FINANCIAL COMMUNITY MEETING
AUGUST 1, 2007

Title

Thank you Ken, and good afternoon. It's my pleasure to be here today, and give you an update on Global Network Services.

As Ken mentioned, we last presented on this business in February of 2004. Since then, we've made a great deal of progress. We've signed new partnerships, strengthened relationships with existing partners, and driven strong growth.

Importantly, we view this as a journey. The economics of this business are very attractive. We've laid a solid foundation. We have substantial opportunities around the world. And we're proving to be an attractive alternative to Visa and MasterCard.

Agenda

Today, I'd like to give you a progress report and address five core areas:

- What is GNS?
- How does GNS support American Express' growth strategy?
- How does GNS bring value to our partners?
- What are the misconceptions about GNS? And finally,
- How do we view GNS's potential?

First, What is GNS? GNS is a business built around partnerships with financial institutions that issue American Express-branded cards that are accepted on our global network. Many of our partners also sign new merchants to our network and manage those relationships.

Global Partnerships

Since GNS began in 1997, we've signed a strong and powerful network of partners. As you can see from this slide, which features partners we've added since 2004, we've significantly expanded our presence worldwide. We're present in every region throughout the world – from developing markets to mature markets; from leading national institutions to some of the largest regional players.

I believe a good way to demonstrate our growth is to take a look at where we were when we last presented to you, and where we are now.

Business Progress

As of the end of 2003:

- We had 79 partners in 89 markets – now we've grown to 112 partners in 122 markets.
- Our partners had launched 350 different card products – now we've nearly doubled that to 640.
- GNS partners had more than six million cards in force then – now it's nearly tripled to 17.6 million.
- And to give you a flavor of what this means, GNS cards now comprise more than 20% of the Company's overall Cards in Force.
- In 2003 our acquiring partners had more than two and a half million merchants on our network – that's now increased to nearly 4 million.

Results to Date

As these charts clearly show, our bank partners are a powerful addition to the American Express network. Since 2003, Cards-in-force issued by GNS partners have grown at a compounded annual growth rate of 32%. Spending on these cards has grown by 39%.

In order for you to truly understand our GNS strategy, it's important that I explain our different partnership constructs. Our partnerships are customized based on local conditions and American Express' strategic plans in that market. They fall into three main categories, and each provides an attractive revenue stream.

Partnership Constructs – Independent Operator (IO)

Our most common partnerships are what we call independent operators, or IOs. We have 56 of them around the world, in markets where we don't offer a proprietary local-currency card. IOs issue local currency Cards in their market, and usually serve as the local merchant acquirer and processor.

With IOs, our revenues come from a variety of sources, including:

- Card licensing fees
- Royalties on Cardmember billings
- Foreign exchange conversion revenue
- Royalties on merchant acquisition volume, and
- And in some partnerships, royalties on net spread revenue

These partners also help us to expand our local merchant coverage. This allows both proprietary and GNS partner Cardmembers to use their Card more extensively when traveling to markets where we haven't traditionally had a large local presence. The benefit of GNS partners serving as the merchant acquirer is evident in the increased inbound spending that we're seeing in many parts of the world.

Partnership Constructs – Network Card License (NCL)

Next, we have 52 network card license partnerships, or NCLs. This is the type of partnership we have here in the U.S. They help strengthen our brand presence and gain market share in countries in which we have a proprietary business and in some cases, an IO partner. NCLs are licensed to issue American Express-branded cards, but American Express typically owns the relationships with merchants.

With NCLs, GNS retains a share of the discount revenue earned on the Cardmembers' billings. GNS also receives revenue from currency conversion and licensing fees paid by the partner, and in some cases, royalties on net spread revenue.

Partnership Constructs – Joint Venture (JV)

Third, we have joint ventures in Switzerland, Belgium and a handful of other countries. In these markets, we've joined with a third party to set up a separate business and taken a significant ownership interest in the entity. Unlike the other two constructs, with JVs we share management, risk, and P&L responsibility. Income is generated by discount revenues, card fees and net spread revenues.

The details for each of the three models vary. What they have in common, though, is the ability to generate very attractive revenue streams from the volumes they process through the American Express network.

How Does GNS Make Money?

