

American Express Earnings Conference Call 4Q'09

January 21, 2010



Summary Financial Performance



(\$ in millions, except per share amounts)

	4Q'09	4Q'08	% Inc/(Dec)
Total Revenues Net of Interest Expense	\$6,489	\$6,506	-
Income from Continuing Ops*	\$710	\$306	132%
Diluted EPS from Continuing Ops**	\$0.59	\$0.26	127%
Return on Average Common Equity	14%	22%	
Average Diluted Shares Outstanding	1,184	1,155	3%

**Net income, including results from discontinued operations, was \$716MM and \$240MM in 4Q'09 and 4Q'08, respectively, and increased more than 100% versus the prior year. **Attributable to common shareholders. Excludes earnings allocated to participating share awards and other items of \$9MM and \$1MM for 4Q'09 and 4Q'08, respectively. Diluted EPS on a net income basis, including results from discontinued operations, was \$0.60 and \$0.21 in 4Q'09 and 4Q'08, respectively, and increased more than 100% versus the prior year.*

Metric Performance



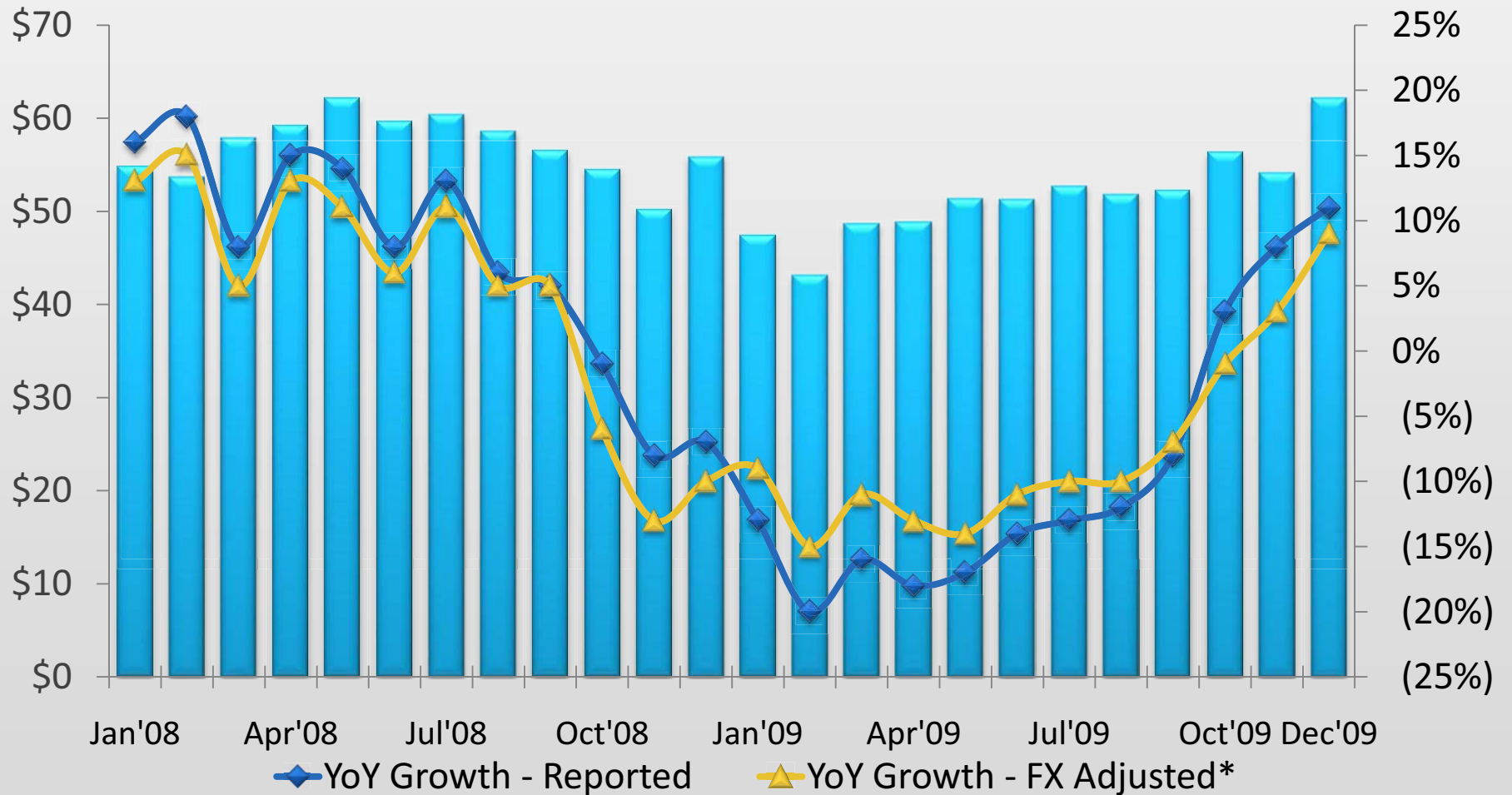
	4Q'09	4Q'08	% Inc/(Dec)	FX Adj.*
Billed Business (\$ in B)**	\$172.6	\$160.5	8%	4%
Total Cards In Force (MM)	87.9	92.4	(5%)	
Avg. Basic Cardmember Spending (Dollars)***	\$3,209	\$2,792	15%	11%
Cardmember Loans (\$ in B)				
- Owned	\$32.8	\$42.2 ^{††}	(22%)	(25%)
- Managed [†]	\$61.8	\$72.0 ^{††}	(14%)	(16%)
WW Travel Sales (\$ in B)	\$5.0	\$5.3	(5%)	(11%)

*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 4Q'09 foreign exchange rates apply to 4Q'08 results.) **Card billed business includes activities (including cash advances) related to proprietary cards, cards issued under network partnership agreements, and certain insurance fees charged on proprietary cards. ***Computed from proprietary card activities only. [†]Managed basis includes owned and securitized loans. ^{††}On an FX adjusted basis, 4Q'08 owned and managed loans would have been \$43.4B and \$73.2B, respectively.

Worldwide Billed Business



(\$ in billions)

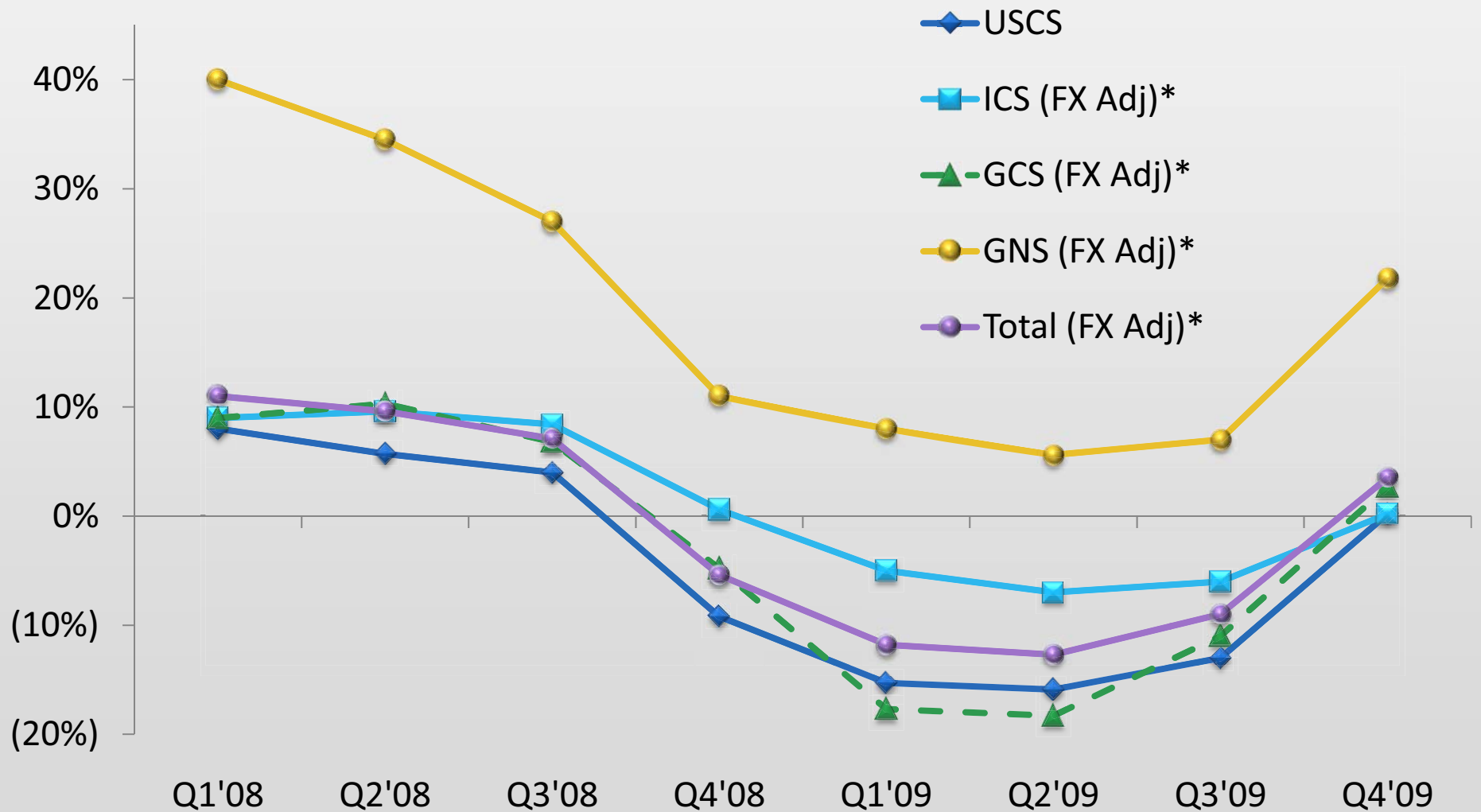


*FX adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars. (e.g., assumes foreign exchange rate used for Dec'09 applies to Dec'08; rate used for Nov'09 applies to Nov'08, etc.)

