



2015

Resolution Plan

Public Section



Public Section

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1. Introduction

Resolution Planning

In November 2011, pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”), the Board of Governors of the Federal Reserve System (“Federal Reserve”) and the Federal Deposit Insurance Corporation (“FDIC”) issued a final rule (“SIFI Rule”) requiring bank holding companies (“BHCs”) with total global consolidated assets of \$50 billion or more to submit to the Federal Reserve and the FDIC a plan for the rapid and orderly resolution of the covered company’s operations (“Resolution Plan” or “Plan”) under the U.S. Bankruptcy Code. American Express Company (“AXP” and together with its consolidated subsidiaries, “American Express”) has more than \$50 billion in global consolidated assets and is therefore a “covered company” and must file a Resolution Plan under the SIFI Rule. As a covered company with less than \$100 billion in non-bank assets, American Express’ initial Resolution Plan was due December 31, 2013, and updates must be filed annually thereafter. The FDIC also issued a rule requiring insured depository institutions (“IDIs”) with assets of \$50 billion or more to periodically submit a resolution plan for the IDI (“IDI Rule”). Neither American Express Centurion Bank (“AECB”) nor American Express Bank, FSB (“FSB”), the American Express IDIs, is required to submit a separate plan under the IDI Rule.

The Resolution Plan serves as a guide for regulatory and insolvency authorities to use in the event of material financial distress of American Express to facilitate a rapid and orderly resolution. The Resolution Plan provides a detailed analysis of how American Express’ material operations could be resolved in a rapid and orderly manner that would not create significant adverse effects on U.S. financial stability and that would protect American Express’ IDI subsidiaries from risks posed by the distress or failure of their non-banking affiliates. The information contained within the Plan is designed to facilitate expedited and informed decision-making by such authorities, in coordination with American Express personnel where applicable, in a resolution scenario. Unless otherwise indicated, information contained herein is provided as of December 31, 2014.

American Express

American Express is a global services company that provides customers with access to products, insights and experiences that enrich lives and build business success. American Express’ principal products and services are charge and credit card products and travel-related services offered to consumers and businesses around the world.

AXP was founded in 1850 as a joint stock association and was incorporated in 1965 as a New York corporation. AXP and its principal subsidiary, American Express Travel Related Services Company, Inc. (“TRS”), are BHCs, subject to supervision and examination by the Federal Reserve.



American Express' Network, card-issuing and merchant-acquiring and processing businesses are global in scope. American Express is a world leader in providing charge and credit cards to consumers, small businesses and corporations. These cards, issued by American Express, as well as cards issued by third-party banks and other institutions (collectively, the "Cards"), are accepted by merchants on the American Express Network. American Express® Cards permit card members ("Card Members") to charge their purchases of goods and services, in most countries around the world, at the millions of merchants that accept Cards bearing the American Express logo. As of December 31, 2014, American Express had total worldwide Cards-in-force of 112.2 million (including Cards issued by third parties). In 2014, American Express' worldwide billed business (spending on American Express Cards, including cards issued by third parties) was \$1.02 trillion.

American Express' range of products and services includes:

- Charge and credit card products
- Expense management products and services
- Travel-related services
- Stored value/pre-paid products
- Network services
- Merchant acquisition and processing, servicing and settlement, and point-of-sale, marketing and information products and services for merchants
- Fee services, including fraud prevention services and the design of customized customer loyalty and rewards programs

American Express is committed to maintaining strong capital, funding and liquidity levels that meet or exceed all regulatory requirements. Its balance sheet management objectives are to maintain (i) a solid and flexible equity capital profile; (ii) a broad, deep and diverse set of funding sources to finance its assets and meet operating requirements; and (iii) liquidity programs that enable American Express to continuously meet expected future financing obligations and business requirements for at least a 12 month period, even in the event it is unable to continue to raise new funds under its traditional funding programs during a substantial weakening in economic conditions.

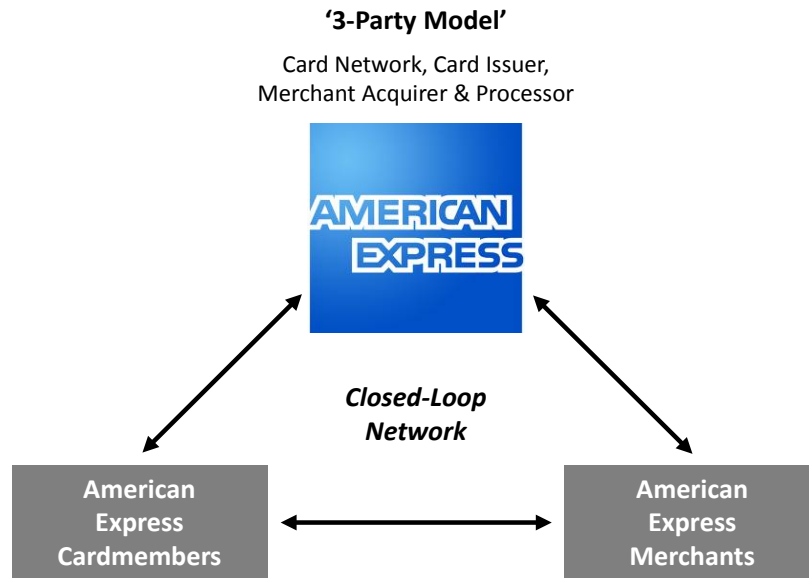
Closed-Loop

American Express comprehensively manages the merchant acquiring relationships, the transaction processing and the card-issuing sides of the business, which results in a "closed-loop" network. This closed-loop network distinguishes the American Express Network from other bankcard networks in that American Express has real time access to information at both ends of the card transaction. American Express maintains direct



