American Express Company Earnings Conference Call Q4'11

January 19, 2012

Q4'11 Summary Financial Performance

($ in millions, except per share amounts)	Q4'11	Q4'10	% Inc/(Dec)
Total Revenues Net of Interest Expense	$7,742	$7,244	7%
FX Adjusted[†]		$7,225	7%
Net Income	$1,192	$1,062	12%
Diluted EPS*	$1.01	$0.88	15%
Return on Average Equity	28%	27%	
Average Diluted Shares Outstanding	1,163	1,194	(3%)

**Attributable to common shareholders. Represents income from continuing operations less earnings allocated to participating share awards and other items of $14MM and $12MM for Q4'11 and Q4'10, respectively. [†]This is a Non-GAAP measure. FX adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars (i.e., assumes Q4'11 foreign exchange rates apply to Q4'10 results). The Company's calculations of non-GAAP measures may differ from the calculations of similarly titled measures of other companies.*

2011 Summary Financial Performance

($ in millions, except per share amounts)	2011	2010	% Inc/(Dec)
Total Revenues Net of Interest Expense	$29,962	$27,582	9%
FX Adjusted[†]		$28,043	7%
Net Income	$4,935	$4,057	22%
Diluted EPS*	$4.09	$3.35	22%
Return on Average Equity	28%	27%	
Average Diluted Shares Outstanding	1,184	1,195	(1%)

**Attributable to common shareholders. Represents income from continuing operations less earnings allocated to participating share awards and other items of $58MM and $51MM for 2011 and 2010, respectively. [†]This is a Non-GAAP measure. FX adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars (i.e., assumes 2011 foreign exchange rates apply to 2010 results).*

Q4'11 Metric Performance

	Q4'11	Q4'10	% Inc/Dec	FX Adj.*
Billed Business ($ in B)**	$219.0	$197.7	11%	11%
Total Cards In Force (MM)	97.4	91.0	7%	
Avg. Basic Cardmember Spending (Dollars)†	$3,933	$3,629	8%	9%
Cardmember Loans ($ in B)	$62.6	$60.9††	3%	3%
WW Travel Sales ($ in B)	$5.9	$5.6	5%	5%

**FX adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars (i.e., assumes Q4'11 foreign exchange rates apply to Q4'10 results). **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. †Computed from proprietary card activities only. ††On an FX adjusted basis, Q4'10 cardmember loans would have been $60.7B.*

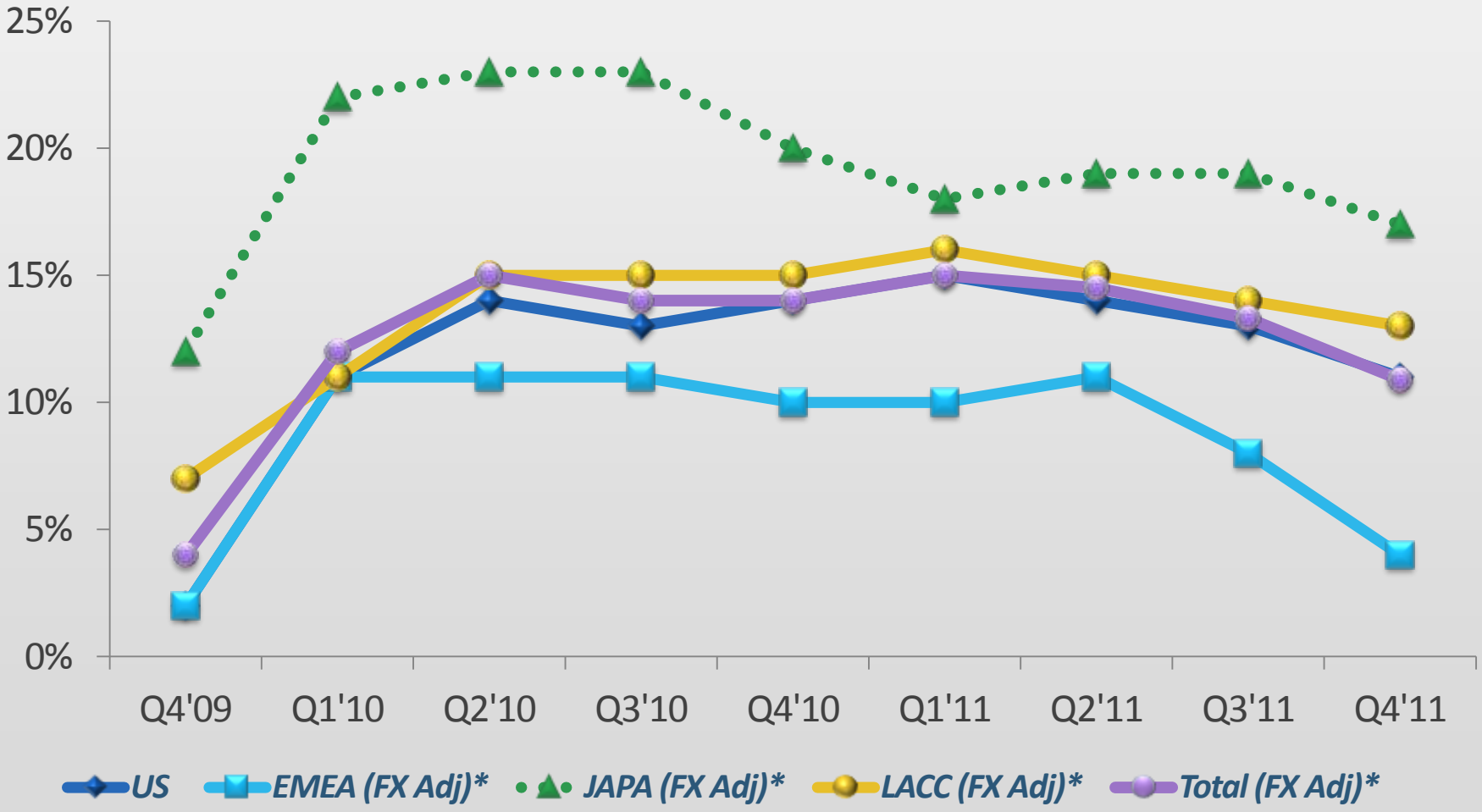
2011 Metric Performance

	2011	2010	% Inc/Dec	FX Adj.*
Billed Business ($ in B)**	$822.2	$713.3	15%	13%
Total Cards In Force (MM)	97.4	91.0	7%	
Avg. Basic Cardmember Spending (Dollars) †	$14,881	$13,259	12%	11%
Cardmember Loans ($ in B)	$62.6	$60.9††	3%	3%
WW Travel Sales ($ in B)	$24.5	$21.7	13%	10%

**FX adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars (i.e., assumes 2011 foreign exchange rates apply to 2010 results). **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. †Computed from proprietary card activities only. ††On an FX adjusted basis, 2010 cardmember loans would have been $60.7B.*

Billed Business Growth by Region

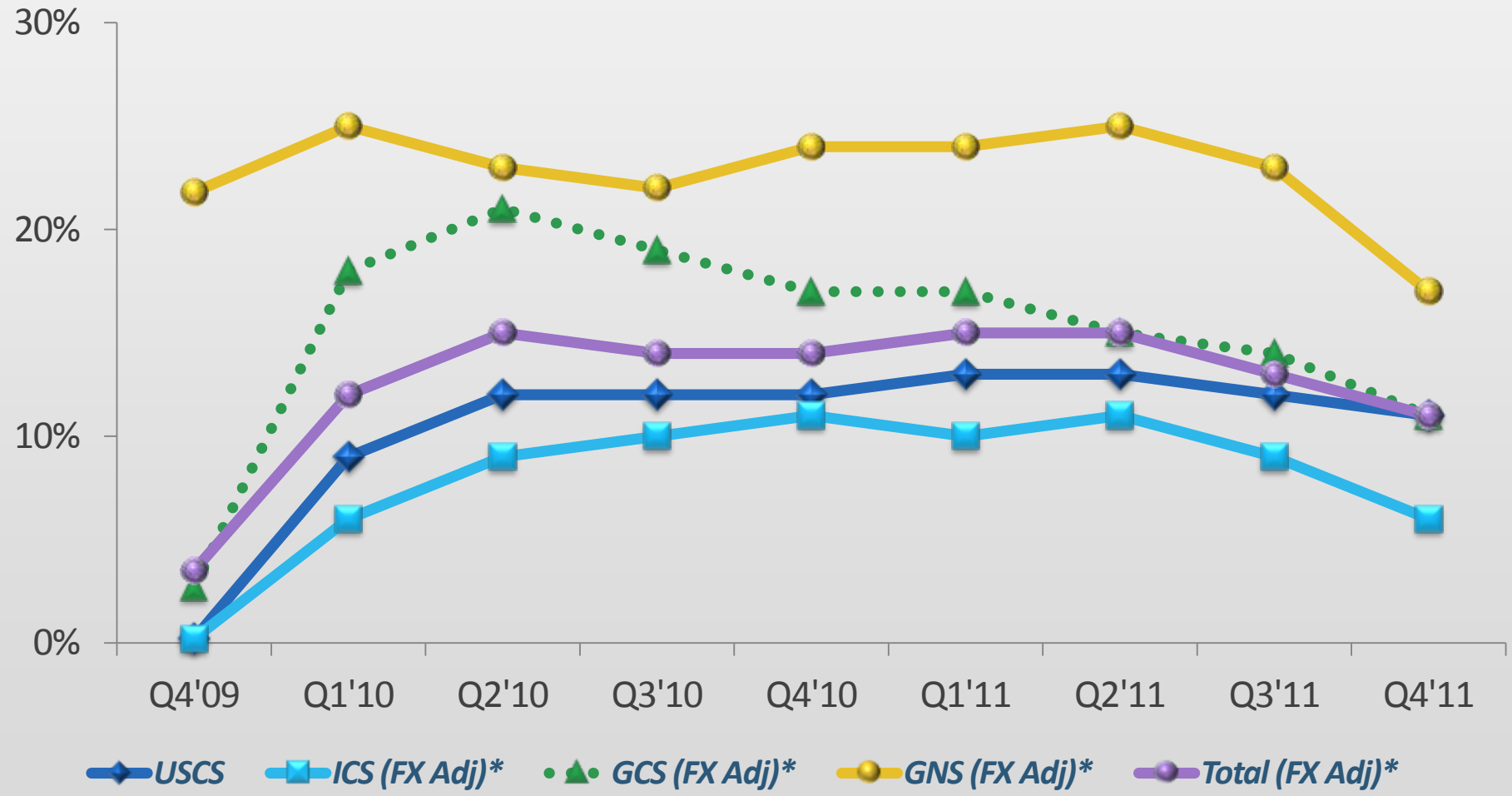
% increase/(decrease) vs. prior year:



