

American Express Company

(Preliminary)

Consolidated Statements of Income

(Millions, except percentages and per share amounts)

	Quarters Ended					% Change Dec 31, 2015 vs. Dec 31, 2014	Years Ended		% Change Dec 31, 2015 vs. Dec 31, 2014
	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014		Dec 31, 2015	Dec 31, 2014	
<b>Revenues</b>									
<b>Non-interest revenues</b>									
Discount revenue (A)	\$ 4,913	\$ 4,778	\$ 4,946	\$ 4,660	\$ 4,961	(1)	\$ 19,297	\$ 19,389	(0)
Net card fees	687	679	667	667	671	2	2,700	2,712	(0)
Other fees and commissions (B)	704	727	727	708	715	(2)	2,866	3,626	(21)
Other	540	504	521	468	1,310	(59)	2,033	2,989	(32)
Total non-interest revenues	6,844	6,688	6,861	6,503	7,657	(11)	26,896	28,716	(6)
<b>Interest income</b>									
Interest on loans	1,891	1,847	1,776	1,795	1,769	7	7,309	6,929	5
Interest and dividends on investment securities	37	38	41	41	43	(14)	157	179	(12)
Deposits with banks and other	19	19	20	21	17	12	79	71	11
Total interest income	1,947	1,904	1,837	1,857	1,829	6	7,545	7,179	5
<b>Interest expense</b>									
Deposits	138	125	109	103	97	42	475	373	27
Long-term debt and other	262	274	305	307	308	(15)	1,148	1,334	(14)
Total interest expense	400	399	414	410	405	(1)	1,623	1,707	(5)
Net interest income	1,547	1,505	1,423	1,447	1,424	9	5,922	5,472	8
Total revenues net of interest expense	8,391	8,193	8,284	7,950	9,081	(8)	32,818	34,188	(4)
<b>Provisions for losses</b>									
Charge card	195	203	165	174	198	(2)	737	792	(7)
Card Member loans	361	309	285	235	341	6	1,190	1,138	5
Other	16	17	17	11	43	(63)	61	114	(46)
Total provisions for losses	572	529	467	420	582	(2)	1,988	2,044	(3)
Total revenues net of interest expense after provisions for losses	7,819	7,664	7,817	7,530	8,499	(8)	30,830	32,144	(4)
<b>Expenses</b>									
Marketing and promotion (A)	892	847	761	609	887	1	3,109	3,216	(3)
Card Member rewards	1,794	1,763	1,799	1,640	1,881	(5)	6,996	6,931	1
Card Member services and other	246	269	242	261	203	21	1,018	822	24
Salaries and employee benefits	1,209	1,212	1,250	1,305	1,607	(25)	4,976	6,095	(18)
Professional services	784	687	655	624	768	2	2,750	3,008	(9)
Occupancy and equipment	482	523	415	434	446	8	1,854	1,807	3
Communications	88	84	85	88	98	(10)	345	383	(10)
Other, net	870	341	380	253	384	#	1,844	891	#
Total	6,365	5,726	5,587	5,214	6,274	1	22,892	23,153	(1)
Pretax income	1,454	1,938	2,230	2,316	2,225	(35)	7,938	8,991	(12)
Income tax provision	555	672	757	791	778	(29)	2,775	3,106	(11)
Net income	\$ 899	\$ 1,266	\$ 1,473	\$ 1,525	\$ 1,447	(38)	\$ 5,163	\$ 5,885	(12)
Net income attributable to common shareholders (C)	\$ 873	\$ 1,234	\$ 1,442	\$ 1,514	\$ 1,436	(39)	\$ 5,063	\$ 5,839	(13)
Effective tax rate	38.2%	34.7%	33.9%	34.2%	35.0%		35.0%	34.5%	

Earnings Per Common Share

<b>BASIC</b>									
Net income attributable to common shareholders	\$ 0.89	\$ 1.24	\$ 1.43	\$ 1.49	\$ 1.40	(36)	\$ 5.07	\$ 5.58	(9)
Average common shares outstanding	977	994	1,009	1,019	1,028	(5)	999	1,045	(4)
<b>DILUTED</b>									
Net income attributable to common shareholders	\$ 0.89	\$ 1.24	\$ 1.42	\$ 1.48	\$ 1.39	(36)	\$ 5.05	\$ 5.56	(9)
Average common shares outstanding	981	997	1,013	1,023	1,033	(5)	1,003	1,051	(5)
Cash dividends declared per common share	\$ 0.29	\$ 0.29	\$ 0.29	\$ 0.26	\$ 0.26	12	\$ 1.13	\$ 1.01	12

# - Denotes a variance of more than 100 percent.

## American Express Company

### Condensed Consolidated Balance Sheets

(Billions, except percentages, per share amounts and where indicated)

	Quarters Ended					% Change Dec 31, 2015 vs. Dec 31, 2014
	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014	
<b>Assets</b>						
Cash & cash equivalents	\$ 23	\$ 20	\$ 21	\$ 24	\$ 22	5
Card Member loans and receivables held for sale	15	-	-	-	-	-
Accounts receivable	47	46	47	46	47	-
Investment securities	4	4	5	4	4	-
Loans	59	69	69	67	70	(16)
Other assets	13	15	15	14	16	(19)
<b>Total assets</b>	<b>\$ 161</b>	<b>\$ 154</b>	<b>\$ 157</b>	<b>\$ 155</b>	<b>\$ 159</b>	<b>1</b>
<b>Liabilities and Shareholders' Equity</b>						
Customer deposits	\$ 55	\$ 49	\$ 47	\$ 45	\$ 44	25
Short-term borrowings	5	3	4	2	3	67
Long-term debt	48	49	53	55	58	(17)
Other liabilities	32	32	31	31	33	(3)
<b>Total liabilities</b>	<b>140</b>	<b>133</b>	<b>135</b>	<b>133</b>	<b>138</b>	<b>1</b>
Shareholders' Equity	21	21	22	22	21	-
<b>Total liabilities and shareholders' equity</b>	<b>\$ 161</b>	<b>\$ 154</b>	<b>\$ 157</b>	<b>\$ 155</b>	<b>\$ 159</b>	<b>1</b>
<b>Selected Statistical Information</b>						
Return on average equity (D)	24.0%	26.8%	28.1%	29.0%	29.1%	
Return on average common equity (D)	25.2%	27.8%	28.8%	29.3%	29.0%	
Return on average tangible common equity (D)	31.0%	34.2%	35.4%	36.2%	35.9%	
Common shares outstanding (millions)	969	985	1,002	1,016	1,023	(5)
Book value per common share (dollars) (E)	\$ 19.71	\$ 20.06	\$ 20.27	\$ 19.93	\$ 19.49	1
Shareholders' equity	\$ 20.7	\$ 21.3	\$ 21.9	\$ 21.8	\$ 20.7	0

# - Denotes a variance of more than 100 percent.

# American Express Company

## Financial Summary

(Millions)

