

# American Express Earnings Conference Call Q1'24

APRIL 19, 2024



# Summary Financial Performance

(in millions; except per share amounts)

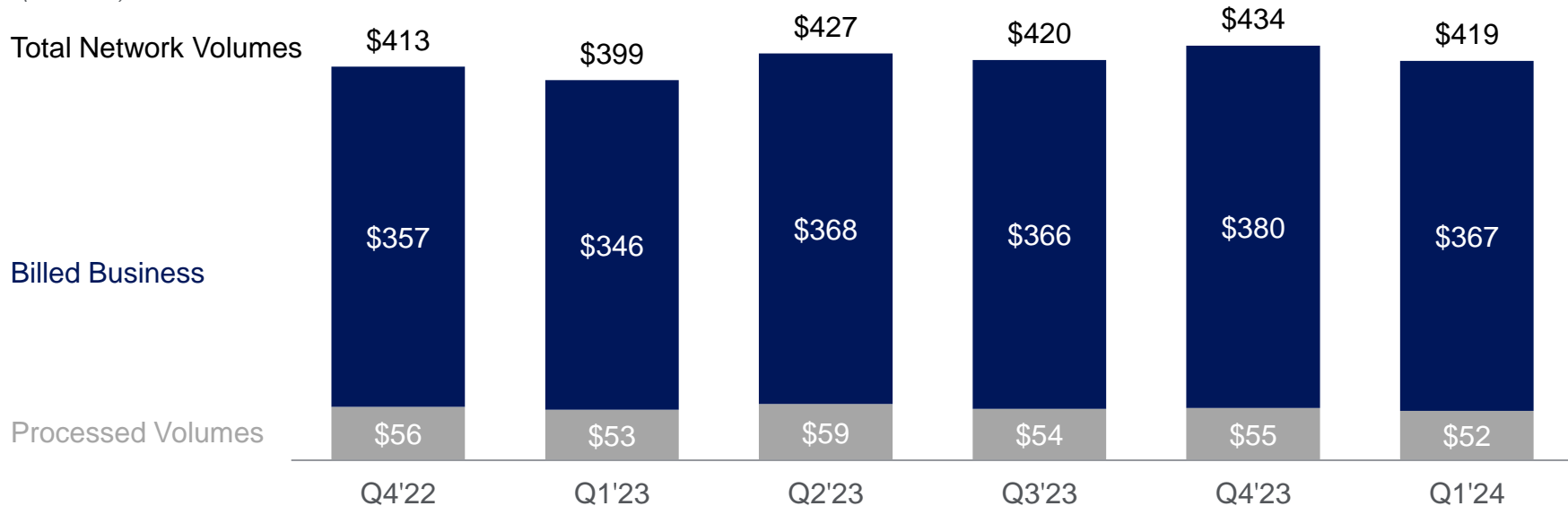
|  | Q1'24    | Q1'23    | YoY% Inc/(Dec) |
|--|----------|----------|----------------|
| Total Revenues Net of Interest Expense | \$15,801 | \$14,281 | 11%            |
| <i>FX-Adjusted*</i>                    |          | \$14,230 | 11%            |
| Net Income                             | \$2,437  | \$1,816  | 34%            |
| Diluted EPS†                           | \$3.33   | \$2.40   | 39%            |
| Average Diluted Shares Outstanding     | 722      | 744      | (3%)           |

\* Total Revenues Net of Interest Expense adjusted for FX is a non-GAAP measure. 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 Q1'24 foreign exchange rates apply to Q1'23 results). † Attributable to common shareholders. Represents net income less earnings allocated to participating share awards and dividends on preferred shares.

# Total Billed Business & Network Volumes



(\$ in billions)



% Increase/(decrease)  
vs. Prior Year (FX-adjusted):

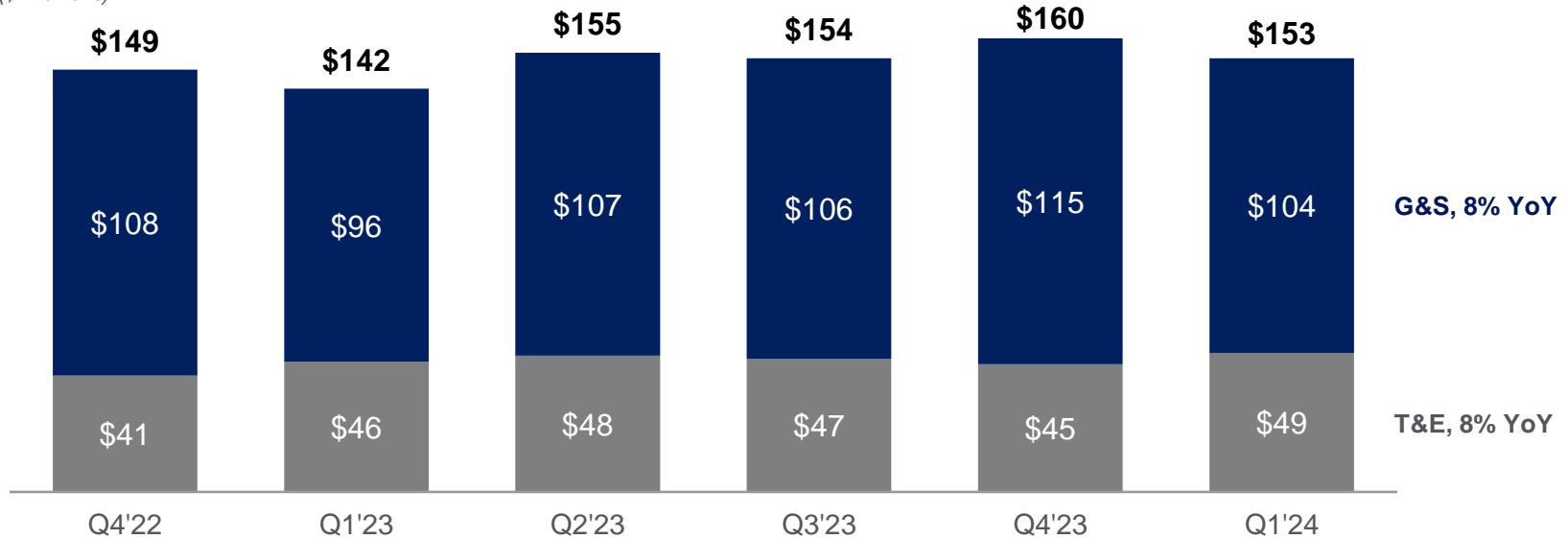
|                        | Q4'22 | Q1'23 | Q2'23 | Q3'23 | Q4'23 | Q1'24 |
|------------------------|-------|-------|-------|-------|-------|-------|
| <b>Billed Business</b> | 15%   | 16%   | 8%    | 7%    | 6%    | 7%    |
| G&S                    | 10%   | 9%    | 6%    | 6%    | 5%    | 6%    |
| T&E                    | 38%   | 39%   | 14%   | 13%   | 9%    | 8%    |

All growth rates reflect FX-adjusted rates. See Annex 1 for reported billings growth rates. Billed business represents transaction volumes on payment products issued by American Express. Processed volumes represent transaction volumes from cards issued by network partners and alternative payment solutions facilitated by American Express. Subtotals may not foot due to rounding. G&S = Goods & Services billed business. T&E = Travel & Entertainment billed business.

# U.S. Consumer Services Billed Business



(\$ in billions)



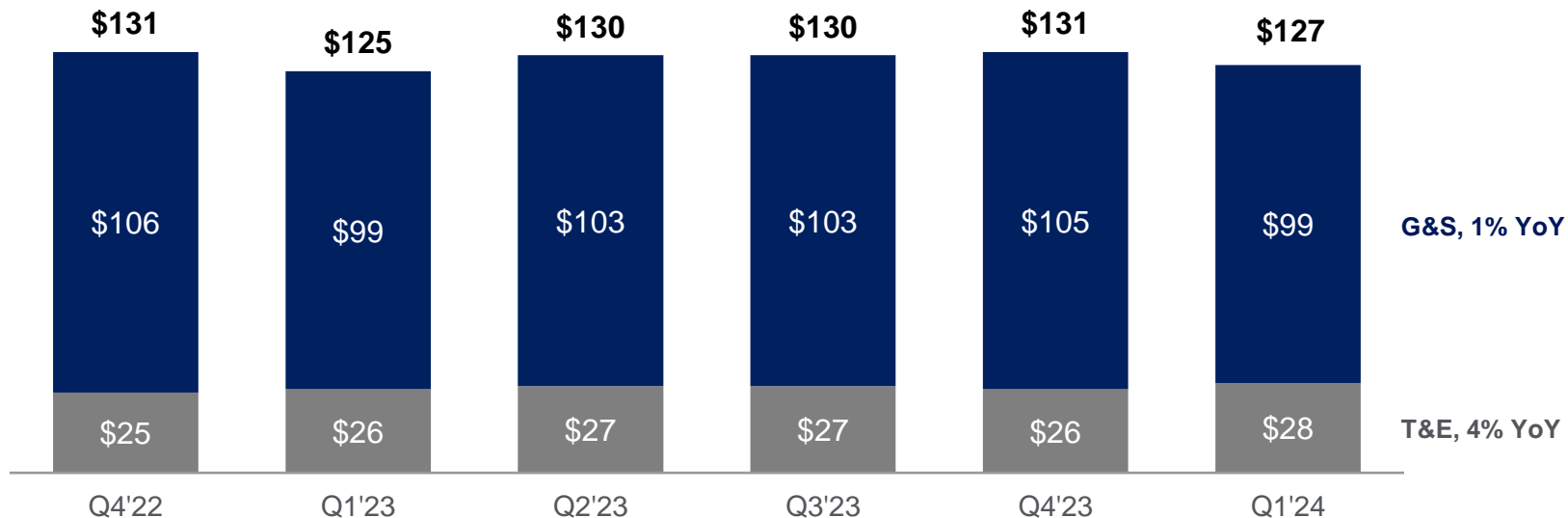
| Q1'24      | Millennials + Gen-Z | Gen-X | Baby Boomer + | Total |
|------------|---------------------|-------|---------------|-------|
| YoY        | 15%                 | 7%    | 3%            | 8%    |
| % of Total | 32%                 | 37%   | 31%           | 100%  |

Subtotals may not foot due to rounding.

