

American Express Company Earnings Conference Call Q4'12

January 17, 2013

AMERICAN EXPRESS

Q4'12 Summary Financial Performance

($ in millions, except per share amounts)

	Q4'12	Q4'11	% Inc/(Dec)
Total Revenues Net of Interest Expense	$8,141	$7,742	5%
FX Adjusted†		*$7,749*	5%
Net Income	$637	$1,192	(47%)
Diluted EPS*	$0.56	$1.01	(45%)
*Adj. Diluted EPS**	*$1.09*		
Return on Average Equity	23%	28%	
Average Diluted Shares Outstanding	1,116	1,163	(4%)

**Attributable to common shareholders. Represents net income less earnings allocated to participating share awards and other items of $7MM and $14MM for Q4'12 and Q4'11, respectively. Adjusted diluted earnings per share, a non-GAAP measure, is calculated by excluding from diluted EPS the Q4'12 restructuring charges, Membership Rewards expense, and cardmember reimbursements. Refer to slide 3 for a breakdown of these amounts and a reconciliation to diluted EPS on a GAAP basis. †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 Q4'12 foreign exchange rates apply to Q4'11 results). The Company's calculations of non-GAAP measures may differ from the calculations of similarly titled measures of other companies.*

Q4'12 Net Income/EPS Reconciliation

($ in millions, except per share amounts)

	After-Tax Impact	Diluted EPS*
Income from Continuing Operations	$637	$0.56
Restructuring Charges *($400MM pre-tax)*	$287	$0.26
Membership Rewards Expense *($342MM pre-tax)*	$212	$0.19
Cardmember Reimbursements *($153MM pre-tax)*	$95	$0.08
Adjusted Income from Continuing Operations and Adjusted Diluted EPS**	$1,231	$1.09

**Represents net income attributable to common shareholders which is $7MM lower than net income from continuing operations due to the earnings allocated to participating share awards. **Adjusted income from continuing operations and adjusted diluted earnings per share are non-GAAP measures.*

2012 Summary Financial Performance

($ in millions, except per share amounts)

	2012	2011	% Inc/(Dec)
Total Revenues Net of Interest Expense	$31,582	$29,962	5%
FX Adjusted†		*$29,667*	6%
Net Income	$4,482	$4,935	(9%)
Diluted EPS*	$3.89	$4.09	(5%)
*Adjusted Diluted EPS**	*$4.40*		
Average Diluted Shares Outstanding	1,141	1,184	(4%)

**Attributable to common shareholders. Represents net income from continuing operations less earnings allocated to participating share awards and other items of $49MM and $58MM for 2012 and 2011, respectively. Diluted EPS on a net income basis, including results from discontinued operations, was $3.89 and $4.12 for 2012 and 2011, respectively, and decreased 6% versus the prior year. Adjusted diluted earnings per share, a non-GAAP measure, is calculated by excluding from diluted EPS the Q4'12 restructuring charges ($0.25 per share), Membership Rewards expense ($0.19 per share) and cardmember reimbursements ($0.07 per share). To the extent comparable categories of items were recognized in Q1'12, Q2'12 or Q3'12, they were not excluded from FY2012 adjusted diluted EPS †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 2012 foreign exchange rates apply to 2011 results). The Company's calculations of non-GAAP measures may differ from the calculations of similarly titled measures of other companies.*

Q4’12 Metric Performance

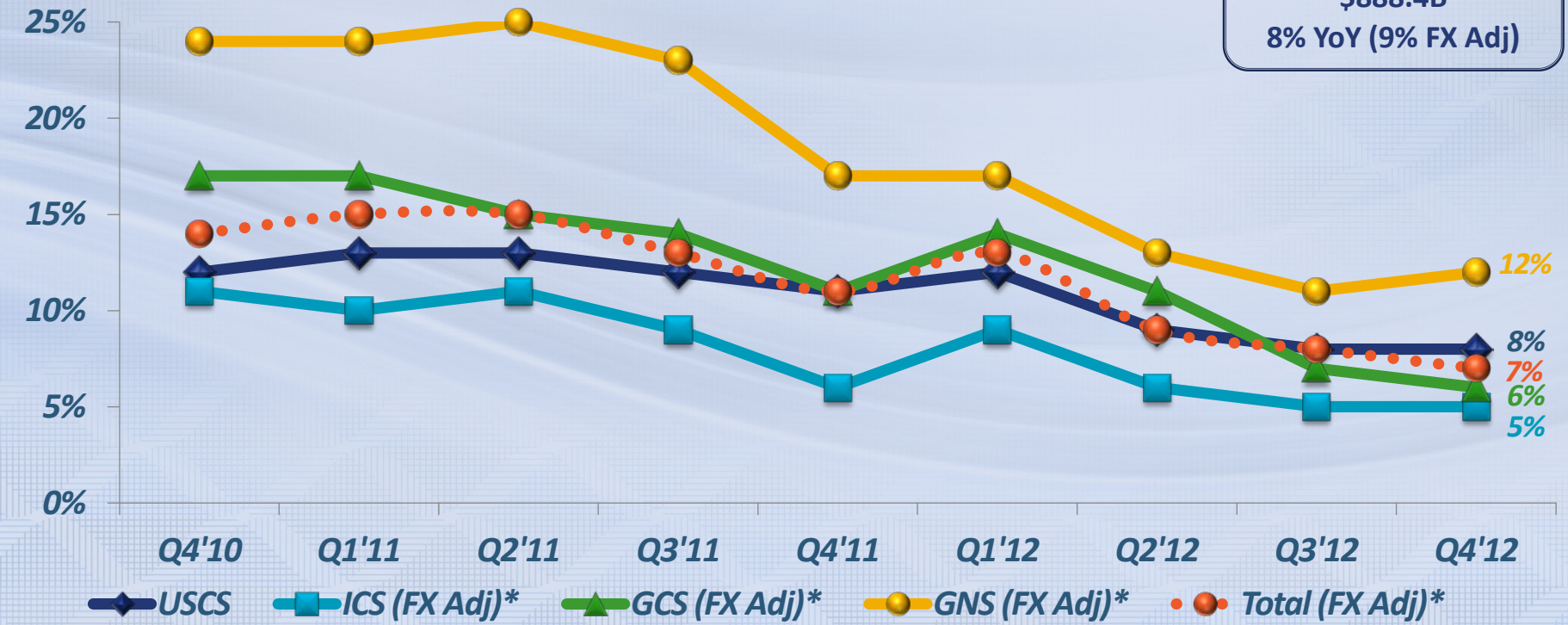
	Q4’12	Q4’11	% Inc/Dec	FX Adj.*
Billed Business ($ in B)**	$235.5	$219.0	8%	7%
Total Cards In Force (MM)	102.4	97.4	5%	
Avg. Basic Cardmember Spending (Dollars)†	$4,113	$3,933	5%	4%
Cardmember Loans ($ in B)	$65.2	$62.6††	4%	4%