	Quarters Ended				Dec 31, 2014	% Change Dec 31, 2015 vs. Dec 31, 2014	Years Ended		% Change Dec 31, 2015 vs. Dec 31, 2014
	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015			Dec 31, 2015	Dec 31, 2014	
<b>Total revenues net of interest expense</b>									
U.S. Card Services	\$ 4,813	\$ 4,729	\$ 4,726	\$ 4,525	\$ 4,594	5	\$ 18,793	\$ 17,810	6
International Card Services	1,281	1,238	1,258	1,241	1,355	(5)	5,018	5,492	(9)
Global Commercial Services	817	817	881	827	1,585	(48)	3,342	4,948	(32)
Global Network & Merchant Services	<u>1,418</u>	<u>1,370</u>	<u>1,396</u>	<u>1,344</u>	<u>1,477</u>	(4)	<u>5,528</u>	<u>5,747</u>	(4)
	8,329	8,154	8,261	7,937	9,011	(8)	32,681	33,997	(4)
Corporate & Other	<u>62</u>	<u>39</u>	<u>23</u>	<u>13</u>	<u>70</u>	(11)	<u>137</u>	<u>191</u>	(28)
<b>CONSOLIDATED TOTAL REVENUES NET OF INTEREST EXPENSE</b>	<u>\$ 8,391</u>	<u>\$ 8,193</u>	<u>\$ 8,284</u>	<u>\$ 7,950</u>	<u>\$ 9,081</u>	(8)	<u>\$ 32,818</u>	<u>\$ 34,188</u>	(4)
<b>Pretax income (loss)</b>									
U.S. Card Services	\$ 1,247	\$ 1,262	\$ 1,366	\$ 1,480	\$ 1,083	15	\$ 5,355	\$ 5,100	5
International Card Services	75	105	144	184	1	#	508	449	13
Global Commercial Services	237	238	314	284	949	(75)	1,073	2,408	(55)
Global Network & Merchant Services	<u>659</u>	<u>723</u>	<u>695</u>	<u>698</u>	<u>670</u>	(2)	<u>2,775</u>	<u>2,620</u>	6
	2,218	2,328	2,519	2,646	2,703	(18)	9,711	10,577	(8)
Corporate & Other	<u>(764)</u>	<u>(390)</u>	<u>(289)</u>	<u>(330)</u>	<u>(478)</u>	60	<u>(1,773)</u>	<u>(1,586)</u>	12
<b>PRETAX INCOME</b>	<u>\$ 1,454</u>	<u>\$ 1,938</u>	<u>\$ 2,230</u>	<u>\$ 2,316</u>	<u>\$ 2,225</u>	(35)	<u>\$ 7,938</u>	<u>\$ 8,991</u>	(12)
<b>Net income (loss)</b>									
U.S. Card Services	\$ 799	\$ 794	\$ 886	\$ 934	\$ 665	20	\$ 3,413	\$ 3,200	7
International Card Services	73	89	125	134	33	#	421	411	2
Global Commercial Services	132	151	203	180	594	(78)	666	1,543	(57)
Global Network & Merchant Services	<u>417</u>	<u>462</u>	<u>448</u>	<u>444</u>	<u>417</u>	-	<u>1,771</u>	<u>1,660</u>	7
	1,421	1,496	1,662	1,692	1,709	(17)	6,271	6,814	(8)
Corporate & Other	<u>(522)</u>	<u>(230)</u>	<u>(189)</u>	<u>(167)</u>	<u>(262)</u>	99	<u>(1,108)</u>	<u>(929)</u>	19
<b>NET INCOME</b>	<u>\$ 899</u>	<u>\$ 1,266</u>	<u>\$ 1,473</u>	<u>\$ 1,525</u>	<u>\$ 1,447</u>	(38)	<u>\$ 5,163</u>	<u>\$ 5,885</u>	(12)

# - Denotes a variance of more than 100 percent.

American Express Company

(Preliminary)

Selected Statistical Information

(Billions, except percentages and where indicated)

