U.S. Liquidity Coverage Ratio (LCR) Disclosures

For the quarterly period ended 06/30/18

Table of Contents

IMPORTANT PRESENTATION INFORMATION

These disclosures are required by the Liquidity Coverage Ratio: Public Disclosure Requirements Final Rule (the LCR Disclosure Rule) published by the Board of Governors of the Federal Reserve System (the Federal Reserve) in alignment with the U.S. Liquidity Coverage Ratio (LCR) Final Rule (the LCR Final Rule). Information contained in this report is calculated in accordance with the LCR Final Rule, and follows the requirements of the LCR Disclosure Rule for the quantitative and qualitative presentation of data. Information presented herein may not be directly comparable to other public disclosures reported by American Express Company (the Company) and may not be comparable to similar measures used by other companies. Unless specified otherwise, all amounts and information are presented in conformity with the definitions, rules and requirements of the LCR Final Rule.

These disclosures include references to the Company's Annual Report on Form 10-K for the year ended December 31, 2017 (the 2017 Annual Report) on file with the U.S. Securities and Exchange Commission (SEC). These disclosures should be read in conjunction with the 2017 Annual Report with respect to information regarding liquidity and risk management contained therein as well as with the Company's other reports on file with the SEC and the Federal Reserve. SEC filings are made available to the public from the SEC's website at www.sec.gov and regulatory filings are made available from the Federal Reserve's website at:
http://www.ffiec.gov/nicpubweb/nicweb/NicHome.aspx.

Information contained herein is based on our current understanding of the LCR Final Rule and other factors, which may be subject to change as the Company receives additional clarification and implementation guidance from regulators relating to the U.S. LCR, and as the interpretation of the U.S. LCR evolves over time.

OVERVIEW

American Express Company is a globally integrated payments company that provides customers with access to products, insights and experiences that enrich lives and build business success. Our principal products and services are charge and credit payment card products and travel-related services offered to consumers and businesses around the world. American Express Company, a New York corporation, and its principal operating subsidiary, American Express Travel Related Services Company, Inc., are bank holding companies under the Bank Holding Company Act of 1956, as amended, subject to supervision and examination by the Federal Reserve.

The Company is subject to the requirements prescribed under the LCR Final Rule, which is designed to ensure that a banking entity maintains an adequate level of unencumbered high-quality liquid assets (HQLA) that can be converted into cash to meet its liquidity needs for a 30-day time horizon under an acute liquidity stress scenario specified by supervisors. The LCR measures the ratio of a firm's high-quality liquid assets to its projected net cash outflows.

The LCR is calculated by dividing eligible HQLA by estimated net cash outflows assuming a stressed 30-day period, with the net cash outflows determined by applying prescribed factors to various categories of liabilities, such as deposits, unsecured and secured wholesale borrowings, and other items. The outflows are partially offset by inflows from assets with contractual or rule-prescribed maturities within the next 30 days. Certain banking organizations, including the Company, are also required to calculate an additional outflow assumption to address potential maturity mismatches between contractual cash outflows and inflows within the 30-day period. The Company is required to calculate the LCR each business day and maintain a minimum ratio of 100 percent.

LCR CALCULATION AND MAIN DRIVERS

For the quarter ended June 30, 2018, the Company's consolidated average LCR was 150%, which was above the 100% regulatory minimum. The table below provides details of the Company's LCR components as required by the LCR Disclosure Rule. The "Average Unweighted Amount" column represents daily average balances for the quarter for each category of the LCR calculation, which have not been adjusted by the prescribed factors. The "Average Weighted Amount" column represents the average of unweighted amounts after being adjusted by the respective factor for each category of the LCR calculation, as prescribed by the LCR Final Rule.

American Express Company Consolidated, for the quarter ended June 30, 2018 In millions of U.S. Dollars		6/30/2018 Average Unweighted Amount	6/30/2018 Average Weighted Amount
HIGH-QUALITY LIQUID ASSETS			
1	Total eligible high-quality liquid assets (HQLA), of which:	21,059	21,059
2	Eligible level 1 liquid assets	21,059	21,059
3	Eligible level 2A liquid assets	-	-
4	Eligible level 2B liquid assets	-	-
CASH OUTFLOW AMOUNTS			
5	Deposit outflow from retail customers and counterparties, of which:	68,974	10,272
6	Stable retail deposit outflow	-	-
7	Other retail funding	38,214	4,731
8	Brokered deposit outflow	30,761	5,541
9	Unsecured wholesale funding outflow, of which:	2,541	2,541
10	Operational deposit outflow	-	-
11	Non-operational funding outflow	66	66
12	Unsecured debt outflow	2,475	2,475
13	Secured wholesale funding and asset exchange outflow	315	315
14	Additional outflow requirements, of which:	1,977	472
15	Outflow related to derivative exposures and other collateral requirements	335	335
16	Outflow related to credit and liquidity facilities including unconsolidated structured transactions and mortgage commitments	1,642	137
17	Other contractual funding obligation outflow	12,664	12,664
18	Other contingent funding obligations outflow	-	-
19	**TOTAL CASH OUTFLOW**	**86,472**	**26,265**
CASH INFLOW AMOUNTS			
20	Secured lending and asset exchange cash inflow	72	72
21	Retail cash inflow	22,021	11,011
22	Unsecured wholesale cash inflow	13,445	8,615
23	Other cash inflows, of which:	143	143
24	Net derivative cash inflow	143	143
25	Securities cash inflow	1	1
26	Broker-dealer segregated account inflow	-	-
27	Other cash inflow	-	-
28	**TOTAL CASH INFLOW**	**35,681**	**19,841**
			Average Amount [1]
29	HQLA AMOUNT		21,059
30	TOTAL NET CASH OUTFLOW AMOUNT EXCLUDING THE MATURITY MISMATCH ADD-ON		7,327
31	MATURITY MISMATCH ADD-ON		6,740
32	TOTAL NET CASH OUTFLOW AMOUNT		14,067
33	LIQUIDITY COVERAGE RATIO (%)		150%

[1] The amounts reported in this column may not equal the calculation of those amounts using component amounts reported in rows 1-28 due to technical factors such as the application of the level 2 liquid asset caps, the total inflow cap, and for depository institution holding companies subject to subpart G, the application of the modification to total net cash outflows.

