

American Express Company Earnings Conference Call Q2'13

July 17, 2013

AMERICAN EXPRESS

Q2’13 Summary Financial Performance

($ in millions, except per share amounts)

	Q2’13	Q2’12	% Inc/(Dec)
Total Revenues Net of Interest Expense	$8,245	$7,965	4%
FX Adjusted[†]		*$7,922*	4%
Net Income	$1,405	$1,339	5%
Diluted EPS*	$1.27	$1.15	10%
Return on Average Equity	24%	27%	
Average Diluted Shares Outstanding	1,097	1,152	(5%)

**Attributable to common shareholders. Represents net income less earnings allocated to participating share awards and other items of $13MM and $14MM for Q2’13 and Q2’12, 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 Q2’13 foreign exchange rates apply to Q2'12 results). The Company’s calculations of non-GAAP measures may differ from the calculations of similarly titled measures of other companies.*

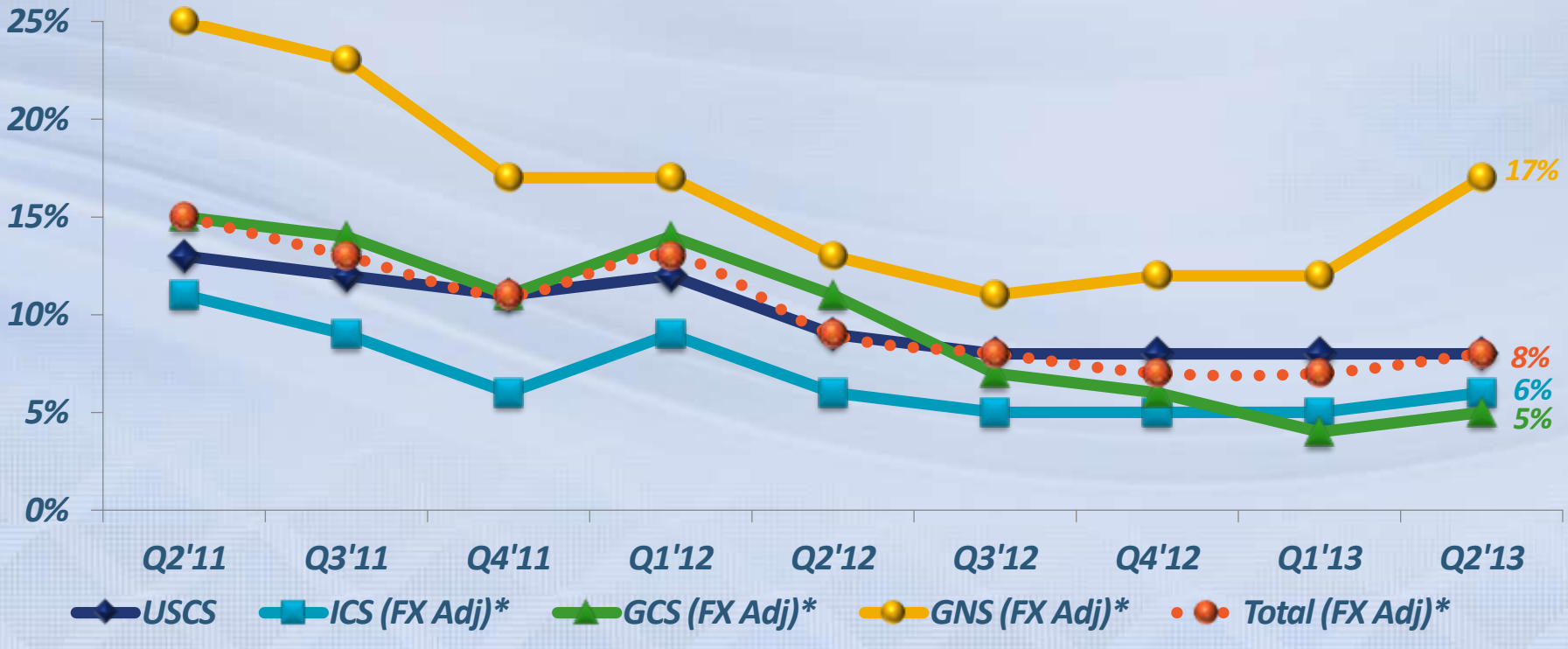
Q2’13 Metric Performance

	Q2’13	Q2’12	% Inc/Dec	FX Adj.*
Billed Business ($ in B)**	$237.7	$221.6	7%	8%
Total Cards In Force (MM)	104.3	100.1	4%	
Avg. Basic Cardmember Spending (Dollars)†	$4,097	$3,948	4%	4%
Cardmember Loans ($ in B)	$63.1	$61.0††	3%	4%

**See slide 2 for an explanation of FX adjusted information. **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, Q2'12 cardmember loans would have been $60.8B.*