	Quarters Ended					% Change Dec 31, 2015 vs. Dec 31, 2014	Years Ended		% Change Dec 31, 2015 vs. Dec 31, 2014
	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014		Dec 31, 2015	Dec 31, 2014	
<b>Card billed business (F):</b>									
United States	\$ 189.9	\$ 180.3	\$ 181.6	\$ 169.2	\$ 182.5	4	\$ 721.0	\$ 688.1	5
Outside the United States	83.3	78.6	80.4	76.4	86.0	(3)	318.7	334.7	(5)
Total	<u>\$ 273.2</u>	<u>\$ 258.9</u>	<u>\$ 262.0</u>	<u>\$ 245.6</u>	<u>\$ 268.5</u>	2	<u>\$ 1,039.7</u>	<u>\$ 1,022.8</u>	2
<b>Total cards-in-force (G) (millions):</b>									
United States	57.6	56.4	55.3	54.8	54.9	5	57.6	54.9	5
Outside the United States	60.2	59.4	58.5	57.4	57.3	5	60.2	57.3	5
Total	<u>117.8</u>	<u>115.8</u>	<u>113.8</u>	<u>112.2</u>	<u>112.2</u>	5	<u>117.8</u>	<u>112.2</u>	5
<b>Basic cards-in-force (G) (millions):</b>									
United States	44.8	43.6	42.8	42.4	42.6	5	44.8	42.6	5
Outside the United States	49.5	49.0	48.2	47.3	47.0	5	49.5	47	5
Total	<u>94.3</u>	<u>92.6</u>	<u>91.0</u>	<u>89.7</u>	<u>89.6</u>	5	<u>94.3</u>	<u>89.6</u>	5
<b>Average discount rate (A) (H)</b>	2.42%	2.46%	2.49%	2.49%	2.44%		2.46%	2.48%	
<b>Average basic Card Member spending (dollars) (I)</b>	\$ 4,305	\$ 4,165	\$ 4,272	\$ 4,008	\$ 4,377	(2)	\$ 16,743	\$ 16,884	(1)
<b>Average fee per card (dollars) (I)</b>	\$ 39	\$ 39	\$ 39	\$ 39	\$ 39	-	\$ 39	\$ 40	(3)
<b>Average fee per card adjusted (dollars) (I)</b>	\$ 43	\$ 44	\$ 43	\$ 44	\$ 44	(2)	\$ 44	\$ 45	(2)
<b>Worldwide Card Member receivables: (J)</b>									
Total receivables	\$ 44.1	\$ 44.3	\$ 44.9	\$ 43.7	\$ 44.9	(2)	\$ 44.1	\$ 44.9	(2)
Loss reserves (millions):									
Beginning balance	\$ 441	\$ 420	\$ 429	\$ 465	\$ 432	2	\$ 465	\$ 386	20
Provisions (K)	195	203	165	174	198	(2)	737	792	(7)
Net write-offs (L)	(169)	(174)	(171)	(199)	(156)	8	(713)	(683)	4
Other (M)	(5)	(8)	(3)	(11)	(9)	(44)	(27)	(30)	(10)
Ending balance	<u>\$ 462</u>	<u>\$ 441</u>	<u>\$ 420</u>	<u>\$ 429</u>	<u>\$ 465</u>	(1)	<u>\$ 462</u>	<u>\$ 465</u>	(1)
% of receivables	1.0%	1.0%	0.9%	1.0%	1.0%		1.0%	1.0%	
Net write-off rate (principal only) - USCS/ICS (N)	1.7%	1.8%	1.7%	2.1%	1.5%		1.8%	1.7%	
Net write-off rate (principal and fees) - USCS/ICS (N)	1.9%	2.0%	1.9%	2.3%	1.7%		2.0%	1.9%	
30 days past due as a % of total - USCS/ICS	1.5%	1.6%	1.5%	1.6%	1.6%		1.5%	1.6%	
Net loss ratio (as a % of charge volume) - GCS	0.08%	0.08%	0.09%	0.10%	0.08%		0.09%	0.09%	
90 days past billing as a % of total - GCS	0.9%	0.7%	0.7%	0.7%	0.8%		0.9%	0.8%	
<b>Worldwide Card Member loans: (J)</b>									
Total loans	\$ 58.6	\$ 68.9	\$ 69.0	\$ 66.8	\$ 70.4	(17)	\$ 58.6	\$ 70.4	(17)
Loss reserves (millions):									
Beginning balance	\$ 1,164	\$ 1,132	\$ 1,130	\$ 1,201	\$ 1,146	2	\$ 1,201	\$ 1,261	(5)
Provisions (K)	361	309	285	235	341	6	1,190	1,138	5
Net write-offs - principal (L)	(234)	(231)	(243)	(259)	(237)	(1)	(967)	(1,023)	(5)
Net write-offs - interest and fees (L)	(40)	(37)	(42)	(43)	(40)	-	(162)	(164)	(1)
Reserves transferred to held for sale	(224)	-	-	-	-	-	(224)	-	-
Other (M)	1	(9)	2	(4)	(9)	#	(10)	(11)	(9)
Ending balance	<u>\$ 1,028</u>	<u>\$ 1,164</u>	<u>\$ 1,132</u>	<u>\$ 1,130</u>	<u>\$ 1,201</u>	(14)	<u>\$ 1,028</u>	<u>\$ 1,201</u>	(14)
Ending reserves - principal	\$ 975	\$ 1,114	\$ 1,076	\$ 1,074	\$ 1,149	(15)	\$ 975	\$ 1,149	(15)
Ending reserves - interest and fees	\$ 53	\$ 50	\$ 56	\$ 56	\$ 52	2	\$ 53	\$ 52	2
% of loans	1.8%	1.7%	1.6%	1.7%	1.7%		1.8%	1.7%	
% of past due	164%	164%	171%	163%	167%		164%	167%	
Average loans	\$ 67.1	\$ 69.0	\$ 68.0	\$ 67.6	\$ 67.7	(1)	\$ 67.9	\$ 66.0	3
Net write-off rate (principal only) (N)	1.4%	1.3%	1.4%	1.5%	1.4%		1.4%	1.5%	
Net write-off rate (principal, interest and fees) (N)	1.6%	1.6%	1.7%	1.8%	1.6%		1.7%	1.8%	
30 days past due loans as a % of total	1.1%	1.0%	1.0%	1.0%	1.0%		1.1%	1.0%	
Net interest income divided by average loans* (O)	8.7%	8.7%	8.4%	8.6%	8.4%		8.6%	8.3%	
Net interest yield on Card Member loans* (O)	9.4%	9.5%	9.3%	9.6%	9.3%		9.4%	9.3%	

\* - Annualized

# - Denotes a variance of more than 100 percent.  
1/21/2016

See Appendix V for footnote references

**U.S. Card Services**

(Preliminary)

**Selected Income Statement Data**

(Millions, except percentages)

	Quarters Ended					% Change Dec 31, 2015 vs. Dec 31, 2014	Years Ended		% Change Dec 31, 2015 vs. Dec 31, 2014
	Dec 31,	Sep 30,	Jun 30,	Mar 31,	Dec 31,		Dec 31,		
	2015	2015	2015	2015	2014		2015	2014	
<b>Revenues</b>									
Non-interest revenues (A)	\$ 3,358	\$ 3,302	\$ 3,372	\$ 3,148	\$ 3,253	3	\$ 13,180	\$ 12,628	4
Interest income	1,628	1,593	1,517	1,529	1,490	9	6,267	5,786	8
Interest expense	173	166	163	152	149	16	654	604	8
Net interest income	1,455	1,427	1,354	1,377	1,341	9	5,613	5,182	8
Total revenues net of interest expense	4,813	4,729	4,726	4,525	4,594	5	18,793	17,810	6
Provisions for losses	440	390	327	296	399	10	1,453	1,396	4
Total revenues net of interest expense after provisions for losses	4,373	4,339	4,399	4,229	4,195	4	17,340	16,414	6
<b>Expenses</b>									
Marketing, promotion, rewards, Card Member services and other (A)	2,018	2,029	1,996	1,733	2,038	(1)	7,776	7,197	8
Salaries and employee benefits and other operating expenses	1,108	1,048	1,037	1,016	1,074	3	4,209	4,117	2
Total	3,126	3,077	3,033	2,749	3,112	0	11,985	11,314	6
Pretax segment income	1,247	1,262	1,366	1,480	1,083	15	5,355	5,100	5
Income tax provision	448	468	480	546	418	7	1,942	1,900	2
Segment income	\$ 799	\$ 794	\$ 886	\$ 934	\$ 665	20	\$ 3,413	\$ 3,200	7
Effective tax rate	35.9%	37.1%	35.1%	36.9%	38.6%		36.3%	37.3%	

**Selected Statistical Information**

(Billions, except percentages and where indicated)

