

American Express Company Fixed Income Investor Presentation

July 21, 2016

AMERICAN EXPRESS

Q2'16 Summary Financial Performance

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

	Q2'16	Q2'15	% Inc/(Dec)
Billed Business ($ in B)*	$269.3	$ 262.0	3%
*FX-Adjusted***		*$258.6*	*4%*
Total Revenues Net of Interest Expense	$8,235	$ 8,284	(1%)
*FX-Adjusted***		*$8,185*	*1%*
Net Income	$2,015	$1,473	37%
Diluted EPS†	$2.10	$1.42	48%
*Restructuring Charge (Per Share)****	*$0.16*		
Return on Average Equity	26%	28%	
Average Diluted Shares Outstanding	941	1,013	(7%)

**Card billed business includes activities (including cash advances) related to proprietary cards, cards issued under network partnership agreements (non-proprietary billed business), corporate payments and certain insurance fees charged on proprietary cards. **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 Q2'16 foreign exchange rates apply to Q2'15 results). FX-adjusted revenues and expenses constitute non-GAAP measures. †Attributable to common shareholders. Represents net income less earnings allocated to participating share awards, dividends on preferred shares and other items. ***Represents a restructuring charge of $232MM ($151MM after-tax) in Q2'16.*

Total Worldwide Loans

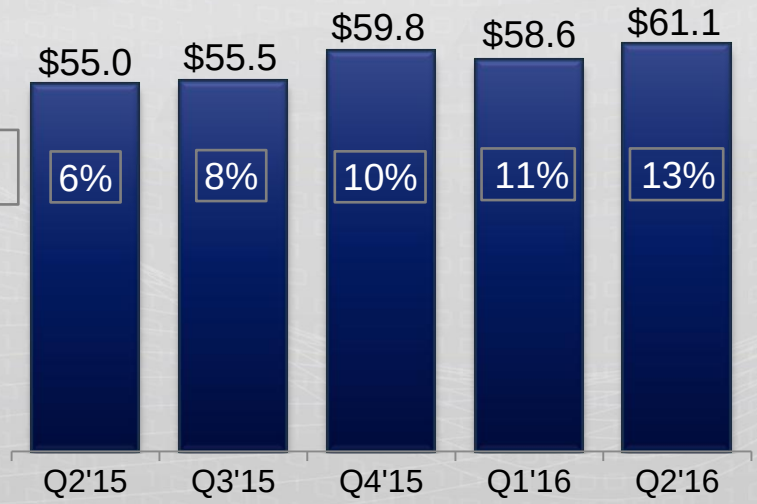
($ in billions)

Total Loans



	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16
CM Loans	$69.0	$68.9	$58.6	$57.4	$59.9
Other Loans	$1.0	$1.1	$1.3	$1.2	$1.2

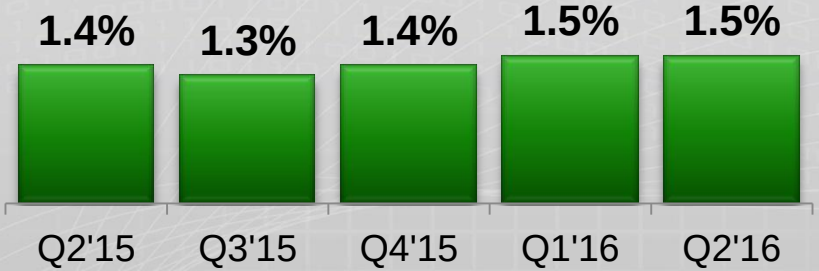
Adjusted Loans*



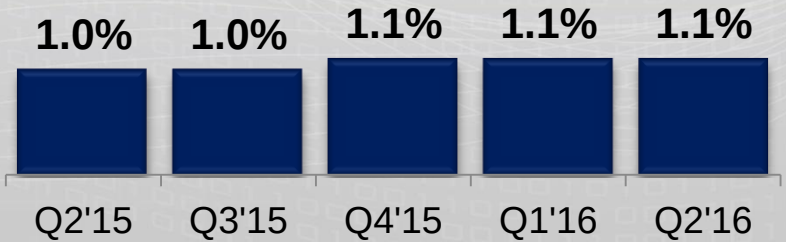
*Note: Total Loans reflects Card Member loans held for investment and Other loans. *Adjusted loans excludes for Q2'15-Q3'15 Card Member balances related to cobrand partnerships with Costco in the U.S. and JetBlue, which were moved to Held For Sale as of December 2015 (the HFS portfolios). The related growth rate, which also excludes the impact of foreign exchange rates, is a non-GAAP measure. See Annex 2 for a reconciliation.*