Billed Business Growth by Segment

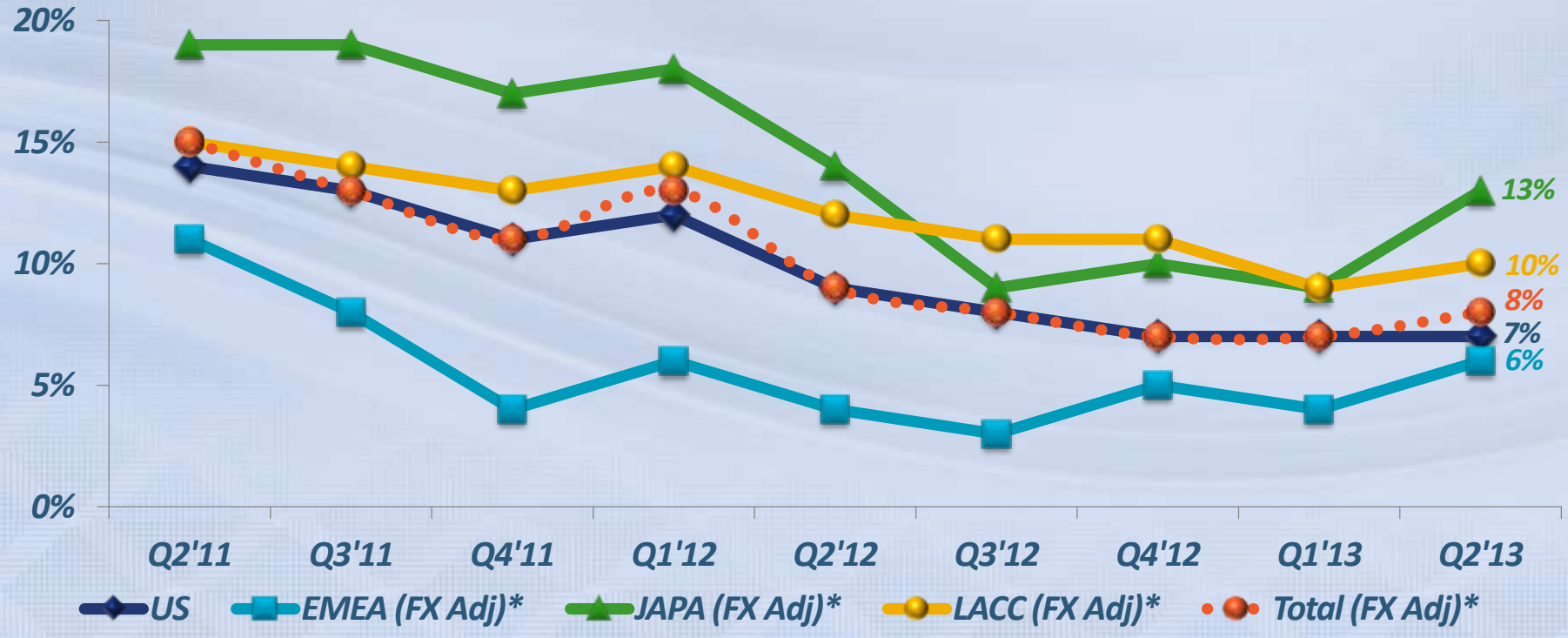
% increase/(decrease) vs. prior year:



*See Annex 1 for reported billings growth rates.

