

American Express Company Earnings Conference Call Q3'12

October 17, 2012

AMERICAN EXPRESS

Q3'12 Summary Financial Performance

($ in millions, except percentages and per share amounts)

	Q3'12	Q3'11	% Inc/(Dec)
Total Revenues Net of Interest Expense	$7,862	$7,571	4%
FX Adjusted†		*$7,458*	5%
Pre-Tax Income	$1,870	$1,711	9%
Net Income	$1,250	$1,235	1%
Diluted EPS*	$1.09	$1.03	6%
Return on Average Equity	26%	28%	
Average Diluted Shares Outstanding	1,132	1,181	(4%)

**Attributable to common shareholders. Represents net income less earnings allocated to participating share awards of $14MM and $15MM for Q3'12 and Q3'11, 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 Q3'12 foreign exchange rates apply to Q3'11 results). In Q2'12, Total Revenues Net of Interest Expense increased 5% on a reported basis and 7% FX Adjusted. The Company's calculations of non-GAAP measures may differ from the calculations of similarly titled measures of other companies.*

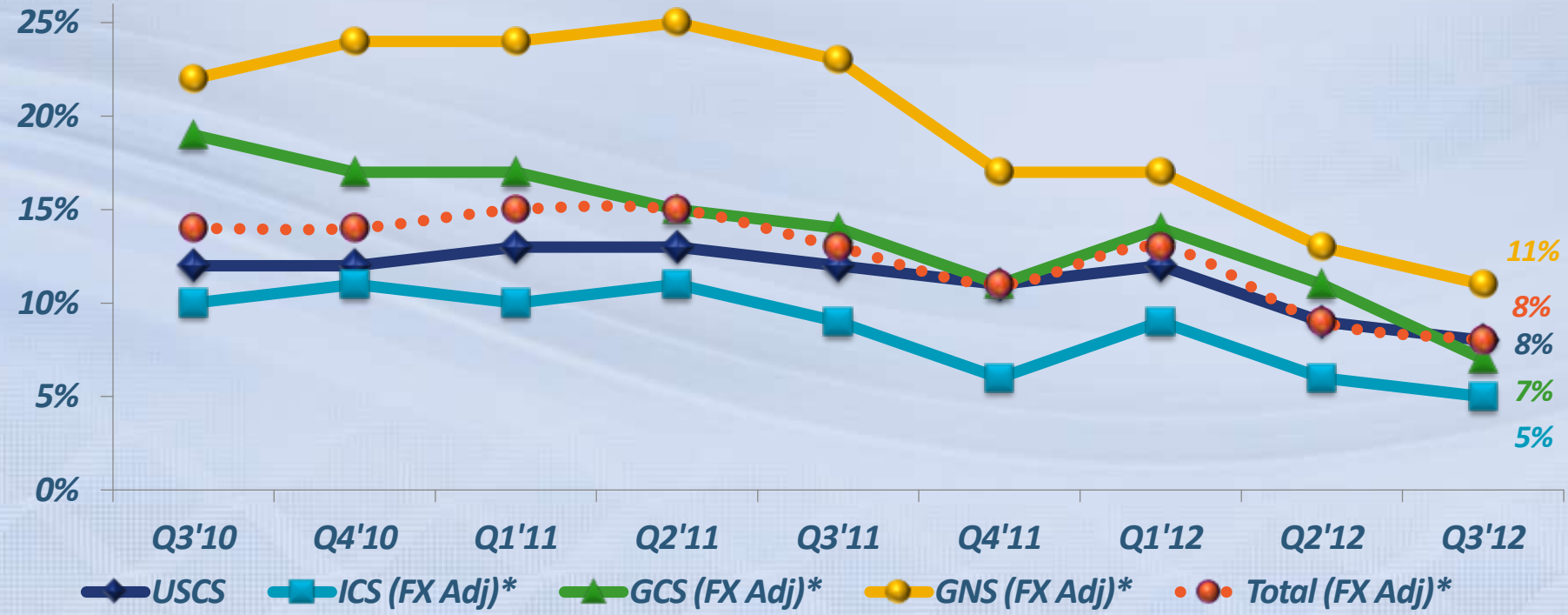
Q3'12 Metric Performance

	Q3'12	Q3'11	% Inc/Dec	FX Adj.*
Billed Business ($ in B)**	$220.1	$207.7	6%	8%
Total Cards In Force (MM)	101.4	95.8	6%	
Avg. Basic Cardmember Spending (Dollars)†	$3,885	$3,739	4%	5%
Cardmember Loans ($ in B)	$61.8	$58.2††	6%	6%

**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 Q3'12 foreign exchange rates apply to Q3'11 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, Q3'11 cardmember loans would have been $58.5B.*

