American Express
Fixed Income Presentation

November 2011

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:
  - 96 million cards in force worldwide,
  - More than 130 card issuing or merchant acquiring arrangements with banks and other institutions,
  - Approximately 1,000 American Express-branded network partner products.

Company Overview

($ in millions)

AMERICAN EXPRESS COMPANY	YTD'10	YTD'11	2010
Revenues Net of Interest Exp.	$20,338	$22,220	$27,582
Income from Continuing Operations	$2,995	$3,707	$4,057
Net Income	$2,995	$3,743	$4,057
Return on Average Equity*	25.9%	27.8%	27.5%

	U.S. Card Services		International Card Services		Global Commercial Services		Global Network & Merchant Services		Corporate & Other	
	YTD'10	YTD'11	YTD'10	YTD'11	YTD'10	YTD'11	YTD'10	YTD'11	YTD'10	YTD'11
Revenues Net of Interest Exp.	$10,734	$11,174	$3,405	$3,906	$3,060	$3,442	$3,133	$3,626	$6	$72
Segment Income	$1,525	$1,953	$438	$571	$347	$558	$766	$969	($81)	($344)
Return on Avg. Segment Capital*	33%	34%	24%	25%	12%	18%	61%	64%		

- 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.*
Note: Throughout this presentation "YTD" refers to the first nine months of the respective calendar year unless otherwise noted.

Payments Landscape



American Express Business Model

Google
amazon
Elavon
PayPal
streamline
CHASE Paymentech
globalpayments
First Data
REDECARD
VISA
MasterCard
DISCOVER
TSYS
usbank
UOB 大華銀行
Bank of America
BARCLAYS
JPMorgan

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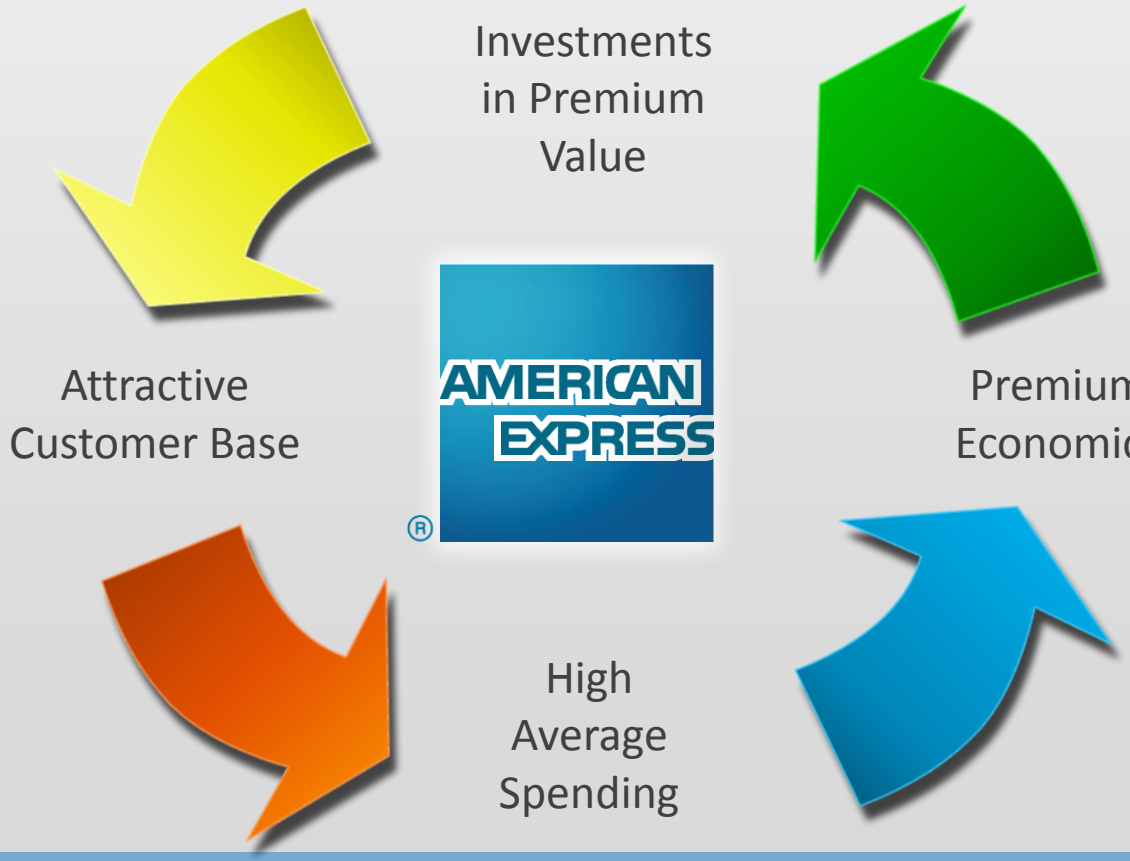
Spend-Centric Model

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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Summary Financial Performance

($ in millions, except per share amounts)	Q3'11	Q3'10	% Inc/(Dec)
Total Revenues Net of Interest Expense	$7,571	$6,973	9%
FX Adjusted[†]		$7,118	6%
Net Income	$1,235	$1,093	13%
Diluted EPS*	$1.03	$0.90	14%
Return on Average Equity	28%	26%	
Average Diluted Shares Outstanding	1,181	1,199	(2%)

**Attributable to common shareholders. Represents income from continuing operations less earnings allocated to participating share awards and other items of $15MM and $13MM for Q3'11 and Q3'10, respectively. [†]This is a Non-GAAP measure. FX adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars (i.e., assumes Q3'11 foreign exchange rates apply to Q3'10 results). The Company's calculations of non-GAAP measures may differ from the calculations of similarly titled measures of other companies.*

Metric Performance

	Q3'11	Q3'10	% Inc/Dec	FX Adj.*
Billed Business ($ in B)**	$207.7	$179.3	16%	13%
Total Cards In Force (MM)	95.8	89.0	8%	
Avg. Basic Cardmember Spending (Dollars)†	$3,739	$3,330	12%	10%
Cardmember Loans ($ in B)	$58.2	$57.2††	2%	2%
WW Travel Sales ($ in B)	$6.0	$5.3	13%	10%

**FX adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars (i.e., assumes Q3'11 foreign exchange rates apply to Q3'10 results). **Card billed business includes activities (including cash advances) related to proprietary cards, cards issued under network partnership agreements (non-proprietary billed business), and certain insurance fees charged on proprietary cards. †Computed from proprietary card activities only. ††On an FX adjusted basis, Q3'10 cardmember loans would also have been $57.2B.*

Historical Metric Trends

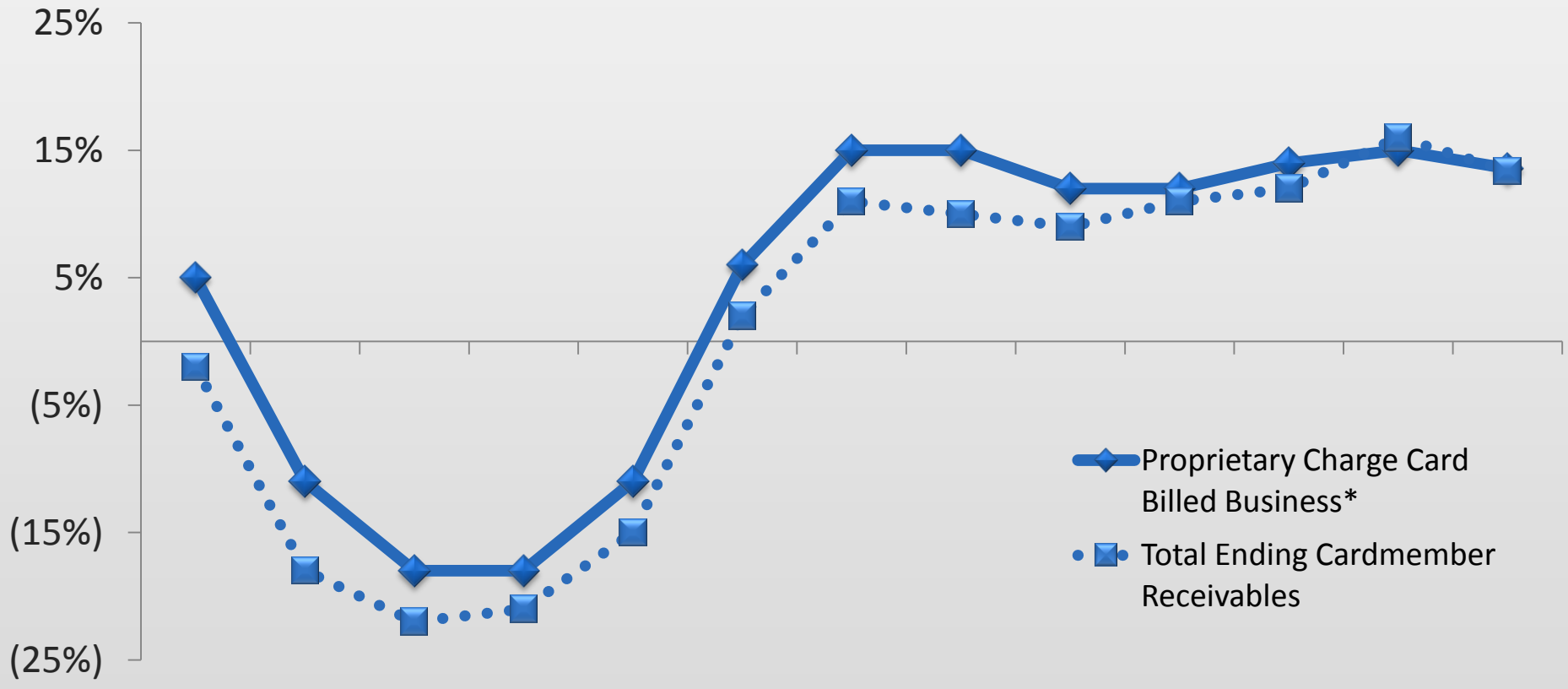


% increase/(decrease) vs. prior year:	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11
Billed Business*	14%	15%	17%	18%	16%
Total Cards In Force**	1%	4%	5%	6%	8%
Avg. Basic Cardmember Spending***	15%	13%	14%	15%	12%
Mgd. Cardmember Loans****	(6%)	(1%)	0%	2%	2%
Credit Performance					

