

American Express Company

2016 Investor Day

March 10, 2016

AMERICAN EXPRESS



2016 Investor Day

Ken Chenault

Chairman and Chief Executive Officer

Doug Buckminster

President, Global Consumer Services Group

Steve Squeri

Vice Chairman

Anré Williams

President, Global Merchant Services & Loyalty Group

Jeff Campbell

Executive Vice President and Chief Financial Officer

Agenda

1. **Context on Growth Position**
   Ken Chenault

2. **Growth Potential and Strategies**
   Doug Buckminster
   Steve Squeri
   Anré Williams

3. **Resetting our Cost Base**
   Steve Squeri

4. **Financial Outlook**
   Jeff Campbell

5. **Q&A**


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What Has Changed Over the Last 12 to 18 Months?

Slower global economic growth



Dollar has continued to strengthen



Fuel prices have declined



Increased regulation



Increased competition



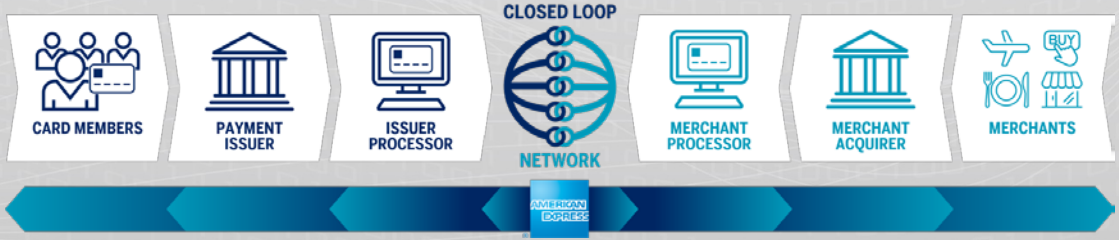
What Hasn't Changed for Our Performance?

Payments Industry

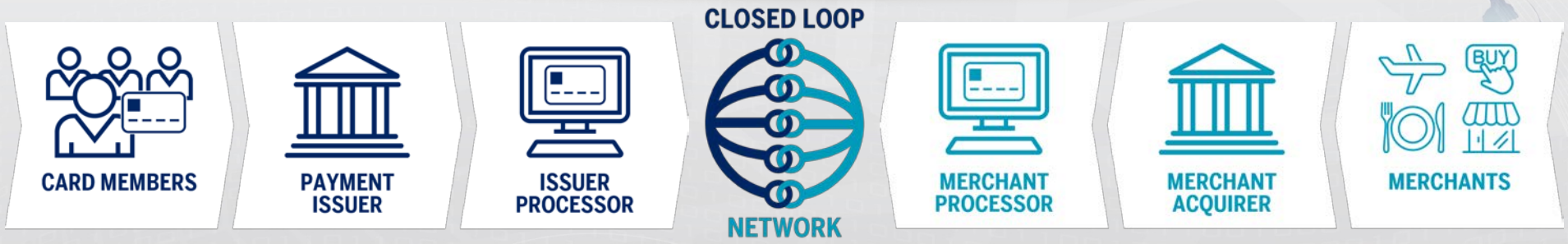




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AXP Business Model



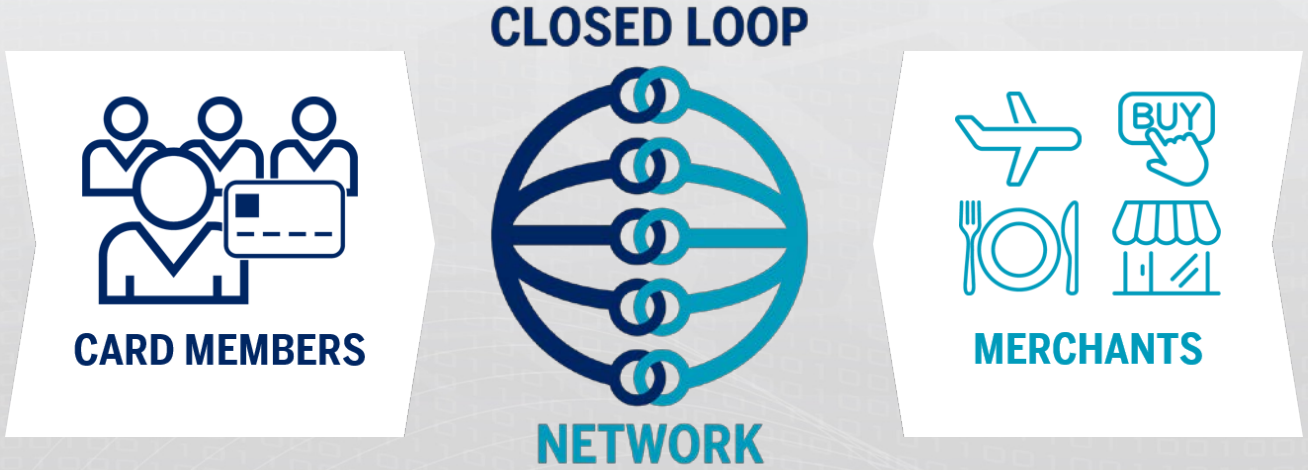
Products | **Geographies** | **Segments**

Based on Billed Business

- #1 U.S. issuer *
- #1 U.S. issuer in inter-national **
- #1 Global merchant acquirer ***
- #1 Small business issuer in the U.S.†
- #1 Corporate Card issuer†

*As of 2015. **Nilson report for worldwide purchase volume (excluding U.S.) in 2014. AXP based on internal data. ***Nilson report for top 5 global merchant acquirers' volume in 2014. AXP based on internal data. †Nilson Report Issue 1066 (June 2015) for non-AXP purchase volume in 2014; AXP based on internal data.

Closed Loop



Aggregate Customer Data

- Product Type
- Spend History
- Credit History
- Geography

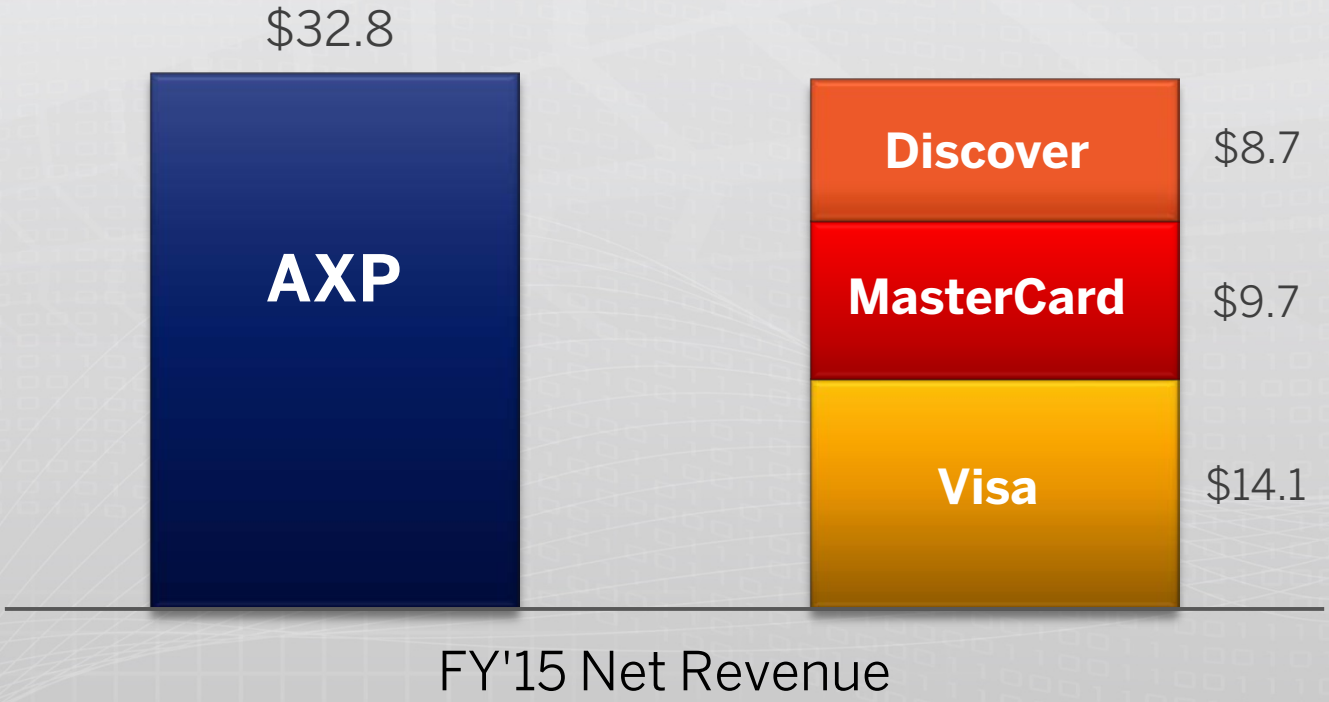
Merchant Data

- Industry
- Sub Industry
- Merchant
- Geography
- Time


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AXP Revenue Scale

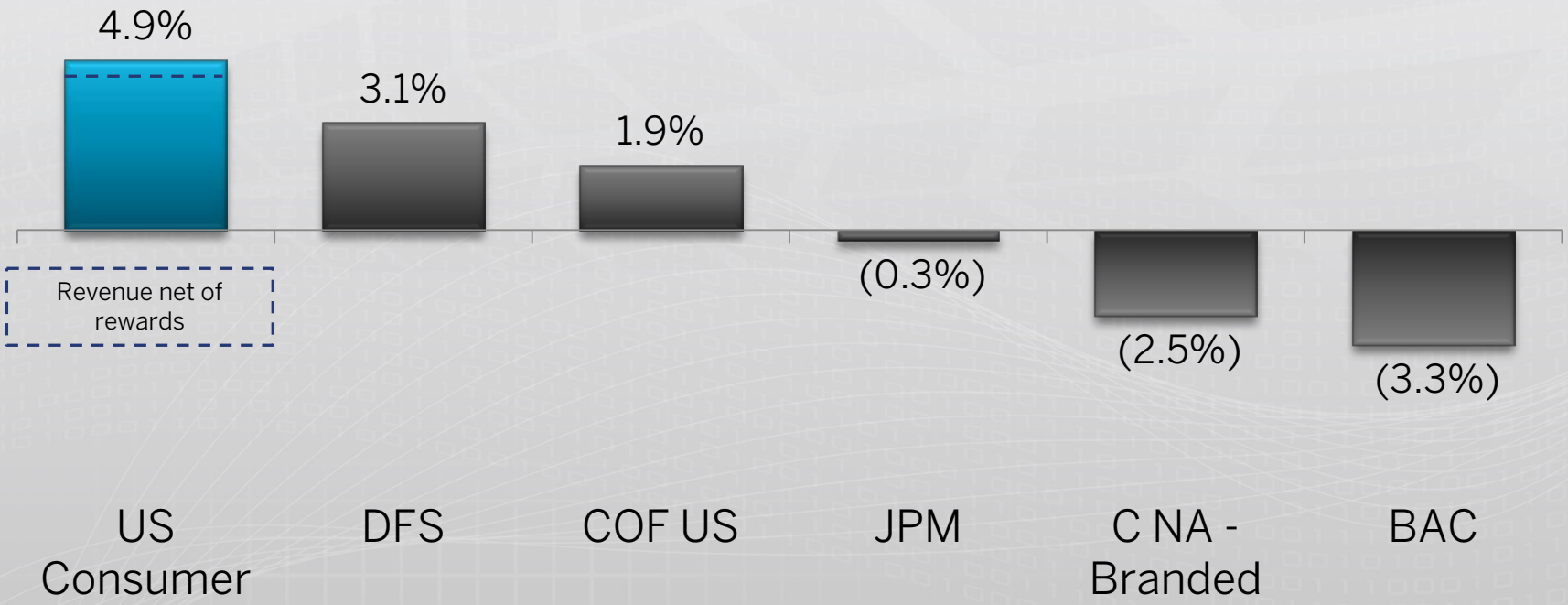
$B



Source: Company reports. Visa represents calendar FY'15 Net Revenue.

Card Revenue Growth vs. Issuer Peers

2013-2015 % CAGR



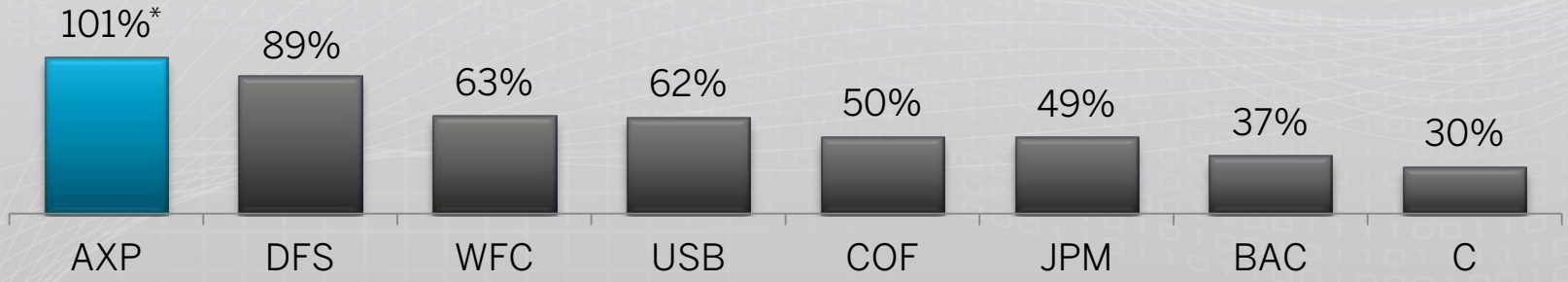
Note: Total company results for Discover and Card Segment results for other issuing competitors; Consumer Lending segment for BAC, U.S. business for COF and North America branded business for Citi. Issuing competitors reflect rewards costs as a contra revenue item whereas the majority of AXP rewards costs are reported as expenses. BAC CAGR was calculated using reported growth rates for the Consumer Lending segment in 2014 and 2015 due to a reclassification of Consumer Real Estate Services.

ROCE and Payout Ratio vs. Issuer Peers

2014-2015 Average ROCE

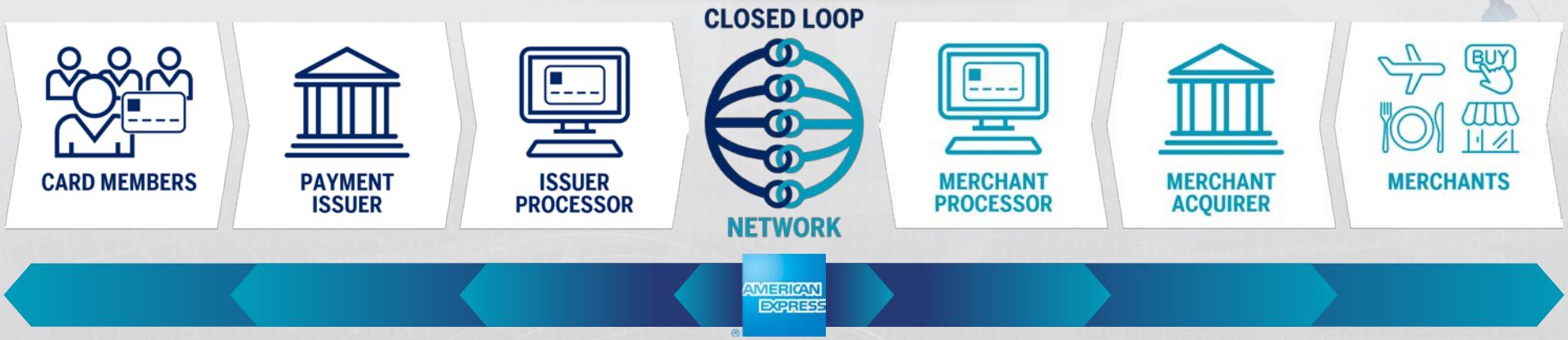


2014-2015 Cumulative Payout Ratio



*Source: Bloomberg and Company reports. *AXP 2014-2015 cumulative payout ratio including employee plans is 95%. See Glossary for certain key terms.*

AXP Business Model



Assets

- Trusted Brand
- Premium Positioning
- Channels
- Closed Loop Data and Information
- Travel Network
- Processing Infrastructure

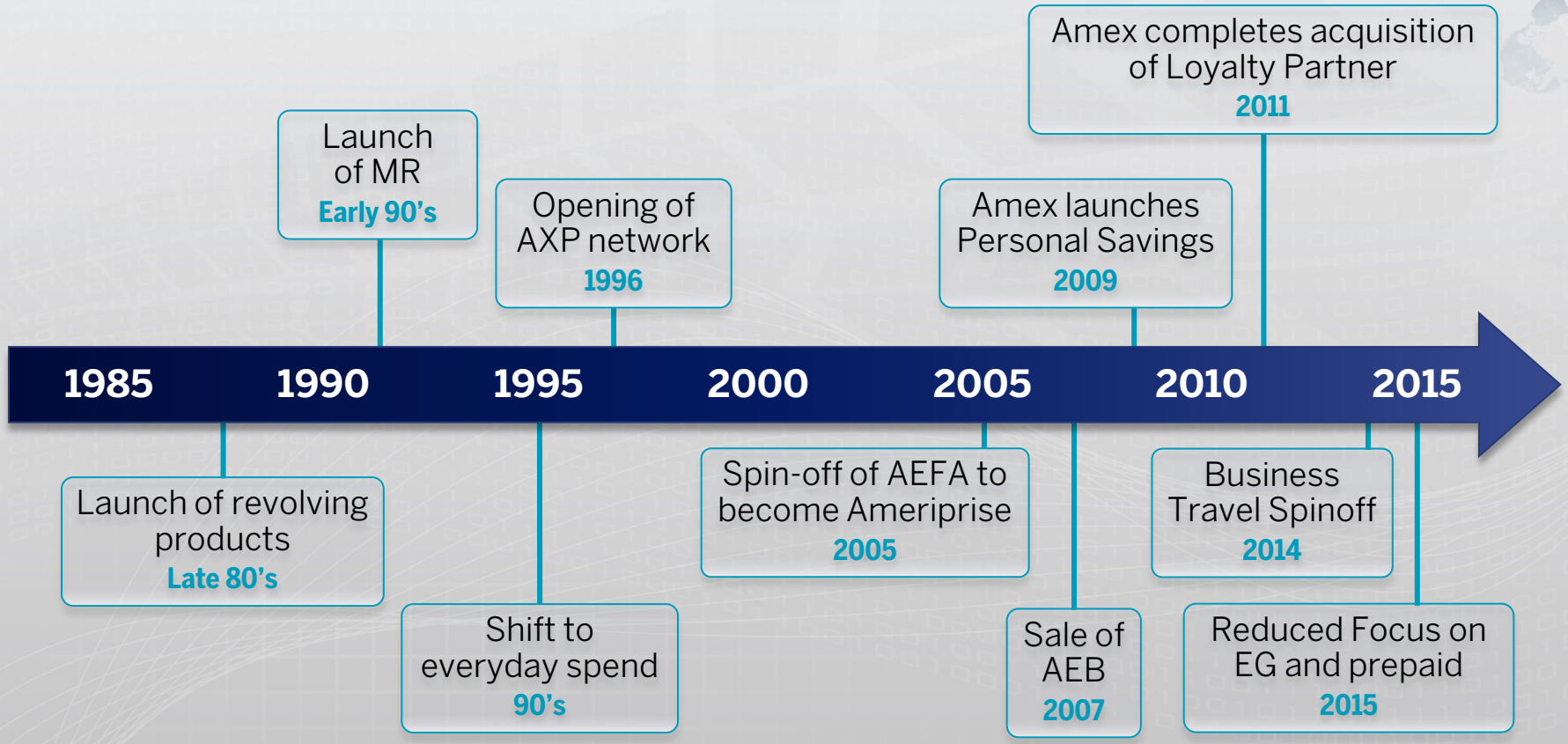
Capabilities

- Marketing / Sales
- Risk Management
- Data Analytics
- Servicing
- Rewards
- Partnering
- Expense Leverage

Relationships

- Diverse Customers
- Merchants
- Corporate Clients
- Business Partners
- GNS Partners

Timeline of Business Model Changes




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Financial Growth Drivers



Customer Focused Organization



CARD MEMBERS



MERCHANTS

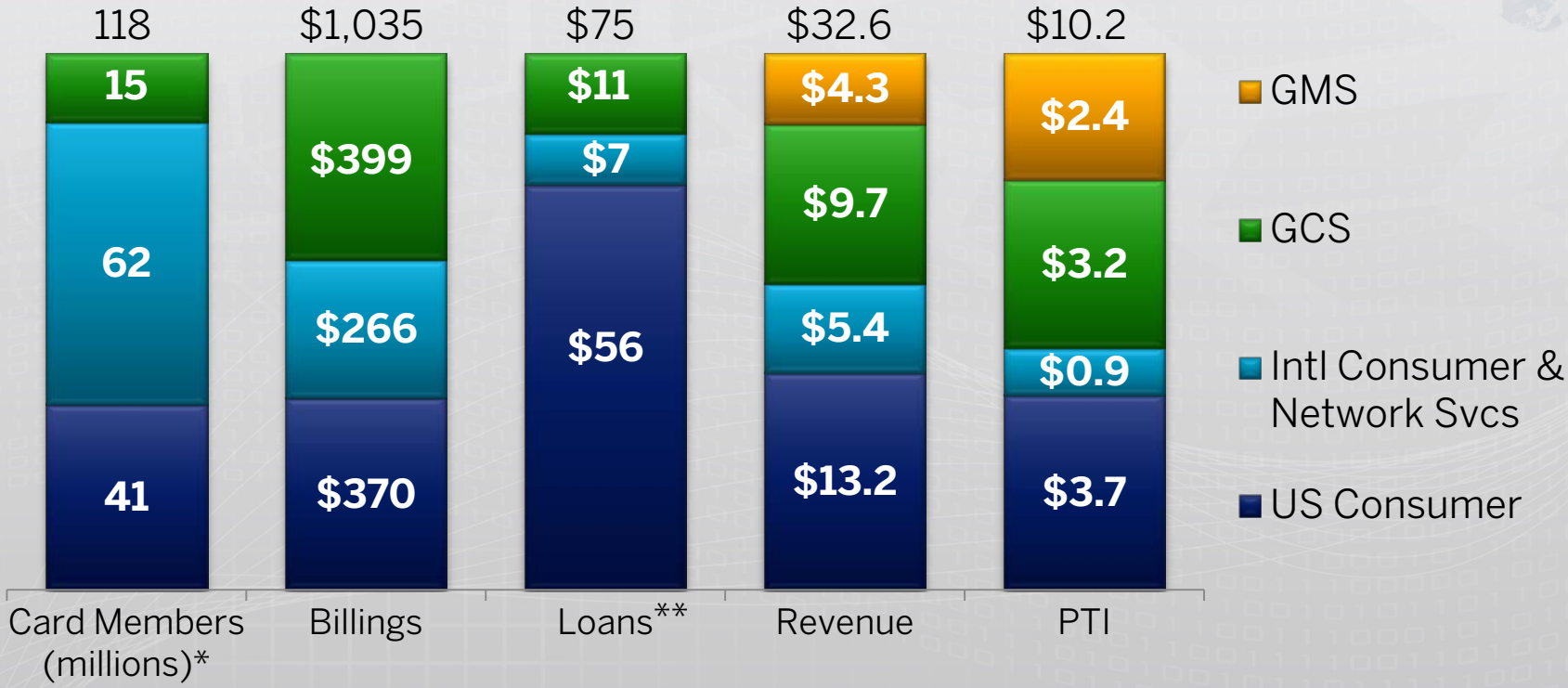
Global Consumer

Global Commercial

Merchant Services & Loyalty

Business Drivers & Performance

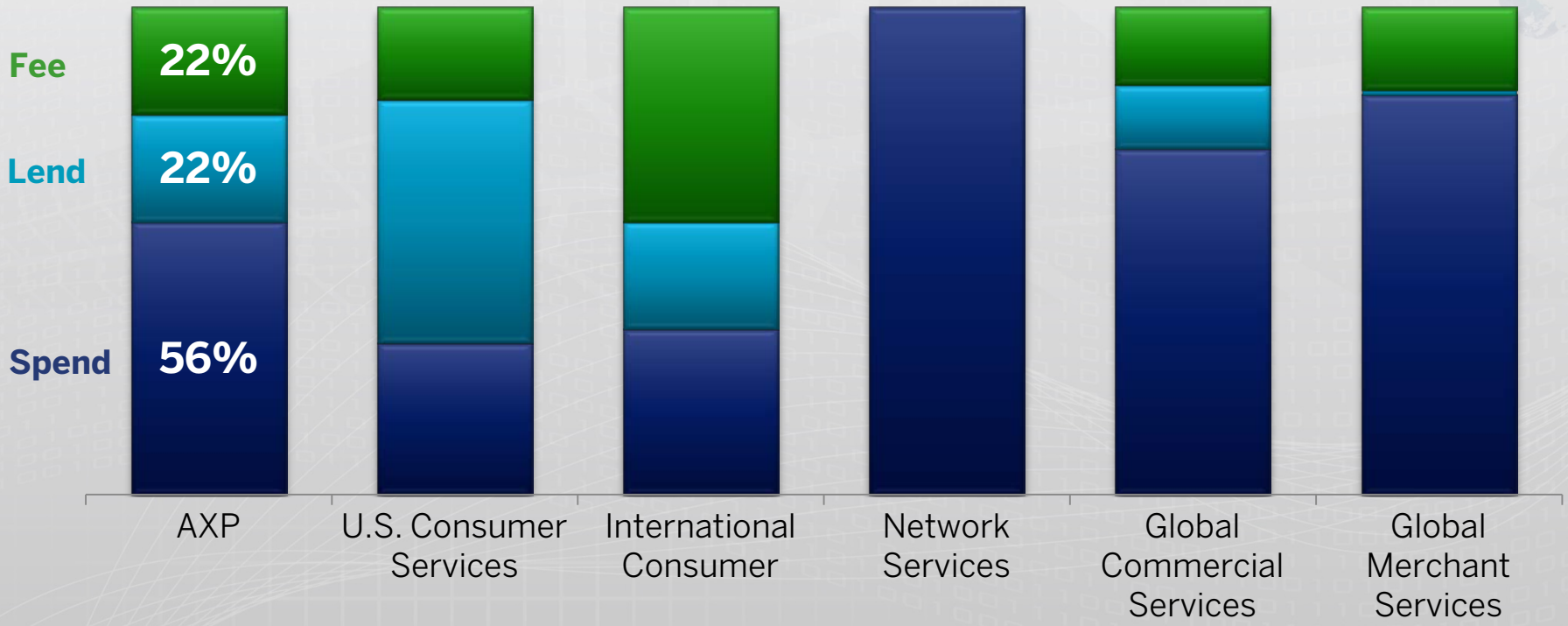
All metrics in billions unless otherwise stated



*Note: Results represent FY'15. *Customers excludes Loyalty Partner and Plenti Customers. **Loan amounts include $15.1B of loan balances from Costco and JetBlue classified as Held-for-Sale as of 12/31/15. GCS includes Merchant Financing loans.*

Diverse Portfolio of Businesses

% of Marginal Contribution



See Annex A for a reconciliation of total AXP.