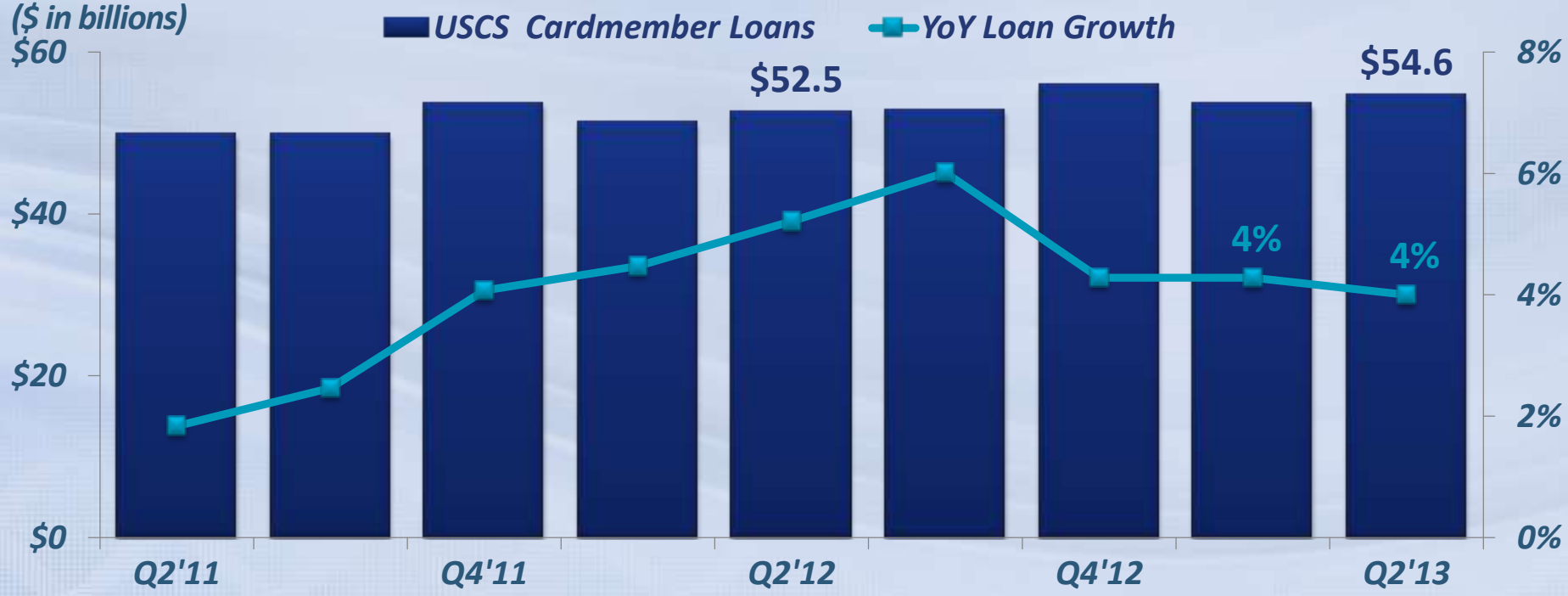
Billed Business Growth by Region

% increase/(decrease) vs. prior year:



*See Annex 2 for reported billings growth rates.

USCS Cardmember Loans



USCS Net Interest Yield*	8.7%	9.0%	8.9%	9.1%	9.0%	9.2%	9.0%	9.4%	9.1%

*Refer to Annex 8 for the calculation of USCS net interest yield on cardmember loans, a non-GAAP measure, and net interest income divided by average loans, a GAAP measure.

Revenue Performance

($ in millions)	Q2'13	Q2'12	% Inc/(Dec)
Discount Revenue	$4,729	$4,482	6%
Net Card Fees	647	615	5%
Travel Commissions & Fees	495	521	(5%)
Other Commissions & Fees	605	575	5%
Other Revenue	567	651	(13%)
Net Interest Income	1,202	1,121	7%
Total Revenues Net of Interest Expense*	$8,245	$7,965	4%

**Total revenues net of interest expense on an FX adjusted basis, a non-GAAP measure, increased 4%. See slide 2 for an explanation of FX adjusted information.*

Provisions for Losses

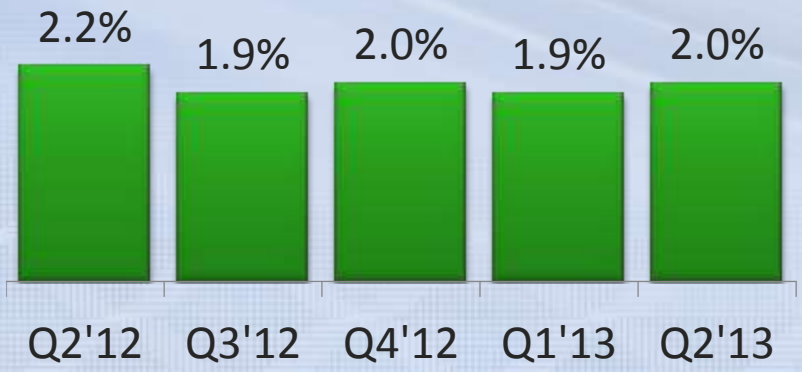
($ in millions)

	Q2'13	Q2'12	% Inc/(Dec)
Charge Card	$201	$163	23%
Cardmember Loans	364	277	31%
Other	28	21	33%
Total*	$593	$461	29%
Worldwide Reserve Release	*$49*	*$165*	*(70%)*

**Total provision on an FX adjusted basis, a non-GAAP measure, increased 29%. See slide 2 for an explanation of FX adjusted information.*

AXP Lending Credit Performance

Net Write-off Rate*



30 Days Past Due



*Rates above include Principal only. See Statistical Tables in the Company's Second Quarter 2013 Earnings Release for net write-off rates including interest and/or fees.

Lending Reserve Coverage

	Q2'13	Q1'13	Q2'12
US Card Services			
% of Loans	2.1%	2.2%	2.6%
% of Past Due	200%	180%	214%
Principal Months Coverage*	12.6x	13.0x	13.7x
Worldwide			
% of Loans	2.1%	2.2%	2.5%
% of Past Due	188%	170%	202%
Principal Months Coverage*	12.5x	13.0x	13.6x

**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)

	Q2'13	Q2'12	% Inc/(Dec)
Marketing and Promotion	$786	$773	2%
Cardmember Rewards	1,601	1,462	10%
Cardmember Services	193	180	7%
Total Operating Expenses*	3,077	3,210	(4%)
Total Expenses**	$5,657	$5,625	1%
Effective Tax Rate	29.6%	28.7%	

**Includes salaries and employee benefits, professional services, occupancy and equipment, communications, and other, net. See slide 13 for a breakdown of these amounts. ** Total Expenses on an FX adjusted basis, a non-GAAP measure, increased 1%. See slide 2 for an explanation of FX adjusted information.*

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 expense as % of total managed revenue net of interest expense, a non-GAAP measure. Refer to Annex 3 for total marketing and promotion expense as a percent of total revenue net of interest expense on a GAAP basis.*

