

American Express Company Earnings Conference Call Q1’12

April 18, 2012

AMERICAN EXPRESS

Q1'12 Summary Financial Performance

($ in millions, except per share amounts)

	Q1'12	Q1'11	% Inc/(Dec)
Total Revenues Net of Interest Expense	$7,614	$7,031	8%
FX Adjusted†		$7,007	9%
Net Income	$1,256	$1,177	7%
Diluted EPS*	$1.07	$0.97	10%
Return on Average Equity	27%	28%	
Average Diluted Shares Outstanding	1,166	1,198	(3%)

**Attributable to common shareholders. Represents net income less earnings allocated to participating share awards of $14MM for both Q1'12 and Q1'11. †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 Q1'12 foreign exchange rates apply to Q1'11 results). The Company's calculations of non-GAAP measures may differ from the calculations of similarly titled measures of other companies.*

Q1'12 Metric Performance

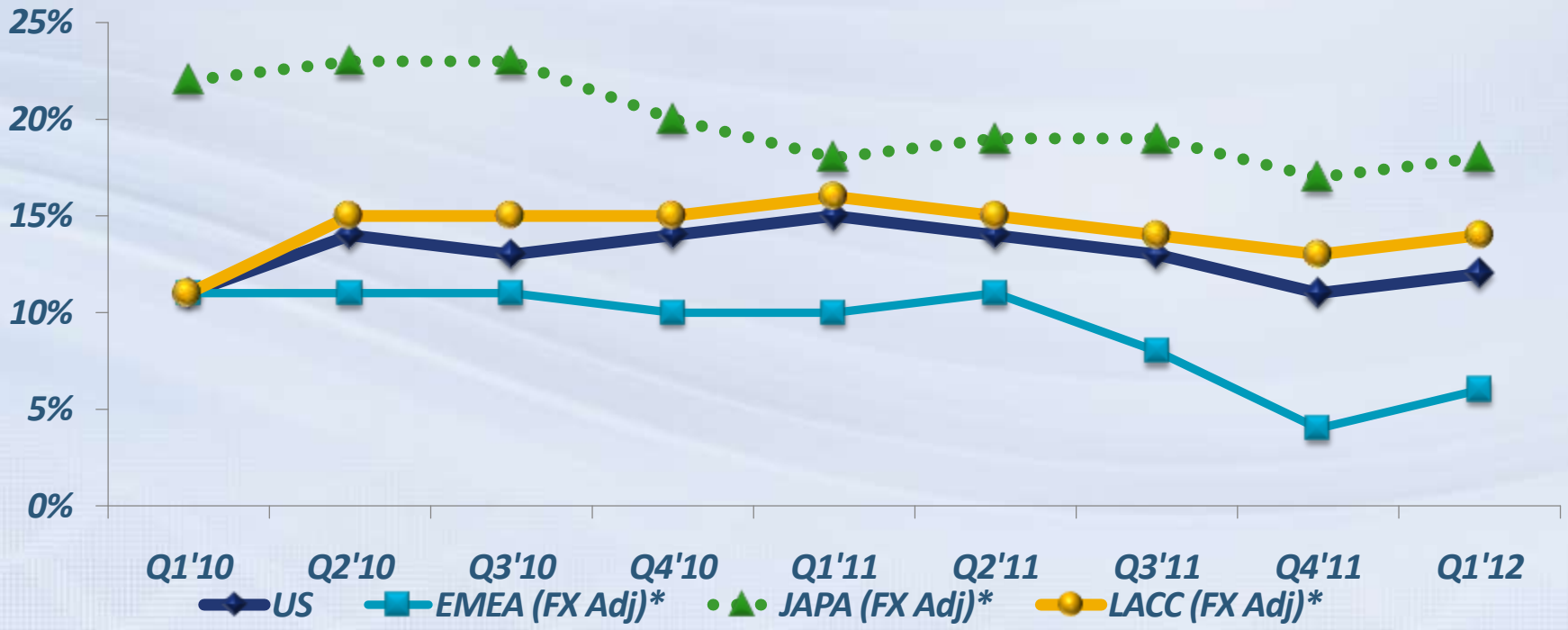
	Q1'12	Q1'11	% Inc/Dec	FX Adj.*
Billed Business ($ in B)**	$211.2	$187.9	12%	13%
Total Cards In Force (MM)	98.7	92.4	7%	
Avg. Basic Cardmember Spending (Dollars)†	$3,772	$3,438	10%	10%
Cardmember Loans ($ in B)	$60.1	$57.8††	4%	4%
WW Travel Sales ($ in B)	$6.2	$6.0	3%	4%