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. ** Q3'10 cards-in-force (CIF) was reduced by 1.6MM cards due to a change in the definition of CIF for certain retail co-brand cards in GNS. Adjusted for this change, CIF would have increased YoY 2%, 5%, 7%, and 8% in Q3'10, Q4'10, Q1'11, and Q2'11 respectively.*Computed from proprietary card activities only.****Managed basis includes non-securitized and securitized loans. On a GAAP basis, loan growth increased/(decreased) by 82% in Q3'10 and by 86% in Q4'10. For periods beginning in 2011, managed growth rates and GAAP growth rates are equivalent.*

Charge Card Billed Business vs. Receivables Growth

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

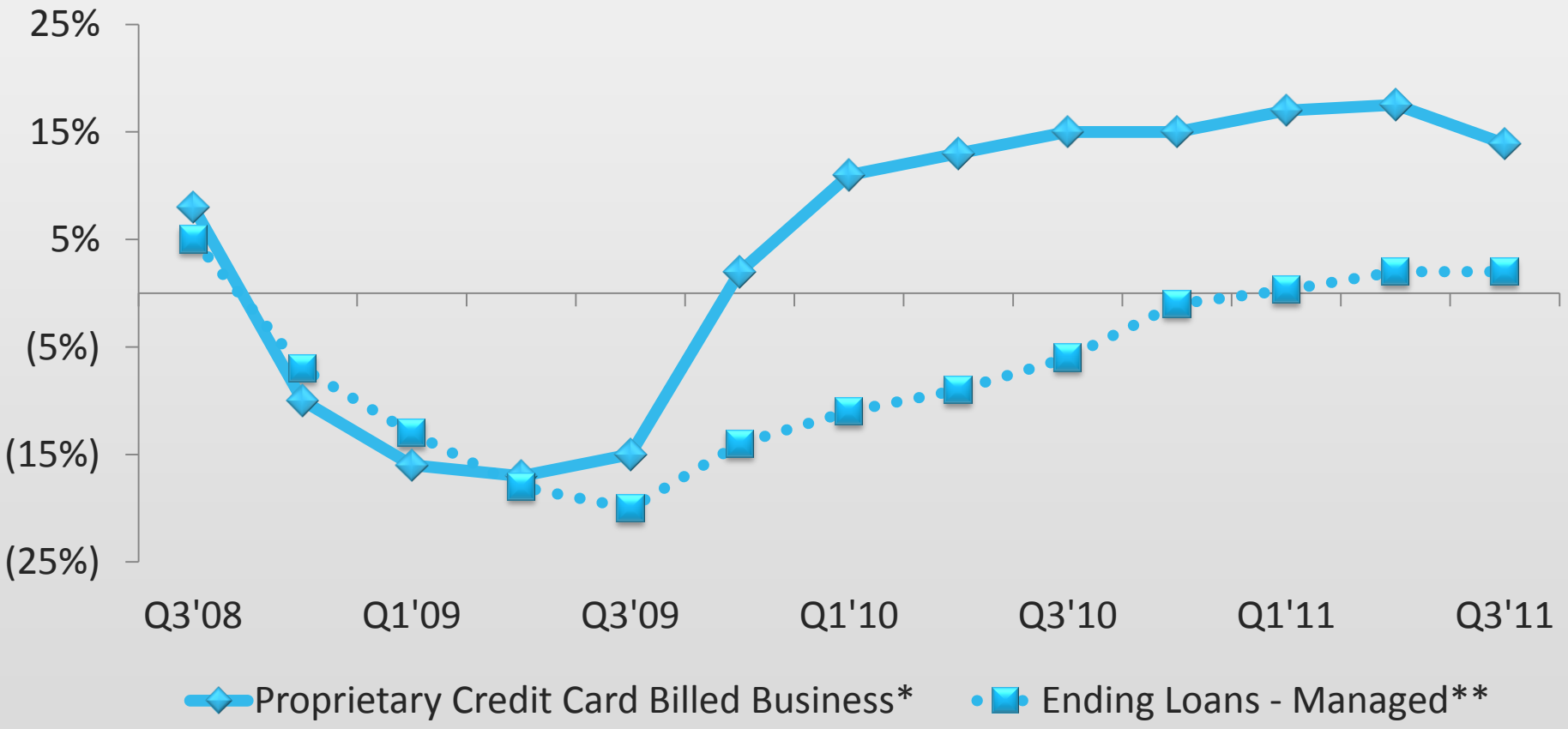


	Q3'08	Q1'09	Q3'09	Q1'10	Q3'10	Q1'11	Q3'11
Ending Receivables	$37.6	$30.3	$32.1	$33.7	$35.1	$37.7	$39.8

**Excludes lending on charge billed business.*

Lending Billed Business vs. Managed Loan Growth

% increase/(decrease) vs. prior year, Managed:

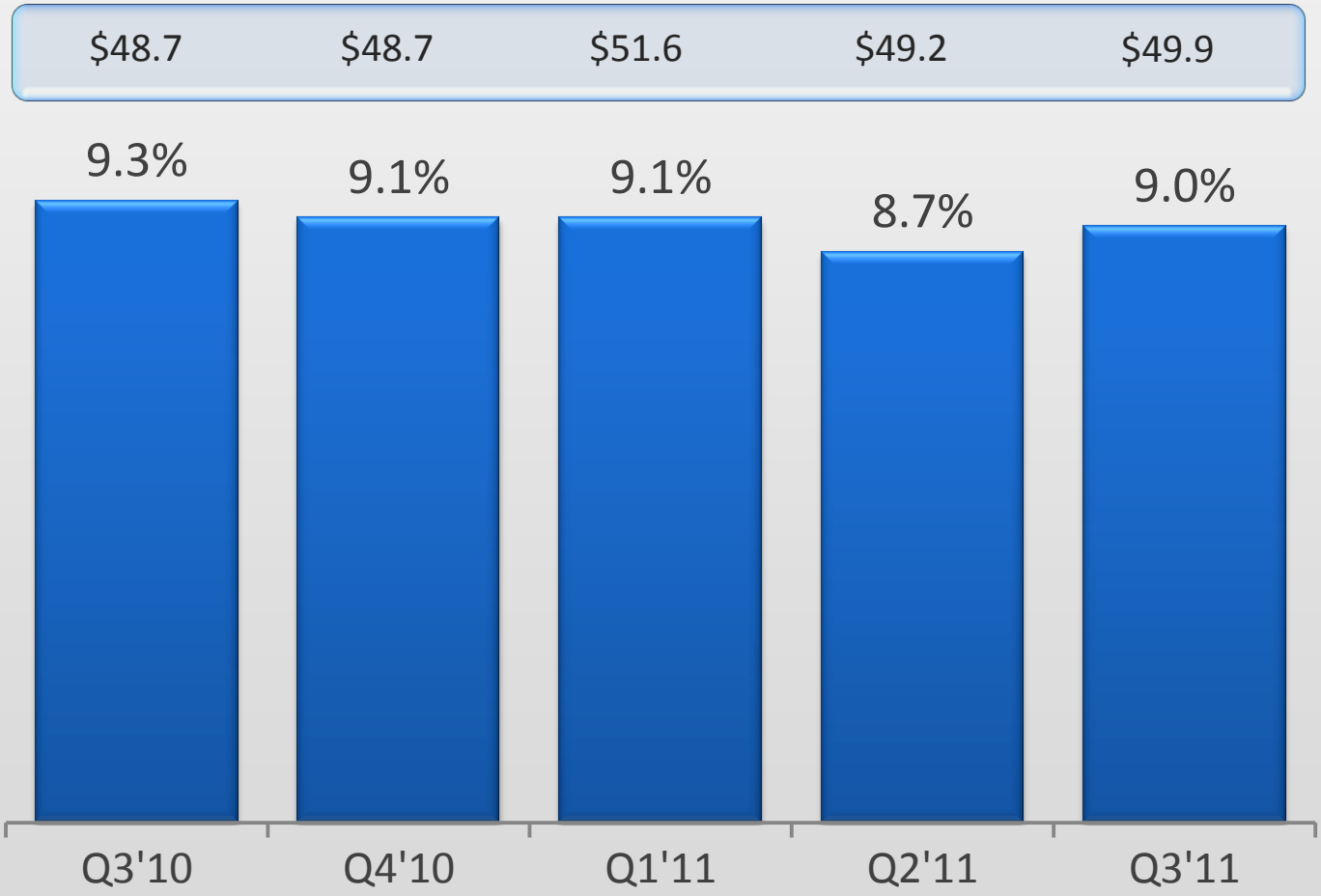


Ending Loans Managed**	$75.5	$65.0	$60.7	$57.6	$57.2	$57.8	$58.2

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

USCS Net Interest Yield
Managed Cardmember Loans

$ in billions; Total Cardmember Loans, Managed

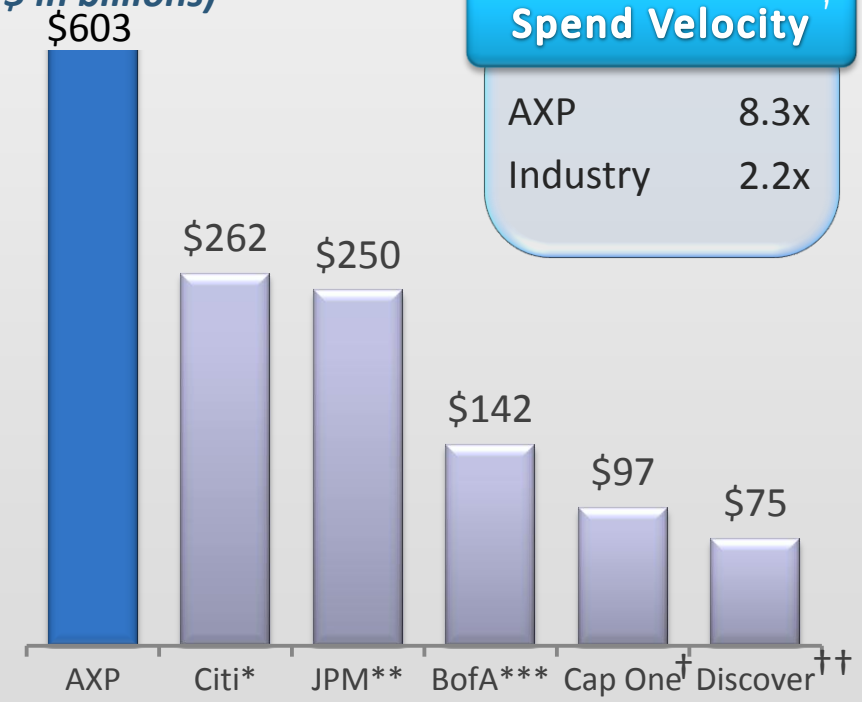


See Annex 2 for reconciliation of net interest income divided by average loans, a GAAP measure, and net interest yield, a non-GAAP measure.

