

American Express Company
William Blair 2013 Growth Conference

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AMERICAN EXPRESS

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Company Overview

Closed-Loop Network

Merchant Acquirer

Network

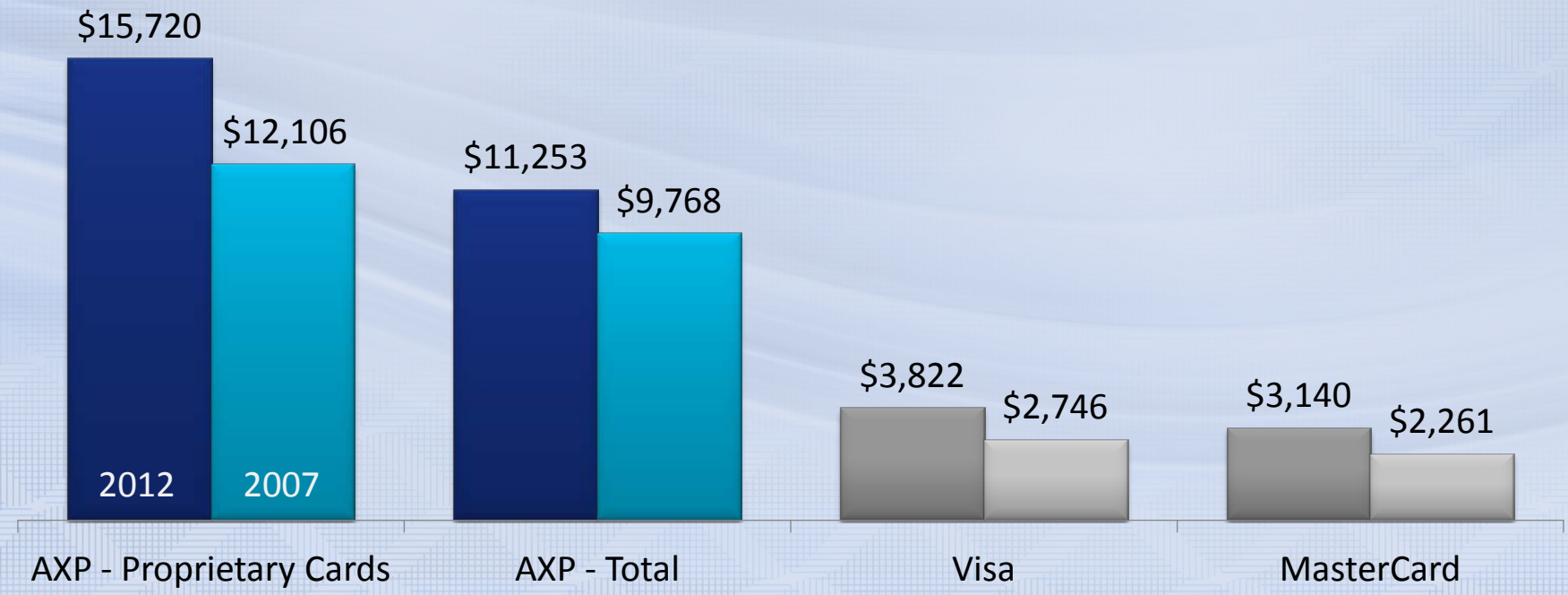
Payment Issuer

Spend-Centric Model



High Spending Cardmembers

2012 vs. 2007 – Worldwide Average Cardmember Spend



Note: Calculated using a five point average of worldwide total basic cards in force for AXP and credit card and charge accounts for Visa and MasterCard (excludes debit and cash).
Source: Company reports, 2012 data based upon four-quarters-ended December 31, 2012, 2007 data based upon four-quarters-ended December 31, 2007.

AXP Share of U.S. Charge/Credit Purchase Volume



SOURCE: The Nilson Report. General Purpose Charge and Credit. Excludes cash advances.

AXP Financial Targets

On average and over time:

Revenue	EPS	ROE
8% +	**12-15%**	**25% +**

2010-2012 Performance Against Financial Targets

$ in billions; except per share amounts

	2010	2012	'10-'12 CAGR
Total Revenues Net of Interest Expense	$27.6	$31.6	7%
Adjusted Diluted EPS*	$3.40	$4.40	14%
			2 Yr. Avg.
Return on Average Equity	28%	23%	25%
Adjusted Return on Average Equity**		26%	27%
P&L Benefits			**Change vs. '10**
Reserve Release	*$2.3*	*$0.4*	*($1.9)*
Visa/MasterCard Settlement Payments	*$0.9*	*$0.0*	*($0.9)*

**Attributable to common shareholders. Represents net income less earnings allocated to participating share awards and other items of $51MM and $49MM for 2010 and 2012, respectively. Adjusted Diluted EPS is a non-GAAP measure. See Annex 1 for a breakout of the adjustments and a reconciliation. **Adjusted Return on Average Equity is a non-GAAP measure. See Annex 2 for a breakdown of the adjustments and a reconciliation.*