**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 Q1'12 foreign exchange rates apply to Q1'11 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, Q1'11 cardmember loans would have been $57.7B.*

Billed Business Growth by Region

% increase/(decrease) vs. prior year:

Leap Year Impact +

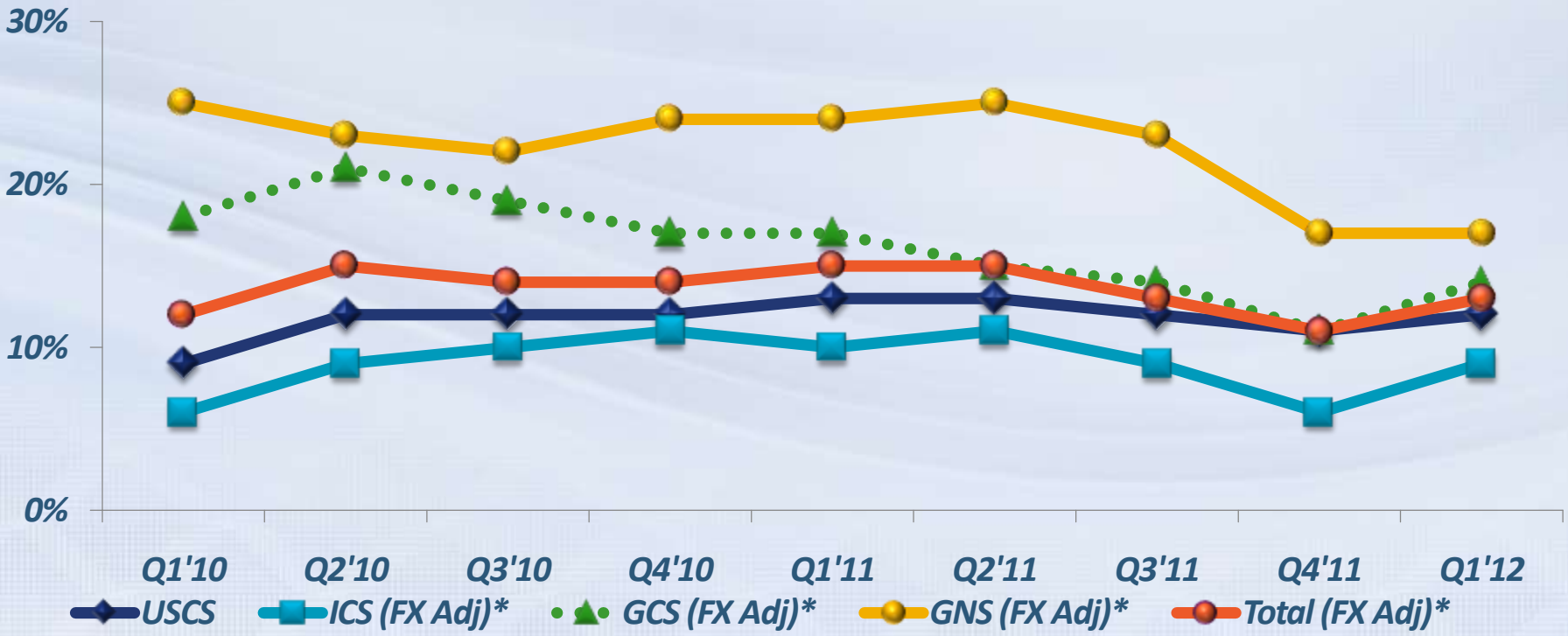


*See Annex 1 for reported billings growth rates.

Billed Business Growth by Segment

% increase/(decrease) vs. prior year:

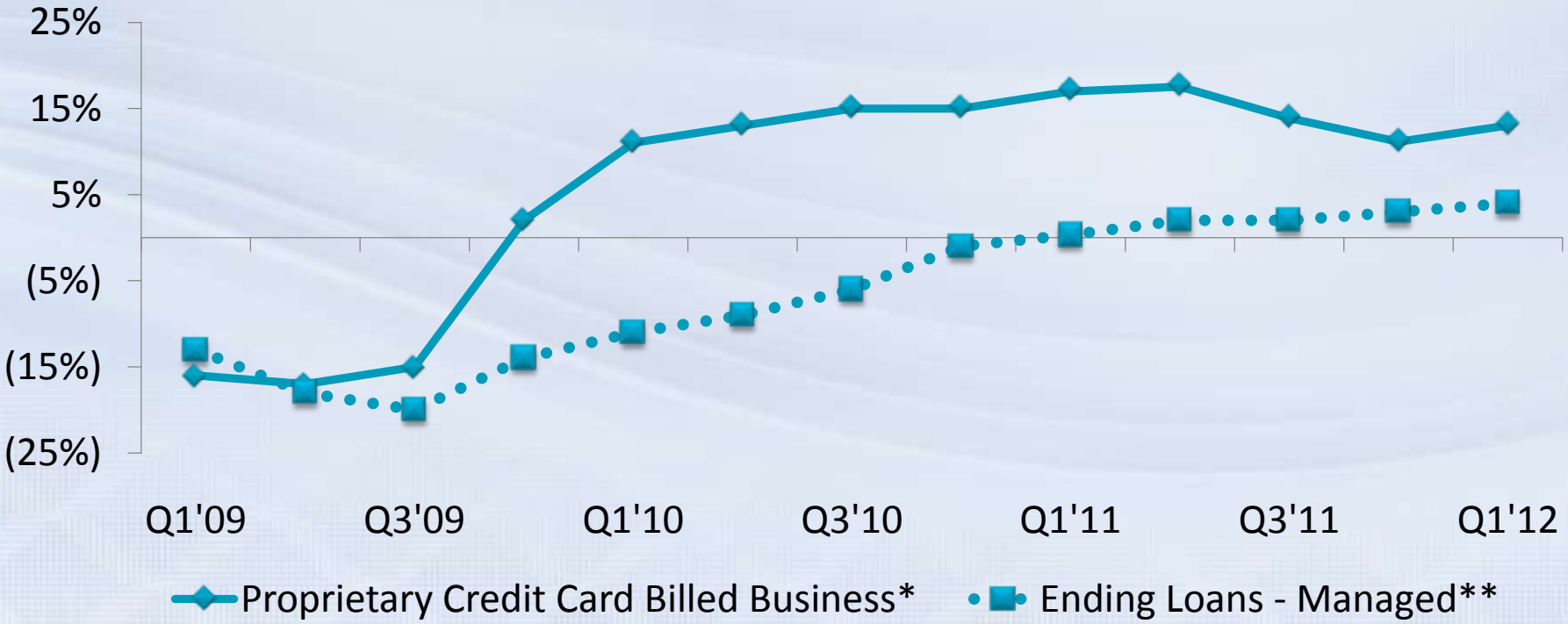
Leap Year Impact +



*See Annex 2 for reported billings growth rates.

Lending Billed Business vs. Managed Loan Growth

% increase/(decrease) vs. prior year:



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

Revenue Performance

($ in millions)	Q1'12	Q1'11	% Inc/(Dec)
Discount Revenue	$4,257	$3,902	9%
Net Card Fees*	610	601	1%
Travel Commissions & Fees	451	454	(1%)
Other Commissions & Fees	583	529	10%
Other Revenue	580	475	22%
Net Interest Income*	1,133	1,070	6%
Total Revenues Net of Interest Expense**	$7,614	$7,031	8%

The Company revised the income statement reporting of card fees on lending products, increasing Net card fees and reducing Interest and fees on loans. Corresponding amounts in prior periods have been reclassified to conform to the current period presentation. Total revenues net of interest expense on an FX adjusted basis, a non-GAAP measure, increased 9%. 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 Q1'12 foreign exchange rates apply to Q1'11 results).*

Provisions for Losses

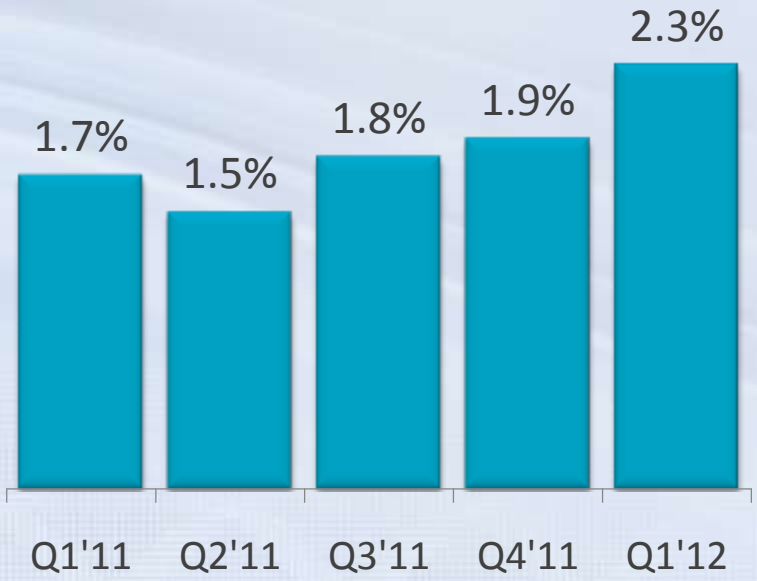
($ in millions)

