



American Express Company Earnings Conference Call Q3'19

October 18, 2019

Strategic Imperatives & Enterprise-Wide Initiatives



Expand leadership in the premium consumer space

Build on our strong position in commercial payments

Strengthen our global, integrated network to provide unique value

Make American Express an essential part of our customers' digital lives

Focusing on the customer as a platform for growth

Expanding strategic partnerships to drive growth

Focusing our international strategy

Summary Financial Performance



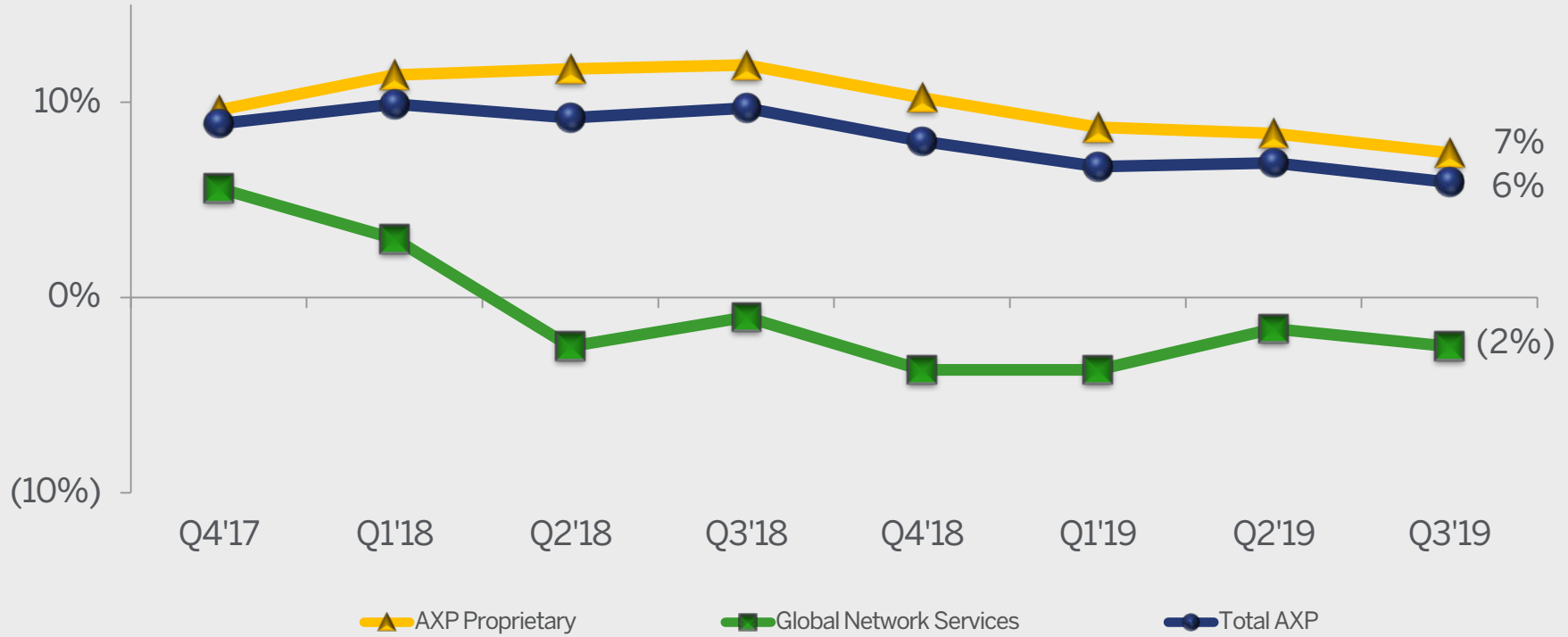
(\$ in millions; except per share amounts)

	Q3'19	Q3'18	Inc/(Dec)
Total Revenues Net of Interest Expense	\$10,989	\$10,144	8%
<i>FX-Adjusted*</i>		<i>\$10,043</i>	9%
Net Income	\$1,755	\$1,654	6%
Diluted EPS [†]	\$2.08	\$1.88	11%
Average Diluted Shares Outstanding	827	860	(4%)

*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 Q3'19 foreign exchange rates apply to Q3'18 results). [†]Attributable to common shareholders. Represents net income less earnings allocated to participating share awards, dividends on preferred shares and other items.