Billed Business Growth by Segment

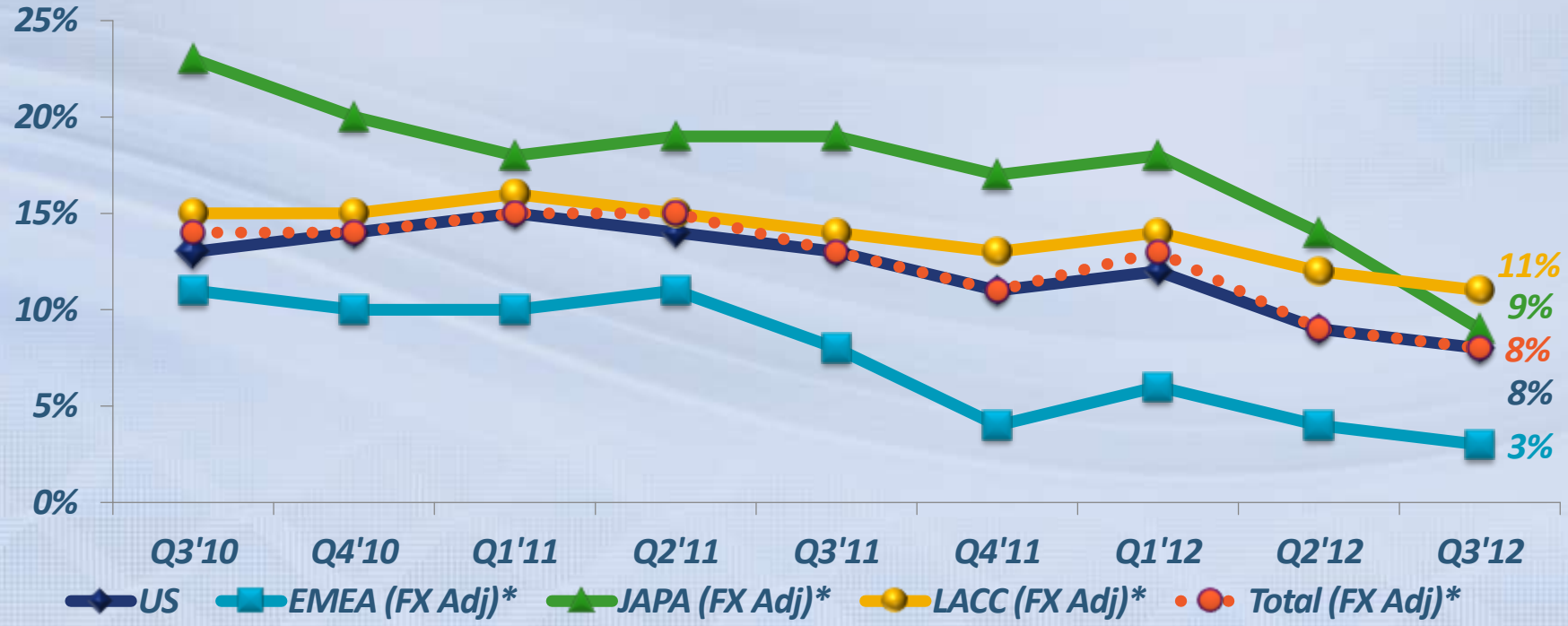
% increase/(decrease) vs. prior year:



*See Annex 1 for reported billings growth rates.

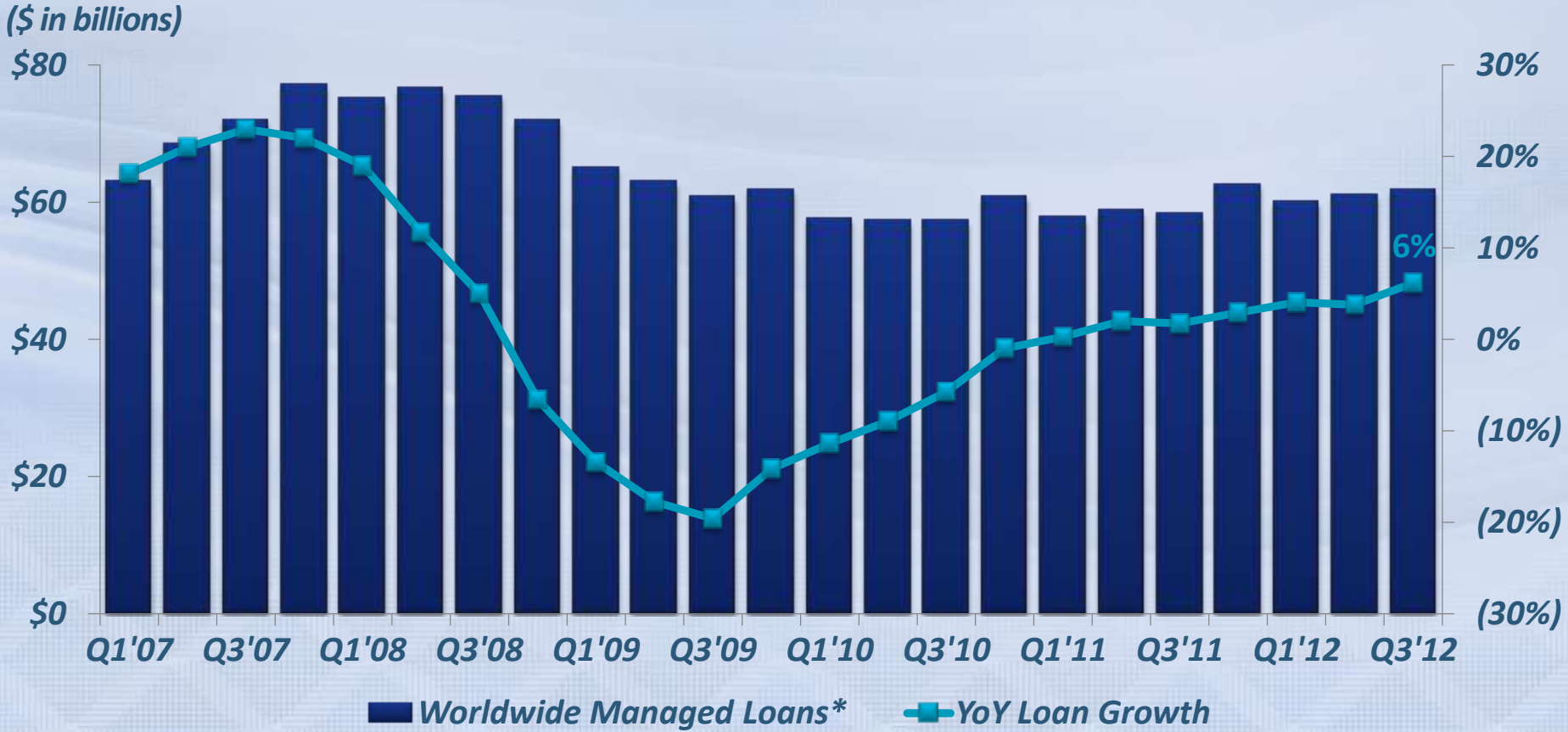
Billed Business Growth by Region

% increase/(decrease) vs. prior year:



*See Annex 2 for reported billings growth rates.