	Q1'12	Q1'11	% Inc/(Dec)
Charge Card	$178	$198	(10%)
Cardmember Loans	212	(120)	#
Other	22	19	16%
Total*	$412	$97	#
Lending Reserve Release	*$194*	*$725*	*#*

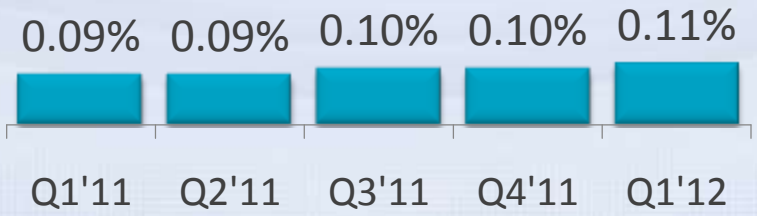
**Total provision on an FX adjusted basis, a non-GAAP measure, increased 329%. FX adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars (i.e., assumes Q1'12 foreign exchange rates apply to Q1'11 results). #-Denotes a variance of more than 100%.*

Charge Card Credit Performance

USCS Net Write-off Rate



ICS/GCS Net Loss Ratio



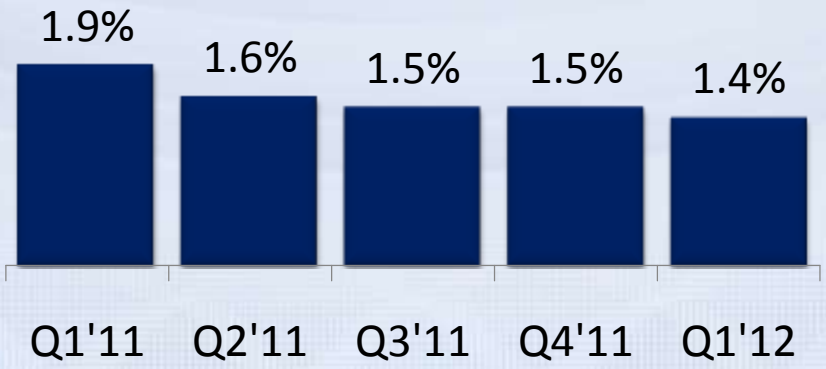
Note: USCS Net write-off rates above include Principal only. See Statistical tables in Q1'12 Earnings Release for net write-off rates including interest and/or fees.

AXP Lending Credit Performance

Net Write-off Rate*



30 Days Past Due



*Rates above include Principal only. See Statistical tables in Q1'12 Earnings Release for net write-off rates including interest and/or fees.

Lending Reserve Coverage

	Q1'12	Q4'11	Q1'11
US Card Services			
% of Loans	2.8%	3.0%	5.2%
% of Past Due	213%	213%	279%
Principal Months Coverage*	14.0x	15.9x	16.0x
Worldwide			
% of Loans	2.8%	3.0%	5.1%
% of Past Due	201%	206%	263%
Principal Months Coverage*	14.0x	15.8x	15.9x