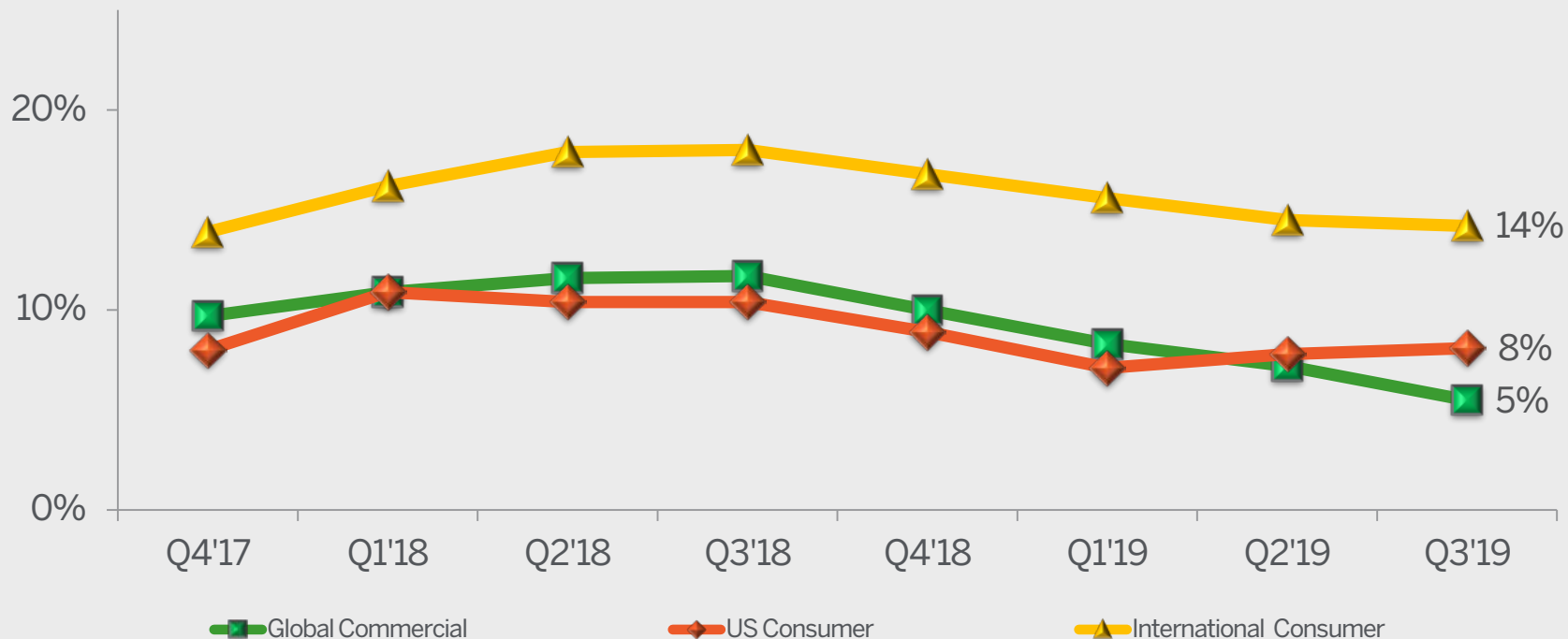
Worldwide Billed Business Growth

% Increase/(decrease) vs. Prior year (FX-adjusted):



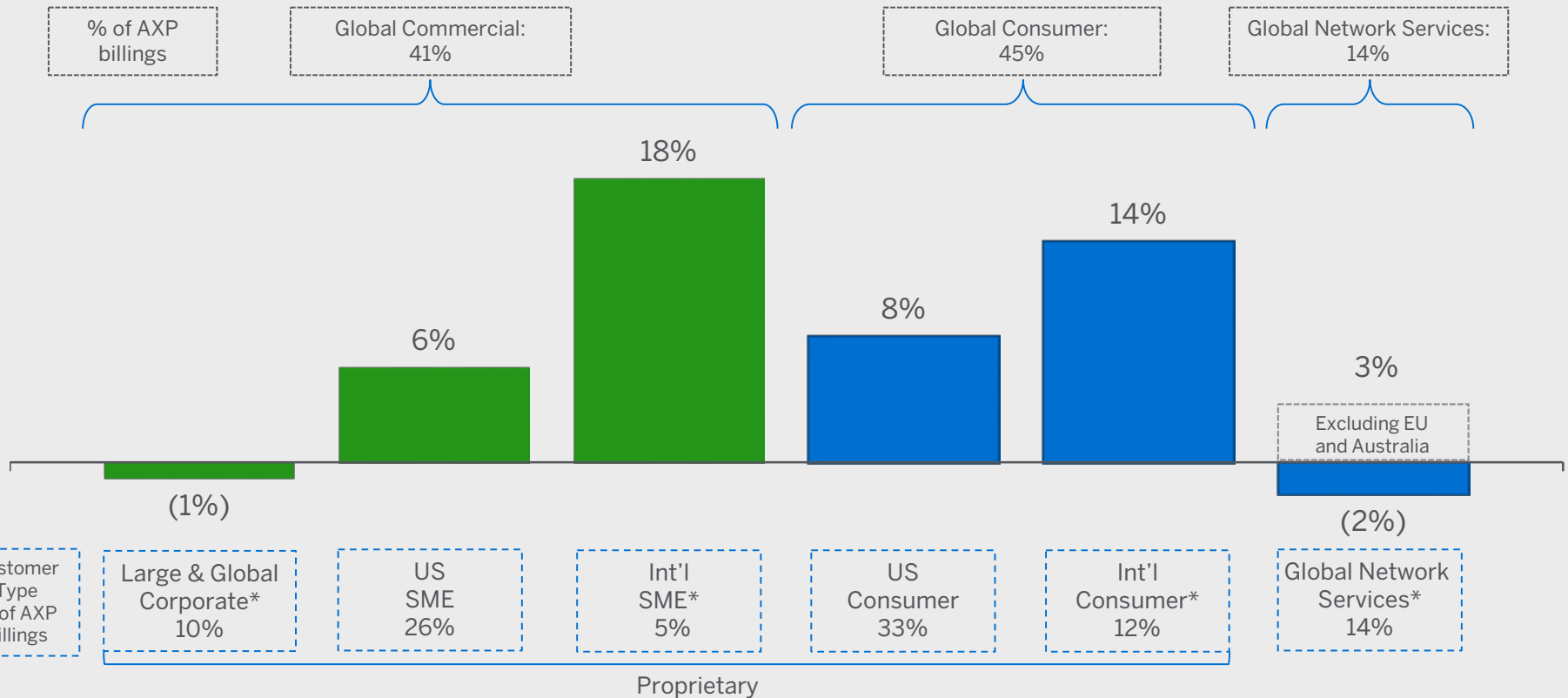
Proprietary Billed Business Growth Trends

% Increase/(decrease) vs. Prior year (FX-adjusted):



Q3'19 Billed Business Growth by Customer Type

% Increase/(decrease) vs. Prior year (FX-adjusted):

