

American Express Company
Fixed Income Presentation

May 2012

AMERICAN EXPRESS

Agenda

- AXP Overview
- Performance
- AXP Capital & Funding Management

AXP Franchise

- American Express is a global service company that provides customers with access to products, insights and experiences that enrich lives and build business success.
- Our principal products are charge and credit cards, focusing on the premium market sector. We are the world's largest issuer as measured by purchase volume.
- Our spend-centric model is a significant competitive advantage.
- American Express is a brand recognized around the world for exceptional service and customer care, and has been ranked highest in overall satisfaction among the largest card issuers in the U.S. for the last 5 years, according to the J.D. Power and Associates annual nationwide credit card satisfaction study.
- Average spending per card is 3 to 4 times higher for us versus our network competitors.
- The global diversity of our business includes:
  - 99 million cards in force worldwide,
  - More than 130 card issuing or merchant acquiring arrangements with banks and other institutions,
  - Over 1,000 American Express-branded network partner products.

Company Overview

($ in millions)

AMERICAN EXPRESS COMPANY	2010	2011
Revenues Net of Interest Exp.	$27,582	$29,962
Income from Continuing Operations	$4,057	$4,899
Net Income	$4,057	$4,935
Return on Average Equity*	27.5%	27.7%

	U.S. Card Services		International Card Services		Global Commercial Services		Global Network & Merchant Services		Corporate & Other	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
Revenues Net of Interest Exp.	$14,462	$15,071	$4,643	$5,239	$4,127	$4,625	$4,305	$4,942	$45	$85
Segment Income (Loss)	$2,225	$2,680	$537	$723	$450	$738	$1,025	$1,293	($180)	($535)
Return on Avg. Segment Capital*	35%	33%	26%	25%	13%	20%	62%	66%		

- U.S. Proprietary Consumer and Small Business Cards and Services
- U.S. Consumer Travel Network

- Int'l Proprietary Consumer and Small Business Cards and Services
- Int'l Consumer Travel Network

- Corporate Card Programs
- Business-to-Business Payment Solutions
- Business Travel

- Global Merchant Services
- Global Network Services
- Global Network Card Partnerships

- Corporate HQ
- Enterprise Growth
- Global Payment Options
- Publishing

**Calculated by dividing one year period net income/segment income by one year average total shareholders' equity/average segment capital, respectively.*

Payments Landscape



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Spend-Centric Model

The AXP spend-centric business model focuses primarily on generating revenues by driving spending on our cards, and secondarily finance charges and fees, allowing us to grow market share in the payments industry.



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Q1'12 Summary Financial Performance

($ in millions, except per share amounts)

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

**Attributable to common shareholders. Represents net income less earnings allocated to participating share awards of $14MM for both Q1'12 and Q1'11. †This is a Non-GAAP measure. FX adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars (i.e., assumes Q1'12 foreign exchange rates apply to Q1'11 results). The Company's calculations of non-GAAP measures may differ from the calculations of similarly titled measures of other companies.*

Q1'12 Metric Performance

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

**FX adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars (i.e., assumes Q1'12 foreign exchange rates apply to Q1'11 results). **Card billed business includes activities (including cash advances) related to proprietary cards, cards issued under network partnership agreements (non-proprietary billed business), and certain insurance fees charged on proprietary cards. †Computed from proprietary card activities only. ††On an FX adjusted basis, Q1'11 cardmember loans would have been $57.7B.*

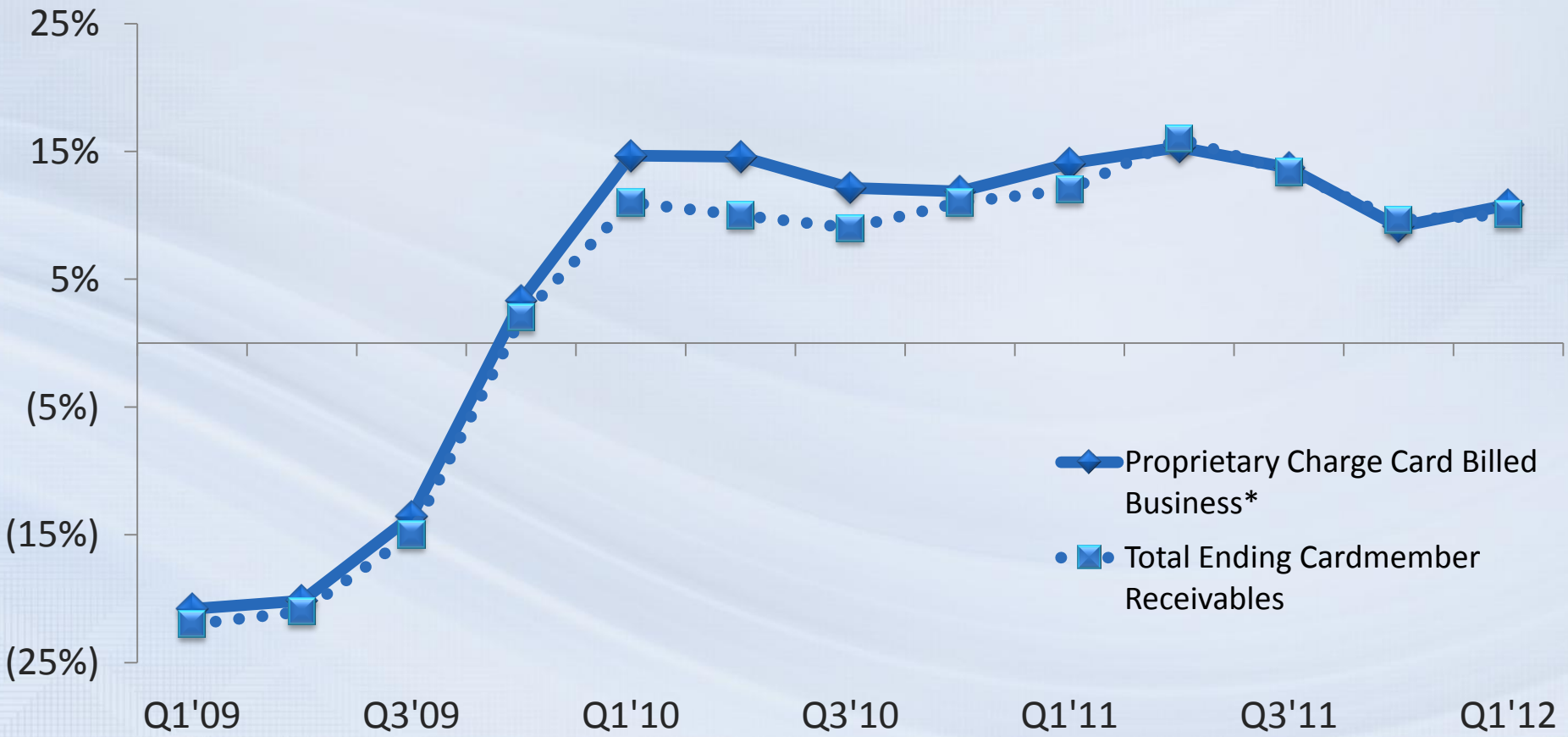
Metric Trends

% increase/(decrease) vs. prior year:	Q1'11	Q2'11	Q3'11	Q4'11	Q1'12
Billed Business*	17%	18%	16%	11%	12%
*Billed Business FX Adjusted***	*15%*	*15%*	*13%*	*11%*	*13%*
Total Cards In Force	5%	6%	8%	7%	7%
Avg. Basic Cardmember Spending †	14%	15%	12%	8%	10%
Cardmember Loans	0%	2%	2%	3%	4%
Worldwide Lending Write-off Rate††	3.7%	3.1%	2.6%	2.3%	2.3%

**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. **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 foreign exchange rates used for Q1'12 applies to Q1'11 rate used for Q4'11 applies to Q4'10, etc). †Computed from proprietary card activities only. ††Principal Only. Net-write offs, including interest and fees were 4.1%, 3.5%, 2.9% , 2.6% and 2.6% in Q1'11, Q2'11, Q3'11, Q4'11 and Q1'12, respectively.*

Charge Card Billed Business vs. Receivables Growth

$ in billions; % increase/(decrease) vs. prior year:

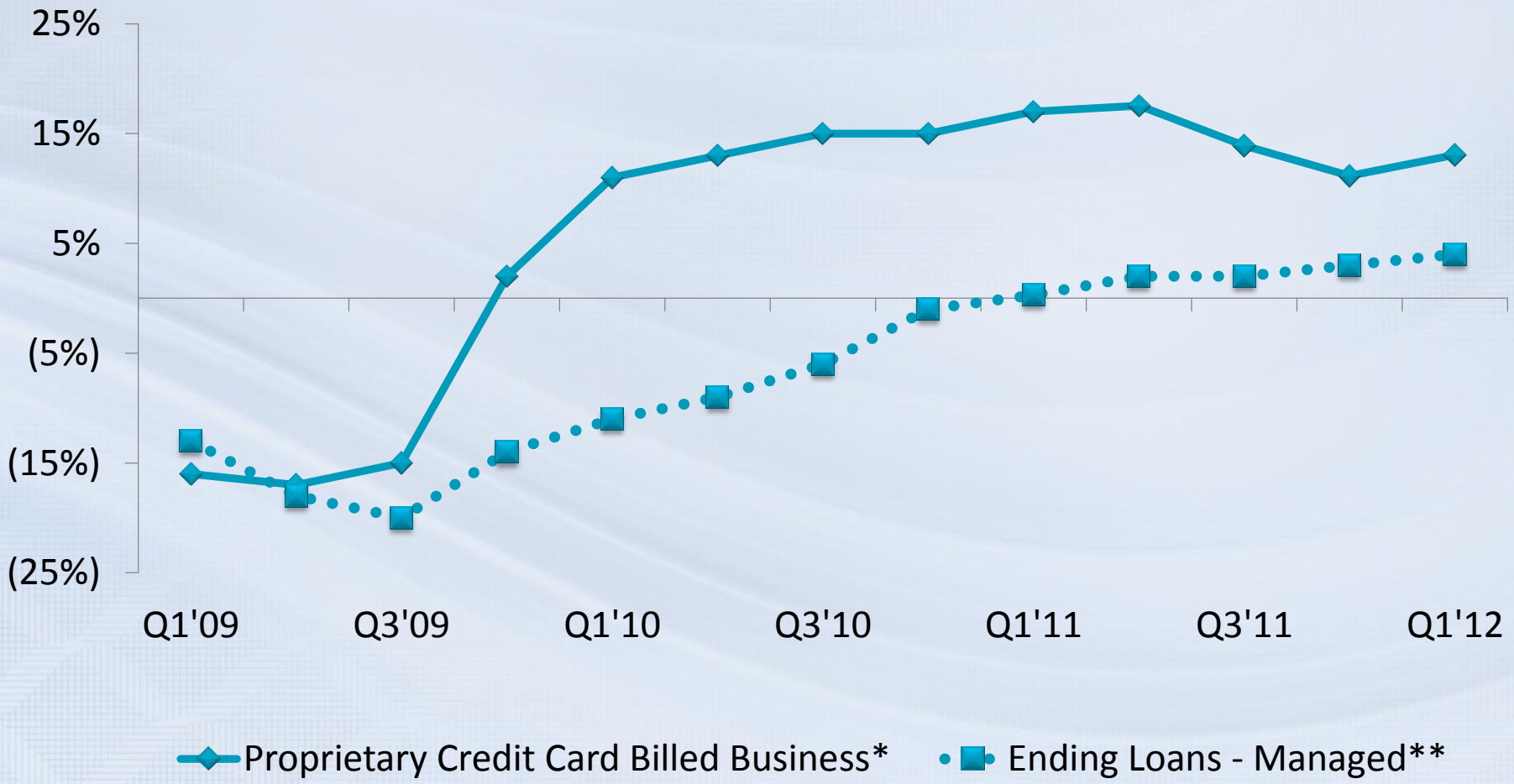


Ending Receivables	$30.3	$32.1	$33.7	$35.1	$37.7	$39.8	$41.5

**Excludes lending on charge billed business.*

Lending Billed Business vs. Managed Loan Growth

% increase/(decrease) vs. prior year:



Ending Receivables	$65.0	$60.7	$57.6	$57.2	$57.8	$58.2	$60.1

*Includes lending on charge billed business. **See Annex 1 for GAAP basis for periods prior to 2010.

Q1'12 Relative Performance

Total Billed Business

($ in billions)

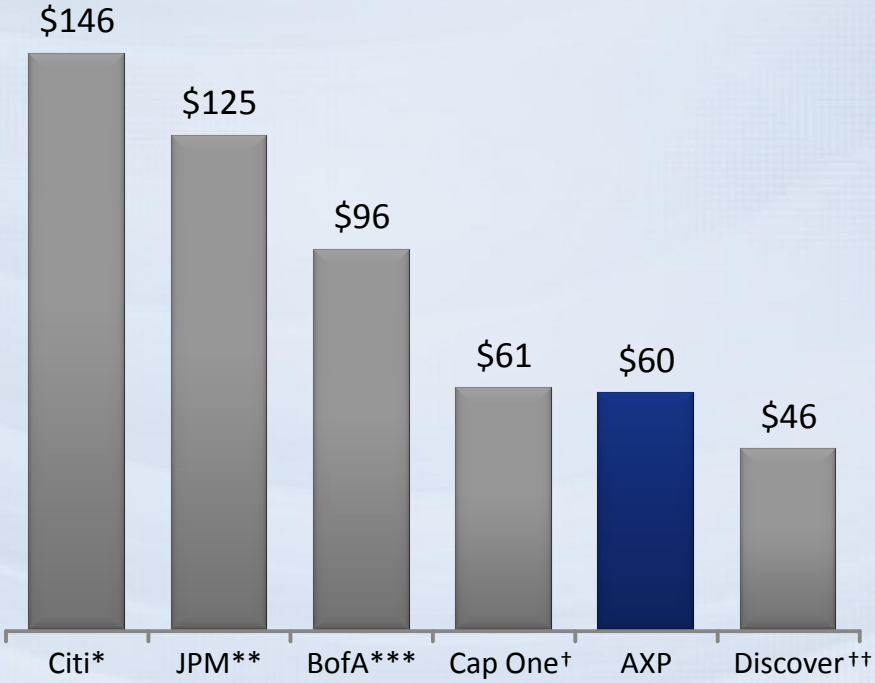
Spend Velocity	
AXP	8.5x
Industry	2.4x



Growth vs. PY	AXP	JPM**	Citi*	BofA***	Cap One†	Discover††
	12%	12%	6%	2%	23%	7%

Ending Loans

($ in billions)

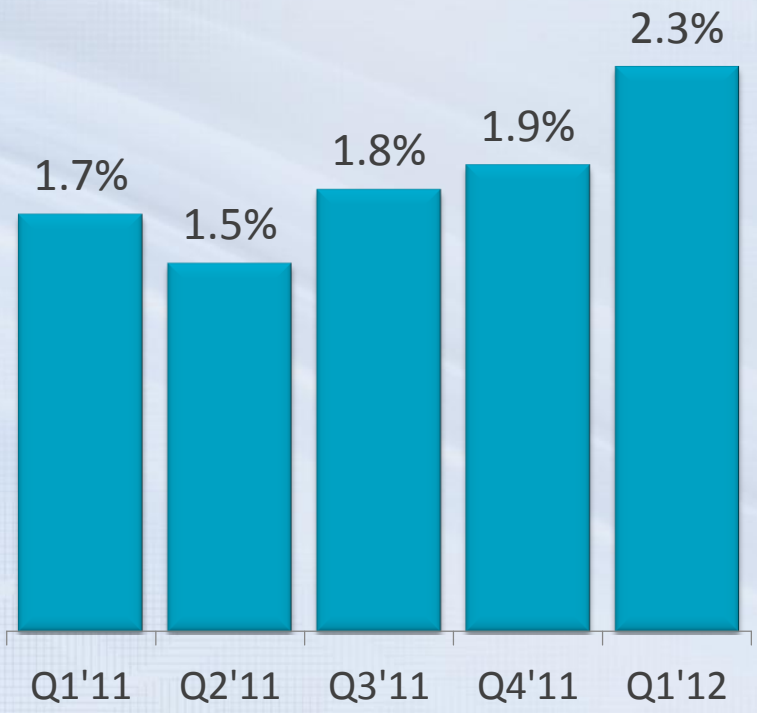


Growth vs. PY	Citi*	JPM**	BofA***	Cap One†	AXP	Discover††
	(1%)	(3%)	(10%)	4%	4%	4%

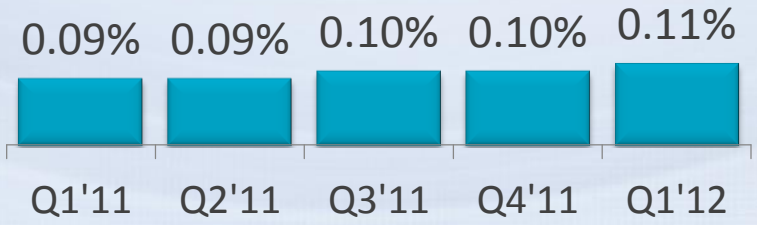
*NOTE: AXP "Billed Business" includes activities (including cash advances) related to proprietary cards, cards issued under network partnership agreements (non-proprietary billed business), and certain insurance fees charged on proprietary cards. "Spend Velocity" is the trailing 12 months of billed business divided by a five-point average of receivables and loans (over the same 12 month period). "Industry" includes Bank of America US Credit Card, Citi Global Card, Capital One Global Card, Discover and JP Morgan.*Citi Global Card. **Excludes Commercial Card. Reported billings shown above reflects sales volume, which excludes balance transfers. ***US Card. †Global Card. ††Fiscal year ends November 30. Billed business is credit card sales volume; disclosed total credit card volume was $27.4B for Q1'12.*

