

American Express Company Financial Community Meeting

Kenneth Chenault
Chairman and Chief Executive Officer

Stephen J. Squeri
Group President, Global Corporate Services

AMERICAN EXPRESS

February 8, 2012

Agenda

- Financial Performance
- Progress Against Growth Priorities
- Balancing Expenses with Future Expansion
- Global Services
- Q&A

Financial Performance

($ in billions)

	Q1'11	Q2'11	Q3'11	Q4'11	2010	2011
Total Revenues Net of Interest Expense	$7.0	$7.6	$7.6	$7.7	$27.6	$30.0
Growth vs. Prior Year	*7%*	*12%*	*9%*	*7%*		*9%*
Income from Continuing Operations*	$1.2	$1.3	$1.2	$1.2	$4.1	$4.9
Diluted EPS from Continuing Operations**	$0.97	$1.07	$1.03	$1.01	$3.35	$4.09
Growth vs. Prior Year	*33%*	*27%*	*14%*	*15%*		*22%*
Return on Average Equity	28%	28%	28%	28%	27%	28%

**Net income, including results from discontinued operations, was $1,177MM in Q1'11 (up 33% vs. year-ago period), $1,331MM in Q2'11 (up 31%), $1,235MM in Q3'11 (up 13%), $1,192MM in Q4'11 (up 12%) and $4,057MM for FY2010 (up 90% vs. prior year) and $4,935MM for FY2011 (up 21% vs. prior year). **Attributable to common shareholders. Represents income from continuing operations less earnings allocated to participating share awards and other items of $14MM in Q1'11, $15MM in Q2'11, $15MM in Q3'11, $14MM in Q4'11 and $58MM and $51MM for FY2011 and FY2010, respectively.*

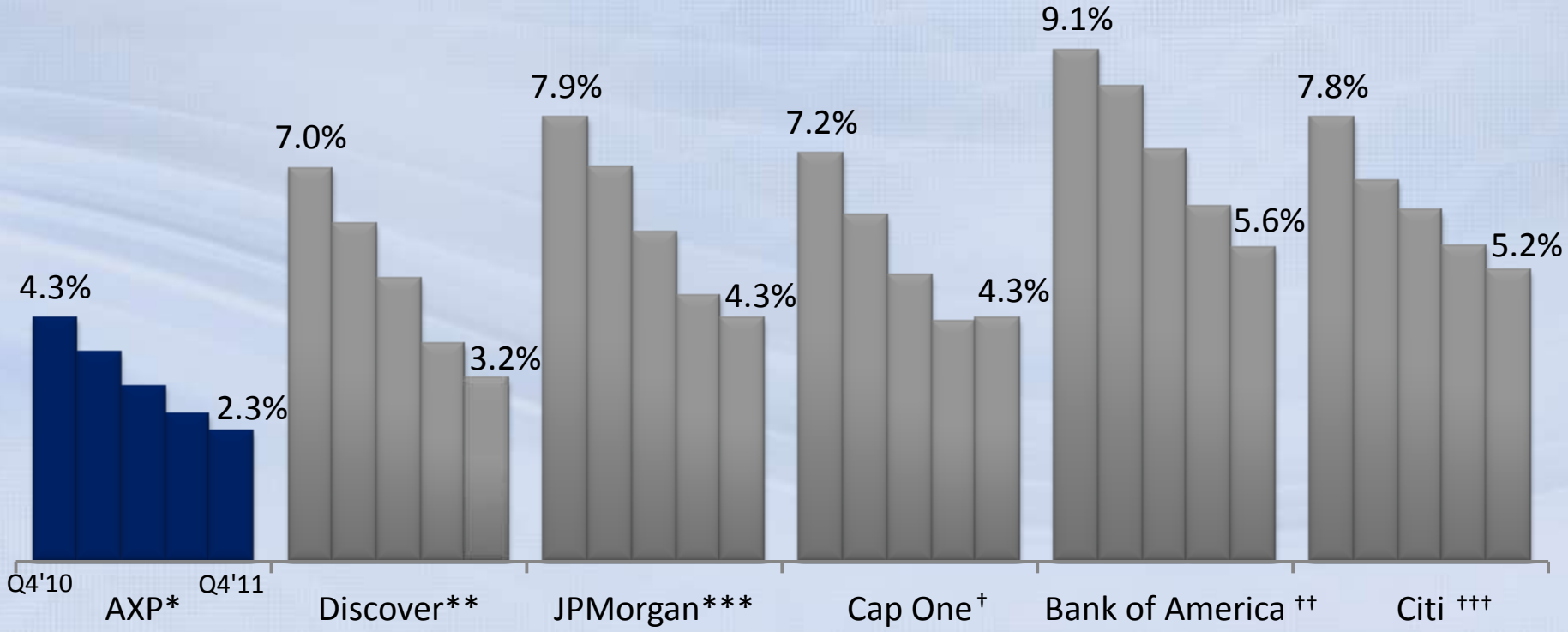
Metric Trends

% increase/(decrease) vs. prior year:



**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 Q4'11 applies to Q4'10; rate used for Q3'11 applies to Q3'10, etc). ***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 5%, 7%, 8%, 8% and 7% in Q4'10, Q1'11, Q2'11, Q3'11 and Q4'11 , respectively. †Computed from proprietary card activities only. ††Principal Only. Net-write offs, including interest and fees were 4.8%, 4.1%, 3.5%, 2.9% and 2.6% in Q4'10, Q1'11, Q2'11, Q3'11 and Q4'11 , respectively.*

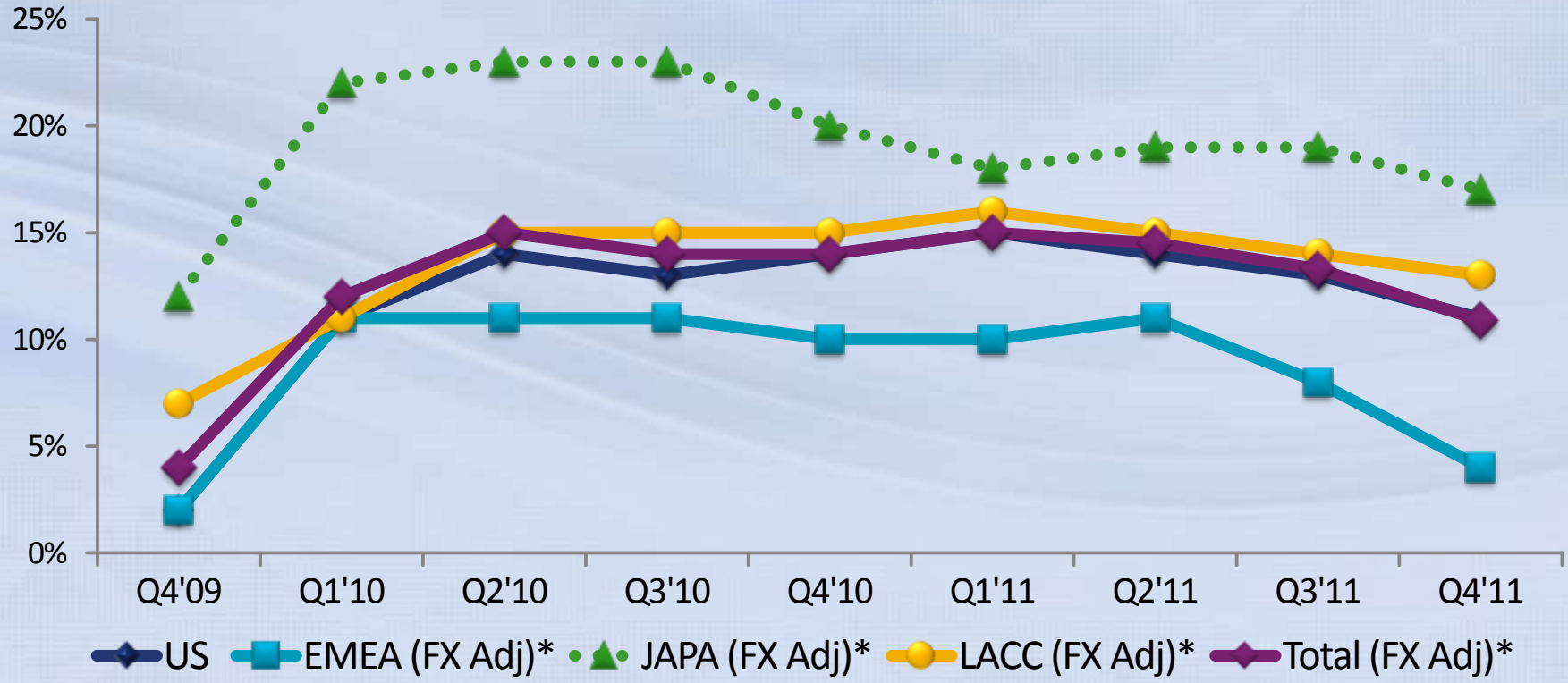
AXP Lending Net Write-off Rates versus Competitors



*Rates include principal only. See Slide 4 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 credit card. †††Citi-Branded Cards.

