurchase of American Express common shares	**(791)**	(961)
Dividends paid	**(268)**	(246)
Net cash used in financing activities	**(3,542)**	(3,561)
Effect of foreign currency exchange rates on cash and cash equivalents	**(121)**	(27)
Net increase in cash and cash equivalents	**1,284**	1,254
Cash and cash equivalents at beginning of period	**22,288**	19,486
Cash and cash equivalents at end of period	**$ 23,572**	$ 20,740

See Notes to Consolidated Financial Statements

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation

The Company

American Express Company (the Company) is a global services company that provides customers with access to products, insights and experiences that enrich lives and build business success. The Company's principal products and services are charge and credit payment card products and travel-related services offered to consumers and businesses around the world. Business travel-related services are offered through the non-consolidated joint venture, American Express Global Business Travel (GBT JV). Prior to July 1, 2014, the business travel operations were wholly owned. The Company also focuses on generating alternative sources of revenue on a global basis in areas such as online and mobile payments and fee-based services. The Company's various products and services are sold globally to diverse customer groups, including consumers, small businesses, mid-sized companies and large corporations. These products and services are sold through various channels, including direct mail, online applications, targeted direct and third-party sales forces and direct response advertising.

The accompanying Consolidated Financial Statements should be read in conjunction with the consolidated financial statements incorporated by reference in the Company's Annual Report on Form 10-K for the year ended December 31, 2014 (the Annual Report). If not materially different, certain footnote disclosures included in the Annual Report have been omitted from this Quarterly Report on Form 10-Q.

The interim consolidated financial information in this report has not been audited. In the opinion of management, all adjustments, which consist of normal recurring adjustments necessary for a fair statement of the interim period consolidated financial information, 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.

Certain reclassifications of prior period amounts have been made to conform to the current period presentation. Additionally, in the three months ended March 31, 2015, the Company changed the classification related to certain payments to partners, reducing both discount revenue and marketing and promotion expense. The misclassification in prior periods has been revised to conform to the current period presentation. None of the prior period financial statements were materially misstated from this misclassification.

Recently Issued Accounting Standards

Accounting Standards Update (ASU) No. 2014-09, Revenue Recognition (Topic 606): Revenue from Contracts with Customers was issued on May 28, 2014. The guidance establishes the principles to apply to determine the amount and timing of revenue recognition, specifying the accounting for certain costs related to revenue, and requiring additional disclosures about the nature, amount, timing and uncertainty of revenues and related cash flows. The guidance supersedes most of the current revenue recognition requirements, and as currently written will be effective January 1, 2017; however, the Financial Accounting Standards Board plans to publish an exposure draft proposing to extend the effective date to January 1, 2018. The Company continues to evaluate the impact this guidance, including the method of implementation, will have on its financial position, results of operations and cash flows, among other items.

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

ASU No. 2014-01, Investments – Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Qualified Affordable Housing Projects was issued on January 15, 2014. Provided certain conditions are met, this standard permits entities to account for investments in Qualified Affordable Housing projects using the proportional amortization method. The standard also requires new disclosures about all investments in Qualified Affordable Housing projects irrespective of the method used to account for the investments. The Company has adopted this guidance in the first quarter of 2015 and has elected not to use the proportional amortization method, but continues to account for these investments using the equity method of accounting, which has been the Company's historical practice.

During the three months ended March 31, 2015 and 2014, the Company recognized equity method losses related to Qualified Affordable Housing of $9 million and $8 million, respectively, which was recognized in Other, net expense, and associated tax credits of $12 million and $9 million, respectively, which was recognized within Income tax provision. The carrying value of these investments was $512 million and $522 million as of March 31, 2015 and December 31, 2014, respectively. In addition, the Company is contractually committed to provide additional funding related to certain of these investments resulting in a liability of $130 million for unfunded commitments, as of March 31, 2015, which is expected to be paid between 2015 and 2023.

2. Divestitures

On June 30, 2014, the Company completed a transaction to establish a non-consolidated joint venture comprising the former Global Business Travel (GBT) operations of the Company and an external cash investment. As a result of this transaction, the Company deconsolidated the GBT net assets, effective June 30, 2014, and began accounting for the GBT JV as an equity method investment reported in Other assets within the Consolidated Balance Sheet. Prior to the deconsolidation, the carrying amount of GBT's assets and liabilities were not material to the Company's financial position and its operations were reported within the Global Commercial Services (GCS) segment.

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

3. Accounts Receivable and Loans

The Company's charge and lending payment card products result in the generation of Card Member receivables and Card Member loans, respectively.

Accounts receivable by segment as of March 31, 2015 and December 31, 2014 consisted of:

(Millions)	**2015**	2014
U.S. Card Services [a]	**$ 21,501**	$ 22,468
International Card Services	**6,381**	7,653
Global Commercial Services [b]	**15,697**	14,583
Global Network & Merchant Services [c]	**124**	147
Card Member receivables [d]	**43,703**	44,851
Less: Reserve for losses	**429**	465
Card Member receivables, net	**$ 43,274**	$ 44,386
Other receivables, net [e]	**$ 2,354**	$ 2,614

(a) Includes $6.1 billion and $7.0 billion of gross Card Member receivables available to settle obligations of a consolidated variable interest entity (VIE) as of March 31, 2015 and December 31, 2014, respectively.

(b) Includes $638 million and $636 million due from airlines, of which Delta Air Lines comprises $577 million and $606 million as of March 31, 2015 and December 31, 2014, respectively.

(c) Includes receivables primarily related to the Company's International Currency Card portfolios.

(d) Includes approximately $12.0 billion and $13.3 billion of Card Member receivables outside the U.S. as of March 31, 2015 and December 31, 2014, respectively.

(e) Other receivables primarily represent amounts related to (i) certain merchants for billed discount revenue and (ii) Global Network Services (GNS) partner banks for items such as royalty and franchise fees. Other receivables are presented net of reserves for losses of $56 million and $61 million as of March 31, 2015 and December 31, 2014, respectively.

Loans by segment as of March 31, 2015 and December 31, 2014 consisted of:

(Millions)	**2015**	2014
U.S. Card Services [a]	**$ 59,929**	$ 62,592
International Card Services	**6,848**	7,744
Global Commercial Services	**58**	49
Card Member loans	**66,835**	70,385
Less: Reserve for losses	**1,130**	1,201
Card Member loans, net	**$ 65,705**	$ 69,184
Other loans, net [b]	**$ 951**	$ 920

(a) Includes approximately $27.6 billion and $30.1 billion of gross Card Member loans available to settle obligations of a consolidated VIE as of March 31, 2015 and December 31, 2014, respectively.

(b) Other loans primarily represent loans to merchants and a store card loan portfolio. Other loans are presented net of reserves for losses of $13 million and $12 million as of March 31, 2015 and December 31, 2014, respectively.

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Card Member Loans and Card Member Receivables Aging

Generally, a Card Member account is considered past due if payment 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, 2015 and December 31, 2014:

2015 *(Millions)*	Current	30-59 Days Past Due	60-89 Days Past Due	90+ Days Past Due	Total
Card Member Loans:					
U.S. Card Services	**$ 59,356**	**$ 171**	**$ 126**	**$ 276**	**$ 59,929**
International Card Services	**6,728**	**40**	**26**	**54**	**6,848**
Card Member Receivables:					
U.S. Card Services	**$ 21,144**	**$ 124**	**$ 87**	**$ 146**	**$ 21,501**
International Card Services	**6,282**	**30**	**22**	**47**	**6,381**
Global Commercial Services [(a)]	**(b)**	**(b)**	**(b)**	**110**	**15,697**

2014 *(Millions)*	Current	30-59 Days Past Due	60-89 Days Past Due	90+ Days Past Due	Total
Card Member Loans:					
U.S. Card Services	$ 61,995	$ 179	$ 128	$ 290	$ 62,592
International Card Services	7,621	39	27	57	7,744
Card Member Receivables:					
U.S. Card Services	$ 22,096	$ 129	$ 72	$ 171	$ 22,468
International Card Services	7,557	29	20	47	7,653
Global Commercial Services [(a)]	(b)	(b)	(b)	120	14,583

(a) For Card Member receivables in GCS, 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 the Company initiates 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. These amounts are shown above as 90+ Days Past Due for presentation purposes.

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

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Credit Quality Indicators for Card Member Loans and Receivables

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

	2015			2014		
	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:						
U.S. Card Services	**1.5%**	**1.7%**	**1.0%**	1.7%	1.9%	1.1%
International Card Services	**2.0%**	**2.5%**	**1.8%**	2.2%	2.7%	1.7%
Card Member Receivables:						
U.S. Card Services	**2.2%**	**2.4%**	**1.7%**	1.8%	2.0%	1.8%
International Card Services	**1.9%**	**2.0%**	**1.6%**	1.9%	2.0%	1.4%

	2015		2014	
	Net Loss Ratio as a % of Charge Volume	90 Days Past Billing as a % of Receivables	Net Loss Ratio as a % of Charge Volume	90 Days Past Billing as a % of Receivables
Card Member Receivables:				
Global Commercial Services	**0.10%**	**0.7%**	0.09%	0.7%

(a) The Company presents 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, because the Company considers uncollectible interest and/or fees in estimating its reserves for credit losses, a net write-off rate including principal, interest and/or fees is also presented. The three months ended March 31, 2015, reflects a change in the timing of charge-offs for Card Member loans and receivables in certain modification programs from 180 days past due to 120 days past due.

Impaired Card Member Loans and Receivables

Impaired loans and receivables are individual larger balance or homogeneous pools of smaller balance loans and receivables for which it is probable that the Company will be unable to collect all amounts due according to the original contractual terms of the Card Member agreement. In certain cases these Card Member loans and receivables are included in one of the Company's various modification programs. Beginning January 1, 2015, on a prospective basis the Company will continue to classify Card Member accounts that have exited a modification program as a Troubled Debt Restructuring (TDR), with such accounts identified as "Out of Program TDRs."

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The following table provides additional information with respect to the Company's impaired Card Member loans (which are not significant for GCS) and impaired Card Member receivables (which are not significant for International Card Services (ICS) and GCS) as of March 31, 2015 and December 31, 2014:

	As of March 31, 2015						
			Accounts Classified as a TDR [c][d]				
2015 *(Millions)*	Over 90 days Past Due & Accruing Interest [a]	Non-Accruals [b]	In Program	Out of Program	Total Impaired Balance	Unpaid Principal Balance	Allowance for TDRs
Card Member Loans:							
U.S. Card Services	**$ 171**	**$ 220**	**$ 261**	**$ 44**	**$ 696**	**$ 650**	**$ 65**
International Card Services	**54**	**—**	**—**	**—**	**54**	**54**	**—**
Card Member Receivables:							
U.S. Card Services	**—**	**—**	**27**	**1**	**28**	**26**	**17**
Total	**$ 225**	**$ 220**	**$ 288**	**$ 45**	**$ 778**	**$ 730**	**$ 82**

	As of December 31, 2014					
	Over 90 days					
2014 *(Millions)*	Past Due & Accruing Interest [a]	Non-Accruals [b]	In Program TDRs [c]	Total Impaired Balance	Unpaid Principal Balance	Allowance for TDRs
Card Member Loans:						
U.S. Card Services	$ 161	$ 241	$ 286	$ 688	$ 646	$ 67
International Card Services	57	—	—	57	56	—
Card Member Receivables:						
U.S. Card Services	—	—	48	48	48	35
Total	$ 218	$ 241	$ 334	$ 793	$ 750	$ 102

(a) The Company's policy is generally to accrue interest through the date of write-off (i.e., 180 days past due). The Company establishes reserves for interest that it believes will not be collected. Amounts presented exclude loans classified as a TDR.

(b) Non-accrual loans not in modification programs include certain Card Member loans placed with outside collection agencies for which the Company has ceased accruing interest.

(c) Accounts classified as a TDR includes $31 million and $34 million that are non-accrual and $18 million and $26 million that are past due 90 days and still accruing interest as of March 31, 2015 and December 31, 2014, respectively.

(d) In Program TDRs include Card Member accounts that are currently enrolled within a modification program. Out of Program TDRs include $34 million of Card Member accounts that have successfully completed a modification program and $11 million of Card Member accounts that were not in compliance with the terms of the modification programs.

The following table provides information with respect to the Company's average balances of, and interest income recognized from, impaired Card Member loans (which is not significant for GCS) and average balance of impaired Card Member receivables (which is not significant for ICS and GCS) for the three months ended March 31:

	2015		2014	
(Millions)	Average Balance of Impaired Loans	Interest Income Recognized	Average Balance of Impaired Loans	Interest Income Recognized
Card Member Loans:				
U.S. Card Services	**$ 692**	**$ 13**	$ 793	$ 16
International Card Services	**56**	**4**	63	4
Card Member Receivables:				
U.S. Card Services	**38**	**—**	50	—

Total	**$ 786**	**$ 17**	$ 906	$ 20

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Card Member Loans and Receivables Modified as TDRs

The following table provides additional information with respect to the U.S. Card Services (USCS) Card Member loans and receivables modified as TDRs for the three months ended March 31, 2015 and 2014. The ICS and GCS Card Member loans and receivables modifications were not significant.

	Three Months Ended March 31, 2015			
	Number of Accounts (in thousands)	Outstanding Balances [a][b] ($ in millions)	Average Interest Rate Reduction (% points)	Average Payment Term Extensions (# of months)
Troubled Debt Restructurings:				
Card Member Loans	**11**	**$ 80**	**12**	**(c)**
Card Member Receivables	**3**	**40**	**(d)**	**12**
Total	**14**	**$ 120**		

	Three Months Ended March 31, 2014			
	Number of Accounts (in thousands)	Outstanding Balances [a][b] ($ in millions)	Average Interest Rate Reduction (% points)	Average Payment Term Extensions (# of months)
Troubled Debt Restructurings:				
Card Member Loans	12	$ 96	14	(c)
Card Member Receivables	4	47	(d)	12
Total	16	$ 143		

(a) Represents the outstanding balance immediately prior to modification. Modifications did not reduce the aggregate principal balance.

(b) The outstanding balance includes principal, fees and accrued interest on Card Member loans and principal and fees on Card Member receivables.

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

(d) The Company does not offer interest rate reduction programs for Card Member receivables as the receivables are non-interest bearing.

The following table provides information for the three months ended March 31, 2015 and 2014, with respect to the USCS Card Member loans and receivables modified as TDRs that subsequently defaulted within 12 months of modification. A Card Member is considered in default of a modification program after one and up to two consecutive missed payments, depending on the terms of the modification program. For all Card Members that defaulted from a modification program, the probability of default is factored into the reserves for Card Member loans and receivables. The defaulted ICS Card Member loan and receivable modifications were not significant.

	2015		2014	
(Accounts in thousands, Dollars in millions)	Number of Accounts	Aggregated Outstanding Balances Upon Default [a]	Number of Accounts	Aggregated Outstanding Balances Upon Default [a]
Troubled Debt Restructurings That Subsequently Defaulted:				
Card Member Loans	**2**	**$ 10**	2	$ 20
Card Member Receivables	**1**	**1**	1	7
Total	**3**	**$ 11**	3	$ 27

(a) The outstanding balance includes principal, fees and accrued interest on Card Member loans and principal and fees on Card Member receivables.

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

4. Reserves for Losses

Reserves for losses relating to Card Member loans and receivables represent management's best estimate of the probable inherent losses in the Company's outstanding portfolio of loans and receivables, as of the balance sheet date. Management's evaluation process requires certain estimates and judgments.

Changes in Card Member Receivables Reserve for Losses

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

(Millions)	**2015**	2014
Balance, January 1	**$ 465**	$ 386
Provisions [a]	**174**	215
Net write-offs [b]	**(199)**	(170)
Other [c]	**(11)**	(17)
Balance, March 31	**$ 429**	$ 414

(a) Provisions for principal and fee reserve components.

(b) Consists of principal and fee components, less recoveries of $99 million and $92 million, including net write-offs from TDRs of $31 million and $2 million, for the three months ended March 31, 2015 and 2014, respectively.

(c) Beginning in the first quarter 2014, reserves for card-related fraud losses of $(7) million are included in Other liabilities. Also includes foreign currency translation adjustments of $(7) million and nil for the three months ended March 31, 2015 and 2014, respectively, and other items of $(4) million and $(10) million for the three months ended March 31, 2015 and 2014, respectively.

Card Member Receivables Evaluated Individually and Collectively for Impairment

The following table presents Card Member receivables evaluated individually and collectively for impairment and related reserves as of March 31, 2015 and December 31, 2014:

(Millions)	**2015**	2014
Card Member receivables evaluated individually for impairment [a]	**$ 28**	$ 48
Related reserves [a]	**$ 17**	$ 35
Card Member receivables evaluated collectively for impairment	**$ 43,675**	$ 44,803
Related reserves [b]	**$ 412**	$ 430

(a) Represents receivables modified as a TDR and related reserves.

(b) The reserves include the quantitative results of analytical models that are specific to individual pools of receivables, and reserves for internal and external qualitative risk factors that apply to receivables that are collectively evaluated for impairment.

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Changes in Card Member Loans Reserve for Losses

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

(Millions)	2015	2014
Balance, January 1	**$ 1,201**	$ 1,261
Provisions [a]	**235**	250
Net write-offs		
Principal [b]	**(259)**	(280)
Interest and fees [b]	**(43)**	(42)
Other [c]	**(4)**	2
Balance, March 31	**$ 1,130**	$ 1,191

(a) Provisions for principal, interest and fee reserve components.

(b) Consists of principal write-offs, less recoveries of $103 million and $107 million, including net write-offs/(recoveries) from TDRs of $16 million and $(2) million, for the three months ended March 31, 2015 and 2014, respectively. Recoveries of interest and fees were de minimis.

(c) Beginning in the first quarter 2014, reserves for card related fraud losses of $(6) million are included in Other liabilities. Also includes foreign currency translation adjustments of $(7) million and $(1) million for the three months ended March 31, 2015 and 2014, respectively, and other items of $3 million and $9 million for the three months ended March 31, 2015 and 2014, respectively.

Card Member Loans Evaluated Individually and Collectively for Impairment

The following table presents Card Member loans evaluated individually and collectively for impairment and related reserves as of March 31, 2015 and December 31, 2014:

(Millions)	2015	2014
Card Member loans evaluated individually for impairment [a]	**$ 305**	$ 286
Related reserves [a]	**$ 65**	$ 67
Card Member loans evaluated collectively for impairment [b]	**$ 66,530**	$ 70,099
Related reserves [b]	**$ 1,065**	$ 1,134

(a) Represents loans modified as a TDR and related reserves.

(b) Represents current loans and loans less than 90 days past due, loans over 90 days past due and accruing interest, and non-accrual loans. The reserves include the quantitative results of analytical models that are specific to individual pools of loans, and reserves for internal and external qualitative risk factors that apply to loans that are collectively evaluated for impairment.

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

5. Investment Securities

Investment securities principally include debt securities the Company classifies as available-for-sale and carries at fair value on the Consolidated Balance Sheets, with unrealized gains (losses) recorded in Accumulated Other Comprehensive Income (AOCI), net of income taxes. Realized gains and losses are recognized on a trade-date basis in results of operations upon disposition of the securities using the specific identification method.

The following is a summary of investment securities as of March 31, 2015 and December 31, 2014:

	2015				2014			
Description of Securities *(Millions)*	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
State and municipal obligations	**$ 3,196**	**$ 126**	**$ (1)**	**$ 3,321**	$ 3,366	$ 129	$ (2)	$ 3,493
U.S. Government agency obligations	**2**	**—**	**—**	**2**	3	—	—	3
U.S. Government treasury obligations	**346**	**6**	**—**	**352**	346	4	—	350
Corporate debt securities	**35**	**2**	**—**	**37**	37	3	—	40
Mortgage-backed securities [(a)]	**120**	**6**	**—**	**126**	128	8	—	136
Equity securities	**—**	**1**	**—**	**1**	—	1	—	1
Foreign government bonds and obligations	**518**	**11**	**—**	**529**	350	9	—	359
Other [(b)]	**50**	**—**	**(1)**	**49**	50	—	(1)	49
Total	**$ 4,267**	**$ 152**	**$ (2)**	**$ 4,417**	$ 4,280	$ 154	$ (3)	$ 4,431

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

(b) Other comprises investments in various mutual funds.

The following table provides information about the Company's investment 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, 2015 and December 31, 2014:

	2015				2014			
	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	**$ —**	**$ —**	**$ 40**	**$ (1)**	$ —	$ —	$ 72	$ (2)
Other	**—**	**—**	**33**	**(1)**	—	—	33	(1)
Total	**$ —**	**$ —**	**$ 73**	**$ (2)**	$ —	$ —	$ 105	$ (3)

The following table summarizes the gross unrealized losses due to temporary impairments by ratio of fair value to amortized cost as of March 31, 2015 and December 31, 2014:

	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
2015:									
90%–100%	**—**	**$ —**	**$ —**	**11**	**$ 73**	**$ (2)**	**11**	**$ 73**	**$ (2)**
Total as of March 31, 2015	**—**	**$ —**	**$ —**	**11**	**$ 73**	**$ (2)**	**11**	**$ 73**	**$ (2)**
2014:									
90%–100%	—	$ —	$ —	15	$ 105	$ (3)	15	$ 105	$ (3)
Total as of December 31, 2014	—	$ —	$ —	15	$ 105	$ (3)	15	$ 105	$ (3)

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The gross unrealized losses are attributed to overall wider credit spreads for state and municipal securities, wider credit spreads for specific issuers, adverse changes in market benchmark interest rates, or a combination thereof, all as compared to those prevailing when the investment securities were acquired.

Overall, for the investment securities in gross unrealized loss positions (i) the Company does not intend to sell the investment securities, (ii) it is more likely than not that the Company will not be required to sell the investment securities before recovery of the unrealized losses, and (iii) the Company expects that the contractual principal and interest will be received on the investment securities. As a result, the Company recognized no other-than-temporary impairment during the periods presented.

Supplemental Information

Gross realized gains on the sales of investment securities, included in Other revenues, were nil and $39 million for the three months ended March 31, 2015 and 2014, respectively. There were no realized losses for the three months ended March 31, 2015 or 2014.

Contractual maturities of investment securities with stated maturities as of March 31, 2015 were as follows:

(Millions)	Cost	Estimated Fair Value
Due within 1 year	**$ 736**	**$ 737**
Due after 1 year but within 5 years	**331**	**338**
Due after 5 years but within 10 years	**239**	**255**
Due after 10 years	**2,911**	**3,037**
Total	**$ 4,217**	**$ 4,367**

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

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

6. Asset Securitizations

The Company periodically securitizes Card Member receivables and loans arising from its card business through the transfer of those assets to securitization trusts. The trusts then issue securities to third-party investors, collateralized by the transferred assets.

The following table provides information on the restricted cash held by the American Express Issuance Trust II (the Charge Trust) and the American Express Credit Account Master Trust (the Lending Trust) as of March 31, 2015 and December 31, 2014, included in Other assets on the Company's Consolidated Balance Sheets:

(Millions)	**2015**	2014
Charge Trust	**$ 1**	$ 2
Lending Trust	**53**	62
Total	**$ 54**	$ 64

These amounts relate to collections of Card Member receivables and loans to be used by the trusts to fund future expenses and obligations, including interest paid on investor securities, credit losses and upcoming debt maturities.

American Express Travel Related Services Company, Inc. (TRS), which is a consolidated subsidiary of the Company, is the primary beneficiary of both the trusts. Excluding its consolidated subsidiaries, TRS owns approximately $1.2 billion of subordinated securities issued by the Lending Trust as of March 31, 2015 and December 31, 2014.

Under the respective terms of the Charge Trust and the Lending 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 investor securities. During the three months ended March 31, 2015 and the year ended December 31, 2014, no such triggering events occurred.

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

7. Customer Deposits

As of March 31, 2015 and December 31, 2014, customer deposits were categorized as interest bearing or non-interest bearing, as follows:

(Millions)	**2015**	2014
U.S.:		
Interest bearing	**$ 44,142**	$ 43,279
Non-interest bearing (includes Card Member credit balances of: 2015, $317 million; 2014, $372 million)	**356**	418
Non-U.S.:		
Interest bearing	**113**	115
Non-interest bearing (includes Card Member credit balances of: 2015, $306 million; 2014, $347 million)	**317**	359
Total customer deposits	**$ 44,928**	$ 44,171

Customer deposits by deposit type as of March 31, 2015 and December 31, 2014 were as follows:

(Millions)	**2015**	2014
U.S. retail deposits:		
Savings accounts – Direct	**$ 27,508**	$ 26,159
Certificates of deposit:		
Direct	**317**	333
Third-party	**7,384**	7,838
Sweep accounts – Third-party	**8,933**	8,949
Other retail deposits:		
Non-U.S. deposits and U.S. non-interest bearing deposits	**163**	173
Card Member credit balances — U.S. and non-U.S.	**623**	719
Total customer deposits	**$ 44,928**	$ 44,171

The scheduled maturities of certificates of deposit as of March 31, 2015 were as follows:

(Millions)	U.S.	Non-U.S.	Total
2015	**$ 1,115**	**$ 21**	**$ 1,136**
2016	**2,159**	**1**	**2,160**
2017	**1,493**	**—**	**1,493**
2018	**1,535**	**—**	**1,535**
2019	**1,327**	**—**	**1,327**
After 5 years	**72**	**—**	**72**
Total	**$ 7,701**	**$ 22**	**$ 7,723**

As of March 31, 2015 and December 31, 2014, certificates of deposit in denominations of $250,000 or more, in the aggregate, were as follows:

(Millions)	**2015**	2014
U.S.	**$ 109**	$ 111
Non-U.S.	**17**	17
Total	**$ 126**	$ 128

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

8. Contingencies

The Company is involved in a number of legal proceedings concerning matters arising out of the conduct of its business activities and is periodically subject to governmental and regulatory examinations, information gathering requests, subpoenas, inquiries and investigations (collectively, governmental examinations). As of March 31, 2015, the Company and various of its subsidiaries were named as a defendant or were otherwise involved in numerous legal proceedings and governmental examinations in various jurisdictions, both in and outside the U.S. The Company discloses its material legal proceedings and governmental examinations under Part II, Item 1. “Legal Proceedings” in this Quarterly Report on Form 10-Q and Part I, Item 3. “Legal Proceedings” in the Annual Report (collectively, Legal Proceedings).

The Company has recorded liabilities for certain of its outstanding legal proceedings and governmental examinations. A liability is accrued 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 accrued liability. The Company evaluates, on a quarterly basis, developments in legal proceedings and governmental examinations that could cause an increase or decrease in the amount of the liability that has been previously accrued or a revision to the disclosed estimated range of possible losses, as applicable.

The Company’s legal proceedings range from cases brought by a single plaintiff to class actions with millions of putative class members. These legal proceedings, as well as governmental examinations, involve various lines of business of the Company and a variety of claims (including, but not limited to, common law tort, contract, antitrust and consumer protection claims), some of which present novel factual allegations and/or unique legal theories. While some matters pending against the Company specify the damages claimed by the plaintiff, 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 the Company 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 the Company to estimate a range of possible loss.

Other matters have progressed sufficiently through discovery and/or development of important factual information and legal issues so that the Company is able to estimate a range of possible loss. Accordingly, for those legal proceedings and governmental examinations disclosed or referred to in Legal Proceedings where a loss is reasonably possible in future periods, whether in excess of a related accrued liability or where there is no accrued liability, and for which the Company is able to estimate a range of possible loss, the current estimated range is zero to $360 million in excess of any accrued liability related to these matters. This aggregate range represents management’s estimate of possible loss with respect to these matters and is based on currently available information. This estimated range of possible loss does not represent the Company’s maximum loss exposure. The legal proceedings and governmental examinations underlying the estimated range will change from time to time and actual results may vary significantly from current estimates.

Based on its current knowledge, and taking into consideration its litigation-related liabilities, the Company believes it is not a party to, nor are any of its properties the subject of, any pending legal proceeding or governmental examination that would have a material adverse effect on the Company’s consolidated financial condition or liquidity. However, in light of the uncertainties involved in such matters, the ultimate outcome of a particular matter could be material to the Company’s operating results for a particular period depending on, among other factors, the size of the loss or liability imposed and the level of the Company’s earnings for that period.

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

9. Derivatives and Hedging Activities

The Company uses derivative financial instruments (derivatives) to manage exposures to various market risks. These instruments derive their value from an underlying variable or multiple variables, including interest rate, foreign exchange rates, and equity index or price, 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 the Company's market risk management. The Company does not engage in derivatives for trading purposes.

In relation to the Company's credit risk, under the terms of the derivative agreements it has with its various counterparties, the Company is not required to either immediately settle any outstanding liability balances or post collateral upon the occurrence of a specified credit risk-related event. Based on the assessment of credit risk of the Company's derivative counterparties as of March 31, 2015 and December 31, 2014, the Company does not have derivative positions that warrant credit valuation adjustments.

The following table summarizes the total fair value, excluding interest accruals, of derivative assets and liabilities as of March 31, 2015 and December 31, 2014:

	Other Assets Fair Value		Other Liabilities Fair Value	
(Millions)	**2015**	2014	**2015**	2014
Derivatives designated as hedging instruments:				
Interest rate contracts				
Fair value hedges	**$ 372**	$ 314	**$ —**	$ 4
Foreign exchange contracts				
Net investment hedges	**408**	492	**115**	46
Total derivatives designated as hedging instruments	**780**	806	**115**	50
Derivatives not designated as hedging instruments:				
Foreign exchange contracts, including certain embedded derivatives [(a)]	**152**	185	**148**	114
Total derivatives, gross	**932**	991	**263**	164
Less: Cash collateral netting [(b)]	**(233)**	(158)	**—**	(4)
Derivative asset and derivative liability netting [(c)]	**(173)**	(122)	**(173)**	(122)
Total derivatives, net [(d)]	**$ 526**	$ 711	**$ 90**	$ 38

(a) Includes foreign currency derivatives embedded in certain operating agreements.