relationships with Card Members, as a card issuer, and with merchants, as an acquirer, handling all key aspects of those relationships.

Figure 1: American Express Closed-Loop Network



The following sections provide an overview of the key components of the Resolution Plan.

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This document contains forward-looking statements about American Express' resolution strategies, which are based on American Express' current expectations, assumptions and projections regarding the implementation of those strategies, and the effectiveness of American Express' resolution planning efforts, which are subject to risks and uncertainties. In addition, American Express' expectations and projections regarding the implementation and effectiveness of American Express' resolution strategies are based on scenarios and assumptions that are hypothetical and may not reflect events to which American Express is or may become subject. Actual results may differ from those set forth in the forward-looking statements due to a variety of factors, including those described in American Express' Annual Report on Form 10-K for the year ended December 31, 2014, Quarterly Reports on Form 10-Q for the quarters ended March 31, June 30 and September 30, 2015 and American Express' other reports on file with the U.S. Securities and Exchange Commission (SEC) as filed with the SEC and available on its website at www.sec.gov. Forward-looking statements speak only as of the date made, and the Company does not undertake to update them to reflect changes or events that occur after that date. Solely for convenience, our trademarks and trade names referred to in this report may appear without the ® or TM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks and trade names.



2. Material Legal Entities

AXP, the top-tier American Express holding company, is the “covered company” for the purposes of the SIFI Rule. For resolution planning purposes, AXP identified seven subsidiaries as “material legal entities” (“MLEs”) based on the criteria set forth in the SIFI Rule. The table below and following sections provide an overview of AXP and the other material legal entities.

Table 1: Material Legal Entities Overview

Name	Jurisdiction	Type of Entity	Description
American Express Company	U.S.	Covered Company	AXP is American Express’ parent company and top-tier BHC
American Express Travel Related Services Company, Inc.	U.S.	Operating Entity and Service Entity	TRS is American Express’ principal operating subsidiary and as the immediate parent of American Express’ IDIs, also a BHC
American Express Centurion Bank	U.S.	Operating Entity	AECB is one of American Express’ insured depository institutions and issues charge and credit products
American Express Bank, FSB	U.S.	Operating Entity	FSB is one of American Express’ insured depository institutions and issues charge and credit products
American Express Credit Corporation (“Credco”)	U.S.	Funding Entity	Credco issues unsecured debt and provides funding to other material legal entities and core business lines
American Express International, Inc. (“AEII”)	U.S.	Operating Entity	AEII provides charge and credit card products, merchant acquisition and processing and travel-related services in select countries outside of the U.S.
American Express Payment Services Limited (“AEPsL”)	U.K.	Operating Entity	AEPsL supports American Express merchant acquisition and servicing activities across Europe
American Express (India) Private Limited (“AEIPL”)	India	Service Entity	AEIPL provides operational resources to support American Express business activities

2.1 American Express Company

AXP is the top-tier holding company of American Express, and has its headquarters in New York, New York. AXP is a BHC and has elected to be treated as a financial holding company under the Bank Holding Company Act of 1956, as amended (the “BHC Act”). As a BHC under the BHC Act, AXP is subject to supervision and examination by the Federal Reserve. AXP conducts substantially all of its operations through its subsidiaries. AXP has eight direct subsidiaries, including TRS, which is American Express’ principal operating subsidiary, and, as the immediate parent of AECB and FSB, also a BHC.

In 2014, AXP’s consolidated net income was \$5.9 billion, with diluted earnings per share of \$5.56. Consolidated revenue (net of interest expense) was \$34.3 billion. As of December 31, 2014, AXP’s consolidated assets were approximately \$159.1 billion. AXP’s consolidated total liabilities as of December 31, 2014, were approximately \$138.4 billion.



The Federal Reserve establishes capital requirements, including well-capitalized standards for consolidated financial holding companies. At December 31, 2014, AXP met all capital requirements to which it was subject and maintained regulatory capital ratios in excess of those required to qualify as well-capitalized.

2.2 American Express Travel Related Services Company, Inc.

TRS is a wholly owned subsidiary of AXP. Like AXP, TRS is a BHC and has elected to be treated as a financial holding company under the BHC Act. Therefore, it is subject to supervision and examination by the Federal Reserve.