Some of these revenue streams may sound familiar to those of you who know the MasterCard model. There are a number of similarities between MasterCard and GNS.

The network is one of the strongest assets of American Express. And it's one that's becoming more appreciated by those who have analyzed the payments industry, and have focused on the relative value of the different components.

But I don't want to spend too much time on the similarities. Because, really, it's the differences that represent such a compelling, competitive advantage for us.

While we provide fundamentally consistent support across each of our partnership constructs, we also provide customized support that goes above and beyond what Visa and MasterCard provide. Support that varies from market to market, and partner to partner. And support that allows us to earn broader, and more attractive revenue streams than either Visa or MasterCard can collect from their issuers.

The GNS model provides the added benefit of net discount revenue, at premium rates, which we earn from both the issuers, and the merchant acquiring part of the network. This accounts for about a third of total GNS revenues, and underscores our sharp focus on the high-spend segment.

Processor Plus Model

In fact, GNS is a key component of what Ken referred to earlier as the "Processor Plus" model. American Express, through the closed-loop and spend centric model, is unique in that it touches every element of the card payments chain – issuing, acquiring, processing, and network.

But why is this important? Because it means the Company overall, and GNS in particular, earns revenues from every aspect of the value chain.

Blue Box

The economics of the GNS model are very compelling. Our capital requirements are modest compared to an issuing business. Significant costs, such as card marketing & acquisition, Cardmember risk & fraud, servicing and rewards, are borne by our bank partners. As a result, we operate with an extremely high return on equity.

And, here's a point, I'm sure you have not missed. The majority of GNS costs, roughly 85%, are fixed. Because most of the upfront investments have already been made, little incremental expense is needed to bring on additional volume. We know from experience that GNS is a highly scalable business.

As we continue to add incremental billings, the cost-to-billings ratio, as you would expect, declines measurably. And more of the top line growth flows to the bottom line.

Scalability

As this chart illustrates, since 2004, GNS billed business has steadily increased every year. In fact, our billings in the first half of this year alone are almost equal to our full-year billings for 2005. At the same time, our cost-to-billings ratio has decreased dramatically – by some 65%.

GNS will continue to become even more profitable as the business gains additional scale, especially as our business in the U.S. and major markets around the world continues to grow rapidly.

Agenda - How Does GNS Support American Express' Growth Strategy?

So that's how we operate, and how we make money. So how then does GNS fit into the larger picture, and support American Express' growth strategy?

We've been one of American Express' fastest growing divisions for some time now.

Worldwide Purchase Volume

Let me try to put that into perspective. Last year, worldwide purchase volume for Visa and MasterCard grew by more than 12%. By comparison, American Express as a whole continues to consistently outpace the industry, growing in 2006 by nearly 16%. And GNS has grown even faster still. As you can see, we grew last year by 48%.

More importantly, as Ken mentioned, GNS allows American Express the flexibility to tailor our business model to each market, and to determine a construct that can generate maximum value for our partners, our partners' customers, and our shareholders.

Flexible Business Model

I think the best way to explain that flexibility is by example. Let's look at a number of international markets – Brazil, Central & Eastern Europe, and China.

Flexible Business Model: Brazil

Brazil is a good illustration of how we're leveraging both the Independent Operator and licensing models.

Last year, we sold our issuing, acquiring and travel businesses and signed an IO agreement with Banco Bradesco.

We see tremendous opportunity in this market. And in Bradesco, we have a strong partner to help us maximize these opportunities.

Just 12 months later, with Bradesco as well as our NCL partners HSBC and Banco Itau, we're extremely pleased with the results.

Flexible Business Model: Brazil

As you can see, year over year, Billed Business has grown by 22%. New Cards Acquired has grown by 62%. And, as you can see, the partner is signing up new merchants at an accelerated rate.

More importantly, we've reengineered the bulk of our costs out of the business. As you'd expect, we've dramatically decreased American Express's cost-to-income ratio, and greatly enhanced our profitability.

Let's take a look at the numbers:
- Our cost-to-income ratio has improved by 82%.
- And given the minimal capital requirements, ROE for the business is now well in excess of 100%.
- Therefore, not surprisingly, our profitability has increased by an impressive 124%.