AXP Lending Credit Performance

Net Write-off Rate*

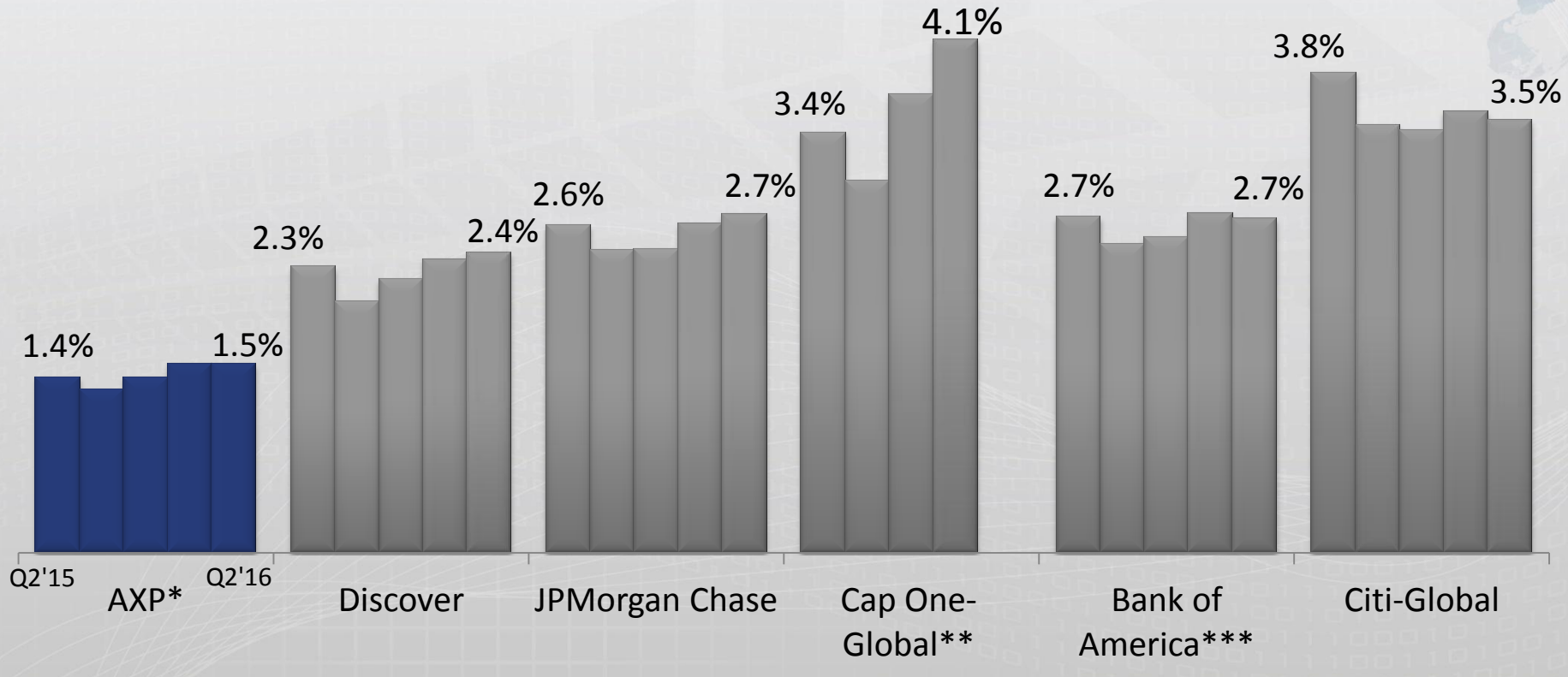


30 Days Past Due**



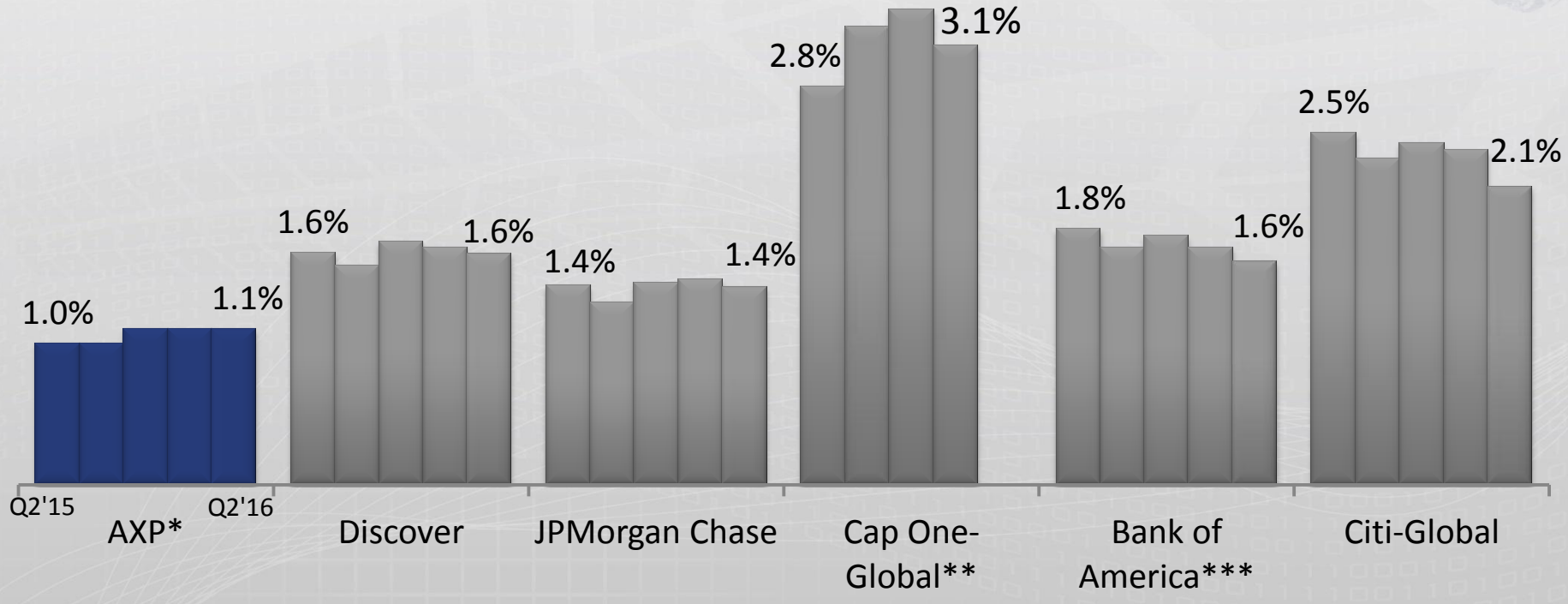
*Rates above include Principal only. See Statistical Tables for the Second Quarter 2016, available at ir.americanexpress.com, for net write-off rates including interest and/or fees.
**Includes Card Member loans reclassified as held for investment from held for sale on the consolidated Balance Sheets, which totaled $245MM as of June 30, 2016. Excluding those loans, adjusted 30 days past due loans as a % of total, a non-GAAP measure, was 1.0% as of June 30, 2016.

AXP Lending Net Write-off Rates vs. Competitors



*Rates include principal only. See Statistical tables for the Second Quarter 2016, available at ir.americanexpress.com, for net write-off rates including interest and/or fees.**Q2'16 write-off rate not available ***US Consumer Credit Card.*

AXP Lending 30 Days Past Due Rates vs. Competitors

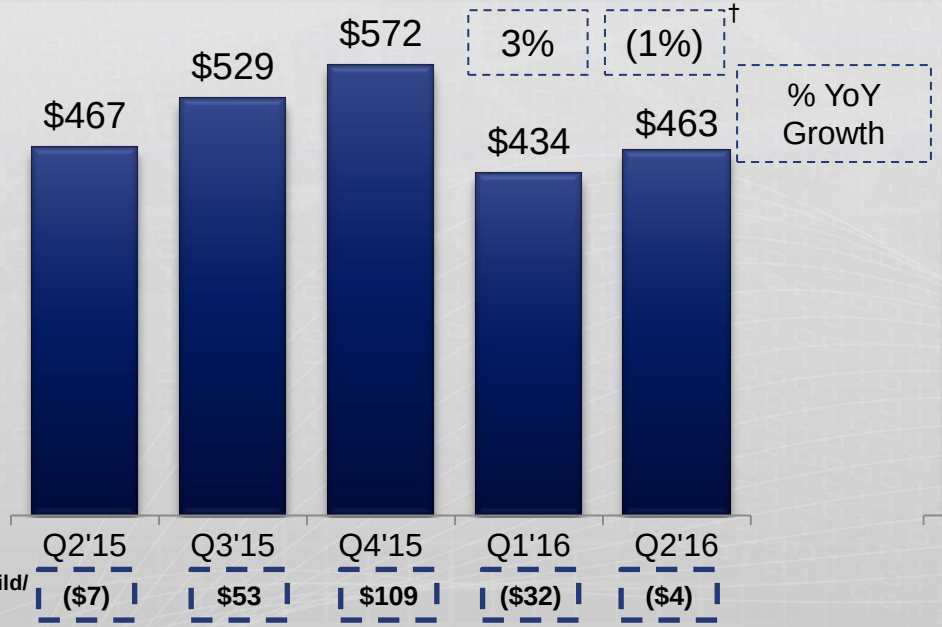


*Includes Card Member loans reclassified as held for investment from held for sale on the consolidated Balance Sheets, which totaled $245MM as of June 30, 2016. Excluding those loans, adjusted 30 days past due loans as a % of total, a non-GAAP measure, was 1.0% as of June 30, 2016. **Q2'16 30 days past due rate not available ***US Consumer Credit Card.

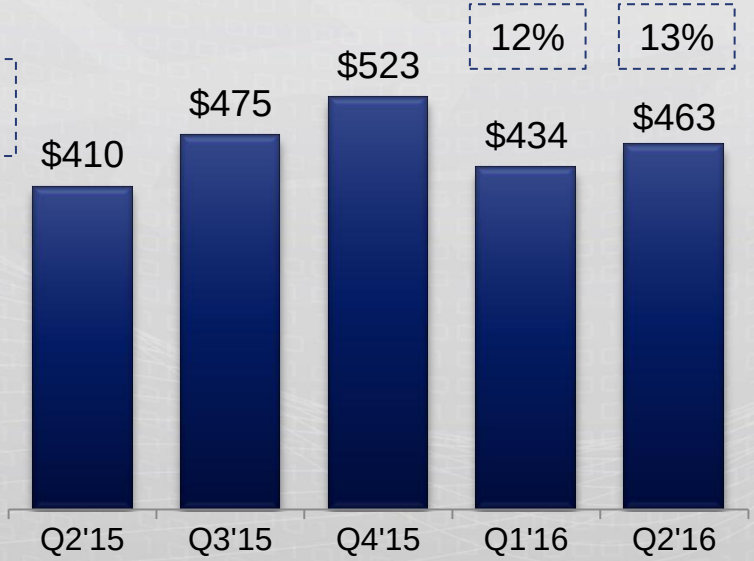
Provisions for Losses

($ in millions)

