

American Express Company

Earnings Conference Call
Q3'16

October 19, 2016

AMERICAN EXPRESS

Q3’16 Summary Financial Performance

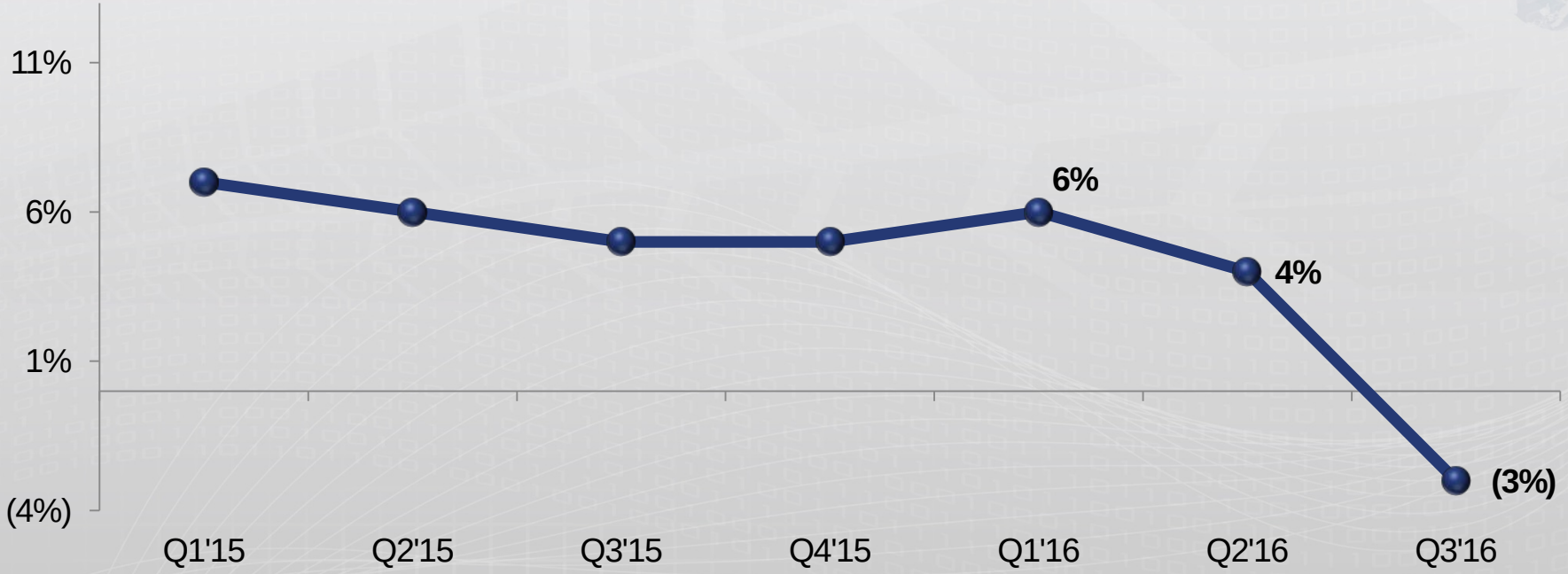
($ in millions; except per share amounts and where otherwise noted)

	Q3’16	Q3’15	% Inc/(Dec)
Total Revenues Net of Interest Expense	$7,774	$8,193	(5%)
*FX-Adjusted **		$8,150	*(5%)*
Net Income	$1,142	$1,266	(10%)
Diluted EPS†	$1.20	$1.24	(3%)
*Restructuring Charge (Per Share)***	*$0.04*		
Return on Average Equity	26%	27%	
Average Diluted Shares Outstanding	923	997	(7%)

**Total Revenue Net of Interest Expense adjusted for FX and the related growth rate are non-GAAP measures. FX-adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars (i.e., assumes Q3’16 foreign exchange rates apply to Q3‘15 results). †Attributable to common shareholders. Represents net income less earnings allocated to participating share awards, dividends on preferred shares and other items. **Represents a restructuring charge of $44MM ($28MM after-tax) in Q3’16.*

AXP Worldwide FX-Adj Billed Business Growth*

% Increase/(decrease) vs. Prior year:

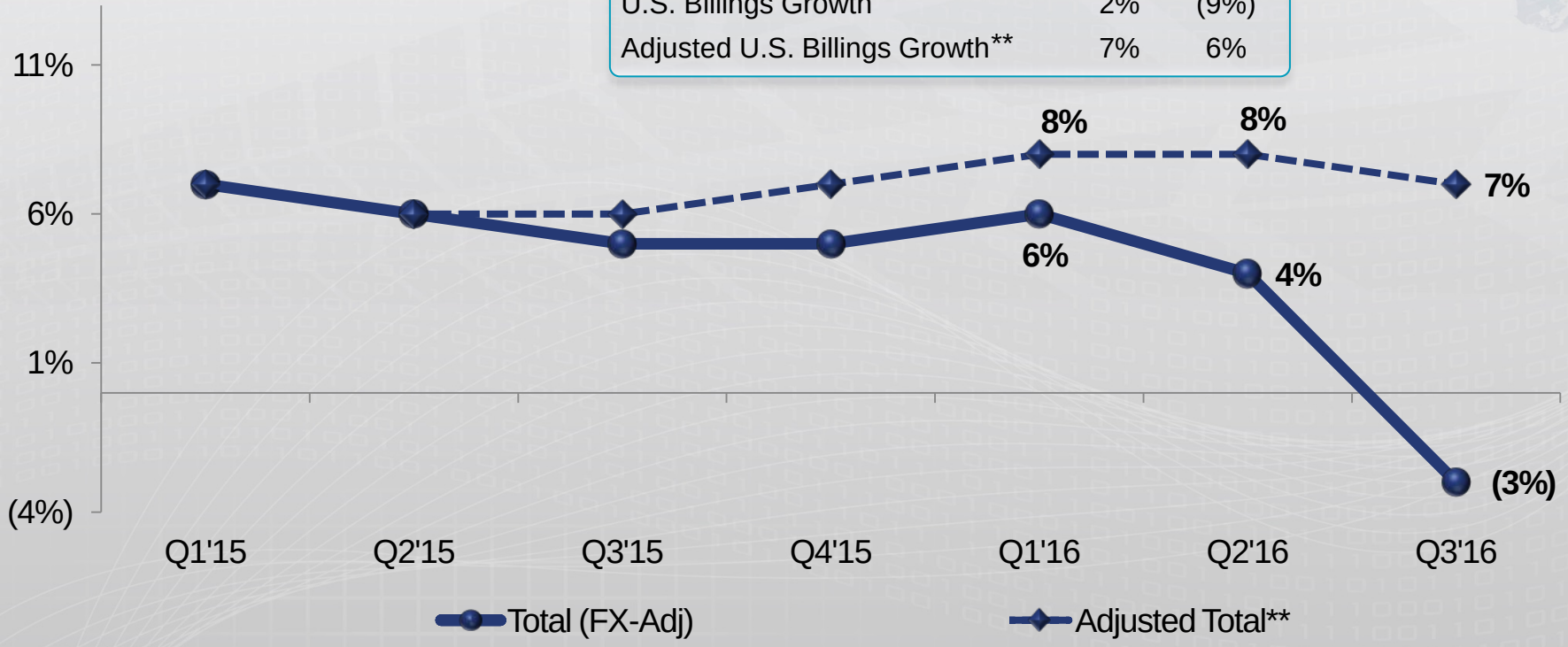


*Note: Card billed business includes activities (including cash advances) related to proprietary cards, cards issued under network partnership agreements (non-proprietary billed business), corporate payments and certain insurance fees charged on proprietary cards. *See Annex 1 for reported billings growth rates.*

