



# American Express Company Earnings Conference Call Q3'20

October 23, 2020

# Key Priorities for 2020

A solid blue square icon.

**Support our colleagues and win as a team**

A solid blue square icon.

**Protect our customers and the brand**

A solid blue square icon.

**Structure the company for growth in the future**

A solid blue square icon.

**Remain financially strong**

# Summary Financial Performance

(\$ in millions; except per share amounts)

	Q3'20	Q3'19	YoY% Inc/(Dec)
Total Revenues Net of Interest Expense	\$8,751	\$10,989	(20%)
<i>FX-Adjusted*</i>		\$10,997	(20%)
Net Income	\$1,073	\$1,755	(39%)
Diluted EPS <sup>†</sup>	\$1.30	\$2.08	(38%)
Average Diluted Shares Outstanding	805	827	(3%)

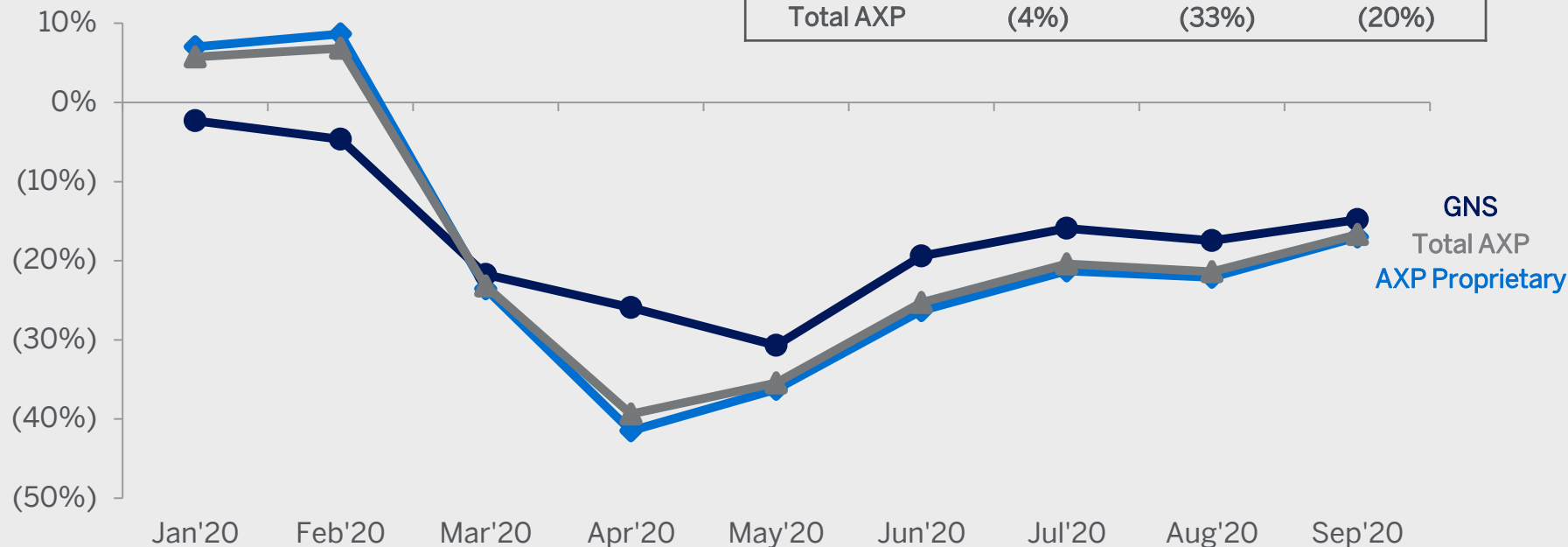
\*Total Revenues Net of Interest Expense adjusted for FX is a non-GAAP measure. FX-adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars (e.g. assumes Q3'20 foreign exchange rates apply to Q3'19 results). †Attributable 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):

	Q1'20	Q2'20	Q3'20
AXP Prop	(3%)	(35%)	(20%)
GNS	(10%)	(25%)	(16%)
Total AXP	(4%)	(33%)	(20%)

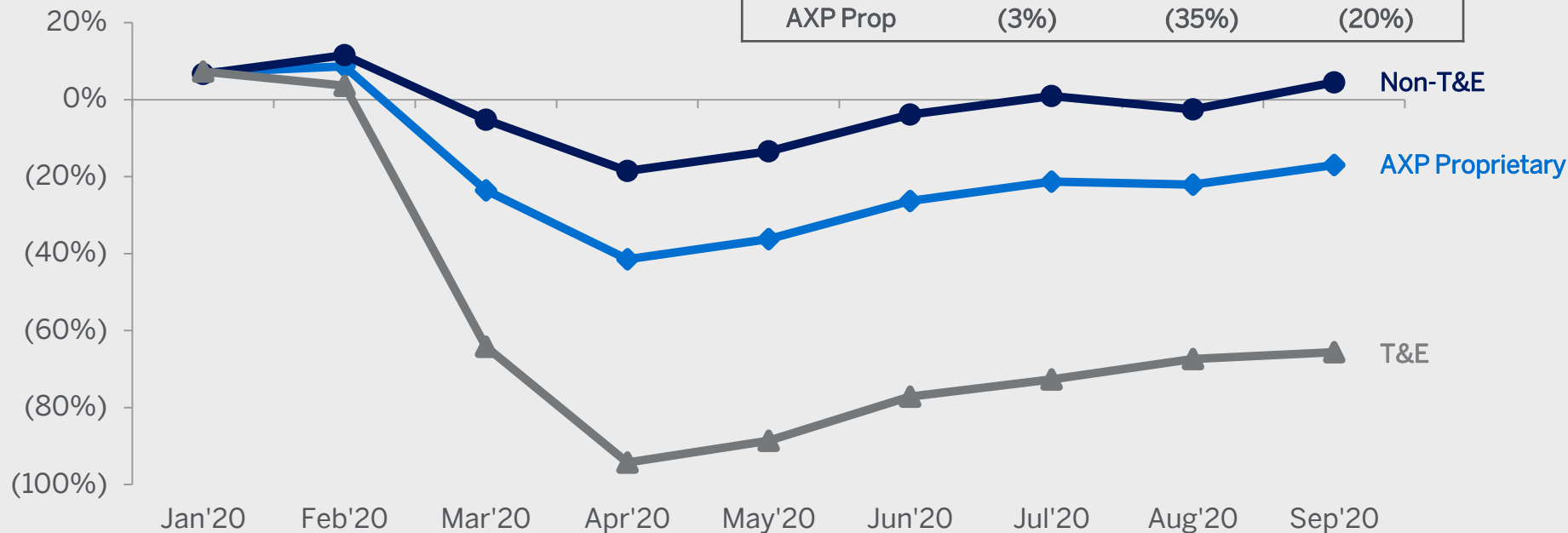


*In any given month, the exact days of the week falling in that month as well as the timing of holidays can impact billed business growth rates, a concept the Company refers to as "days mix". See Annex 1 for reported billings growth rates.*

# AXP Proprietary Billed Business Growth

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

	Q1'20	Q2'20	Q3'20
Non-T&E	4%	(12%)	1%
T&E	(20%)	(87%)	(69%)
AXP Prop	(3%)	(35%)	(20%)

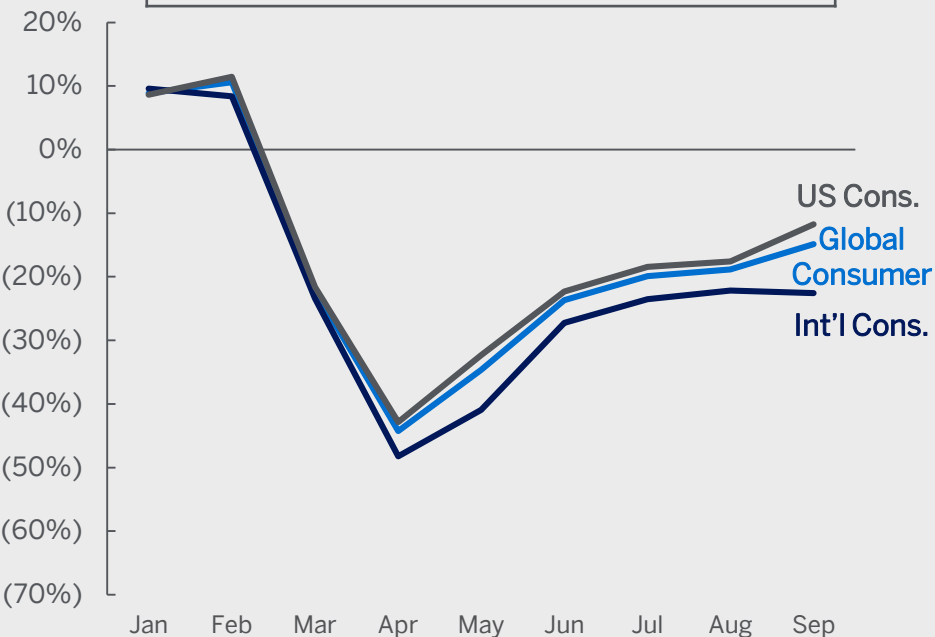


# AXP Proprietary Billed Business

## Global Consumer

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

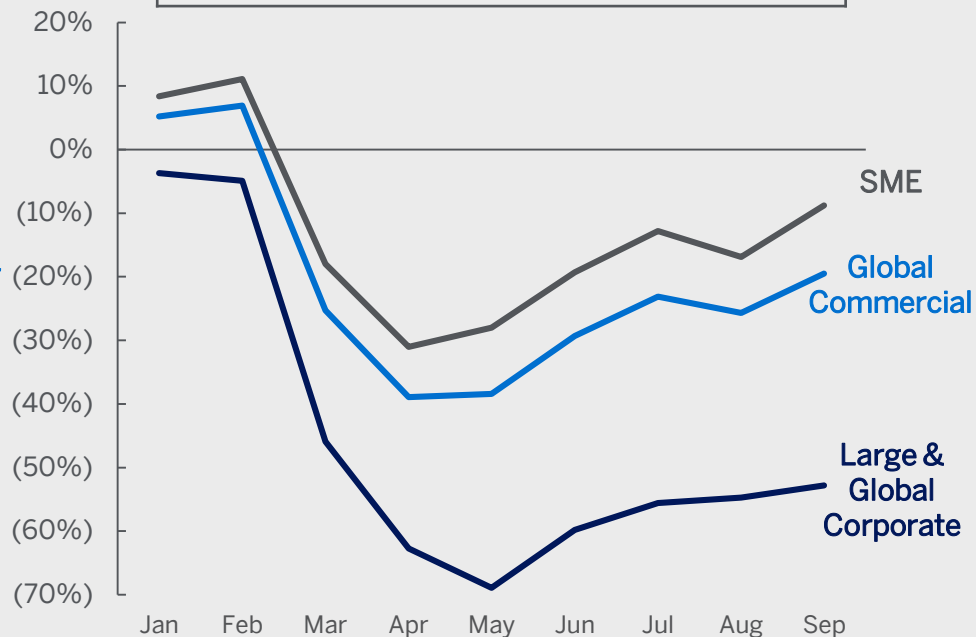
	US Cons.	Int'l Cons.	Total
Q3 YoY%	(16%)	(23%)	(18%)



## Global Commercial

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

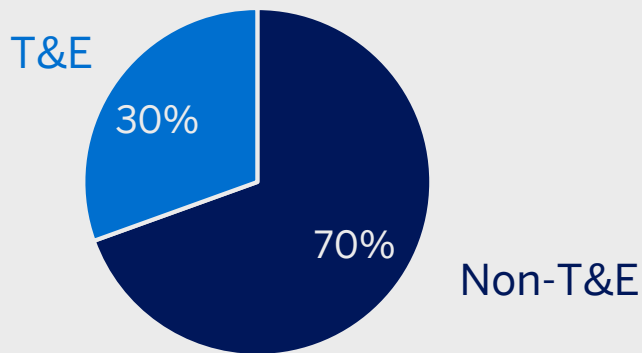
	SME	L&G	Total
Q3 YoY%	(13%)	(54%)	(23%)