Billed Business Growth by Segment



% increase/(decrease) vs. prior year:

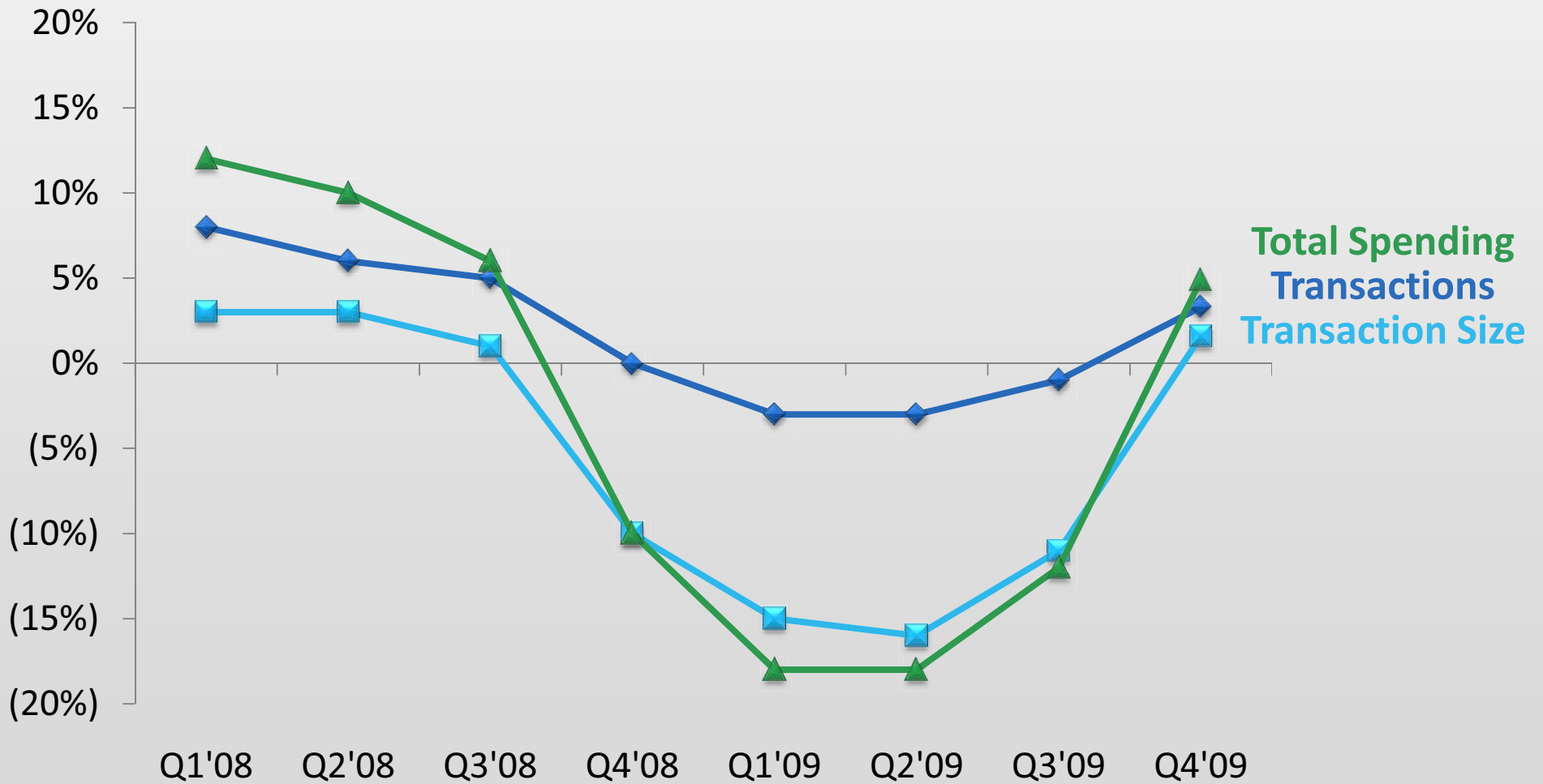


*See Annex 1 for reported billings growth rates.



Worldwide Network Spending

% increase/(decrease) vs. prior year:

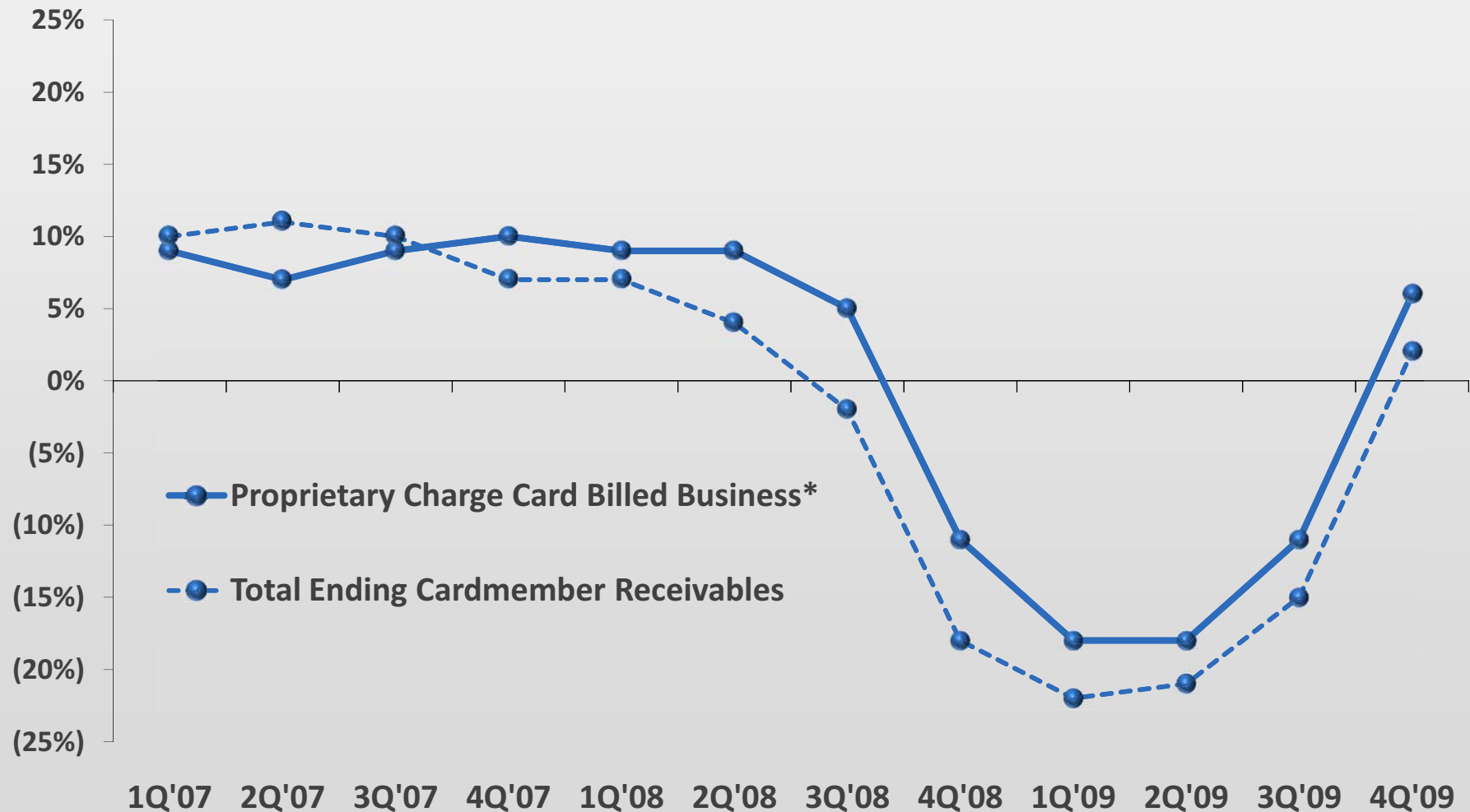


Note: Excludes non-proprietary merchants.

Charge Card Billed Business vs. Receivables Growth



% inc/(dec) vs. prior year:

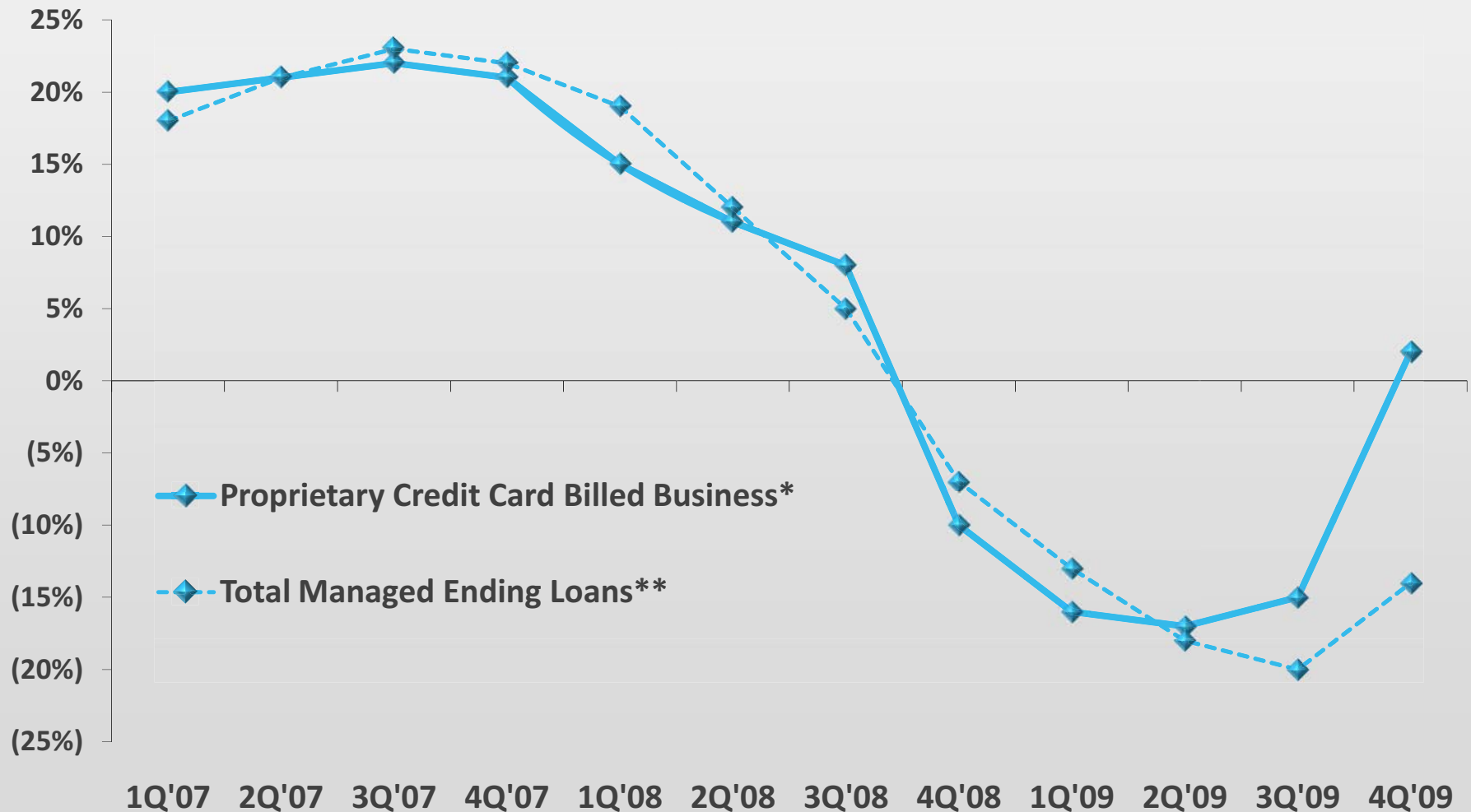


*Lending on charge billed business included in proprietary credit card billed business.

