American Express Company ABS Investor Presentation
Table of Contents

• AXP Overview & Performance
• AXP Funding & Capital Management
• AXP ABS Platform
Strategic Imperatives

1. Expand leadership in the premium consumer space
2. Build on our strong position in commercial payments
3. Strengthen our global, integrated network to provide unique value
4. Make American Express an essential part of our customers’ digital lives
Our differentiated business model...

- Diverse Customer Base
- Global Footprint
- End-to-End, Integrated Payments Platform
- Revenue Mix
- Operating Leverage
- World Class Brand & Service
...has a diverse customer base and global footprint

Customers

- Global Consumer Services Group 44%
- Global Commercial Services 41%
- Global Merchant & Network Services 15%

Geographies

- U.S. 66%
- International 34%

- Global Merchant Services
- Global Network Services
- Loyalty Coalition
- Global Consumer Services
- Travel and Lifestyle Services
- Global Corporate Payments
- Global Small Business Services
- Commercial Financing
Financial Highlights

American Express Company

<table>
<thead>
<tr>
<th></th>
<th>Q4'18</th>
<th>Inc./(Dec)</th>
<th>FY'18</th>
<th>Inc./(Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues Net of Interest Exp.</td>
<td>$10,474</td>
<td>8%</td>
<td>$40,338</td>
<td>9%</td>
</tr>
<tr>
<td>FX-Adjusted*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income – GAAP</td>
<td>$2,010</td>
<td>#</td>
<td>$6,921</td>
<td>#</td>
</tr>
<tr>
<td>Adjusted Net Income**</td>
<td>$1,514</td>
<td>9%</td>
<td>$6,425</td>
<td>20%</td>
</tr>
<tr>
<td>Diluted EPS-GAAP†</td>
<td>$2.32</td>
<td>#</td>
<td>$7.91</td>
<td>#</td>
</tr>
<tr>
<td>Adjusted Diluted EPS**</td>
<td>$1.74</td>
<td>11%</td>
<td>$7.33</td>
<td>24%</td>
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<tr>
<td>Return on Average Equity</td>
<td>33.5%</td>
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</table>

*($ millions, except per share amounts)

Proprietary Billed Business Growth Trends

<table>
<thead>
<tr>
<th></th>
<th>Q3'17</th>
<th>Q4'17</th>
<th>Q1'18</th>
<th>Q2'18</th>
<th>Q3'18</th>
<th>Q4'18</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Consumer</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>International Consumer</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global Commercial</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

(Increase/(decrease) vs. Prior year (FX-Adjusted):
17% 10% 9%

*Total Revenues Net of Interest Expense adjusted for FX 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 Q4'18 and FY'18 foreign exchange rates apply to Q4'17 and FY'17 results, respectively). ** Adjusted Net Income and Adjusted Diluted Earnings per share, excluding the impacts of certain discrete tax benefits in Q4'18 and the impacts of the Tax Act in Q4'17, are non-GAAP measures. See Annex for a reconciliation to Net Income and Diluted EPS on a GAAP basis. †Attributable to common shareholders. Represents net income less earnings allocated to participating share awards, dividends on preferred shares and other items. # Denotes a variance of more than 100%. See Annex for reported billings growth rates.
AXP Lending Net Write-off Rates vs. Competitors

* Rates include principal only. See Statistical tables for the Fourth Quarter 2018, available at ir.americanexpress.com, for net write-off rates including interest and/or fees. ** US Consumer Credit Card.
AXP Lending 30 Days Past Due Rates vs. Competitors

- AXP
- Bank of America*
- JPMorgan Chase
- Discover
- Citi-Global
- Cap One-Global

<table>
<thead>
<tr>
<th></th>
<th>Q4'17</th>
<th>Q4'18</th>
</tr>
</thead>
<tbody>
<tr>
<td>AXP</td>
<td>1.3%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Bank of America*</td>
<td>1.9%</td>
<td>2.0%</td>
</tr>
<tr>
<td>JPMorgan Chase</td>
<td>1.8%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Discover</td>
<td>2.3%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Citi-Global</td>
<td>2.4%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Cap One-Global</td>
<td>2.5%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

* US Consumer Credit Card.
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• AXP Overview & Performance
• AXP Funding & Capital Management
• AXP ABS Platform
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

