

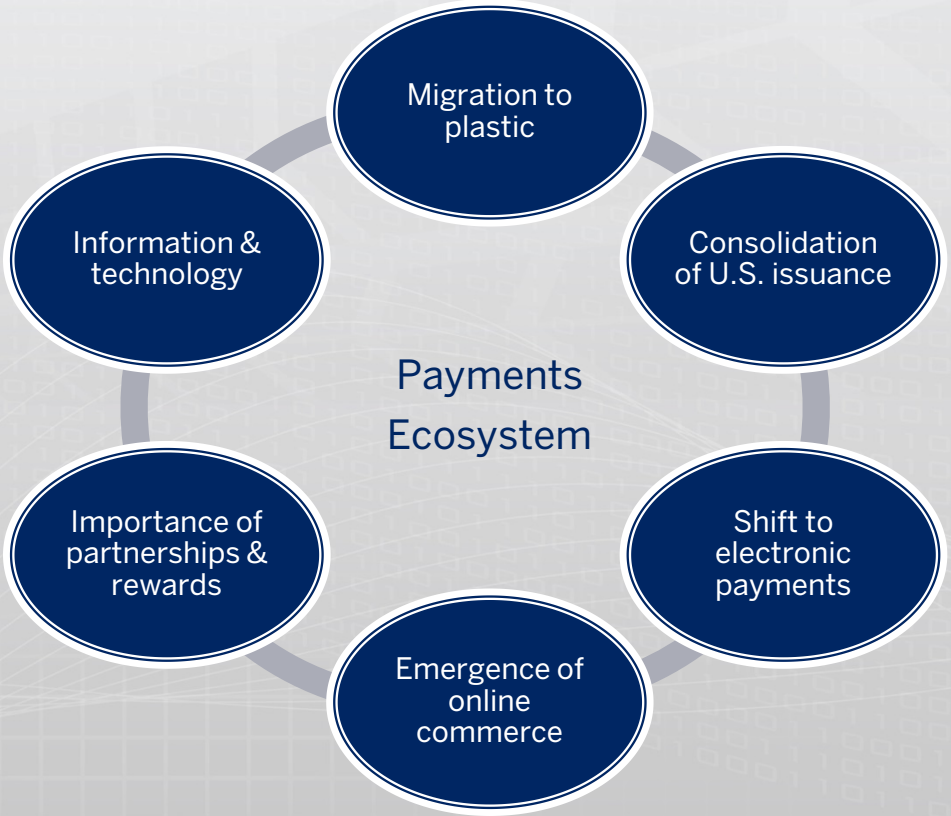
American Express Company

Goldman Sachs U.S. Financial Services Conference

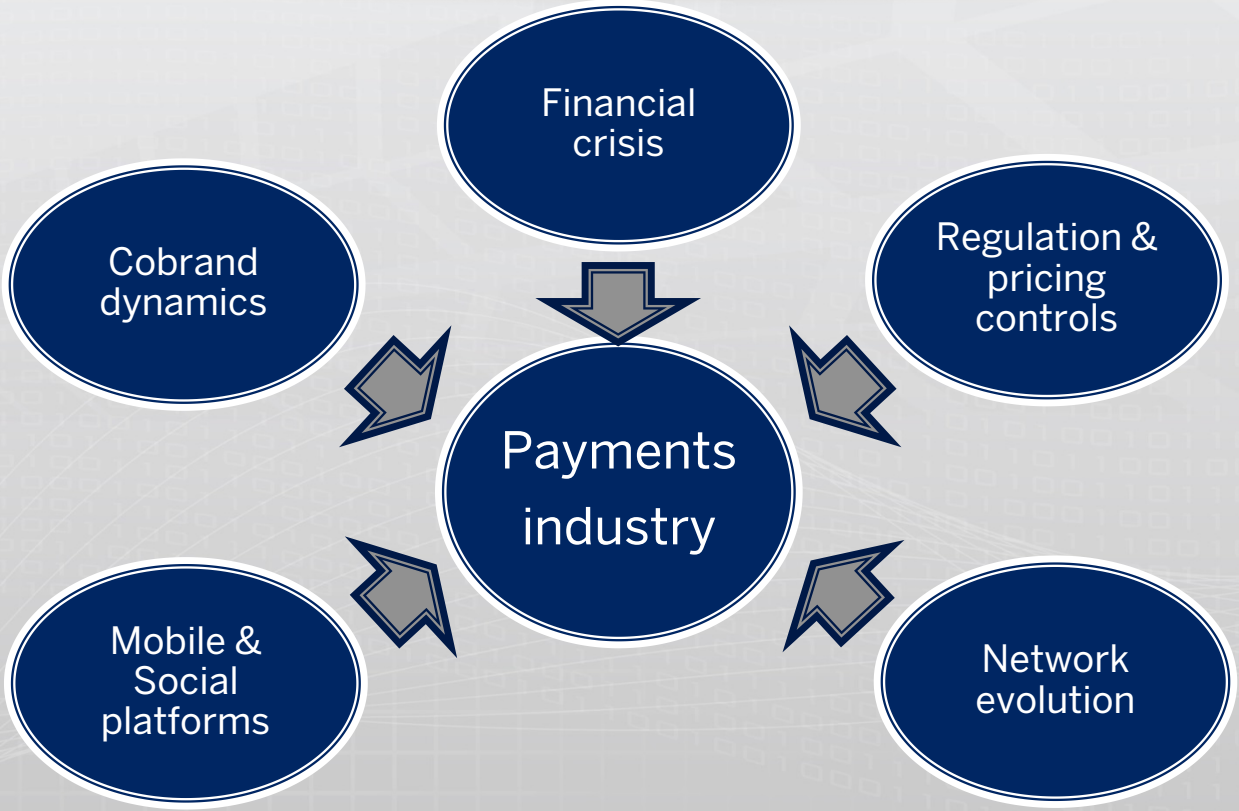
December 5, 2017

AMERICAN EXPRESS

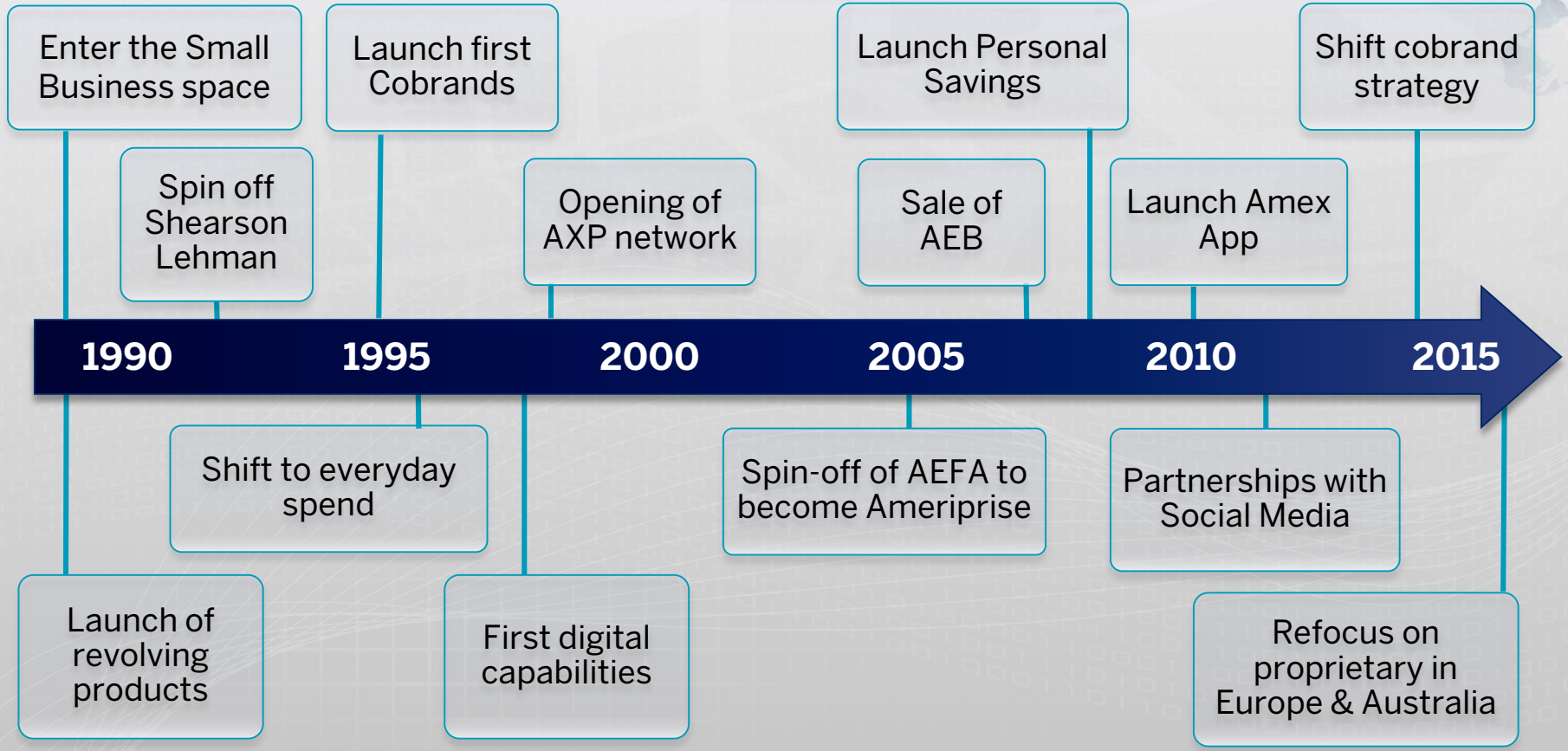
Assumptions that Materialized



Unexpected Events

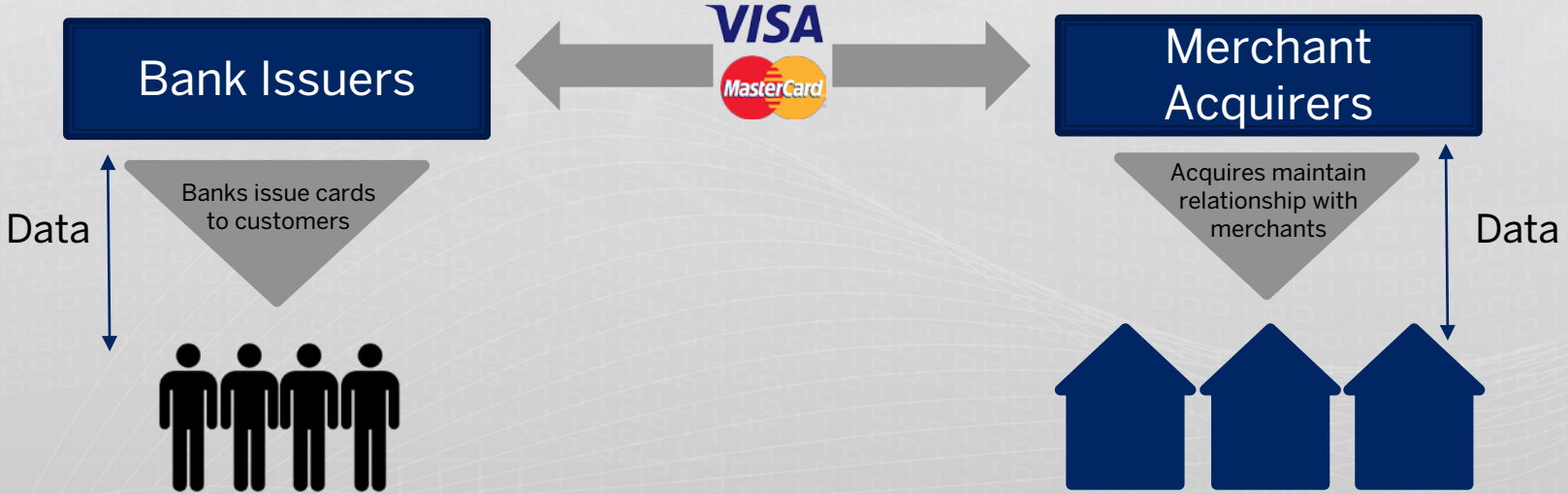


Strategic Actions



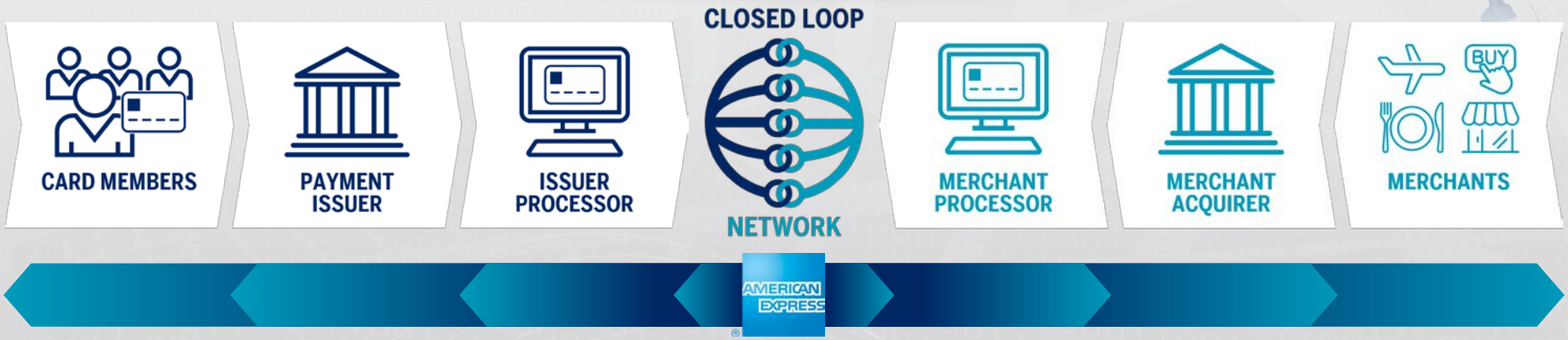

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Network Model



Note: The trademarks, logos and service marks used on this slide and throughout this presentation are the property of their respective owners.