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Potential Growth Scenario: Recent Revenue Performance

Revenue Growth	Key Drivers	EPS Growth
4%	▪ Credit ▪ Rewards Growth ▪ M&P Growth ▪ Opex ▪ Payout Ratio	5-7%

Potential Growth Scenario: Stronger Revenue Performance

Revenue Growth	Key Drivers	EPS Growth
6%	▪ Credit ▪ Rewards Growth ▪ M&P Growth ▪ Opex ▪ Payout Ratio	10-12%

Financial Growth Drivers



AXP Revenue Growth Drivers



Revenue Growth



Revenue Growth

Incremental Growth Drivers

- Organizational Synergies
- Increase Share of U.S. Consumer Lending
- Grow Small Business & Middle Market
- Accelerated Coverage Expansion


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Growth Potential and Strategies

Doug Buckminster

President, Global Consumer Services Group

Global Consumer

- We Have a Large Diversified Business
- Existing Card Members Are a Tremendous Asset
- New Card Members Acquisition Has Been Strong
- We Believe We Have a Compelling Opportunity in Lending

Global Consumer Overview

Challenges

- Costco Exit
- Competitive Intensity
- Member Engagement
- Billings Growth
- Regulatory Changes

Opportunities

- Lending Growth
- Credit Quality
- Acquisition Returns
- Coverage Expansion
- Core Cobrands

Global Consumer Overview

	US Consumer		International Consumer & Network Services	
	2015	% of AXP	2015	% of AXP
Billed Business	$370B	36%	$266B	26%
Card Member Loans*	$56B	77%	$7B	10%
Cards in Force	41MM	35%	62MM	53%
Revenue, net of interest expense	$13B	40%	$5B	16%
Pre-Tax Income	$4B	46%	$1B	11%

*2015 Results. *US Consumer Reflects Card Member loans held for investment of $43.5B and Card Member loans held for sale of $12.8B, each as of Dec 31, 2015.*

Global Consumer Mix by 2015 Billings

US / International*



Issuing / Network



Proprietary Charge / Lending



AXP Branded / Cobrand**



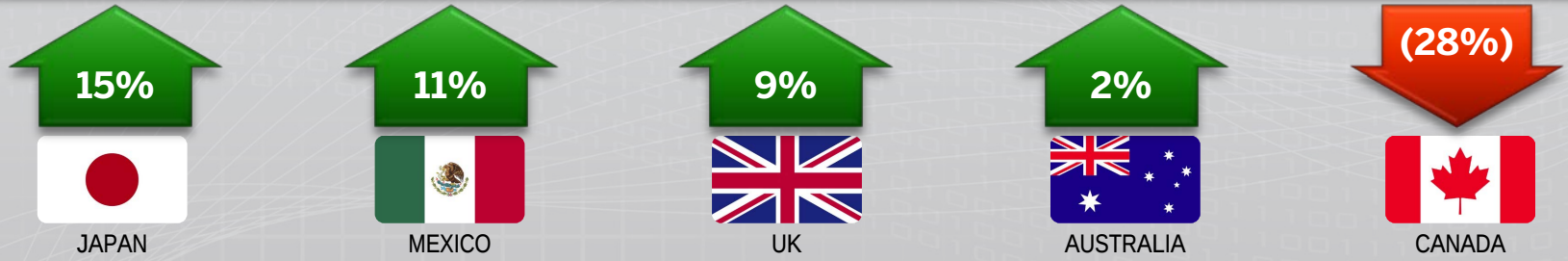
**Network billings included in US/International. **Excludes Costco cobrand billed business (in-store and out-of-store) and billed business on other (non-Costco cobrand) American Express Cards at Costco warehouses.*

International Volume Growth Has Been Solid

ICNS FX Adj. Billings Growth*



2015 AXP Billings Growth vs Industry Growth**



*See Annex B for reported billings growth rates. **Source: Industry Growth Projection (credit and charge only) per Euromonitor, Oct, 2015.

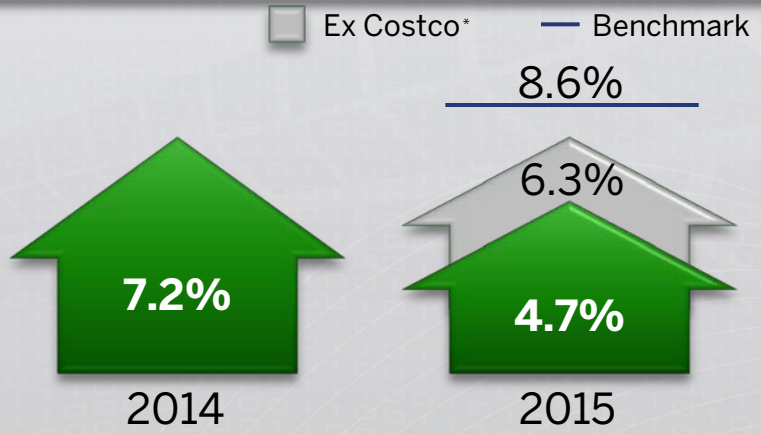
Costco Exit: 2016 and 2017 Growth Rates Will Be Impacted Heavily

	US Consumer 2015
Card Member Accounts	7M
Billings*	$76B
Loans	$12B

*Reflects Costco cobrand accounts and spending on other (non-Costco cobrand) American Express Cards at Costco warehouses.

US Consumer Volume Growth Has Moderated

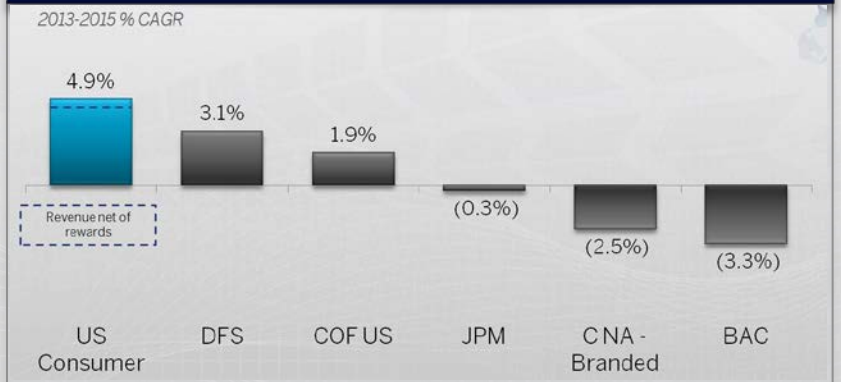
US Consumer Billings Growth



Impacted by:

- Costco
- Macro Economy
- Competition

US Consumer Revenue Growth



Impacted by:

- Volume Deceleration
- Discount Rate

*Benchmark: V/MC/DFS US Credit Volume growth 2014-2015.*Excludes Costco cobrand billed business (in-store and out-of-store) and billed business on other (non-Costco cobrand) American Express Cards at Costco warehouses.*

Interest Income & Fees Have Driven Revenue Growth

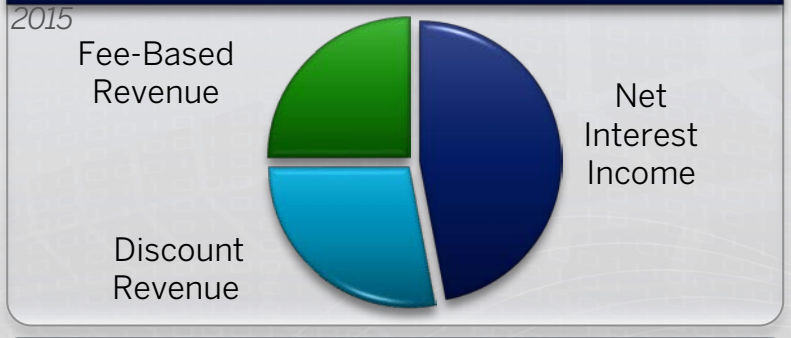
% Inc. vs. Prior Year

	US Consumer 2015 Reported
Discount Revenue	2.4%
Net Interest Income	7.8%
Fee-Based Revenue*	6.6%
Total	**5.0%**

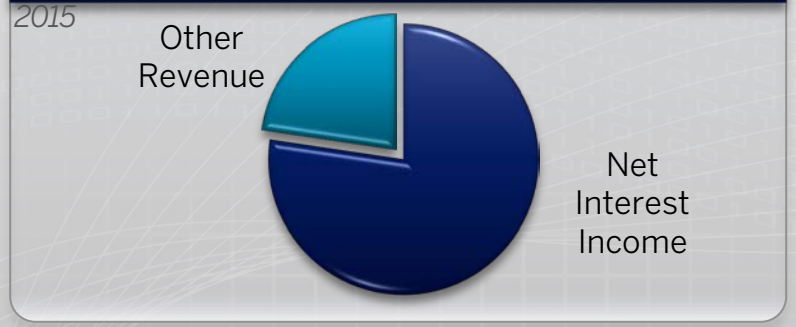
**Fee-Based Revenue reflects net card fees, other fees and commissions and other revenues.*

Our US Revenue is Diversified & Our Card Members Are Loyal

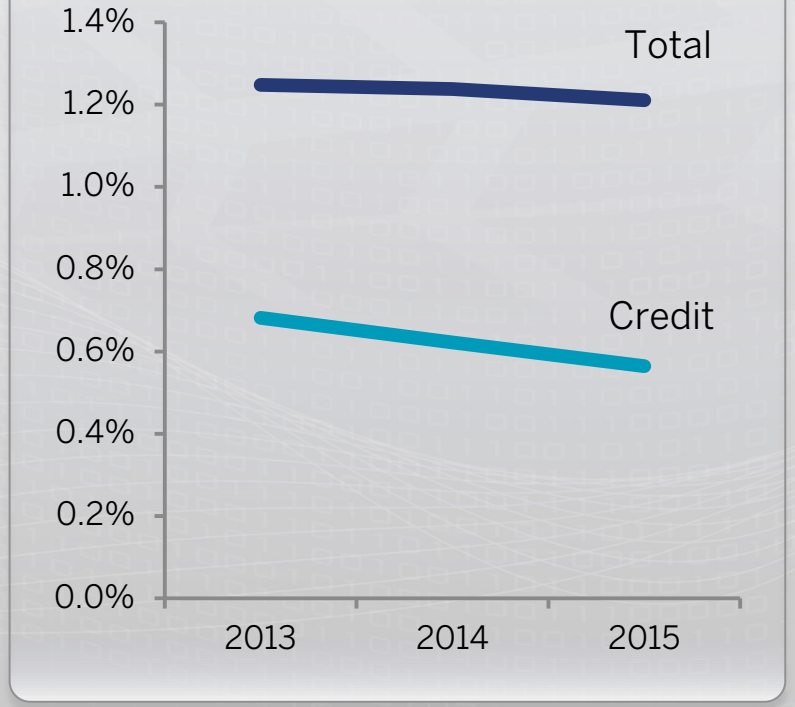
US Consumer, Adjusted*



Industry Benchmark**



US Consumer Billing Attrition***



*Reflects revenue net of rewards and excludes revenue net of rewards derived from Costco cobrand accounts and spending on other (non-Costco cobrand) American Express cards at Costco warehouses. Discount revenue is reflected net of rewards expense. **Industry Benchmark: JPM, COF, C, DFS card segment reporting. *** Billing Attrition based on year-ago spending for the month in which the Card Member attrited.

Our US Card Member Base is Attractive & Engaged

2015

	US Consumer
Average Spend*	$13.6K
Average FICO*	764
Digitally Active**	64%
NPS***	+3

**Average spend/FICO excludes Costco cobrand accounts; average spend also excludes spending on other (non-Costco cobrand) American Express cards at Costco warehouses. **Digitally Active: Card Member that logged onto the online account management capability known as "Manage Your Card Account" at least 1x in 2015 through a browser (desktop, tablet or mobile) or native app. ***Net Promoter Score excluding Costco cobrand accounts (4Q 2014-2015).*

Our Product Offerings Are Distinctive

Charge



Credit



Cobrands



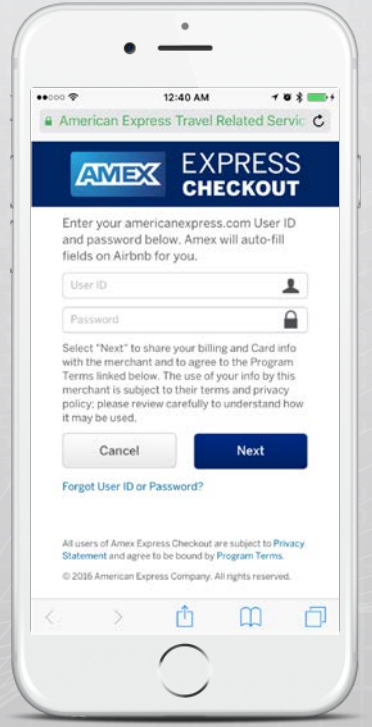
Membership Rewards is One of the World's Largest Rewards Programs

Global Card Members (enrolled in Membership Rewards)	~23 MM
Annual Points Value Earned	$4B+
Transfer Partners	50+
Participating Merchants	Earn/Burn at All Merchants*

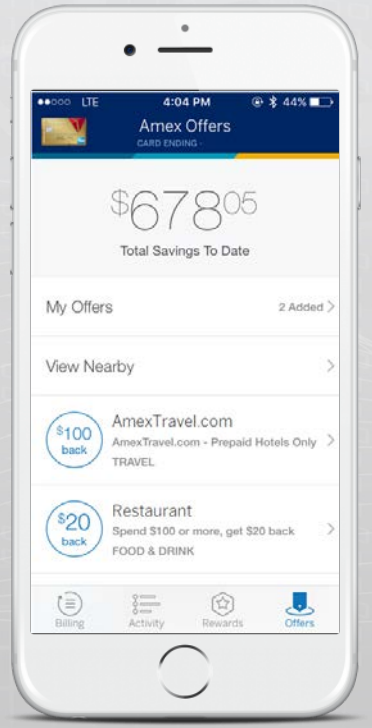
*Includes Card Members, points earned, and transfer partners from across American Express segments for 2015. *Post purchase (via Select & Pay/Everyday Redemptions) available in selected countries; some merchants might be excluded due to privacy issues.*

We Continue to Innovate Through Technology and Partnerships

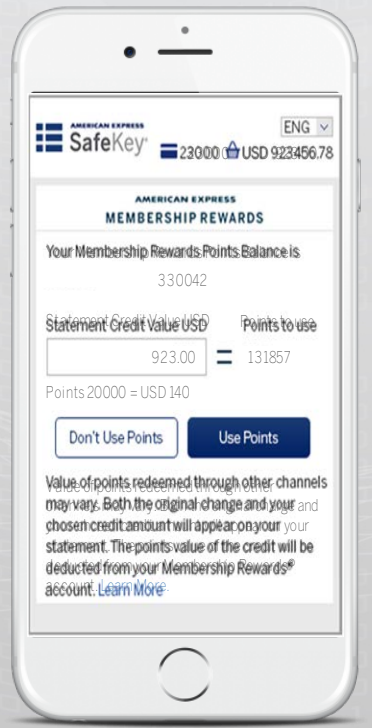
Airbnb
Amex Checkout



Amex Offers



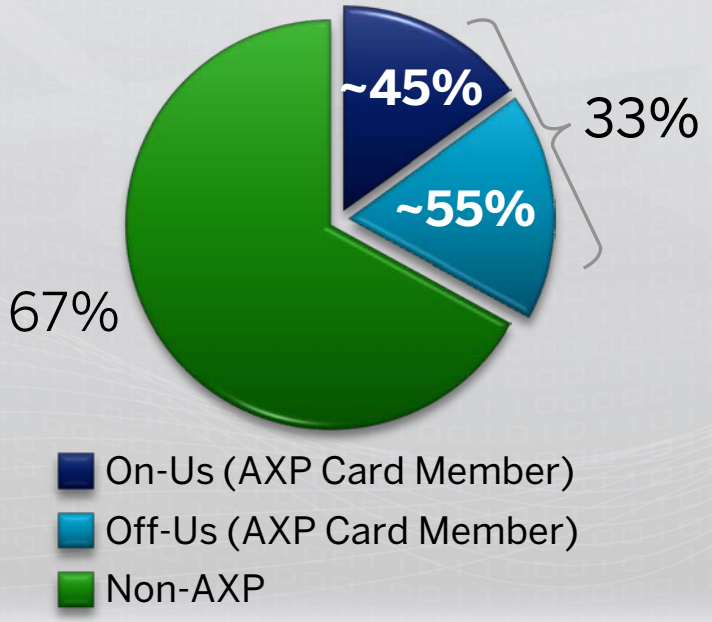
SafeKey
Pay with Points



Our Core Card Member Base Represents a Large & Attractive Opportunity

US Consumer	
Annual Income*	>200K
Credit Card Spend	~$35K
Credit Card Loans	~$10K
Average FICO	764

Spend (US)



*Data as of Dec'15. AXP Card Members reflects all active US Consumer proprietary accounts as of Dec'15, excluding Costco cobrand accounts. Off-Us Spend, Credit Card Spend and Credit Card Loans is calculated from internal estimates of the size of wallet capability of AXP Card Members. Non-AXP Spend and Loans is an internal estimate based on prospects with certain criteria and credit bureau data. *Annual Income based on all Card Member self reported income throughout 2015.*

Wallet Share is High, But Losing Ground

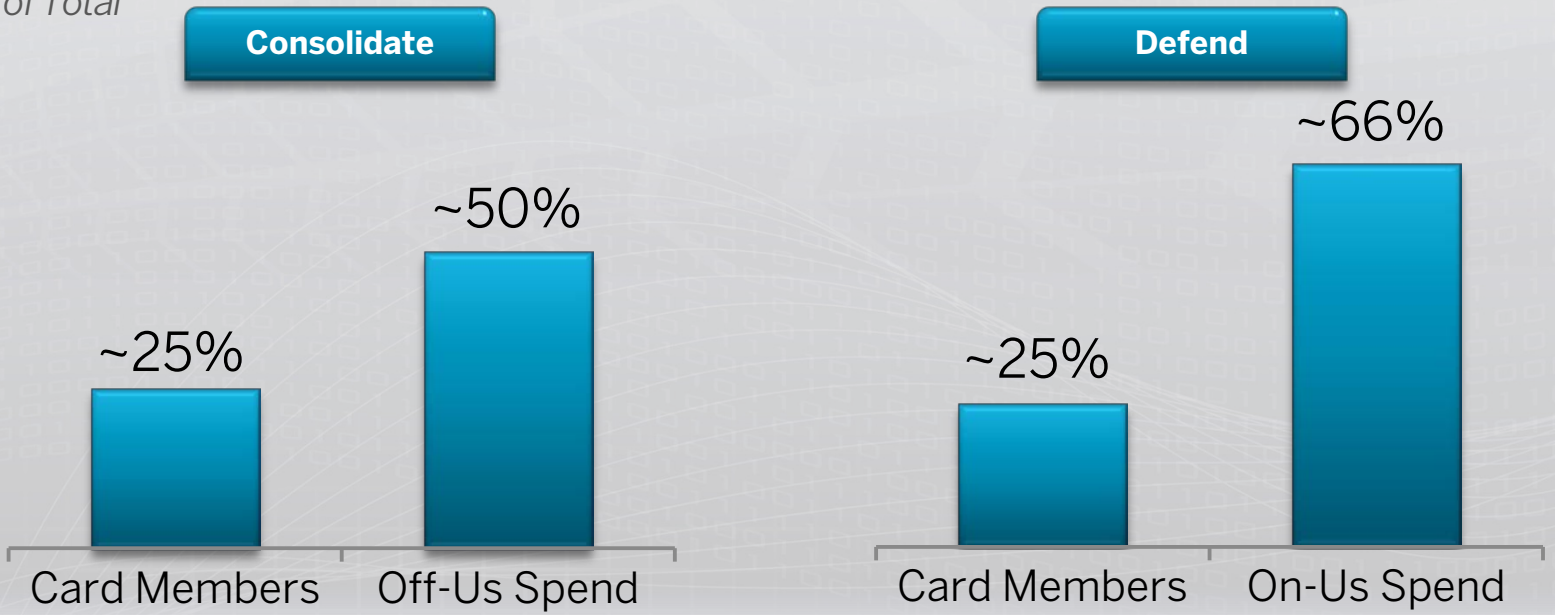
	2013	2014	2015
Tenured U.S. Card Member Share of Wallet	46.9%	46.3%	45.9%
Tenured U.S. Card Member Spend Growth	2.2%	2.1%	1.6%
Wallet Growth	3.9%	3.5%	2.5%
Change in Tenured Share of Wallet	-	(0.6%)	(0.4%)

US tenured defined as AXP Proprietary Card Members for 24+ months as of December 2013, 2014 and 2015. All metrics are internal based on average tenured US Card Members and are internal estimates based on credit bureau data. Share of Wallet does not include Network business.

A Segmented Approach to Growth From Existing Card Members

US Consumer

% of Total

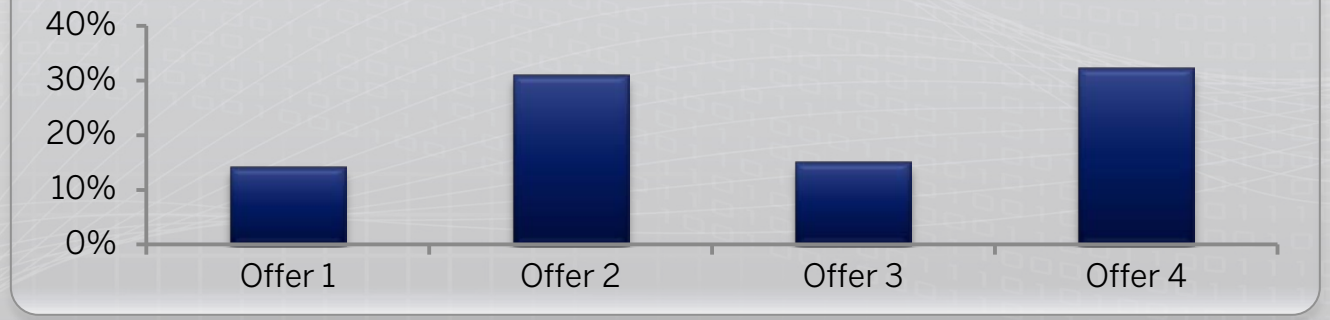


Reflects internal estimated Off-Us Spend by Card Members; excludes Card Members from discontinued partnerships, new Card Members and delinquent Card Members. The left-hand chart is intended to reflect that 25% of US Consumer Card Members account for approximately 50% of the estimated spend by AXP Card Members on non-AXP credit and charge cards. The right-hand chart is intended to reflect that 25% of US Consumer Card Members account for approximately two-thirds of US Consumer segment billed business.

