Section 1: 10-K (FORM 10-K)

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2013

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File No. 1-7657

American Express Company

(Exact name of registrant as specified in its charter)

New York *(State or other jurisdiction of incorporation or organization)*	**13-4922250** *(I.R.S. Employer Identification No.)*
200 Vesey Street New York, New York *(Address of principal executive offices)*	**10285** *(Zip Code)*

Registrant's telephone number, including area code: (212) 640-2000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Shares (par value $0.20 per Share)	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for a shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF AMERICAN EXPRESS COMPANY:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, comprehensive income, cash flows and shareholders' equity present fairly, in all material respects, the financial position of American Express Company and its subsidiaries at December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control — Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP

New York, New York
February 25, 2014

AMERICAN EXPRESS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 20
STOCK PLANS
STOCK OPTION AND AWARD PROGRAMS

Under the 2007 Incentive Compensation Plan and previously under the 1998 Incentive Compensation Plan, awards may be granted to employees and other key individuals who perform services for the Company and its participating subsidiaries. These awards may be in the form of stock options, restricted stock awards or units (RSAs), portfolio grants (PGs) or other incentives, and similar awards designed to meet the requirements of non-U.S. jurisdictions.

For the Company's Incentive Compensation Plans, there were a total of 35 million, 36 million and 38 million common shares unissued and available for grant as of December 31, 2013, 2012 and 2011, respectively, as authorized by the Company's Board of Directors and shareholders.

The Company granted stock option awards to its Chief Executive Officer (CEO) in November 2007 and January 2008 that have performance-based and market-based conditions. These option awards are separately disclosed and are excluded from the information and tables presented in the following paragraphs.

A summary of stock option and RSA activity as of December 31, 2013, and changes during the year is presented below:

	Stock Options		RSAs	
(Shares in thousands)	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Grant Price
Outstanding as of December 31, 2012	31,861	$ 43.62	11,800	$ 40.31
Granted	463	61.76	3,867	60.13
Exercised/vested	(13,672)	42.39	(5,559)	33.24
Forfeited	(22)	39.25	(530)	50.31
Expired	(15)	45.61	—	—
Outstanding as of December 31, 2013	18,615	44.98	9,578	$ 51.88
Options vested and expected to vest as of December 31, 2013	18,600	44.98	—	—
Options exercisable as of December 31, 2013	16,842	$ 44.51	—	—

The Company recognizes the cost of employee stock awards granted in exchange for employee services based on the grant-date fair value of the award, net of expected forfeitures. Those costs are recognized ratably over the vesting period.

STOCK OPTIONS

Each stock option has an exercise price equal to the market price of the Company's common stock on the date of grant and a contractual term of 10 years from the date of grant. Stock options generally vest 25 percent per year beginning with the first anniversary of the grant date.

The weighted-average remaining contractual life and the aggregate intrinsic value (the amount by which the fair value of the Company's stock exceeds the exercise price of the option) of the stock options outstanding, exercisable, and vested and expected to vest as of December 31, 2013 are as follows:

	Outstanding	Exercisable	Vested and Expected to Vest
Weighted-average remaining contractual life *(in years)*	4.4	4.0	4.4
Aggregate intrinsic value *(millions)*	$ 852	$ 778	$ 851

The intrinsic value for options exercised during 2013, 2012 and 2011 was $374 million, $209 million and $206 million, respectively (based upon the fair value of the Company's stock price at the date of exercise). Cash received from the exercise of stock options in 2013, 2012 and 2011 was $580 million, $368 million and $503 million, respectively. The tax benefit realized from income tax deductions from stock option exercises, which was recorded in additional paid-in capital, in 2013, 2012 and 2011 was $84 million, $45 million and $60 million, respectively.

The fair value of each option is estimated on the date of grant using a Black-Scholes-Merton option-pricing model. The following weighted-average assumptions were used for grants issued in 2013, 2012 and 2011, the majority of which were granted in the beginning of each year:

	2013	2012	2011
Dividend yield	1.4%	1.5%	1.6%
Expected volatility[(a)]	39%	41%	40%
Risk-free interest rate	1.3%	1.3%	2.3%
Expected life of stock option (*in years*)[(b)]	6.3	6.3	6.2
Weighted-average fair value per option	$ 21.11	$ 17.48	$ 16.21

(a) The expected volatility is based on both weighted historical and implied volatilities of the Company's common stock price.
(b) In 2013, 2012 and 2011, the expected life of stock options was determined using both historical data and expectations of option exercise behavior.

STOCK OPTIONS WITH PERFORMANCE-BASED AND MARKET-BASED CONDITIONS

On November 30, 2007 and January 31, 2008, the Company's CEO was granted in the aggregate 2,750,000 of non-qualified stock option awards with performance-based and market-based conditions. Both awards have a contractual term of 10 years and a vesting period of 6 years.