Composition of HQLA:

As set forth in the table above, the Company's average weighted amount of HQLA was approximately $21.1 billion as of June 30, 2018, composed exclusively of Level 1 assets, mainly cash deposited at central banks. Eligible HQLA were held in U.S. Dollars, which the Company's expects could be readily converted to other currencies in the event of stress. Refer to Note 14 to the Company's Consolidated Financial Statements and the Market Risk Management Process section under "Risk Management" in the 2017 Annual Report for information on managing foreign exchange risk. HQLA held at the Company's depository institution subsidiaries as of June 30, 2018, that could not be transferred to the Company without restrictions were not included in the Company's average weighted amount of HQLA.

Cash Outflow Amounts:

For the second quarter of 2018, average weighted cash outflows totaled $26.3 billion. Cash outflows were primarily driven by retail customer deposit outflows of $10.3 billion, reflecting our Personal Savings deposit program and third-party brokered deposits, and other contractual funding obligation outflows of $12.7 billion, which primarily represented contractual outflows to merchants related to Card Member spending on charge and credit card products.

Cash Inflow Amounts:

For the second quarter of 2018, average weighted cash inflows totaled $19.8 billion. This primarily represented the minimum payments due on credit card loans and total balances due from charge card receivables, after the prescribed 50% LCR haircut.

Maturity Mismatch Add-On:

The LCR calculation requires the addition of a "maturity mismatch add-on" factor in the Company's net cash outflow calculation.[1] Maturity mismatches exist when peak cumulative net maturity cash outflows occur prior to the 30th day. The "maturity mismatch add-on" factor effectively increases the total net cash outflow amount in an effort to address this potential mismatch. For the second quarter of 2018, the Company's average maturity mismatch add-on was $6.7 billion, which reflects, under the specific stress scenario prescribed in the LCR Final Rule, the largest single-day net cumulative maturity outflow as compared to the net cumulative maturity outflow on the final day of the 30-day stress period.

Cash outflows, such as payments to merchants, and cash inflows, such as remittances from Card Members, are generally a predictable characteristic of our business. The "maturity mismatch add-on" prescribed under the LCR Rule magnifies daily variations in the Company's cash flows, requiring the Company to maintain HQLA levels that satisfy higher and less predictable daily LCR requirements, after taking into account the "maturity mismatch add-on" factor. These HQLA levels create elevated LCR ratios on days when the daily requirement is significantly lower. Days with a lower requirement, and thus higher ratio, elevate the quarterly average ratio.

[1] The maturity mismatch add-on is applicable to U.S. banking organizations with at least $250 billion in consolidated assets or at least $10 billion in on-balance sheet foreign exposure, and to their consolidated U.S. depository institution subsidiaries with at least $10 billion in total consolidated assets.

FUNDING STRATEGY AND PROGRAMS

The Company's principal funding objective is to maintain broad and well-diversified funding sources to allow it to meet maturing obligations, cost-effectively finance current and future asset growth in its global businesses and maintain a strong liquidity profile. The Company meets its funding needs through a variety of sources, including direct and third-party distributed deposits and debt instruments, such as senior unsecured debentures, asset securitizations, and borrowings through secured borrowing facilities. Refer to the Company's 2017 Annual Report for further information on funding activities.

The diversity of funding sources by type of instrument, by maturity and by investor base, among other factors, provides additional insulation from the impact of disruptions in any one type of instrument, maturity or investor base. The Company's funding strategy and activities are integrated into its asset-liability management activities.

LIQUIDITY MANAGEMENT FUNCTION

Liquidity risk is defined as an inability to meet ongoing financial and business obligations as they become due at a reasonable cost. The Company incurs liquidity risk that arises in the course of offering products and services. The Company's liquidity objective is to maintain access to a diverse set of on- and off-balance sheet liquidity sources in amounts sufficient to meet expected future financial obligations and business requirements for liquidity for a period of at least twelve months, in the event the Company is unable to raise new funds under regular funding programs during a substantial weakening in economic conditions. The Company considers the trade-offs between maintaining too much liquidity, which can be costly and limit financial flexibility, and having inadequate liquidity, which may result in financial distress during a liquidity event. The Company's board-approved Liquidity Risk Policy establishes the framework that guides and governs liquidity risk management.

The amount and type of liquidity resources the Company maintains can vary over time, based on the results of stress test scenarios required under the Dodd-Frank Wall Street Reform and Consumer Protection Act and other various regulatory requirements, such as the LCR, as well as additional stress scenarios required under the Liquidity Risk Policy.

Liquidity risk is managed by the Funding and Liquidity Committee at an aggregate consolidated level as well as at certain subsidiaries in order to ensure that sufficient and accessible liquidity resources are maintained. The Funding and Liquidity Committee reviews forecasts of our aggregate and subsidiary cash positions and financing requirements, approves funding plans designed to satisfy those requirements under normal and stressed conditions, establishes guidelines to identify the amount of liquidity resources required and monitors positions and determines any actions to be taken. In addition, the Market Risk Oversight Officer provides independent oversight of liquidity risk management. Refer to the Company's 2017 Annual Report for further information.