YTD 2011 Relative Performance

Total Billed Business

($ in billions)



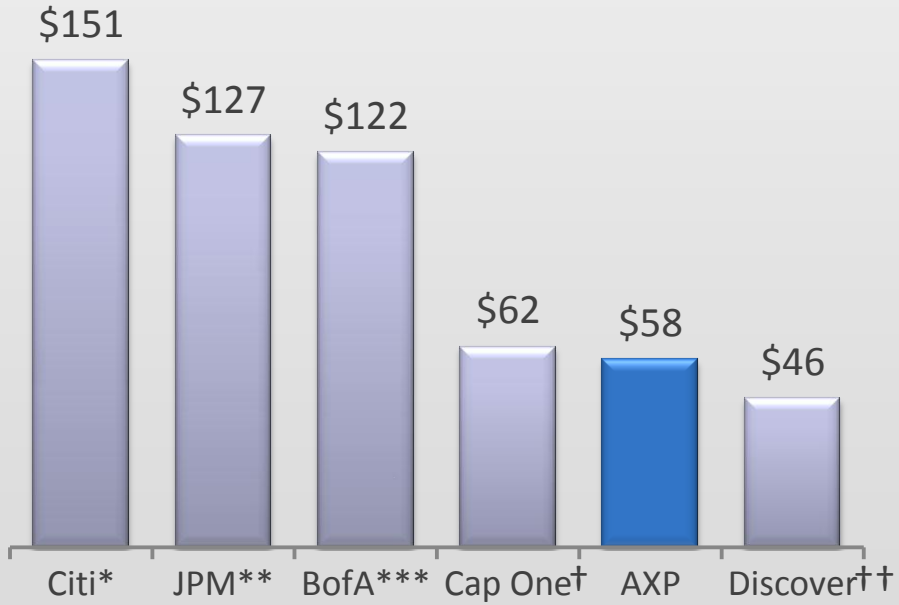
Spend Velocity‡

AXP	8.3x
Industry	2.2x

Growth vs. PY	AXP	Citi*	JPM**	BofA***	Cap One†	Discover††
	17%	5%	10%	3%	25%	8%

Ending Loans

($ in billions)

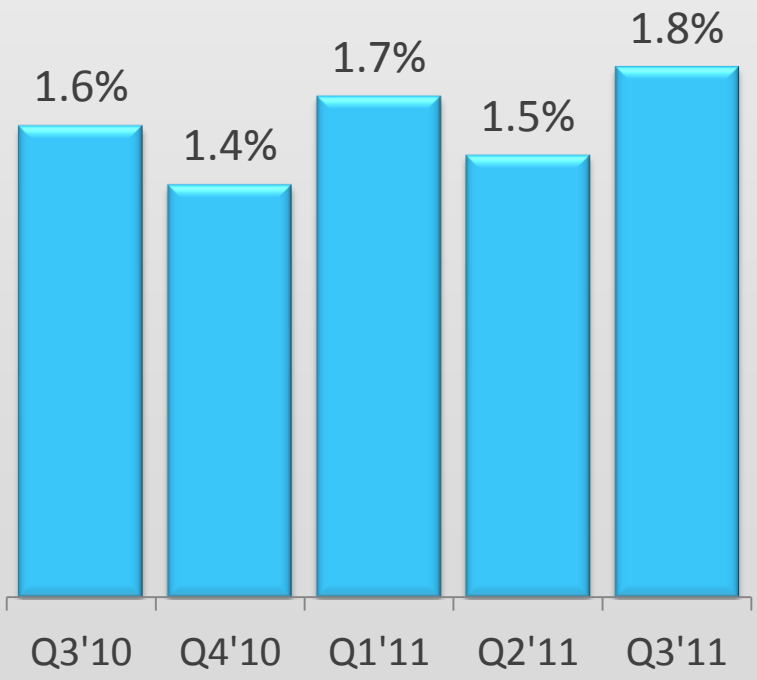


Growth vs. PY	Citi*	JPM**	BofA***	Cap One†	AXP	Discover††
	(4%)	(7%)	(12%)	1%	2%	2%

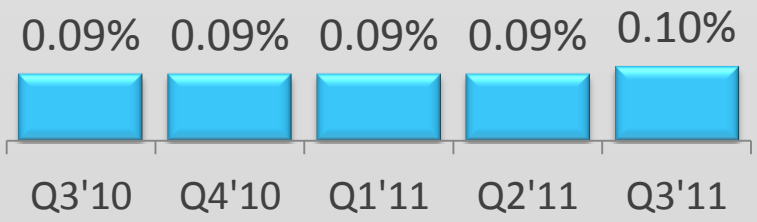
**Includes Citi-Branded Cards and Citi Holdings Retail Partners North America Cards. **Includes the impact of the Washington Mutual acquisition. Reported billings shown above reflects sales volume, which excludes balance transfers. ***Credit Card, includes US consumer and foreign credit card. †Global Card. ††Fiscal year ends November 30. Billed business is credit card sales volume; disclosed total credit card volume was $75B for the first three quarters of 2011 (ended 8/31/11) and increased 8%.‡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 Credit Card, Citi-Branded Cards, Citi Holdings Retail Partners North America, Capital One Global Card, Discover and JP Morgan. Discover billings represents total credit card volume. JP Morgan billings represents sales volume, which excludes balance transfers.*