**FX adjusted information , a non-GAAP measure, assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars (i.e., assumes Q4'12 foreign exchange rates apply to Q4'11 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, Q4'11 cardmember loans would have been $62.8B.*

Billed Business Growth by Segment

% increase/(decrease) vs. prior year:

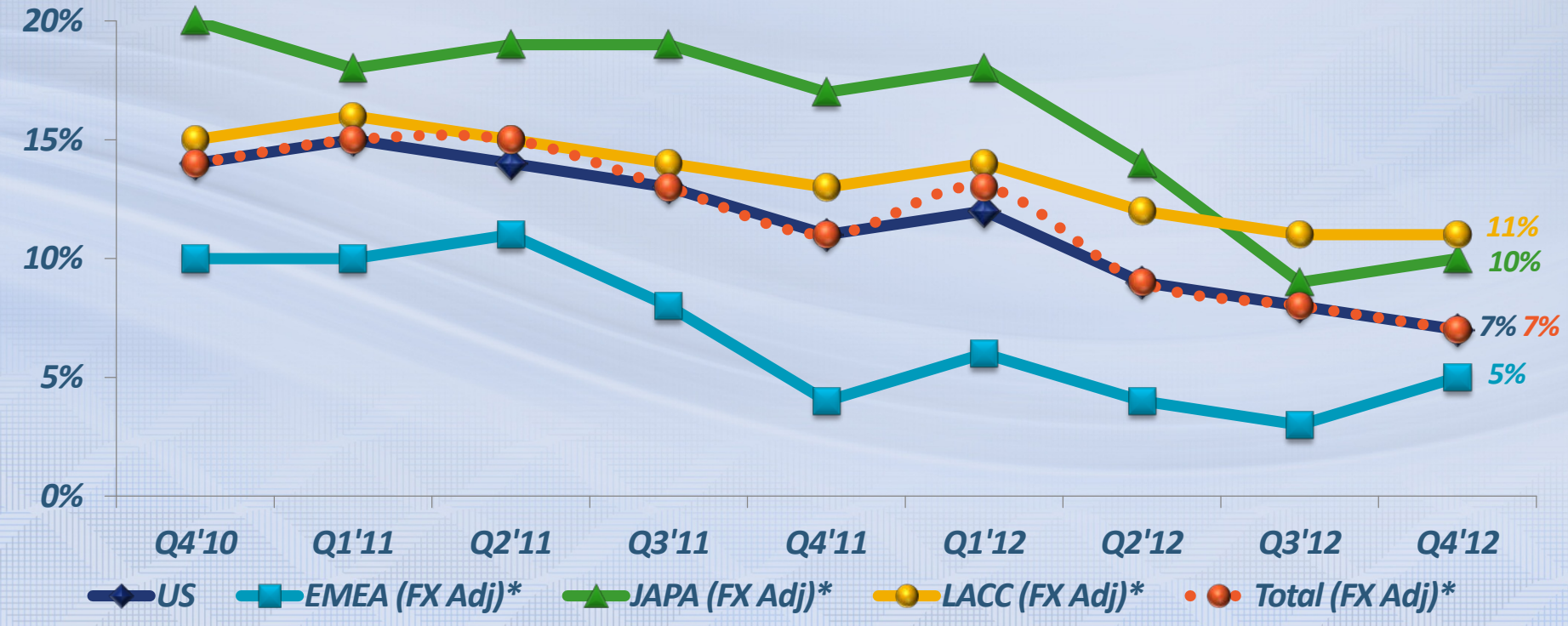
2012 Billed Business:
$888.4B
8% YoY (9% FX Adj)



*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)	Q4'12	Q4'11	% Inc/(Dec)
Discount Revenue	$4,575	$4,336	6%
Net Card Fees*	648	612	6%
Travel Commissions & Fees	503	514	(2%)
Other Commissions & Fees	578	552	5%
Other Revenue	644	618	4%
Net Interest Income*	1,193	1,110	7%
Total Revenues Net of Interest Expense**	$8,141	$7,742	5%

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 Q4'12 foreign exchange rates apply to Q4'11 results).*