Proven Tactics Should Increase Share of Wallet

Segmented Intent → **Maximize Existing Offers** → **Develop Individual Offers** → **Maximize Channels**

Existing Offer Spend Lift (US Consumer)*



*Incremental billed business estimate of Card Member spend in the 12 months following acceptance of an offer.

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Investments Are Producing Attractive Returns & High Quality New Card Members

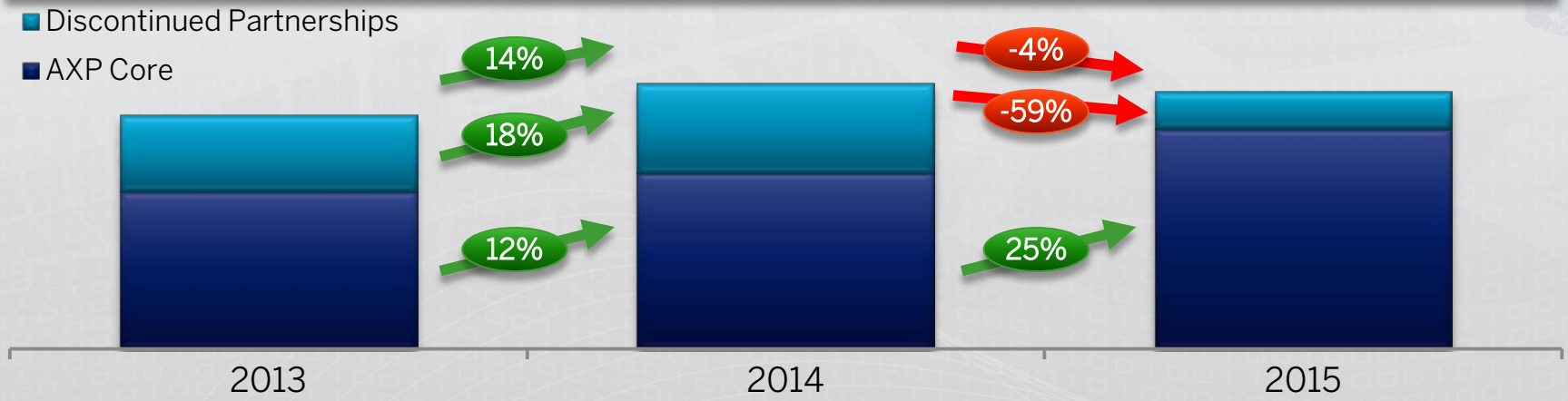
Global

	2014	2015
New Accounts Acquired	+12%	Flat
Average Spend*	$8.1K	$8.3K
Average FICO**	751	754
% Fee Based***	53%	61%

*Includes branded and continuing cobrands and excludes new accounts post-announcements in 2015 by Card Members with cobrand cards related to the discontinued partnerships as of 12/31/2014. *Average billed business acquired reflects the first 12 months of spending by a new Card Member. For Card Members acquired less than 12 months prior, internal estimates have been used for their expected spending over the 12 month period (e.g. a new Card Member acquired 8/1/15 includes five months of actual spend and seven months of forecasted spend). **US Consumer only ***Percent of new Global Consumer cards that have an annual fee.*

Core New Account Growth Has Been Strong

US Consumer New Accounts Acquired





Discontinued partnerships reflect Costco cobrand and JetBlue cobrand new accounts acquired; AXP Core includes branded and continuing cobrands and excludes new accounts post-announcements in 2015 by Card Members with cobrand cards related to the discontinued partnerships as of 12/31/2014.

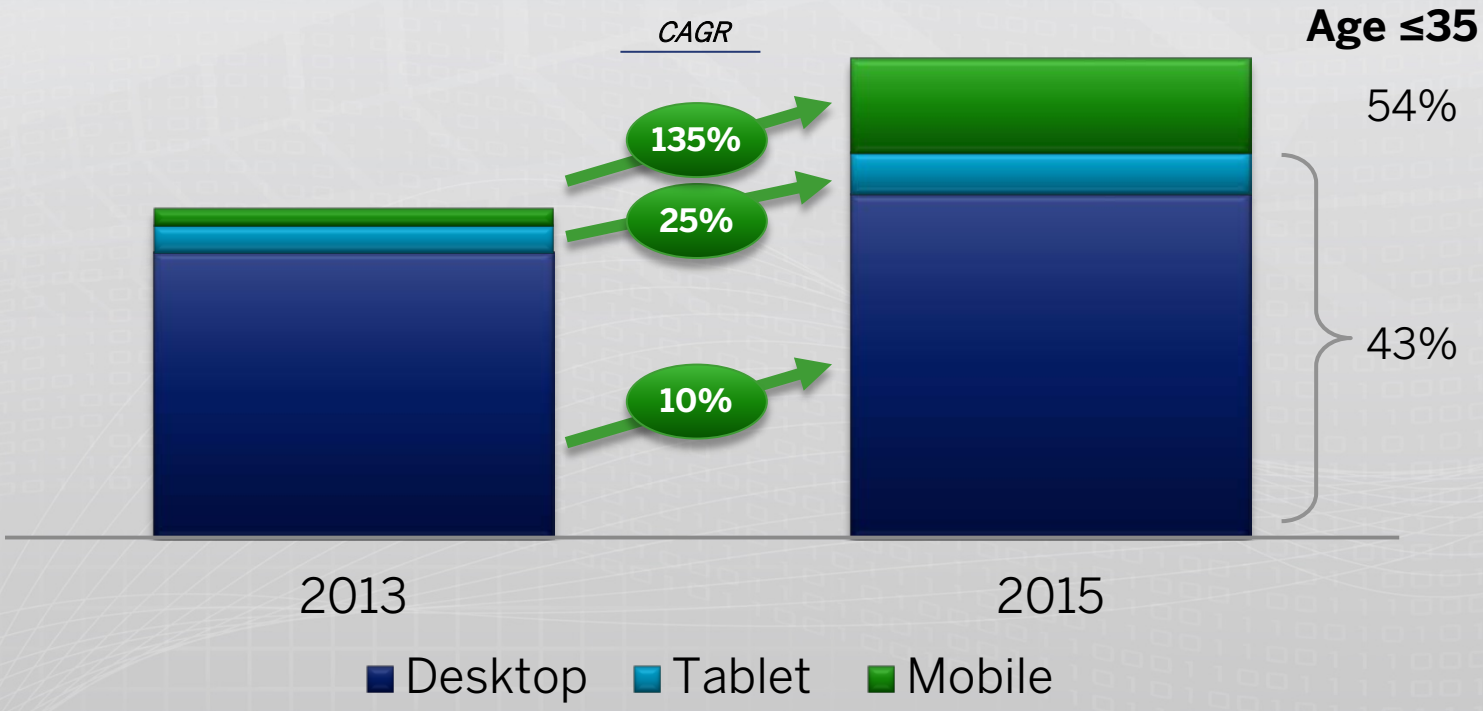
Digital Channels Are Driving Growth With Efficiency & Quality

International Consumer 2015 Application Volume	
% Acquisition Digital*	49%
% Increase**	19%
Average Spend per Digitally Acquired Account	1.8X Non-Digital
Billed Business Acquired / $ Marketing***	1.4X Non-Digital
% of Approved Applicant ≤35 Years of Age Acquired Through Digital Channel	44%

*New Accounts Acquired through digital channels, including desktop, mobile, tablet, mobile app, as a % of all New Accounts Acquired. **Increase in New Accounts Acquired through digital channels 2014-2015. *** Average billed business acquired reflects the first 12 months of spending by a new Card Member. For Card Members acquired less than 12 months prior, internal estimates have been used for their expected spending over the 12 month period (e.g. a new Card Member acquired 8/1/15 includes five months of actual spend and seven months of forecasted spend).

Mobile is Emerging as an Acquisition Channel

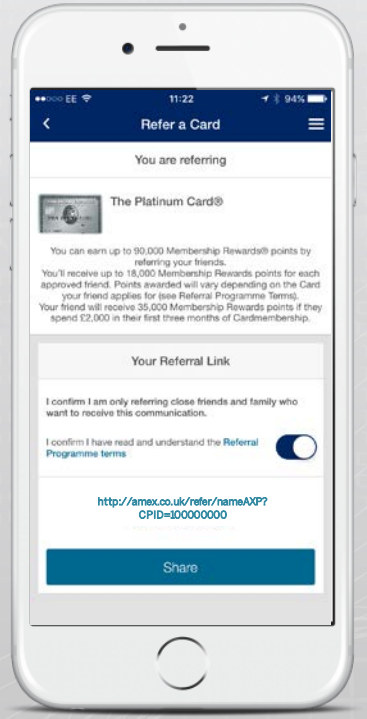
International Consumer Application Volume



Figures for approved accounts for selected digital channels.

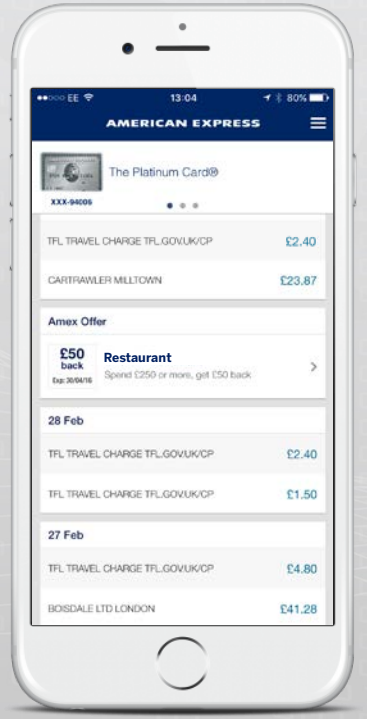
Mobile Creates Challenges & Opportunities

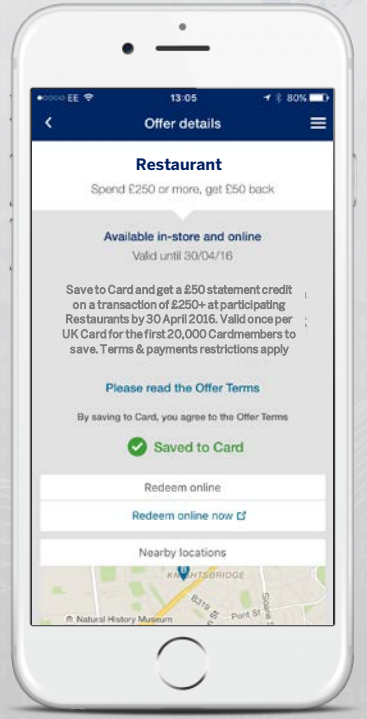
Member Get Member





Amex Offers





Innovative Applications & Analytics Should Fuel Further Growth



Mobile First Design



Programmatic Display



Affiliate / Partner Integration



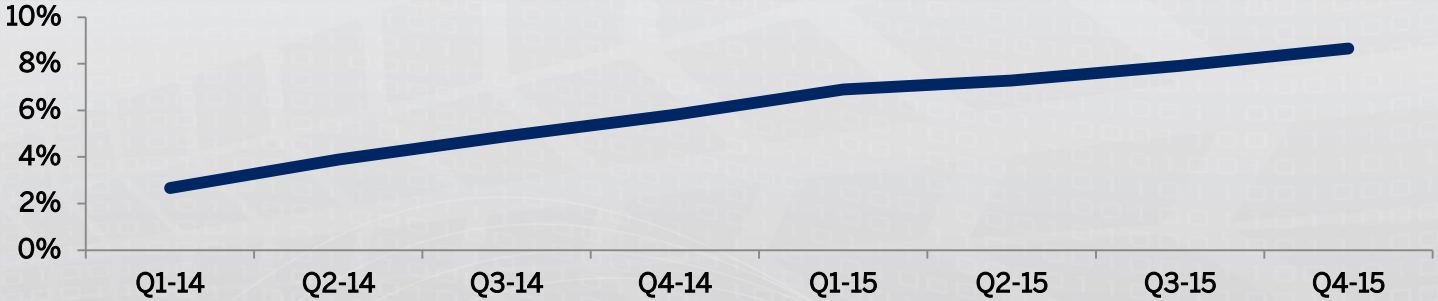
Referral Marketing



Dynamic Site Experience

Consumer Lending – We Have Momentum & Opportunity

US Consumer Adjusted Loan Growth*



2015 US Consumer, Adjusted**

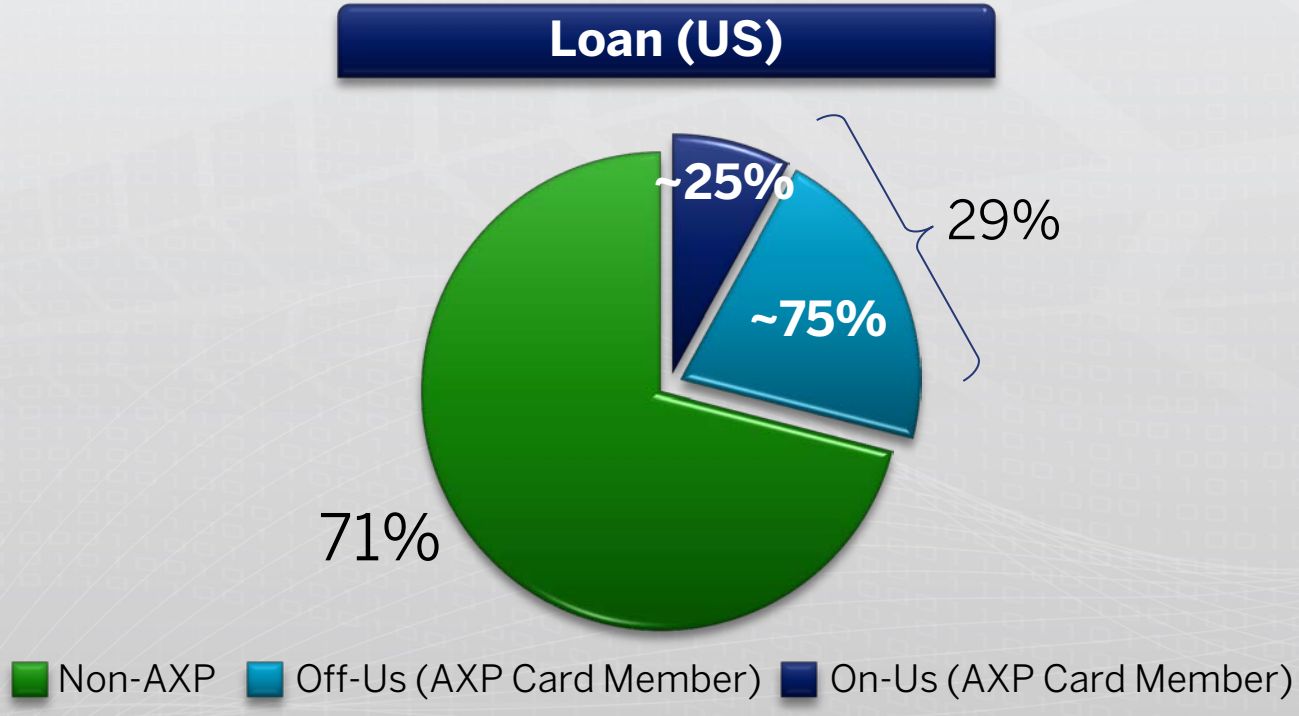


Benchmark***



*Adjusted US Consumer loan growth is a non-GAAP measure and excludes balances related to cobrand partnership with Costco in the U.S, now classified as a held for sale. See Annex C for a reconciliation of loan growth on a GAAP basis. **Reflects revenue net of rewards and excludes revenues net of rewards derived from Costco cobrand accounts and spending on other (non-Costco cobrand) American Express cards at Costco warehouses. Other revenue is reflected net of rewards expense. ***Industry Benchmark: JPM, COF, C, DFS card segment reporting.

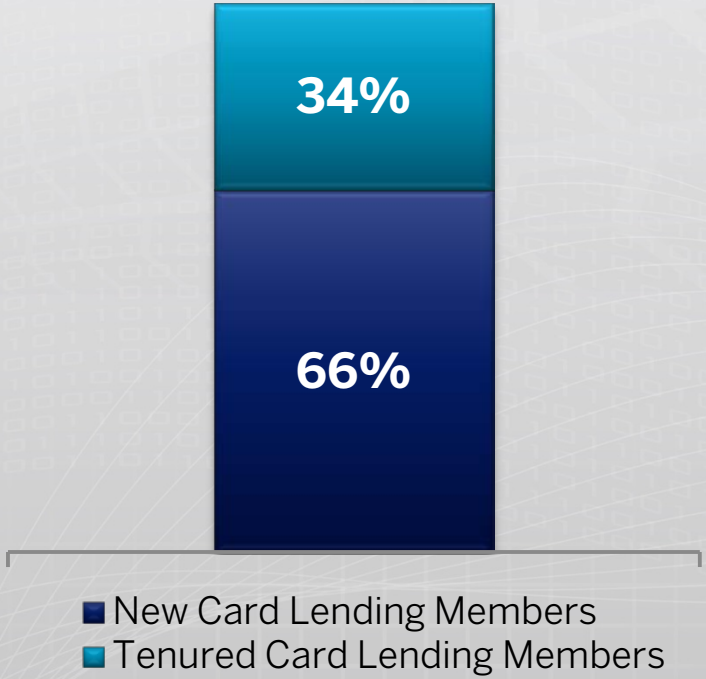
There is Significant Opportunity Within Our Card Member Base



Data as of December 2015. AXP Card Members reflects all active US Consumer proprietary accounts as of December 2015, excluding Costco cobrand accounts . Off-Us Loans is calculated from internal estimates of the size of wallet capability of AXP Card Members. Non-AXP Loans is an internal estimate based on prospects with certain criteria and credit bureau data.

Growth is Balanced & High Quality

US Consumer Contribution to 2015 Loan Growth



- **Tenured Lending Card Members**
  - 50% Lower Delinquency*
  - Lower Marketing Cost
  - Higher 12-Month Revenue
- **New Lending Card Members**
  - ~$8.9K Average Spend**
  - 754 Average FICO
  - 60% AXP Branded

*Tenured defined as U.S. Card Members acquired prior to 2015. *Delinquency of Tenured Card Members with line increases vs. new lending accounts. **Average billed business acquired reflects the first 12 months of spending by a new Card Member. For Card Members acquired less than 12 months prior, internal estimates have been used for their expected spending over the 12 month period (e.g. a new Card Member acquired 8/1/15 includes five months of actual spend and seven months of forecasted spend).*

Focus Will be Key

US Consumer

16M Card Members / $105B* Off-Us Loans



4M Card Members / $45B* Off-Us Loans

**Reflects internal estimated Off-Us loans by Card Members; excludes Card Members from discontinued partnerships, new Card Members and delinquent Card Members.*

We Are Focusing a Distinctive Set of Capabilities on Existing Card Members



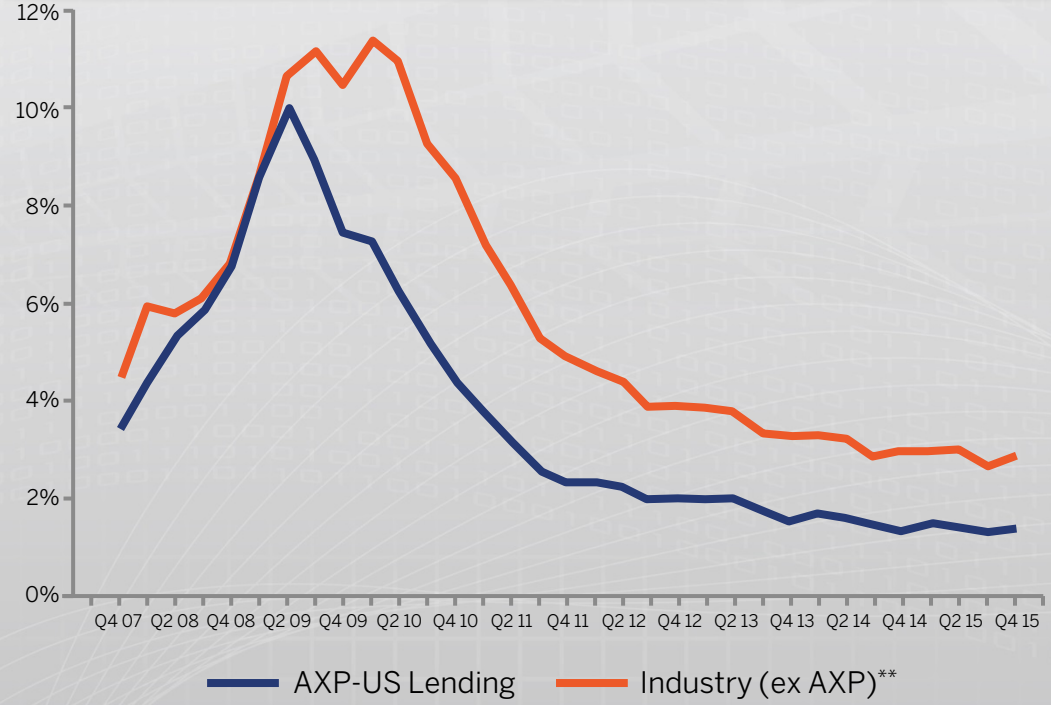
Offer Performance*

Average Balance Growth	Delinquency (%)
47%	37%

*Average Daily Balance at month 12 of offer population vs. control and annualized coincidental Gross Write-off rate of offer population at 24 months vs. U.S. consumer card lending portfolio.

US Loan Quality is Excellent in Absolute, Competitive & Historical Terms

Net Write-Off Rates



2008 vs 2015*

Low FICO	44%
Low Tenure	9%
High Balance	50%
Balance Transfer	90%

*Low FICO defined as below 660, Low Tenure as below 2 years, High Balance as above $25k. **Industry weighted average includes Bank of America, JP Morgan Chase, Citi, Capital One & Discover.

Lending Growth Can Introduce Volatility, but We Believe We Are Well Positioned to Manage Through

- Strong Card Member & Portfolio Quality
- Through-the-Cycle Underwriting
- Improved External Monitoring & Data
- Next Generation Decision Science
- Modernized, Flexible Collection Infrastructure

The Road Ahead – Lending

- Accelerated Lending Growth
- Focus on Growth from Existing Card Members
  - Leverage Information Advantage
  - Open Low Cost Channels
- Introduction of New, Compelling Lending Features
- Continued Commitment to Credit Quality

Summary

- Large & Diversified Business
- Existing Card Members Focus
- Strong Card Member Acquisition
- Compelling Lending Opportunity



Growth Potential and Strategies

Steve Squeri

Vice Chairman

Executive Summary

- Our new Global Commercial Services segment is a significant contributor to AXP
- There is tremendous opportunity in the fast growing and under-penetrated small and mid-size business segment to grow spend
- We are well-positioned in the B2B segment
  - Scale player
  - Diverse product suite
  - Spending capacity
  - World-class brand and service
- We will leverage combined strengths of our newly integrated commercial business to help accelerate this growth

Global Commercial Services

October 2015

GLOBAL CORPORATE PAYMENTS

OPEN



SMALL BUSINESS SERVICES INTERNATIONAL

FX INTERNATIONAL PAYMENTS

MERCHANT FINANCING

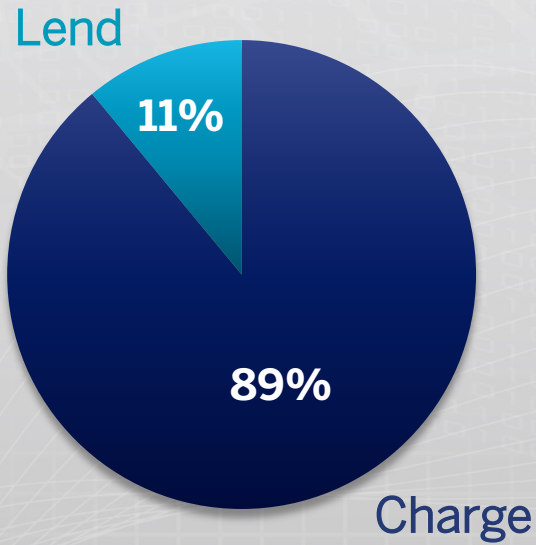
Global Commercial Services – Snapshot

	2015	% of AXP
Billed Business	$399B	38%
Loans*	$11B	15%
Cards in Force	15.1M	13%
Revenue, net of interest expense	$9.7B	30%

*Includes $1B Merchant Financing loans and $2B HFS loans for Costco U.S. and JetBlue portfolios.