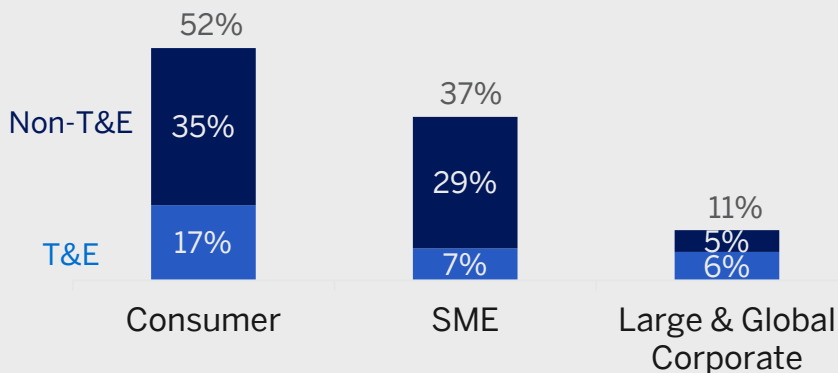
# Proprietary Billed Business Mix

## Q3'19 Prop (86% of WW Total)

Q3'19 Proprietary Billed Business: \$266B

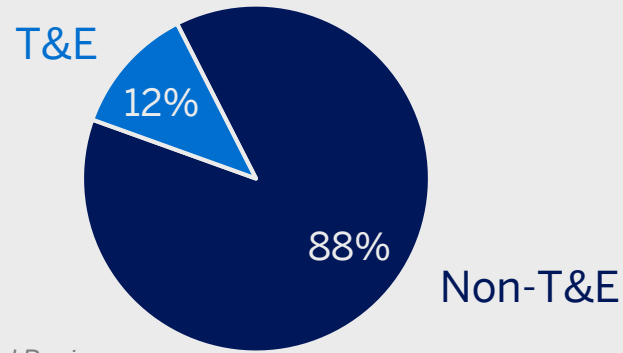


% of Prop Billed Business

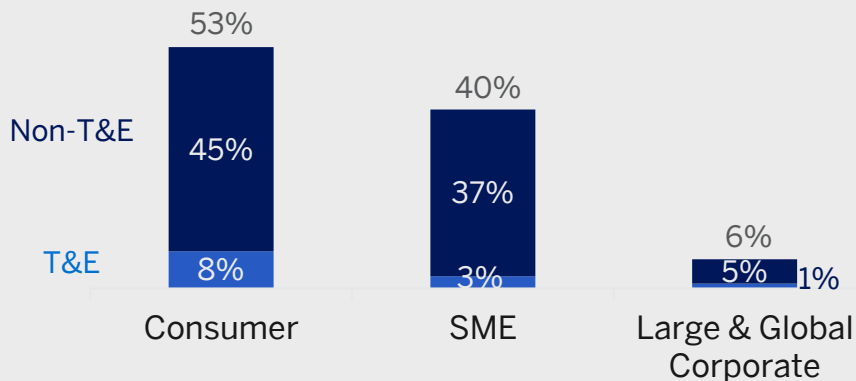


## Q3'20 Prop (86% of WW Total)

Q3'20 Proprietary Billed Business: \$214B



% of Prop Billed Business

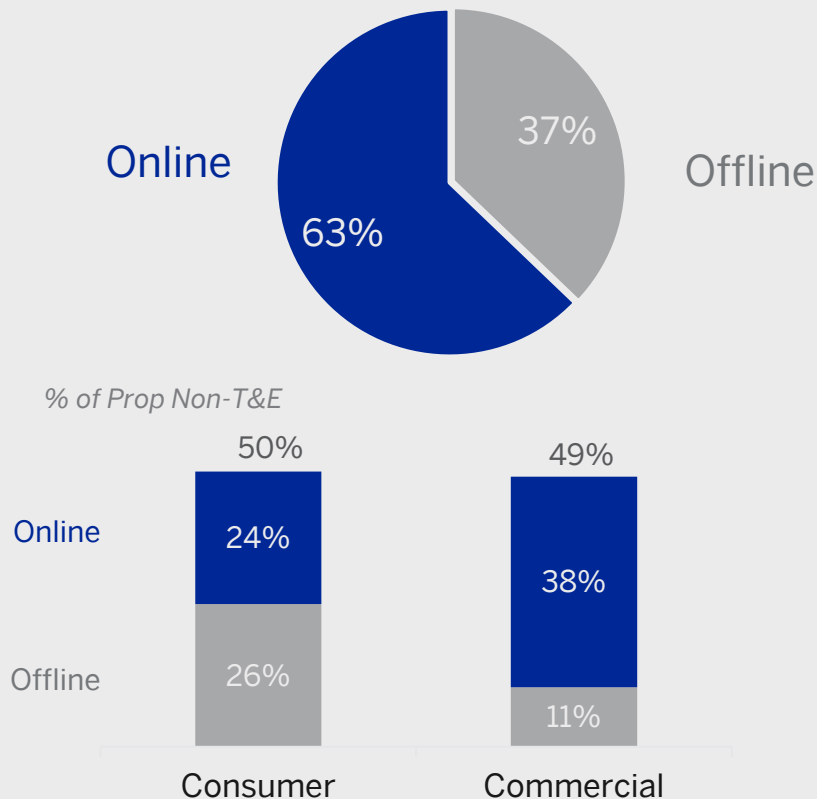


Note: % of Total Prop Billed Business may not foot due to rounding

# Non-T&E Proprietary Billed Business Mix

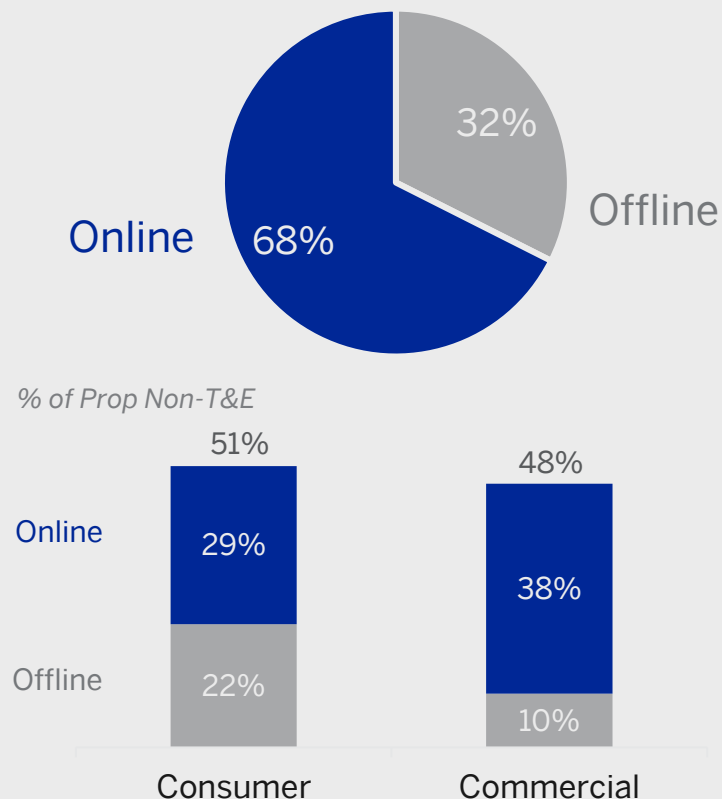
## Q3'19 Non-T&E Prop (60% of WW Total)

Q3'19 Non-T&E Proprietary Billed Business: \$185B



## Q3'20 Non-T&E Prop (76% of WW Total)

Q3'20 Non-T&E Proprietary Billed Business: \$188B



Note: % of Prop Non-T&E Billed Business may not foot due to rounding. Online = Online + Card Not Present

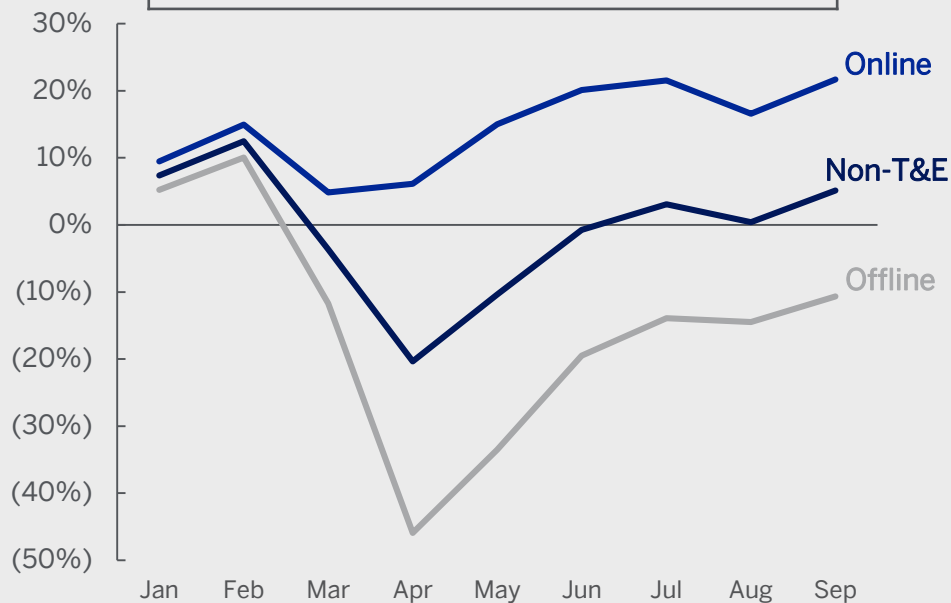


# Non-T&E Online vs. Offline trends

## Global Consumer

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

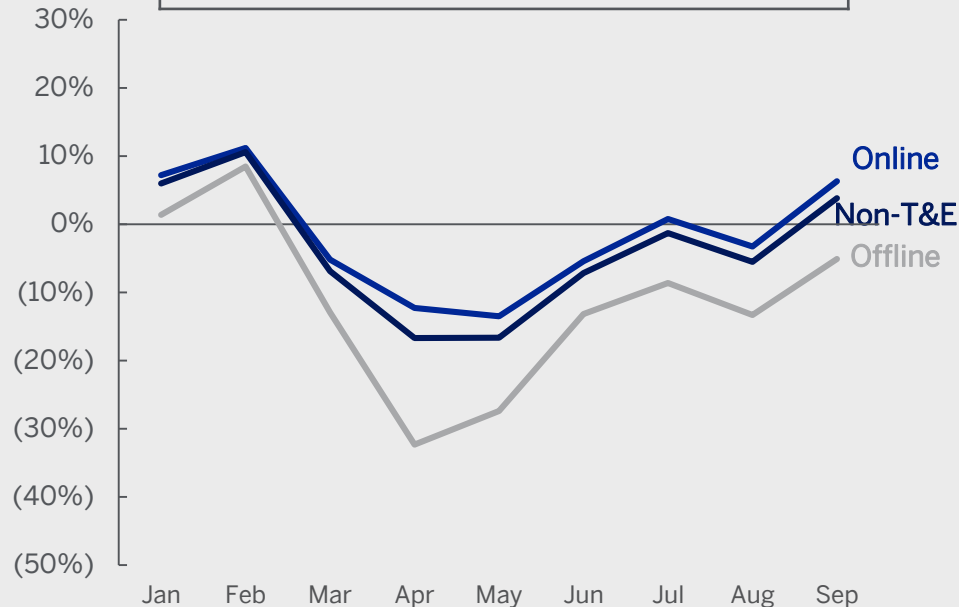
	Online	Offline	Non-T&E
Q3 YoY%	20%	(13%)	3%



## Global Commercial

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

	Online	Offline	Non-T&E
Q3 YoY%	1%	(9%)	(1%)

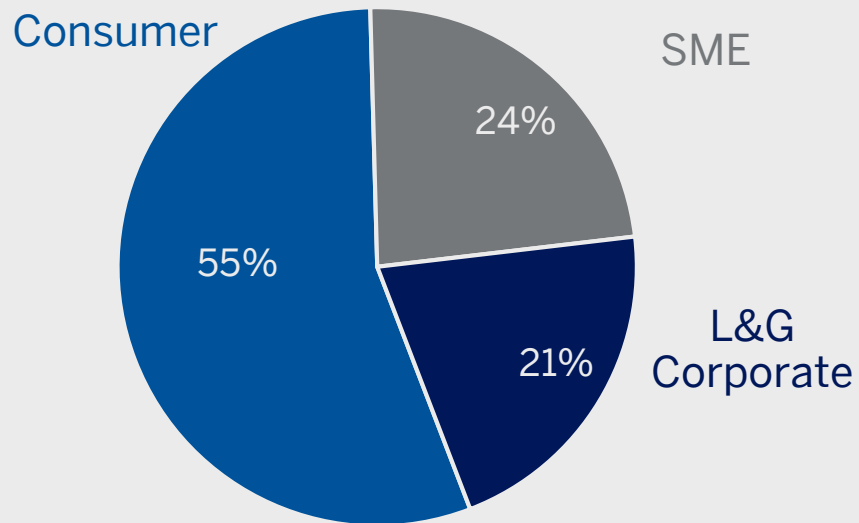




# Proprietary T&E Billed Business Mix

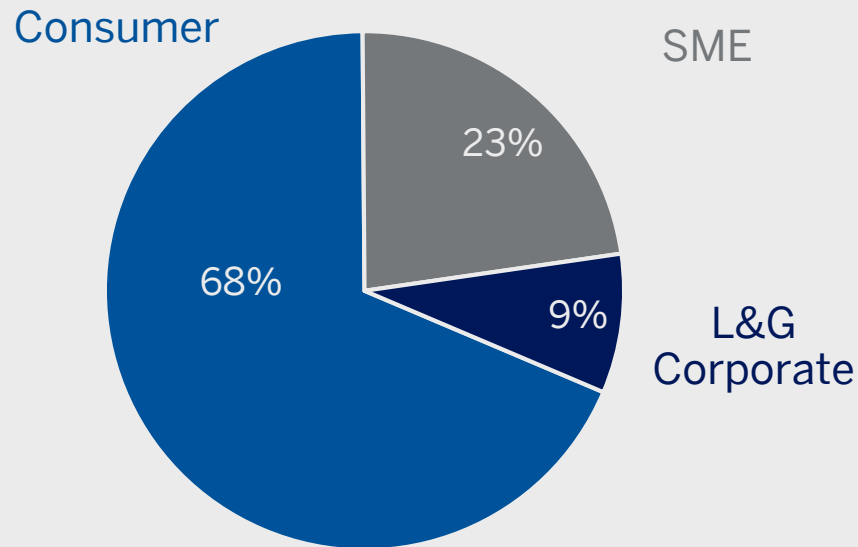
## Q3'19 Prop T&E (26% of WW Total)

Q3'19 Proprietary T&E Billed Business: \$81B



## Q3'20 Prop T&E (10% of WW Total)

Q3'20 Proprietary T&E Billed Business: \$26B

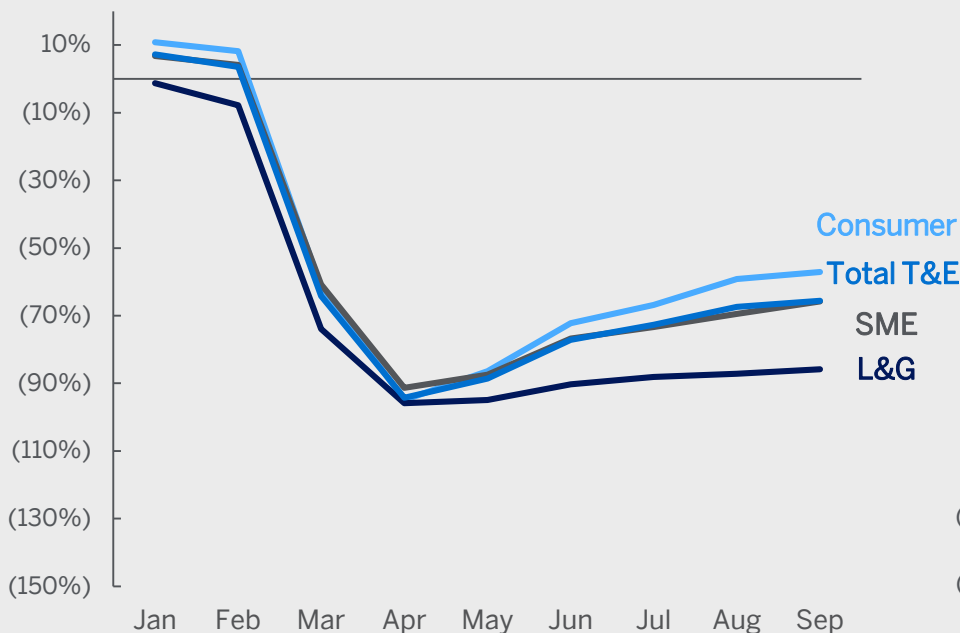


# Proprietary T&E Growth Trends

## T&E by Customer Type

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

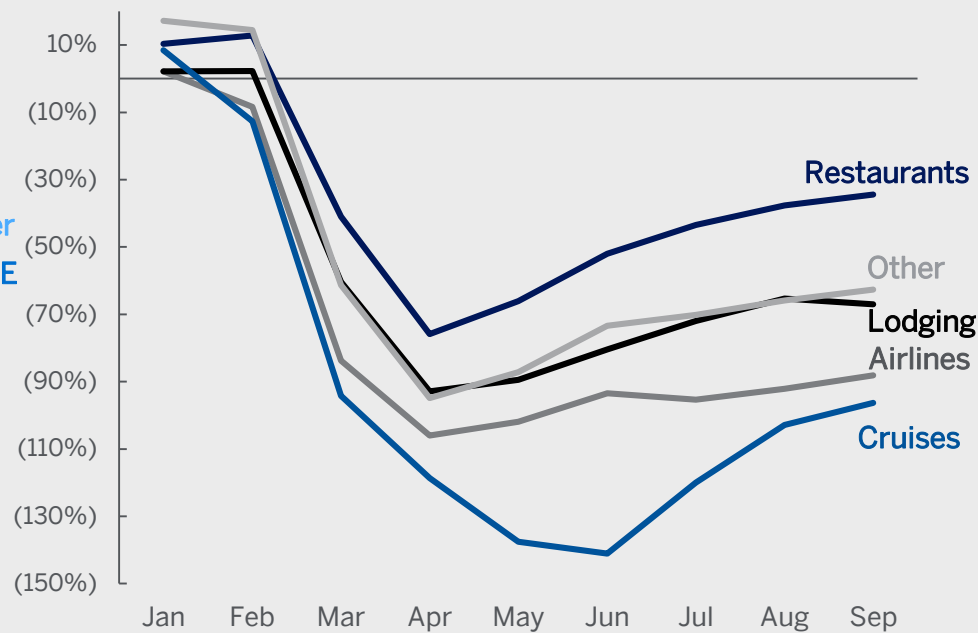
	Consumer	SME	L&G	Total
Q3 YoY%	(61%)	(70%)	(87%)	(69%)