Billed Business Growth by Region

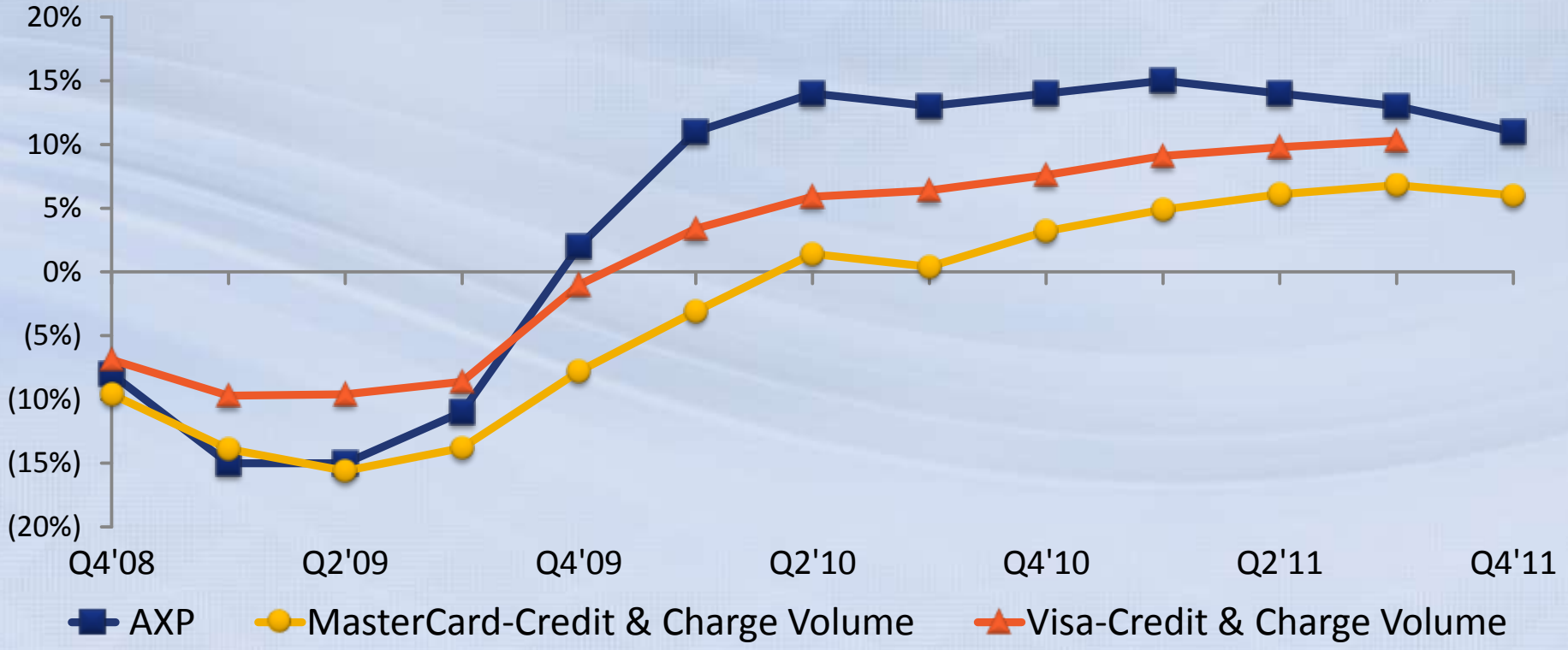
% increase/(decrease) vs. prior year:



**See Annex 1 for reported billings growth rates.*

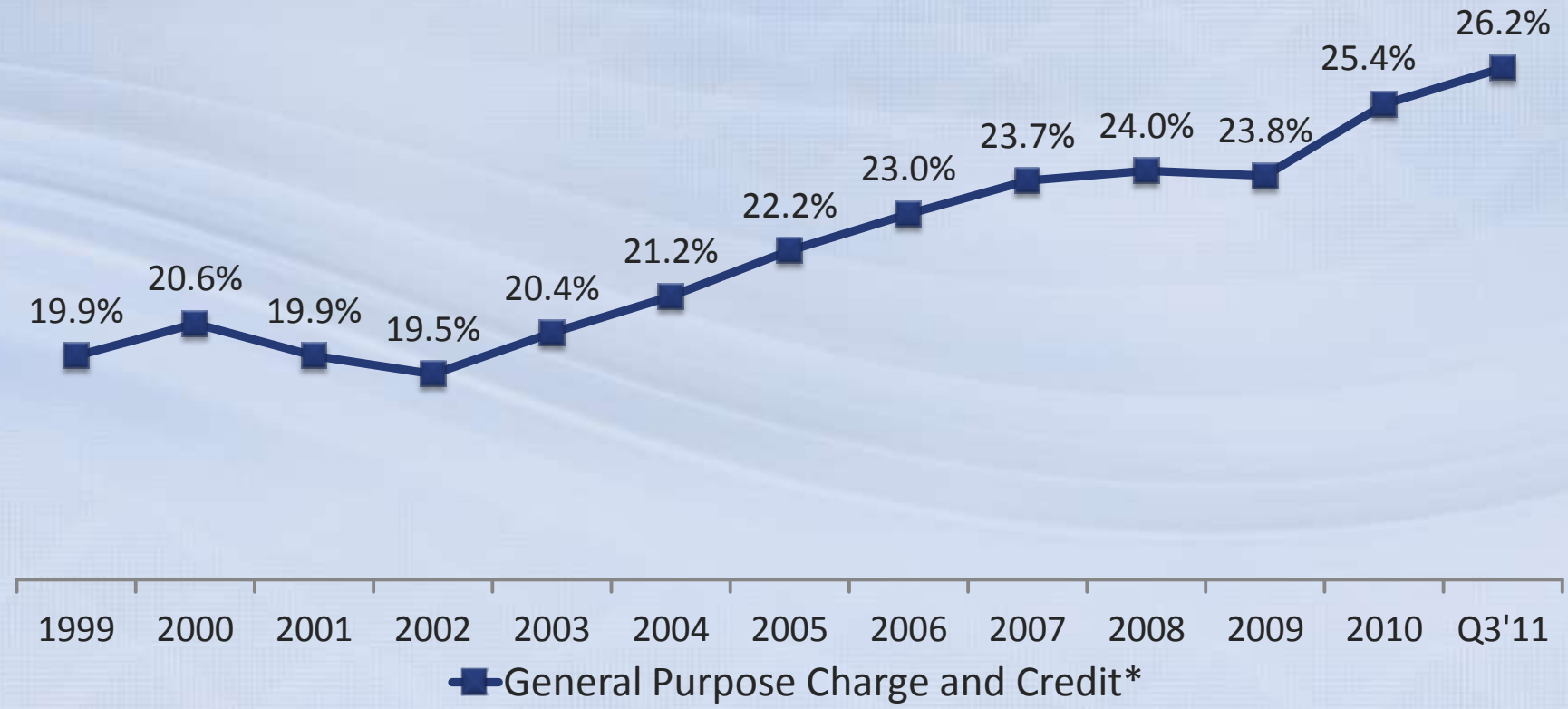
Billings Growth – U.S. Credit and Charge

% increase/(decrease) vs. prior year:



Includes credit and charge only, but excludes debit and cash. Source: Company filed quarterly data.

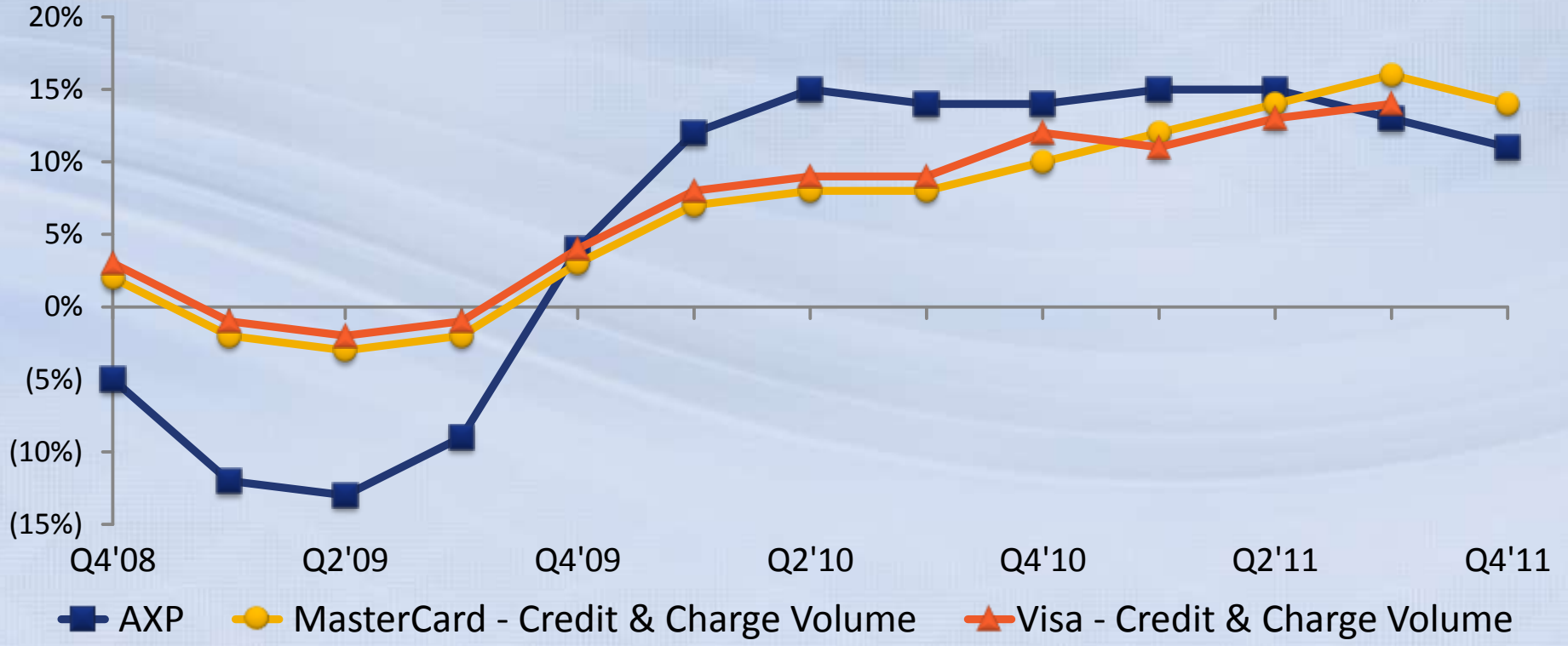
AXP Share of U.S. Purchase Volume



*Source: The Nilson Report. *Excludes cash advances.*

Billings Growth – Global Credit and Charge

FX adjusted† % increase/(decrease) vs. prior year:

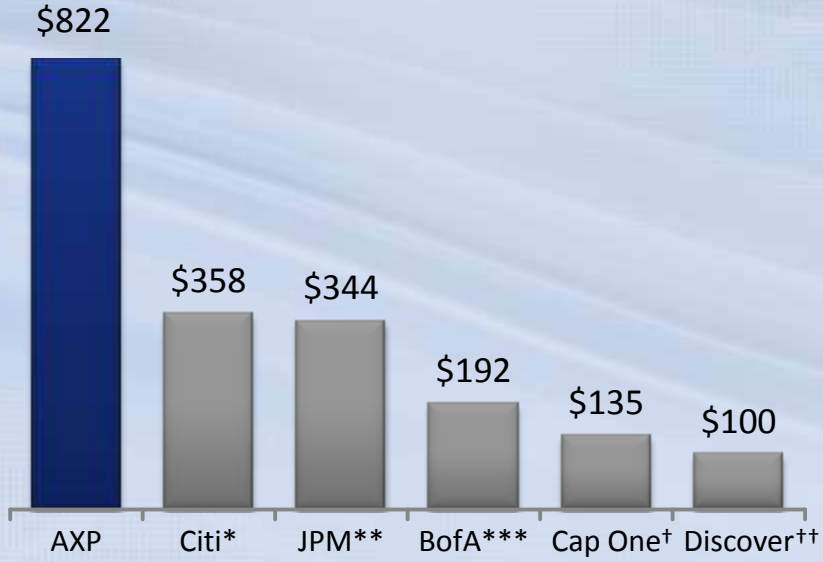


†FX adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translation into US dollars (e.g., assumes foreign exchange rate used for Q4'11 applies to Q4'10 ; rate used for Q3'11 applies to Q3'10, etc.). See Annex 1 for reported basis for AXP. Source: Company filed quarterly data.

Full Year 2011 Relative Performance

Total Billed Business

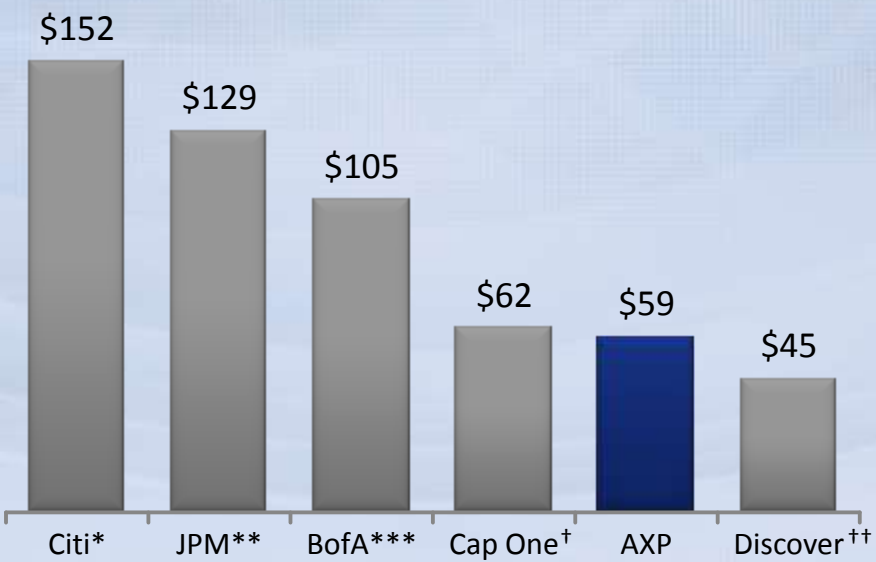
($ in billions)



Growth vs. PY	AXP	Citi*	JPM**	BofA***	Cap One†	Discover††
	15%	5%	10%	3%	26%	8%

Average Loans

($ in billions)



Growth vs. PY	Citi*	JPM**	BofA***	Cap One†	AXP	Discover††
	(6%)	(11%)	(11%)	(1%)	1%	(1%)

*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."Average Loans" calculation based on company filed quarterly data .*Includes Citi-Branded Cards and Citi Holdings Retail Partners North America Cards. **Card Services; includes the impact of the Washington Mutual acquisition. Reported billings shown above reflects sales volume, which excludes balance transfers. ***US Consumer Card. †Global Card. ††Fiscal year ends November 30. Billed business is credit card sales volume; disclosed total credit card volume was $108B for FY2011 (ended 11/30/11) and increased 10%.*

AXP Revenue Drivers Versus Issuing Competitors

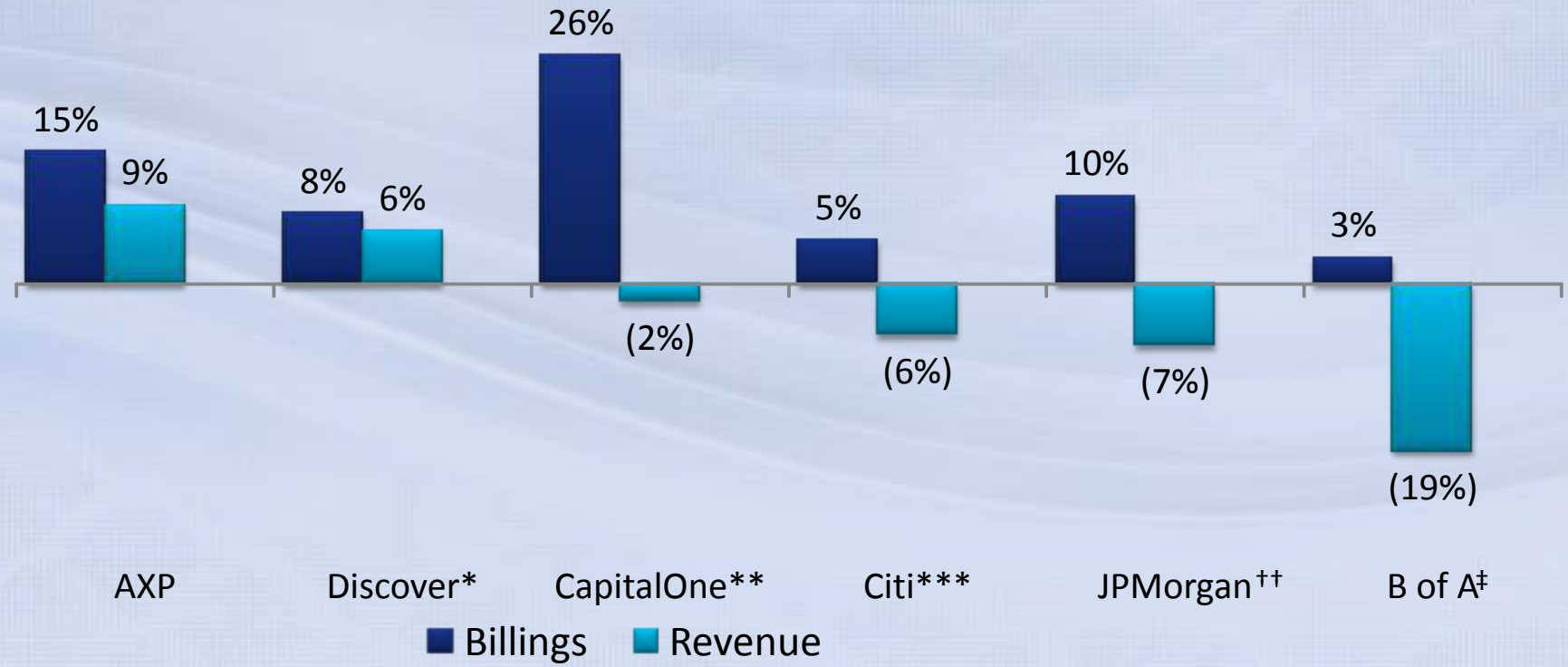
2011 % increase/(decrease) vs. prior year:



*NOTE: Calculated based on Company filed quarterly data. *Fiscal year ends November 30. Billed business is credit card sales volume; disclosed total credit card volume was $108B for FY2011 (ended 11/30/11) and increased 10%. **Global Card.***Includes Citi-Branded Cards and Citi Holdings Retail Partners North America Cards. ††Results include Washington Mutual portfolio. ‡Revenue as reported in Card Services Segment; Billing and Loan volumes as reported in US Consumer Card.*