GCS Billings

2015 Spending Mix



2015 Spend per Card

Commercial Card Members spend

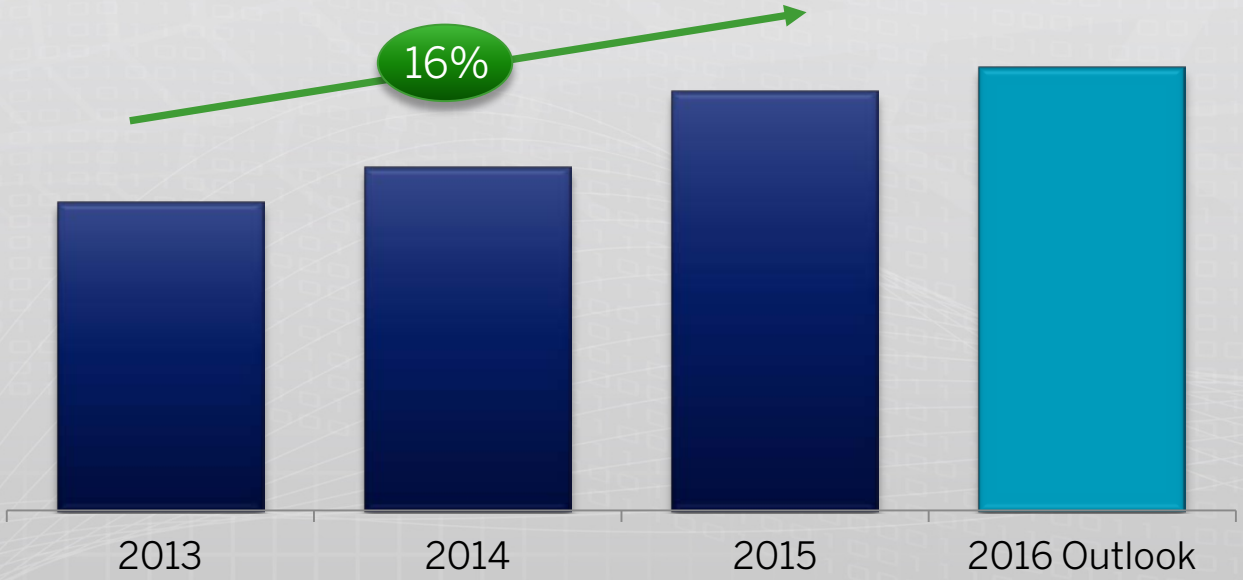
$26K

per year on average

Investment Levels

Total Global Commercial Services (GCS) Investment

2013-2015 CAGR



Acquisition

Acquisition Channels

- Face-to-Face Sales
- Telesales
- Digital
- Customer Care Professionals
- Partnerships

Signings Performance*

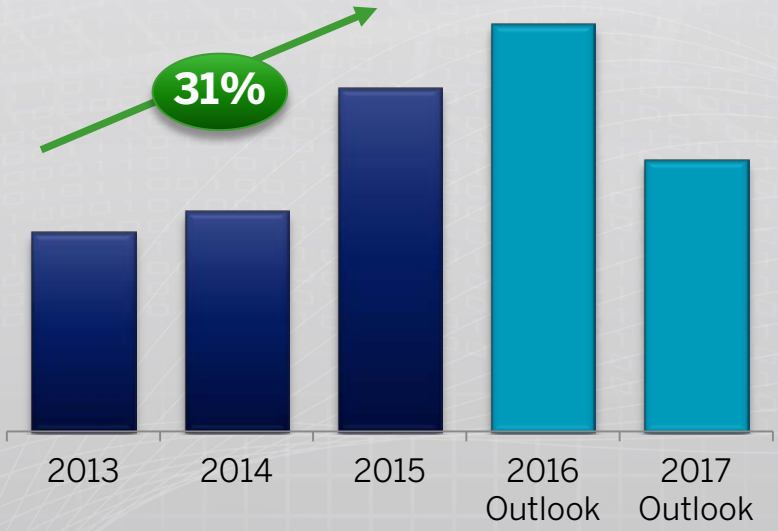


* Actual billings from new accounts acquired with less than 13 months of tenure for Corporate Card, and less than 12 months for Small Business.

Technology Investment

GCS Technology Investment

2013-2015 CAGR



Investment Priorities

- Accounts receivable platforms
- Virtual payments
- Non-card lending platform
- Cross-border payments
- Digital tools
- Customer service capabilities

Our Unique Assets

Global Footprint

World Class Service



Closed Loop Network

Diverse Product Suite

Diverse Product Suite

Small Business	Corporate	Accounts Payable	Cross Border	Business Financing

Charge



Charge (Card Member)





Buyer Initiated Payment

vPayment

FX International Payments

AccessLine

Merchant Financing

Lending



Charge (Company)



Business Travel Account

Commercial Client Segments

Global & Large Accounts



$500M +
Annual Revenue

Middle Market



$1M-$500M
Annual Revenue

Small Business

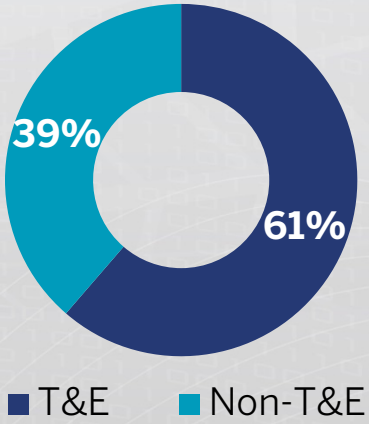


<$1M
Annual Revenue

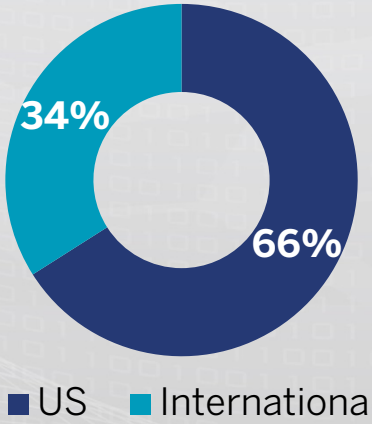
US descriptions; international ranges vary based on local opportunity.

Global & Large Accounts

Spend Mix



Geographic Mix



% of 2015 Global Commercial Billings

25%

2015 Billings Growth

(1%)

Variable Margin (index)

100

Billings growth is FX-adjusted; see Glossary for explanations of FX-adjusted information.

Global & Large Accounts

Leader in Card Payments



Relationships with

63%*

Fortune Global 500®

Dynamics

- Deep, long-standing relationships
- Looking for an integrated spending program
- Intense and consolidating competition

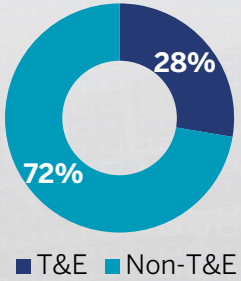
Our Advantage

- Global footprint
- Data to power customers' processes and tools
- Global Business Travel Joint Venture

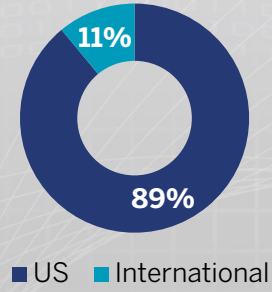
**As determined by an analysis conducted by American Express Global Corporate Payments using 2015 FORTUNE Global 500 statistics of Licensee's customers. From FORTUNE, August © 2015 Time Inc. Used under license. FORTUNE and Time Inc. are not affiliated with, and do not endorse products or services of, Licensee. Claim not confirmed by FORTUNE or Time Inc. FORTUNE and FORTUNE Global 500 are registered trademarks of Time Inc. and are used under license.*

Middle Market

Spend Mix



Geographic Mix



% of 2015 Global Commercial Billings

50%

2015 Billings Growth

7%

Variable Margin (indexed to Global & Large)

117

Dynamics

- Underpenetrated in many countries around the world
- Trend towards integration and automation

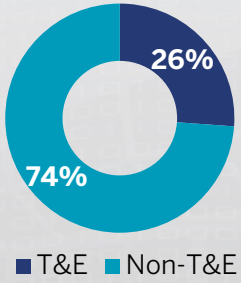
Our Advantage

- Access to 'big company' infrastructure and capabilities
- Feet on the street where businesses are growing

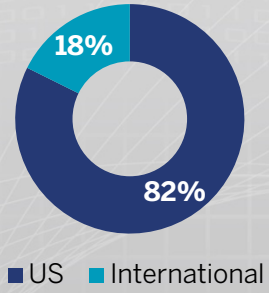
Billings growth is FX-adjusted; see glossary for explanations of FX-adjusted information.

Small Business

Spend Mix



Geographic Mix



% of 2015 Global Commercial Billings

25%

2015 Billings Growth

7%

Variable Margin (indexed to Global & Large)

150

Dynamics

- Expect high level of rewards
- Digital increasing in importance for the full lifecycle
- Cash flow continues to be top need

Our Advantage

- World-class brand
- Strong portfolio of digital tools
- Ability to enable higher spend capacity

Billings growth is FX-adjusted; see glossary for explanations of FX-adjusted information.

Growth Strategy

Global & Large Accounts

Our heritage & foundation

- Maintain leadership position
- Scale and relevance
- Focus on marquee signings
- Diversify spend mix

Small Business & Middle Market

Our growth engine

- Address the cash flow needs of the small and middle market customer through our diverse suite of products

Small Business & Middle Market Leadership & Opportunity

AXP Leadership

Based on billed business

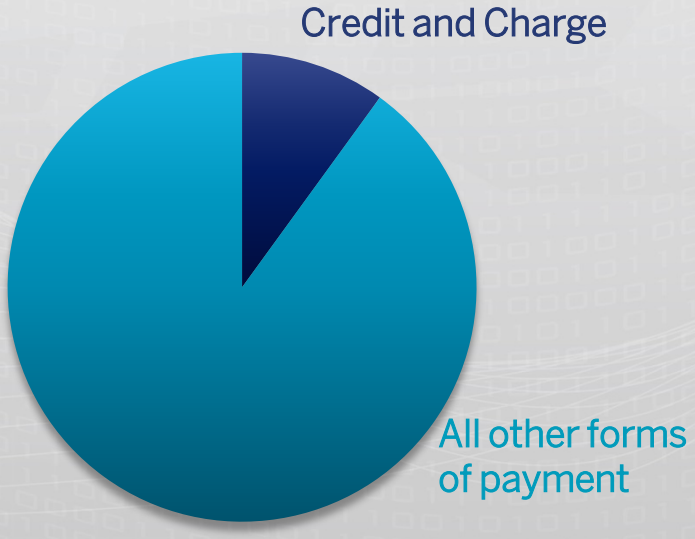
#1 Small Business and Middle Market Commercial Issuer Globally**

#1 Commercial issuer in the U.S.*

#1 Small Business issuer in the U.S.*

Est. Small Business Spend***

Estimated U.S. total small business (ex-payroll) in 2014 on commercial cards



*Nilson Report for non-AXP purchase volume in 2014; AXP based on internal data. **BCG Payments Model and BCG analysis; AXP based on internal data; Other issuer share based on Nilson Report. ***Estimated total small business spend is U.S. small businesses with less than $10MM in revenue based on the McKinsey Payments Map (March 2015). The McKinsey Payments Map reports on the following payment methods for small businesses: cash, small business credit card, debit, wire, ACH, and check and it does not include spend on consumer cards by owners/employees of small businesses. Small business plastic spend includes small business credit card and debit spend. Small business non-plastic spend includes all non-payroll small business expenditures not included in small business credit card or debit. Source: McKinsey

We Are Well Positioned



Millions of Customers



Distribution Channels



Commercial Underwriting

Brand & Service

An Advocate for Small Business & Middle Market









ChallengeHER

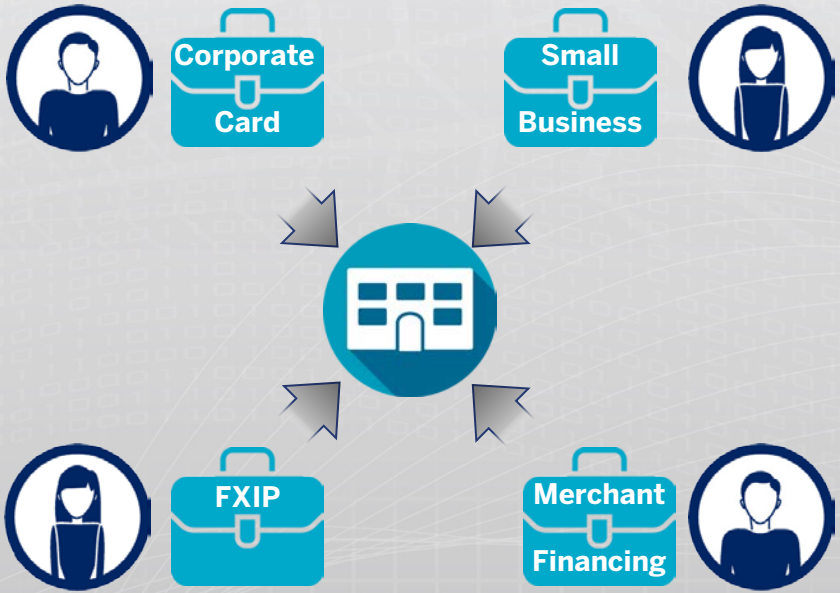
Opportunities for Women in Federal Contracting

Small & Middle Market Growth Priorities

1. Leverage our distribution channels
2. Deepen relationship management
3. Innovate with new products
4. Accelerate our progress in international

1 Distribution: Customer-Centric Sales

Current Experience



Opportunity

- Consolidated conversation with access to a full suite of solutions
- Better customer experience with a single face to the customer
- Increased ability to cover additional prospects with coordinated touch-points across channels

1 Distribution: Digital

US Digital Acquisition*

37%

Small Business Digital Acquisition

8%

Middle Market Digital Acquisition

Opportunity

- Accelerate digital initiatives and build on rapid momentum
- Extend digital channels to include the Middle Market segment
- Expand best practices globally

*% of marketing-driven signings volume sourced via digital channels in 2015.

2 Relationship Management: Card Spend Lift

Opportunity

- Utilize big data analytics to identify growth opportunities with customers
- Optimize relationship management channels (face-to-face, phone, digital)
- Leverage product suite to address different types of spend

U.S. Companies <$300M Revenue

2x

AXP spending by adding Corporate to existing Small Business product*

**Increase in total AXP spending when an OPEN Small Business customer <$300M in annual revenue adds a Corporate Payments product; compares spending the quarter before adding a Corporate Payments product to spending the fourth quarter following.*

3 Products: Innovation



Global & Large Accounts

- Efficiency
- Integration
- Rewards/Cash
- Cash Flow



Middle Market

- Cash Flow
- Rewards/Cash
- Integration
- Efficiency



Small Business

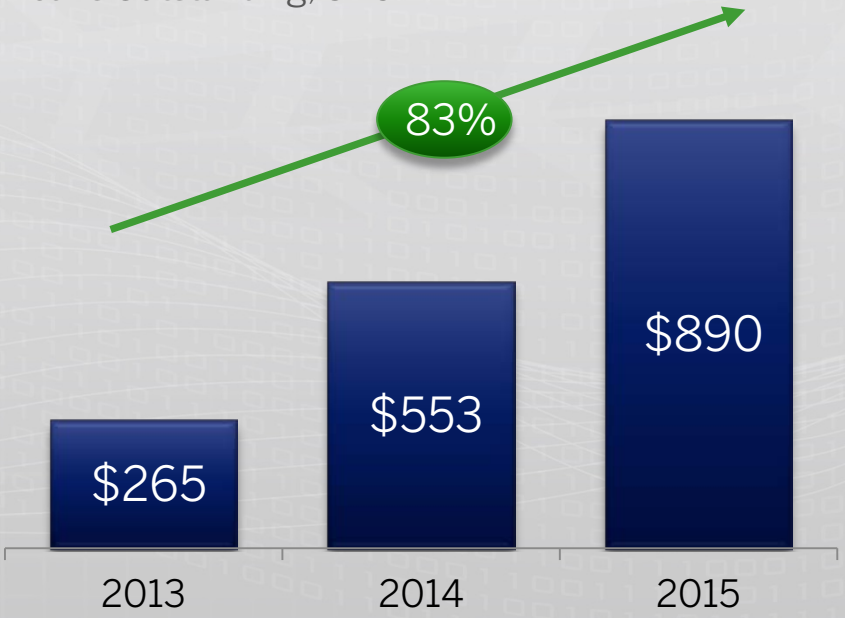
- Cash Flow
- Rewards/Cash
- Efficiency
- Integration

3 Products: Merchant Financing

MERCHANT FINANCING

Ending MF Loans Outstanding

$M Loans Outstanding; CAGR



3 Products: SimplyCash® Plus



4 Accelerate International

FX Adjusted Int'l Growth

2015 International Small Business & Middle Market

$40B

International Billings

+10%

2015 Billings Growth


+15%


+16%


+19%


+19%

Opportunity

- Extend best practices and capabilities from the U.S. to international
- Unified sales and relationship management strategies across Middle Market and Small Business Services in each country

See glossary for explanations of FX-adjusted information.

Summary

- Our new commercial segment is a significant contributor to AXP
- We are well-positioned in the fastest-growing and most under-penetrated segment of payments globally
  - Scale player in B2B
  - Diverse product suite
  - World class brand and service
  - Spending capacity
- As a result of combining our commercial businesses, we can help accelerate growth in the small and mid-size segment

Key Priorities

- Leverage our distribution channels
- Deepen relationship management
- Innovate with products
- Accelerate our progress in International


AMERICAN
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Growth Potential and Strategies

Anré Williams

President, Global Merchant Services & Loyalty Group

Organizational Responsibilities

Global Merchant Services & Loyalty Group

- **Global Merchant Services**
- **Accertify**
- **Global Loyalty Coalition**

Agenda

2 **Growth Potential and Strategies**

- **A** **Merchant Coverage:** OptBlue U.S.
- **B** **Merchant Coverage:** Other Third Party Acquiring Models
- **C** Merchant Relationships
- **D** Discount Rate
- **E** Global Loyalty Coalition

Agenda

2 Growth Potential and Strategies

- A **Merchant Coverage:** OptBlue U.S.
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- E Global Loyalty Coalition

U.S. OptBlue Overview

AMERICAN EXPRESS® OptBlue℠

- OptBlue Participant Sets Merchant Price
- Single Statement
- One Settlement Process
- One Contact for Servicing
- Retain Closed Loop Data

U.S. OptBlue Overview

OptBlue℠ – U.S.

TRANSFIRST	JetPay	First Data	Heartland	worldpay	globalpayments
November 2013	November 2013	May 2014	May 2014	May 2014	June 2014

WELLS FARGO	vantiv	EVO PAYMENTS INTERNATIONAL	Bank of America Merchant Services	Elavon	TSYS
September 2014	October 2014	November 2014	February 2015	February 2015	April 2015

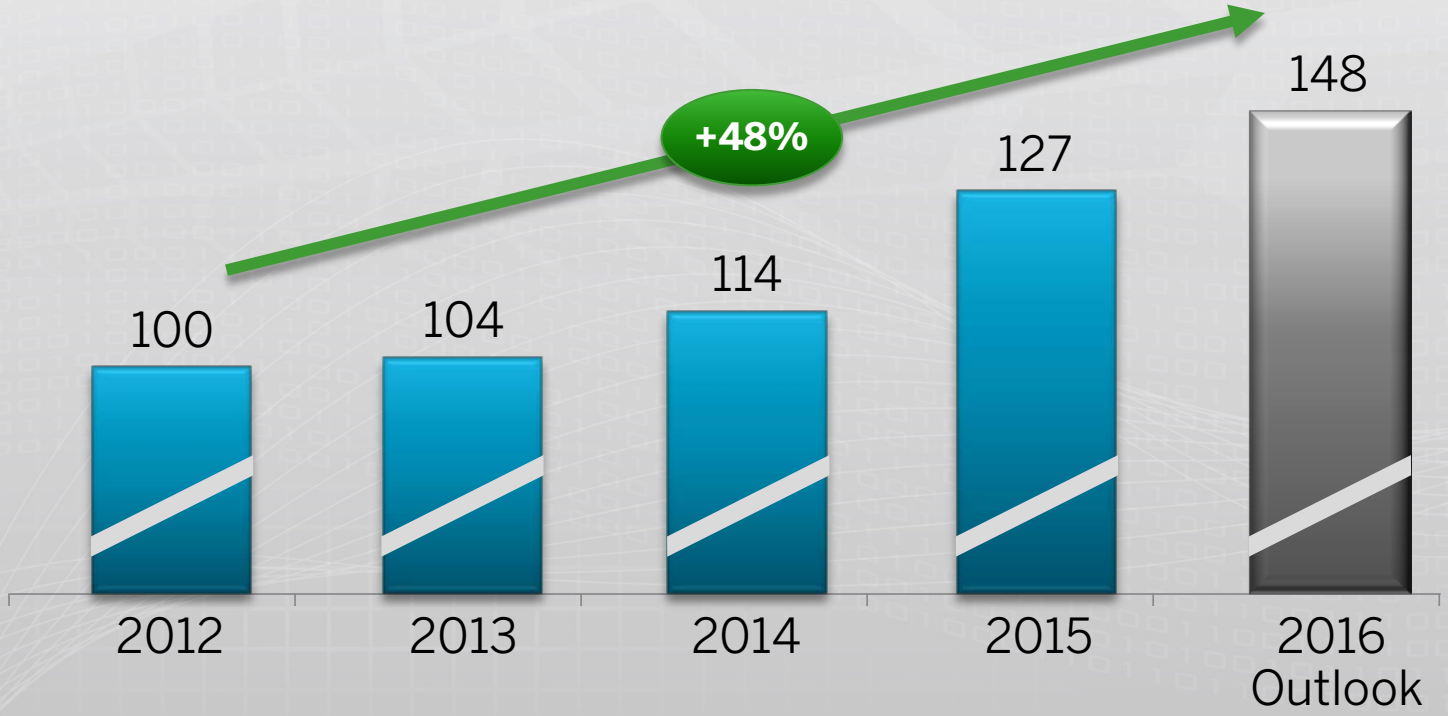
FIRST AMERICAN PAYMENT SYSTEMS	CLEARENT	TriSource SOLUTIONS	CHASE COMMERCE SOLUTIONS	STERLING Payment Technologies	MERCHANT e-SOLUTIONS a cielo company
April 2015	August 2015	January 2016	April 2016	April 2016	May 2016

Signed since February 2015

U.S. – Active Locations in Force Growth

Indexed to 2012

Active LIF* Trend (2012 – 2016)



*See Glossary of Selected Terminology for definition of Active LIF

Agenda

2 Growth Potential and Strategies

A **Merchant Coverage:** OptBlue U.S.