Worldwide Managed Cardmember Loans



*See Annex 3 for GAAP basis for periods prior to 2010

Revenue Performance

($ in millions)	Q3'12	Q3'11	% Inc/(Dec)
Discount Revenue	$4,425	$4,218	5%
Net Card Fees*	633	622	2%
Travel Commissions & Fees	465	480	(3%)
Other Commissions & Fees	581	604	(4%)
Other Revenue	577	534	8%
Net Interest Income*	1,181	1,113	6%
Total Revenues Net of Interest Expense**	$7,862	$7,571	4%

In Q1'12, the Company revised the income statement reporting of card fees on lending products, increasing Net card fees and reducing Interest 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 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 Q3'12 foreign exchange rates apply to Q3'11 results).*

Provisions for Losses

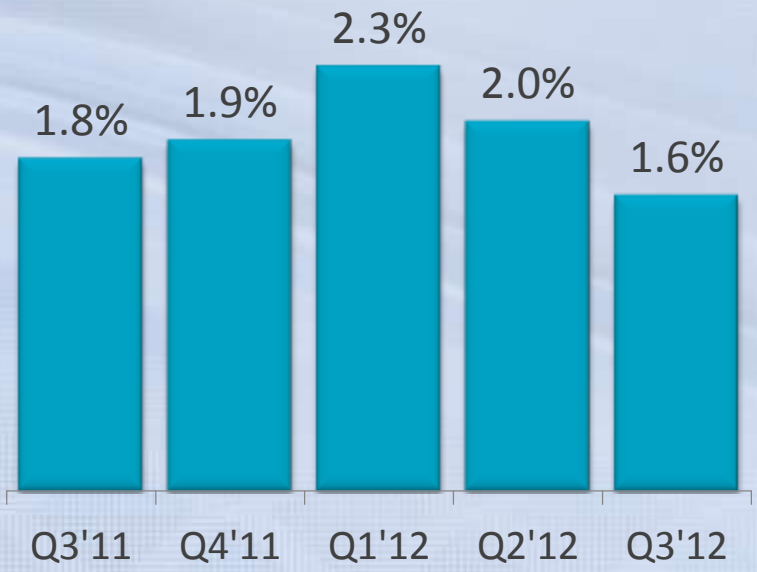
($ in millions)

	Q3'12	Q3'11	% Inc/(Dec)
Charge Card	$190	$174	9%
Cardmember Loans	264	48	#
Other	25	27	(7%)
Total*	$479	$249	92%
Lending Reserve Release	*$88*	*$421*	*(79%)*

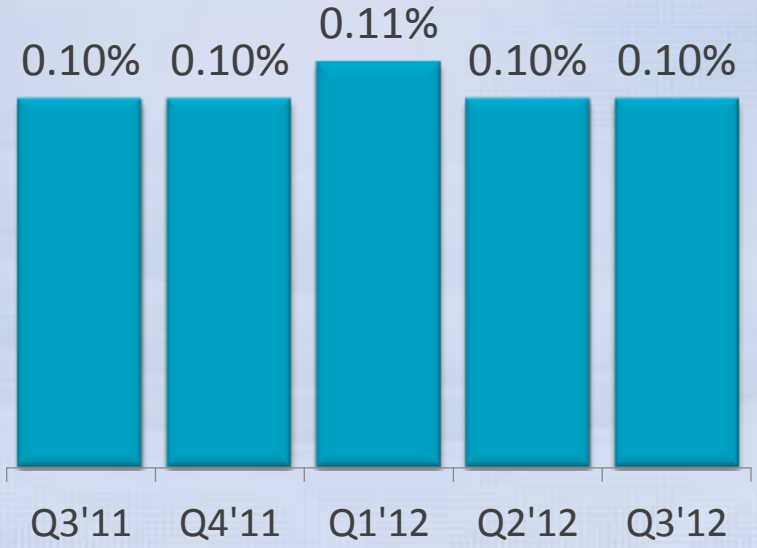
**Total provision on an FX adjusted basis, a non-GAAP measure, increased 96%. FX adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars (i.e., assumes Q3'12 foreign exchange rates apply to Q3'11 results). #- Denotes a variance of more than 100%.*

Charge Card Credit Performance

USCS Net Write-off Rate



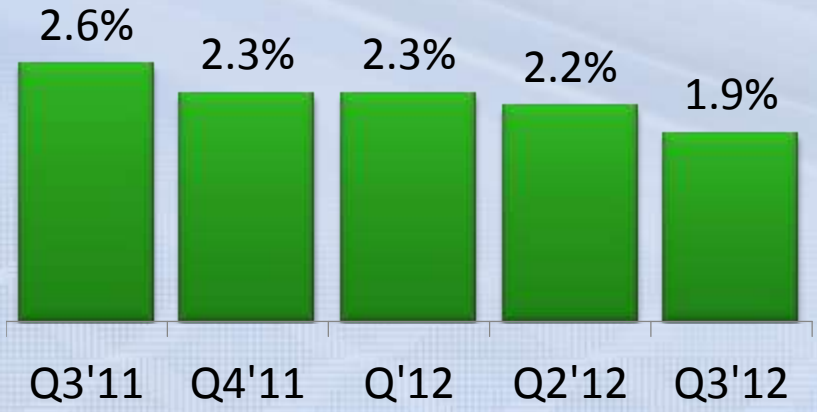
ICS/GCS Net Loss Ratio



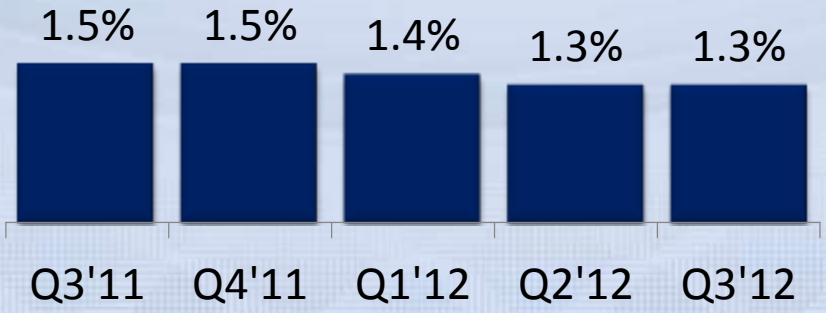
Note: USCS Net write-off rates above include Principal only. See Statistical tables in Q3'12 Earnings Release for net write-off rates including interest and/or fees.