(b) Represents the offsetting of derivative instruments and the right to reclaim cash collateral (a receivable) or the obligation to return cash collateral (a payable) arising from derivative instrument(s) executed with the same counterparty under an enforceable master netting arrangement. Additionally, the Company received non-cash collateral from a counterparty in the form of security interests in U.S. Treasury securities with a fair value of $43 million and $91 million as of March 31, 2015 and December 31, 2014, respectively, none of which was sold or repledged. Such non-cash collateral economically reduced the Company's risk exposure to $483 million and $620 million as of March 31, 2015 and December 31, 2014, respectively, but did not reduce the net exposure on the Company's Consolidated Balance Sheets. Additionally, the Company posted $111 million and $114 million as of March 31, 2015 and December 31, 2014, respectively, as initial margin on its centrally cleared interest rate swaps; such amounts are recorded within Other receivables on the Company's Consolidated Balance Sheets and are not netted against the derivative balances.

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

(d) The Company has no individually significant derivative counterparties and therefore, no significant risk exposure to any single derivative counterparty. The total net derivative assets and derivative liabilities are presented within Other assets and Other liabilities on the Company's Consolidated Balance Sheets.

A majority of the Company's derivative assets and liabilities as of March 31, 2015 and December 31, 2014 are subject to master netting agreements with its derivative counterparties. In addition, the Company has no derivative amounts subject to enforceable master netting arrangements that are not offset on the Company's Consolidated Balance Sheets.

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Fair Value Hedges

Interest Rate Contracts

The Company is exposed to interest rate risk associated with its fixed-rate long-term debt. The Company uses interest rate swaps to economically convert certain fixed-rate debt obligations to floating-rate obligations at the time of issuance. As of both March 31, 2015 and December 31, 2014, the Company hedged $17.6 billion of its fixed-rate debt to floating-rate debt using interest rate swaps.

Total Return Contract

The Company hedged its exposure to changes in the fair value of its equity investment in Industrial and Commercial Bank of China (ICBC) in local currency. The Company used a total return contract (TRC) to transfer its exposure to its derivative counterparty. On July 18, 2014, the Company sold its remaining shares in ICBC and terminated the TRC.

The following table summarizes the impact on the Consolidated Statements of Income associated with the Company's fair value hedges for the three months ended March 31:

For the Three Months Ended March 31: *(Millions)*		Gains (losses) recognized in income					
		Derivative contract		Hedged item			
		Amount			Amount		Net hedge ineffectiveness
Derivative relationship	Income Statement Line Item	**2015**	2014	Income Statement Line Item	**2015**	2014	**2015** 2014
Interest rate contracts	Other expenses	**$ 63**	$ (51)	Other expenses	**$ (57)**	$ 51	**$ 6** $ —
Total return contract	Other non-interest revenues	**—**	13	Other non-interest revenues	**—**	(13)	**—** —

The Company also recognized a net reduction in interest expense on long-term debt of $70 million and $69 million for the three months ended March 31, 2015 and 2014, respectively, primarily related to the net settlements (interest accruals) on the Company's interest rate derivatives designated as fair value hedges.

Net Investment Hedges

The effective portion of the gain or (loss) on net investment hedges, net of taxes, recorded in AOCI as part of the cumulative translation adjustment was $195 million and $(17) million for the three months ended March 31, 2015 and 2014, respectively, with any ineffective portion recognized in Other expenses during the period of change. During the three months ended March 31, 2015 and 2014, the Company reclassified nil and $17 million, respectively, from AOCI to earnings as a component of Other expenses; no ineffectiveness was recognized in either of these two periods.

The following table summarizes the impact on the Consolidated Statements of Income associated with the Company's derivatives not designated as hedges for the three months ended March 31:

		Pretax gains (losses)	
		Amount	
Description *(Millions)*	Income Statement Line Item	**2015**	2014
Foreign exchange contracts [(a)]	Other expenses	**(45)**	134
Total		**$ (45)**	$ 134

(a) Foreign exchange contracts include forwards and embedded foreign currency derivatives. Gains (losses) on these embedded derivatives are included in Other expenses.

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

10. Fair Values

Financial Assets and Financial Liabilities Carried at Fair Value

The following table summarizes the Company's financial assets and financial liabilities measured at fair value on a recurring basis, categorized by GAAP's valuation hierarchy, as of March 31, 2015 and December 31, 2014:

	2015				2014			
(Millions)	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets:								
Investment securities: [a]								
Equity securities	**$ 1**	**$ 1**	**$ —**	**$ —**	$ 1	$ 1	$ —	$ —
Debt securities and other	**4,416**	**352**	**4,064**	**—**	4,430	350	4,080	—
Derivatives [a]	**932**	**—**	**932**	**—**	991	—	991	—
Total assets	**5,349**	**353**	**4,996**	**—**	5,422	351	5,071	—
Liabilities:								
Derivatives [a]	**263**	**—**	**263**	**—**	164	—	164	—
Total liabilities	**$ 263**	**$ —**	**$ 263**	**$ —**	$ 164	$ —	$ 164	$ —

(a) Refer to Note 5 for the fair values of investment securities and to Note 9 for the fair values of derivative assets and liabilities, on a further disaggregated basis.

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The following table summarizes the estimated fair values of the Company's financial assets and financial liabilities that are not required to be carried at fair value on a recurring basis, as of March 31, 2015 and December 31, 2014. The fair values of these financial instruments are estimates based upon the market conditions and perceived risks as of March 31, 2015 and December 31, 2014, and require management judgment. These figures may not be indicative of future fair values, nor can the fair value of the Company be reliably estimated by aggregating the amounts presented.

	Carrying	**Corresponding Fair Value Amount**			
2015 *(Billions)*	**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	**$ 24**	**$ 24**	**$ 23**	**$ 1**[a]	**$ —**
Other financial assets [b]	**46**	**46**	**—**	**46**	**—**
Financial assets carried at other than fair value					
Loans, net	**67**	**67**[c]	**—**	**—**	**67**
Financial Liabilities:					
Financial liabilities for which carrying values equal or approximate fair value	**59**	**59**	**—**	**59**	**—**
Financial liabilities carried at other than fair value					
Certificates of deposit [d]	**8**	**8**	**—**	**8**	**—**
Long-term debt	**$ 55**	**$ 57**[c]	**$ —**	**$ 57**	**$ —**

	Carrying	Corresponding Fair Value Amount			
2014 *(Billions)*	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	$ 22	$ 22	$ 21	$ 1[a]	$ —
Other financial assets [b]	48	48	—	48	—
Financial assets carried at other than fair value					
Loans, net	70	71[c]	—	—	71
Financial Liabilities:					
Financial liabilities for which carrying values equal or approximate fair value	61	61	—	61	—
Financial liabilities carried at other than fair value					
Certificates of deposit [d]	8	8	—	8	—
Long-term debt	$ 58	$ 60[c]	$ —	$ 60	$ —

(a) Reflects time deposits.

(b) Includes accounts receivable (including fair values of Card Member receivables of $6.0 billion and $7.0 billion held by consolidated VIEs as of March 31, 2015 and December 31, 2014, respectively), restricted cash and other miscellaneous assets.

(c) Includes fair values of loans of $27.5 billion and $29.9 billion, and long-term debt of $16.5 billion and $19.5 billion, held by consolidated VIEs as of March 31, 2015 and December 31, 2014, respectively.

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

Nonrecurring Fair Value Measurements

The Company has 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 determined to be impaired. During the three months ended March 31, 2015 and during the year ended December 31, 2014, the Company did not have any material assets that were measured at fair value due to impairment.

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

11. Guarantees

The Company provides Card Member protection plans that cover losses associated with purchased products, as well as certain other guarantees and indemnifications in the ordinary course of business.

In relation to its maximum potential undiscounted future payments as shown in the table that follows, to date the Company has not experienced any significant losses related to guarantees or indemnifications. The Company's initial recognition of these instruments is at fair value. In addition, the Company establishes reserves when a loss is probable and the amount can be reasonably estimated.

The following table provides information related to such guarantees and indemnifications as of March 31, 2015 and December 31, 2014:

	Maximum potential undiscounted future payments [a] *(Billions)*		Related liability [b] *(Millions)*	
Type of Guarantee	**2015**	2014	**2015**	2014
Return and Merchant Protection	**$ 38**	$ 37	**$ 45**	$ 44
Other [c]	**8**	8	**57**	67
Total	**$ 46**	$ 45	**$ 102**	$ 111

(a) Represents the notional amounts that could be lost under the guarantees and indemnifications if there were a total default by the guaranteed parties. The maximum potential undiscounted future payments for Merchant Protection are measured using management's best estimate of maximum exposure based on all eligible claims in relation to annual billed business volumes.

(b) Included in Other liabilities on the Company's Consolidated Balance Sheets.

(c) Primarily includes guarantees related to the Company's purchase protection, business dispositions, and real estate.

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

12. Changes In Accumulated Other Comprehensive Loss

Accumulated Other Comprehensive Loss 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, 2015 and 2014 were as follows:

2015 *(Millions)* , net of tax	Net Unrealized Gains (Losses) on Investment Securities	Foreign Currency Translation Adjustments	Net Unrealized Pension and Other Postretirement Gains (Losses)	Accumulated Other Comprehensive Loss
Balances as of December 31, 2014	$ 96	$ (1,499)	$ (516)	$ (1,919)
Net translation loss of investments in foreign operations		**(450)**		**(450)**
Net gains related to hedges of investments in foreign operations		**195**		**195**
Pension and other postretirement benefit gains			**23**	**23**
Net change in accumulated other comprehensive (loss) income	**—**	**(255)**	**23**	**(232)**
Balances as of March 31, 2015	**$ 96**	**$ (1,754)**	**$ (493)**	**$ (2,151)**

2014 *(Millions)* , net of tax	Net Unrealized Gains (Losses) on Investment Securities	Foreign Currency Translation Adjustments	Net Unrealized Pension and Other Postretirement Gains (Losses)	Accumulated Other Comprehensive Loss
Balances as of December 31, 2013	$ 63	$ (1,090)	$ (399)	$ (1,426)
Net unrealized gains	68			68
(Decrease) increase due to amounts reclassified into earnings	(29)	1		(28)
Net translation loss of investments in foreign operations		(18)		(18)
Net losses related to hedges of investments in foreign operations		(17)		(17)
Pension and other postretirement benefit gains			27	27
Net change in accumulated other comprehensive income (loss)	39	(34)	27	32
Balances as of March 31, 2014	$ 102	$ (1,124)	$ (372)	$ (1,394)

The following table presents the effects of reclassifications out of AOCI and into the Consolidated Statements of Income for the three months ended March 31, 2015 and 2014:

		Gains (losses) recognized in earnings	
	Income Statement	Amount	
Description *(Millions*)	Line Item	**2015**	2014
Available-for-sale securities			
Net gain in AOCI reclassifications for previously unrealized net gains on investment securities	Other non-interest revenues	**$ —**	$ 45
Related income tax expense	Income tax provision	**—**	(16)
Reclassification to net income related to available-for sale securities		**—**	29
Foreign currency translation adjustments			
Reclassification of realized losses on translation adjustments and related hedges	Other expenses	**—**	(2)
Related income tax benefit	Income tax provision	**—**	1
Reclassification of foreign currency translation adjustments		**—**	(1)
Total		**$ —**	$ 28

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

13. Non-Interest Revenue and Expense Detail

The following is a detail of Other commissions and fees for the three months ended March 31:

(Millions)	**2015**	2014
Foreign currency conversion fee revenue	**$ 211**	$ 213
Delinquency fees	**195**	181
Loyalty Partner-related fees	**91**	91
Service fees	**87**	90
Other [a]	**35**	43
Total Other commissions and fees	**$ 619**	$ 618

(a) Other primarily includes revenues from fees related to Membership Rewards programs.

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

(Millions)	**2015**	2014
Global Network Services partner revenues	**$ 164**	$ 158
Net realized gains on investment securities	**—**	39
Other [a]	**304**	304
Total Other revenues	**$ 468**	$ 501

(a) Other includes revenues arising from net revenue earned on cross-border Card Member spending, merchant-related fees, insurance premiums earned from Card Member travel and other insurance programs, Travelers Cheques-related revenues, revenues related to the GBT JV transition services agreement, earnings from equity method investments (including the GBT JV) and other miscellaneous revenue and fees.

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

(Millions)	**2015**	2014
Professional services	**$ 624**	$ 692
Occupancy and equipment	**434**	462
Card and merchant-related fraud losses [a]	**100**	84
Communications	**88**	93
Other [b]	**153**	218
Total Other, net	**$ 1,399**	$ 1,549

(a) Beginning January 1, 2015, merchant-related fraud losses are reported within Other expenses.

(b) Other expense includes general operating expenses, gains (losses) on sale of assets or businesses not classified as discontinued operations, litigation, certain internal and regulatory review-related reimbursements and insurance costs or settlements, investment impairments, certain Loyalty Partner-related expenses and foreign currency-related gains and losses (including the favorable impact from the reassessment of the functional currency of certain UK legal entities in the three months ended March 31, 2015).

14. Income Taxes

The effective tax rate was 34.2 percent and 35.1 percent for the three months ended March 31, 2015 and 2014, respectively. The tax rates in both periods primarily reflected the level of pretax income in relation to recurring permanent tax benefits and the geographic mix of business. Additionally, the effective tax rate in both periods reflected the resolution of certain prior years' tax items.

The Company is under continuous examination by the Internal Revenue Service (IRS) and tax authorities in other countries and states in which the Company has significant business operations. The tax years under examination and open for examination vary by jurisdiction. The IRS has completed its field examination of the Company's federal tax returns for years through 2007; however, refund claims for certain years continue to be reviewed by the IRS. In addition, the Company is currently under examination by the IRS for the years 2008 through 2011.

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The Company believes it is reasonably possible that its unrecognized tax benefits could decrease within the next 12 months by as much as $430 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 $430 million of unrecognized tax benefits, approximately $317 million relates to amounts that if recognized would be recorded to shareholders' equity and would not impact the Company's results of operations or its effective tax rate.

15. Earnings Per Common Share (EPS); Preferred Shares

EPS

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

(Millions, except per share amounts)		**2015**		2014
Numerator:				
Basic and diluted:				
Net income	**$**	**1,525**	$	1,432
Earnings allocated to participating share awards [a]		**(11)**		(12)
Net income attributable to common shareholders	**$**	**1,514**	$	1,420
Denominator: [a]				
Basic: Weighted-average common stock	**$**	**1,019**		1,060
Add: Weighted-average stock options [b]		**4**		7
Diluted	**$**	**1,023**		1,067
Basic EPS	**$**	**1.49**	$	1.34
Diluted EPS	**$**	**1.48**	$	1.33

(a) The Company's 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 0.5 million and 0.2 million of options from the computation of EPS for the three months ended March 31, 2015 and 2014, respectively, because inclusion of the options would have been anti-dilutive.

For the three months ended March 31, 2015 and 2014, the Company met specified performance measures related to the $750 million of Subordinated Debentures issued in 2006, and maturing in 2036. If the performance measures were not achieved in any given quarter, the Company would be required to issue common shares and apply the proceeds to make interest payments.

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Preferred Shares

The Board of Directors is authorized to permit the Company to issue up to 20 million Preferred Shares at a par value of $1.66 2/3 without further shareholder approval. The Company has the following perpetual Fixed Rate/Floating Rate Noncumulative Preferred Share series issued and outstanding as of March 31, 2015:

	Series B	Series C
Issuance date	November 10, 2014	March 2, 2015
Securities issued	750 Preferred Shares; represented by 750,000 depositary shares	850 Preferred Shares; represented by 850,000 depositary shares
Aggregate liquidation preference	$750 million	$850 million
Fixed dividend rate per annum	5.20%	4.90%
Semi-annual fixed dividend payment dates	Beginning May 15, 2015	Beginning September 15, 2015
Floating dividend rate per annum	3 month LIBOR+ 3.428%	3 month LIBOR+ 3.285%
Quarterly floating dividend payment dates	Beginning February 15, 2020	Beginning June 15, 2020
Fixed to floating rate conversion date [(a)]	November 15, 2019	March 15, 2020

(a) The date on which dividends convert from a fixed rate calculation to a floating rate calculation.

The Company may redeem these Preferred Shares at $1 million per Preferred Share (equivalent to $1,000 per depositary share) plus any declared but unpaid dividends in whole or in part, from time to time, on any dividend payment date on or after the respective fixed to floating rate conversion date, or in whole, but not in part, within 90 days of certain bank regulatory changes.

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

16. Reportable Operating Segments

The Company is a leading global payments and travel company that is principally engaged in businesses comprising four reportable operating segments: USCS, ICS, GCS and Global Network & Merchant Services (GNMS). Corporate functions and certain other businesses, including the Company's Enterprise Growth Group, as well as other Company operations are included in Corporate & Other.

The following table presents certain selected financial information for the three months ended March 31:

(Millions)	**2015**	2014
Non-interest revenues:		
USCS	**$ 3,148**	$ 2,991
ICS	**1,061**	1,157
GCS	**871**	1,249
GNMS	**1,270**	1,293
Corporate & Other, including adjustments and eliminations [a]	**153**	146
Total	**$ 6,503**	$ 6,836
Interest income:		
USCS	**$ 1,529**	$ 1,423
ICS	**244**	277
GCS	**4**	4
GNMS	**20**	10
Corporate & Other, including adjustments and eliminations [a]	**60**	62
Total	**$ 1,857**	$ 1,776
Interest expense:		
USCS	**$ 152**	$ 150
ICS	**64**	82
GCS	**48**	59
GNMS	**(54)**	(62)
Corporate & Other, including adjustments and eliminations [a]	**200**	210
Total	**$ 410**	$ 439
Total revenues net of interest expense:		
USCS	**$ 4,525**	$ 4,264
ICS	**1,241**	1,352
GCS	**827**	1,194
GNMS	**1,344**	1,365
Corporate & Other, including adjustments and eliminations [a]	**13**	(2)
Total	**$ 7,950**	$ 8,173
Net income:		
USCS	**$ 934**	$ 876
ICS	**134**	159
GCS	**180**	184
GNMS	**444**	443
Corporate & Other, including adjustments and eliminations (loss) [a]	**(167)**	(230)
Total	**$ 1,525**	$ 1,432

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

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Business Introduction

When we use the terms "American Express," "the Company," "we," "our" or "us," we mean American Express Company and its subsidiaries on a consolidated basis, unless we state or the context implies otherwise.

We are a global services company with four reportable operating segments: U.S. Card Services (USCS), International Card Services (ICS), Global Commercial Services (GCS) and Global Network & Merchant Services (GNMS). We provide our customers with access to products, insights and experiences that enrich lives and build business success. Our principal products and services are charge and credit payment card products and travel-related services offered to consumers and businesses around the world. Business travel-related services are offered through the non-consolidated joint venture, American Express Global Business Travel (GBT JV). Prior to July 1, 2014, the business travel operations were wholly owned. Our range of products and services includes:

- charge and credit card products;
- expense management products and services;
- travel-related services;
- stored-value/prepaid products;
- network services;
- merchant acquisition and processing, servicing and settlement, and point-of-sale, marketing and information products and services for merchants; and
- fee services, including fraud prevention services and the design and operation of customized customer loyalty and rewards programs.

Our products and services are sold globally to diverse customer groups, including consumers, small businesses, mid-sized companies and large corporations. These products and services are sold through various channels, including direct mail, online applications, in-house and third-party sales forces and direct response advertising.

We compete in the global payments industry with charge, credit and debit card networks, issuers and acquirers, as well as evolving and growing alternative payment providers. As the payments industry continues to evolve, we face increasing competition from non-traditional players that leverage new technologies and customers' existing accounts and relationships to create payment or other fee-based solutions. We are transforming our existing businesses and creating new products and services for the digital marketplace as we seek to enhance our customers' digital experiences and develop platforms for online and mobile commerce.

Our products and services generate the following types of revenue for the Company:

- Discount revenue, our largest revenue source, which represents fees generally charged to merchants when Card Members use their cards to purchase goods and services at merchants on our network;
- Net card fees, which represent revenue earned from annual card membership fees;
- Travel commissions and fees, which are earned by charging a transaction or management fee to both customers and suppliers for travel-related transactions (business travel commissions and fees included through June 30, 2014);

- Other commissions and fees, which are earned on foreign exchange conversions, card-related fees, such as late fees and assessments, Loyalty Partner-related fees and other service fees;
- Other revenue, which represents revenues arising from contracts with partners of our Global Network Services (GNS) business (including commissions and signing fees), insurance premiums earned from Card Member travel and other insurance programs, prepaid card-related revenues, revenues related to the GBT JV transition services agreement, earnings from equity method investments (including the GBT JV after June 30, 2014) and other miscellaneous revenue and fees; and
- Interest on loans, which principally represents interest income earned on outstanding balances.

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 constitute 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 Company 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.

Current Business Environment/Outlook

Our results for the first quarter of 2015 reflected higher spending by our Card Members, growth in average Card Member loans, credit quality indicators near historical lows and continued control over operating expenses. Our results also reflected the adverse impact of a strengthening U.S. dollar. Our strong balance sheet allowed us to return a substantial amount of capital to our shareholders in the form of repurchases and dividends during the quarter.

Earnings per share growth for the first quarter of 2015 was higher than our full-year expectations, in part due to the timing of our spending on growth initiatives that we expect to ramp up over the course of the year, as well as some benefits in operating expenses and provision costs that are not expected to continue later this year. We also expect the remainder of the year to be adversely impacted by several challenges discussed further below.

In the first quarter of 2015, we continued to see an increase in Card Member billed business. The impact of changes in foreign exchange rates, lower gas prices, slower retail sales growth and a slowdown in spending by corporate customers in the U.S. led to a modest deceleration of the billed business growth rate in the first quarter. The termination of our relationship with Costco in Canada also had an impact on billed business.

The growth of worldwide Card Member loans during the first quarter of 2015 contributed to an increase in net interest income. Credit performance remained strong although we expect provision for losses to increase during the remainder of 2015.

Operating expenses for the first quarter of 2015 decreased on a reported basis, as well as after excluding business travel expenses incurred in the first quarter of 2014. Operating expenses benefited from the strengthening U.S. dollar in the quarter. We remain committed to containing operating expense growth in 2015.

While our business is diversified by product and geography, including a range of consumer and commercial card offerings, a large international business and GNS partners around the world, which we believe provide a range of growth opportunities, as noted above, we continue to face a number of challenges in 2015.

Global economic growth remains uneven. In addition, our first quarter 2015 results were negatively impacted by the strengthening U.S. dollar, and we continue to expect foreign exchange will have an adverse impact for the remainder of 2015. Our results could also be adversely affected by increases in short-term interest rates or the failure of the U.S. Congress to continue the renewal of legislation regarding our active financing income, which could increase our effective tax rate and have an adverse impact on net income in 2015 and beyond.

Regulation of the payments industry has increased significantly in recent years and various governments around the world have established or are proposing to establish payment system regulatory regimes. See “Certain Legislative, Regulatory and Other Developments” for additional information on the legislative and regulatory environment, including the potential impacts of regulatory changes in the card payment sector in the European Union (EU).

Competition also remains extremely intense across the payments industry. Within the co-brand space, more intense competition has generally increased our cost of renewing and extending co-brand relationships. During the first quarter of 2015, Card Member rewards expense and cost of Card Member services grew, both reflecting a portion of the increased costs related to recently renewed co-brand relationships. For the remainder of 2015, we expect to see a continued impact of these renegotiated relationships.

As previously announced, our co-brand and merchant acceptance agreements with Costco in the U.S. will not be renewed and are set to expire on March 31, 2016. We have started to see some slowing of new Costco U.S. co-brand Card Member acquisitions, which, along with any future customer behavior changes we may experience, will likely begin to adversely impact our results in 2015. We intend to make investments to attract Card Members, including those from the Costco co-brand relationship, by offering them attractive products from our suite of proprietary offerings. We will also be making investments in other growth initiatives across our Company that we believe offer more attractive returns over time and position us for continued long-term growth. As a result, we expect annual marketing and promotion expenses in 2015 to be relatively similar to the elevated level of 2014.

In light of the overall impact of all of these challenges and our intent to invest aggressively to proactively prepare for the end of the Costco U.S. partnership in 2016, we expect full year 2015 earnings per share growth to be flat to modestly down. Additionally, as a result of the timing of our incremental spending on growth initiatives ramping up over the course of the year, along with the prior year benefits from the sale of our investment in Concur and the GBT JV transaction and other factors, it is also likely that quarterly earnings performance will be more uneven in 2015 than it has been historically while we go through this transitional period. In 2016, we expect to return to positive earnings per share growth and in 2017 and beyond, we expect to return to 12 to 15 percent earnings per share growth, within our target range.

As previously disclosed, on February 19, 2015, a trial court ruled in favor of the U.S. Department of Justice (DOJ) in a case challenging provisions in our Card acceptance agreements with merchants that prohibit merchants from discriminating against our Card products at the point of sale. See “Certain Legislative, Regulatory and Other Developments” for additional information on the potential impacts of an adverse decision on our business.

American Express Company
Consolidated Results of Operations

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

As a result of the GBT JV transaction, we deconsolidated the Global Business Travel (GBT) net assets, effective June 30, 2014, resulting in a lack of comparability between the three months ended March 31, 2015 and March 31, 2014.

Table 1: Summary of Financial Performance

	Three Months Ended March 31,		Change	
(Millions, except percentages and per share amounts)	**2015**	2014	2015 vs. 2014	
Total revenues net of interest expense	**$ 7,950**	$ 8,173	$ (223)	(3)%
Provisions for losses	**420**	485	(65)	(13)
Expenses	**5,214**	5,480	(266)	(5)
Net income	**1,525**	1,432	93	6
Earnings per common share — diluted [a]	**$ 1.48**	$ 1.33	$ 0.15	11 %
Return on average equity [b]	**29.0%**	28.3%		
Return on average tangible common equity [c]	**36.2%**	35.4%		

(a) Earnings per common share — diluted was reduced by the impact of earnings allocated to participating share awards and other items of $11 million and $12 million for three months ended March 31, 2015 and 2014, respectively.

(b) ROE is computed by dividing (i) one-year period net income ($6.0 billion and $5.5 billion for March 31, 2015 and 2014, respectively) by (ii) one-year average total shareholders' equity ($20.6 billion and $19.4 billion for March 31, 2015 and 2014, respectively).

(c) Return on average tangible common equity, a non-GAAP measure, is computed in the same manner as ROE except the computation of average tangible common equity, a non-GAAP measure, excludes from average total shareholders' equity, average goodwill and other intangibles of $3.8 billion and $4.0 billion as of March 31, 2015 and 2014, respectively, and average preferred shares of $350 million as of March 31, 2015. We believe return on average tangible common equity is a useful measure of the profitability of our business.

Table 2: Total Revenue Net of Interest Expense Summary

	Three Months Ended March 31,		Change	
(Millions, except percentages)	**2015**	2014	2015 vs. 2014	
Discount revenue	**$ 4,660**	$ 4,620	$ 40	1 %
Net card fees	**667**	674	(7)	(1)
Travel commissions and fees	**89**	423	(334)	(79)
Other commissions and fees	**619**	618	1	—
Other	**468**	501	(33)	(7)
Total non-interest revenues	**6,503**	6,836	(333)	(5)
Total interest income	**1,857**	1,776	81	5
Total interest expense	**410**	439	(29)	(7)
Net interest income	**1,447**	1,337	110	8
Total revenues net of interest expense	**$ 7,950**	$ 8,173	$ (223)	(3)%

Total Revenues Net of Interest Expense

Discount revenue increased $40 million or 1 percent for the three months ended March 31, 2015, as compared to the same period in the prior year, and excluding the impact of changes in foreign exchange rates, increased 4 percent. [1] The increase was due to growth in billed business of 3 percent, which continued to outpace discount revenue, driven by a decrease in the average discount rate, faster growth in GNS billings than in overall Company billings, increases in cash incentives, and higher contra-revenues related to renewed co-brand relationship payments. Billed business increased 6 percent in the U.S. and decreased 3 percent outside the U.S., as compared to the same period in the prior year. Billed business outside the U.S. increased 8 percent when excluding the impact from foreign exchange rates. [1]

The average discount rate was 2.49 percent and 2.51 percent for the three months ended March 31, 2015 and 2014, respectively. The decrease in the average discount rate was driven by certain contract signings and payments to merchant partners, growth of the OptBlue program, and changes in industry mix, partially offset by the decline in Costco Canada merchant volume due to the expiration of our merchant agreement and changes in foreign exchange rates. Changes in the mix of spending by location and industry, volume-related pricing discounts, strategic investments, certain pricing initiatives, competition, pricing regulation (including regulation of competitors' interchange rates) and other factors will likely result in continued erosion of our discount rate over time. See Tables 5 and 6 for more details on billed business performance and the average discount rate.

Net card fees decreased $7 million or 1 percent for the three months ended March 31, 2015 as compared to the same period in the prior year, and excluding the impact of changes in foreign exchange rates, increased 4 percent, primarily driven by higher basic cards-in-force in USCS. [1]

Travel commissions and fees decreased $334 million or 79 percent for the three months ended March 31, 2015, as compared to the same period in the prior year, primarily due to the business travel joint venture transaction, resulting in a lack of comparability between periods.

Other commissions and fees remained flat for the three months ended March 31, 2015, as compared to the same period in the prior year, and excluding the impact of changes in foreign exchange rates, increased 9 percent, primarily driven by higher delinquency fees and higher revenue from our Loyalty Partner business. [1]

Other revenue decreased $33 million or 7 percent for the three months ended March 31, 2015, as compared to the same period in the prior year, and excluding the impact of foreign exchange rates, was flat, primarily driven by a prior-year gain related to the sale of investment securities in the Industrial and Commercial Bank of China (ICBC), offset by revenues earned related to the GBT JV transition services agreement. [1]

Interest income increased $81 million or 5 percent for the three months ended March 31, 2015, as compared to the same period in the prior year, primarily reflecting higher average Card Member loans.

Interest expense decreased $29 million or 7 percent for the three months ended March 31, 2015, as compared to the same period in the prior year, primarily driven by a lower cost of funds, partially offset by higher average long-term debt.