AXP Worldwide Adjusted Billed Business Growth*

% Increase/(decrease) vs. Prior year:

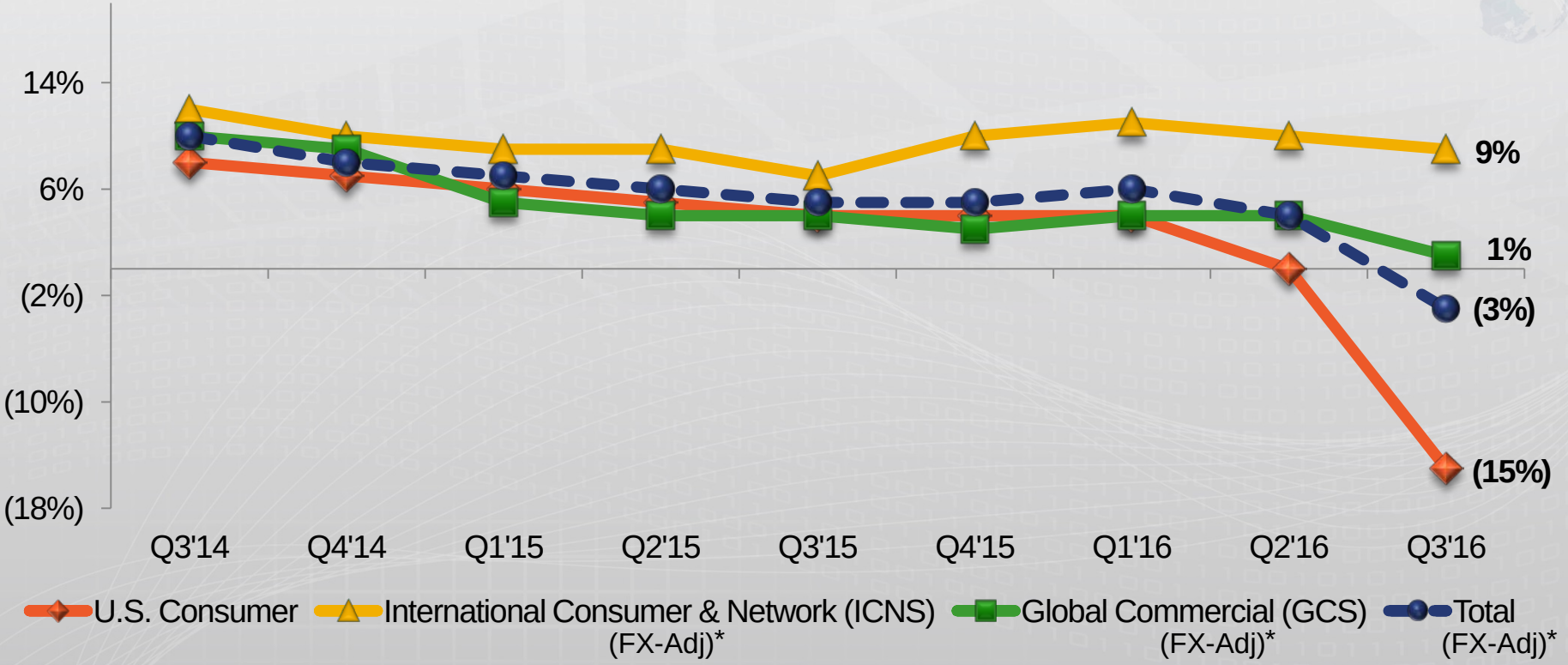
	Q2'16	Q3'16
U.S. Billings Growth	2%	(9%)
Adjusted U.S. Billings Growth**	7%	6%



*See Annex 1 for reported billings growth rates. **Excludes Costco cobrand card billed business (in-store and out-of-store) and billed business on other (non-Costco cobrand) American Express cards at Costco in the U.S.

Billed Business Growth by Segment

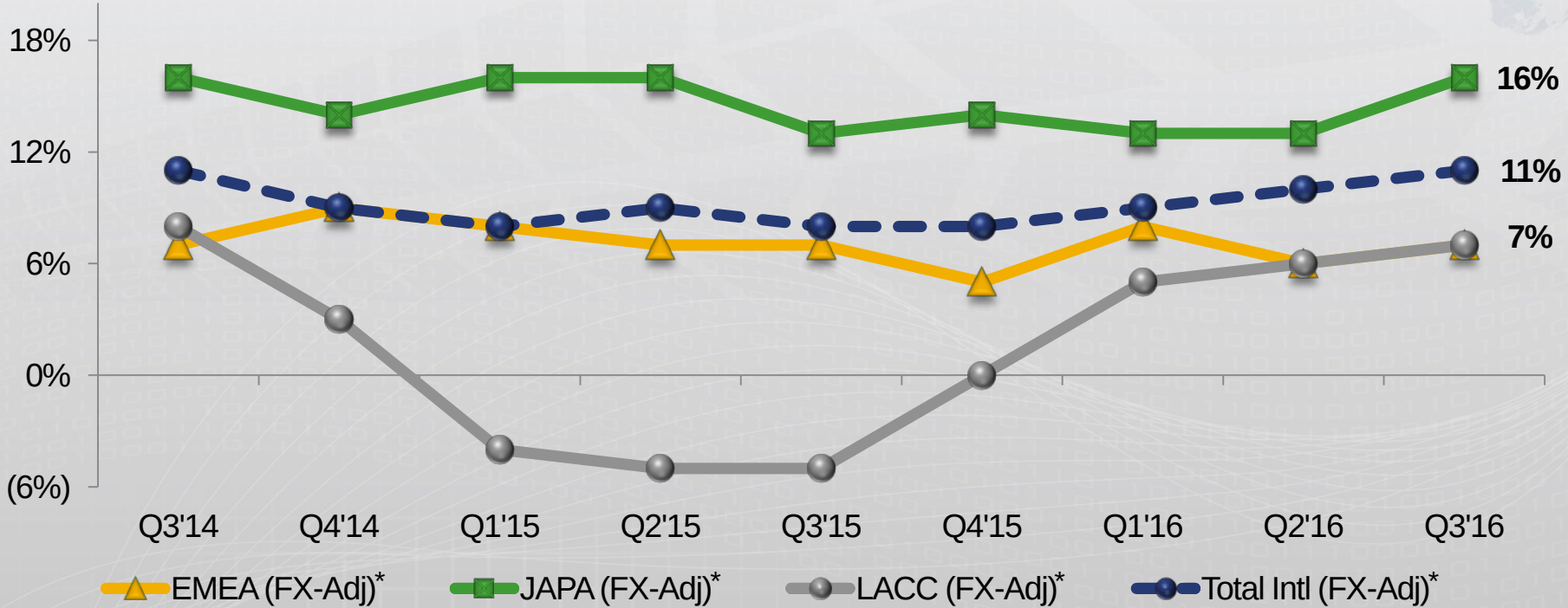
% Increase/(decrease) vs. Prior year:



*See Annex 1 for reported billings growth rates.