Charge Card Credit Performance

USCS Net Write-off Rate

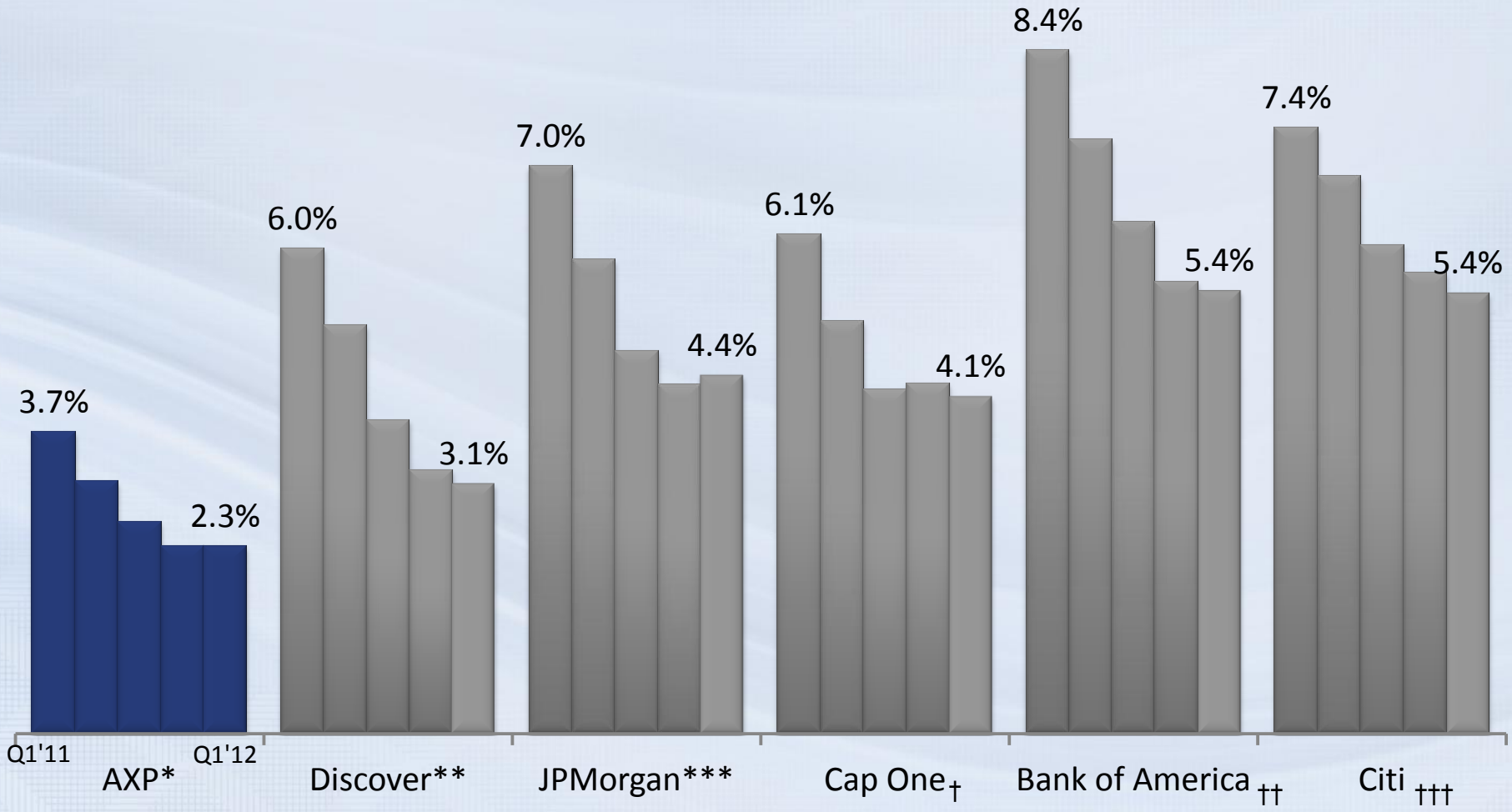


ICS/GCS Net Loss Ratio



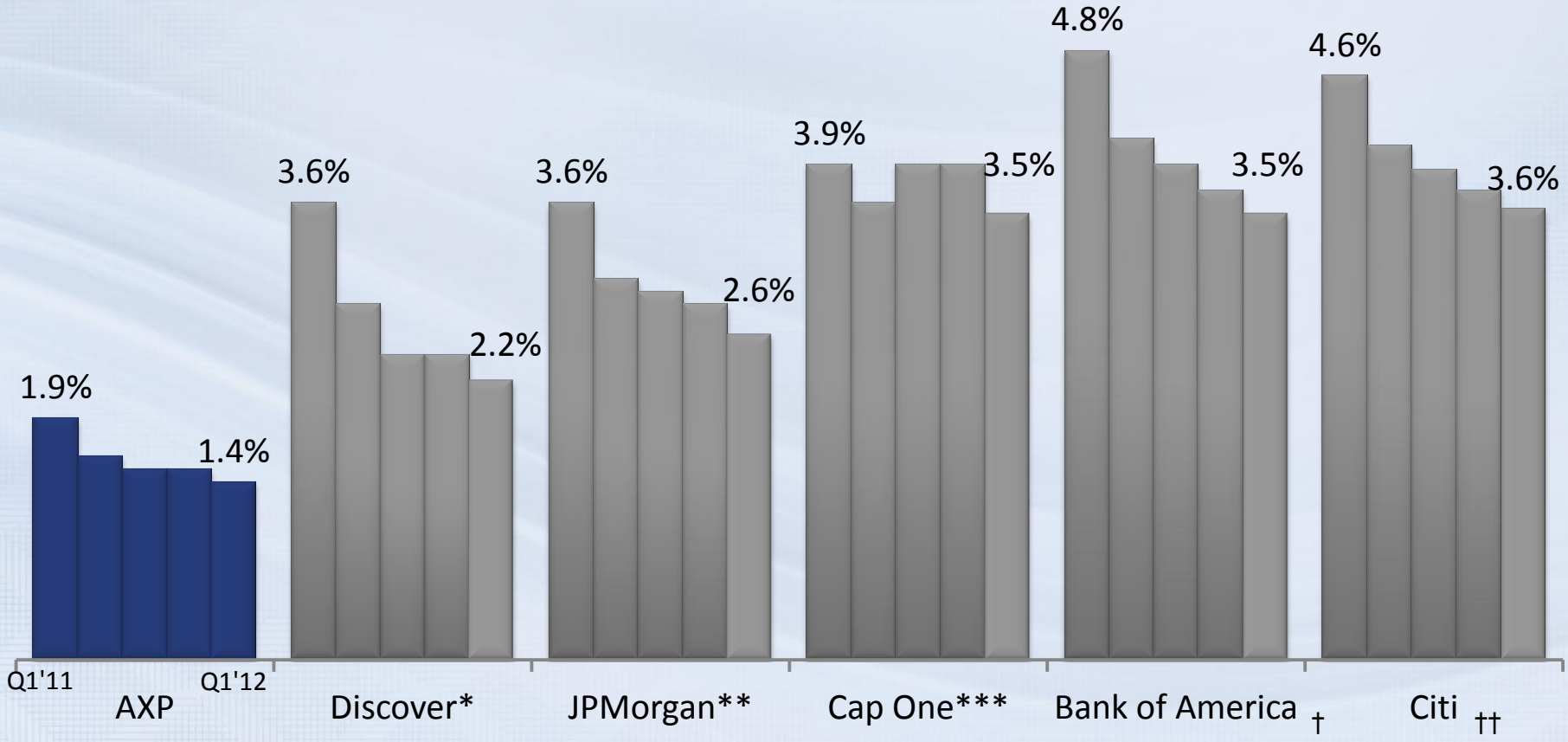
Note: USCS Net write-off rates above include Principal only. See Statistical tables in Q1'12 Earnings Release for net write-off rates including interest and/or fees.

AXP Lending Net Write-off Rates versus Competitors



*Rates include principal only. See Slide 10 for net write-off rates including interest and/or fees. **Fiscal year ends November 30. US Card. ***Results exclude Commercial Card. †Global Card. ††Credit Card, includes US credit card. †††Citi Global Cards

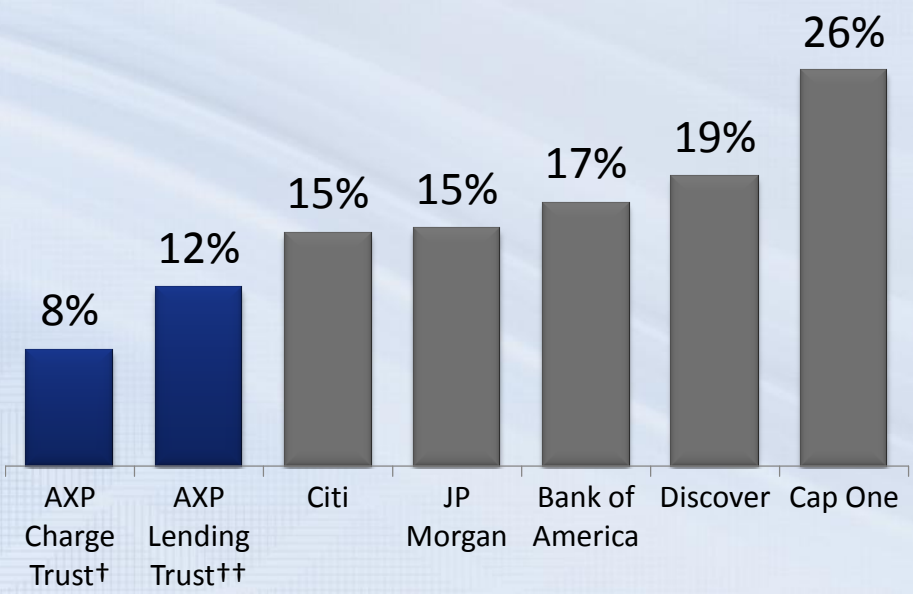
AXP Lending 30 Days Past Due Rates versus Competitors



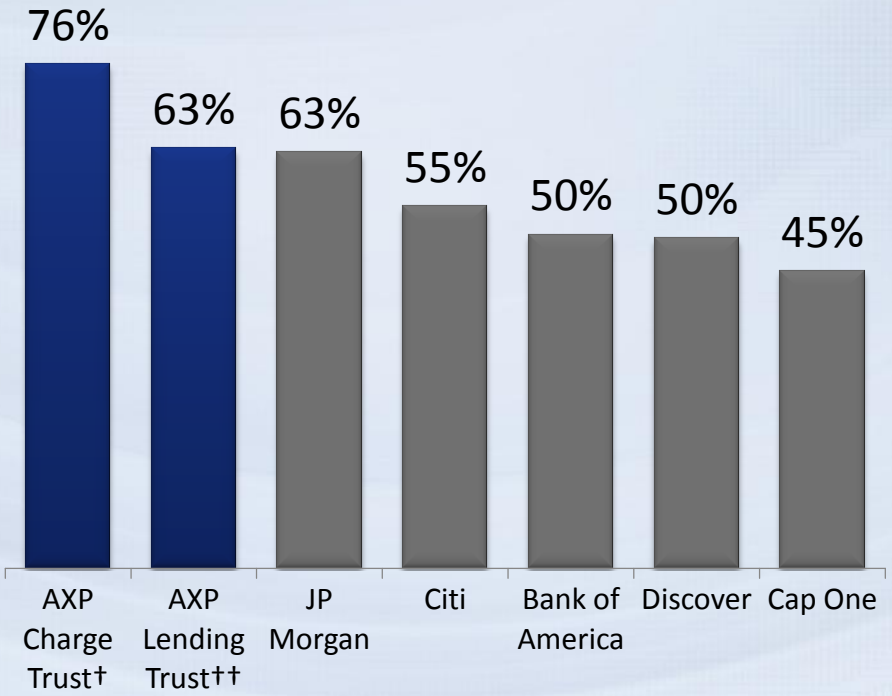
*Fiscal year ends November 30. US Card. **Results exclude Commercial Card. ***Global Card. †Credit Card, includes US credit card. ††Citi Global Cards.