TRS is American Express' principal operating subsidiary, and supports American Express business activities through its provision of personnel, facilities, systems and other operational resources. TRS directly or indirectly owns the majority of American Express legal entities. Its significant subsidiaries include American Express' two U.S. banking subsidiaries, AECB and FSB, along with Credco and American Express Limited ("AEL") (the parent company of AEII).

In addition, American Express' Global Corporate Payments ("GCP") and Global Merchant Services ("GMS") businesses, along with American Express' network, Global Network Business ("GNB"), operate primarily through TRS. TRS is the issuer of GCP corporate cards in the U.S. and a provider of business-to-business payment services. TRS facilitates card acceptance by merchants for GMS and GNB's network operations are run out of TRS.

TRS' main source of revenue is discount revenue. Discount revenue represents an amount earned on transactions occurring at merchants with which TRS, or its partners, has entered into card acceptance agreements for facilitating transactions between the merchants and American Express Card Members. Other forms of revenue for TRS include net card fees, travel commissions and fees, and other commissions and fees, including foreign currency conversion fees and delinquency fees, together with affiliate service fees.

2.3 American Express Centurion Bank

AECB is a wholly owned subsidiary of TRS headquartered in Salt Lake City, Utah. AECB is a Utah-chartered industrial bank regulated, supervised and regularly examined by the Utah Department of Financial Institutions and the FDIC. AECB is also subject to supervision, examination and enforcement by the Consumer Financial Protection Bureau ("CFPB") with respect to marketing and sale of consumer financial products and compliance with federal consumer financial laws.

In the normal course of business, AECB issues credit and charge card products that are marketed on behalf of AECB by the Consumer Products and Services ("CPS") business. AECB also offers certain depository products, including brokered sweep deposits and



retail certificates of deposits (“CDs”) that are obtained largely through third-party brokerage channels.

AECB wholly owns American Express Receivable Financing Corporation III LLC (“RFC III”), a Delaware Limited Liability Company. RFC III is a special purpose entity that facilitates securitization activities.

2.4 American Express Bank, FSB

FSB is a wholly owned subsidiary of TRS headquartered in Salt Lake City, Utah. FSB operates under a Federal Savings Bank charter and is regulated by the Office of the Comptroller of the Currency (“OCC”). FSB is also subject to supervision, examination and enforcement by the CFPB with respect to marketing and sale of consumer financial products and compliance with federal consumer financial laws.

In the normal course of business, FSB issues certain credit and charge card products that are marketed on behalf of FSB by CPS and by the American Express OPEN (“OPEN”) business. In addition, FSB provides commercial loans to qualified merchants that accept the American Express Cards. FSB conducts deposit-taking activities directly with consumers and with third-party brokerage networks. FSB’s retail deposit program, Personal Savings from American Express, offers CDs and high-yield savings account products directly to consumers. A portion of FSB’s outstanding U.S. retail deposits have also been raised through third-party brokerage networks.

FSB wholly owns American Express Receivable Financing Corporation IV LLC (“RFC IV”), a Delaware Limited Liability Company. RFC IV is a special purpose entity that facilitates securitization activities.

2.5 American Express Credit Corporation

Credco is a wholly owned subsidiary of TRS. Credco is engaged in the business of financing non-interest-earning Card Member receivables arising from the use of the American Express® Green Card, the American Express® Gold Card, the Platinum Card®, the Corporate Card and other American Express Cards issued in the U.S. and in certain countries outside the U.S. Credco also finances certain interest-earning revolving loans generated by Card Member spending on American Express Credit Cards issued in non-U.S. markets, although interest-earning and revolving loans are primarily funded by subsidiaries of TRS other than Credco.

Credco acts as a centralized funding source for assets originated by affiliated entities, which provides operational efficiency in the form of a single point of issuance to investors in the capital markets. Because its business operations have the limited scope of providing funding to its card-issuing affiliates, Credco’s results remain separate from other sources of volatility and risk inherent in the businesses of American Express and its other affiliates, making credit evaluations by investors and rating agencies less complex. The separation of Credco from American Express and its other affiliates also allows



- American Express to provide Credco with financial support with respect to maintenance of its minimum fixed charge coverage ratio (ratio of earnings to fixed charges), which is achieved by charging appropriate discount rates on the purchases of receivables Credco makes from, and the interest rates on the loans Credco provides to, TRS and other American Express affiliates.
- 2.6 American Express International, Inc.
- AEII is a wholly owned subsidiary of AEL, which is a wholly owned subsidiary of TRS. Incorporated in Delaware, AEII is an international operating entity that provides American Express customers with access to products and services, primarily charge and credit card products, merchant acquisition and processing, and travel-related services in select countries outside of the U.S., through its more than 100 subsidiaries, 12 branches and three representative offices.
- AEII issues corporate cards on behalf of the GCP business in select countries outside the U.S., including India, Japan, Hong Kong and Taiwan. Through AEII, GCP provides a range of card programs to help mid-size companies and large corporations around the world manage their business spending.
- 2.7 American Express Payment Services Limited
- AEPSL, a wholly owned, United Kingdom (“U.K.”) subsidiary of AEII headquartered in London, supports American Express merchant acquisition and servicing activities across Europe. AEPSL is licensed as a Payment Institution and is regulated by the Financial Conduct Authority (“FCA”) in the U.K. Of the American Express core business lines (described below), AEPSL primarily supports GMS in Europe by acquiring new merchants for the American Express Network, providing and delivering products and services to merchants, including relevant payment services, initiating and managing relationships with merchants and credit card issuers, paying and servicing merchants and partners, among other functions.
- To support its merchant acquisition and servicing business activities across Europe, AEPSL also has branches in Spain, France, Italy, the Netherlands, Sweden, Germany and Austria.
- 2.8 American Express (India) Private Limited
- AEIPL is a wholly owned subsidiary of AEII whose registered office is located in New Delhi, India. AEIPL operates under the Indian Companies Act of 2013 and is supervised and regularly examined by the Ministry of Corporate Affairs, Government of India.
- AEIPL supports American Express business activities primarily through its provision of back-end operational resources, including information technology-enabled services such as data management, information analysis, control activities, accounting and reporting, customer service and data processing.