Card billed business	\$ 152.3	\$ 143.4	\$ 144.1	\$ 132.5	\$ 145.0	5	\$ 572.3	\$ 542.0	6
Total cards-in-force (millions)	48.3	47.4	46.3	45.9	45.6	6	48.3	45.6	6
Basic cards-in-force (millions)	36.2	35.4	34.6	34.2	34.0	6	36.2	34.0	6
Average basic Card Member spending (dollars)	\$ 4,246	\$ 4,098	\$ 4,210	\$ 3,875	\$ 4,281	(1)	\$ 16,413	\$ 16,294	1
<b>U.S. Consumer Travel:</b>									
Travel sales (millions)	\$ 810	\$ 943	\$ 1,020	\$ 988	\$ 817	(1)	\$ 3,761	\$ 3,774	(0)
Travel commissions and fees/sales	7.3%	7.1%	7.1%	6.6%	7.5%		7.0%	7.2%	
Total segment assets (P)	\$ 117.3	\$ 107.7	\$ 108.2	\$ 107.7	\$ 113.2	4	\$ 117.3	\$ 113.2	4
Segment capital (Q)	\$ 10.3	\$ 10.3	\$ 10.8	\$ 10.8	\$ 10.4	(1)	\$ 10.3	\$ 10.4	(1)
Return on average segment capital (R)	32.4%	31.4%	32.6%	32.1%	32.5%		32.4%	32.5%	
Return on average tangible segment capital (R)	33.7%	32.6%	33.8%	33.2%	33.6%		33.7%	33.6%	
<b>Card Member receivables: (J)</b>									
Total receivables	\$ 23.3	\$ 22.0	\$ 22.1	\$ 21.5	\$ 22.5	4	\$ 23.3	\$ 22.5	4
30 days past due as a % of total	1.5%	1.6%	1.5%	1.7%	1.7%		1.5%	1.7%	
Average receivables	\$ 22.5	\$ 22.0	\$ 22.0	\$ 21.3	\$ 21.8	3	\$ 22.0	\$ 21.3	3
Net write-off rate (principal only) (N)	1.6%	1.6%	1.6%	2.2%	1.4%		1.7%	1.6%	
Net write-off rate (principal and fees) (N)	1.8%	1.9%	1.8%	2.4%	1.6%		1.9%	1.8%	
<b>Card Member loans: (J)</b>									
Total loans	\$ 51.4	\$ 62.1	\$ 61.7	\$ 59.9	\$ 62.6	(18)	\$ 51.4	\$ 62.6	(18)
30 days past due loans as a % of total	1.0%	1.0%	0.9%	1.0%	1.0%		1.0%	1.0%	
Average loans	\$ 60.1	\$ 62.1	\$ 60.9	\$ 60.4	\$ 59.7	1	\$ 60.8	\$ 57.8	5
Net write-off rate (principal only) (N)	1.3%	1.3%	1.4%	1.5%	1.3%		1.4%	1.5%	
Net write-off rate (principal, interest and fees) (N)	1.6%	1.5%	1.6%	1.7%	1.5%		1.6%	1.7%	
Net interest income divided by average loans* (O)	9.1%	9.2%	8.9%	9.1%	9.0%		9.1%	9.0%	
Net interest yield on Card Member loans* (O)	9.3%	9.4%	9.2%	9.5%	9.1%		9.3%	9.2%	

\* - Annualized

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**International Card Services**

(Preliminary)

**Selected Income Statement Data**

(Millions, except percentages)

	Quarters Ended					% Change Dec 31, 2015 vs. Dec 31, 2014	Years Ended		% Change Dec 31, 2015 vs. Dec 31, 2014
	Dec 31,	Sep 30,	Jun 30,	Mar 31,	Dec 31,		Dec 31,		
	2015	2015	2015	2015	2014		2015	2014	
<b>Revenues</b>									
Non-interest revenues	\$ 1,107	\$ 1,071	\$ 1,082	\$ 1,061	\$ 1,166	(5)	\$ 4,321	\$ 4,737	(9)
Interest income	233	226	236	244	260	(10)	939	1,085	(13)
Interest expense	59	59	60	64	71	(17)	242	330	(27)
Net interest income	174	167	176	180	189	(8)	697	755	(8)
Total revenues net of interest expense	1,281	1,238	1,258	1,241	1,355	(5)	5,018	5,492	(9)
Provisions for losses	85	85	83	76	95	(11)	329	370	(11)
Total revenues net of interest expense after provisions for losses	1,196	1,153	1,175	1,165	1,260	(5)	4,689	5,122	(8)
<b>Expenses</b>									
Marketing, promotion, rewards, Card Member services and other	534	500	472	437	555	(4)	1,943	2,160	(10)
Salaries and employee benefits and other operating expenses	587	548	559	544	704	(17)	2,238	2,513	(11)
Total	1,121	1,048	1,031	981	1,259	(11)	4,181	4,673	(11)
Pretax segment income	75	105	144	184	1	#	508	449	13
Income tax provision/(benefit)	2	16	19	50	(32)	#	87	38	#
Segment income	\$ 73	\$ 89	\$ 125	\$ 134	\$ 33	#	\$ 421	\$ 411	2
Effective tax rate	2.7 %	15.2 %	13.2 %	27.2 %	#		17.1%	8.5%	

**Selected Statistical Information**

(Billions, except percentages and where indicated)

Card billed business	\$ 32.0	\$ 29.6	\$ 30.0	\$ 28.7	\$ 34.0	(6)	\$ 120.2	\$ 133.8	(10)
Total cards-in-force (millions)	15.2	15.2	15.0	14.9	15.7	(3)	15.2	15.7	(3)
Basic cards-in-force (millions)	10.5	10.6	10.4	10.4	11.0	(5)	10.5	11.0	(5)
Average basic Card Member spending (dollars)	\$ 3,028	\$ 2,827	\$ 2,888	\$ 2,729	\$ 3,109	(3)	\$ 11,459	\$ 12,297	(7)
<b>International Consumer Travel:</b>									
Travel sales (millions)	\$ 312	\$ 325	\$ 333	\$ 334	\$ 353	(12)	\$ 1,304	\$ 1,422	(8)
Travel commissions and fees/sales	6.7%	5.8%	6.9%	7.2%	7.4%		6.7%	6.8%	
Total segment assets (P)	\$ 35.4	\$ 34.9	\$ 29.2	\$ 29.0	\$ 30.7	15	\$ 35.4	\$ 30.7	15
Segment capital (Q)	\$ 2.9	\$ 3.3	\$ 3.5	\$ 3.2	\$ 3.0	(3)	\$ 2.9	\$ 2.9	(1)
Return on average segment capital (R)	13.2%	11.9%	13.9%	12.7%	13.6%		13.2%	13.6%	
Return on average tangible segment capital (R)	21.3%	19.4%	23.3%	22.3%	24.6%		21.3%	24.6%	
<b>Card Member receivables: (J)</b>									
Total receivables	\$ 7.0	\$ 6.5	\$ 6.8	\$ 6.4	\$ 7.7	(9)	\$ 7.0	\$ 7.7	(9)
30 days past billing as a % of total	1.4%	1.5%	1.4%	1.6%	1.3%		1.4%	1.3%	
Net write-off rate (principal only) (N)	2.0%	2.2%	2.1%	1.9%	1.8%		2.0%	1.9%	
Net write-off rate (principal and fees) (N)	2.2%	2.4%	2.3%	2.0%	1.9%		2.2%	2.1%	
<b>Card Member loans: (J)</b>									
Total loans	\$ 7.1	\$ 6.7	\$ 7.2	\$ 6.8	\$ 7.7	(8)	\$ 7.1	\$ 7.7	(8)
30 days past due loans as a % of total	1.6%	1.6%	1.6%	1.8%	1.6%		1.6%	1.6%	
Average loans	\$ 7.0	\$ 6.9	\$ 7.0	\$ 7.2	\$ 7.9	(11)	\$ 7.0	\$ 8.2	(15)
Net write-off rate (principal only) (N)	1.8%	1.8%	2.0%	2.0%	1.9%		1.9%	2.0%	
Net write-off rate (principal, interest and fees) (N)	2.2%	2.3%	2.5%	2.5%	2.4%		2.4%	2.4%	
Net interest income divided by average loans* (O)	9.9%	9.7%	10.1%	10.0%	9.6%		10.0%	9.2%	
Net interest yield on Card Member loans* (O)	10.6%	10.5%	10.7%	10.9%	10.5%		10.6%	10.0%	