AXP Revenue Drivers Versus Issuing Competitors

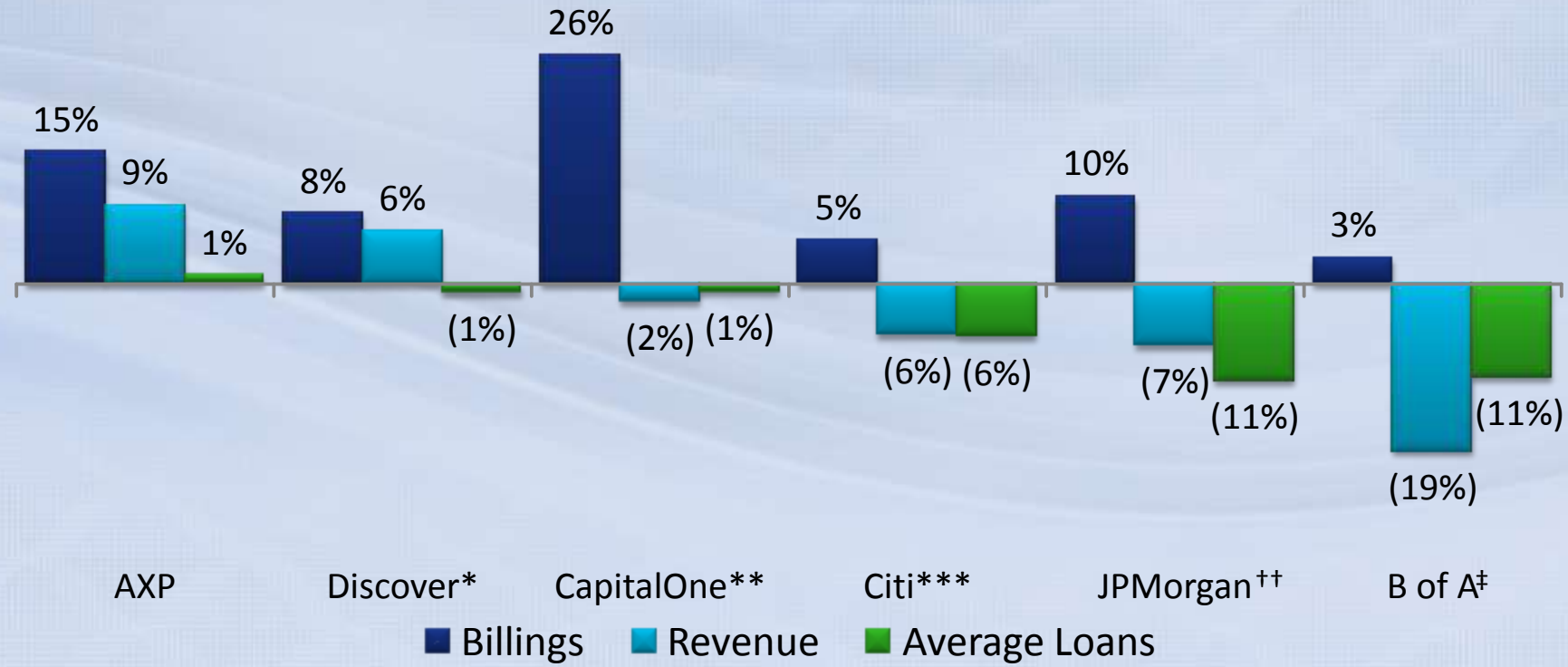
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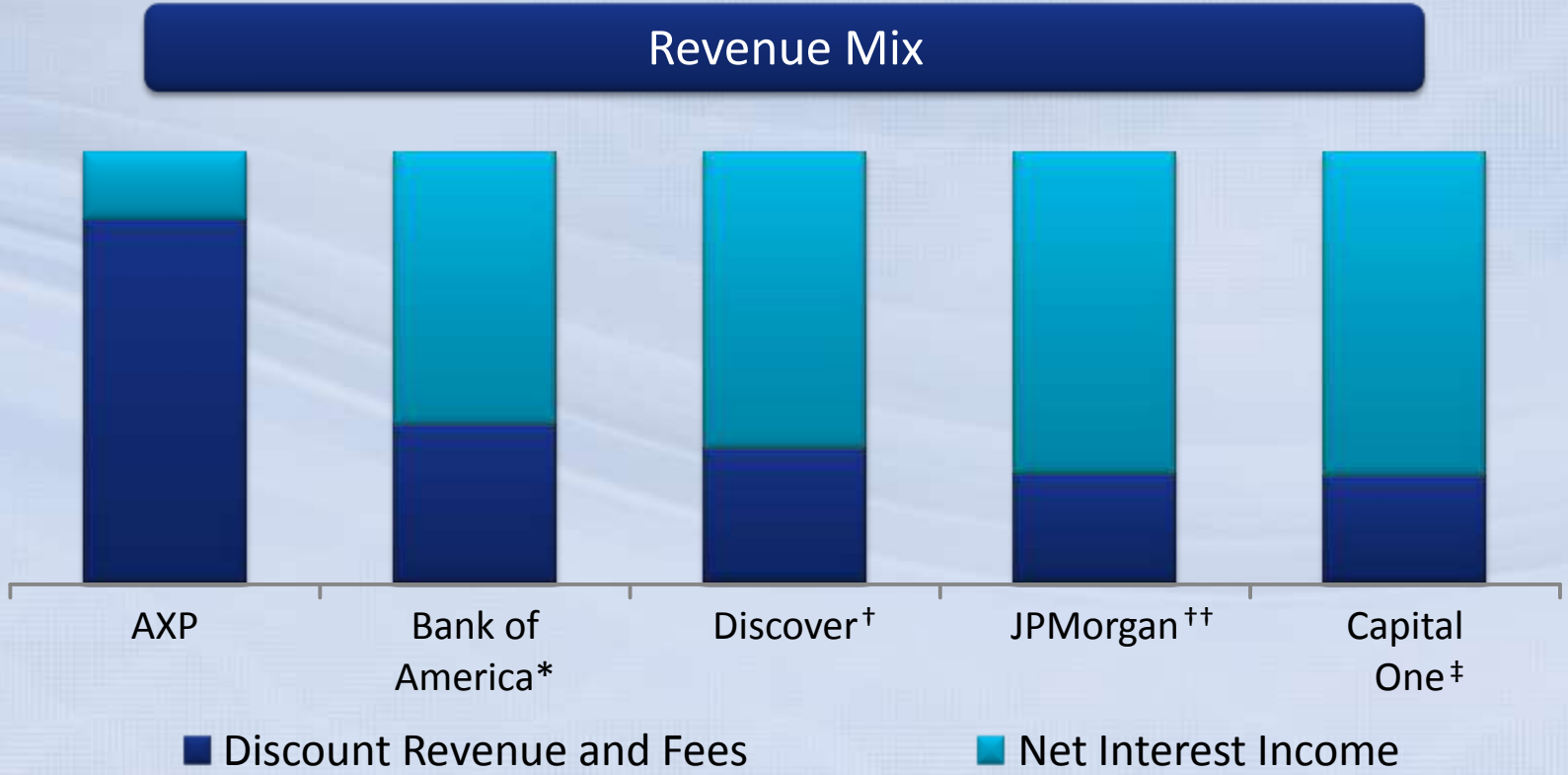
AXP Revenue Drivers Versus Issuing Competitors

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*NOTE: Calculated based on Company filed quarterly data. *Fiscal year ends November 30. Billed business is credit card sales volume; disclosed total credit card volume was $108B for FY2011 (ended 11/30/11) and increased 10%. ** Global Card.***Includes Citi-Branded Cards and Citi Holdings Retail Partners North America Cards. ††Results include Washington Mutual portfolio. ‡Revenue as reported in Card Services Segment; Billing and Loan volumes as reported in US Consumer Card.*

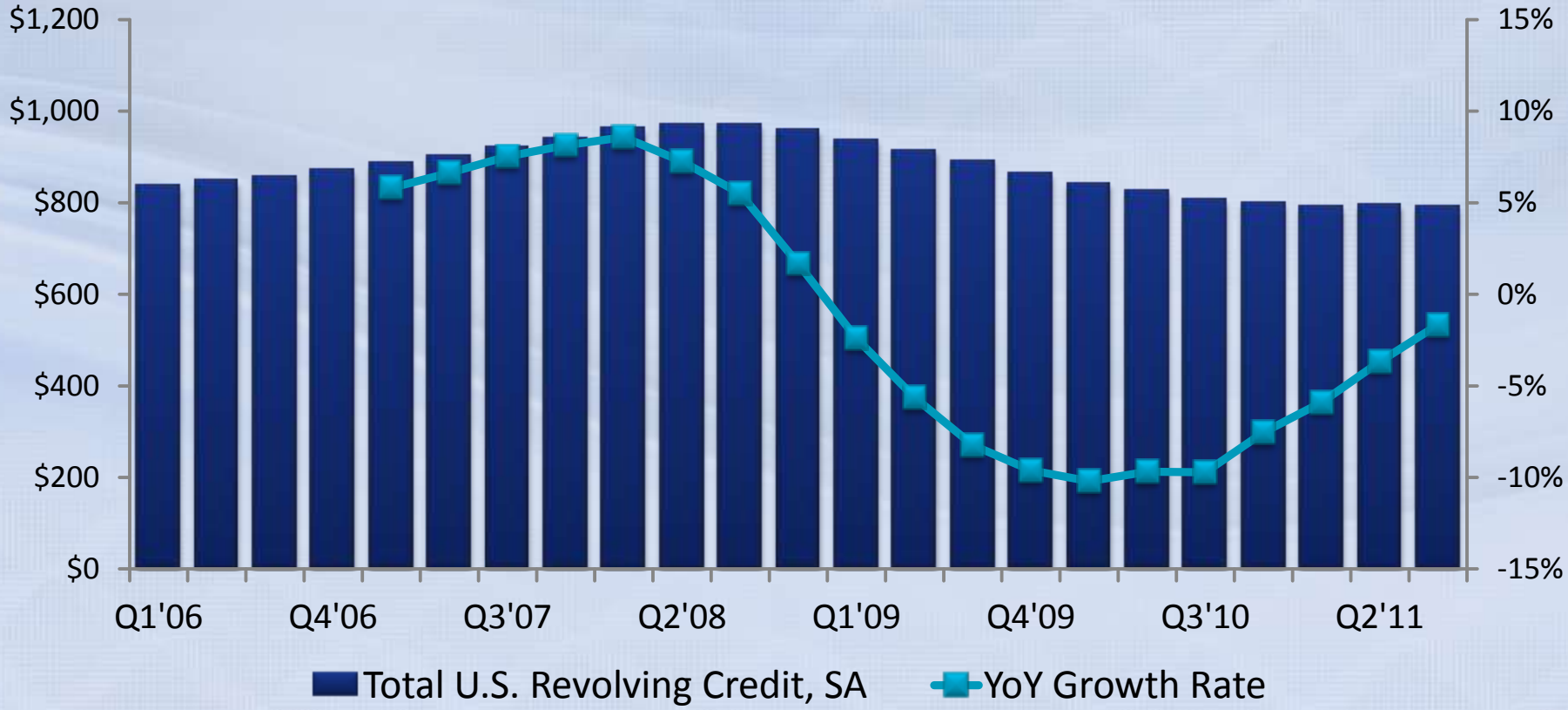
2011 Worldwide Revenue



*Card Services Segment. †Fiscal year ends November 30. ††Card Services; results include Washington Mutual portfolio ‡Global Cards.