Total Provision



Adjusted Provision*



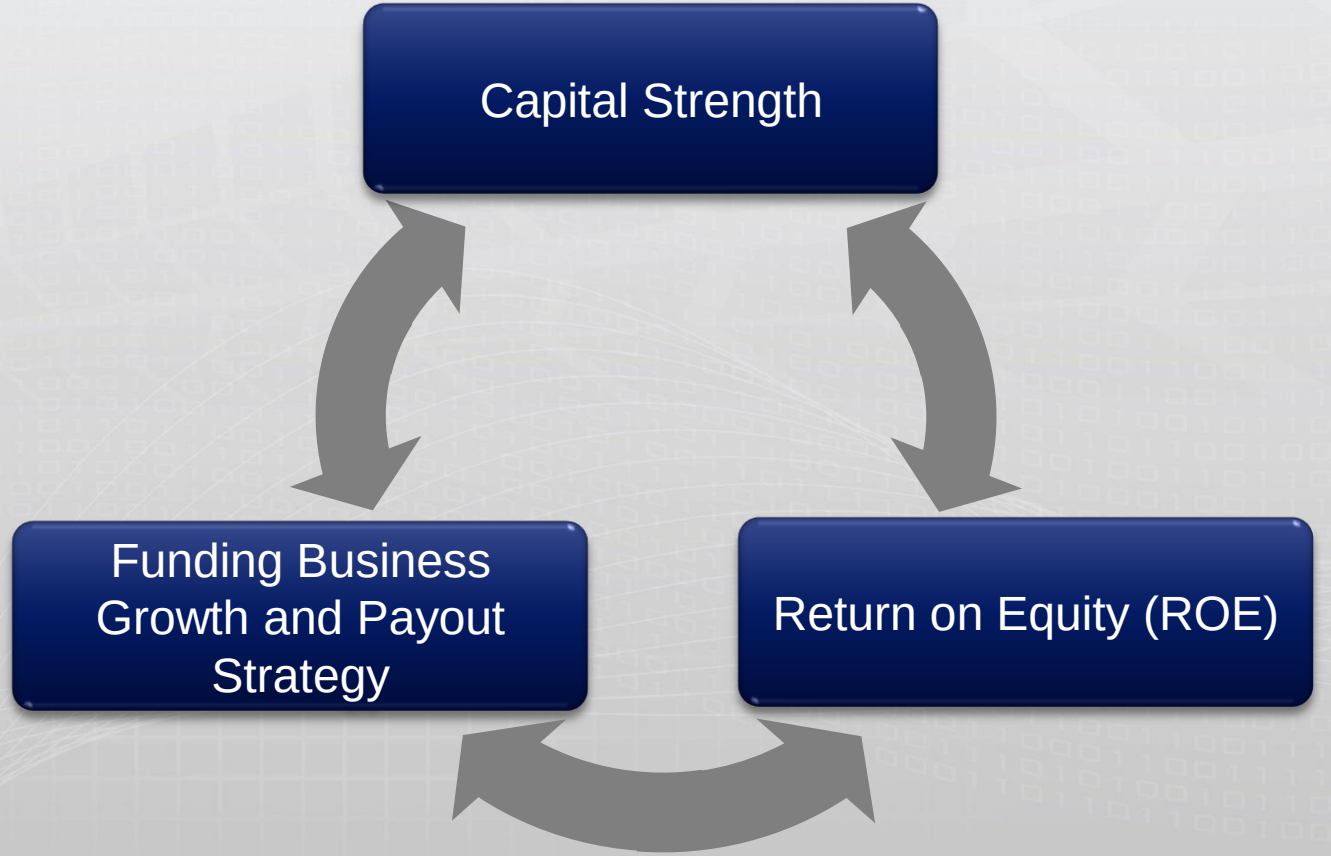
*†Total provision on an FX-adjusted basis, a non-GAAP measure, was flat in Q2'16. See slide 2 for an explanation of FX-adjusted information. *Adjusted total provision for losses excludes credit costs related to the Held For Sale portfolios, classified effective December 2015 as a valuation allowance adjustment in operating expense, of $57MM in Q2'15, $54MM in Q3'15, and $49MM in Q4'15. **Worldwide reserve build/(release) on Card Member charge and lending vs. the prior quarter; does not reflect the transfer of (i) $224MM of reserves related to loan balances classified as HFS in Q4'15 or (ii) $60MM of reserves related to loan balances reclassified as held for investment in Q2'16 following the sale of the HFS portfolio.*

Regulatory Requirements

Final Rule | Proposed

			AXP	AECB	FSB
Liquidity Requirements	Dodd Frank LST	• Subject to Dodd-Frank Liquidity Stress Test	☑	☑	☑
	LCR	• Compliant with requirement; Requirement became daily effective July 1, 2016	☑	☑	☑
	NSFR	• Basel rules released October 2014 • FDIC NPR released April 2016			
Capital Requirements	CCAR/DFAST	• Received non-objection to 2016 AXP Capital plan	☑	☑	☑
	SLR	• Compliant with requirement	☑	☑	☑
	RWA/Capital Ratios	• Advanced Approaches “parallel run”	☑	☑	☑
Other	Resolution	• Public section of AXP’s 2015 Resolution Plan available • 2016 submissions due December 2016	☑		
	TLAC	• AXP not subject to final rule			

Capital Management

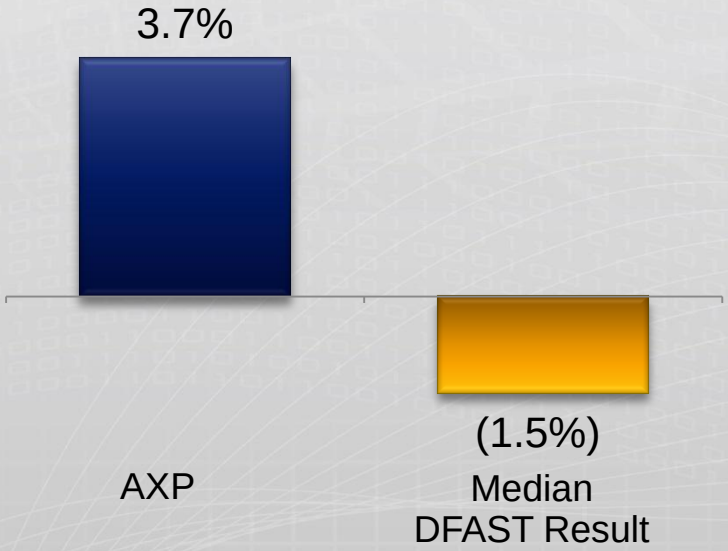


2016 CCAR results highlighted the strength of our business model and capital position

Performance Under Fed Severely Adverse Scenario

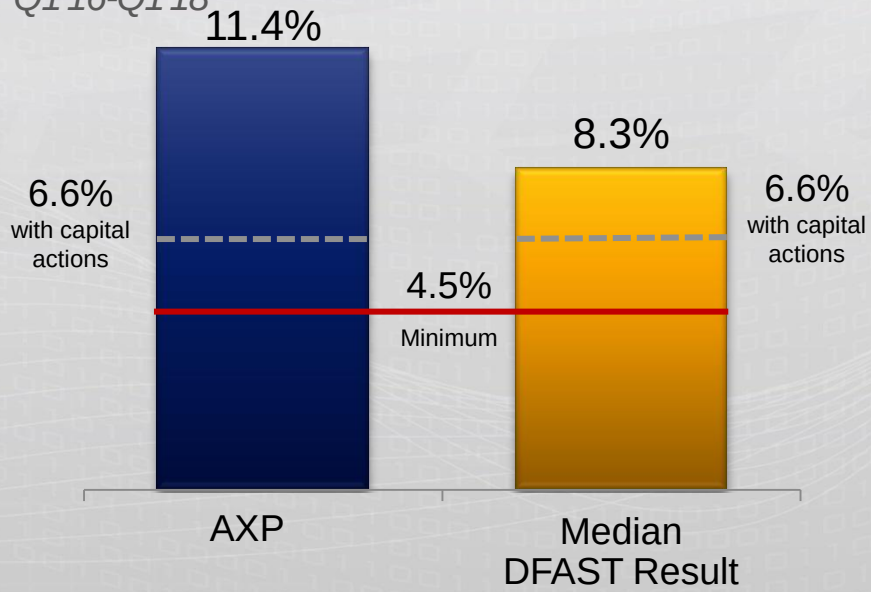
Cumulative Pre-Tax Income

as a % of average assets, Q1'16-Q1'18



Common Equity Tier 1 Capital Ratio

Q1'16-Q1'18



Source: Federal Reserve estimates in the severely adverse scenario, DFAST Supervisory Stress Test Methodology and Results (June 2016). The Federal Reserve's stress test results shown above (other than where planned capital actions are indicated) assume common stock dividend payments continue at the same level as the previous year and repurchases of common stock are zero. The stress test results represent estimates under a hypothetical macroeconomic scenario that is more adverse than the current and economist consensus forecasted macroeconomic environments. Thus, these estimates are not forecasts of pre-tax net income or capital ratios and are not necessarily indicative of future performance under a severe stress scenario. Actual results could differ materially.