Peer Comparison - Trust FICO Distributions*

FICO <660 ("Sub-prime")**



FICO >720 ("Super-prime")



**Trust data as of March 2012 for Bank of America (BACCT) and Discover (DCENT), December 2011 for AXP Charge Trust (AEIT) , Citi (CCCIT), and Capital One (COMET), and August 2011 for AXP Lending Trust (AMXCA) and JP Morgan (CHAIT). **Includes receivables associated with accounts without FICO scores. † Data on AEIT excludes the Commercial charge card accounts, a substantial portion of which do not have associated FICO scores. † † For AMXCA, FICO > 720 ("Super-prime") category includes 2/3's of the A/R within the 700 – 759 category.*

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Capital Management

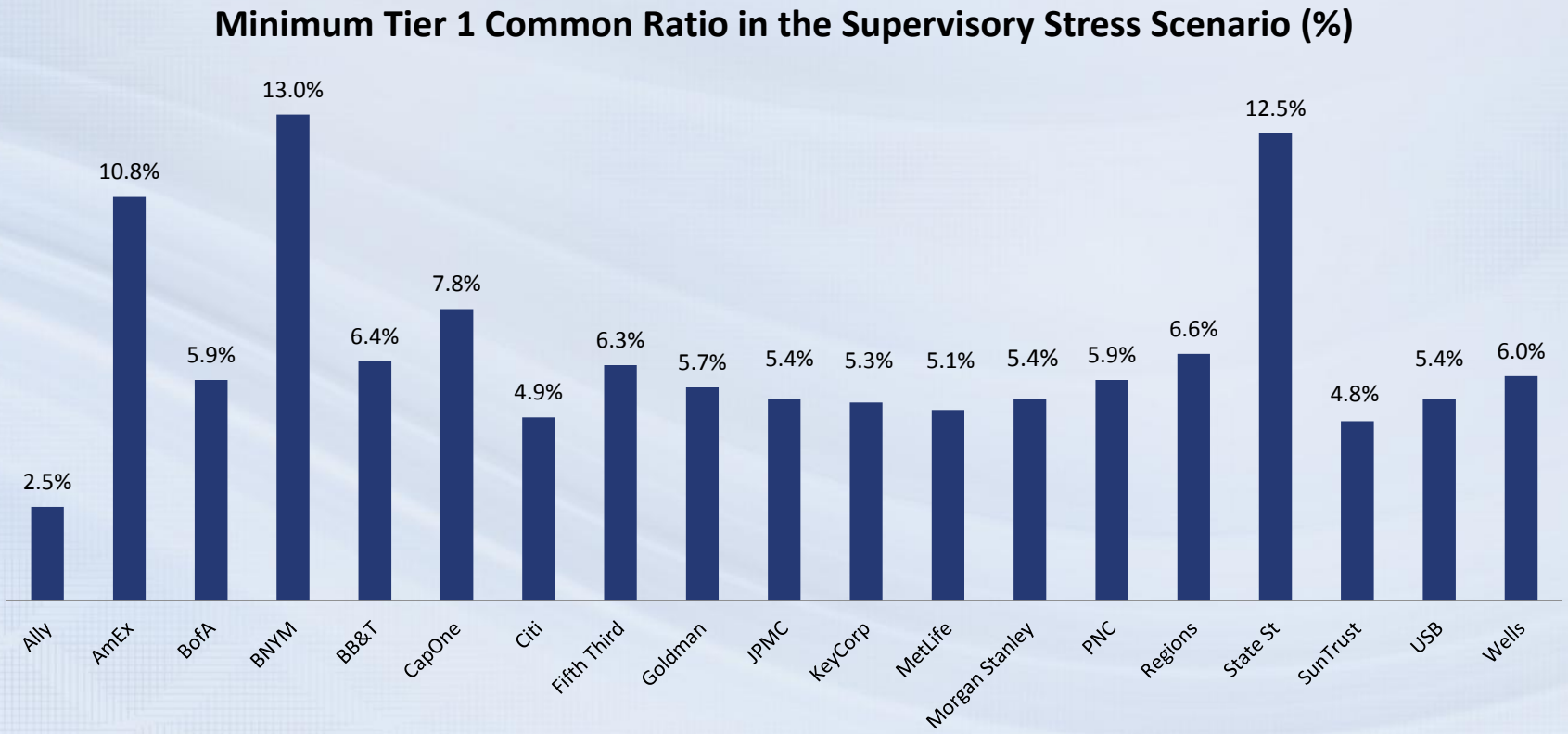


Capital Ratios

	Q1'12	Q4'11
Tier 1 Common Risk-Based*	13.4%	12.3%
Tier 1 Leverage	10.8%	10.2%
Tier 1 Risk-Based Capital	13.4%	12.3%
Total Risk-Based Capital	15.4%	14.3%
Tangible Common Equity to Risk-Weighted Assets ("TCE/RWA")**	13.2%	12.0%

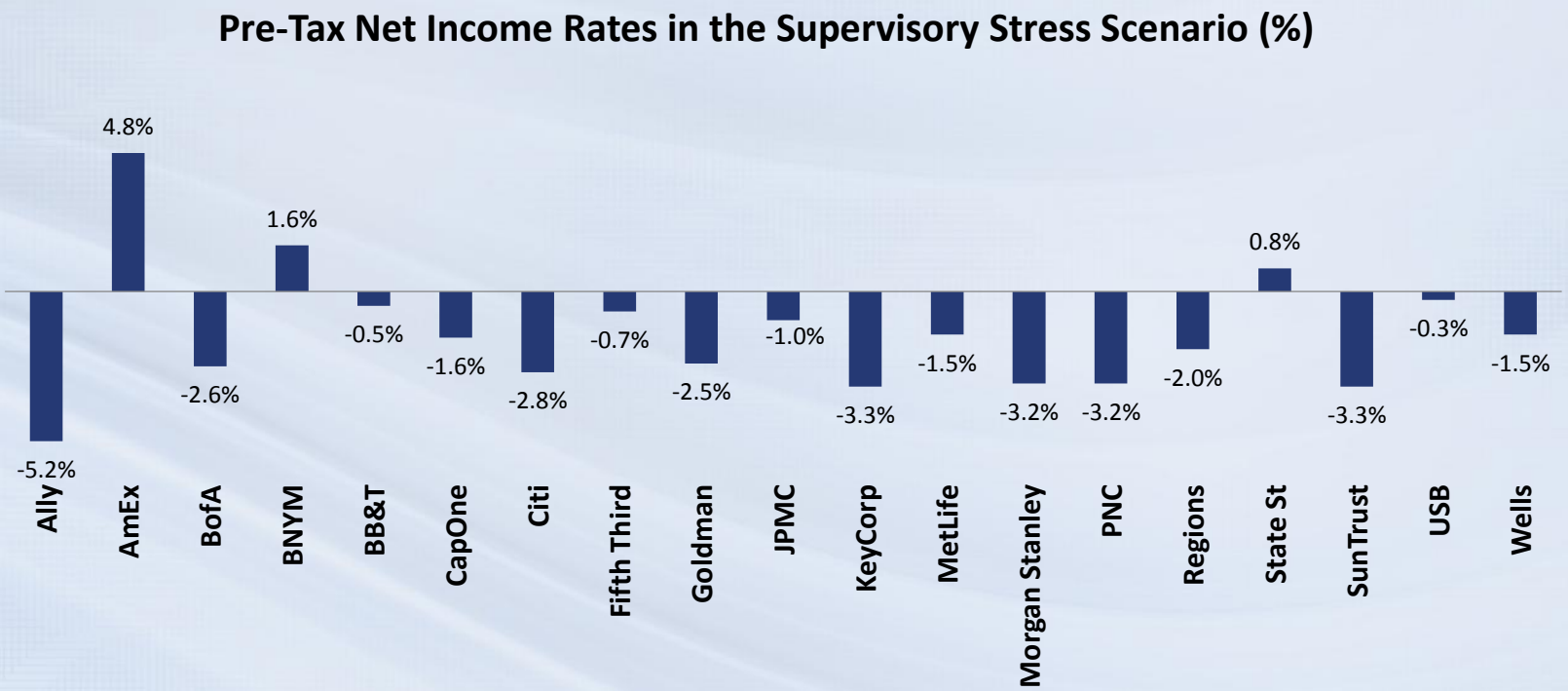
*Note: These ratios represent a preliminary estimate as of the date of these earnings slides and may be revised in the Company's Form 10-Q for the period ending March 31, 2012 . *The Tier 1 Common Risk-Based Capital Ratio is calculated as Tier 1 Common Equity, a non-GAAP measure, divided by Risk-weighted assets. See Annex 2 for reconciliation between Tier 1 Common Equity and Total Shareholders' Equity. **Common equity equals Total Shareholders' equity of $19.9B. TCE, a non-GAAP measure, equals common shareholders' equity, less goodwill and intangibles of $4.3B for Q1'12. RWA are $118.1B for Q1'12. The Company's calculations of Non-GAAP measures may differ from the calculations of similarly titled measures of other companies.*

CCAR Stress Test Results – Tier 1 Common Ratio



Source: Federal Reserve estimates in the Supervisory Stress Scenario for the for nine-quarter period from 4Q'11 to 4Q'13, published March 13, 2012.