U.S. Revolving Credit

($ in billions)



Source: Federal Reserve

Competitive Advantage



American Express Business Model

Assets

- Brand
- Premium Positioning
- Channels
- Closed Loop Data
- Travel Network
- Processing Infrastructure
- Rewards Bank

Capabilities

- Marketing / Sales
- Risk Management
- Info Management
- Servicing
- Rewards/Loyalty
- Ability to Partner
- Reengineering

Relationships

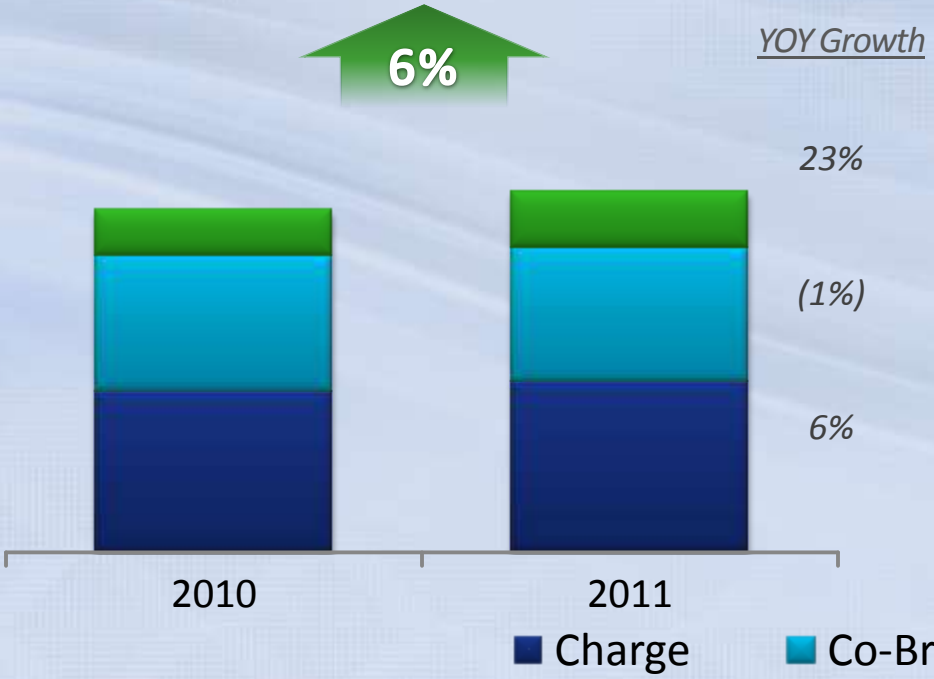
- Affluent Customers
- Merchants
- Corporate Clients
- Business Partners
- GNS Partners

Agenda

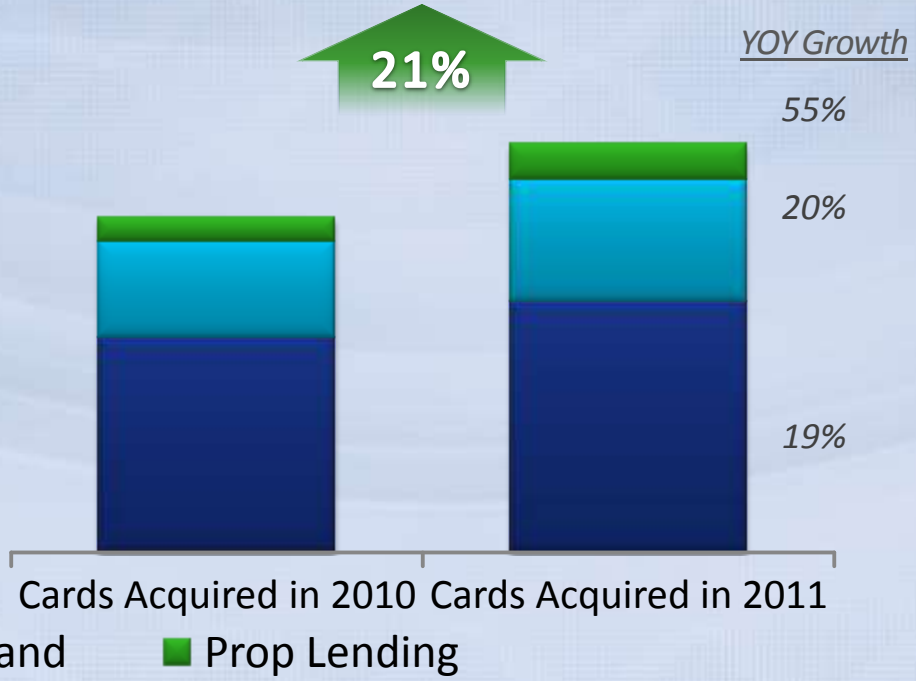
- Financial Performance
- Progress Against Growth Priorities
- Balancing Expenses with Future Expansion
- Global Services
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2011 Performance: Customer Acquisition

New Cards Acquired by Product Type



New First Year Spend* by Product Type



Charge Co-Brand Prop Lending

*Includes cards acquired in the USCS, ICS, and GCS segments. *First Year Spend for USCS and ICS reflects the first 12 months of spending for a new card acquired. For cards acquired less than 12 months prior, internal estimates have been used for their expected spending over the 12 month period, i.e. a new card acquired on 8/1/11 includes 5 months of actual spend and 7 months of internally forecasted spend. For GCS, first year spend reflects spending in the calendar year in which the card is acquired.*

2011 Performance: Merchant Services

Expanding Acceptance and Growing Spend

New Merchant Locations in Force

Global



OnePoint U.S.

2011 vs. 2010

New Signings	**32%**
New Booked Charge Volume	**57%**

Progress Against Growth Priorities

- Increase share of **online spend** and enhance **digital experience**
- Drive greater **value to merchant base**
- Accelerate **International Growth** across businesses
- Achieve significant progress within **Enterprise Growth**
- Broaden our **customer base**

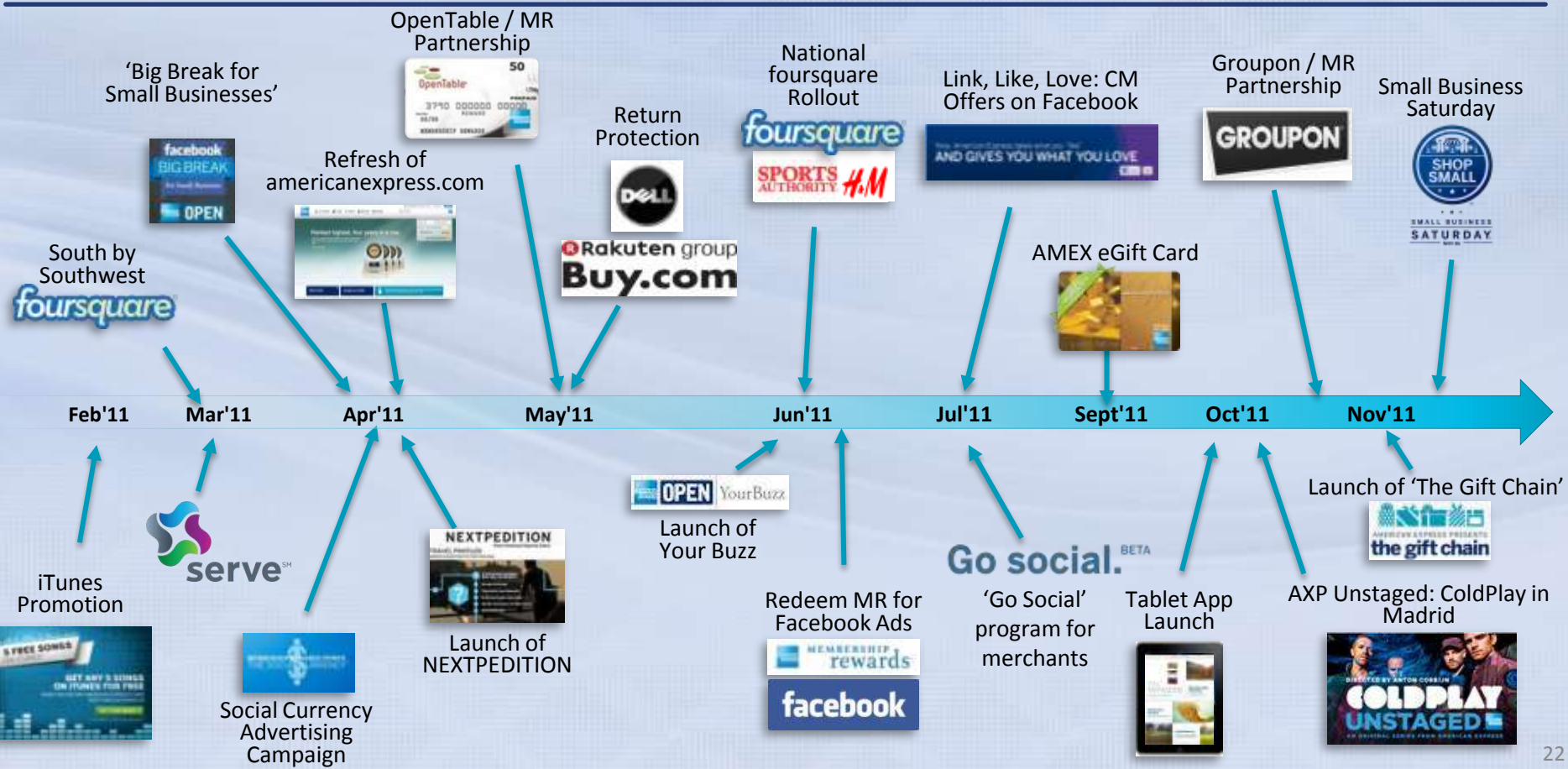
Online Commerce – AXP Global Online Spend*

Estimated Spending:



**Primarily includes spending at pure online merchants and spending through known online channels for merchants with both online and offline presence. Also includes an estimate of online spend for merchants in industries where external and internal benchmarks around online spend are available.*

Enhance Digital Experience



Progress Against Growth Priorities

- Increase share of **online spend** and enhance **digital experience**
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Drive Greater Value to the Merchant Base