# Commercial Services Billed Business



(\$ in billions)



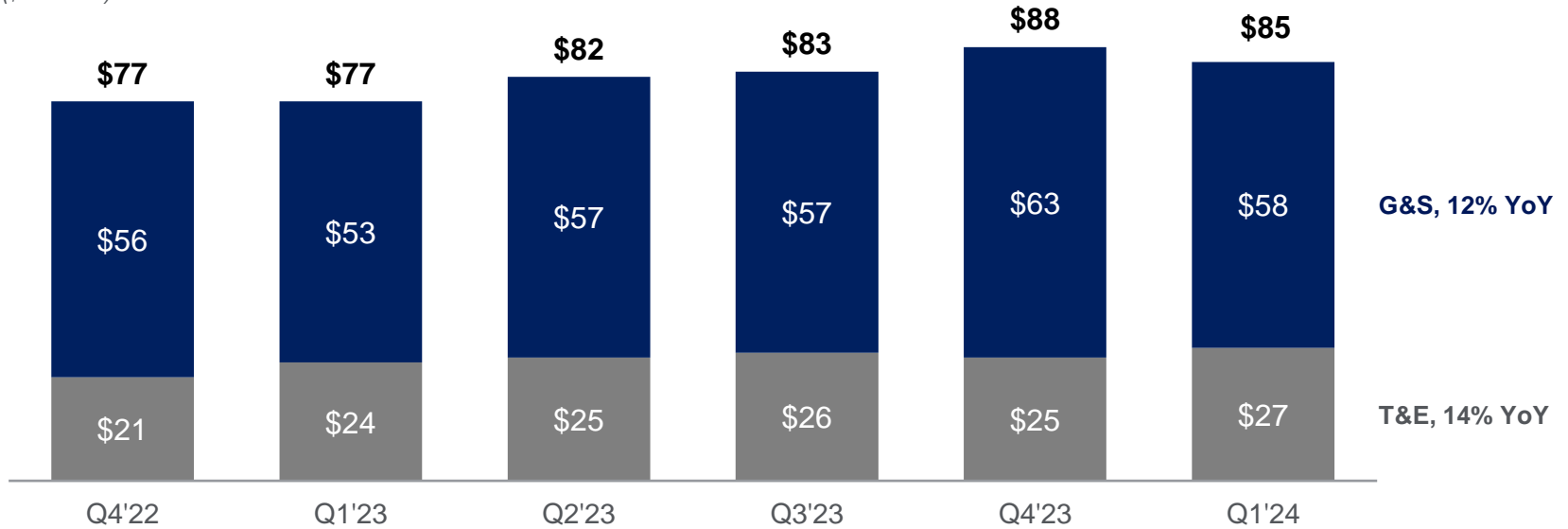
| Q1'24      | U.S. SME | U.S. Large & Global Corp. | Total |
|------------|----------|---------------------------|-------|
| YoY        | 1%       | 5%                        | 2%    |
| % of Total | 81%      | 19%                       | 100%  |

SME refers to small and mid-sized businesses with less than \$300MM in annual revenues. All growth rates reflect FX-adjusted rates except for U.S. SME. See Annex 1 for reported billings growth rates. Subtotals may not foot due to rounding.

# International Card Services Billed Business



(\$ in billions)



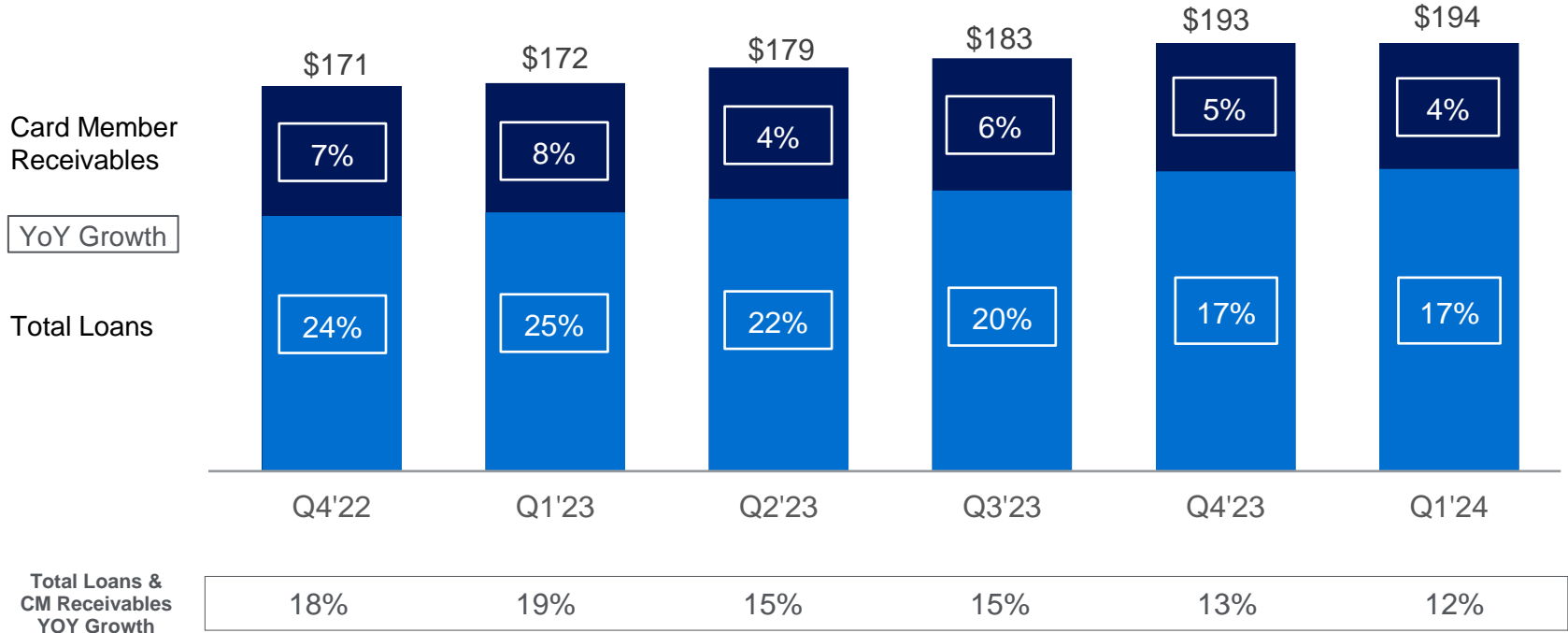
| Q1'24      | Int'l Consumer | Int'l SME & Large Corp. | Total |
|------------|----------------|-------------------------|-------|
| YoY        | 14%            | 11%                     | 13%   |
| % of Total | 65%            | 35%                     | 100%  |

# Worldwide Total Loans and Card Member Receivables



## Total Ending Loans and Card Member Receivables

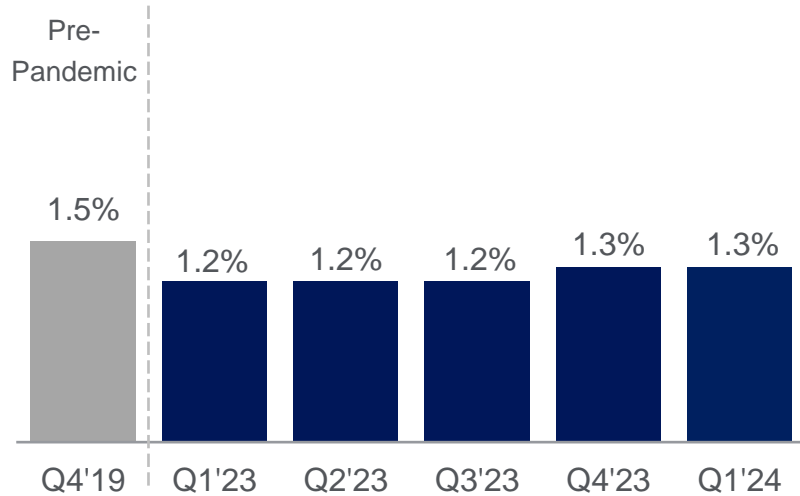
(\$ in billions)



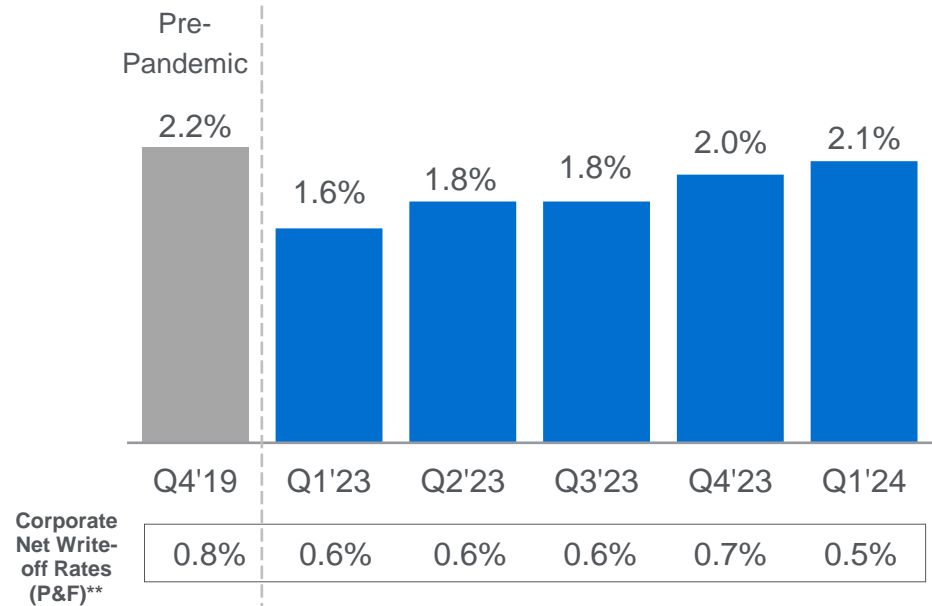
Total Loans reflects Card Member loans and Other loans.