Lending Billed Business vs. Loan Growth

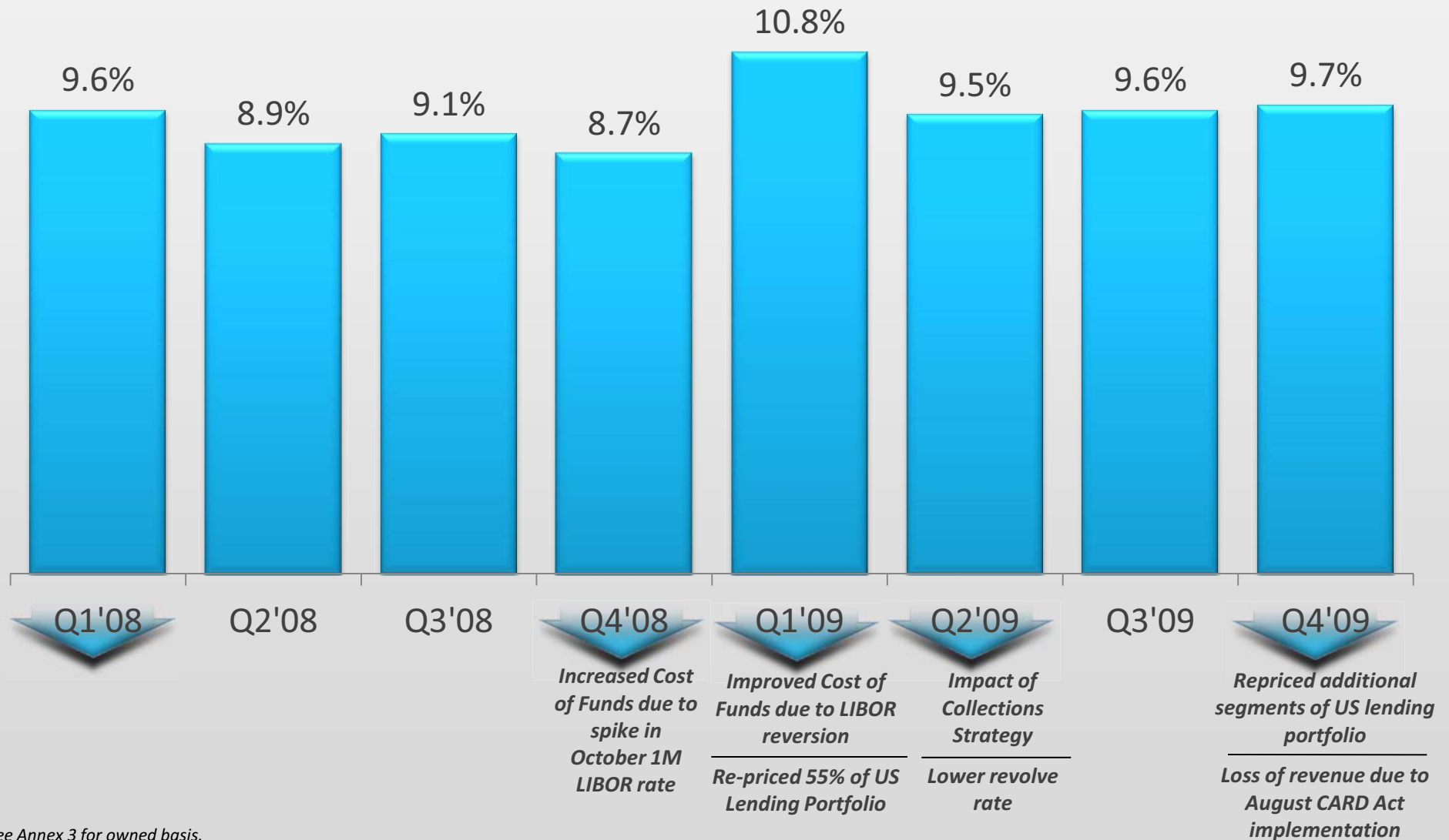


% inc/(dec) vs. prior year, managed basis:



*Lending on charge billed business included in proprietary credit card billed business. **See Annex 2 for owned basis.

US Card Services Net Interest Yield on Managed Cardmember Loans



See Annex 3 for owned basis.

Revenue Performance



(\$ in millions)	4Q'09	4Q'08	% Inc/(Dec)
Discount Revenue	\$3,645	\$3,468	5%
Net Card Fees	549	536	2%
Net Interest & Securitization Income*	900	970	(7%)
Travel Commissions & Fees	439	444	(1%)
All Other Revenue**	956	1,088	(12%)
Total Revenues Net of Interest Expense***	<u>\$6,489</u>	<u>\$6,506</u>	-

Note: See Annex 4 for reconciliation to managed revenue. *Includes net interest income and securitization income, net. **Includes other commissions and fees and other. ***On an FX Adjusted basis, total revenues net of interest expense decreased 4%.



Provisions for Losses

(\$ in millions)

	4Q'09	4Q'08	% Inc/(Dec)
Charge Card	\$141	\$426	(67%)
Cardmember Lending	560	927	(40%)
Other	47	51	(8%)
Total*	<u>\$748</u>	<u>\$1,404</u>	(47%)

*On an FX adjusted basis, provision decreased 48%.

Expense Performance



(\$ in millions)

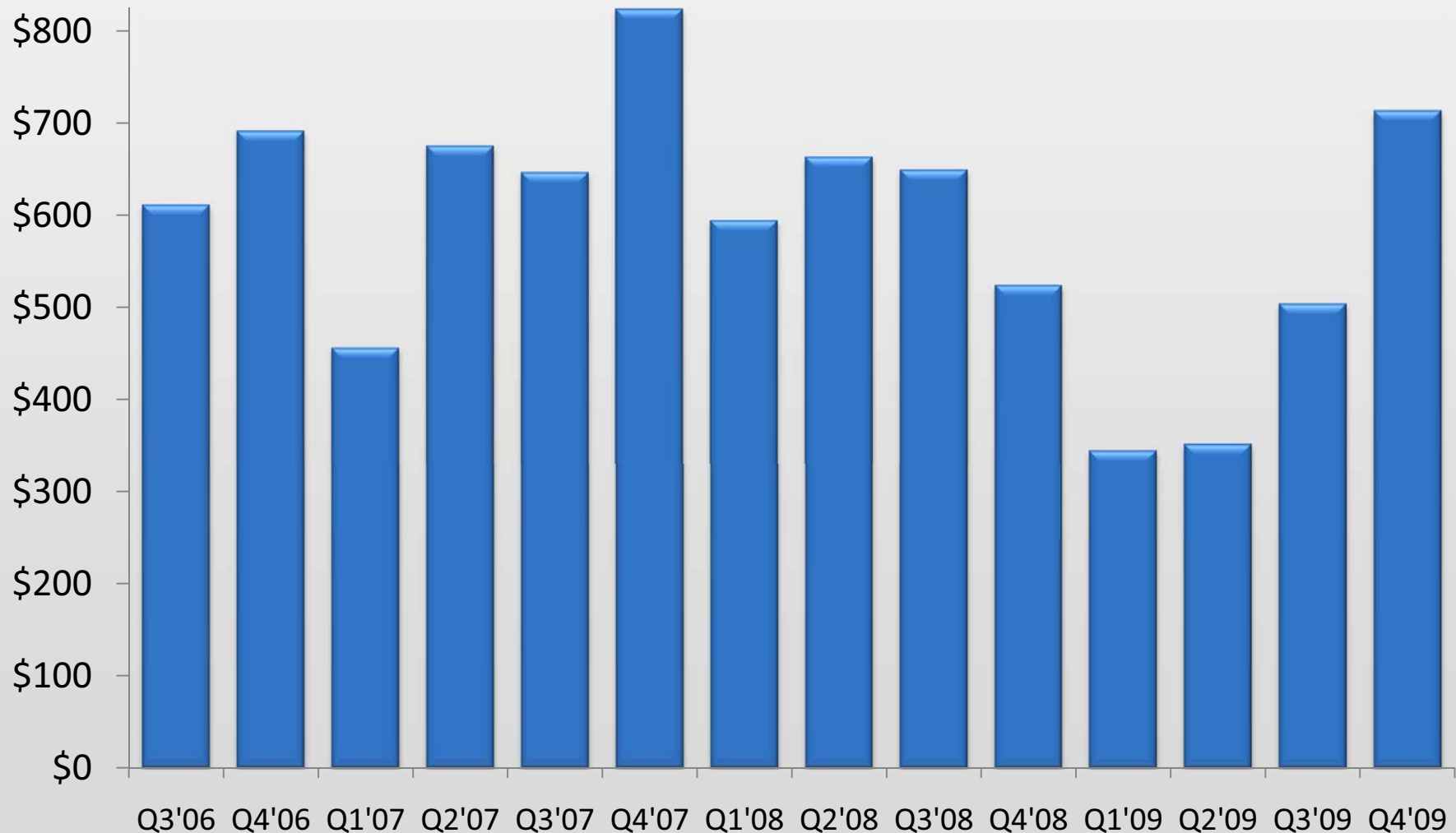
	4Q'09	4Q'08	% Inc/(Dec)
Marketing and Promotion	\$713	\$524	36%
Cardmember Rewards and Services	1,321	1,228	8%
Salaries and Employee Benefits	1,196	1,660	(28%)
Other Operating Expenses*	1,550	1,422	9%
Total Expenses**	\$4,780	\$4,834	(1%)
Income Tax Provision (Benefit)	\$251	(\$38)	#

denotes a percent change greater than 100%. *Includes professional services, occupancy and equipment, communications and other, net expenses. See Annex 5 for GAAP to non-GAAP reconciliation for Cardmember Rewards & Services and Salaries & Benefits. **On an FX adjusted basis, expenses decreased 4%.