Provisions for Losses

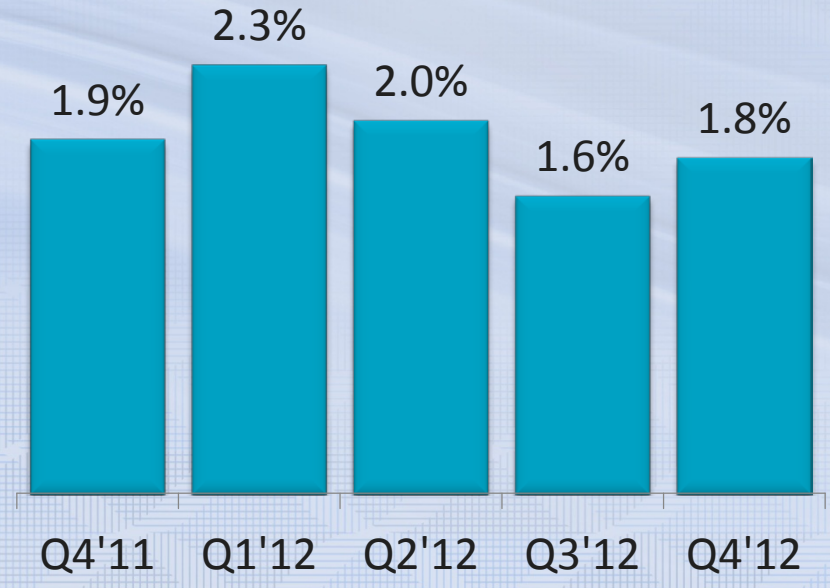
($ in millions)

	Q4'12	Q4'11	% Inc/(Dec)
Charge Card	$211	$237	(11%)
Cardmember Loans	396	149	#
Other	31	23	35%
Total*	$638	$409	56%
Worldwide Reserve Build/(Release)	*$31*	*($215)*	*#*

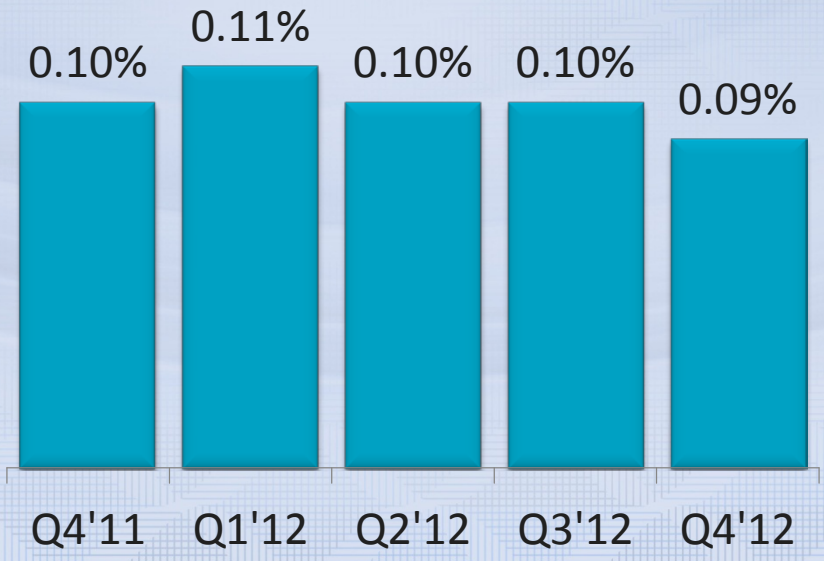
**Total provision on an FX adjusted basis, a non-GAAP measure, increased 56%. FX adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars (i.e., assumes Q4'12 foreign exchange rates apply to Q4'11 results). # - Denotes a variance of more than 100%.*

Charge Card Credit Performance

USCS Net Write-off Rate



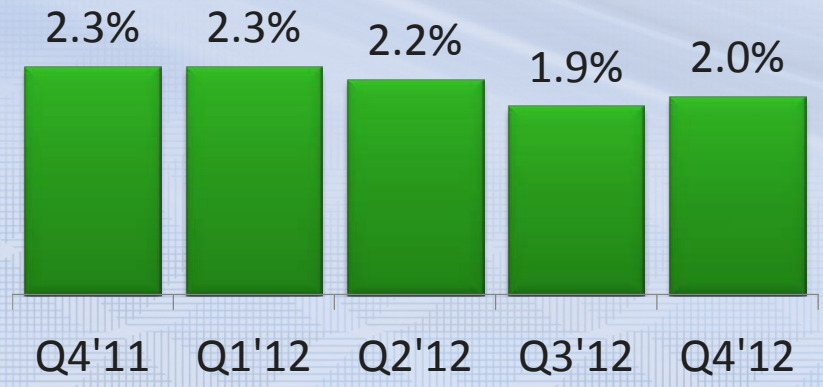
ICS/GCS Net Loss Ratio



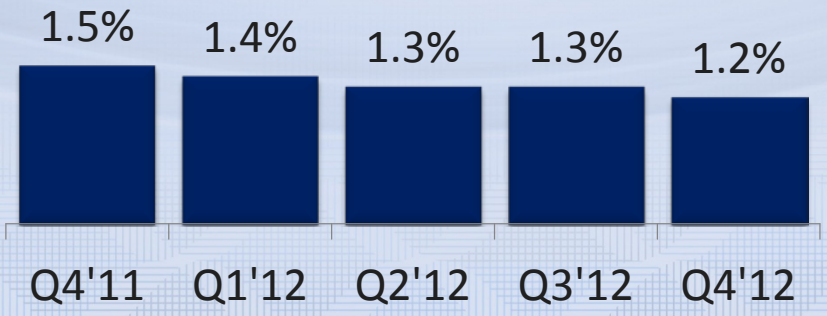
Note: USCS Net write-off rates above include Principal only. See Statistical tables in the Company's Fourth Quarter/Full Year 2012 Earnings Release for net write-off rates including interest and/or fees.

AXP Lending Credit Performance

Net Write-off Rate*



30 Days Past Due



*Rates above include Principal only. See Statistical tables in the Company's Fourth Quarter/Full Year 2012 Earnings Release for net write-off rates including interest and/or fees.