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

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

- **American Express National Bank (AENB)**
  - Regulated by OCC
  - Senior Debt Rating †: A2/A-/A

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* Includes securities held as collateral. ** $2.0B secured financing facility issued from American Express Credit Account Master Trust ("Lending Trust") maturing on September 15, 2020 and $3.0B secured financing facility issued from American Express Issuance Trust II ("Charge Trust") maturing on July 15, 2020; drawn balances serve as a funding source for the Company; undrawn balances are treated as a contingent source.
Funding Strategy

- We diversify our funding sources by maintaining scale and relevance in three major funding markets: unsecured term, ABS and deposits.
- During 2019, we anticipate issuing approximately $6-13B of Unsecured Term Debt and $4-11B of Card ABS.
  - In 2018, we issued $9.35B of unsecured term debt and $6.6B of asset-backed securities.
  - As of February 22, 2019, we issued $2.0B of unsecured term debt and $1.5B of asset-backed securities.

<table>
<thead>
<tr>
<th></th>
<th>Q1'18</th>
<th>Q2'18</th>
<th>Q3'18</th>
<th>Q4'18</th>
</tr>
</thead>
<tbody>
<tr>
<td>AENB</td>
<td>$81.9</td>
<td>$84.0</td>
<td>$87.9</td>
<td>$88.0</td>
</tr>
<tr>
<td>Other</td>
<td>$40.4</td>
<td>$42.6</td>
<td>$40.4</td>
<td>$44.6</td>
</tr>
</tbody>
</table>

Note: Totals may not sum due to rounding. “AENB” refers to American Express National Bank, balances for Q1’18 reflect the outstanding third-party debt of American Express Centurion Bank and American Express Bank, FSB. * 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.
Term Maturity Profile - Debt and CDs

($ in billions)

12/31/18

- CDs*
- Card ABS**
- Unsecured†

* Reflects long-term CD’s issued with an original maturity of 12 months or greater ** 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.
Capital Management

Capital Strength
CET1 Target of 10-11%

Return on Equity (ROE)

Business Growth and Acquisition

Payout
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. For further details on capital ratios, please see slide 30 in the appendix.
AXP Regulatory Requirements

- We are in Category IV per the Federal Reserve’s October 2018 proposed framework for segmenting firms with assets between $100B and $250B, and may be subject to reduced regulatory requirements.

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<tbody>
<tr>
<td>Current</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Proposed</td>
<td>✗</td>
<td>✗</td>
<td></td>
<td></td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
</tbody>
</table>

- **Capital**
- **Liquidity**
- **Other**

*Note: In October 2018, the Federal Reserve released two proposals, one jointly with the OCC and the Federal Deposit Insurance Corporation (FDIC) and one on its own, that would tailor the applicable capital and liquidity requirements and prudential standards for large U.S. banking organizations, such as AXP, based on their size and other risk-based indicators, consistent with EGRRCPA (the Tailoring Proposals). The Tailoring Proposals are not yet final and may be modified prior to their final adoption by the Federal Reserve, the OCC and the FDIC.*
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American Express ABS Trusts

<table>
<thead>
<tr>
<th>American Express Credit Account Master Trust (AMXCA)</th>
<th>American Express Issuance Trust II (AEITT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible assets</td>
<td>Eligible assets</td>
</tr>
<tr>
<td>Assets in trust</td>
<td>Assets in trust</td>
</tr>
<tr>
<td>▪ Consumer Card loans</td>
<td>▪ Consumer Card receivables</td>
</tr>
<tr>
<td>Trust Size:</td>
<td>▪ Small Business Card receivables</td>
</tr>
<tr>
<td>Principal AR</td>
<td></td>
</tr>
<tr>
<td>Investor Interest</td>
<td>▪ $7.4 billion</td>
</tr>
<tr>
<td>$30.9 billion</td>
<td>▪ $0.1 billion</td>
</tr>
<tr>
<td>Seller Interest</td>
<td>▪ $7.3 billion</td>
</tr>
<tr>
<td>$20.2 billion</td>
<td></td>
</tr>
<tr>
<td>$10.7 billion</td>
<td></td>
</tr>
</tbody>
</table>