Operating Expense Performance

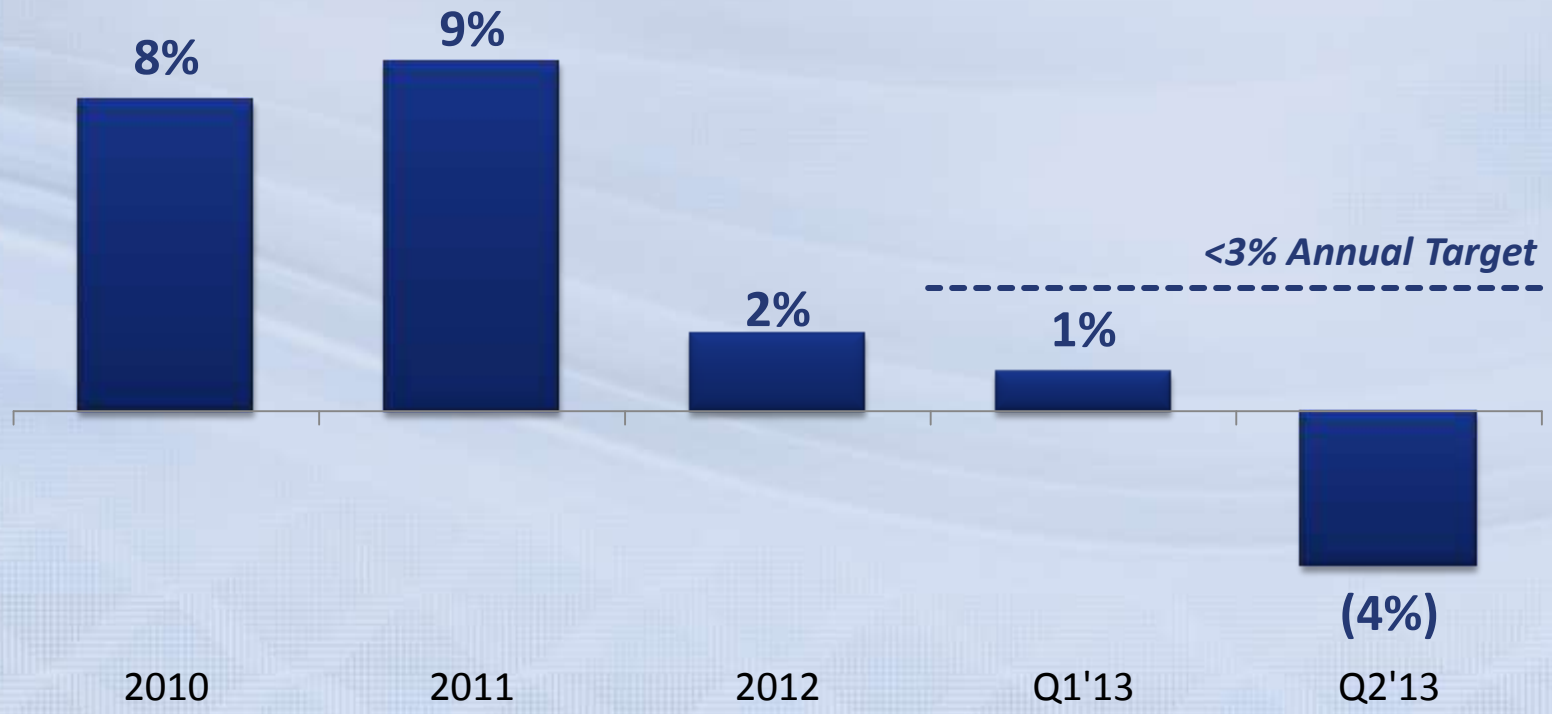
($ in millions)

	Q2'13	Q2'12	% Inc/(Dec)
Salaries and Employee Benefits	$1,543	$1,536	0%
Professional Services	763	711	7%
Occupancy and Equipment	460	446	3%
Communications	92	95	(3%)
Other, Net	219	422	(48%)
Total Operating Expenses*	$3,077	$3,210	(4%)

**Total Operating Expenses, on an FX adjusted basis, a non-GAAP measure, decreased 4%. See slide 2 for an explanation of FX adjusted information.*