The aggregate grant date fair value of options with performance-based conditions was approximately $33.8 million. Compensation expense for these awards will be recognized over the vesting period when it is determined it is probable that the performance metrics will be achieved. No compensation expense for these awards was recorded in 2013, 2012 and 2011.

The aggregate grant date fair value of options with market-based conditions was approximately $10.5 million. Compensation expense for these awards is recognized ratably over the vesting period irrespective of the probability of the market metric being achieved. Total compensation expense of approximately $0.3 million, $0.5 million and $2.4 million was recorded in 2013, 2012 and 2011, respectively.

RESTRICTED STOCK AWARDS

RSAs are valued based on the stock price on the date of grant and generally vest 25 percent per year, beginning with the first anniversary of the grant date. RSA holders receive non-forfeitable dividends or dividend equivalents. The total fair value of shares vested during 2013, 2012 and 2011 was $336 million, $296 million and $221 million, respectively (based upon the Company's stock price at the vesting date).

The weighted-average grant date fair value of RSAs granted in 2013, 2012 and 2011, is $60.13, $49.80 and $45.11, respectively.

LIABILITY-BASED AWARDS

Certain employees are awarded PGs and other incentive awards that can be settled with cash or equity shares at the Company's discretion and final Compensation and Benefits Committee payout approval. These awards earn value based on performance, market and service conditions and vest over periods of one to three years.

PGs and other incentive awards are generally settled with cash and thus are classified as liabilities and, therefore, the fair value is determined at the date of grant and remeasured quarterly as part of compensation expense over the vesting period. Cash paid upon vesting of these awards in 2013, 2012 and 2011 was $45 million, $66 million and $58 million, respectively.

Summary of Stock Plan Expense

The components of the Company's total stock-based compensation expense (net of forfeitures) for the years ended December 31 are as follows:

(Millions)	2013	2012	2011
Restricted stock awards[(a)]	$ 208	$ 197	$ 176
Stock options[(a)]	23	29	40
Liability-based awards	119	70	83
Performance/market-based stock options	—	1	2
Total stock-based compensation expense[(b)]	$ 350	$ 297	$ 301

(a) As of December 31, 2013, the total unrecognized compensation cost related to unvested RSAs and options of $232 million and $14 million, respectively, will be recognized ratably over the weighted-average remaining vesting period of 2.1 years and 1.8 years, respectively.

(b) The total income tax benefit recognized in the Consolidated Statements of Income for stock-based compensation arrangements for the years ended December 31, 2013, 2012 and 2011 was $127 million, $107 million and $105 million, respectively.

NOTE 21
RETIREMENT PLANS

DEFINED CONTRIBUTION RETIREMENT PLANS

The Company sponsors defined contribution retirement plans, the principal plan being the Retirement Savings Plan (RSP), a 401(k) savings plan with a profit-sharing component. The RSP is a tax-qualified retirement plan subject to the Employee Retirement Income Security Act of 1974 (ERISA) and covers most employees in the U.S. The total expense for all defined contribution retirement plans globally was $281 million, $254 million and $252 million in 2013, 2012 and 2011, respectively.

DEFINED BENEFIT PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS

The Company's primary defined benefit pension plans that cover certain employees in the U.S. and United Kingdom are closed to new entrants and existing participants do not accrue any additional benefits. Most employees outside the U.S. and United Kingdom are covered by local retirement plans, some of which are funded, while other employees receive payments at the time of retirement or termination under applicable labor laws or agreements. The Company complies with minimum funding requirements in all countries. The Company sponsors unfunded other postretirement benefit plans that provide health care and life insurance to certain retired U.S. employees. The total expense for these plans was $59 million, $93 million and $74 million in 2013, 2012 and 2011, respectively.

The Company recognizes the funded status of its defined benefit pension plans and other postretirement benefit plans, measured as the difference between the fair value of the plan assets and the projected benefit obligation, in the Consolidated Balance Sheets. As of December 31, 2013 and 2012, the funded status related to the defined benefit pension plans and other postretirement benefit plans was underfunded by $661 million and $796 million, respectively, and is recorded in other liabilities.

AXP DEF+14A 5/12/2014

Section 1: DEF 14A (DEF 14A)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement
☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
☒ Definitive Proxy Statement
☐ Definitive Additional Materials
☐ Soliciting Material pursuant to §240.14a-12

American Express Company

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if other than Registrant)

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

☐ Fee paid previously with preliminary materials.

☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number or the Form or Schedule and the date of its filing.