## T&E by Industry

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

	Restaurants	Other	Lodging	Airlines	Cruises
Q3 YoY%	(39%)	(66%)	(68%)	(92%)	(107%)

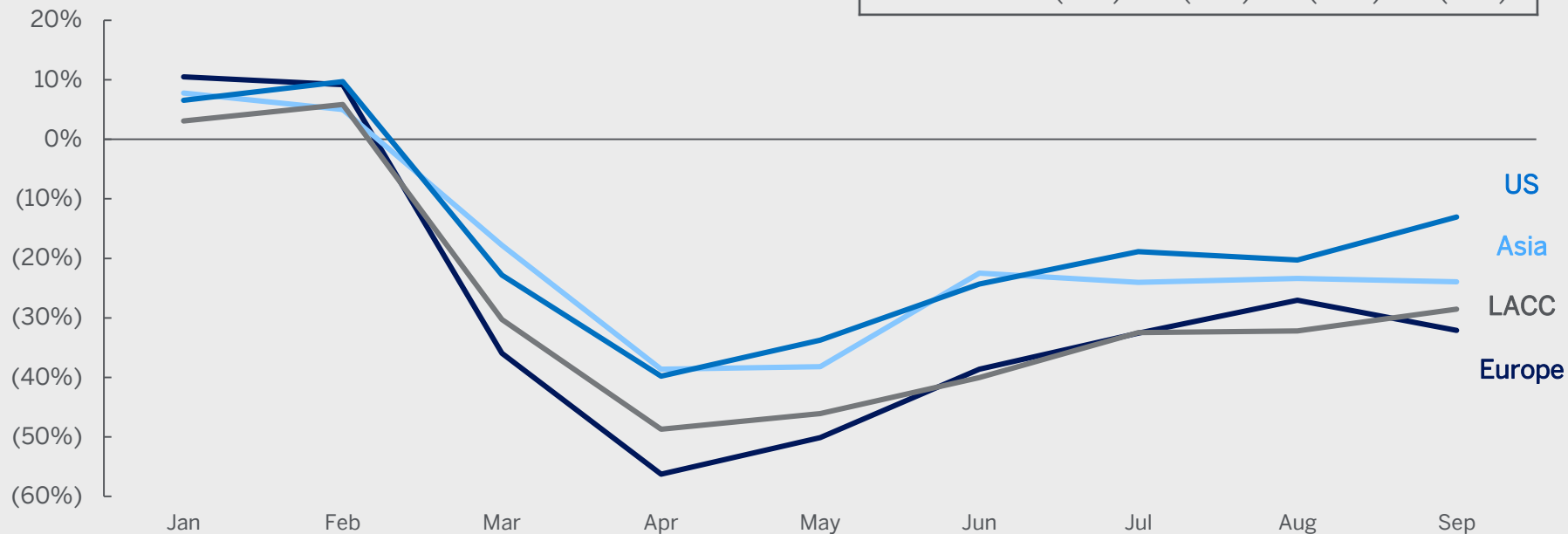


# Proprietary Billed Business Growth by Region

## Total Billed Business by Region\*

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

	US	Europe	Asia	LACC
Q3 YoY%	(17%)	(31%)	(24%)	(31%)



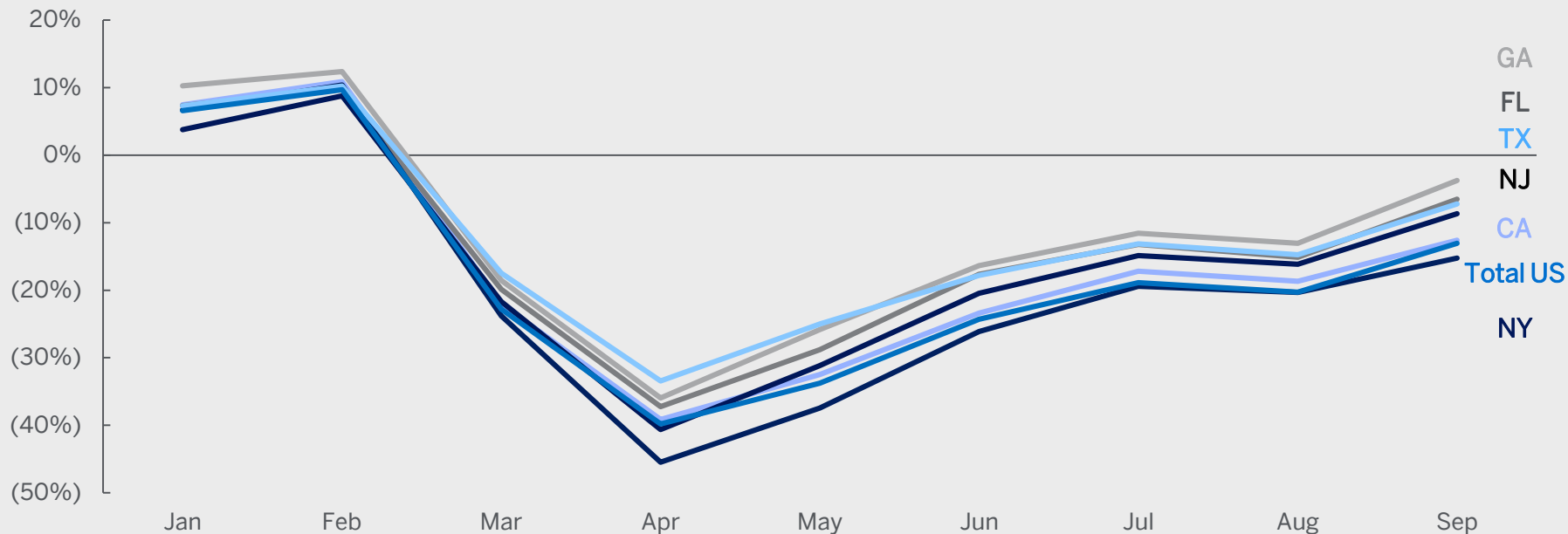
\*Reflects spend on proprietary cards issued in the respective region. Proprietary jurisdictions in Europe: France, Germany, Italy, Netherlands, Spain, UK; Asia: Australia, Hong Kong, India, Japan, Singapore, Taiwan; LACC: Canada, Mexico.

# US Proprietary Billed Business by State

## Total Billed Business by State

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

Q3 YoY%	GA	FL	TX	NJ	CA	NY	Total US
Total Prop	(9%)	(11%)	(12%)	(13%)	(16%)	(18%)	(17%)

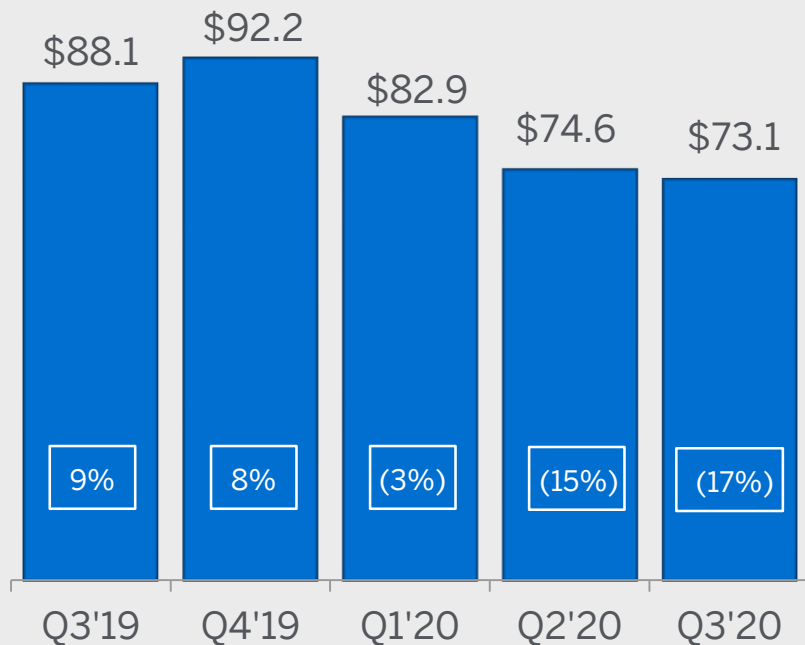


# Worldwide Total Loans and Card Member Receivables



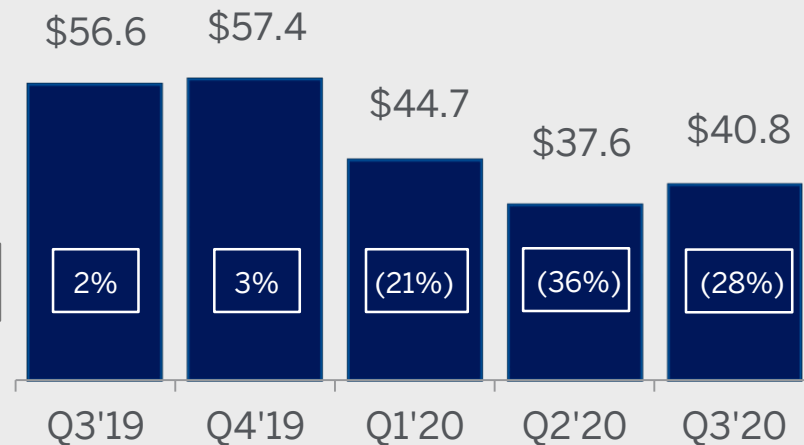
## Total Ending Loans

(\$ in billions)



## Total Ending Card Member Receivables

(\$ in billions)



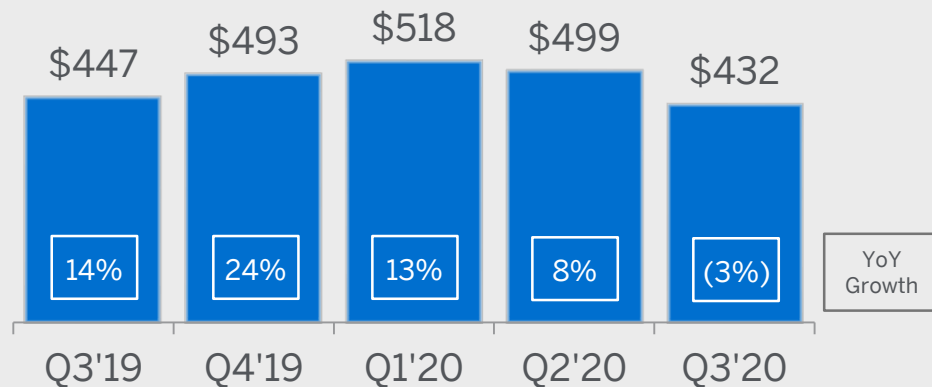
YoY  
Growth

# Card Member Credit Metrics



## Card Member Loans

(Net Write-off \$ in millions)



## Card Member Receivables\*

(Adj. Net Write-off \$ in millions\*)



Net Write-off rates

2.1% 2.3% 2.5% 2.8% 2.5%

30+ Days Past Due

1.5% 1.5% 1.7% 1.6% 1.2%

Net Write-off rates

1.8% 1.9% 2.1% 2.5% 2.0%

30+ Days Past Due

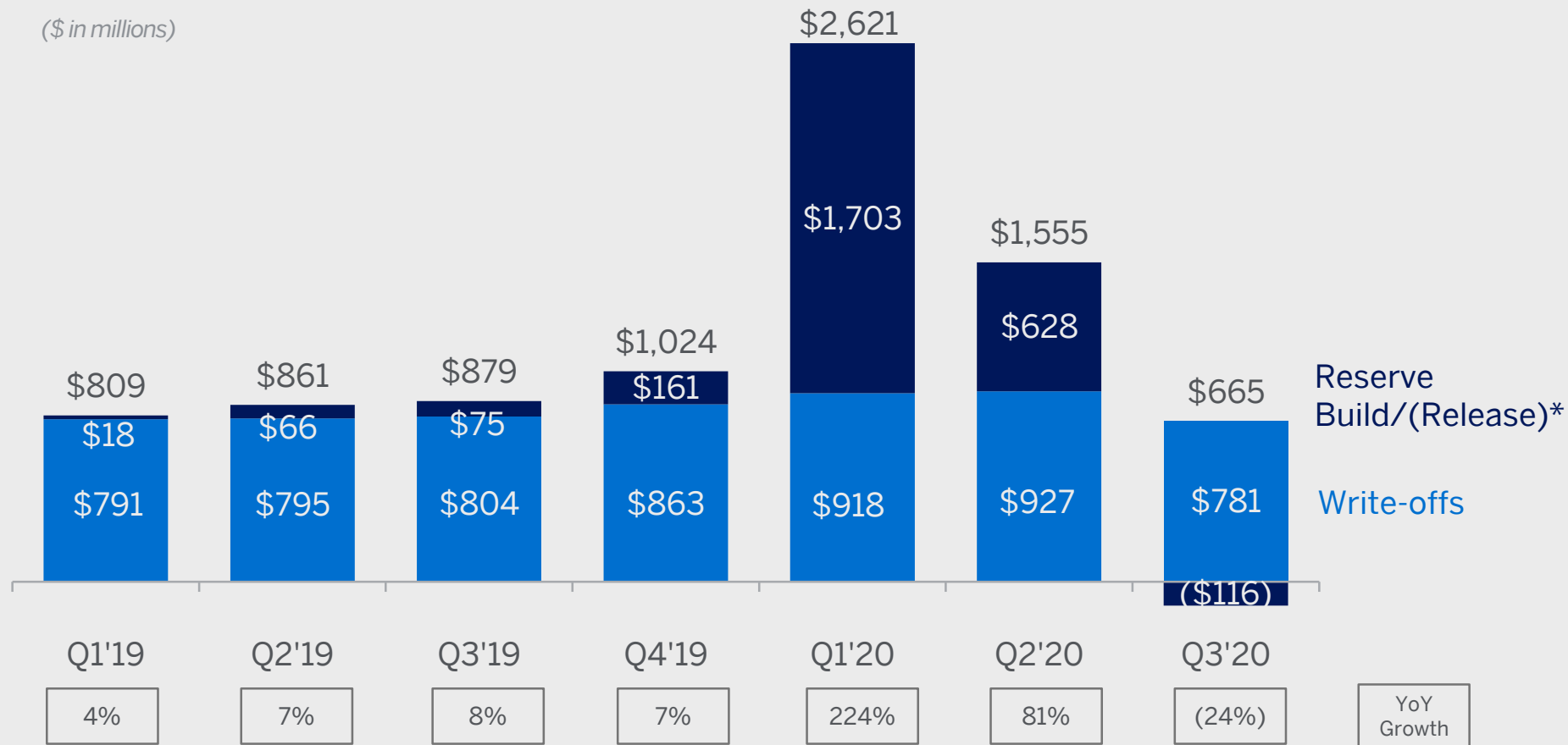
1.5% 1.4% 1.9% 1.7% 0.9%

Net write-offs and net write-off rates include Principal only. See Statistical Tables for the third quarter of 2020, available at [ir.americanexpress.com](https://ir.americanexpress.com), for net write-off rates including interest and fees. \*Represents Consumer and Small Business Card Member Receivables. Adjusted net write-offs, a non-GAAP measure, excludes GCP write-offs. See Annex 2 for a reconciliation and slide 35 for GCP Card Member credit metrics.