[1] The foreign currency adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars (i.e., assumes the foreign exchange rates used to determine results for the current year apply to the corresponding year period against which such results are being compared). Certain amounts included in the calculations of foreign currency-adjusted revenues and expenses, which constitute non-GAAP measures, are subject to management allocations. 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.

Table 3: Provisions for Losses Summary

(Millions, except percentages)	Three Months Ended March 31, 2015	2014	Change 2015 vs. 2014	
Charge card	**$ 174**	$ 215	$ (41)	(19)%
Card Member loans	**235**	250	(15)	(6)
Other	**11**	20	(9)	(45)
Total provisions for losses	**$ 420**	$ 485	$ (65)	(13)%

Provisions for Losses

Charge card provision for losses decreased $41 million or 19 percent for the three months ended March 31, 2015, as compared to the same period in the prior year, primarily driven by a reserve release versus a reserve build in the prior year. Card Member loans provision for losses decreased $15 million or 6 percent for the three months ended March 31, 2015, as compared to the same period in the prior year, driven primarily by lower net write-offs, partially offset by higher Card Member loan balances.

Table 4: Expenses Summary

(Millions, except percentages)	Three Months Ended March 31, 2015	2014	Change 2015 vs. 2014	
Marketing and promotion	**$ 609**	$ 587	$ 22	4 %
Card Member rewards	**1,640**	1,582	58	4
Card Member services and other	**261**	222	39	18
Salaries and employee benefits	**1,305**	1,540	(235)	(15)
Other, net	**1,399**	1,549	(150)	(10)
Total expenses	**$ 5,214**	$ 5,480	$ (266)	(5)%

Expenses

Marketing and promotion expense increased $22 million or 4 percent for the three months ended March 31, 2015, as compared to the same period in the prior year, and excluding the impact of changes in foreign exchange rates, increased 9 percent, driven by higher investments in growth initiatives, predominantly within the USCS segment. [2]

Card Member rewards expense increased $58 million or 4 percent for the three months ended March 31, 2015, as compared to the same period in the prior year. The increase was primarily due to higher co-brand rewards expense of $71 million, driven by higher spending volumes and rate impacts, due, in part, to renewed co-brand partnerships. The increase in co-brand rewards expense was partially offset by lower Membership Rewards expense of $13 million driven by a decrease of $31 million as a result of slower growth in the Membership Rewards ultimate redemption rate (URR) and a decline in the weighted average cost per point for Membership Rewards, partially offset by an $18 million increase related to new points earned. The Membership Rewards URR for current program participants remained 95 percent *(rounded up)* at March 31, 2015, in line with December 31, 2014.

Card Member services and other expense increased $39 million or 18 percent for the three months ended March 31, 2015, as compared to the same period in the prior year. Excluding the impact of changes in foreign exchange rates, Card Member services and other expense increased 23 percent, [2] primarily driven by higher costs related to renewed co-brand partnerships.

[2] Refer to footnote 1 on page 33 for details regarding foreign currency adjusted information.

Salaries and employee benefits expense decreased $235 million or 15 percent for the three months ended March 31, 2015, as compared to the same period in the prior year, primarily driven by the business travel joint venture transaction, resulting in a lack of comparability between periods.

Other expense decreased $150 million or 10 percent for the three months ended March 31, 2015, as compared to the same period in the prior year, primarily driven by the business travel joint venture transaction, resulting in a lack of comparability between periods, and a favorable impact from foreign currency net gains (including the favorable impact from the reassessment of the functional currency of certain UK legal entities in the three months ended March 31, 2015).

Income Taxes

The effective tax rate was 34.2 percent and 35.1 percent for the three months ended March 31, 2015, and 2014, respectively. The tax rates in both periods primarily reflected the level of pretax income in relation to permanent tax benefits and geographic mix of business. Additionally, the effective tax rates in both periods reflected the resolution of certain prior years' tax items.

Table 5: Selected Statistical Information

	Three Months Ended March 31,		Change
	2015	2014	2015 vs. 2014
Card billed business: *(billions)*			
United States	**$ 169.2**	$ 159.2	6 %
Outside the United States	**76.4**	78.9	(3)
Total	**$ 245.6**	$ 238.1	3
Total cards-in-force: *(millions)*			
United States	**54.8**	53.5	2
Outside the United States	**57.4**	54.7	5
Total	**112.2**	108.2	4
Basic cards-in-force: *(millions)*			
United States	**42.4**	41.5	2
Outside the United States	**47.3**	44.6	6
Total	**89.7**	86.1	4
Average discount rate [a]	**2.49%**	2.51%	
Average basic Card Member spending [b]	**$ 4,008**	$ 3,991	—
Average fee per card [b]	**$ 39**	$ 40	(3)
Average fee per card adjusted [b]	**$ 44**	$ 45	(2)%

(a) In the three months ended March 31, 2015, we changed the classification related to certain payments to partners, reducing both discount revenue and marketing and promotion expense. The misclassification in prior periods has been revised to conform to the current period presentation. Accordingly, the average discount rate for prior periods was also revised, resulting in a reduction of between zero and one basis point in any period from what was originally reported.

(b) Average basic Card Member spending and average fee per card are computed from proprietary card activities only. Average fee per card is computed based on net card fees, including the amortization of deferred direct acquisition costs divided by average worldwide proprietary cards-in-force. The adjusted average fee per card, which is a non-GAAP measure, is computed in the same manner, but excludes amortization of deferred direct acquisition costs. The amount of amortization excluded was $83 million and $73 million for the three months ended March 31, 2015 and 2014, respectively. We present adjusted average fee per card because we believe this metric presents a useful indicator of card fee pricing across a range of our proprietary card products.

Table 6: Selected Statistical Information

	Three Months Ended March 31, 2015	
	Percentage Increase (Decrease)	Percentage Increase Assuming No Changes in Foreign Exchange Rates [a]
Worldwide [b]		
Billed business	**3%**	**7%**
Proprietary billed business	**2**	**5**
GNS billed business [c]	**7**	**16**
Airline-related volume (9% of worldwide billed business)	**(3)**	**2**
United States [b]		
Billed business	**6**	
Proprietary consumer card billed business [d]	**6**	
Proprietary small business billed business [d]	**7**	
Proprietary corporate services billed business [e]	**4**	
T&E-related volume (27% of U.S. billed business)	**5**	
Non-T&E-related volume (73% of U.S. billed business)	**6**	
Airline-related volume (9% of U.S. billed business)	**—**	
Outside the United States [b]		
Billed business	**(3)**	**8**
Japan, Asia Pacific & Australia (JAPA) billed business	**6**	**16**
Latin America & Canada (LACC) billed business	**(14)**	**(4)**
Europe, the Middle East & Africa (EMEA) billed business	**(7)**	**8**
Proprietary consumer and small business billed business [f]	**(10)**	**2**
JAPA billed business	**(2)**	**10**
LACC billed business	**(26)**	**(17)**
EMEA billed business	**(6)**	**10**
Proprietary corporate services billed business [e]	**(10)%**	**3%**

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

(b) Captions in the table above not designated as “proprietary” or “GNS” include both proprietary and GNS data.

(c) Included in the GNMS segment.

(d) Included in the USCS segment.

(e) Included in the GCS segment.

(f) Included in the ICS segment.

Table 7: Selected Statistical Information

(Millions, except percentages and where indicated)	As of or for the Three Months Ended March 31, 2015	2014	Change 2015 vs. 2014
Worldwide Card Member receivables:			
Total receivables *(billions)*	**$ 43.7**	$ 44.7	(2)%
Loss reserves:			
Beginning balance	**$ 465**	$ 386	20
Provisions [a]	**174**	215	(19)
Net write-offs [b]	**(199)**	(170)	17
Other [c]	**(11)**	(17)	(35)
Ending balance	**$ 429**	$ 414	4
% of receivables	**1.0%**	0.9%	
Net write-off rate — principal only — USCS/ICS [d]	**2.1%**	1.8%	
Net write-off rate — principal and fees — USCS/ICS [d]	**2.3%**	2.0%	
30 days past due as a % of total — USCS/ICS	**1.6%**	1.7%	
Net loss ratio as a % of charge volume — GCS	**0.10%**	0.09%	
90 days past billing as a % of total — GCS	**0.7%**	0.7%	
Worldwide Card Member loans:			
Total loans *(billions)*	**$ 66.8**	$ 64.0	4
Loss reserves:			
Beginning balance	**$ 1,201**	$ 1,261	(5)
Provisions [a]	**235**	250	(6)
Net write-offs — principal only [b]	**(259)**	(280)	(8)
Net write-offs — interest and fees [b]	**(43)**	(42)	2
Other [c]	**(4)**	2	#
Ending balance	**$ 1,130**	$ 1,191	(5)
Ending reserves — principal	**$ 1,074**	$ 1,135	(5)
Ending reserves — interest and fees	**$ 56**	$ 56	—
% of loans	**1.7%**	1.9%	
% of past due	**163%**	159%	
Average loans *(billions)*	**$ 67.6**	$ 64.5	5 %
Net write-off rate — principal only [d]	**1.5%**	1.7%	
Net write-off rate — principal, interest and fees [d]	**1.8%**	2.0%	
30 days past due as a % of total	**1.0%**	1.2%	
Net interest income divided by average loans [e]	**8.6%**	8.4%	
Net interest yield on Card Member loans [e]	**9.6%**	9.5%	

\# Denotes a variance greater than 100 percent.

(a) Provisions for principal (resulting from authorized transactions) and fee reserve components on Card Member receivables and provisions for principal (resulting from authorized transactions), interest and/or fees on Card Member loans.

(b) Write-offs, less recoveries.

(c) Beginning in the first quarter 2014, reserves for card-related fraud losses of $(7) million for Card Member receivables and $(6) million for Card Member loans are included in Other liabilities. For the three months ended March 31, 2015 and 2014, Card Member receivables also includes foreign currency translation adjustments of $(7) million and nil, respectively; and other adjustments of $(4) million and $(10) million, respectively. For the three months ended March 31, 2015 and 2014, Card Member loans also includes foreign currency translation adjustments of $(7) million and $(1) million, respectively; and other adjustments of $3 million and $9 million, respectively.

(d) 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, because we consider uncollectible interest and/or fees in estimating its reserves for credit losses, a net write-off rate including principal, interest and/or fees is also presented. The three months ended March 31, 2015, reflects a change in timing of charge-offs for Card Member loans and receivables in certain modification programs from 180 days past due to 120 days past due.

(e) Refer to Table 8 for the calculation of net interest income divided by average loans, a GAAP measure, net interest yield on Card Member loans, a non-GAAP measure, and our rationale for presenting net interest yield on Card Member loans.

Table 8: Net Interest Yield on Card Member Loans

(Millions, except percentages and where indicated)	Three Months Ended March 31, **2015**	2014
Net interest income	**$ 1,447**	$ 1,337
Exclude:		
Interest expense not attributable to the Company's Card Member loan portfolio	**249**	263
Interest income not attributable to the Company's Card Member loan portfolio	**(95)**	(88)
Adjusted net interest income [(a)]	**$ 1,601**	$ 1,512
Average loans *(billions)*	**$ 67.6**	$ 64.5
Exclude:		
Unamortized deferred card fees, net of direct acquisition costs of Card Member loans, and other *(billions)*	**(0.2)**	(0.2)
Adjusted average loans *(billions)* [(a)]	**$ 67.4**	$ 64.3
Net interest income divided by average loans	**8.6%**	8.4%
Net interest yield on Card Member loans [(a)]	**9.6%**	9.5%

(a) Adjusted net interest income, adjusted average loans, and net interest yield on Card Member loans are non-GAAP measures. We believe adjusted average loans and adjusted net interest income are useful to investors because they are components of net interest yield on Card Member loans, which provides a measure of profitability of our Card Member loan portfolio.

Business Segment Results

U.S. Card Services

Table 9: USCS Selected Income Statement Data

(Millions, except percentages)	Three Months Ended March 31, **2015**	2014	Change 2015 vs. 2014	
Revenues				
Non-interest revenues	**$ 3,148**	$ 2,991	$ 157	5 %
Interest income	**1,529**	1,423	106	7
Interest expense	**152**	150	2	1
Net interest income	**1,377**	1,273	104	8
Total revenues net of interest expense	**4,525**	4,264	261	6
Provisions for losses	**296**	342	(46)	(13)
Total revenues net of interest expense after provisions for losses	**4,229**	3,922	307	8
Expenses				
Marketing, promotion, rewards, Card Member services and other	**1,733**	1,556	177	11
Salaries and employee benefits and other operating expenses	**1,016**	960	56	6
Total expenses	**2,749**	2,516	233	9
Pretax segment income	**1,480**	1,406	74	5
Income tax provision	**546**	530	16	3
Segment income	**$ 934**	$ 876	$ 58	7 %
Effective tax rate	**36.9%**	37.7%		

USCS issues a wide range of card products and services to consumers and small businesses in the U.S., and provides consumer travel services to Card Members and other consumers.

Non-interest revenues increased $157 million or 5 percent for the three months ended March 31, 2015, as compared to the same period in the prior year. The increase was primarily driven by higher discount revenue, resulting from billed business growth, partially offset by a decrease in the average discount rate. Billed business increased 7 percent for the three months ended March 31, 2015, as compared to the same period in the prior year, primarily driven by a 2 percent increase in average spending per proprietary basic card, and 4 percent higher cards-in-force.

Interest income increased $106 million or 7 percent for the three months ended March 31, 2015, as compared to the same period in the prior year, primarily driven by higher average Card Member loans. Interest expense increased $2 million or 1 percent for the three months ended March 31, 2015, as compared to the same period in the prior year.

Overall, provisions for losses decreased $46 million or 13 percent for the three months ended March 31, 2015, as compared to the same period in the prior year. Charge card provision for losses decreased $34 million or 26 percent, primarily driven by a reserve release versus a reserve build in the prior year. Card Member loans provision for losses decreased $13 million or 6 percent, primarily driven by lower net write-offs. Refer to Table 10 for Card Member receivables and loans write-off rates for the three months ended March 31, 2015 and 2014.

Marketing, promotion, rewards, Card Member services and other expenses increased $177 million or 11 percent for the three months ended March 31, 2015, as compared to the same period in the prior year, primarily driven by a $92 million increase in Card Member rewards expense. The increase was due to higher co-brand rewards expense of $86 million, driven by higher spending volumes and rate impacts, due, in part, to renewed co-brand partnerships, and increased Membership Rewards expense of $6 million.

Salaries and employee benefits and other operating expenses increased $56 million or 6 percent for the three months ended March 31, 2015, as compared to the same period in the prior year, primarily driven by higher investments in business growth initiatives and card-related fraud losses.

Table 10: USCS Selected Statistical Information

(Millions, except percentages and where indicated)	As of or for the Three Months Ended March 31, 2015	2014	Change 2015 vs. 2014
Card billed business *(billions)*	**$ 132.5**	$ 124.3	7%
Total cards-in-force	**45.9**	44.1	4
Basic cards-in-force	**34.2**	32.8	4
Average basic Card Member spending *(dollars)* *	**$ 3,875**	$ 3,805	2
U.S. Consumer Travel:			
Travel sales	**$ 988**	$ 974	1
Travel commissions and fees/sales	**6.6%**	6.5%	
Total segment assets *(billions)*	**$ 107.7**	$ 98.9	9
Segment capital	**$ 10,799**	$ 9,743	11
Return on average segment capital (a)	**32.1%**	35.6%	
Return on average tangible segment capital (a)	**33.2%**	36.9%	
Card Member receivables:			
Total receivables *(billions)*	**$ 21.5**	$ 20.7	4
Net write-off rate — principal only (b)	**2.2%**	1.8%	
Net write-off rate — principal and fees (b)	**2.4%**	2.0%	
30 days past due as a % of total	**1.7%**	1.8%	
Card Member loans:			
Total loans *(billions)*	**$ 59.9**	$ 55.8	7%
Net write-off rate — principal only (b)	**1.5%**	1.7%	
Net write-off rate — principal, interest and fees (b)	**1.7%**	1.9%	
30 days past due loans as a % of total	**1.0%**	1.1%	
Calculation of Net Interest Yield on Card Member loans:			
Net interest income	**$ 1,377**	$ 1,273	
Exclude:			
Interest expense not attributable to the Company's Card Member loan portfolio	38	39	
Interest income not attributable to the Company's Card Member loan portfolio	(3)	(3)	
Adjusted net interest income (c)	**$ 1,412**	$ 1,309	
Average loans *(billions)*	**$ 60.4**	$ 56.1	
Exclude certain non-traditional Card Member loans and other fees *(billions)*	**—**	0.1	
Adjusted average loans *(billions)* (c)	**$ 60.4**	$ 56.2	
Net interest income divided by average loans	**9.1%**	9.2%	
Net interest yield on Card Member loans (c)	**9.5%**	9.4%	

* Proprietary cards only.

(a) Return on average segment capital is calculated by dividing (i) one-year period segment income ($3.3 billion for both the twelve months ended March 31, 2015 and 2014) by (ii) one-year average segment capital ($10.1 billion and $9.2 billion for the twelve months ended March 31, 2015 and 2014, respectively). Return on average tangible segment capital, a non-GAAP measure, is computed in the same manner as return on average segment capital except the computation of average tangible segment capital, a non-GAAP measure, excludes from average segment capital average goodwill and other intangibles of $339 million and $323 million as of March 31, 2015 and 2014, respectively. We believe the return on average tangible segment capital is a useful measure of the profitability of our business.

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

(c) Adjusted net interest income, adjusted average loans, and net interest yield on 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 and adjusted average loans are useful to investors because they are components of net interest yield on Card Member loans, which provides a measure of profitability of our Card Member loan portfolio.

International Card Services

Table 11: ICS Selected Income Statement Data

(Millions, except percentages)	Three Months Ended March 31, **2015**	2014	Change 2015 vs. 2014	
Revenues				
Non-interest revenues	**$ 1,061**	$ 1,157	$ (96)	(8)%
Interest income	**244**	277	(33)	(12)
Interest expense	**64**	82	(18)	(22)
Net interest income	**180**	195	(15)	(8)
Total revenues net of interest expense	**1,241**	1,352	(111)	(8)
Provisions for losses	**76**	87	(11)	(13)
Total revenues net of interest expense after provisions for losses	**1,165**	1,265	(100)	(8)
Expenses				
Marketing, promotion, rewards, Card Member services and other	**437**	496	(59)	(12)
Salaries and employee benefits and other operating expenses	**544**	566	(22)	(4)
Total expenses	**981**	1,062	(81)	(8)
Pretax segment income	**184**	203	(19)	(9)
Income tax provision	**50**	44	6	14
Segment income	**$ 134**	$ 159	$ (25)	(16)%
Effective tax rate	**27.2%**	21.7%		

ICS issues proprietary consumer and small business cards outside the U.S. and operates a coalition loyalty business in various countries.

Non-interest revenues decreased $96 million or 8 percent for the three months ended March 31, 2015 as compared to the same period in the prior year, and excluding the impact of changes in foreign exchange rates, increased 5 percent, primarily driven by higher delinquency and Loyalty Partner-related fees, as well as higher net card fees. [3] Billed business decreased 10 percent for the three months ended March 31, 2015, as compared to the same period in the prior year, and excluding the impact of changes in foreign exchange rates, increased 2 percent, primarily due to higher Card Member spending, partially offset by lower cards-in-force. [3] Refer to Tables 6 and 7 for additional information on billed business by region.

Interest income decreased $33 million or 12 percent for the three months ended March 31, 2015, as compared to the same period in the prior year, driven primarily by lower average loans, partially offset by higher net interest yield. Excluding the impact of changes in foreign exchange rates, interest income decreased 2 percent, as compared to the same period in the prior year. [3]

Interest expense decreased $18 million or 22 percent for the three months ended March 31, 2015, as compared to the same period in the prior year, primarily driven by lower funding costs. Excluding the impact of changes in foreign exchange rates, interest expense decreased 12 percent, as compared to the same period in the prior year. [3]

Provisions for losses decreased $11 million or 13 percent for the three months ended March 31, 2015, respectively, as compared to the same period in the prior year, and excluding the impact of changes in foreign exchange rates, was unchanged. [3] Refer to Table 12 for Card Member receivables and loans write-off rates for the three months ended March 31, 2015 and 2014.

[3] Refer to footnote 1 on page 33 for details regarding foreign currency adjusted information.

Marketing, promotion, rewards, Card Member services and other expenses decreased $59 million or 12 percent for the three months ended March 31, 2015, as compared to the same period in the prior year, and excluding the impact of changes in foreign exchange rates, was unchanged. [4]

Salaries and employee benefits and other operating expenses decreased $22 million or 4 percent for the three months ended March 31, 2015, as compared to the same period in the prior year, and excluding the impact of changes in foreign exchange rates, increased 2 percent. [4]

The effective tax rate in all periods reflects the recurring permanent tax benefit related to the segment's ongoing funding activities outside the U.S., which is allocated to ICS under the Company's internal tax allocation process. The effective tax rate for 2014 also reflects the allocated share of tax benefits related to the resolution of certain prior years' items.

[4] Refer to footnote 1 on page 33 for details regarding foreign currency adjusted information.

Table 12: ICS Selected Statistical Information

(Millions, except percentages and where indicated)	As of or for the Three Months Ended March 31, 2015	2014	Change 2015 vs. 2014
Card billed business *(billions)*	**$ 28.7**	$ 31.9	(10)%
Total cards-in-force	**14.9**	15.7	(5)
Basic cards-in-force	**10.4**	10.9	(5)
Average basic Card Member spending *(dollars)* *	**$ 2,729**	$ 2,942	(7)
International Consumer Travel:			
Travel sales	**$ 334**	$ 353	(5)
Travel commissions and fees/sales	**7.2%**	6.2%	
Total segment assets *(billions)*	**$ 29.0**	$ 30.4	(5)
Segment capital	**$ 3,248**	$ 3,019	8
Return on average segment capital (a)	**12.7%**	20.0%	
Return on average tangible segment capital (a)	**22.3%**	36.8%	
Card Member receivables:			
Total receivables *(billions)*	**$ 6.4**	$ 7.2	(11)
Net write-off rate — principal only (b)	**1.9%**	1.9%	
Net write-off rate — principal and fees (b)	**2.0%**	2.0%	
30 days past due loans as a % of total	**1.6%**	1.4%	
Card Member loans:			
Total loans *(billions)*	**$ 6.8**	$ 8.2	(17)%
Net write-off rate — principal only (b)	**2.0%**	2.2%	
Net write-off rate — principal, interest and fees (b)	**2.5%**	2.7%	
30 days past due loans as a % of total	**1.8%**	1.7%	
Calculation of Net Interest Yield on Card Member loans:			
Net interest income	**$ 180**	$ 195	
Exclude:			
Interest expense not attributable to the Company's Card Member loan portfolio	**18**	18	
Interest income not attributable to the Company's Card Member loan portfolio	**(8)**	(10)	
Adjusted net interest income (c)	**$ 190**	$ 203	
Average loans *(billions)*	**$ 7.2**	$ 8.3	
Exclude certain non-traditional Card Member loans, and other fees *(billions)*	**(0.1)**	(0.2)	
Adjusted average loans *(billions)* (c)	**$ 7.1**	$ 8.1	
Net interest income divided by average loans	**10.0%**	9.5%	
Net interest yield on Card Member loans (c)	**10.9%**	10.1%	

* Proprietary cards only.

(a) Return on average segment capital is calculated by dividing (i) one-year period segment income ($386 million and $612 million for the twelve months ended March 31, 2015 and 2014, respectively) by (ii) one-year average segment capital ($3.0 billion and $3.1 billion for the twelve months ended March 31, 2015 and 2014, respectively). Return on average tangible segment capital, a non-GAAP measure, is computed in the same manner as return on average segment capital except the computation of average tangible segment capital, a non-GAAP measure, excludes from average segment capital average goodwill and other intangibles of $1.3 billion and $1.4 billion for the three months ended March 31, 2015 and 2014, respectively. We believe the return on average tangible segment capital is a useful measure of the profitability of our business.

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

(c) Adjusted net interest income, adjusted average loans and net interest yield on Card Member loans are non-GAAP measures. We believe adjusted net interest income and adjusted average loans are useful to investors because they are components of net interest yield on Card Member loans, which provides a measure of profitability of our Card Member loan portfolio.

Global Commercial Services

Table 13: GCS Selected Income Statement Data

(Millions, except percentages)	Three Months Ended March 31, **2015**	2014	Change 2015 vs. 2014	
Revenues				
Non-interest revenues	**$ 871**	$ 1,249	$ (378)	(30)%
Interest income	**4**	4	—	—
Interest expense	**48**	59	(11)	(19)
Net interest expense	**(44)**	(55)	(11)	(20)
Total revenues net of interest expense	**827**	1,194	(367)	(31)
Provisions for losses	**35**	38	(3)	(8)
Total revenues net of interest expense after provisions for losses	**792**	1,156	(364)	(31)
Expenses				
Marketing, promotion, rewards, Card Member services and other	**164**	166	(2)	(1)
Salaries and employee benefits and other operating expenses	**344**	705	(361)	(51)
Total expenses	**508**	871	(363)	(42)
Pretax segment income	**284**	285	(1)	—
Income tax provision	**104**	101	3	3
Segment income	**$ 180**	$ 184	$ (4)	(2)%
Effective tax rate	**36.6%**	35.4%		

GCS offers global corporate payment services to large and mid-sized companies. Our business travel operations, which had been included in GCS, were deconsolidated effective June 30, 2014, in connection with the formation of the GBT JV, discussed previously. Therefore, there is a lack of comparability against periods prior to the deconsolidation. Our proportional share of the GBT JV net income is reported within Other revenues.

Non-interest revenues decreased $378 million or 30 percent for the three months ended March 31, 2015, as compared to the same period in the prior year, driven primarily by the business travel joint venture transaction, resulting in a lack of comparability between periods. Billed business was flat for the three months ended March 31, 2015, as compared to the same period in the prior year. Billed business increased 4 percent within the U.S. and decreased 10 percent outside the U.S. for the three months ended March 31, 2015, as compared to the same period in the prior year, and excluding the impact of foreign exchange rates, increased 3 percent. [5]

Net interest expense decreased $11 million or 20 percent for the three months ended March 31, 2015, as compared to the same period in the prior year, primarily driven by a lower cost of funds.

Provisions for losses decreased $3 million or 8 percent for the three months ended March 31, 2015, as compared to the same period in the prior year. Refer to Table 14 for the charge card net loss ratio as a percentage of charge volume.

Marketing, promotion, rewards, Card Member services and other expenses decreased $2 million or 1 percent for the three months ended March 31, 2015, as compared to the same period in the prior year. Excluding the impact from foreign exchange rates, marketing, promotion, rewards, Card Member services and other expenses increased 3 percent, as compared to the same period in the prior year. [5]

[5] Refer to footnote 1 on page 33 for details regarding foreign currency adjusted information.

Salaries and employee benefits and other operating expenses decreased $361 million or 51 percent for the three months ended March 31, 2015, as compared to the same period in the prior year, primarily due to the impact of the business travel joint venture transaction, resulting in a lack of comparability between periods.

Table 14: GCS Selected Statistical Information

(Millions, except percentages and where indicated)	As of or for the Three Months Ended March 31, **2015**	2014	Change 2015 vs. 2014
Card billed business *(billions)*	**$ 45.3**	$ 45.5	— %
Total cards-in-force	**6.9**	7.1	(3)
Basic cards-in-force	**6.9**	7.1	(3)
Average basic Card Member spending *(dollars)* *	**$ 6,567**	$ 6,429	2
Total segment assets *(billions)*	**$ 19.6**	$ 21.6	(9)
Segment capital	**$ 4,126**	$ 3,786	9
Return on average segment capital (a)	**39.9%**	23.2%	
Return on average tangible segment capital (a)	**70.6%**	44.4%	
Card Member receivables:			
Total receivables *(billions)*	**$ 15.7**	$ 16.6	(5)%
90 days past billing as a % of total	**0.7%**	0.7%	
Net loss ratio (as a % of charge volume)	**0.10%**	0.09%	

* Proprietary cards only.

(a) Return on average segment capital is calculated by dividing (i) one-year period segment income ($1.5 billion and $0.9 billion for the twelve months ended March 31, 2015 and 2014, respectively) by (ii) one-year average segment capital ($3.9 billion and $3.7 billion for the twelve months ended March 31, 2015 and 2014, respectively). Return on average tangible segment capital, a non-GAAP measure, is computed in the same manner as return on average segment capital except the computation of average tangible segment capital, a non-GAAP measure, excludes from average segment capital average goodwill and other intangibles of $1.7 billion and $1.8 billion for the three months ended March 31, 2015 and 2014, respectively. We believe the return on average tangible segment capital is a useful measure of the profitability of our business.

Global Network & Merchant Services

Table 15: GNMS Selected Income Statement Data

(Millions, except percentages)	Three Months Ended March 31, **2015**	2014	Change 2015 vs. 2014	
Revenues				
Non-interest revenues	**$ 1,270**	$ 1,293	$ (23)	(2)%
Interest income	**20**	10	10	#
Interest expense	**(54)**	(62)	8	(13)
Net interest income	**74**	72	2	3
Total revenues net of interest expense	**1,344**	1,365	(21)	(2)
Provisions for losses	**11**	16	(5)	(31)
Total revenues net of interest expense after provisions for losses	**1,333**	1,349	(16)	(1)
Expenses				
Marketing, promotion, rewards, Card Member services and other	**147**	156	(9)	(6)
Salaries and employee benefits and other operating expenses	**488**	491	(3)	(1)
Total expenses	**635**	647	(12)	(2)
Pretax segment income	**698**	702	(4)	(1)
Income tax provision	**254**	259	(5)	(2)
Segment income	**$ 444**	$ 443	$ 1	— %
Effective tax rate	**36.4%**	36.9%		

# Denotes a variance greater than 100 percent.

GNMS operates a global payments network that processes and settles proprietary and non-proprietary card transactions. GNMS acquires merchants and provides point-of-sale products, multi-channel marketing programs and capabilities, services and data, leveraging the Company's global closed-loop network. It enters into partnership agreements with third-party card issuers and acquirers to license the American Express brand and extend the reach of the global network.