Let me repeat that last point. Our profitability has increased by 124%. This is a strong testament to the strength of our partnerships with Bradesco, HSBC and Banco Itau, the creativity of our teams, the strength of the products, and the flexibility of our model.

This is strong initial performance, and clearly exceeded our expectations. And the opportunity is even greater than we had anticipated. One of the clear lessons we've learned in Brazil is that even in markets where we've licensed both the proprietary issuing and acquiring business, there's a compelling case for additional banks to issue on our network. And we will be applying what we've learned to other key markets around the world.

Flexible Business Model: Central and Eastern Europe

Across the Atlantic, in Central and Eastern Europe, we've utilized an IO strategy to essentially go from a standing start to a thriving business in just three years.

Before 2004, American Express had almost no presence in this region. Since then, we've signed nine IO partnerships. Most notably, in 2005 our partner Russian Standard Bank, one of the market's leading consumer banks, launched the first local currency American Express-branded cards in that market.

This is a region in which consumers are just beginning to use plastic. And we now have a solid distribution capability to grow with these developing markets. We're capitalizing on their significant economic growth, as well as increased inbound travel and tourism.

Flexible Business Model: Central and Eastern Europe

And we're already seeing solid results. Our partners have added hundreds of thousands of new, loyal, affluent Cardmembers. For the twelve months ending June 2007, Cards in Force grew by a healthy 43%.

We're also seeing strong gains in billed business, which also grew by 43%.

To help ensure we maintain this momentum, our partners have made considerable gains in signing additional merchants to our network. As you can see, locations in force increased by 27% in 2006.

Flexible Business Model: China

Of course, no tour of our GNS international business would be complete without commenting on China. By some measures, it's now considered the second largest economy in the world. China is also another good example of our model flexibility.

In March 2004, we announced our partnership with one of the country's leading financial institutions, and one of the world's largest banks, the Industrial and Commercial Bank of China, or ICBC.

Flexible Business Model: China

With ICBC, we've secured a strong foothold in this important, emerging market. Our partnership is an effective way to build widespread brand recognition and increase card acceptance.

Building this recognition and acceptance is critical for American Express. Not least, because Cardmembers are increasingly traveling to China for business and pleasure, and Chinese consumers themselves are increasingly using plastic for their spending needs.

In fact, in a country traditionally focused on cash, and to a lesser extent debit cards, ICBC and American Express are making measurable gains in meeting the growing need for credit products among Chinese consumers.

ICBC began issuing cards in just the last two years, leveraging its extensive branch network to target the most affluent of their 170 million customers. Since then, they have introduced an innovative suite of products. These include a corporate card to better serve multinational corporations in China, and most recently, a Staples co-brand card.

Flexible Business Model: China

We are very pleased with the results so far.

For the 12 months ending June 2007, year over year, Cards in Force have grown by 177%. Billings have grown by an impressive 286%. Even more important, our average spend is 82% above the average spend on credit and charge products.

And we expect continued strong performance as we add additional partners in China to further drive volume and share.

GNS U.S. Timeline

Of course, our growth story would not be complete without including the U.S.

I'm particularly pleased to update you on our business here. As you'll recall, Visa and MasterCard's illegal restrictions shut us out of the U.S. for many years. These restrictions were finally struck down by the courts in late 2004.

Although it's been frustrating to have been denied access to this market, we're delighted to finally be able to offer both our partners, and their customers, more choice in networks and products. We're already seeing many opportunities emerge, and we're making solid progress with our partners.

Flexible Business Model: U.S.

As Ken mentioned, we've launched products with seven of the top financial institutions in the U.S. Combined, these companies represent nearly 50% of U.S. spend volume.

To drive growth in this market, we're using a two-pronged approach. We're working to move more volume from their existing business to the American Express network. And we're growing new business through compelling, new products.

Before I get into the details, allow me just a word on disclosures. Because of the confidential nature of our partners' businesses, and the fact that we've only been in this market for a short time, I'm fairly limited in the information I can provide. Still, I intend to draw you a clear picture of our progress so far, which I think you'll find quite compelling.

We're already seeing solid growth across all critical business metrics.

GNS U.S. Growth Trajectory

Let's look at Cards in Force. As you can see, with our partners we are steadily growing the business, month over month. For the 12 months ending June 2007, cards in force have grown by 83%.