AXP Lending Credit Performance

Net Write-off Rate*



30 Days Past Due



*Rates above include Principal only. See Statistical tables in Q3'12 Earnings Release for net write-off rates including interest and/or fees.

Lending Reserve Coverage

	Q3'12	Q2'12	Q3'11
US Card Services			
% of Loans	2.4%	2.6%	3.7%
% of Past Due	190%	214%	249%
Principal Months Coverage*	14.3x	13.7x	16.5x
Worldwide			
% of Loans	2.4%	2.5%	3.7%
% of Past Due	182%	202%	238%
Principal Months Coverage*	14.5x	13.6x	16.3x

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

Expense Performance

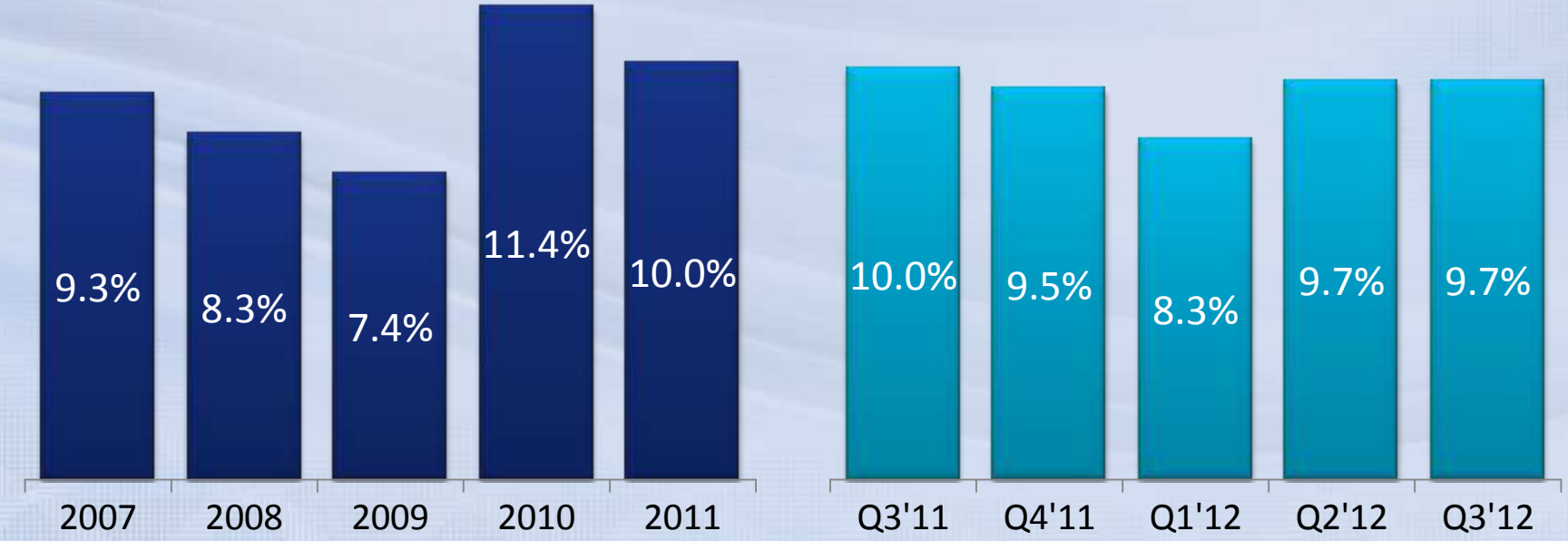
($ in millions)

	Q3'12	Q3'11	% Inc/(Dec)	Adjusted Growth†
Marketing and Promotion	$764	$757	1%	
Cardmember Rewards	1,496	1,565	(4%)	
Cardmember Services	201	189	6%	
Total Operating Expenses*	3,052	3,100	(2%)	(4%)
Total Expenses**	$5,513	$5,611	(2%)	(3%)
Effective Tax Rate	33%	28%		

**Includes salaries and employee benefits, professional services, occupancy and equipment, communications, and other, net. See slide 16 for a breakdown of these amounts. **Total expenses on an FX adjusted basis, a non-GAAP measure, decreased 1% versus last year. 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 Q3'12 foreign exchange rates apply to Q3'11 results). †The growth rates of adjusted total operating expenses and adjusted total expenses, both non-GAAP measures, are calculated by excluding Visa settlement proceeds from total operating expenses and total expenses, respectively. Refer to Annex 4 for a reconciliation of these adjusted growth rates and their components.*

Marketing and Promotion Expense

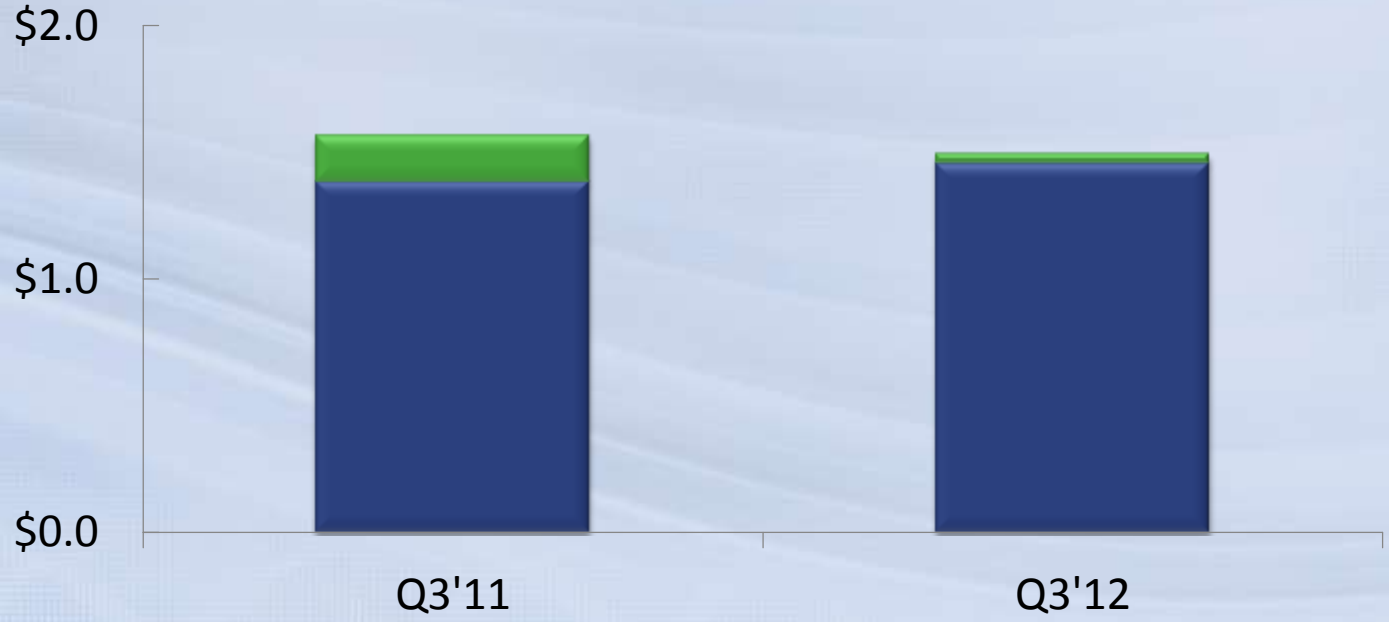
Marketing and Promotion Expense as % of Managed Revenue*