# Card Member Loans and Card Member Receivables Credit Metrics

## 30+ Days Past Due\*



## Net Write-off Rates\*

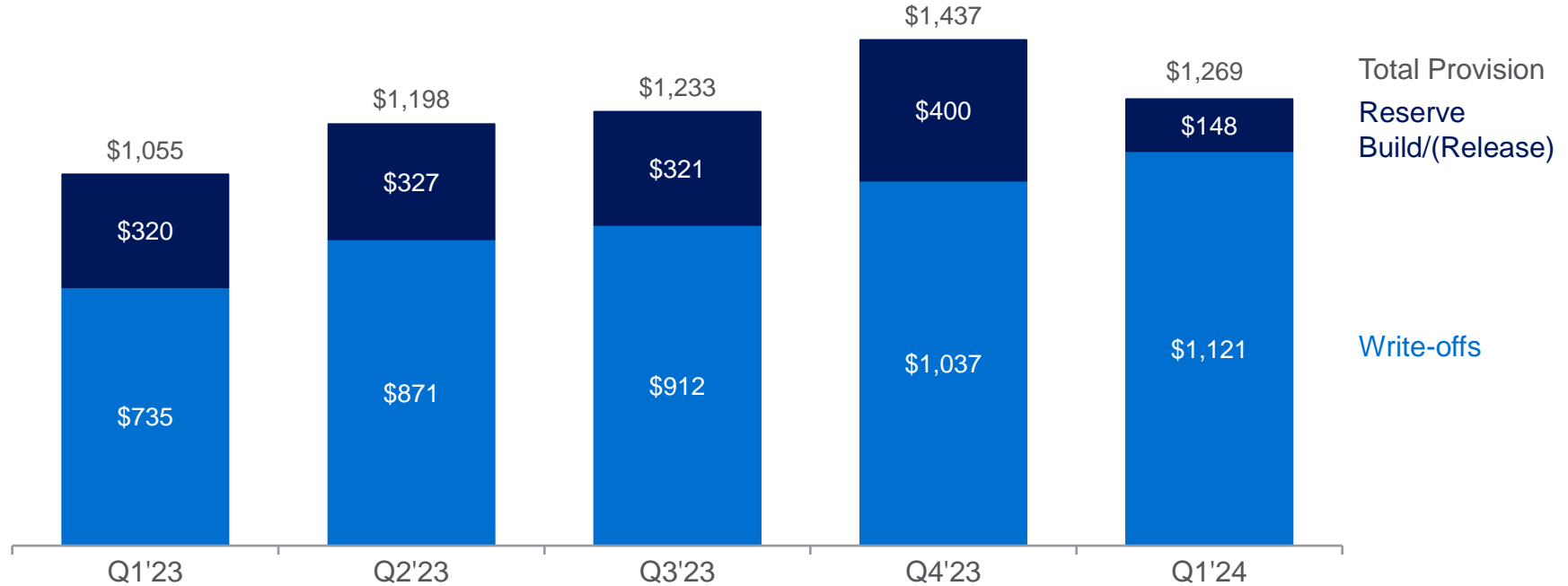


See Slide 22 for credit metrics for Card Member Loans and Card Member Receivables presented separately. Net write-off rates based on principal losses only unless otherwise indicated. See Statistical Tables for the first quarter of 2024, available at [ir.americanexpress.com](http://ir.americanexpress.com), for net write-off rates including interest and fees. \* Card Member Loans and Card Member Receivables Net Write-off Rates and 30+ Days past due as a % both represent Consumer and Small Business Services Card Member Loans and Card Member Receivables (unavailable for Corporate). \*\* Corporate Net Write-off Rates based on principal and fee losses related to U.S. Corporate, International Corporate and Global Clients receivables.



# Total Provision

(\$ in millions)

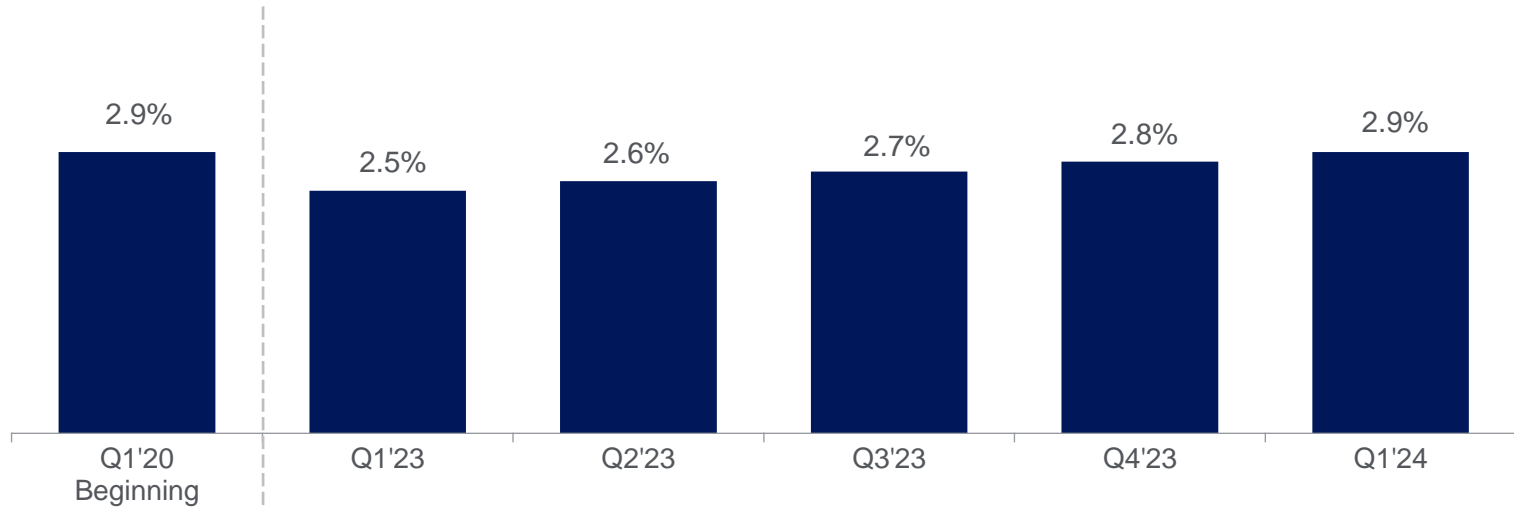


See Variance Commentary in the appendix section for an explanation of the provision variance versus last year. Reserve Build/(Release) represents the portion of the provisions for credit losses for the period related to increasing or decreasing reserves for credit losses.

# Total Reserves

## Reserves as a % of Total Loans & CM Receivables

(\$ in billions)



**Balance Sheet  
Credit Reserves:**

|                              |       |       |       |       |       |       |
|------------------------------|-------|-------|-------|-------|-------|-------|
| Total Loans & CM Receivables | \$4.3 | \$4.4 | \$4.7 | \$5.0 | \$5.4 | \$5.6 |
| Total Loans                  | \$4.2 | \$4.1 | \$4.5 | \$4.8 | \$5.2 | \$5.4 |
| CM Receivables               | \$0.1 | \$0.2 | \$0.2 | \$0.2 | \$0.2 | \$0.2 |

Balance Sheet credit reserve builds differ from P&L credit reserve builds due to other receivables and FX impacts. Reserve subtotals may not foot due to rounding.

# Revenue Performance

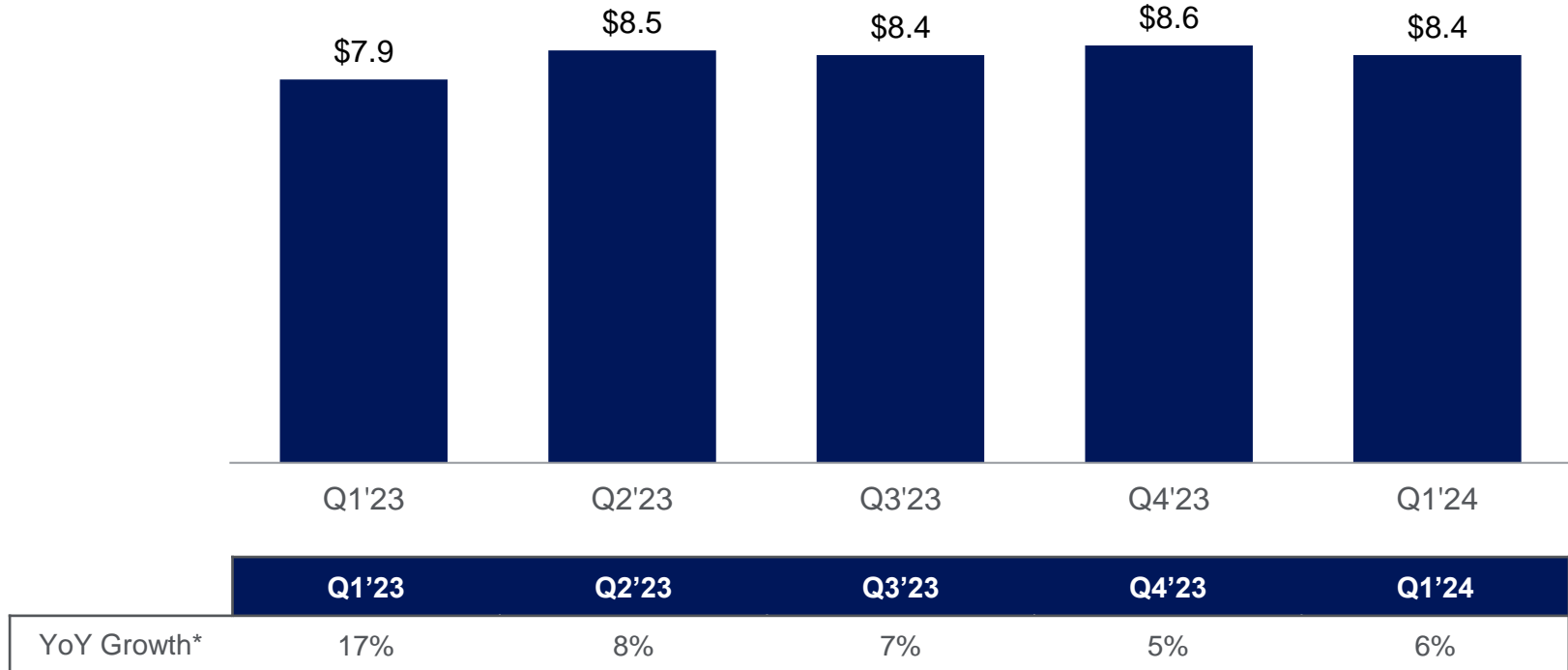
(\$ in millions)

|                                  | Q1'24    | Q1'23    | YoY%<br>Inc/(Dec) | Q1'24<br>% of Total<br>Revenue |
|----------------------------------|----------|----------|-------------------|--------------------------------|
| Discount Revenue                 | \$8,380  | \$7,947  | 5%                | 53%                            |
| Net Card Fees                    | \$1,974  | \$1,713  | 15%               | 12%                            |
| Service Fees and Other Revenue   | \$1,292  | \$1,218  | 6%                | 8%                             |
| Processed Revenue                | \$386    | \$420    | (8%)              | 2%                             |
| Net Interest Income              | \$3,769  | \$2,983  | 26%               | 24%                            |
| Revenues Net of Interest Expense | \$15,801 | \$14,281 | 11%               | 100%                           |
| <i>FX-Adjusted*</i>              |          | \$14,230 | 11%               |                                |

See Variance Commentary in the appendix section for an explanation of the revenue variances versus last year. Subtotals may not add to 100% due to rounding. \* Total Revenues Net of Interest Expense adjusted for FX and the related growth rate are non-GAAP measures. See Slide 2 for an explanation of FX-adjusted information.