Integrated Closed Loop 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


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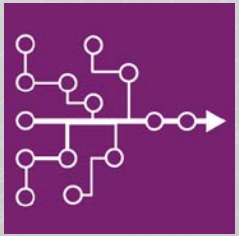
Two Year Game Plan



Accelerate Revenue Growth



Optimize Investments



Reset Cost Base

2 Year Financial Framework
2016 Adj. EPS Guidance*
$5.40-$5.70
$5.93
2017 EPS Guidance
At least $5.60
$5.80 - $5.90

**The company's 2016 adjusted diluted earnings per share (EPS) guidance, a non-GAAP measure, excluded restructuring charges and other contingencies, which were not estimable at the time of the Q4'15 earnings call. The company recognized $410MM of pretax restructuring charges ($266MM after-tax) in 2016. See Annex A for a reconciliation.*

Leveraging our Resources

Core Businesses

Segments | Products | Geographies

Assets



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

Capabilities



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

Relationships



- Diverse Customers
- Merchants
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Appendix

Annex A

FY'16 EPS Range Outlook

	FY'16 EPS Range	
GAAP EPS Outlook - including FY'16 Restructuring	**$5.12**	**$5.42**
Q1'16 Restructuring Charge per share (pre-tax)	$0.08	$0.08
Q2'16 Restructuring Charge per share (pre-tax)	$0.25	$0.25
Q3'16 Restructuring Charge per share (pre-tax)	$0.05	$0.05
Q4'16 Restructuring Charge per share (pre-tax)	$0.05	$0.05
Q1'16 Tax impact of Restructuring charge	($0.03)	($0.03)
Q2'16 Tax impact of Restructuring charge	($0.09)	($0.09)
Q3'16 Tax impact of Restructuring charge	($0.01)	($0.01)
Q4'16 Tax impact of Restructuring charge	($0.02)	($0.02)
Net impact of FY'16 Restructuring Charges per share (after-tax)*	**$0.28**	**$0.28**
EPS Outlook excluding restructuring charges & other contingencies	**$5.40**	**$5.70**