Marketing and Promotion Expense



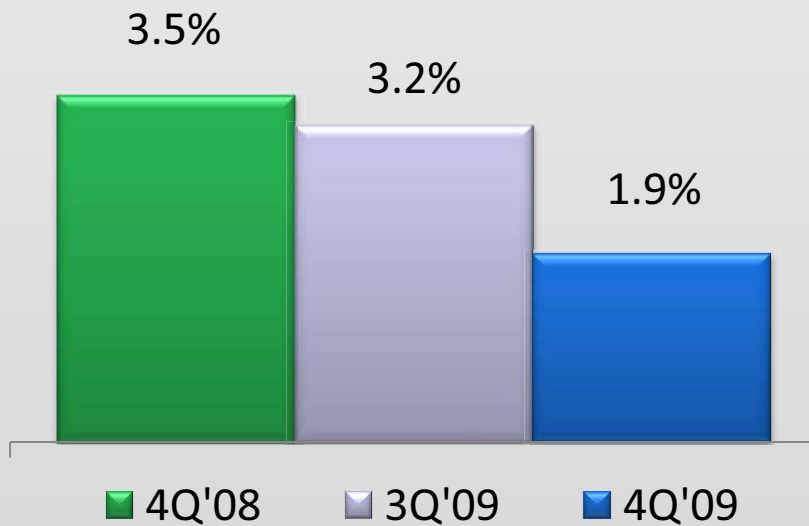
(\$ in millions)



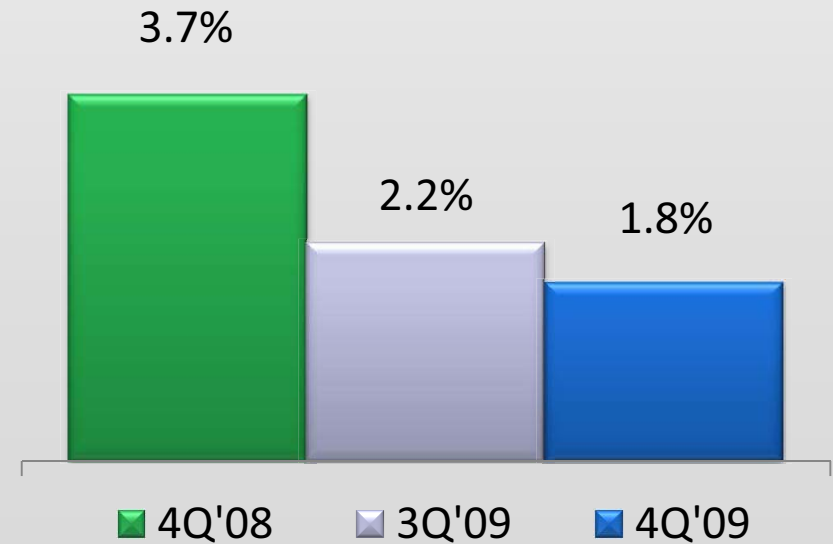
Charge Card Net Write-off and 30 Days Past Due Rates - USCS



Net Write-off Rate



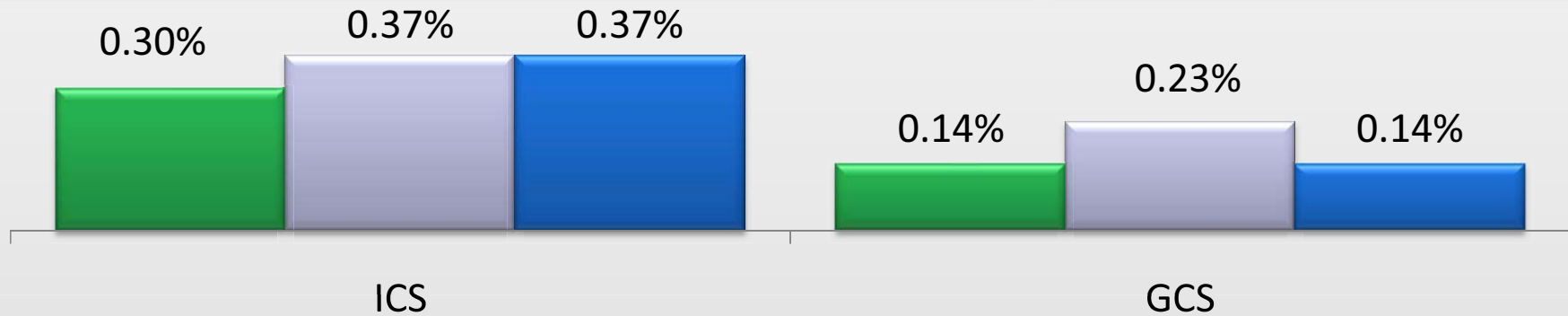
30 Days Past Due Rate



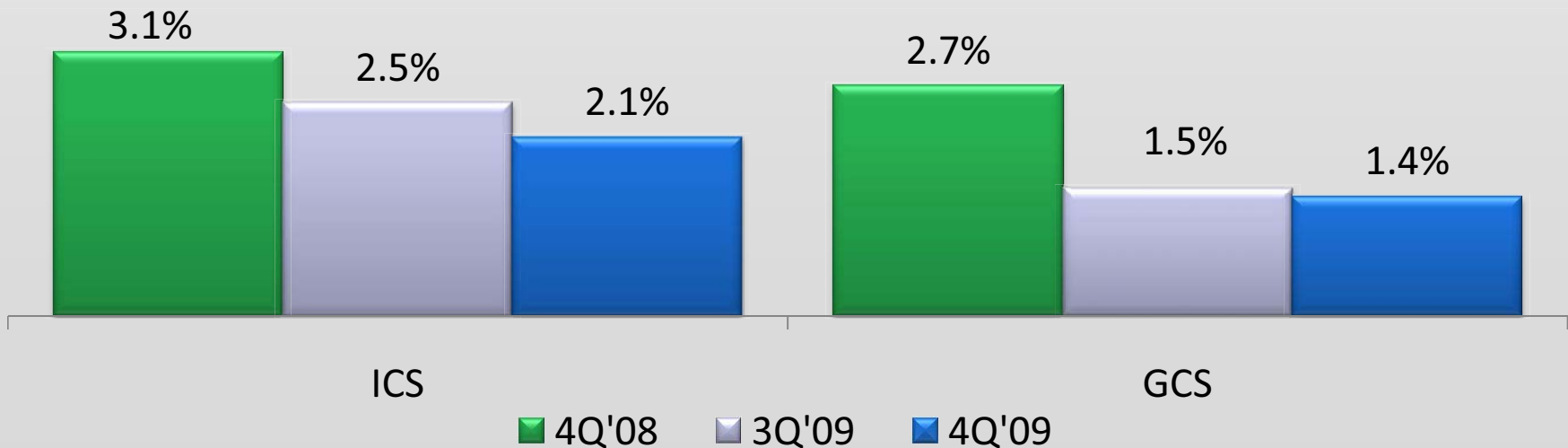
Charge Card Net Loss Ratios and 90 Days Past Due Rates – ICS and GCS