COMPENSATION GOVERNANCE, PROCESS AND DECISIONS

The Decision Makers

The Compensation Committee, composed solely of independent directors, is responsible for our executive officer compensation decisions. The Compensation Committee works very closely with its independent consultant and management to examine pay and performance matters throughout the year. The Compensation Committee held nine meetings over the course of 2013, eight of which either ended or started with executive sessions without management present. The Compensation Committee's charter may be accessed through the "Corporate Governance" link found on our website at http://ir.americanexpress.com.

Compensation Committee's Independent Compensation Consultant

In May 2013, after a robust search process that included the review of leading firms, the Compensation Committee retained Semler Brossy Consulting Group (Semler Brossy) as its independent compensation consultant. Prior to that time, and since 2007, F.W. Cook & Co. (Cook) had served as the Compensation Committee's independent compensation consultant. The Compensation Committee determined to engage in this search in accordance with its periodic review process which coincided with the retirement of Mr. Fred Cook, the lead consultant to the Compensation Committee.

During 2013, the compensation consultants attended Compensation Committee meetings, met with the Compensation Committee in executive sessions, reviewed and provided recommendations on the components of the company's executive compensation program and provided compensation advice independent of the company's management.

In 2013, Cook provided outside director compensation advice to American Express Bank, FSB and American Express Centurion Bank, U.S. banking subsidiaries of the company. In 2013, Semler Brossy provided no other services to the company other than services to the Compensation Committee. The Compensation Committee assessed the independence of the compensation consultants pursuant to SEC rules and concluded that their work for the Compensation Committee did not raise any conflicts of interest.

Making Decisions

The Compensation Committee uses the performance assessment framework described on page 30 as the basis for TDC decisions for the CEO.

For both the CEO and the other NEOs, the Compensation Committee conducts an in-depth review of performance against goals and then applies its judgment to make compensation decisions. While we do not rely on a formula or specific matrix for making pay decisions, the Compensation Committee believes this process provides accountability for performance against goals, enables the Compensation Committee to effectively assess the quality of the performance and leadership demonstrated by the management team and differentiate among each individual's performance, and motivates short-term and long-term results as well as innovation and business transformation.

The Compensation Committee's Process

The Compensation Committee follows the process outlined below to determine NEO compensation:

2013

Q1 | *ending 3/31/2013*

- Set the metrics and goals for the CEO performance assessment framework
- Set the other NEOs' performance objectives

GOAL SETTING

In Q1, the Compensation Committee reviews and approves the metrics and goals in the CEO performance assessment framework and the other NEOs' performance objectives. Performance objectives are set for each business unit and staff group for which an NEO is responsible, and input is obtained from each of our General Auditor, Chief Risk Officer, and Chief Compliance Officer.

Q3 | *ending 9/30/2013* & Q4 | *ending 12/31/2013*

- Review the company's performance
- Assess progress toward NEO objectives

REVIEW OF PROGRESS AGAINST GOALS

The Compensation Committee reviews corporate performance in the third and fourth quarters, and assesses progress against each of the NEOs' objectives and incentive plan goals.

2014

Q1 | *ending 3/31/2014*

- Evaluate NEO performance
- Determine TDC for the NEOs
- Approve any changes to the executive compensation program for the coming year

DETERMINE TDC FOR THE NEOs

In January, the Compensation Committee determines TDC amounts for the CEO and each of the other NEOs based on:

- Goal and Leadership Ratings: The Compensation Committee uses the performance assessment framework on page 30 to make CEO compensation decisions. For the other NEOs, the Compensation Committee, based on input from the CEO, reviews (1) business unit/staff group performance against the objectives set in Q1 of the previous year, and (2) each NEO's Leadership Assessment based on individual performance including feedback from peers and direct reports, as appropriate, with regard to key leadership attributes. Performance assessments are graded on a three-point scale to differentiate performance and pay.
- Risk-Balancing and Performance: The Compensation Committee determines the amount of each TDC pay component based on company pay mix guidelines and individual performance. In evaluating the performance of the NEOs, the Compensation Committee seeks to understand what was accomplished relative to established objectives, how it was accomplished, the quality of financial results and the company's strategic positioning for future competitive advantage. As part of this process, the Compensation Committee meets with the Chief Financial Officer and the Chief Risk Officer to discuss financial results and risk/control and compliance assessment results.
- Market Practices: The Compensation Committee evaluates each NEO's relative compensation and changes in responsibilities, and considers current pay practices for comparable positions at companies that are talent competitors.
- Independent Consultant Recommendation: The Compensation Committee receives input from its independent compensation consultant.
- Other Factors: For the other NEOs, the Compensation Committee also considers the CEO's recommendations, succession planning and retention. Furthermore, before making pay decisions, the Compensation Committee reviews the pay mix to ensure that at least 50 percent of TDC is deferred and performance based.