CCAR Stress Test Results – Pre-Tax Net Income Rate



Note: "Pre-Tax Net Income Rate" defined as cumulative pre-tax income over the nine-quarter period from 4Q'11 to 4Q'13, divided by average assets for the same time period.

Source: Federal Reserve estimates in the Supervisory Stress Scenario for the for nine-quarter period from 4Q'11 to 4Q'13, published March 13, 2012.

Funding & Liquidity

- Our liquidity strategy is to target holding sufficient cash and readily marketable securities to meet all maturing funding obligations for the next 12 months, without having to access the unsecured or secured debt capital markets, or raise further retail deposits.
- We continue to focus on maintaining a strong liquidity profile:
  - Diversifying our funding sources, in particular continuing to grow retail deposits,
  - Laddering out maturities,
  - Maintaining substantial levels of both cash and readily marketable securities on hand, as well as contingent funding sources.
- We continue to strive for well diversified funding mix by maintaining scale and relevance in each of the three long-term funding markets: unsecured term, ABS and deposits.
- During Q1'12 we continued to focus on growing direct retail savings accounts and CDs sourced through Personal Savings from American Express.
- During Q1’12, we issued $1.5 billion of senior unsecured debt with a maturity of five years and a coupon of 2.375% and sold $118 million of our retained subordinated asset-backed securities from the Lending Trust.

Funding & Liquidity Sources

Funding Sources

- Deposits
- ABS
- Unsecured Term Debt
- Term Bank Facility
- Commercial Paper

Contingent Sources

- Cash & Readily Marketable Securities
- Discount Window
- Committed Bank Credit Facilities

- Secured Borrowing through Conduit Facility*

**Drawn balance of the conduit serves as a funding source for the Company; undrawn balance is treated as a contingent source.*

Q1'12 Liquidity Snapshot

($ in billions)

Resources		Funding Maturities	
Cash*	$20	Q2‘12	4
Readily Marketable Securities	1	Q3'12	4
Liquidity Portfolio	21	Q4'12	4
Commercial Paper Outstanding	(1)	Q1‘13	1
Excess Cash & Securities	**$20**	**Twelve Month Maturities**	**$13****

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

US Retail Deposit Programs

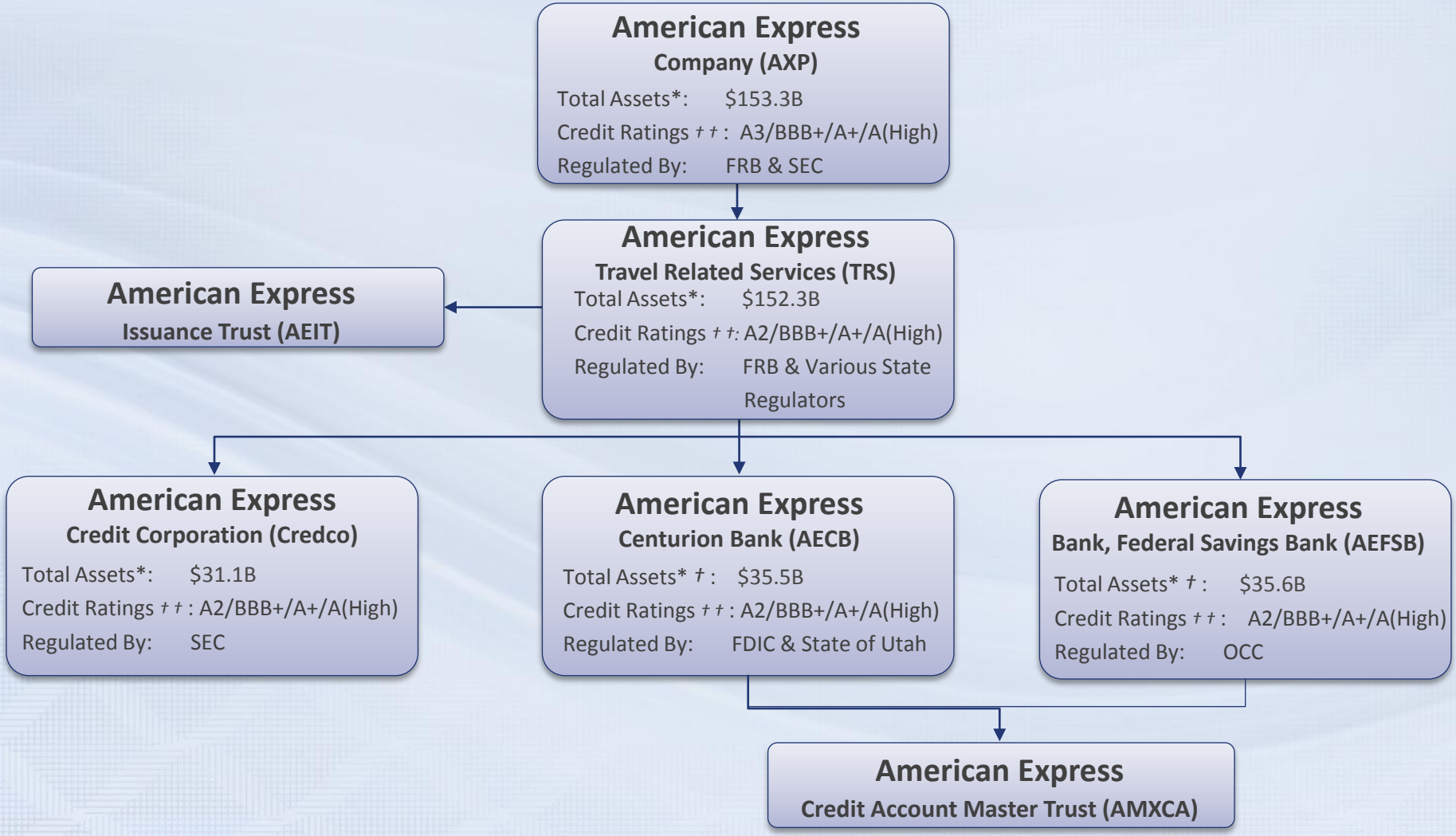
($ in billions)

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

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

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

American Express Primary Issuance Structure



** Total assets as of December 31, 2011. † Excludes off-balance sheet loans of $11.2 billion and $7.4 billion for AECB and AEFSB, respectively. These assets are included in the GAAP assets at TRS. † † Credit Ratings indicated are from Moody's/S&P/Fitch/DBRS as of May 2, 2012. Credit Outlook: Moody's, S&P, Fitch and DBRS – stable.*

AXP & TRS

AXP and TRS are Bank and Financial Holding Companies

American Express
Company (AXP)

Credit Ratings*: A3/BBB+/A+/A(High)

- Leading global payments and travel company
- Sources of funding:
  - Dividends from subsidiaries
  - Unsecured long-term notes

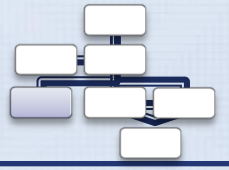
American Express
Travel Related Services (TRS)

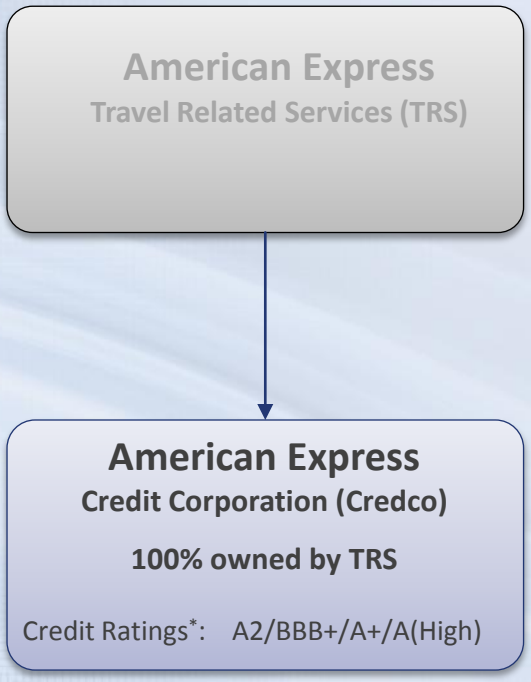
Credit Ratings*: A2/BBB+/A+/A(High)

- Issues corporate charge cards and prepaid products
- Sells corporate charge cards to Credco
- The Lending Trust is consolidated by TRS
- Sources of funding:
  - Unsecured medium and long-term notes
  - Asset backed securities (ABS) issued by American Express Issuance Trust

**Credit Ratings indicated are from Moody's/S&P/Fitch/DBRS as of May 2, 2012.*

Credco





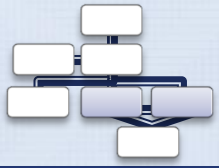
Credco-Ratio of Earnings to Fixed Charges

12/31/10	12/31/11	3/31/12
1.54	1.49	1.37

- Funds the following products:
  - US and Non-US charge cards
  - Non-US revolving cards
- Sources of funding:
  - Issuance of US and non-US unsecured long term debt
  - Asset backed securities (ABS) issued by American Express Issuance Trust
  - Borrowings under bank credit facilities in certain international markets
  - Inter-company borrowings
  - Retail notes
  - Direct issuance of 3(a)(3) commercial paper (P-1/A-2/F1/R-1)
- Terms of purchase of receivables:
  - Credco has an agreement with TRS such that sales of card receivables by TRS to Credco will be at a discounted rate that will yield earnings for fixed charges of not less than 1.25 times such charges
  - Credco may also purchase American Express card receivables from AECB, AEFSB and other AXP card issuers

** Credit Ratings indicated are from Moody's/S&P/Fitch/DBRS as of May 2, 2012.*

US Banks



American Express
Travel Related Services (TRS)