Total Adjusted Operating Expense Growth*

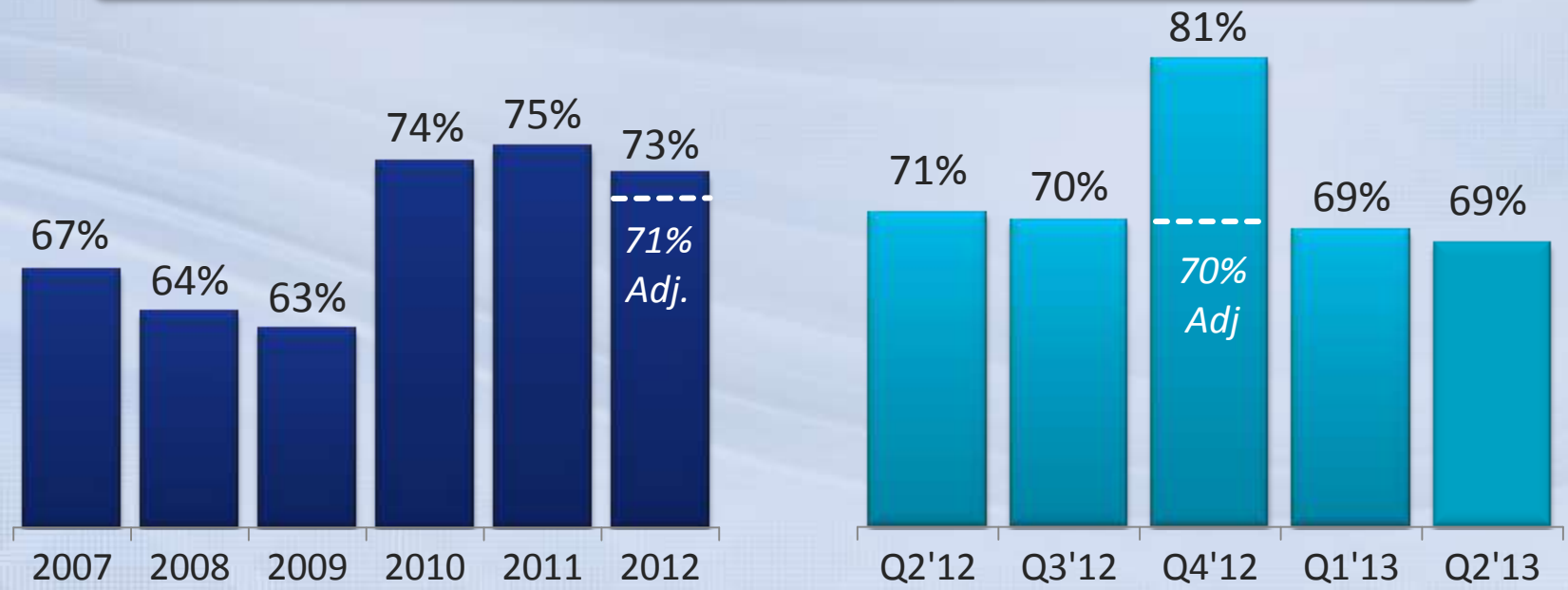
% increase/(decrease) vs. prior year



*Note: Operating Expense includes salaries and employee benefits, professional services, occupancy and equipment, communications, and other, net.*The growth rate of adjusted total operating expenses, a non-GAAP measure, excludes litigation settlement proceeds, net investment in a foreign subsidiary, and Q4'12 restructuring charges from total operating expenses. Reported operating expense growth rates are 11%, 12%, 10%, 1%, and (4%) for 2010, 2011, 2012, Q1'13 and Q2'13, respectively. Refer to Annex 7 for a reconciliation of adjusted growth rates and their components.*

Expense to Revenue Ratio

Adjusted Expenses as % of Managed Revenue*



*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. Periods prior to 2011 have been revised to reflect this change. *Adjusted Expenses as % of Total managed revenues net of interest expense, a non-GAAP measure, excludes litigation settlement proceeds. Adjusted Expenses as % of Total managed revenues net of interest expense of 71% for 2012 and 70% for Q4'12 have been further adjusted for the Q4'12 charges. See Annex 4 for a breakdown of the adjustments and total expenses as % of Total revenue net of interest expense on a GAAP basis.*

Capital Ratios

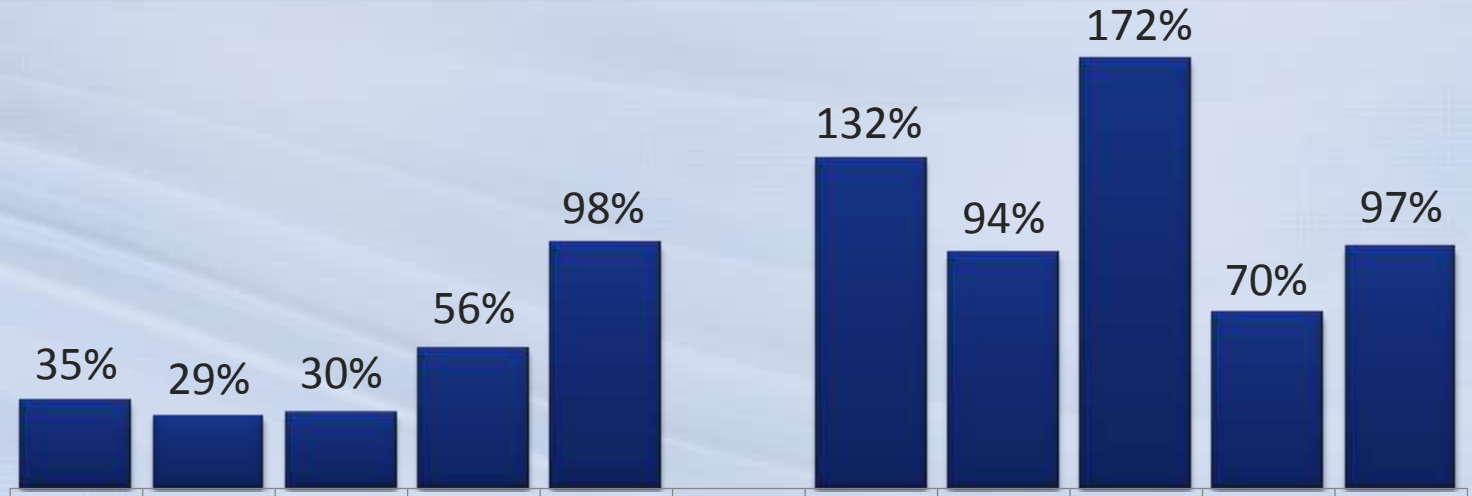
(Preliminary)