**See Annex 1 for reported billings growth rates.*

Billed Business Growth by Segment

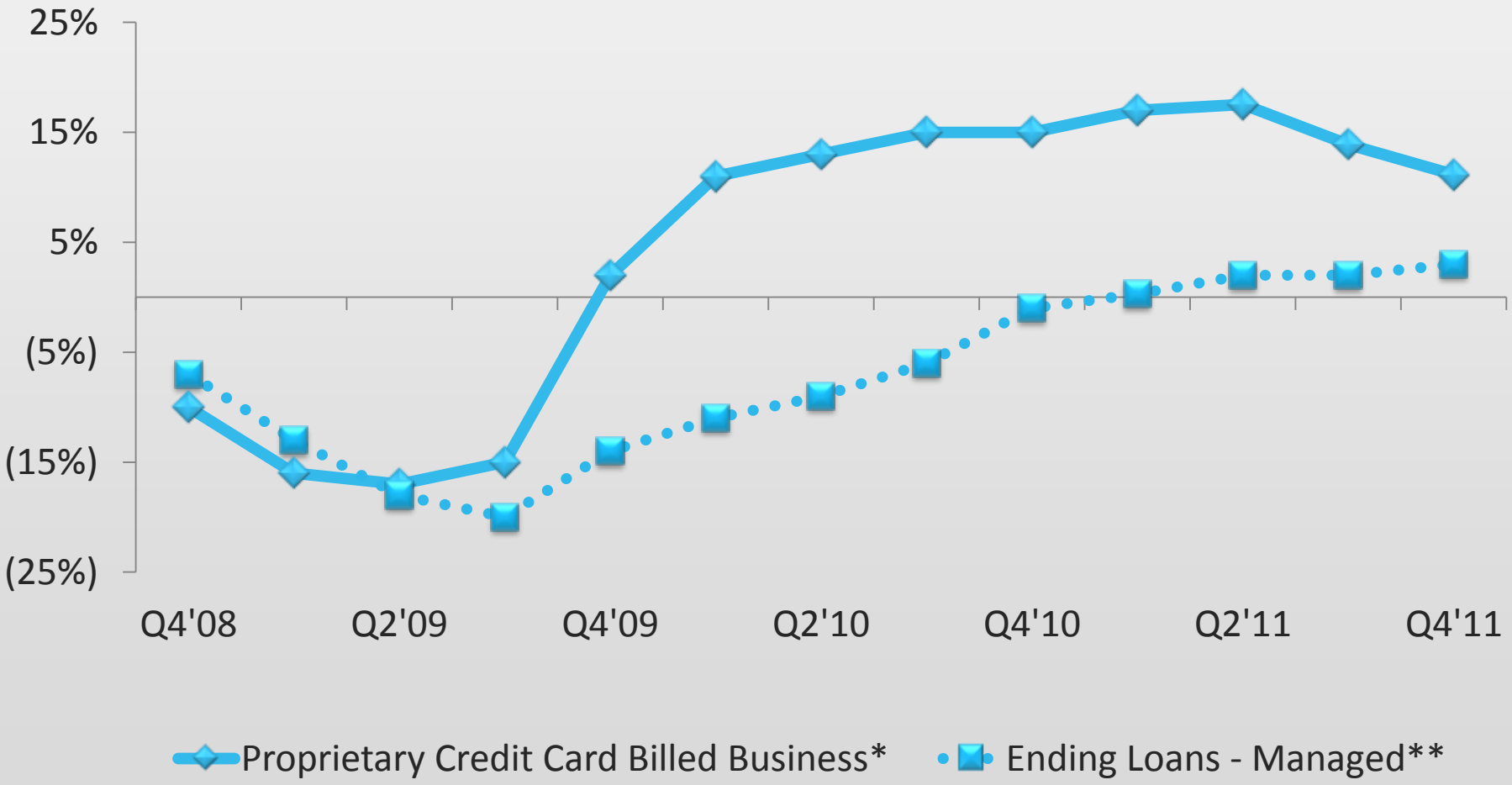
% increase/(decrease) vs. prior year:



**See Annex 2 for reported billings growth rates.*

Lending Billed Business vs. Managed Loan Growth

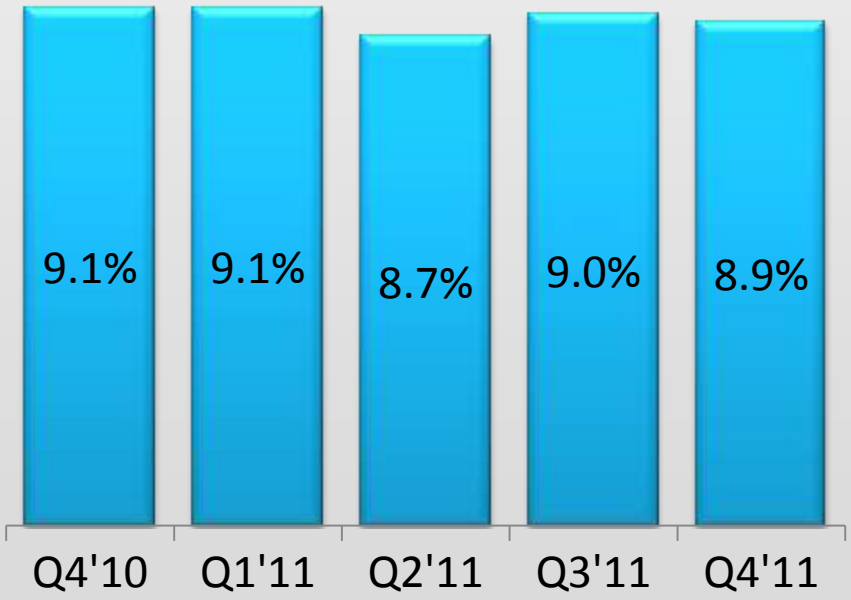
% increase/(decrease) vs. prior year, Managed:



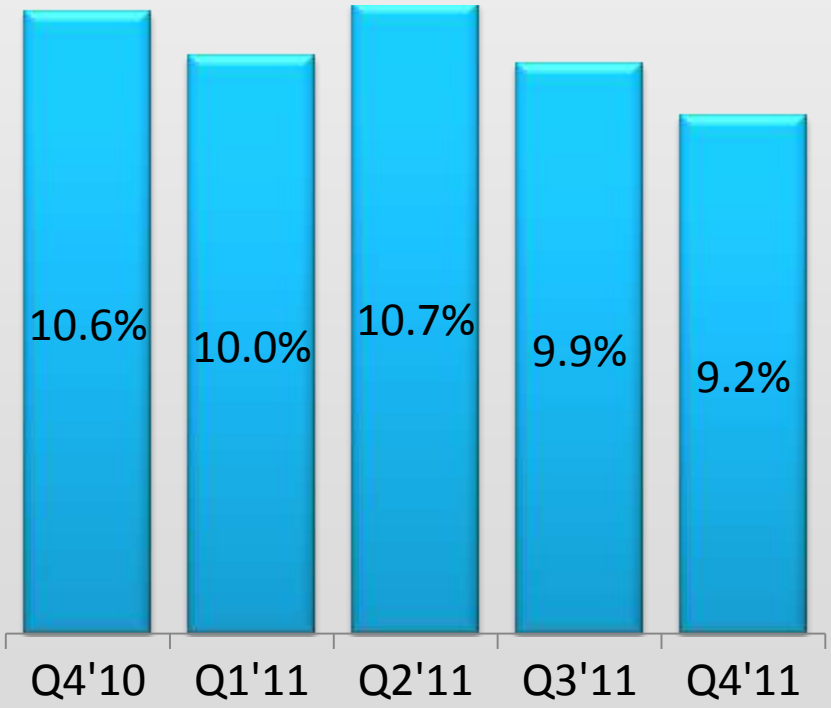
*Includes lending on charge billed business. **See Annex 3 for GAAP basis for periods prior to 2010.

Net Interest Yield
Managed Cardmember Loans

USCS



International Card



See Annex 4 for reconciliation of net interest income divided by average loans, a GAAP measure, and net interest yield, a non-GAAP measure.