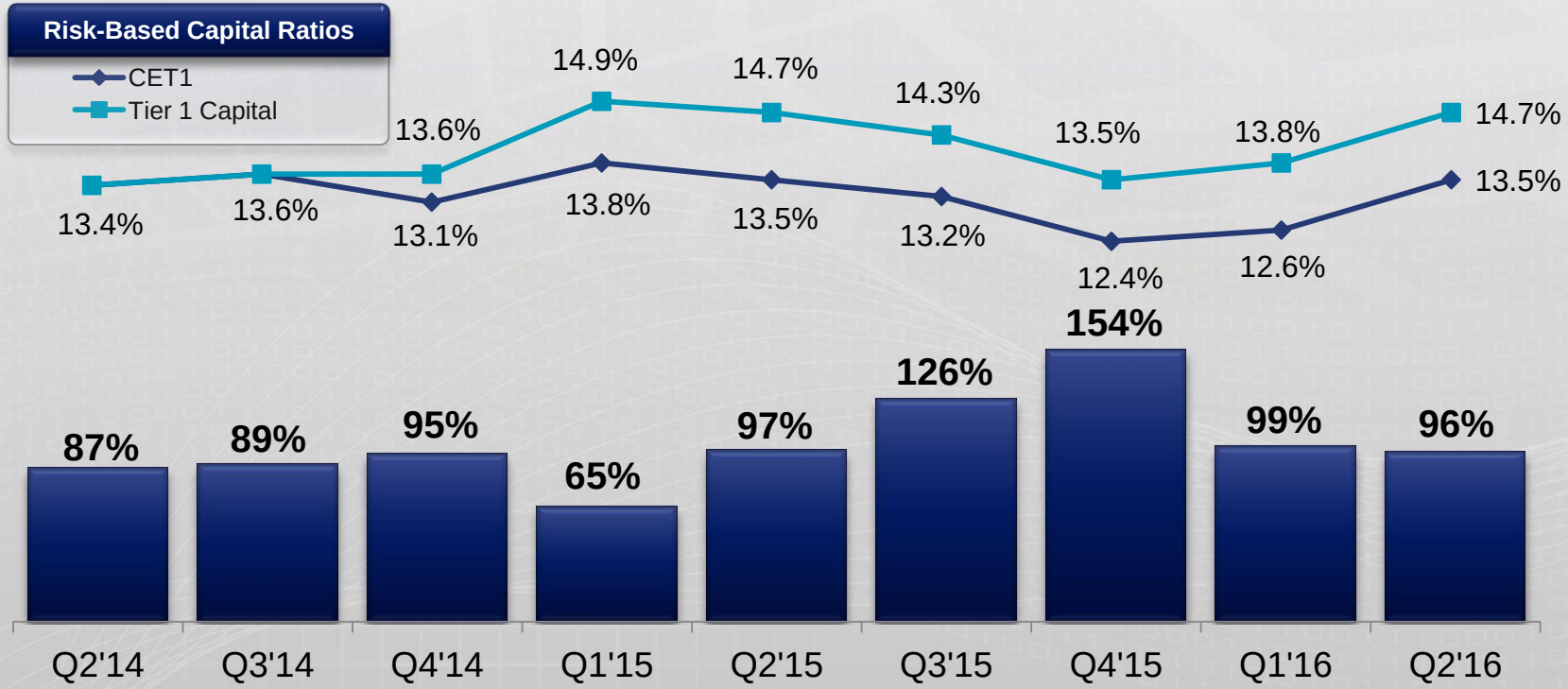
Capital Ratios

	Q2'16	Q1'16
Common Equity Tier 1 Risk-Based Capital	13.5%	12.6%
Tier 1 Leverage	11.5%	11.5%
Tier 1 Risk-Based Capital	14.7%	13.8%
Total Risk-Based Capital	16.4%	15.3%
Supplementary Leverage Ratio	9.7%	9.6%

Note: Company's consolidated risk-based capital ratios, as calculated under U.S. regulatory capital standards, known as Basel III, inclusive of transition provisions. Had the Basel III rules been fully phased in during Q2'16, the Company estimates that the reported Common Equity Tier 1 and Tier 1 capital ratios would be approximately 57 bps and 55 bps lower, respectively, than the reported transitional Basel III ratios. The estimated Supplementary Leverage Ratio had the Basel III rules been fully phased in during Q2'16 would have been 9.4%. See Annex 1.

Capital and Payout Ratios

Percentage of Capital Generated Returned to Shareholders



Note: Payout Ratio is calculated by dividing the total amount returned to shareholders through dividends and share repurchases during the respective period by the total capital generated through net income attributable to common shareholders and employee plans during the respective period.

Liquidity & Funding Management

- Our liquidity objective is to maintain access to a diverse set of on- and off-balance sheet liquidity sources.

Funding Sources

- Deposits
- ABS
- Commercial Paper
- Unsecured Term Debt
- Term Bank Facility

Contingent Sources

- Cash & Readily Marketable Securities*
- Discount Window
- Committed Bank Credit Facility
- Secured Financing Facilities**

American Express Issuing Entities

American Express Company (AXP)
Regulated by FRB; SEC Registrant
Senior Debt Rating †: A3/BBB+/A/A(High)

American Express Travel Related Services (TRS)
Regulated by FRB and Various State Regulators
Senior Debt Rating †: A2/A-/A/A(High)

American Express Credit Corporation (Credco)
SEC Registrant
Senior Debt Rating †: A2/A-/A/A(High)

American Express Centurion Bank (AECB)
Regulated by FDIC and State of Utah
Senior Debt Rating †: A2/A-/A/A(High)

American Express Bank, Federal Savings Bank (FSB)
Regulated by OCC
Senior Debt Rating †: A2/A-/A/A(High)

**Includes securities held as collateral. **$2.0B secured financing facility issued from American Express Credit Account Master Trust ("Lending Trust") maturing on September 15, 2017 and $3.0B secured financing facility issued from American Express Issuance Trust II ("Charge Trust") maturing on July 15, 2018; drawn balances serve as a funding source for the Company; undrawn balances are treated as a contingent source. †Credit Ratings indicated are from Moody's/S&P/Fitch/DBRS as of June 30, 2016. Credit Outlook: Moody's, S&P, and DBRS – stable, Fitch - negative.*

Funding Strategy

- We diversify our funding sources by maintaining scale and relevance in each of the three long-term funding markets: unsecured term, ABS and deposits.
- During 2016, we anticipate issuing approximately $3B-7B of unsecured term debt and up to $3B of card ABS.
  - 2016 YTD we have issued $1.75B of unsecured term debt.



*Note: Totals may not sum due to rounding. "AECB" refers to American Express Centurion Bank. "FSB" refers to American Express Bank, Federal Savings Bank. *Reflects face amount of Card ABS, net of securities retained by the Company. Includes outstanding ABS secured borrowing facility draws. †Reflects face amount of unsecured term debt; the long-term debt balance on the Company's consolidated balance sheet includes capitalized leases and certain adjustments that are not included in these balances.*

Funding Strategy - US Retail Deposit Program

- Our deposit program is diversified across the Direct Deposit, Third Party CD and Third Party Sweep channels.



*Note: Deposit balances exclude Card Member credit balances and Other deposits.*Direct primarily includes Personal Savings from American Express, which consists of $30.2B from high yield savings accounts and $0.3B from retail CDs as of June 30, 2016.*

Term Maturity Profile – Debt and CDs

($ in billions)

6/30/16



*Note: Totals may not sum due to rounding *Reflects the face amount of Card ABS, net of securities retained by the company. Excludes drawn amounts on the secured financing facilities.**Reflects face amount of unsecured term debt; the long-term debt balance on the Company's consolidated balance sheet includes capitalized leases and certain other items that are not included in these balances.*

ABS Update

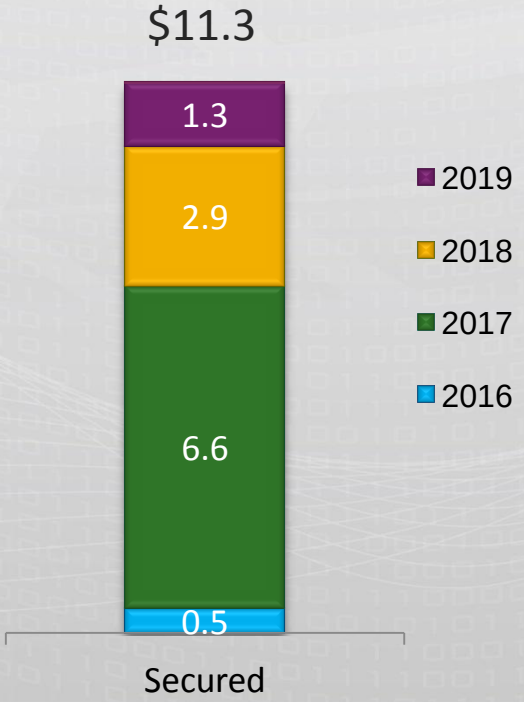
- AXP remains committed to the ABS funding channel:
  - ABS represented 14% of AXP's funding mix at 6/30/16.
  - 2016 funding plans include issuing up to $3B of card ABS.
- AXP has two ABS trusts, one that contains charge assets ("Charge Trust") and one that contains lending assets ("Lending Trust"), both of which demonstrate stable performance metrics (payment rate, net losses, and yield).
- As a result of the Costco portfolio sale, we took a number of actions:
  - Costco co-branded receivables were removed.
  - The Lending Trust added $3.0B of receivables in additional accounts.
  - The Lending Trust issued two series of investor certificates to provide credit enhancement to certain outstanding series.