2.9 Funding and Financial Interconnections

American Express' principal funding objective is to maintain broad and well-diversified funding sources to meet its maturing obligations, cost-effectively finance current and future asset growth in its global businesses, as well as to maintain a strong liquidity profile. American Express maintains liquidity sources in amounts sufficient to meet business requirements and expected future financial obligations for a period of at least 12 months in the event it is unable to raise new funds under regular funding programs during a substantial weakening in economic conditions.

American Express requires funding principally to support its proprietary card-issuing business and the maintenance of a liquidity position to support all of its business activities, such as merchant payments. TRS and AEPSL generally pay merchants for card transactions prior to reimbursement by Card Members and, therefore, fund the merchant payments during the period Card Member loans and receivables are outstanding. American Express also has additional financing needs for general corporate purposes.

Credco provides a centralized funding source across American Express for assets originated by AXP's card-issuing subsidiaries. Credco predominantly funds Card Member receivables for charge cards issued in the U.S. and certain non-U.S. markets, but may also fund certain interest-earning revolving loans in non-U.S. markets, although interest-earning revolving loans are primarily funded by subsidiaries of TRS other than Credco. AECB and FSB also fund their consumer and small business loans and receivables through deposit-taking activities and by securitizing receivables.

2.10 Operational Interconnections

American Express has identified certain operational interconnections among its MLEs and core business lines (described below). These operational interconnections primarily include:

- TRS is the primary service provider for American Express in the U.S.
- TRS employs the majority of the people, maintains the majority of third-party supplier relationships and owns or is the contracting entity for all the key systems used by American Express' core business lines and MLEs
- AEII provides certain facilities and access to third-party suppliers, and AEPSL provides employee resources outside the U.S.
- AEIPL provides certain employees and facilities utilized by core business lines and MLEs, globally
- AXP, TRS, AEII and AEIPL own or lease a significant portion of the key American Express facilities



3. Core Business Lines

American Express has identified five “core business lines,” as the term is defined in the SIFI Rule (“CBLs”). For purposes of the Resolution Plan, the American Express CBLs are CPS, OPEN, GCP, GMS, and GNB. CBLs have been identified solely for resolution planning purposes, and may differ from the operating segments that American Express uses for management reporting in its periodic reports filed with the SEC.

3.1 Consumer Products and Services

The CPS business, on behalf of AECB and FSB, operates and manages American Express’ proprietary card-issuing business in the U.S., through which AECB and FSB issue a wide range of charge, lending and co-brand card products to consumers. The CPS business also provides Card Members with access to a variety of special services and programs, such as the Membership Rewards program.

3.2 American Express OPEN

The OPEN business is dedicated exclusively to small business owners and their companies in the U.S., providing an enhanced set of products, tools, services and savings designed to help them meet their evolving payment and business needs. Small business charge, credit and co-brand card products issued by FSB are marketed by OPEN.

3.3 Global Corporate Payments

The GCP business provides a range of card programs and expense management tools to help mid-size companies and large corporations around the world manage the various facets of their business spending, from travel and meetings to everyday office supplies, industrial supplies and business equipment. These solutions provide a variety of benefits to GCP’s corporate customers, including increased visibility into their business spending, added control and security over business expenses, process efficiency, improved cash flow and cost savings.

3.4 Global Merchant Services

The GMS business builds and maintains relationships with merchants and processes and settles card transactions with merchants that choose to accept the American Express Card. In addition to signing merchants to accept American Express Cards, the organization provides marketing information and other programs and services to merchants, leveraging the capabilities provided by the American Express closed-loop network. GMS also offers point-of-sale products and services, support for card acceptance, fraud prevention and other value-added services.

3.5 Global Network Business

The GNB business manages the transaction processing and financial settlements processes and associated platforms for the American Express Network, including setting



and monitoring compliance with network operating policies that govern these processes. GNB also develops relationships with partners to support the efficient functioning of network processes, as well as the development of new capabilities.