Revenue Performance

($ in millions)	Q4'11	Q4'10	% Inc/(Dec)
Discount Revenue	$4,336	$4,017	8%
Net Card Fees	545	534	2%
Travel Commissions & Fees	514	471	9%
Other Commissions & Fees	552	519	6%
Other Revenue	618	513	20%
Net Interest Income	1,177	1,190	(1%)
Total Revenues Net of Interest Expense*	$7,742	$7,244	7%

**Total revenues net of interest expense on an FX adjusted basis, a non-GAAP measure, increased 7%. FX adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars (i.e., assumes Q4'11 foreign exchange rates apply to Q4'10 results).*

Provisions for Losses

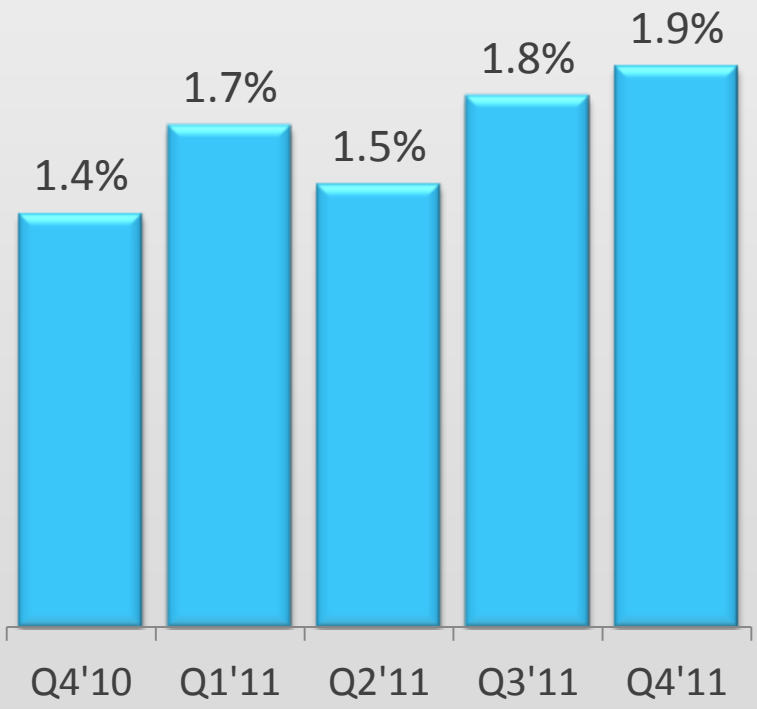
($ in millions)

	Q4'11	Q4'10	% Inc/(Dec)
Charge Card	$237	$183	30%
Cardmember Loans	149	37	#
Other	23	19	21%
Total*	$409	$239	71%

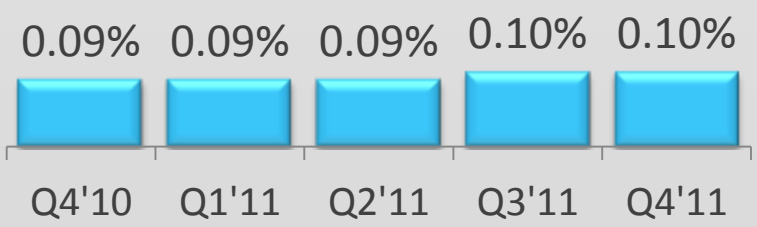
**Total provision on an FX adjusted basis, a non-GAAP measure, increased 72%. FX adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars (i.e., assumes Q4'11 foreign exchange rates apply to Q4'10 results). #-Denotes a variance of more than 100%.*

Charge Card Credit Performance

USCS Net Write-off Rate



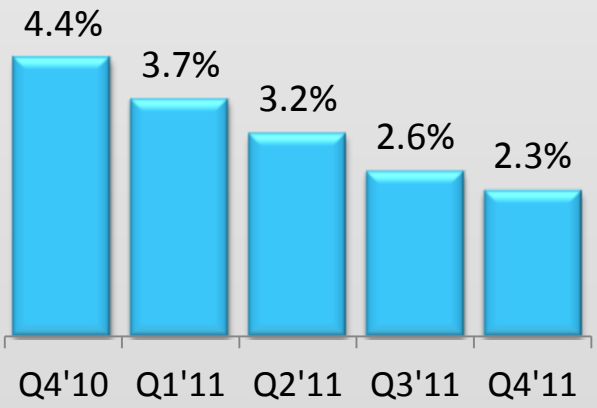
ICS/GCS Net Loss Ratio



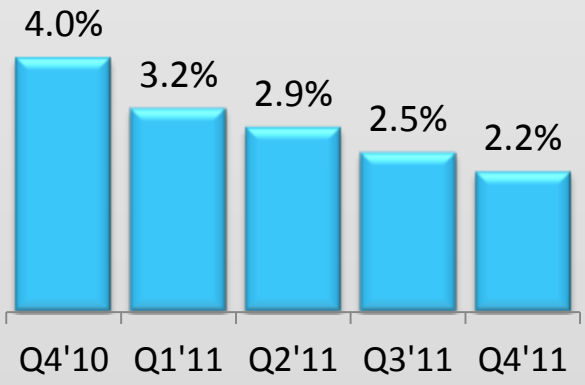
Note: USCS Net write-off rates above include Principal only. See Statistical tables in Q4'11/Full Year 2011 Earnings Release for net write-off rates including interest and/or fees.

Lending Net Write-off Rates

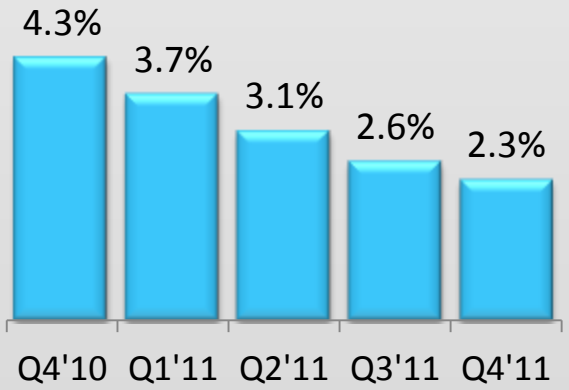
USCS



ICS



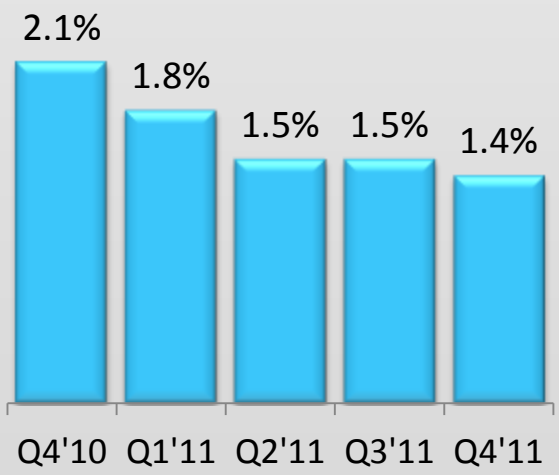
AXP



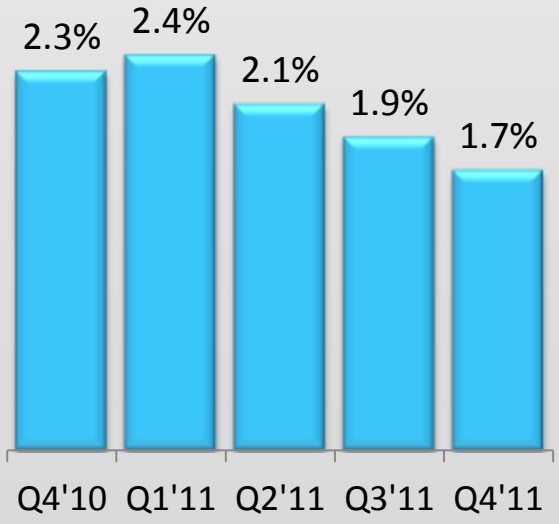
Note: Rates above include Principal only. See Statistical tables in Q4'11/Full Year 2011 Earnings Release for net write-off rates including interest and/or fees.