Billed Business Growth by International Region

FX-Adj % Increase/(decrease) vs. Prior year:

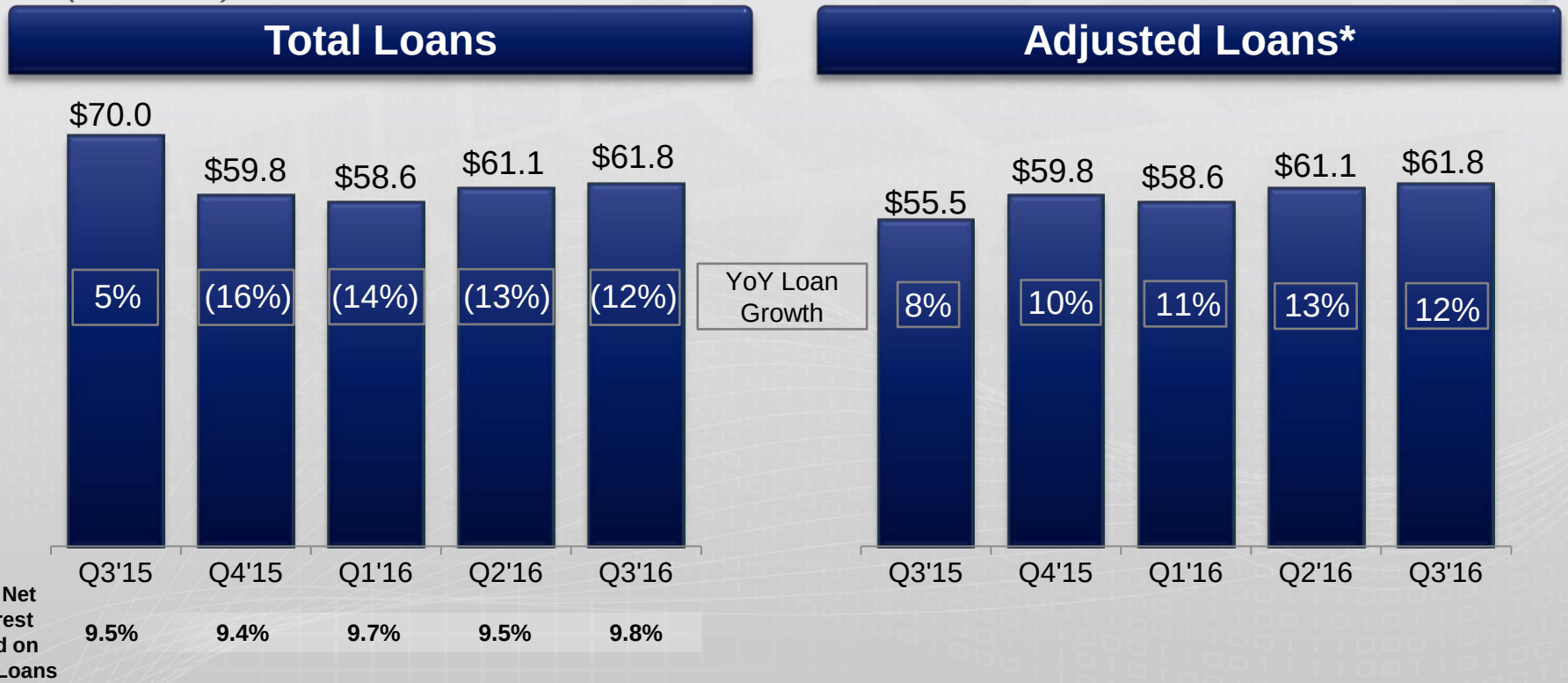


	EMEA (FX-Adj)*	JAPA (FX-Adj)*	LACC (FX-Adj)*	Total Intl (FX-Adj)*
% of Total AXP	11%	18%	6%	34%

*See Annex 2 for reported billings growth rates.

Total Worldwide Loans

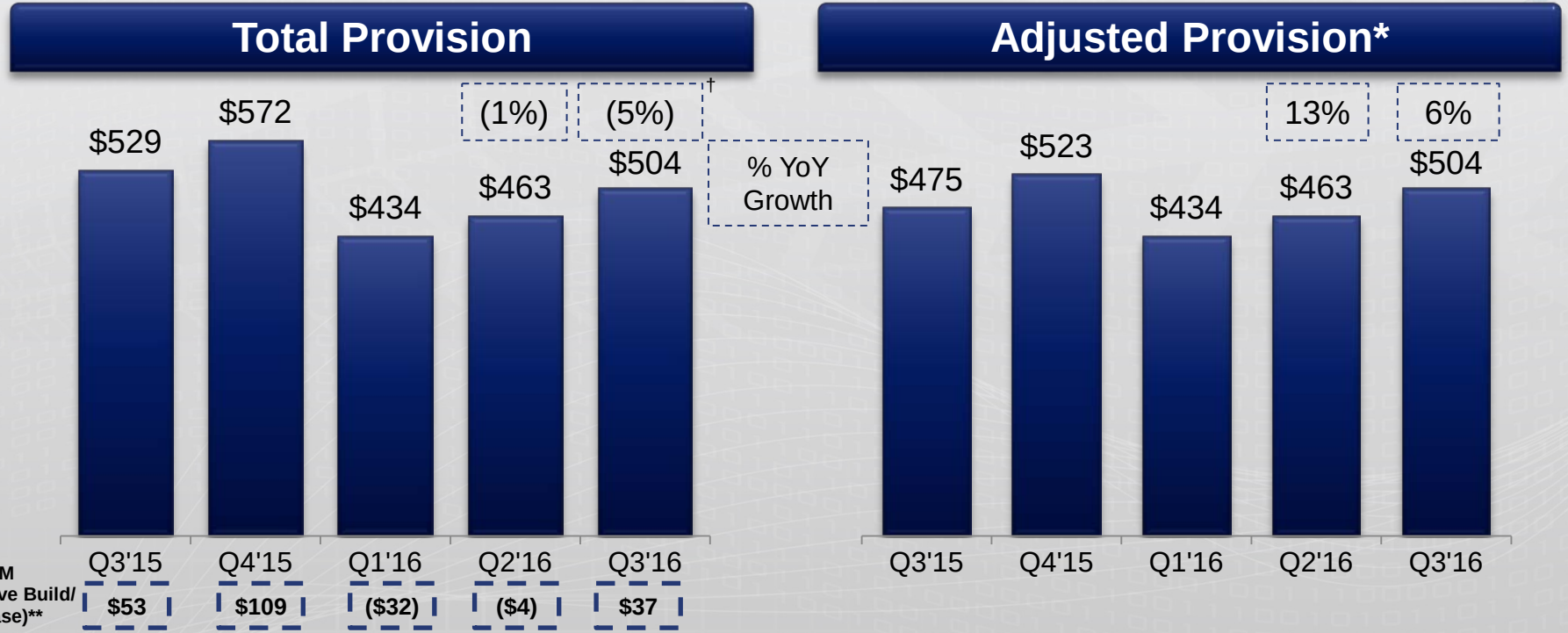
($ in billions)



*Note: Total Loans reflects Card Member loans held for investment and Other loans. *Adjusted loans excludes for Q3'15 Card Member balances related to cobrand partnerships with Costco in the U.S. and JetBlue, which were moved to Held For Sale as of December 2015 (the HFS portfolios). The related growth rate, which also excludes the impact of foreign exchange rates, is a non-GAAP measure. See Annex 3 for a reconciliation.*