Charge Card Credit Performance

USCS Net Write-off Rate

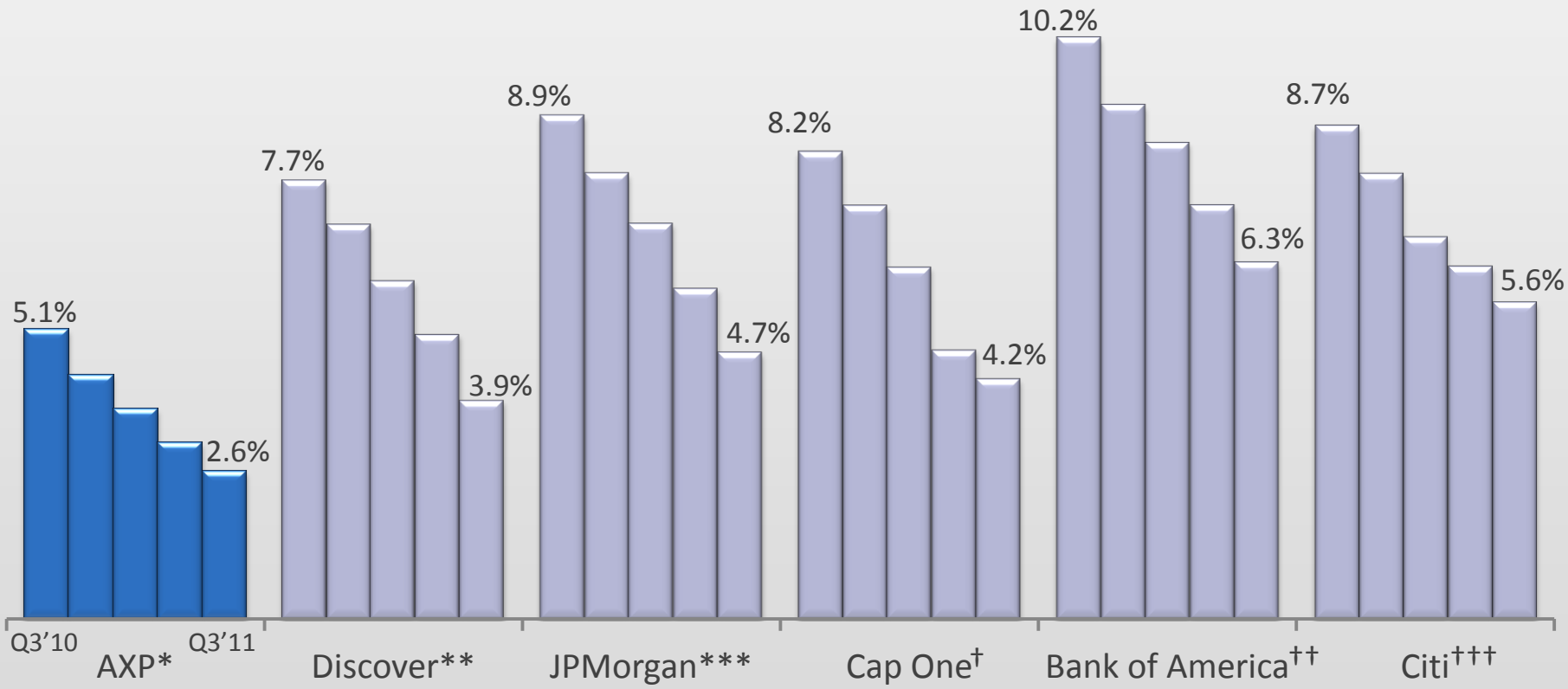


ICS/GCS Net Loss Ratio



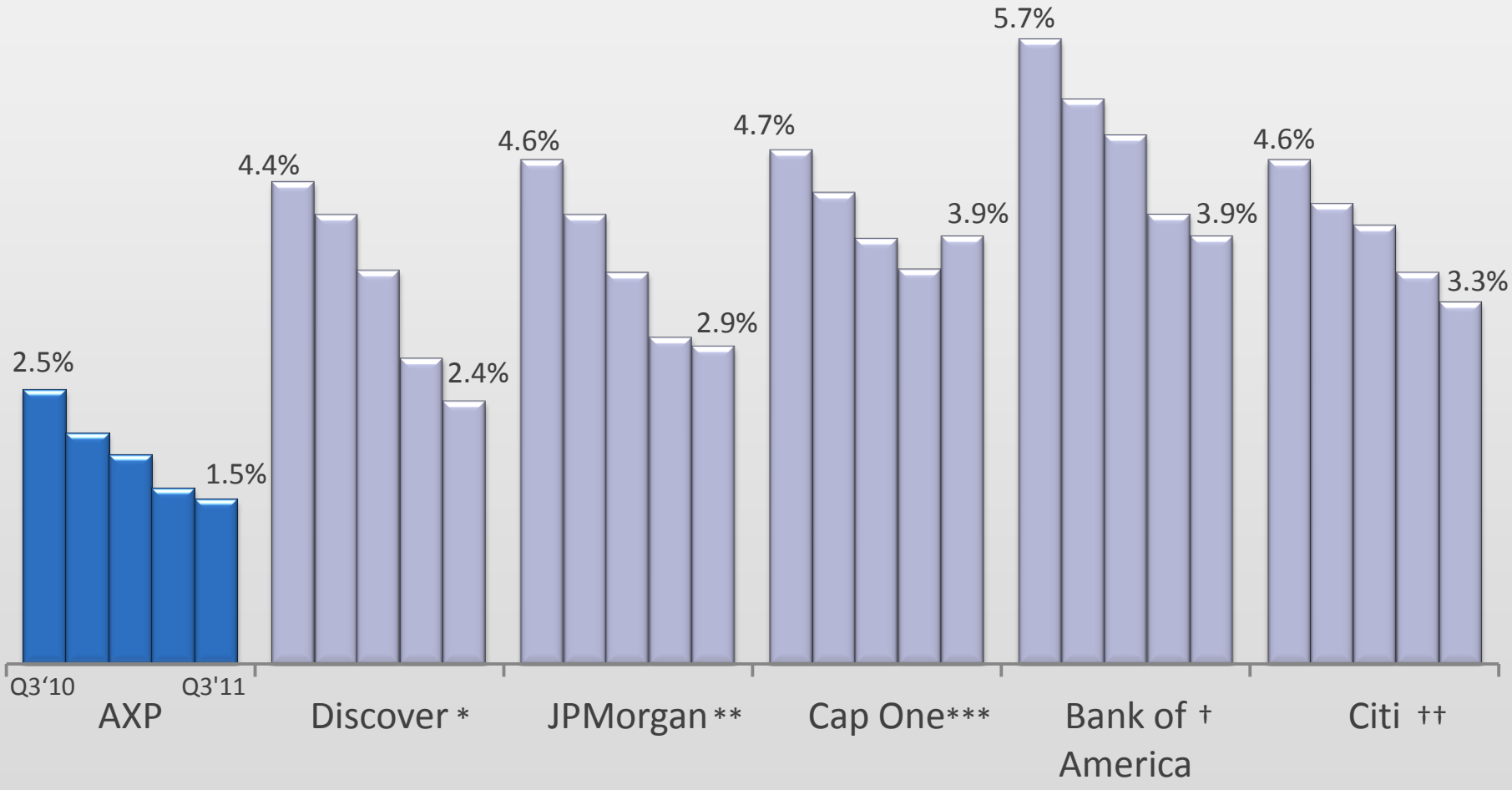
Note: USCS Net write-off rates above include Principal only. See Statistical tables in Q3'11 Earnings Release for net write-off rates including interest and/or fees.

AXP Lending Net Write-off Rates versus Competitors



*Rates include principal only. See Statistical tables in Q3'11 Earnings Release for net write-off rates including interest and/or fees. **Fiscal year ends November 30. US Card. *** Includes the impact of the Washington Mutual acquisition. †Global Card. ††Credit Card, includes US consumer and foreign credit card. ††† Citi-Branded Cards.*

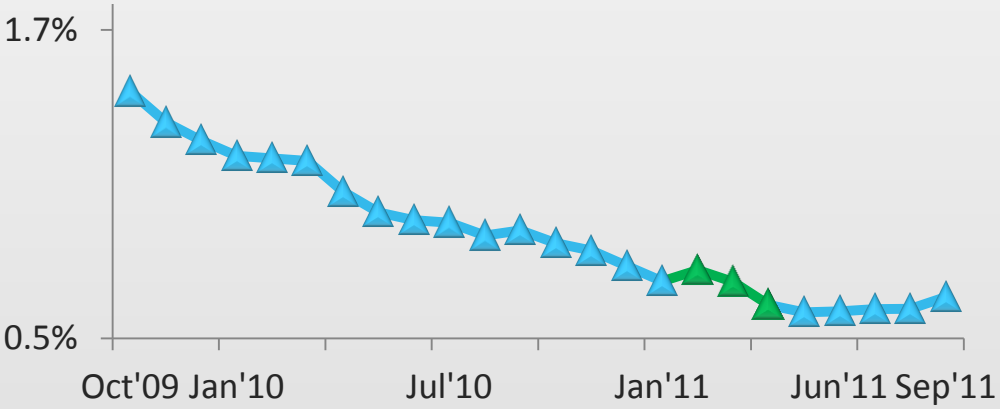
AXP Lending 30 Days Past Due Rates versus Competitors



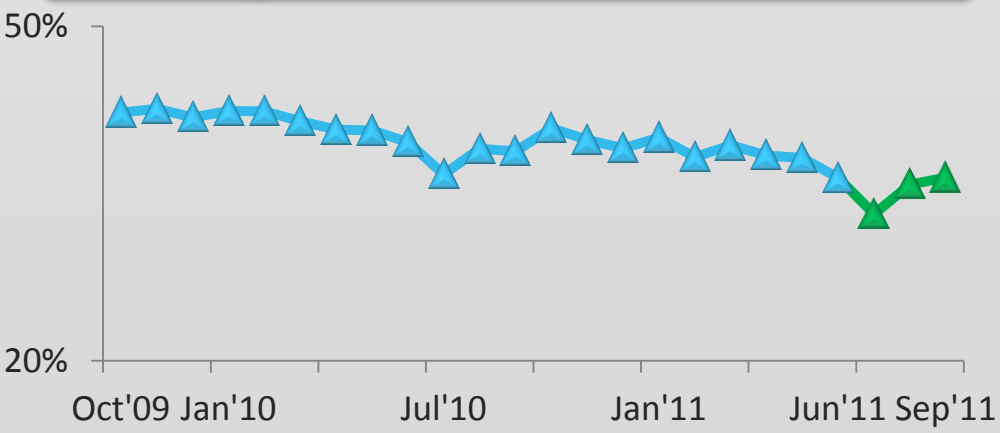
*Fiscal year ends November 30. US Card. ** Includes the impact of the Washington Mutual acquisition. ***Global Card. †Credit Card, includes US consumer card. ††Citi-Branded Cards.