FY'16 EPS excluding the impact of Restructuring

	FY'16
Reported EPS	**$5.65**
FY'16 Restructuring Charge (pre-tax)	$0.43
FY'16 Tax Impact of Restructuring Charge	($0.15)
FY'16 EPS excluding the impact of Restructuring	**$5.93**

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 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 2017 earnings per common share outlook, which will depend in part on the following: revenues growing consistently with current expectations, which could be impacted by, among other things, the factors identified in the subsequent bullet; credit performance remaining consistent with current expectations; the level of spend in bonus categories on rewards-based and/or cash-back cards and redemptions of Card Member rewards and offers; the impact of any future contingencies, including, but not limited to, litigation-related settlements, judgments or expenses, the imposition of fines or civil money penalties, an increase in Card Member reimbursements, restructurings, impairments and changes in reserves; 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 Card Member engagement and the Company's ability to drive growth from such investments; changes in interest rates beyond current expectations (including the impact of hedge ineffectiveness and deposit rate increases); the impact of regulation and litigation, which could affect the profitability of the Company's business activities, limit the Company's ability to pursue business opportunities, require changes to business practices or alter the Company's relationships with partners, merchants and Card Members; the Company's tax rate remaining in line with current expectations, which could be impacted by, among other things, the Company's geographic mix of income being weighted more to higher tax jurisdictions than expected, changes in tax laws and regulation and unfavorable tax audits and other unanticipated tax items; the impact of accounting changes and reclassifications; write-downs of deferred tax assets as a result of tax law or other changes; and the Company's ability to continue executing its share repurchase program;
- the ability of the Company to grow revenues net of interest expense, 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 and grow spending, continued growth of Card Member loans, a greater erosion of the average discount rate than expected, the strengthening of the U.S. dollar, a greater impact on discount revenue from cash back and cobrand partner and client incentive payments, more cautious spending by large and global corporate Card Members, the willingness of Card Members to pay higher card fees, and lower spending on new cards acquired than estimated; and will depend on factors such as the Company's success in addressing competitive pressures and implementing its strategies and business initiatives, including growing profitable spending from existing and new Card Members, increasing penetration among middle market and small business clients, expanding the Company's international footprint and increasing merchant acceptance;
- 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;
- 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;
- the Company's rewards expense and cost of Card Member services growing inconsistently from expectations, which will depend in part on Card Member behavior as it relates to their spending patterns and actual usage and redemption of rewards, as well as the degree of interest of Card Members in the value proposition offered by the Company; increasing competition, which could result in greater rewards offerings; the Company's ability to enhance card products and services to make them attractive to Card Members; and the amount the Company spends on the promotion of enhanced services and rewards categories and the success of such promotion;

Forward Looking Statements (cont'd)