Lending 30 Days Past Due

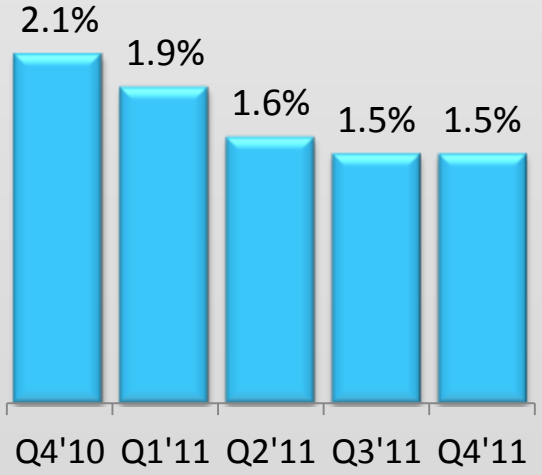
USCS



ICS

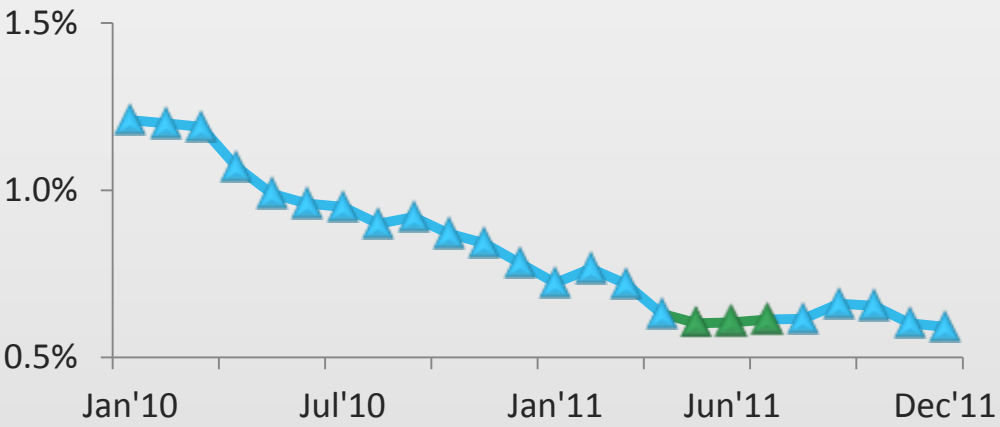


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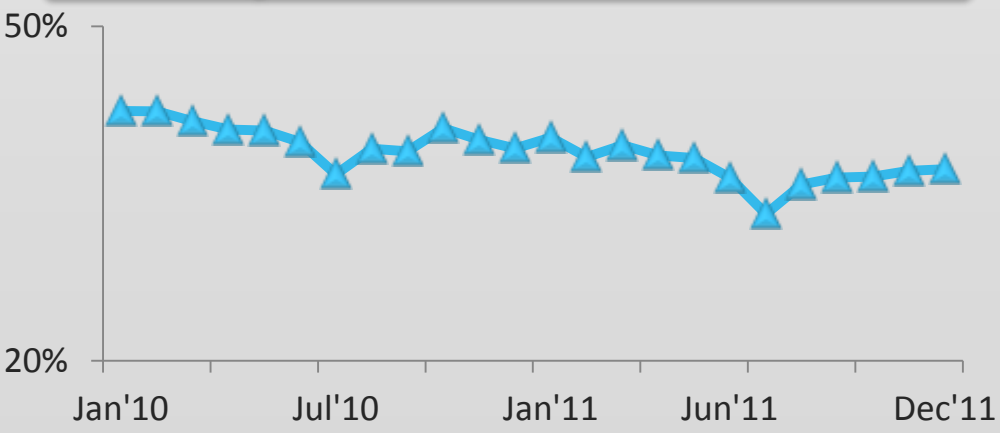


USCS Managed Lending
Roll Rates and Bankruptcy Filings

Current to 30 Days Past Due

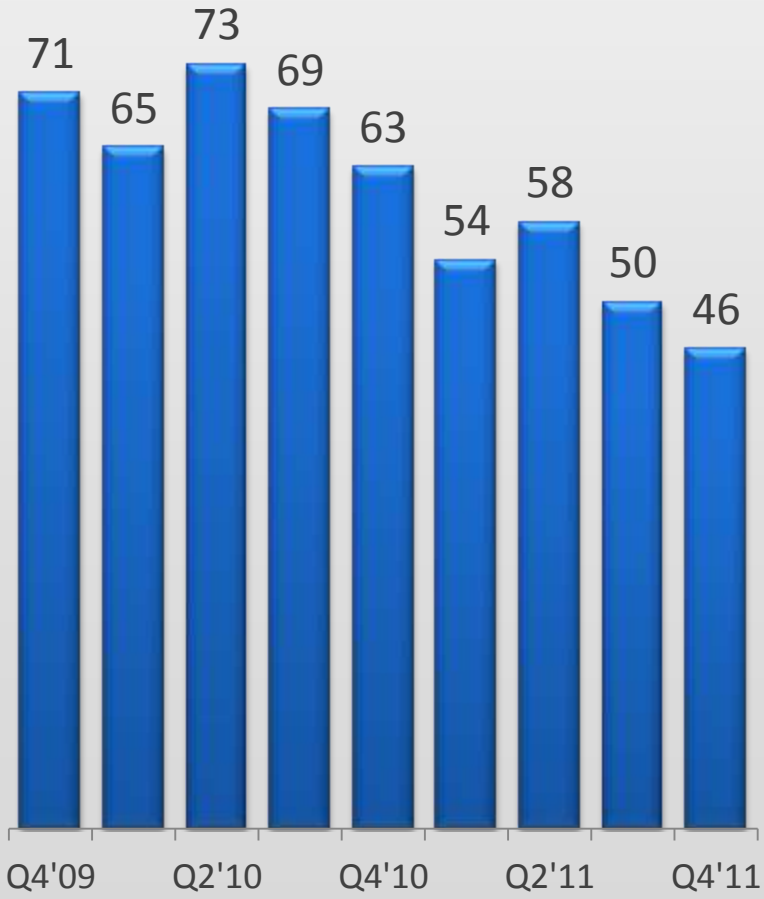


30 Days Past Due to Write-off



Number of Bankruptcy Filings

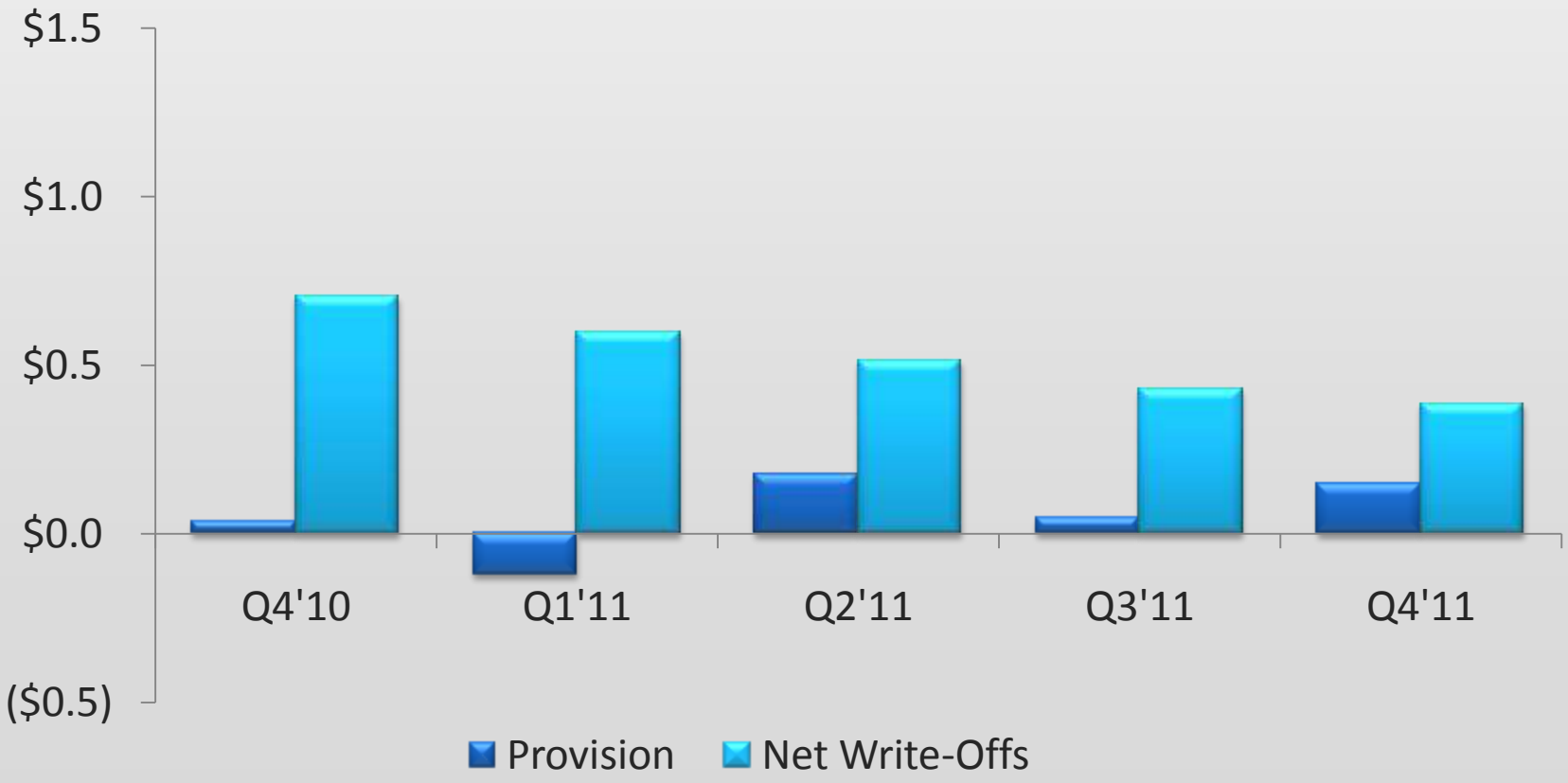
USCS Customers, x000



AXP WW Lending Reserve Releases

Reserve Release	$0.7	$0.7	$0.4	$0.4	$0.3

($ in billions)



Lending Reserve Coverage

	Q4'11	Q3'11	Q4'10
US Card Services			
% of Loans	3.0%	3.7%	6.1%
% of Past Due	213%	249%	298%
Principal Months Coverage*	15.9x	16.5x	17.0x
Worldwide			
% of Loans	3.0%	3.7%	6.0%
% of Past Due	206%	238%	287%
Principal Months Coverage*	15.8x	16.3x	16.9x