B **Merchant Coverage:** Other Third Party Acquiring Models

C Merchant Relationships

D Discount Rate

E Global Loyalty Coalition

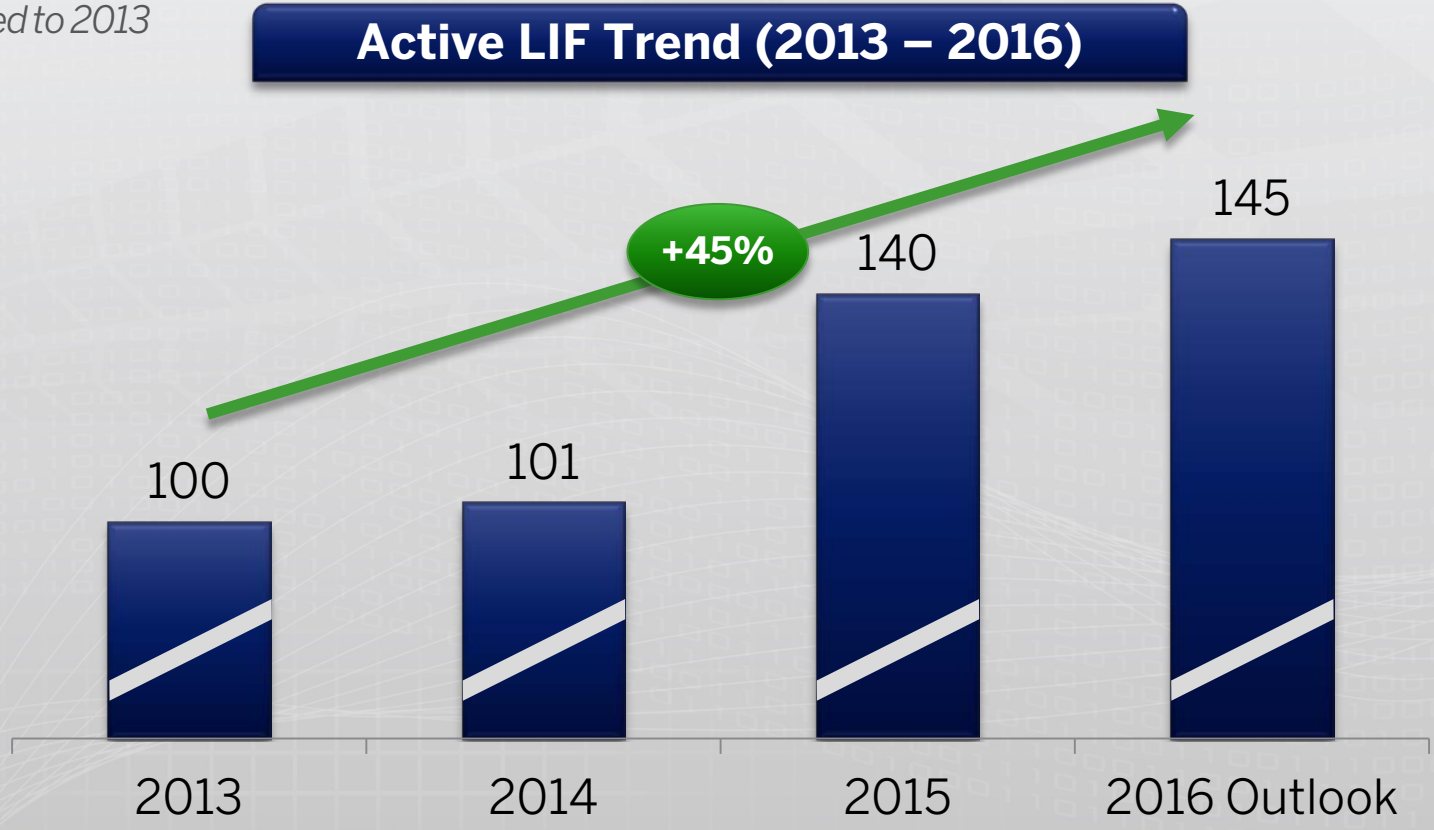
France – Crédit Mutuel

- Largest acquirer in France
- 5,300 branches

One Point Program	AXP	Partner
Recruit		✓
Contract/Rate	✓	
Process and Service		✓
Data and Marketing	✓	✓

France – Active Locations in Force Growth

Indexed to 2013



**See Glossary of Selected Terminology for definition of Active LIF*

Acquisition Models – Outside U.S.

OptBlue

AMERICAN EXPRESS OptBlue℠

Canada

AMERICAN EXPRESS OptBlue℠

Mexico

Other Acquiring Partnerships

CommonwealthBank

Australia

Elavon

UK & Ireland

worldpay

UK

barclaycard

UK

Santander Elavon

SANTANDER ELAVON MERCHANT SERVICES

Spain

First Data

Poland

Key Merchant Signings – Global

U.S.

U.S.

Europe

Mexico

UK

Singapore

Asia

Netherlands

Agenda

2 Growth Potential and Strategies

- A **Merchant Coverage:** OptBlue U.S.
- B **Merchant Coverage:** Other Third Party Acquiring Models
- C **Merchant Relationships**
- D Discount Rate
- E Global Loyalty Coalition

Merchant Satisfaction Research Overview

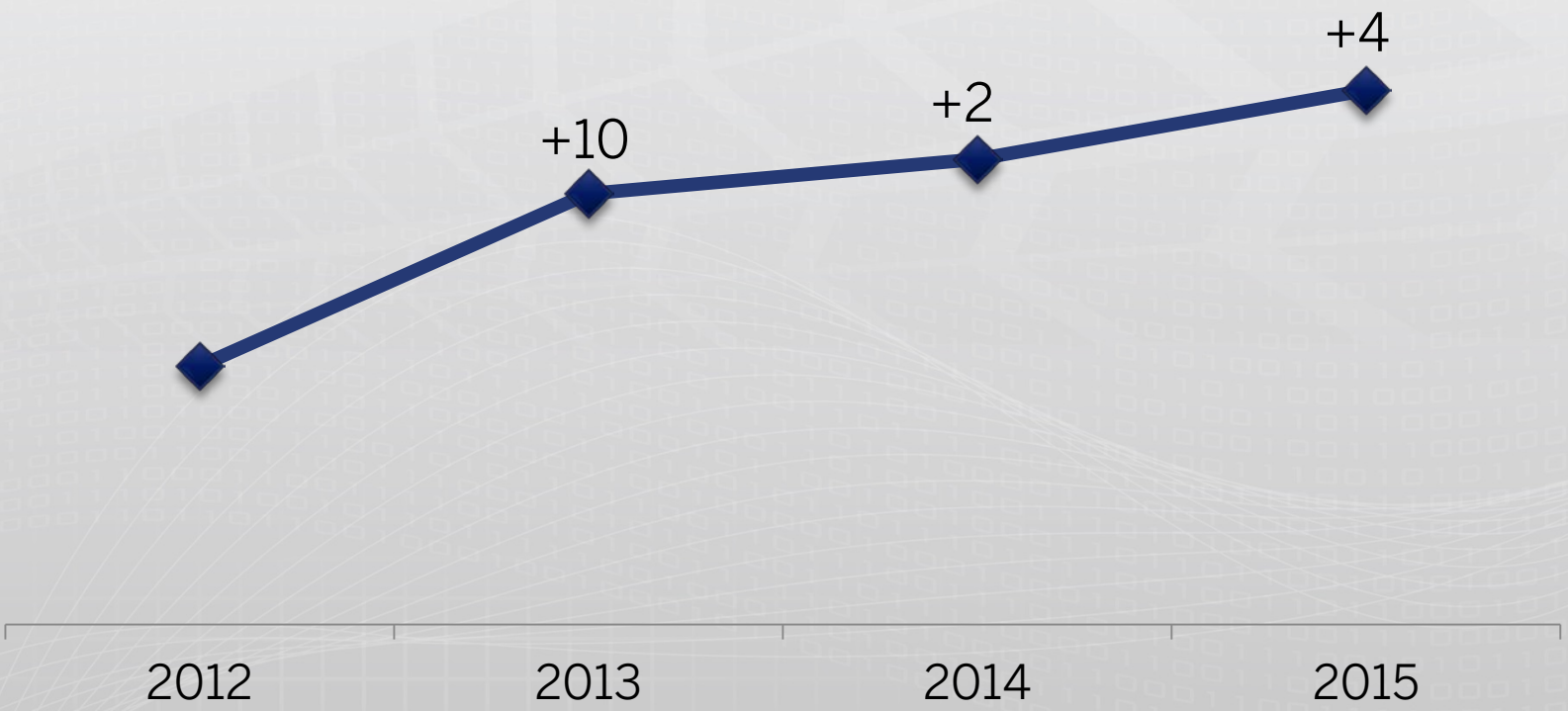
	Americas	Europe	JAPA
Countries	U.S. Canada Mexico	U.K. France Italy Germany	Australia Hong Kong Singapore

Segments

Managed

Small

Net Promoter Score* Results 2012 – 2015

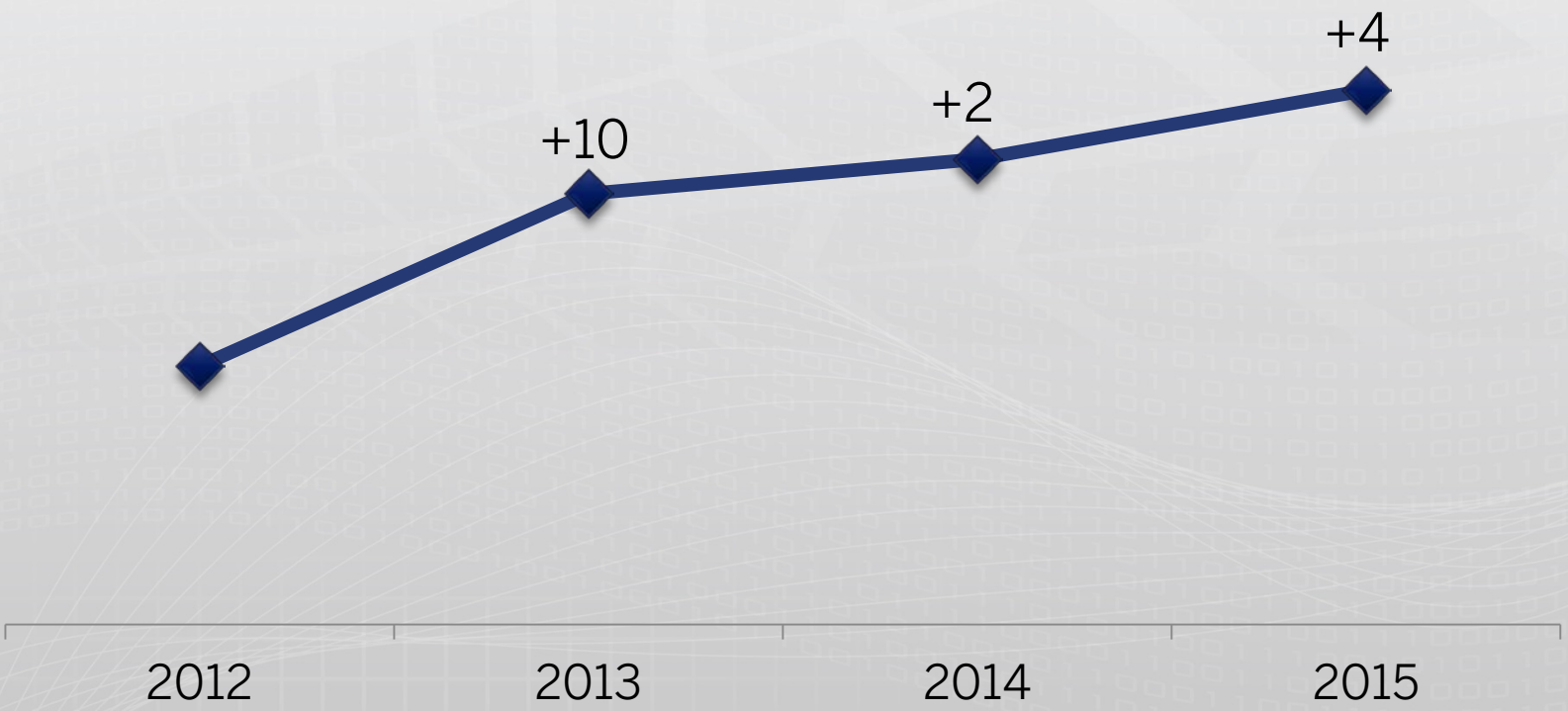


*See Glossary of Selected Terminology for definition of Net Promoter Score

Key Improvements

- Faster Speed Of Pay
- Eliminated Statement Fees
- Redesigned Merchant Web Site
- New “Merchant-Friendly” Policies (e.g. Chargeback Process)
- Expanded Small Business Saturday/Shop Small
- Created “Amex Offers”

Net Promoter Score* Results 2012 – 2015



*See Glossary of Selected Terminology for definition of Net Promoter Score

Agenda

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- D **Discount Rate**
- E Global Loyalty Coalition

Global Discount Rate Trend



Global Discount Rate Trend – 2016

	First Half – 2016	Second Half – 2016
Discount Rate Erosion (bps)	**~(6.0) – (7.0)**	**~(1.0) – 0**
Merchant Specific Negotiations (excl. Europe)	↓	↓
Merchant Specific Negotiations (Europe)	↓	↓
Volume-Driven Rate Changes	↓	↓
Accrual/Release	↓	
Costco U.S.		↑↑↑↑
Mix (excluding Costco U.S.)	↓	↓
OptBlue	↓↓	↓↓

Global Discount Rate Outlook – 2016 to 2018

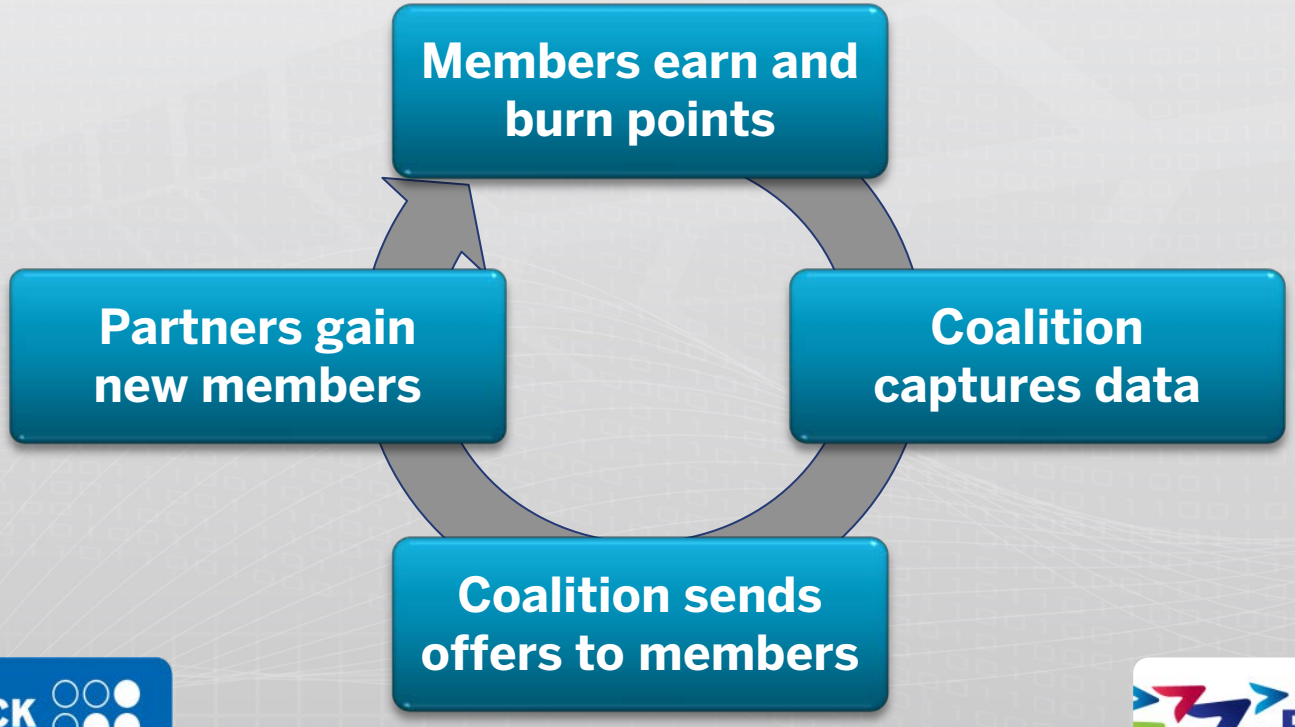
	2016 Outlook	2017 Outlook	2018 Outlook
Discount Rate Erosion (bps)	**~(3.0) – (4.0)**	**~(1.0) – (2.0)**	**~(2.0) – (3.0)**
Merchant Specific Negotiations (excl. Europe)	↓	↓	↓
Merchant Specific Negotiations (Europe)	↓	↓	
Volume-Driven Rate Changes	↓		
Accrual/Release	↓		
Costco U.S.	↑↑↑	↑↑↑	
Mix (excluding Costco U.S.)	↓	↓	↓
OptBlue	↓↓	↓	↓

Agenda

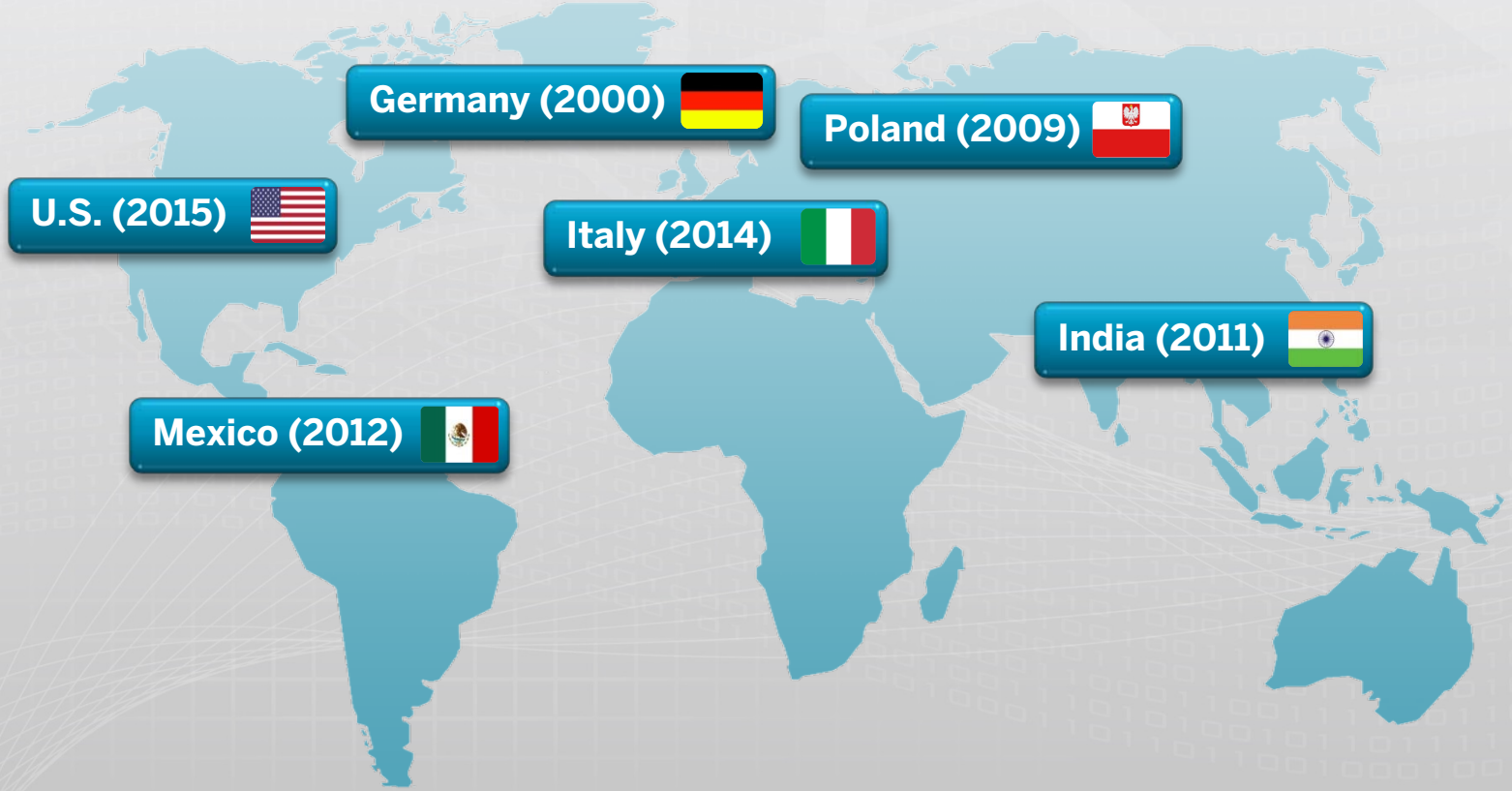
2 Growth Potential and Strategies

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- D Discount Rate
- **E Global Loyalty Coalition**

Loyalty Coalition Model



Loyalty Coalition – Presence



Loyalty Coalition Partners Examples

	U.S.	Germany	Italy	Mexico	Poland	India
Brand	Plenti	PAYBACK	PAYBACK	PAYBACK	PAYBACK	PAYBACK
Oil	ExxonMobil	ARAL	Esso	PETRO 7 SEVEN	bp	HP
Telecom	at&t	T	3 Tre.it	TELMEX	orange	
Department Stores	macy's	GALERIA KAUFHOF				BRAND FACTORY BEST BRANDS · SMART PRICES
Supermarket		REWE	Carrefour	Comercial mexicana		BIG BAZAAR Is se sasta aur accha kahin nahi!
Drugstores	RITE AID	dm				

Loyalty Coalition – Key Metrics

	2014	2015
Customer Metric		
Active Cards* (M)	59	92
Financial Metric		
FX Adjusted Revenues* ($M)	$323	$379

*See Glossary for definition of Active Cards and an explanation of FX-adjusted information (2014 GAAP Revenues - $383M).

PAYBACK – A Strategic Asset in Germany



- 8 out of 10 know the PAYBACK brand
- 1 out of 3 earns PAYBACK points
- Third most important card in German wallets

Metric	Amex Consumer Before 2012	With PAYBACK Co-Brand*
Cards in Force	Declining	+7.8% annually
Billings	Flat	+5.3% annually
Approval Rate	41%	60%

*2013 – 2015

Key Priorities

Dramatically Improve Coverage

Strengthen Relationships with Merchants

Expand Loyalty Coalition


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EXPRESS



Resetting Our Cost Base

Steve Squeri

Vice Chairman

Resetting Our Cost Base

$1B

2017 Exit Run Rate Saves

How are we going to achieve this target?

How will it help enable revenue growth?