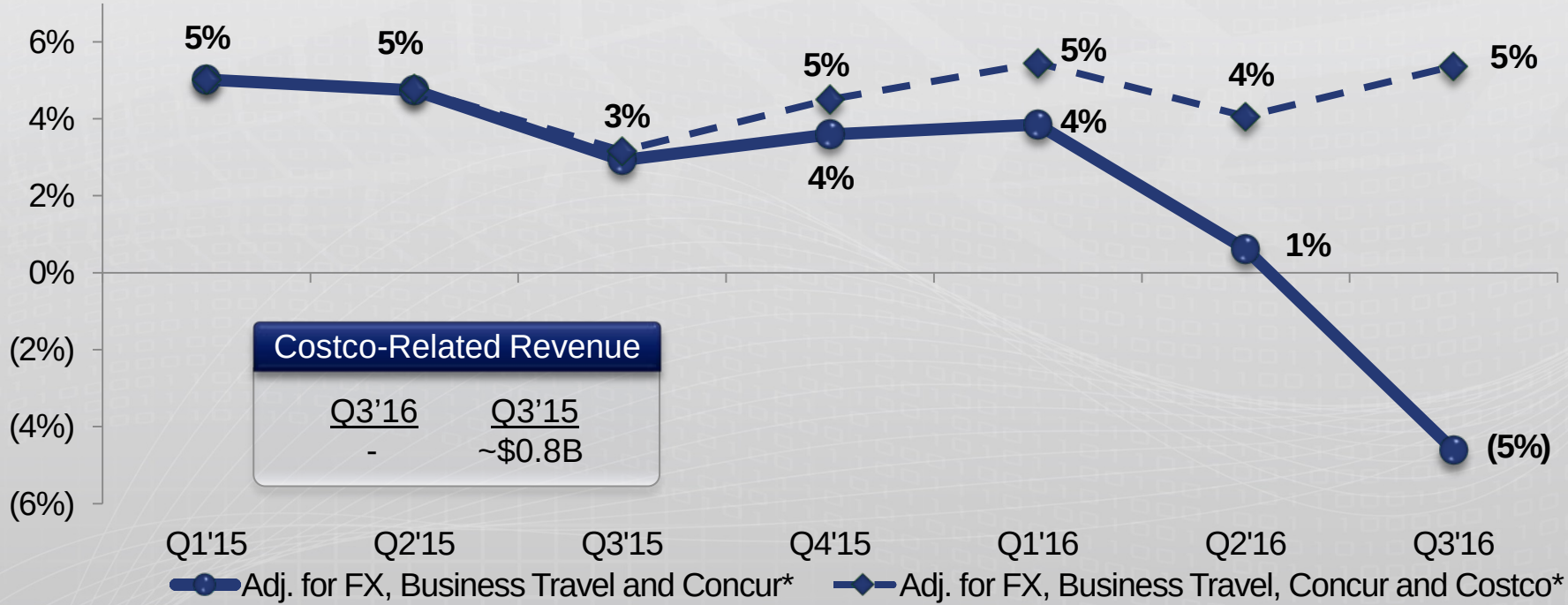
Provisions for Losses

($ in millions)



*See Additional Commentary on slide 17 for an explanation of the provision variance versus last year. †Total provision on an FX-adjusted basis, a non-GAAP measure, was down (4%) in Q3'16. See slide 2 for an explanation of FX-adjusted information. *Adjusted total provision for losses, a non-GAAP measure, excludes credit costs related to the Held For Sale portfolios, classified effective December 2015 as a valuation allowance adjustment in operating expense, of $54MM in Q3'15 and $49MM in Q4'15. **Worldwide reserve build/(release) on Card Member charge and lending vs. the prior quarter; does not reflect the transfer of (i) $224MM of reserves related to loan balances classified as HFS in Q4'15 or (ii) $60MM of reserves related to loan balances reclassified as held for investment in Q2'16 following the sale of the HFS portfolio.*

Adjusted Revenue Growth



*See Annex 4 for reconciliation to total Revenue Net of Interest Expense on a GAAP basis. *Total Revenue Net of Interest Expense adjusted for FX and excluding Business Travel revenues from H1'14 and the gain on the Q4'14 sale of the Concur investment and as further adjusted to exclude estimated revenues from Costco in the U.S., Costco U.S. cobrand Card Members and other merchants for out-of-store spend on the Costco cobrand card, and the related growth rates are non-GAAP measures.*

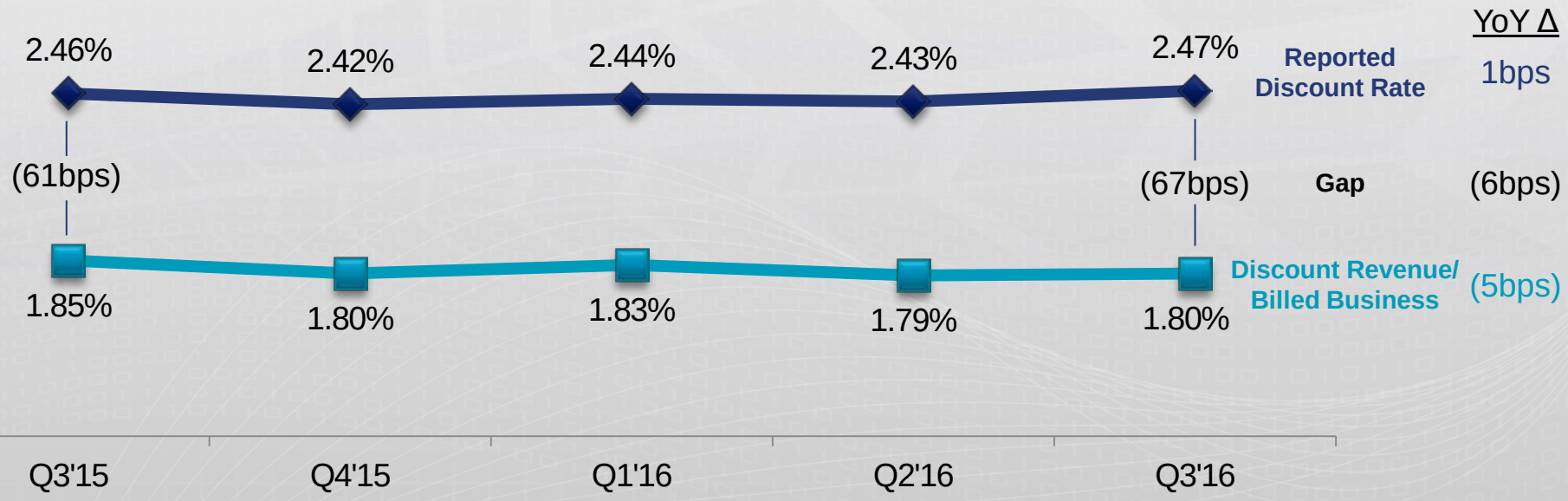
Revenue Performance

($ in millions)

	Q3'16	Q3'15	% Inc/(Dec)	Adj. % Inc/(Dec)*
Discount Revenue	$4,516	$4,778	(5%)	5%
Net Card Fees	747	679	10%	
Other Fees & Commissions	694	727	(5%)	
Other Revenue	483	504	(4%)	
Net Interest Income	1,334	1,505	(11%)	10%
Total Revenues Net of Interest Expense	$7,774	$8,193	(5%)	5%

*See Additional Commentary on slide 17 for an explanation of the revenue variances versus last year *Adjusted Discount Revenue, Adjusted Net Interest Income, and Adjusted Revenues Net of Interest Expense which exclude estimated revenues from Costco in the U.S., Costco U.S. cobrand Card Members and other merchants for out-of-store spend on the Costco cobrand card, as well as the impact of FX, and the related growth rates are non-GAAP measures. See annex 4 for a reconciliation to Total Revenues Net of Interest Expense on a GAAP basis and annex 5 for a reconciliation to Discount Revenue and Net Interest Income on a GAAP basis.*

Discount Revenue Analysis



See Additional Commentary on slide 17 for an explanation of the discount rate variance versus last year. Note: Reported Discount Rate is the average discount rate that is generally designed to reflect pricing at merchants accepting general purpose American Express cards and represents the percentage of billed business (generated from both proprietary and GNS Card Member spending) retained by AXP from merchants we acquire, or for merchants acquired by a third party on our behalf, net of amounts retained by such third party.