American Express Credit Account Master Trust (AMXCA)

($ in billions)

Trust Established	• 1996	
Eligible assets	• US Consumer Card Member loans • US Small Business Card Member loans	
Assets in trust	• Consumer Card Member loans	
Trust Size: - Principal AR	• $24.7 billion	
Investor Interest	• $13.0 billion	
Seller Interest	• $11.7 billion	
Minimum Seller's Interest	• 7% of investor interest	
Credit Enhancement (based on most recent issuance)	• Floating Rate: 12.50% • Class B – 2.75% • Class C – 6.50% • Class D – 3.25%	•Fixed Rate: 13.50% • Class B – 3.75% • Class C – 5.50% • Class D – 4.25%

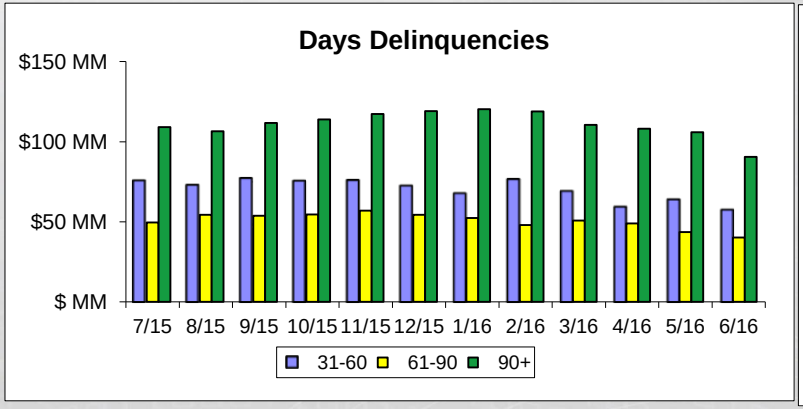
Funding Maturities*

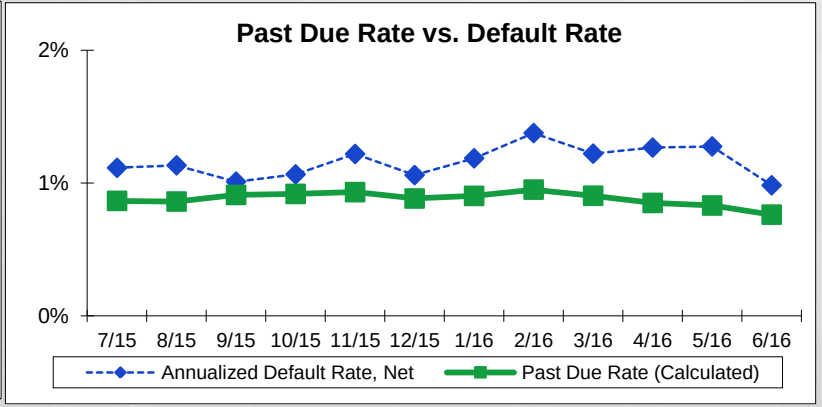


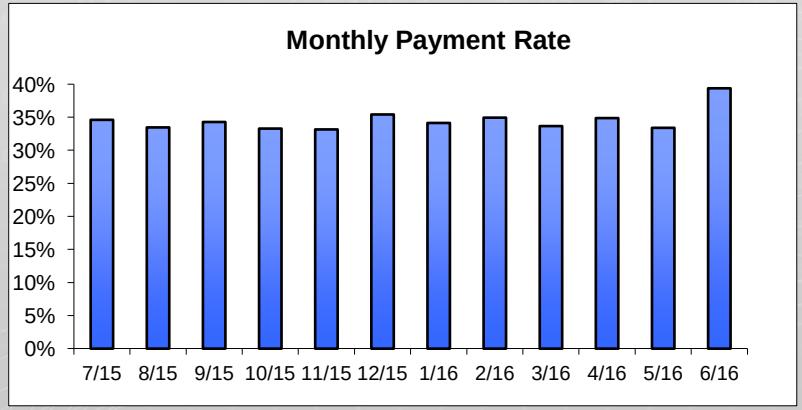
**Funding maturities reflects the face amount of Card ABS, net of retained portions, as of June 30, 2016. Excludes drawn amounts on secured financing facility.*

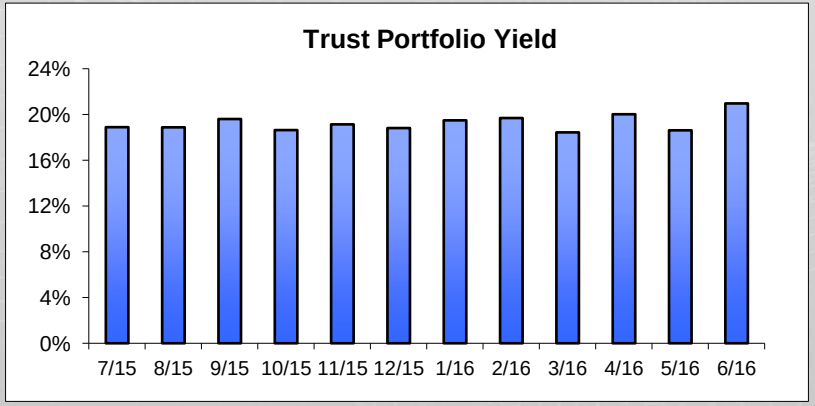
Source : 10-D filing dated July 15, 2016

Credit Account Master Trust - Performance Trend









Conclusion

- Strong capital profile:
  - As of 6/30/16:
    - CET1 13.5%
    - Tier 1 Capital 14.7%
    - SLR 9.7%
- 2016 CCAR results highlighted the strength of our business model and capital position.
- Diversified funding base across unsecured term, ABS and deposits.
  - Funding mix at 6/30/16: 34% unsecured term, 14% card ABS, 50% deposits and 2% short-term funding.
  - 2016 funding plans include issuing approximately $3B-7B of unsecured term debt and up to $3B of card ABS.


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Annex 1

The following table presents a comparison of the Company's common equity Tier 1 and Tier 1 risk-based capital under Transitional Basel III rules, and estimated common equity Tier 1 and Tier 1 risk-based capital under Fully Phased-in Basel III rules, as of June 30, 2016, for purposes of calculating the estimated common equity Tier 1 and Tier 1 capital ratios and the supplementary leverage ratio under Transitional and Fully Phased-in Basel III rules.

(Billions, except ratios)	Common Equity Tier 1	Tier 1
Risk-Based Capital under Transitional Basel III	$16.5	$18.0
Adjustments related to:		
AOCI	(0.2)	(0.2)
Transition provisions for intangible assets	(0.3)	(0.3)
Deferred tax assets	(0.0)	(0.0)
Other	(0.1)	0.0
Estimated Risk-Based Capital under Fully Phased-In Basel III[(a)]	$15.9	$17.5
Risk-Weighted Assets under Transitional Basel III	$122.5	
Estimated Risk-Weighted Assets under Fully Phased-In Basel III[(a)]	$123.7	
Common Equity Tier 1 ratio under Transitional Basel III Rule	13.5%	
Estimated Common Equity Tier 1 ratio under Fully Phased-In Basel III Rule[(a)(b)]	12.9%	
Tier 1 Risk-based Capital Ratio under Basel III Transitional Rule	14.7%	
Estimated Tier 1 Risk-based Capital Ratio under Fully Phased-In Basel III Rule[(a)(c)]	14.2%	
Average Total Assets for Supplementary Leverage Capital Purposes	$186.0	
Supplementary Leverage Ratio under Basel III Transitional Rule	9.7%	
Estimated Supplementary Leverage Ratio under Fully Phased-In Basel III Rule[(a)(d)]	9.4%	