Resetting Our Cost Base

	2015
Card member Rewards	$7.0B
Cost of Card member Services	$1.0B
Adj. Operating Expenses*	$11.3B
Marketing & Promotion	$3.1B
Adj. Total Expenses*	**$22.4B**

$14.4B Addressable Spend

2017 Exit Run Rate

Operating Expenses
+
Marketing & Promotion
=

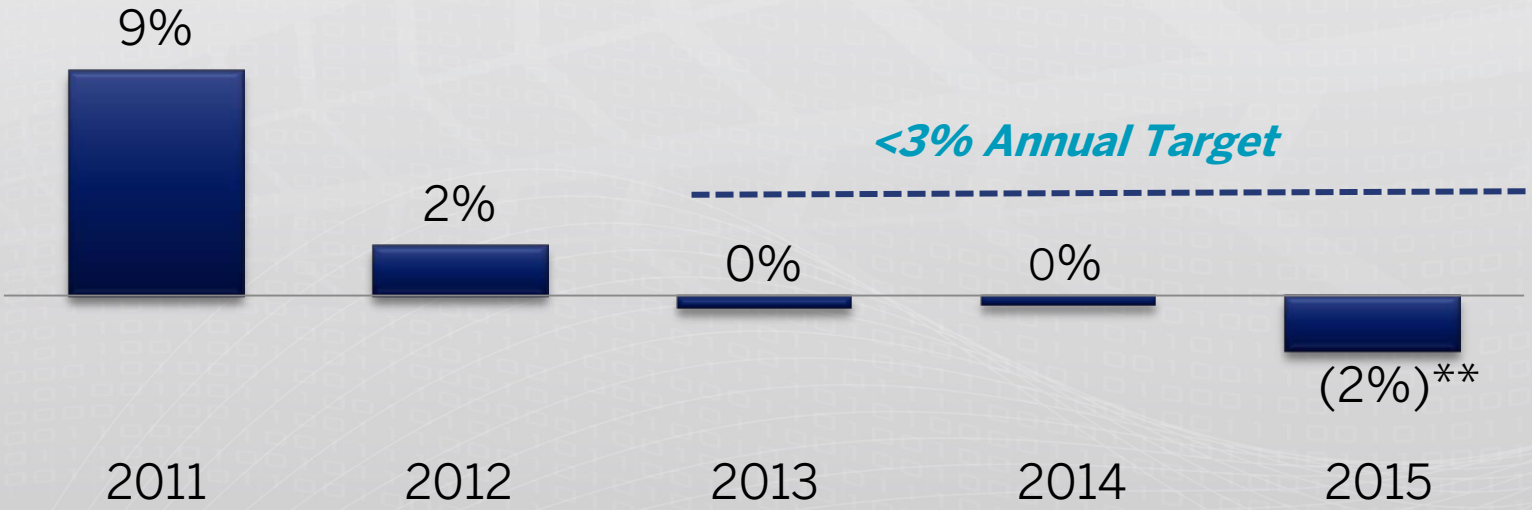
$13.4B

(7%)

**Adjusted Total expense and adjusted operating expense, non-GAAP measures, excludes Q4 2015 Enterprise Growth charge ($419MM) from total expenses and total operating expenses. See Annexes E and F for reconciliations.*

Adjusted Total Operating Expense Growth*

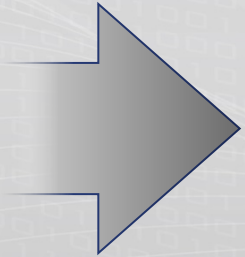
% Increase/(decrease) vs. prior year:



**The growth rate of adjusted total operating expenses, a non-GAAP measure, excludes Visa/MasterCard litigation settlement proceeds from 2011-2012, restructuring charges in Q4'12, Q2'14 and Q4'14, Q3'13-Q4'13 Business Travel operating expenses (with respect to the 2014 and 2015 growth rates only), Q1'14 and Q2'14 Business Travel operating expenses (with respect to the 2015 growth rate only), Q2'14 Business Travel JV gain and transaction-related costs, Q2'14 AXP Foundation contribution and Q4'15 Enterprise Growth charge from total operating expenses . Reported operating expense growth rates were 12%, 10%, (3%), (6%) and (3%) for 2011, 2012, 2013, 2014 and 2015, respectively. Refer to Annex F for a reconciliation of adjusted growth rates and their components. **FY'15 Adjusted Total Operating Expense Growth, on an FX-Adjusted basis, a non-GAAP measure, increased 2%.*

Resetting Our Cost Base

	2015
Card member Rewards	$7.0B
Cost of Card member Services	$1.0B
Adj. Operating Expenses*	$11.3B
Marketing & Promotion	$3.1B
Adj. Total Expenses*	**$22.4B**



2017 Exit Run Rate

Operating Expenses

+

Marketing & Promotion

=

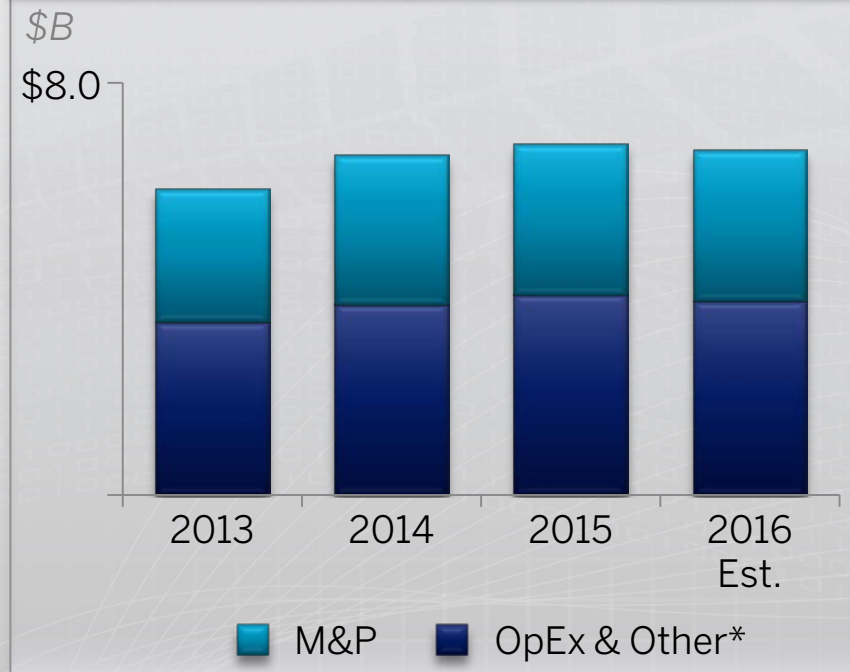
$13.4B

(7%)

**Adjusted Total expense and adjusted operating expense, non-GAAP measures, excludes Q4 2015 Enterprise Growth charge ($419MM) from total expenses and total operating expenses. See Annexes E and F for reconciliations.*

2016 Strategic Growth Initiatives

Spending on Growth & Efficiency Initiatives



2016 Areas of Focus

Card Member Acquisition (~30%)

- U.S. and International Consumer, Global Commercial

Share of Wallet (~30%)

- Card Member engagement
- Expansion of merchant coverage (e.g. OptBlue)
- Lending on Charge, international lending, new lending constructs

Key New Initiatives (~10%)

- Loyalty coalition business, digital

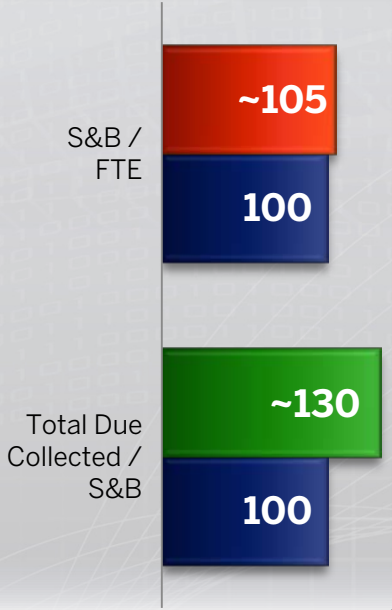
Other Initiatives (~30%)

- Brand, service, technology, control and compliance, and other business initiatives

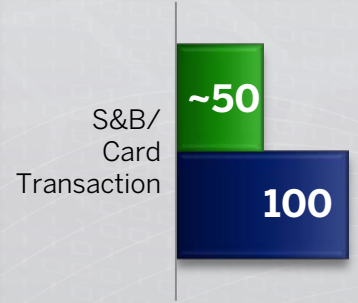
*Other includes spending on growth and efficiency initiatives that are reported as contra revenue.

AXP Expense Base vs. Benchmarks

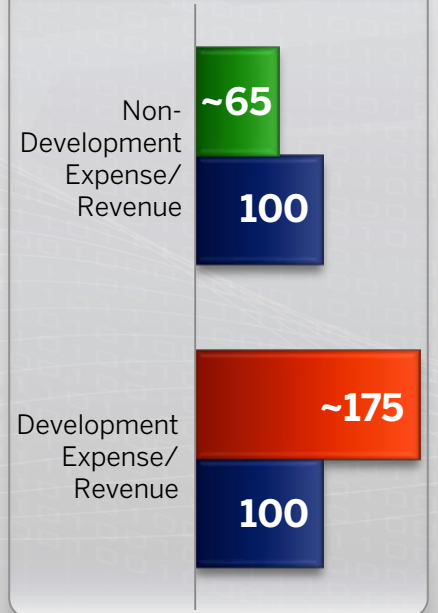
Collections
U.S. credit card issuer benchmark



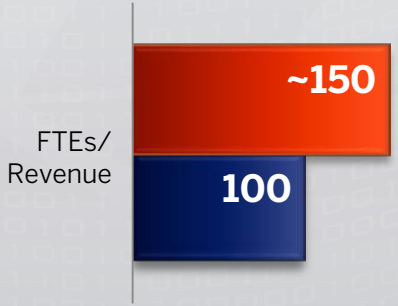
Customer Service
U.S. credit card issuer benchmark



Technology
Financial Services benchmark



Marketing
Financial Services benchmark



See Glossary for certain key terms.

Transforming How We Work



	Targeted Saves
Streamline Organizational Structure	~ $500MM
Re-Engineer Key Processes	~ $400MM
Leverage Policies	~ $100MM

Streamline Organizational Structure

Customer Segments

- Global Consumer
- Global Commercial
- Global Merchant & Loyalty

Shared Services

- Global Services
- Risk & Compliance

Global Commercial Services

October 2015

GLOBAL CORPORATE PAYMENTS

OPEN



SMALL BUSINESS SERVICES INTERNATIONAL

FX INTERNATIONAL PAYMENTS

MERCHANT FINANCING

Reengineer Key Processes

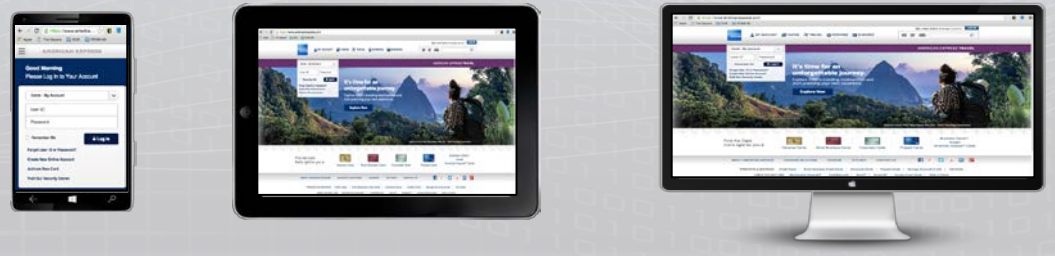


Example: Marketing Operations & Digital Centers of Excellence

Marketing Operations Center of Excellence

- Campaign Execution
- Content Management
- Marketing Compliance Review

Enterprise Digital Center of Excellence



Leverage Policies



Sourcing



Spending Policies



Location Strategy

Example: Global Servicing Footprint

World Service & Global Credit Administration Headcount



We've Done It Before

- Streamline Organizational Structure
- Re-Engineer Key Processes
- Leverage Policies

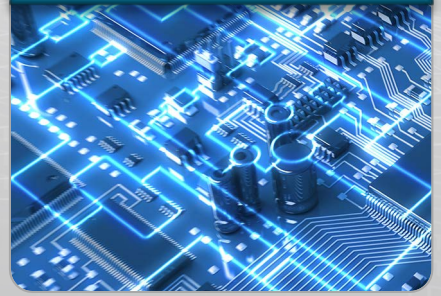
World Service



Global Credit Administration



Technology

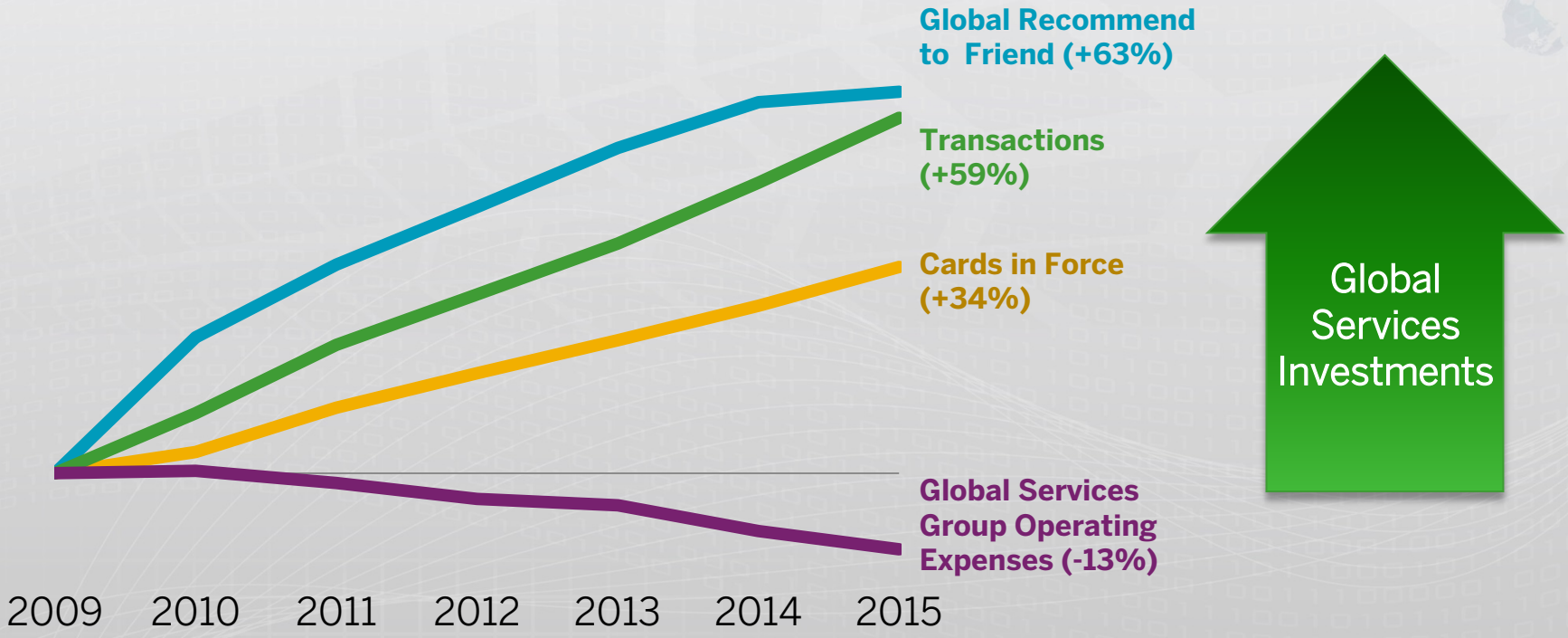


Global Business Services



Global Services Productivity

Indexed to 2009



See Glossary for certain key terms.

Summary – Targeted Saves

Structure
~$500MM

Process
~$400MM

Policy
~$100MM



$1B

2017 Exit Run Rate Saves


AMERICAN
EXPRESS



Financial Outlook

Jeff Campbell

Executive Vice President and Chief Financial Officer

Recap

1 **Context on Growth Position**

Ken Chenault

2 **Growth Potential and Strategies**

Doug Buckminster
Steve Squeri
Anré Williams

3 **Resetting Our Cost Base**

Steve Squeri

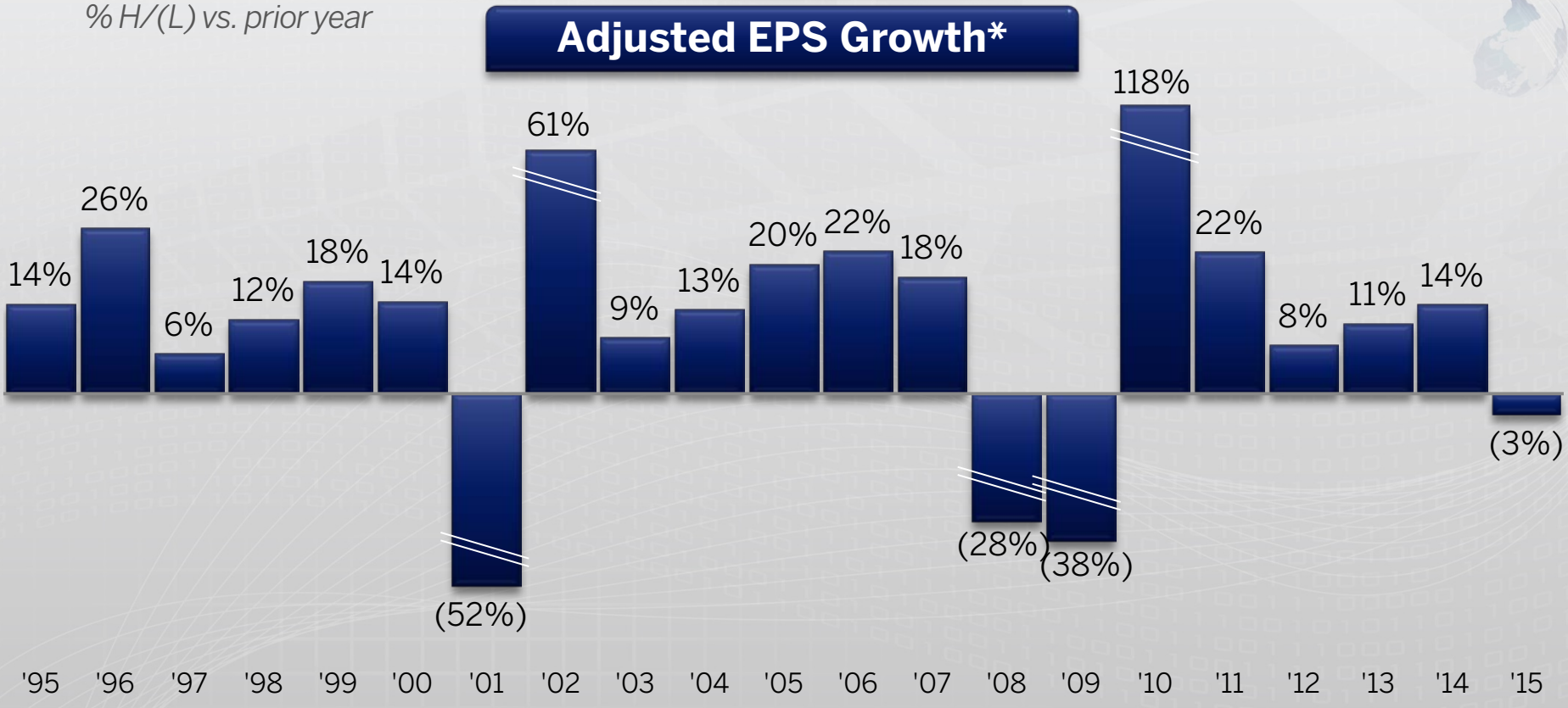
Agenda

4 **Financial Outlook**

- **A** 2015 Results
- **B** 2016/2017 Outlook
- **C** EPS Growth Scenarios
- **D** Q1'16 Outlook

American Express has had a strong financial track record for 20+ years

% H/(L) vs. prior year



*Adjusted earnings per share from continuing operations is a non-GAAP measure and exclude Q4'12 and Q4'15 charges. See Annex D for a reconciliation to EPS on a GAAP basis.

Financial Growth Drivers



2015 Summary Financial Performance

% H/(L) vs. LY; except per share amounts and where otherwise noted

	FY'15 Inc/(Dec) Reported	FY'15 Inc/(Dec) Adjusted*
Billed Business ($ in B)	2%	6%
Total WW Card Member Loans ($B)	(17%)	6%
Total Revenues Net of Interest Expense	(4%)	4%
Total Opex	(3%)	2%
Diluted EPS	$5.05	$5.38

** Adjusted billed business is adjusted for FX (see Glossary for an explanation of FX-adjusted information); adjusted worldwide Card Member loans, a non-GAAP measure, is adjusted for FX and includes in Q4'15 Card Member loan balances related to cobrand partnerships with Costco in the U.S. and JetBlue, now classified as held for sale (see Annex G for a reconciliation); total revenues 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 is a non-GAAP measure (see Annex G for a reconciliation); adjusted total operating expenses, a non-GAAP measure, excludes restructuring charges in Q2'14 and Q4'14, H1'14 Business Travel operating expenses, Q2'14 Business Travel JV gain and transaction-related costs, Q2'14 AXP Foundation contribution and Q4'15 Enterprise Growth charge from total operating expenses (see Annex F for a reconciliation); adjusted Diluted EPS, a non-GAAP measure, exclude the Q4'15 Enterprise Growth charges (see Annex E for a reconciliation).*

2016/2017 External Environment and Outlook

- Build projections based on economic consensus
  - U.S. and Global GDP growth in 2016 and 2017 expected to remain below historical average*
  - Forward curve anticipates 50 bps increase in interest rates by end of 2017
  - Unemployment rate continues gradual improvement through 2017*
  - Exchange rates remain at current levels
- Assume no further changes in regulatory environment

*GDP consensus per Blue Chip for the U.S. and IMF for International; Unemployment estimates per U.S. Bureau of Economic Analysis.

EPS Growth Outlook – Q4'15 Earnings Call

2016

$5.40-$5.70

Forward-Looking Statements

- Expect modest uptick in billings growth rates beginning in the first quarter
- Tax rate between 34% and 35%

2017

≥$5.60

Forward-Looking Statements

- Operating expenses targeted to be at least 3% lower than the 2015 adjusted base of $11.3B*

2016 and 2017

Forward-Looking Statements

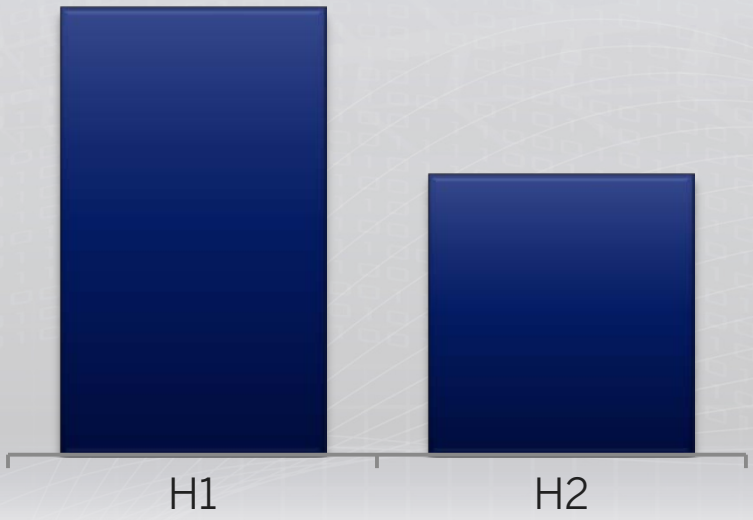
- Loan growth to contribute to increased provision
- Expect to see upward pressure on write-off rates, due primarily to the seasoning of loans
- Excludes impact of any restructuring charges and other contingencies

** Adjusted Operating Expenses, a non-GAAP measure, excludes the Q4'15 Enterprise Growth charge ($419MM) from Total Operating Expenses of $11.8B*

Expect 2016 results to be uneven by quarter

Illustrative 2016 EPS Trend

$, not to scale



Outlook Commentary

Key Drivers

- Costco
  - Portfolio Sale Gain
  - Capital Impact
  - Related Economics
- Investment Level & Timing
- Revenue Expectations

Full-Year Outlook

- $5.40-5.70 (ex-restructuring)

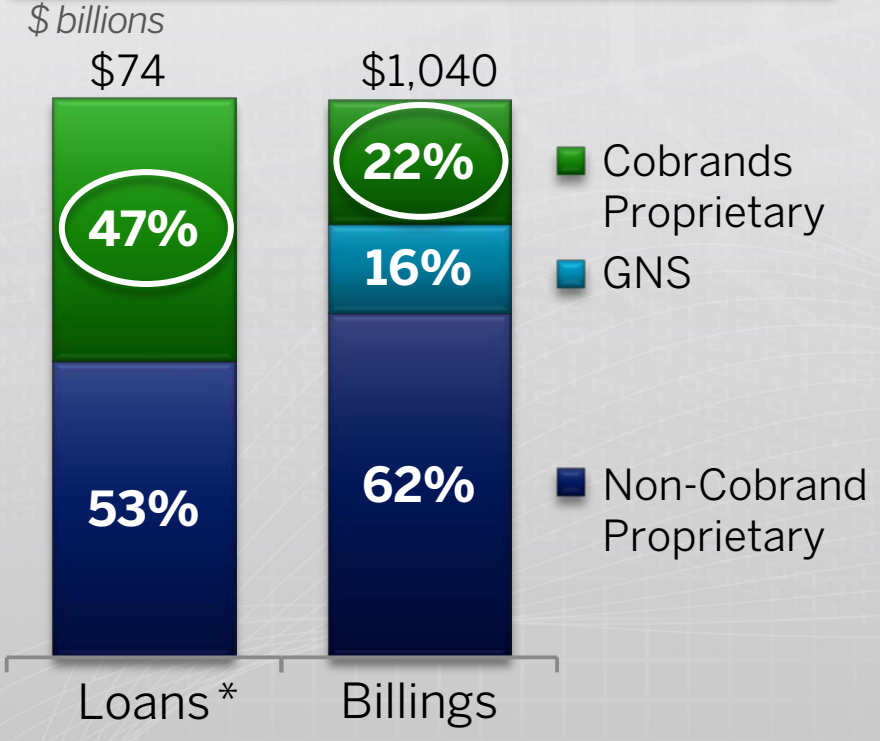
2017 EPS Outlook Drivers

	2015	2017 Outlook
FX-Adj. Revenue		~5% CAGR
Provision		Grow w/Loans; plus seasoning
Rewards & CM Services		Grow slightly faster than Billed Business
Marketing & Promotion	$3.1 B	Down $0.2-0.4B
Adj. Operating Expenses	$11.3 B*	≤$10.9 B
Shares Outstanding		(~6%) per yr
EPS		≥$5.60

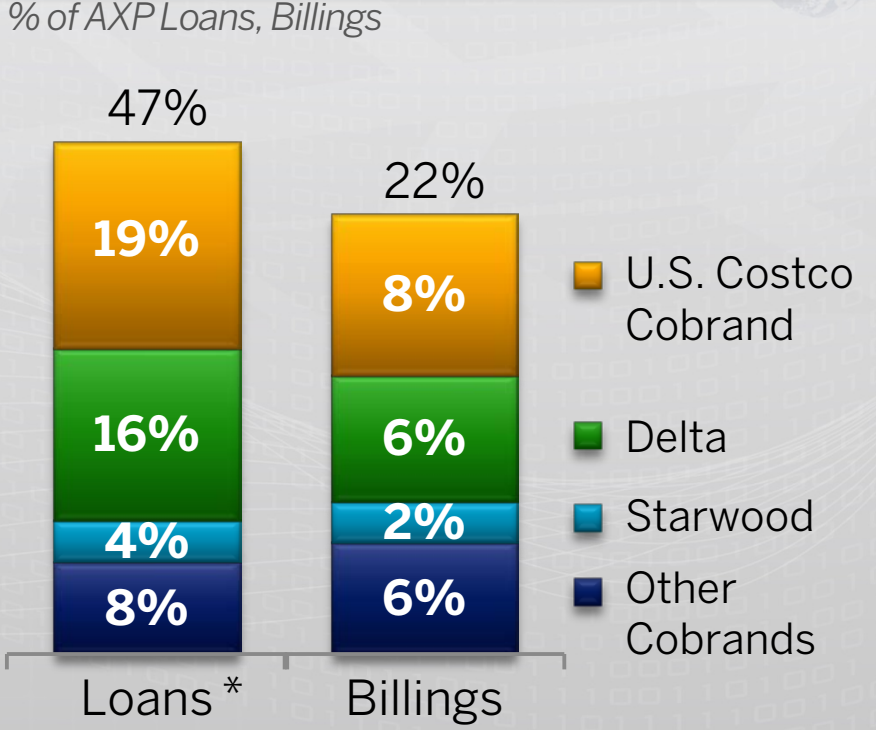
** Adjusted Operating Expenses, a non-GAAP measure, excludes the Q4'15 Enterprise Growth charge ($419MM) from Total Operating Expenses of $11.8B*

Cobrands make up a larger percentage of our loans than billings…

2015 Loans and Billings



Cobrand Loans and Billings

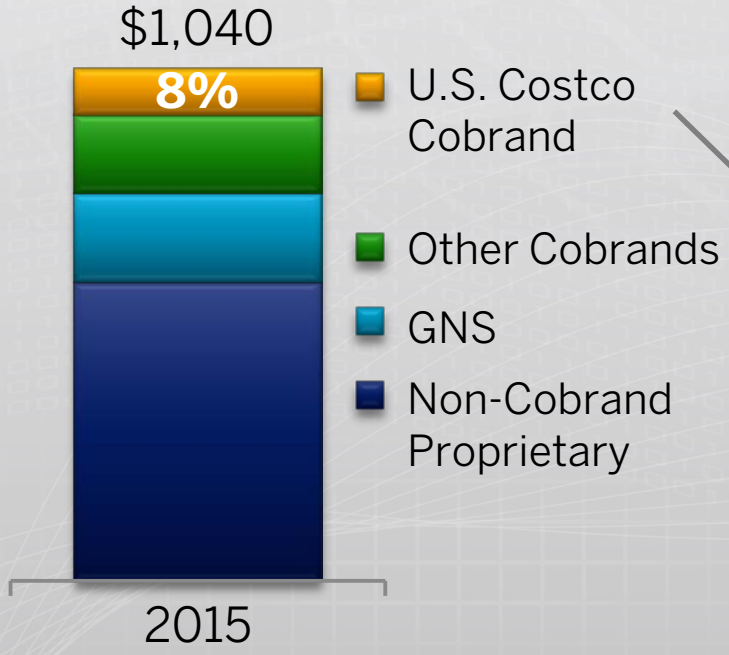


*Loan amounts include $15.1B of loan balances from Costco and JetBlue classified as Held-for-Sale as of 12/31/15.