**Calculated by dividing the ending principal reserve balance by a monthly average of net principal write-offs during the respective quarter.*

Expense Performance

($ in millions)	Q4'11	Q4'10	% Inc/(Dec)	Adjusted Growth†	Q3'11 % Inc/(Dec)	
					Reported	Adjusted†
Marketing and Promotion	$735	$833	(12%)		(13%)	
Cardmember Rewards and Services	1,653	1,500	10%		25%	
Total Operating Expenses*	3,197	3,195	0%	(4%)	15%	9%
Total Expenses**	$5,585	$5,528	1%	(2%)	13%	10%
Effective Tax Rate	32%	28%				

**Includes salaries and employee benefits, professional services, occupancy and equipment, communications, and other, net. See slide 19 for a breakdown of these amounts. **Total expenses on an FX adjusted basis, a non-GAAP measure, increased 1% versus last year. †The growth rate of adjusted total operating expenses and adjusted total expenses, both non-GAAP measures, are calculated by excluding MasterCard settlement proceeds of $150MM from total operating expenses and total expenses in Q4'10 and Q3'10. Excluding such litigation settlement proceeds, adjusted total operating expenses were $3,197MM and $3,345MM in Q4'11 and Q4'10, respectively, and adjusted total expenses were $5,585MM and $5,678MM in Q4'11 and Q4'10, respectively. Total operating expenses were $3,100MM and $2,685MM in Q3'11 and Q3'10, respectively, and total expenses were $5,611 and $4,960 in Q3'11 and Q3'10, respectively. Excluding such litigation settlement proceeds, adjusted total operating expenses were $3,100MM and $2,835MM in Q3'11 and Q3'10, respectively, and adjusted total expenses were $5,611MM and $5,110MM in Q3'11 and Q3'10, respectively.*

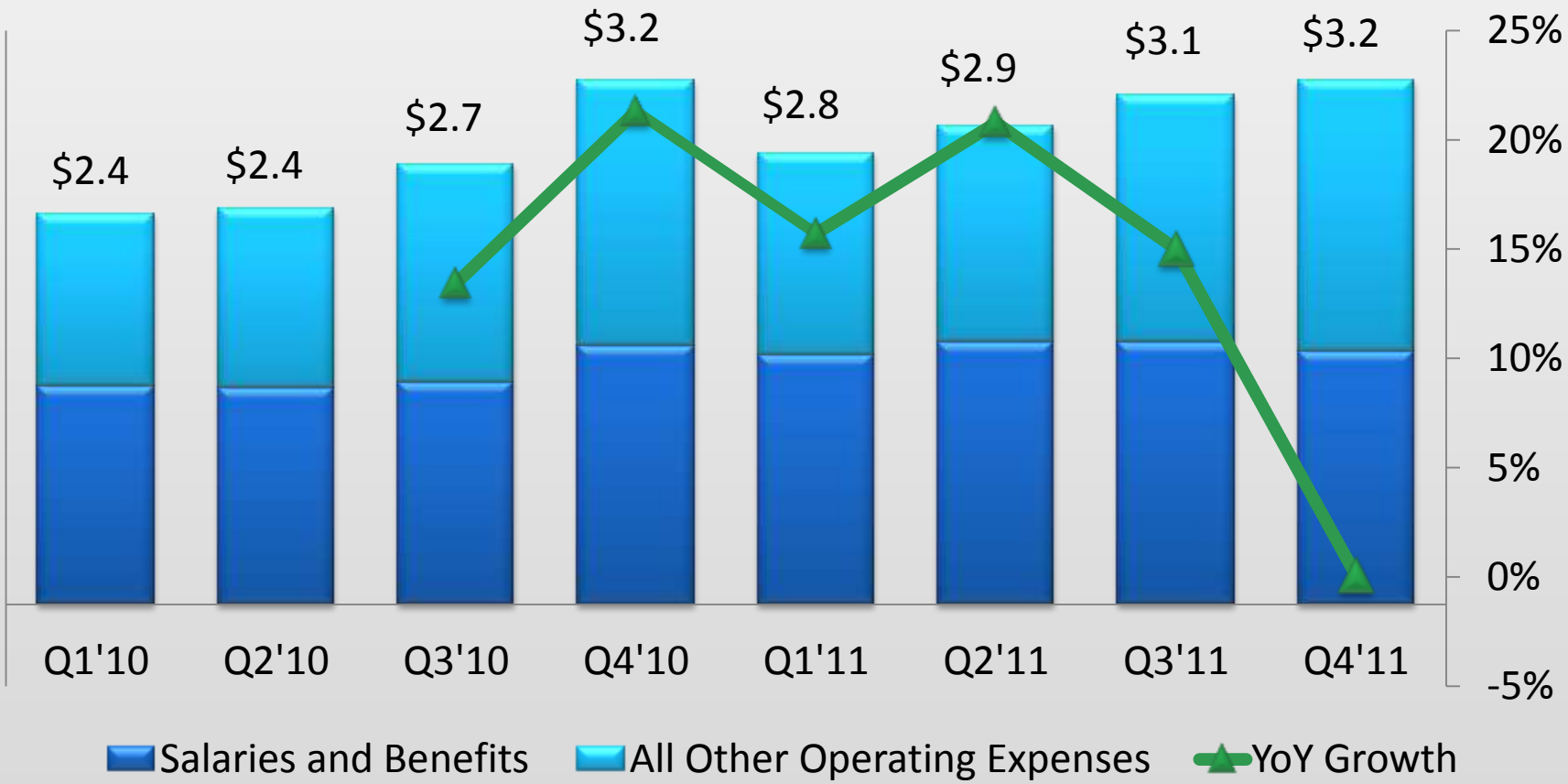
Operating Expense Performance

($ in millions)	Q4'11	Q4'10	% Inc/(Dec)	Adjusted Growth†	Q3'11 % Inc/(Dec)	
					Reported	Adjusted†
Salaries and Employee Benefits	$1,537	$1,570	(2%)			
Professional Services	853	908	(6%)			
Occupancy and Equipment	467	428	9%			
Communications	98	99	(1%)			
Adjusted Other, Net**	312	410	(24%)			
Litigation Settlement Proceeds	(70)	(220)	(68%)			
Total Operating Expenses*	$3,197	$3,195	0%	(4%)	15%	9%

**Total operating expenses on an FX adjusted basis, a non-GAAP measure, were flat versus last year. See slide 2 for a description of FX adjusted information. ** Adjusted other, net expense, a non-GAAP measure, is calculated by excluding proceeds from Visa and MasterCard litigation settlement proceeds, which amounts are set forth as the litigation settlement proceeds line item above. Other, net expense on a GAAP basis equaled $242MM and $190MM for Q4'11 and Q4'10 respectively, representing a growth rate of 27%. †The growth rate of adjusted total operating expenses, a non-GAAP measure, excludes MasterCard litigation settlement proceeds of $150MM from total operating expenses in Q4'10 and Q3'10. Excluding such litigation settlement proceeds, adjusted total operating expenses were $3,197MM and $3,345MM in Q4'11 and Q4'10, respectively. Total operating expenses were $3,100MM and $2,685MM in Q3'11 and Q3'10, respectively, and excluding such litigation settlement proceeds, adjusted total operating expenses were $3,100MM and $2,835MM in Q3'11 and Q3'10, respectively.*