USCS Managed Lending
Roll Rates and Bankruptcy Filings

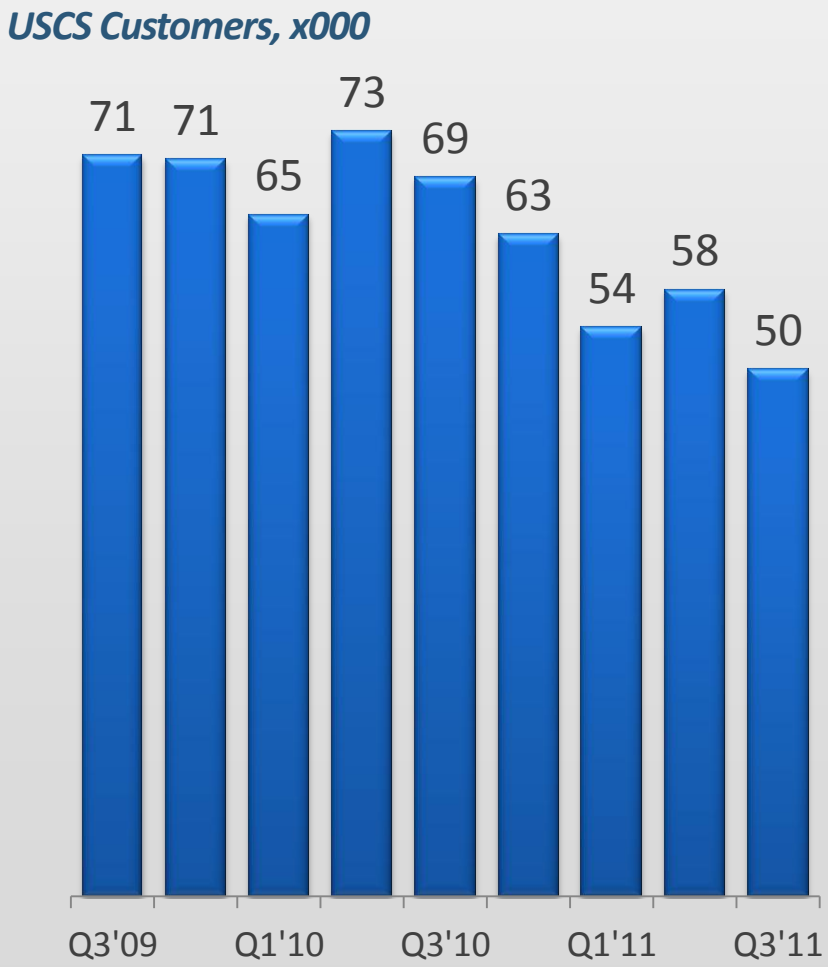
Current to 30 Days Past Due



30 Days Past Due to Write-off

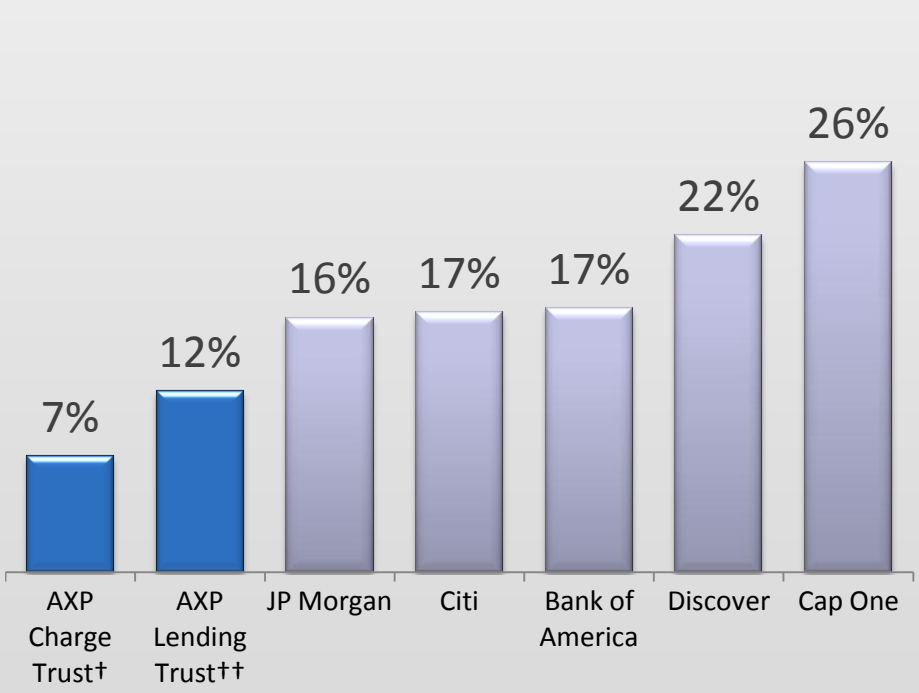


Number of Bankruptcy Filings

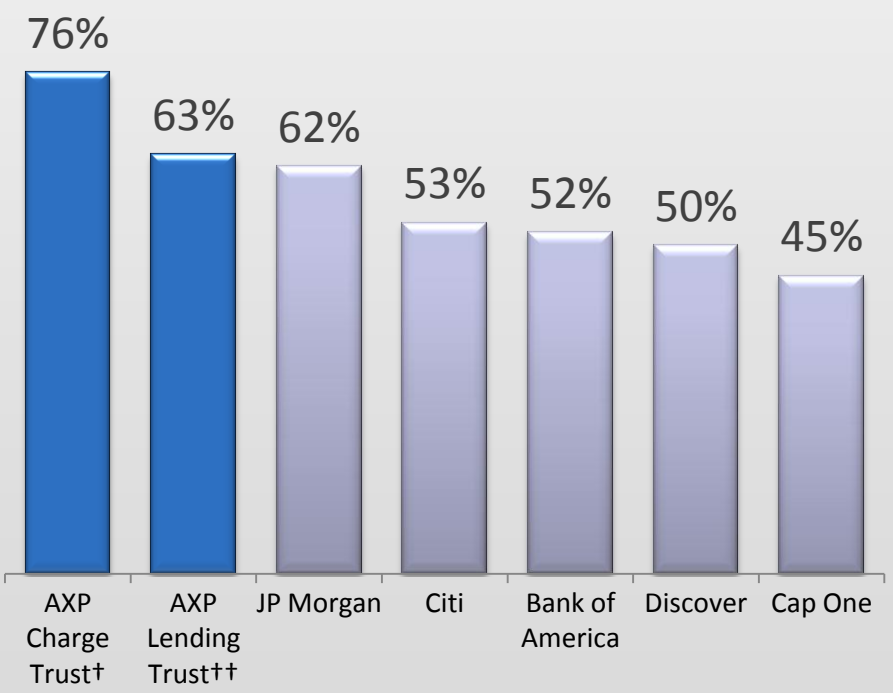


Peer Comparison
Trust FICO Distributions*

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



FICO >720 ("Super-prime")



**Trust data as of September 2011 for Bank of America (BACCT), August 2011 for AXP Lending Trust (AMXCA) and Discover (DCENT), June 2011 for AXP Charge Trust (AEIT), JP Morgan (CHAIT) and Citi (CCCIT), and December 2010 for Capital One (COMET). **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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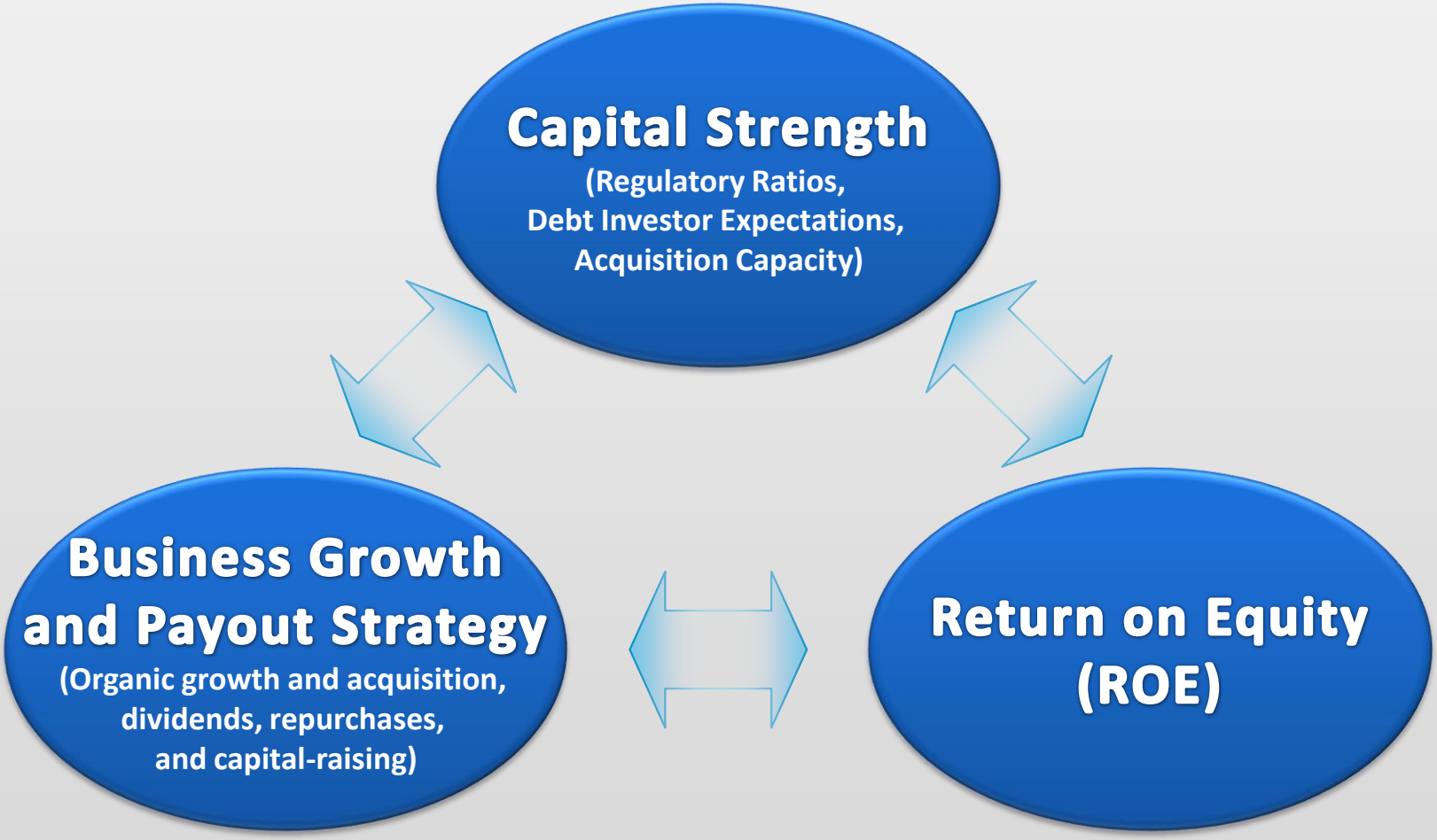
Capital Management



Capital Ratios

	Q3'11	Q2'11
Tier 1 Common Risk-Based*	12.3%	12.3%
Tier 1 Leverage	9.8%	10.1%
Tier 1 Risk-Based Capital	12.3%	12.3%
Total Risk-Based Capital	14.3%	14.3%
Tangible Common Equity to Risk-Weighted Assets ("TCE/RWA")**	12.0%	11.9%

**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 3 for reconciliation between Tier 1 Common Equity and Total Shareholders' Equity. **Common equity equals Total Shareholders' equity of $18.1B. TCE, a non-GAAP measure, equals common shareholders' equity, less goodwill and intangibles of $4.4B for Q3'11. RWA is $114.3B for Q3'11. The Company's calculations of Non-GAAP measures may differ from the calculations of similarly titled measures of other companies.*

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 Q3'11 we continued to focus on growing direct retail savings accounts and CDs sourced through Personal Savings from American Express.
- In September 2011, we issued a $1.3B senior, unsecured note with a maturity of 5 years and a coupon of 2.8%.
- QTD 11/3/2011, we issued the following:
  - C$200 million of senior unsecured debt as part of a reopening of an existing C$400 million note which was issued in the second quarter of 2011, with a maturity of five years and a coupon of 3.6 percent
  - $1.07 billion of asset-back securities from the Lending Trust with a maturity of three years, which included $1 billion of Class A at one-month LIBOR plus 17 bps and $73 million Class B at one-month LIBOR plus 70 bps.
  - $124 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
- Secured Borrowing through Conduit Facility*

Contingent Sources

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

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

Q3'11 Liquidity Snapshot

($ in billions)

Resources		Funding Maturities	
Cash*	$20	Q4‘11	8
Readily Marketable Securities	3	Q1'12	3
Liquidity Portfolio	23	Q2'12	4
CP and Short-Term Deposits Outstanding	(1)	Q3‘12	4
Excess Cash & Securities	**$22**	**Twelve Month Maturities**	**$19****

**Includes $24.9B classified as Cash and Cash Equivalents, less $5.4B of cash available to fund day-to-day operations. **Includes maturities of long term unsecured debt of $9.7B, asset-backed securitization liabilities of $5.7B and long-term certificates of deposit of $3.7B.*

US Retail Deposit Programs

($ in billions)