In addition, the Compensation Committee:

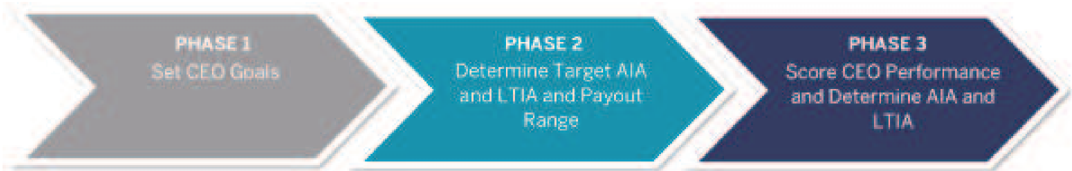
- Reviews and approves the payouts for each LTIA grant with a performance period completed at the end of the prior year.
- Approves any design changes to the executive compensation program for the coming year.

2013 CEO PERFORMANCE REVIEW PROCESS AND TDC DECISION

CEO Pay - Process and Decisions

In 2013, the Compensation Committee enhanced the framework used to determine the CEO's TDC. Under this framework, the Compensation Committee evaluated the CEO's performance based on achievement of pre-determined goals, strategic and transformational initiatives, performance relative to our competitors and financial markets, and a risk/control and compliance assessment. The framework uses both qualitative and quantitative factors and is designed to provide a broad and balanced view of performance.

CEO PERFORMANCE ASSESSMENT FRAMEWORK



The following discussion provides a summary of the Compensation Committee's determination of Mr. Chenault's TDC using the above framework.

PHASE 1—SET CEO GOALS

The Compensation Committee approves financial, strategic and operational goals related to three key Service Profit Chain constituencies: shareholders, customers and employees. These goals were chosen because they reflect our rigorous on-average and over-time financial targets; cover significant business metrics; reflect the importance of employee engagement, diversity and customer service in creating sustainable value; and drive our future growth.

Shareholder goals include specific measurements of profit/return (EPS, ROE); growth (revenue growth, billed business growth); expense containment (operating expense growth and lending write-off rates); and customer service. See page 31.

Employee goals include succession planning for key roles, improved workplace culture and diversity, and validation of program efficacy through external recognition.

Customer/strategic and transformational goals include revenue diversity (e.g., obtaining new fee-based revenue); international expansion (e.g., billed business growth and net income contribution from international), customer segment expansion, including number of Coalition Loyalty Collectors, customers across Enterprise Growth businesses and transaction volume for new reloadable card products, and expansion of our commerce-related businesses (e.g., Small Business Saturday).

We believe it is crucial to embed compliance and risk management in all our business processes, including goal setting. The framework adopted by the Compensation Committee provides that it will consider compliance and risk management goals (acceptable return on economic capital, the promotion of error-free products and processes, and our risk/control and compliance environment) in evaluating performance.

PHASE 2—DETERMINE TARGET AIA AND LONG-TERM INCENTIVE AWARD, AS WELL AS PAYOUT RANGE

The Compensation Committee considered Mr. Chenault's prior years' compensation as well as market data as reference points to determine the following target AIA and LTIA for 2013 performance:

COMPENSATION ELEMENT	TARGET
AIA	$ 6.625 million
Performance Grant award	$ 5.125 million
Equity (Performance RSU and Stock Options)	$ 8.250 million

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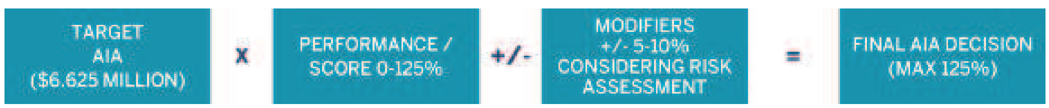
Mr. Chenault's base salary was fixed at $2 million (unchanged since 2010).

Based on its review of 2013 performance, the Compensation Committee could award a payout range from 0 percent to 125 percent of the target amounts set out above, depending on the company's financial results as well as the Compensation Committee's assessment of the CEO's performance against goals. Further, the Compensation Committee determined that it may adjust the final performance score downwards or upwards (but not exceeding the 125 percent maximum) by 5-10 percent to specifically reflect the impact of the risk/control and compliance assessment.

