

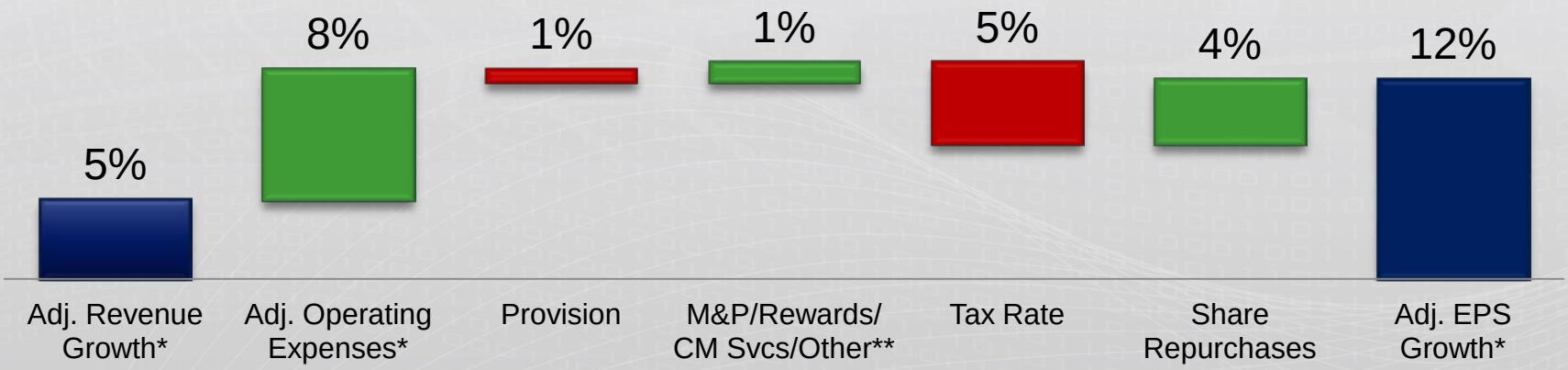
# American Express Company

## Goldman Sachs
## U.S. Financial Services Conference

December 10, 2014

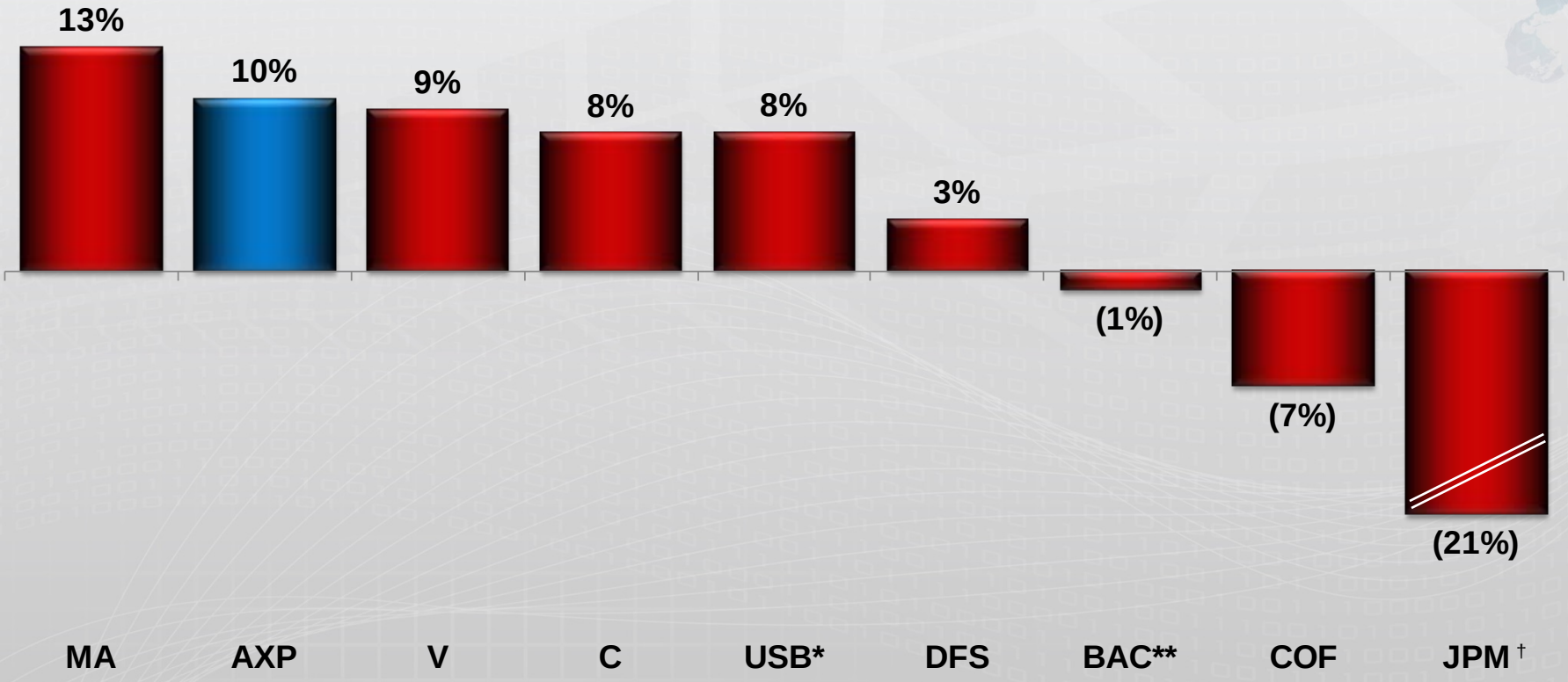
AMERICAN EXPRESS

# Contribution to 2014 Q3 YTD Adjusted EPS* Growth




*Note: Figures rounded. *The growth rate of adjusted revenue and the adjusted operating expense contribution to adjusted EPS growth, non-GAAP measures, are calculated by excluding Q3'13 Global Business Travel revenues and operating expenses from 2013 Q3 YTD revenues and operating expenses, respectively, as well as the Q2'14 GBT joint venture transaction gain, transaction-related costs, restructuring charges and AXP Foundation contribution from 2014 Q3 YTD operating expenses. The growth rate of adjusted diluted earnings per share, a non-GAAP measure, is calculated by excluding $0.05, the approximate net benefit from the Q2'14 GBT joint venture transaction, from 2014 YTD EPS. Refer to Annex 1, 2 and 3 for a breakdown of these amounts and a reconciliation to revenue, operating expense, and diluted EPS on a GAAP basis. Operating expenses represents salaries and employee benefits, professional services, occupancy and equipment, communications, and other, net . **"Other" reflects the net impact of Q3'13 GBT operating performance.*

# YTD'14 Net Income Growth vs. Peers




*Total Company Net Income for Discover, MasterCard, Visa and Card Segment Net Income for other issuing peers. *Payments Services Segment **Consumer Lending † Card Services.*
*Sources: Company Reports, Thomson*

# Metric Trends

*% increase/(decrease) vs. prior year*




**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. ** Billed Business on an FX-adjusted basis is a non-GAAP measure. FX adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars (i.e., assumes Q3'14 foreign exchange rates apply to Q3'13 results). †Principal Only. See Statistical tables in Q3'14 Earnings Release for net write-off rates including interest and/or fees.*

# Recent Progress and Trends

- Digital Transformation

# Digital Transformation of the Core Business

1. Bring American Express assets to key merchant platforms

2. Integrate American Express value & benefits into relevant devices

3. Utilize targeted multi-channel marketing across our Card Members' commerce journey

# Digital Progress

## Digital Metrics

**9.6M (37% YoY)**

**Cumulative**
**AXP Mobile App downloads**
**through Q3 2014**

**3.8M+**

**Registered Card Offers Redeemed**
**November 2014 YTD***

## New Initiatives

Uber

Apple Pay

Pay with Points
in CMT Taxi's (NYC)

Pay with Points
at McDonald's