Sources of Value

High Spending Cardmembers

Insights and Information

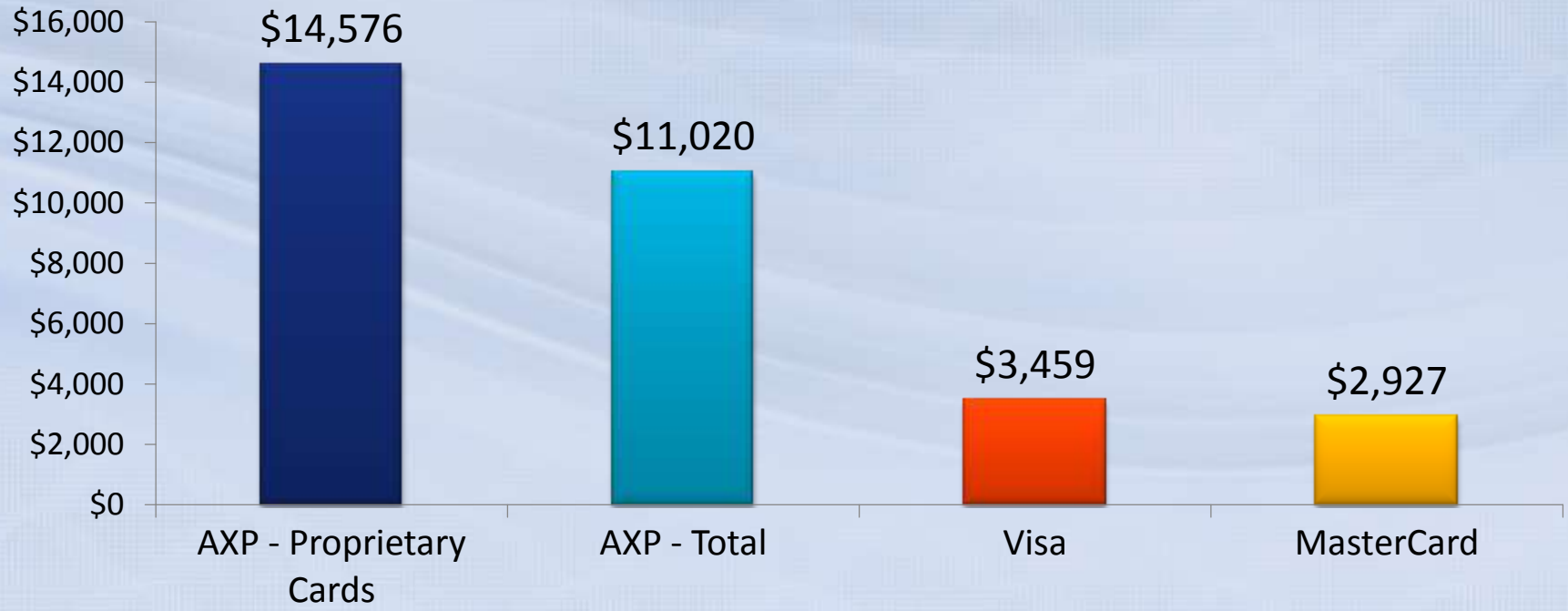


Services to Drive Merchant Revenues

Services to Improve Merchant Efficiencies

Merchant Value – High Spending Cardmembers

Q3'11 Trailing 12 Months – Worldwide Average Cardmember Spend



Note: Calculated using a five point average of worldwide total basic cards in force for AXP and credit card and charge accounts for Visa and MasterCard (excludes debit). Visa's data assumes Q3'11 number of accounts equals Q2'11 number of accounts. Source: Company reports, based upon quarter ended September 30, 2011 data.

Drive Greater Value to the Merchant Base

SHOP SMALL

SMALL BUSINESS SATURDAY NOV 26

Smart Offer API

AMERICAN EXPRESS BUSINESS INSIGHTS

Go social. BETA

Accertify® an American Express company

Drive Greater Value to the Merchant Base

Sources of Value

High Spending Cardmembers

Insights and Information



Services to Drive Merchant Revenues

Services to Improve Merchant Efficiencies

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International Business Operations* Performance

Billed Business

Fx adjusted % increase/(decrease) vs. prior year
($ in billions)



Pre-Tax Income

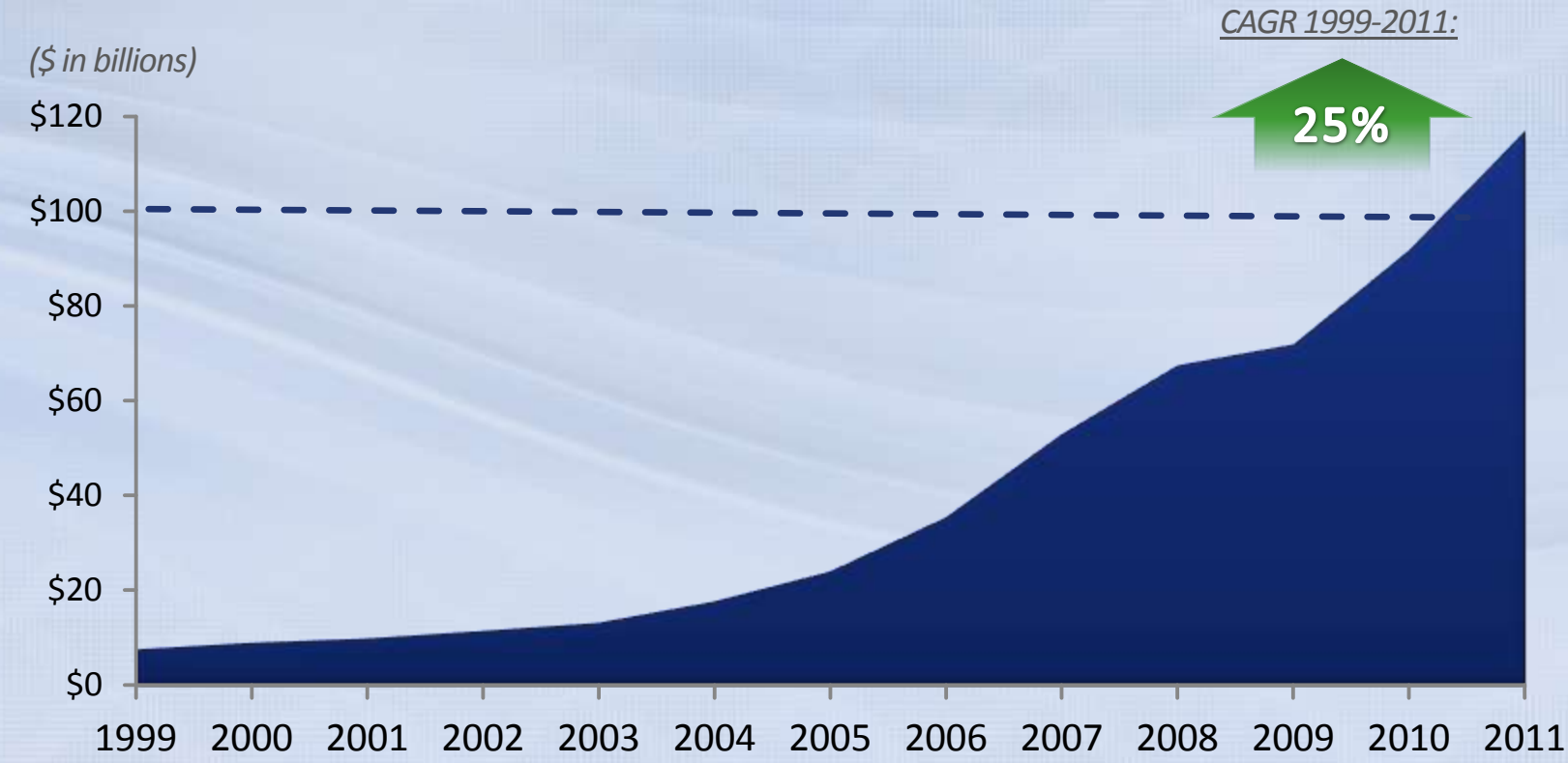
% increase/(decrease) vs. prior year
($ in billions)



International represents the sum of the Europe, Middle East and Africa (EMEA) region, the Japan, Asia/Pacific and Australia (JAPA) region and the Latin America, Caribbean and Canada (LACC) region to be set forth in the geographic note to the Company's 2011 consolidated financial statements.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 2011 applies to 2010). On a reported basis, International billed business growth vs. prior year is 19%.*

Accelerate International Growth Across Businesses

Global Network Services Billed Business



Progress Against Growth Priorities

- Increase share of **online spend** and enhance **digital experience**
- Drive greater **value to merchant base**
- Accelerate **International Growth** across businesses
- Achieve significant progress within **Enterprise Growth**
- Broaden our **customer base**

Loyalty Partner



Progress Against Growth Priorities

- Increase share of **online spend** and enhance **digital experience**
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Progress Against Growth Priorities

- Increase share of **online spend** and enhance **digital experience**
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- Achieve significant progress within **Enterprise Growth**
- Broaden our **customer base**

Enterprise Growth Progress

Global Prepaid



Fee Services

LoyaltyEdge from American Express

AMERICAN EXPRESS with vente-privee.com

Online/Mobile Payments

serve℠

Strategic Investments

sometrics



Progress Against Growth Priorities

- Increase share of **online spend** and enhance **digital experience**
- Drive greater **value to merchant base**
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- Achieve significant progress within **Enterprise Growth**
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Investment Process

As we exit 2011 and into 2012…..



Investment Process

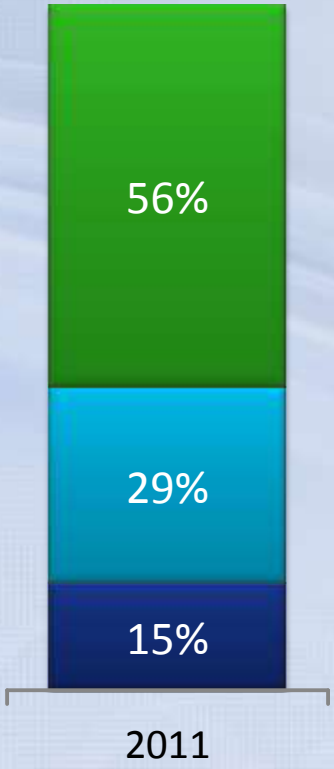
On an ongoing basis…..