PHASE 3—SCORE CEO PERFORMANCE AND SET FINAL TDC

In January 2014, the Compensation Committee awarded Mr. Chenault TDC of $24,400,000 for performance year 2013, 11 percent higher than his 2012 compensation. The Compensation Committee considered strong performance against specific goals as well as Mr. Chenault's overall leadership contributions to the success of American Express in determining his TDC. Mr. Chenault's final TDC was determined using the following three steps:

Step 1 – Determine AIA



In January 2014, the Compensation Committee determined a performance score for each of the CEO goals, resulting in an AIA award of $7.95 million (120 percent of target). The Compensation Committee determined the final performance score as follows:

GOAL	2013 PERFORMANCE	ASSESSMENT
Shareholder (50% overall weighting)	• Actual EPS of $4.88 was toward the upper end of 2013 target range of $4.74-$4.94; 2012 adjusted EPS[5] was $4.40 • Actual ROE of 27.8% exceeded 2013 target (26.0%); 2012 adjusted ROE[5] was 26.1% • FX-adjusted billed business growth of 8.3% exceeded target (8.0%) • Adjusted operating expense growth of 0% was better than target (3.0%)[6] • FX-adjusted revenue growth[7] of 5.4% was below target (7.0%), but outpaced many card issuing peers • Customer Service exceeded target (as measured by the "Recommend to a Friend" score) • One-year TSR of 60%, which was 28 percentage points above S&P 500 and 24 percentage points above S&P Financials index • Net write-off rate of 1.8% was better than the 2013 target of 2.1-2.4%	Significantly Above Target

[5] See footnote 3 on page 20

[6] Operating expenses include salaries and employee benefits, professional services, occupancy and equipment, and other, net. The growth rate of adjusted total operating expenses, a non-GAAP measure, excludes Q4 '12 restructuring charges from total operating expenses; please refer to Annex B for further discussion on the determination of this amount.

[7] See footnote 1 on page 3

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GOAL	2013 PERFORMANCE	ASSESSMENT
Employee (25% overall weighting)	• Succession planning for key roles aligned with board expectations • Diversity targets were met and talent measures were on target • The company continued to be recognized as an Employer of Choice, globally; recognized on seven U.S. surveys as an employer of choice, including *Working Mother* and *Fortune*; internationally recognized in nine countries as a top employer	At Target
Customer/ Transformation (25% overall weighting)	• Channeled investment into potential opportunities in Loyalty Partner, Bluebird and Serve • Expanded Loyalty Partner and ended 2013 ahead of plan on customer growth • LoyaltyEdge revenue grew by three times over 2012, driven by the launch of Wells Fargo in September 2013 and by a rapid expansion of loyalty programs managed for First National Bank of Omaha and FedEx • Availability of Serve was increased to 22,000 retail locations (including CVS, Family Dollar, Fred's Stores, Office Depot and Walgreens), with a cash reload network of 14,000 locations • Significant progress was made towards international goals, including better than targeted billings growth internationally • Enterprise Growth Group brought in a cumulative total of 7 million customers (includes accounts in pending status) and $4.8 billion in load and transaction volume (both including Lianlian); 87% of Bluebird customers were new to the company's franchise and 46% were under the age of 35, supporting our goal of broadening our customer base • Made progress toward goal of becoming a facilitator of commerce to connect buyers and sellers in creative ways, while providing exceptional value to both (e.g., Small Business Saturday)	Above Target

The Compensation Committee approved a total AIA payout of 120 percent of target ($7,950,000) considering the above Shareholder, Employee, and Customer/Transformation results as well as the company's strong relative performance against our major competitors, including industry-best credit performance. The Compensation Committee also considered the company's risk management governance including return on economic capital performance as well as relative TSR performance, compared to S&P 500 and S&P Financials indices.

Step 2 – Determine LTIA

Based on the company's 2013 performance (as assessed in Step 1 above), the Compensation Committee awarded Mr. Chenault Portfolio Grant awards equal to 100 percent of target, or $5,125,000, and equity awards equal to 113 percent of target, or $9,325,000. These awards tie actual compensation to future performance and shareholder outcomes. See page 26 for how these awards work.

Step 3 – Review TDC and Pay Mix

After taking into account the company's financial performance and evaluating Mr. Chenault's performance against goals as well as his leadership contributions, the Compensation Committee determined that the CEO's TDC of $24.4 million—an increase of 11 percent from his 2012 TDC—was appropriate. To further emphasize long-term and sustained performance, the Compensation Committee determined that $1.95 million of Mr. Chenault's AIA should be paid in RSUs instead of cash.

The following chart provides more information on Mr. Chenault's TDC for 2013 performance and compares it with his 2012 TDC.