Non-interest revenues decreased $23 million or 2 percent for the three months ended March 31, 2015, as compared to the same period in the prior year, and excluding the impact of changes in foreign exchange rates, increased 3 percent, primarily driven by higher royalties and discount revenue as a result of a 3 percent increase (7 percent when excluding the impact of foreign exchange rates) in global card billed business volume for the three months ended March 31, 2015, as compared to the same period in the prior year. [6]

Net interest income increased $2 million or 3 percent for the three months ended March 31, 2015, as compared to the same period in the prior year, primarily driven by increased revenues on merchant loans. The interest expense credit relates to internal transfer pricing and funding rates, which resulted in a net benefit for GNMS due to its merchant payables. Excluding the impact of changes in foreign exchange rates, net interest income increased 10 percent for the three month period. [6]

Provisions for losses decreased $5 million or 31 percent for the three months ended March 31, 2015, as compared to the same period in the prior year.

Marketing, promotion, rewards, Card Member services and other expenses decreased $9 million or 6 percent and for the three months ended March 31, 2015, as compared to the same period in the prior year, and excluding the impact of foreign exchange rates, was flat. [6]

[6] Refer to footnote 1 on page 33 for details regarding foreign currency adjusted information.

Salaries and employee benefits and other operating expenses decreased $3 million or 1 percent for the three months ended March 31, 2015, as compared to the same period in the prior year, and excluding the impact of foreign exchange rates, increased 2 percent, primarily driven by a favorable impact in the prior year from enhancements to the estimation process for potential losses from non-delivery of goods and services by merchants for Card Member purchases, partially offset by adjustments to non-income tax expense. [7]

Table 16: GNMS Selected Statistical Information

(Millions, except percentages and where indicated)	As of or for the Three Months Ended March 31, **2015**	2014	Change 2015 vs. 2014
Global Worldwide Card billed business *(billions)*	**$ 245.6**	$ 238.1	3%
Total segment assets *(billions)*	**$ 17.8**	$ 18.3	(3)
Segment capital	**$ 2,191**	$ 1,931	13
Return on average segment capital [(a)]	**82.1%**	81.2%	
Return on average tangible segment capital [(a)]	**90.6%**	89.7%	
Global Network Services:			
Card billed business *(billions)*	**$ 39.1**	$ 36.6	7
Total cards-in-force	**44.5**	41.3	8%

(a) Return on average segment capital is calculated by dividing (i) one-year period segment income ($1.7 billion and $1.6 billion for the twelve months ended March 31, 2015 and 2014, respectively) by (ii) one-year average segment capital ($2.0 billion for both the twelve months ended March 31, 2015 and 2014). Return on average tangible segment capital, a non-GAAP measure, is computed in the same manner as return on average segment capital except the computation of average tangible segment capital, a non-GAAP measure, excludes from average segment capital average goodwill and other intangibles of $190 million and $193 million for the three months ended March 31, 2015 and 2014, respectively. We believe the return on average tangible segment capital is a useful measure of the profitability of our business.

Corporate & Other

Corporate functions and certain other businesses, including our Enterprise Growth Group and other operations, are included in Corporate & Other.

Corporate & Other net expense decreased to $167 million for the three months ended March 31, 2015 as compared to $230 million for the three months ended March 31, 2014, primarily driven by a favorable impact from foreign currency net gains (including the reassessment of the functional currency of certain UK legal entities in the three months ended March 31, 2015) and lower tax expense in the corporate segment during the current quarter, partially offset by a gain from the sale of ICBC investment securities in the prior year.

Results for both periods disclosed included net interest expense related to maintaining the liquidity pool discussed in “Consolidated Capital Resources and Liquidity – Liquidity Management”, as well as interest expense related to other corporate indebtedness.

[7] Refer to footnote 1 on page 33 for details regarding foreign currency adjusted information.

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 12-month period, even in the event we are unable to continue to raise new funds under our traditional funding programs during a substantial weakening in economic conditions.

Capital Strategy

Our objective is to retain sufficient levels of capital generated through earnings and other sources to maintain a solid equity capital base and to provide flexibility to support future business growth. We believe capital allocated to growing businesses with a return on risk-adjusted equity in excess of our costs will generate shareholder value.

The level and composition of our consolidated capital position are determined through our internal capital adequacy assessment process, which takes into account our business activities, as well as marketplace conditions and requirements or expectations of credit rating agencies, regulators and shareholders, among others. Our consolidated capital position is also influenced by subsidiary capital requirements. As a bank holding company, we are also subject to regulatory requirements administered by the U.S. federal banking agencies. The Federal Reserve has established specific capital adequacy guidelines that involve quantitative measures of assets, liabilities and certain off-balance sheet items.

Prior to 2015, we reported our capital ratios using Basel III capital definitions, inclusive of transition provisions, and Basel I risk-weighted assets. Beginning March 31, 2015, we report our capital ratios using the Basel III capital definitions, inclusive of transition provisions, and the Basel III Standardized Approach for calculating risk-weighted assets (see section on Transitional Basel III). The Basel III standards will be fully phased-in by January 1, 2019 (see section on Fully Phased-in Basel III).

We also report capital adequacy standards on a parallel basis to regulators under Basel requirements for Advanced Approaches institutions. The parallel period will continue until we receive regulatory approval to exit parallel reporting and subsequently begin publicly disclosing regulatory risk-based capital ratios using both the Standardized and Advanced Approaches.

Transitional Basel III

The following table presents our regulatory risk-based capital ratios and leverage ratios and those of our significant bank subsidiaries, as well as additional ratios widely utilized in the marketplace, as of March 31, 2015.

Table 17: Regulatory Risk-Based Capital and Leverage Ratios

	Basel III Standards 2015 [a]	Ratios as of March 31, 2015
Risk-Based Capital		
Common Equity Tier 1	4.5%	
American Express Company		**13.8%**
American Express Centurion Bank		**19.5**
American Express Bank, FSB		**14.5**
Tier 1	6.0	
American Express Company		**14.9**
American Express Centurion Bank		**19.5**
American Express Bank, FSB		**14.5**
Total	8.0	
American Express Company		**16.8**
American Express Centurion Bank		**20.8**
American Express Bank, FSB		**16.3**
Tier 1 Leverage	4.0	
American Express Company		**12.3**
American Express Centurion Bank		**18.5**
American Express Bank, FSB		**14.2**
Supplementary Leverage Ratio [b]	3.0%	
American Express Company		**10.4**
American Express Centurion Bank		**15.0**
American Express Bank, FSB		**10.6**
Common Equity to Risk-Weighted Assets		
American Express Company		**15.8**
Tangible Common Equity to Risk-Weighted Assets [c]		
American Express Company		**12.8%**

(a) Transitional Basel III minimum and conservation buffer as defined by the Federal Reserve for calendar year 2015 for Advanced Approaches institutions.

(b) The minimum supplementary leverage ratio requirement of 3 percent is effective January 1, 2018.

(c) Refer to page 52 for a discussion of tangible common equity, a non-GAAP measure.

We seek to maintain capital levels and ratios in excess of the minimum regulatory requirements and finance such capital in a cost efficient manner; failure to maintain minimum capital levels could affect our status as a financial holding company and cause the respective regulatory agencies to take actions that could limit our business operations.

Our primary source of equity capital has been the generation of net income. Historically, capital generated through net income and other sources, such as the exercise of stock options by employees, has exceeded the annual growth in our capital requirements. To the extent capital has exceeded business, regulatory and rating agency requirements, we have historically returned excess capital to shareholders through our regular common share dividend and share repurchase program.

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 profile and liquidity levels at the American Express parent company level. We do not currently intend or foresee a need to shift capital from non-U.S. subsidiaries with permanently reinvested earnings to a U.S. parent company.

The following provides 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. The off-balance sheet items comprise a minimal part of the overall calculation. Risk-weighted assets under Basel III as of March 31, 2015 were $128.0 billion.

Common Equity Tier 1 Risk-Based Capital Ratio — The Common Equity Tier 1 risk-based capital ratio is calculated as Common Equity Tier 1 capital, divided by risk-weighted assets. Common Equity Tier 1 is the sum of common shareholders' equity, adjusted for ineligible goodwill and intangible assets, certain deferred tax assets, as well as certain other comprehensive income items as follows: net unrealized gains/losses on securities and derivatives, and net unrealized pension and other postretirement benefit losses, all net of tax and subject to transition provision. Common Equity Tier 1 capital as of March 31, 2015 was $17.6 billion.

Tier 1 Risk-Based Capital Ratio — The Tier 1 capital ratio is calculated as Tier 1 capital divided by risk-weighted assets. Tier 1 capital is the sum of Common Equity Tier 1 capital, our perpetual preferred stock and third-party non-controlling interests in consolidated subsidiaries. Tier 1 capital as of March 31, 2015 was $19.1 billion.

Total Risk-Based Capital Ratio — The total risk-based capital ratio is 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 receivable and loan losses (limited to 1.25 percent of risk-weighted assets) a portion of the unrealized gains on equity securities, $600 million of subordinated notes issued in the fourth quarter of 2014 and a $750 million subordinated hybrid security. The $750 million subordinated hybrid security does not meet the requirements of Tier 2 capital under Basel III, and is being transitioned out of capital (the total amount included in Tier 2 capital as of March 31, 2015 was $187 million). Hence, the total amount of subordinated debt included in Tier 2 capital as of March 31, 2015 was $787 million. Tier 2 capital as of March 31, 2015 was $2.3 billion. See "Fully Phased-in Basel III" section.

Tier 1 Leverage Ratio — The Tier 1 leverage ratio is calculated by dividing Tier 1 capital by our average total assets for the most recent quarter. Average total assets as of March 31, 2015 were $155.4 billion.

Supplementary Leverage Ratio — The supplementary leverage ratio is calculated by dividing Tier 1 capital by total leverage exposure under Basel III. Leverage Exposure, which reflects average total consolidated assets with adjustments for Tier 1 capital deductions, off-balance sheet derivatives, undrawn conditionally and unconditionally cancellable commitments and other off-balance sheet liabilities. Total leverage exposure for supplementary leverage ratio purposes as of March 31, 2015 was $184.0 billion.

The following provides a definition for Tangible Common Equity to Risk-Weighted Assets ratio, which is widely used in the marketplace, although it may be calculated differently by different companies:

Common Equity and Tangible Common Equity to Risk-Weighted Assets Ratios — Common equity equals our shareholders' equity of $21.8 billion as of March 31, 2015, less preferred shares of $1.6 billion. Tangible common equity, a non-GAAP measure, equals common equity less goodwill and other intangibles of $3.8 billion as of March 31, 2015. We believe presenting the ratio of tangible common equity to risk-weighted assets is a useful measure of evaluating the strength of our capital position.

Fully Phased-in Basel III

Basel III, when fully phased-in, will require bank holding companies and their bank subsidiaries to maintain more capital than prior requirements, with a greater emphasis on common equity. We estimate that had Basel III been fully phased-in during the three months ended March 31, 2015, our Common Equity Tier 1 risk-based capital and Tier 1 risk-based capital ratios would have been 13.1 percent and 14.3 percent, respectively, and as of March 31, 2015, our Tier 1 and supplementary leverage ratios would have been 11.9 percent and 10.0 percent, respectively. [8] These ratios are calculated using the Standardized Approach for determining risk-weighted assets. As noted previously, we are currently taking steps toward Basel III Advanced Approaches implementation in the U.S.

The Basel capital standards establish minimum requirements for the Tier 1 risk-based capital ratios that are 1.5% higher than the minimum requirements for Common Equity Tier 1 risk-based capital ratios. This difference between Tier 1 capital, which includes common equity and qualifying preferred securities, and Common Equity Tier 1 is also present in the minimum capital requirements within Comprehensive Capital Analysis and Review (CCAR). We issued $750 million of preferred shares in the fourth quarter of 2014 and $850 million in the first quarter of 2015. The preferred shares issuances help to finance a portion of the Tier 1 capital requirements in excess of common equity requirements.

Our $750 million subordinated hybrid security, which was previously fully included in Tier 2 capital (but not in Tier 1 capital), does not meet the requirements of Tier 2 capital under Basel III. The phase-out of this subordinated hybrid security from Tier 2 capital began in the first quarter of 2014, which affects our total risk-based capital ratio. As previously mentioned, we issued $600 million of subordinated debt in the fourth quarter of 2014, which qualifies as Tier 2 capital under Basel rules. Our total risk-based capital ratio is expected to remain well in excess of the required minimum.

The following provides definitions for Fully Phased-in Basel III capital ratios as defined by the Basel III rules using the Standardized Approach. All calculations are non-GAAP measures.

Fully Phased-in Basel III Common Equity Tier 1 Risk-Based Capital Ratio — The Fully Phased-in Basel III Common Equity Tier 1 risk-based capital ratio is calculated as Common Equity Tier 1 under Fully Phased-in Basel III rules divided by risk-weighted assets under Fully Phased-in Basel III rules.

Fully Phased-in Basel III Tier 1 Risk-Based Capital Ratio — The Fully Phased-in Basel III Tier 1 risk-based capital ratio is calculated as Tier 1 capital under Fully Phased-in Basel III rules divided by risk-weighted assets under Fully Phased-in Basel III rules.

[8] The Fully Phased-in Basel III capital and leverage ratios are non-GAAP measures. We believe the presentation of these ratios is helpful to investors by showing the impact of future regulatory capital standards on our capital and leverage ratios.

The following table presents a comparison of our Common Equity Tier 1 and Tier 1 risk-based capital under Transitional Basel III rules to our estimated Common Equity Tier 1 and Tier 1 risk-based capital under Fully Phased-in Basel III rules as of March 31, 2015.

Table 18: Transitional Basel III versus Fully Phased-in Basel III

(Billions)	CET 1	Tier 1
Risk-Based Capital under Transitional Basel III	**$ 17.6**	**$ 19.1**
Adjustments related to:		
AOCI	**(0.2)**	**(0.2)**
Transition provisions for intangible assets	**(0.5)**	**(0.5)**
Deferred tax assets	**(0.1)**	**(0.1)**
Other	**—**	**0.1**
Estimated Common Equity Tier 1 (CET1) and Tier 1 Risk-Based Capital under Fully Phased-in Basel III	**$ 16.8**	**$ 18.4**

Fully Phased-in Basel III Risk-Weighted Assets — The Fully Phased-in Basel III risk-weighted assets reflect our Basel I risk-weighted assets, adjusted under Fully Phased-in Basel III rules. This includes incremental risk weighting applied to deferred tax assets and significant investments in unconsolidated financial institutions, as well as exposures to past due accounts, equities and sovereigns. The Fully Phased-in Basel III risk-weighted assets as of March 31, 2015 were estimated to be $128.7 billion.

Fully Phased-in Basel III Tier 1 Leverage Ratio — The Fully Phased-in Basel III Tier 1 leverage ratio is calculated by dividing Fully Phased-in Basel III Tier 1 capital by our average total assets.

Fully Phased-in Basel III Supplementary Leverage Ratio — The Fully Phased-in Basel III supplementary leverage ratio is calculated by dividing Fully Phased-in Basel III Tier 1 capital by our Fully Phased-in total leverage exposure for supplementary leverage ratio purposes under Fully Phased-in Basel III. The Fully Phased-in Basel III total leverage exposure as of March 31, 2015 was estimated to be $184.6 billion.

Share Repurchases and Dividends

We have a share repurchase program to return excess capital to shareholders. The share repurchases reduce shares outstanding and offset, in whole or part, the issuance of new shares as part of employee compensation plans.

During the three months ended March 31, 2015, we returned $1.0 billion to our shareholders in the form of dividends ($266 million) and share repurchases ($745 million). We repurchased 9.1 million common shares at an average price of $81.62 in the first quarter of 2015. These dividend and share repurchase amounts represent approximately 65.4 percent of total capital generated during the quarter, which was above our on average and over time target to distribute approximately 50 percent of the capital to shareholders as dividends or through the repurchases of common stock. These distribution percentages result from the strength of our capital ratios and the amount of capital we generate from net income and through employee stock plans in relation to the amount of capital required to support our organic business growth and acquisitions.

On March 11, 2015, we were informed that the Federal Reserve did not object to our capital plan to return capital to shareholders through share repurchases of up to $6.6 billion during the period beginning the second quarter of 2015 through and including the second quarter of 2016, as well as an increase in our quarterly dividend to $0.29 per share from $0.26 per share, beginning with the second quarter 2015 dividend declaration, subject to approval by our Board of Directors. The timing and amount of common shares purchased under our authorized capital plan will depend on various factors, including our business plans, financial performance and market conditions. To facilitate repurchases, we may, from time to time, make purchases pursuant to one or more trading plans under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, which allows us to repurchase common shares during periods when we might otherwise be prevented from doing so under applicable law or because of self-imposed trading blackout periods.

Funding Strategy

Our principal funding objective is to maintain broad and well-diversified funding sources to allow us to meet our maturing obligations, cost-effectively finance current and future asset growth in our global businesses as well as to maintain a strong liquidity profile. The diversity of funding sources by type of instrument, by maturity and by investor base, among other factors, provides additional insulation from the impact of disruptions in any one type of instrument, maturity or investor. The mix of our funding in any period will seek to achieve cost efficiency consistent with both maintaining diversified sources and achieving our liquidity objectives. 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.

Our proprietary card businesses are the primary asset-generating businesses, with significant assets in both domestic and international Card Member receivable and lending activities. Our financing needs are in large part a consequence of our proprietary card-issuing businesses and the maintenance of a liquidity position to support all of our business activities, such as merchant payments. We generally pay merchants for card transactions prior to reimbursement by Card Members and therefore fund the merchant payments during the period Card Member loans and receivables are outstanding. We also have additional financing needs associated with general corporate purposes, including acquisition activities.

Management does not currently expect to make any significant changes to our funding programs in order to satisfy Basel III's liquidity coverage ratio (LCR) standard based upon our current understanding of the requirements, which may be subject to change as we receive additional clarification and implementation guidance from regulators relating to the requirements and as the interpretation of requirements evolve over time.

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), Fitch Ratings (Fitch) and Dominion Bond Rating Services (DBRS). Such ratings help support our access to cost-effective unsecured funding as part of our overall funding strategy. Our asset-backed securitization (ABS) activities are rated separately.

Table 19: Unsecured Debt Ratings

Credit Agency	American Express Entity	Short-Term Ratings	Long-Term Ratings	Outlook
DBRS	All rated entities	R-1 (middle)	A (high)	Stable
Fitch	All rated entities	F1	A+	Stable
Moody's	TRS [a] and rated operating subsidiaries [b]	Prime-1	A2	Stable
Moody's	American Express Company	Prime-2	A3	Stable
S&P	TRS [a] and rated operating subsidiaries [c]	A-2	A-	Stable
S&P	American Express Company	A-2	BBB+	Stable

(a) American Express Travel Related Services Company, Inc.

(b) In March 2015, Moody's placed American Express Centurion Bank and American Express Bank, FSB's long-term senior unsecured debt ratings under review for possible downgrade.

(c) S&P does not provide a rating for TRS short-term debt.

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 lines of credit. 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), should reduce the impact that credit rating downgrades would have on our funding capacity and costs.

Deposit Programs

We offer deposits within our American Express Centurion Bank (Centurion Bank) and American Express Bank, FSB (FSB) subsidiaries (together, the Banks). These funds are currently insured up to $250,000 per account holder through the FDIC. Our ability to obtain deposit funding and offer competitive interest rates is dependent on the Banks' capital levels. We, through the FSB, have a direct retail deposit program, Personal Savings from American Express, to supplement our distribution of deposit products sourced through third-party distribution channels. The direct retail program makes FDIC-insured certificates of deposit (CDs) and high-yield savings account products available directly to consumers.

We held the following deposits as of March 31, 2015 and December 31, 2014:

Table 20: Customer Deposits

(Billions)	**March 31, 2015**	December 31, 2014
U.S. retail deposits:		
Savings accounts — Direct	**$ 27.5**	$ 26.2
Certificates of deposit: [a]		
Direct	**0.3**	0.3
Third-party	**7.4**	7.8
Sweep accounts — Third-party	**8.9**	9.0
Other retail deposits:		
Non-U.S. deposits and U.S. non-interest bearing	**0.2**	0.2
Card Member credit balances — U.S. and non-U.S.	**0.6**	0.7
Total customer deposits	**$ 44.9**	$ 44.2

(a) The weighted average remaining maturity and weighted average rate at issuance on the total portfolio of U.S. retail CDs, issued through direct and third-party programs, were 29.2 months and 1.62 percent, respectively, as of March 31, 2015.

Asset Securitization Programs

We periodically securitize Card Member receivables and loans arising from our card business, as the securitization market provides us with cost-effective funding. Securitization of Card Member receivables and loans is accomplished through the transfer of those assets to a trust, which in turn issues securities collateralized by the transferred assets to third party investors. The proceeds from issuance are distributed to us, through our wholly owned subsidiaries, as consideration for the transferred assets.

The receivables and loans being securitized are reported as assets on our Consolidated Balance Sheets and the related securities issued to third-party investors are reported as long-term debt.

Under the respective terms of the securitization 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 investor securities. During the three months ended March 31, 2015, no such triggering events occurred.

Liquidity Management

Our liquidity objective is to maintain access to a diverse set of on- and off-balance sheet liquidity sources. We maintain liquidity sources in amounts sufficient to meet business requirements and expected future financial obligations for a period of at least twelve months in the event we are unable to raise new funds under our regular funding programs during a substantial weakening in economic conditions. We have in place a liquidity risk policy that sets out our approach to managing liquidity risk on an enterprise-wide basis.

We incur and accept liquidity risk arising in the normal course of offering our products and services. The liquidity risks that we are exposed to can arise from a variety of sources, and thus our liquidity management strategy includes a variety of parameters, assessments and guidelines, including, but not limited to:

- Maintaining a diversified set of funding sources (refer to Funding Strategy section for more details);
- Maintaining unencumbered liquid assets and off-balance sheet liquidity sources available to meet obligations;
- Projecting cash inflows and outflows from a variety of sources and under a variety of scenarios, including contingent liquidity exposures such as collateral requirements for derivative transactions; and
- Incorporating tradeoffs between the risk of insufficient liquidity and our profitability into capital adequacy framework.

We seek to maintain access to a diverse set of liquidity sources, including cash and other liquid assets on-balance sheet as well as off-balance sheet financing such as committed bank credit facilities and ABS conduit facilities, in order to comply with requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) and other regulatory measures of liquidity such as the LCR. We, through our U.S. bank subsidiaries, also hold collateral eligible for use at the Federal Reserve’s discount window.

We seek to satisfy the requirements of a variety of stress scenarios, including those required by law and regulation as well as our own stress scenario, in order to determine the amount and mix of the liquidity sources we maintain at any given time. These stress scenarios possess distinct characteristics and vary by cash flow assumptions, time horizon and qualifying liquidity sources, among other factors. Our own stress scenario assumes we are unable to access our regular funding programs during a severe macroeconomic scenario, in which case we would target a mix of on- and off-balance sheet liquidity sources to satisfy financial obligations, such as debt maturities, and the projected net cash flows needs of our business for a period of at least twelve months. The LCR is another form of stress scenario that prescribes distinct cash flow assumptions over a 30-day period, and establishes criteria for qualifying on balance sheet assets as High-Quality Liquid Assets. The Company was in compliance with the liquidity requirements to which it is subject, including the LCR, for the three months ended March 31, 2015.

We consider various factors in determining the amount of liquidity we maintain, such as economic and financial market conditions, seasonality in business operations, growth in our businesses, potential acquisitions or dispositions, the cost and availability of alternative liquidity sources, and regulatory and credit rating agency considerations.

The yield we receive on our cash and readily marketable securities is, generally, less than the interest expense on the sources of funding for these balances. Thus, we incur substantial net interest costs on these amounts. The level of net interest costs will be dependent on the size of our cash and readily marketable securities holdings, as well as the difference between our cost of funding these amounts and their investment yields.

Securitized Borrowing Capacity

As of March 31, 2015, we maintained our committed, revolving, secured borrowing facility, with a maturity date of July 15, 2016, that 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, 2017, that gives us the right to sell up to $2.0 billion face amount of eligible AAA certificates from the American Express Credit Account Master Trust (the Lending Trust). Both facilities are used in the ordinary course of business to fund seasonal working capital needs, as well as to further enhance our contingent funding resources. As of March 31, 2015, no amounts were drawn on the Charge Trust facility or the Lending Trust facility.

Federal Reserve Discount Window

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

We had approximately $54 billion as of March 31, 2015 in U.S. credit card loans and charge card receivables that could be sold over time through our existing securitization trusts, or pledged in return for secured borrowings to provide further liquidity, subject in each case to applicable market conditions and eligibility criteria.

Committed Bank Credit Facilities
In addition to the secured borrowing facilities described earlier in this section, we maintained committed syndicated bank credit facilities as of March 31, 2015 of $6.6 billion through facilities in the U.S. and Australia. Our total committed bank credit facilities expire as follows:

Table 21: Expiration of Committed Syndicated Bank Credit Facilities

(Billions)	
2016	$ 2.0
2017	4.6
Total	$ 6.6

Cash Flows
The following table summarizes our cash flow activity for the three months ended March 31:

Table 22: Cash Flows

(Billions)	**2015**	2014
Total cash provided by (used in):		
Operating activities	**$ 2.1**	$ 3.3
Investing activities	**2.8**	1.6
Financing activities	**(3.5)**	(3.6)
Effect of foreign currency exchange rates on cash and cash equivalents and other	**(0.1)**	(0.1)
Net increase in cash and cash equivalents	**$ 1.3**	$ 1.2

Cash Flows from Operating Activities
Cash flows from operating activities primarily include net income adjusted for (i) non-cash items included in net income 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.

For the three months ended March 31, 2015 and 2014, net cash provided by operating activities was $2.1 billion and $3.3 billion, respectively. Net cash provided by operating activities for the three months ended March 31, 2015 was driven by net income of $1.5 billion, adjusted for non-cash items including certain changes in provisions for losses, depreciation and amortization, deferred taxes, and stock-based compensation. The decrease as compared to the three months ended March 31, 2014, resulted from a decline in accounts payable, due to changes in merchant payable volumes.

Cash Flows from Investing Activities
Our investing activities primarily include changes in Card Member loans and receivables and our available for sale investment portfolio.

For the three months ended March 31, 2015 and 2014, net cash provided by investing activities was $2.8 billion and $1.6 billion, respectively. The variance was primarily driven by a net decrease in Card Member loans and receivables, due primarily to increases in Card Member remittances as compared to the same period in the prior year.

Cash Flows from Financing Activities
Our financing activities primarily include changes in customer deposits, issuing and repaying debt, issuing and repurchasing our common shares, and paying dividends.

For the three months ended March 31, 2015 and 2014, net cash used in financing activities was $3.5 billion and $3.6 billion, respectively.

Certain Other Off-Balance Sheet Arrangements

As of March 31, 2015, we had approximately $279 billion of unused credit available to Card Members as part of established lending product agreements. Total unused credit available to Card Members does not represent potential future cash requirements, as a significant portion of this unused credit will likely not be drawn. Our charge card products generally have no pre-set limit, and therefore are not reflected in unused credit available to Card Members.

To mitigate counterparty credit risk related to derivatives, the Company accepted noncash collateral in the form of security interests in U.S. Treasury securities from its derivatives counterparties with a fair value of $43 million as of March 31, 2015, none of which was sold or repledged.

OTHER MATTERS

Certain Legislative, Regulatory and Other Developments

As a participant in the financial services industry, and as a bank holding company, we are subject to comprehensive examination and supervision by the Federal Reserve and to a range of laws and regulations that impact our business and operations. In light of legislative initiatives over the last several years and continuing regulatory reform implementation, compliance requirements and expenditures have risen for financial services firms, including us, and we expect compliance requirements and expenditures will continue to rise in the future.

In addition, legislators and regulators in various countries in which we operate have focused on the operation of card networks, including through antitrust actions, legislation and rules that would or do impose changes on certain practices or pricing of card issuers, merchant acquirers and payment networks, and the establishment of broad and ongoing regulatory oversight regimes for payment systems. Regulators and legislators have focused on the fees merchants pay to accept cards, including the way bankcard network members collectively set the "interchange" (that is, the fee paid by the bankcard merchant acquirer to the card issuer in payment networks like Visa and MasterCard) and the fees merchants are charged for card acceptance, as well as the rules, contract terms and practices governing merchant card acceptance. Although, unlike the Visa and MasterCard networks, the American Express network does not have interchange fees or collectively set fees or rules, antitrust actions and government regulation relating to merchant pricing or terms of merchant rules and contracts could affect all networks directly or indirectly. For example, the decision of the European Commission (the Commission) to make binding Visa Europe's commitments to cap its cross-border credit card multilateral interchange fees to 30 basis points and change its rules on how cross-border interchange is applied could negatively impact the discount revenue we derive from our business in the EU as a result of downward marketplace pressure on merchant fees, including our discount rates. Broad regulatory oversight over payment systems can also include, in some cases, requirements for international card networks to be locally licensed and/or to localize aspects of their operations. The development and enforcement of regulatory regimes may adversely affect our ability to maintain or increase our revenues and extend our global network.

European Union Payments Legislation

In July 2013, the Commission proposed legislation in two parts, covering a wide range of topics across the payments industry. The first part was a proposed EU-wide regulation on interchange fees (the Interchange Fee Regulation); the second consisted of revisions to the Payment Services Directive (the PSD2). As part of the EU legislative process, these proposals have been subject to review by the European Parliament (the Parliament) and the Council of the European Union (the Council), after which these institutions then meet with the Commission to finalize the legislation in a process known as a trialogue.