American Express
Centurion Bank (AECB)

100% owned by TRS

Credit Ratings*: A2/BBB+/A+/A(High)

- Incorporated in 1987
- Issues and funds the following charge and revolving cards:
  - Consumer Charge (including Lending on Charge)
  - Proprietary Lending
- Sources of funding:
  - Retail deposits
  - Inter-company borrowings
  - Unsecured medium and long-term notes
  - Asset backed securities (ABS) issued by American Express Credit Account Master Trust
  - Short-term money market instruments

American Express
Bank, Federal Savings Bank (AEFSB)

100% owned by TRS

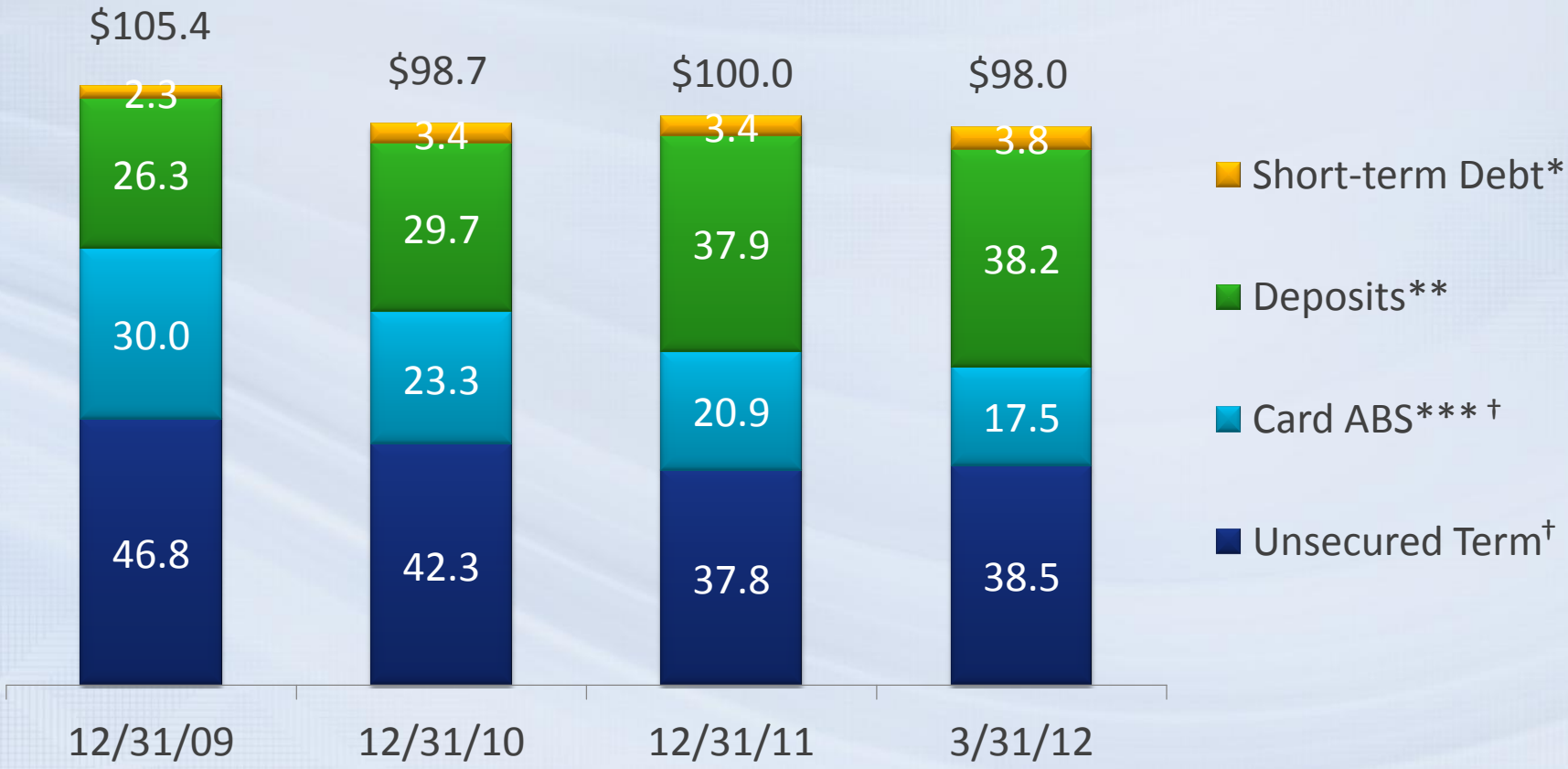
Credit Ratings*: A2/BBB+/A+/A(High)

- Incorporated in 2000
- Primarily issues and funds the following charge and revolving cards:
  - Co-Brands
  - OPEN (Small Business Services)
- Sources of funding:
  - Retail deposits
  - Inter-company borrowings
  - Unsecured medium and long-term notes
  - Asset backed securities (ABS) issued by American Express Credit Account Master Trust
  - Short-term money market instruments

** Credit Ratings indicated are from Moody's/S&P/Fitch/DBRS as of May 2, 2012.*

Outstanding Funding Composition

($ in billions)

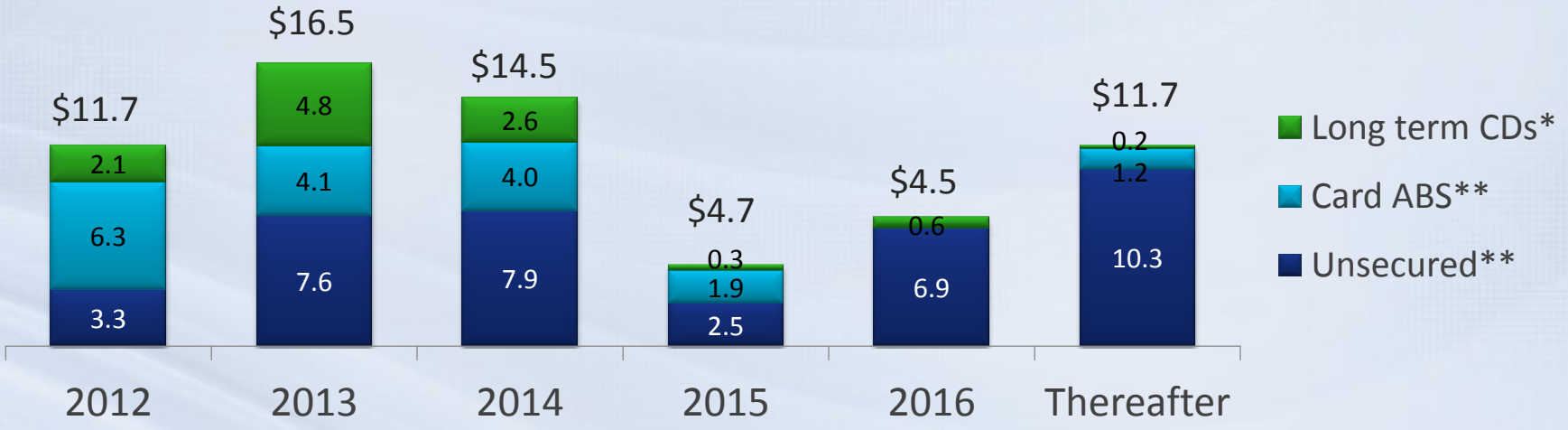


**Short-term Debt as of 3/31/12 includes $0.4B of Commercial Paper and $3.4B of other short-term borrowings. ** Deposits include short-term CD's. ***On January 1, 2010, the Company consolidated its off-balance sheet ABS funding onto the balance sheet in compliance with new GAAP governing transfer of financial assets (formally known as SFAS 166/167). Prior period off-balance sheet ABS funding was $25.0 billion at 12/31/09. All ABS debt is presented net of securities that have been retained by the Company. †Principal only. Excludes $0.8 billion of capitalized leases and certain adjustments classified as long-term debt on the Company's consolidated balance sheet as of 3/31/12.*

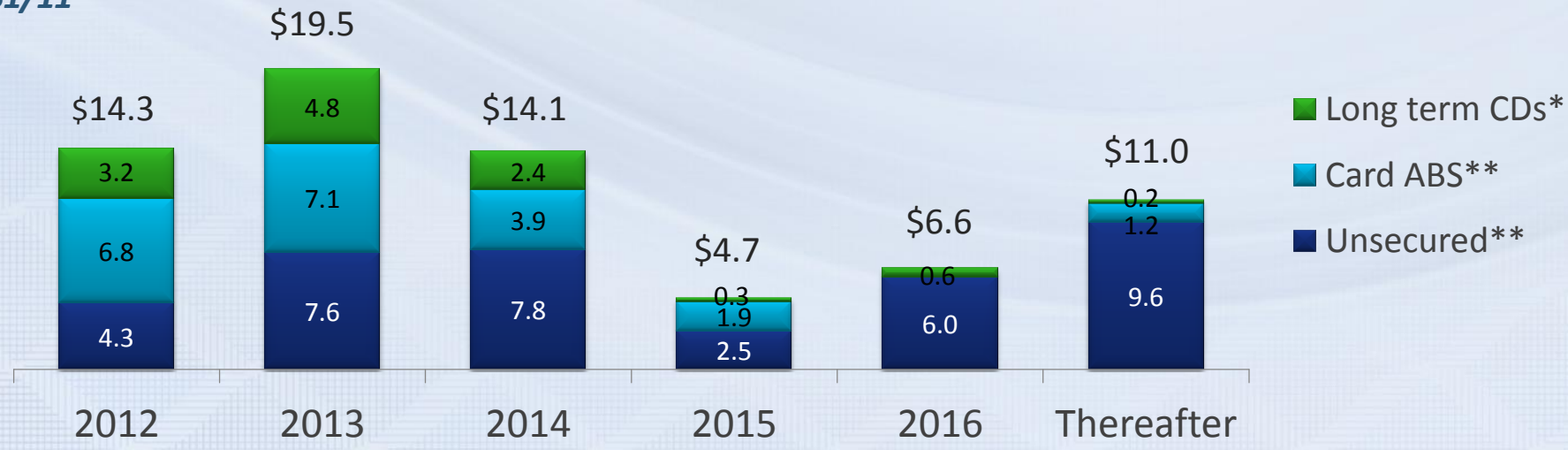
Term Maturity Profile – Debt and LT CDs

($ in billions)