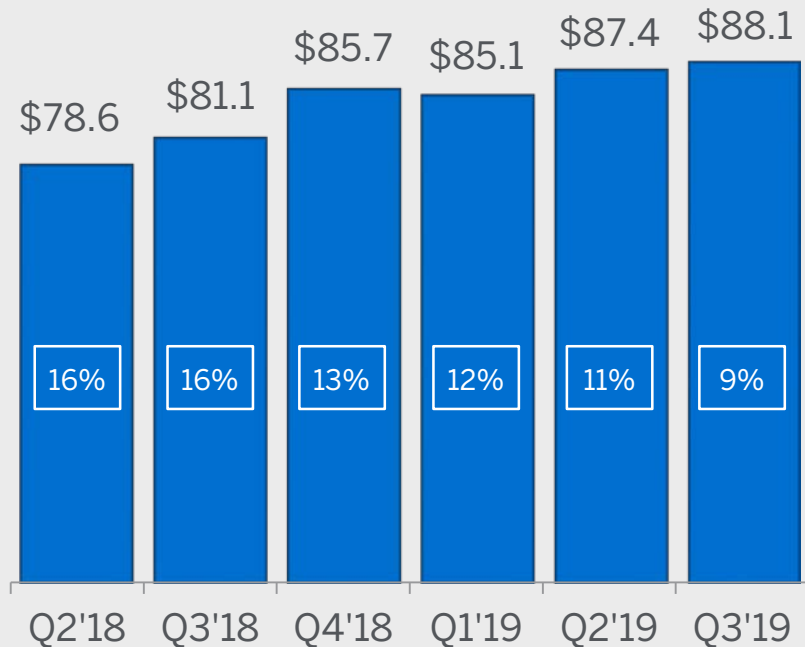


Note: SME refers to small and mid-sized businesses with less than \$300MM in annual revenues. * See Annex 1 for reported billings growth rates.

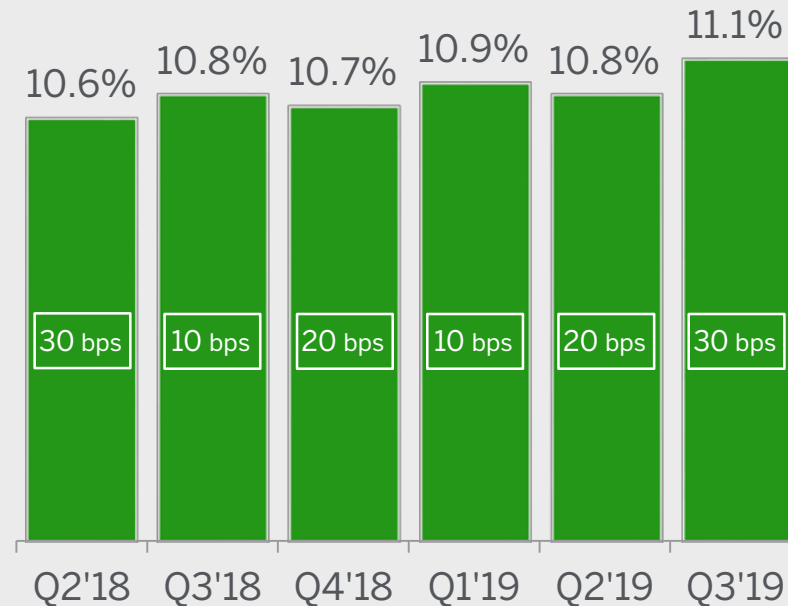
Worldwide Lending Performance

(\$ in billions)

Total Loans



WW Net Interest Yield on CM Loans*



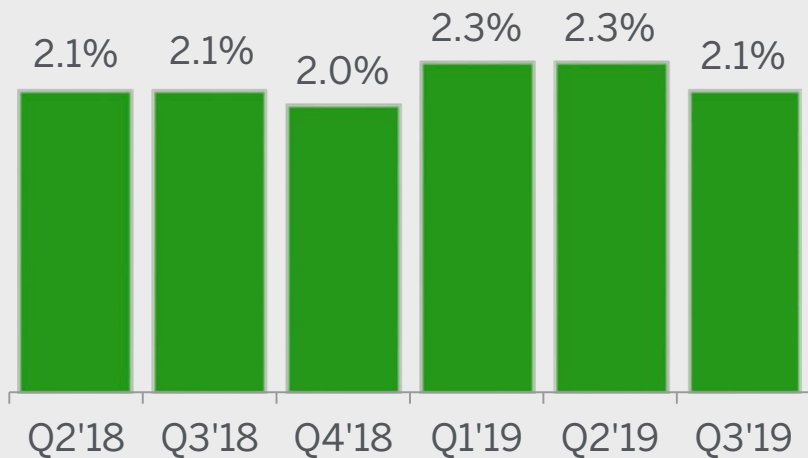
YoY
Growth

Note: Total Loans reflects Card Member loans and Other loans. *See Annex 3 for a reconciliation of net interest income divided by average loans, a GAAP measure, and net interest yield, a non-GAAP measure.

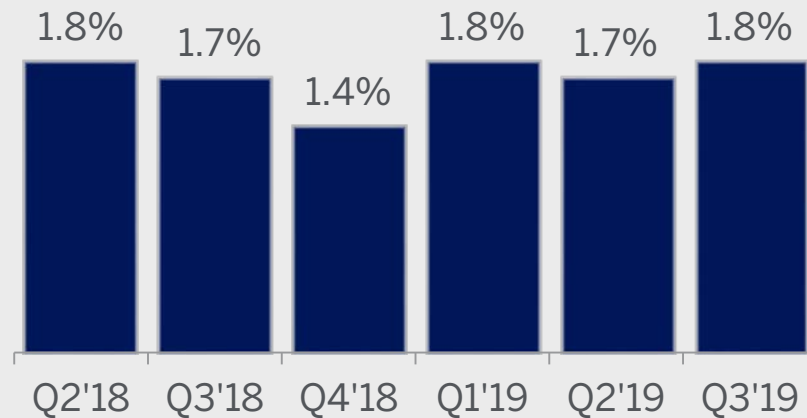
Worldwide Card Member Credit Metrics



Lending Net Write-off Rates



Charge Net Write-off Rates (excluding GCP)



30+ Days Past Due

1.3%	1.3%	1.4%	1.5%	1.4%	1.5%
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30+ Days Past Due*