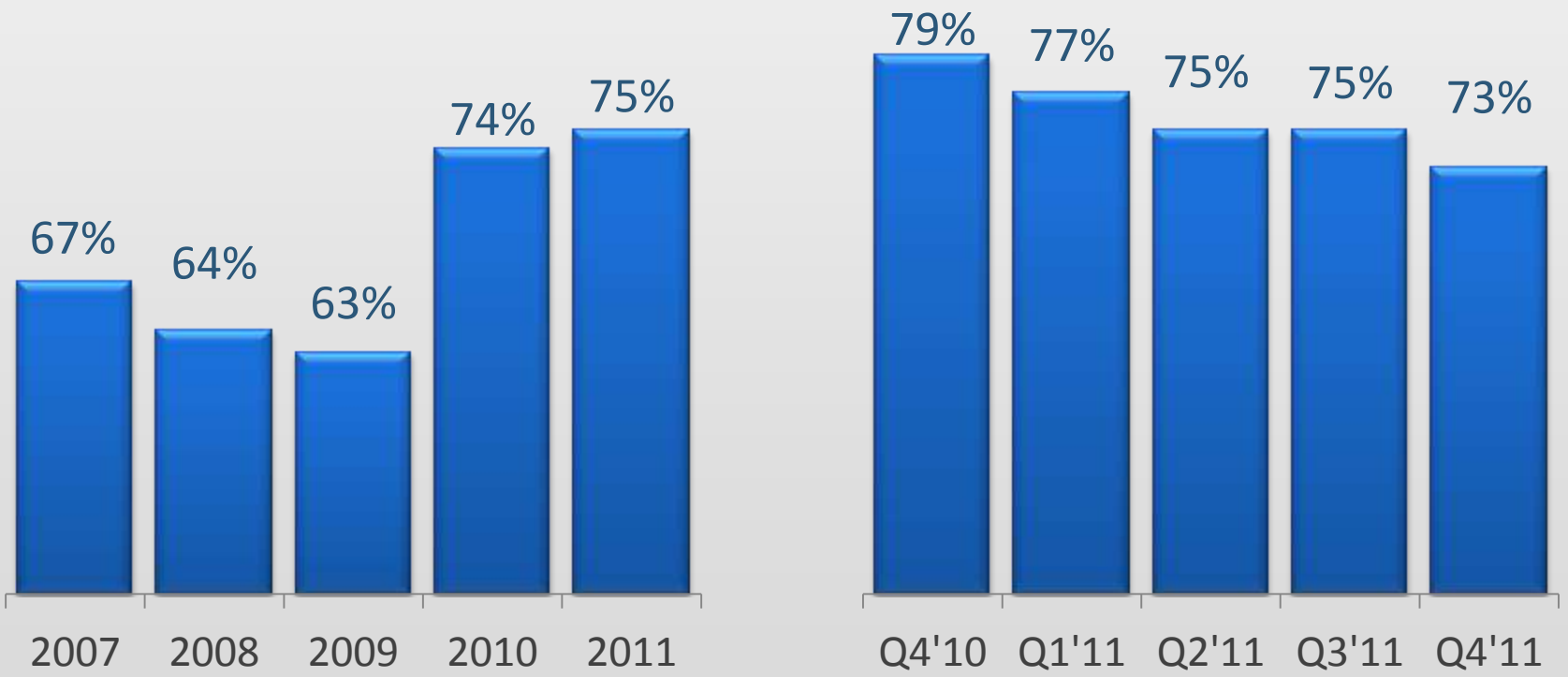
Year Over Year Operating Expense Growth

($ in billions)



Expense Flexibility Over Time

Adjusted Expenses as % of Managed Revenue*



**Adjusted Expenses as a % of Total managed revenues net of interest expense. Adjusted Expenses are Total Expenses on a GAAP basis less the settlement proceeds from MasterCard and Visa, which were $1.13B in 2007, $580MM in 2008, $880MM in 2009 and 2010, $580MM in 2011, $220MM from Q4'10 to Q2'11 and $70MM in Q3'11 and Q4'11 In addition, beginning in 2011, the Company reclassified certain contractual lump sum payments to partners as either contra discount revenue or marketing and promotion expense rather than 'Other, net' expense. Results for 2009 and 2010 reflect this change. Periods prior to 2009 have not been revised to reflect this change. See Annex 5 for total expenses as a % of total revenue net of interest expense on a GAAP basis.*

Capital Ratios

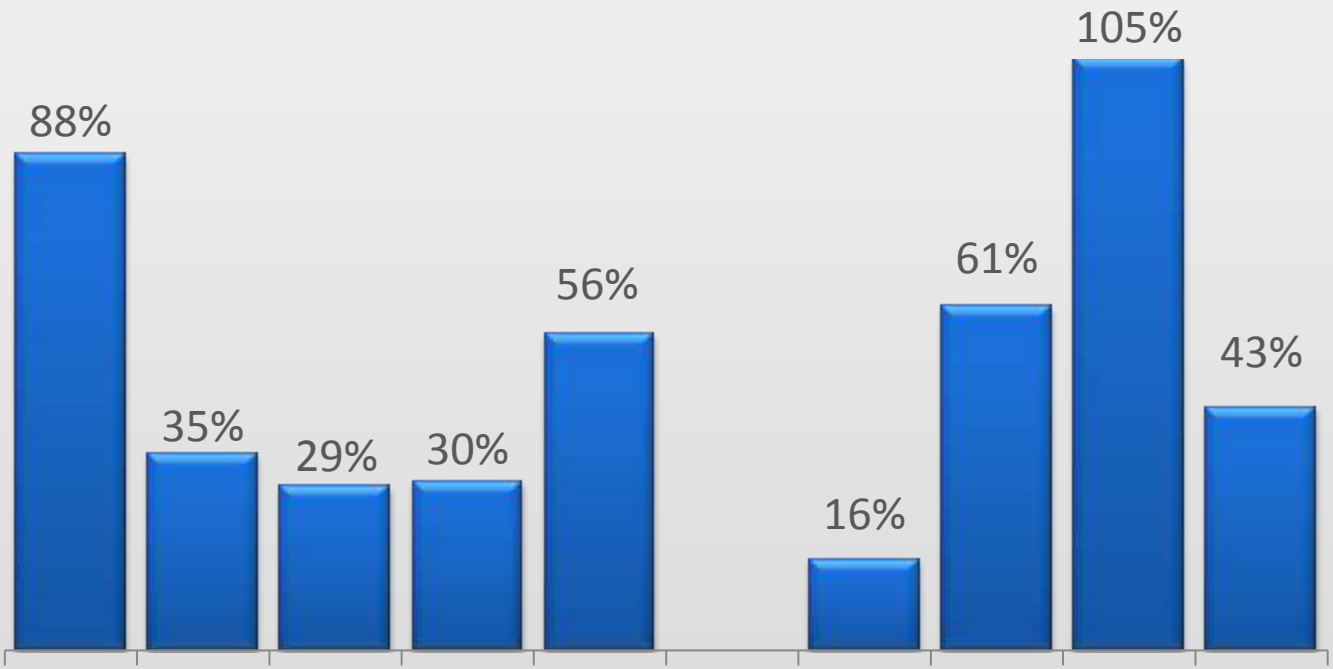
(Preliminary)

	Q4'11	Q3'11
Tier 1 Common Risk-Based*	12.3%	12.3%
Tier 1 Leverage	10.2%	9.8%
Tier 1 Risk-Based Capital	12.3%	12.3%
Total Risk-Based Capital	14.2%	14.3%
Tangible Common Equity to Risk-Weighted Assets ("TCE/RWA")**	11.9%	12.0%

*Note: These ratios represent a preliminary estimate as of the date of these earnings slides and may be revised in the Company's 2011 Form 10-K. *The Tier 1 Common Risk-Based Capital Ratio is calculated as Tier 1 Common Equity, a non-GAAP measure, divided by Risk-weighted assets. See Annex 6 for reconciliation between Tier 1 Common Equity and Total Shareholders' Equity. **Common equity equals Total Shareholders' equity of $18.8B. TCE, a non-GAAP measure, equals common shareholders' equity, less goodwill and intangibles of $4.3B for Q4'11. RWA is $121.3B for Q4'11. The Company's calculations of Non-GAAP measures may differ from the calculations of similarly titled measures of other companies.*

Total Payout Ratio

Percentage of Capital Generated Returned to Shareholders



($ Billions)

Share Repurchases	$3.6	$0.2	-	$0.6	$2.3	-	$0.8	$1.2	$0.3

*Note: Payout Ratio is calculated by dividing the total amount returned to shareholders through dividends and share repurchases during the respective period by the total capital generated through net income attributable to common shareholders and employee plans during the respective period. *Excludes warrants, preferred dividends, and the accelerated accretion of preferred dividends related to preferred shares issued under the U.S. Treasury's Capital Purchase Program during 2009.*

Q4'11 Liquidity Snapshot

($ in billions)

Resources		Funding Maturities	
Cash*	$18	Q1‘12	3
Readily Marketable Securities	1	Q2'12	4
Liquidity Portfolio	19	Q3'12	4
CP and Short-Term Deposits Outstanding	(1)	Q4‘12	3
Excess Cash & Securities	**$18**	**Twelve Month Maturities**	**$14****

**Includes $24.9B classified as Cash and Cash Equivalents, less $7.8B of cash available to fund day-to-day operations. Cash also includes $101MM classified as Other Assets on the Company's balance sheet, which is held against certain forthcoming asset-backed principal securitization maturities and $750MM classified as Other Receivables on the Company's consolidated balance sheet, which relates to readily marketable securities that matured on December 31, 2011 but which did not settle until January 3, 2012. **Includes maturities of long term unsecured debt of $4.3B, asset-backed securitization liabilities of $6.8B and long-term certificates of deposit of $3.2B.*

US Retail Deposit Programs

($ in billions)

	Direct *	Third Party CDs	Third Party Sweep	Total Deposits
September 30, 2011 Balance	$14.1	$9.2	$9.2	$32.5
Maturities	(0.2)	(1.1)	-	(1.3)
Amount Raised	1.6	2.7	1.8	6.1
December 31, 2011 Balance	$ 15.5	$10.8	$11.0	$37.3