Net Loss Ratio as a % of Charge Volume



90 Days Past Due Rate



Charge Card Reserve Coverage



4Q'09

3Q'09

4Q'08

US Card Services

% of Receivables	1.4%	1.8%	2.7%
% of 30 days Past Due	82%	82%	73%

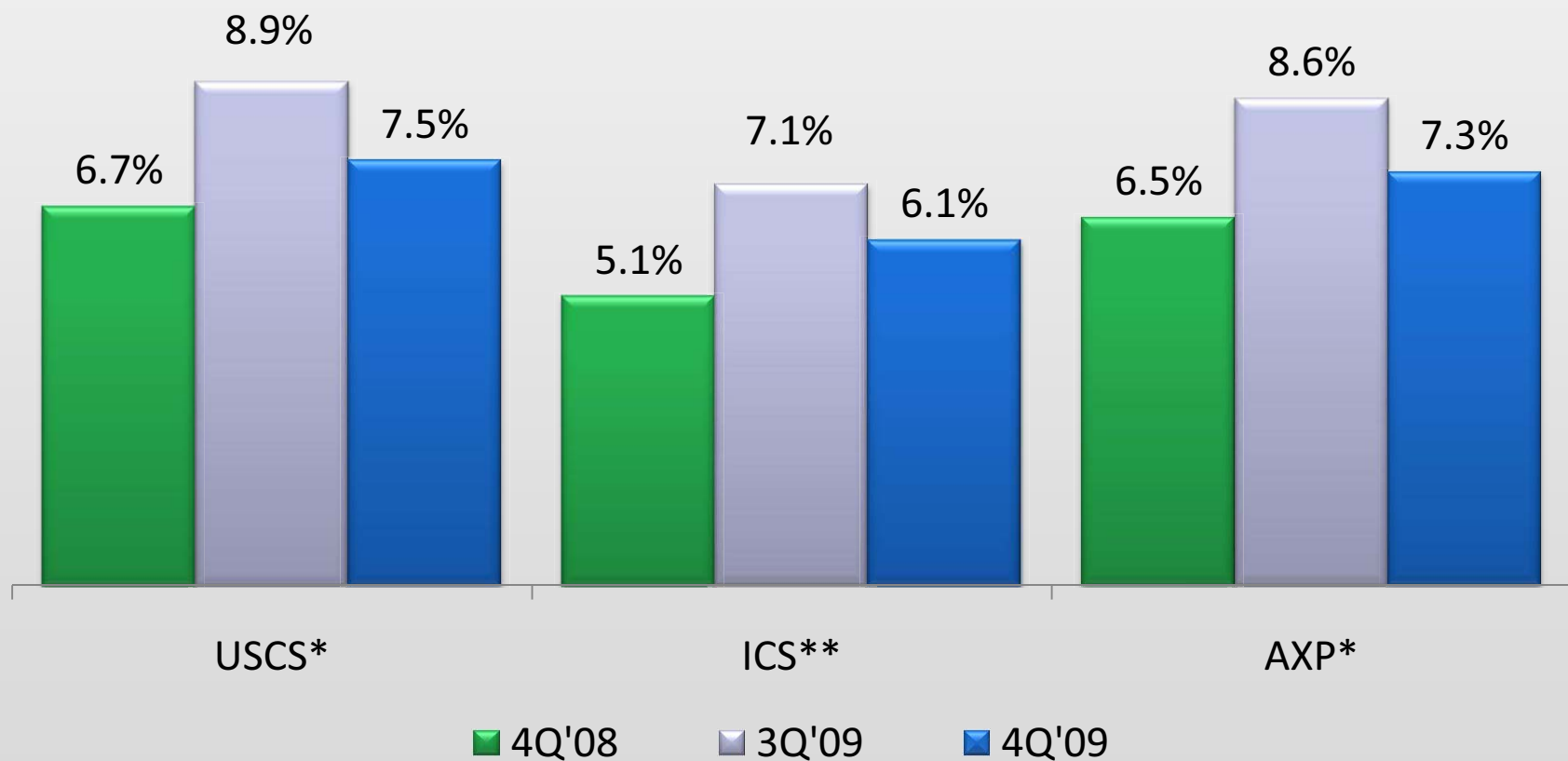
International Card Services

% of Receivables	2.4%	3.0%	3.0%
% of 90 Days Past Due	116%	121%	99%

Global Commercial Services

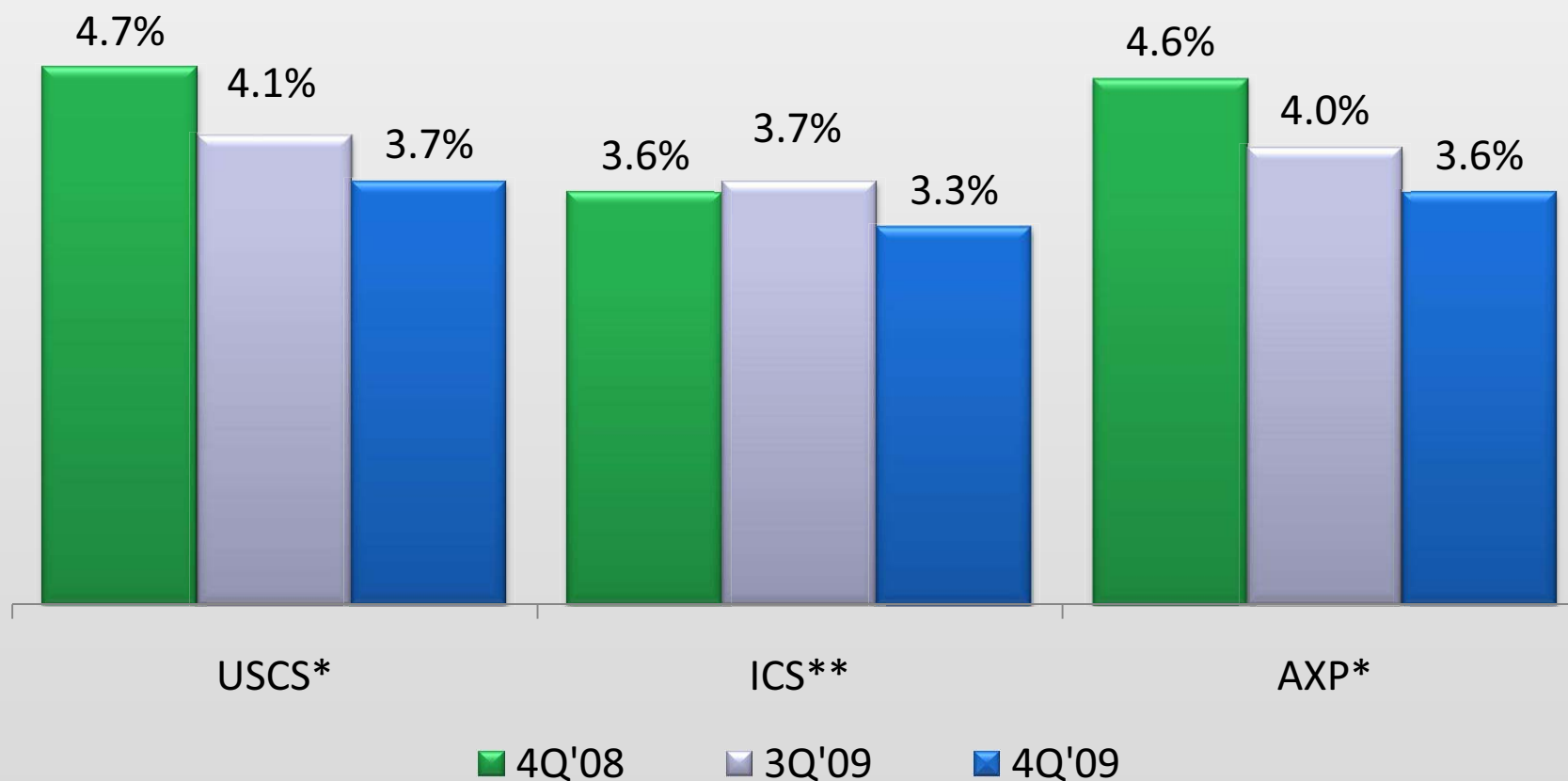
% of Receivables	1.4%	1.4%	1.7%
% of 90 Days Past Due	104%	89%	64%

Lending Managed Net Write-off Rates



*See Annex 6 for owned basis. **There are no off-balance sheet ICS securitizations; therefore, the net write-off rates for ICS are on an owned basis.

Lending Managed 30 Days Past Due

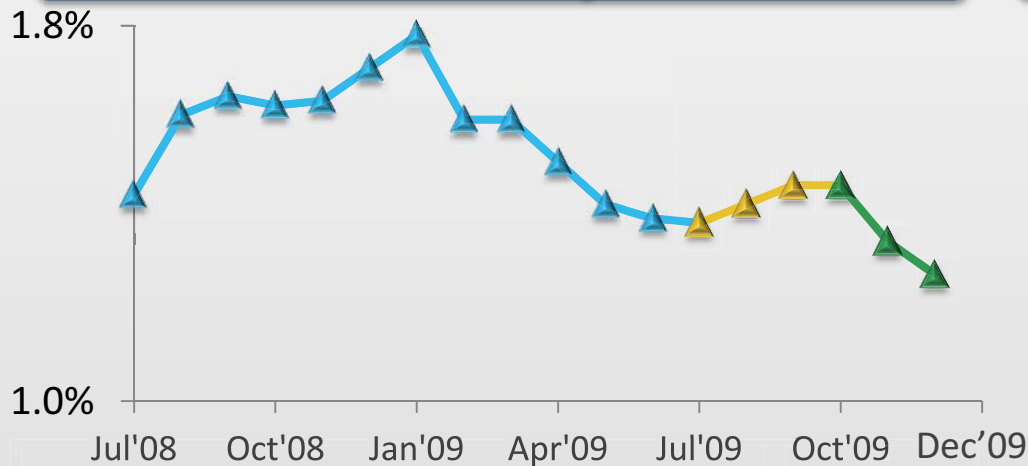


*See Annex 6 for owned basis. **There are no off-balance sheet ICS securitizations; therefore, the net write-off rates for ICS are on an owned basis.