4. Resolution Strategy Summary

Overview

The strategies proposed in the Resolution Plan aim to achieve rapid and orderly resolutions, including under conditions similar to the 2008 financial crisis that avoid any significant adverse effects on U.S. financial stability, minimize or prevent losses to the Deposit Insurance Fund and maximize recovery to creditors. In creating these resolution strategies, American Express developed a set of assumptions that includes those mandated by Section 165(d) of the Dodd-Frank Act and by the Federal Reserve and the FDIC, as well as specific assumptions defined by American Express. The two overall resolution strategies that American Express has concluded would best meet these objectives are:

- Resolution Strategy 1: Maintaining Operational Continuity
 - Strategy 1, Option 1: Sale of American Express as a going concern to a third-party;
 - Strategy 1, Option 2: Recapitalization of American Express pursuant to one or more plans of reorganization under Chapter 11 of the Bankruptcy Code (Chapter 11 Plans); and
- Resolution Strategy 2: Separate Sale or Wind-down of Businesses
 - Strategy 2, Option 1: Sale of select businesses and restructuring of American Express into a smaller enterprise;
 - Strategy 2, Option 2: Sale and orderly wind-down.

Insolvency Frameworks

The resolution strategies would be executed through insolvency proceedings of American Express' MLEs¹ under applicable insolvency regimes.

- AXP, TRS, Credco and AEII would be resolved under Chapter 11 of the Bankruptcy Code. The Resolution Plan assumes that, in each case, the entity in resolution would be a Debtor-in-Possession ("DIP"), which means that the existing board of directors ("BoD") and management (rather than a trustee) would continue to operate the entity's day-to-day business, subject to Bankruptcy Court approval for transactions outside of the ordinary course of business. The proceedings for the American Express bankruptcy estates under Chapter 11 of the Bankruptcy Code ("Chapter 11 Proceedings") would most likely be jointly administered for procedural purposes only, which means that such proceedings

¹ The Resolution Plan assumes that the servicing entity AEIPL would not fail during the resolution of American Express.



would be administered on a single Bankruptcy Court docket before a single Bankruptcy Court judge.

- AECB and FSB would be resolved under the Federal Deposit Insurance Act by the FDIC, following its appointment as receiver. It is expected that the FDIC would transfer all of their assets and certain liabilities (including all deposit liabilities) to two new bridge depository institutions (“Bridge Banks”) organized by the FDIC in accordance with 12 U.S.C. § 1821(n). Given that the value of AECB and FSB is very likely to be maximized by preserving their relationship with the rest of American Express, the resolution of AECB and FSB may be coordinated with the resolution of the American Express MLEs resolved under the Bankruptcy Code. Alternatively, the assets of the Bridge Banks could be sold separately to one or more acquirers as part of an orderly wind-down of American Express.
- AEPSL would be resolved under its applicable local insolvency regime. The strategies describe how interdependencies between this non-U.S. MLEs and the U.S. MLEs and CBLs would be addressed in resolution.

Resolution Strategy 1

Resolution Strategy 1 is designed to maximize the value of American Express by preserving the synergistic value of the enterprise and the closed-loop network throughout the resolution process. As described above, American Express comprehensively manages the merchant acquiring relationships, the transaction processing and the card-issuing sides of the business, which results in a closed-loop network. All CBLs play a significant role in the closed-loop network, and the separate sale of any one CBL would lead to deterioration in the value (and possibly functionality) of the remaining businesses.

Sale of any of the individual card businesses may reduce the transaction volume on the network, which would limit the overall attractiveness of American Express Cards to merchants. Operating costs for the remaining businesses would also increase as the fixed cost to operate the network would be spread across fewer network participants.

Preserving the synergistic value of the enterprise and the closed-loop network throughout the resolution process could be achieved through a transaction that combines the assets and operations of AXP, TRS, AECB, FSB, Credco, AEII, AEPSL and AEIPL in a sale to a third party (Option 1) or in a newly recapitalized enterprise (Option 2). A sale or recapitalization of American Express as a going concern is expected to yield significantly more value than restructuring and reemergence or sale and orderly wind-down under Resolution Strategy 2, which would break the closed-loop network. As a result, the FDIC as receiver for AECB and FSB, as well as the DIPs for AXP, TRS, Credco and AEII, would have an incentive to coordinate to maintain the closed-loop network through Resolution Strategy 1 because such actions would substantially improve recovery for their creditors.



Resolution Strategy 2

Resolution Strategy 2 would be implemented if a sale of American Express as a going concern or a recapitalization could not be achieved. It would involve a resolution through either (i) a restructuring and reemergence of American Express as a smaller enterprise after one or more sales of existing businesses or (ii) sale and orderly wind-down of CBLs, portfolios and assets.

If unable to restructure and emerge as a smaller enterprise, American Express would wind down its businesses by selling CBLs (in whole or in parts) through (i) a combination of asset sales and the allocation of sale proceeds to creditors pursuant to one or more Chapter 11 Plans, and (ii) purchase and assumption ("P&A") transactions transferring the Bridge Banks' assets and deposit liabilities to one or more purchasers or closing out accounts, processing outstanding claims and collecting on receivables (which could be conducted through a sale of portfolios to a third party or, if this cannot be achieved, via collection by the DIPs or the FDIC).