**Funding Maturities***

<table>
<thead>
<tr>
<th>($ in billions)</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Thereafter</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$3.5</td>
<td>$6.9</td>
<td>$2.9</td>
<td>$2.0</td>
<td>$2.7</td>
</tr>
</tbody>
</table>

Note: Totals may not sum due to rounding. *Funding maturities reflects the face amount of Card ABS, net of retained portions, as of December 31st 2018. Excludes drawn amounts on secured financing facility. Source: 10-D filing dated February 15, 2019.
### Peer Comparison - Trust FICO Distributions*

**FICO <660 (“Sub-prime”)**

<table>
<thead>
<tr>
<th>Trust Data</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>AEITT†</td>
<td>6%</td>
</tr>
<tr>
<td>AMXCA†</td>
<td>6%</td>
</tr>
<tr>
<td>CHAIT</td>
<td>9%</td>
</tr>
<tr>
<td>BACCT</td>
<td>9%</td>
</tr>
<tr>
<td>CCCIT</td>
<td>9%</td>
</tr>
<tr>
<td>DCENT</td>
<td>12%</td>
</tr>
<tr>
<td>DROCK</td>
<td>13%</td>
</tr>
<tr>
<td>COMET‡</td>
<td>18%</td>
</tr>
</tbody>
</table>

**FICO >720 (“Super-prime”)**

<table>
<thead>
<tr>
<th>Trust Data</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>AEITT†</td>
<td>76%</td>
</tr>
<tr>
<td>CHAIT</td>
<td>70%</td>
</tr>
<tr>
<td>AMXCA†</td>
<td>69%</td>
</tr>
<tr>
<td>CCCIT</td>
<td>64%</td>
</tr>
<tr>
<td>BACCT</td>
<td>63%</td>
</tr>
<tr>
<td>DCENT</td>
<td>61%</td>
</tr>
<tr>
<td>DROCK</td>
<td>56%</td>
</tr>
<tr>
<td>COMET‡</td>
<td>54%</td>
</tr>
</tbody>
</table>

*Trust Data as of December 2018 for American Express Lending Trust (AMXCA), Capital One (COMET), Discover (DCENT), and J.P. Morgan (CHAIT), October 2018 for Bank of America (BACCT), June 2018 for Barclays (DROCK) and Citibank (CCCIT), and April 2018 for American Express Charge Trust (AEITT). ** “Sub-prime” includes receivables associated with accounts without FICO scores. †For AEITT and AMXCA, FICO > 720 (“Super-prime”) category represents two-thirds of the A/R within the 700 – 759 category. ‡COMET includes only consumer segment.
Credit Account Master Trust - Performance Trend

**Past Due Rate**

- **Past Due Rate (Calculated)**

**Default Rate**

- **Annualized Default Rate, Net**

**Monthly Payment Rate**

- **Monthly Payment Rate**

**Trust Portfolio Yield**

- **Trust Portfolio Yield**
Conclusion

- Industry-leading credit metrics

- Strong and flexible balance sheet

- Diversified funding sources across unsecured term, ABS and deposits.
  - Funding mix at 12/31/18: 30% unsecured term, 15% card ABS, 53% deposits and 3% short-term funding.
  - In 2018, we issued $9.4B of unsecured term debt and $6.6B of asset-backed securities.
  - As of February 22, 2019, we issued $2.0B of unsecured term debt and $1.5B of asset-backed securities.
### Anned