Lending Reserve Coverage

	Q4'12	Q3'12	Q4'11
US Card Services			
% of Loans	2.3%	2.4%	3.0%
% of Past Due	190%	190%	213%
Principal Months Coverage*	13.8x	14.3x	15.9x
Worldwide			
% of Loans	2.3%	2.4%	3.0%
% of Past Due	182%	182%	206%
Principal Months Coverage*	13.8x	14.5x	15.8x

**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)

	Q4'12	Q4'11	% Inc/(Dec)	Adjusted Growth
Marketing and Promotion	$722	$735	(2%)	
Cardmember Rewards	1,857	1,463	27%	2%†
Cardmember Services	197	190	4%	
Total Operating Expenses*	3,798	3,197	19%	3%††
Total Expenses**	$6,574	$5,585	18%	2%†††
Effective Tax Rate	31%	32%		

**Includes salaries and employee benefits, professional services, occupancy and equipment, communications, and other, net. See slide 17 for a breakdown of these amounts. **Total expenses on an FX adjusted basis, a non-GAAP measure, increased 17% 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 Q4'12 foreign exchange rates apply to Q4'11 results). †The growth rate of adjusted cardmember rewards, a non-GAAP measure, is calculated by excluding Q4'12 cardmember reimbursements of $27MM and Q4'12 Membership Rewards expense of $342MM. †† The growth rate of adjusted total operating expenses ,a non-GAAP measure, is calculated by excluding Q4'11 Visa settlement proceeds of $70MM, Q4'12 restructuring charges of $400MM and Q4'12 cardmember reimbursements of $33MM . It does not exclude Q4'11 reengineering charges of $49MM. ††† The growth rate of adjusted total expenses, a non-GAAP measure, is calculated by excluding Q4'11 Visa settlement proceeds of $70MM, Q4'12 restructuring charges of $400MM, Q4'12 Membership Rewards expense of $342MM and Q4'12 cardmember reimbursements of $60MM. It does not exclude Q4'11 reengineering charges of $49MM.*

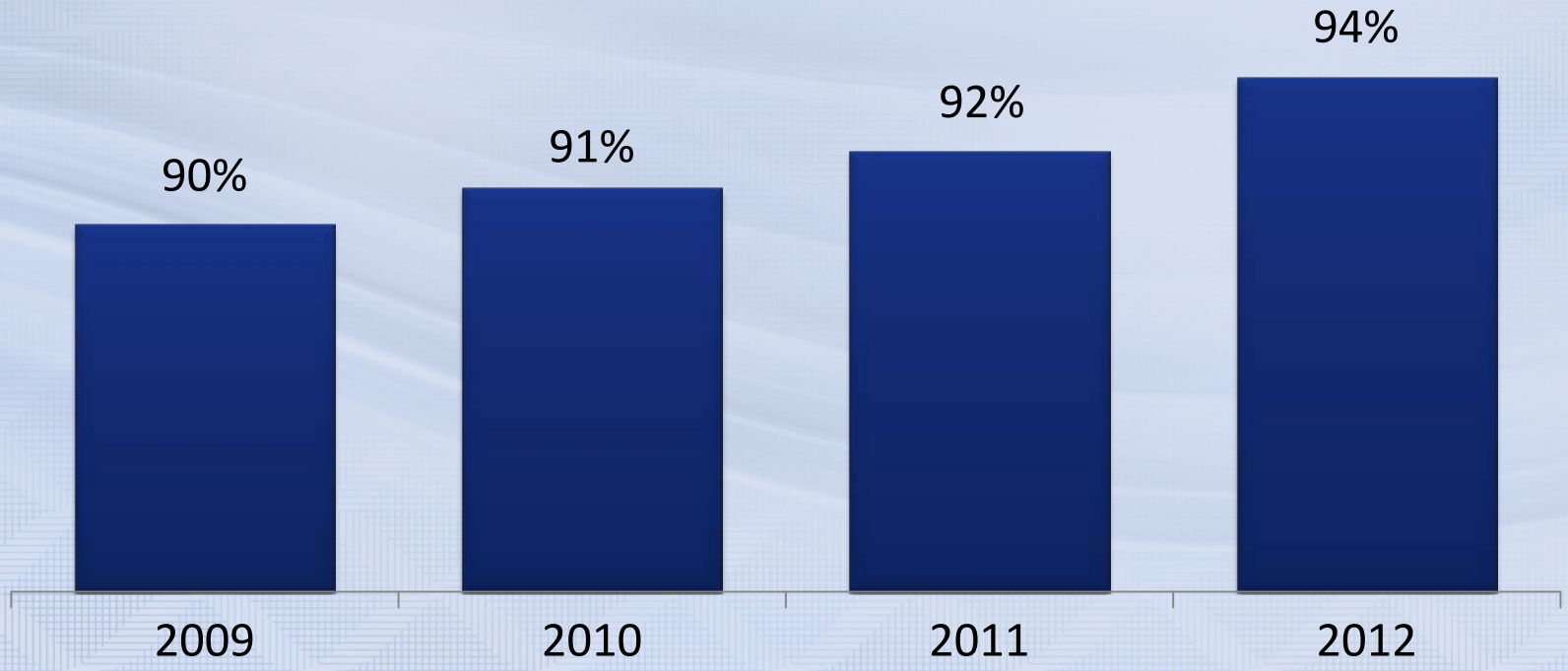
Marketing and Promotion Expense

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 4 for total marketing and promotion expense as a percent of total revenue net of interest expense on a GAAP basis.*