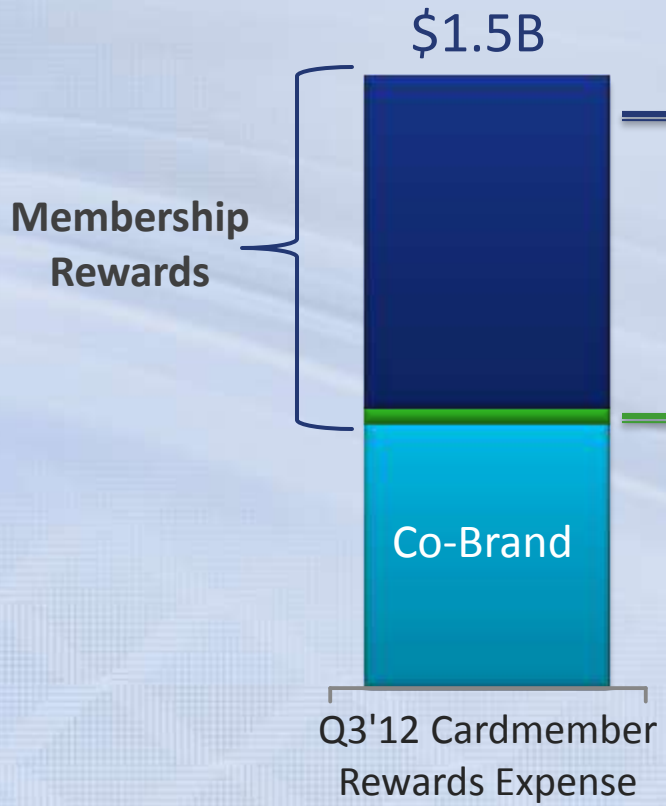
*Note: Beginning in 2011, the Company reclassified certain contractual payments to partners as either contra discount revenue or marketing and promotion expense rather than 'Other, net' expense. Periods prior to 2011 have been revised to reflect this change. *Marketing and promotion expenses as % of total managed revenue net of interest expense, a non-GAAP measure. Refer to Annex 5 for total marketing and promotion expense as a percent of total revenue net of interest expense on a GAAP basis.*

Cardmember Rewards Expense

($ in billions)



Cardmember Rewards Expense



Drivers of MR Related Rewards Expense

Points Earned in Current Period

- Total Spending
- Points Earned per Dollar Spent (i.e. Bonusing)
- URR and WAC*

Points Earned in Previous Periods

- Changes in URR and WAC*
- Applied to all points outstanding at the beginning of the period

**URR is the Ultimate Redemption Rate. WAC is the Weighted Average Cost per Point.*

Operating Expense Performance

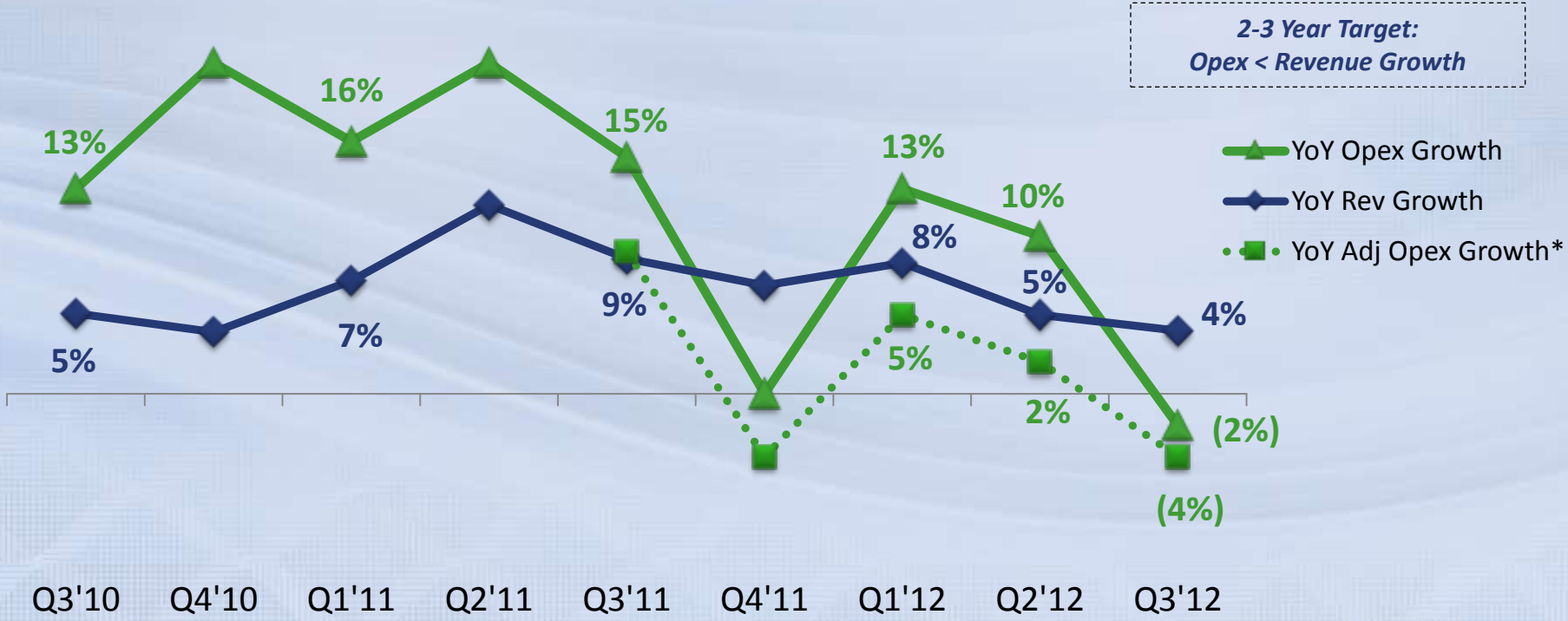
($ in millions)