(a) Estimated common equity Tier 1 capital, Tier 1 capital, risk-weighted assets and average total assets for supplementary leverage capital purposes under the fully phased-in Basel III Rule reflect the Company's current interpretation of the fully phased-in Basel III rules using the standardized approach. The estimated fully phased-in Basel III amounts could change in the future if the Company's business changes. (b) The common equity Tier 1 capital ratio under the fully phased-in Basel III rule is calculated as common equity Tier 1 capital under fully phased-in Basel III rules divided by estimated risk-weighted assets under fully phased-in Basel III rules. (c) The Tier 1 risk-based capital ratio under the fully phased-in Basel III rule is calculated as Tier 1 risk-based capital under the fully phased-in Basel III rule divided by estimated risk-weighted assets under the fully-phased in Basel III rule. (d) The fully phased-in Basel III supplementary leverage ratio is calculated by dividing fully phased-in Basel III Tier 1 capital by Total Leverage Exposure which represents average total consolidated assets with adjustments for Tier 1 capital deductions and off-balance sheet derivatives exposures, repo-style transactions and credit equivalents of undrawn commitments that are both conditionally and unconditionally cancellable

Annex 2

Adjusted Loan Growth

($ in billions)

	Q2'14	Q3'14	Q4'14	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16
Total Loans Held for Investment	$67.1	$66.9	$71.3	$67.8	$70.0	$70.0	$59.8	$58.6	$61.1
Loans Held for Investment related to Costco in the U.S. and JetBlue	$14.3	$14.2	$15.8	$14.6	$15.0	$14.5			
Total Loans excl. Loans Held for Investment related to Costco in the U.S. and JetBlue*	$52.8	$52.7	$55.5	$53.2	$55.0	$55.5	$59.8	$58.6	$61.1
FX-Adj Total Loans excl. Loans Held for Investment related to Costco in the U.S. and JetBlue**	$51.7	$51.6	$54.6	$52.7	$54.2				
YoY Total Loans Growth on a GAAP basis					**4%**	**5%**	**(16%)**	**(14%)**	**(13%)**
YoY Loans Growth, excl. Loans Held for Investment related to Costco in the U.S. and Jetblue*					**4%**	**5%**	**8%**	**10%**	**11%**
YoY FX Adj Loans Growth, excl. Loans Held for Investment related to Costco in the U.S. and JetBlue**					**6%**	**8%**	**10%**	**11%**	**13%**

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

Appendix

AXP Franchise

- American Express is a global services company that provides customers with access to products, insights and experiences that enrich lives and build business success.
- Our principal products are charge and credit cards. We are the largest U.S. issuer as measured by purchase volume.
- Our spend-centric model and closed-loop network are significant competitive advantages.
- The American Express brand is recognized around the world for exceptional service and customer care, and has consistently been ranked one of the most valuable brands in the world in published studies.
- Our average spend per card is 3 to 4 times higher than our network competitors.
- The global diversity of our business includes:
  - Over 108 million cards in force worldwide,
  - More than 150 card issuing and/or merchant acquiring arrangements with banks and other institutions,
  - Over 1,300 American Express-branded network partner products.

Company Overview

($ in millions, except per share amounts)

AMERICAN EXPRESS COMPANY	H1'16	YoY Growth
Revenues Net of Interest Exp.	$16,323	1%
Net Income	$3,441	15%
Dilute EPS	$3.54	22%
Return on Average Equity*	26.4%	

	US Consumer Services		International Consumer and Network Services		Global Commercial Services		Global Merchant Services		Corporate & Other	
	H1'16	YoY%	H1'16	YoY%	H1'16	YoY%	H1'16	YoY%	H1'16	YoY%
Revenues Net of Interest Exp.	$6,488	-	$2,731	2%	$4,902	1%	$2,249	(3%)	($26)	(7%)
Segment Income (Loss)	$1,761	38%	$416	7%	$1,061	(1%)	$730	(1%)	($229)	(9%)
Return on Avg. Segment Capital*	39%		26%		28%		62%			

- U.S. Consumer Card Services
- U.S. Travel & Lifestyle Services

- Int'l Consumer Card Services
- Global Network Services
- Int'l Travel & Lifestyle Services

- Global Corporate Payments
- Global Small Business Services
- Merchant Financing
- FX Services

- Global Merchant Services
- Plenti and Loyalty Partner

- Corporate HQ
- Prepaid Services

**Calculated by dividing one year period net income/segment income by one year average total shareholders' equity/average segment capital, respectively.*

AXP: Bank Holding Company

($ in billions)

American Express Company (AXP)

Total Assets: $158.8B

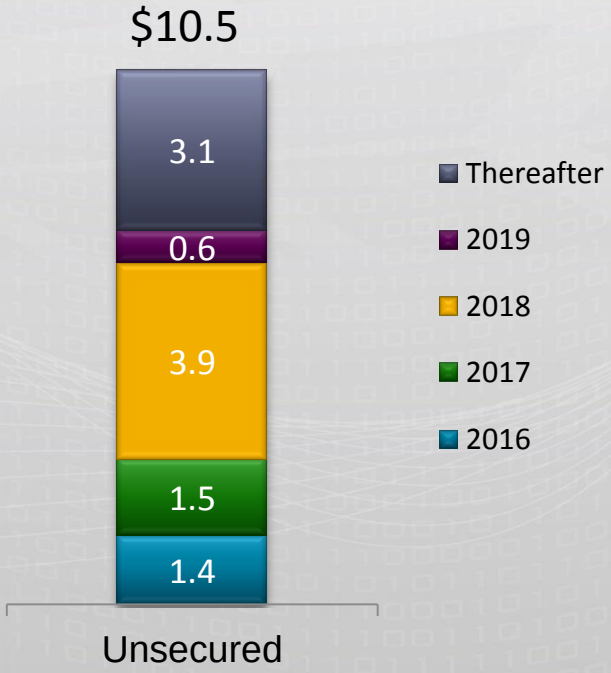
Uses of Funding

- General corporate purposes

Funding Sources

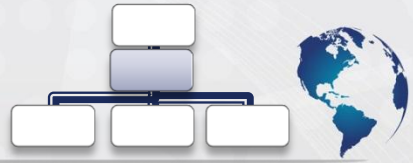
- Dividends from subsidiaries
- Unsecured medium and long-term notes

Funding Maturities*



*Note: Total consolidated assets as of March 31, 2016. *Funding maturities reflects the face amount of unsecured term-debt issued by the entity as of June 30, 2016, based on contractual maturity or anticipated redemption dates; excludes deposits, capitalized leases and certain other items classified as long-term debt on the balance sheet.*

TRS: Bank Holding Company



American Express Company (AXP)

↓

American Express Travel Related Services (TRS)

Total Assets: $161.1B

Uses of Funding

- General corporate purposes

Funding Sources

- Dividends from subsidiaries
- Unsecured medium and long-term notes
- Asset backed securities (ABS) issued by American Express Issuance Trust II

Note: Total consolidated assets as of March 31, 2016, including U.S. Consumer and Small Business cards issued by TRS' U.S. banking subsidiaries (AECB and FSB) and Corporate Charge cards, International Consumer and Small Business cards and Prepaid cards issued by TRS or other subsidiaries of TRS.

Credco

($ in billions)

American Express Travel Related Services (TRS)

↓

American Express Credit Corporation (Credco)
100% owned by TRS

Total Assets: $30.9B

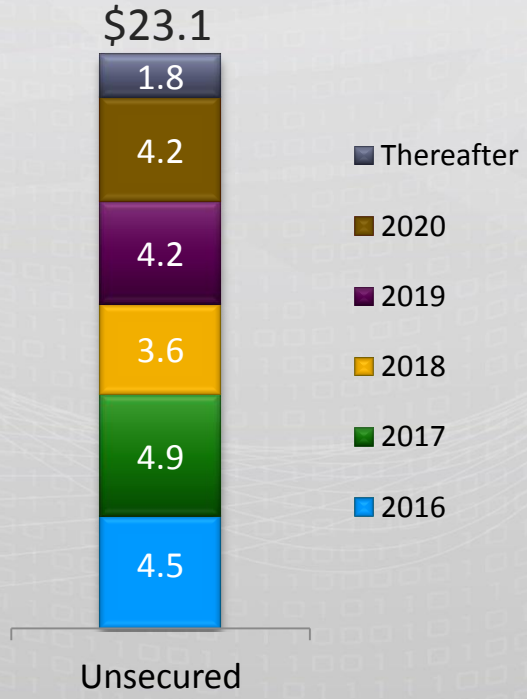
Uses of Funding

- US and non-US charge card products
- Non-US revolving card products

Funding Sources

- US and non-US unsecured medium and long term debt issued to institutional and retail investors
- Asset backed securities (ABS) issued by American Express Issuance Trust II via TRS
- Bank credit facilities
- Inter-company borrowings
- 3(a)(3) commercial paper (P-1/A-2/F1/R-1)