Historical Ultimate Redemption Rate



Operating Expense Performance

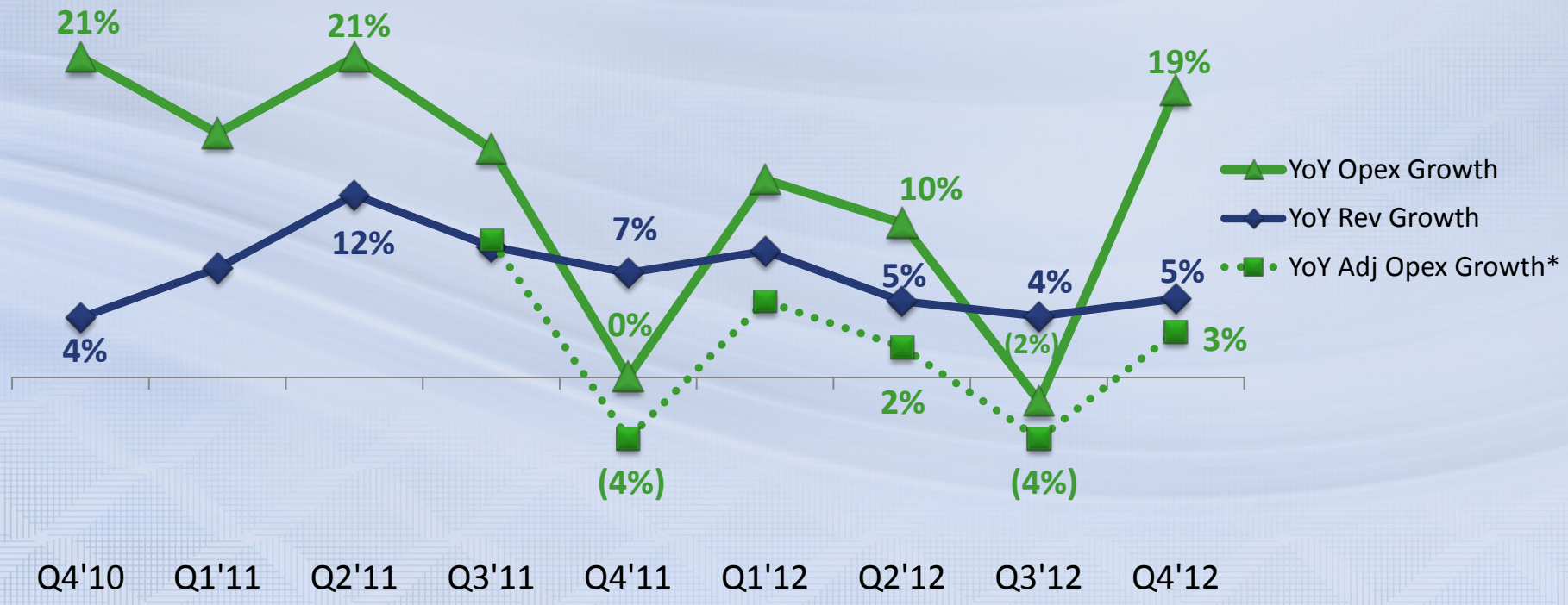
($ in millions)

	Q4'12	Q4'11	% Inc/(Dec)	Adjusted Growth
Salaries and Employee Benefits	$1,910	$1,537	24%	0% †
Professional Services	871	853	2%	
Occupancy and Equipment	486	467	4%	2% ††
Communications	99	98	1%	
Adjusted Other, Net*	432	312	38%	21% †††
Litigation Settlement Proceeds	-	(70)	#	
Total Operating Expenses**	$3,798	$3,197	19%	3% ††††

** Adjusted other, net expense, a non-GAAP measure, is calculated by excluding Visa settlement proceeds, which amounts are set forth on the litigation settlement proceeds line item above. Other, net expense on a GAAP basis equaled $432MM and $242MM for Q4'12 and Q4'11 respectively, representing a growth rate of 79%. **Total operating expenses on an FX adjusted basis, a non-GAAP measure, increased 18%. Please refer to slide 2 for the definition of "Fx Adjusted."† The growth rate of adjusted salaries and employee benefits, a non-GAAP measure, is calculated by excluding Q4'12 restructuring charges of $369MM. Q4'11 reengineering charges of $49MM are not excluded. † † The growth rate of adjusted occupancy and equipment, a non-GAAP measure, is calculated by excluding Q4'12 restructuring charges of $11MM. † † † The growth rate of adjusted other, net, a non-GAAP measure, is calculated by excluding Q4'11 Visa settlement proceeds of $70MM, Q4'12 restructuring charges of $20MM and Q4'12 cardmember reimbursements of $33MM. † † † † The growth rate of adjusted total operating expenses, a non-GAAP measure, is calculated by excluding Q4'11 Visa settlement proceeds of $70MM, Q4'12 restructuring charges of $400MM and Q4'12 cardmember reimbursements of $33MM. Q4'11 reengineering charges of $49MM are not excluded. # - Denotes a variance of more than 100%.*