# Total Provisions for Credit Losses

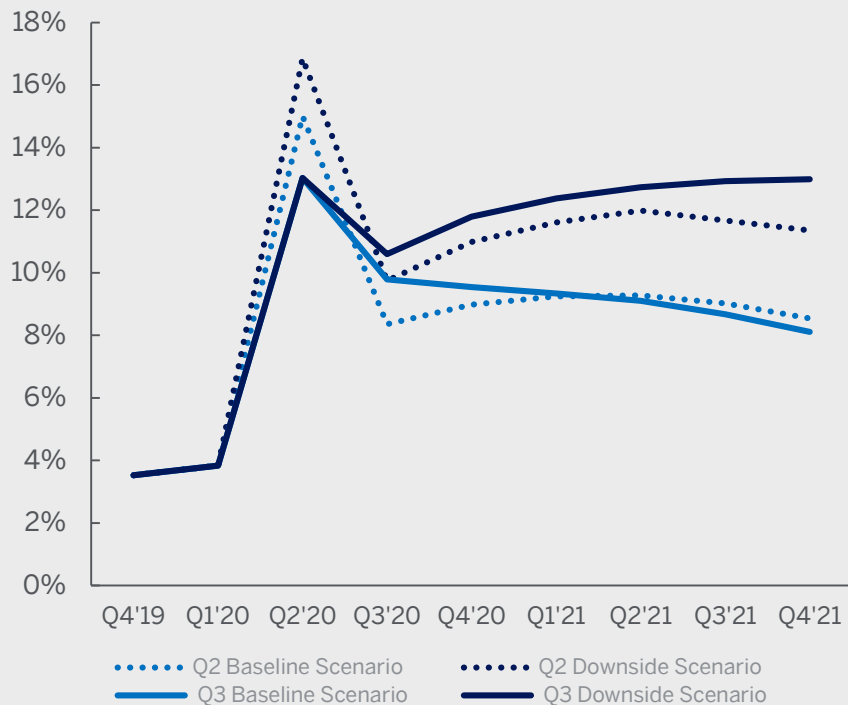
(\$ in millions)



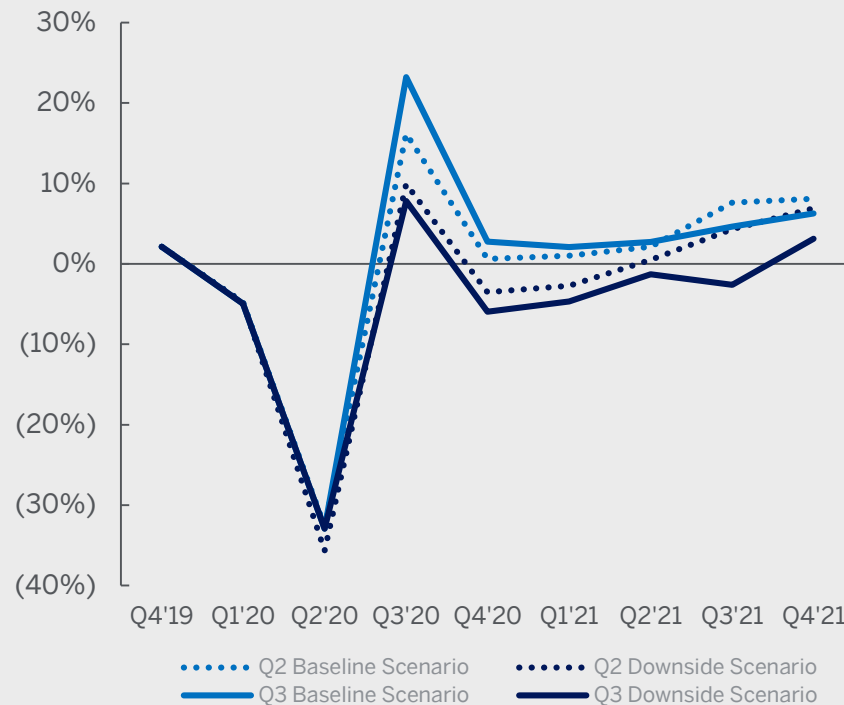
See Additional Commentary on Slide 30 for an explanation of the provision variance versus last year. \*Reserve Build/(Release) represents the portion of the provisions for credit losses for the period related to increasing or decreasing reserves for credit losses as a result of, among other things, changes in volumes, macroeconomic outlook, portfolio composition and credit quality of portfolios.

# Credit Reserve Build Macroeconomic Assumptions

## US Unemployment Rate %



## US GDP Growth %

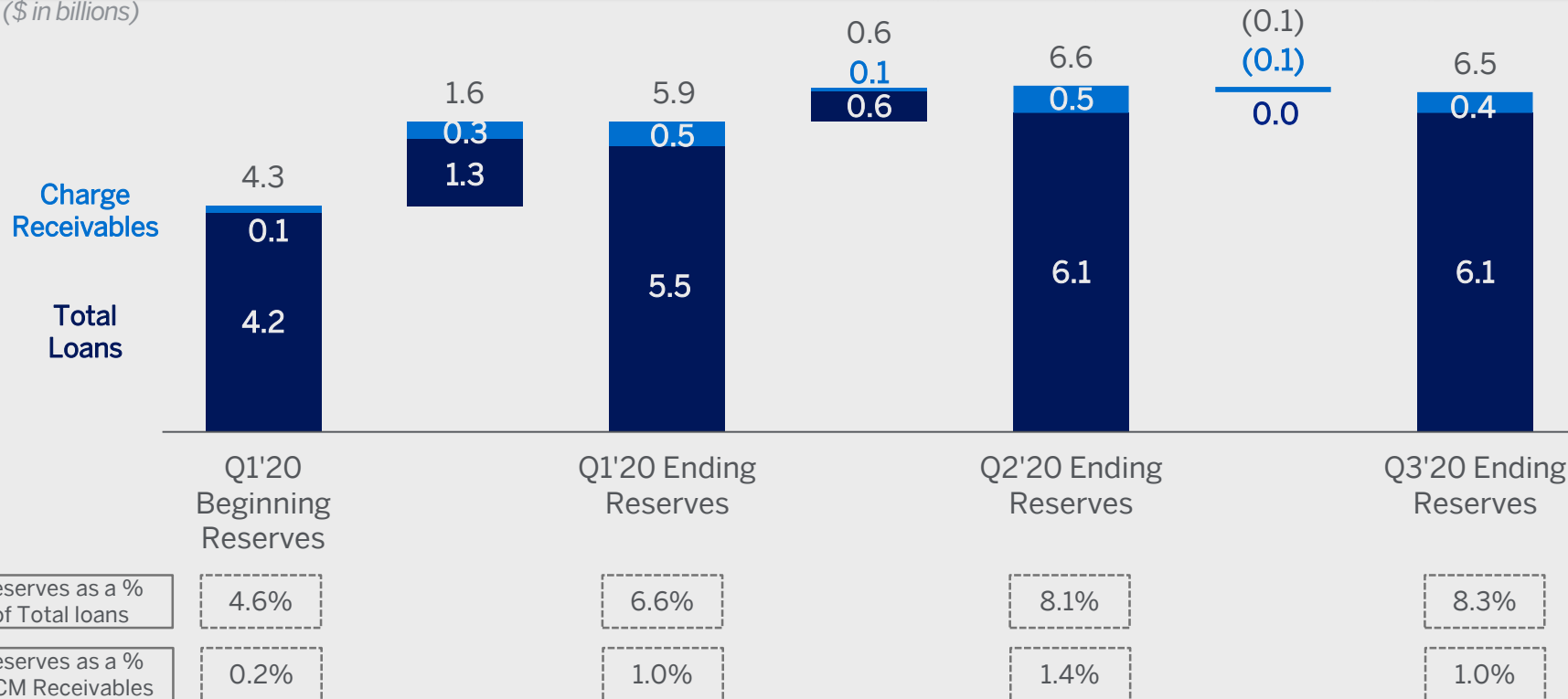


Note: Forecast assumptions are from an independent third party and represent the range of forecasts from the macroeconomic scenarios used during the quarter without applying a weight to those scenarios above. \*Real GDP QoQ % Change Seasonally Adjusted to Annualized Rates (SAAR).

# Total Reserves

## Balance Sheet Credit Reserves\*

(\$ in billions)

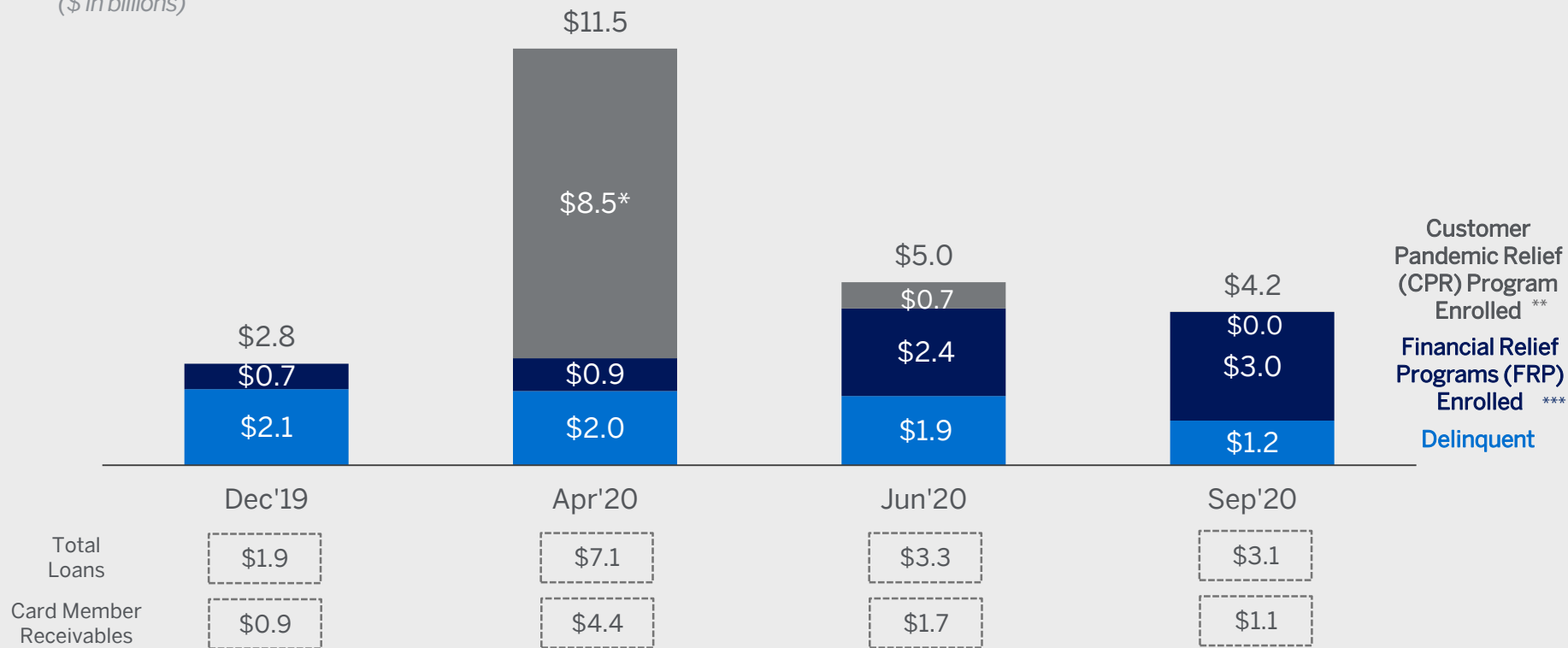


\*Q1'20 – Q3'20 Balance Sheet credit reserve builds differ from P&L credit reserve builds due to other receivables and FX impacts. Reserve subtotals may not foot due to rounding.