1.3%	1.3%	1.4%	1.5%	1.4%	1.5%
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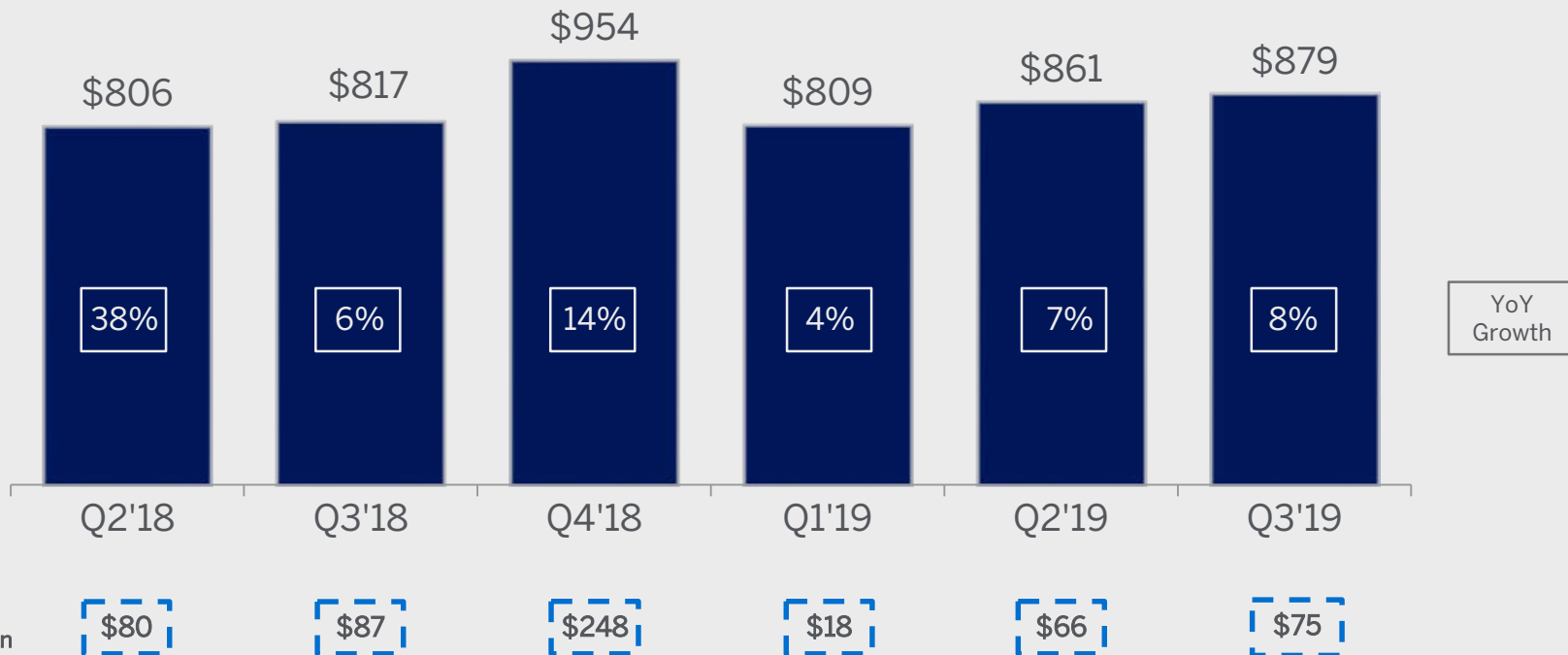
GCP Net Loss Ratio**

0.12%	0.12%	0.11%	0.08%	0.07%	0.09%
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Note: Net write-off rates above include Principal only. See Statistical Tables for the third quarter of 2019, available at ir.americanexpress.com, for net write-off rates including interest and/or fees. *30+ Days past due as a % of Global Consumer and Global Small Business Services Card Member receivables (excludes Global Corporate Payments (GCP)). ** As a % of charge volume for GCP receivables in Global Commercial Services.

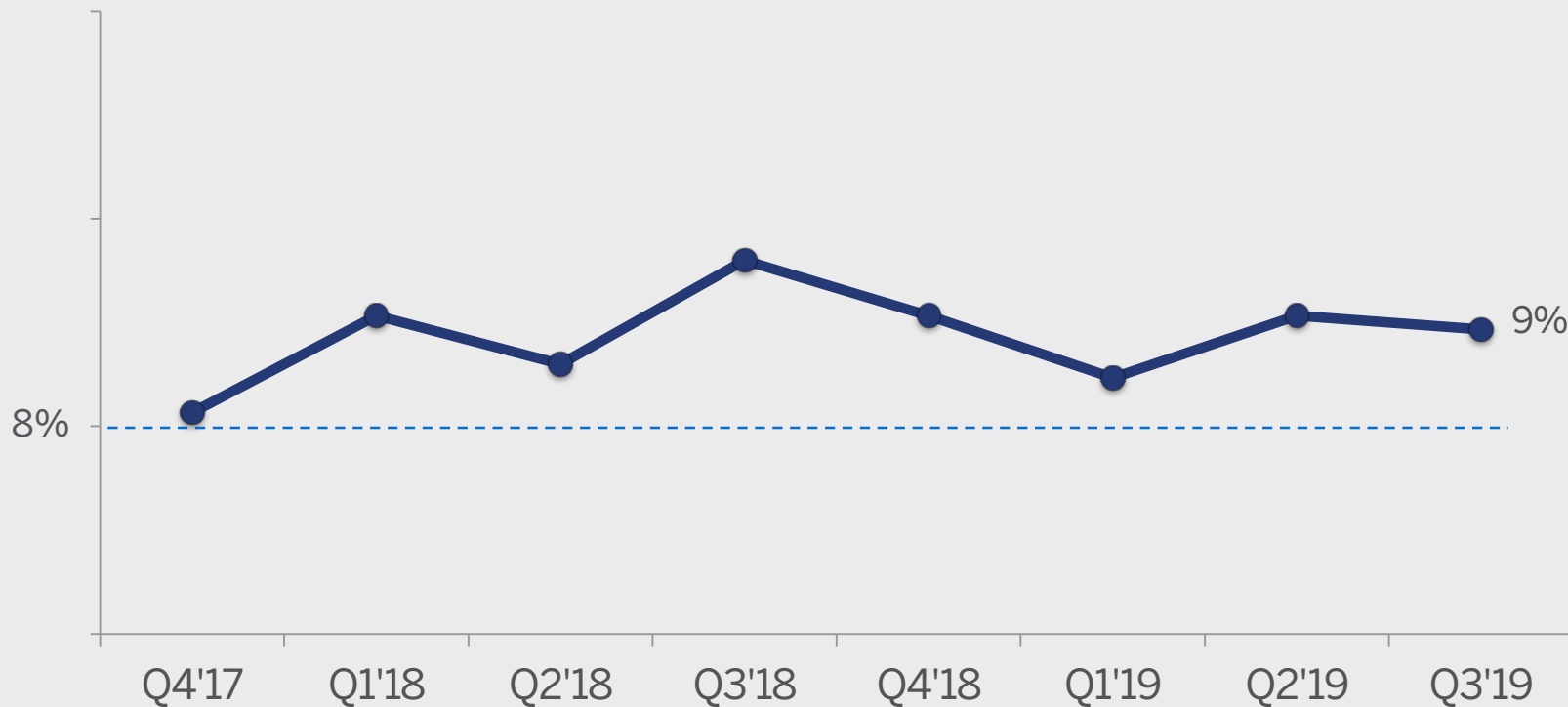
Total Provisions for Losses

(\$ in millions)