#### Billed Business – Reported & FX-Adjusted*

% Increase/(decrease) vs. prior year

<table>
<thead>
<tr>
<th></th>
<th>Q3'17</th>
<th>Q4'17</th>
<th>Q1'18</th>
<th>Q2'18</th>
<th>Q3'18</th>
<th>Q4'18</th>
<th>FY'18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>US Consumer Proprietary</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported</td>
<td>7%</td>
<td>8%</td>
<td>11%</td>
<td>10%</td>
<td>10%</td>
<td>9%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Int’l Consumer Proprietary</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported</td>
<td>15%</td>
<td>20%</td>
<td>25%</td>
<td>20%</td>
<td>14%</td>
<td>11%</td>
<td>17%</td>
</tr>
<tr>
<td>FX-Adjusted</td>
<td>13%</td>
<td>14%</td>
<td>16%</td>
<td>18%</td>
<td>18%</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td><strong>Total Proprietary Billings</strong></td>
<td></td>
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<td></td>
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<tr>
<td>Reported</td>
<td>9%</td>
<td>11%</td>
<td>13%</td>
<td>12%</td>
<td>11%</td>
<td>9%</td>
<td>11%</td>
</tr>
<tr>
<td>FX-Adjusted</td>
<td>9%</td>
<td>10%</td>
<td>11%</td>
<td>12%</td>
<td>12%</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td><strong>GNS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Reported</td>
<td>4%</td>
<td>9%</td>
<td>8%</td>
<td>(1%)</td>
<td>(5%)</td>
<td>(9%)</td>
<td>(2%)</td>
</tr>
<tr>
<td>FX-Adjusted</td>
<td>4%</td>
<td>6%</td>
<td>3%</td>
<td>(3%)</td>
<td>(1%)</td>
<td>(4%)</td>
<td>(1%)</td>
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<tr>
<td><strong>GCS</strong></td>
<td></td>
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</tr>
<tr>
<td>Reported</td>
<td>10%</td>
<td>11%</td>
<td>13%</td>
<td>12%</td>
<td>11%</td>
<td>9%</td>
<td>11%</td>
</tr>
<tr>
<td>FX-Adjusted</td>
<td>9%</td>
<td>10%</td>
<td>11%</td>
<td>12%</td>
<td>12%</td>
<td>10%</td>
<td>11%</td>
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<tr>
<td><strong>Worldwide</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported</td>
<td>8%</td>
<td>11%</td>
<td>12%</td>
<td>10%</td>
<td>8%</td>
<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td>FX-Adjusted</td>
<td>8%</td>
<td>9%</td>
<td>10%</td>
<td>9%</td>
<td>10%</td>
<td>8%</td>
<td>9%</td>
</tr>
</tbody>
</table>

*See Slide 6 for an explanation of FX-adjusted information.*
American Express Issuing Entities

American Express Issuance Trust II (AEITT)

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

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

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

American Express National Bank (AENB)
Regulated by OCC
Senior Debt Rating †: A2/A-/A

American Express Credit Account Master Trust (AMXCA)

AXP Franchise

- 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 are charge and credit cards. We are the largest U.S. issuer as measured by purchase volume.

- Our integrated network and spend-centric model 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 114 million cards in force worldwide.
  - Card issuing and/or merchant acquiring arrangements with banks and other institutions in approximately 130 countries and territories.
American Express Company (AXP)
Total Assets: $189.1B

Uses of Funding
- General corporate purposes

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

Funding Maturities*
- $19.0
- Thereafter 8.6
- 2022 3.5
- 2021 4.3
- 2020 2.0
- 2019 0.6

Unsecured

Note: Total consolidated assets as of September 30, 2018. * Funding maturities reflects the face amount of unsecured term debt issued by the entity as of December 31, 2018, 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.
American Express Credit Corporation (Credco)
100% owned by TRS
Total Assets: $40.4B

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)

Uses of Funding
- US and non-US charge card products
- Non-US revolving card products

Funding Maturities*
- $20.7B
- 7.2
- 6.6
- 2.9
- 2.1
- 2.0

Unsecured

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>7.2</td>
</tr>
<tr>
<td>2020</td>
<td>6.6</td>
</tr>
<tr>
<td>2021</td>
<td>2.9</td>
</tr>
<tr>
<td>2022</td>
<td>2.1</td>
</tr>
<tr>
<td>Thereafter</td>
<td>2.0</td>
</tr>
</tbody>
</table>

Note: Totals may not sum due to rounding. Total consolidated assets as of September 30, 2018. * Funding maturities reflects the face amount of unsecured term-debt issued or guaranteed by the entity, as of December 31, 2018; excludes deposits, capitalized leases and certain other items classified as long-term debt on the balance sheet.
American Express Travel Related Services (TRS)

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

Uses of Funding:
- US consumer and small business revolving card products, US consumer and small business charge card products (including lending on charge) and US cobrand card products

Total Assets: $116.5B

Note: Totals may not sum due to rounding. Total consolidated assets as of September 30, 2018. These assets are included in the GAAP assets at TRS. *Funding maturities reflects the face amount of unsecured term debt issued with an original maturity of 12 months or greater by the entity as of December 31, 2018; excludes demand deposits, capitalized leases and certain other items classified as long-term debt on the balance sheet.
Trust Structures