# Delinquent and Financial Relief Program Balances



(\$ in billions)

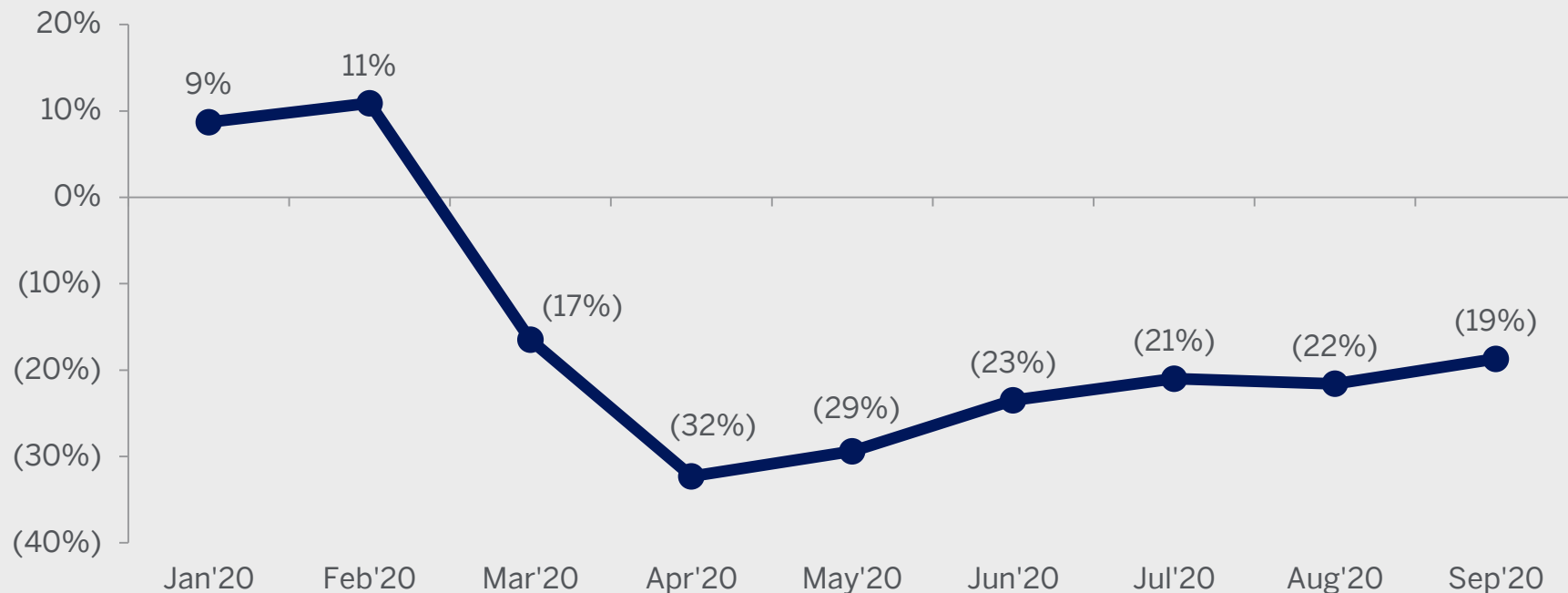


Note: Total Loans reflects Card Member loans and Other loans. CPR = Customer Pandemic Relief Program is a program designed for customers who have been impacted by COVID-19 and provides 1-3 months of payment deferral. Financial Relief Programs are designed to give customers financial assistance; short-term payment plan can provide relief benefits for 12 months following enrollment and the long-term payment plan can provide relief benefits for 36 or 60 months following enrollment. Delinquent means loans and receivables that are 30+ days past due, (90+ days past billings for GCP). Subtotals may not foot due to rounding. \* Represents the balances at enrollment for card members in the CPR program as of April, 19 2020. \*\* Includes balances that are also FRP enrolled and/or Delinquent and thus also included in those categories. \*\*\* FRP balance is a non-GAAP measure and excludes delinquent balances that are also reported in the Delinquent category. See Annex 3 for a reconciliation to In-program Troubled Debt Restructuring (TDR) Balance.

# FX-Adjusted Revenue Growth\*

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

	Q1'20	Q2'20	Q3'20
YoY%	1%	(28%)	(20%)



\*Total Revenue Net of Interest Expense adjusted for FX and the related growth rates are non-GAAP measures. See Annex 4 for total Revenue Net of Interest Expense on a GAAP basis.

# Revenue Performance

(\$ in millions)

Discount Revenue

Net Card Fees

Other Fees & Commissions

Other Revenue

Net Interest Income

Revenues Net of Interest Expense

*FX Adjusted\**

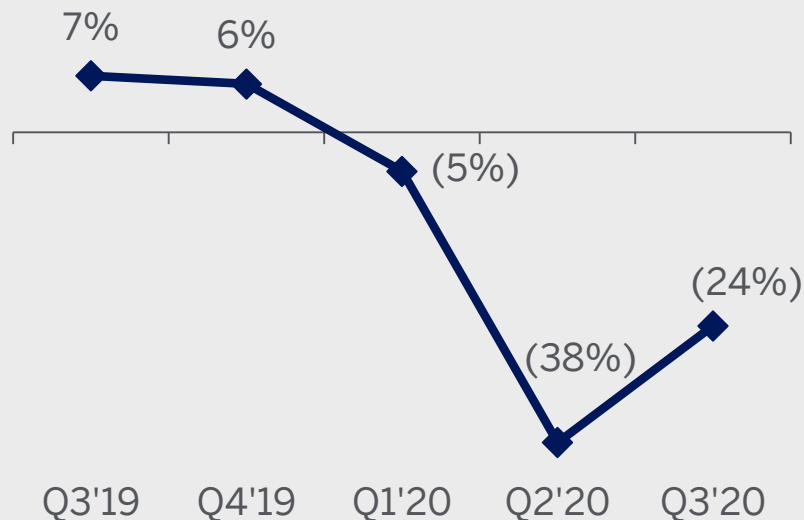
Q3'20	YoY % Inc/(Dec)	% of Total Revenue
\$4,999	(24%)	57%
1,191	15%	14%
478	(42%)	5%
209	(42%)	2%
1,874	(15%)	21%
<hr/>		<hr/>
\$8,751	(20%)	100%
<hr/>		
	(20%)	

See Additional Commentary on Slide 30 for an explanation of the revenue variances versus last year. % of Total Revenue may not foot due to rounding. \* Total Revenues Net of Interest Expense adjusted for FX and the related growth rate are non-GAAP measures. See Slide 3 for an explanation of FX-adjusted information.

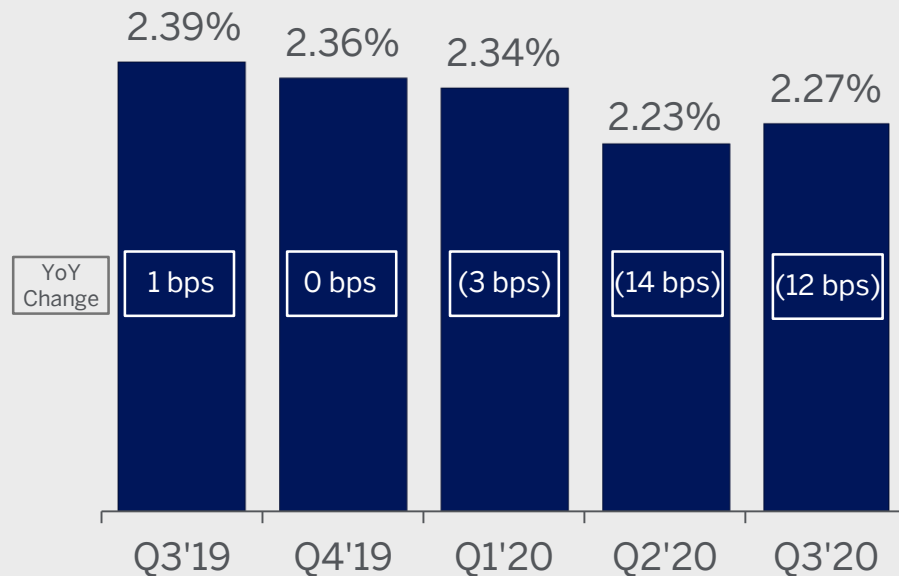
# Discount Revenue

## Discount Revenue Growth\*

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



## Average Discount Rate

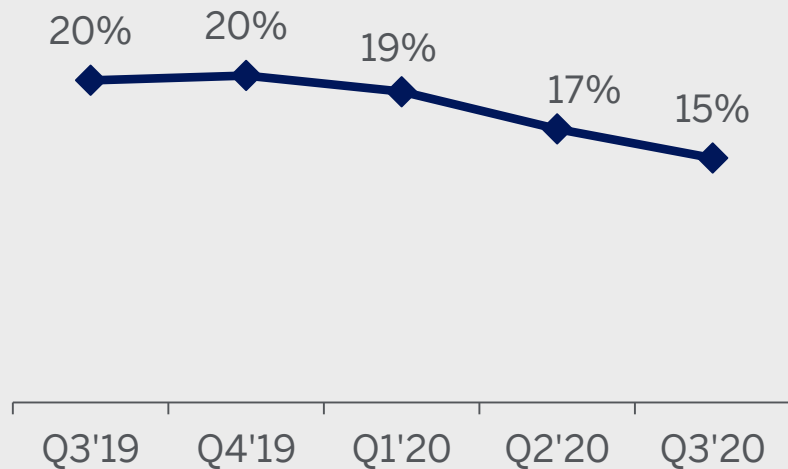


# Net Card Fee Growth and Proprietary Cards Acquired



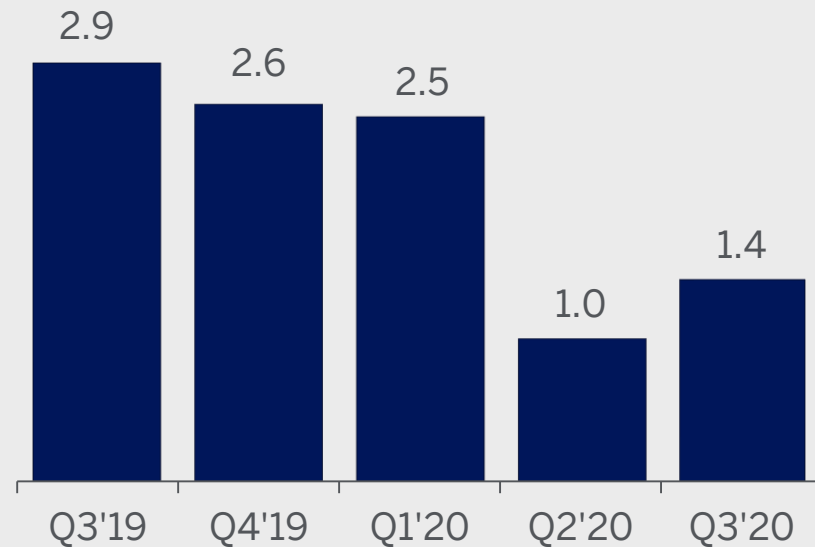
## Net Card Fee Growth\*

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



## Proprietary Cards Acquired

(in millions)



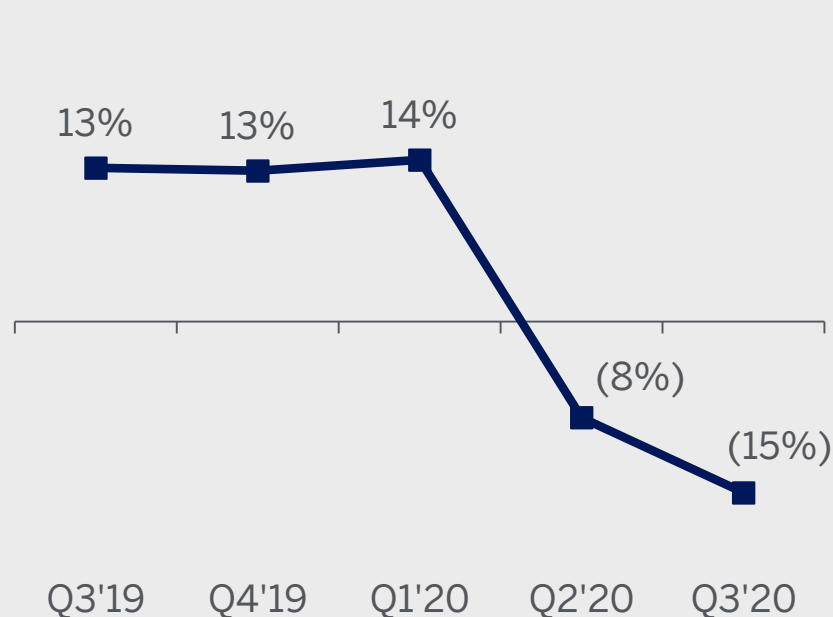
\* See Annex 6 for Net Card Fees on a GAAP basis.



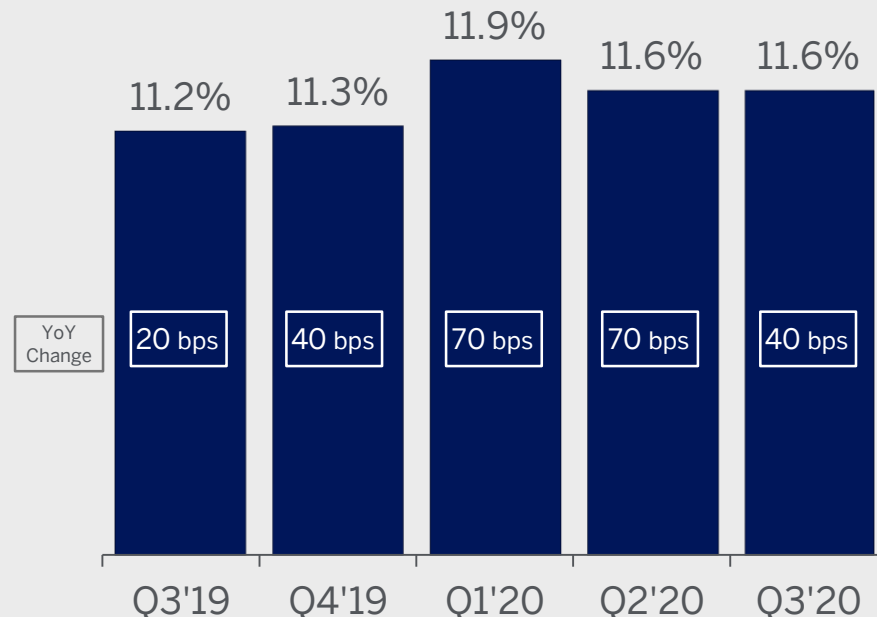
# Net Interest Income and Net Interest Yield

## Net Interest Income

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



## WW Net Interest Yield on CM Loans\*



\*See Annex 7 for a reconciliation of net interest yield, a non-GAAP measure. \*\* Net Interest Income adjusted for FX and the related growth rates are non-GAAP measures. See Annex 8 for Net Interest Income on a GAAP basis.