Total Operating Expense Growth

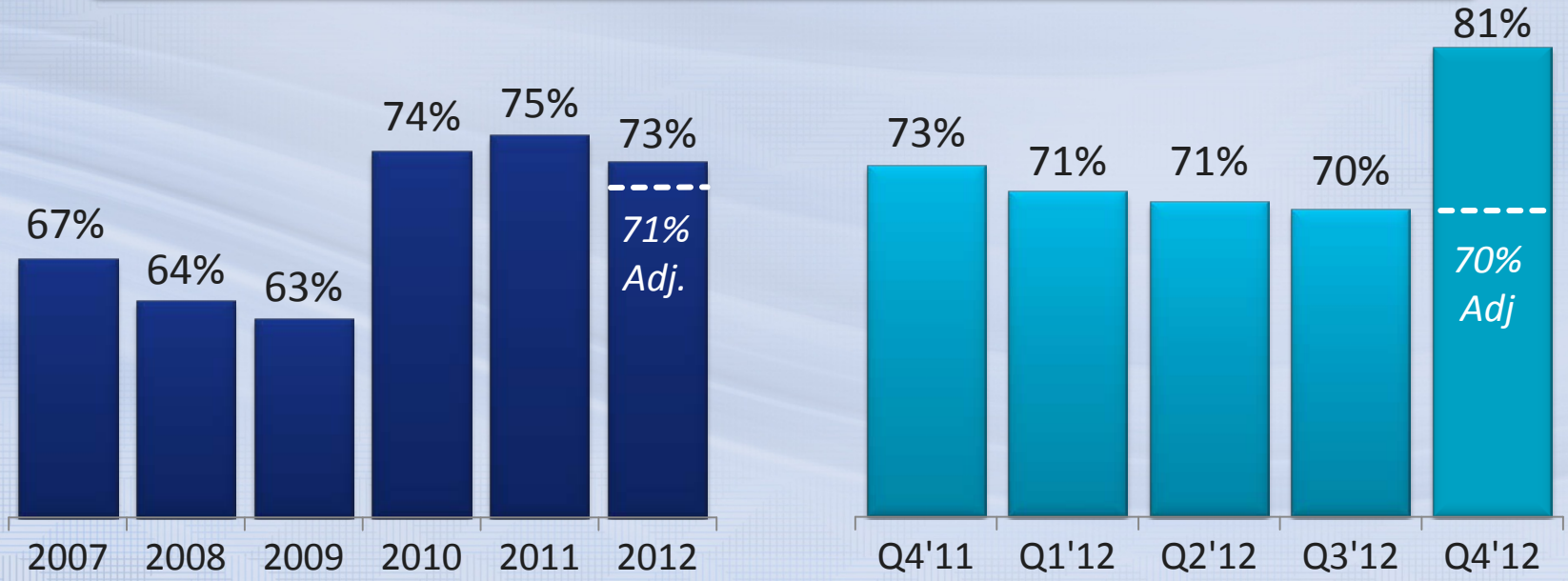
% increase/(decrease) vs. prior year



*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, Q4'12 cardmember reimbursements and Q4'12 restructuring charges 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 $580MM in 2008, $880MM in 2009 and 2010, $580MM in 2011, and $70MM in 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. Adjusted expenses as % of total managed revenues net of interest expense of 71% for 2012 and 70% for Q4'12 have been further adjusted to exclude the impact of the Q4'12 restructuring charges, Membership Rewards estimation process enhancements and cardmember reimbursements. See to Annex 5 for a breakdown of these further adjustments and total expenses as % of total revenue net of interest expense on a GAAP basis. To the extent comparable categories of items were recognized in Q1'12, Q2'12 or Q3'12, they were not excluded from the FY2012 calculation. Ratios for prior periods have not been similarly further adjusted to the extent they had comparable categories of items.*

Capital Ratios

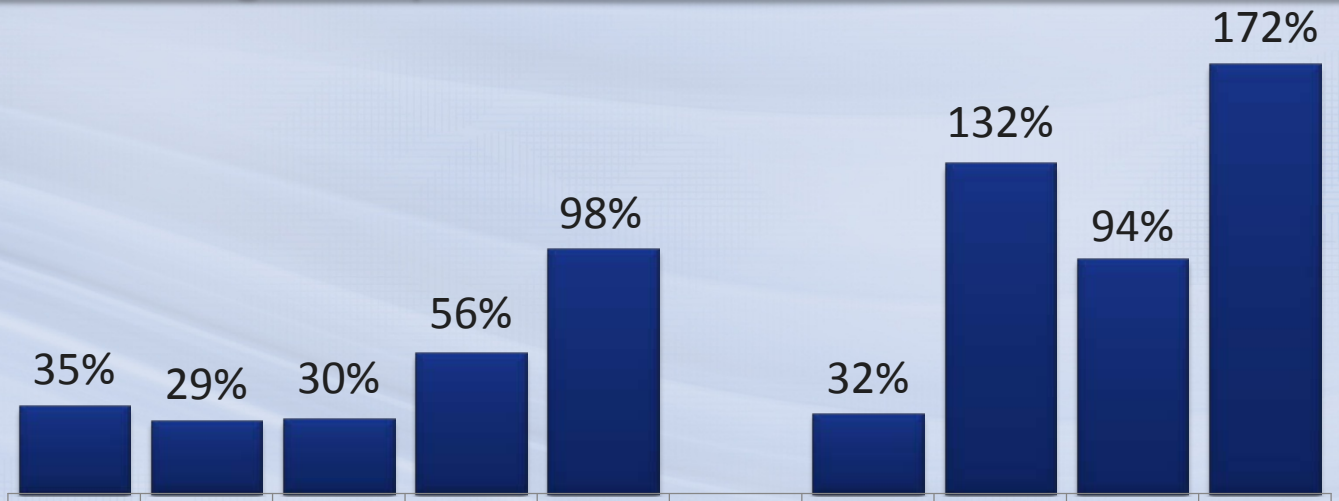
(Preliminary)

	Q4'12	Q3'12
Tier 1 Common Risk-Based*	11.9%	12.7%
Tier 1 Leverage	10.2%	10.8%
Tier 1 Risk-Based Capital	11.9%	12.7%
Total Risk-Based Capital	13.8%	14.7%
Tangible Common Equity to Risk-Weighted Assets ("TCE/RWA")**	11.7%	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 2012 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 7 for a reconciliation between Tier 1 Common Equity and Total Shareholders' Equity. **Common equity equals Total Shareholders' equity of $18.9B in Q4'12. TCE, a non-GAAP measure, equals common shareholders' equity, less goodwill and intangibles of $4.2B for Q4'12. RWA are $125.7B for Q4'12. 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)

Share Repurchases	$0.2	-	$0.6	$2.3	$4.0	$0.2	$1.8	$1.0	$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.*

Q4'12 Liquidity Snapshot

($ in billions)