**Lending**
- **AENB (Originator)**
  - Receivables ➔ Cash
- **RFC III (Transferor)**
  - Receivables ➔ Cash / Seller’s Interest
- **American Express Credit Account Master Trust**
  - Certificates ➔ Cash
  - Collateral Interest ➔ Cash
- **Classes A & B Investors**
  - Notes ➔ Cash
- **Secured Note Trust**
- **Classes C & D Investors**

**Charge**
- **AENB (Originator)**
  - Receivables ➔ Cash
- **TRS (Sponsor)**
  - Receivables ➔ Cash / Seller’s Interest
- **RFC VIII (Transferor)**
  - Receivables ➔ Cash / Seller’s Interest
- **American Express Issuance Trust II**
  - Notes ➔ Cash
- **Investors (All Classes)**
## Capital Ratios

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Q4’18</th>
<th>Q4’17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Equity Tier 1 Risk-Based Capital</td>
<td>11.0%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Tier 1 Risk-Based Capital</td>
<td>12.0%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Total Risk-Based Capital</td>
<td>13.6%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Tier 1 Leverage</td>
<td>10.4%</td>
<td>8.6%</td>
</tr>
<tr>
<td>Supplementary Leverage Ratio</td>
<td>8.9%</td>
<td>7.4%</td>
</tr>
</tbody>
</table>

Note: Company’s consolidated risk-based capital ratios, as calculated under U.S. regulatory capital standards, known as Basel III.
Contact Information

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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 American Express Company’s expected business and financial performance, among other matters, contain words such as “believe,” “expect,” “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 grow earnings in the future, which will depend in part on revenue growth, credit performance and the effective tax rate remaining consistent with current expectations, the company’s ability to control operating expense growth and generate operating leverage, and the company’s ability to continue executing its share repurchase program; any of which could be impacted by, among other things, the factors identified in the subsequent paragraphs as well as the following: issues impacting brand perceptions and the company’s reputation; 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, increases in Card Member reimbursements, restructurings, impairments and changes in reserves; the amount the company spends on customer engagement and the company’s inability to drive growth from such investments; changes in interest rates beyond current expectations (including the impact of hedge ineffectiveness and deposit rate increases); a greater impact from new or renegotiated cobrand agreements than expected, which could be affected by spending volumes and customer engagement; and 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 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 and revolve balances, growth in Card Member loans and the yield on Card Member loans not remaining consistent with current expectations, a greater decline of the average discount rate than expected, the strengthening of the U.S. dollar beyond expectations, the willingness of Card Members to pay higher card fees, lower spending on new cards acquired than estimated, and the company’s inability to address competitive pressures and implement its strategies and business initiatives, including within the premium consumer segment, commercial payments, the global network and digital environment;

• 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 new and existing cobrand relationships, competition from new and non-traditional competitors and the success of marketing, promotion and rewards programs;

• the average discount rate changing by a greater amount than anticipated, 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), pricing initiatives, competition, pricing regulation (including regulation of competitors’ interchange rates in the European Union and elsewhere) and other factors;
Forward Looking Statements

- the company’s delinquency and write-off rates and growth of provisions for losses being higher or lower than current expectations, which will depend in part on changes in the level of loan and receivable balances and delinquencies generally as well as in macroeconomic factors, the mix of balances, newer vintages and balance transfers, 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, collections capabilities and recoveries of previously written-off loans and receivables;

- the company’s ability to continue to grow loans, which may be affected by increasing competition, brand perceptions and reputation, the company’s ability to manage risk, the behavior of Card Members and their actual spending and borrowing patterns, and 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 company’s net interest yield on average Card Member loans not remaining consistent with current expectations, which will be influenced by, among other things, the difference between the prime rate and the company’s cost of funds, changes in consumer behavior that affect loan balances (such as paydown rates), the company’s Card Member acquisition strategy, product mix, credit actions, including line size and other adjustments to credit availability, changes in the level of loans at promotional rates and pricing changes, which could be impacted by, among other things, changes in benchmark interest rates, competitive pressure and regulatory constraints;