*Does not include Small Business Saturday promotion redemptions.

# Recent Progress and Trends

- Digital Transformation
- Small Business Saturday

# Small Business Saturday



# Recent Progress and Trends

- Digital Transformation
- Small Business Saturday
- Thanksgiving Weekend Spending
- Concur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# Annex 1

## Adjusted Revenues Net of Interest

*($ in millions)*

| | Q3'13 YTD | Q3'14 YTD |
|---|---|---|
| **GAAP Revenues Net of Interest** | $24,427 | $25,185 |
| Q3'13 Global Business Travel Revenue Net of Interest* | 396 | |
| **Adjusted Revenues Net of Interest** | $24,031 | $25,185 |
| **YoY% Increase/Decrease in GAAP Revenues Net of Interest** | | **3%** |
| **YoY% Increase/Decrease in Adjusted Revenues Net of Interest** | | **5%** |

**Represents operating performance of Global Business Travel as reported in Q3'13. 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.*

# Annex 2

## Adjusted Total Operating Expenses

*($ in millions)*

| | Q3'13 YTD | Q3'14 YTD |
|---|---|---|
| **GAAP Total Operating Expenses** | $9,613 | $8,881 |
| Q3'13 Global Business Travel Operating Expenses** | 335 | |
| Q2'14 Global Business Travel Transaction | | |
| Transaction Gain | | (626) |
| Transaction-related Costs | | 79 |
| Restructuring Charges* | | 133 |
| AXP Foundation Contribution* | | 40 |
| **Adjusted Total Operating Expenses** | $9,278 | $9,255 |
| YoY% Increase/Decrease in GAAP Total Operating Expenses | | **(8%)** |
| YoY% Increase/Decrease in Adjusted Total Operating Expenses | | **0%** |
| **GAAP Total Operating Expense Contribution to GAAP EPS Growth** | | **17%** |
| **Adjusted Total Operating Expense Contribution to Adjusted EPS Growth** | | **8%** |

**To the extent comparable categories of charges were recognized in periods other than Q2'14, they have not been excluded. **Represents operating performance of Global Business Travel as reported in Q3'13. Does not include other Global Business Travel-related items, including transaction-related costs and impacts related to a transition services agreement that will phase out over time.*

# Annex 3

## Adjusted Diluted Earnings per Share

*($ in millions except per share amounts)*

| | Q3'13 YTD | Q3'14 YTD |
|---|---|---|
| **GAAP Diluted Earnings per Share** | $3.67 | $4.17 |
| Net Impact of Q2'14 Global Business Travel Transaction | | (~$0.05) |
| **Adjusted Diluted Earnings per Share** | **$3.67** | **~$4.12** |
| **YoY% Increase/Decrease in GAAP Diluted Earnings per Share** | | **14%** |
| **YoY% Increase/Decrease in Adjusted Diluted Earnings per Share** | | **12%** |