# Expense Performance

(\$ in millions)

Card Member Rewards

Card Member Services

Business Development

Variable CM Engagement Expenses

Marketing

Operating Expenses\*

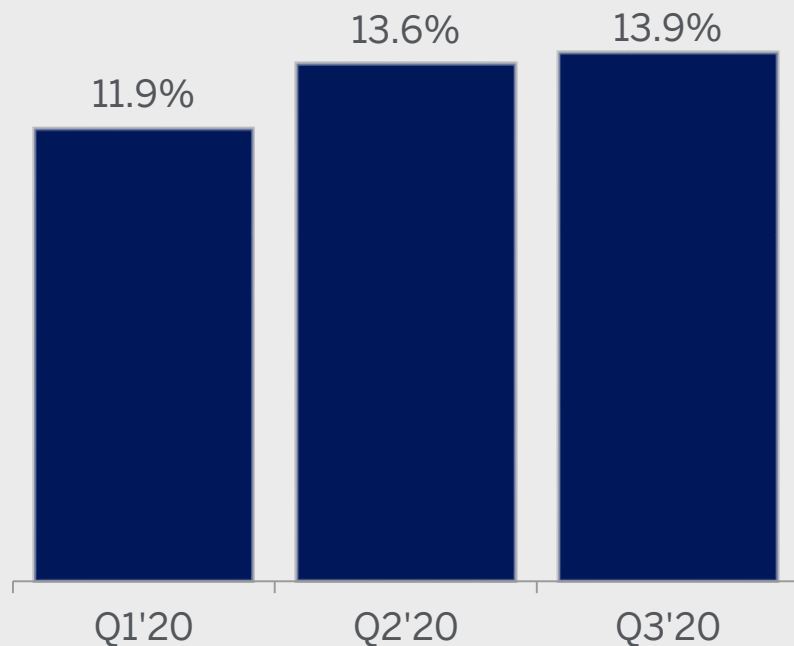
Total Expenses

Q3'20	Q3'19	Inc/(Dec)
\$2,004	\$2,614	(23%)
259	558	(54%)
700	910	(23%)
2,963	4,082	(27%)
1,122	911	23%
2,637	2,851	(8%)
\$6,722	\$7,844	(14%)

See Additional Commentary on Slide 31 for an explanation of the expense variances versus last year. \*Represents salaries and employee benefits, professional services, occupancy and equipment, and other, net.

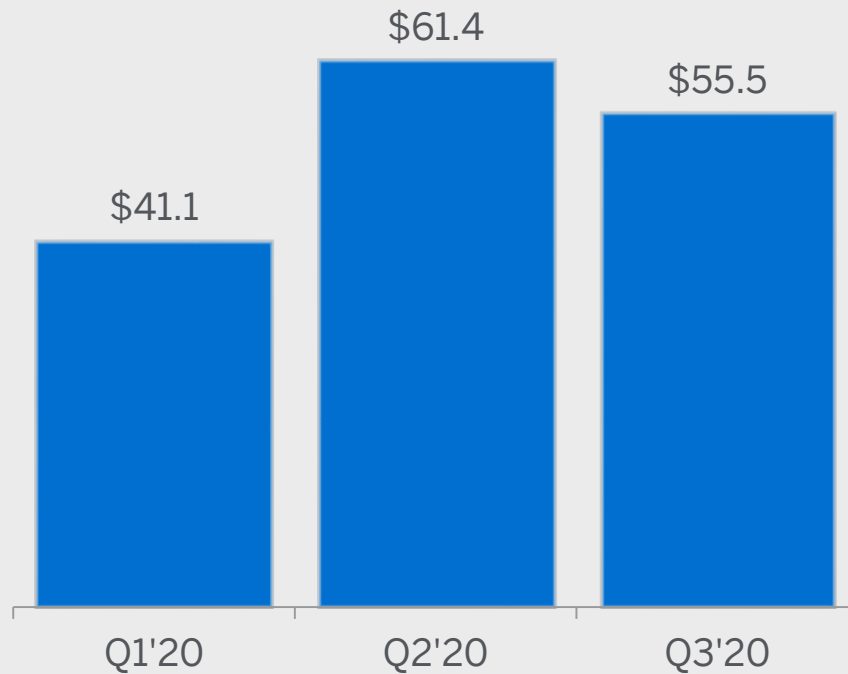
# Capital and Liquidity

## Common Equity Tier 1



## Cash and Investments

(\$ in billions)



*Note: The CET1 ratio for Q3'20 represents a preliminary estimate and may be revised in the company's Form 10-Q for the quarter ended September 30, 2020. Cash and Investments represent Cash and cash equivalents and Investment securities on the Consolidated Balance Sheets. Investment securities is substantially comprised of US Government treasury obligations.*

# Key Priorities for 2020

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**Support our colleagues and win as a team**

A solid blue square icon.

**Protect our customers and the brand**

A solid blue square icon.

**Structure the company for growth in the future**

A solid blue square icon.

**Remain financially strong**

# Appendix



# Additional Commentary – Variance Analysis



*The following summary provides selected variance information for the three months ended September 30, 2020 compared to the same period in the prior year. It should be read in conjunction with the statistical tables for Q3'20, available at [ir.americanexpress.com](http://ir.americanexpress.com), and the Quarter Report on Form 10-Q for the quarter ended September 30, 2020 (the Q3'20 Form 10-Q), and is qualified in its entirety by reference to Management's Discussion and Analysis of Financial Condition and Results of Operations contained within the Q3'20 Form 10-Q.*

- Discount Revenue: Decreased 24% versus Q3'19, primarily driven by a decrease in worldwide billed business of 19% (20% on an FX-adjusted basis\*) due to the continued impacts of the COVID-19 pandemic and a decrease in the average discount rate. The average discount rate was 2.27 percent, down from 2.39 percent a year ago, due to a shift in spend mix to non-T&E categories.
- Net Card Fees: Increased 15% versus Q3'19, primarily driven by growth in our premium card product portfolios.
- Other Fees & Commissions: Decreased 42% versus Q3'19, primarily due to the impacts of travel restrictions related to the COVID-19 pandemic, which resulted in lower foreign exchange conversion revenue related to decreased cross-border Card Member spending and lower travel commissions and fees from our consumer travel business, as well as a decline in late fees due to lower delinquencies.
- Other Revenues: Decreased 42% versus Q3'19, primarily driven by a net loss in the current year, as compared to net income in the prior year from the GBT JV and lower revenue earned on cross-border Card Member spending due to the impacts of the COVID-19 pandemic, including travel restrictions.
- Interest Income: Decreased 25% versus Q3'19, driven by lower average Card Member loan volumes and a reduction in benchmark interest rates.
- Interest expense: Decreased 49% versus Q3'19, primarily driven by lower interest rates paid on deposits and outstanding debt.
- Provision for Credit Losses: Decreased 24% versus Q3'19, driven by a modest reserve release and lower net write offs. The reserve release reflected improved credit performance and lower loan balances, partially offset by a more cautious view of the global macroeconomic outlook in the current quarter due to continued high levels of uncertainty regarding the pace of recovery.



# Additional Commentary – Variance Analysis



Card Member Engagement (the aggregate of rewards, Card Member services, and marketing and business development expenses): Decreased 18% versus Q3 '19. In January 2020, we re-launched our Delta cobrand products following the renewal extending our cobrand relationship with Delta Air Lines on March 31, 2019. The contract renewal included new pricing terms, some of which became effective upon contract signing and others that were tied to the product re-launch. These pricing changes, as well as changes in the expense classification of certain benefits associated with the re-launch, resulted in offsetting increases to Marketing and business development and decreases to both Card Member rewards and Card Member services expenses, as compared to the prior year.

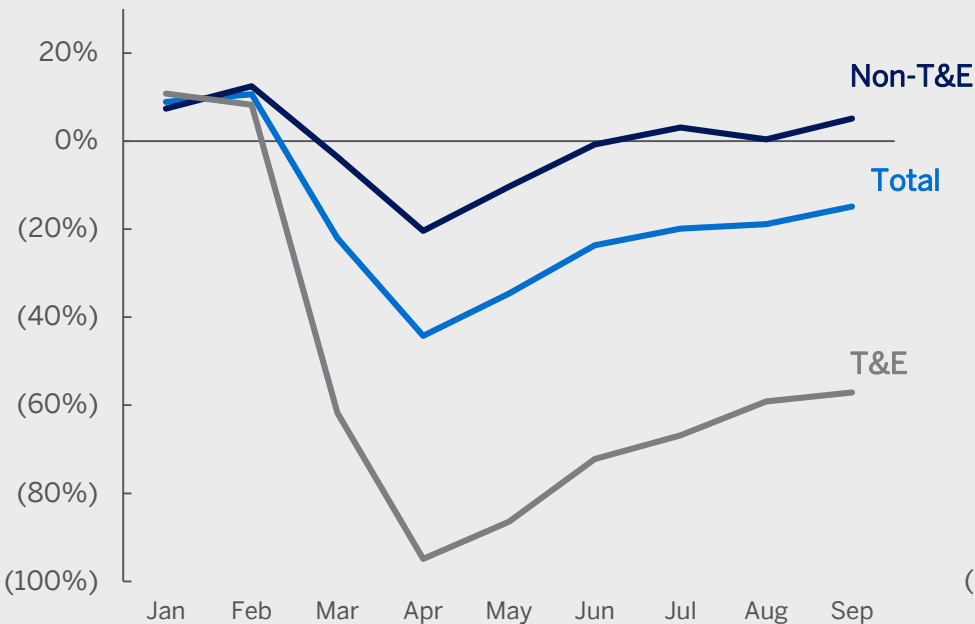
- Marketing and Business Development: Was relatively flat versus Q3'19, primarily driven by a reduction in proactive marketing for Card Member acquisitions as well as decreases in corporate client incentives and network partner payments due to lower billed business, offset by incremental investments in enhancements to our Card Member value proposition, as well as expenses related to our Shop Small campaign.
- Card Member Rewards Expense: Decreased 23% versus Q3'19, primarily driven by lower billed business as a result of the impacts of the COVID-19 pandemic. Membership Rewards and cash back rewards decreased \$375 million and cobrand rewards decreased \$235 million versus Q3'19.
  - The Company's Membership Rewards Ultimate Redemption Rate for current program participants was 96% (rounded up) for both September 30, 2020 and 2019.
- Card Member Services Expense: Decreased 54% versus Q3'19, primarily due to lower usage of travel-related benefits as a result of the impacts of the COVID-19 pandemic.
- Salaries and Employee Benefits Expense: Decreased 6% versus Q3'19, primarily driven by lower incentive compensation expenses, partially offset by higher deferred compensation expenses.
- Other Expenses: Decreased 9% versus Q3'19, primarily driven by lower professional services expense, lower employee-related operating costs and lower fraud expense.

# Proprietary Billed Business Growth by Segment

## Global Consumer

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

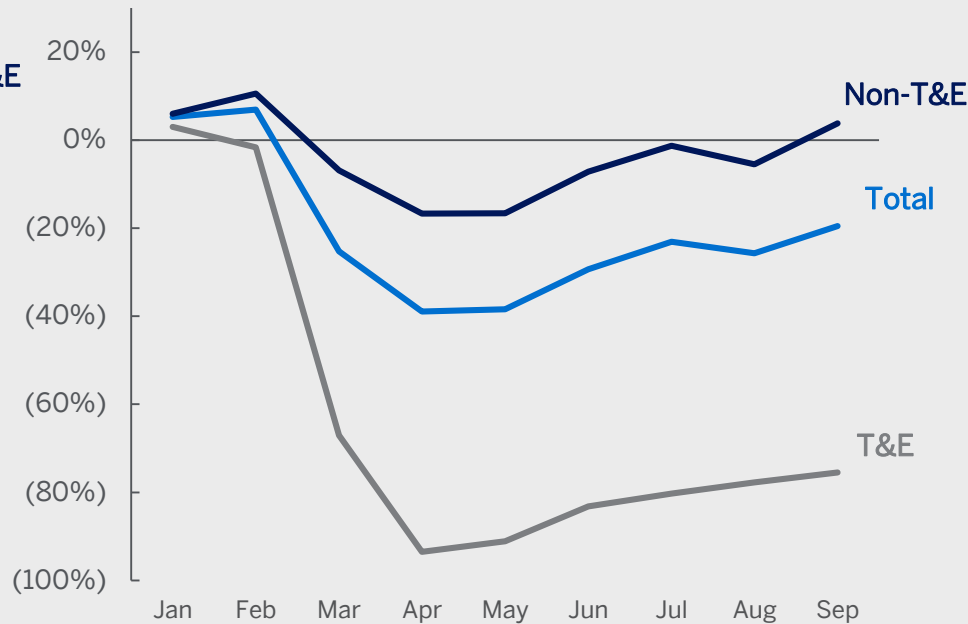
	Non-T&E	T&E	Total
Q3 YoY%	3%	(61%)	(18%)



## Global Commercial

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

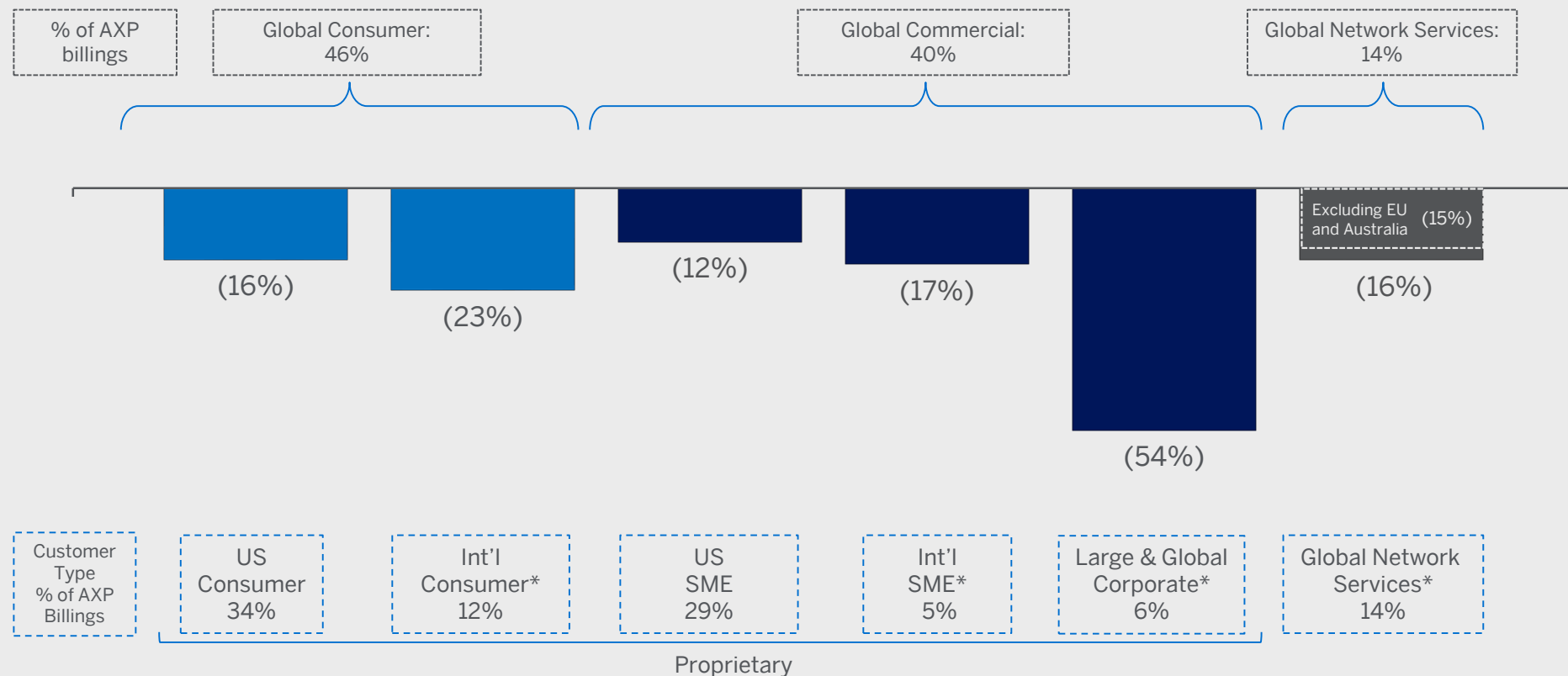
	Non-T&E	T&E	Total
Q3 YoY%	(1%)	(78%)	(23%)