Strategy Execution

To preserve franchise value, American Express would seek to continue operating the business in a manner as close to pre-resolution levels as possible following the commencement of resolution. A sale of substantially all of the American Express bankruptcy estates' assets would require Bankruptcy Court approval, and such approval process typically takes between two and three months, though such period can be shortened to one month or less in certain circumstances. The FDIC, as receiver, would also need to approve the sale of the Bridge Banks. If Resolution Strategy 1 did not appear to be a feasible option and American Express commenced Strategy 2 (restructuring and reemergence as smaller organization, or a sale and wind-down of the business), the sale of certain assets may take up to a year to complete.



5. Summary Information Regarding Assets, Liabilities, Capital and Major Funding Sources

5.1 Balance Sheet

The following consolidated balance sheet of AXP summarizes the assets and liabilities of American Express as of December 31, 2014.

Table 2: AXP Consolidated Balance Sheet as of December 31, 2014

<i>(Millions, except per share data)</i>	2014
Assets	
Cash and cash equivalents	
Cash and due from banks	\$2,628
Interest-bearing deposits in other banks	19,190
Short-term investment securities	470
Total	22,288
Accounts receivable	
Card Member receivables, less reserves: 2014, \$465	44,386
Other receivables, less reserves: 2014, \$61	2,614
Loans	
Card Member loans, less reserves: 2014, \$1,201	69,184
Other loans, less reserves: 2014, \$12	920
Investment securities	4,431
Premises and equipment, less accumulated depreciation: 2014, \$6,270	3,938
Other assets	11,342
Total assets	159,103
Liabilities and Shareholders' Equity	
Liabilities	
Customer deposits	44,171
Travelers Cheques and other pre-paid products	3,673
Accounts payable	11,300
Short-term borrowings	3,480
Long-term debt	57,955
Other liabilities	17,851
Total liabilities	138,430
Shareholders' Equity	
Common shares, \$0.20 par value, authorized 3.6 billion shares; issued and outstanding 1,023 million shares as of December 31, 2014	205
Additional paid-in capital	12,874
Retained earnings	9,513
Accumulated other comprehensive income (loss)	
Net unrealized securities gains, net of tax of: 2014, \$52	96
Foreign currency translation adjustments, net of tax of: 2014, \$(317)	(1,499)
Net unrealized pension and other postretirement benefit losses, net of tax of: 2014, \$(223)	(516)
Total accumulated other comprehensive loss	(1,919)
Total shareholders' equity	20,673
Total liabilities and shareholders' equity	\$159,103



5.2 Capital

American Express' capital objective is to retain sufficient levels of capital generated through earnings and other sources to maintain a solid equity capital base and to provide flexibility to support future business growth. American Express believes that capital allocated to growing businesses with a return on risk-adjusted equity in excess of its costs will generate shareholder value. The following table represents the regulatory risk-based capital ratios and leverage ratio for AXP and its IDI subsidiaries, as well as additional ratios widely utilized in the marketplace as of December 31, 2014.

Table 3: Regulatory Risk-Based Ratios and Leverage Ratio as of December 31, 2014

	<i>Basel III Standards 2014^(a)</i>	<i>Ratios as of December 31, 2014</i>
Risk-Based Capital		
Common Equity Tier 1	4.0%	
American Express Company		13.1%
American Express Centurion Bank		18.8
American Express Bank, FSB		14.2
Tier 1	5.5	
American Express Company		13.6
American Express Centurion Bank		18.8
American Express Bank, FSB		14.2
Total	8.0	
American Express Company		15.6
American Express Centurion Bank		20.1
American Express Bank, FSB		16.0
Tier 1 Leverage	4.0%	
American Express Company		11.8
American Express Centurion Bank		18.7
American Express Bank, FSB		15.1
Common Equity to Risk-Weighted Assets		
American Express Company		15.0
Tangible Common Equity to Risk-Weighted Assets		
American Express Company		12.0%

(a) Transitional Basel III minimum and conservation buffer as defined by the Federal Reserve for calendar year 2014 for Advanced Approaches institutions.

American Express has estimated that its Common Equity Tier 1 and Tier 1 Risk-Based Capital under “fully phased-in” Basel III requirements, as of December 31, 2014 would be \$16.4 billion and \$17.2 billion, respectively. All calculations are non-GAAP measures.



The Federal Reserve’s Comprehensive Capital Analysis and Review (“CCAR”) evaluates whether BHCs have sufficient capital to continue operations throughout times of economic and financial market stress and whether they have robust, forward-looking capital planning processes that account for their unique risks. The 2015 CCAR projected that AXP would maintain minimum Tier 1 Common and Common Equity Tier 1 ratios, respectively, of 8.2 percent and 8.0 percent, under the severely adverse scenario and after planned capital actions.