\* - Annualized

# - Denotes a variance of more than 100 percent.

**Global Commercial Services**

(Preliminary)

**Selected Income Statement Data**

(Millions, except percentages)

	Quarters Ended					% Change Dec 31, 2015 vs. Dec 31, 2014	Years Ended		% Change Dec 31, 2015 vs. Dec 31, 2014
	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014		Dec 31,		
							2015	2014	
<b>Revenues</b>									
Non-interest revenues	\$ 860	\$ 858	\$ 924	\$ 871	\$ 1,635	(47)	\$ 3,513	\$ 5,173	(32)
Interest income	4	3	3	4	4	-	14	15	(7)
Interest expense	47	44	46	48	54	(13)	185	240	(23)
Net interest expense	(43)	(41)	(43)	(44)	(50)	(14)	(171)	(225)	(24)
Total revenues net of interest expense	817	817	881	827	1,585	(48)	3,342	4,948	(32)
Provisions for losses	33	38	42	35	50	(34)	148	180	(18)
Total revenues net of interest expense after provisions for losses	784	779	839	792	1,535	(49)	3,194	4,768	(33)
<b>Expenses</b>									
Marketing, promotion, rewards, Card Member services and other	152	160	156	164	178	(15)	632	682	(7)
Salaries and employee benefits and other operating expenses	395	381	369	344	408	(3)	1,489	1,678	(11)
Total	547	541	525	508	586	(7)	2,121	2,360	(10)
Pretax segment income	237	238	314	284	949	(75)	1,073	2,408	(55)
Income tax provision	105	87	111	104	355	(70)	407	865	(53)
Segment income	\$ 132	\$ 151	\$ 203	\$ 180	\$ 594	(78)	\$ 666	\$ 1,543	(57)
Effective tax rate	44.3%	36.6%	35.4%	36.6%	37.4%		37.9%	35.9%	

**Selected Statistical Information**

(Billions, except percentages and where indicated)

Card billed business	\$ 45.5	\$ 45.0	\$ 46.4	\$ 45.3	\$ 47.1	(3)	\$ 182.1	\$ 186.7	(2)
Total cards-in-force (millions)	6.9	6.9	6.9	6.9	6.9	-	6.9	6.9	-
Basic cards-in-force (millions)	6.9	6.9	6.9	6.9	6.9	-	6.9	6.9	-
Average basic Card Member spending (dollars)	\$ 6,582	\$ 6,529	\$ 6,739	\$ 6,567	\$ 6,817	(3)	\$ 26,420	\$ 26,706	(1)
Total segment assets (P)	\$ 17.7	\$ 19.6	\$ 19.7	\$ 19.6	\$ 18.5	(4)	\$ 17.7	\$ 18.5	(4)
Segment capital (Q)	\$ 3.7	\$ 3.6	\$ 4.0	\$ 4.1	\$ 3.8	(2)	\$ 3.7	\$ 3.8	(2)
Return on average segment capital (R)	17.4%	29.2%	30.3%	39.9%	40.9%		17.4%	40.9%	
Return on average tangible segment capital (R)	30.8%	51.4%	52.8%	70.6%	74.4%		30.8%	74.4%	
<b>Card Member receivables:</b>									
Total receivables	\$ 13.8	\$ 15.7	\$ 15.9	\$ 15.7	\$ 14.6	(5)	\$ 13.8	\$ 14.6	(5)
90 days past billing as a % of total	0.9%	0.7%	0.7%	0.7%	0.8%		0.9%	0.8%	
Net loss ratio (as a % of charge volume)	0.08%	0.08%	0.09%	0.10%	0.08%		0.09%	0.09%	

# - Denotes a variance of more than 100 percent.

**Global Network & Merchant Services**

(Preliminary)

Selected Income Statement Data

(Millions, except percentages)

	Quarters Ended					% Change Dec 31, 2015 vs. Dec 31, 2014	Years Ended		% Change Dec 31, 2015 vs. Dec 31, 2014
	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014		Dec 31, 2015	2014	
<b>Revenues</b>									
Non-interest revenues	\$ 1,338	\$ 1,302	\$ 1,326	\$ 1,270	\$ 1,399	(4)	\$ 5,236	\$ 5,426	(4)
Interest income	29	26	23	20	17	71	98	52	88
Interest expense	(51)	(42)	(47)	(54)	(61)	(16)	(194)	(269)	(28)
Net interest income	80	68	70	74	78	3	292	321	(9)
Total revenues net of interest expense	1,418	1,370	1,396	1,344	1,477	(4)	5,528	5,747	(4)
Provisions for losses	16	14	13	11	35	(54)	54	93	(42)
Total revenues net of interest expense after provisions for losses	1,402	1,356	1,383	1,333	1,442	(3)	5,474	5,654	(3)
<b>Expenses</b>									
Marketing, promotion, rewards, Card Member services and other	215	172	164	147	185	16	698	819	(15)
Salaries and employee benefits and other operating expenses	528	461	524	488	587	(10)	2,001	2,215	(10)
Total	743	633	688	635	772	(4)	2,699	3,034	(11)
Pretax segment income	659	723	695	698	670	(2)	2,775	2,620	6
Income tax provision	242	261	247	254	253	(4)	1,004	960	5
Segment income	\$ 417	\$ 462	\$ 448	\$ 444	\$ 417	-	\$ 1,771	\$ 1,660	7
Effective tax rate	36.7%	36.1%	35.5%	36.4%	37.8%		36.2%	36.6%	

Selected Statistical Information

(Billions, except percentages and where indicated)

Global Card billed business (\$)	\$ 273.2	\$ 258.9	\$ 262.0	\$ 245.6	\$ 268.5	2	\$ 1,039.7	\$ 1,022.8	2
<b>Global Network &amp; Merchant Services:</b>									
Total segment assets (P)	\$ 23.6	\$ 23.7	\$ 17.6	\$ 17.8	\$ 18.1	30	\$ 23.6	\$ 18.1	30
Segment capital (Q)	\$ 2.4	\$ 2.5	\$ 2.2	\$ 2.2	\$ 2.0	22	\$ 2.4	\$ 2.0	22
Return on average segment capital (R)	78.4%	81.4%	83.5%	82.1%	84.0%		78.4%	84.0%	
Return on average tangible segment capital (R)	86.2%	89.5%	92.0%	90.6%	92.9%		86.2%	92.9%	
<b>Global Network Services:</b>									
Card billed business	\$ 43.9	\$ 41.1	\$ 41.9	\$ 39.1	\$ 42.5	3	\$ 166.0	\$ 160.7	3
Total cards-in-force (millions)	47.4	46.3	45.6	44.5	44.0	8	47.4	44.0	8