Expense Performance

($ in millions)

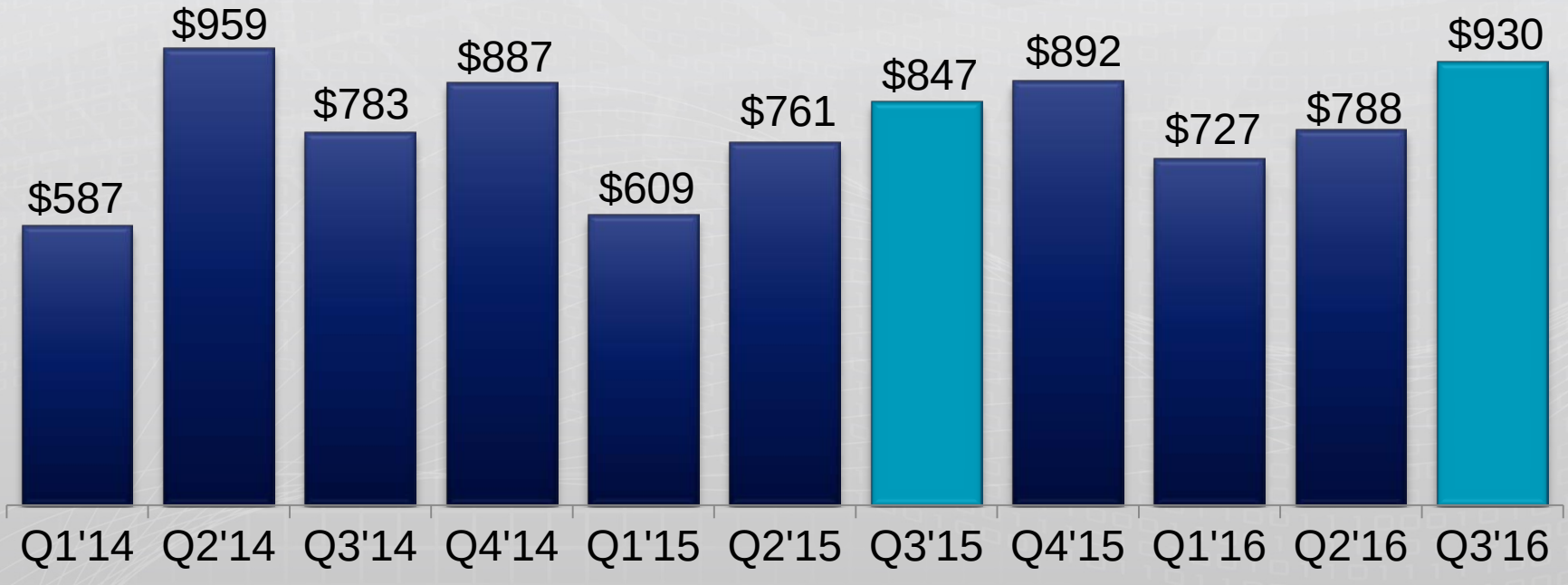
	Q3'16	Q3'15	% Inc/(Dec)
Marketing and Promotion	$930	$847	10%
Card Member Rewards	1,566	1,763	(11%)
Card Member Services and Other	278	269	3%
Operating Expenses*	2,761	2,847	(3%)
Total Expenses**	$5,535	$5,726	(3%)
Tax Rate	34.2%	34.7%	

*See Additional Commentary on slide 18 for an explanation of the expense variances versus last year. *Represents salaries and employee benefits, professional services, occupancy and equipment, and other, net. **Operating Expenses and Total Expenses, each on an FX-adjusted basis, which are non-GAAP measures, were down (2%) and (3%), respectively, in Q3'16. See slide 2 for an explanation of FX-adjusted information.*

Marketing and Promotion Expense*

($ in millions)

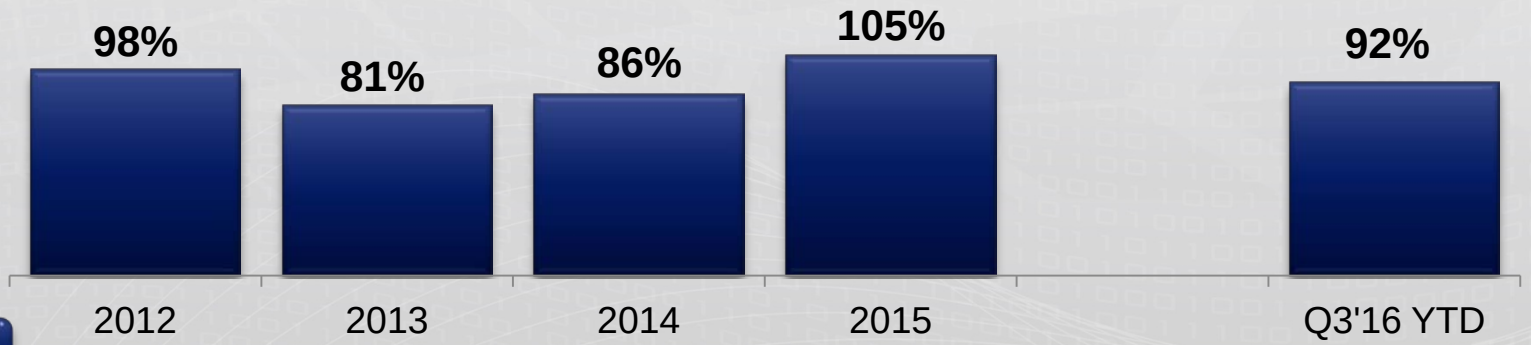
Q3'16 % Inc/(Dec)
10%



** Note: In Q1'15, the Company reclassified amounts related to certain payments to co-brand partners reducing both marketing and promotion expense and discount revenue. Prior periods have been revised to conform to the current period presentation.*

Capital and Payout Ratios

Percentage of Capital Generated Returned to Shareholders



Risk-Based Capital Ratios*	2012	2013	2014	2015	Q3'16 YTD
Common Equity Tier 1	11.9%	12.5%	13.1%	12.4%	13.6%
Tier 1 Capital	11.9%	12.5%	13.6%	13.5%	14.9%

*Note: Payout Ratio is calculated by dividing the total amount returned to shareholders through dividends and share repurchases during the respective period by the total capital generated through net income attributable to common shareholders and employee plans during the respective period. *The Risk-Based Capital Ratios for Q2'16 represent a preliminary estimate as of the date of these earnings slides and may be revised in the Company's Form 10-Q for the quarter ended September 30, 2016. Common Equity Tier 1 is Tier 1 Common under Basel I for the periods ending 2012-2013, and Common Equity Tier 1 under Basel III, inclusive of transition provisions, for the periods ending 2014, 2015, and Q3'16. The Tier 1 Common Risk-Based Capital Ratio is calculated as Tier 1 Common Equity, a non-GAAP measure, divided by Risk-Weighted Assets. See Annex 6 for a reconciliation between Tier 1 Common Equity and Total Shareholders' Equity.*

2016 & 2017 Adjusted EPS Growth Outlook*

2016	2017
$5.90-$6.00	≥$5.60

*Excludes restructuring charges and other contingencies. See Annex 7 for a reconciliation to a GAAP EPS outlook for 2016.