5.3 Major Funding Sources

American Express meets its funding needs through a variety of sources, including direct and third party distributed deposits and debt instruments, such as senior unsecured debentures, asset securitizations, borrowings through secured financing facilities and long-term committed bank borrowing facilities in non-U.S. regions.

American Express’ funding strategy and activities are integrated into its asset-liability management activities, and it has in place a funding policy covering AXP and all of its subsidiaries.

Table 4: Summary of AXP Consolidated Debt and Customer Deposits

Type	2014 (\$, Billions)	2013 (\$, Billions)
Short-term borrowings	3.5	5.0
Long-term debt	58.0	55.3
Total debt	61.5	60.3
Customer deposits	44.2	41.8
Total debt and customer deposits	105.7	102.1



6. Description of Derivative and Hedging Activities

American Express uses derivative financial instruments to manage exposures to various market risks. Market risk is the risk to earnings or value resulting from movements in market prices. American Express' market risk exposure is primarily generated by:

- interest rate risk in its card, insurance, and Travelers Cheque and other pre-paid products businesses, as well as its investment portfolios; and
- foreign exchange risk in its operations outside the U.S. and the associated funding of such operations.

American Express does not engage in derivative transactions for trading purposes. Counterparty risk exposures are centrally monitored by American Express.

American Express' primary derivative instruments are interest rate swaps and foreign currency forward agreements.

Interest rate exposure within American Express' Charge Card and fixed-rate lending products is managed by varying the proportion of total funding provided by short-term and variable-rate debt and deposits compared to fixed-rate debt and deposits. In addition, interest rate swaps are used from time to time to economically convert fixed-rate debt obligations to variable-rate obligations, or to convert variable-rate debt obligations to fixed-rate obligations. American Express may change the mix between variable-rate and fixed-rate funding based on changes in business volumes and mix, among other factors.

Foreign exchange risk is generated by Card Member cross-currency charges, foreign currency balance sheet exposures, foreign subsidiary equity and foreign currency earnings in entities outside the U.S. American Express' foreign exchange risk is managed primarily by entering into agreements to buy and sell currencies on a spot basis, or by hedging this market exposure to the extent economically justified through various means, including the use of derivatives such as foreign exchange forwards and cross-currency swap contracts, which can help mitigate American Express' exposures to specific currencies.



7. Memberships in Material Payment, Clearing and Settlement Systems

AECB holds payment systems memberships required for both AECB's and FSB's business activities. These memberships include Fedwire, Fed Image Exchange, Fed Automated Clearing House ("ACH"), the National Automated Clearing House Association ("NACHA"), Western Payment Alliance ("WESPAY") and Viewpointe. FSB accesses these payments systems under an SLA with AECB. American Express' other MLEs are not members, directly or indirectly, of any other payment, clearing or settlement services.

In addition, the American Express MLEs maintain accounts with various agent banks around the world to support their normal course of business, which allows the MLEs to receive and transmit funds to and from third parties in a variety of different currencies. These agent banks themselves may hold memberships in other payment, clearing or settlement services, or other financial market utilities ("FMUs"). The MLEs generally have direct agreements with the agent banks based on their respective overall business needs.



8. Description of Foreign Operations

American Express derives a significant portion of its revenues from the use of its Card products, travel and other financial products and services outside the U.S. American Express conducts these businesses through subsidiaries, branches and representative offices.

The following table presents American Express' total revenues net of interest expense and pretax income (loss) from continuing operations in different geographic regions, based on the market in which the transaction is managed, which may be different than the domicile of the legal entity through which such business is conducted.

Table 5: American Express' Total Revenues Net of Interest Expense and Pretax Income (Loss) from Continuing Operations as of December 31, 2014

(\$, Millions)	United States	EMEA ^(a)	JAPA ^(a)	LACC ^(a)	Other Unallocated ^(b)	Consolidated
2014 ^(c)						
Total revenues net of interest expense	\$24,855	\$3,767	\$2,934	\$2,888	\$(152)	\$34,292
Pretax income (loss) from continuing operations	8,869	525	463	683	(1,549)	8,991
2013 ^(c)						
Total revenues net of interest expense	\$23,745	\$3,700	\$2,952	\$2,900	\$(323)	\$32,974
Pretax income (loss) from continuing operations	7,679	524	488	701	(1,504)	7,888
2012 ^(c)						
Total revenues net of interest expense	\$22,631	\$3,594	\$3,106	\$2,774	\$(550)	\$31,555
Pretax income (loss) from continuing operations	6,468	505	426	605	(1,553)	6,451

(a) EMEA represents Europe, the Middle East and Africa; JAPA represents Japan, Asia/Pacific and Australia; and LACC represents Latin America, Canada and the Caribbean.

(b) Other unallocated includes net costs which are not directly allocable to specific geographic regions, including costs related to the net negative interest spread on excess liquidity funding and executive office operations expenses.

(c) The data in the above table is, in part, based upon internal allocations, which necessarily involve management's judgment.