# - Denotes a variance of more than 100 percent.



**American Express Company**

(Preliminary)

Components of Return on Average Equity (ROE), Return on Average Common Equity (ROCE), and Return on Average Tangible Common Equity (ROTCE)

**Appendix I**

(Millions, except percentages)

	For the Twelve Months Ended				
	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014
<b>ROE</b>					
Net income	\$ 5,163	\$ 5,711	\$ 5,922	\$ 5,978	\$ 5,885
Average shareholders' equity	\$ 21,494	\$ 21,349	\$ 21,050	\$ 20,606	\$ 20,254
Return on average equity (T)	24.0%	26.8%	28.1%	29.0%	29.1%
<b>Reconciliation of ROCE and ROTCE</b>					
Net income	\$ 5,163	\$ 5,711	\$ 5,922	\$ 5,978	\$ 5,885
Preferred shares dividends and related accretion	62	42	20	-	-
Earnings allocated to participating share awards and other	38	43	44	45	46
Net income attributable to common shareholders	\$ 5,063	\$ 5,626	\$ 5,858	\$ 5,933	\$ 5,839
Average shareholders' equity	\$ 21,494	\$ 21,349	\$ 21,050	\$ 20,606	\$ 20,254
Average preferred shares	1,390	1,081	716	350	114
Average common shareholders' equity	\$ 20,104	\$ 20,268	\$ 20,334	\$ 20,256	\$ 20,140
Average goodwill and other intangibles	3,782	3,796	3,802	3,845	3,888
Average tangible common shareholders' equity	\$ 16,322	\$ 16,472	\$ 16,532	\$ 16,411	\$ 16,252
Return on average common equity (T)	25.2%	27.8%	28.8%	29.3%	29.0%
Return on average tangible common equity (U)	31.0%	34.2%	35.4%	36.2%	35.9%

**American Express Company**

(Preliminary)

## Components of Return on Average Segment Capital (ROSC) and Return on Average Tangible Segment Capital (ROTSC)

**Appendix II**

(Millions, except percentages)

	For the Twelve Months Ended				
	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015	Dec 31, 2014
<b>U.S. Card Services</b>					
Segment income	\$ 3,413	\$ 3,279	\$ 3,374	\$ 3,258	\$ 3,200
Average segment capital	\$ 10,519	\$ 10,437	\$ 10,352	\$ 10,148	\$ 9,843
Average goodwill and other intangibles	395	377	358	339	319
Average tangible segment capital	\$ 10,124	\$ 10,060	\$ 9,994	\$ 9,809	\$ 9,524
Return on average segment capital (V)	32.4%	31.4%	32.6%	32.1%	32.5%
Return on average tangible segment capital (V)	33.7%	32.6%	33.8%	33.2%	33.6%
<b>International Card Services</b>					
Segment income	\$ 421	\$ 381	\$ 434	\$ 386	\$ 411
Average segment capital	\$ 3,181	\$ 3,195	\$ 3,133	\$ 3,043	\$ 3,020
Average goodwill and other intangibles	1,209	1,236	1,273	1,311	1,350
Average tangible segment capital	\$ 1,972	\$ 1,959	\$ 1,860	\$ 1,732	\$ 1,670
Return on average segment capital (V)	13.2%	11.9%	13.9%	12.7%	13.6%
Return on average tangible segment capital (V)	21.3%	19.4%	23.3%	22.3%	24.6%
<b>Global Commercial Services</b>					
Segment income	\$ 666	\$ 1,128	\$ 1,181	\$ 1,539	\$ 1,543
Average segment capital	\$ 3,835	\$ 3,861	\$ 3,897	\$ 3,859	\$ 3,771
Average goodwill and other intangibles	1,672	1,666	1,661	1,678	1,696
Average tangible segment capital	\$ 2,163	\$ 2,195	\$ 2,236	\$ 2,181	\$ 2,075
Return on average segment capital (V)	17.4%	29.2%	30.3%	39.9%	40.9%
Return on average tangible segment capital (V)	30.8%	51.4%	52.8%	70.6%	74.4%
<b>Global Network &amp; Merchant Services</b>					
Segment income	\$ 1,771	\$ 1,771	\$ 1,736	\$ 1,661	\$ 1,660
Average segment capital	\$ 2,260	\$ 2,177	\$ 2,080	\$ 2,024	\$ 1,976
Average goodwill and other intangibles	206	199	194	190	189
Average tangible segment capital	\$ 2,054	\$ 1,978	\$ 1,886	\$ 1,834	\$ 1,787
Return on average segment capital (V)	78.4%	81.4%	83.5%	82.1%	84.0%
Return on average tangible segment capital (V)	86.2%	89.5%	92.0%	90.6%	92.9%

**American Express Company**

(Preliminary)

**Net Interest Yield on Card Member Loans**
**Appendix III**

(Millions, except percentages and where indicated)