- the actual amount to be spent on customer engagement, which will be based in part on management’s assessment of competitive opportunities; overall business performance and changes in macroeconomic conditions; the company’s ability to cost effectively enhance card products and services to make them attractive to Card Members; Card Member behavior as it relates to their spending patterns, including the level of spend in bonus categories, and the redemption of rewards and offers, as well as the degree of interest of Card Members in the value propositions we offer; the costs related to reward point redemptions, advertising and Card Member acquisition; the company’s ability to continue to shift Card Member acquisition to digital channels; new and renegotiated contractual obligations with business partners; and the pace and cost of the expansion of our global lounge collection;

- the company’s ability to control operating expense growth, 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, cyber or fraud costs; higher than expected employee levels; an inability to innovate efficient channels of customer interactions, such as chat supported by artificial intelligence, or customer acquisition; 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; and the level of M&A activity and related expenses;

- the company’s tax rate not remaining consistent with current expectations, which could be impacted by, among other things, the company’s geographic mix of income, further changes in tax laws and regulation, unfavorable tax audits and other unanticipated tax items;
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• the company’s ability to strengthen its leadership in the premium segment, 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 investments, 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 extend its leadership in commercial payments, which will depend in part on competition, the willingness and ability of companies to use credit and charge cards for procurement and other business expenditures as well as use other payment products for financing needs, 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 payment and lending solutions and the company’s ability to grow internationally, including through digital acquisitions and customer engagement capabilities;

• the ability of the company to innovate and strengthen its global network, 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 its ability to make funds available for such investments, and technological developments, including capabilities that allow greater digital connections;

• the ability of the company to play a more essential role in the digital lives of its customers, which will depend on the company’s success in evolving its products and processes for the digital environment, introducing new features in the Amex app and 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, developing digital capabilities and artificial intelligence to address travel and lifestyle needs and successfully integrating platforms we may acquire, all of which will be impacted by investment levels, new product innovation and development and infrastructure to support new products, services and benefits;

• the possibility that the company will not execute on its plans to expand the merchant base, which will depend in part on the success of the company, OptBlue merchant acquirers and GNS partners in signing merchants to accept American Express, which could be impacted by the value propositions offered to merchants, OptBlue merchant acquirers and GNS partners, 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 company’s funding plan for the full year 2018 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;

• the company’s deposit rates increasing faster or slower than current expectations and changes affecting the company’s ability to grow Personal Savings deposits consistent with expectations, including as a result of market demand, changes in benchmark interest rates or regulatory restrictions on the company’s ability to obtain deposit funding or offer competitive interest rates, which could affect the company’s net interest yield and ability to fund its businesses;
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• changes affecting the company’s plans regarding the return of capital to shareholders through dividends and share repurchases, which will depend on factors such as the company’s capital levels and capital ratios; changes in the stress testing and capital planning process and the continued non-objection by the company’s primary regulators to its capital plans; the amount of capital required to support asset growth; the amount the company spends on acquisitions of companies; the company’s results of operations and financial condition; and the economic environment and market conditions in any given period;

• a failure in or breach of the company’s operational or security systems, processes or infrastructure, or those of third parties, including as a result of cyberattacks, which could compromise the confidentiality, integrity, privacy and/or security of data, disrupt its operations, reduce the use and acceptance of American Express cards and lead to regulatory scrutiny, litigation, remediation and response costs, and reputational harm;

• changes in global economic and business conditions, consumer and business spending generally, the availability and cost of capital, unemployment rates, geopolitical conditions, Brexit, prolonged or recurring government shutdowns, trade policies, foreign currency rates and interest rates, all of which may significantly affect demand for and spending on American Express cards, delinquency rates, loan and receivable balances and other aspects of the company’s business and results of operations;

• changes in capital and credit market conditions, 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 or restrict access to the capital markets;

• legal and regulatory developments, which could require the company to make fundamental changes to many of its business practices, including our ability to continue certain cobrand and agent relationships in their current form; 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 stock; or result in harm to the American Express brand;

• potential actions by the FDIC and credit rating agencies applicable to securitization trusts, which could impact the company’s asset securitization program;

• changes in the financial condition and creditworthiness of the company’s business partners, such as bankruptcies, restructurings or consolidations, including 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 or terrorism, any of which could significantly affect demand for and spending on American Express cards, delinquency rates, loan and receivable 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 American Express Company’s Annual Report on Form 10-K for the year ended December 31, 2018 and the company’s other reports filed with the Securities and Exchange Commission.