The Interchange Fee Regulation is now in the final stages of the legislative process following political agreement on its substantive content among the Council, the Parliament and the Commission in December 2014. Although the regulation is still subject to formal adoption, the substantive terms agreed among the institutions include the following:

- Price caps — Interchange fees on consumer card transactions will be capped, generally at 20 basis points for debit and prepaid cards and 30 basis points for credit and charge cards, with the possibility of lower caps in some instances. Although we do not have interchange fees, as "four party" networks such as Visa and MasterCard have, and "three party" networks such as American Express are exempt from the application of the caps, the regulation provides that "three party" networks should be treated as "four party" networks when they license third party providers to issue cards and/or acquire merchants or when they issue cards with a co-brand partner or through an agent. This means, for example, the caps will apply to elements of the financial arrangements agreed to between us and each of our GNS partners in the EU. The caps will take effect six months after the regulation becomes effective; however,

individual Member States of the EU may postpone for a further three years the effectiveness of these caps in relation to transactions with no cross-border component on "three party" networks. The discount rates we agree to with merchants will not be capped, but the interchange caps will likely exert additional downward pressures on merchant fees across the industry, including our discount rates, and may undermine our ability to attract and retain GNS partners. The Interchange Fee Regulation excludes commercial card transactions from the scope of the caps.

- Card acceptance terms — "Anti-steering" and "honor-all-cards" rules across all card networks, including non-discrimination and honor-all-cards provisions in our card acceptance agreements, will be prohibited with some exceptions. Removal of these provisions creates significant risk of customer confusion and Card Member dissatisfaction, which would result in harm to the American Express brand. The prohibition on anti-steering rules takes effect immediately upon effectiveness of the regulation; the prohibition on honor-all-cards rules takes effect one year later.
- Network licensing — Beginning six months after the regulation becomes effective, the geographic scope of network licenses, including those we agree to with our GNS partners, will cover the entire EU. This may undermine the value of licenses granted to some GNS partners to date, which have been subject to varying levels of exclusivity in relation to a particular country.
- Separation of network processing — Beginning one year after the date the regulation becomes effective, card networks will be required to separate their network processing functions (in which transactions between different issuers and acquirers are processed for authorization, clearing and settlement). This proposal does not apply to three-party payment networks, such as American Express, but may be deemed applicable in situations where a different GNS issuer and acquirer is involved in a transaction, which represent a very small percentage of transactions on our network.
- Co-badging of cards — Beginning one year after the regulation becomes effective, a single card may bear the brand of multiple networks and be used to process transactions on any of those networks. Merchants may install automatic mechanisms in point-of-sale equipment to prioritize selection of a particular network, subject to override by the cardholder. These provisions may harm the American Express brand insofar as GNS issuing partners will be able to offer multiple networks on a single card and merchants may program their point-of-sale equipment to prioritize selection of another network on such cards.

The Commission's PSD2 proposal has been considered by both the Parliament and the Council; however, the trialogue process is still underway. Among other terms, the PSD2 could include in its final form provisions that would (i) further regulate surcharging so that transactions falling in scope of the interchange caps could not be surcharged, but transactions falling outside the scope of the caps could be surcharged up to cost, subject potentially to the ability of an individual Member State to prohibit surcharging altogether; and (ii) require all networks, including three-party payment networks that operate with licensing arrangements, such as our GNS business, to establish objective, proportionate and non-discriminatory criteria under which a financial institution may access the network, for example, as a licensed issuer or acquirer. The potential surcharging regulation may increase instances of differential surcharging of our cards, prompt customer and merchant confusion as to which transactions may be surcharged and lead to Card Member dissatisfaction. The access requirements would undermine the flexibility and discretion we have had to date in deciding with whom to partner in our GNS business. Unlike the Interchange Fee Regulation, the PSD2 would require transposition into national law by each Member State, likely over a period of two years.

Dodd-Frank Wall Street Reform and Consumer Protection Act

Dodd-Frank contains a wide array of provisions intended to govern the practices and oversight of financial institutions and other participants in the financial markets. Among other matters, the law created an independent Consumer Financial Protection Bureau (the CFPB), which has broad rulemaking authority over providers of credit, savings, payment and other consumer financial products and services with respect to certain federal consumer financial laws. Moreover, the CFPB has examination and enforcement authority with respect to certain federal consumer financial laws for providers of consumer financial products and services, including American Express Company and certain of our subsidiaries. The CFPB is directed to prohibit "unfair, deceptive or abusive" acts or practices, and to ensure that all consumers have access to fair, transparent and competitive markets for consumer financial products and services.

The review of products and practices to prevent unfair, deceptive or abusive conduct will be a continuing focus of the CFPB and banking regulators more broadly, as well as our own internal reviews. Internal and regulatory reviews have resulted in, and are likely to continue to result in, changes to our practices, products and procedures. Such reviews are also likely to continue to result in increased costs related to regulatory oversight, supervision and examination, and additional restitution to our Card Members and may result in additional regulatory actions, including civil money penalties.

In December 2013, we announced that certain of our subsidiaries reached settlements with several banking regulators, including the CFPB, to resolve regulatory reviews of marketing and billing practices related to several credit card add-on products. For a description of these settlements, see Part I, Item 3. "Legal Proceedings" in our Annual Report on Form 10-K for the year ended December 31, 2013.

In October 2012, we announced that American Express Company and certain of our subsidiaries reached settlements with several bank regulators, including the CFPB, relating to certain aspects of our U.S. consumer card practices. For a description of these settlements, see Part I, Item 3. "Legal Proceedings" in our Annual Report on Form 10-K for the year ended December 31, 2012.

Dodd-Frank prohibits payment card networks from restricting merchants from offering discounts or incentives to customers to pay with particular forms of payment, such as cash, check, credit or debit card, or restricting merchants from setting certain minimum, and for certain merchants maximum, transaction amounts for credit cards, as long as any such discounts or incentives or any minimum or maximum transaction amounts do not discriminate on the basis of the issuer or network and comply with applicable federal or state disclosure requirements.

Under Dodd-Frank, the Federal Reserve is also authorized to regulate interchange fees paid to financial institutions on debit card and certain general-use prepaid card transactions to ensure that they are "reasonable and proportional" to the cost of processing individual transactions, and to prohibit payment card networks and issuers from requiring transactions to be processed on a single payment network or fewer than two unaffiliated networks. The Federal Reserve's rule provides that the regulations on interchange and routing do not apply to a three-party network like American Express when it acts as both the issuer and the network for prepaid cards, and we are therefore not a "payment card network" as that term is defined and used for the specific purposes of the rule.

Dodd-Frank also authorizes the Federal Reserve to establish enhanced prudential regulatory requirements, including capital, leverage and liquidity standards, risk management requirements, concentration limits on credit exposures, mandatory resolution plans (so-called "living wills") and stress tests for, among others, large bank holding companies, such as American Express Company, that have greater than $50 billion in assets. We are also required to develop and maintain a "capital plan," and to submit the capital plan to the Federal Reserve for our quantitative and qualitative review under the Federal Reserve's CCAR process. In addition, certain derivative transactions are now required to be centrally cleared, which have increased our collateral posting requirements. In September 2014, the U.S. Commodity Futures Trading Commission and the U.S. federal banking agencies issued proposals that would impose mandatory margining requirements for certain non-cleared swaps, which may further increase collateral posting requirements for us.

Department of Justice Litigation

The U.S. Department of Justice (DOJ) and certain states' attorneys general have brought an action against us alleging that the provisions in our card acceptance agreements with merchants that prohibit merchants from discriminating against our card products at the point of sale violate the U.S. antitrust laws. On February 19, 2015, the trial court found that the challenged provisions were anticompetitive and will now determine the scope of the remedy when it enters judgment in the case. We intend to vigorously pursue an appeal of the decision and judgment. See Part I, Item 3. "Legal Proceedings" in our Annual Report on Form 10-K for the year ended December 31, 2014 (the 2014 Form 10-K) for descriptions of the DOJ action and related cases. Visa and MasterCard, which were also defendants in the DOJ and state action, entered into a settlement agreement and have been dismissed as parties pursuant to that agreement. The settlement enjoins Visa and MasterCard, with certain exceptions, from adopting or enforcing rules or entering into contracts that prohibit merchants from engaging in various actions to steer cardholders to other card products or payment forms at the point of sale. If similar conditions were imposed on American Express, it could have a material adverse effect on our business. See Part I, Item 1A, "Risk Factors" in the 2014 Form 10-K for further information on the potential impacts of an adverse decision on our business.

Other Legislative and Regulatory Initiatives

In certain countries, such as Australia, and in certain Member States in the EU, merchants are permitted by law to surcharge card purchases. While surcharging continues to be actively considered in certain jurisdictions, the benefits to customers have not been apparent in countries that have allowed it, and in some cases regulators are addressing concerns about excessive surcharging by merchants. Surcharging, particularly where it disproportionately impacts American Express Card Members, which is known as differential surcharging, could have a material adverse effect on us if it becomes widespread. The Reserve Bank of Australia allows us and other networks to limit a merchant's right to surcharge to "the reasonable cost of card acceptance." In the EU, the Consumer Rights Directive prohibits merchants from surcharging card purchases more than the merchants' cost of acceptance in those Member States that permit surcharging.

In December 2014, the Australian Financial System Inquiry published a report to the Australian Federal Government that included a number of recommendations for changing the way payment cards are regulated in Australia. If implemented by the government or the Reserve Bank of Australia, these recommendations would have a significant impact across the industry, including American Express. The Financial System Inquiry's recommendations included the following:

- Publishing thresholds for determining which payment networks are designated for regulation
- Broadening interchange fee caps to include all amounts payable to card issuers in regulated payment systems as well as other payments to card issuers across both three- and four-party card payment networks

- Lowering interchange fee caps, replacing periodic weighted-average caps with fixed percentage caps and applying caps as the lesser of a fixed amount or a fixed percentage
- Changing the rules on merchant surcharging to allow "low-cost" payment networks to prohibit surcharging, "medium-cost" networks to cap surcharges and "high-cost" networks to limit surcharging (as is currently the case) to the reasonable cost of card acceptance

The Australian Federal Government and Reserve Bank of Australia will now determine whether and how any of these recommendations, or alternative options, should be implemented. We do not expect changes, if any, to take effect before late 2015.

Although neither a legislative nor regulatory initiative, the settlement by MasterCard and Visa in a U.S. merchant class litigation required, among other things, MasterCard and Visa to permit U.S. merchants, subject to certain conditions, to surcharge credit cards, while allowing them to continue to prohibit surcharges on debit and prepaid card transactions. In December 2013, we announced the proposed settlement of a number of U.S. merchant class action lawsuits, which, if approved, would change certain surcharging provisions in our U.S. card acceptance agreements. For a further description of the proposed settlement, see Part I, Item 3. "Legal Proceedings" in the 2014 Form 10-K.

Refer to "Consolidated Capital Resources and Liquidity" for a discussion of capital adequacy requirements established by federal banking regulators.

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

Glossary of Selected Terminology

Adjusted average loans — Represents average Card Member loans excluding the impact of certain non-traditional Card Member loans and other fees.

Adjusted net interest income — Represents net interest income attributable to our Card Member loans portfolio excluding the impact of interest expense and interest income not attributable to our Card Member loans portfolio.

Asset securitizations — Asset securitization involves the transfer and sale of receivables or loans 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 receivables or loans. The trust uses the proceeds from the sale of such securities to pay the purchase price for the underlying receivables or loans. The receivables and loans of our Charge Trust and Lending Trust being securitized are reported as assets on our Consolidated Balance Sheets.

Average discount rate — This calculation is generally designed to reflect pricing at merchants accepting general purpose American Express cards. It represents the percentage of billed business (generated from both proprietary and GNS Card Member spend) retained by us from merchants we acquire or for merchants acquired by a third party on our behalf, net of amounts retained by such third party.

Basic cards-in-force — Proprietary basic consumer cards-in-force includes basic cards issued to the primary account owner and does not include additional supplemental cards issued on that account. Proprietary basic small business and corporate cards-in-force include basic and supplemental cards issued to employee Card Members. Non-proprietary basic cards-in-force includes cards that are issued and outstanding under network partnership agreements, except for supplemental cards and retail co-brand Card Member accounts which have had no out-of-store spend activity during the prior 12-month period.

Billed business — Includes activities (including cash advances) related to proprietary cards, cards issued under network partnership agreements (non-proprietary billed business), corporate payments and certain insurance fees charged on proprietary cards. In-store spend activity within retail co-brand portfolios in GNS, from which we earn no revenue, is not included in non-proprietary billed business. Card billed business is included in the U.S. or outside the U.S. based on where the issuer is located.

Capital ratios — Represents the minimum standards established by the 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 Transitional Basel III and Fully Phased-in Basel III.

Card Member — The individual holder of an issued American Express-branded charge, credit and certain prepaid cards.

Card Member loans — Represents the outstanding amount due from Card Members for charges made on their American Express credit cards, as well as any interest charges and card-related fees. Card Member loans also include revolving balances on certain American Express charge card products.

Card Member receivables — Represents the outstanding amount due from Card Members for charges made on their American Express charge cards as well as any card-related fees.

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. Charge Card Members generally must pay the full amount billed each month. No finance charges are assessed on charge cards. Each charge card transaction is authorized based on its likely economics reflecting a customer’s most recent credit information and spend patterns. Some charge card accounts have an additional lending-on-charge feature that allows revolving certain balances.

Credit cards — Represents cards that have a range of revolving payment terms, grace periods, and rate and fee structures.

Discount revenue — Represents revenue earned from fees generally charged to merchants with whom we have entered into a card acceptance agreement for processing Card Member transactions. The discount fee generally is deducted from our payment reimbursing the merchant for Card Member purchases. Discount revenue is reduced by other payments made to merchants, third-party card issuing partners, cash-back reward costs, corporate incentive payments and other contra-revenue items.

Interest expense — Interest expense includes interest incurred primarily to fund Card Member loans, charge card product receivables, general corporate purposes, and liquidity needs, and is recognized as incurred. 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, which primarily relates to interest expense on commercial paper, federal funds purchased, bank overdrafts and other short-term borrowings.

Interest income — 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 — is assessed using the average daily balance method for 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 accrued as earned using the effective interest method, which adjusts the yield for security premiums and discounts, fees and other payments, so that the related investment security recognizes a constant rate of return on the outstanding balance throughout its term. These amounts are recognized until these 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 — is recognized as earned, and 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.

Liquidity Coverage Ratio — Represents the proposed minimum standards being established by the regulatory agencies as a measure to determine whether the regulated entity has sufficient liquidity to meet liquidity needs in periods of financial and economic stress.

Merchant acquisition — Represents the signing of merchants to accept American Express-branded cards.

Net card fees — Represents the card membership fees earned during the period. These fees are recognized as revenue over the covered card membership period (typically one year), net of provision for projected refunds for cancellation of card membership.

Net interest yield on Card Member loans — Net interest yield on Card Member loans is computed by dividing adjusted net interest income by adjusted average loans, computed on an annualized basis. The calculation of net interest yield on Card Member loans includes interest that is deemed uncollectible. For all presentations of net interest yield on Card Member loans, reserves and net write-offs related to uncollectible interest are recorded through provisions for losses — Card Member loans; therefore, such reserves and net write-offs are not included in the net interest yield calculation.

Net loss ratio — Represents the ratio of GCS charge card write-offs consisting of principal (resulting from authorized transactions) and fee components, less recoveries, on Card Member receivables expressed as a percentage of gross amounts billed to Card Members.

Net write-off rate — principal only — Represents the amount of Card Member loans or USCS and ICS Card Member receivables written off consisting of principal (resulting from authorized transactions), less recoveries, as a percentage of the average loan balance or USCS and ICS average receivables 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 USCS and ICS Card Member receivables.

Operating expenses — Represents salaries and employee benefits, professional services, occupancy and equipment, communications and other expenses.

Return on average equity — Calculated by dividing one-year period net income by one-year average total shareholders' equity.

Return on average segment capital — Calculated by dividing one-year period segment income by one-year average segment capital.

Return on average tangible segment capital — Computed in the same manner as return on average segment capital except the computation of average tangible segment capital excludes from average segment capital average goodwill and other intangibles.

Segment capital — Represents the capital allocated to a segment based upon specific business operational needs, risk measures, and regulatory capital requirements.

Total cards-in-force — Represents the number of cards that are issued and outstanding. Non-proprietary cards-in-force includes all cards that are issued and outstanding under network partnership agreements, except for retail co-brand Card Member accounts which have no out-of-store spend activity during the prior 12-month period.

Travel sales — Represents the total dollar amount of travel transaction volume for airline, hotel, car rental, and other travel arrangements made for consumers and small businesses. We earn revenue on these transactions by charging a transaction or management fee.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk to earnings or value resulting from movements in market prices. Our market risk exposure is primarily generated by interest rate risk in our card and insurance businesses, as well as our investment portfolios, and foreign exchange risk in our operations outside the United States. There were no material changes in these market risks since December 31, 2014. As described in the 2014 Form 10-K (refer to "Item 7A. Quantitative and Qualitative Disclosures About Market Risk"):

- the detrimental effect on our annual net interest income of a hypothetical 100 basis point increase in interest rates would be approximately $212 million; and
- the adverse impact on pretax income of a hypothetical 10 percent strengthening of the U.S. dollar related to anticipated overseas operating results for the next 12 months would be approximately $182 million.

These sensitivities are based on the 2014 year-end positions, and assume that all relevant maturities and types of interest rates and foreign exchange rates that affect our results would increase instantaneously and simultaneously and to the same degree.

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.

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 expected business and financial performance, among other matters, contain words such as “believe,” “expect,” “estimate,” “anticipate,” “optimistic,” “intend,” “plan,” “aim,” “will,” “may,” “should,” “could,” “would,” “likely,” 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 achieve flat to modestly down EPS growth for the full year 2015 and positive earnings per share growth in 2016, which will depend in part on recent discount rate, loan growth, credit and other trends continuing, our tax rate remaining in line with recent performance, the impact of proposed regulation in the European Union and the ability to realize benefits from the 2014 restructuring actions, the behavior of Card Members and their actual spending patterns, the trajectory of volume decline and card acquisition related to the Costco U.S. relationship, currency and interest rate fluctuations, the timing and size of the investments we make to attract Card Members, including those from the Costco co-brand relationship, and in other growth initiatives, as well as our success in implementing our strategies and business initiatives including growing profitable spending through proprietary, co-brand and network products, increasing penetration among corporate clients, expanding our international footprint, growing reloadable prepaid, loyalty coalitions and marketing services, increasing merchant acceptance, controlling expenses and executing our share repurchase program;
- the actual amount to be spent by us on investments in the business, including on marketing and promotion at levels relatively similar to the elevated amounts in 2014, rewards, Card Member services and operating expenses, as well as the timing of any such investments, which will be based in part on management’s assessment of competitive opportunities, contractual obligations with business partners, management’s ability to identify attractive investment opportunities and make such investments, which could be impacted by business, regulatory or legal complexities and the Company’s performance, the ability to develop and implement technology and other resources to realize efficiencies and the ability to control operating, infrastructure and rewards expenses as business expands or changes, including the changing behavior of Card Members, credit trends and changes in macroeconomic conditions;

- uncertainty related to our ability to drive growth and achieve attractive returns from investments, including our ability to attract Card Members, which will depend in part on our ability to develop and market value propositions that appeal to Card Members and new customers and on our ability to offer attractive services and rewards programs, as well as increasing competition, brand perceptions and reputation, the behavior of our Card Members and their actual spending patterns, and ineffective or insufficient levels of investments, including on marketing and promotion expenses, new product development and acquisition efforts, including through digital channels;
- the ability to contain annual operating expense growth in 2015, which will depend in part on unanticipated increases in significant categories of operating expenses, such as consulting or professional fees, compliance or regulatory-related costs and technology costs, the payment of monetary damages and penalties, disgorgement and restitution, our decision to increase or decrease discretionary operating expenses such as in technology development depending on overall business performance, our ability to achieve the expected benefits of reengineering plans, our ability to balance expense control and investments in the business, the impact of changes in foreign currency exchange rates on costs and results, the impact of accounting changes and reclassifications, and the level of acquisition activity and related expenses;
- the level of our provision for losses in 2015, which will depend in part on changes in the level of our loan balances, delinquency and write-off rates of Card Members, unemployment rates, the volume of bankruptcies and recoveries of previously written-off loans and receivables;
- changes affecting our ability or desire to execute our share repurchase program, including repurchasing up to $6.6 billion of our common shares during the period beginning the second quarter of 2015 through and including the second quarter of 2016, such as actions by bank regulatory agencies, acquisitions, our quarterly and annual results of operations and capital needs, among other factors, which could significantly impact our capital ratios;
- our ability to meet our on-average and over-time EPS growth target in 2017 and beyond, which will depend on factors such as our success in implementing our strategies and business initiatives including growing our share of overall spending, addressing the loss of the Costco U.S. relationship, retaining and growing our other co-brand and other partner relationships, increasing merchant coverage, enhancing our prepaid offerings, expanding the GNS business and controlling expenses, the willingness and ability of Card Members to sustain spending, the effectiveness of marketing and loyalty programs, and on factors outside management's control including regulatory and market pressures on pricing, credit trends, changes in foreign currency exchange and interest rates, and changes in general economic conditions, such as GDP growth, consumer confidence, unemployment and the housing market;
- our ability to meet our on-average and over-time objective to return 50 percent of capital generated to shareholders through dividends and share repurchases, which will depend on factors such as achieving our EPS and ROE targets, approval of our capital plans by our regulators, the amount we spend on acquisitions, our results of operations and capital needs in any given period;
- changes in global economic and business conditions, including consumer and business spending, the availability and cost of credit, unemployment and political conditions, all of which may significantly affect spending on American Express cards, delinquency rates, loan balances and other aspects of our business and results of operations;

- changes in capital and credit market conditions, including sovereign creditworthiness, which may significantly affect our ability to meet our liquidity needs, expectations regarding capital and liquidity ratios, access to capital and cost of capital, including changes in interest rates; changes in market conditions affecting the valuation of our assets; or any reduction in our credit ratings or those of our subsidiaries, which could materially increase the cost and other terms of our funding, restrict our access to the capital markets or result in contingent payments under contracts;
- litigation, such as class actions or proceedings brought by governmental and regulatory agencies (including the lawsuit filed against us by the U.S. Department of Justice and certain state attorneys general), that could result in (i) the imposition of behavioral remedies against us or us voluntarily making certain changes to our business practices, the effects of which in either case could have a material adverse impact on our business; (ii) the imposition of substantial monetary damages and penalties, disgorgement and restitution; and/or (iii) damage to our global reputation and brand;
- uncertainty relating to the outcome of the lawsuit filed against us by the U.S. Department of Justice and certain state attorneys general, including the scope of the remedy determined by the trial court, the success or failure of any appeal and the timing of any future judgments or decisions;
- uncertainty relating to the outcomes and costs associated with merchant class actions, including the success or failure of the settlement agreement, such as objections to the settlement agreement by plaintiffs and other parties and uncertainty and timing related to the approval of the settlement agreement by the Court, which can be impacted by appeals;
- legal and regulatory developments wherever we do business, including legislative and regulatory reforms in the U.S., such as the actions of the CFPB and Dodd-Frank's stricter regulation of large, interconnected financial institutions, which could make fundamental changes to many of our business practices or materially affect our capital or liquidity requirements, results of operations, or ability to pay dividends or repurchase our stock; actions and potential future actions by the FDIC and credit rating agencies applicable to securitization trusts, which could impact our ABS program; or potential changes to the taxation of our businesses, the allowance of deductions for significant expenses, or the incidence of consumption taxes on our transactions, products and services;
- changes in the substantial and increasing worldwide competition in the payments industry, including competitive pressure that may impact the prices we charge merchants that accept our cards, competition for co-brand relationships and the success of marketing, promotion or rewards programs;
- changes in the financial condition and creditworthiness of our business partners, such as bankruptcies, restructurings or consolidations, involving merchants that represent a significant portion of our business, such as the airline industry, or our partners in GNS or financial institutions that we rely on for routine funding and liquidity, which could materially affect our financial condition or results of operations;
- the impact of regulatory changes in the EU, including the introduction of price regulation, the elimination of honor all cards and "anti-steering" rules and requirements on granting access to our network, among other important changes, which will depend on various factors, including, but not limited to the exemptions and phase-in periods in the laws and regulations ultimately adopted in the EU and its Member States, our ability to adapt and change our business model to address regulatory requirements and competitive pressures, and our success in continuing to offer value propositions that potential partners, merchants and customers find attractive;

- our ability to maintain and expand our presence in the digital payments space, including online and mobile channels, which will depend on our success in evolving our business models and processes for the digital environment, building partnerships and executing programs with companies, and utilizing digital capabilities that can be leveraged for future growth;
- factors beyond our control such as fire, power loss, disruptions in telecommunications, severe weather conditions, natural disasters, health pandemics, terrorism, cyber attacks or fraud, which could significantly affect spending on American Express cards, delinquency rates, loan balances and travel-related spending or disrupt our global network systems and ability to process transactions; and
- the potential failure of the U.S. Congress to renew legislation regarding the active financing exception to Subpart F of the Internal Revenue Code, which could increase our effective tax rate and have an adverse impact on net income.

A further description of these uncertainties and other risks can be found in our Annual Report on Form 10-K for the year ended December 31, 2014 (2014 Form 10-K) and our other reports filed with the Securities and Exchange Commission.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We and our subsidiaries are involved in a number of legal and arbitration proceedings, including class actions, arising out of the conduct of our business activities. We believe we have meritorious defenses to each of these actions and intend to defend them vigorously. In the course of our business, we and our subsidiaries are also subject to governmental examinations, information gathering requests, subpoenas, inquiries and investigations. We believe we are not a party to, nor are any of our properties the subject of, any pending legal, arbitration, regulatory or investigative proceedings that would have a material adverse effect on our consolidated financial condition or liquidity. However, it is possible that the outcome of any such proceeding could have a material impact on results of operations in any particular reporting period as the proceedings are resolved. Certain legal proceedings involving us or our subsidiaries are further described in this section and others, for which there have been no subsequent material developments since the filing of the 2014 Form 10-K, are described in such report.

For those legal proceedings and governmental examinations described in this section and in the 2014 Form 10-K, where a loss is reasonably possible in future periods, whether in excess of a related accrued liability or where there is no accrued liability, and for which we are able to estimate a range of possible loss, the current estimated range is zero to $360 million in excess of the accrued liability (if any) related to those matters. This aggregate range represents management’s estimate of possible loss with respect to these matters and is based on currently available information. This estimated range of possible loss does not represent our maximum loss exposure. The legal proceedings and governmental examinations underlying the estimated range will change from time to time and actual results may vary significantly from current estimates. For additional information, refer to Note 8 to the Consolidated Financial Statements.

On March 20, 2015, a shareholder derivative action captioned Lankford v. Chenault, et al., and American Express Co. was filed in New York State Supreme Court, New York County. The defendants include current and former Company executives, current and former members of the Company's Board of Directors and the Company itself, as a nominal defendant. No demand preceded the filing of the complaint. The complaint alleges that the defendants permitted and/or caused the Company to violate the antitrust laws through inclusion of its non-discrimination provisions in merchant contracts, which led to the recent negative result in the lawsuit brought by the DOJ, which the Company intends to appeal. Based on those allegations, the complaint further alleges: breach of fiduciary duties by disseminating false and misleading information in the Company's SEC filings and other public statements; failure to maintain internal controls, and failure to properly oversee and manage the Company; unjust enrichment; abuse of control; and gross mismanagement. The amount of purported damages is unspecified in the complaint.

ITEM 1A. RISK FACTORS

For a discussion of our risk factors, see Part I, Item 1A. "Risk Factors" of the 2014 Form 10-K. There are no material changes from the risk factors set forth in the 2014 Form 10-K. However, the risks and uncertainties that we face are not limited to those set forth in the 2014 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 the Company's common stock made by or on behalf of the Company during the three months ended March 31, 2015.

	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [c]	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
January 1-31, 2015				
Repurchase program [a]	1,862,965	82.89	1,862,965	56,900,445
Employee transactions [b]	13,684	94.57	N/A	N/A
February 1-28, 2015				
Repurchase program [a]	6,394,338	81.28	6,394,338	50,506,107
Employee transactions [b]	1,056,911	82.97	N/A	N/A
March 1-31, 2015				
Repurchase program [a]	868,032	81.42	868,032	49,638,075
Employee transactions [b]	2,227	83.26	N/A	N/A
Total				
Repurchase program [a]	9,125,335	81.62	9,125,335	49,638,075
Employee transactions [b]	1,072,822	83.12	N/A	N/A

(a) As of March 31, 2015, there were approximately 50 million shares of common stock remaining under Board authorization. Such authorization does not have an expiration date and, at present, there is no intention to modify or otherwise rescind such authorization.

(b) Includes: (i) shares surrendered by holders of employee stock options who exercised options (granted under the Company's 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 the Company's incentive compensation plans) to offset tax withholding obligations that occur upon vesting and release of restricted shares. The Company's incentive compensation plans provide that the value of the shares delivered or attested to, or withheld, be based on the price of the Company's common stock on the date the relevant transaction occurs.

(c) Share purchases under publicly announced programs are made pursuant to open market purchases or privately negotiated transactions (including employee benefit plans) as market conditions warrant and at prices the Company deems appropriate.

ITEM 5. OTHER INFORMATION

Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012, which added Section 13(r) to the Exchange Act, an issuer is required to disclose in its annual or quarterly reports, as applicable, whether it or any of its affiliates knowingly engaged in certain activities, transactions or dealings relating to Iran or with individuals or entities designated pursuant to certain Executive Orders. Disclosure is generally required even where the activities, transactions or dealings were conducted outside the United States by non-U.S. affiliates in compliance with applicable law, and whether or not the activities are sanctionable under U.S. law.

During the first quarter of 2015, American Express Global Business Travel booked one hotel reservation at Esteghlal Grand Hotel. In addition, certain third-party service providers obtained approximately nine visas from Iranian embassies and consulates around the world during the first quarter of 2015 in connection with certain travel arrangements on behalf of American Express Global Business Travel clients. American Express Global Business Travel had negligible gross revenues and net profits attributable to these transactions. American Express Global Business Travel believes these transactions were permissible pursuant to certain exemptions from U.S. sanctions for travel-related transactions under the International Emergency Economic Powers Act, as amended. American Express Global Business Travel has informed us that it intends to continue to engage in these activities on a limited basis so long as such activities are permitted under U.S. law.