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

Expense Performance

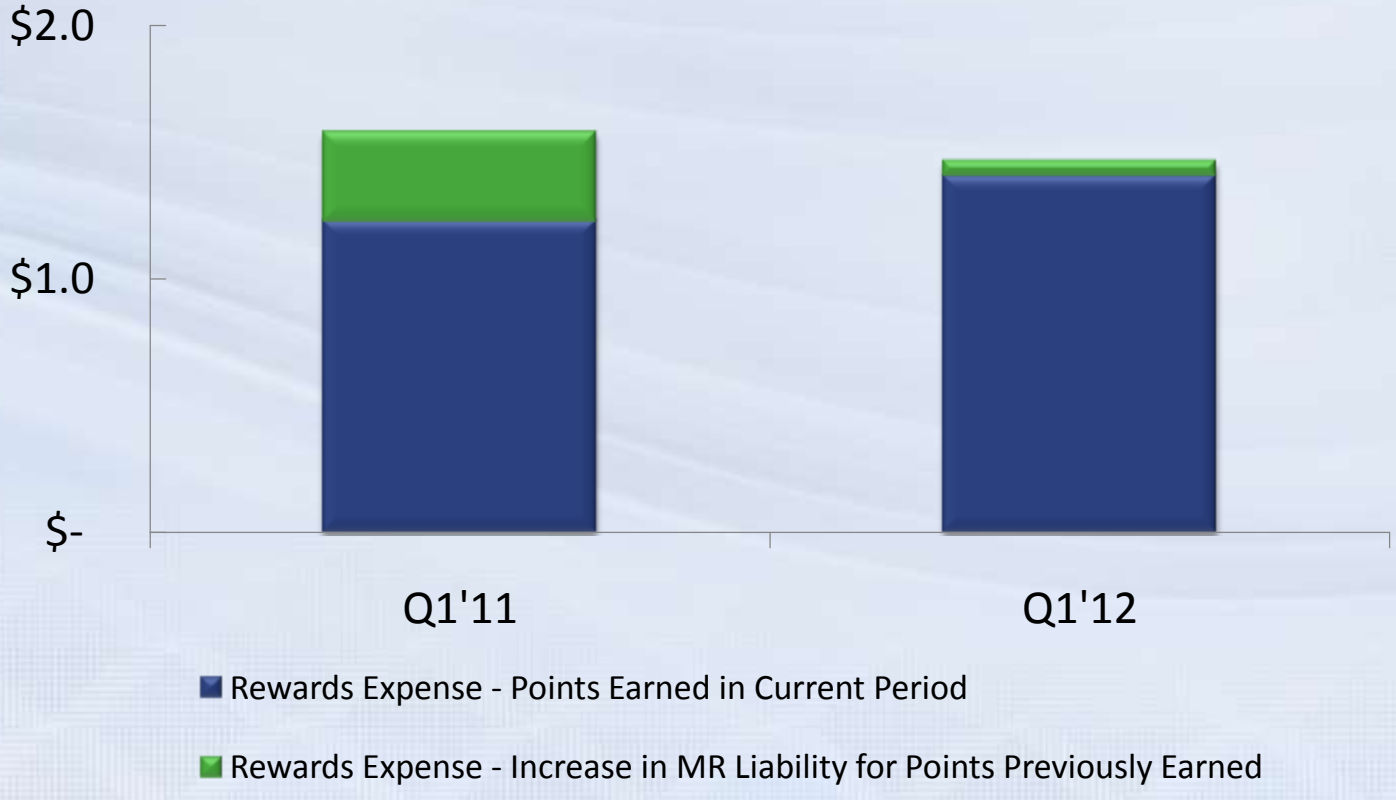
($ in millions)

	Q1'12	Q1'11	% Inc/(Dec)	Adjusted Growth†
Marketing and Promotion	$631	$709	(11%)	
Cardmember Rewards	1,467	1,577	(7%)	
Cardmember Services	221	164	35%	
Total Operating Expenses*	3,110	2,752	13%	5%
Total Expenses**	$5,429	$5,202	4%	0%
Effective Tax Rate	29%	32%		

**Includes salaries and employee benefits, professional services, occupancy and equipment, communications, and other, net. See slide 14 or a breakdown of these amounts. **Total expenses on an FX adjusted basis, a non-GAAP measure, increased 5% versus last year. †The growth rates of adjusted total operating expenses and adjusted total expenses, both non-GAAP measures, are calculated by excluding MasterCard and Visa settlement proceeds from total operating expenses and total expenses, respectively. Refer to Annex 6 for a reconciliation of these adjusted growth rates and their components.*

Cardmember Rewards Expense

($ in billions)



Operating Expense Performance

($ in millions)

	Q1'12	Q1'11	% Inc/(Dec)	Adjusted Growth†
Salaries and Employee Benefits	$1,635	$1,522	7%	
Professional Services	691	663	4%	
Occupancy and Equipment	438	394	11%	
Communications	96	95	1%	
Adjusted Other, Net**	250	298	(16%)	
Litigation Settlement Proceeds	-	(220)	#	
Total Operating Expenses*	$3,110	$2,752	13%	5%