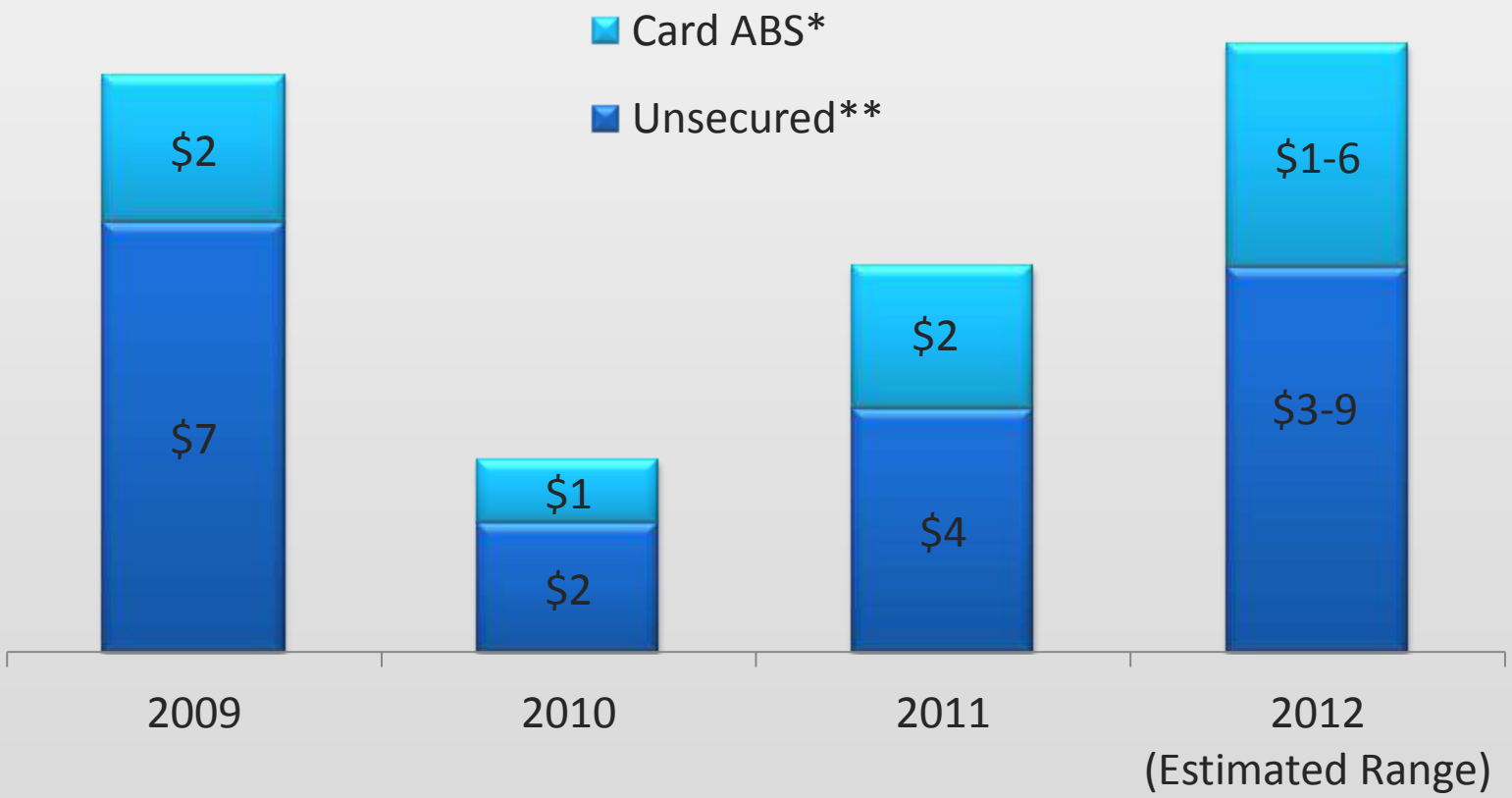
Retail CD Portfolio†: 12/31/11

Weighted Avg., Remaining Maturity	22 Months
Weighted Avg., Rate at Issuance	2.2%

** Direct primarily includes the Personal Savings Program, which consists of $14.6B from high yield savings accounts and $0.8B from retail CDs. †Retail CDs include both third party and direct CDs.*

ABS & Unsecured Debt Issuances

($ in Billions)



*All ABS debt is presented net of securities that have been retained by the Company; excludes drawn amounts on the secured borrowing through the conduit facility.
**Excludes drawn amounts on committed bank credit facilities.


AMERICAN
EXPRESS

Annex 1

Region Billed Business - Reported & FX Adjusted*

% increase/(decrease) vs. prior year:

	Q4'09	Q1'10	Q2'10	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11	Q4'11
U.S.	2%	11%	14%	13%	14%	15%	14%	13%	11%
International									
Reported	21%	27%	19%	17%	16%	20%	27%	21%	10%
FX Adjusted	7%	14%	16%	16%	15%	14%	15%	14%	11%
EMEA									
Reported	11%	16%	5%	5%	4%	13%	23%	15%	4%
FX Adjusted	2%	11%	11%	11%	10%	10%	11%	8%	4%
JAPA									
Reported	34%	44%	34%	31%	29%	28%	36%	31%	18%
FX Adjusted	12%	22%	23%	23%	20%	18%	19%	19%	17%
LACC									
Reported	20%	26%	24%	19%	18%	21%	22%	18%	8%
FX Adjusted	7%	11%	15%	15%	15%	16%	15%	14%	13%

**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 foreign exchange rate used for Q4'11 applies to Q4'10; rate used for Q3'11 applies to Q3'10, etc).*

Annex 2

Segment Billed Business - Reported & FX Adjusted*

% increase/(decrease) vs. prior year:

	Q4'09	Q1'10	Q2'10	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11	Q4'11
ICS									
Reported	14%	19%	12%	12%	12%	16%	24%	17%	6%
FX Adjusted	0%	6%	9%	10%	11%	10%	11%	9%	6%
GCS									
Reported	8%	23%	21%	19%	16%	19%	19%	17%	10%
FX Adjusted	3%	18%	21%	19%	17%	17%	15%	14%	11%
GNS									
Reported	34%	36%	27%	24%	26%	29%	36%	30%	17%
FX Adjusted	22%	25%	23%	22%	24%	24%	25%	23%	17%
Total									
Reported	8%	16%	16%	14%	15%	17%	18%	16%	11%
FX Adjusted	4%	12%	15%	14%	14%	15%	15%	13%	11%

**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 foreign exchange rate used for Q4'11 applies to Q4'10; rate used for Q3'11 applies to Q3'10, etc).*

Annex 3

Worldwide Cardmember Lending

($ in billions, except percentages)

	Q4'08	Q1'09	Q2'09	Q3'09	Q4'09
Total Worldwide Ending Loans					
GAAP	$ 42.2	$ 36.7	$ 32.5	$31.5	$32.8
Growth vs PY	*(22%)*	*(26%)*	*(34%)*	*(31%)*	*(22%)*
Managed	$ 72.0	$ 65.0	$ 62.9	$60.7	$61.8
Growth vs PY	*(7%)*	*(13%)*	*(18%)*	*(20%)*	*(14%)*

For periods ended on or prior to December 31, 2009, information presented is based on the Company's historical non-GAAP, or "managed" basis presentation. Unlike the GAAP basis presentation, the information presented on a managed basis in such periods includes both the securitized and non-securitized cardmember loans. The adoption of new GAAP on January 1, 2010 resulted in accounting for both the Company's securitized and non-securitized cardmember loans in the consolidated financial statements. As a result, the Company's 2010 GAAP presentations and managed basis presentations prior to 2010 are generally comparable. Refer to page 19 in the Company's fourth quarter 2010 earnings financial tables for a discussion of managed basis information.

Annex 4

($ in millions, except percentages)

	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11
USCS - Net Interest Yield on Cardmember Loans					
Net interest income	$1,122	$1,091	$1,063	$1,128	$1,141
Average loans (billions)	$49.8	$49.6	$49.7	$50.2	$51.4
Adjusted net interest income (A)	$1,143	$1,112	$1,080	$1,142	$1,156
Adjusted average loans (billions) (B)	$49.8	$49.6	$49.5	$50.2	$51.5
Net interest income divided by average loans (C)	8.9%	8.9%	8.6%	8.9%	8.8%
Net interest yield on cardmember loans (D)	9.1%	9.1%	8.7%	9.0%	8.9%

	12/31/10	3/31/11	6/30/11	9/30/11	12/31/11
ICS - Net Interest Yield on Cardmember Loans					
Net interest income	$228	$219	$239	$215	$205
Average loans (billions)	$8.7	$8.8	$8.8	$8.7	$8.5
Adjusted net interest income (A)	$228	$214	$233	$214	$194
Adjusted average loans (billions) (B)	$8.5	$8.7	$8.7	$8.6	$8.4
Net interest income divided by average loans (C)	10.4%	10.1%	10.9%	9.8%	9.6%
Net interest yield on cardmember loans (D)	10.6%	10.0%	10.7%	9.9%	9.2%

(A) Represents net interest income allocated to the Company's cardmember loan portfolio excluding the impact of card fees on loans and balance transfer fees attributable to the Company's cardmember loans. (B) Represents average cardmember loans excluding the impact of deferred card fees, net of deferred direct acquisition costs of cardmember loans. (C) This calculation includes elements of total interest income and total interest expense that are not attributable to the cardmember loan portfolio, and thus is not representative of net interest yield on cardmember loans. The calculation includes interest income and interest expense attributable to investment securities and other interest-bearing deposits as well as to cardmember loans, and interest expense attributable to other activities, including cardmember receivables. (D) Net interest yield on cardmember 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 cardmember loans includes interest that is deemed uncollectible. For all presentations of net interest yield on cardmember loans, reserves and net write-offs related to uncollectible interest are recorded through provisions for losses - cardmember loans; therefore, such reserves and net write-offs are not included in the net interest yield calculation.