# Discount Revenue

\$ in billions (on a reported basis) - % Increase/(decrease) vs. Prior year (FX-adjusted):

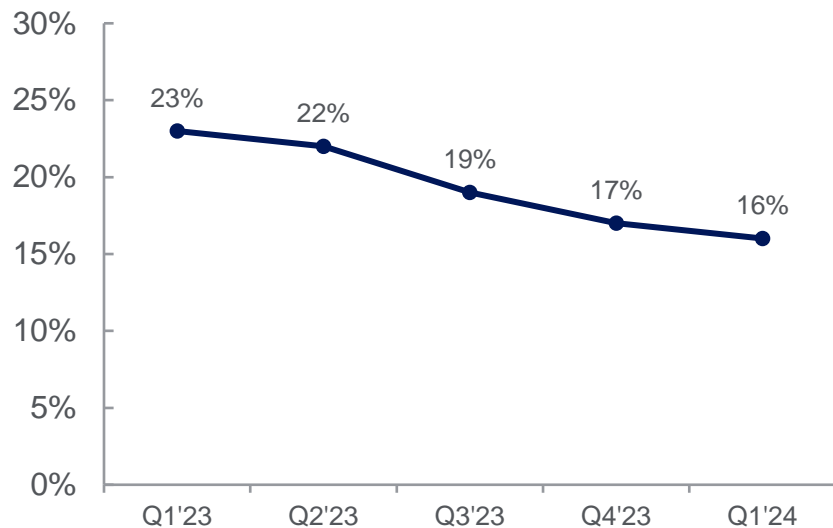


\* Discount Revenue YoY growth rates adjusted for FX are non-GAAP measures. See Annex 2 for Discount Revenue growth rates on a GAAP basis. See Slide 2 for an explanation of FX-adjusted information.

# Net Card Fees and New Cards Acquired

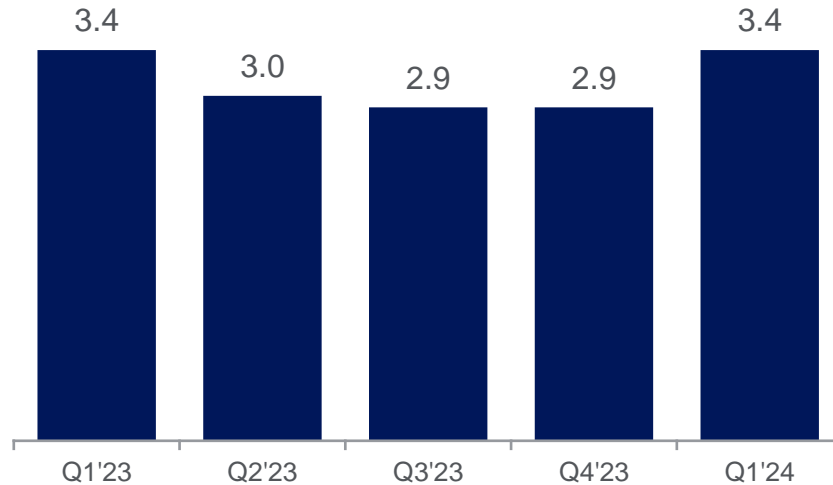
## Net Card Fees Growth\*

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



## Proprietary NCA

(in millions)

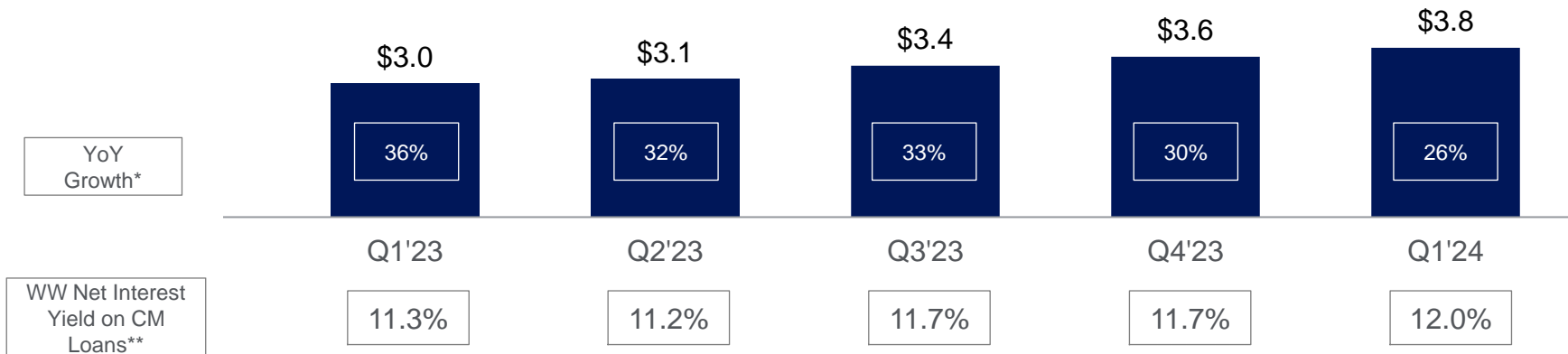


\* Net Card Fees YoY growth rates adjusted for FX are non-GAAP measures. See Annex 3 for Net Card Fees growth rates on a GAAP basis. See Slide 2 for an explanation of FX-adjusted information.

# Net Interest Income

## Net Interest Income

\$ in billions (on a reported basis) - % Increase/(decrease) vs. Prior year (FX-adjusted):

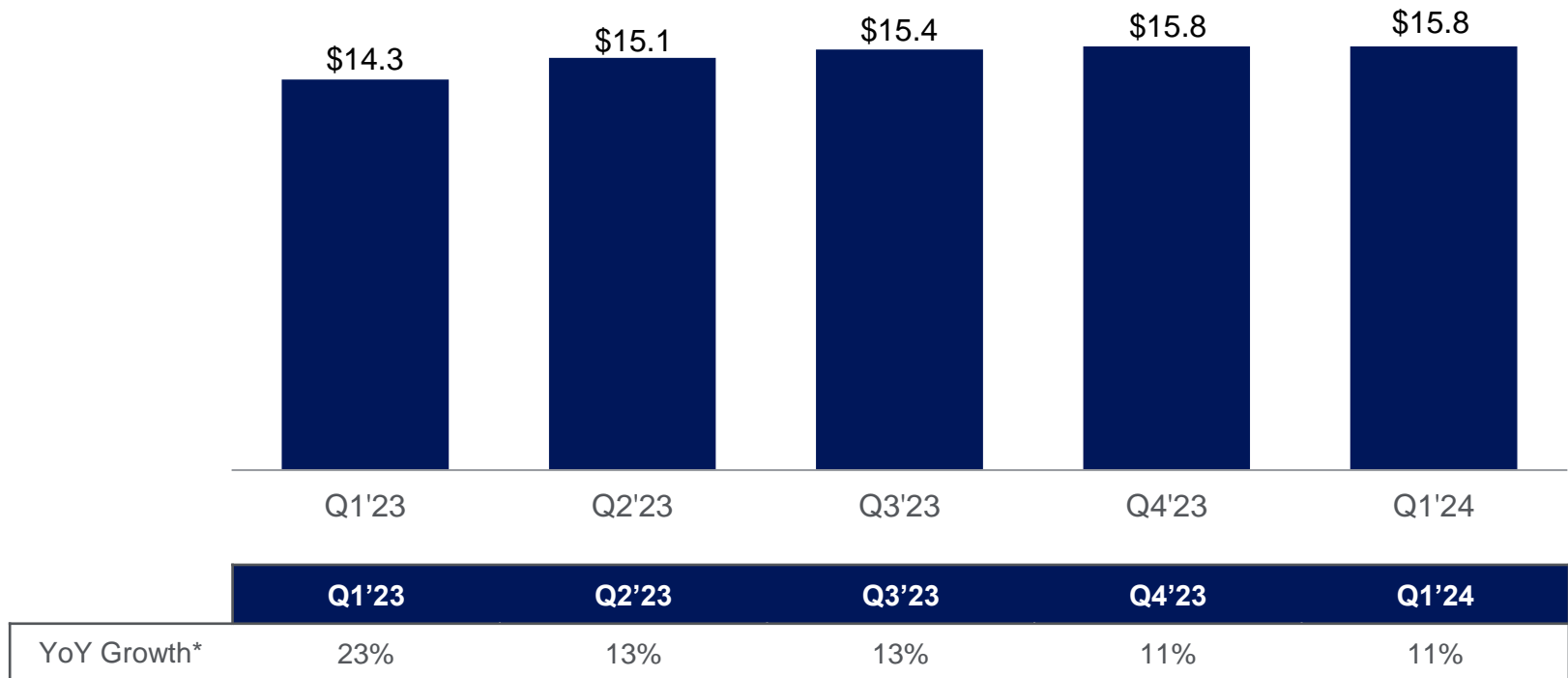


\* Net Interest Income YoY growth rates adjusted for FX are non-GAAP measures. See Annex 4 for Net Interest Income growth rates on a GAAP basis. See Slide 2 for an explanation of FX-adjusted information. \*\* See Annex 5 for a reconciliation of net interest yield, a non-GAAP measure.

# Total Revenue Net of Interest Expense



\$ in billions (on a reported basis) - % Increase/(decrease) vs. Prior year (FX-adjusted):



\* Revenue Net of Interest Expense YoY growth rates adjusted for FX are non-GAAP measures. See Annex 6 for Revenue Net of Interest Expense growth rates on a GAAP basis. See Slide 2 for an explanation of FX-adjusted information. Subtotals may not foot due to rounding.