USCS Managed Lending Roll Rates and Bankruptcy Filings

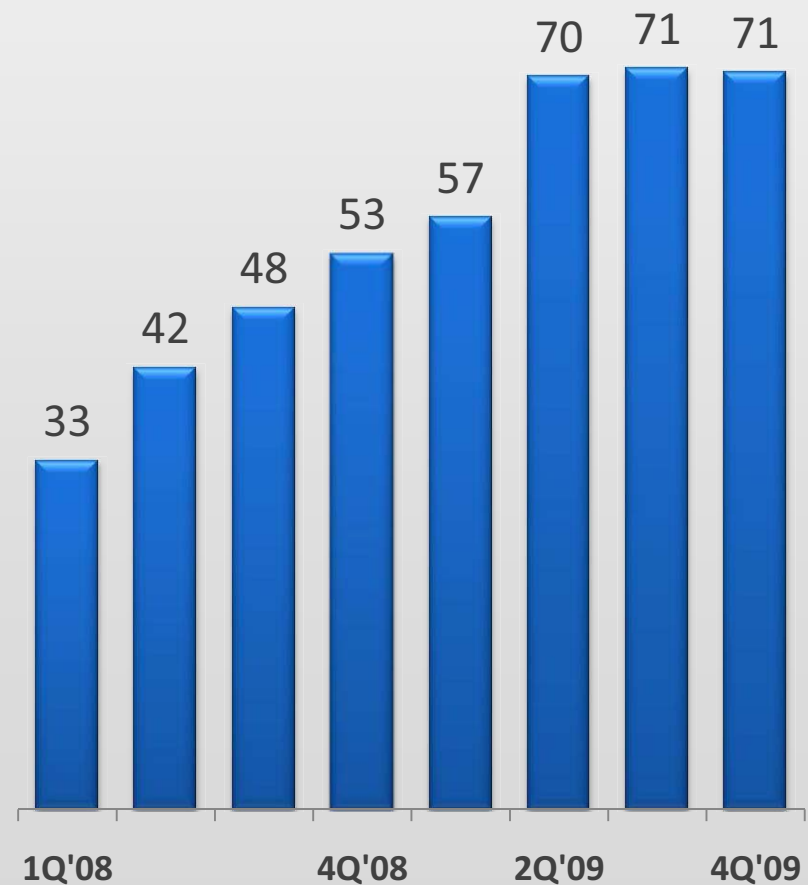


Current to 30 Days Past Due

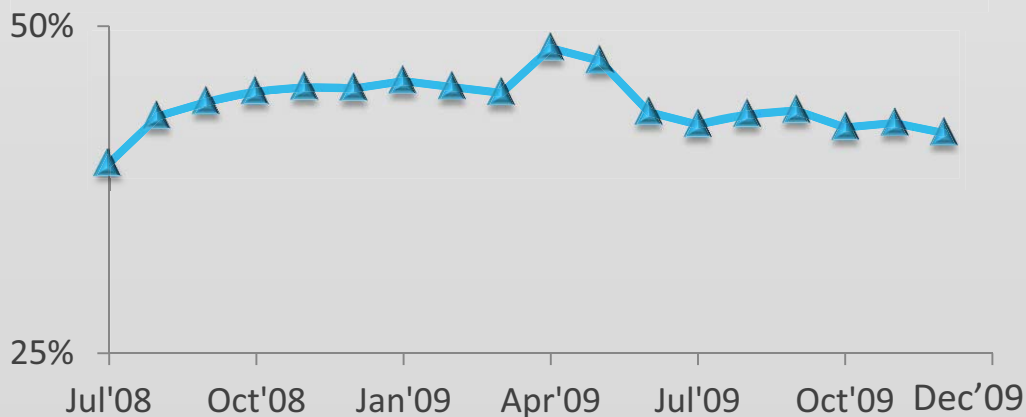


Number of Bankruptcy Filings

US Card Services Customers, x000



30 Days Past Due to Write-off

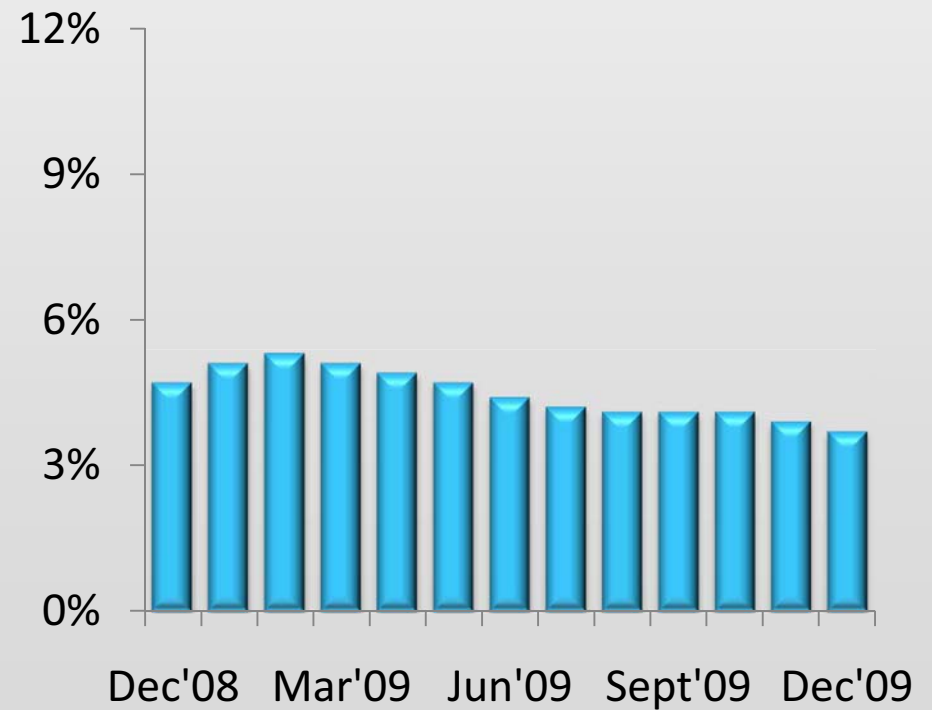
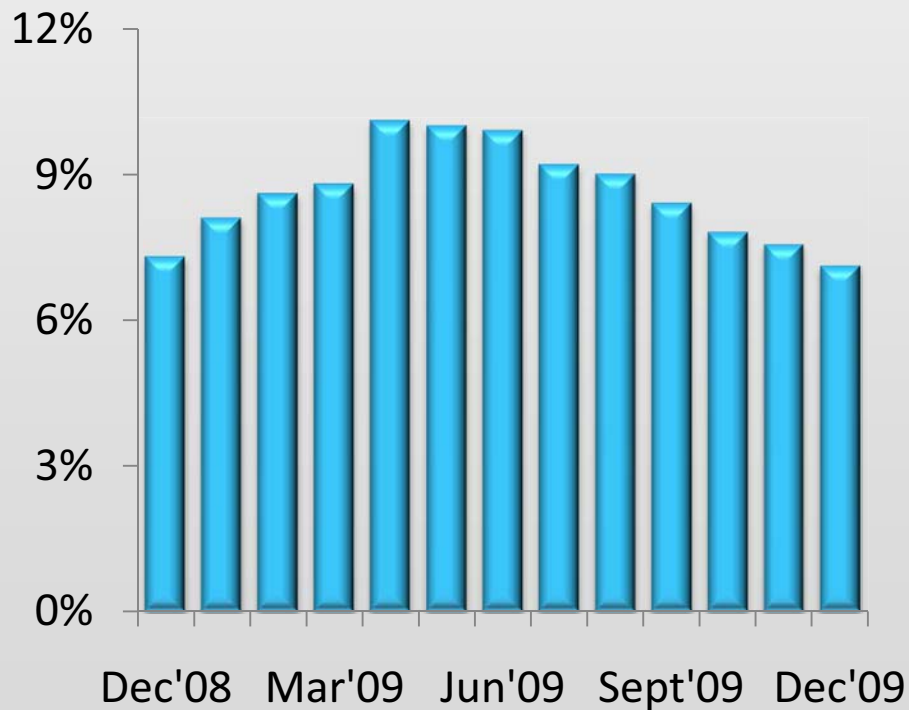


USCS Managed Lending Monthly Credit Trends



Net Write-off Rate

30 Days Past Due Rate

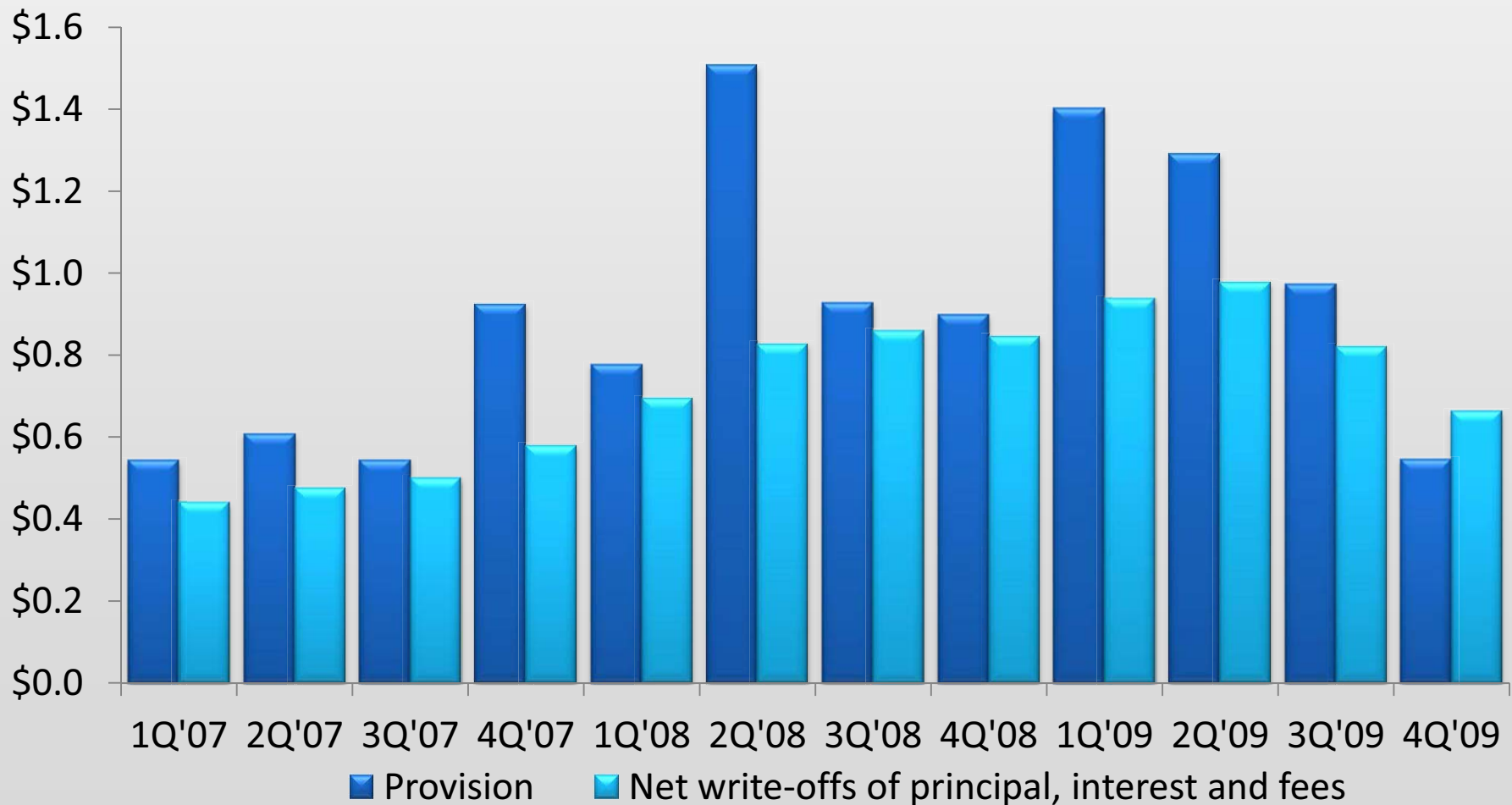


See Annex 7 for owned basis.

AXP WW Lending Provisions



(Owned basis, \$ in Billions)





Lending Reserve Coverage

Owned basis:

4Q'09

3Q'09

4Q'08

US Card Services

% of Loans 10.8% 12.2% 6.6%

% of Past Due 293% 292% 141%

Principal Months Coverage* 16.5x 14.1x 10.4x

Worldwide

% of Loans 10.0% 10.7% 6.1%

% of Past Due 279% 264% 137%

Principal Months Coverage* 16.2x 13.3x 10.2x

*Calculated by dividing the ending principal reserve balance by a monthly average of net principal write-offs during the respective quarter.

Capital Ratios and Regulatory Benchmarks



(Preliminary)

	4Q'09	4Q'09 Pro Forma*	Current Benchmark
Tier 1 Common Risk-Based	9.8%	8.6%	4.0%**
Tier 1 Leverage	9.7%	7.0%	5.0%
Tier 1 Risk-Based Capital	9.8%	8.6%	6.0%
Total Risk-Based Capital	11.9%	10.8%	10.0%
Tangible Common Equity to Risk-Weighted Assets ("TCE/RWA")†	9.7%	8.4%	

*Note: These ratios represent a preliminary estimate as of the date of these earnings slides and may be revised in the Company's 2009 Form 10-K. *Pro Forma for SFAS 166/167 assumes the recognition of reserves and other adjustments related to the securitized cardmember loans as of 12/31/09, which would result in TCE, Tier 1 Common Equity, Tier 1 Capital and RWA decreasing by \$1.8B, \$1.6B, \$1.6B and \$1.8B, respectively, and Total Average Assets increasing by \$23.7B. **The regulatory benchmark of 4% was used within the Supervisory Capital Assessment Program conducted earlier in 2009. †TCE equals common shareholders' equity of \$14.4B and pro forma shareholders' equity of \$12.6B, less goodwill and intangibles of \$3.0B for 4Q'09. RWA is \$116.6B for 4Q'09 and pro forma RWA is \$114.8B.*



Q4'09 Liquidity Snapshot

(\$ in Billions)

Resources

Funding Maturities

Cash*	\$19	Q1'10	6
Operating Cash	(3)	Q2'10	4
CP and Short-Term Deposits Outstanding	(3)	Q3'10	4
Readily Marketable Securities	13	Q4'10	6
Excess Cash & Securities	\$26	2010 Maturities	\$20**

* Includes \$15.5B, which is classified as Cash and Equivalents on the balance sheet. Also includes \$3.5B, classified in Other Assets and Other Receivables on the balance sheet, which is held against certain forthcoming asset-backed securitization maturities in 1Q'10. **Includes maturities of long term unsecured debt of \$7.4B, asset-backed securitization liabilities of \$10.2B and long-term certificates of deposit of \$2.6B.