FX-Adjusted Revenue Growth*

% Increase/(decrease) vs. Prior year (FX-adjusted):



*Total Revenue Net of Interest Expense adjusted for FX and the related growth rates are non-GAAP measures. See Annex 2 for a reconciliation to total Revenue Net of Interest Expense on a GAAP basis.

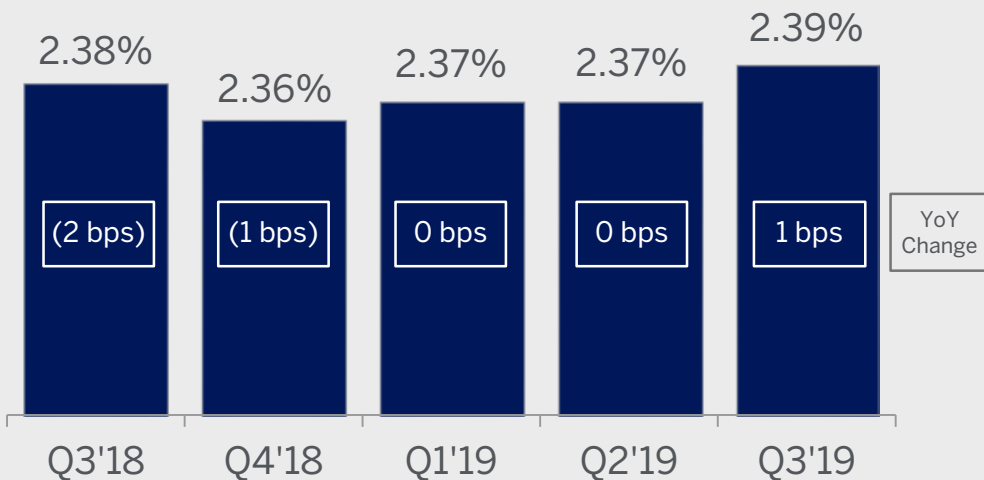
Revenue Performance

(\$ in millions)

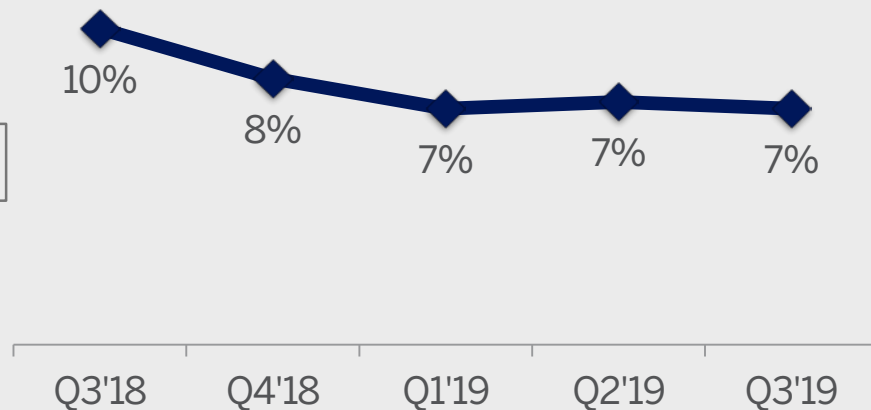
	Q3'19	Q3'18	Inc/(Dec)	% of Total Revenue
Discount Revenue	\$6,566	\$6,181	6%	60%
Net Card Fees	1,033	870	19%	9%
Others Fees & Commissions	825	798	3%	8%
Other Revenue	362	334	8%	3%
Net Interest Income	2,203	1,961	12%	20%
Revenues Net of Interest Expense	\$10,989	\$10,144	8%	100%
<i>FX-Adjusted*</i>		\$10,043	9%	