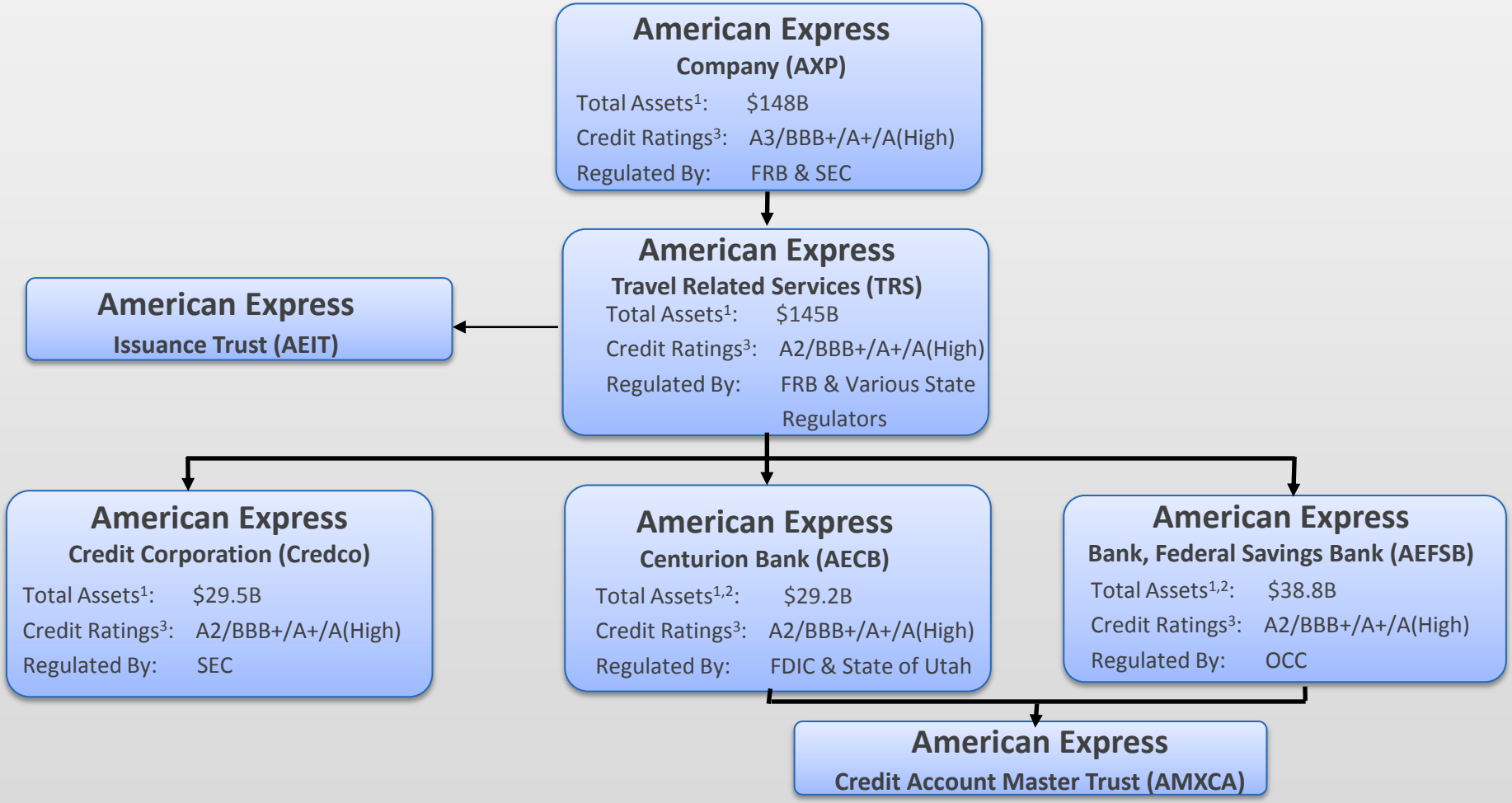
	Direct *	Third Party CDs	Third Party Sweep	Total Deposits
June 30, 2011 Balance	$13.9	$8.6	$9.1	$31.6
Maturities	(0.1)	(0.6)	-	(0.7)
Amount Raised	0.3	1.2	0.1	1.6
September 30, 2011 Balance	$ 14.1	$9.2	$9.2	$32.5

Retail CD Portfolio†: 9/30/11

Weighted Avg., Remaining Maturity	19 Months
Weighted Avg., Rate at Issuance	2.5%

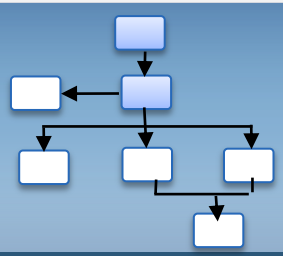
** Direct primarily includes the Personal Savings Program, which consists of $13.1B from high yield savings accounts and $0.8B from retail CDs. †Retail CDs include both third party and direct CDs.*

American Express
Primary Issuance Structure



1. *Total assets as of June 30, 2011.*
2. *Excludes off-balance sheet loans of $10.1 billion and $6.7 billion for AECB and AEFSB, respectively. These assets are included in the GAAP assets at TRS.*
3. *Credit Ratings indicated are from Moody's/S&P/Fitch/DBRS as of November 3, 2011. 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[1]: A3/BBB+/A+/A(High)

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

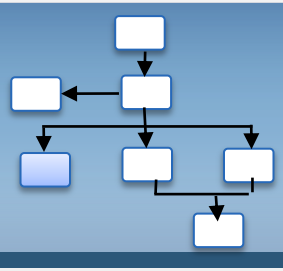
American Express Travel Related Services (TRS)

Credit Ratings[1]: 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

1) *Credit Ratings indicated are from Moody's/S&P/Fitch/DBRS as of November 3, 2011.*

Credco



American Express
Travel Related Services (TRS)

American Express
Credit Corporation (Credco)

100% owned by TRS

Credit Ratings[1]: A2/BBB+/A+/A(High)

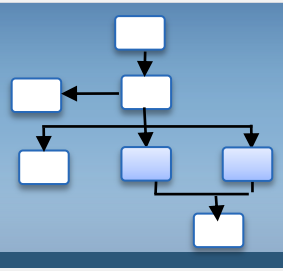
Credco-Ratio of Earnings to Fixed Charges

12/31/09	12/31/10	YTD 6/30/11
1.59	1.54	1.51

- 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

1) Credit Ratings indicated are from Moody's/S&P/Fitch/DBRS as of November 3, 2011.

US Banks



American Express
Travel Related Services (TRS)

American Express Centurion Bank (AECB)

100% owned by TRS

Credit Ratings[1]: 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

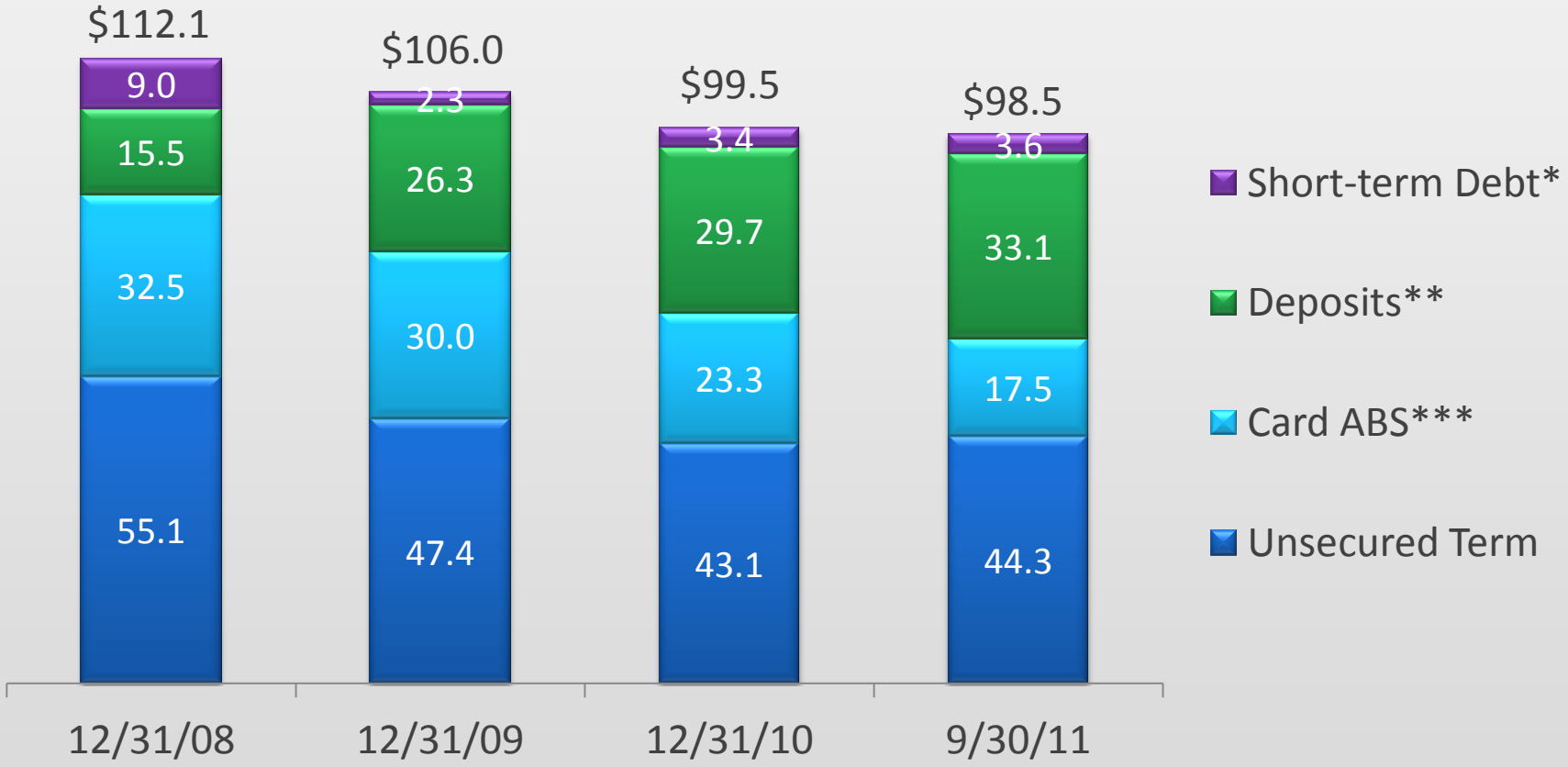
Credit Ratings[1]: A2/BBB+/A+/A(High)

- Incorporated in 2000
- Primarily issues and funds the following charge and revolving cards:
  - Strategic Co-Brand
  - OPEN (Small Business Services)
  - One from American Express
- 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

1) Credit Ratings indicated are from Moody's/S&P/Fitch/DBRS as of November 3, 2011.