	Quarters Ended					Years Ended	
	Dec 31,	Sep 30,	Jun 30,	Mar 31,	Dec 31,	Dec 31,	
	2015	2015	2015	2015	2014	2015	2014
<b>Consolidated:</b>							
Net interest income	\$ 1,547	\$ 1,505	\$ 1,423	\$ 1,447	\$ 1,424	\$ 5,922	\$ 5,472
<i>Exclude:</i>							
Interest expense not attributable to the Company's Card Member loan portfolio	\$ 229	\$ 234	\$ 249	\$ 249	\$ 250	\$ 961	\$ 1,019
Interest income not attributable to the Company's Card Member loan portfolio	\$ (99)	\$ (96)	\$ (97)	\$ (95)	\$ (92)	\$ (387)	\$ (359)
Adjusted net interest income (W)	\$ 1,677	\$ 1,643	\$ 1,575	\$ 1,601	\$ 1,582	\$ 6,496	\$ 6,132
Average loans (billions)	\$ 70.9	\$ 69.0	\$ 68.0	\$ 67.6	\$ 67.7	\$ 69.0	\$ 66.0
<i>Exclude:</i>							
Certain non-traditional Card Member loans and other fees (billions)	\$ (0.2)	\$ (0.2)	\$ (0.2)	\$ (0.2)	\$ (0.2)	\$ (0.2)	\$ (0.2)
Adjusted average loans (billions) (X)	\$ 70.7	\$ 68.8	\$ 67.8	\$ 67.4	\$ 67.5	\$ 68.8	\$ 65.8
Net interest income divided by average loans* (Y)	8.7%	8.7%	8.4%	8.6%	8.4%	8.6%	8.3%
Net interest yield on Card Member loans* (Z)	9.4%	9.5%	9.3%	9.6%	9.3%	9.4%	9.3%
<b>USCS:</b>							
Net interest income	\$ 1,455	\$ 1,427	\$ 1,354	\$ 1,377	\$ 1,341	\$ 5,613	\$ 5,182
<i>Exclude:</i>							
Interest expense not attributable to the Company's Card Member loan portfolio	\$ 43	\$ 42	\$ 41	\$ 38	\$ 39	\$ 164	\$ 157
Interest income not attributable to the Company's Card Member loan portfolio	\$ (5)	\$ (4)	\$ (4)	\$ (3)	\$ (3)	\$ (16)	\$ (11)
Adjusted net interest income (W)	\$ 1,493	\$ 1,465	\$ 1,391	\$ 1,412	\$ 1,377	\$ 5,761	\$ 5,328
Average loans (billions)	\$ 63.8	\$ 62.1	\$ 60.9	\$ 60.4	\$ 59.7	\$ 61.9	\$ 57.8
<i>Exclude:</i>							
Certain non-traditional Card Member loans and other fees (billions)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted average loans (billions) (X)	\$ 63.8	\$ 62.1	\$ 60.9	\$ 60.4	\$ 59.7	\$ 61.9	\$ 57.8
Net interest income divided by average loans* (Y)	9.1%	9.2%	8.9%	9.1%	9.0%	9.1%	9.0%
Net interest yield on Card Member loans* (Z)	9.3%	9.4%	9.2%	9.5%	9.1%	9.3%	9.2%
<b>ICS:</b>							
Net interest income	\$ 174	\$ 167	\$ 176	\$ 180	\$ 189	\$ 697	\$ 755
<i>Exclude:</i>							
Interest expense not attributable to the Company's Card Member loan portfolio	\$ 16	\$ 18	\$ 16	\$ 18	\$ 26	\$ 68	\$ 89
Interest income not attributable to the Company's Card Member loan portfolio	\$ (9)	\$ (7)	\$ (8)	\$ (8)	\$ (9)	\$ (32)	\$ (40)
Adjusted net interest income (W)	\$ 181	\$ 178	\$ 184	\$ 190	\$ 206	\$ 733	\$ 804
Average loans (billions)	\$ 7.0	\$ 6.9	\$ 7.0	\$ 7.2	\$ 7.9	\$ 7.0	\$ 8.2
<i>Exclude:</i>							
Certain non-traditional Card Member loans and other fees (billions)	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.2)	\$ (0.1)	\$ (0.2)
Adjusted average loans (billions) (X)	\$ 6.9	\$ 6.8	\$ 6.9	\$ 7.1	\$ 7.7	\$ 6.9	\$ 8.0
Net interest income divided by average loans* (Y)	9.9%	9.7%	10.1%	10.0%	9.6%	10.0%	9.2%
Net interest yield on Card Member loans* (Z)	10.6%	10.5%	10.7%	10.9%	10.5%	10.6%	10.0%

\* Annualized

**American Express Company**

(Preliminary)

**Reconciliations of Adjustments**
**Appendix IV**

(Millions, except percentages)

	Quarters Ended		% Change Dec 31, 2015 vs. Dec 31, 2014	Years Ended		% Change Dec 31, 2015 vs. Dec 31, 2014
	Dec 31, 2015	Dec 31, 2014		Dec 31, 2015	Dec 31, 2014	
<b>AXP Net Income and Diluted Earnings Per Share:</b>						
Net income	\$ 899	\$ 1,447	(38)	\$ 5,163	\$ 5,885	(12)
EG Charge (after-tax) (AA)	335	-		335	-	
Adjusted net income	\$ 1,234	\$ 1,447	(15)	\$ 5,498	\$ 5,885	(7)
Adjusted net income attributable to common shareholders (C)	\$ 1,208	\$ 1,436	(16)	\$ 5,398	\$ 5,839	(8)
Diluted net income attributable to common shareholders	\$ 0.89	\$ 1.39	(36)	\$ 5.05	\$ 5.56	(9)
Adjusted diluted net income attributable to common shareholders	\$ 1.23	\$ 1.39	(12)	\$ 5.38	\$ 5.56	(3)
<b>Revenues Net of Interest Expense:</b>						
<b>AXP</b>						
Reported total revenues net of interest expense	\$ 8,391	\$ 9,081	(8)	\$ 32,818	\$ 34,188	(4)
Global Business Travel Revenues, Net of Interest		-			(741)	
Q4'14 Gain on Sale of Concur Investment	-	(719)		-	(719)	
Adjusted total revenues net of interest expense	\$ 8,391	\$ 8,362	-	\$ 32,818	\$ 32,728	0
FX-adjusted adjusted total revenues net of interest expense (AB)	\$ 8,391	\$ 8,100	4	\$ 32,818	\$ 31,539	4
<b>GCS</b>						
Reported total revenues net of interest expense	\$ 817	\$ 1,585	(48)	\$ 3,342	\$ 4,948	(32)
Global Business Travel Revenues, Net of Interest		-			(741)	
Q4'14 Gain on Sale of Concur Investment	-	(719)		-	(719)	
Adjusted total revenues net of interest expense	\$ 817	\$ 866	(6)	\$ 3,342	\$ 3,488	(4)
<b>ROE:</b>						
Net income				\$ 5,163		
EG Charge (after-tax) (AA)				\$ 335		
Adjusted net income				\$ 5,498		
Average shareholders' equity				\$ 21,494		
Return on average equity (T)				24.0%		
Adjusted return on average equity				25.6%		

All Information in the preceding tables is presented on a basis prepared in accordance with U.S. generally accepted accounting principles (GAAP), unless otherwise indicated.