Discount Revenue

Average Discount Rate



FX-Adjusted Discount Revenue Growth*

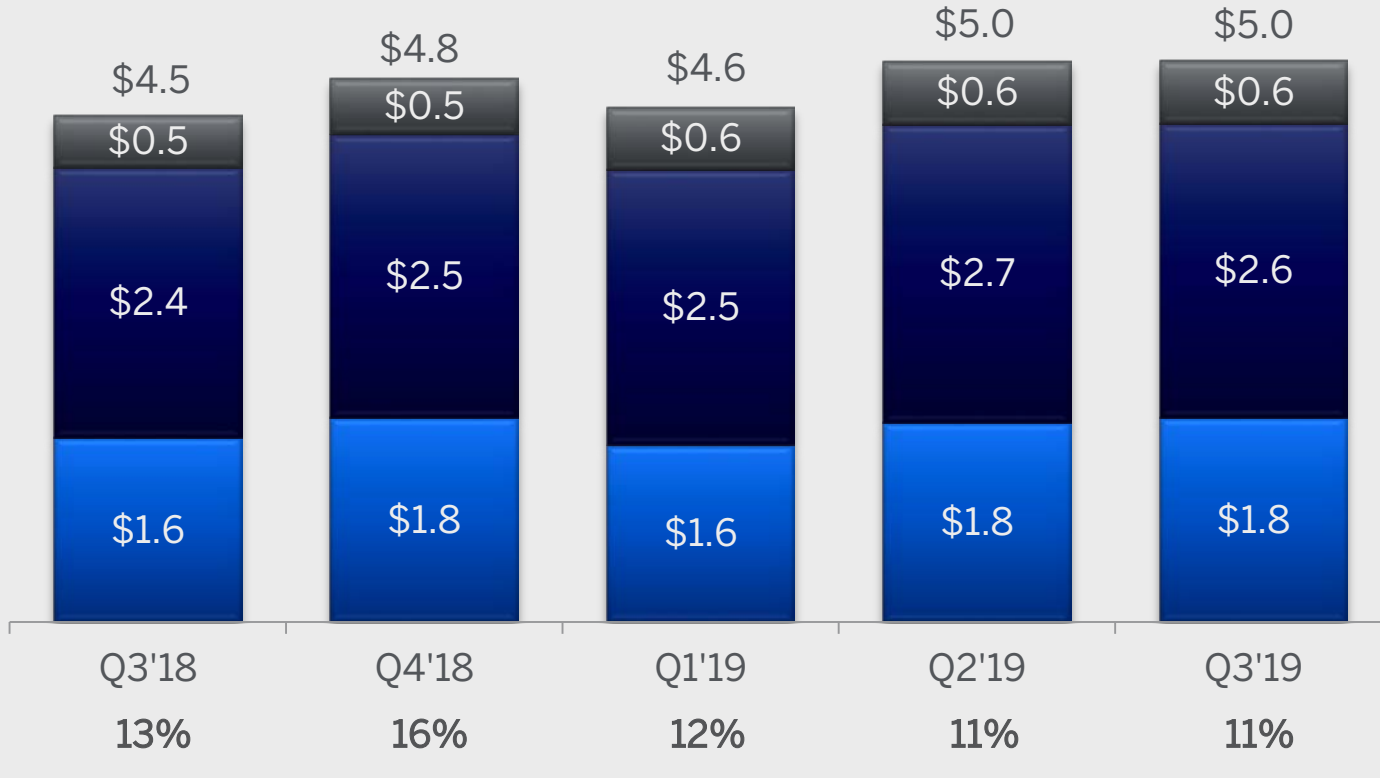


* Discount Revenue adjusted for FX and the related growth rates are non-GAAP measures. See Annex 4 for a reconciliation to Discount Revenue on a GAAP basis.

Customer Engagement

(\$ in billions)

YoY
Growth



CM Services
22%

Rewards
9%

M&BD
11%

YoY
Growth

Customer engagement components may not sum in total due to rounding.

Expense Performance

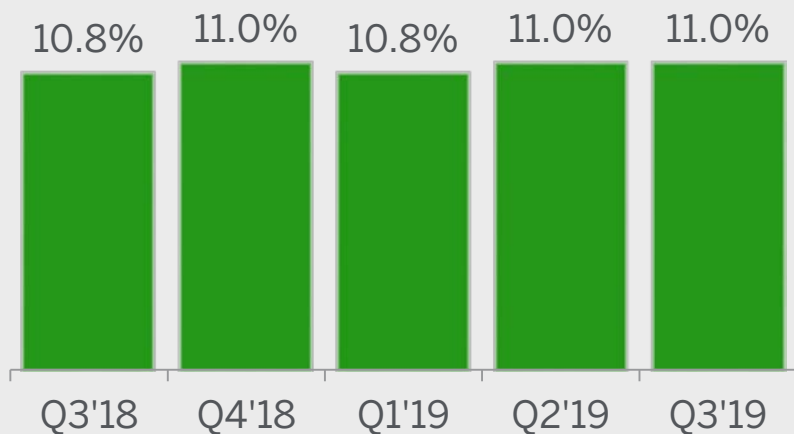
(\$ in millions)

	Q3'19	Q3'18	Inc/(Dec)
Marketing and Business Development	\$1,818	\$1,642	11%
Card Member Rewards	2,614	2,400	9%
Card Member Services	558	457	22%
Operating Expenses*	2,854	2,710	5%
Total Expenses	<u>\$7,844</u>	<u>\$7,209</u>	9%

Capital

(\$ in billions)

Common Equity Tier 1



Capital Return



Payout Ratio

66%	55%	105%	52%	101%
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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. The Risk-Based Capital Ratios for Q3'19 represent a preliminary estimate as of the date of these earnings slides and may be revised in the Company's Form 10-Q for the quarter ended September 30, 2019.

2019 Guidance

2019

Q4'19 Revenue Growth:
8% - 10%

Adjusted EPS:
\$7.85 - \$8.35

Appendix



Additional Commentary – Variance Analysis



- Discount Revenue: Increased 6% versus Q3'18, primarily driven by growth in billed business of 5%. The average discount rate was 2.39% as compared to 2.38% in the prior year.
- Net Card Fees: Increased 19% versus Q3'18, driven primarily by growth in the Platinum, Delta and Gold portfolios, as well as growth in certain key international countries.
- Other Fees & Commissions: Increased 3% versus Q3'18, primarily driven by growth in delinquency fees and foreign exchange conversion revenue.
- Other Revenues: Increased 8% versus Q3'18, primarily due to higher breakage on prepaid products and higher revenues related to the American Express Global Business Travel joint venture, partially offset by lower revenue earned on cross-border Card Member spending.
- Net Interest Income: Increased 12% versus Q3'18, primarily driven by growth in average Card Member loans and higher yields, partially offset by higher interest expense driven by higher average interest rates, average long-term debt and average deposits.
- Charge Card Provision for Losses: Increased 11% versus Q3'18, primarily driven by slightly higher delinquencies within the consumer and small business portfolios and slightly higher net write-offs.
- Card Member Loans Provision for Losses: Increased 8% versus Q3'18, primarily due to slightly higher net write-offs and delinquencies, partially offset by a deceleration in loan growth within the consumer portfolio.