3/31/12



12/31/11



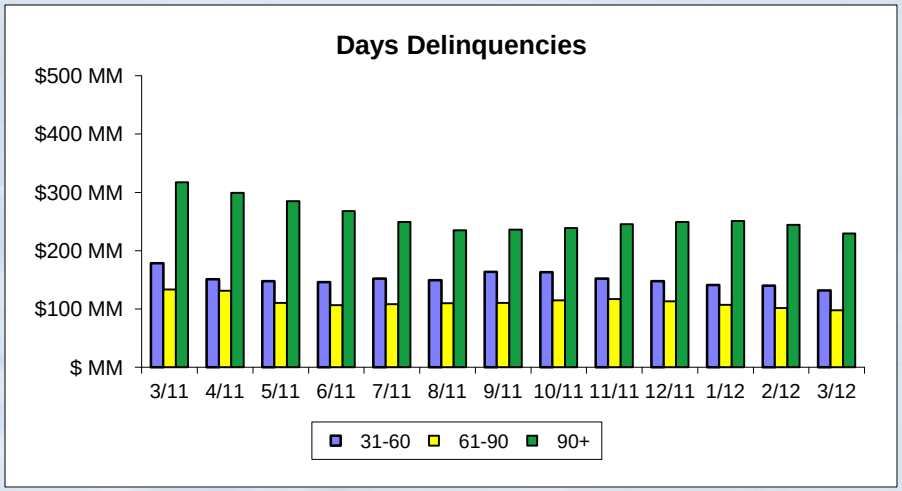
**Long Term CDs include US$ CDs only. ** Principal only. Excludes $0.8 billion of capitalized leases and certain adjustments classified as long-term debt on the Company's consolidated balance sheet as of 3/31/12 and $0.1 billion of capitalized leases classified as long-term debt on the Company's consolidated balance sheet as of 12/31/11.*

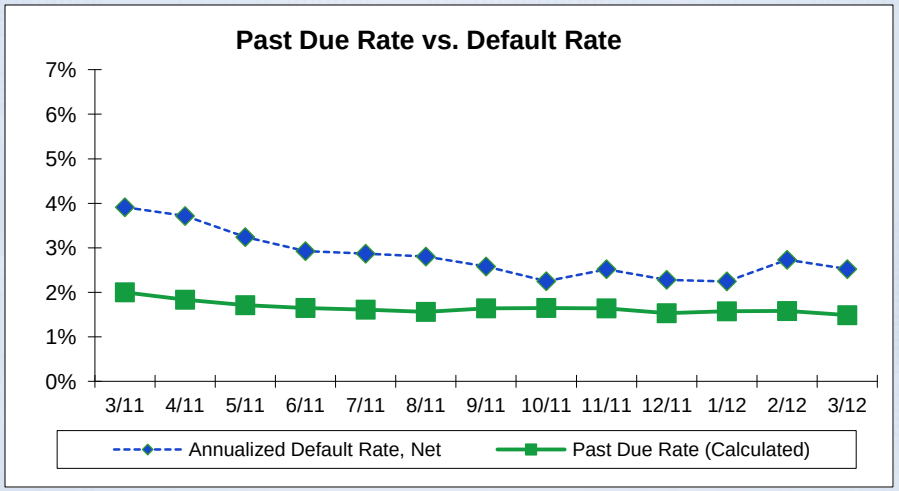
American Express ABS Trusts

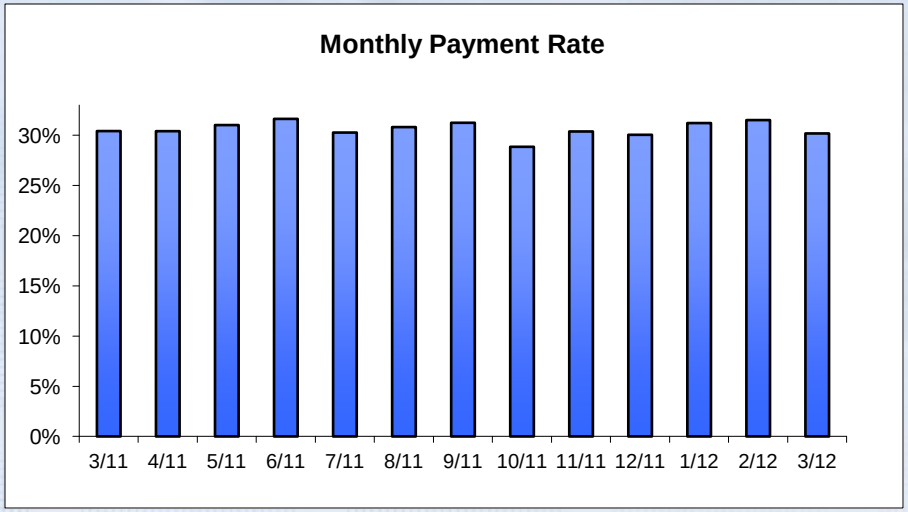
	American Express Credit Account Master Trust (AMXCA)	American Express Issuance Trust (AEIT)
Trust Established	• 1996	• 2005
Eligible loans and receivables	• US Consumer and Small Business cardmember loans	• US Consumer, Small Business and Corporate cardmember receivables
Assets currently in trust	• Consumer loans	• Consumer, Small Business and Corporate cardmember receivables
Trust Size: - Principal AR* Investor Interest* Seller Interest*	• $30.9 billion • $17.8 billion • $13.1 billion	• $6.9 billion • $1.6 billion • $5.3 billion
Accounting Treatment	• Beginning 1/1/2010, on a consolidated basis securitized loans accounted for on-balance sheet with no gain on sale	• Securitized receivables accounted for on-balance sheet with no gain on sale
Minimum Sellers Interest	• 7% of outstanding debt	• 15% of trust principal
Credit Enhancement based on most recent floating rate issuance	• 17.5% • Class B - 6.0% • Class C - 6.5% • Class D - 5%	• 7% • Class B - 3% • Class C - 4%

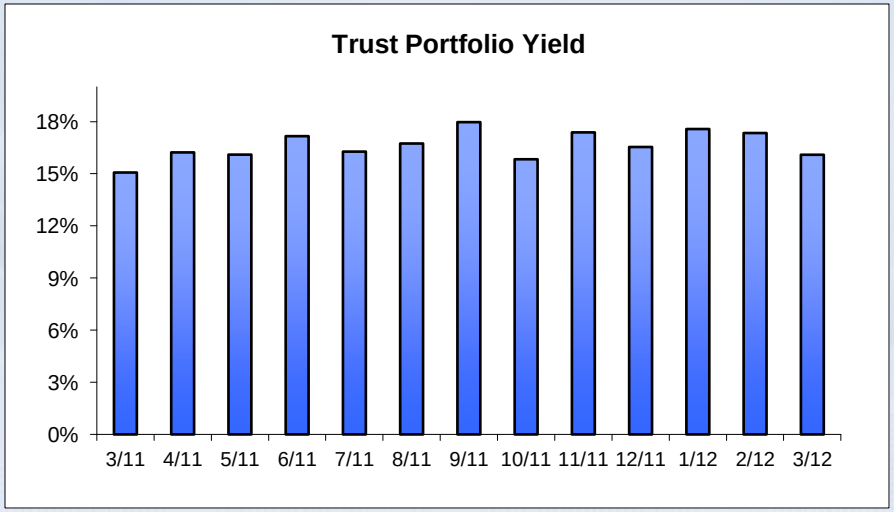
** Source: 10-D filings dated April 16, 2012.*