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CEO Total Direct Compensation

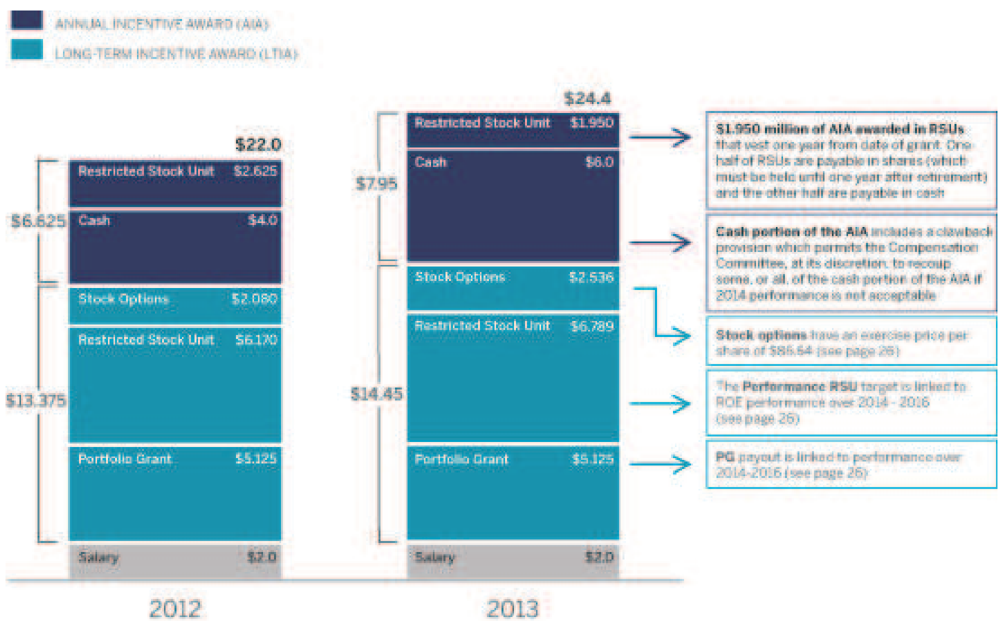
Note Regarding 2013 TDC Decisions and Summary Compensation Table

It is important to recognize that the way the Compensation Committee presents TDC in the charts that follow is different from the SEC-required disclosure in the Summary Compensation Table (SCT) and is not a substitute for the information in that table (shown on page 43). Rather, it is intended to show how the Compensation Committee linked NEOs' TDC and its components to the company's 2013 performance results.

There are two principal differences between the SCT and the charts below. First, the SCT shows equity awards granted in January 2013 for 2012 performance as 2013 compensation, whereas the chart below shows January 2014 equity awards as 2013 compensation. Second, the SCT shows RSUs granted in January 2013 as part of Mr. Chenault's AIA for 2012 performance as 2013 compensation, whereas the chart below shows the AIA awards granted in January 2014 for 2013 performance as 2013 compensation, regardless of the payout timing.

CEO TOTAL DIRECT COMPENSATION ($ MILLIONS)

Mr. Chenault's TDC for 2013 performance was $24.4 million — a $2.4 million (11 percent) increase from his 2012 TDC



In addition to performance against specific goals, the Compensation Committee also considered Mr. Chenault's overall leadership contributions in determining his TDC. These contributions included Mr. Chenault's leadership in defining and executing strategies to:

- Deliver consistent, sustainable growth and value for shareholders
- Drive business growth in an uneven economy
- Contain operating expenses
- Allocate investment to grow the core business and expand into new sectors
- Drive product and digital innovation
- Strengthen the company's risk management governance and enhance the risk management culture
- Create a workplace culture that attracts and retains the best talent
- Build confidence in the American Express brand and help shape public policies that affect the overall payments industry

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OTHER NAMED EXECUTIVE OFFICERS' TDC

The CEO's recommendations for the other NEOs were based on his review of performance and our pay mix guidelines.

The following information provides highlights of specific individual and business performance considered in the pay recommendations for the other NEOs. When approving pay decisions for the other NEOs, the Compensation Committee also considered the overall performance of the company. Included below are the Compensation Committee's TDC decisions for each NEO for performance year 2013.

EDWARD P. GILLIGAN, PRESIDENT

Mr. Gilligan has been the Head of the Global Consumer and Small Business Card Issuing, Global Merchant Services, Network, and Global Banking businesses at American Express Company since October 2009. His 2013 achievements included:

- Delivered strong financial results in support of the company's growth through strong billings, revenue, and net income growth, and best-in-class credit performance
- Restructured the organization to drive synergies and implemented key business transformation initiatives across the organization that yielded significant benefits
- Continued to expand the American Express franchise internationally, through new bank issuing and acquiring partnerships and new products, in addition to the effective management of Loyalty Partner
- Launched a number of new, high-impact initiatives to enhance our customers' digital experiences
- Led company efforts to comply with safety and soundness targets for the global banks, while implementing continuous process improvements

STEPHEN J. SQUERI, GROUP PRESIDENT, GLOBAL CORPORATE SERVICES

Mr. Squeri has served as the Group President for Global Corporate Services since November 2011. He is responsible for Global Commercial Services, which consists of the Global Corporate Payments and Global Business Travel organizations, as well as Global Services, our shared services organization consisting of World Service, Global Business Services, Technologies, and Global Credit Administration. His 2013 achievements included:

- Delivered strong financial results including robust earnings growth in Global Commercial Services
- Delivered superior customer service, as evidenced by improved customer satisfaction metrics and the receipt of our seventh consecutive J.D. Power and Associates award in the United States
- Led companywide restructuring initiatives and exceeded operating expense targets across Global Commercial Services and Global Services
- Initiated the Global Business Travel joint venture to accelerate the growth and transformation of the corporate travel business
- Successfully completed the migration of all our applications to our new, state-of-the-art enterprise data center
- Enabled multiple digital capabilities that yielded significant progress against our business objectives

DANIEL H. SCHULMAN, GROUP PRESIDENT, ENTERPRISE GROWTH

Mr. Schulman has served as the Group President for Enterprise Growth since August 2010. He is responsible for our global strategy to reach customers beyond our traditional card and travel businesses, including efforts to expand alternative mobile and online payment services, build new revenue streams, and foster greater financial inclusion among those excluded or poorly served by the traditional financial system. Mr. Schulman is also responsible for American Express Ventures and our $100 million Digital Commerce Initiative focused on investing in early stage startups. His 2013 achievements included:

- Attracted millions of incremental new customers to American Express with new product launches

- Relaunched American Express Serve, with availability in more than 22,000 retail locations and free cash reload at more than 14,000 retail locations; new product features include direct deposit, bill payment and financial management tools
- Continued the growth of Bluebird, with more than 1 million accounts, nearly $2 billion in funds added, and approximately 87 percent of account cardholders new to American Express; new product features include pre-authorized check writing and FDIC insurance, which allows consumers to directly receive government payments
- Continued expansion into international markets, including expansion of the partnership with the Lianlian Group to use the Serve platform to help power their digital infrastructure for consumer and business customers in China into nine Chinese provinces
- Accelerated the growth of LoyaltyEdge, vente-privee USA, and Foreign Exchange Services

JEFFREY C. CAMPBELL, EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

Mr. Campbell has served as Executive Vice President and Chief Financial Officer since August 2013. He is responsible for leading the company's Finance organization and representing American Express to investors, lenders and rating agencies. His achievements included:

- Effectively communicated the company's business and financial information to regulatory bodies and the financial community
- Assisted in achieving operational costs target commitments aligned with the company's risk-balanced plan
- Ensured a strong financial and regulatory reporting control environment
- Continued to strengthen capital planning processes consistent with regulatory requirements and managed the company's CCAR and Basel programs to support the company's capital, funding and liquidity plans
- Exhibited leadership that impacted strategic and financial decisions

NEO TDC Decisions

The Compensation Committee's TDC decisions for performance year 2013 are reflected in the table below. Overall, January 2014 TDC was higher than January 2013 TDC as a result of the company's financial results and the NEOs' performance.

NEOs TDC DECISIONS ($000s)

	E.P. GILLIGAN	S.J. SQUERI	D.H. SCHULMAN	J.C. CAMPBELL**
Base Salary	$ 1,450	$ 1,250	$ 1,100	$ 1,000
AIA	$ 4,525	$ 4,150	$ 4,025	$ 1,600
Equity—RSUs*	$ 2,730	$ 2,275	$ 2,348	$ 1,820
Equity—SOs*	$ 1,020	$ 850	$ 877	$ 680
PG (target value)	$ 1,600	$ 1,325	$ 1,500	$ 1,500
TDC	$ 11,325 (up 8% from January 2013)	$ 9,850 (up 3% from January 2013)	$ 9,850 (up 13% from January 2013)	$ 6,600

* Similar to the CEO's equity awards, other NEOs received RSUs that are earned based on three-year average ROE performance. For the total equity awards, an equal number of shares was delivered in the form of performance-vested RSUs and stock options.

** Mr. Campbell joined the company in July 2013.

Offer Letter – Mr. Campbell

In connection with his employment offer letter with the company entered into on June 19, 2013, Mr. Campbell is entitled to an annual base salary of $1,000,000, a sign-on cash award of $4,000,000 payable over a period of two years, and sign-on grants to replace a portion of long-term incentives he forfeited at his prior employer as a result of joining the company. These grants are described in more detail on page 46 in the *Grants of Plan-Based Awards* table and on page 54 in the *Potential Payments Upon Termination of Employment/CIC* table.