Additional Commentary – Variance Analysis

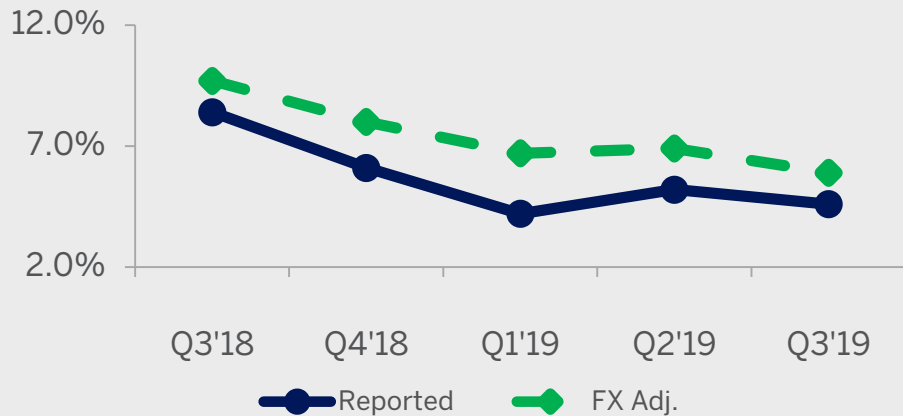


- Marketing and Business Development: Increased 11% versus Q3'18, due to continued investments in partnerships (including the recent renewal of our relationship with Delta Air Lines), increased network partner payments and increased corporate client incentives driven by higher volumes, partially offset by higher marketing costs in the prior year with the launch of a new global brand campaign.
- Card Member Rewards Expense: Increased 9% versus Q3'18, primarily driven by increases in Membership Rewards, cash back rewards and cobrand rewards expenses, all of which were primarily driven by higher spending volumes.
 - The Company's Membership Rewards Ultimate Redemption Rate for current program participants was 96% (rounded up) for both Q3'19 and Q3'18.
- Card Member Services Expense: Increased 22% versus Q3'18, primarily driven by higher usage of travel-related benefits.
- Salaries and Employee Benefits Expense: Increased 11% versus Q3'18, primarily driven by higher payroll costs and incentive compensation accrual.
- Other Expenses: Remained flat versus Q3'18, primarily reflecting higher technology costs in Occupancy and Equipment expense, offset by higher unrealized gains on certain equity investments and lower foreign exchange losses.

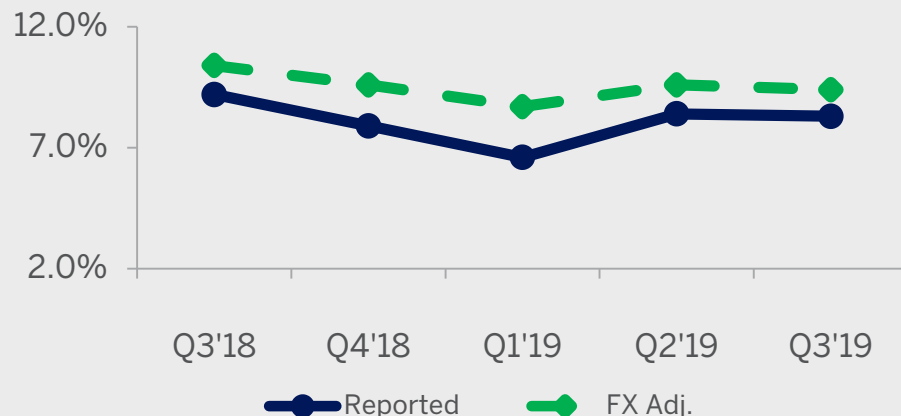
FX Impact on Billings and Revenue Growth

% Increase/(decrease) vs. Prior year:

Billed Business



Revenue Net of Interest Expense



Approximate Q3'19 BB as a % of Total

YoY% change in USD* vs Currency. Strengthened / (Weakened)

	Euro €	UK £	Japan ¥	Australia \$	Canada \$	Mexico \$
Approximate Q3'19 BB as a % of Total	4%	4%	5%	3%	2%	2%
YoY% change in USD* vs Currency. Strengthened / (Weakened)	6%	6%	(5%)	7%	2%	5%

Note Billed Business is based on where the issuer is located and includes both proprietary and non-proprietary cards. See Slide 3 for an explanation of FX-adjusted information. *Represents percentage change in foreign currency exchange rates at 2018 and 2019 September month-end, respectively, per Bloomberg.

Annex 1 (1 of 2)

➔ **Billed Business – Reported & FX-Adjusted***
 % Increase/(decrease) vs. prior year

	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19
US Consumer Proprietary								
Reported	8%	11%	10%	10%	9%	7%	8%	8%
Int'l Consumer Proprietary								
Reported	20%	25%	20%	14%	11%	8%	10%	10%
FX-Adjusted	14%	16%	18%	18%	17%	16%	15%	14%
Total Proprietary Billings								
Reported	11%	13%	12%	11%	9%	7%	7%	6%
FX-Adjusted	10%	11%	12%	12%	10%	9%	8%	7%
GNS								
Reported	9%	8%	(1%)	(5%)	(9%)	(10%)	(7%)	(6%)
FX-Adjusted	6%	3%	(3%)	(1%)	(4%)	(4%)	(2%)	(2%)
GCS								
Reported	11%	13%	12%	11%	9%	7%	6%	5%
FX-Adjusted	10%	11%	12%	12%	10%	8%	7%	5%
Worldwide								
Reported	11%	12%	10%	8%	6%	4%	5%	5%
FX-Adjusted	9%	10%	9%	10%	8%	7%	7%	6%

*See Slide 3 for an explanation of FX-adjusted information.

Annex 1 (2 of 2)

➔ **Billed Business – Reported & FX-Adjusted***
% Increase/(decrease) vs. prior year

	Q2'19	Q3'19
Large & Global Corporate		
Reported	3%	(2%)
FX-Adjusted	5%	(1%)
Int'l SME		
Reported	12%	14%
FX-Adjusted	17%	18%

	Q2'19	Q3'19
GNS excl. EU & Australia		
Reported	1%	0%
FX-Adjusted	6%	3%

Annex 2

➔ Revenue Net of Interest Expense (\$ in billions)

	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19
GAAP Revenue Net of Interest Expense	\$8.9	\$8.7	\$9.2	\$9.3	\$9.7	\$9.7	\$10.0	\$10.1	\$10.5	\$10.4	\$10.8	\$11.0
FX-Adjusted Revenue Net of Interest*	\$9.0	\$8.9	\$9.2	\$9.2	\$9.6	\$9.5	\$9.9	\$10.0				
YoY% Inc/(Dec) in GAAP Revenue Net of Interest					10%	12%	9%	9%	8%	7%	8%	8%
YoY% Inc/(Dec) in FX- Adjusted Revenue Net of Interest					8%	10%	9%	10%	10%	9%	10%	9%

* See Slide 3 for an explanation of FX-adjusted information.