We're pleased with this progress. Few metrics give us more confidence in the future of this business than the expansion of our franchise through millions of new partner Cardmembers.

GNS U.S. Growth Trajectory

And as you know, we're not helping our partners target just any Cardmember. We continue to work with our partners to target the high-spending, affluent customer. As a result, billings grew by triple digits over the last 12 months.

In fact, we track billings on a daily basis, to constantly measure the health of our business. And I like what I see. Average daily billings are on a solid upward trajectory, growing by 319% from 2005 through the first half of 2007.

GNS U.S. Growth Trajectory

Our partners, too, are enjoying the benefits of this growth. If you compare their overall card growth to their American Express portfolios, the comparison is striking. As you can see, last year, in aggregate, our seven U.S. partners grew their American Express purchase volumes by more than 100%. In comparison, their overall U.S. volumes grew by 9%.

GNS U.S. Brick by Brick Strategy

But we know we must continue to earn this business, day after day. We know our partners have a choice. Certainly, dedication agreements with Visa and MasterCard have constrained that choice. So we're working that much harder to deliver exceptional value to our partners, to make sure they choose our network for their best customers.

In fact, at this point in our U.S. strategy, we look at it as if we're building our business brick by brick. The strategies, the tactics, the products, the partners – they're all the "bricks" to lay a strong foundation for future growth.

One brick in our foundation is the wide range of portfolios we're penetrating. Our U.S. partners have launched numerous products, giving their customers more choice across a range of segments, including wealth management, rewards, airline co-brands, retail co-brands, and affinity cards.

Notably, this includes portfolios we couldn't otherwise access, including the thousands of Bank of America affinity groups. For instance, the World Wildlife Fund, and universities such as Penn State.

GNS U.S. Brick by Brick Strategy

Another brick is our focus on ensuring that American Express-branded products are among the best the banks have to offer. We work closely with our partners to develop products that have a superior value proposition to their Visa and MasterCard options.

For example, Bank of America launched its American Express branded-card with double points on travel and dining. Citi has launched a suite of Cards which, through selected channels, offers superior value propositions. For example, their new Platinum American Express-branded Card initially offers triple points on all spend, and five times the points on everyday spend. And, the American Airlines AAdvantage Card on our network initially offers a 20% higher earn rate to existing cardholders.

GNS U.S. Brick by Brick Strategy

Third, we're successfully working with our partners to help them enhance their wealth management and private banking portfolios. I don't have to tell you that these products target the banks' most affluent clients, with the highest disposable income.

Three of the world's top financial institutions have made American Express the lead product, and in some cases the only product, in their wealth management or private banking portfolios.

For instance, UBS has made the Barclays-issued American Express-branded card the core product in their wealth management program. Bank of America recently launched Accolades, their most premium range of cards to date, on the American Express network. And Citi recently re-launched their elite Chairman's Card, also on the American Express network.

GNS U.S. Brick by Brick Strategy

And fourth, our U.S. partners have opened up powerful new distribution channels for American Express-branded Cards. These include our partners' Web sites and direct mail capabilities, and most notably, the banks' retail branch networks.

For example, Bank of America recently began promoting their American Express-branded Card in its 5,700 retail banking centers.

Blue Box

Of course, our U.S. partners have only been issuing GNS cards for two years.

Despite this, we've made extremely good progress and continue to grow the business day by day, month by month. Given the foundation we've built and the growth we're seeing, we're confident about our future in this critical market.

One point I want to stress is that our growth, both in the U.S. and globally, will not just come from signing new partners. Granted, we're always looking to sign new partners who are a good strategic fit for the American Express network.

But just as important is the growth we anticipate by deepening relationships with our existing partners, further penetrating attractive portfolios, and driving more volume.

We've only just begun to skim the surface with many of our partners. For example, as I said, our U.S. partners account for nearly 50% of the overall credit and charge volume in the U.S., or roughly 550 billion dollars. Each 1% shift of this business to the American Express network would be equivalent to more than 5 billion dollars. That's what I call opportunity, and we see plenty of similar opportunities throughout the world.

Agenda - How Does GNS Bring Value to Our Partners?

So clearly GNS benefits American Express. But to be a truly sustainable model, we must deliver value that goes above and beyond what the other networks provide. Which brings me to the third question: How does GNS bring value to our partners?