**Total operating expenses on an FX adjusted basis, a non-GAAP measure, increased 13%. 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 Q1'12 foreign exchange rates apply to Q1'11 results). ** Adjusted other, net expense, a non-GAAP measure, is calculated by excluding litigation settlement proceeds, which amounts are set forth as the litigation settlement proceeds line item above. Other, net expense on a GAAP basis equaled $250MM and $78MM for Q1'12 and Q1'11 respectively, representing a growth rate of 221%. †The growth rate of adjusted total operating expenses, a non-GAAP measure, excludes litigation settlement proceeds from total operating expenses. Refer to Annex 6 for a reconciliation of adjusted growth rates and their components. #-Denotes a variance of more than 100%.*

Total Operating Expense

($ in billions)



Note: Operating Expense includes salaries and employee benefits, professional services, occupancy and equipment, communications, and other, net.

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 in Q1'11 and 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 4 for total expenses as a % of total revenue net of interest expense on a GAAP basis.*

Capital Ratios

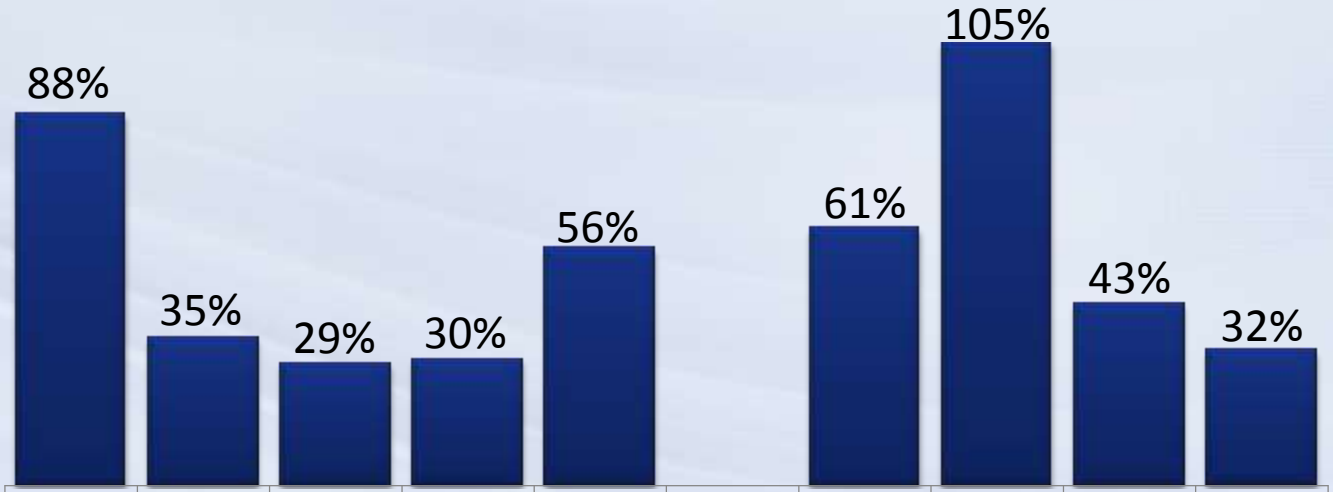
(Preliminary)

	Q1'12	Q4'11
Tier 1 Common Risk-Based*	13.4%	12.3%
Tier 1 Leverage	10.8%	10.2%
Tier 1 Risk-Based Capital	13.4%	12.3%
Total Risk-Based Capital	15.4%	14.3%
Tangible Common Equity to Risk-Weighted Assets ("TCE/RWA")**	13.2%	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 Form 10-Q for the period ending March 31, 2012 . *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 5 for reconciliation between Tier 1 Common Equity and Total Shareholders' Equity. **Common equity equals Total Shareholders' equity of $19.9B. TCE, a non-GAAP measure, equals common shareholders' equity, less goodwill and intangibles of $4.3B for Q1'12. RWA are $118.1B for Q1'12. 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



($ in billions)	2007	2008	2009*	2010	2011	Q2'11	Q3'11	Q4'11	Q1'12
Share Repurchases	$3.6	$0.2	-	$0.6	$2.3	$0.8	$1.2	$0.3	$0.2

*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.*

Q1'12 Liquidity Snapshot

($ in billions)