In addition, a travel company that may be considered an affiliate of ours, American Express Nippon Travel Agency, Inc. (“Nippon Travel Agency”), has informed us that during the first quarter of 2015 it obtained seven visas from the Iranian embassy in Japan in connection with certain travel arrangements on behalf of clients. Nippon Travel Agency had negligible gross revenues and net profits attributable to these transactions. Nippon Travel Agency has informed us that it intends to continue to engage in this activity so long as such activity is permitted under U.S. law.

ITEM 6. EXHIBITS

The list of exhibits required to be filed as exhibits to this report are listed on page E-1 hereof, under “Exhibit Index” which is incorporated herein by reference.

Table of Contents

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 29, 2015

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

Date: April 29, 2015

By /s/ Linda Zukauckas
Linda Zukauckas
Executive Vice President and
Corporate Comptroller
(Principal Accounting Officer)

Table of Contents

EXHIBIT INDEX

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

Exhibit	Description
3.1	Conformed copy of Amended and Restated Certificate of Incorporation of American Express Company, as amended through February 27, 2015.
10.1	American Express Company Deferred Compensation Plan for Directors and Advisors, as amended through March 23, 2015.
10.2	Amendment No. 2, dated March 26, 2015, to the Amended and Restated Time Sharing Agreement, dated March 26, 2014, by and between American Express Travel Related Services Company, Inc. and Kenneth I. Chenault.
12	Computation in Support of Ratio of Earnings to Fixed Charges
31.1	Certification of Kenneth I. Chenault pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
31.2	Certification of Jeffrey C. Campbell pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
32.1	Certification of Kenneth I. Chenault pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Jeffrey C. Campbell pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
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

EXHIBIT 3.1

CONFORMED COPY TO REFLECT AMENDMENTS MADE THROUGH FEBRUARY 27, 2015

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

AMERICAN EXPRESS COMPANY

UNDER SECTION 807 OF THE BUSINESS CORPORATION LAW

* * * * *

SECTION 1. NAME

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

SECTION 2. PURPOSES

The purposes for which the corporation is formed are:

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

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

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

SECTION 3. OFFICE

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

SECTION 4. AUTHORIZED SHARES

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

2. No holder of common shares or of preferred shares of any series shall have any preemptive or preferential right to purchase or subscribe to any shares of any class or series of the corporation, whether now or hereafter authorized, or to any obligations or other securities convertible into or exchangeable for shares of the corporation or carrying options or rights to purchase shares of any class or series whatsoever, nor any right of subscription to any thereof, other than such, if any, as the Board of Directors in its discretion may, from time to time, determine or as may be specified in any certificate of amendment of this certificate of incorporation, and at such price or prices and at such rate or

rates as the Board of Directors may from time to time fix pursuant to the authority conferred by the provisions of this Section 4; and any shares or obligations or other securities which the Board of Directors may determine to offer for subscription to the holders of shares may, as the Board shall determine, be offered exclusively either to the holders of preferred shares or any one or more series thereof or to the holders of common shares, or partly to the holders of preferred shares or any one or more series thereof and partly to the holders of common shares, and in such case in such proportions as between such classes and series as the Board of Directors in its discretion may determine.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

At each meeting of shareholders at which the holders of the preferred shares of all series shall have the special right, voting separately as a single class, to elect directors as provided in this paragraph e, the presence in person or by proxy of the holders of record of one-third of the total number of the preferred

shares of all series then issued and outstanding shall be necessary and sufficient to constitute a quorum of such class for such election by such shareholders.

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

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

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

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

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

SECTION 5. AGENT FOR PROCESS

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

SECTION 6. SHAREHOLDER VOTE

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

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

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

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

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

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

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

SECTION 7. AMENDMENTS

The corporation reserves the right to amend, alter, change or repeal any provision herein contained in the manner now or hereafter prescribed by

applicable law, and all rights conferred hereunder upon shareholders of the corporation are granted subject to this reservation.

SECTION 8. LIABILITY OF DIRECTORS

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

SECTION 9. DESIGNATION OF FIXED RATE CUMULATIVE PERPETUAL PREFERRED STOCK, SERIES A

A. DESIGNATION AND NUMBER OF SHARES. There is hereby created out of the authorized and unissued preferred shares of the Corporation a series of preferred shares designated as the "Fixed Rate Cumulative Perpetual Preferred Stock, Series A" (the "DESIGNATED PREFERRED STOCK"). The authorized number of shares of Designated Preferred Stock shall be 3,388,890.

B. GENERAL MATTERS. Each share of Designated Preferred Stock shall be identical in all respects to every other share of Designated Preferred Stock. The Designated Preferred Stock shall be perpetual, subject to the provisions of subsection G below. The Designated Preferred Stock shall rank equally with Parity Stock and shall rank senior to Junior Stock with respect to the payment of dividends and the distribution of assets in the event of any dissolution, liquidation or winding up of the Corporation.

C. DEFINITIONS. The following terms are used in this Section 9 as defined below:

(a) "APPLICABLE DIVIDEND RATE" means (i) during the period from the Original Issue Date to, but excluding, the first day of the first Dividend Period commencing on or after the fifth anniversary of the Original Issue Date, 5% per annum and (ii) from and after the first day of the first Dividend Period commencing on or after the fifth anniversary of the Original Issue Date, 9% per annum.

(b) "APPROPRIATE FEDERAL BANKING AGENCY" means the "appropriate Federal banking agency" with respect to the Corporation as defined in Section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. Section 1813(q)), or any successor provision.

(c) "BUSINESS COMBINATION" means a merger, consolidation, statutory share exchange or similar transaction that requires the approval of the Corporation's stockholders.

(d) "BUSINESS DAY" means any day except Saturday, Sunday and any day on which banking institutions in the State of New York generally are authorized or required by law or other governmental actions to close.

(e) "BYLAWS" means the bylaws of the Corporation, as they may be amended from time to time.

(f) "CHARTER" means the Corporation's certificate or articles of incorporation, articles of association, or similar organizational document.

(g) "COMMON STOCK" means the Common Shares, par value $0.20 per share, of the Corporation.

(h) "DIVIDEND PAYMENT DATE" means February 15, May 15, August 15 and November 15 of each year.

(i) "DIVIDEND PERIOD" has the meaning set forth in subsection E(a).

(j) "DIVIDEND RECORD DATE" has the meaning set forth in subsection E(a).

(k) "JUNIOR STOCK" means the Common Stock and any other class or series of stock of the Corporation the terms of which expressly provide that it ranks junior to Designated Preferred Stock as to dividend rights and/or as to rights on liquidation, dissolution or winding up of the Corporation.

(l) "LIQUIDATION AMOUNT" means $1,000 per share of Designated Preferred Stock.

(m) "LIQUIDATION PREFERENCE" has the meaning set forth in subsection F(a).

(n) "MINIMUM AMOUNT" means $847,222,500.

(o) "ORIGINAL ISSUE DATE" means the date on which shares of Designated Preferred Stock are first issued.

(p) "PARITY STOCK" means any class or series of stock of the Corporation (other than Designated Preferred Stock) the terms of which do not expressly provide that such class or series will rank senior or junior to Designated Preferred Stock as to dividend rights and/or as to rights on liquidation, dissolution or winding up of the Corporation (in each case without regard to whether dividends accrue cumulatively or non-cumulatively).

(q) "PREFERRED DIRECTOR" has the meaning set forth in subsection I(b).

(r) "PREFERRED STOCK" means any and all series of preferred shares of the Corporation, including the Designated Preferred Stock.

(s) "QUALIFIED EQUITY OFFERING" means the sale and issuance for cash by the Corporation to persons other than the Corporation or any of its subsidiaries after the Original Issue Date of shares of perpetual Preferred Stock, Common Stock or any combination of such stock, that, in each case, qualify as and may be included in Tier 1 capital of the Corporation at the time of issuance under the applicable risk-based capital guidelines of the Corporation's Appropriate Federal Banking Agency (other than any such sales and issuances made pursuant to agreements or arrangements entered into, or

pursuant to financing plans which were publicly announced, on or prior to October 13, 2008).

(t) "SHARE DILUTION AMOUNT" has the meaning set forth in subsection E(b).

(u) "SIGNING DATE" means the Original Issue Date.

(v) "SUCCESSOR PREFERRED STOCK" has the meaning set forth in subsection G(a).

(w) "VOTING PARITY STOCK" means, with regard to any matter as to which the holders of Designated Preferred Stock are entitled to vote as specified in subsections I(a) and I(b), any and all series of Parity Stock upon which like voting rights have been conferred and are exercisable with respect to such matter.

(x) Unless the context otherwise requires, any reference to a "SUBSECTION" refers to a subsection of this Section 9, as it may be amended from time to time.

D. CERTAIN VOTING MATTERS. Holders of shares of Designated Preferred Stock will be entitled to one vote for each such share on any matter on which holders of Designated Preferred Stock are entitled to vote, including any action by written consent.

E. DIVIDENDS.

(a) RATE. Holders of Designated Preferred Stock shall be entitled to receive, on each share of Designated Preferred Stock if, as and when declared by the Board of Directors or any duly authorized committee of the Board of Directors, but only out of assets legally available therefor, cumulative cash dividends with respect to each Dividend Period (as defined below) at a rate per annum equal to the Applicable Dividend Rate on (i) the Liquidation Amount per share of Designated Preferred Stock and (ii) the amount of accrued and unpaid dividends for any prior Dividend Period on such share of Designated Preferred Stock, if any. Such dividends shall begin to accrue and be cumulative from the Original Issue Date, shall compound on each subsequent Dividend Payment Date (i.e., no dividends shall accrue on other dividends unless and until the first Dividend Payment Date for such other dividends has passed without such other dividends having been paid on such date) and shall be payable quarterly in arrears on each first such Dividend Payment Date to occur at least 20 calendar days after the Original Issue Date. In the event that any Dividend Payment Date would otherwise fall on a day that is not a Business Day, the dividend payment due on that date will be postponed to the next day that is a Business Day and no additional dividends will accrue as a result of that postponement. The period from and including any Dividend Payment Date to, but excluding, the next Dividend Payment Date is a "DIVIDEND PERIOD", provided that the initial Dividend Period shall be the period from and including the Original Issue Date to, but excluding, the next Dividend Payment Date.

Dividends that are payable on Designated Preferred Stock in respect of any Dividend Period shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of dividends payable on Designated Preferred Stock on any date prior to the end of a Dividend Period, and for the initial Dividend Period, shall be computed on the basis of a 360-day year consisting of twelve 30-day months, and actual days elapsed over a 30-day month.

Dividends that are payable on Designated Preferred Stock on any Dividend Payment Date will be payable to holders of record of Designated Preferred Stock as they appear on the stock register of the Corporation on the applicable record date, which shall be the 15th calendar day immediately preceding such Dividend Payment Date or such other record date fixed by the Board of Directors or any duly authorized committee of the Board of Directors that is not more than 60 nor less than 10 days prior to such Dividend Payment Date (each, a "DIVIDEND RECORD DATE"). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day.

Holders of Designated Preferred Stock shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on Designated Preferred Stock as specified in this subsection E (subject to the other provisions of this Section 9).

(b) PRIORITY OF DIVIDENDS. So long as any share of Designated Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than dividends payable solely in shares of Common Stock) or Parity Stock, subject to the immediately following paragraph in the case of Parity Stock, and no Common Stock, Junior Stock or Parity Stock shall be, directly or indirectly, purchased, redeemed or otherwise acquired for consideration by the Corporation or any of its subsidiaries unless all accrued and unpaid dividends for all past Dividend Periods, including the latest completed Dividend Period (including, if applicable as provided in subsection E(a) above, dividends on such amount), on all outstanding shares of Designated Preferred Stock have been or are contemporaneously declared and paid in full (or have been declared and a sum sufficient for the payment thereof has been set aside for the benefit of the holders of shares of Designated Preferred Stock on the applicable record date). The foregoing limitation shall not apply to (i) redemptions, purchases or other acquisitions of shares of Common Stock or other Junior Stock in connection with the administration of any employee benefit plan in the ordinary course of business (including purchases to offset the Share Dilution Amount (as defined below) pursuant to a publicly announced repurchase plan) and consistent with past practice, PROVIDED that any purchases to offset the Share Dilution Amount shall in no event exceed the Share Dilution Amount; (ii) purchases or other acquisitions by a broker-dealer subsidiary of the Corporation solely for the purpose of market-making, stabilization or customer facilitation transactions in Junior Stock or Parity Stock in the ordinary course of its business; (iii) purchases by a broker-dealer subsidiary of the Corporation of capital stock of the Corporation for resale pursuant to an offering by the Corporation of such capital stock underwritten by such broker-dealer subsidiary; (iv) any dividends or distributions of rights or Junior Stock in connection with a stockholders' rights plan or any redemption or repurchase of rights pursuant to any stockholders' rights plan; (v) the acquisition by the Corporation or any of its subsidiaries of record ownership in Junior Stock or Parity Stock for the beneficial ownership of any other persons (other than the Corporation or any of its subsidiaries), including as trustees or custodians; and (vi) the exchange or conversion of Junior Stock for or into other Junior Stock or of Parity Stock for or into other Parity Stock (with the same or lesser aggregate liquidation amount) or Junior Stock, in each case, solely to the extent required pursuant to binding contractual agreements entered into prior to the Signing Date or any subsequent agreement for the accelerated exercise, settlement or exchange thereof for Common Stock. "SHARE DILUTION AMOUNT" means the increase in the number of diluted shares outstanding (determined in accordance with generally accepted accounting principles in the United States, and as measured from the date of the Corporation's

consolidated financial statements most recently filed with the Securities and Exchange Commission prior to the Original Issue Date) resulting from the grant, vesting or exercise of equity-based compensation to employees and equitably adjusted for any stock split, stock dividend, reverse stock split, reclassification or similar transaction.

When dividends are not paid (or declared and a sum sufficient for payment thereof set aside for the benefit of the holders thereof on the applicable record date) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within a Dividend Period related to such Dividend Payment Date) in full upon Designated Preferred Stock and any shares of Parity Stock, all dividends declared on Designated Preferred Stock and all such Parity Stock and payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared PRO RATA so that the respective amounts of such dividends declared shall bear the same ratio to each other as all accrued and unpaid dividends per share on the shares of Designated Preferred Stock (including, if applicable as provided in subsection E(a) above, dividends on such amount) and all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) (subject to their having been declared by the Board of Directors or a duly authorized committee of the Board of Directors out of legally available funds and including, in the case of Parity Stock that bears cumulative dividends, all accrued but unpaid dividends) bear to each other. If the Board of Directors or a duly authorized committee of the Board of Directors determines not to pay any dividend or a full dividend on a Dividend Payment Date, the Corporation will provide written notice to the holders of Designated Preferred Stock prior to such Dividend Payment Date.

Subject to the foregoing, and not otherwise, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors or any duly authorized committee of the Board of Directors may be declared and paid on any securities, including Common Stock and other Junior Stock, from time to time out of any funds legally available for such payment, and holders of Designated Preferred Stock shall not be entitled to participate in any such dividends.

F. LIQUIDATION RIGHTS.

(a) VOLUNTARY OR INVOLUNTARY LIQUIDATION. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of Designated Preferred Stock shall be entitled to receive for each share of Designated Preferred Stock, out of the assets of the Corporation or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Corporation, subject to the rights of any creditors of the Corporation, before any distribution of such assets or proceeds is made to or set aside for the holders of Common Stock and any other stock of the Corporation ranking junior to Designated Preferred Stock as to such distribution, payment in full in an amount equal to the sum of (i) the Liquidation Amount per share and (ii) the amount of any accrued and unpaid dividends (including, if applicable as provided in subsection E(a) above, dividends on such amount), whether or not declared, to the date of payment (such amounts collectively, the "LIQUIDATION PREFERENCE").

(b) PARTIAL PAYMENT. If in any distribution described in subsection F(a) above the assets of the Corporation or proceeds thereof are not sufficient to pay in full the amounts payable with respect to all outstanding shares of Designated Preferred Stock and the corresponding amounts payable with respect of any other stock of the Corporation ranking equally with Designated Preferred Stock as to such distribution, holders of Designated Preferred Stock and the holders of such other stock shall share ratably in any such distribution in proportion to the full respective distributions to which they are entitled.

(c) RESIDUAL DISTRIBUTIONS. If the Liquidation Preference has been paid in full to all holders of Designated Preferred Stock and the corresponding amounts payable with respect of any other stock of the Corporation ranking equally with Designated Preferred Stock as to such distribution has been paid in full, the holders of other stock of the Corporation shall be entitled to receive all remaining assets of the Corporation (or proceeds thereof) according to their respective rights and preferences.

(d) MERGER, CONSOLIDATION AND SALE OF ASSETS NOT LIQUIDATION. For purposes of this subsection F, the merger or consolidation of the Corporation with any other corporation or other entity, including a merger or consolidation in which the holders of Designated Preferred Stock receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Corporation, shall not constitute a liquidation, dissolution or winding up of the Corporation.

G. REDEMPTION.

(a) OPTIONAL REDEMPTION. Except as provided below, the Designated Preferred Stock may not be redeemed prior to the first Dividend Payment Date falling on or after the third anniversary of the Original Issue Date. On or after the first Dividend Payment Date falling on or after the third anniversary of the Original Issue Date, the Corporation, at its option, subject to the approval of the Appropriate Federal Banking Agency, may redeem, in whole or in part, at any time and from time to time, out of funds legally available therefor, the shares of Designated Preferred Stock at the time outstanding, upon notice given as provided in subsection G(c) below, at a redemption price equal to the sum of (i) the Liquidation Amount per share and (ii) except as otherwise provided below, any accrued and unpaid dividends (including, if applicable as provided in subsection E(a) above, dividends on such amount) (regardless of whether any dividends are actually declared) to, but excluding, the date fixed for redemption.

Notwithstanding the foregoing, prior to the first Dividend Payment Date falling on or after the third anniversary of the Original Issue Date, the Corporation, at its option, subject to the approval of the Appropriate Federal Banking Agency, may redeem, in whole or in part, at any time and from time to time, the shares of Designated Preferred Stock at the time outstanding, upon notice given as provided in subsection G(c) below, at a redemption price equal to the sum of (i) the Liquidation Amount per share and (ii) except as otherwise provided below, any accrued and unpaid dividends (including, if applicable as provided in subsection E(a) above, dividends on such amount) (regardless of whether any dividends are actually declared) to, but excluding, the date fixed for redemption; PROVIDED that (x) the Corporation (or any successor by Business Combination) has received aggregate gross proceeds of not less than the Minimum Amount (plus the "Minimum Amount" as defined in the relevant certificate of designations for each other outstanding series of preferred stock of such successor that was originally issued to the United States Department of the Treasury (the

"SUCCESSOR PREFERRED STOCK") in connection with the Troubled Asset Relief Program Capital Purchase Program) from one or more Qualified Equity Offerings (including Qualified Equity Offerings of such successor), and (y) the aggregate redemption price of the Designated Preferred Stock (and any Successor Preferred Stock) redeemed pursuant to this paragraph may not exceed the aggregate net cash proceeds received by the Corporation (or any successor by Business Combination) from such Qualified Equity Offerings (including Qualified Equity Offerings of such successor).

The redemption price for any shares of Designated Preferred Stock shall be payable on the redemption date to the holder of such shares against surrender of the certificate(s) evidencing such shares to the Corporation or its agent. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the Dividend Record Date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such Dividend Record Date relating to the Dividend Payment Date as provided in subsection E above.

(b) NO SINKING FUND. The Designated Preferred Stock will not be subject to any mandatory redemption, sinking fund or other similar provisions. Holders of Designated Preferred Stock will have no right to require redemption or repurchase of any shares of Designated Preferred Stock.

(c) NOTICE OF REDEMPTION. Notice of every redemption of shares of Designated Preferred Stock shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this subsection G(c) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Designated Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Designated Preferred Stock. Notwithstanding the foregoing, if shares of Designated Preferred Stock are issued in book-entry form through The Depository Trust Company or any other similar facility, notice of redemption may be given to the holders of Designated Preferred Stock at such time and in any manner permitted by such facility. Each notice of redemption given to a holder shall state: (1) the redemption date; (2) the number of shares of Designated Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price; and (4) the place or places where certificates for such shares are to be surrendered or payment of the redemption price.

(d) PARTIAL REDEMPTION. In case of any redemption of part of the shares of Designated Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either PRO RATA or in such other manner as the Board of Directors or a duly authorized committee thereof may determine to be fair and equitable. Subject to the provisions hereof, the Board of Directors or a duly authorized committee thereof shall have full power and authority to prescribe the terms and conditions upon which shares of Designated Preferred Stock shall be redeemed from time to time. If fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without charge to the holder thereof.

(e) EFFECTIVENESS OF REDEMPTION. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been deposited by the Corporation, in trust for the PRO RATA benefit of the holders of the shares called for redemption, with a bank or trust company doing business in the Borough of Manhattan, The City of New York, and having a capital and surplus of at least $500 million and selected by the Board of Directors, so as to be and continue to be available solely therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date dividends shall cease to accrue on all shares so called for redemption, all shares so called for redemption shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company, without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

(f) STATUS OF REDEEMED SHARES. Shares of Designated Preferred Stock that are redeemed, repurchased or otherwise acquired by the Corporation shall revert to authorized but unissued shares of Preferred Stock (PROVIDED that any such cancelled shares of Designated Preferred Stock may be reissued only as shares of any series of Preferred Stock other than Designated Preferred Stock).

H. CONVERSION. Holders of Designated Preferred Stock shares shall have no right to exchange or convert such shares into any other securities.

I. VOTING RIGHTS.

(a) GENERAL. The holders of Designated Preferred Stock shall not have any voting rights except as set forth below or as otherwise from time to time required by law.

(b) PREFERRED STOCK DIRECTORS. Whenever, at any time or times, dividends payable on the shares of Designated Preferred Stock have not been paid for an aggregate of six quarterly Dividend Periods or more, whether or not consecutive, the authorized number of directors of the Corporation shall automatically be increased by two and the holders of the Designated Preferred Stock shall have the right, with holders of shares of any one or more other classes or series of Voting Parity Stock outstanding at the time, voting together as a class, to elect two directors (hereinafter the "PREFERRED DIRECTORS" and each a "PREFERRED DIRECTOR") to fill such newly created directorships at the Corporation's next annual meeting of stockholders (or at a special meeting called for that purpose prior to such next annual meeting) and at each subsequent annual meeting of stockholders until all accrued and unpaid dividends for all past Dividend Periods, including the latest completed Dividend Period (including, if applicable as provided in subsection E(a) above, dividends on such amount), on all outstanding shares of Designated Preferred Stock have been declared and paid in full at which time such right shall terminate with respect to the Designated Preferred Stock, except as herein or by law expressly provided, subject to revesting in the event of each and every subsequent default of the character above mentioned; PROVIDED that it shall be a qualification for election for any Preferred Director that the election of such Preferred Director shall not cause the Corporation to violate any corporate governance requirements of any securities exchange or other trading facility on which securities of the Corporation may then be listed or

traded that listed or traded companies must have a majority of independent directors. Upon any termination of the right of the holders of shares of Designated Preferred Stock and Voting Parity Stock as a class to vote for directors as provided above, the Preferred Directors shall cease to be qualified as directors, the term of office of all Preferred Directors then in office shall terminate immediately and the authorized number of directors shall be reduced by the number of Preferred Directors elected pursuant hereto. Any Preferred Director may be removed at any time, with or without cause, and any vacancy created thereby may be filled, only by the affirmative vote of the holders a majority of the shares of Designated Preferred Stock at the time outstanding voting separately as a class together with the holders of shares of Voting Parity Stock, to the extent the voting rights of such holders described above are then exercisable. If the office of any Preferred Director becomes vacant for any reason other than removal from office as aforesaid, the remaining Preferred Director may choose a successor who shall hold office for the unexpired term in respect of which such vacancy occurred.

(c) CLASS VOTING RIGHTS AS TO PARTICULAR MATTERS. So long as any shares of Designated Preferred Stock are outstanding, in addition to any other vote or consent of stockholders required by law or by the Charter, the vote or consent of the holders of at least 66 2/3% of the shares of Designated Preferred Stock at the time outstanding, voting as a separate class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) AUTHORIZATION OF SENIOR STOCK. Any amendment or alteration of the Charter to authorize or create or increase the authorized amount of, or any issuance of, any shares of, or any securities convertible into or exchangeable or exercisable for shares of, any class or series of capital stock of the Corporation ranking senior to Designated Preferred Stock with respect to either or both the payment of dividends and/or the distribution of assets on any liquidation, dissolution or winding up of the Corporation;

(ii) AMENDMENT OF DESIGNATED PREFERRED STOCK. Any amendment, alteration or repeal of any provision of the Charter (including, unless no vote on such merger or consolidation is required by subsection I(c)(iii) below, any amendment, alteration or repeal by means of a merger, consolidation or otherwise) so as to adversely affect the rights, preferences, privileges or voting powers of the Designated Preferred Stock; or

(iii) SHARE EXCHANGES, RECLASSIFICATIONS, MERGERS AND CONSOLIDATIONS. Any consummation of a binding share exchange or reclassification involving the Designated Preferred Stock, or of a merger or consolidation of the Corporation with another corporation or other entity, unless in each case (x) the shares of Designated Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of Designated Preferred Stock immediately prior to such consummation, taken as a whole;

PROVIDED, HOWEVER, that for all purposes of this subsection I(c), any increase in the amount of the authorized Preferred Stock, including any increase in the authorized amount of Designated Preferred Stock necessary to satisfy preemptive or similar rights granted by the Corporation to other persons prior to the Signing Date, or the creation and issuance, or an increase in the authorized or issued amount, whether pursuant to preemptive or similar rights or otherwise, of any other series of Preferred Stock, or any securities convertible into or exchangeable or exercisable for any other series of Preferred Stock, ranking equally with and/or junior to Designated Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the rights, preferences, privileges or voting powers, and shall not require the affirmative vote or consent of, the holders of outstanding shares of the Designated Preferred Stock.

(d) CHANGES AFTER PROVISION FOR REDEMPTION. No vote or consent of the holders of Designated Preferred Stock shall be required pursuant to subsection I(c) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such subsection, all outstanding shares of the Designated Preferred Stock shall have been redeemed, or shall have been called for redemption upon proper notice and sufficient funds shall have been deposited in trust for such redemption, in each case pursuant to subsection G above.

(e) PROCEDURES FOR VOTING AND CONSENTS. The rules and procedures for calling and conducting any meeting of the holders of Designated Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules of the Board of Directors or any duly authorized committee of the Board of Directors, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Charter, the Bylaws, and applicable law and the rules of any national securities exchange or other trading facility on which Designated Preferred Stock is listed or traded at the time.

J. RECORD HOLDERS. To the fullest extent permitted by applicable law, the Corporation and the transfer agent for Designated Preferred Stock may deem and treat the record holder of any share of Designated Preferred Stock as the true and lawful owner thereof for all purposes, and neither the Corporation nor such transfer agent shall be affected by any notice to the contrary.

K. NOTICES. All notices or communications in respect of Designated Preferred Stock shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in the Charter or Bylaws or by applicable law. Notwithstanding the foregoing, if shares of Designated Preferred Stock are issued in book-entry form through The Depository Trust Company or any similar facility, such notices may be given to the holders of Designated Preferred Stock in any manner permitted by such facility.

L. NO PREEMPTIVE RIGHTS. No share of Designated Preferred Stock shall have any rights of preemption whatsoever as to any securities of the Corporation, or any warrants, rights or options issued or granted with respect thereto, regardless of how such securities, or such warrants, rights or options, may be designated, issued or granted.

M. REPLACEMENT CERTIFICATES. The Corporation shall replace any mutilated certificate at the holder's expense upon surrender of that certificate to the Corporation. The Corporation shall replace certificates that become destroyed, stolen or lost at the holder's expense upon delivery to the Corporation of reasonably satisfactory evidence that the certificate has been destroyed, stolen or lost, together with any indemnity that may be reasonably required by the Corporation.

N. OTHER RIGHTS. The shares of Designated Preferred Stock shall not have any rights, preferences, privileges or voting powers or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Charter or as provided by applicable law.

SECTION 10. DESIGNATION OF 5.200% FIXED RATE / FLOATING RATE NONCUMULATIVE PREFERRED SHARES, SERIES B

1. Designation and Number of Shares.

(a) There is hereby created out of the authorized and unissued preferred shares of the Corporation a series of preferred shares designated as the "5.200% Fixed Rate / Floating Rate Noncumulative Preferred Shares, Series B" (the "Series B Preferred Shares").

(b) The number of authorized Series B Preferred Shares shall be 750. That number from time to time may be increased (but not in excess of the total number of authorized preferred shares) or decreased (but not below the number of Series B Preferred Shares then outstanding) by further resolution duly adopted by the Board of Directors, the Preferred Share Pricing Committee thereof or any other duly authorized committee thereof and by the filing of a certificate pursuant to the provisions of the Business Corporation Law stating that such increase or reduction, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional Series B Preferred Shares.

2. General Matters.

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

3. Definitions.

As used in this Section 10:

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

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

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

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

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

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

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

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

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

" Dividend Payment Date " has the meaning set forth in Subsection 4(a) of this Section 10.

" Dividend Period " has the meaning set forth in Subsection 4(a) of this Section 10.

" Dividend Record Date " has the meaning set forth in Subsection 4(a) of this Section 10.

" DTC " means The Depository Trust Company.

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

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

" LIBOR Determination Date " means the second London Banking Day immediately preceding the first day of the relevant Dividend Period.

" London Banking Day " means any day on which commercial banks are open for general business (including dealings in deposits in United States dollars) in London.

" Nonpayment " has the meaning set forth in Subsection 7(b)(i) of this Section 10.

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

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

" Preferred Shares " means the Series B Preferred Shares and preferred shares of the Corporation of any series that by its terms votes together with the Series B Preferred Shares in the election of directors, as applicable.

" Preferred Share Director " has the meaning set forth in Subsection 7(b)(i) of this Section 10.