# Q3'20 Billed Business Growth by Customer Type

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

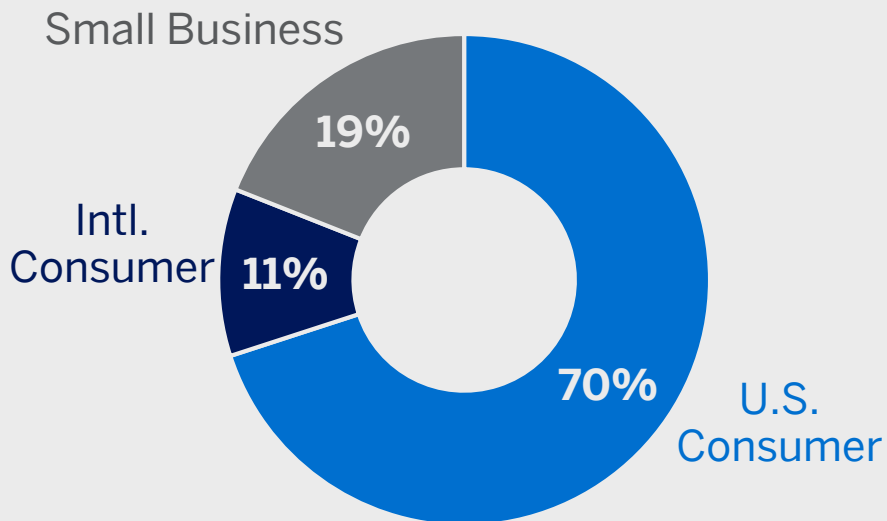


Note: Preliminary. SME refers to small and mid-sized businesses with less than \$300MM in annual revenues. \* See Annex 1 for reported billings growth rates.

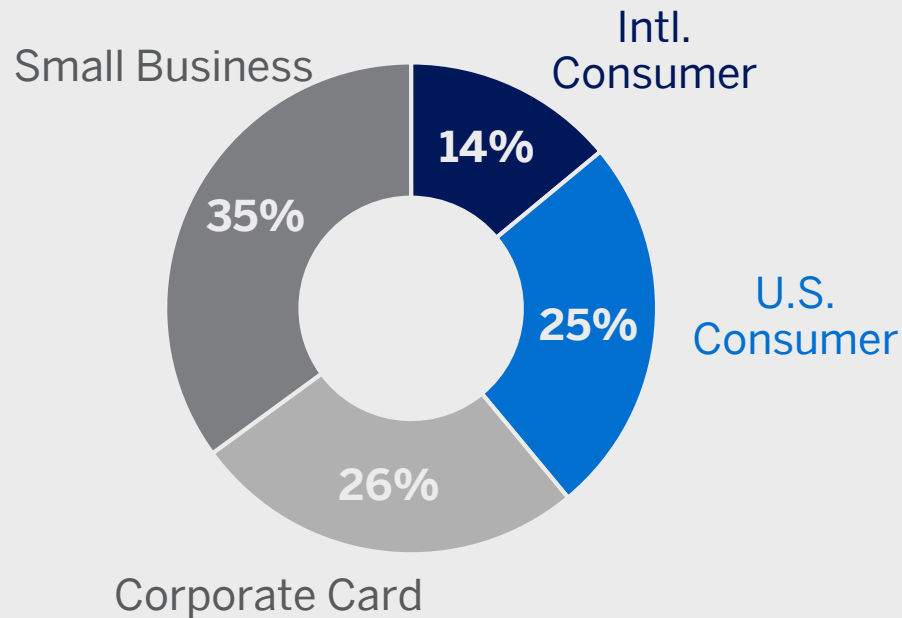
# Worldwide Total Loans and Card Member Receivables Mix



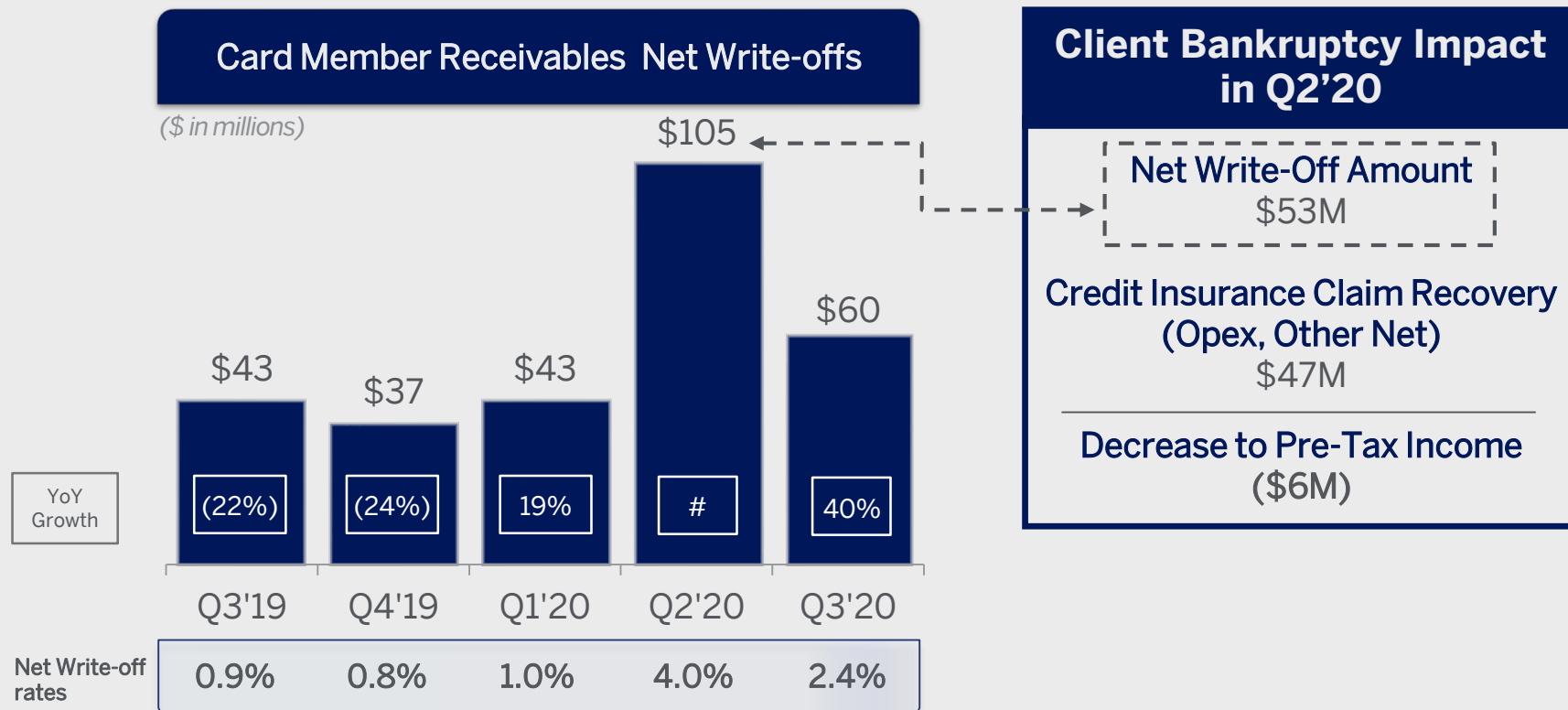
## Q3'20 Total Loan Mix



## Q3'20 Card Member Receivables Mix

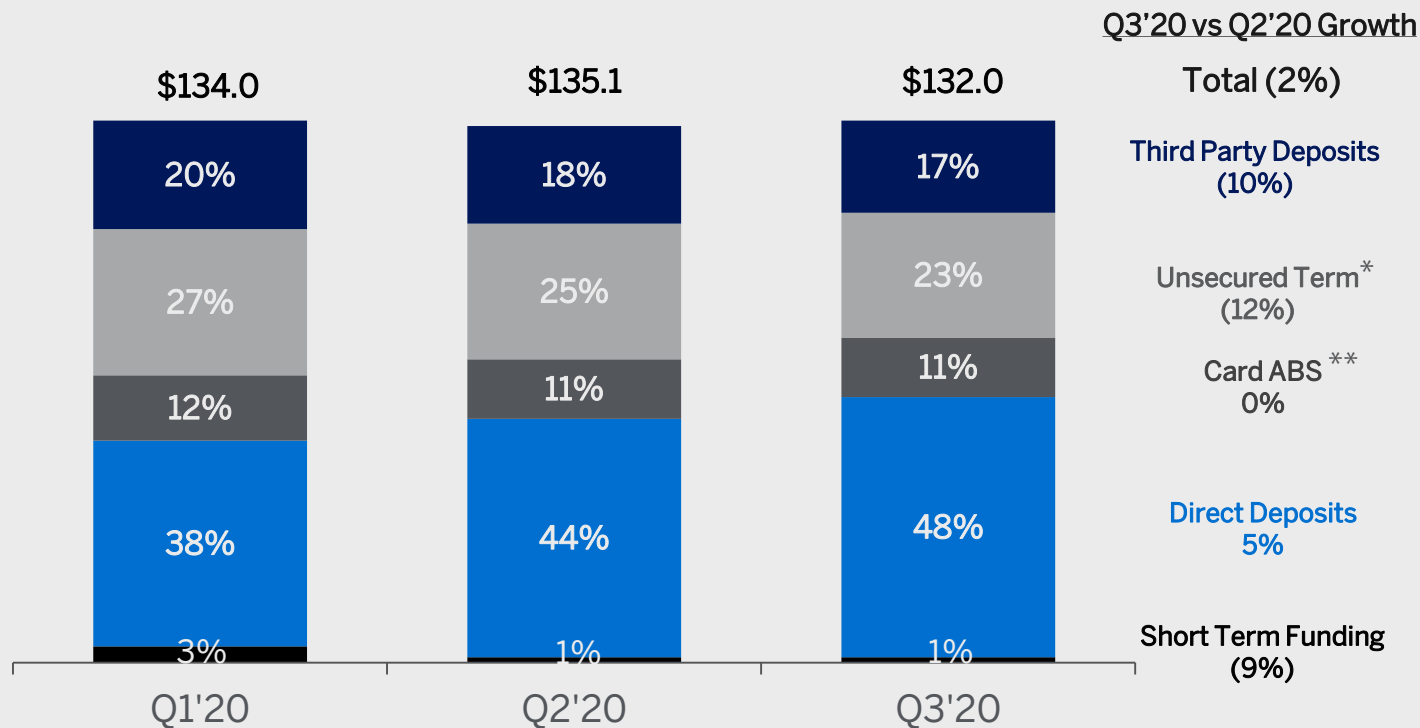


# Global Corporate Payments Card Member Credit Metrics



## Funding Mix

(\$ in billions)

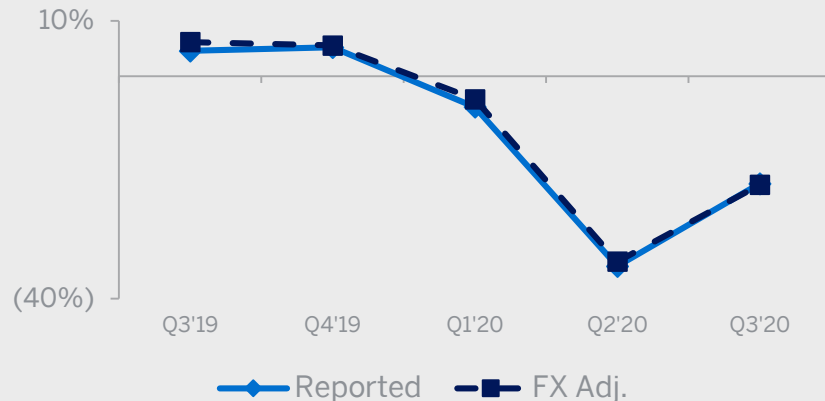


\*Reflects face amount of unsecured term debt. \*\*Reflects face amount of Card ABS, net of securities retained by the Company. Includes outstanding ABS secured borrowing facility draws.

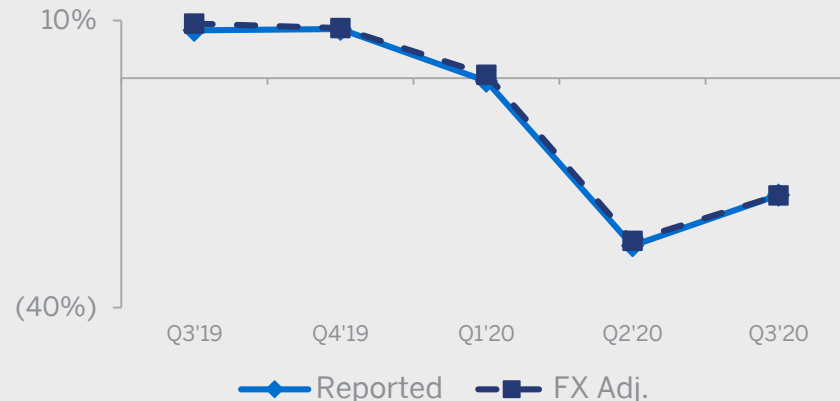
# FX Impact on Billings and Revenue Growth

## Billed Business

% Increase/(decrease) vs. Prior year:



## Revenue Net of Interest Expense



Approximate Q3'20 BB  
as a % of Total

Euro €      UK £      Japan ¥      Australia \$      Canada \$      Mexico \$

4%      4%      5%      3%      2%      1%

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

(7%)      (5%)      (2%)      (6%)      1%      12%

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 2019 and 2020 September month-end, respectively, per Bloomberg.