- the actual amount to be spent on marketing and promotion, which will be based in part on management's assessment of competitive opportunities; overall business performance and changes in macroeconomic conditions; the actual amount of advertising and Card Member acquisition costs; competitive pressures that may require additional expenditures; the Company's ability to continue to shift Card Member acquisition to digital channels; contractual obligations with business partners and other fixed costs and prior commitments; management's ability to identify attractive investment opportunities and make such investments, which could be impacted by business, regulatory or legal complexities; and the Company's ability to realize efficiencies, optimize investment spending and control expenses to fund such spending;
- the ability of the Company to reduce its overall cost base, which will depend in part on the timing and financial impact of reengineering plans, which could be impacted by factors such as the Company's inability to mitigate the operational and other risks posed by potential staff reductions, the Company's inability to develop and implement technology resources to realize cost savings and underestimating hiring and other employee needs; the ability of the Company to reduce annual operating expenses, which could be impacted by, among other things, the factors identified below; the ability of the Company to optimize marketing and promotion expenses, which could be impacted by the factors identified in the preceding bullet;
- the ability to reduce annual operating expenses, which could be impacted by the need to increase significant categories of operating expenses, such as consulting or professional fees, including as a result of increased litigation, compliance or regulatory-related 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; greater than expected inflation; 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 delinquency and write-off rates and growth of provisions for losses being higher than current expectations, which will depend in part on changes in the level of loan balances and delinquencies, mix of loan balances, loans and receivables related to new Card Members and other borrowers performing as expected, credit performance of new and enhanced lending products, 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 loans, which may be affected by increasing competition, brand perceptions and reputation, the Company's ability to manage risk in a growing Card Member loan portfolio, and the behavior of Card Members and their actual spending and borrowing patterns, which in turn may be driven by the Company's ability to issue new and enhanced card products, offer attractive non-card lending products, capture a greater share of existing Card Members' spending and borrowings, reduce Card Member attrition and attract new customers;
- the possibility that the Company will not execute on its plans 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 awareness and willingness of Card Members to use American Express cards at small merchants and of those merchants to accept American Express cards;
- the ability of the Company to capture commercial 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, competition, 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, including the growth of international proprietary and GNS billed business, which could be impacted by regulation and business practices, such as those capping interchange or other fees, favoring local competitors or prohibiting or limiting foreign ownership of certain businesses; the Company's ability to partner with additional GNS issuers as a result of regulation or otherwise 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;

Forward Looking Statements (cont'd)

- the Company's ability to attract and retain Card Members, including within the premium space, 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, Card Member acquisition efforts and enrollment processes, including through digital channels, and infrastructure to support new products, services and benefits;
- the ability of the Company to maintain and expand its presence in the digital payments space, which will depend on the Company's success in evolving its products and processes for the digital environment, offering attractive value propositions to Card Members to incentivize the use of and enhance satisfaction with the Company's digital channels and the Company's products as a means of payment through online and mobile channels, building partnerships and executing programs with other companies, and utilizing digital capabilities that can be leveraged for future growth;
- the ability of the Company to innovate and introduce new network features and offer expanded products and services to GNS partners, which will depend in part on the ability of the Company to update its systems and platforms, the amount the Company invests in the network, and technological developments relating to fraud protection support, marketing insights and digital connections;
- the erosion of the average discount rate by a greater amount than anticipated, including as a result of a greater shift of existing merchants into the OptBlue program, changes in the mix of spending by location and industry, merchant negotiations (including merchant incentives, concessions and volume-related pricing discounts), competition, pricing regulation (including regulation of competitors' interchange rates in the European Union and elsewhere) and other factors;
- changes affecting the ability or desire of the Company to return capital to shareholders through dividends and share repurchases, which will depend on factors such as approval of the Company's capital plans by its primary regulators, the amount the Company spends on acquisitions of companies and the Company's results of operations and capital needs and economic environment in any given period;
- 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 review of the case by the U.S. Supreme Court and the impact on existing private merchant cases and potentially additional litigation and/or arbitrations;
- legal and regulatory developments, including with regard to broad payment system regulatory regimes, actions by the CFPB and other regulators and the stricter regulation of financial institutions, which could require the Company to make fundamental changes to many of its business practices, including our ability to continue certain GNS and other partnerships; exert further pressure on the average discount rate and GNS volumes; result in increased costs related to regulatory oversight, litigation-related settlements, judgments or expenses, restitution to Card Members or the imposition of fines or civil money penalties; materially affect capital or liquidity requirements, results of operations, or ability to pay dividends or repurchase of stock; or result in harm to the American Express brand; and
- factors beyond the Company's control such as changes in global economic and business conditions, consumer and business spending, the availability and cost of capital, unemployment rates, geopolitical conditions, foreign currency rates and interest rates, as well as fire, power loss, disruptions in telecommunications, severe weather conditions, natural disasters (including further impacts from the recent hurricanes in Texas, Florida and Puerto Rico), health pandemics, terrorism, cyber attacks or fraud, any of which could significantly affect demand for and spending on American Express cards, delinquency rates, loan balances and other aspects of the Company and its results of operations 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, 2016, the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, June 30 and September 30, 2017 and the Company's other reports filed with the Securities and Exchange Commission.