Metric Trends

% increase/(decrease) vs. prior year

	Q1'12	Q2'12	Q3'12	Q4'12	Q1'13
Billed Business*	12%	7%	6%	8%	6%
*Billed Business FX Adjusted***	13%	9%	8%	7%	7%
Cardmember Loans	4%	4%	6%	4%	4%
Worldwide Lending Write-off Rate†	2.3%	2.2%	1.9%	2.0%	1.9%

**Card billed business includes activities (including cash advances) related to proprietary cards, cards issued under network partnership agreements (non-proprietary billed business), and certain insurance fees charged on proprietary cards. ** FX adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars (i.e. assumes Q1'13 foreign exchange rates apply to Q1'12 results, rates used for Q4'12 apply to Q4'11, etc.).. †Principal Only. See Statistical tables in Q1'13 Earnings Release for net write-off rates including interest and/or fees.*

Growth Opportunities

Core Businesses



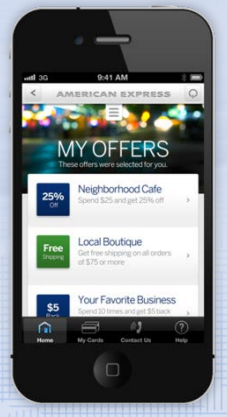
barclaycard



New Businesses

LOYALTY PARTNER



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Annex 1

Adjusted Diluted EPS Reconciliation

	2010	2012
Diluted EPS on a Net Income Basis, Attributable to Common Shareholders	$3.35	$3.89
*Q4'10 Restructuring Charge**	$0.05	
*Q4'12 Restructuring Charges**		$0.25
*Q4'12 Membership Rewards Estimation Process Enhancement Expense**		$0.19
*Q4'12 Cardmember Reimbursements **		$0.07
Adjusted Diluted EPS on a Net Income Basis, Attributable to Common Shareholders	***$3.40***	***$4.40***

*To the extent comparable categories of items were recognized in Q1'10-Q3'10 or Q1'12-Q3'12, they were not excluded from FY 2010 or FY2012 adjusted diluted EPS, respectively.

Attributable to common shareholders. Represents net income less earnings allocated to participating share awards and other items of $49MM and $51MM for 2012 and 2010, respectively.

Annex 2

Adjusted Return on Average Equity	**2012**	
($ in millions)		
GAAP Net Income	$ 4,482	*(A)*
Adjustments for Q4'12 Charges (After-Tax)		
Restructuring Charges	$ 287	
Membership Rewards Estimation Process Enhancement Expense	$ 212	
Cardmember Reimbursements	$ 95	
Adjusted Net Income	$ 5,076	*(B)*
GAAP Average Shareholders' Equity	$ 19,425	*(C)*
Adjustment for Q4'12 Charges	$ 46	
Adjusted Average Shareholders' Equity	$ 19,471	*(D)*
GAAP Return on Average Equity	23.1%	*(A)/(C)*
Adjusted Return on Average Equity	26.1%	*(B)/(D)*

Forward Looking Statement

- 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, among other matters, contain words such as "believe," "expect," "estimate," "anticipate," "optimistic," "intend," "plan," "aim," "will," "may," "should," "could," "would," "likely," and similar expressions. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. 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:
  - changes in global economic and business conditions, including consumer and business spending, the availability and cost of credit, unemployment and political conditions, all of which may significantly affect spending on American Express cards, delinquency rates, loan balances and other aspects of the Company's business and results of operations;
  - the ability of the Company to grow its position and increase spending by consumer, small business and corporate cardmembers, which will depend on factors including competition, brand perceptions and reputation, the behavior of the Company's cardmembers and their actual spending patterns and spending volumes, which will be impacted by, among other things, the factors identified in the preceding bullet, and the Company's ability to issue new and enhanced card products, offer attractive services and rewards programs, attract new cardmembers, reduce cardmember attrition and capture a greater share of existing cardmembers' spending;
  - litigation, such as class actions or proceedings brought by governmental and regulatory agencies (including the lawsuit filed against the Company by the U.S. Department of Justice and certain state attorneys general), that could result in (i) the imposition of behavioral remedies against the Company or the Company voluntarily making certain changes to its business practices, the effects of which in either case could have a material adverse impact on the Company's financial performance; (ii) the imposition of substantial monetary damages and penalties, disgorgement and restitution; and/or (iii) damage to the Company's global reputation and brand;
  - legal and regulatory developments wherever the Company does business, including legislative and regulatory reforms in the United States, such as the establishment of the CFPB and Dodd-Frank's stricter regulation of large, interconnected financial institutions, which could make fundamental changes to many of the Company's business practices or materially affect its capital requirements, results of operations, or ability to pay dividends or repurchase its stock; actions and potential future actions by the FDIC and credit rating agencies applicable to securitization trusts, which could impact the Company's ABS program; or potential changes to the taxation of the Company's businesses, the allowance of deductions for significant expenses, or the incidence of consumption taxes on the Company's transactions, products and services;