- Revenues – New Initiatives
- Revenues – Core Businesses
- OPEX Control

- Brand
- Partnerships
- Acquisition
- Technology Development
- Loyalty
- New Business Initiatives

12-15% EPS Target

Revenue Mix



Discount Revenue

Other Non-Interest Income

Net Interest Income

Growth Prospects

Discount Revenue

- Volume and Share Gains & Premium Position
- Online Spend Footprint & Growth
- International & B2B Plastic Penetration
- Prepaid & Serve

Other Non-Interest Income

- Loyalty Partner
- Assurance Products
- New Business Initiatives

Net Interest Income

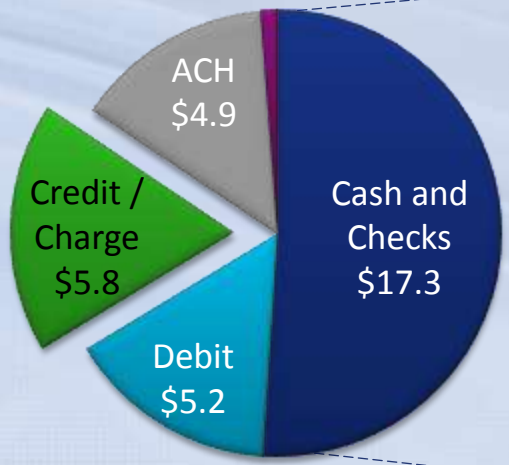
- Premium Lending Opportunities
- Improved credit: Less AR at default

Global Opportunity in Payments Industry

2011 Global Payments Volume

($ in trillions)

Total = $34 Trillion



$28 T

global payments volume in payments outside of credit / charge

Source: Euromonitor January 2012, excludes ATM withdrawals.

Investment Process

On an ongoing basis…..

- Revenues – New Initiatives
- Revenues – Core Businesses
- OPEX Control

- Brand
- Partnerships
- Acquisition
- Technology Development
- Loyalty
- New Business Initiatives

12-15% EPS Target

Will we be able to manage our expenses even while investing in growth and succeeding at our digital transformation?

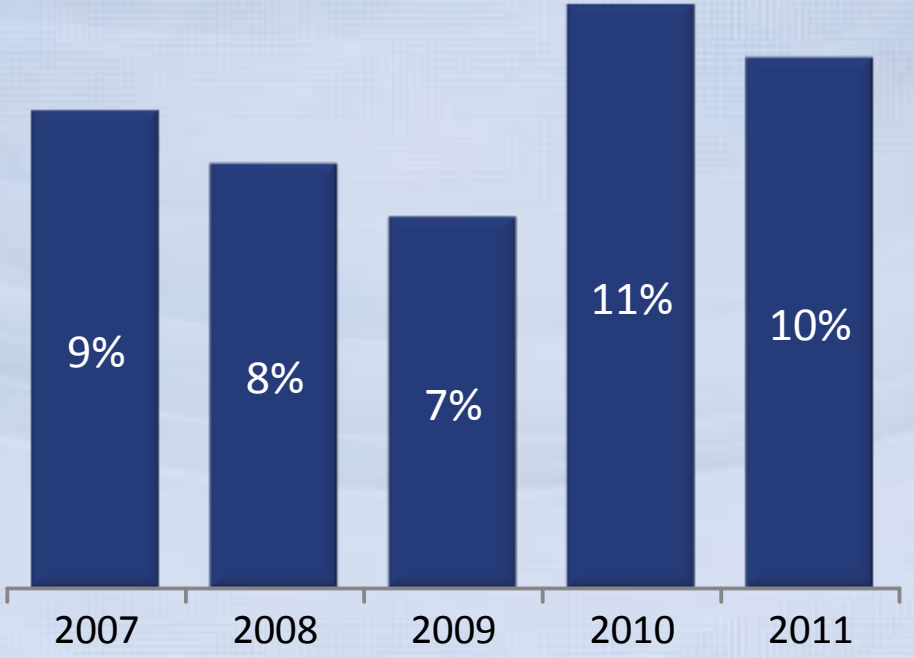
Marketing and Promotion Expense

($ in billions)

Marketing & Promotion Expenses



% of Managed Revenue*

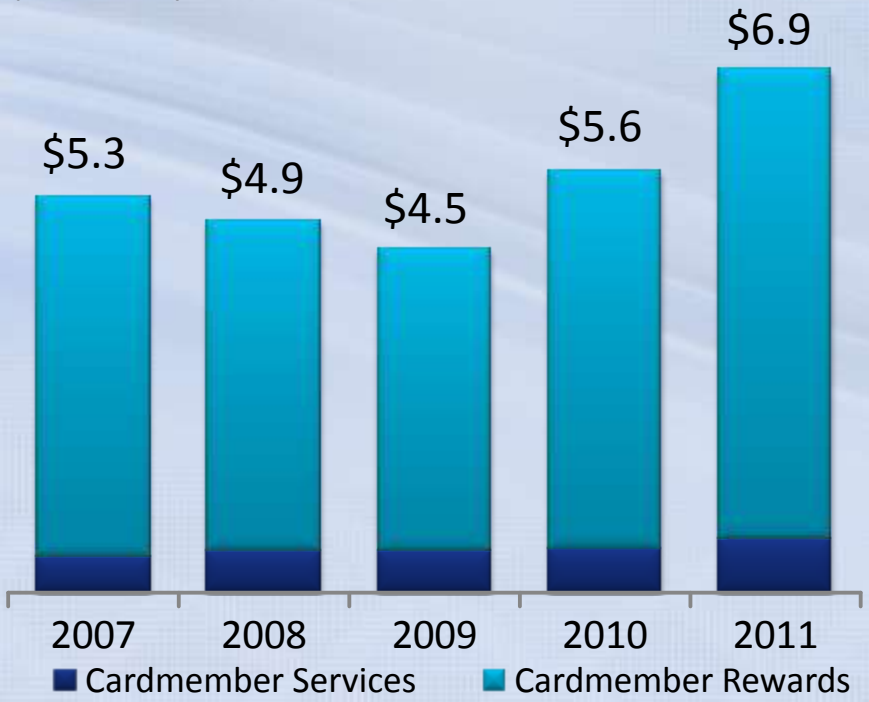


*Note: Beginning in 2011, the Company reclassified certain contractual payments to partners as either contra discount revenue or marketing and promotion expense rather than 'Other, net' expense. Periods prior to 2011 have been revised to reflect this change. *Marketing and promotion expenses as % of total managed revenue net of interest expense. Refer to Annex 3 for total marketing and promotion expense as a percent of total revenue net of interest expense on a GAAP basis.*

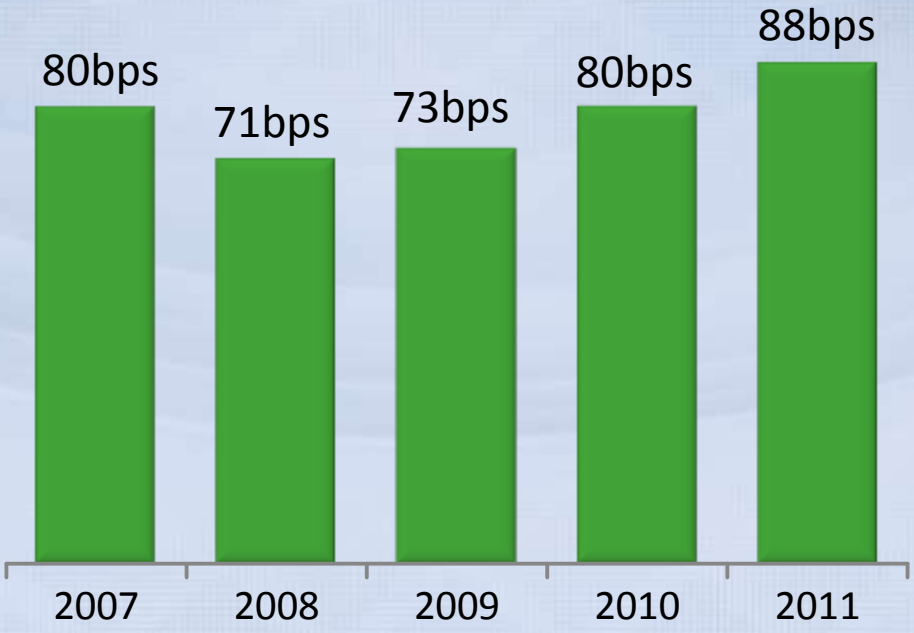
Cardmember Rewards and Services Expense

Cardmember Rewards & Services

($ in billions)