Appendix

Additional Commentary – Variance Analysis

- Discount Revenue: Decreased 5% versus Q3'15 due to Costco-related billed business in the prior year. After excluding Costco-related revenues, adjusted discount revenue increased 5%.* The increase on an adjusted basis was driven by 7% growth in adjusted billed business, an increase in the average discount rate and lower discount revenue share with GNS partners, partially offset by an increase in cash rebate rewards.
    - The average discount rate of 2.47% in Q3'16 increased by 1 bp compared to 2.46% in Q3'15. The increase was driven by the end of Costco merchant acceptance in June, where spending in prior periods earned a lower than average discount rate, offset by growth of the OptBlue program, merchant negotiations and impacts from European regulatory changes.
- Net Card Fees: Increased 10% versus Q3'15, partially driven by higher card fees in Japan and Mexico, and reflecting strong performance in the U.S. Platinum, Gold and Delta portfolios.
- Other Fees & Commissions: Decreased 5% versus Q3'15, driven by Costco-related fees in the prior year and a reclassification of certain revenues to discount revenue, partially offset by an increase in delinquency fees and growth in Global Loyalty Coalition.
- Other Revenues: Decreased 4% versus Q3'15, partially driven by Costco-related revenues in the prior year.
- Net Interest Income: Decreased 11% versus Q3'15 due to the sale of the Costco cobrand loan portfolio. After excluding Costco-related revenues, adjusted net interest income increased 8%.* The increase on an adjusted basis was primarily driven by higher average adjusted Card Member loan balances and a slightly higher yield, partially offset by a higher cost of funds.
- Charge Card Provision for Losses: Decreased 14%, due to improved credit performance as write-offs and delinquency rates were lower than the prior year.
- Card Member Loan Provision for Losses: Increased 3% versus Q3'15 and increased by a greater amount after excluding provision related to the two cobrand portfolios sold earlier in the year. The increase on an adjusted basis was driven by higher adjusted loan balances and write-offs, and a reserve build in the current year.
- Other Provision for Losses: Decreased $6MM from Q3'15, primarily driven by a reserve release due to an improvement in write-offs versus in the prior quarter in the merchant financing portfolio.

** Adjusted discount revenue and adjusted net interest income are non-GAAP measures and exclude estimated revenues from Costco in the U.S., Costco U.S. cobrand Card Members and other merchants for out-of-store spend on the Costco cobrand card. See Annex 5 for a reconciliation to discount revenue and net interest income, as applicable, on a GAAP basis.*

Additional Commentary – Variance Analysis

- Marketing and Promotion Expense: Increased 10% versus Q3'15, reflecting an increase in spending on growth initiatives.
- Card Member Rewards Expense: Decreased 11%, primarily driven by Costco-related billings in the prior year and a shift in spending towards cashback products, partially offset by growth in spending on Membership Rewards and Delta products.
    - The Company's Membership Rewards ultimate redemption rate for program participants was 95% in Q3'16, in-line with Q3'15.
- Card Member Services and Other Expense: Increased 3%, primarily due to increased usage of travel-related benefits.
- Salaries and Employee Benefits Expense: Increased 4% versus Q3'15, driven by a $44MM restructuring charge in the quarter.
- Professional Services Expense: Decreased 8%, primarily driven by lower tech related spending and the OptBlue program, which represents a growing share of the company's merchant coverage and does not entail merchant acquirer payments.
- Occupancy and Equipment Expense: Decreased 18%, primarily driven by a $91M impairment charge in the prior year related to previously capitalized software development costs.
- Other, Net Expense: Increased by 3%, primarily due to a litigation reserve release in the prior year of $64MM in the GMS segment associated with the rejected 2013 merchant litigation settlement, partially offset by lower expenses related to hedging the Company's fixed-rate debt exposures in Q3'16 versus the prior year and a decrease in travel and entertainment spending in the current year.

Corporate & Other Net Expense Variance versus Q3'15:

- Lower net expense compared to Q3'15 was primarily driven by a reduction in expenses in the Company's prepaid services business, including an impairment charge in the prior year related to previously capitalized software development costs.

Annex 1

➲ *Segment Billed Business – Reported & FX-Adjusted**

% Increase/(decrease) vs. prior year

	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16
ICNS									
Reported	10%	2%	(1%)	(3%)	(7%)	(1%)	3%	5%	8%
FX-Adjusted	12%	10%	9%	9%	7%	10%	11%	10%	9%
GCS									
Reported	10%	7%	2%	1%	1%	1%	3%	4%	1%
FX-Adjusted	10%	9%	5%	4%	4%	3%	4%	4%	1%
Worldwide									
Reported	9%	6%	3%	2%	0%	2%	3%	3%	(3%)
FX-Adjusted	10%	8%	7%	6%	5%	5%	6%	4%	(3%)
Worldwide Excl. Costco**									
Reported		5%	3%	2%	1%	3%	5%	6%	7%
FX-Adjusted		8%	7%	6%	6%	7%	8%	8%	7%

**See slide 2 for an explanation of FX-adjusted information. **Excludes Costco cobrand billed business (in-store and out-of-store) and billed business on other (non-Costco cobrand) American Express Cards at Costco in the U.S.*

Annex 2

Regional Billed Business – Reported & FX-Adjusted*

% Increase/(decrease) vs. prior year

	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16
EMEA									
Reported	7%	1%	(9%)	(9%)	(5%)	(4%)	3%	3%	2%
FX-Adjusted	7%	9%	6%	7%	7%	5%	8%	6%	7%
JAPA									
Reported	16%	7%	6%	4%	(2%)	5%	8%	12%	22%
FX-Adjusted	16%	14%	15%	16%	13%	14%	13%	13%	16%
LACC									
Reported	1%	(7%)	(14%)	(18%)	(24%)	(19%)	(14%)	(9%)	(0%)
FX-Adjusted	8%	3%	(4%)	(5%)	(5%)	0%	5%	6%	7%
Total Intl.									
Reported	9%	1%	(3%)	(5%)	(8%)	(3%)	2%	5%	10%
FX-Adjusted	11%	9%	8%	8%	7%	8%	9%	10%	11%

**See slide 2 for an explanation of FX-adjusted information.*

Annex 3

Adjusted Loan Growth

($ in billions)

	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16
Total Loans Held for Investment	$66.9	$71.3	$67.8	$70.0	$70.0	$59.8	$58.6	$61.1	$61.8
Loans Held for Investment related to Costco in the U.S. and JetBlue	$14.2	$15.8	$14.6	$15.0	$14.5				
Total Loans excl. Loans Held for Investment related to Costco in the U.S. and JetBlue*	$52.7	$55.5	$53.2	$55.0	$55.5	$59.8	$58.6	$61.1	$61.8
FX-Adj Total Loans excl. Loans Held for Investment related to Costco in the U.S. and JetBlue**	$51.6	$54.6	$52.7	$54.2	$55.1				
YoY Total Loans Growth on a GAAP basis					**5%**	**(16%)**	**(14%)**	**(13%)**	**(12%)**
YoY Loans Growth, excl. Loans Held for Investment related to Costco in the U.S. and Jetblue*					**5%**	**8%**	**10%**	**11%**	**11%**
YoY FX Adj Loans Growth, excl. Loans Held for Investment related to Costco in the U.S. and JetBlue**					**8%**	**10%**	**11%**	**13%**	**12%**

**Note: Costco and JetBlue loans reclassified as Held For Sale as of December 2015. **See slide 2 for an explanation of FX-adjusted information.*