# Expense Performance

(\$ in millions)



|                                       | Q1'24    | Q1'23    | YoY%<br>Inc/(Dec) |  |
|---------------------------------------|----------|----------|-------------------|--|
| Card Member Rewards                   | \$3,774  | \$3,766  | 0%                |  |
| Business Development                  | \$1,392  | \$1,393  | 0%                |  |
| Card Member Services                  | \$1,171  | \$983    | 19%               |  |
| Variable Customer Engagement Expenses | \$6,337  | \$6,142  | 3%                |  |
| Marketing                             | \$1,476  | \$1,341  | 10%               |  |
| Operating Expenses                    | \$3,574  | \$3,576  | 0%                |  |
| Total Expenses                        | \$11,387 | \$11,059 | 3%                |  |

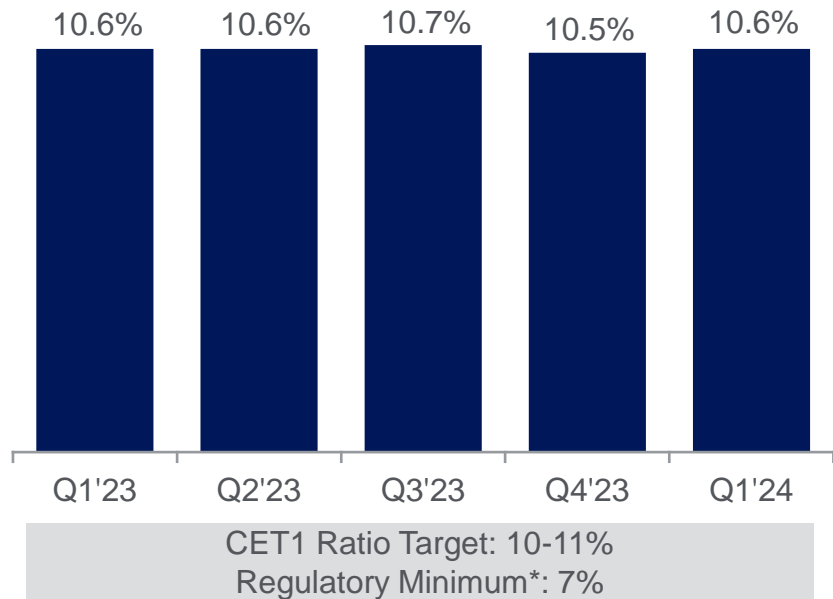
**Q1'24 VCE  
% of Revenue**

40%

See Variance Commentary in the appendix section for an explanation of the expense variances versus last year. Operating Expenses represents salaries and employee benefits, professional services, data processing and equipment, and other, net.

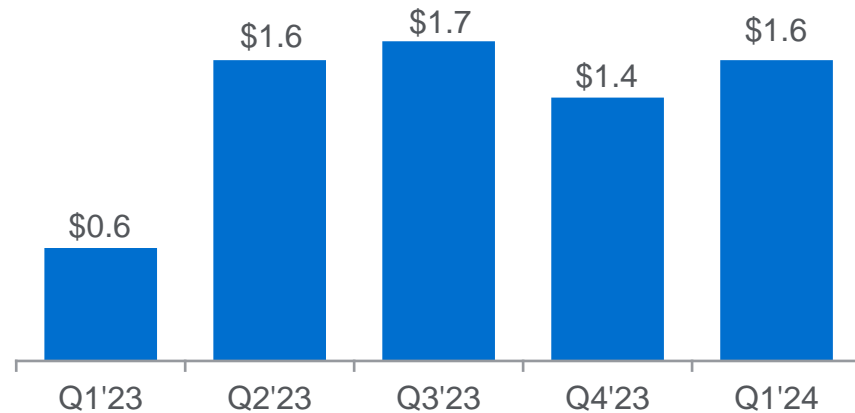


## Common Equity Tier 1



## Capital Return

(\$ in billions)



\* Inclusive of Stress Capital Buffer

## 2024 Guidance

Revenue Growth:

9% - 11%

EPS:

\$12.65 - \$13.15

*(EPS Growth: 13% - 17%)*

# Appendix



# Travel & Entertainment Billed Business

| Q1'24                      | Restaurants | Lodging | Airlines | Other | Total T&E |
|----------------------------|-------------|---------|----------|-------|-----------|
| YoY Growth                 | 8%          | 5%      | 9%       | 11%   | 8%        |
| % of Total Billed Business | 7%          | 6%      | 8%       | 8%    | 28%       |

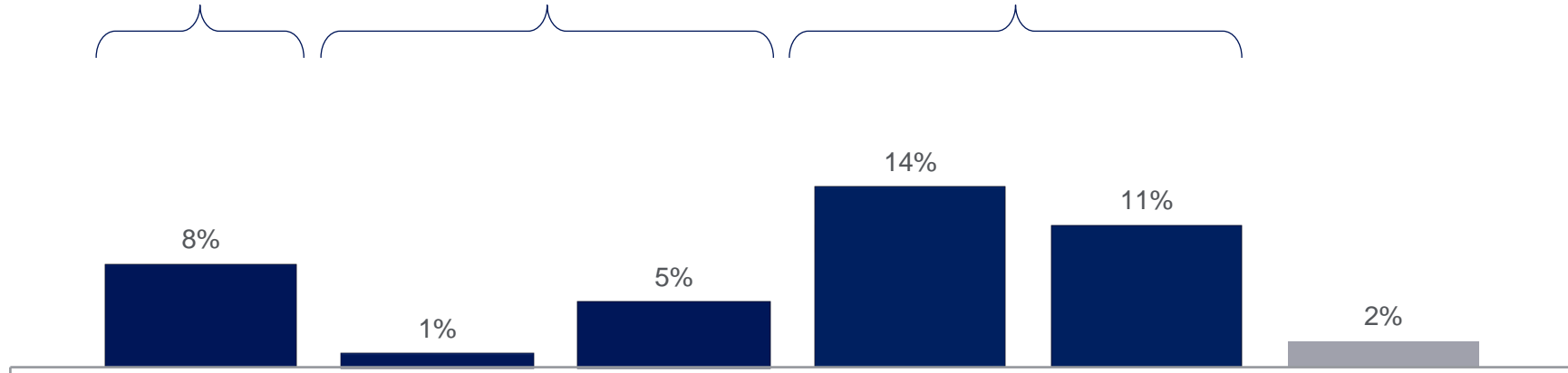
# Q1'24 Network Volumes Growth by Customer Type

% Increase/(decrease) vs. Prior Year (FX-adjusted):

U.S. Consumer Services:  
8%

Commercial Services:  
2%

International Card Services:  
13%



% of Total Network Volumes \$419B

U.S. Consumer 37%

U.S. SME 25%

U.S. Large & Global Corp. 5%

Int'l Consumer 13%

Int'l SME & Large Corp. 7%

Processed Volumes 13%

# Card Member Credit Metrics



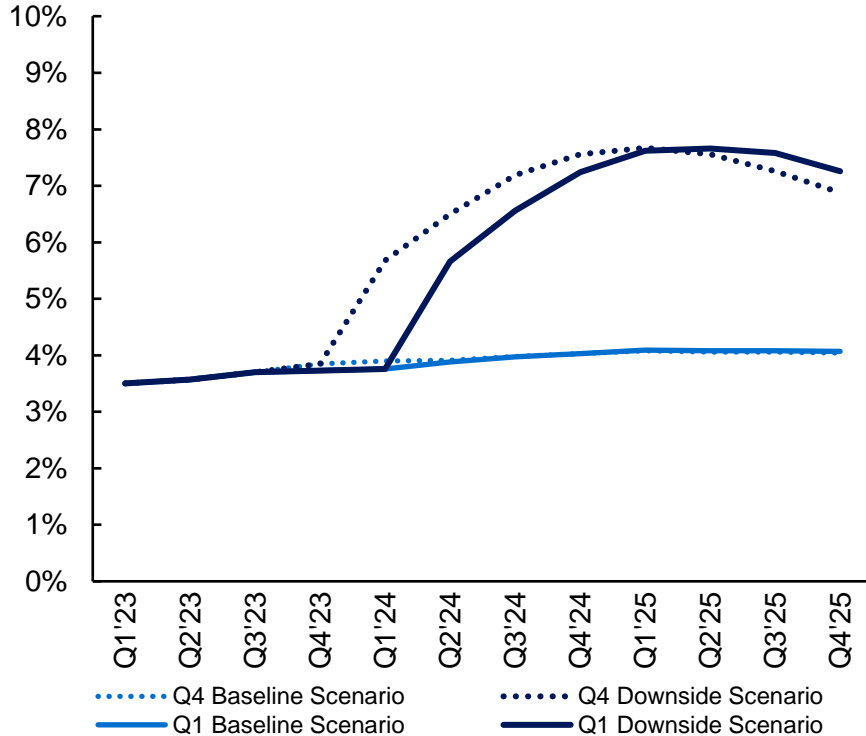
|  | Q4'19 | Q1'23 | Q2'23 | Q3'23 | Q4'23 | Q1'24 |
|--|-------|-------|-------|-------|-------|-------|
| Card Member Loans Net Write-off Rate*        | 2.3%  | 1.5%  | 1.7%  | 1.8%  | 2.1%  | 2.3%  |
| Card Member Receivables Net Write-off Rates* | 1.9%  | 1.9%  | 1.9%  | 1.9%  | 1.7%  | 1.7%  |
| Corporate Net Write-off Rates **             | 0.8%  | 0.6%  | 0.6%  | 0.6%  | 0.7%  | 0.5%  |
| Card Member Loans 30+ Days Past Due***       | 1.5%  | 1.1%  | 1.1%  | 1.3%  | 1.4%  | 1.4%  |
| Card Member Receivables 30+ Days Past Due*** | 1.4%  | 1.4%  | 1.2%  | 1.1%  | 1.1%  | 1.1%  |

\*Net write-off rates based on principal losses only (unavailable for Corporate). See Statistical Tables for the first quarter of 2024, available at [ir.americanexpress.com](http://ir.americanexpress.com), for net write-off rates including interest and fees. \*\* Corporate Net Write-off Rates based on principal and fee losses related to U.S. Corporate, International Corporate and Global Clients receivables.