	Q2'13	Q1'13
Tier 1 Common Risk-Based*	12.5%	12.6%
Tier 1 Leverage	10.5%	10.3%
Tier 1 Risk-Based Capital	12.5%	12.6%
Total Risk-Based Capital	14.4%	14.6%
Tangible Common Equity to Risk-Weighted Assets ("TCE/RWA")**	12.1%	12.4%

*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 June 30, 2013. *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 a reconciliation between Tier 1 Common Equity and Total Shareholders' Equity. **Common equity equals Total Shareholders' equity of $19.0B in Q2'13. TCE, a non-GAAP measure, equals common shareholders' equity, less goodwill and intangibles of $4.0B for Q2'13. RWA are $124.3B for Q2'13. 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)	2008	2009*	2010	2011	2012	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13
Share Repurchases	$0.2	-	$0.6	$2.3	$4.0	$1.8	$1.0	$1.0	$0.8	$1.4

*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.*

US Retail Deposit Programs

($ in billions)

	Direct *	Third Party CDs	Third Party Sweep	Total Deposits
March 31, 2013 Balance	$21.9	$8.3	$10.6	$40.8
Maturities	-	(0.8)	(1.7)	(2.5)
Amount Raised	1.2	0.5	-	1.7
June 30, 2013 Balance	$23.1	$8.0	$8.9	$40.0

**Direct primarily includes the Personal Savings Direct Deposit Program, which consists of $22.4B from high yield savings accounts and $0.6B from retail CDs.*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Annex 1

Segment Billed Business - Reported & FX Adjusted*

% increase/(decrease) vs. prior year:

	Q2'11	Q3'11	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13
ICS									
Reported	24%	17%	6%	8%	0%	1%	6%	2%	3%
FX Adjusted	11%	9%	6%	9%	6%	5%	5%	5%	6%
GCS									
Reported	19%	17%	10%	13%	8%	5%	6%	3%	5%
FX Adjusted	15%	14%	11%	14%	11%	7%	6%	4%	5%
GNS									
Reported	36%	30%	17%	17%	7%	6%	12%	9%	14%
FX Adjusted	25%	23%	17%	17%	13%	11%	12%	12%	17%
Worldwide									
Reported	18%	16%	11%	12%	7%	6%	8%	6%	7%
FX Adjusted	15%	13%	11%	13%	9%	8%	7%	7%	8%

**See slide 2 for an explanation of FX adjusted information*

Annex 2

Region Billed Business - Reported & FX Adjusted*

% increase/(decrease) vs. prior year:

	Q2'11	Q3'11	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13
EMEA									
Reported	23%	15%	4%	4%	(4%)	(4%)	5%	2%	7%
FX Adjusted	11%	8%	4%	6%	4%	3%	5%	4%	6%
JAPA									
Reported	36%	31%	18%	22%	10%	8%	11%	6%	8%
FX Adjusted	19%	19%	17%	18%	14%	9%	10%	9%	13%
LACC									
Reported	22%	18%	8%	11%	3%	5%	11%	6%	8%
FX Adjusted	15%	14%	13%	14%	12%	11%	11%	9%	10%
Worldwide									
Reported	18%	16%	11%	12%	7%	6%	8%	6%	7%
FX Adjusted	15%	13%	11%	13%	9%	8%	7%	7%	8%

**See slide 2 for an explanation of FX adjusted information*

Annex 3

($ in millions)	2007	2008	2009	2010	2011	2012	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13
GAAP Total Revenues Net of Interest Expense	**$27,462**	**$28,227**	**$24,336**	**$27,582**	**$29,962**	**$31,555**	**$7,965**	**$7,862**	**$8,141**	**$7,881**	**$8,245**
Securitization Adjustments:											
Discount revenue, net card fees and other	310	400	331	NA	NA	NA	NA	NA	NA	NA	NA
Interest income	3,130	3,512	3,097	NA	NA	NA	NA	NA	NA	NA	NA
Securitization income, net	(1,507)	(1,070)	(400)	NA	NA	NA	NA	NA	NA	NA	NA
Interest expense	(1,136)	(830)	(244)	NA	NA	NA	NA	NA	NA	NA	NA
Managed Total Revenues Net of Interest Expense	**$28,259**	**$30,239**	**$27,120**	**$27,582**	**$29,962**	**$31,555**	**$7,965**	**$7,862**	**$8,141**	**$7,881**	**$8,245**

	2007	2008	2009	2010	2011	2012	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13
Marketing and Promotion Expenses	$ 2,630	$ 2,513	$ 2,010	$ 3,147	$ 2,996	$ 2,890	$ 773	$ 764	$ 722	$ 621	$ 786
Marketing & Promotion/ GAAP Total Revenues, Net of Interest Expense	*9.6%*	*8.9%*	*8.3%*	*11.4%*	*10.0%*	*9.2%*	*9.7%*	*9.7%*	*8.9%*	*7.9%*	*9.5%*
Marketing & Promotion/Mgd Total Revenues, Net of Interest Expense	*9.3%*	*8.3%*	*7.4%*	*11.4%*	*10.0%*	*9.2%*	*9.7%*	*9.7%*	*8.9%*	*7.9%*	*9.5%*