- (A) In Q1'15, the Company changed the classification related to certain payments to co-brand partners reducing both marketing and promotion and discount revenue. The misclassification in prior periods has been conformed to the current period presentation. The discount rate for prior periods has also been revised accordingly, resulting in a reduction of between zero and one basis point in any period from what was originally reported.
- (B) Beginning in Q3'15, Travel Commissions & Fees and Other Commissions & Fees are consolidated into Other Fees & Commissions.
- (C) Represents net income, less (i) earnings allocated to participating share awards of \$6 million for the quarter ended December 31, 2015, \$10 million for the quarter ended September 30, 2015, \$11 million for the quarter ended June 30, 2015, \$11 million for the quarter ended March 31, 2015 and \$11 million for the quarter ended December 31, 2014; and (ii) dividends on preferred shares of \$20 million for the quarter ended December 31, 2015, \$22 million for the quarter ended September 30, 2015, \$20 million for the quarter ended June 30, 2015 and nil for all other comparative periods.
- (D) Refer to Appendix I for components of return on average equity, return on average common equity and return on average tangible common equity, a non-GAAP measure.
- (E) Beginning Q3'15, the calculation of Book value per common share was revised to exclude shareholders' equity from preferred share issuances. Applicable prior periods have been revised to conform to the current period presentation.
- (F) Card billed business includes activities (including cash advances) related to proprietary cards, cards issued under network partnership agreements (non-proprietary billed business), and certain insurance fees charged on proprietary cards. In-store spend activity within retail co-brand portfolios in Global Network Services, from which the Company earns no revenue, is not included in non-proprietary billed business. Card billed business is reflected in the United States or outside the United States based on where the issuer is located.
- (G) Total cards-in-force represents the number of cards that are issued and outstanding. Proprietary basic consumer cards-in-force includes basic cards issued to the primary account owner and does not include additional supplemental cards issued on that account. Proprietary basic small business and corporate cards-in-force include basic and supplemental cards issued to employee Card Members. Non-proprietary cards-in-force includes all cards that are issued and outstanding under network partnership agreements, except for retail co-brand Card Member accounts that have no out-of-store spend activity during the prior 12 month period.
- (H) This calculation is designed to reflect pricing at merchants accepting general purpose American Express cards. It represents the percentage of billed business (both proprietary and Global Network Services) retained by the Company from merchants it acquires, prior to payments to third parties unrelated to merchant acceptance.
- (I) Average basic Card Member spending and average fee per card are computed from proprietary card activities only. Average fee per card is computed based on net card fees, including the amortization of deferred direct acquisition costs divided by average worldwide proprietary cards-in-force. The adjusted average fee per card, which is a non-GAAP measure, is computed in the same manner, but excludes amortization of deferred direct acquisition costs. The amount of amortization excluded for these periods was \$66 million for the quarter ended December 31, 2015, \$72 million for the quarter ended September 30, 2015, \$62 million for the quarter ended June 30, 2015, \$83 million for the quarter ended March 31, 2015, and \$79 million for the quarter ended December 31, 2014. The Company presents adjusted average fee per card because the Company believes this metric presents a useful indicator of card fee pricing across a range of its proprietary card products.
- (J) Effective December 1, 2015, the Company reclassified the Card Member loans and receivables related to its co-brand partnerships with Costco in the U.S. and Jetblue, to reflect them as held for sale on the Consolidated Balance Sheet. The loans were reclassified at their net carrying amount, inclusive of the related reserves for losses. Accordingly, related credit metrics are presented excluding the held for sale loans and receivables.
- (K) Provisions for principal (resulting from authorized transactions) and fee reserve components.
- (L) Consists of principal (resulting from authorized transactions), interest and/or fees, less recoveries.
- (M) Q4'15 includes \$1 million for the Reserves transferred to held for sale. Beginning in Q1'14, reserves related for card-related fraud losses are reflected in Other liabilities. All periods include foreign currency translation adjustments and other items.
- (N) 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. In addition, because the Company's practice is to include uncollectible interest and/or fees as part of its total provision for losses, a net write-off rate including principal, interest and/or fees is also presented. Beginning in January 2015, timing of charge-offs for loans in certain modification programs changed from 180 days past due to 120 days past due. Excluding the impact of the change, which was fully recognized in the first quarter, the Q1'15 USCS/ICS Charge net write-off rate – principal only was 1.9% and the USCS Lending net write-off rate - principal only was 1.4%.
- (O) See Appendix III for calculations of net interest yield on Card Member loans, a non-GAAP measure, and net interest income divided by average loans, a GAAP measure, and the Company's rationale for presenting net interest yield on Card Member loans.
- (P) Effective Q3'15, certain intercompany accounts were reclassified prospectively, as a result of systems enhancements.
- (Q) Segment capital represents capital allocated to a segment based upon specific business operational needs, risk measures, and regulatory capital requirements.
- (R) Refer to Appendix II for components of return on average segment capital and return on average tangible segment capital, a non-GAAP measure.
- (S) Global Card billed business includes activities (including cash advances) related to proprietary cards, cards issued under network partnership agreements (non-proprietary billed business), and certain insurance fees charged on proprietary cards. In-store spend activity within retail co-brand portfolios in Global Network Services, from which the Company earns no revenue, is not included in non-proprietary billed business.
- (T) Return on average equity and return on average common equity are calculated by dividing one year period net income/net income attributable to common shareholders by one year average total shareholders' equity/average common shareholders' equity, respectively.
- (U) Return on average tangible common equity, a non-GAAP measure, is computed in the same manner as return on average common equity except the computation of average tangible common shareholders' equity, a non-GAAP measure, excludes from average common shareholders' equity, average goodwill and other intangibles. The Company believes that return on average tangible common equity is a useful measure of the profitability of its business.
- (V) Return on average segment capital is calculated by dividing one year period segment income by one year average segment capital. Return on average tangible segment capital, a non-GAAP measure, is computed in the same manner as return on average segment capital except the computation of average tangible segment capital, a non-GAAP measure, excludes average goodwill and other intangibles. The Company believes that return on average tangible segment capital is a useful measure of the profitability of its business.
- (W) Adjusted net interest income, a non-GAAP measure, represents net interest income allocated to the Company's Card Member loan portfolio excluding the impact of interest expense and interest income not attributable to the Company's Card Member loan portfolio. The Company believes adjusted net interest income is useful to investors because it is a component of net interest yield on Card Member loans.
- (X) Adjusted average loans, a non-GAAP measure, represents average Card Member loans (including loans related to the Costco and JetBlue portfolio which are classified as held for sale on the Consolidated Balance Sheets), excluding the impact of deferred card fees, net of deferred direct acquisition costs of Card Member loans, and other. The Company believes adjusted average loans is useful to investors because it is a component of net interest yield on Card Member loans.
- (Y) This calculation 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 Card Member loans. The calculation includes interest income and interest expense attributable to investment securities and other interest-bearing deposits as well as to Card Member loans, and interest expense attributable to other activities, including Card Member receivables.
- (Z) Net interest yield on Card Member loans, a non-GAAP measure, is computed by dividing adjusted net interest income by adjusted average loans, computed on an annualized basis. The calculation of net interest yield on Card Member loans includes interest that is deemed uncollectible. For all presentations of net interest yield on Card Member loans, reserves and net write-offs related to uncollectible interest are recorded through provisions for losses - Card Member loans; therefore, such reserves and net write-offs are not included in the net interest yield calculation. The Company believes net interest yield on Card Member loans is useful to investors because it provides a measure of profitability of the Company's Card Member loan portfolio.
- (AA) Primarily includes the impairment of goodwill and technology costs, together with some restructuring costs within Enterprise Growth.
- (AB) 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 the foreign exchange rates used to determine results for the three months ended December 31, 2015 apply to the period(s) against which such results are being compared). Certain amounts included in the calculations of FX-adjusted revenues and expenses, which constitute non-GAAP measures, are subject to management allocations. The Company believes the presentation of information on an FX-adjusted basis is helpful to investors by making it easier to compare the Company's performance in one period to that of another period without the variability caused by fluctuations in currency exchange rates.