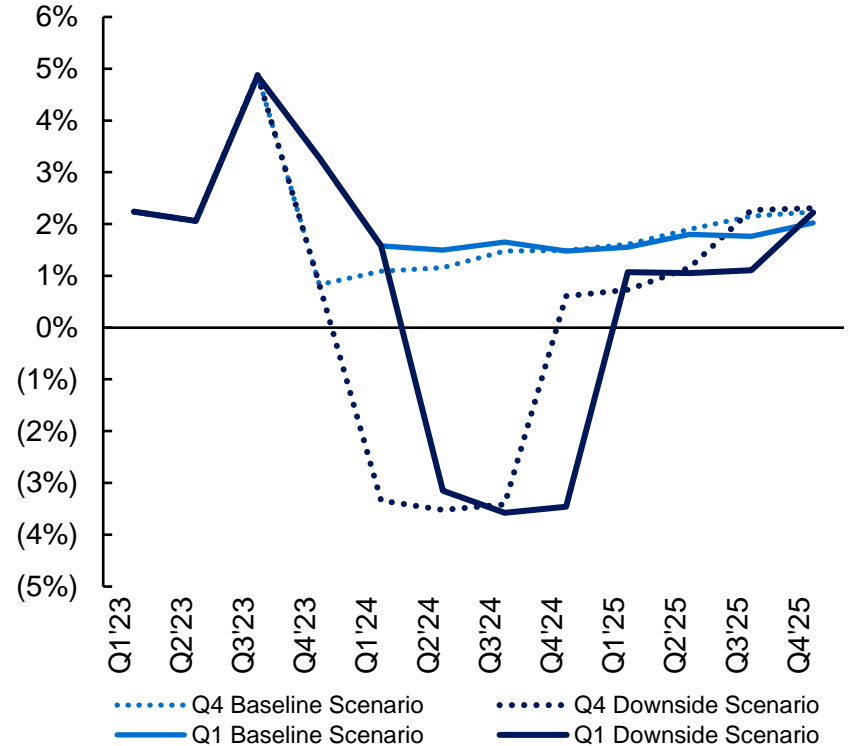
\*\*\* 30+ Days past due represent Consumer and Small Business Services Card Member Loans and Card Member Receivables (unavailable for Corporate).

# Credit Reserve Macroeconomic Scenarios: Select Variables

## U.S. Unemployment Rate %



## U.S. GDP Growth\* %



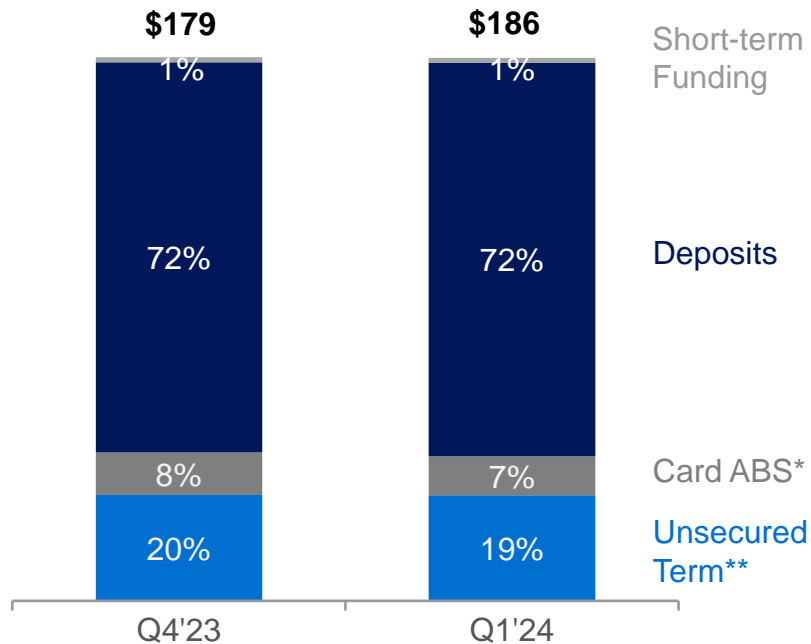
Forecast assumptions are from an independent third party and represent the range of forecasts from the macroeconomic scenarios used during the quarter without applying a weight to those scenarios. \* Real GDP QoQ % Change Seasonally Adjusted to Annualized Rates (SAAR).

# Funding and Deposits



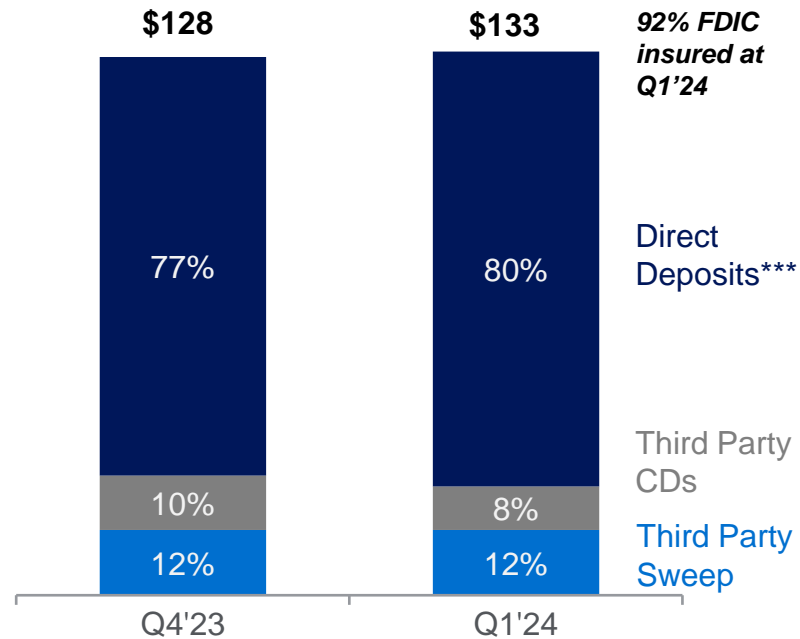
## Funding Mix

(\$ in billions)



## Retail Deposit Program

(\$ in billions)



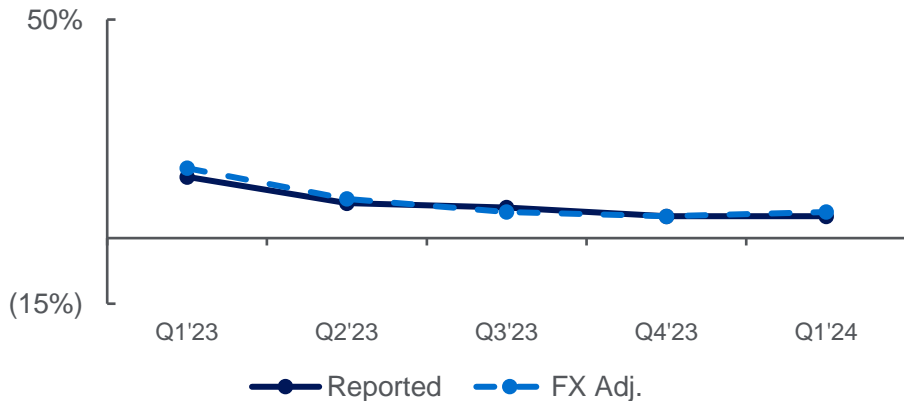
% of total may not foot due to rounding. \* Reflects face amount of Card ABS, net of securities retained by the Company. Includes outstanding ABS secured borrowing facility draws.  
 \*\* Reflects face amount of unsecured term debt; the long-term debt balance on the Company's consolidated balance sheet includes capitalized leases and certain adjustments that are not included in these balances. \*\*\*Consists of \$101.4B from savings and transaction accounts and \$5.2B from direct CDs as of March 31, 2024.



# FX Impact on Network Volumes and Revenue Growth

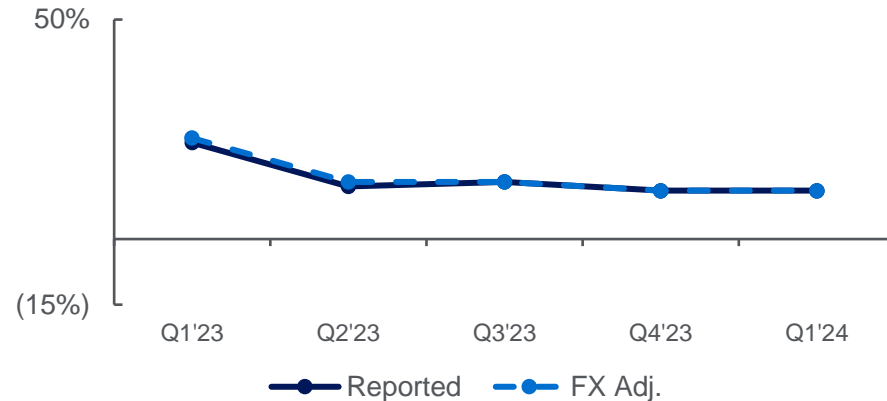
## Network Volumes

% Increase/(decrease) vs. Prior year:



## Revenue Net of Interest Expense

% Increase/(decrease) vs. Prior year:



**Euro €**

**UK £**

**Japan ¥**

**Australia \$**

**Canada \$**

**Mexico \$**

Approximate Q1'24  
Network Volumes as a %  
of Total

4%

5%

4%

3%

2%

2%

YoY% change in USD\*  
vs. Currency  
Strengthened / (Weakened)

0%

(2%)

14%

3%

0%

(8%)

Network volumes is based on where the issuer is located and includes both proprietary and non-proprietary cards. See Slide 2 for an explanation of FX-adjusted information.

\* Represents percentage change in foreign currency exchange rates at 2024 and 2023 March month-end, respectively, per Bloomberg.

# Additional Commentary – Variance Analysis



*The following summary provides selected variance information for the three months ended March 31, 2024 compared to the same period in the prior year. It should be read in conjunction with the statistical tables for Q1'24, available at [ir.americanexpress.com](http://ir.americanexpress.com).*

- Discount Revenue: Increased 5 percent versus Q1'23, primarily driven by an increase in billed business.
- Net Card Fees: Increased 15 percent versus Q1'23, primarily driven by growth in our premium card portfolios.
- Service Fees and Other Revenue: Increased 6 percent versus Q1'23, primarily driven by increases in travel commissions and fees from our consumer travel business, revenue from the sale of reward points, foreign exchange related revenues associated with Card Member cross-currency spending and merchant service fees, partially offset by a benefit in the prior year related to a portion of the revenue allocated to a joint venture partner as described in Business Development expense.
- Processed Revenue: Decreased 8 percent versus Q1'23, primarily driven by a decrease in volumes associated with the decommission of one of our alternative payment solutions and a decrease in network partner volumes.
- Interest Income: Increased 31 percent versus Q1'23, primarily driven by growth in revolving loan balances and higher interest rates.
- Interest Expense: Increased 40 percent versus Q1'23, primarily driven by higher interest rates paid on, and growth in, customer deposits.
- Provisions for Credit Losses: Increased 20 percent versus Q1'23, primarily driven by higher net write offs, partially offset by a lower net reserve build in the current period.