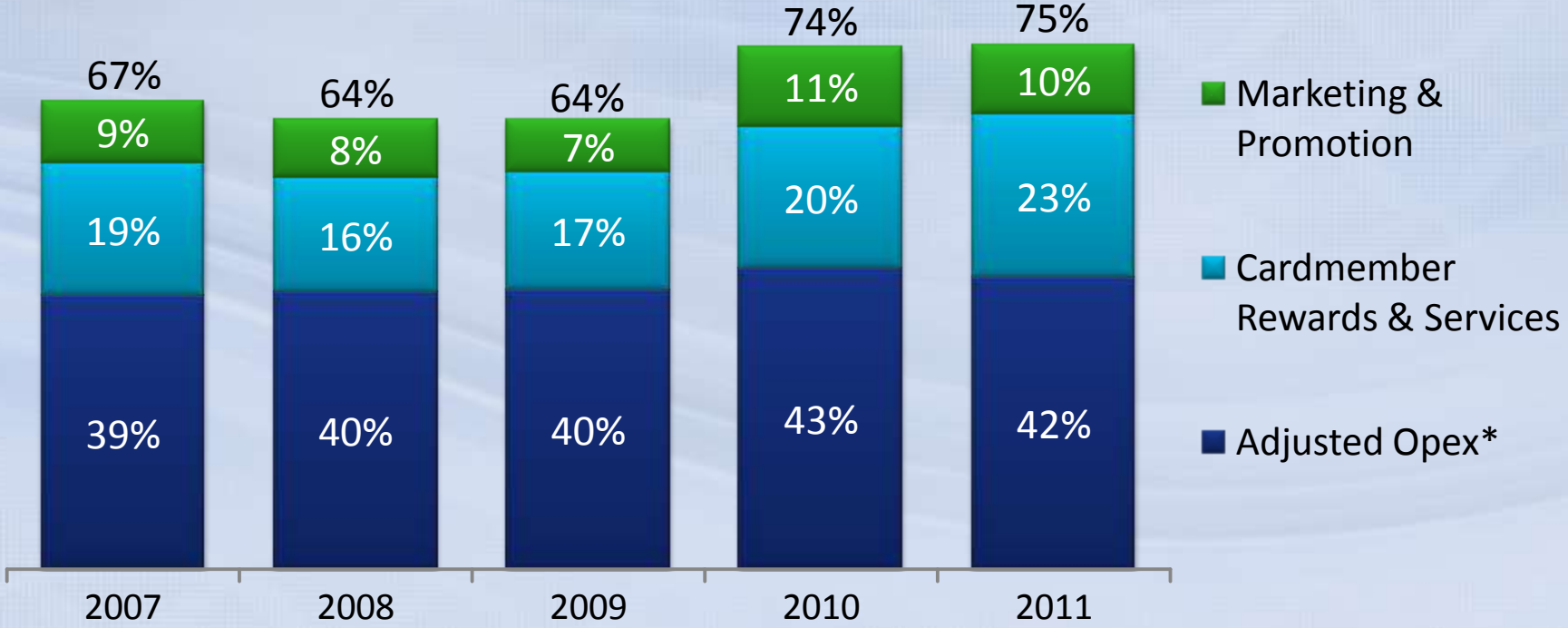


Cardmember Rewards % of Proprietary Billed Business



Expense Balance

*Adjusted Total Expense as a % of Managed Revenue**



**Adjusted total expenses as a % of total managed revenues net of interest expense. Adjusted total expenses, a non-GAAP measure, and adjusted opex, a non-GAAP measure, are total expenses and total operating expenses (which include salaries and employee benefits, professional services, occupancy and equipment, communications and other, net expenses), respectively, on a GAAP basis, each as adjusted for the settlement proceeds from MasterCard and Visa and a $180MM benefit in 2009 related to the accounting for a net investment in the Company's foreign subsidiaries, as set forth in Annexes 2 and 3. See Annex 2 for total expenses and Annex 3 for Marketing and Promotion Expense, Rewards & Cardmember Service Expense and total operating expenses, each as a percent of total revenues net of interest expense on a GAAP basis. In addition, beginning in 2011, the Company reclassified certain contractual lump sum payments to partners as either contra discount revenue or marketing and promotion expense rather than 'Other, net' expense. Periods prior to 2011 have been revised to reflect this change throughout this presentation.*


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Annex 1

Billed Business - Reported & FX Adjusted*

% increase/(decrease) vs. prior year:

	Q4'08	Q1'09	Q2'09	Q3'09	Q4'09	Q1'10	Q2'10	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11	Q4'11
U.S.	(8%)	(15%)	(15%)	(11%)	2%	11%	14%	13%	14%	15%	14%	13%	11%
International													
Reported	(12%)	(19%)	(19%)	(9%)	21%	27%	19%	17%	16%	20%	27%	21%	10%
FX Adjusted	3%	(3%)	(7%)	(3%)	7%	14%	16%	16%	15%	14%	15%	14%	11%
EMEA													
Reported	(13%)	(23%)	(24%)	(15%)	11%	16%	5%	5%	4%	13%	23%	15%	4%
FX Adjusted	-	(8%)	(13%)	(8%)	2%	11%	11%	11%	10%	10%	11%	8%	4%
JAPA													
Reported	(10%)	(15%)	(12%)	(1%)	34%	44%	34%	31%	29%	28%	36%	31%	18%
FX Adjusted	5%	1%	-	1%	12%	22%	23%	23%	20%	18%	19%	19%	17%
LACC													
Reported	(14%)	(19%)	(19%)	(11%)	20%	26%	24%	19%	18%	21%	22%	18%	8%
FX Adjusted	4%	(1%)	(5%)	(1%)	7%	11%	15%	15%	15%	16%	15%	14%	13%
Total													
Reported	(10%)	(16%)	(16%)	(11%)	8%	16%	16%	14%	15%	17%	18%	16%	11%
FX Adjusted	(5%)	(12%)	(13%)	(9%)	4%	12%	15%	14%	14%	15%	15%	13%	11%

**FX adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars (e.g., assumes foreign exchange rate used for Q4'11 applies to Q4'10; rate used for Q3'11 applies to Q3'10, etc).*

Annex 2

($ in millions)	2007	2008	2009	2010	2011
GAAP Total Revenues Net of Interest Expense	**$27,462**	**$28,227**	**$24,336**	**$27,582**	**$29,962**
Securitization Adjustments:					
Discount revenue, net card fees and other	310	400	331	NA	NA
Interest income	3,130	3,512	3,097	NA	NA
Securitization income, net	(1,507)	(1,070)	(400)	NA	NA
Interest expense	(1,136)	(830)	(244)	NA	NA
Managed Total Revenues Net of Interest Expense	**$28,259**	**$30,239**	**$27,120**	**$27,582**	**$29,962**
GAAP Total Expenses	**$17,665**	**$18,848**	**$16,182**	**$19,411**	**$21,894**
Visa/MasterCard Settlement Payments	1,130	580	880	880	580
Net Investment in Foreign Subsidiary	-	-	180	-	-
Adjusted Total Expenses	**$18,795**	**$19,428**	**$17,242**	**$20,291**	**$22,474**
GAAP Total Expenses / GAAP Total Revenues Net of Interest Expense	*64%*	*67%*	*66%*	*70%*	*73%*
Managed Total Revenues, Net of Interest Expense/Total Adjusted Expenses	*67%*	*64%*	*64%*	*74%*	*75%*

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. 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 3

($ in millions)

	2007	2008	2009	2010	2011
GAAP Total Revenues Net of Interest Expense	**$27,462**	**$28,227**	**$24,336**	**$27,582**	**$29,962**
Securitization Adjustments:					
Discount revenue, net card fees and other	310	400	331	NA	NA
Interest income	3,130	3,512	3,097	NA	NA
Securitization income, net	(1,507)	(1,070)	(400)	NA	NA
Interest expense	(1,136)	(830)	(244)	NA	NA
Managed Total Revenues Net of Interest Expense	**$28,259**	**$30,239**	**$27,120**	**$27,582**	**$29,962**

	2007	2008	2009	2010	2011
Marketing and Promotion Expense	$ 2,630	$ 2,513	$ 2,010	$ 3,147	$ 2,996
Marketing & Promotion/ GAAP Total Revenues, Net of Interest Expense	*10%*	*9%*	*8%*	*11%*	*10%*
Marketing & Promotion/ Mgd Total Revenues, Net of Interest Expense	*9%*	*8%*	*7%*	*11%*	*10%*

	2007	2008	2009	2010	2011
Cardmember Rewards and Services Expense	5,255	4,931	4,553	5,591	6,934
Cardmember Rewards and Services / GAAP Total Revenues, Net of Interest Expense	*19%*	*17%*	*19%*	*20%*	*23%*
Cardmember Rewards and Services / Mgd Total Revenues, Net of Interest Expense	*19%*	*16%*	*17%*	*20%*	*23%*

	2007	2008	2009	2010	2011
GAAP Consolidated Operating Expenses*	$ 9,780	$ 11,404	$ 9,619	$ 10,673	$ 11,964
Reconciling Items					
Visa/MasterCard Settlement Payments	$ 1,130	$ 580	$ 880	$ 880	$ 580
Net Investment in a Foreign Subsidiary	-	-	$ 180	-	-
Operating Expenses-Adjusted	$ 10,910	$ 11,984	$ 10,679	$ 11,553	$ 12,544
GAAP Operating Expenses/GAAP Total Revenues, Net of Interest Expense	*36%*	*40%*	*40%*	*39%*	*40%*
Operating Expenses/Mgd Total Revenues, Net of Interest Expense	*39%*	*40%*	*40%*	*43%*	*42%*

Operating Expenses-Adjusted	**$ 11,984**	**$ 10,679**	**$ 11,553**	**$ 12,544**
Fx Impact	$ 30	$ 295	$ 189	$ -
Operating Expenses-Adjusted and FX Restated	**$ 12,014**	**$ 10,974**	**$ 11,742**	**$ 12,544**

** Consolidated Operating Expenses includes Salaries & Benefits, Professional Services, Occupancy & Equipment, Communications & Other, Net*

Annex 4

	2-Year CAGR		3-Year CAGR	
	FX Adjusted**	GAAP Basis	FX Adjusted**	GAAP Basis
Total Operating Expense	7%*	12%	1%*	2%
Salaries & Benefits	9%	11%	1%	1%
Professional Services	10%	11%	7%	7%
Occupancy & Equipment, Communications and Other, Net	1%*	14%	(2%)*	(2%)
Global Services Group	(2%)	(1%)	(2%)	(2%)
Technology Development	18%	18%	9%	9%
Investment & Other Opex	11%*	21%	3%*	3%
Salesforce & Client Management	11%	13%		
New Business Initiatives	N/A	N/A		
Global Network Services	12%	15%		
Regulatory and Control Infrastructure	27%	27%		
Other Opex	6%*	17%		
Investment Opex	29%	31%		

Total Operating Expense, Other, Net and Other Opex have also been adjusted for the settlement proceeds from MasterCard and Visa and a $180MM benefit in 2009 related to the accounting for a net investment in the Company's foreign subsidiaries. **Global Network Services is included in the Global Network & Merchant Services (GNMS) segment. The 2-year CAGR on a GAAP basis for GNMS segment operating expenses is 13%. * FX adjusted information is prepared on a monthly basis and assumes the exchange rate at the end of each month in 2011 is applied to the same month in the periods being compared for purposes of currency translation into U.S. dollars (e.g., assumes foreign exchange rate used for Jan'11 applies to Jan'10; rate used for Feb'11 applies to Feb'10, etc).*


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