Outstanding Funding Composition

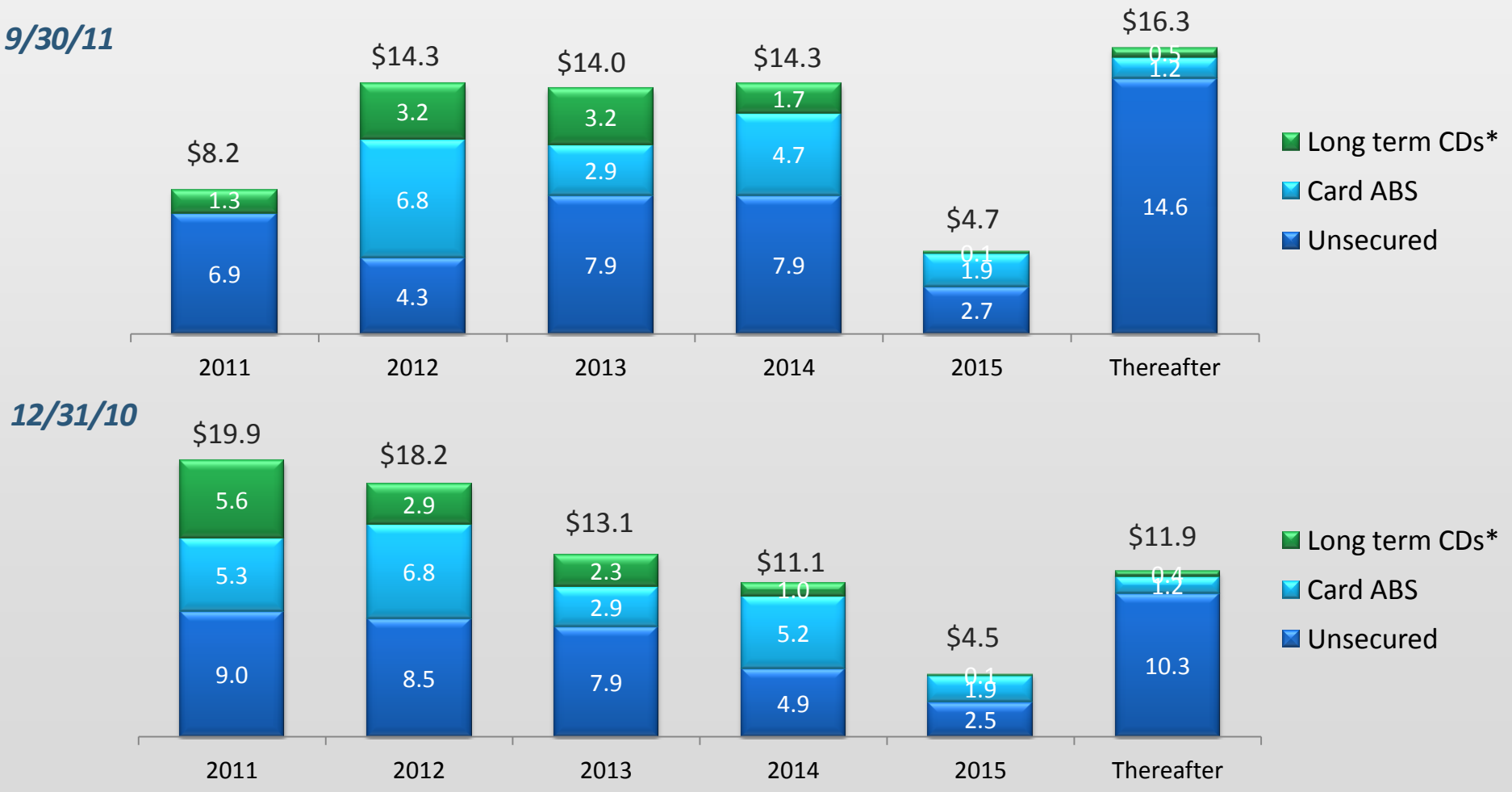
($ in Billions)



**Short-term Debt as of 9/30/11 includes $0.8B of Commercial Paper and $2.8B 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). In prior periods, off-balance sheet ABS funding was $27.5 billion and $25.0 billion at 12/31/08 and 12/31/09, respectively. All ABS debt is presented net of securities that have been retained by the Company.*

Term Maturity Profile – Debt and LT CDs

($ in Billions)



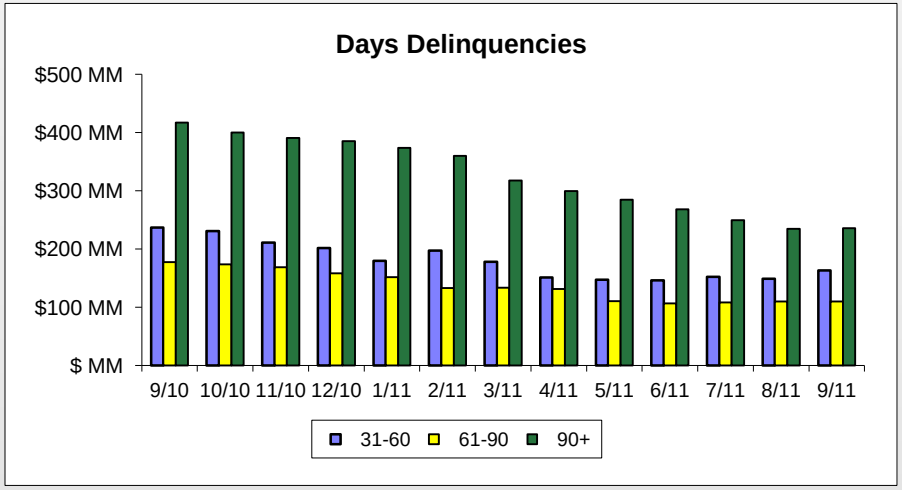
*Long Term CDs include US$ CDs only.

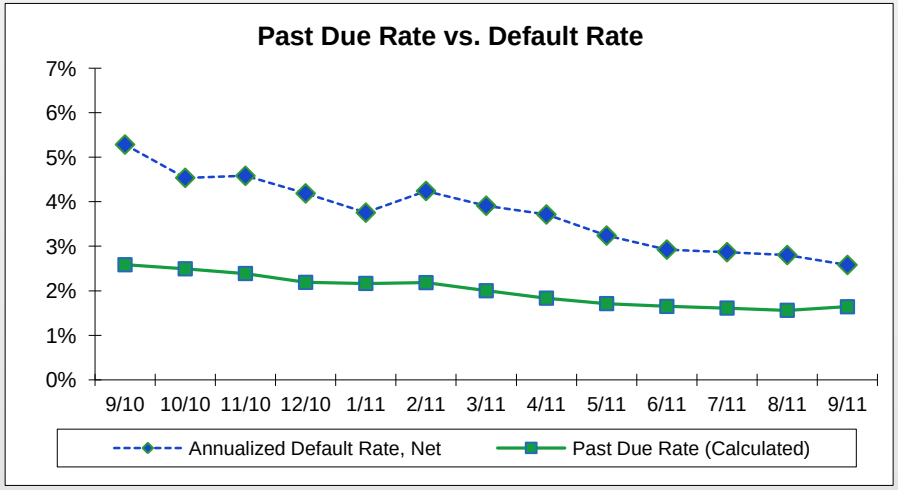
American Express ABS Trusts

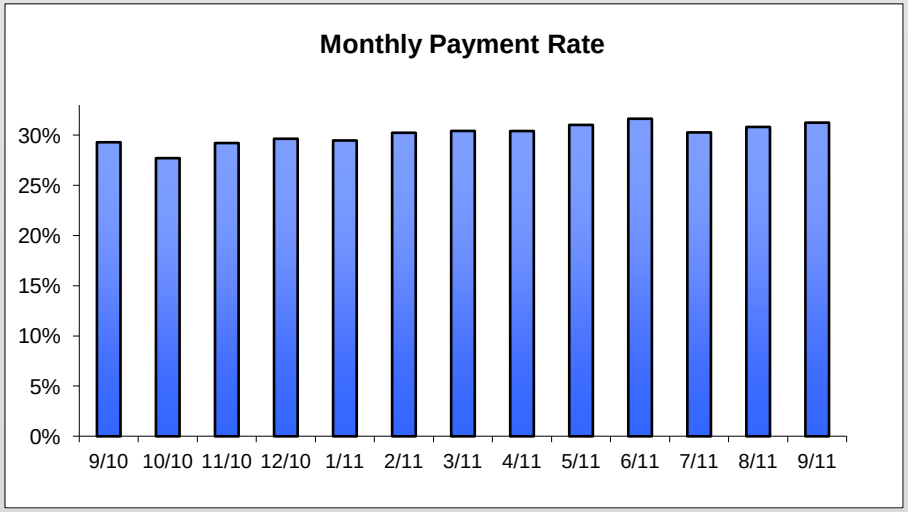
	American Express Credit Account Master Trust (AMXCA)	American Express Issuance Trust (AEIT)
Trust Established	• 1996	• 2005
Eligible loans and receivables	• All US Consumer and Small Business cardmember loans	• All US Consumer, Small Business and Corporate cardmember receivables
Assets currently in trust	• Consumer loans	• Consumer, Small Business and Corporate cardmember receivables
Trust Size: - Principal AR (1) Investor Interest (1) Seller Interest (1)	• $31.0 billion • $15.9 billion • $15.1 billion	• $6.9 billion • $3.8 billion • $3.1 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%

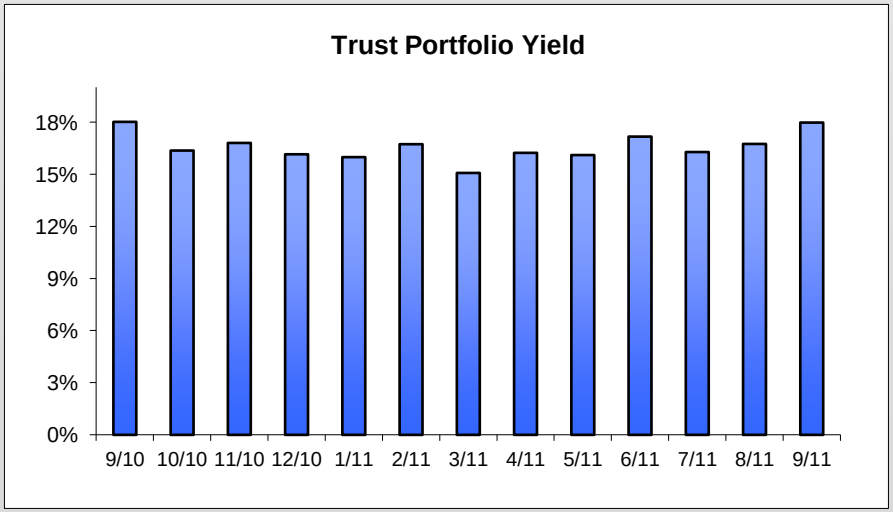
1) Source: 10-D filings dated October 17, 2011.