Forward Looking Statement

- the ability of the Company to meet its on-average and over-time growth targets for revenues net of interest expense, earnings per share and return on average equity, which will depend on factors such as the Company's success in implementing its strategies and initiatives including growing the Company's share of overall spending, increasing merchant coverage, enhancing its pre-paid offerings, expanding the Global Network Services business and expense management, and on factors outside management's control including the willingness of cardmembers to sustain spending, the effectiveness of marketing and loyalty programs, regulatory and market pressures on pricing, credit trends, currency and interest rate fluctuations, and changes in general economic conditions, such as consumer confidence, unemployment, the housing market and GDP growth;

- the ability of the Company to meet its on-average and over-time objective to return 50% of capital generated to shareholders through dividends and share repurchases, which will depend on factors such as approval of the Company's capital plans by its primary regulators, the amount the Company spends on acquisitions, the Company's results of operations and capital needs in any given period, and the amount of shares issued by the Company to employees upon the exercise of options;

- changes in the substantial and increasing worldwide competition in the payments industry, including competitive pressure that may impact the prices the Company charges merchants that accept the Company's cards and the success of marketing, promotion or rewards programs;

- the ability to hold annual operating expense growth to less than 3 percent for the next two years, which will depend in part on the Company's ability to achieve the expected benefits of the Company's restructuring plan, which will be impacted by, among other things, the factors identified below, the Company's ability to balance the control and management of expenses and the maintenance of competitive service levels for its customers, unanticipated increases in significant categories of operating expenses, such as consulting or professional fees, compliance or regulatory-related costs and technology costs, the payment of monetary damages and penalties, disgorgement and restitution, the Company's decision to increase or decrease discretionary operating expenses depending on overall business performance, the impact of changes in foreign currency exchange rates on costs and results, the impact of accounting changes and the level of acquisition activity and related expenses;

- uncertainty in the growth of operating expenses relative to the growth of revenues in 2013 and subsequent years and the possibility that the ratio of total expenses to revenues will not migrate back towards historical levels over time, which will depend on (i) factors affecting revenue, such as, among other things, the growth of consumer and business spending on American Express cards, the amount of travel commissions and fees, the growth of and/or level of yields on the loan portfolio and the development of new revenue opportunities and (ii) the success of the Company in containing operating expenses, which will be impacted by, among other things, the factors identified in the preceding bullet, and in containing other expenses including the Company's ability to control and manage marketing and promotion expenses as described below as well as expenses related to increased redemptions or other growth in rewards and cardmember services expenses. Further, in any period, the ability to grow revenue faster than operating expenses and the ratio of total expenses to revenues may be impacted by rapid decreases in revenues that cannot be matched by decreases in operating expenses;

Forward Looking Statements

- the actual amount to be spent by the Company on investments in the business, including on marketing, promotion, rewards and cardmember services and certain operating expenses and in such areas as premium consumers, emerging markets, small businesses, business-to-business payments, prepaid and online/mobile commerce, as well as the actual amount of resources arising from the restructuring plan the Company decides to invest in growth initiatives, which will be based in part on management's assessment of competitive opportunities and the Company's performance and the ability to control and manage operating, infrastructure, advertising, promotion and rewards expenses as business expands or changes, including the changing behavior of cardmembers;

- the Company's lending write-off rates not remaining below the average historical levels of the last ten years, which will depend in part on changes in the level of the Company's loan balances, delinquency rates of cardmembers, unemployment rates, the volume of bankruptcies and recoveries of previously written-off loans;

- the ability of the Company to grow in international markets, including emerging markets, which could be impacted by business practices that favor local competitors or prohibit or limit foreign ownership of certain businesses; 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; and competitors with more experience and more established relationships with relevant customers, regulators and industry participants;

- the ability of the Company to continue to enhance and expand its pre-paid card offerings, including Bluebird, which will depend in part on the amount the Company invests in its prepaid offerings, the effectiveness of the Company's innovation in developing new features, competition with other providers of consumer products for placement and promotion of products in stores, the ability to obtain necessary licenses and regulatory approvals and the degree of interest of customers and distributors in the U.S. and outside the U.S. in the value proposition offered by such features and products;

- the ability of the Company to execute its strategy with respect to Loyalty Partner, including reaching new cardmember segments through co-branded products linked to Loyalty Partner, which will depend in part on the Company's success in continuing to attract new customers and partners, obtaining necessary licenses and regulatory approvals to operate new countries, improving the value to merchants and collectors and innovating new features that are attractive to merchants and collectors, and the willingness of customers to consider purchasing other products of the Company marketed as part of or along with the Loyalty Partner platform;

Forward Looking Statements

- the ability of the Company to capture business-to-business ("B2B") spending, which will depend in part on the willingness and ability of companies to use credit and charge cards for procurement and other B2B spend, 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 to potential customers, the Company's ability to enhance and expand its B2B payment solutions, including into international markets, and the effectiveness of the Company's marketing and promotion of its B2B payment solutions to potential customers;
- the ability of the Company to maintain and expand its presence in the digital payments space, including as an online payments provider, which will depend on the Company's success in evolving its business models and processes for the digital environment, building partnerships and executing programs with companies, and utilizing digital capabilities that can be leveraged for future growth; and
- factors beyond the Company's control such as fire, power loss, disruptions in telecommunications, severe weather conditions, natural disasters, 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, 2012, the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 and the Company's other reports filed with the Securities and Exchange Commission.