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DETERMINATION OF LTIA PAYOUTS FOR AWARDS MADE IN PRIOR YEARS

Portfolio Grants Awarded in January 2011 – Payout Based on 2011-2013 Performance

Portfolio Grant awards provide a cash incentive based on achievement of certain performance metrics over a three-year performance period. Portfolio Grants were awarded in January 2011 for the three-year performance period ending December 2013 (PG2011-13). In January 2014, the Compensation Committee determined the final payout for these Portfolio Grant awards at 105 percent of target. The performance metrics for PG2011-13 are shown below along with the results achieved during the period:

2011-13 PERFORMANCE METRIC AND WEIGHTING	THRESHOLD, TARGET AND MAXIMUM PERFORMANCE GOALS*	ACTUAL PERFORMANCE	PAYOUT CONTRIBUTION
Cumulative EPS (20%)	Threshold = $11.09 Target = $12.66 Maximum = $13.38	$12.86	21%
TSR vs. S&P 500 (30%)	Threshold < 9 percentage points below Index Target = At index Maximum ≥ 5 percentage points above Index	11% above Index	38%
Strategic Milestones (50%) *Consumer, Small Business, Merchant, and Network Services Businesses* • International Net Income (cumulative) • Increase online spend across all products *Global Services* • Deliver superior service (measured by U.S. "Recommend to a Friend" score) *Enterprise Growth* • Average annual growth of Global Payment Options revenue • Reach critical mass of Serve customers	 $4.9 billion 12-15% 2.5 percentage point improvement over 2010 At market growth rate Compensation Committee judgment	At or above target based on financial performance and Compensation Committee evaluation	50%
Preliminary Total 109% of target			

Compensation Committee applied negative discretion to adjust the final payout to consider ongoing progress toward strategic milestones.

Final Payout
105% of target

* Participants receive 0 percent of the award at threshold level, 100 percent of the award at target level, and 125 percent of the award at maximum level. Payout range for strategic milestones is 0-125 percent and actual payout is at the discretion of the Compensation Committee. Award payments were subject to negative adjustments based on risk results (e.g., Tier I Capital Ratio), but no such adjustments were made based on actual performance.

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In the first quarter of 2013, the Compensation Committee approved payment of 33 percent of the PG2011-13 grants based on the achievement of a target level of performance at that date. The remaining value of the award was paid in the first quarter of 2014. The NEOs' PG2011-13 grants resulted in the following payouts:

EXECUTIVE	PG2011-13 GRANT AMOUNT	PG2011-13 INTERIM (Q1 2013) PAYOUT	PG2011-13 FINAL (Q1 2014) PAYOUT**	TOTAL PAYOUT
K.I. Chenault	$5,125,000	$1,691,250	$3,690,000*	$5,381,250
E.P. Gilligan	$1,500,000	$ 495,000	$1,080,000	$1,575,000
S.J. Squeri	$1,000,000	$ 330,000	$ 720,000	$1,050,000
D.H. Schulman	$1,300,000	$ 429,000	$ 936,000	$1,365,000
D.T. Henry	$1,100,000	$ 363,000	$ 792,000	$1,155,000

* Mr. Chenault's payment was in the form of RSUs granted in January 2014 that vest one year from the grant date; one half of RSUs are payable in shares (which must be held until one year after retirement) and the other half are payable in cash.

** An interim payment equal to 33 percent of the Grant Amount was made in the first quarter of 2013. The final payout recorded in this column is equal to 105 percent of the Grant Amount less the interim amount paid in Q1 2013.

The grant amounts of PG2011-13 were included in the *Grants of Plan-Based Awards* table in the 2012 proxy statement. The cash payouts made in January 2014 are included in the *Summary Compensation Table* on page 43 (non-equity incentive plan compensation for 2013). For Mr. Chenault, where the 2014 payout was made solely in the form of RSUs that vest one year after the grant, the grant amount of these RSUs will be included in the Summary Compensation Table next year, under stock awards.

RSUs Awarded in January 2011—Vesting Based on 2011-2013 Performance

Performance RSUs provide an opportunity for employees to receive Common Shares based on the company's three year average ROE (as shown in the following table). Performance RSUs were awarded in January 2011 for the three-year performance period ending December 2013.

PERFORMANCE METRIC	PERFORMANCE LEVEL: 3-YEAR AVERAGE ROE	PAYOUT (% OF AWARD)
Average ROE for years 2011 to 2013	≥ 30%	125%
	28%	105%
	25% (Target)	100%
	22%	95%
	20%	75%
	10%	25%
	≤5%	0%

Given that average ROE for years 2011 to 2013 was above target at 26.2 percent (27.7 percent for 2011, 23.1 percent for 2012, and 27.8 percent for 2013), the Compensation Committee awarded a payout of 102 percent of target. This resulted in the vesting of the following number of shares for the NEOs:

EXECUTIVE	TARGET NUMBER OF SHARES	SHARES VESTED*
K.I. Chenault	135,981	138,700
E.P. Gilligan	47,799	48,754
S.J. Squeri	32,965	33,624
D.H. Schulman	41,206	42,030
D.T. Henry	30,492	31,101

* In addition to these amounts, deferred dividends were paid on the target number of shares in the first quarter of 2014.