" Preferred Share Director Termination Date " has the meaning set forth in Subsection 7(b)(ii) of this Section 10.

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

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

" Reuters LIBOR01 Page " means the display designated as page LIBOR01 on the Reuters 3000 Xtra (or such other page as may replace the Reuters LIBOR01 Page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying rates or prices comparable to the London Interbank Offered Rate for U.S. dollar deposits).

" Series B Preferred Shares " has the meaning set forth in Subsection 1 of this Section 10.

" Series B Preferred Shares Certificate " has the meaning set forth in Subsection 14(a) of this Section 10.

" Three-month LIBOR " means the rate (expressed as a percentage per annum) for deposits in United States dollars for a three-month period commencing on the first day of a Dividend Period that appears on the Reuters LIBOR01 Page as of 11:00 a.m. (London time) on the LIBOR Determination Date for that Dividend Period. If such rate does not appear on the Reuters LIBOR01 Page, Three-month LIBOR will be determined on the basis of the rates at which deposits in United States dollars for a three-month period commencing on the first day of that Dividend Period and in a principal amount of not less than $1 million are offered to prime banks in the London interbank market by four major banks in the London interbank market selected by the Calculation Agent (after consultation with the Corporation), at approximately 11:00 a.m., London time, on the LIBOR Determination Date for that Dividend Period. The Calculation Agent will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, Three-month LIBOR with respect to that Dividend Period will be the arithmetic mean (rounded upward if necessary to the nearest whole multiple of 0.00001%) of such quotations. If fewer

than two quotations are provided, Three-month LIBOR with respect to that Dividend Period will be the arithmetic mean (rounded upward if necessary to the nearest whole multiple of 0.00001%) of the rates quoted by three major banks in New York City selected by the Calculation Agent (after consultation with the Corporation), at approximately 11:00 a.m., New York City time, on the LIBOR Determination Date for that Dividend Period for loans in United States dollars to leading European banks for a three-month period commencing on the first day of that Dividend Period and in a principal amount of not less than $1 million. However, if fewer than three banks selected by the Calculation Agent to provide quotations are quoting as described above, Three-month LIBOR for that Dividend Period will be the same Three-month LIBOR as determined for the previous Dividend Period or, in the case of the Dividend Period beginning on November 15, 2019, 0.23185%. The determination of Three-month LIBOR for each relevant Dividend Period by the Calculation Agent will (in the absence of manifest error) be final and binding.

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

" Trust " has the meaning set forth in Subsection 6(d) of this Section 10.

4. Dividends.

(a) Rate. Holders shall be entitled to receive, when, as and if declared by the Board of Directors or any duly authorized committee thereof, but only out of funds legally available therefor, noncumulative cash dividends on the Series B Preferred Shares in the amounts specified below in this Subsection 4, and no more, payable (i) semi-annually in arrears on each May 15 and November 15, beginning May 15, 2015, from and including the date of issuance to, but excluding November 15, 2019, and (ii) quarterly in arrears on each February 15, May 15, August 15 and November 15 of each year, beginning on February 15, 2020; *provided, however*, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day (except if after November 15, 2019, that day falls in the next calendar month, in which case the payment of any dividend otherwise payable will be made on the first preceding Business Day), (a) on or prior to November 15, 2019, without any interest or other payment in respect of such postponement, and (b) after November 15, 2019, with dividends accruing to the actual payment date (each such day referred to in clauses (i) and (ii) on which dividends are payable a " Dividend Payment Date "). The period from and including the date of issuance of the Series B Preferred Shares or any Dividend Payment Date to, but excluding, the next Dividend Payment Date is a " Dividend Period ." Dividends on each Series B Preferred Share will accrue on the liquidation preference of $1,000,000 per share at a rate per annum equal to (i) 5.200%, for each Dividend Period from and including the date of issuance to, but excluding, November 15, 2019 and (ii) Three-month LIBOR plus 3.428%, for each Dividend Period from and including November 15, 2019. The record date for payment of dividends on the Series B Preferred Shares will be the record date fixed by the Board of Directors or any other duly authorized committee thereof that is not more than 30 days prior to such Dividend Payment Date (each, a " Dividend Record Date "). Any such day that is a Dividend Record Date will be a Dividend Record Date whether or not such day is a Business Day. The amount of dividends payable on or prior to November 15, 2019 will be computed on the basis of a 360-day year of twelve 30-day months. The amount of dividends payable after November 15, 2019 will be computed on the basis of a 360-day year and the actual number of days elapsed.

(b) Noncumulative Dividends. If the Board of Directors or any duly authorized committee thereof does not declare a dividend on the Series B Preferred Shares for any Dividend Period prior to the related Dividend Payment Date, that dividend will not accrue, and the Corporation will have no obligation to pay, and Holders shall have no right to receive, a dividend for that Dividend

Period on the related Dividend Payment Date or at any future time, whether or not dividends on the Series B Preferred Shares or any other series of preferred shares or common shares are declared for any subsequent period. References herein to the "accrual" of dividends refer only to the determination of the amount of such dividend and do not imply that any right to a dividend arises prior to the date on which a dividend is declared.

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

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

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

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

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

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

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

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

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

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

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

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

5. Liquidation Rights.

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

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

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

6. Redemption.

(a) Optional Redemption. At its option, the Corporation may redeem out of funds legally available therefor, (i) in whole or in part, from time to time, the Series B Preferred Shares at the time outstanding, on any Dividend Payment Date on or after November 15, 2019, or (ii) in whole but not in part at any time within 90 days following a Regulatory Capital Event, in each case at a redemption price equal to $1,000,000 per share plus any declared and unpaid dividends, without accumulation of any undeclared dividends, to but excluding the redemption date, upon notice given as provided in Subsection 6(b) below.

(b) Notice of Redemption. Notice of every redemption of Series B Preferred Shares shall be mailed by first class mail, postage prepaid, addressed to the Holders of such shares to be redeemed at their respective last addresses appearing on the share register of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection 6(b) shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any Holder of Series B Preferred Shares designated for redemption shall not affect the validity of the proceedings for the redemption of any other Series B Preferred Shares. Each notice shall state:

(i) the redemption date;

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

(iii) the redemption price;

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

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

Notwithstanding the foregoing, if the certificates evidencing the Series B Preferred Shares are held of record by a depositary and any related depository shares are held of record by a Depositary or its nominee, the Corporation may give such notice in any manner permitted by the Depositary.

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

(d) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other assets, for the pro rata benefit of the Holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors or any duly authorized committee thereof (the " Trust ") in trust for the pro rata benefit of the Holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the

redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue on such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the Holders thereof to receive the amount payable on such redemption from the Trust at any time after the redemption date from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Trust any interest accrued on such funds, and the Holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released or repaid to the Corporation, and in the event of such repayment to the Corporation, the Holders of the shares so called for redemption shall be deemed to be unsecured creditors of the Corporation for an amount equivalent to the amount deposited as stated above for the redemption of such shares and so repaid to the Corporation, but shall in no event be entitled to any interest.

7. Voting Rights.

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

(b) Preferred Share Directors.

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

(ii) Termination. Each Preferred Share Director shall hold office until the annual meeting of shareholders next succeeding his or her election and until his or her successor, if any, is elected by the holders of the issued and outstanding Preferred Shares and qualified or, if earlier, until the Preferred Share Director Termination Date or his or her death, resignation or removal in the manner provided in the By-Laws; *provided, however* , that notwithstanding any provision in the By-Laws, a

Preferred Share Director may be removed only by the affirmative vote of the holders a majority of the issued and outstanding Preferred Shares if such removal is without cause. In case any vacancy shall occur among the Preferred Share Directors, such vacancy may be filled for the unexpired portion of the term by vote of the single remaining Preferred Share Director or his or her successor in office, or, if such vacancy shall occur more than 90 days prior to the first anniversary of the next preceding annual meeting of shareholders, by the holders of the issued and outstanding Preferred Shares at a special meeting of such shareholders called for the purpose. Whenever the Corporation has paid noncumulative dividends in full on all series of Preferred Shares for at least two consecutive semi-annual or four consecutive quarterly dividend periods following a Nonpayment and has paid arrearages of cumulative dividends in full on any Preferred Shares entitled to cumulative dividends, then the right of the Holders to elect Preferred Share Directors will cease (the time of such cessation, the " Preferred Share Director Termination Date "). Upon a Preferred Share Director Termination Date, the terms of office of the Preferred Share Directors will immediately terminate, the persons then serving as Preferred Share Directors shall immediately cease to be qualified to hold office as Preferred Share Directors, the Preferred Share Directors shall cease to be directors of the Corporation and the number of directors constituting the Board of Directors shall be automatically reduced, without any action by the Board of Directors or the shareholders of the Corporation, by the number of Preferred Share Directors authorized immediately prior to such termination, but subject always to the same provisions for the vesting of such special right, voting separately as a single class, to elect two directors in the case of any future arrearages in an aggregate amount at least equal to six full quarterly dividends as described in this Subsection (7)(b). Notwithstanding the foregoing, if (a) the date of the first annual meeting of shareholders following the date on which all arrears of dividends on the issued and outstanding Preferred Shares of all series providing for cumulative dividends shall have been paid and dividends on the issued and outstanding Preferred Shares of all series for the current quarterly period shall have been paid or declared and provided for is later than (b) the Preferred Share Director Termination Date that would be applicable pursuant to the foregoing provision, the Preferred Share Director Termination Date shall instead be the date of such later annual general meeting. At any time after the special voting power has vested pursuant to Subsection 7(b)(i) above, the secretary of the Corporation may, and upon the written request (addressed to the secretary at the Corporation's principal office) of the holders of at least 20% of the voting power of the Series B Preferred Shares or the holders of at least 20% of the voting power of any series of Preferred Shares (with such voting power measured based on the voting power to elect Preferred Share Directors), must (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the shareholders at which Preferred Share Directors are to be elected, in which event such election shall be held at such next annual or special meeting of shareholders), call a special meeting of the holders of the Preferred Shares of all series for the purposes of electing Preferred Share Directors.

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

(iv) Notice of Special Meeting. Notice for a special meeting to elect Preferred Share Directors will be given in a similar manner to that provided in the By-Laws for a special meeting of the shareholders. If the secretary of the Corporation does not call a special meeting within 20 days after receipt of any request (although the special voting power has vested pursuant to Subsection 7(b)(i) above), then any Holders meeting the

requirements of Subsection 7(b)(ii) may (at the expense of the Corporation) call such meeting, upon notice as provided in this Subsection 7(b)(iv), and for that purpose will have access to the share register of the Corporation. The Preferred Share Directors elected at any such special meeting, and each Preferred Share Director elected at a subsequent annual or special meeting of shareholders, will be elected for a term expiring upon the earlier of the Preferred Share Director Termination Date and the next annual meeting of shareholders following such Preferred Share Director's election. Preferred Share Directors may only be elected by the holders of the Preferred Shares in accordance with this Subsection 7. If the holders of the Preferred Shares fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors pursuant to this Subsection 7, then any directorship not so filled shall remain vacant until such time as the holders of the Preferred Shares elect a person to fill such directorship in accordance with this Subsection 7, or such vacancy is otherwise filled in accordance with this Subsection 7; and no such directorship may be filled by shareholders of the Corporation other than in accordance with this Subsection 7.

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

(i) any amendment, alteration or repeal of any provision of the Certificate of Incorporation (including this Section 10) or the By-Laws so as to adversely affect the relative rights, preferences or limitations of the Series B Preferred Shares;

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

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

thereof than the relative rights, preferences and limitations of the Series B Preferred Shares, taken as a whole;

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

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

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

8. Preemption and Conversion Rights.

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

9. Rank.

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

10. Reacquired Shares.

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

11. No Sinking Fund.

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

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

The duly appointed Transfer Agent, Calculation Agent, Registrar and paying agent for the Series B Preferred Shares shall be Computershare Trust Company, N.A. The Corporation may, in its sole discretion, remove the Transfer Agent, Calculation Agent, Registrar and paying agent in accordance with the agreement

between such party and the Corporation; *provided, however* , that the Corporation shall appoint a successor transfer agent who shall accept such appointment prior to the effectiveness of such removal. Upon any such removal or appointment, the Corporation shall send notice thereof by first-class mail, postage prepaid, to the Holders.

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

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

14. Form.

(a) Series B Preferred Shares Certificates. Series B Preferred Shares shall be issued in certificated form in substantially the form set forth below in this Subsection 14(a) (each, a " Series B Preferred Shares Certificate "). The Series B Preferred Shares Certificates may have notations, legends or endorsements required by law, stock exchange rules, agreements to which the Corporation is subject, if any, or usage (provided that any such notation, legend or endorsement is in a form acceptable to the Corporation).

[Form of Face of Certificate for
5.200% Fixed Rate / Floating Rate Noncumulative Preferred Shares, Series B **]**

Certificate Number _____ Number of Series B Preferred Shares _____

CUSIP NO.:

AMERICAN EXPRESS COMPANY
(formed under the laws of the State of New York)

5.200% Fixed Rate / Floating Rate Noncumulative Preferred Shares, Series B

(par value $1.66 2/3 per share)
(liquidation preference $1,000,000 per share)

American Express Company, a New York corporation (the "Corporation"), hereby certifies that [ ] (the "Holder") is the registered owner of [ ] fully paid and non-assessable shares of the Corporation's designated 5.200% Fixed Rate / Floating Rate Noncumulative Preferred Shares, Series B, with a par **value of $1.66 2/3 per share and a liquidation preference of $1,000,000 per share** (the "Series B Preferred Shares"). The Series B Preferred Shares are transferable on the books and records of the Registrar, in person or by a duly

authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer, and otherwise in the manner provided by law and in the by-laws of the Corporation. The designations, rights, privileges, restrictions, preferences and other terms and provisions of the Series B Preferred Shares represented hereby are and shall in all respects be subject to the provisions of Section 10 of the Corporation's Certificate of Incorporation as the same may be amended from time to time (the "Certificate of Incorporation"). Capitalized terms used herein but not defined shall have the meaning given them in Section 10 of the Certificate of Incorporation. The Corporation will provide a copy of the Certificate of Incorporation to a Holder without charge upon written request to the Corporation at its principal place of business.

Reference is hereby made to select provisions of the Series B Preferred Shares set forth on the reverse hereof, and to Section 10 of the Certificate of Incorporation, which select provisions and Section 10 of the Certificate of Incorporation shall for all purposes have the same effect as if set forth at this place.

Upon receipt of this certificate, the Holder is bound by Section 10 of the Certificate of Incorporation and is entitled to the benefits thereunder.

Unless the Registrar has properly countersigned, these Series B Preferred Shares shall not be entitled to any benefit under Section 10 of the Certificate of Incorporation or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, this certificate has been executed on behalf of the Corporation by its **[Title]** and by its **[Title]** this __ day of _____, _____.

AMERICAN EXPRESS COMPANY

By: _____
Name:
Title:

By: _____
Name:
Title:

REGISTRAR'S COUNTERSIGNATURE

These are Series B Preferred Shares referred to in the within-mentioned Section 10 of the Certificate of Incorporation.

Dated:

COMPUTERSHARE TRUST COMPANY, N.A., as Registrar

By: _____
Name:
Title:

[REVERSE OF CERTIFICATE]

Dividends on each Series B Preferred Share shall be payable at the rate provided in Section 10 of the Certificate of Incorporation.

The Series B Preferred Shares shall be redeemable at the option of the Corporation in the manner and in accordance with the terms set forth in Section 10 of the Certificate of Incorporation.

The Corporation shall furnish without charge to each shareholder who so requests a full statement of the designation, relative rights, preferences and limitations of the shares of each class authorized to be issued and the designation, relative rights, preferences and limitations of each series of preferred shares that have been fixed and the authority of the board to designate and fix the relative rights, preferences and limitations of other series.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers the Series B Preferred Shares evidenced hereby to:

_____

_____

(Insert assignee's social security or taxpayer identification number, if any)

_____

_____

(Insert address and zip code of assignee)

and irrevocably appoints:

_____

_____

as agent to transfer the Series B Preferred Shares evidenced hereby on the books of the Transfer Agent. The agent may substitute another to act for him or her.

Date:

Signature:

_____

(Sign exactly as your name appears on the other side of this Certificate)

Signature Guarantee: _____

(Signature must be guaranteed by an "eligible guarantor institution" that is a bank, stockbroker, savings and loan association or credit union meeting the requirements of the Transfer Agent, which requirements include membership or participation in the Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Transfer Agent in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.)

[end of form of Certificate]

(b) Signature. Two signatories, consisting of (i) the chairman or a vice chairman of the Board of Directors or the president or a vice president of the Corporation and (ii) the secretary or an assistant secretary or the treasurer or an assistant treasurer of the Corporation shall sign any Series B Preferred Shares Certificate for the Corporation, by manual or facsimile signature. If any officer whose signature is on a Series B Preferred Shares Certificate no longer holds that office at the time the Transfer Agent countersigned the Series B Preferred Shares Certificate, such Series B Preferred Shares Certificate shall be valid nevertheless. A Series B Preferred Shares Certificate shall not be valid until an authorized signatory of the Transfer Agent manually countersigns such Series B Preferred Shares Certificate. Each Series B Preferred Shares Certificate shall be dated the date of its countersignature.

15. Taxes.

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

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

16. Notices.

All notices referred to in this Section 10 shall be in writing, and, unless otherwise specified in this Section 10, all notices hereunder shall be deemed to have been given upon the earlier of receipt thereof or three Business Days after the mailing thereof if sent by registered or certified mail (unless first class mail shall be specifically permitted for such notice under the terms of this Section 10) with postage prepaid, addressed: (i) if to the Corporation, to its office at American Express Tower, 200 Vesey Street, New York, New York 10080 (Attention: Secretary) or to the Transfer Agent at its office at 250 Royall Street, Canton, Massachusetts 02021 (Attn: General Counsel), or other agent of the Corporation designated as permitted by this Section 10, or (ii) if to any Holder, to such Holder at the address of such Holder as listed in the share record books of the Corporation (which may include the records of the Transfer Agent), or (iii) to such other address as the Corporation or any such Holder, as the case may be, shall have designated by notice similarly given.

17. Other Rights Disclaimed.

The Series B Preferred Shares have no voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth in this Section 10 or elsewhere in the Certificate of Incorporation."

SECTION 11. DESIGNATION OF 4.900% FIXED RATE / FLOATING RATE NONCUMULATIVE PREFERRED SHARES, SERIES C

1. Designation and Number of Shares.

(a) There is hereby created out of the authorized and unissued preferred shares of the Corporation a series of preferred shares designated as the "4.900% Fixed Rate / Floating Rate Noncumulative Preferred Shares, Series C" (the "Series C Preferred Shares").

(b) The number of authorized Series C Preferred Shares shall be 850. That number from time to time may be increased (but not in excess of the total number of authorized preferred shares) or decreased (but not below the number of Series C Preferred Shares then outstanding) by further resolution duly adopted by the Board of Directors, the Preferred Share Pricing Committee thereof or any other duly authorized committee thereof and by the filing of a certificate pursuant to the provisions of the Business Corporation Law stating that such increase or reduction, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional Series C Preferred Shares.

2. General Matters.

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

3. Definitions.

As used in this Section 11:

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

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

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

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

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

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

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

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

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

" Dividend Payment Date " has the meaning set forth in Subsection 4(a) of this Section 11.

" Dividend Period " has the meaning set forth in Subsection 4(a) of this Section 11.

" Dividend Record Date " has the meaning set forth in Subsection 4(a) of this Section 11.

" DTC " means The Depository Trust Company.

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

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

" LIBOR Determination Date " means the second London Banking Day immediately preceding the first day of the relevant Dividend Period.

" London Banking Day " means any day on which commercial banks are open for general business (including dealings in deposits in United States dollars) in London.

" Nonpayment " has the meaning set forth in Subsection 7(b)(i) of this Section 11.

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

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

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

" Preferred Share Director " has the meaning set forth in Subsection 7(b)(i) of this Section 11.

" Preferred Share Director Termination Date " has the meaning set forth in Subsection 7(b)(ii) of this Section 11.

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

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

" Reuters LIBOR01 Page " means the display designated as page LIBOR01 on the Reuters 3000 Xtra (or such other page as may replace the Reuters LIBOR01 Page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying rates or prices comparable to the London Interbank Offered Rate for U.S. dollar deposits).

" Series C Preferred Shares " has the meaning set forth in Subsection 1 of this Section 11.

" Series C Preferred Shares Certificate " has the meaning set forth in Subsection 14(a) of this Section 11.

" Three-month LIBOR " means the rate (expressed as a percentage per annum) for deposits in United States dollars for a three-month period commencing on the first day of a Dividend Period that appears on the Reuters LIBOR01 Page as of 11:00 a.m. (London time) on the LIBOR Determination Date for that Dividend Period. If such rate does not appear on the Reuters LIBOR01 Page, Three-month LIBOR will be determined on the basis of the rates at which deposits in United States dollars for a three-month period commencing on the first day of that Dividend Period and in a principal amount of not less than $1 million are offered to prime banks in the London interbank market by four major banks in the London interbank market selected by the Calculation Agent (after consultation with the Corporation), at approximately 11:00 a.m., London time, on the LIBOR Determination Date for that Dividend Period. The Calculation Agent will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, Three-month LIBOR with respect to that Dividend Period will be the arithmetic mean (rounded upward if necessary to the nearest whole multiple of 0.00001%) of such quotations. If fewer than two quotations are provided, Three-month LIBOR with respect to that Dividend Period will be the arithmetic mean (rounded upward if necessary to the nearest whole multiple of 0.00001%) of the rates quoted by three major banks in New York City selected by the Calculation Agent (after consultation with the Corporation), at approximately 11:00 a.m., New York City time, on the LIBOR Determination Date for that Dividend Period for loans in United States dollars to leading European banks for a three-month period commencing on the first day of that Dividend Period and in a principal amount of not less than $1 million. However, if fewer than three banks selected by the Calculation Agent to provide quotations are quoting as described above, Three-month LIBOR for that Dividend Period will be the same Three-month LIBOR as determined for the previous Dividend Period or, in the case of the Dividend Period beginning on March 15, 2020, 0.261%. The determination of Three-month LIBOR for each relevant Dividend Period by the Calculation Agent will (in the absence of manifest error) be final and binding.

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

" Trust " has the meaning set forth in Subsection 6(d) of this Section 11.

4. Dividends.

(a) Rate **.** Holders shall be entitled to receive, when, as and if declared by the Board of Directors or any duly authorized committee thereof, but only out of funds legally available therefor, noncumulative cash dividends on the Series C Preferred Shares in the amounts specified below in this Subsection 4, and no more, payable (i) semi-annually in arrears on each March 15 and September 15, beginning September 15, 2015, from and including the date of issuance to, but excluding March 15, 2020, and (ii) quarterly in arrears on each March 15, June 15, September 15 and December 15 of each year, beginning on June 15, 2020; *provided, however*, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day (except if after March 15, 2020, that day falls in the next calendar month, in which case the payment of any dividend otherwise payable will be made on the first preceding Business Day), (a) on or prior to March 15, 2020, without any interest or other payment in respect of such postponement, and (b) after March 15, 2020, with dividends accruing to the actual payment date

(each such day referred to in clauses (i) and (ii) on which dividends are payable a " Dividend Payment Date "). The period from and including the date of issuance of the Series C Preferred Shares or any Dividend Payment Date to, but excluding, the next Dividend Payment Date is a " Dividend Period ." Dividends on each Series C Preferred Share will accrue on the liquidation preference of $1,000,000 per share at a rate per annum equal to (i) 4.900%, for each Dividend Period from and including the date of issuance to, but excluding, March 15, 2020 and (ii) Three-month LIBOR plus 3.285%, for each Dividend Period from and including March 15, 2020. The record date for payment of dividends on the Series C Preferred Shares will be the record date fixed by the Board of Directors or any other duly authorized committee thereof that is not more than 30 days prior to such Dividend Payment Date (each, a " Dividend Record Date "). Any such day that is a Dividend Record Date will be a Dividend Record Date whether or not such day is a Business Day. The amount of dividends payable on or prior to March 15, 2020 will be computed on the basis of a 360-day year of twelve 30-day months. The amount of dividends payable after March 15, 2020 will be computed on the basis of a 360-day year and the actual number of days elapsed.

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

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

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

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

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

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

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

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

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

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

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

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

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

5. Liquidation Rights.

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

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

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

6. Redemption.

(a) Optional Redemption. At its option, the Corporation may redeem out of funds legally available therefor, (i) in whole or in part, from time to time, the Series C Preferred Shares at the time outstanding, on any Dividend Payment Date on or after March 15, 2020, or (ii) in whole but not in part at any time within 90 days following a Regulatory Capital Event, in each case at a redemption price equal to $1,000,000 per share plus any declared and unpaid dividends, without accumulation of any undeclared dividends, to but excluding the redemption date, upon notice given as provided in Subsection 6(b) below.

(b) Notice of Redemption. Notice of every redemption of Series C Preferred Shares shall be mailed by first class mail, postage prepaid, addressed to the Holders of such shares to be redeemed at their respective last addresses appearing on the share register of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this Subsection 6(b) shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any Holder of Series C Preferred Shares designated for redemption shall not affect the validity of the proceedings for the redemption of any other Series C Preferred Shares. Each notice shall state:

(i) the redemption date;

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

(iii) the redemption price;

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

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

Notwithstanding the foregoing, if the certificates evidencing the Series C Preferred Shares are held of record by a depositary and any related depository shares are held of record by a Depositary or its nominee, the Corporation may give such notice in any manner permitted by the Depositary.

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

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

7. Voting Rights.

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

(b) Preferred Share Directors.

(i) Voting Right. Whenever dividends payable on the Preferred Shares of any series in an aggregate amount at least equal to three semi-annual or six full quarterly dividends (which need not be consecutive) on such series shall not have been paid (a " Nonpayment "), the authorized number of directors of the Corporation shall automatically be increased by two and the holders of the outstanding Preferred Shares of all series shall have the special right, voting separately as a single class, to elect two directors of the Corporation (hereinafter the " Preferred Share Directors " and each a " Preferred Share Director "), to fill such newly created

directorships until such right shall terminate as provided below in Subsection 7(b)(ii); *provided, however,* that it shall be a qualification for election of any such director that the election of such director shall not cause the Corporation to violate the corporate governance requirements of the New York Stock Exchange (or other exchange on which the Corporation's securities may be listed) that listed companies must have a majority of independent directors. At each meeting of shareholders at which the holders of the Preferred Shares of all series shall have the special right, voting separately as a single class, to elect directors as provided in this Subsection (7)(b), the presence in person or by proxy of the holders of record of one-third of the total number of the issued and outstanding Preferred Shares of all series shall be necessary and sufficient to constitute a quorum of such class for such election by such shareholders, and such election shall be by a plurality of the votes cast at such meeting by such shareholders.

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

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

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

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

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

(i) any amendment, alteration or repeal of any provision of the Certificate of Incorporation (including this Section 11) or the By-Laws so as to adversely affect the relative rights, preferences or limitations of the Series C Preferred Shares;

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

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

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

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

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

8. Preemption and Conversion Rights.

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

9. Rank.

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

10. Reacquired Shares.

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

11. No Sinking Fund.

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

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

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

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

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

14. Form.

(a) Series C Preferred Shares Certificates. Series C Preferred Shares shall be issued in certificated form in substantially the form set forth below in this Subsection 14(a) (each, a " Series C Preferred Shares Certificate "). The Series C Preferred Shares Certificates may have notations, legends or endorsements required by law, stock exchange rules, agreements to which the Corporation is subject, if any, or usage (provided that any such notation, legend or endorsement is in a form acceptable to the Corporation).

[Form of Face of Certificate for
4.900% Fixed Rate / Floating Rate Noncumulative Preferred Shares, Series C]

Certificate Number _____ Number of Series C Preferred Shares _____

CUSIP NO.:

AMERICAN EXPRESS COMPANY
(formed under the laws of the State of New York)

4.900% Fixed Rate / Floating Rate Noncumulative Preferred Shares, Series C

(par value $1.66 2/3 per share)
(liquidation preference $1,000,000 per share)

American Express Company, a New York corporation (the "Corporation"), hereby certifies that [ ] (the "Holder") is the registered owner of [ ] fully paid and non-assessable shares of the Corporation's designated 4.900% Fixed Rate / Floating Rate Noncumulative Preferred Shares, Series C, with a par value of $1.66 2/3 per share and a liquidation preference of $1,000,000 per share (the "Series C Preferred Shares"). The Series C Preferred Shares are transferable on the books and records of the Registrar, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer, and otherwise in the manner provided by law and in the by-laws of the Corporation. The designations, rights, privileges, restrictions, preferences and other terms and provisions of the Series C Preferred Shares represented hereby are and shall in all respects be subject to the provisions of Section 11 of the Corporation's Certificate of Incorporation as the same may be amended from time to time (the "Certificate of Incorporation"). Capitalized terms used herein but not defined shall have the meaning given them in Section 11 of the Certificate of Incorporation. The Corporation will provide a copy of the Certificate of Incorporation to a Holder without charge upon written request to the Corporation at its principal place of business.

Reference is hereby made to select provisions of the Series C Preferred Shares set forth on the reverse hereof, and to Section 11 of the Certificate of Incorporation, which select provisions and Section 11 of the Certificate of Incorporation shall for all purposes have the same effect as if set forth at this place.

Upon receipt of this certificate, the Holder is bound by Section 11 of the Certificate of Incorporation and is entitled to the benefits thereunder.

Unless the Registrar has properly countersigned, these Series C Preferred Shares shall not be entitled to any benefit under Section 11 of the Certificate of Incorporation or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, this certificate has been executed on behalf of the Corporation by its **[Title]** and by its **[Title]** this __ day of _____, _____.

AMERICAN EXPRESS COMPANY

By: _____
Name:
Title:

By: _____
Name:
Title:

REGISTRAR'S COUNTERSIGNATURE

These are Series C Preferred Shares referred to in the within-mentioned Section 11 of the Certificate of Incorporation.