Traditionally, when people think of the value of a GNS partnership, they often point to our premium discount rate and more favorable economics. But as I'm sure you're aware, Visa and MasterCard are attempting to compete in the affluent space and have introduced new products with higher interchange rates. As a result, the gap is narrowing in some markets, particularly here in the U.S.

Nevertheless, American Express still offers superior economics, and certainly that's a strong competitive advantage. But let me emphasize that one of our strongest advantages is our ability to drive additional spending. We've demonstrated again and again that we're helping our partners capture additional volume.

GNS Differentiators

How is American Express helping partners drive additional spend? We're doing so through four key assets, which I believe differentiate ourselves from Visa and MasterCard:

- superior economics and the spend centric model
- our leadership in premium products
- our expertise in superior marketing programs
- and our focus on world-class relationships

Superior Economics: Spend-centric

First, we work with GNS partners to build new products designed to drive customer spending. This is a major break from traditional bank strategies that rely heavily on high revolving credit balances to drive profits.

With increased competition, banks need to maximize opportunities with ALL of their customers. They need to be more focused on "transactors," or people who pay off their monthly balances. Transactors don't generate spread income, and haven't been the group that banks usually focus on. But there's a lot of opportunity with this segment, because they tend to be high-spenders.

Through our spend-centric model, many of our partners are increasing the value proposition for their transactors, through richer rewards, special offers, and other incentives. As a result, spending goes up. And banks are able to build an attractive revenue stream.

With enhanced rewards and increased spending, our partner's American Express Card gets moved to the front of the wallet.

Superior Economics: Swiss Milemaker

Switzerland is an excellent example. Our partner Credit Suisse introduced a SwissAir companion card proposition, in which their Visa and MasterCard cardholders are offered a superior American Express option.

The proposition is simple but compelling – "Earn Miles Faster with American Express." What does that mean? It means that Cardmembers earn between 25 and 50% more miles when they use their American Express Card.

The results are striking. In just over a year, we've seen significant increases in transactions, and a significant shift of business from the competition to American Express. For Credit Suisse, this has translated into a lift in spend of 28% across the companion card portfolio.

Superior Economics: Westpac

And we're seeing similar results around the world. Take, for example, Westpac, one of our partners in Australia. They introduced the Altitude companion card suite, where their Cardmembers can earn up to three times as many reward points when using the American Express option.

Not surprisingly, the results are very compelling. The accounts with the American Express companion have 63% higher spend compared to the companion accounts without the American Express option, substantially enhancing Westpac's profitability and deepening loyalty with their customers.

These are just a couple of examples of our partners driving additional spend and profitability – and providing more value and choice to their customers – with their American Express-branded network products.

GNS Differentiators - Premium Products

Our second competitive advantage is our outstanding expertise in premium products. By leveraging our expertise and our world-renowned premium brand, banks can better target and serve their affluent clients.

Banks are making a determined effort to capture all of the financial needs of their most affluent, high-spending customers. New premium cards are a key component of their strategy.

We know banks have a choice. And more and more, they're looking to American Express to help them develop their most premium products.

I've already talked about our success in wealth management and private banking portfolios.

Premium Products: Partner Airline Co-brands

Another key pillar of our premium card strategy is airline cobrand cards. American Express has a successful track record in developing compelling airline cobrand products. This uniquely positions GNS to support our partners in developing these highly profitable products.

To date, GNS partners have signed 22 airline co-brand card deals, featuring prominent airlines such as Virgin Atlantic, Korean Air, and LAN in multiple markets, to name just a few. Our partners have signed deals with additional marquee airlines as well, which will be announced shortly.

GNS Differentiators - Marketing Programs

One of the areas where we differ most strongly from Visa and MasterCard is our marketing expertise. This includes our team's exceptional know-how in developing spend and card acquisition programs, as well as our strong relationships with merchants.

Because of our merchant relationships, we can develop exclusive incentive programs to help our partners drive spend and provide more value to their customers.

American Express Selects is an excellent example.

Marketing Programs and Platforms - Selects

Selects is a global platform available to anyone carrying an American Express-branded product. The program capitalizes on our closed-loop model and offers Cardmembers high quality, unique merchant offers in 54 countries, designed to drive more spend and enhance the Cardmember experience.