Resources	
Cash*	$15.8
Securities Held as Collateral**	0.3
Excess Cash & Securities	**$16.1**

Funding Maturities	
Q1'13	0.8
Q2'13	6.3
Q3'13	5.7
Q4'13	3.8
Twelve Month Maturities	**$16.6*** **

** Includes $22.3B classified as Cash and Cash Equivalents, less $6.5B of cash available to fund day-to-day operations. **Off-balance sheet securities held as collateral from a counterparty that had not been sold or repledged. ***Includes maturities of long term unsecured debt of $7.6B, asset-backed securitization liabilities of $4.1B and long-term certificates of deposit of $4.9B.*

US Retail Deposit Programs

($ in billions)

	Direct *	Third Party CDs	Third Party Sweep	Total Deposits
September 30, 2012 Balance	$17.7	$9.0	$10.3	$37.0
Maturities	-	(0.8)	-	(0.8)
Amount Raised	1.7	0.7	1.1	3.5
December 31, 2012 Balance	$19.4	$8.9	$11.4	$39.7

Retail CD Portfolio†: 12/31/12		
	Weighted Avg., Remaining Maturity	18.5 Months
	Weighted Avg., Rate at Issuance	2.1%

**Direct primarily includes the Personal Savings Direct Deposit Program, which consists of $18.7B from high yield savings accounts and $0.6B from retail CDs. †Retail CDs include both third party and direct CDs.*

ABS & Unsecured Debt Issuances

($ in billions)



*ABS issuances are presented net of securities that have been retained by the Company; excludes drawn amounts on borrowings through secured financing facilities. **Excludes drawn amounts on committed bank credit facilities and the new notes issued in the debt exchange transaction.


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Annex 1

Segment Billed Business - Reported & FX Adjusted*

% increase/(decrease) vs. prior year:

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

**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 Q4'12 applies to Q4'11; rate used for Q3'12 applies to Q3'11, etc).*

Annex 2

Region Billed Business - Reported & FX Adjusted*

% increase/(decrease) vs. prior year:

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

**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 Q4'12 applies to Q4'11; rate used for Q3'12 applies to Q3'11, 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)	2008	2009	2010	2011	2012	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12
GAAP Total Revenues Net of Interest Expense	**$28,227**	**$24,336**	**$27,582**	**$29,962**	**$31,582**	**$7,742**	**$7,614**	**$7,965**	**$7,862**	**$8,141**
Securitization Adjustments:										
Discount revenue, net card fees and other	400	331	NA	NA	NA	NA	NA	NA	NA	NA
Interest income	3,512	3,097	NA	NA	NA	NA	NA	NA	NA	NA
Securitization income, net	(1,070)	(400)	NA	NA	NA	NA	NA	NA	NA	NA
Interest expense	(830)	(244)	NA	NA	NA	NA	NA	NA	NA	NA
Managed Total Revenues Net of Interest Expense	**$30,239**	**$27,120**	**$27,582**	**$29,962**	**$31,582**	**$7,742**	**$7,614**	**$7,965**	**$7,862**	**$8,141**

	2008	2009	2010	2011	2012	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12
Marketing and Promotion Expenses	$ 2,513	$ 2,010	$ 3,147	$ 2,996	$ 2,890	$ 735	$ 631	$ 773	$ 764	$ 722
Marketing & Promotion/ GAAP Total Revenues, Net of Interest Expense	*8.9%*	*8.3%*	*11.4%*	*10.0%*	*9.2%*	*9.5%*	*8.3%*	*9.7%*	*9.7%*	*8.9%*
Marketing & Promotion/Mgd Total Revenues, Net of Interest Expense	*8.3%*	*7.4%*	*11.4%*	*10.0%*	*9.2%*	*9.5%*	*8.3%*	*9.7%*	*9.7%*	*8.9%*

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 5

($ in millions)	2008	2009	2010	2011	2012	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12
GAAP Total Revenues Net of Interest Expense	**$28,227**	**$24,336**	**$27,582**	**$29,962**	**$31,582**	**$7,742**	**$7,614**	**$7,965**	**$7,862**	**$8,141**
Securitization Adjustments:										
Discount revenue, net card fees and other	400	331	NA	NA	NA	NA	NA	NA	NA	NA
Interest income	3,512	3,097	NA	NA	NA	NA	NA	NA	NA	NA
Securitization income, net	(1,070)	(400)	NA	NA	NA	NA	NA	NA	NA	NA
Interest expense	(830)	(244)	NA	NA	NA	NA	NA	NA	NA	NA
Q4'12 Charges:										
Cardmember Reimbursements*					93					93
Managed Total Revenues Net of Interest Expense	**$30,239**	**$27,120**	**$27,582**	**$29,962**	**$31,675**	**$7,742**	**$7,614**	**$7,965**	**$7,862**	**$8,234**

	2008	2009	2010	2011	2012	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12
GAAP Total Expenses	**$18,848**	**$16,182**	**$19,411**	**$21,894**	**$23,141**	**$5,585**	**$5,429**	**$5,625**	**$5,513**	**$6,574**
Visa/MasterCard Settlement Payments	580	880	880	580	-	70	-	-	-	-
Q4'12 Charges:										
Restructuring Charges*					400					400
Membership Rewards Estimation Process Enhancement*					342					342
Cardmember Reimbursements*					60					60
Adjusted Total Expenses	**$19,428**	**$17,062**	**$20,291**	**$22,474**	**$22,339**	**$5,655**	**$5,429**	**$5,625**	**$5,513**	**$5,772**
GAAP Total Expenses / GAAP Total Revenues Net of Interest Expense	*67%*	*66%*	*70%*	*73%*	*73%*	*72%*	*71%*	*71%*	*70%*	*81%*
Adjusted Total Expenses/Managed Total Revenues Net of Interest Expense	*64%*	*63%*	*74%*	*75%*	*71%*	*73%*	*71%*	*71%*	*70%*	*70%*