Annex 4

Revenue Net of Interest Adjusted for FX, Global Business Travel, Concur and Costco

($ in billions)

	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16
GAAP Revenue Net of Interest	**$8.2**	**$8.6**	**$8.3**	**$9.1**	**$8.0**	**$8.3**	**$8.2**	**$8.4**	**$8.1**	**$8.2**	**$7.8**
Global Business Travel Revenue Net of Interest*	($0.3)	($0.4)									
Gain on Sale of Concur Investment				($0.7)							
Revenue Net of Interest Excluding GBT and Concur	$7.8	$8.2	$8.3	$8.4	$8.0	$8.3	$8.2	$8.4	$8.1	$8.2	$7.8
Est. Costco-Related Revenue**	(~$0.7)	(~$0.8)	(~$0.8)	(~$0.8)	(~$0.8)	(~$0.8)	(~$0.8)	(~$0.8)	(~$0.7)	(~$0.5)	-
Revenue Net of Interest Excluding GBT, Concur and Costco	$7.1	$7.5	$7.5	$7.6	$7.2	$7.5	$7.4	$7.6	$7.4	$7.7	$7.8
FX- Adjusted Revenue Net of Interest Excl. GBT and Concur	$7.6	$7.9	$8.0	$8.1	$7.8	$8.2	$8.2				
FX-Adjusted Revenue Net of Interest Excl. GBT, Concur and Costco	6.9	$7.1	$7.2	$7.3	$7.0	$7.4	$7.4				
YoY% Inc/(Dec) in GAAP Revenue Net of Interest					**(3%)**	**(4%)**	**(1%)**	**(8%)**	**2%**	**(1%)**	**(5%)**
YoY% Inc/(Dec) in Adjusted Revenue Net of Interest Excl. GBT and Concur					**1%**	**1%**	**(1%)**	**0%**	**2%**	**(1%)**	**(5%)**
YoY% Inc/(Dec) in Adjusted Revenue Net of Interest Excl. GBT, Concur and Costco					**1%**	**0%**	**(2%)**	**1%**	**3%**	**3%**	**5%**
YoY% Inc/(Dec) in FX- Adjusted Revenue Net of Interest Excl. GBT and Concur* **					**5%**	**5%**	**3%**	**4%**	**4%**	**1%**	**(5%)**
YoY% Inc/(Dec) in FX- Adjusted Revenue Net of Interest Excl. GBT, Concur and Costco* **					**5%**	**5%**	**3%**	**4%**	**5%**	**4%**	**5%**

*Note: In Q1'15, the Company reclassified amounts related to certain payments to co-brand partners reducing both marketing and promotion expense and discount revenue. Prior periods have been revised to conform to the current period presentation. * Represents operating performance of Global Business Travel as reported in H1'14. Does not include other Global Business Travel-related items, including equity earnings from the joint venture and impacts related to a transition services agreement that will phase out over time. **Represents Other Revenue and Net Interest Income from Costco cobrand Card Members, Discount Revenue from Costco and other merchants for out-of-store spend on Costco cobrand cards. ***See Slide 2 for an explanation of FX-adjusted information.*

Annex 5

Discount Revenue & Net Interest Income Adjusted for FX and Costco

($ in billions)

	Q3'15	Q3'16
Discount Revenue	**$4.8**	**$4.5**
Est. Costco-Related Discount Revenue*	(~$0.5)	-
Discount Revenue Excl. Costco	$4.3	$4.5
FX-Adjusted Discount Revenue Excl. Costco	$4.3	
YoY% Inc/(Dec) in GAAP Discount Revenue		**(5%)**
YoY% Inc/(Dec) in Adjusted Discount Revenue Excl. Costco		**5%**
YoY% Inc/(Dec) in FX- Adjusted Discount Revenue Excl. Costco* **		**5%**

	Q3'15	Q3'16
Net Interest Income	**$1.5**	**$1.3**
Est. Costco-Related Net Interest Income**	(~$0.3)	-
Net Interest Income Excl. Costco	$1.2	$1.3
FX-Adjusted Net Interest Income Excl. Costco	$1.2	
YoY% Inc/(Dec) in GAAP Net Interest Income		**(11%)**
YoY% Inc/(Dec) in Adjusted Net Interest Income Excl. Costco		**8%**
YoY% Inc/(Dec) in FX- Adjusted Net Interest Income Excl. Costco* **		**10%**

**Represents Discount Revenue from Costco and other merchants for out-of-store spend on Costco cobrand cards. **Represents Net Interest Income from Costco cobrand Card Members. ***See slide 2 for an explanation of FX-adjusted information.*

Annex 6

- ***The Tier 1 Common Risk-Based Capital Ratio is calculated as Tier 1 Common Equity, a non-GAAP measure, divided by Risk-weighted assets. Tier 1 Common Equity is calculated by reference to Total Shareholders' Equity as shown below:***

	12/31/2012	12/31/2013
Total Shareholders' Equity	$18,886	$19,496
Effect of certain items in accumulated other comprehensive loss excluded from Tier 1 common equity	$173	$336
Less		
Ineligible goodwill and intangible assets	($3,921)	($3,474)
Ineligible deferred tax assets	($228)	($192)
Other Basel III deductions		
Tier 1 Common Equity	**$14,910**	**$16,166**

Annex 7

- ***FY'16 EPS Range Outlook***

	FY'16 EPS Range	
EPS Outlook excluding restructuring charges & other contingencies	**$5.90**	**$6.00**
Q1'16 Restructuring Charge per share (pre-tax)*	$0.08	$0.08
Q2'16 Restructuring Charge per share (pre-tax)*	$0.25	$0.25
Q3'16 Restructuring Charge per share (pre-tax)*	$0.05	$0.05
Q1'16 Tax impact of Restructuring charge	($0.03)	($0.03)
Q2'16 Tax impact of Restructuring charge	($0.09)	($0.09)
Q3'16 Tax impact of Restructuring charge	($0.01)	($0.01)
Net impact of Q3'16 YTD Restructuring Charges per share*	$0.25	$0.25
GAAP EPS Outlook - Including YTD Restructuring*	**$5.65**	**$5.75**

- ***Q3'16 EPS excluding the impact of Restructuring***

	Q3'16
Reported EPS	**$1.20**
Q3'16 Restructuring Charge (pre-tax)	$0.05
Q2'16 Tax Impact of Restructuring Charge	($0.01)
Q3'16 EPS excluding the impact of Restructuring	**$1.24**

**Reflects restructuring charges recognized Q3'16 YTD. Management is not able to estimate restructuring charges or other contingencies for the remainder of 2016.*

Forward Looking Statements

This presentation 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 the Company's expected business and financial performance and which include management's outlook for 2016-2017, among other matters, contain words such as "believe," "expect," "estimate," "anticipate," "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. The Company undertakes 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:

- the Company's ability to achieve its earnings per common share outlook for 2016 and 2017, which will depend in part on the following: revenues growing consistently with current expectations, which could be impacted by, among other things, weakening economic conditions in the United States or internationally, a decline in consumer confidence impacting the willingness and ability of Card Members to sustain spending, a further decline in airfare and gas prices, a further strengthening of the U.S. dollar, a greater erosion of the average discount rate than expected, a greater impact on discount revenue from cash back, GNS volumes and cobrand partner and client incentive payments, more cautious spending by large and global corporate Card Members and lower spending on new cards acquired than estimated; the Company's success in addressing competitive pressures and implementing its strategies and business initiatives, including growing profitable spending from new and existing Card Members, increasing penetration among middle market and small business clients, expanding its international footprint and increasing merchant acceptance; the level of spend in bonus categories on rewards-based and/or cash-back cards and redemptions of Card Member rewards and offers; the impact of any future restructuring charges or other contingencies, including, but not limited to, litigation-related expenses, impairments, the imposition of fines or civil money penalties, an increase in Card Member reimbursements and changes in reserves; credit performance remaining consistent with current expectations; continued growth of Card Member loans; the ability to continue to realize benefits from restructuring actions and operating leverage at levels consistent with current expectations; the amount the Company spends on growth initiatives and the Company's ability to drive growth from such investments; changes in interest rates beyond current expectations; the impact of regulation and litigation, which could affect the profitability of the Company's business activities, limit the Company's ability to pursue business opportunities, require changes to business practices or alter the Company's relationships with partners, merchants and Card Members; the Company's tax rate remaining in line with current expectations, which could be impacted by, among other things, the Company's geographic mix of income being weighted more to higher tax jurisdictions than expected, changes in tax laws and regulation (including final and temporary Treasury regulations under Section 385 of the U.S. Internal Revenue Code) and unfavorable tax audits and other unanticipated tax items; the impact of accounting changes and reclassifications; and the Company's ability to continue executing its share repurchase program;

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- the actual amount to be spent on marketing and promotion, including on marketing support for, and enhancements to, the Company's Platinum Card franchise, "shop small" offers, acquisition efforts and brand advertising, as well as the timing of any such spending, which will be based in part on management's assessment of competitive opportunities; overall business performance; prior commitments, contractual obligations with business partners and other fixed costs relative to revenue levels; 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 ability to realize efficiencies, optimize investment spending and control expenses to fund such spending;

- the Company's rewards including cash back growing at a different rate than current expectations, which will depend in part on the behavior of the Company's Card Members as it relates to their spending patterns, spending volumes and redemption behaviors, as well as the degree of interest of Card Members in the value proposition offered by the Company; the Company's ability to enhance card products and services to make them attractive to Card Members; and the amount the Company spends on the promotion of enhanced card products and rewards categories and the success of such promotion.

- the ability of the Company to reduce its overall cost base by $1 billion on a run rate basis by the end of 2017, which will depend in part on the timing and financial impact of reengineering plans, which could be impacted by factors such as the Company's inability to mitigate the operational and other risks posed by potential staff reductions, the Company's inability to develop and implement technology resources to realize cost savings and underestimating hiring needs and other employee needs not currently anticipated; the ability of the Company to reduce annual operating expenses, which could be impacted by, among other things, the factors identified below; and the ability of the Company to optimize and lower marketing and promotion expenses, which could be impacted by higher advertising and Card Member acquisition costs, competitive pressures that may require additional expenditures or limit the Company's ability to reduce costs, an inability to shift acquisition to digital channels, the availability of opportunities to invest at a higher level due to favorable business results and changes in macroeconomic conditions;

- the ability to reduce annual operating expenses, which could be impacted by increases in significant categories of operating expenses, such as consulting or professional fees, including as a result of increased litigation, compliance or regulatory-related costs, technology costs or fraud costs; the ability of the Company to develop, implement and achieve substantial benefits from reengineering plans; higher than expected employee levels; the impact of changes in foreign currency exchange rates on costs; the payment of civil money penalties, disgorgement, restitution, non-income tax assessments and litigation-related settlements; impairments of goodwill or other assets; management's decision to increase or decrease spending in such areas as technology, business and product development and sales forces depending on overall business performance; greater than expected inflation or merit increases; the Company's ability to balance expense control and investments in the business; the impact of accounting changes and reclassifications; and the level of M&A activity and related expenses;

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- the Company's lending write-off rates changing differently than current expectations and provision expense being higher than current expectations, which will depend in part on changes in the level of loan balances, delinquency rates of Card Members, mix of loan balances, loans related to new Card Members performing as expected, unemployment rates, the volume of bankruptcies and recoveries of previously written-off loans;

- the Company's ability to execute against its lending strategy and grow loans, which may be affected by increasing competition, brand perceptions and reputation, the Company's ability to manage risk in a growing Card Member loan portfolio, and the behavior of Card Members and their actual spending and borrowing patterns, which in turn may be driven by the Company's ability to issue new and enhanced card products, offer attractive non-card lending products, capture a greater share of existing Card Members' spending and borrowings, reduce Card Member attrition and attract new customers;

- the possibility that the Company will not fully execute on its plans for OptBlue to significantly increase merchant coverage, which will depend in part on the success of OptBlue merchant acquirers in signing merchants to accept American Express, which could be impacted by the pricing set by the merchant acquirers, the value proposition offered to small merchants and the efforts of OptBlue merchant acquirers to sign merchants for American Express acceptance, as well as the willingness of Card Members to use American Express cards at small merchants and of those merchants to accept American Express cards;

- the ability of the Company to capture small business and middle market spending, which will depend in part on the willingness and ability of companies to use credit and charge cards for procurement and other business expenditures, perceived or actual difficulties and costs related to setting up card-based B2B payment platforms, the ability of the Company to offer attractive value propositions and card products to potential customers, the Company's ability to enhance and expand its payment solutions, and the effectiveness of the Company's marketing and promotion of its corporate payment solutions and small business card products to potential customers;

- the ability of the Company to grow internationally, which could be impacted by regulation and business practices, such as those favoring local competitors or prohibiting or limiting foreign ownership of certain businesses, the Company's ability to partner with additional GNS issuers and the success of GNS partners in acquiring Card Members and/or merchants, political or economic instability, which could affect lending and other commercial activities, the Company's ability to tailor products and services to make them attractive to local customers, and competitors with more scale and experience and more established relationships with relevant customers, regulators and industry participants;

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- the Company's ability to attract and retain Card Members as well as capture the spending and borrowings of our customers, including former Costco cobrand Card Members, consistent with current expectations, which will be impacted in part by competition, brand perceptions (including perceptions related to merchant coverage) and reputation and the ability of the Company to develop and market value propositions that appeal to Card Members and new customers and offer attractive services and rewards programs, which will depend in part on ongoing investment in marketing and promotion expenses, new product innovation and development, acquisition efforts and enrollment processes, including through digital channels, and infrastructure to support new products, services and benefits;

- the erosion of the average discount rate by a greater amount than anticipated, including as a result of further expansion of the OptBlue program, changes in the mix of spending by location and industry, merchant negotiations (including merchant incentives, concessions and volume-related pricing discounts), competition, pricing regulation (including regulation of competitors' interchange rates in the EU and elsewhere) and other factors;

- changes affecting the ability or desire of the Company to return capital to shareholders through dividends and share repurchases, which will depend on factors such as approval of the Company's capital plans by its primary regulators, the amount the Company spends on acquisitions and the Company's results of operations and capital needs in any given period; and

- factors beyond the Company's control such as changes in global economic and business conditions, consumer and business spending, the availability and cost of capital, unemployment rates, geopolitical conditions (including potential impacts resulting from the proposed exit of the U.K. from the European Union), foreign currency rates and interest rates, as well as fire, power loss, disruptions in telecommunications, severe weather conditions, natural disasters, health pandemics, terrorism, cyber attacks or fraud, all of which could significantly affect spending on American Express cards, delinquency rates, loan balances and results of operation or disrupt the Company's global network systems and ability to process transactions.

A further description of these uncertainties and other risks can be found in the Company's Annual Report on Form 10-K for the year ended December 31, 2015, the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 2016 and the Company's other reports filed with the Securities and Exchange Commission.


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