Credit Account Master Trust - Performance Trend



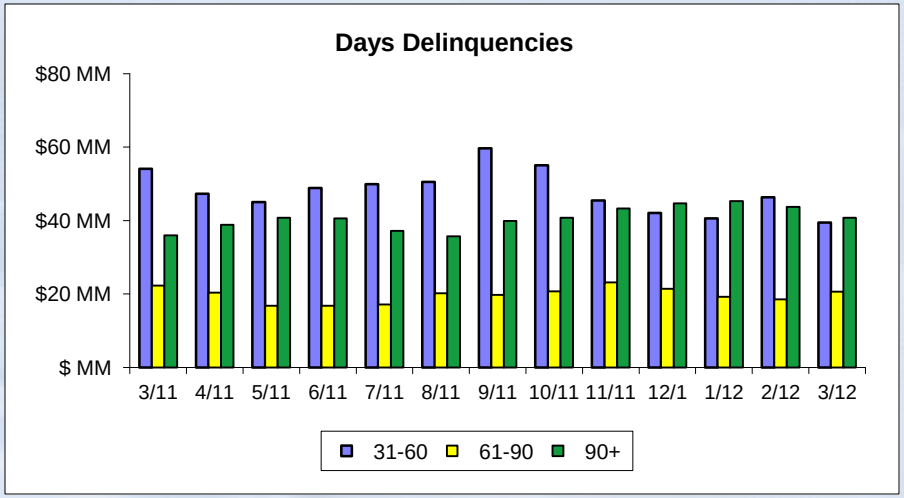


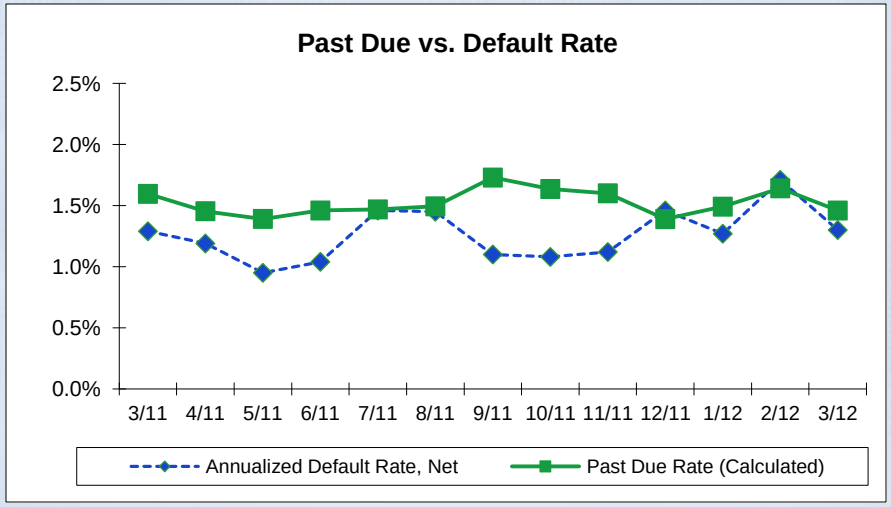


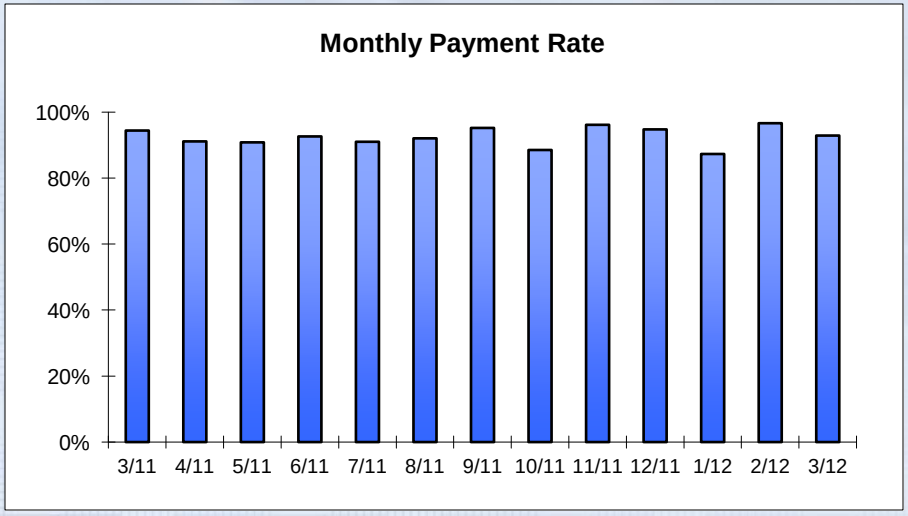


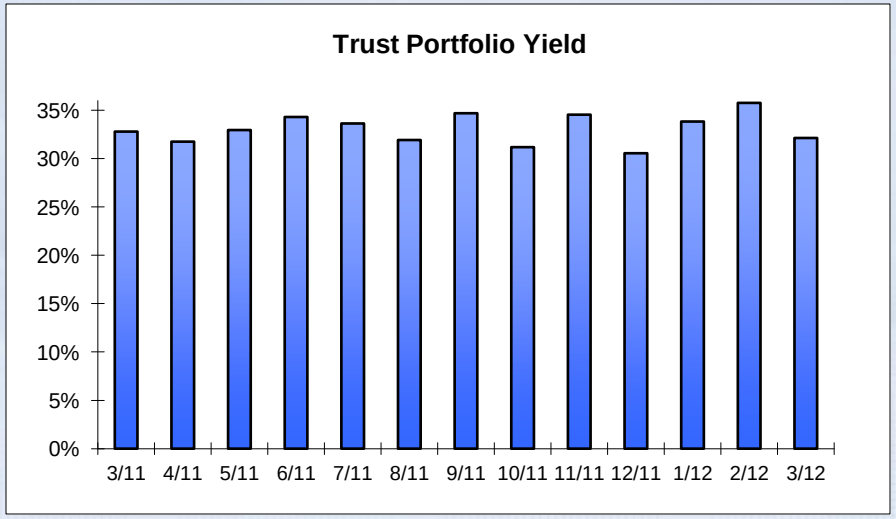
Source: AMXCA 10D Filings.

Issuance Trust - Performance Trend









Source: AEIT 10D Filings.


AMERICAN
EXPRESS

Annex 1

Worldwide Cardmember Lending

($ in billions, except percentages)

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

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

Annex 2

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

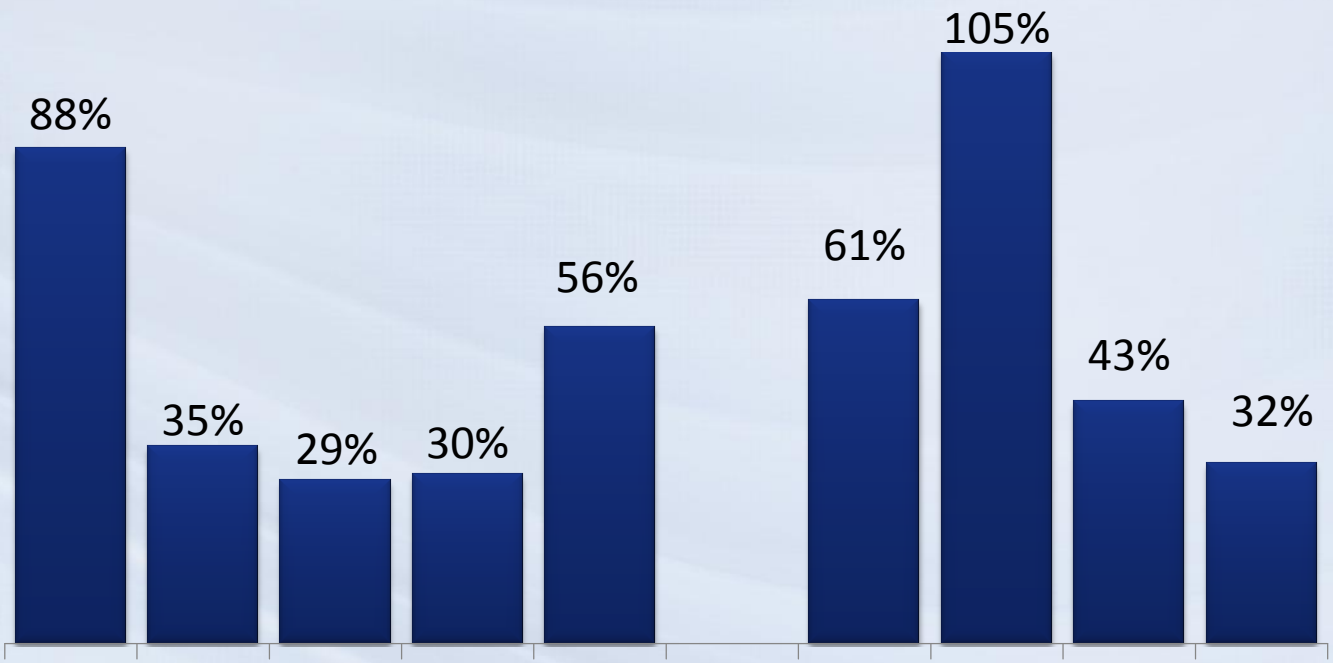
Tier 1 Common Equity Reconciliation as of March 31, 2012

($ in Millions)

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

Total Payout Ratio

Percentage of Capital Generated Returned to Shareholders



($ in billions)

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

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

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

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

Forward Looking Statements

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

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

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

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

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

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

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

•uncertainty relating to the actual growth of operating expenses in 2012 and subsequent years, which will depend in part on the Company's ability to balance the control and management of expenses and the maintenance of competitive service levels to its businesses and customers, unanticipated increases in significant categories of operating expenses, such as consulting or professional fees, compliance or regulatory costs and technology costs, higher than expected employee levels due to lower than expected attrition rates or employee needs not currently anticipated, the Company's decision to increase or decrease discretionary operating expenses depending on overall business performance, the impact of changes in foreign currency exchange rates on costs and results, and the level of acquisition activity and related expenses;

Forward Looking Statements

•uncertainty in the growth of operating expenses relative to the growth of revenues in 2012 and subsequent years and the possibility that the ratio of total expenses to revenues will not migrate back towards historical levels over time, which will depend on (i) factors affecting revenue, such as, among other things, the growth of consumer and business spending on American Express cards, higher travel commissions and fees, the growth of and/or higher yields on the loan portfolio and the development of new revenue opportunities and (ii) the success of the Company in containing operating expenses, which will be impacted by, among other things, the factors identified in the preceding bullet, and in containing other expenses including the Company's ability to control and manage marketing and promotion expenses as described below as well as expenses related to increased redemptions or other growth in rewards and 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, which will depend on (i) factors affecting revenue, which will be impacted by, among other things, the factors identified in the preceding bullet and (ii) the Company's ability to control and manage marketing and promotion expenses as described below, the availability of opportunities to invest at a higher level due to favorable business results and changes in macroeconomic conditions;

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

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

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

•the Company's lending write-off rates for 2012 not remaining below the average historical levels of the last ten years, which will depend in part on changes in the level of the Company's loan balances, delinquency rates of cardmembers, unemployment rates, the volume of bankruptcies and recoveries of previously written-off loans;

•changes affecting the Company's ability or desire to repurchase up to $4 billion of its common shares in 2012 and up to $1 billion in the first quarter of 2013, such as acquisitions, results of operations and capital needs, among other factors;

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

Forward Looking Statements

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

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

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

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

A further description of these uncertainties and other risks can be found in the Company's Annual Report on Form 10-K for the year ended December 31, 2011 and its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012, and the Company's other filings with the Securities and Exchange Commission.