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)	2007	2008	2009	2010	2011	2012	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13
GAAP Total Revenues Net of Interest Expense	**$27,462**	**$28,227**	**$24,336**	**$27,582**	**$29,962**	**$31,555**	**$7,965**	**$7,862**	**$8,141**	**$7,881**	**$8,245**
Securitization Adjustments:											
Discount revenue, net card fees and other	310	400	331	NA	NA	NA	NA	NA	NA	NA	NA
Interest income	3,130	3,512	3,097	NA	NA	NA	NA	NA	NA	NA	NA
Securitization income, net	(1,507)	(1,070)	(400)	NA	NA	NA	NA	NA	NA	NA	NA
Interest expense	(1,136)	(830)	(244)	NA	NA	NA	NA	NA	NA	NA	NA
Q4'12 Charges:											
Cardmember Reimbursements*						93			93		
Managed Total Revenues Net of Interest Expense	**$28,259**	**$30,239**	**$27,120**	**$27,582**	**$29,962**	**$31,648**	**$7,965**	**$7,862**	**$8,234**	**$7,881**	**$8,245**

	2007	2008	2009	2010	2011	2012	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13
GAAP Total Expenses	**$17,665**	**$18,848**	**$16,182**	**$19,411**	**$21,894**	**$23,114**	**$5,625**	**$5,513**	**$6,574**	**$5,475**	**$5,657**
Visa/MasterCard Settlement Payments	1,130	580	880	880	580	-	-	-	-	-	-
Q4'12 Charges:											
Restructuring Charges*						400			400		
Membership Rewards Estimation Process Enhancement*						342			342		
Cardmember Reimbursements*						60			60		
Adjusted Total Expenses	**$18,795**	**$19,428**	**$17,062**	**$20,291**	**$22,474**	**$22,312**	**$5,625**	**$5,513**	**$5,772**	**$5,475**	**$5,657**
GAAP Total Expenses / GAAP Total Revenues Net of Interest Expense	*64%*	*67%*	*66%*	*70%*	*73%*	*73%*	*71%*	*70%*	*81%*	*69%*	*69%*
Adjusted Total Expenses/Managed Total Revenues Net of Interest Expense	*67%*	*64%*	*63%*	*74%*	*75%*	*71%*	*71%*	*70%*	*70%*	*69%*	*69%*

**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 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 June 30, 2013

($ in Millions)

Total Shareholders' Equity	*$ 19,034*
Effect of certain items in accumulated other comprehensive loss excluded from Tier 1 common equity	280
Less:	
Ineligible goodwill and intangible assets	(3,569)
Ineligible deferred tax assets	(191)
Tier 1 Common Equity	***$ 15,554***

Tier 1 Common Equity Reconciliation as of March 31, 2013

($ in Millions)

Total Shareholders' Equity	*$ 19,290*
Effect of certain items in accumulated other comprehensive loss excluded from Tier 1 common equity	182
Less:	
Ineligible goodwill and intangible assets	(3,746)
Ineligible deferred tax assets	(211)
Tier 1 Common Equity	***$ 15,515***

Annex 6

Adjusted Return on Average Equity *($ in millions)*	**For the 12 Months Ended Q2'13**	
GAAP Net Income	$ 4,572	*(A)*
Adjustments for Q4'12 Charges (After-Tax)		
Restructuring Charges	$ 287	
Membership Rewards Estimation Process Enhancement Expense	$ 212	
Cardmember Reimbursements	$ 95	
Adjusted Net Income	$ 5,166	*(B)*
GAAP Average Shareholders' Equity	$ 19,372	*(C)*
Adjustment for Q4'12 Charges	$ 46	
Adjusted Average Shareholders' Equity	$ 19,418	*(D)*
GAAP Return on Average Equity	23.6%	*(A)/(C)*
Adjusted Return on Average Equity	26.6%	*(B)/(D)*

Annex 7

($ in millions)

	2009	2010	2011	2012	Q1'12	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13
GAAP Total Operating Expenses	**$9,619**	**$10,673**	**$11,964**	**$13,170**	**$3,110**	**$3,210**	**$3,052**	**$3,798**	**$3,145**	**$3,077**
Visa/MasterCard Settlement Payments	880	880	580		-	-	-	-	-	-
Net Investment in a Foreign Subsidiary	180									
Q4'12 Charges:										
Restructuring Charges				400				400		
Adjusted Total Operating Expenses	**$10,679**	**$11,553**	**$12,544**	**$12,770**	**$3,110**	**$3,210**	**$3,052**	**$3,398**	**$3,145**	**$3,077**
YoY % Increase/(Decrease) in GAAP Total Operating Expenses		*11%*	*12%*	*10%*					*1%*	*(4%)*
YoY % Increase/(Decrease) in Adjusted Total Operating Expenses		*8%*	*9%*	*2%*					*1%*	*(4%)*

Annex 8

USCS Net Interest Yield on Cardmember Loans
($ in Millions)