9. Material Supervisory Authorities

9.1 U.S. Federal Regulators

AXP and TRS are BHCs that have elected to be treated as financial holding companies, under the BHC Act. As BHCs under the BHC Act, AXP and TRS are subject to supervision and examination by the Federal Reserve. Under the system of “functional regulation” established under the BHC Act, the Federal Reserve supervises AXP, including all of its non-bank subsidiaries, as an “umbrella regulator” of the consolidated organization, and generally defers to the primary U.S. regulators of American Express’ IDIs regarding the supervision of the IDIs.

AECB’s primary federal regulator is the FDIC. FSB is primarily regulated by the OCC. AXP and its subsidiaries, including TRS, AECB and FSB, are also subject to supervision, examination and enforcement by the CFPB with respect to marketing and the sale of consumer financial products and compliance with certain federal consumer financial laws, including, among other laws, the Consumer Financial Protection Act of 2010 and the Truth in Lending Act.

9.2 U.S. State Regulators

AECB is a Utah-chartered industrial bank regulated by the Utah Department of Financial Institutions.

TRS is subject to regulation and supervision by various state regulators under “money transmitter” or “sale of check” laws with respect to its activities as an issuer of Travelers Cheques and pre-paid cards. In addition, TRS is a licensed insurance producer, registered with each applicable state or local insurance commission.

9.3 Non-U.S. Regulators

American Express’ principal foreign regulators include the U.K.’s FCA, which regulates AEPSP as a “payment institution”, and the Ministry of Corporate Affairs, Government of India, which supervises AEIPL.

AEII’s branch operations in multiple jurisdictions outside the U.S. are subject to supervision and regulation in those jurisdictions.



10. Principal Officers

The following table provides information about the principal officers of AXP as of December 1, 2015.

Table 6: AXP's Principal Officers as of December 1, 2015

<i>Executive Officer</i>	<i>Title</i>
Kenneth I. Chenault	Chairman and Chief Executive Officer
Douglas E. Buckminster	President, Global Consumer Services
James P. Bush	President, International Consumer Services
Jeffrey C. Campbell	Executive Vice President and Chief Financial Officer
L. Kevin Cox	Chief Human Resources Officer
Paul Fabara	President, Global Banking
Marc D. Gordon	Executive Vice President and Chief Information Officer
Ashwini Gupta	Chief Risk Officer and President, Risk and Information Management
John D. Hayes	Executive Vice President and Chief Marketing Officer
Mike O'Neil	Executive Vice President of Corporate Affairs and Communication
Laureen E. Seeger	Executive Vice President and General Counsel
Susan Sobott	President, Global Commercial Payments
Stephen J. Squeri	Vice Chairman
Anré Williams	President, Global Merchant Services and Global Network Business



11. Resolution Planning Corporate Governance and Processes

Through its resolution planning process, American Express further analyzed its business, material and other legal entities and operational structure in the context of advance preparation for potential future crises. As a result, American Express has developed, and maintains, a governance structure and information capabilities required to support an orderly resolution if it were ever required.

The AXP BoD is responsible for the overall oversight of the resolution planning program. The BoD, together with the Risk Committee of the BoD, reviewed and approved the Resolution Plan prior to submission.

The Resolution Plan Steering Committee sets strategic direction and approved the overall methodology and approach. The Steering Committee includes the Chief Risk Officer, the Chief Financial Officer, the Managing Counsel (U.S.) and the Vice Chairman.

For the development of this Resolution Plan, a dedicated Project Management Office ("PMO") and a program governance structure remain in place, with roles and responsibilities assigned at various levels to ensure that appropriate support and oversight is provided throughout the Plan's development. The main responsibility of the PMO is for the day-to-day monitoring and overall coordination of a resolution planning program with key participants throughout American Express. Additionally, the PMO manages regulatory requests and monitors evolving regulatory guidance.



12. Material Management Information Systems

The purpose of management information systems (“MIS”) is to support the business activities of American Express by providing information to understand business financials, risks and performance and enable management to strategically plan American Express’ future direction. American Express has robust management information reporting at the business and corporate level. MIS include a wide variety of systems, platforms, databases and infrastructure that enable business users to generate standard and ad-hoc reports when the business is operating as usual. On a periodic basis, the American Express MIS generate financial, operational and risk reports that include a broad range of information. Such reports are used by management to monitor the financial health, risk and operations of American Express.

For the development of the Resolution Plan, American Express centrally gathered the information underlying the Resolution Plan from sources across the organization. In the event of a resolution or periods leading up to a possible resolution, American Express has policies and procedures for providing regulators with pertinent information in a timely manner.



13. Efforts to Strengthen Resolvability

American Express remains focused on activities and practices related to resiliency and industry developments related to the evolution of resolution planning. American Express has undertaken certain initiatives designed to enhance resolvability of American Express, including improved MIS infrastructure and process for data collection, together with improvements to ensure continued access to important services such as enhancing inter-affiliate service agreements. American Express is also implementing a program to streamline financial data reporting and systems, together with ongoing improvements to strengthen affiliate and third-party supplier management programs. Furthermore, the existing legal entity governance process has been expanded to include resolution planning considerations.