...but the percentage will decline with the end of the Costco U.S. relationship in 2016...

AXP Billed Business

$ billions



Costco-Related Billed Business

$ billions

WW Billings	
Costco-related	**9%**



...which will reduce our core revenue.

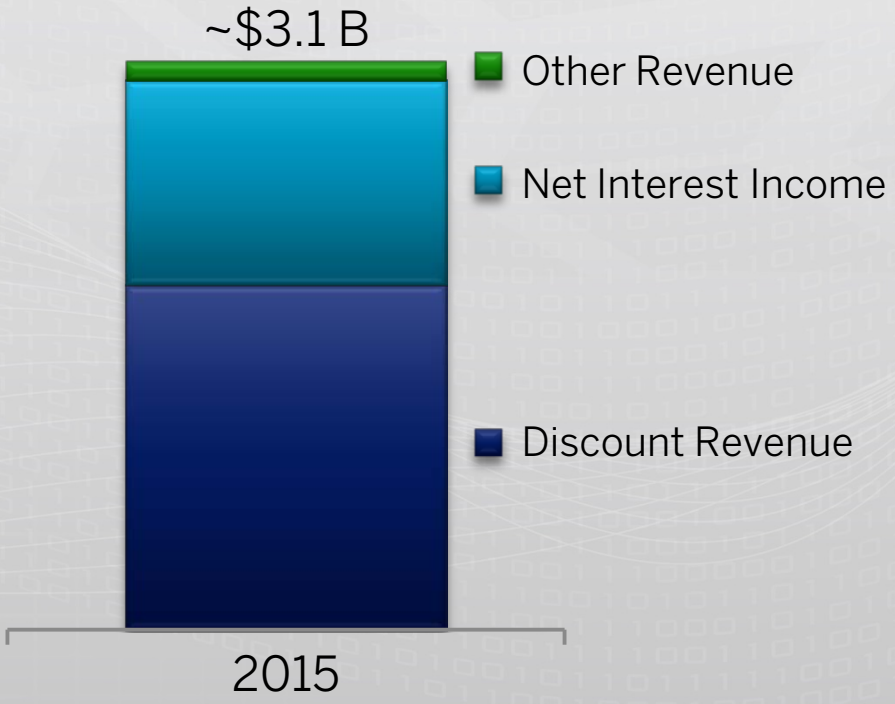
Costco U.S. Loans

19% of WW Loans

Costco U.S. Billings

9% of WW Billings

Est. Costco-Related Revenue*



*Other revenue and Net Interest Income from Costco cobrand Card Members; Discount Revenue from Costco and other merchants for out-of-store spend on the Costco cobrand card.

2017 EPS Outlook Drivers

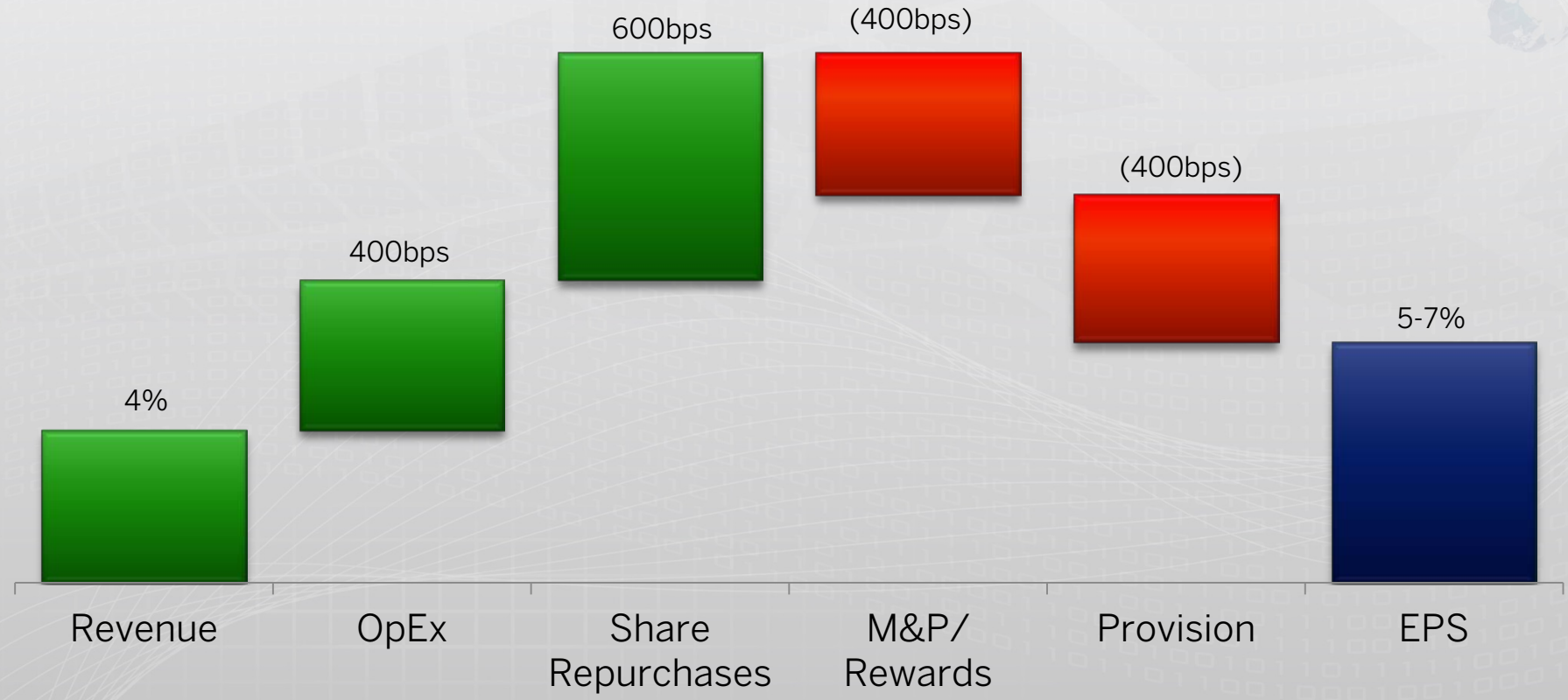
	2015	2017 Outlook
FX-Adj. Revenue	~$29 B*	~5% CAGR***
Provision		Grow w/Loans; plus seasoning
Rewards & CM Services		Grow slightly faster than Billed Business
Marketing & Promotion	$3.1 B	Down $0.2-0.4B
Adj. Operating Expenses	$11.3 B**	≤$10.9 B
Shares Outstanding		(~6%) per yr
EPS		≥$5.60

** 2015 adjusted revenues, a non-GAAP measure, excludes estimated Costco U.S. related revenue of ~$3.1B from 2015 total FX-adjusted revenues net of interest expense. See Annex H for a reconciliation. ** Adjusted Operating Expenses, a non-GAAP measure, excludes the Q4'15 Enterprise Growth charge of $419MM from Total Operating Expenses of $11.8B. *** FX-adjusted*

EPS Growth Scenarios

Revenue Growth	Key Drivers	EPS Growth
4%	▪ Credit ▪ Rewards Growth ▪ M&P Growth ▪ Opex ▪ Payout Ratio	5-7%
6%		10-12%

We believe we can drive moderate EPS growth with lower revenue growth…



Expect strategic initiatives to drive improved performance versus current trends.



Revenue Growth

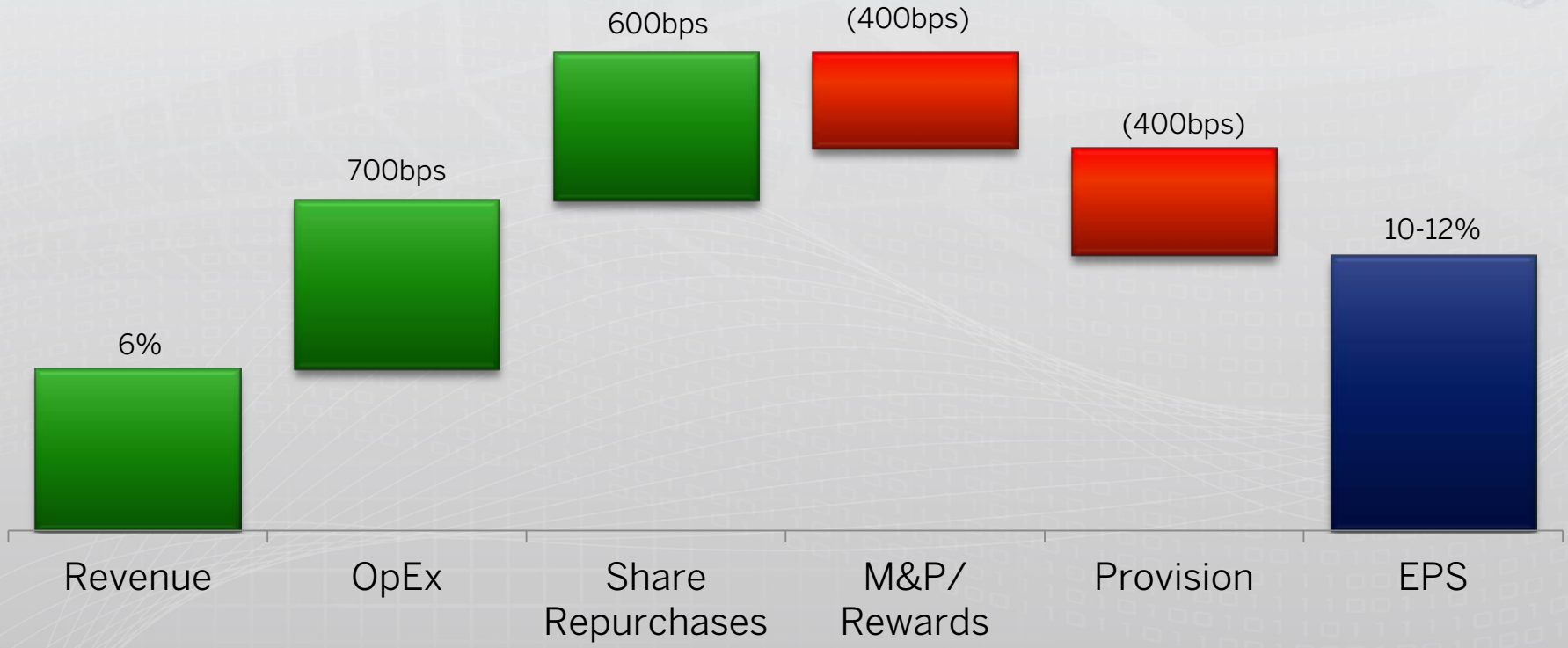


Revenue Growth

Incremental Growth Drivers

- Organizational Synergies
- Increase Share of U.S. Consumer Lending
- Grow Small Business & Middle Market
- Accelerated Coverage Expansion

...but our goal is to drive stronger performance through higher revenue growth.



Scenario Assumptions

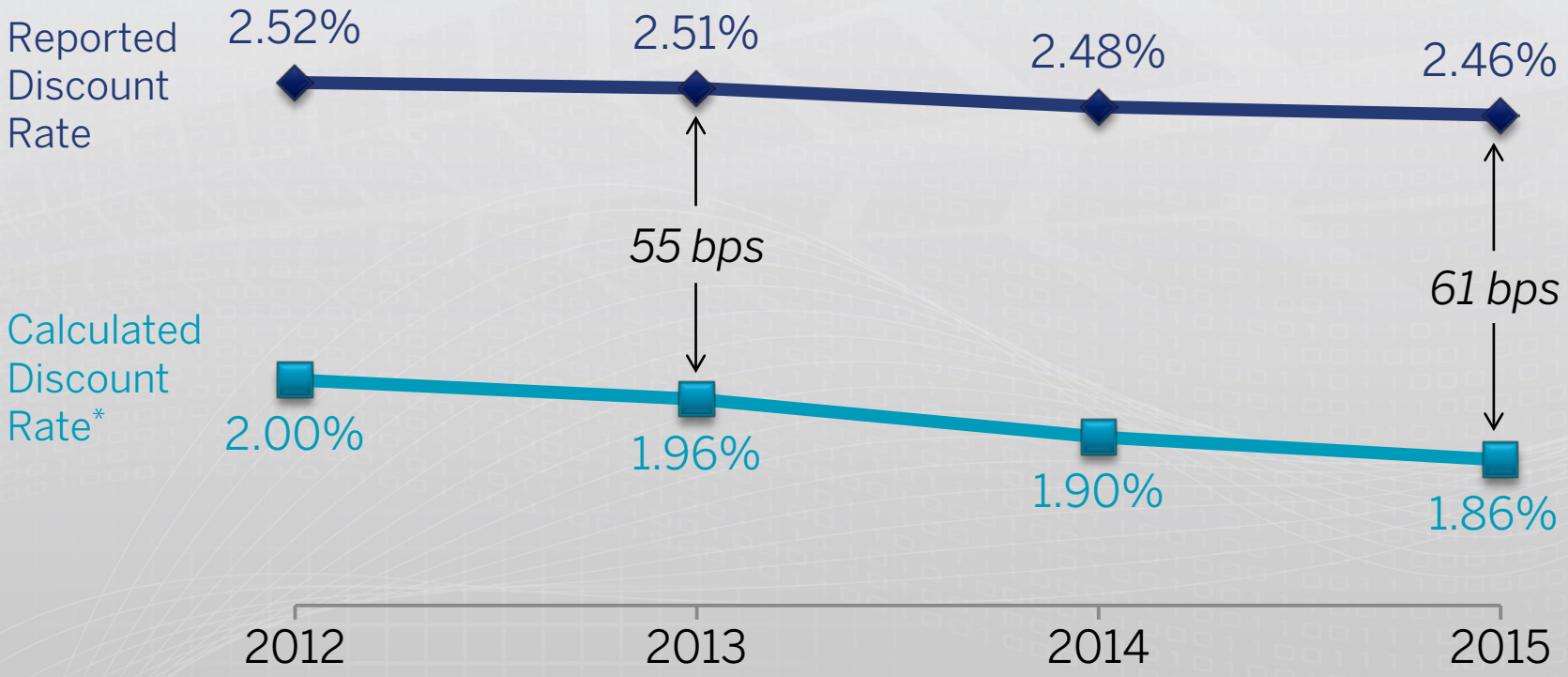
	Stronger Revenue Growth
BB Growth	8-10%
Loan Growth	9-11%

Scenario Assumptions

	Stronger Revenue Growth
BB Growth	8-10%
Loan Growth	9-11%
Calculated Discount Rate Erosion*	4-6 bps/yr
Reported Discount Rate	2-3 bps/yr
Other	2-3 bps/yr

*Calculated Rate represents Discount Revenue divided by Billed Business.

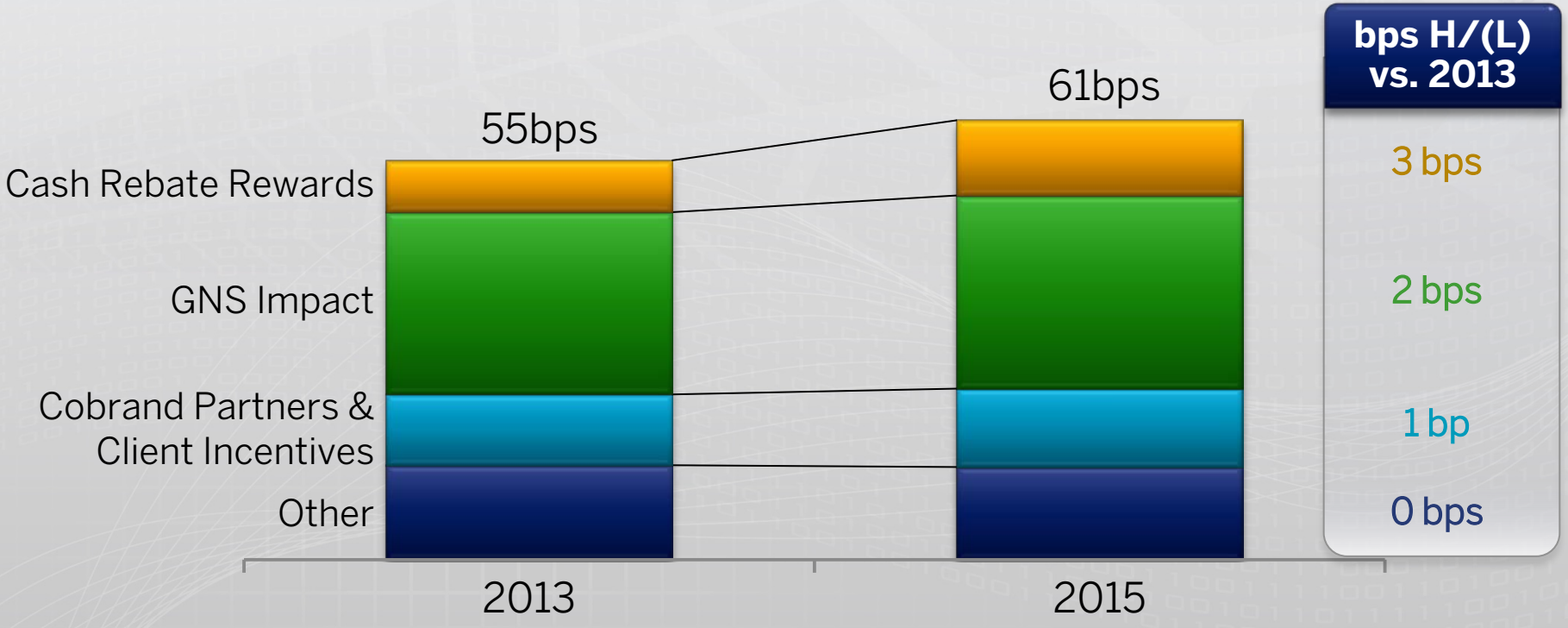
The gap between the reported and calculated discount rate has grown…



*Calculated Rate represents Discount Revenue divided by Billed Business.

...driven primarily by increases in Cashback volume & growth in GNS.

Difference between reported and calculated rate.



Note: Cash Rebate Rewards includes statement credits; Other includes Other issuer contra revenue and adjustments for volume from ATM, certain B2B transactions and spending in proprietary markets where AXP is not the merchant acquirer.

Scenario Assumptions

	Stronger Revenue Growth
BB Growth	8-10%
Loan Growth	9-11%
Calculated Discount Rate Erosion	4-6 bps/yr
Reported Discount Rate	2-3 bps/yr
Other	2-3 bps/yr
Revenue Growth	6%

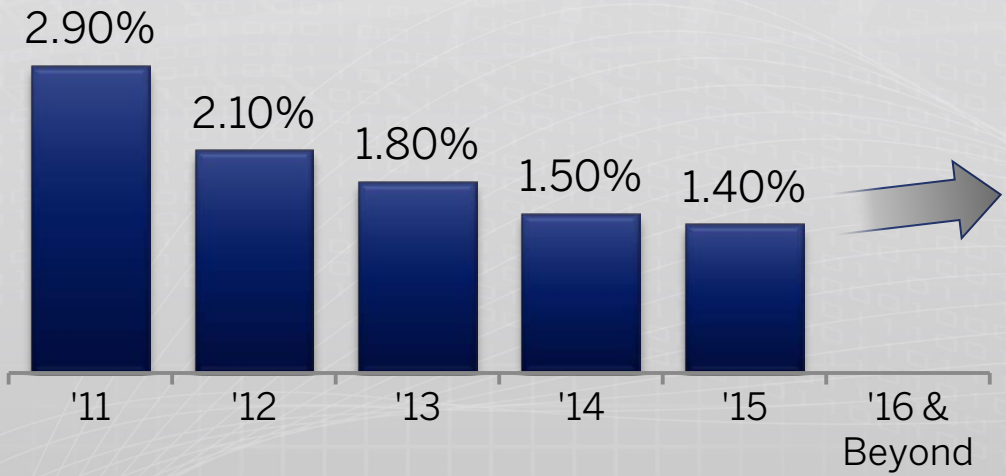
Scenario Assumptions

	Stronger Revenue Growth
BB Growth	8-10%
Loan Growth	9-11%
Calculated Discount Rate Erosion	4-6 bps/yr
Reported Discount Rate	2-3 bps/yr
Other	2-3 bps/yr
Revenue Growth	6%
Rewards Expense Growth	11-12%
Write-Off Rate Increase	15-25 bps/yr

Provision represents a headwind over the outlook period.