	Q2'11	Q3'11	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13
Net interest income	**$1,025**	**$1,086**	**$1,101**	**$1,130**	**$1,112**	**$1,168**	**$1,167**	**$1,204**	**$1,176**
Exclude:									
Interest expense not attributable to the Company's cardmember loan portfolio	$58	$58	$58	$51	$51	$51	$51	$48	$47
Interest income not attributable to the Company's cardmember loan portfolio	($3)	($2)	($3)	($2)	($2)	($3)	($2)	($2)	($2)
Adjusted net interest income (A)	**$1,080**	**$1,142**	**$1,156**	**$1,179**	**$1,161**	**$1,216**	**$1,216**	**$1,250**	**$1,221**
Average loans (billions)	**$49.7**	**$50.2**	**$51.4**	**$51.9**	**$52.1**	**$52.8**	**$53.9**	**$54.0**	**$54.0**
Exclude:									
Unamortized deferred card fees, net of direct acquisition costs of cardmember loans (billions)	($0.2)		$0.1						
Adjusted average loans (billions) (B)	**$49.5**	**$50.2**	**$51.5**	**$51.9**	**$52.1**	**$52.8**	**$53.9**	**$54.0**	**$54.0**
Net interest income divided by average loans (C)	8.3%	8.6%	8.5%	8.8%	8.6%	8.8%	8.6%	9.0%	8.7%
Net interest yield on cardmember loans (D)	8.7%	9.0%	8.9%	9.1%	9.0%	9.2%	9.0%	9.4%	9.1%

(A) Adjusted net interest income, a non-GAAP measure, represents net interest income allocated to the Company's cardmember loan portfolio excluding the impact of interest expense and interest income not attributable to the Company's cardmember loan portfolio. The Company believes adjusted net interest income is useful to investors because it is a component of net interest yield on cardmember loans.

(B) Adjusted average loans, a non-GAAP measure, represents average cardmember loans excluding the impact of deferred card fees, net of deferred direct acquisition costs of cardmember loans, and other. The Company believes adjusted average loans is useful to investors because it is a component of net interest yield on cardmember loans.

(C) This calculation includes elements of total interest income and total interest expense that are not attributable to the cardmember loan portfolio, and thus is not representative of net interest yield on cardmember loans. The calculation includes interest income and interest expense attributable to investment securities and other interest-bearing deposits as well as to cardmember loans, and interest expense attributable to other activities, including cardmember receivables.

(D) Net interest yield on cardmember loans, a non-GAAP measure, is computed by dividing adjusted net interest income by adjusted average loans, computed on an annualized basis. The calculation of net interest yield on cardmember loans includes interest that is deemed uncollectible. For all presentations of net interest yield on cardmember loans, reserves and net write-offs related to uncollectible interest are recorded through provisions for losses - cardmember loans; therefore, such reserves and net write-offs are not included in the net interest yield calculation. The Company believes net interest yield on cardmember loans is useful to investors because it provides a measure of profitability of the Company's cardmember loan portfolio.

Annex 9

($ in millions)

	Q2'13	Q2'12	YoY % Inc/(Dec)
GAAP Total Revenues Net of Interest Expense	$ 8,245	$ 7,965	4%
Total Revenues Net of Interest Expense (FX adj.)		7,922	4%
Cardmember Reimbursements	82	8	
Adjusted Total Revenues Net of Interest Expense (FX adj.)	**$ 8,327**	**$ 7,930**	**5%**

	Q2'13	Q2'12	YoY % Inc/(Dec)
GAAP Total Operating Expenses	$ 3,077	$ 3,210	(4%)
Total Operating Expense (FX adj.)		3,190	(4%)
Cardmember Reimbursements	(9)	(98)	
Adjusted Total Operating Expenses (FX adj.)	**$ 3,068**	**$ 3,093**	**(1%)**

Note: See slide 2 for an explanation of FX adjusted information

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 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 below, 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, the impact of accounting changes 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, the amount of travel commissions and fees, the growth of and/or level of 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;

• 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;

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• changes affecting the Company's ability or desire to repurchase up to $1.8 billion of its common shares for the remainder of 2013 and up to $1.0 billion in the first quarter of 2014, 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;

• 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;

• 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 GDP growth, consumer confidence, unemployment and the housing market;

• the ability of the Company to meet its on-average and over-time objective to return 50 percent of capital generated to shareholders through dividends and share repurchases, which will depend on factors such as approval of the Company's capital plans by its primary regulators, the amount the Company spends on acquisitions, the Company's results of operations and capital needs in any given period, and the amount of shares issued by the Company to employees upon the exercise of options;

• the Company's net interest yield on U.S. cardmember loans not remaining at historical levels, which will be influenced by, among other things, 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, Accertify and the Company's digital initiatives;

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• the impact of final laws and regulations, if any, arising from the European Commission's Green Paper on the payments industry, which will depend on various factors, including, but not limited to, the issues presented and decisions made in the European legislative and regulatory processes addressing the proposed regulation of interchange fees and other practices related to card-based payment transactions, the amount of time these processes take to reach completion, and the actual pricing and other requirements ultimately adopted in the final laws and regulations in the European Union and its member countries;

• 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; 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, 2012, Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 and the Company's other reports filed with the Securities and Exchange Commission.