# Annex 1 (1 of 2)

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

% Increase/(decrease) vs. prior year

	Jan'20	Feb'20	Mar'20	Apr'20	May'20	Jun'20	Jul'20	Aug'20	Sep'20	Q1'20	Q2'20	Q3'20
<b>Int'l Consumer Proprietary</b>												
Reported	7%	5%	(29%)	(50%)	(43%)	(29%)	(23%)	(20%)	(21%)	(6%)	(41%)	(21%)
FX-Adjusted	10%	8%	(23%)	(48%)	(41%)	(27%)	(24%)	(22%)	(23%)	(2%)	(39%)	(23%)
<b>Global Consumer Proprietary</b>												
Reported	8%	10%	(24%)	(45%)	(35%)	(24%)	(20%)	(18%)	(14%)	(3%)	(35%)	(17%)
FX-Adjusted	9%	11%	(22%)	(44%)	(35%)	(24%)	(20%)	(19%)	(15%)	(2%)	(34%)	(18%)
<b>Total Proprietary Billings</b>												
Reported	6%	8%	(25%)	(42%)	(37%)	(27%)	(21%)	(22%)	(17%)	(4%)	(35%)	(20%)
FX-Adjusted	7%	9%	(24%)	(41%)	(36%)	(26%)	(21%)	(22%)	(17%)	(3%)	(35%)	(20%)
<b>GNS</b>												
Reported	(5%)	(9%)	(26%)	(29%)	(33%)	(22%)	(18%)	(17%)	(15%)	(13%)	(28%)	(17%)
FX-Adjusted	(2%)	(5%)	(22%)	(26%)	(31%)	(19%)	(16%)	(17%)	(15%)	(10%)	(25%)	(16%)
<b>Global Commercial (GCS)</b>												
Reported	5%	6%	(26%)	(40%)	(39%)	(30%)	(23%)	(25%)	(19%)	(6%)	(36%)	(23%)
FX-Adjusted	5%	7%	(25%)	(39%)	(38%)	(29%)	(23%)	(26%)	(20%)	(5%)	(36%)	(23%)
<b>Worldwide</b>												
Reported	5%	5%	(25%)	(40%)	(36%)	(26%)	(20%)	(21%)	(16%)	(6%)	(34%)	(19%)
FX-Adjusted	6%	7%	(23%)	(39%)	(35%)	(25%)	(20%)	(21%)	(17%)	(4%)	(33%)	(20%)

\*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

	Jan'20	Feb'20	Mar'20	Apr'20	May'20	Jun'20	Jul'20	Aug'20	Sep'20	Q1'20	Q2'20	Q3'20
<b>Large &amp; Global Corporate</b>												
Reported	(5%)	(6%)	(47%)	(63%)	(69%)	(60%)	(56%)	(54%)	(53%)	(20%)	(64%)	(54%)
FX-Adjusted	(4%)	(5%)	(46%)	(63%)	(69%)	(60%)	(56%)	(55%)	(53%)	(19%)	(64%)	(54%)
<b>Int'l SME</b>												
Reported	15%	13%	(19%)	(32%)	(32%)	(23%)	(17%)	(16%)	(16%)	2%	(29%)	(16%)
FX-Adjusted	18%	17%	(13%)	(28%)	(30%)	(20%)	(18%)	(17%)	(17%)	7%	(26%)	(17%)
<b>SME</b>												
Reported	8%	11%	(19%)	(31%)	(28%)	(20%)	(13%)	(17%)	(9%)	(1%)	(27%)	(13%)
FX-Adjusted	8%	11%	(18%)	(31%)	(28%)	(19%)	(13%)	(17%)	(9%)	0%	(26%)	(13%)
<b>GNS excl. EU &amp; Australia</b>												
Reported	(2%)	(5%)	(24%)	(28%)	(32%)	(21%)	(17%)	(16%)	(14%)	(11%)	(27%)	(16%)
FX-Adjusted	1%	(1%)	(20%)	(25%)	(29%)	(18%)	(15%)	(16%)	(14%)	(7%)	(24%)	(15%)

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

# Annex 2

## ➤ Card Member Receivables Net Write-off Rate Components (\$ in millions, except percentages and where indicated)

### Net Write-offs

Card Member Receivables Net Write-offs – Principal and Fees

GCP Net Write-offs – Principal and Fees\*

Consumer/GSBS Net Write-offs – Principal and Fees

Consumer/GSBS Write-offs – Fees only

Consumer/GSBS Net Write-offs – Principal Only

### Average Card Member Receivables

Global Consumer

Global Small Business Services (GSBS)

Consumer/GSBS Average Receivables

GCP

Total Average Card Member Receivables

Card Member Receivables Net Write-off Rate – Principal and Fees

Consumer/GSBS Card Member Receivables Net Write-off Rate – Principal and Fees

Consumer/GSBS Card Member Receivables Net Write-off Rate – Principal Only

Q3'19	Q4'19	Q1'20	Q2'20	Q3'20
\$231	\$243	\$258	\$299	\$219
(43)	(37)	(43)	(105)	(60)
\$188	\$206	\$215	\$194	\$159
(17)	(18)	(19)	(18)	(15)
\$170	\$188	\$196	\$176	\$144
\$20,750	\$21,263	\$19,780	\$13,973	\$15,755
\$17,482	\$17,591	\$16,850	\$13,773	\$13,835
\$38,232	\$38,854	\$36,630	\$27,746	\$29,590
\$18,628	\$18,311	\$16,617	\$10,481	\$9,917
\$56,860	\$57,165	\$53,247	\$38,227	\$39,506
1.6%	1.7%	1.9%	3.1%	2.2%
2.0%	2.1%	2.3%	2.8%	2.2%
1.8%	1.9%	2.1%	2.5%	2.0%

\* Global Corporate Payments (GCP) reflects global, large and middle market corporate accounts. Net write-off rate based on principal losses only are not available due to system constraints. The Company presents a net write-off rate based on principal losses only (i.e., excluding interest and/or fees) to be consistent with industry convention. Subtotals may not foot due to rounding.



# Annex 3

## ➔ *Troubled Debt Restructurings (TDR) balance* (\$ in billions)

In-Program TDR Balance

Delinquent Financial Relief Programs (FRP)  
balance

Non-delinquent FRP balance

Dec'19	Apr'20	Jun'20	Sep'20
\$0.8	\$1.0	\$2.6	\$3.1
0.1	0.1	0.2	0.1
\$0.7	\$0.9	\$2.4	\$3.0

# Annex 4

## ➡ Revenues Net of Interest Expense - Reported & FX-Adjusted\* (\$ in billions)

	Jan'19	Feb'19	Mar'19	Apr'19	May'19	Jun'19	Jul'19	Aug'19	Sep'19	Jan'20	Feb'20	Mar'20	Apr'20	May'20	Jun'20	Jul'20	Aug'20	Sep'20
GAAP Revenues Net of Interest Expense	\$3.5	\$3.2	\$3.6	\$3.5	\$3.7	\$3.6	\$3.7	\$3.7	\$3.6	\$3.8	\$3.6	\$3.0	\$2.4	\$2.6	\$2.7	\$2.9	\$2.9	\$2.9
FX-Adjusted Revenues Net of Interest*	\$3.5	\$3.2	\$3.6	\$3.5	\$3.7	\$3.6	\$3.7	\$3.7	\$3.6									
YoY% Inc/(Dec) in GAAP Revenues Net of Interest Expense										8%	10%	(18%)	(33%)	(30%)	(24%)	(21%)	(21%)	(19%)
YoY% Inc/(Dec) in FX- Adjusted Revenues Net of Interest Expense										9%	11%	(17%)	(32%)	(29%)	(23%)	(21%)	(22%)	(19%)

	Q1'19	Q2'19	Q3'19	Q1'20	Q2'20	Q3'20
GAAP Revenues Net of Interest Expense	\$10.3	\$10.8	\$11.0	\$10.3	\$7.7	\$8.8
FX-Adjusted Revenues Net of Interest*	\$10.2	\$10.7	\$11.0			
YoY% Inc/(Dec) in GAAP Revenues Net of Interest Expense				(1%)	(29%)	(20%)
YoY% Inc/(Dec) in FX- Adjusted Revenues Net of Interest Expense				1%	(28%)	(20%)

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

# Annex 5

## ➡ *Discount Revenue - Reported & FX-Adjusted\** (\$ in billions)

	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20
GAAP Discount Revenue	\$6.2	\$6.4	\$6.2	\$6.6	\$6.6	\$6.8	\$5.8	\$4.0	\$5.0
FX-Adjusted Discount Revenue*	\$6.1	\$6.4	\$6.1	\$6.5	\$6.6				
YoY% Inc/(Dec) in GAAP Discount Revenue					6%	6%	(6%)	(39%)	(24%)
YoY% Inc/(Dec) in FX- Adjusted Discount Revenue*					7%	6%	(5%)	(38%)	(24%)

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

# Annex 6

## ➡ **Net Card Fees- Reported & FX-Adjusted\*** (\$ in billions)

	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20
GAAP Net Card Fees	\$0.9	\$0.9	\$0.9	\$1.0	\$1.0	\$1.1	\$1.1	\$1.1	\$1.2
FX-Adjusted Net Card Fees*	\$0.9	\$0.9	\$0.9	\$1.0	\$1.0				
YoY% Inc/(Dec) in GAAP Net Card Fees					19%	20%	18%	15%	15%
YoY% Inc/(Dec) in FX- Adjusted Net Card Fees*					20%	20%	19%	17%	15%

# Annex 7

## ➤ Consolidated Net Interest Yield on Average Card Member Loans (\$ in millions, except percentages and where indicated)

	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20
Net interest income	\$2,203	\$2,284	\$2,330	\$1,884	\$1,874
Exclude:					
Interest expense not attributable to our Card Member loan portfolio*	\$461	\$421	\$395	\$350	\$296
Interest income not attributable to our Card Member loan portfolio**	(\$308)	(\$271)	(\$264)	(\$156)	(\$137)
Adjusted net interest income***	\$2,356	\$2,434	\$2,461	\$2,078	\$2,033
Average Card Member loans (billions)	\$83.3	\$85.2	\$83.4	\$72.1	\$69.9
Net interest income divided by average Card Member loans	10.6%	10.7%	11.2%	10.5%	10.7%
Net interest yield on average Card Member loans***	11.2%	11.3%	11.9%	11.6%	11.6%

\* 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.

Note: 2019 reflects changes resulting from enhancements to our methodology related to the allocation of certain funding costs primarily related to our Card Member loan and Card Member receivable portfolios.

# Annex 8

## ➡ *Net Interest Income - Reported & FX-Adjusted\** (\$ in billions)

	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20
GAAP Net Interest Income	2.0	\$2.0	\$2.1	\$2.1	\$2.2	\$2.3	\$2.3	\$1.9	\$1.9
FX-Adjusted Net Interest Income*	\$1.9	\$2.0	\$2.0	\$2.1	\$2.2				
YoY% Inc/(Dec) in GAAP Net Interest Income					12%	12%	13%	(9%)	(15%)
YoY% Inc/(Dec) in FX- Adjusted Net Interest Income*					13%	13%	14%	(8%)	(15%)

# 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, 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:

- uncertainty regarding the duration, extent and severity of the pandemic; a further deterioration in global economic and business conditions and consumer and business spending generally; an inability or unwillingness of Card Members to pay amounts owed to the company; insufficient governmental stimulus and relief programs to address the impact of the pandemic; prolonged measures to contain the spread of COVID-19 or premature easing of such containment measures, both of which could further exacerbate the effects on business activity and the company's Card Members, partners and merchants; health concerns associated with the pandemic continuing to affect consumer behavior, spending levels and preferences, and travel patterns and demand even after government restrictions are lifted and economies reopen; an inability of the company to manage risk in an uncertain environment; market volatility, changes in capital and credit market conditions and the availability and cost of capital; issues impacting brand perceptions and the company's reputation; and an inability of business partners to meet their obligations to the company and the company's customers due to slowdowns or disruptions in their businesses, bankruptcy or liquidation, or otherwise;
- future credit performance, which will depend in part on macroeconomic factors such as unemployment rates, GDP and the volume of bankruptcies; collections capabilities; the enrollment in, and effectiveness of, hardship programs and troubled debt restructurings; the availability of government stimulus programs for borrowers; and governmental actions that provide forms of relief with respect to certain loans and fees, such as limiting debt collections efforts and encouraging or requiring extensions, modifications or forbearance;
- net interest income and the amount of loans outstanding being higher or lower than current expectations, which will depend on the behavior of Card Members and their actual spending and borrowing patterns, the company's ability to manage risk and enhance the Card Member value propositions, and changes in interest rates and the company's cost of funds;
- the actual amount to be spent on marketing, which will be based in part on continued changes in macroeconomic conditions and business performance; management's assessment of competitive opportunities and the receptivity of Card Members and prospective customers to advertising initiatives; and management's ability to realize efficiencies and optimize investment spending;

# Forward Looking Statements

- the actual amount to be spent on Card Member rewards and services and business development, and the relationship of these variable customer engagement costs to revenues, which could be impacted by Card Members' interest in the value propositions offered by the company; further enhancements to product benefits to make them attractive to Card Members, potentially in a manner that is not cost effective; 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 (including travel redemptions); the costs related to reward point redemptions; and new and renegotiated contractual obligations with business partners;
- the ability of the company to control its operating expenses, which could be impacted by, among other things, the company's inability to balance expense control and investments in the business; management's decision to increase or decrease spending in such areas as technology, business and product development, sales force, premium servicing and digital capabilities depending on overall business performance; an inability to innovate efficient channels of customer interactions, such as chat supported by artificial intelligence; restructuring activity; higher-than-expected cyber, fraud or compliance expenses or consulting, legal and other professional fees, including as a result of increased litigation or internal and regulatory reviews; the level of M&A activity and related expenses; the payment of civil money penalties, disgorgement, restitution, non-income tax assessments and litigation-related settlements; impairments of goodwill or other assets; the impact of changes in foreign currency exchange rates on costs; and greater than expected inflation;
- net card fees not growing consistent with current expectations, which could be impacted by, among other things, the further deterioration in macroeconomic conditions impacting the ability and desire of Card Members to pay card fees; higher attrition rates; Card Members continuing to be attracted to the company's premium card products and the pace of Card Member acquisition activity; and the company's inability to address competitive pressures and implement its strategies and business initiatives, including introducing new and enhanced benefits and services that are designed for the current environment;
- a further decline of the average discount rate, including as a result of further 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) and other factors;
- changes in the substantial and increasing worldwide competition in the payments industry, including competitive pressure that may materially 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



- changes affecting the company's plans regarding the return of capital to shareholders, including its intention to maintain its current quarterly common share dividend for the fourth quarter of 2020, subject to approval by the company's Board of Directors, 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 by the Federal Reserve; the company's results of operations and financial condition; the company's credit ratings and rating agency considerations; 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;
- legal and regulatory developments, 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 Card Members, partners, merchants and other third parties, including its ability to continue certain cobrand and agent relationships 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 result in harm to the American Express brand;
- changes in the financial condition and creditworthiness of the company's business partners, such as bankruptcies, restructurings or consolidations, including cobrand partners and merchants that represent a significant portion of the company's business, such as the airline industry, or partners in GNS or financial institutions that the company relies on 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 resurgences of COVID-19 cases, severe weather conditions, natural and man-made disasters, power loss, disruptions in telecommunications, 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 results of operations or disrupt its 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, 2019, the Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 2020 and the company's other reports filed with the Securities and Exchange Commission.

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