# Additional Commentary – Variance Analysis

- Card Member Rewards Expense: Was relatively flat compared to Q1'23, driven by an increase in cobrand rewards expense of \$137 million, largely offset by a decrease in Membership Rewards and cash back rewards expenses, collectively, of \$129 million. The increase in cobrand rewards expense was primarily driven by higher billed business. The decrease in Membership Rewards expense was driven by a \$196 million benefit from enhancements to the models that estimate future redemptions of Membership Reward points by U.S. Card Members as well as lower redemption costs, partially offset by higher billed business.
- Business Development Expense: Was flat compared to Q1'23, primarily due to increased partner payments driven by higher network volumes and contractual rates, offset by a prior-year charge related to revenue allocated to a joint venture partner.
- Card Member Services Expense: Increased 19 percent versus Q1'23, primarily due to growth in premium card accounts and higher usage of travel-related benefits by existing Card Members.
- Marketing Expense: Increased 10 percent versus Q1'23, reflecting higher levels of spending on customer acquisition and other growth initiatives.
- Salaries and Employee Benefits: Increased 4 percent versus Q1'23, primarily driven by higher compensation costs, reflecting the continued investment in our colleagues to support business growth.
- Other Expenses: Decreased 6 percent versus Q1'23, primarily driven by net losses on Amex Ventures investments in the prior period.

# Annex 1 (1 of 2)

## ➔ **Billed Business – Reported & FX-Adjusted\***

*% Increase/(decrease) vs. Prior year*

|                        | Q4'22 | Q1'23 | Q2'23 | Q3'23 | Q4'23 | Q1'24 |
|------------------------|-------|-------|-------|-------|-------|-------|
| <b>Billed Business</b> |       |       |       |       |       |       |
| Reported               | 13%   | 15%   | 8%    | 8%    | 6%    | 6%    |
| FX-Adjusted*           | 15%   | 16%   | 8%    | 7%    | 6%    | 7%    |
| <b>G&amp;S</b>         |       |       |       |       |       |       |
| Reported               | 7%    | 8%    | 6%    | 6%    | 5%    | 6%    |
| FX-Adjusted*           | 10%   | 9%    | 6%    | 6%    | 5%    | 6%    |
| <b>T&amp;E</b>         |       |       |       |       |       |       |
| Reported               | 34%   | 37%   | 14%   | 13%   | 9%    | 8%    |
| FX-Adjusted*           | 38%   | 39%   | 14%   | 13%   | 9%    | 8%    |

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

# Annex 1 (2 of 2)

## ↻ **Billed Business – Reported & FX-Adjusted\*** *% Increase/(decrease) vs. Prior year*

|                                    | Q1'24    |          |
|------------------------------------|----------|----------|
|                                    | Reported | FX-Adj.* |
| <b>U.S. Large and Global Corp.</b> | 6%       | 5%       |
| <b>Commercial Services</b>         |          |          |
| Total Billed Business              | 2%       | 2%       |
| G&S                                | 1%       | 1%       |
| T&E                                | 5%       | 4%       |

|  | Q1'24    |          |
|--|----------|----------|
|  | Reported | FX-Adj.* |
| <b>International Consumer</b>              | 13%      | 14%      |
| <b>International SME &amp; Large Corp.</b> | 8%       | 11%      |
| <b>International Card Services</b>         |          |          |
| Total Billed Business                      | 11%      | 13%      |
| G&S  | 10%      | 12%      |
| T&E  | 12%      | 14%      |

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

# Annex 2

## ➔ **Discount Revenue – Reported & FX-Adjusted\*** (*\$ in billions*)

|   | Q1'22 | Q2'22 | Q3'22 | Q4'22 | Q1'23 | Q2'23 | Q3'23 | Q4'23 | Q1'24 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>GAAP Discount Revenue</b>                    | \$6.8 | \$7.9 | \$7.8 | \$8.2 | \$7.9 | \$8.5 | \$8.4 | \$8.6 | \$8.4 |
| FX-Adjusted Discount Revenue*                   | \$6.8 | \$7.9 | \$7.9 | \$8.2 | \$7.9 |       |       |       |       |
| <b>YoY% Inc/(Dec) in GAAP Discount Revenue</b>  |       |       |       |       | 16%   | 8%    | 7%    | 5%    | 5%    |
| YoY% Inc/(Dec) in FX-Adjusted Discount Revenue* |       |       |       |       | 17%   | 8%    | 7%    | 5%    | 6%    |

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

# Annex 3

## ➔ **Net Card Fees – Reported & FX-Adjusted\*** (*\$ in billions*)

|  | Q1'22 | Q2'22 | Q3'22 | Q4'22 | Q1'23 | Q2'23 | Q3'23 | Q4'23 | Q1'24 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>GAAP Net Card Fees</b>                    | \$1.4 | \$1.5 | \$1.5 | \$1.6 | \$1.7 | \$1.8 | \$1.8 | \$1.9 | \$2.0 |
| FX-Adjusted Net Card Fees*                   | \$1.4 | \$1.5 | \$1.6 | \$1.6 | \$1.7 |       |       |       |       |
| <b>YoY% Inc/(Dec) in GAAP Net Card Fees</b>  |       |       |       |       | 20%   | 21%   | 20%   | 17%   | 15%   |
| YoY% Inc/(Dec) in FX-Adjusted Net Card Fees* |       |       |       |       | 23%   | 22%   | 19%   | 17%   | 16%   |

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

# Annex 4

## ➔ **Net Interest Income – Reported & FX-Adjusted\*** (\$ in billions)

|  | Q1'22 | Q2'22 | Q3'22 | Q4'22 | Q1'23 | Q2'23 | Q3'23 | Q4'23 | Q1'24 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>GAAP Net Interest Income</b>                    | \$2.2 | \$2.4 | \$2.6 | \$2.8 | \$3.0 | \$3.1 | \$3.4 | \$3.6 | \$3.8 |
| FX-Adjusted Net Interest Income*                   | \$2.2 | \$2.4 | \$2.6 | \$2.8 | \$3.0 |       |       |       |       |
| <b>YoY% Inc/(Dec) in GAAP Net Interest Income</b>  |       |       |       |       | 36%   | 32%   | 34%   | 31%   | 26%   |
| YoY% Inc/(Dec) in FX-Adjusted Net Interest Income* |       |       |       |       | 36%   | 32%   | 33%   | 30%   | 26%   |

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



## ➔ Consolidated Net Interest Yield on Average Card Member Loans

(\$ in millions, except percentages and where indicated)

|  | Q1'23          | Q2'23          | Q3'23          | Q4'23          | Q1'24          |
|--|----------------|----------------|----------------|----------------|----------------|
| <b>Net interest income</b>   | <b>\$2,983</b> | <b>\$3,105</b> | <b>\$3,442</b> | <b>\$3,604</b> | <b>\$3,769</b> |
| <i>Exclude:</i>  |                |                |                |                |                |
| Interest expense not attributable to our Card Member loan portfolio* | \$624          | \$728          | \$770          | \$821          | \$882          |
| Interest income not attributable to our Card Member loan portfolio** | (\$602)        | (\$703)        | (\$767)        | (\$824)        | (\$916)        |
| <b>Adjusted net interest income***</b>                               | <b>\$3,005</b> | <b>\$3,130</b> | <b>\$3,445</b> | <b>\$3,601</b> | <b>\$3,735</b> |
| <b>Average Card Member loans (billions)</b>                          | <b>\$107.7</b> | <b>\$112.4</b> | <b>\$116.6</b> | <b>\$121.8</b> | <b>\$124.7</b> |
| <b>Net interest income divided by average Card Member loans</b>      | <b>11.2%</b>   | <b>11.1%</b>   | <b>11.7%</b>   | <b>11.7%</b>   | <b>12.2%</b>   |
| <b>Net interest yield on average Card Member loans***</b>            | <b>11.3%</b>   | <b>11.2%</b>   | <b>11.7%</b>   | <b>11.7%</b>   | <b>12.0%</b>   |

\* Primarily represents interest expense attributable to funding Card Member receivables and maintaining our corporate liquidity pool.

\*\* Primarily represents interest income attributable to our Card Member loan portfolio and is a component of net interest yield on average Card Member loans, which provides a measure of profitability of our Card Member loan portfolio. Net interest yield on average Card Member loans reflects adjusted net interest income divided by average Card Member loans, computed on an annualized basis. Net interest income divided by average Card Member loans, computed on an annualized basis, a GAAP measure, includes elements of total interest income and total interest expense that are not attributable to the Card Member loan portfolio, and thus is not representative of net interest yield on average Card Member loans.