Funding Maturities*



*Note: Total consolidated assets as of March 31, 2016. Totals may not sum due to rounding . *Funding maturities reflects the face amount of unsecured term-debt issued or guaranteed by the entity, as of June 30, 2016; excludes deposits, capitalized leases and certain other items classified as long-term debt on the balance sheet.*

US Banks - AECB

($ in billions)

American Express Travel Related Services (TRS)

↓

American Express Centurion Bank (AECB)

Total Assets*: $35.3B

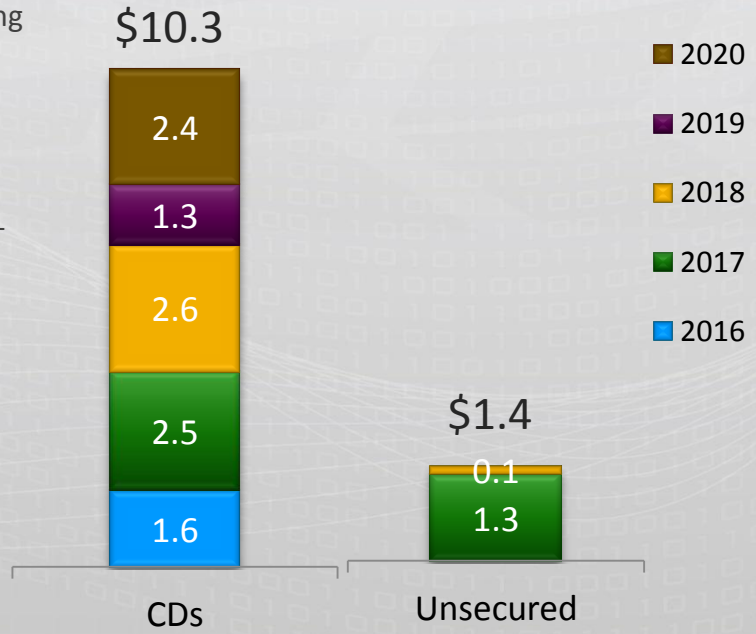
Uses of Funding

- Issues and funds consumer charge (including lending on charge) and revolving card products

Funding Sources

- Retail deposits (third-party CDs and third-party sweep)
- Unsecured medium and long-term notes
- Asset backed securities (ABS) issued by American Express Credit Account Master Trust
- Inter-company borrowings
- Short-term money market instruments

Funding Maturities**



*Note: Total consolidated assets as of March 31, 2016. Totals may not sum due to rounding. *Does not include off-balance sheet loans of $8.5B. These assets are included in the GAAP assets at TRS. **Funding maturities reflects the face amount of unsecured term-debt issued by the entity as of June 30, 2016; excludes demand deposits, capitalized leases and certain other items classified as long-term debt on the balance sheet.*

US Banks - FSB

($ in billions)

American Express Travel Related Services (TRS)

American Express Bank, Federal Savings Bank (FSB)

Total Assets*: $51.9B

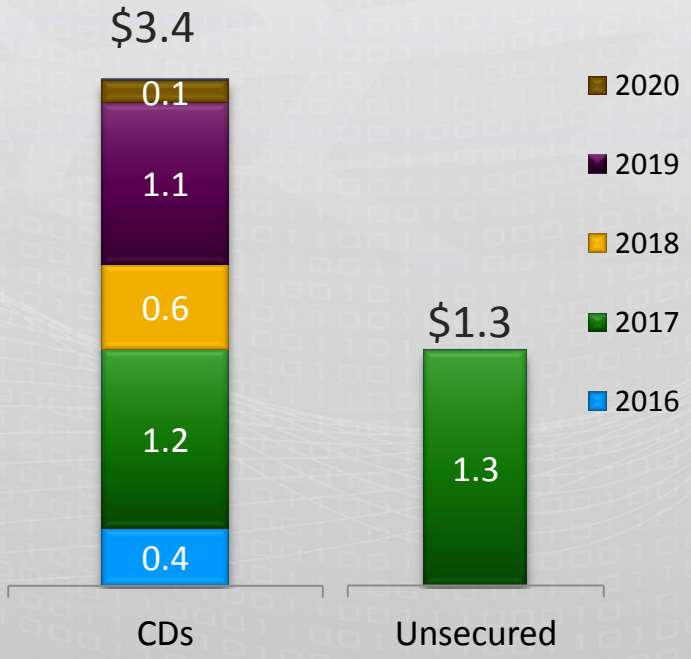
Uses of Funding

- Primarily issues and funds Co-Brands and U.S. Small Business Services charge and revolving card products

Funding Sources

- Retail deposits (Personal Savings direct deposit program, third-party CDs and third-party sweep)
- Unsecured medium and long-term notes
- Asset backed securities (ABS) issued by American Express Credit Account Master Trust
- Inter-company borrowings
- Short-term money market instruments

Funding Maturities**



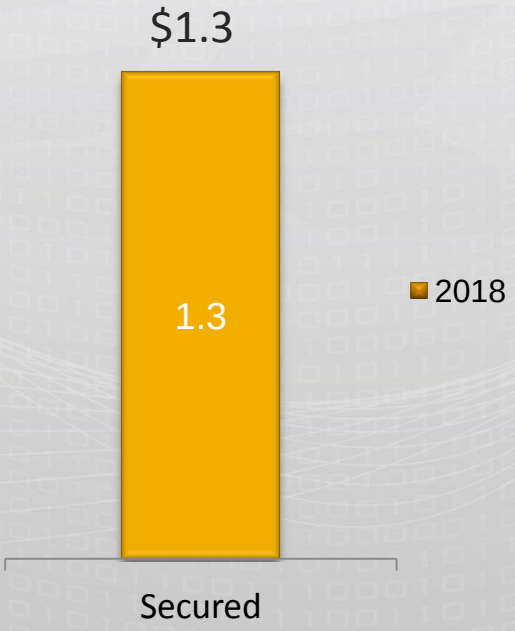
*Note: Total consolidated assets as of March 31, 2016. *Does not include off-balance sheet loans of $2.8B. These assets are included in the GAAP assets at TRS. **Funding maturities reflects the face amount of unsecured term-debt issued by the entity as of June 30, 2016; excludes demand deposits, capitalized leases and certain other items classified as long-term debt on the balance sheet.*

American Express Issuance Trust II (AEITT)

($ in billions)

Trust Established	• 2012
Eligible assets	• US Consumer Card Member receivables • US Small Business Card Member receivables • US Corporate Card Member receivables
Assets in trust	• Consumer Card Member receivables • Small Business Card Member receivables
Trust Size: - Principal AR Investor Interest Seller Interest	• $5.7 billion • $3.6 billion • $2.1 billion
Minimum Seller's Interest	• 12.25% of principal AR
Credit Enhancement (based on most recent issuance)	• Floating Rate: 10% • Class B – 4% • Class C – 6%