Credit Account Master Trust Performance Trend



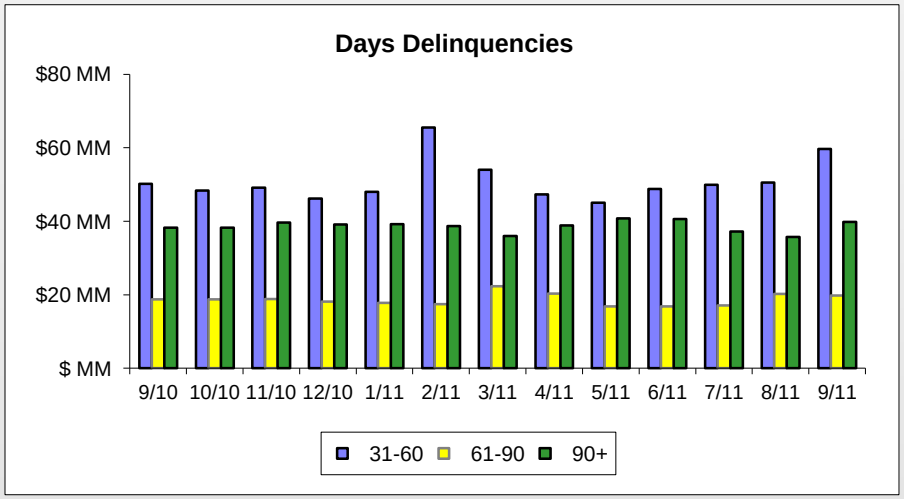


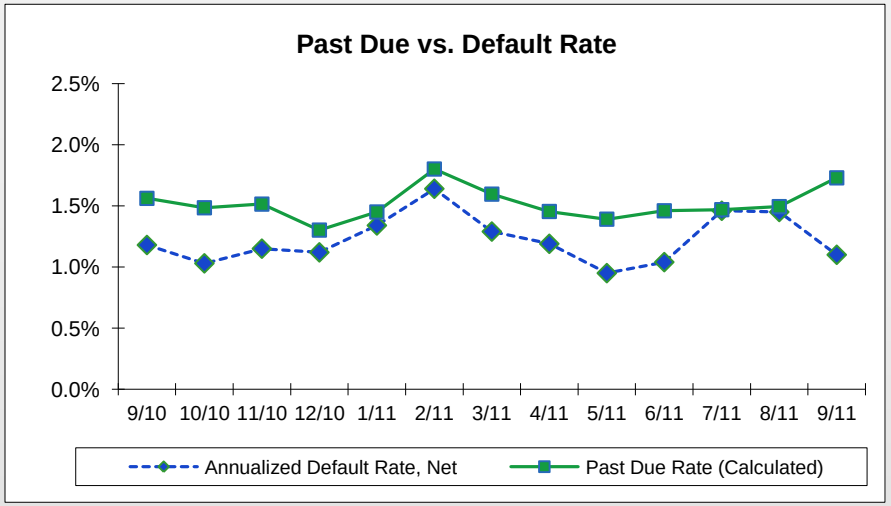


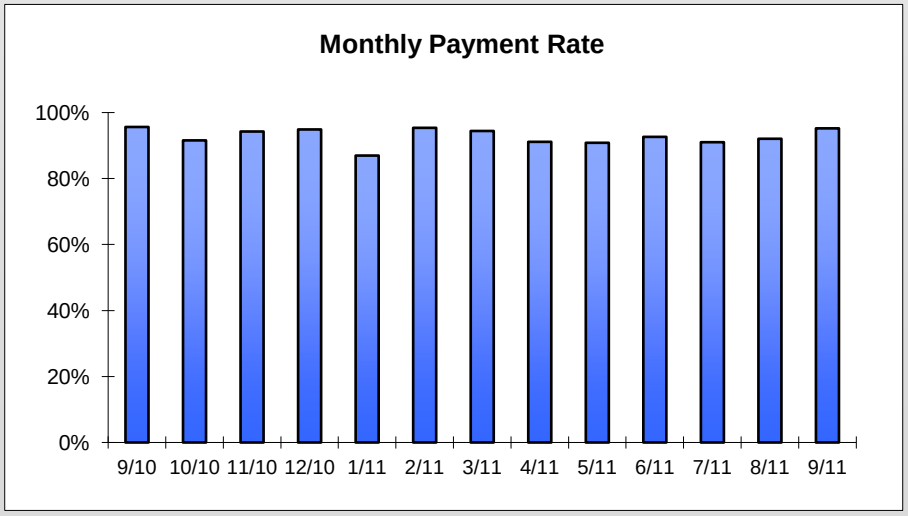


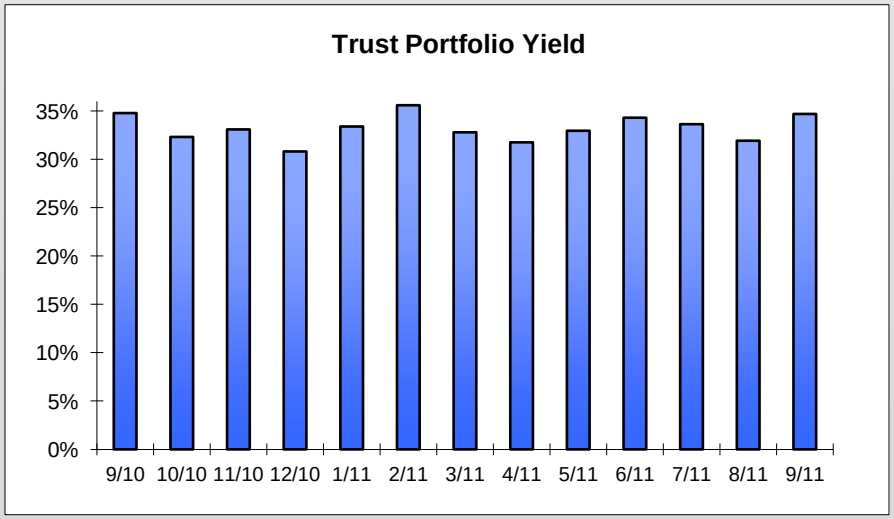
Source: AMXCA 10D Filings.

Issuance Trust Performance Trend









Source: AEIT 10D Filings.


AMERICAN
EXPRESS

Annex 1

Worldwide Cardmember Lending

($ in billions, except percentages)

	Q3'08	Q4'08	Q1'09	Q2'09	Q3'09	Q4'09
Total Worldwide Ending Loans						
GAAP	$ 45.7	$ 42.2	$ 36.7	$ 32.5	$31.5	$32.8
Growth vs PY	*(9%)*	*(22%)*	*(26%)*	*(34%)*	*(31%)*	*(22%)*
Managed	$ 75.5	$ 72.0	$ 65.0	$ 62.9	$60.7	$61.8
Growth vs PY	*5%*	*(7%)*	*(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

($ in millions, except percentages)

	9/30/10	12/31/10	3/31/11	6/30/11	9/30/11
USCS - Net Interest Yield on Cardmember Loans					
Net interest income	$1,124	$1,122	$1,091	$1,063	$1,128
Average loans (billions)	$49.1	$49.8	$49.6	$49.7	$50.2
Adjusted net interest income (A)	$1,150	$1,143	$1,112	$1,080	$1,142
Adjusted average loans (billions) (B)	$49.2	$49.8	$49.6	$49.5	$50.2
Net interest income divided by average loans (C)	9.1%	8.9%	8.9%	8.6%	8.9%
Net interest yield on cardmember loans (D)	9.3%	9.1%	9.1%	8.7%	9.0%

(A) Represents net interest income allocated to the Company's cardmember loan portfolio excluding the impact of card fees on loans and balance transfer fees attributable to the Company's cardmember loans. (B) Represents average cardmember loans excluding the impact of deferred card fees, net of deferred direct acquisition costs of 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.

Annex 3

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

Tier 1 Common Equity Reconciliation as of September 30, 2011
($ in Millions)

Total Shareholders' Equity	*18,100*
Effect of certain items in accumulated other comprehensive income/(loss) excluded from Tier 1 common equity	185
Less:	
Ineligible goodwill and intangible assets	(4,083)
Ineligible deferred tax assets	(162)
Tier 1 Common Equity	***$ 14,040***

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 our business and results of operations;*

- *changes in capital and credit market conditions, including sovereign credit worthiness, which may significantly affect the Company's ability to meet its liquidity needs, access to capital and cost of capital, including changes in interest rates; changes in market conditions affecting the valuation of the Company's assets; or any reduction in the Company's credit ratings or those of its subsidiaries, which could materially increase the cost and other terms of the Company's funding, restrict its access to the capital markets or result in contingent payments under contracts;*

- *litigation, such as class actions or proceedings brought by governmental and regulatory agencies (including the lawsuit filed against the Company by the U.S. Department of Justice (DOJ) and certain state attorneys general), that could result in (i) the imposition of behavioral remedies against the Company or the Company voluntarily making certain changes to its business practices, the effects of which in either case could have a material adverse impact on the Company's financial performance; (ii) the imposition of substantial monetary damages in private actions against the Company; and/or (iii) damage to the Company's global reputation and brand;*

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

- *the 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;*

Forward-Looking Statements (Cont.)

- *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;*

- *changes affecting the success of the Company's reengineering and other cost control initiatives, such as the ability to execute plans during the year with respect to certain of the Company's facilities, 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 other 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 the remainder of 2011 and into 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;*

Forward-Looking Statements (Cont.)

- *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;*

- *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 the full year 2011 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, 2010 and its Quarterly Report on Form 10-Q for the quarterly periods ended March 31, June 30 and September 30, 2011, and the Company's other filings with the Securities and Exchange Commission.