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

# Annex 6

## ➔ Revenues Net of Interest Expense – Reported & FX-Adjusted\*

(\$ in billions)

|   | Q1'22  | Q2'22  | Q3'22  | Q4'22  | Q1'23  | Q2'23  | Q3'23  | Q4'23  | Q1'24  |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| GAAP Revenues Net of Interest Expense                   | \$11.7 | \$13.4 | \$13.6 | \$14.2 | \$14.3 | \$15.1 | \$15.4 | \$15.8 | \$15.8 |
| FX-Adjusted Revenues Net of Interest*                   | \$11.6 | \$13.4 | \$13.7 | \$14.2 | \$14.2 |        |        |        |        |
| YoY% Inc/(Dec) in GAAP Revenues Net of Interest         |        |        |        |        | 22%    | 12%    | 13%    | 11%    | 11%    |
| YoY% Inc/(Dec) in FX-Adjusted Revenues Net of Interest* |        |        |        |        | 23%    | 13%    | 13%    | 11%    | 11%    |

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

# 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 American Express Company's current expectations regarding business and financial performance, including management's outlook for 2024 and long-term growth aspiration, among other matters, contain words such as "believe," "expect," "anticipate," "intend," "plan," "aim," "will," "may," "should," "could," "would," "likely," "continue" and similar expressions. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. 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 2024 earnings per common share (EPS) outlook and grow EPS in the future consistent with the company's growth aspiration, which will depend in part on revenue growth, credit performance and the effective tax rate remaining consistent with current expectations and the company's ability to continue investing at high levels in areas that can drive sustainable growth (including its brand, value propositions, customers, colleagues, marketing, technology and coverage), controlling operating expenses, effectively managing risk and executing its share repurchase program, any of which could be impacted by, among other things, the factors identified in the subsequent paragraphs as well as the following: macroeconomic conditions, such as recession risks, changes in interest rates, effects of inflation, labor shortages or higher rates of unemployment, supply chain issues, energy costs and fiscal and monetary policies; geopolitical instability, including the ongoing Ukraine and Israel wars, broader regional hostilities and tensions involving China and the U.S.; the impact of any future contingencies, including, but not limited to, legal costs and settlements, the imposition of fines or monetary penalties, increases in Card Member remediation, investment gains or losses, restructurings, impairments and changes in reserves; issues impacting brand perceptions and the company's reputation; impacts related to new or renegotiated cobrand and other partner agreements and joint ventures; and the impact of regulation and litigation, which could affect the profitability of 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 Card Members, partners and merchants;

# Forward Looking Statements

- the company's ability to achieve its 2024 revenue growth outlook and grow revenues net of interest expense in the future consistent with the company's growth aspiration, which could be impacted by, among other things, the factors identified above and in the subsequent paragraphs, as well as the following: spending volumes and the spending environment not being consistent with expectations, including T&E spend growing slower than expected, further slowing in spend by U.S. small and mid-sized enterprise or U.S. large and global corporate customers, or a general slowdown or increase in volatility in consumer and business spending volumes; changes in foreign currency exchange rates; an inability to address competitive pressures, innovate and expand the company's products and services, leverage the advantages of the company's differentiated business model, attract customers across generations and age cohorts, including Millennial and Gen Z customers, and implement strategies and business initiatives, including within the premium consumer space, commercial payments and the global network; the effects of regulatory initiatives on fees; and merchant discount rates changing by a greater or lesser amount than expected;
- net card fees not performing consistently with expectations, which could be impacted by, among other things, a deterioration in macroeconomic conditions impacting the ability and desire of Card Members to pay card fees; higher Card Member attrition rates; the pace of Card Member acquisition activity and demand for the company's fee-based products; and the company's inability to address competitive pressures, develop attractive premium value propositions and implement its strategy of refreshing card products, enhancing and delivering benefits and services and continuing to innovate with respect to its products;
- net interest income, the effects of changes in interest rates and the growth of loans and Card Member receivables outstanding, and the portion of which that is interest bearing, being higher or lower than expectations, which could be impacted by, among other things, the behavior and financial strength of Card Members and their actual spending, borrowing and paydown patterns; the company's ability to effectively manage underwriting risk and enhance Card Member value propositions to continue to attract premium Card Members; changes in benchmark interest rates, including where such changes affect the company's assets or liabilities differently than expected; changes in capital and credit market conditions and the availability and cost of capital; credit actions, including line size and other adjustments to credit availability; the yield on Card Member loans not remaining consistent with current expectations; the company's deposit levels or the interest rates it offers on deposits changing from current expectations; and the effectiveness of the company's strategies to capture a greater share of existing Card Members' spending and borrowings, and attract new, and retain existing, customers;

# Forward Looking Statements

- future credit performance, the level of future delinquency, reserve and write-off rates and the amount and timing of future reserve builds and releases, which will depend in part on macroeconomic factors such as unemployment rates, GDP and the volume of bankruptcies; the ability and willingness of Card Members to pay amounts owed to the company; changes in consumer behavior that affect loan and receivable balances (such as paydown and revolve rates); the credit profiles of new customers acquired; the enrollment in, and effectiveness of, financial relief programs and the performance of accounts as they exit from such programs; the impact of the usage of debt settlement companies; collections capabilities and recoveries of previously written-off loans and receivables; and governmental actions providing forms of relief with respect to certain loans and fees, and the termination of such actions;
- the actual amount to be spent on Card Member rewards and services and business development, and the relationship of these variable customer engagement costs to revenues, which could be impacted by continued changes in macroeconomic conditions and Card Member behavior as it relates to their spending patterns (including the level of spend in bonus categories), the redemption of rewards and offers (including travel redemptions) and usage of travel-related benefits; the costs related to reward point redemptions; further enhancements to product benefits to make them attractive to Card Members and prospective customers, potentially in a manner that is not cost effective; new and renegotiated contractual obligations with business partners; the company's ability to identify and negotiate partner-funded value for Card Members; and the pace and cost of the expansion of the company's global lounge collection;
- the actual amount the company spends on marketing in 2024 and beyond and the efficiency of its marketing spending, which will be based in part on continued changes in the macroeconomic and competitive environment and business performance, including the levels of demand for the company's products; management's decisions regarding the timing of spending on marketing and the effectiveness of management's investment optimization process; management's identification and assessment of attractive investment opportunities; management's ability to develop premium value propositions and drive customer demand; the receptivity of Card Members and prospective customers to advertising and customer acquisition initiatives; and the company's ability to realize marketing efficiencies and balance expense control and investments in the business;

# Forward Looking Statements

- the company's ability to control operating expenses, including relative to future revenue growth, and the actual amount spent on operating expenses in 2024 and beyond, which could be impacted by, among other things, salary and benefit expenses to attract and retain talent; a persistent inflationary environment; the company's ability to realize operational efficiencies, including through automation; management's decision to increase or decrease spending in such areas as technology, business and product development, sales force, premium servicing and digital capabilities; the company's ability to innovate efficient channels of customer interactions and the willingness of Card Members to self-service and address issues through digital channels; restructuring activity; supply chain issues; fraud costs; compliance expenses and consulting, legal and other professional services fees, including as a result of litigation or internal and regulatory reviews; regulatory assessments; the level of M&A activity and related expenses, including related to the completion of the company's sale of Accertify; information or cybersecurity incidents; the payment of fines, penalties, disgorgement, restitution, non-income tax assessments and litigation-related settlements; the performance of Amex Ventures and other of the company's investments; impairments of goodwill or other assets; and the impact of changes in foreign currency exchange rates on costs, such as due to the devaluation of foreign currencies;
- the company's tax rate not remaining consistent with expectations, which could be impacted by, among other things, further changes in tax laws and regulation (or the expiration of provisions of tax laws or regulations), the implementation of tax guidelines by jurisdictions, the company's geographic mix of income, unfavorable tax audits and other unanticipated tax items;
- changes affecting the company's plans regarding the return of capital to shareholders, which will depend on factors such as the company's capital levels and regulatory capital ratios; changes in the stress testing and capital planning process and new rulemakings and guidance from the Federal Reserve and other banking regulators, including changes to regulatory capital requirements, such as final rules resulting from the Basel III rule proposal; results of operations and financial condition; credit ratings and rating agency considerations; and the economic environment and market conditions in any given period;
- changes affecting the expected timing for closing the sale of Accertify, the amount of the potential gain the company recognizes upon the closing and the portion of such gain management determines to reinvest back into the business, which will depend on regulatory and other approvals, consultation requirements, the execution of ancillary agreements, the cost and availability of financing for the purchaser to fund the transaction and the potential loss of key customers, vendors and other business partners and management's decisions regarding future operations, strategies and business initiatives;

# Forward Looking Statements

- changes in the substantial and increasing worldwide competition in the payments industry, including competitive pressure and competitor settlements and mergers that may materially impact the prices charged to merchants that accept American Express cards and surcharging by merchants, the desirability of the company's premium card products, competition for new and existing cobrand relationships, competition with respect to new products, services and technologies, competition from new and non-traditional competitors and the success of marketing, promotion and rewards programs;
- the company's ability to grow its leadership in commercial payments and capture future spending growth in this sector, including with respect to small and mid-sized enterprise customers, which will depend in part on competition, the willingness and ability of companies to use credit and charge cards for procurement and other business expenditures as well as use the company's other products and services for financing needs, perceived or actual difficulties and costs related to setting up B2B payment platforms, the company's ability to offer attractive value propositions and new products to potential customers, the company's ability to enhance and expand its payment and lending solutions and build out a multi-product digital ecosystem to integrate its broad product set, which is dependent on the company's continued investment in capabilities, features, functionalities, platforms and technologies;
- the company's ability to successfully invest in and compete with respect to technological developments and digital payment and travel solutions, which will depend in part on the company's success in evolving its products and processes for the digital environment, developing new features in the Amex app and enhancing its digital channels, building partnerships and executing programs with other companies, effectively utilizing artificial intelligence and machine learning and increasing automation to address servicing and other customer needs, and supporting the use of our products as a means of payment through online and mobile channels, all of which will be impacted by investment levels, new product innovation and development and infrastructure to support new products, services, benefits and partner integrations;
- a failure in or breach of the company's operational or security systems, processes or infrastructure, or those of third parties, including as a result of cyberattacks, which could compromise the confidentiality, integrity, privacy and/or security of data, disrupt the company's operations, reduce the use and acceptance of American Express cards and lead to regulatory scrutiny, litigation, remediation and response costs, and reputational harm;

# Forward Looking Statements

- legal and regulatory developments, which could affect the profitability of the company's business activities; limit the company's ability to pursue business opportunities or conduct business in certain jurisdictions; require changes to business practices or governance, or alter the company's relationships with Card Members, partners, merchants and other third parties, including its ability to continue certain cobrand relationships in the EU; impact card fees and rewards programs; exert further pressure on merchant discount rates and the company's GNS business, as well as result in an increase in surcharging or steering; alter the competitive landscape; subject the company to heightened regulatory scrutiny and result in increased costs related to regulatory oversight and compliance, litigation-related settlements, judgments or expenses, restitution to Card Members or the imposition of fines or monetary penalties; materially affect capital or liquidity requirements, results of operations or ability to pay dividends; or result in harm to the American Express brand; and
- factors beyond the company's control such as global economic and business conditions, consumer and business spending generally, unemployment rates, geopolitical conditions, including further escalations or widening of ongoing military conflicts and regional hostilities, adverse developments affecting third parties, including other financial institutions, merchants or vendors, as well as severe weather conditions, natural disasters, power loss, disruptions in telecommunications, health pandemics, terrorism and other catastrophic events, any of which could significantly affect demand for and spending on American Express cards, delinquency rates, loan and receivable balances, deposit levels and other aspects of the company's business and results of operations or disrupt its global network systems and ability to process transactions.

A further description of these uncertainties and other risks can be found in American Express Company's Annual Report on Form 10-K for the year ended December 31, 2023 and the company's other reports filed with the Securities and Exchange Commission.



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