US Retail Deposit Programs

(\$ in Billions)

	Retail CDs	Retail Savings Accounts*	Total Deposits
September 30, 2009 Balance	\$13.6	\$9.6	\$23.2
4Q'09 Maturities	(3.2)		(3.2)
Amount Raised During 4Q'09	4.7	0.9	5.6
December 31, 2009 Balance	<u>\$15.1</u>	<u>\$10.5</u>	<u>\$25.6</u>
Average Duration	29 Months		
Average Rate	2.3%		

*Retail savings accounts includes brokered sweep accounts and high yield savings accounts from the Personal Savings Program.

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Annex 1



Segment Billed Business - Reported & FX Adjusted

% increase/(decrease) vs. prior year:

	<u>Q1'08</u>	<u>Q2'08</u>	<u>Q3'08</u>	<u>Q4'08</u>	<u>Q1'09</u>	<u>Q2'09</u>	<u>Q3'09</u>	<u>Q4'09</u>
<u>ICS</u>								
Reported	21%	20%	11%	(14%)	(21%)	(20%)	(12%)	14%
FX Adjusted	9%	10%	8%	1%	(5%)	(7%)	(6%)	0%
<u>GCS</u>								
Reported	13%	14%	8%	(11%)	(23%)	(23%)	(14%)	8%
FX Adjusted	9%	10%	7%	(5%)	(18%)	(18%)	(11%)	3%
<u>GNS</u>								
Reported	50%	42%	29%	0%	(6%)	(3%)	2%	34%
FX Adjusted	40%	35%	27%	11%	8%	6%	7%	22%
<u>Total</u>								
Reported	14%	12%	8%	(10%)	(16%)	(16%)	(11%)	8%
FX Adjusted	11%	10%	7%	(5%)	(12%)	(13%)	(9%)	4%

**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 4Q'09 applies to 4Q'08; rate used for 3Q'09 applies to 3Q'08, etc.)*

Annex 2



(\$ in B, except percentages)

	<u>4Q'09</u>	<u>3Q'09</u>	<u>2Q'09</u>	<u>1Q'09</u>	<u>4Q'08</u>	<u>3Q'08</u>	<u>2Q'08</u>	<u>1Q'08</u>	<u>4Q'07</u>	<u>3Q'07</u>	<u>2Q'07</u>	<u>1Q'07</u>
Total Worldwide Ending Loans												
Owned	\$32.8	\$31.5	\$ 32.5	\$ 36.7	\$ 42.2	\$ 45.7	\$ 49.6	\$ 49.4	\$ 54.4	\$ 50.4	\$ 48.2	\$ 42.2
Growth vs PY	(22%)	(31%)	(34%)	(26%)	(22%)	(9%)	3%	17%	26%	32%	33%	29%
Managed	\$61.8	\$60.7	\$ 62.9	\$ 65.0	\$ 72.0	\$ 75.5	\$ 76.5	\$ 75.1	\$ 77.1	\$ 71.9	\$ 68.5	\$ 63.1
Growth vs PY	(14%)	(20%)	(18%)	(13%)	(7%)	5%	12%	19%	22%	23%	21%	18%

Annex 3



(\$ in millions, except percentages)

	Quarters Ended							
	3/31/08	6/30/08	9/30/08	12/31/08	3/31/09	6/30/09	9/30/09	12/31/09
<u>Owned Basis:</u>								
Net interest income	\$699	\$650	\$662	\$559	\$728	\$534	\$565	\$539
Average loans (billions)	\$39.6	\$37.9	\$36.3	\$33.2	\$30.2	\$26.5	\$23.4	\$22.7
Adjusted net interest income (A)	\$855	\$776	\$787	\$687	\$763	\$548	\$521	\$494
Adjusted average loans (billions) (B)	\$39.6	\$38.0	\$36.3	\$33.3	\$30.3	\$26.6	\$23.5	\$22.8
Net interest yield on cardmember loans (C)	8.7%	8.2%	8.6%	8.2%	10.2%	8.3%	8.8%	8.6%
<u>Managed Basis (D):</u>								
Net interest income (E)	\$1,382	\$1,290	\$1,349	\$1,231	\$1,531	\$1,257	\$1,221	\$1,210
Average loans (billions)	\$64.5	\$64.2	\$64.6	\$63.0	\$59.1	\$55.1	\$52.9	\$51.8
Adjusted net interest income (F)	\$1,538	\$1,416	\$1,475	\$1,380	\$1,581	\$1,311	\$1,278	\$1,265
Adjusted average loans (billions) (G)	\$64.6	\$64.2	\$64.7	\$63.1	\$59.2	\$55.2	\$53.0	\$51.9
Net interest yield on cardmember loans (C)	9.6%	8.9%	9.1%	8.7%	10.8%	9.5%	9.6%	9.7%

(A) Represents net interest income allocable to the Company's cardmember lending portfolio, which excludes the impact of card fees on loans and balance transfer fees attributable to the Company's cardmember lending portfolio. (B) Represents average loans excluding the impact of deferred card fees net of deferred direct acquisition costs for cardmember loans. (C) Net interest yield on cardmember loans represents the net spread earned on cardmember loans. Net interest yield on cardmember loans (both on an owned and managed basis) 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 (both on an owned and managed basis) includes interest and fees that are deemed uncollectible. For the owned basis presentation, reserves and net write-offs related to uncollectible interest and fees are recorded through provisions for losses - cardmember lending, and for the managed basis presentation, reserves and net write-offs related to uncollectible interest and fees are included as a reduction to securitization income, net; therefore, such reserves and net write-offs are not included in the net interest yield calculation. The Company believes net interest yield on cardmember loans (on both an owned and managed basis) is useful to investors because it provides a measure of profitability of the Company's cardmember lending portfolio. (D) Includes on-balance sheet cardmember loans and off-balance sheet securitized cardmember loans. Refer to the information set forth under U.S. Card Services Selected Financial Information for further discussion of the managed basis presentation. (E) Includes the GAAP to managed basis securitization adjustments to interest income and interest expense as set forth under U.S. Card Services Selected Financial Information managed basis presentation. (F) Represents net interest income allocable to the Company's managed cardmember lending portfolio, which excludes the impact of card fees on managed loans and balance transfer fees attributable to the Company's managed cardmember lending portfolio. (G) Represents average managed loans excluding the impact of deferred card fees net of deferred direct acquisition costs for managed cardmember loans.

Annex 4



(\$ in MM)

	<u>4Q'09</u>	<u>4Q'08</u>	<u>%Inc/(Dec)</u>
GAAP Revenues Net of Interest Expense	6,489	\$6,506	(0%)
Securitization Adjustments:			
Discount revenue, net card fees and other	71	110	
Interest income	726	902	
Securitization income, net	(190)	(199)	
Interest expense	<u>(55)</u>	<u>(230)</u>	
Total	<u>552</u>	<u>583</u>	
Managed Revenues Net of Interest Expense	<u>\$7,041</u>	<u>\$7,089</u>	(1%)

Annex 5



<i>(\$ in MM)</i>	<u>4Q'09</u>	<u>4Q'08</u>	<u>%Inc/(Dec)</u>
GAAP Salaries and Employee Benefits	\$1,196	\$1,660	(28%)
Net Reengineering Costs	-	(363)	
Adjusted Salaries and Employee Benefits	<u>\$1,196</u>	<u>\$1,297</u>	(8%)

<i>(\$ in MM)</i>	<u>4Q'09</u>	<u>4Q'08</u>	<u>%Inc/(Dec)</u>
GAAP Cardmember Rewards and Services Expense	\$1,321	\$1,228	8%
Delta-related Charge to the MR Reserve	-	(106)	
Adjusted Cardmember Rewards & Services Expense	<u>\$1,321</u>	<u>\$1,122</u>	18%

Annex 6



	4Q'09	3Q'09	2Q'09	1Q'09	4Q'08	3Q'08	2Q'08	1Q'08	4Q'07	3Q'07	2Q'07	1Q'07
Cardmember Lending Owned Basis												
Total Loans (\$ in B)												
USCS	\$ 23.5	\$ 22.7	\$ 23.6	\$ 28.2	\$ 32.7	\$ 34.6	\$ 37.8	\$ 38.0	\$ 43.3	\$ 39.9	\$ 38.2	\$ 33.0
AXP	\$ 32.8	\$ 31.5	\$ 32.5	\$ 36.7	\$ 42.2	\$ 45.7	\$ 49.6	\$ 49.4	\$ 54.4	\$ 50.4	\$ 48.2	\$ 42.2
30 Days Past Due Loans as a % of Total												
USCS	3.7%	4.2%	4.4%	5.1%	4.7%	3.9%	3.5%	3.4%	2.8%	2.4%	2.1%	2.3%
AXP	3.6%	4.0%	4.3%	4.9%	4.4%	3.7%	3.4%	3.3%	2.8%	2.5%	2.2%	2.5%
Average Loans (\$ in B)												
USCS	\$ 22.7	\$ 23.4	\$ 26.5	\$ 30.2	\$ 33.2	\$ 36.3	\$ 37.9	\$ 39.6	\$ 40.8	\$ 38.6	\$ 35.9	\$ 33.0
AXP	\$ 31.8	\$ 32.3	\$ 35.2	\$ 39.0	\$ 43.0	\$ 47.7	\$ 49.6	\$ 50.7	\$ 51.6	\$ 48.7	\$ 45.5	\$ 42.4
Net Write-off Rate												
USCS	8.0%	9.8%	10.3%	8.5%	7.0%	6.1%	5.8%	4.5%	3.5%	3.0%	2.9%	2.9%
AXP	7.4%	9.1%	9.6%	8.0%	6.5%	5.8%	5.5%	4.5%	3.7%	3.4%	3.4%	3.4%
Cardmember Lending Managed Basis												
Total Loans (\$ in B)												
USCS	\$ 52.6	\$ 51.9	\$ 54.0	\$ 56.5	\$ 62.4	\$ 64.3	\$ 64.7	\$ 63.6	\$ 65.9	\$ 61.4	\$ 58.5	\$ 53.8
AXP	\$ 61.8	\$ 60.7	\$ 62.9	\$ 65.0	\$ 72.0	\$ 75.5	\$ 76.5	\$ 75.1	\$ 77.1	\$ 71.9	\$ 68.5	\$ 63.1
30 Days Past Due Loans as a % of Total												
USCS	3.7%	4.1%	4.4%	5.1%	4.7%	3.9%	3.3%	3.2%	2.8%	2.4%	2.1%	2.4%
AXP	3.6%	4.0%	4.3%	5.0%	4.6%	3.8%	3.3%	3.2%	2.8%	2.5%	2.3%	2.5%
Average Loans (\$ in B)												
USCS	\$ 51.8	\$ 52.9	\$ 55.1	\$ 59.1	\$ 63.0	\$ 64.6	\$ 64.2	\$ 64.5	\$ 63.2	\$ 59.9	\$ 56.2	\$ 53.4
AXP	\$ 60.9	\$ 61.8	\$ 63.9	\$ 67.9	\$ 72.8	\$ 76.1	\$ 75.8	\$ 75.7	\$ 74.0	\$ 70.1	\$ 65.9	\$ 62.7
Net Write-off Rate												
USCS	7.5%	8.9%	10.0%	8.5%	6.7%	5.9%	5.3%	4.3%	3.4%	3.0%	2.9%	2.9%
AXP	7.3%	8.6%	9.7%	8.2%	6.5%	5.7%	5.1%	4.3%	3.6%	3.2%	3.3%	3.3%