Lending Write-Off Rate Trend

Principal only



Outlook Commentary

- Continued strong loan growth from both existing and new Card Members
- Primary drivers of upward drift in write-off rates are seasoning and mix
- Industry performance driven in-part by employment environment

Scenario Assumptions

	Stronger Revenue Growth
BB Growth	8-10%
Loan Growth	9-11%
Calculated Discount Rate Erosion	4-6 bps/yr
Reported Discount Rate	2-3 bps/yr
Other	2-3 bps/yr
Revenue Growth	6%
Rewards Expense Growth	11-12%
Write-Off Rate Increase	15-25 bps/yr
M&P Growth	2-4%
Opex Growth	1-2%

Scenario Assumptions

	Stronger Revenue Growth
BB Growth	8-10%
Loan Growth	9-11%
Calculated Discount Rate Erosion	4-6 bps/yr
Reported Discount Rate	2-3 bps/yr
Other	2-3 bps/yr
Revenue Growth	6%
Rewards Expense Growth	11-12%
Write-Off Rate Increase	15-25 bps/yr
M&P Growth	2-4%
Opex Growth	1-2%
Payout Ratio	85%

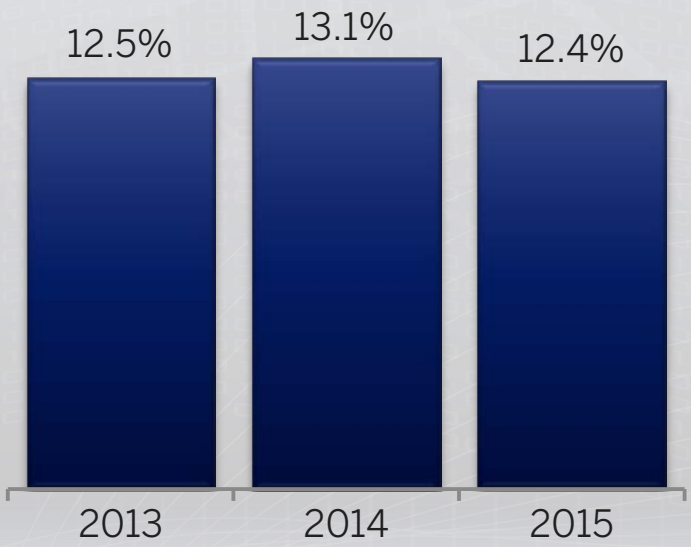
Track record of strong capital payout…



** Average quarterly dividend calculated from full-year common dividends paid. See Glossary for definition of Payout Ratio.*

...with capital strength remaining an important driver of earnings growth.

Tier 1 Common Ratio



Outlook Commentary

- CCAR Submission in early April
- Costco portfolio sale in June
- Regulatory environment

Tier 1 Common is Tier 1 Common under Basel I for 2013 and Common Equity Tier 1 under Basel III, inclusive of transition provisions, for 2014 and 2015. The 2013 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 I for a reconciliation between Tier 1 Common Equity and Total Shareholders' Equity.

Scenario Assumptions

	Stronger Revenue Growth
BB Growth	8-10%
Loan Growth	9-11%
Calculated Discount Rate Erosion	4-6 bps/yr
Reported Discount Rate	2-3 bps/yr
Other	2-3 bps/yr
Revenue Growth	6%
Rewards Expense Growth	11-12%
Write-Off Rate Increase	15-25 bps/yr
M&P Growth	2-4%
Opex Growth	1-2%
Payout Ratio	85%
EPS Growth	10-12%

Summary

- Payments industry in the midst of significant change
- Provided specific EPS targets for next two years
- Focused on execution across 2016 and 2017
- EPS Growth scenarios frame earnings potential
- Environment could drive results higher or lower

Q1'16 Outlook

- Volume and revenue trends
  - Sequential change vs. Q4'15
  - FX and other macro impacts
  - Cobrand
  - Discount Rate

- Other notable items
  - Investment Spending
  - JetBlue Portfolio Sale Gain
  - Restructuring


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Key Priorities

Accelerate Revenue Growth

Optimize Investments

Reset the Cost Base



Q&A


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Appendix


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Glossary (1 of 2)

- **Active Cards:** Consumers who collected and/or redeemed points at a Loyalty Coalition participating merchant during the calendar year presented.
- **Active Locations in Force (Active LIF):** Reflects merchant locations with at least one American Express card transaction over the past 12 months.
- **Billed Business Acquired (Spend from New Customers):** Reflects the first 12 months of spending for a new customer acquired. For customers acquired less than 12 months prior, internal estimates have been used for their expected spending over the 12 month period.
- **Card Billed Business:** Includes activities (including cash advances) related to proprietary cards, cards issued under network partnership agreements (non-proprietary billed business), corporate payment services and certain insurance fees charged on proprietary cards. In-store spending 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 United States or outside the United States based on where the issuer is located
- **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 spending) 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.
- **FTE:** Full-time equivalent
- **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 2015 foreign exchange rates apply to 2014 results). Certain amounts included in the calculations of FX-adjusted revenues and expenses, which constitute non-GAAP measures, are subject to management allocations.
- **Global Services Group Operating Expenses:** Represents direct operating expenses associated with all non-development technology operations, customer service, credit and collections, global security, and other support functions such as procurement and real estate.
- **Net Promoter Score (NPS):** The Net Promoter Score (NPS) measures the level of customer advocacy for AXP acceptance. The metric is calculated from ratings given by customers in response to a question that asks the customer if they were having a conversation with a peer regarding the cards they accept, how likely would they be to recommend to accept American Express, using a 1-10 scale where “1” means “Not at all Likely” and “10” means “Extremely Likely. customers who respond with a rating of 9 or 10 are “Promoters” while customers who respond with a rating between 1 and 6 are “Detractors.” The Net Promoter Score is calculated by subtracting the percentage of Detractors from the percentage of Promoters. The survey, conducted annually, is done via email and phone and administered by an independent research company on behalf of American Express.

Glossary (2 of 2)

- **Operating Expenses:** Represents salaries and employee benefits, professional services, occupancy and equipment, communications, and other, net.
- **Payout Ratio:** 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.
- **ROCE:** Return on average common equity, which is calculated by dividing one year period net income attributable to common shareholders by one year average common shareholders' equity.
- **Global Recommend to a Friend (RTF):** Measures a Card Member's satisfaction with the level of servicing provided by American Express customer care professionals. The metric is calculated from ratings given by Card Members in response to the question: "Based on this recent service experience, how likely are you to recommend American Express to a friend or colleague? Please use a 1 to 10 scale where '10' means 'extremely likely' and '1' means 'extremely unlikely.'" Card Members who respond with a rating of 9 or 10 are "Promoters" while Card Members who respond with a rating between 1 and 6 are "Detractors." RTF is the difference between the percentage of Card Members who are "Promoters" vs. "Detractors." Survey is conducted via email and administered by an independent research company on behalf of American Express. Responses across three channels (Telephone Servicing Center, Membership Rewards and Disputes) are gathered, and represents approx. 500K surveys in a 12 month period.
- **S&B:** Salaries and benefits.
- **Technology Development Expense:** Includes the cost of delivering new capabilities and platforms, and modernizing existing ones.

Annex A

AXP Marginal Contribution

($ in millions)

	2015
GAAP Consolidated PTI	$7,938
Marketing & Promotion	$3,109
Operating Expenses*	$11,769
Marginal Contribution	**$22,816**

	2015	Contribution
Fee(1)	$5,055	22%
Lend(2)	$5,045	22%
Spend(3)	$12,716	56%
Marginal Contribution	**$22,816**	**100%**

(1) Fee Revenue reflects Card Fees and Other Revenues excluding Conversion revenue, which is considered "spend" revenue, less Cost of Card Member Services and Other Expense.

(2) Lend Revenue reflects adjusted Net Interest Income, less Card Member Loans and Other Provision for Losses and Lending Cost of Funds.

(3) Spend Revenue reflects Discount Revenue, Conversion Revenue (reported within Other fees & commissions on the income statement), less Card Member Rewards expense, Charge Provision, Charge Interest expense and other adjustments.

**See Glossary for a definition of Operating Expenses*

Annex B

- *ICNS FX-Adjusted Billings Growth, ex-Canada*

% H/(L) vs. LY

	2014	2015
ICNS		
Reported	7%	(3%)
FX-Adjusted	11%	9%
ICNS Excl. Canada BB		
Reported		1%
FX-Adjusted		12%

See Glossary for an explanation of FX-adjusted information.

Annex C

U.S. Consumer Adjusted Loan Growth, ex-Costco

($ in billions)	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15
Reported Average Loans	$45.6	$45.5	$46.1	$47.2	$47.4	$47.8	$48.9	$50.4	$50.9	$51.1	$52.1	$50.5
Card Member balances related to Cobrand partnership with Costco in the U.S.	(9.8)	(9.9)	(10.2)	(10.5)	(10.6)	(10.8)	(11.2)	(11.6)	(11.6)	(11.5)	(11.4)	(8.4)*
Average Loans excluding Costco	**$35.8**	**$35.6**	**$35.9**	**$36.7**	**$36.8**	**$37.0**	**$37.7**	**$38.8**	**$39.3**	**$39.6**	**$40.7**	**$42.1**
YoY Reported Average Loan Growth					**4%**	**5%**	**6%**	**7%**	**7%**	**7%**	**7%**	**0%**
YoY Loan Growth excluding Costco					**3%**	**4%**	**5%**	**6%**	**7%**	**7%**	**8%**	**9%**

**Reflects average balances for October and November 2015 only. Effective December 1, 2015, Card Member loans related to the Costco cobrand partnership in the United States were transferred to Card Member loans held for sale on the Consolidated Balance Sheets.*

Annex D

Adjusted EPS Growth

	'94	'95	'96	'97	'98	'99	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15
EPS: Reported Income from Continuing Operations	0.90	1.03	1.30	1.38	1.54	1.81	2.07	1.00	1.61	1.75	1.98	2.38	2.91	3.44	2.47	1.54	3.35	4.09	3.89	4.88	5.56	5.05
Q4'12 Charges*																			0.51			
Q4'15 EGG Charge																						0.33
Adjusted EPS	0.90	1.03	1.30	1.38	1.54	1.81	2.07	1.00	1.61	1.75	1.98	2.38	2.91	3.44	2.47	1.54	3.35	4.09	4.40	4.88	5.56	5.38
YoY EPS Growth		14%	26%	6%	12%	18%	14%	(52%)	61%	9%	13%	20%	22%	18%	(28%)	(38%)	118%	22%	(5%)	25%	14%	(9%)
YoY Adjusted EPS Growth		**14%**	**26%**	**6%**	**12%**	**18%**	**14%**	**(52%)**	**61%**	**9%**	**13%**	**20%**	**22%**	**18%**	**(28%)**	**(38%)**	**118%**	**22%**	**8%**	**11%**	**14%**	**(3%)**

*Note: Reported Income from Continuing Operations in 1994 through 1999 are adjusted for the stock split that occurred in 2000. Not all periods are presented on a consistent basis, though the numbers presented represent the most recent publicly reported figures for the respective years. *Reflects restructuring charges, membership rewards estimation process enhancement expense and Card Member reimbursements recognized in Q4'12.*

Annex E

Adjusted Total Expenses

($ in billions)

	2015
GAAP Total Expenses	$22.9
EGG Impairment & Other Charges	($0.4)
Adjusted Total Expenses	**$22.4**

Adjusted Diluted EPS

($ in millions)

	FY'15
Diluted EPS Attributable to Common Shareholders	**$5.05**
Q4'15 Enterprise Growth Impairment Charge, After-tax*	$0.33
Adjusted Diluted EPS Attributable to Common Shareholders	**$5.38**

Figures may not foot due to rounding.

Annex F

Adjusted Total Operating Expense Growth

($ in millions)

	2010	2011	2012	2013	2013	2014	2014	2015
GAAP Total Operating Expenses	$10,916	$12,243	$13,447	$12,987	$12,987	$12,184	$12,184	$11,769
Visa/MasterCard Settlement Payments	$880	$580						
Restructuring Charges*			($400)			($446)	($446)	
EGG Impairment & Other Charges*								($419)
Q2'14 Global Business Travel Transaction								
Q2'14 GBT Transaction Gain						$626	$626	
Q2'14 GBT Trans-related Costs						($79)	($79)	
AXP Foundation Contribution*						($40)	($40)	
GBT Operating Expenses**					($696)		($668)	
Adjusted Total Operating Expenses	$11,796	$12,823	$13,047	$12,987	$12,291	$12,245	$11,577	$11,350
FX- and Adj. Total Operating Expenses							$11,150	
YoY% Increase/Decrease in GAAP Total Operating Expenses		**12%**	**10%**	**(3%)**		**(6%)**		**(3%)**
YoY% Increase/Decrease in Adjusted Total Operating Expenses		**9%**	**2%**	**0%**		**0%**		**(2%)**
YoY% Increase/Decrease in FX-and Adjusted Total Operating Expenses* **								**2%**

**To the extent comparable categories of charges were recognized in periods other than the periods indicated above, they have not been excluded. **Represents operating performance of Global Business Travel as reported in Q3'13-Q4'13 and H1'14. Does not include other Global Business Travel-related items in the periods indicated above, including transaction-related costs and impacts related to a transition services agreement that will phase out over time. ***See Glossary for an explanation of FX-adjusted information.*

Annex G

Adjusted Loan Growth

($ in billions)

	2014	2015
Worldwide Loans	**$70.4**	**$58.6**
Worldwide Loans, FX-Adj.	$69.6	
Costco and JetBlue Loans Held for Sale		$15.1
Worldwide Loans including Held for Sale portfolio, FX-Adj. *	$69.6	$73.7
YoY WW Loan Growth on a GAAP basis		(17%)
YoY WW Loan Growth including Held for Sale portfolio, FX-Adj. *		6%

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

($ in millions)

	2014	2015
GAAP Revenue Net of Interest Expense	$34,188	$32,818
Global Business Travel Revenue Net of Interest*	($741)	
Q4'14 Gain on Sale of Concur Investment	($719)	
Revenue Net of Interest Excluding GBT and Concur	$32,728	$32,818
FX** - Adjusted Revenue Net of Interest Excluding GBT and Concur	$31,539	
YoY% Increase/Decrease in GAAP Revenue Net of Interest		**(4%)**
YoY% Increase/Decrease in Adjusted Revenue Net of Interest Excluding GBT and Concur		**0%**
YoY% Increase/Decrease in FX- Adjusted Revenue Net of Interest Excluding GBT and Concur		**4%**

** 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. **See Glossary for an explanation of FX-adjusted information.*

Annex H

- *Revenue Net of Interest Adjusted for FX and Costco*

($ in billions)

	2015
GAAP Revenue Net of Interest Expense	$32.8
FX Adjusted Revenue Net of Interest Expense*	~$32.5
2015 Estimated Costco-related Revenue**	~$3.1
Adjusted Revenue Net of Interest Excluding Costco	~$29.4

** FX-adjusted Revenue net of interest expense, a non-GAAP measure, adjusts FY'15 revenue using February 2016 month-end rates. See Glossary for an explanation of FX-adjusted information. **Other revenue and Net Interest Income from Costco co-brand Card Members; Discount Revenue from Costco and other merchants for out-of-store spend on the Costco co-brand card.*

Annex I

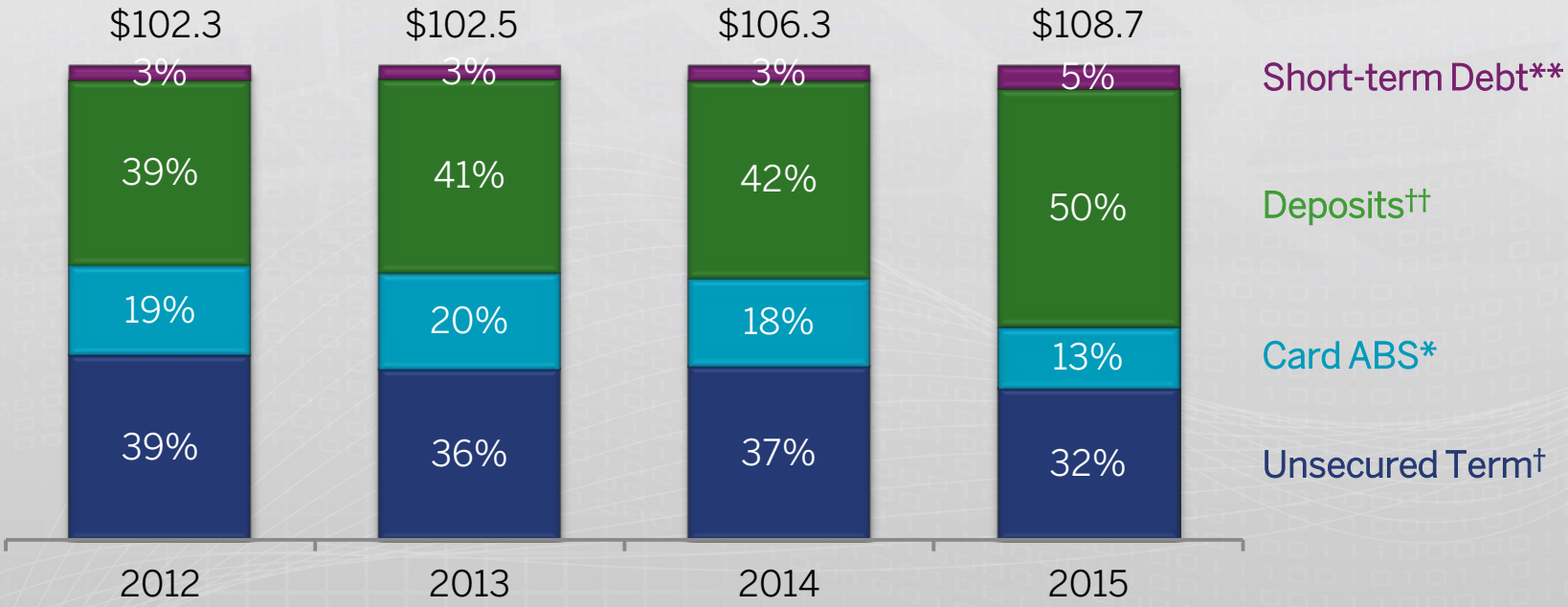
- *The Tier 1 Common Risk-Based Capital Ratio is calculated as Tier 1 Common Equity, a non-GAAP measure, divided by Risk-weighted assets. Tier 1 Common Equity is calculated by reference to Total Shareholders' Equity as shown below:*

	12/31/2013
Total Shareholders' Equity	$19,496
Effect of certain items in accumulated other comprehensive loss excluded from Tier 1 common equity	$336
Less	
Ineligible goodwill and intangible assets	($3,474)
Ineligible deferred tax assets	($192)
Tier 1 Common Equity	**$16,166**

Annex J – Outstanding Funding Composition

($ in billions)

Funding Mix



*Reflects face amount of card ABS, net of securities retained by the Company. **Short-term Debt includes commercial paper and other short-term borrowings. In Q1'12, the Company reclassified prospectively certain short-term debt obligations from Other Liabilities. †Principal only. Excludes capitalized leases and certain adjustments classified as long-term debt on the Company's consolidated balance sheet. ††Beginning the first quarter of 2013, the Company reclassified prospectively Card Member credit balances from Card Member loans, Card Member receivables and Other liabilities to Customer deposits.

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 earnings per common share ("EPS") growth between $5.40 and $5.70 for 2016 and at least $5.60 for 2017, which will depend in part on the following: an acceleration of billed business and revenue growth, which could be impacted by, among other things, weakening economic conditions in the U.S. or internationally, a decline in consumer confidence impacting the willingness and ability of Card Members to sustain spending, a further decline in 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, 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, growing loyalty coalitions and increasing merchant acceptance; the timing and impact of the expected sale of the Costco U.S. Card Member loan portfolio; realizing incremental economics associated with the Costco U.S. contract extension, which could be impacted by, among other things, Card Member behavior, including the desire of Costco U.S. Card Members to continue to use their Costco U.S. cobrand cards and the availability to those Card Members of other payment forms; the impact of any potential 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 in line with current expectations; continued growth of Card Member loans held for investment; 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; 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 being in the 34-35% range, which could be impacted by, among other things, the Company's geographic mix of income being weighted more to higher tax jurisdictions than expected 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;

Forward Looking Statements

• the actual amount to be spent on growth initiatives, including on marketing and promotion, technology development and commercial capabilities, 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, the amount of any potential gain arising from a sale of the Costco U.S. Card Member loan portfolio management decides to spend on growth initiatives, contractual obligations with business partners, the ability of the Company to successfully update its systems and platforms, 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, and the Company's ability to realize efficiencies, optimize investment spending and control expenses to fund such spending;

• the ability of the Company to reduce its overall cost base by $1 billion by the end of 2017, including reducing costs by streamlining the organization structure, reengineering key processes and leveraging policies and standards, and to realize the full benefit of the Company's actions by the beginning of 2018, which will depend in part on the timing and financial impact of future reengineering plans (including whether the Company will recognize restructuring charges in future periods and the expected size of any such charges), 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, underestimating hiring needs related to some of the job positions being eliminated and other employee needs not currently anticipated, lower than expected attrition rates and higher than expected redeployment rates; the ability of the Company to identify synergies and redundancies within its organizational structure, as well as reduce management layers; 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 mailing costs, competitive pressures that may require additional expenditures or limit the Company's ability to reduce costs, contractual obligations with business partners, 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 by at least 3 percent in 2017 relative to the adjusted 2015 base, 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;

Forward Looking Statements

• the Company's lending write-off rates increasing more quickly 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, 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 Card Member loans held for investment, including by targeting new lending prospects and deepening relationships with current customers and developing new lending services, 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 services and rewards programs, attract new Card Members, reduce Card Member attrition and capture a greater share of existing Card Members' spending and borrowings;

•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;

•uncertainties associated with the timing and impact of the expected sale of the Costco U.S. Card Member loan portfolio and the extension of the merchant acceptance agreement, such as operational issues related to the transfer of Card Member loans and accounts, the parties' ability to satisfy the closing conditions and the amount of any gain recognized by the Company as a result of a sale, which could be impacted by the credit quality and performance of the portfolio, the amount of any volume decline experienced by the cobrand portfolio and the timing of the potential sale as the gain will be determined by the amount of the aggregate outstanding loans transferred at closing;

•the possibility that the Company will not execute on its plans to significantly increase merchant coverage and achieve parity coverage with other card networks in the U.S. by 2019, 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 to accept American Express, 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;

Forward Looking Statements

•the erosion of the average discount rate by a greater amount than anticipated during 2016, 2017 and beyond, including as a result of changes in the mix of spending by location and industry, merchant incentives and concessions, volume-related pricing discounts, strategic investments, certain pricing initiatives, competition, pricing regulation (including regulation of competitors' interchange rates) and other factors;

•the ability of the Company to execute its strategy with respect to Loyalty Coalitions, which will depend in part on the Company's success in continuing to attract new customers and partners, including by expanding into new countries, improving the value to merchants and collectors and innovating new features that are attractive to merchants and collectors;

•the Company's ability to attract and retain Card Members, which will be impacted in part by competition, brand perceptions 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 update systems and platforms to support new products, services and benefits;

•changes in the Company's share of Card Member spending and borrowings, which will depend on the behavior of the Company's Card Members and their actual spending patterns, which may be driven in part by the Company's ability to issue new and enhanced card products, expand merchant acceptance, enhance functionality and offer attractive services and rewards programs, including effectively deploying offers in digital and other channels;

•the ability of the Company to maintain and expand its presence in the digital payments space, including online and mobile channels, and increase digital acquisition and engagement, which will depend on the Company's success in evolving its business models and processes for the digital environment, offering attractive value propositions to new Card Members to incentivize the use of and enhance satisfaction with the Company's digital channels, building partnerships and executing programs with other companies, investing in additional functionality and utilizing digital capabilities that can be leveraged for future growth;

•the ability of the Company to grow in international markets, including increasing merchant coverage and leveraging our product suite and digital capabilities in countries outside the United States, which could be impacted by business practices that favor local competitors or prohibit or limit 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, among other businesses; the Company's ability to tailor products and services to make them attractive to local customers; the success of OptBlue merchant acquirers, One Point agents and other acquiring partners in signing merchants to accept American Express, which could be impacted by the value proposition offered to merchants and the relevance of American Express in the local market; and competitors with more scale and experience and more established relationships with relevant customers, regulators and industry participants;

Forward Looking Statements

•uncertainty relating to the ultimate outcome of the antitrust lawsuit filed against the Company by the U.S. Department of Justice and certain state attorneys general, including the success or failure of our appeal and the impact on existing private merchant cases and potentially additional litigation and/or arbitrations;

•changes affecting the ability or desire of the Company to return capital to shareholders through dividends and share repurchases, including the opportunity for incremental capital returns related to the Costco U.S. portfolio sale, 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;

•the possibility the actual amount the Company's new Card Members spend during their first full year as Card Members will be lower than estimated, which will depend in part on factors such as changes in the economic and business environment, the Company's ability to successfully identify higher spending Card Members, the effectiveness of the Company's marketing and loyalty programs to continue to engage Card Members and the willingness of Card Members to sustain their spending at current levels;

•legal and regulatory developments wherever we do business, including with regard to broad payment system regulatory regimes, such as in Europe and Australia, consumer financial product protection actions by the CFPB and other regulators and the 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; and

•factors beyond the Company's control such as changes in global economic and business conditions, including consumer and business spending, the availability and cost of credit, unemployment and political conditions, foreign currency rates, 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 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 and the Company's other reports filed with the Securities and Exchange Commission.