Resources	
Cash*	$20
Readily Marketable Securities	1
Liquidity Portfolio	21
Commercial Paper Outstanding	(1)
Excess Cash & Securities	**$20**

Funding Maturities	
Q2‘12	4
Q3'12	4
Q4'12	4
Q1‘13	1
Twelve Month Maturities	**$13****

** Includes $27.1B classified as Cash and Cash Equivalents, less $7.1B of cash available to fund day-to-day operations. Cash also includes $174MM classified as Other Assets on the Company’s balance sheet, which is held against certain forthcoming asset-backed principal securitization maturities. **Includes maturities of long term unsecured debt of $3.3B, asset-backed securitization liabilities of $6.3B and long-term certificates of deposit of $2.9B.*

US Retail Deposit Programs

($ in billions)

	Direct *	Third Party CDs	Third Party Sweep	Total Deposits
December 31, 2011 Balance	$15.5	$10.8	$11.0	$37.3
Maturities	(0.1)	(1.1)	-	(1.2)
Amount Raised	1.3	-	0.1	1.4
March 31, 2012 Balance	$16.7	$9.7	$11.1	$37.5

Retail CD Portfolio†: 3/31/12		
	Weighted Avg., Remaining Maturity	21 Months
	Weighted Avg., Rate at Issuance	2.2%

*Direct primarily includes the Personal Savings Program, which consists of $15.8B from high yield savings accounts and $0.9B from retail CDs. †Retail CDs include both third party and direct CDs.


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Annex 1

Region Billed Business - Reported & FX Adjusted*

% increase/(decrease) vs. prior year:

	Q1'10	Q2'10	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11	Q4'11	Q1'12
U.S.	11%	14%	13%	14%	15%	14%	13%	11%	12%
International									
Reported	27%	19%	17%	16%	20%	27%	21%	10%	12%
FX Adjusted	14%	16%	16%	15%	14%	15%	14%	11%	13%
EMEA									
Reported	16%	5%	5%	4%	13%	23%	15%	4%	4%
FX Adjusted	11%	11%	11%	10%	10%	11%	8%	4%	6%
JAPA									
Reported	44%	34%	31%	29%	28%	36%	31%	18%	22%
FX Adjusted	22%	23%	23%	20%	18%	19%	19%	17%	18%
LACC									
Reported	26%	24%	19%	18%	21%	22%	18%	8%	11%
FX Adjusted	11%	15%	15%	15%	16%	15%	14%	13%	14%

**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 Q1'12 applies to Q1'11; rate used for Q4'11 applies to Q4'10, etc).*

Annex 2

Segment Billed Business - Reported & FX Adjusted*

% increase/(decrease) vs. prior year:

	Q1'10	Q2'10	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11	Q4'11	Q1'12
ICS									
Reported	19%	12%	12%	12%	16%	24%	17%	6%	8%
FX Adjusted	6%	9%	10%	11%	10%	11%	9%	6%	9%
GCS									
Reported	23%	21%	19%	16%	19%	19%	17%	10%	13%
FX Adjusted	18%	21%	19%	17%	17%	15%	14%	11%	14%
GNS									
Reported	36%	27%	24%	26%	29%	36%	30%	17%	17%
FX Adjusted	25%	23%	22%	24%	24%	25%	23%	17%	17%
Total									
Reported	16%	16%	14%	15%	17%	18%	16%	11%	12%
FX Adjusted	12%	15%	14%	14%	15%	15%	13%	11%	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 Q1'12 applies to Q1'11; rate used for Q4'11 applies to Q4'10, etc).*

Annex 3

Worldwide Cardmember Lending

($ in billions, except percentages)

	Q1'09	Q2'09	Q3'09	Q4'09
Total Worldwide Ending Loans				
GAAP	$ 36.7	$ 32.5	$31.5	$32.8
Growth vs PY	*(26%)*	*(34%)*	*(31%)*	*(22%)*
Managed	$ 65.0	$ 62.9	$60.7	$61.8
Growth vs PY	*(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)	2007	2008	2009	2010	2011	Q1'11	Q2'11	Q3'11	Q4'11	Q1'12
GAAP Total Revenues Net of Interest Expense	**$27,559**	**$28,365**	**$24,336**	**$27,582**	**$29,962**	**$7,031**	**$7,618**	**$7,571**	**$7,742**	**$7,614**
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**	**$7,031**	**$7,618**	**$7,571**	**$7,742**	**$7,614**
GAAP Total Expenses	**$17,762**	**$18,986**	**$16,182**	**$19,411**	**$21,894**	**$5,202**	**$5,496**	**$5,611**	**$5,585**	**$5,429**
GAAP Total Expenses divided by GAAP Total Revenues Net of Interest Expense	*64%*	*67%*	*66%*	*70%*	*73%*	*74%*	*72%*	*74%*	*72%*	*71%*
MA/V Settlement	1130	580	880	880	580	220	220	70	70	-
Adjusted Exp	$18,892	$19,566	$17,062	$20,291	$22,474	$5,422	$5,716	$5,681	$5,655	$5,429
Margin on Slide	*67%*	*64%*	*63%*	*74%*	*75%*	*77%*	*75%*	*75%*	*73%*	*71%*