**To the extent comparable categories of items were recognized in periods prior to Q4'12, they have not been excluded.*

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	Q4'12
GAAP Total Operating Expenses	**$2,685**	**$3,195**	**$2,752**	**$2,915**	**$3,100**	**$3,197**	**$3,110**	**$3,210**	**$3,052**	**$3,798**
Visa/MasterCard Settlement Payments	220	220	220	220	70	70	-	-	-	-
Q4'12 Charges:										
Restructuring Charges*										400
Cardmember Reimbursements*										33
Adjusted Total Operating Expenses	**$2,905**	**$3,415**	**$2,972**	**$3,135**	**$3,170**	**$3,267**	**$3,110**	**$3,210**	**$3,052**	**$3,365**
YoY % Increase/(Decrease) in GAAP Total Operating Expenses					*15%*	*0%*	*13%*	*10%*	*(2%)*	*19%*
YoY % Increase/(Decrease) in Adjusted Total Operating Expenses					*9%*	*(4%)*	*5%*	*2%*	*(4%)*	*3%*

**To the extent comparable categories of items were recognized in periods prior to Q4'12, they have not been excluded.*

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 December 31, 2012

($ in Millions)

Total Shareholders' Equity	*$ 18,886*
Effect of certain items in accumulated other comprehensive loss excluded from Tier 1 common equity	173
Less:	
Ineligible goodwill and intangible assets	(3,921)
Ineligible deferred tax assets	(228)
Tier 1 Common Equity	***$ 14,910***

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***

Annex 8

Adjusted Return on Average Equity *($ in millions)*	**2012**	
GAAP Net Income	$ 4,482	*(A)*
Adjustments for Q4'12 Charges (After-Tax)		
Restructuring Charges	$ 287	
Membership Rewards Estimation Process Enhancement Expense	$ 212	
Cardmember Reimbursements	$ 95	
Adjusted Net Income	$ 5,076	*(B)*
GAAP Average Shareholders' Equity	$ 19,425	*(C)*
Adjustment for Q4'12 Charges	$ 46	
Adjusted Average Shareholders' Equity	$ 19,471	*(D)*
GAAP Return on Average Equity	23.1%	*(A)/(C)*
Adjusted Return on Average Equity	26.1%	*(B)/(D)*

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:

•the possibility of not achieving the expected timing and financial impact of the Company's restructuring plan and higher than expected employee levels, which could be caused by factors such as the Company's ability to mitigate the operational and other risks posed by planned staff reductions, the Company's ability to develop and implement technology resources to realize cost savings, underestimating hiring needs related to some of the job positions being eliminated and other employee needs not currently anticipated, lower than expected attrition rates and higher than expected redeployment rates;

•uncertainty relating to the actual growth of operating expenses in 2013 and subsequent years and the ability to hold annual operating expense growth to less than 3 percent for the next two years, which will depend in part on the Company's ability to achieve the expected benefits of the Company's restructuring plan, which will be impacted by, among other things, the factors identified above, the Company's ability to balance the control and management of expenses and the maintenance of competitive service levels for its customers, unanticipated increases in significant categories of operating expenses, such as consulting or professional fees, compliance or regulatory-related costs and technology costs, the payment of monetary damages and penalties, disgorgement and restitution, 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;

•uncertainty in the growth of operating expenses relative to the growth of revenues in 2013 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 2013 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;

Forward Looking Statements

•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, as well as the actual amount of resources arising from the restructuring plan the Company decides to invest in growth initiatives, 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 actual amount that the higher ultimate redemption rate ("URR") assumption derived in the fourth quarter will increase cardmember rewards expenses annually in 2013 and subsequent years, which will depend on the terms of the Membership Rewards program, redemption patterns, costs per point redeemed and the level of cardmember spend;

•uncertainty relating to the timing and magnitude of a possible charge resulting from the current review of the URR estimation process for the Company's international Membership Rewards programs, which will depend in part on the demographics and assumptions about the behavior of cardmembers enrolled in the international Membership Rewards programs as compared to the U.S. program and the potential growth of the international Membership Rewards programs.

•the ability of the Company to meet 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 factors such as the Company's success in implementing its strategies and initiatives including growing the Company's share of overall spending, increasing merchant coverage, enhancing its pre-paid offerings, expanding the Global Network Services business and expense management, and on factors outside management's control including the willingness of cardmembers to sustain spending, the effectiveness of marketing and loyalty programs, regulatory and market pressures on pricing, credit trends, currency and interest rate fluctuations, and changes in general economic conditions, such as consumer confidence, unemployment, the housing market and GDP growth;

•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 Credit Card Accountability Responsibility and Disclosure Act of 2009 (including the regulations requiring the Company to periodically reevaluate annual percentage rate 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;

•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 Bluebird, Loyalty Partner, Loyalty Edge and the Company's digital initiatives;

•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 online and mobile channels, 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 Company's funding plan for the full year 2013 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;

•changes affecting the Company's ability or desire to repurchase up to $1 billion of its common shares in the first quarter of 2013, such as acquisitions, results of operations, capital needs and the amount of shares issued by the Company to employees upon the exercise of options, among other factors, which will significantly impact the potential decrease in the Company's capital ratios; and

•factors beyond the Company's control such as changes in global economic and business conditions, including consumer and business spending, the availability and cost of capital, unemployment and political conditions, fire, power loss, disruptions in telecommunications, severe weather conditions, natural disasters, terrorism, cyber attacks or fraud, which could significantly affect spending on American Express cards, delinquency rates, loan balances and 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, June 30 and September 30, 2012, and the Company's other filings with the Securities and Exchange Commission.