Annex 5

($ in millions)	2007	2008	2009	2010	2011	Q4'10	Q1'11	Q2'11	Q3'11	Q4'11
GAAP Total Revenues Net of Interest Expense	**$27,559**	**$28,365**	**$24,336**	**$27,582**	**$29,962**	**$7,244**	**$7,031**	**$7,618**	**$7,571**	**$7,742**
Securitization Adjustments:										
Discount revenue, net card fees and other	310	400	331	NA	NA	NA	NA	NA	NA	NA
Interest income	3,130	3,512	3,097	NA	NA	NA	NA	NA	NA	NA
Securitization income, net	(1,507)	(1,070)	(400)	NA	NA	NA	NA	NA	NA	NA
Interest expense	(1,136)	(830)	(244)	NA	NA	NA	NA	NA	NA	NA
Managed Total Revenues Net of Interest Expense	**$28,356**	**$30,377**	**$27,120**	**$27,582**	**$29,962**	**$7,244**	**$7,031**	**$7,618**	**$7,571**	**$7,742**
GAAP Total Expenses	**$17,762**	**$18,986**	**$16,182**	**$19,411**	**$21,894**	**$5,528**	**$5,202**	**$5,496**	**$5,611**	**$5,585**
GAAP Total Expenses divided by GAAP Total Revenues Net of Interest Expense	*64%*	*67%*	*66%*	*70%*	*73%*	*76%*	*74%*	*72%*	*74%*	*72%*
MA/V Settlement	1130	580	880	880	580	220	220	220	70	70
Adjusted Exp	$18,892	$19,566	$17,062	$20,291	$22,474	$5,748	$5,422	$5,716	$5,681	$5,655
Margin on Slide	*67%*	*64%*	*63%*	*74%*	*75%*	*79%*	*77%*	*75%*	*75%*	*73%*

Note: Beginning in 2011, the Company reclassified certain contractual lump sum payments to partners as either contra discount revenue or marketing and promotion expense rather than 'Other, net' expense. Results for 2009 and 2010 reflect this change. Periods prior to 2009 have not been revised to reflect this change. For periods ended on or prior to December 31, 2009, information presented is based on the Company's historical non-GAAP, or "managed" basis presentation. Unlike the GAAP basis presentation, the information presented on a managed basis in such periods includes both the securitized and non-securitized cardmember loans. The adoption of new GAAP on January 1, 2010 resulted in accounting for both the Company's securitized and non-securitized cardmember loans in the consolidated financial statements. As a result, the Company's 2010 GAAP presentations and managed basis presentations prior to 2010 are generally comparable. Refer to page 19 in the Company's fourth quarter 2010 earnings financial tables for a discussion of managed basis information.

Annex 6

The Tier 1 Common Risk-Based Capital Ratio is calculated as Tier 1 Common Equity, a non-GAAP measure, divided by Risk-weighted assets. Tier 1 Common Equity is calculated by reference to Total Shareholders' Equity as shown below:

Tier 1 Common Equity Reconciliation as of December 31, 2011

($ in Millions)

Total Shareholders' Equity	*18,794*
Effect of certain items in accumulated other comprehensive income/(loss) excluded from Tier 1 common equity	194
Less:	
Ineligible goodwill and intangible assets	(4,051)
Ineligible deferred tax assets	(58)
Tier 1 Common Equity	***$ 14,879***

Forward-Looking Statements

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are subject to risks and uncertainties. The forward-looking statements, which address the Company's expected business and financial performance, among other matters, contain words such as "believe," "expect," "estimate," "anticipate," "optimistic," "intend," "plan," "aim," "will," "may," "should," "could," "would," "likely," and similar expressions. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The Company undertakes no obligation to update or revise any forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements, include, but are not limited to, the following:

•changes in global economic and business conditions, including consumer and business spending, the availability and cost of credit, unemployment and political conditions, all of which may significantly affect spending on American Express cards, delinquency rates, loan balances and other aspects of our business and results of operations;

•changes in capital and credit market conditions, including sovereign credit worthiness, which may significantly affect the Company's ability to meet its liquidity needs, access to capital and cost of capital, including changes in interest rates; changes in market conditions affecting the valuation of the Company's assets; or any reduction in the Company's credit ratings or those of its subsidiaries, which could materially increase the cost and other terms of the Company's funding, restrict its access to the capital markets or result in contingent payments under contracts;

•litigation, such as class actions or proceedings brought by governmental and regulatory agencies (including the lawsuit filed against the Company by the U.S. Department of Justice and certain state attorneys general), that could result in (i) the imposition of behavioral remedies against the Company or the Company voluntarily making certain changes to its business practices, the effects of which in either case could have a material adverse impact on the Company's financial performance; (ii) the imposition of substantial monetary damages in private actions against the Company; and/or (iii) damage to the Company's global reputation and brand;

•legal and regulatory developments wherever the Company does business, including legislative and regulatory reforms in the United States, such as the Dodd-Frank Reform Act's stricter regulation of large, interconnected financial institutions, changes in requirements relating to securitization and the establishment of the Bureau of Consumer Financial Protection, which could make fundamental changes to many of the Company's business practices or materially affect its capital requirements, results of operations, or ability to pay dividends or repurchase its stock; actions and potential future actions by the FDIC and credit rating agencies applicable to securitization trusts, which could impact the Company's ABS program; or potential changes in the federal tax system that could substantially alter, among other things, the taxation of the Company's international businesses, the allowance of deductions for significant expenses, or the incidence of consumption taxes on the Company's transactions, products and services;

•the Company's net interest yield on U.S. cardmember loans not remaining at historical levels, which will be influenced by, among other things, the effects of the CARD Act (including the regulations requiring the Company to periodically reevaluate APR increases), interest rates, changes in consumer behavior that affect loan balances, such as paydown rates, the credit quality of the Company's portfolio and the Company's cardmember acquisition strategy, product mix, cost of funds, credit actions, including line size and other adjustments to credit availability, and potential pricing changes;

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•changes in the substantial and increasing worldwide competition in the payments industry, including competitive pressure that may impact the prices the Company charges merchants that accept the Company's cards and the success of marketing, promotion or rewards programs;

•changes in technology or in the Company's ability to protect its intellectual property (such as copyrights, trademarks, patents and controls on access and distribution), and invest in and compete at the leading edge of technological developments across the Company's businesses, including technology and intellectual property of third parties on whom the Company relies, all of which could materially affect the Company's results of operations;

•data breaches and fraudulent activity, which could damage the Company's brand, increase the Company's costs or have regulatory implications, and changes in regulation affecting privacy and data security under federal, state and foreign law, which could result in higher compliance and technology costs to the Company or the Company's vendors;

•changes in the Company's ability to attract or retain qualified personnel in the management and operation of the Company's business, including any changes that may result from increasing regulatory supervision of compensation practices;

•changes in the financial condition and creditworthiness of the Company's business partners, such as bankruptcies, restructurings or consolidations, involving merchants that represent a significant portion of the Company's business, such as the airline industry, or the Company's partners in Global Network Services or financial institutions that the Company relies on for routine funding and liquidity, which could materially affect the Company's financial condition or results of operations;

•uncertainties associated with business acquisitions, including the ability to realize anticipated business retention, growth and cost savings, accurately estimate the value of goodwill and intangibles associated with individual acquisitions, effectively integrate the acquired business into the Company's existing operations or implement or remediate controls, procedures and policies at the acquired company;

•the Company may not be able to contain operating expenses in 2012 due to, among other factors, the Company's inability to balance the control and management of expenses and the maintenance of competitive service levels to our businesses and customers, unanticipated increases in significant categories of operating expenses, such as consulting or professional fees, compliance or regulatory costs and technology costs, higher than expected employee levels due to lower than expected attrition rates, or employee needs not currently anticipated, and the levels of acquisition activity and related expenses;

•the Company's ratio of expenses to revenues may not migrate back towards historical levels over time, which will depend on (i) the ability of the Company to grow revenues, which will be impacted by, among other things, the growth of consumer and business spending on American Express cards, higher travel commissions and fees, the growth of and/or higher yields on the loan portfolio and the development of new revenue opportunities, and (ii) the success of the Company in containing operating expenses, which will be impacted by, among other things, the factors identified in the preceding bullet;

Forward-Looking Statements

•changes affecting the success of the Company's reengineering and other cost control initiatives, which may result in the Company not realizing all or a significant portion of the benefits that the Company intends;

•the actual amount to be spent by the Company on investments in the business, including on marketing, promotion, rewards and cardmember services and certain other operating expenses, which will be based in part on management's assessment of competitive opportunities and the Company's performance and the ability to control and manage operating, infrastructure, advertising, promotion and rewards expenses as business expands or changes, including the changing behavior of cardmembers;

•the effectiveness of the Company's risk management policies and procedures, including credit risk relating to consumer debt, liquidity risk in meeting business requirements and operational risk;

•the Company's lending write-off rates for 2012 could increase more quickly and higher than expected, which will depend in part on changes in the level of the Company's loan balances, delinquency rates of cardmembers, unemployment rates, the volume of bankruptcies and recoveries of previously written-off loans;

•changes affecting the Company's ability to accept or maintain deposits due to market demand or regulatory constraints, such as changes in interest rates and regulatory restrictions on the Company's ability to obtain deposit funding or offer competitive interest rates, which could affect the Company's liquidity position and the Company's ability to fund the Company's business;

•factors beyond the Company's control such as fire, power loss, disruptions in telecommunications, severe weather conditions, natural disasters, terrorism, "hackers" or fraud, which could affect travel-related spending or disrupt the Company's global network systems and ability to process transactions; and

•the Company's funding plan for the full year 2012 being implemented in a manner inconsistent with current expectations, which will depend on various factors such as future business growth, the impact of global economic, political and other events on market capacity, demand for securities offered by the Company, regulatory changes, ability to securitize and sell receivables and the performance of receivables previously sold in securitization transactions.

A further description of these uncertainties and other risks can be found in the Company's Annual Report on Form 10-K for the year ended December 31, 2010, the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, June 30 and September 30, 2011, and the Company's other filings with the Securities and Exchange Commission.