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 5

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 March 31, 2012
($ in Millions)

Total Shareholders' Equity	*19,907*
Effect of certain items in accumulated other comprehensive income/(loss) excluded from Tier 1 common equity	167
Less:	
Ineligible goodwill and intangible assets	(4,043)
Ineligible deferred tax assets	(230)
Tier 1 Common Equity	***$ 15,801***

Annex 6

($ in millions)

	Q1'12	Q1'11	% Increase
GAAP Total Operating Expenses	$ 3,110	$ 2,752	13%
Litigation Settlement Payments	$ -	$ 220	
Adjusted Total Operating Expenses	**$ 3,110**	**$ 2,972**	**5%**
GAAP Total Expenses	$ 5,429	$ 5,202	4%
Litigation Settlement Payments	$ -	$ 220	
Adjusted Total Expenses	**$ 5,429**	**$ 5,422**	**0%**

Note: Total operating expenses were $11,964MM in FY'11. Excluding litigation settlement proceeds of $580MM ($220MM in each of Q1 and Q2'11 and $70MM in each of Q3 and Q4'11), adjusted total operating expenses were $12,544MM in FY'11.

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 the Company's 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 ability of the Company to generate its on-average and over-time growth targets for revenues net of interest expense, earnings per share and return on average equity, which will depend on the factors such as the Company's success in implementing its strategies and initiatives, meeting its targets for operating expenses and on factors outside management's control including changes in the economic and business environment, the effectiveness of marketing and loyalty programs, and the willingness of cardmembers to sustain spending;

Forward Looking Statements

•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;

•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;

•uncertainty relating to the actual growth of operating expenses in 2012 and subsequent years, which will depend in part on the Company's ability to balance the control and management of expenses and the maintenance of competitive service levels to its 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, the Company's decision to increase or decrease discretionary operating expenses depending on overall business performance, the impact of changes in foreign currency exchange rates on costs and results, and the level of acquisition activity and related expenses;

Forward Looking Statements

•uncertainty in the growth of operating expenses relative to the growth of revenues in 2012 and subsequent years and the possibility that the ratio of total expenses to revenues will not migrate back towards historical levels over time, which will depend on (i) factors affecting revenue, such as, 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, and in containing other expenses including the Company's ability to control and manage marketing and promotion expenses as described below as well as expenses related to increased redemptions or other growth in rewards and card member services expenses. Further, in any period, the ability to grow revenue faster than operating expenses and the ratio of total expenses to revenues may be impacted by rapid decreases in revenues that cannot be matched by decreases in operating expenses;

•uncertainty in the amount of marketing and promotion expenses relative to the revenues in 2012, which will depend on (i) factors affecting revenue, which will be impacted by, among other things, the factors identified in the preceding bullet and (ii) the Company's ability to control and manage marketing and promotion expenses as described below, the availability of opportunities to invest at a higher level due to favorable business results and changes in macroeconomic conditions;

•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 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 not remaining below the average historical levels of the last ten years, 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 or desire to repurchase up to $4 billion of its common shares in 2012 and up to $1 billion in the first quarter of 2013, such as acquisitions, results of operations and capital needs, among other factors;

•the ability of the Company to maintain and expand its presence in the digital payments space, including as an online payments provider, which will depend on the Company's success in evolving its business models and processes for the digital environment, building partnerships and executing programs with companies, and utilizing digital capabilities that can be leveraged for future growth;

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•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;

•the failure of the U.S. Congress to renew legislation regarding the active financing exception to Subpart F of the Internal Revenue Code, which could increase the Company's effective tax rate and have an adverse impact on net income;

•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 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, 2011 and the Company's other filings with the Securities and Exchange Commission.