	Q3'12	Q3'11	% Inc/(Dec)	Adjusted Growth†
Salaries and Employee Benefits	$1,516	$1,598	(5%)	
Professional Services	690	690	-	
Occupancy and Equipment	453	433	5%	
Communications	93	93	-	
Adjusted Other, Net**	300	356	(16%)	
Litigation Settlement Proceeds	-	(70)	#	
Total Operating Expenses*	$3,052	$3,100	(2%)	(4%)

**Total operating expenses on an FX adjusted basis, a non-GAAP measure, were flat. 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 Q3'12 foreign exchange rates apply to Q3'11 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 $300MM and $286MM for Q3'12 and Q3'11 respectively, representing a growth rate of 5%. †The growth rate of adjusted total operating expenses, a non-GAAP measure, excludes litigation settlement proceeds from total operating expenses. Adjusted Total Operating Expenses on an FX adjusted basis, a non-GAAP measure, decreased 2%. Refer to Annex 4 for a reconciliation of adjusted growth rates and their components. #-Denotes a variance of more than 100%.*

Total Operating Expense Growth

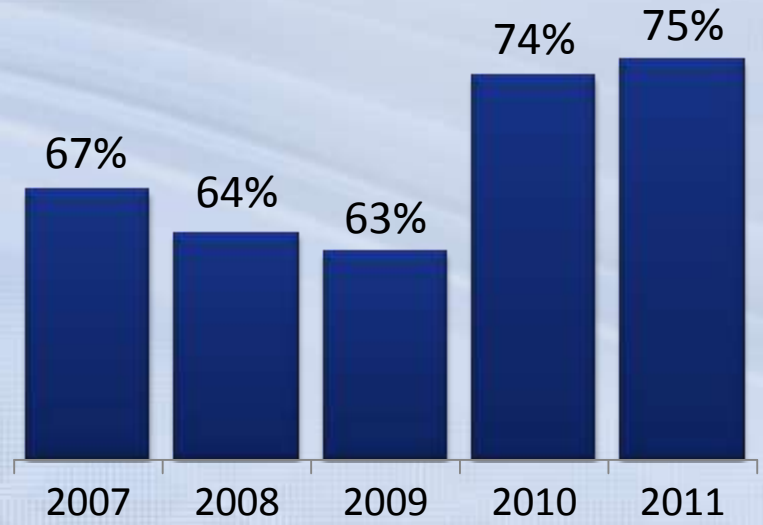
% increase/(decrease) vs. prior year

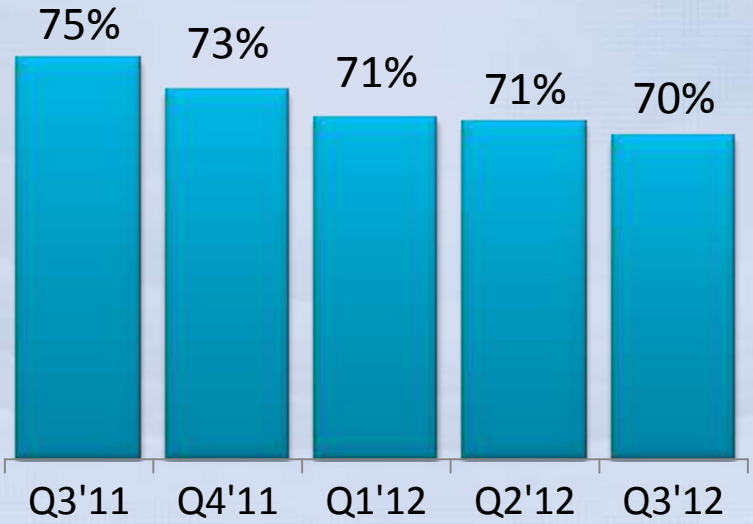


*Note: Operating Expense includes salaries and employee benefits, professional services, occupancy and equipment, communications, and other, net. Revenue represents Total Revenues, net of interest expense.*The growth rate of adjusted total operating expenses, a non-GAAP measure, excludes litigation settlement proceeds from total operating expenses. Refer to Annex 6 for a reconciliation of adjusted growth rates and their components.*

Expense to Revenue Ratio

Adjusted Expenses as % of Managed Revenue*





**Adjusted Expenses as % of Total managed revenues net of interest expense, a non-GAAP measure. 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, and $70MM in each of 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. Periods prior to 2011 have 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