Dated:

COMPUTERSHARE TRUST COMPANY, N.A., as Registrar

By: _____
Name:
Title:

[REVERSE OF CERTIFICATE]

Dividends on each Series C Preferred Share shall be payable at the rate provided in Section 11 of the Certificate of Incorporation.

The Series C Preferred Shares shall be redeemable at the option of the Corporation in the manner and in accordance with the terms set forth in Section 11 of the Certificate of Incorporation.

The Corporation shall furnish without charge to each shareholder who so requests a full statement of the designation, relative rights, preferences and limitations of the shares of each class authorized to be issued and the

designation, relative rights, preferences and limitations of each series of preferred shares that have been fixed and the authority of the board to designate and fix the relative rights, preferences and limitations of other series.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers the Series C Preferred Shares evidenced hereby to:

_____

_____

(Insert assignee's social security or taxpayer identification number, if any)

_____

_____

(Insert address and zip code of assignee)

and irrevocably appoints:

_____

_____

as agent to transfer the Series C Preferred Shares evidenced hereby on the books of the Transfer Agent. The agent may substitute another to act for him or her.

Date:

Signature:

_____

(Sign exactly as your name appears on the other side of this Certificate)

Signature Guarantee: _____

(Signature must be guaranteed by an "eligible guarantor institution" that is a bank, stockbroker, savings and loan association or credit union meeting the requirements of the Transfer Agent, which requirements include membership or participation in the Securities Transfer Agents Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Transfer Agent in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.)

[end of form of Certificate]

(b) Signature. Two signatories, consisting of (i) the chairman or a vice chairman of the Board of Directors or the president or a vice president of the Corporation and (ii) the secretary or an assistant secretary or the treasurer or an assistant treasurer of the Corporation shall sign any Series C Preferred Shares Certificate for the Corporation, by manual or facsimile signature. If any officer whose signature is on a Series C Preferred Shares Certificate no longer

holds that office at the time the Transfer Agent countersigned the Series C Preferred Shares Certificate, such Series C Preferred Shares Certificate shall be valid nevertheless. A Series C Preferred Shares Certificate shall not be valid until an authorized signatory of the Transfer Agent manually countersigns such Series C Preferred Shares Certificate. Each Series C Preferred Shares Certificate shall be dated the date of its countersignature.

15. Taxes.

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

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

16. Notices.

All notices referred to in this Section 11 shall be in writing, and, unless otherwise specified in this Section 11, all notices hereunder shall be deemed to have been given upon the earlier of receipt thereof or three Business Days after the mailing thereof if sent by registered or certified mail (unless first class mail shall be specifically permitted for such notice under the terms of this Section 11) with postage prepaid, addressed: (i) if to the Corporation, to its office at American Express Tower, 200 Vesey Street, New York, New York 10285 (Attention: Secretary) or to the Transfer Agent at its office at 250 Royall Street, Canton, Massachusetts 02021 (Attn: General Counsel), or other agent of the Corporation designated as permitted by this Section 11, or (ii) if to any Holder, to such Holder at the address of such Holder as listed in the share record books of the Corporation (which may include the records of the Transfer Agent) or (iii) to such other address as the Corporation or any such Holder, as the case may be, shall have designated by notice similarly given.

17. Other Rights Disclaimed.

The Series C Preferred Shares have no voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth in this Section 11 or elsewhere in the Certificate of Incorporation.

AMERICAN EXPRESS COMPANY
AMERICAN EXPRESS CENTURION BANK
AMERICAN EXPRESS BANK, FSB

DEFERRED COMPENSATION PLAN FOR DIRECTORS AND ADVISORS

(As further amended and restated on March 23, 2015, effective January 1, 2015)

Section 1. Effective Date

The original effective date of this Plan was October 1, 1973. This Plan is further amended and restated as provided herein on March 23, 2015, effective January 1, 2015.

Section 2. Eligibility

Any Director of or Advisor to the Board of Directors of American Express Company (the " Company "), any Director of American Express Centurion Bank (" Centurion ") and/or any Director of American Express Bank, FSB (" FSB ") (hereinafter " Directors ") who is not an officer or employee of the Company, Centurion, FSB or a subsidiary thereof is eligible to participate in this Deferred Compensation Plan for Directors and Advisors (this " Plan ").

Section 3. Administration

The Nominating and Governance Committee (the " Committee ") of the Board of Directors shall administer this Plan. The Committee shall have all the powers necessary to administer this Plan, including the right to interpret the provisions of this Plan and to establish rules and prescribe any forms for the administration of this Plan. The Committee may delegate its authority under this Plan to the Company's Corporate Secretary (the " Administrator ") to take administrative and other specified actions, subject to such terms and limitations as the Committee may impose.

Section 4. Deferral Elections

A Director may elect for any calendar year to defer receipt of 50% or 100% of the compensation payable to the Director for service as a Director or Advisor of the Company, Centurion and FSB, and including service on Committees of the Boards of Directors thereof.

A deferral election with respect to the compensation earned in a particular calendar year shall be made no later than the end of the preceding calendar year; provided, however, to the extent permissible under Section 409A of the Internal Revenue Code of 1986, as amended (the " Code "), and the treasury regulations and other official guidance issued thereunder (collectively, " Section 409A "), a Director who is newly elected to the Board of Directors during a calendar year may make an irrevocable deferral election within thirty (30) days after his or her election to the Board of Directors, which irrevocable deferral election shall only apply to the Director's compensation earned after the date such deferral election became irrevocable. To the extent permissible under Section 409A, the Administrator may permit an individual who has been nominated for election to the Board of Directors of the Company, Centurion or FSB to make his or her irrevocable deferral election before the date of the individual's election to such Board of Directors, in which case the election would apply to the Director's

compensation earned on and after the date on which the individual is elected to such Board of Directors.

Unless the Administrator provides otherwise prior to the start of a subsequent calendar year, a Director's deferral election for a calendar year shall apply to each subsequent calendar year thereafter unless and until the Director revokes or changes his or her deferral election prior to the subsequent calendar year.

Section 5. Director Class Year Accounts

Compensation deferred by a Director will be credited to bookkeeping accounts established under this Plan. The compensation deferred by a Director attributable to calendar years prior to 2015 shall be credited to one account, and the compensation deferred by a Director for calendar year 2015 and each calendar year thereafter shall be credited to separate accounts for each such calendar year. For purposes of this Plan, the account established for the compensation deferred by a Director attributable to calendar years prior to 2015 shall be referred to as the Director's " Pre-2015 Class Year Account " and the account established for the compensation deferred by a Director attributable to calendar year 2015 and each calendar year thereafter shall be referred to as the Director's " Class Year Account " for the respective calendar year (e.g., the account established for the compensation deferred by a Director attributable to calendar year 2015 shall be referred to as the Director's "2015 Class Year Account" and the account established for the compensation deferred by a Director attributable to calendar year 2016 shall be referred to as the Director's "2016 Class Year Account"). And for purposes of this Plan, the Pre-2015 Class Year Account and each Class Year Account of a Director for a calendar year may be referred to individually as a " Class Year Account ," and collectively as the " Class Year Accounts " of the Director.

The compensation deferred by a Director will be credited to his or her accounts effective as of the last day of the calendar quarter to which such compensation relates, except that in the event of the first occurrence of a Payment Event Date (as defined in Section 10(a) below) during a calendar quarter for which the Director has deferred all or a portion of his or her compensation, any compensation deferred by the Director for the calendar quarter in which such Payment Event Date occurs will be credited to the Director's account effective as of such Payment Event Date.

Section 6. Investment Options

Amounts held in a Director's Class Year Accounts will be credited and debited with earnings and losses based on the hypothetical investment options made available by the Company (the " Investment Options "). Unless the Committee provides otherwise, the available Investment Options for a Director's Class Year Accounts shall be an option with credits based on a rate linked to 120% of the applicable federal rate (the " AFR-Based Option ") and an option linked to the performance of the Company's common stock, par value $0.20 per share (the " Share Equivalent Option "), each as more completely described below.

At the time that a Director makes an election to defer receipt of his or her compensation for a calendar year pursuant to Section 4, the Director may choose to have the amounts credited to the Class Year Account for that calendar year allocated in one of the following ways: (i) 100% to the AFR-Based Option; (ii) 100% to the Share Equivalent Option; or (iii) 50% to the AFR-Based Option and 50% to the Share Equivalent Option, or among the Investment Options available for such Class Year Account in such proportions as allowed by the Committee for such calendar year.

Unless the Administrator provides otherwise prior to the start of a subsequent calendar year, a Director's Investment Options election for a calendar year shall apply to each subsequent calendar year thereafter unless and until the Director changes his or her Investment Options election prior to such subsequent calendar year.

(a) AFR-Based Option

(A) Amounts for which a Director has chosen the AFR-Based Option shall be credited with interest at a rate equal to 120% of the applicable federal long-term rate for December of the preceding calendar year, as prescribed under Section 1274(d) of the Code (the " AFR ") (e.g., amounts that are credited during 2016 shall be credited at a rate equal to the AFR for December 2015). Interest credited pursuant to this Section 6(a) shall be compounded daily, or on such other frequency specified by the Administrator for such purpose from time to time.

(B) For purposes of Section 10 below, the amounts for which a Director has elected the AFR-Based Option that are payable to a Director on a Payment Event Date will be valued by crediting such amounts with the AFR through the applicable Payment Event Date.

(b) Share Equivalent Option

(A) Amounts for which a Director has chosen the Share Equivalent Option will be converted hypothetically into a number of units equivalent to a number of shares of the Company's common stock, par value $0.20 per share (" SEUs "), determined by dividing the amount of deferred compensation in each calendar quarter for which the Director has chosen the Share Equivalent Option, by the average of the closing prices of the Company's common stock, par value $0.20 per share (the " Common Stock "), for the last ten (10) trading days of such calendar quarter; provided, however, in the event of an occurrence of a Payment Event Date during a calendar quarter, the amounts of the compensation deferred by the Director for the calendar quarter in which the Payment Event Date occurs will be converted hypothetically into a number of SEUs determined by dividing such amount for which the Director has chosen the Share Equivalent Option, by the average of the closing prices of the Common Stock for the ten (10) trading days immediately preceding such Payment Event Date.

(B) On the date on which the Company pays a dividend on the Common Stock, dividend equivalents in the form of additional SEUs will be credited to a Director's Class Year Accounts for the number of SEUs equal to (i) the per-share cash dividend, divided by the closing price of the Common Stock on the dividend payment date, multiplied by (ii) the number of SEUs credited to each such Class Year Account on the dividend payment date.

(C) In the event of any change in the outstanding Common Stock by reasons of any stock split, stock dividend, split up, split-off, spin-off, recapitalization, merger, consolidation, rights offering, reorganization, combination or exchange of

shares, a sale by the Company of all or part of its assets, any distribution to the shareholders other than a normal cash dividend, or other extraordinary or unusual event, the number of SEUs credited to a Director's Class Year Accounts shall be automatically adjusted on the same basis so that the proportionate interest of the Director shall be maintained as before the occurrence of such event.

(D) For purposes of Section 10 below, the SEUs payable to a Director on a Payment Event Date will be valued by multiplying the applicable number of SEUs payable by the average of the closing prices of the Common Stock for the ten (10) trading days immediately preceding the applicable Payment Event Date.

The Administrator may in his or her discretion allow a Director to change the Investment Options for an existing Class Year Account at any time after such Director's separation from service, pursuant to such rules and restrictions as the Administrator may prescribe.

Section 7. Credits to Class Year SEU Award Accounts for SEU Plan Awards

A number of SEUs equal to the number of Share Equivalent Units, if any, awarded to a Director during a calendar year under the American Express Company 2003 Share Equivalent Unit Plan for Directors, as amended and restated from time to time (the " SEU Plan ") for calendar year 2015 and subsequent calendar years, will be credited to a bookkeeping account established under this Plan for such Director for that calendar year. A Director's SEUs attributable to awards of Share Equivalent Units under the SEU Plan for calendar year 2015 and each calendar year thereafter shall be credited to separate accounts for each such calendar year, and such separate account shall be referred to as the Director's " Class Year SEU Award Account " for the respective calendar year (e.g., the account established for the Director's SEUs attributable to awards of Share Equivalent Units under the SEU Plan for 2015 shall be referred to as the Director's "2015 Class Year SEU Award Account" and the account established for the Director's SEUs attributable to awards of Share Equivalent Units under the SEU Plan for calendar year 2016 shall be referred to as the Director's "2016 Class Year SEU Award Account"). And for purposes of this Plan, each Class Year SEU Award Account of a Director for a calendar year may be referred to individually as a " Class Year SEU Award Account ," and collectively as the " Class Year SEU Award Accounts " of the Director.

If a Director has a Pre-2015 Class Year Account for the compensation deferred by the Director attributable to calendar years prior to 2015, then the Director's SEUs attributable to awards of Share Equivalent Units under the SEU Plan for calendar years prior to 2015 shall be credited to such existing Pre-2015 Class Year Account and treated as SEUs under the Share Equivalent Option, and adjusted and paid accordingly. If a Director does not have a Pre-2015 Class Year Account for the compensation deferred by the Director attributable to calendar years prior to 2015, then the Director's SEUs attributable to awards of Share Equivalent Units under the SEU Plan for calendar years prior to 2015 shall be credited to a new Pre-2015 Class Year Account and treated as SEUs under the Share Equivalent Option.

The SEUs to be credited pursuant to this Section 7 for calendar year 2015 and each calendar year thereafter shall be credited to a Class Year SEU Award Account for such calendar year at the time specified by the SEU Plan, and thereafter, shall be adjusted, valued and paid in the same manner as the SEUs credited to a Class Year Account under the Share Equivalent Option.

The Administrator may in his or her discretion allow a Director to change the Investment Options for an existing Class Year SEU Award Account at any time after such Director's separation from service, pursuant to such rules and restrictions as the Administrator may prescribe.

Section 8. Payment Elections

(a) A Director who is newly elected to the Board of Directors of the Company, Centurion or FSB may make an irrevocable payment election, which will be applicable to the Director's Class Year Account and Class Year SEU Award Account for the calendar year in which the individual is elected to such Board of Directors, as to the time and form of payment of such Class Year Account and Class Year SEU Award Account as follows:

(A) Time of Payment . Either:

(i) upon the Director's separation from service; or

(ii) on a specified anniversary following the Director's separation from service, but not later than the tenth (10th) anniversary thereafter.

(B) Form of Payment . In cash, in either:

(i) a lump sum; or

(ii) a specified number of annual installments (not to exceed ten (10)).

To the extent permissible under Section 409A, a Director who is newly elected to the Board of Directors of the Company, Centurion or FSB shall make the payment election provided by this Section 8(a) for his or her Class Year Account and Class Year SEU Award Account for the year in which the individual is elected to such Board of Directors, within thirty (30) days after his or her election to such Board of Directors (or to the extent permissible under Section 409A, the Administrator may permit an individual who has been nominated for election to the Board of Directors of the Company, Centurion or FSB during a calendar year to make his or her irrevocable election before the date of the individual's election to such Board of Directors, applicable if the individual is so elected to such Board of Directors).

If a Director does not make a payment election under this Section 8(a) for his or her Class Year Account and Class Year SEU Award Account within the time permitted, or a Director is not permitted by Section 409A to make a payment election under this Section 8(a) for such accounts, then the Director will be deemed to have elected to receive such accounts in a lump sum upon such Director's separation from service.

The payment election (or default payment election) under this Section 8(a) for a calendar year shall apply to both a Director's Class Year Account and Class Year SEU Award Account for such calendar year.

(b) For each subsequent calendar year following the calendar year in which a Director is first elected to the Board of Directors, the Director may make an irrevocable payment election, which will be applicable to the Director's Class Year Account and Class Year SEU

Award Account for such subsequent calendar year, specifying the time and form of payment of such Class Year Account and Class Year SEU Award Account from the options described in Sections 8(a)(A) and (B) above.

A Director shall make the payment election provided by this Section 8(b) for his or her Class Year Account and Class Year SEU Award Account for a subsequent calendar year no later than the end of the preceding calendar year.

Unless the Administrator provides otherwise prior to the start of a subsequent calendar year, a Director's actual (or default) payment election for his or her Class Year Account and Class Year SEU Award Account for a calendar year shall apply to his or her Class Year Account and Class Year SEU Award Account for each subsequent calendar year thereafter unless and until the Director makes a new payment election under this Section 8(b) for such Class Year Account and Class Year SEU Award Account prior to the subsequent calendar year.

The payment election (or default payment election) under this Section 8(b) for a subsequent calendar year shall apply to both a Director's Class Year Account and Class Year SEU Award Account for such subsequent calendar year.

(c) A Director may change an existing (or default) payment election in effect for a Class Year Account and Class Year SEU Award Account for a calendar year by making a subsequent payment election, provided that such subsequent payment election:

(A) does not take effect for twelve (12) months following the date such subsequent election becomes effective;

(B) specifies a new permissible payment date (or a new permissible payment commencement date in the case of annual installment payments) that is no sooner than five years after the original payment date (or the original payment commencement date in the case of installment payments); and

(C) the new payment date (or a new payment commencement date in the case of annual installment payments) is no later than the tenth (10th) anniversary of the Director's separation from service.

Any change to a Director's existing payment election (or default payment election) for a calendar year shall apply to both his or her Class Year Account and Class Year SEU Award Account for such calendar year.

(d) Upon a Director's separation from service, the Director's payment election in effect on such date for each of the Director's Class Year Accounts and Class Year SEU Award Accounts shall govern the time and form of the payment of each Class Year Account and Class Year SEU Award Account, respectively, for purposes of Section 10 below.

Section 9. Death Prior to Receipt

In the event that a Director dies prior to receipt of any or all of the amounts payable to him or her pursuant to this Plan, except as otherwise provided by this Section 9, any amounts that are then

credited to the Director's Class Year Accounts and Class Year SEU Award Accounts shall be paid to the legal representative of the Director's estate pursuant to Section 10 below.

The Administrator may allow Directors to designate a beneficiary or beneficiaries to receive payment of their respective Class Year Accounts and Class Year SEU Award Accounts in the event of the Director's death, and to prescribe the terms of and procedures for any such beneficiary designations. In the event that the Administrator allows Directors to make such beneficiary designations, then in the event of the death of a Director with a valid beneficiary election in place at that time, amounts that are then credited to such deceased Director's Class Year Accounts and Class Year SEU Award Accounts shall be paid to the designated beneficiary or beneficiaries of the deceased Director pursuant to and in accordance with the terms of such valid beneficiary designation (instead of to the legal representative of the Director's estate). Any payments under this Section 9 shall be paid in a lump sum.

Section 10. Time and Amount of Payment

(a) Time of Payment . A Director's Class Year Accounts and Class Year SEU Award Accounts will each be paid (or commence to be paid in the case of installment payments) on the Payment Event Date applicable to and in effect for such Class Year Account or Class Year SEU Award Account, as elected by the Director or otherwise provided by this Plan.

With respect to each Class Year Account and Class Year SEU Award Account, " Payment Event Date " shall mean the date of the Director's separation from service or the specified anniversary following the Director's separation from service no later than the tenth (10th) anniversary thereof, whichever is applicable to such Class Year Account or Class Year SEU Award Account pursuant to Section 8 (including Section 8(c)), or if earlier, the date of the Director's death as provided by Section 9.

Payment of a Class Year Account or Class Year SEU Award Account shall be made in a lump sum or a specified number of installments, which is applicable to such Class Year Account or Class Year SEU Award Account pursuant to Section 8 (including Section 8(c)), or if payment is made as a result of the death of a Director, in a lump sum as provided by Section 9.

In the case of a Class Year Account or Class Year SEU Award Account payable in installment payments, each anniversary of the initial Payment Event Date for such Class Year Account or Class Year SEU Award Account will also be treated as a Payment Event Date.

A payment to be made on a given Payment Event Date will be made or commenced as soon as administratively practicable following the Payment Event Date, but no later than 90 days thereafter (or such later date permitted by Section 409A).

(b) Amount of Payment . The amount to be paid for a Class Year Account or Class Year SEU Award Account on a Payment Event Date will be calculated as of the applicable Payment Event Date pursuant to Section 6 above through such applicable Payment Event Date. No interest, dividend equivalents or other earnings will be credited on amounts payable on a given Payment Event Date between such applicable Payment Event Date and the actual date on which such payment is made to or received by the Director.

If the Director elects to receive payment of a Class Year Account or a Class Year SEU Award Account in a specified number of annual installments, each installment will be paid proportionally, based on the number of remaining installment payments and the balance of the Class Year Account or Class Year SEU Award Account, as applicable, including the related earnings and losses credited and debited to such Class Year Account or Class Year SEU Award Account pursuant to Section 6 and this Section 10. (As an example, if a Director chooses to have an account paid in four annual installments, the payment for the first year shall be 1/4 of the value of the account; the payment for the second year shall be 1/3 of the value of the account; the payment for the third year shall be 1/2 of the value of the account; and the payment for the fourth year shall be 1/1 of the value of the account.)

In the case of a Class Year Account or Class Year SEU Award Account payable in installment payments, the Class Year Account or Class Year SEU Award Account, as applicable, shall be valued as of the Payment Event Date for each installment.

Section 11. Director's Rights Unsecured

The right of any Director to receive future payments under the provisions of this Plan shall be an unsecured, contractual claim against the general assets of the Company. This Plan shall be unfunded. The Company shall not be required to establish any special or separate fund or to make any segregation of assets for the payment of any amounts under this Plan.

Participants may not sell, transfer, assign, pledge, levy, attach, encumber or alienate any amounts payable under this Plan.

Section 12. Statement of Account

The Company will provide or make available to each Director a statement of account that will confirm the Director's Class Year Account and Class Year SEU Award Account balance(s) as of the end of the preceding quarter, or on such more frequent basis as determined by the Administrator. The Administrator may provide for such statement of accounts to be in writing (including electronic format) or by means of access to such information in electronic format.

Section 13. Amendment

This Plan may be amended at any time and from time to time by the Board of Directors of the Company; provided, however, that the Board of Directors may not adopt any amendment that would (a) materially and adversely affect any right of or benefit to any Director with respect to any of the benefits theretofore credited without such Director's written consent, or (b) result in a violation of Section 409A. Any amendment to this Plan that would cause a violation of Section 409A shall be null and void and of no effect.

Section 14. Termination

This Plan shall terminate upon the adoption of a resolution of the Board of Directors terminating this Plan. The termination of this Plan shall not affect the distribution of the Class Year Accounts and Class Year SEU Award Accounts maintained under this Plan, and the balances of each Class Year Account and Class Year SEU Award Account shall continue to become due and payable in accordance with the

provisions of this Plan in effect immediately prior to the termination of this Plan and each Director's payment election (or default payment election) applicable to such Class Year Account and Class Year SEU Award Account; provided, however, if the Board of Directors so chooses, notwithstanding any other provision in this Plan, the payment of all Class Year Accounts and Class Year SEU Award Accounts may be accelerated upon the termination of this Plan to the extent permissible under and in accordance with Section 1.409A-3(j)(4)(ix) of the treasury regulations.

Section 15. Section 409A

This Plan and the benefits provided thereunder, including SEUs credited pursuant to Section 7, are intended to comply with the requirements of Section 409A, and this Plan, and with respect to SEUs credited pursuant to Section 7, together with the SEU Plan, shall be administered and interpreted consistent with such intention and the American Express Section 409A Compliance Policy.

* * * * *

EXHIBIT 10.2

AMENDMENT NO. 2 TO THE AMENDED AND RESTATED TIME SHARING AGREEMENT

This Amendment No. 2 (including the Schedules A and B attached hereto, collectively hereinafter "Amendment No. 2"), dated as of March 26, 2015, to the Amended and Restated Time Sharing Agreement will amend that certain Amended and Restated Time Sharing Agreement, dated as of March 26, 2014, by and between American Express Travel Related Services Company, Inc., ("AETRSC") and Kenneth I. Chenault ("User"), as previously amended by the Amendment No. 1 to the Amended and Restated Time Sharing Agreement, dated February 12, 2015, by and between AETRSC and User (including any Schedules attached to the foregoing, collectively hereinafter "Time Sharing Agreement").

W I T N E S S E T H:

WHEREAS, pursuant to Section 1 of the Time Sharing Agreement, AETRSC and User desire to amend the Time Sharing Agreement, as provided herein, to reflect the addition of the Gulfstream [redacted] aircraft bearing Federal Aviation Administration Registration Number [redacted] and Manufacturer's Serial Number [redacted], to Schedule A.

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

1. AETRSC and User hereby expressly agree that the Schedule A attached hereto amends and replaces the Schedule A attached to the Time Sharing Agreement.

2. All notices and other communications given pursuant to Section 12 of the Time Sharing Agreement under this Amendment No. 2 and/or the Time Sharing Agreement shall be addressed to the parties as provided on the signature page of this Amendment No. 2.

3. All capitalized terms not defined herein shall have the meanings ascribed to them in the Time Sharing Agreement.

4. Except as expressly amended by this Amendment No. 2, the Time Sharing Agreement remains in full force and effect, and this Amendment No. 2 shall not be construed to alter or amend any of the other terms or conditions set forth in the Time Sharing Agreement. In the event of a conflict between the terms of the Time Sharing Agreement and this Amendment No. 2, the provisions of this Amendment No. 2 shall prevail.

5. This Amendment No. 2 may be executed in counterparts, each of which will be deemed to be an original, but both of which together shall constitute one and the same instrument.

6. TRUTH-IN-LEASING STATEMENT PURSUANT TO SECTION 91.23 OF THE FEDERAL AVIATION REGULATIONS.

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

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

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

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

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

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to be duly executed on the day and year first above written. The persons signing below warrant their authority to sign.

AMERICAN EXPRESS TRAVEL RELATED SERVICES COMPANY, INC.

By: /s/ Jeffrey W. Lee
Name: Jeffrey W. Lee
Title: Vice President

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

KENNETH I. CHENAULT

/s/ Kenneth I. Chenault

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

A legible copy of this Amendment No. 2 shall be kept in the Aircraft for all operations conducted hereunder.

SCHEDULE A

One (1) Gulfstream [redacted] aircraft bearing Federal Aviation Administration Registration Number [redacted] and Manufacturer's Serial Number [redacted];

One (1) Sikorsky [redacted] aircraft bearing Federal Aviation Administration Registration Number N91AE and Manufacturer's Serial Number [redacted];

One (1) Gulfstream [redacted] aircraft bearing Federal Aviation Administration Registration Number [redacted] and Manufacturer's Serial Number [redacted]; and

One (1) Gulfstream [redacted] aircraft bearing Federal Aviation Administration Registration Number [redacted] and Manufacturer's Serial Number [redacted].

SCHEDULE B

INSTRUCTIONS FOR COMPLIANCE
WITH "TRUTH-IN-LEASING" REQUIREMENTS

1. Mail a copy of the lease to the following address via certified mail, return receipt requested, immediately upon execution of the lease (14 C.F.R. 91.23 requires that the copy be sent within twenty-four hours after it is signed):

   Federal Aviation Administration
   Aircraft Registration Branch
   ATTN: Technical Section
   P.O. Box 25724
   Oklahoma City, Oklahoma 73125

2. Telephone or fax the nearest Flight Standards District Office at least forty-eight hours prior to the first flight under this lease.

3. Carry a copy of the lease in the aircraft at all times.

EXHIBIT 12

AMERICAN EXPRESS COMPANY
COMPUTATION IN SUPPORT OF RATIO OF EARNINGS TO FIXED CHARGES
(*Dollars in Millions*)

	Three Months Ended	Years Ended December 31,				
	March 31, 2015	2014	2013	2012	2011	2010
Earnings:						
Pretax income from continuing operations	**$ 2,316**	$ 8,991	7,888	$ 6,451	$ 6,956	$ 5,964
Interest expense [(a)]	**410**	1,707	1,958	2,226	2,320	2,423
Other adjustments [(b)]	**68**	402	133	117	124	126
Total earnings	**$ 2,794**	$ 11,100	9,979	$ 8,794	$ 9,400	$ 8,513
Fixed charges:						
Interest expense	**$ 410**	$ 1,707	1,958	$ 2,226	$ 2,320	$ 2,423
Other adjustments [(c)]	**15**	79	93	102	94	85
Total fixed charges	**$ 425**	$ 1,786	2,051	$ 2,328	$ 2,414	$ 2,508
Ratio of earnings to fixed charges	**6.57**	6.22	4.87	3.78	3.89	3.39

(a) Included in interest expense is interest expense related to the Card Member lending activities, international banking operations, and charge card and other activities in the Consolidated Statements of Income. Interest expense does not include interest on liabilities recorded under GAAP governing accounting for uncertainty in income taxes. The Company's policy is to classify such interest in income tax provision in the Consolidated Statements of Income.

(b) For purposes of the "earnings" computation, "other adjustments" include adding the amortization of capitalized interest, the net loss of affiliates accounted for under the equity method whose debt is not guaranteed by the Company, the noncontrolling interest in the earnings of majority-owned subsidiaries with fixed charges, and the interest component of rental expense, and subtracting undistributed net income of affiliates accounted for under the equity method.

(c) For purposes of the "fixed charges" computation, "other adjustments" include capitalized interest costs and the interest component of rental expense.

EXHIBIT 31.1

CERTIFICATION

I, Kenneth I. Chenault, certify that:

1. I have reviewed this quarterly report on Form 10-Q of American Express Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2015

/s/ Kenneth I. Chenault
Kenneth I. Chenault
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Jeffrey C. Campbell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of American Express Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2015

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

EXHIBIT 32.1

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

In connection with the Quarterly Report on Form 10-Q of American Express Company (the "Company") for the quarterly period ended March 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Kenneth I. Chenault, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ Kenneth I. Chenault
Name: Kenneth I. Chenault
Title: Chief Executive Officer
Date: April 29, 2015

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

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

EXHIBIT 32.2

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

In connection with the Quarterly Report on Form 10-Q of American Express Company (the "Company") for the quarterly period ended March 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Jeffrey C. Campbell, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ Jeffrey C. Campbell
Name: Jeffrey C. Campbell
Title: Chief Financial Officer
Date: April 29, 2015

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

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