Annex 7



Monthly USCS Credit Trends

(\$ in B, except percentages)

	<u>Dec'08</u>	<u>Jan'09</u>	<u>Feb'09</u>	<u>Mar'09</u>	<u>Apr'09</u>	<u>May'09</u>	<u>Jun'09</u>	<u>Jul'09</u>	<u>Aug'09</u>	<u>Sept'09</u>	<u>Oct'09</u>	<u>Nov'09</u>	<u>Dec'09</u>
<u>Owned</u>													
Total Loan (\$ in B)	\$32.7	\$30.4	\$ 29.5	\$ 28.2	\$ 27.1	\$ 27.1	\$ 23.6	\$ 23.1	\$ 24.3	\$ 22.7	\$ 22.1	\$ 22.4	23.5
30 dpd Rate	4.7%	5.1%	5.3%	5.1%	4.9%	4.7%	4.4%	4.3%	4.2%	4.2%	4.1%	3.9%	3.7%
Average Loans	\$32.6	\$31.5	\$ 29.9	\$ 28.9	\$ 27.7	\$ 27.1	\$ 25.3	\$ 23.3	\$ 23.7	\$ 23.5	\$ 22.4	\$ 22.3	23.0
Net Write-off Rate	7.5%	8.3%	8.7%	8.6%	10.4%	10.3%	9.9%	9.9%	10.2%	9.2%	8.6%	8.1%	7.4%
<u>Managed</u>													
Total Loan (\$ in B)	\$62.4	\$59.5	\$57.8	\$56.5	\$55.4	\$54.7	\$54.0	\$52.9	\$53.0	\$51.9	\$51.2	\$51.5	\$52.6
30 dpd Rate	4.7%	5.1%	5.3%	5.1%	4.9%	4.7%	4.4%	4.2%	4.1%	4.1%	4.1%	3.9%	3.7%
Average Loans	\$62.4	\$61.0	\$58.6	\$57.1	\$55.9	\$55.0	\$54.3	\$53.4	\$52.9	\$52.4	\$51.6	\$51.4	\$52.0
Net Write-off Rate	7.3%	8.1%	8.6%	8.8%	10.1%	10.0%	9.9%	9.2%	9.0%	8.4%	7.8%	7.6%	7.1%



Forward-Looking Statements

This report 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," "anticipate," "optimistic," "intend," "plan," "aim," "will," "may," "should," "could," "would," "likely," and similar expressions. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The Company undertakes no obligation to update or revise any forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements include, but are not limited to, the following: the Company's ability to manage credit risk related to consumer debt, business loans, merchants and other credit trends, which will depend in part on (i) the economic environment, including, among other things, the housing market, the rates of bankruptcies and unemployment, which can affect spending on card products, debt payments by individual and corporate customers and businesses that accept the Company's card products, (ii) the effectiveness of the Company's credit models and (iii) the impact of recently enacted statutes and proposed legislative initiatives affecting the credit card business, including, without limitation, The Credit Card Accountability Responsibility and Disclosure Act of 2009; the impact of the Company's efforts to deal with delinquent cardmembers in the current challenging economic environment, which may affect payment patterns of cardmembers and the perception of the Company's services, products and brands; the Company's near-term write-off rates, including those for 2010, which will depend in part on changes in the level of the Company's loan balances, delinquency rates of cardmembers, unemployment rates and the volume of bankruptcies; differences between owned (i.e., GAAP) and managed write-off rates, which can be impacted by factors such as the various types of customer accounts in the portfolios of the Company and the lending securitization trust; consumer and business spending on the Company's credit and charge card products and Travelers Cheques and other prepaid products and growth in card lending balances, which depend in part on the economic environment, and the ability to issue new and enhanced card and prepaid products, services and rewards programs, and increase revenues from such products, attract new cardmembers, reduce cardmember attrition, capture a greater share of existing cardmembers' spending, and sustain premium discount rates on its card products in light of regulatory and market pressures, increase merchant coverage, retain cardmembers after low introductory lending rates have expired, and expand the Global Network Services business; the write-off and delinquency rates in the medium- to long-term of cardmembers added by the Company during the past few years, which could impact their profitability to the Company; the Company's ability to effectively implement changes in the pricing of certain of its products and services; fluctuations in interest rates (including fluctuations in benchmarks, such as LIBOR and other benchmark rates, and credit spreads), which impact the Company's borrowing costs, return on lending products and the value of the Company's investments; the actual amount to be spent by the Company on marketing, promotion, rewards and cardmember services based on management's assessment of competitive opportunities and other factors affecting its judgment; the ability to control and manage operating, infrastructure, advertising and promotion expenses as business expands or changes, including the ability to accurately estimate the provision for the cost of the Membership Rewards program; fluctuations in foreign currency exchange rates; the Company's ability to grow its business and generate excess capital and earnings in a manner and at levels that will allow the Company to return a portion of capital to shareholders, which will depend on the Company's ability to manage its capital needs, and the effect of business mix, acquisitions and rating agency and regulatory requirements, including those arising from the Company's status as a bank holding Company; the ability of the Company to meet its objectives with respect to the growth of its brokered retail CD program, brokerage sweep account program and the direct deposit initiative; the success of the Global Network Services business in partnering with banks in the United States, which will depend in part on the extent to which such business further enhances the Company's brand, allows the Company to leverage its significant processing scale, expands merchant coverage of the network, provides Global Network Services' bank partners in the United States the benefits of greater cardmember loyalty and higher spend per customer, and merchant benefits such as greater transaction volume and additional higher spending customers; the ability of the Global Network Services business to meet the performance requirements called for by the Company's settlements with MasterCard and Visa; trends in travel and entertainment spending and the overall level of consumer confidence; the uncertainties associated with business acquisitions, including, among others, the failure to realize anticipated business retention, growth and cost savings, as well as the ability to effectively integrate the acquired business into the Company's existing operations; the success, timeliness and financial impact (including costs, cost savings, and other benefits, including increased revenues), and beneficial effect on the Company's operating expense to revenue ratio, both in the short-term (including during 2010) and over time, of reengineering initiatives being implemented or considered by the Company, including cost management, structural and strategic measures such as vendor,

Forward-Looking Statements (Cont.)



process, facilities and operations consolidation, outsourcing (including, among others, technologies operations), relocating certain functions to lower-cost overseas locations, moving internal and external functions to the internet to save costs, and planned staff reductions relating to certain of such reengineering actions; the Company's ability to reinvest the benefits arising from such reengineering actions in its businesses; bankruptcies, restructurings, consolidations or similar events affecting the airline or any other industry representing a significant portion of the Company's billed business, including any potential negative effect on particular card products and services and billed business generally that could result from the actual or perceived weakness of key business partners in such industries; the triggering of obligations to make payments to certain co-brand partners, merchants, vendors and customers under contractual arrangements with such parties under certain circumstances; a downturn in the Company's businesses and/or negative changes in the Company's and its subsidiaries' credit ratings, which could result in contingent payments under contracts, decreased liquidity and higher borrowing costs; the ability of the Company to satisfy its liquidity needs and execute on its funding plans, which will depend on, among other things, the Company's future business growth, its credit ratings, market capacity and demand for securities offered by the Company, performance by the Company's counterparties under its bank credit facilities and other lending facilities, regulatory changes, including changes to the policies, rules and regulations of the Board of Governors of the Federal Reserve System and the Federal Reserve Bank of San Francisco, the Company's ability to securitize and sell receivables and the performance of receivables previously sold in securitization transactions; accuracy of estimates for the fair value of the assets in the Company's investment portfolio and, in particular, those investments that are not readily marketable, including the valuation of the interest-only strip relating to the Company's lending securitizations and the ability of our charge card and lending trusts to maintain excess spreads at levels sufficient to avoid material set-asides or early amortization of our charge card and lending securitizations, which will depend on various factors such as income derived from the relevant portfolios and their respective credit performances; the increase in excess spread resulting from the designation of discount option receivables with respect to the American Express Credit Account Master Trust, which will depend in part on the monthly principal payment rate posted to accounts in, and the credit performance of, the securitized lending portfolio; the Company's ability to invest in technology advances across all areas of its business to stay on the leading edge of technologies applicable to the payment industry; the Company's ability to attract and retain executive management and other key employees; the Company's ability to protect its intellectual property rights (IP) and avoid infringing the IP of other parties; the potential negative effect on the Company's businesses and infrastructure, including information technology, of terrorist attacks, natural disasters or other catastrophic events in the future; political or economic instability in certain regions or countries, which could affect lending and other commercial activities, among other businesses, or restrictions on convertibility of certain currencies; changes in laws or government regulations; the potential impact of The Credit Card Accountability Responsibility and Disclosure Act of 2009 and regulations recently adopted by federal bank regulators relating to certain credit and charge card practices, including, among others, the imposition by card issuers of interest rate increases on outstanding balances and the allocation of payments in respect of outstanding balances with different interest rates, which could have an adverse impact on the Company's net income; accounting changes, including the implementation of changes to the accounting of off-balance sheet activities or other potential regulatory interpretations in this area, which, effective January 1, 2010, requires the Company to consolidate the assets and liabilities of the lending securitization trust, thereby requiring the Company to reestablish loss reserves, which has in turn resulted in a reduction to the Company's regulatory capital ratios and will also result in a change with respect to the presentation of its financial statements beginning in the first quarter of 2010, and which also could result in lower credit ratings on securities issued by the Company's off-balance sheet securitization trusts as a result of the uncertainty with respect to the ability of rating agencies to continue to rely on the FDIC's safe harbor rule regarding the isolation of securitized assets in the event of a sponsoring bank's receivership or conservatorship, which in turn could adversely impact the Company's ability to utilize securitizations as a component of its funding strategy; outcomes and costs associated with litigation and compliance and regulatory matters; and competitive pressures in all of the Company's major businesses. A further description of these and other risks and uncertainties can be found in the Company's Annual Report on Form 10-K for the year ended December 31, 2008, the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, June 30 and September 30, 2009, and the Company's other reports filed with the SEC.