Annex 3

➤ Consolidated Net Interest Yield on Average Card Member Loans

(Millions, except percentages and where indicated)

	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19
Net interest income	\$1,829	\$1,961	\$2,032	\$2,059	\$2,074	\$2,203
Exclude:						
Interest expense not attributable to our Card Member loan portfolio*	\$359	\$390	\$405	\$453	\$439	\$436
Interest income not attributable to our Card Member loan portfolio**	(\$236)	(\$274)	(\$287)	(\$335)	(\$312)	(\$308)
Adjusted net interest income***	\$1,952	\$2,077	\$2,150	\$2,177	\$2,201	\$2,331
Average Card Member loans (billions)	\$74.1	\$76.4	\$79.4	\$80.6	\$81.9	\$83.3
Net interest income divided by average Card Member loans	9.9%	10.3%	10.2%	10.2%	10.1%	10.6%
Net interest yield on average Card Member loans***	10.6%	10.8%	10.7%	10.9%	10.8%	11.1%

* Primarily represents interest expense attributable to funding Card Member receivables and maintaining our corporate liquidity pool.

** Primarily represents interest income attributable to Other loans, interest-bearing deposits and our Travelers Cheque and other stored-value investment portfolio.

***Adjusted net interest income and net interest yield on average Card Member loans are non-GAAP measures. We believe adjusted net interest income is useful to investors because it represents the interest expense and interest income attributable to our Card Member loan portfolio and is a component of net interest yield on average Card Member loans, which provides a measure of profitability of our Card Member loan portfolio. Net interest yield on average Card Member loans reflects adjusted net interest income divided by average Card Member loans, computed on an annualized basis. Net interest income divided by average Card Member loans, computed on an annualized basis, a GAAP measure, includes elements of total interest income and total interest expense that are not attributable to the Card Member loan portfolio, and thus is not representative of net interest yield on average Card Member loans.

Annex 4

➔ *Discount Revenue Adjusted for FX* *% Increase/(decrease) vs. prior year*

	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19
Discount Revenue	\$5.7	\$6.1	\$5.9	\$6.2	\$6.2	\$6.4	\$6.2	\$6.6	\$6.6
FX-Adjusted Discount Revenue*	\$5.6	\$6.0	\$5.8	\$6.1	\$6.1				
YoY% Inc/(Dec) in Discount Revenue					8%	7%	5%	6%	6%
YoY% Inc/(Dec) in FX- Adjusted Discount Revenue*					9%	8%	7%	7%	7%

* See Slide 3 for an explanation of FX-adjusted information.

Annex 5

➔ 2019 EPS Range Outlook

GAAP EPS Outlook

Q1'19 Litigation-related charge (pre-tax)

Tax impact of Litigation-related charge

Net impact of Q1'19 Litigation-related charge

Adjusted EPS Outlook

2019 EPS Range	
\$7.64	\$8.14
\$0.27	\$0.27
(\$0.06)	(\$0.06)
\$0.21	\$0.21
\$7.85	\$8.35

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 current expectations regarding business and financial performance, including management's outlook for 2019, among other matters, contain words such as "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 achieve its 2019 earnings per common share (EPS) outlook and fourth quarter 2019 EPS consistent with expectations and grow earnings per share 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, restructurings, impairments, changes in reserves, legal costs, the imposition of fines or civil money penalties and increases in Card Member reimbursements; the amount and efficacy of investments in customer engagement; changes in interest rates beyond current expectations; a greater impact from new or renegotiated cobrand agreements than expected, which could be affected by spending volumes and customer acquisition; 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 achieve its fourth quarter 2019 revenue growth outlook, 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; a slowdown in corporate spending; growth in Card Member loans and the yield on Card Member loans not remaining consistent with current expectations; the average discount rate changing by a greater amount than expected; the strengthening of the U.S. dollar beyond expectations; Card Members continuing to be attracted to the company's premium card products; 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;

Forward Looking Statements

- the 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 delinquency and write-off rates; the impact of new accounting guidance and the Current Expected Credit Loss methodology; newer vintages performing as expected; credit performance of non-card lending products; collections capabilities and recoveries of previously written-off loans and receivables; and macroeconomic factors like unemployment rates and the volume of bankruptcies;
- cost of Card Member services growing inconsistently from expectations, which will depend in part on an inability to cost effectively enhance card products and services; the degree of interest of Card Members in the value proposition offered by the company; increasing competition, which could result in additional benefits and services; the company's ability to enhance card products and services to make them attractive to Card Members; and the pace and cost of the expansion of the company's global lounge collection;
- the company's ability to control operating expense growth, which could be impacted by increases in costs, such as cyber, fraud or compliance expenses or consulting, legal and other professional fees, including as a result of increased litigation or internal and regulatory reviews; 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, sales force, premium servicing and digital capabilities; and the level of M&A activity and related expenses;
- 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 capital levels and regulatory capital ratios; changes in the stress testing and capital planning process and approval of the company's 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;
- the possibility that the company will not execute on its plans to expand merchant coverage, 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 by the company to merchants and merchant acquirers for card acceptance, as well as the awareness and willingness of Card Members to use American Express cards at merchants and of those merchants who agree to accept American Express cards to do so;
- 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;

Forward Looking Statements



- legal and regulatory developments, which could require the company to make fundamental changes to many of its business practices, including its ability to continue certain cobrand and agent relationships in their current form in the EU; 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; and
- factors beyond the company's control such as changes in global economic and business conditions, consumer and business spending generally, the availability and cost of capital, unemployment rates, geopolitical conditions, Brexit, trade policies, foreign currency rates and interest rates, as well as fire, power loss, disruptions in telecommunications, severe weather conditions, natural and man-made 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's business 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, the company's Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 2019 and the company's other reports filed with the Securities and Exchange Commission.

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