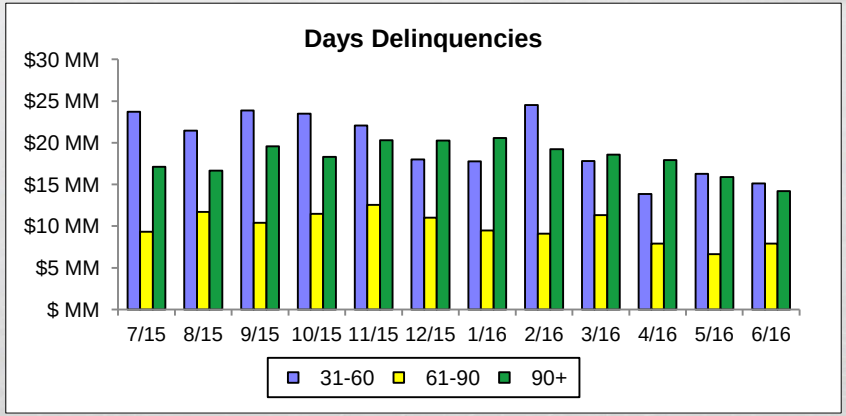
Funding Maturities*

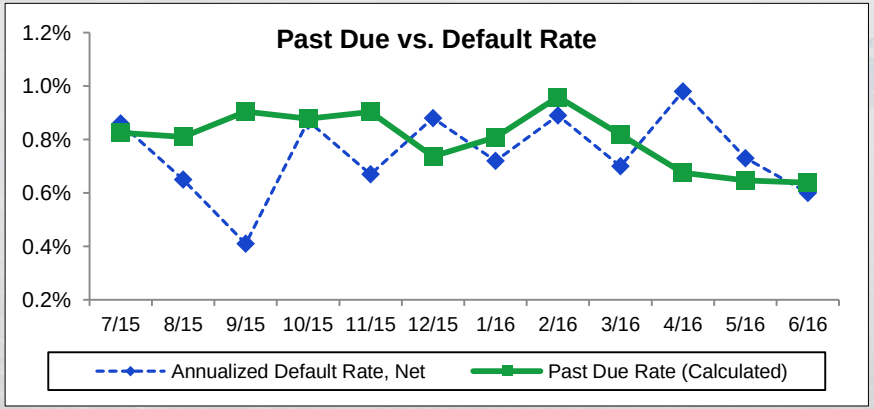


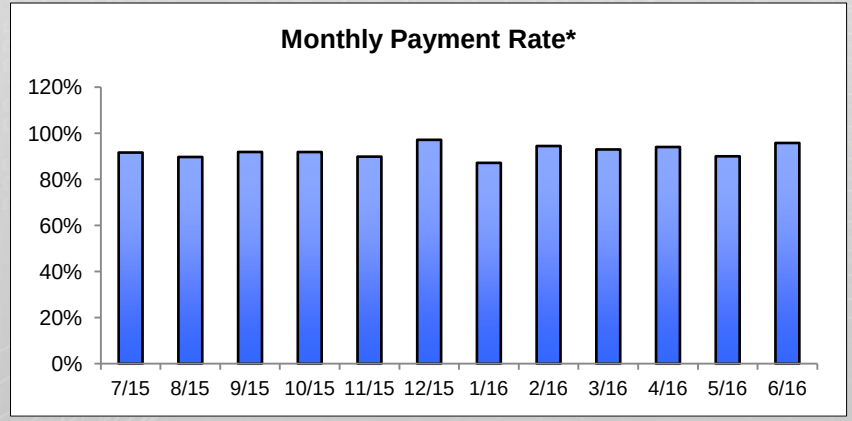
**Funding maturities reflects the face amount of Card ABS, net of retained portions, as of June 30, 2016. Excludes drawn amounts on secured financing facility.*

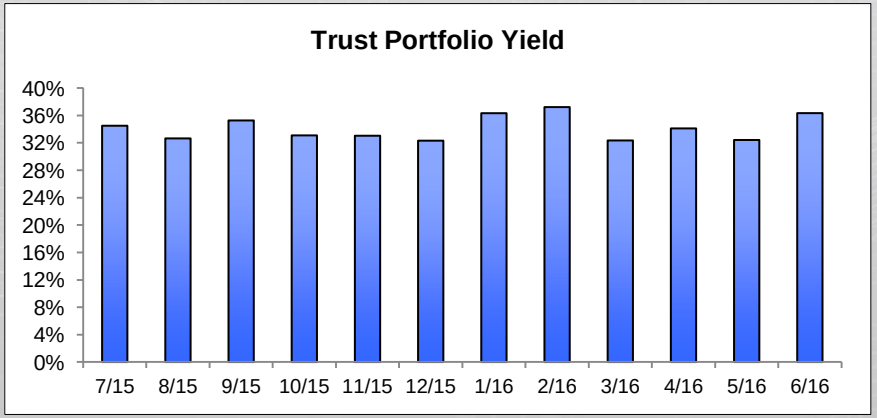
Source : 10-D filing dated July 15, 2016

Issuance Trust - Performance Trend









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Forward Looking Statements

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are subject to risks and uncertainties. The forward-looking statements, which address the Company's expected business and financial performance and which include management's outlook for 2016-2017, among other matters, contain words such as "believe," "expect," "estimate," "anticipate," "intend," "plan," "aim," "will," "may," "should," "could," "would," "likely," and similar expressions. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The Company undertakes no obligation to update or revise any forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements, include, but are not limited to, the following:

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

• The actual amount to be spent on growth initiatives, including on marketing and promotion, Card Member services and technology development, as well as the timing of any such spending, which will be based in part on management's assessment of competitive opportunities; overall business performance; prior commitments, contractual obligations with business partners and other fixed costs relative to revenue levels; management's ability to identify attractive investment opportunities and make such investments, which could be impacted by business, regulatory or legal complexities, and the Company's ability to realize efficiencies, optimize investment spending and control expenses to fund such spending;

Forward Looking Statements

• The ability of the Company to reduce its overall cost base by $1 billion by the end of 2017, which will depend in part on the timing and financial impact of current and future reengineering plans (including whether the Company will recognize restructuring charges in future periods), 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 reduce annual operating expenses, which could be impacted by, among other things, the factors identified below; and the ability of the Company to optimize and lower marketing and promotion expenses, which could be impacted by higher advertising and Card Member acquisition costs, competitive pressures that may require additional expenditures or limit the Company's ability to reduce costs, the availability of opportunities to invest at a higher level due to favorable business results and changes in macroeconomic conditions;

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

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

• The Company's ability to execute against its lending strategy to grow Card Member loans as well as non-card loans without changing the overall risk profile of the Company, which may be affected by increasing competition, brand perceptions and reputation, the Company's ability to manage risk in a growing Card Member loan portfolio, and the behavior of Card Members and their actual spending and borrowing patterns, which in turn may be driven by the Company's ability to issue new and enhanced card products, offer attractive non-card lending products, attract new customers, reduce Card Member attrition and capture a greater share of existing Card Members' spending and borrowings;

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

Forward Looking Statements

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

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

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

• The erosion of the average discount rate by a greater amount than anticipated during the second half of 2016, including as a result of changes in the mix of spending by location and industry, merchant negotiations (including merchant incentives, concessions and volume-related pricing discounts), faster conversion of existing merchants in the OptBlue program than expected, competition, pricing regulation (including regulation of competitors' interchange rates in the EU and elsewhere) and other factors;

• 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;

• The Company's funding plan for the full year 2016 being implemented in a manner inconsistent with current expectations, which will depend on various factors such as future business growth, the impact of global economic, political and other events on market capacity, demand for securities offered by the Company or its subsidiaries, regulatory changes, ability to securitize and sell receivables and the performance of receivables previously sold in securitization transactions;

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

• Changes affecting the Company's ability to accept or maintain deposits due to market demand or regulatory constraints, such as changes in interest rates and regulatory restrictions on the Company's ability to obtain deposit funding or offer competitive interest rates, which could affect the Company's liquidity position and the Company's ability to fund the Company's business;

Forward Looking Statements

• Changes in global economic and business conditions, consumer and business spending, the availability and cost of capital, unemployment, geopolitical conditions (including potential impacts resulting from the proposed exit of the U.K. from the European Union), foreign currency rates and interest rates, 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;

• Changes in capital and credit market conditions, including sovereign creditworthiness, which may significantly affect the Company's ability to meet its liquidity needs, expectations regarding capital and liquidity ratios, access to capital and cost of capital, including changes in interest rates; changes in market conditions affecting the valuation of the Company's assets; or any reduction in the Company's credit ratings or those of its subsidiaries, which could materially increase the cost and other terms of funding, restrict access to the capital markets or result in contingent payments under contracts;

• Legal and regulatory developments wherever the Company does 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 the Company's business practices or materially affect the Company's capital or liquidity requirements, results of operations, or ability to pay dividends or repurchase stock; potential 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 and its businesses, the allowance of deductions for significant expenses, or the incidence of consumption taxes on transactions, products and services;

• Changes in the substantial and increasing worldwide competition in the payments industry, including competitive pressure that may impact the prices charged to merchants that accept American Express cards, competition for cobrand relationships and the success of marketing, promotion or rewards programs;

• Changes in the financial condition and creditworthiness of the Company's business partners, such as bankruptcies, restructurings or consolidations, involving merchants that represent a significant portion of the Company's business, such as the airline industry, or GNS partners or financial institutions upon which the Company relies for routine funding and liquidity, which could materially affect the Company's financial condition or results of operations; and

• Factors beyond the Company's control such as fire, power loss, disruptions in telecommunications, severe weather conditions, natural disasters, health pandemics, terrorism, cyber attacks or fraud, which could significantly affect spending on American Express cards, delinquency rates, loan balances and travel-related spending or disrupt the Company's global network systems and ability to process transactions.

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