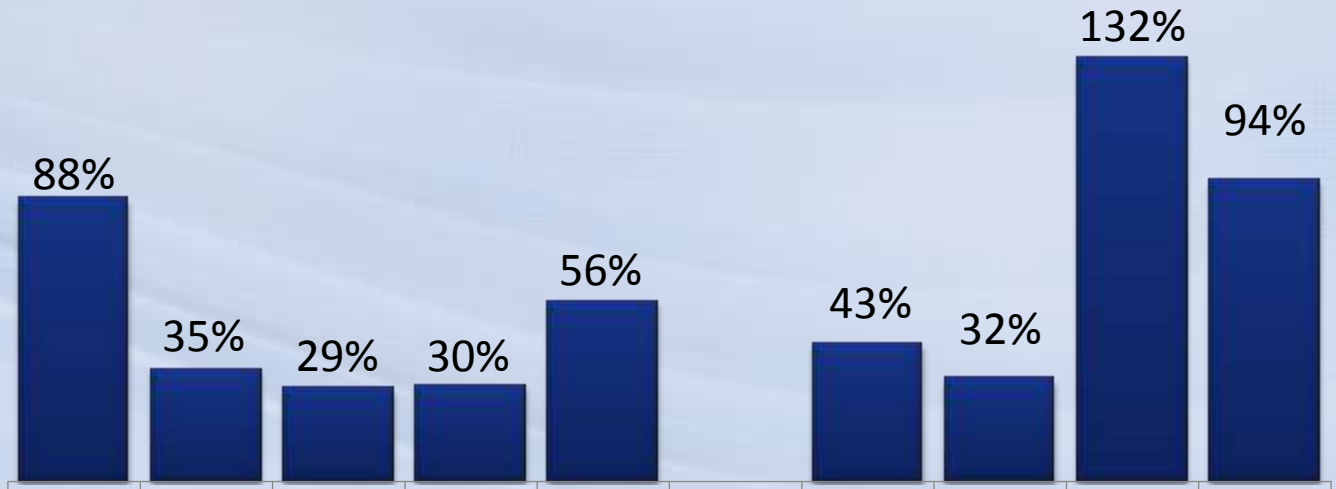
(Preliminary)

	Q3'12	Q2'12
Tier 1 Common Risk-Based*	12.7%	12.8%
Tier 1 Leverage	10.8%	10.7%
Tier 1 Risk-Based Capital	12.7%	12.8%
Total Risk-Based Capital	14.7%	14.8%
Tangible Common Equity to Risk-Weighted Assets ("TCE/RWA")**	12.6%	12.6%

*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 September 30, 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 7 for reconciliation between Tier 1 Common Equity and Total Shareholders' Equity. **Common equity equals Total Shareholders' equity of $19.5B. TCE, a non-GAAP measure, equals common shareholders' equity, less goodwill and intangibles of $4.2B for Q3'12. RWA are $121.4B for Q3'12. 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	Q4'11	Q1'12	Q2'12	Q3'12
Share Repurchases	$3.6	$0.2	-	$0.6	$2.3	$0.3	$0.2	$1.8	$1.0

*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.*

Q3'12 Liquidity Snapshot

($ in billions)

Resources	
Cash*	$18
Readily Marketable Securities	1
Liquidity Portfolio	19
Commercial Paper Outstanding	(1)
Excess Cash & Securities	**$18**

Funding Maturities	
Q4‘12	4
Q1'13	1
Q2'13	6
Q3‘13	5
Twelve Month Maturities	**$16****

** Includes $25.1B classified as Cash and Cash Equivalents, less $7.9B of cash available to fund day-to-day operations. Cash also includes $1.2B 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 $9.1B, asset-backed securitization liabilities of $4.0B and long-term certificates of deposit of $3.2B.*

US Retail Deposit Programs

($ in billions)

	Direct *	Third Party CDs	Third Party Sweep	Total Deposits
June 30, 2012 Balance	$16.4	$9.1	$10.3	$35.8
Maturities	(0.1)	(0.3)	-	(0.4)
Amount Raised	1.4	0.2	-	1.6
September 30, 2012 Balance	$17.7	$9.0	$10.3	$37.0

Retail CD Portfolio†: 9/30/12

Weighted Avg., Remaining Maturity	18.3 Months
Weighted Avg., Rate at Issuance	2.1%

**Direct primarily includes the Personal Savings Direct Deposit Program, which consists of $17.0B from high yield savings accounts and $0.7B from retail CDs. †Retail CDs include both third party and direct CDs.*


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Annex 1

Segment Billed Business - Reported & FX Adjusted*

% increase/(decrease) vs. prior year:

	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11	Q4'11	Q1'12	Q2'12	Q3'12
ICS									
Reported	12%	12%	16%	24%	17%	6%	8%	0%	1%
FX Adjusted	10%	11%	10%	11%	9%	6%	9%	6%	5%
GCS									
Reported	19%	16%	19%	19%	17%	10%	13%	8%	5%
FX Adjusted	19%	17%	17%	15%	14%	11%	14%	11%	7%
GNS									
Reported	24%	26%	29%	36%	30%	17%	17%	7%	6%
FX Adjusted	22%	24%	24%	25%	23%	17%	17%	13%	11%
Worldwide									
Reported	14%	15%	17%	18%	16%	11%	12%	7%	6%
FX Adjusted	14%	14%	15%	15%	13%	11%	13%	9%	8%

**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 Q3'12 applies to Q3'11; rate used for Q2'12 applies to Q2'11, etc).*

Annex 2

Region Billed Business - Reported & FX Adjusted*

% increase/(decrease) vs. prior year:

	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11	Q4'11	Q1'12	Q2'12	Q3'12
EMEA									
Reported	5%	4%	13%	23%	15%	4%	4%	(4%)	(4%)
FX Adjusted	11%	10%	10%	11%	8%	4%	6%	4%	3%
JAPA									
Reported	31%	29%	28%	36%	31%	18%	22%	10%	8%
FX Adjusted	23%	20%	18%	19%	19%	17%	18%	14%	9%
LACC									
Reported	19%	18%	21%	22%	18%	8%	11%	3%	5%
FX Adjusted	15%	15%	16%	15%	14%	13%	14%	12%	11%
Worldwide									
Reported	14%	15%	17%	18%	16%	11%	12%	7%	6%
FX Adjusted	14%	14%	15%	15%	13%	11%	13%	9%	8%

**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 Q3'12 applies to Q3'11; rate used for Q2'12 applies to Q2'11, etc).*

Annex 3

Worldwide Cardmember Lending

($ in billions, except percentages)

Total Worldwide Ending Loans

	Q1'07	Q2'07	Q3'07	Q4'07	Q1'08	Q2'08	Q3'08	Q4'08	Q1'09	Q2'09	Q3'09	Q4'09
GAAP	$42.2	$ 48.2	$ 50.4	$ 54.4	$ 49.4	$ 49.6	$ 45.7	$ 42.2	$ 36.7	$ 32.5	$31.5	$32.8
Growth vs PY	*29%*	*33%*	*32%*	*26%*	*17%*	*3%*	*(9%)*	*(22%)*	*(26%)*	*(34%)*	*(31%)*	*(22%)*
Managed	$63.1	$ 68.5	$ 71.9	$ 77.1	$75.1	$ 76.5	$ 75.5	$ 72.0	$ 65.0	$ 62.9	$60.7	$61.8
Growth vs PY	*18%*	*21%*	*23%*	*22%*	*19%*	*12%*	*5%*	*(7%)*	*(13%)*	*(18%)*	*(20%)*	*(14%)*

Note: 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)	Q3'12	Q3'11	% Increase/ (Decrease)
GAAP Total Operating Expenses	$ 3,052	$ 3,100	(2%)
Litigation Settlement Payments	$ -	$ 70	
Adjusted Total Operating Expenses	**$ 3,052**	**$ 3,170**	**(4%)**
GAAP Total Expenses	$ 5,513	$ 5,611	(2%)
Litigation Settlement Payments	$ -	$ 70	
Adjusted Total Expenses	**$ 5,513**	**$ 5,681**	**(3%)**

Annex 5

($ in millions)	2007	2008	2009	2010	2011	Q3'11	Q4'11	Q1'12	Q2'12	Q3'12
GAAP Total Revenues Net of Interest Expense	**$27,462**	**$28,227**	**$24,336**	**$27,582**	**$29,962**	**$7,571**	**$7,742**	**$7,614**	**$7,965**	**$7,862**
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	**$28,259**	**$30,239**	**$27,120**	**$27,582**	**$29,962**	**$7,571**	**$7,742**	**$7,614**	**$7,965**	**$7,862**

	2007	2008	2009	2010	2011	Q3'11	Q4'11	Q1'12	Q2'12	Q3'12
Marketing and Promotion Expenses	$ 2,630	$ 2,513	$ 2,010	$ 3,147	$ 2,996	$ 757	$ 735	$ 631	$ 773	$ 764
Marketing & Promotion/ GAAP Total Revenues, Net of Interest Expense	*9.6%*	*8.9%*	*8.3%*	*11.4%*	*10.0%*	*10.0%*	*9.5%*	*8.3%*	*9.7%*	*9.7%*
Marketing & Promotion/Mgd Total Revenues, Net of Interest Expense	*9.3%*	*8.3%*	*7.4%*	*11.4%*	*10.0%*	*10.0%*	*9.5%*	*8.3%*	*9.7%*	*9.7%*

	2007	2008	2009	2010	2011	Q3'11	Q4'11	Q1'12	Q2'12	Q3'12
GAAP Total Expenses	**$17,665**	**$18,848**	**$16,182**	**$19,411**	**$21,894**	**$5,611**	**$5,585**	**$5,429**	**$5,625**	**$5,513**
Visa/MasterCard Settlement Payments	1,130	580	880	880	580	70	70	-	-	-
Adjusted Total Expenses	**$18,795**	**$19,428**	**$17,062**	**$20,291**	**$22,474**	**$5,681**	**$5,655**	**$5,429**	**$5,625**	**$5,513**
GAAP Total Expenses / GAAP Total Revenues Net of Interest Expense	*64%*	*67%*	*66%*	*70%*	*73%*	*74%*	*72%*	*71%*	*71%*	*70%*
Adjusted Total Expenses/Managed Total Revenues Net of Interest Expense	*67%*	*64%*	*63%*	*74%*	*75%*	*75%*	*73%*	*71%*	*71%*	*70%*

Note: 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

($ in millions)

	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11	Q4'11	Q1'12	Q2'12	Q3'12
GAAP Total Operating Expenses	**$2,685**	**$3,195**	**$2,752**	**$2,915**	**$3,100**	**$3,197**	**$3,110**	**$3,210**	**$3,052**
Visa/MasterCard Settlement Payments	220	220	220	220	70	70	-	-	-
Adjusted Total Operating Expenses	**$2,905**	**$3,415**	**$2,972**	**$3,135**	**$3,170**	**$3,267**	**$3,110**	**$3,210**	**$3,052**
YoY % Increase/(Decrease) in GAAP Total Operating Expenses					*15%*	*0%*	*13%*	*10%*	*(2%)*
YoY % Increase/(Decrease) in Adjusted Total Operating Expenses					*9%*	*(4%)*	*5%*	*2%*	*(4%)*

Annex 7

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 September 30, 2012

($ in Millions)

Total Shareholders' Equity	*$ 19,478*
Effect of certain items in accumulated other comprehensive loss excluded from Tier 1 common equity	107
Less:	
Ineligible goodwill and intangible assets	(3,936)
Ineligible deferred tax assets	(199)
Tier 1 Common Equity	***$ 15,450***

Tier 1 Common Equity Reconciliation as of June 30, 2012

($ in Millions)

Total Shareholders' Equity	*$ 19,267*
Effect of certain items in accumulated other comprehensive loss excluded from Tier 1 common equity	142
Less:	
Ineligible goodwill and intangible assets	(3,940)
Ineligible deferred tax assets	(218)
Tier 1 Common Equity	***$ 15,251***

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 creditworthiness, 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 and penalties, disgorgement and restitution; 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;

•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 cardmember 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 and subsequent years, 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;

•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 ability of the Company to generate $3 billion in fee revenue by the end of 2014, which will depend on the Company's success in implementing its strategy to increase fee revenue through growing its existing fee-based businesses such as insurance products and other services, acquiring companies with complementary businesses and capabilities, and in introducing new business initiatives, such as Loyalty Edge, Business Insights and its joint venture with Vente-Privee;

•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 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;

Forward Looking Statements

•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;

•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; and

•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.

•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, its Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 2012, and the Company's other filings with the Securities and Exchange Commission.