Selects features attractive discounts at hotels and restaurants, unique experiences, and hundreds of additional offers around the world.

Try as they might, Visa and MasterCard cannot copy this program. They don't have the global merchant relationships necessary to do so.

Marketing Programs and Platforms - entré

Building on the Selects model, we've taken it one step further through entré.

Entré is our new premium marketing platform created just for our GNS partners. It includes high-end merchant offers, a luxury lifestyle magazine, and a comprehensive benefits Web site.

Our partners can customize all of these elements. They can mix and match the offers, and embed their brand into the lifestyle magazine and Web site. Partners can differentiate their program from other issuers. They can tailor it to specific customer segments as well.

Conversely, Visa Signature and MasterCard WorldElite are off the shelf platforms, providing every issuer essentially the same program.

Blue Box

Our partners are also leveraging our expertise to implement innovative and effective marketing campaigns of their own.

Last year, IO partners alone spent well in excess of 100 million dollars promoting their American Express products and the American Express brand. Some partners have been very creative in the way they have done so.

For instance, in South Africa, Nedbank invested in a highly creative campaign for their cobrand card with South African Airways.

Partner Marketing

You can't get much better than this – a South African Airways 737 branded with the American Express card.

Our partners are also creating highly effective television advertisements. We continue to be impressed with the smart, creative ways our partners are promoting our brand in their local markets. Here are a few from our partners in Israel, Brazil and Colombia, which I think you'll enjoy.

Blue Box

So there's one customer who made the right choice. And one smart dog who understands the essence of our brand.

And by the way, Bradesco is seeing tremendous success with the Cirque du Soleil promotion in Brazil. So far, our partner has seen more than 20 million dollars in additional spend from this one promotion.

GNS Differentiators - World-class Relationship Management

All of this leads to our focus on becoming the world's best relationship managers. We're partnering with the leading banks and financial services companies in the world, then maniacally focusing on meeting their needs, and the needs of their customers.

We have no intention of being like Visa and MasterCard, with thousands of issuers.

Instead, we have a very personalized style. We have an outstanding team around the world with rich experience across all aspects of card issuing, acquiring, marketing, brand and risk management. We have strong relationships with our bank partners, and work extremely closely with them to help them develop superior value propositions.

Our commitment to building world-class relationships sets us apart from the industry. We believe that no one else can match our skill, our expertise, nor our commitment to our partners.

Agenda - What Are The Misconceptions About GNS?

You can see how we're helping our bank partners reach additional elements of their business. And clearly, they're helping us extend the reach of our business. But there are a few areas where we still hear some skepticism. That brings me to the fourth question I posed earlier, What are the misconceptions about GNS?

I want to address four areas: cannibalization, brand dilution, weaker average spend, and a reluctance to move to American Express.

Blue Box

One of the concerns we hear is that GNS is cannibalizing our proprietary business. The fact is, GNS has served to complement our proprietary business, not erode it.

Cards in Force

In markets with a GNS and proprietary business, both are increasing Cards in Force. This includes major markets around the world, such as Argentina, Australia, Japan, Singapore, and the United Kingdom, to name a few.

And we're seeing the same in the U.S. As we ramp up our network business, both our proprietary and GNS businesses continue to enjoy healthy gains in cards in force and billed business.

Blue Box

Our GNS strategy is designed to accelerate this trend.

Again, our aim is to gain share from our partners' existing businesses. Reaching a broad new audience has been a keystone of our GNS strategy from the start. We'll continue to focus on bringing additional high-spending Cardmembers onto our network.

2007 Brand Value

Second, as GNS works with more than 110 partners around the world, we continue to hear questions about "brand dilution."

In the annual Business Week/Interbrand ranking of the 100 best global brands, published only last week, American Express again ranked in the top 15.

We consider the brand to be one of our greatest assets. So do our bank partners. They have proved to be strong stewards of the brand. They recognize its power and appreciate its attributes. And as you just saw, clearly, they are aggressively promoting our brand around the world.

Operational Standards

Over the past ten years, we've successfully dealt with potential brand risk across all of our partnerships. We've addressed this through a series of rigorous guidelines that require partners to adhere to strict brand, product and service standards.

And in the rare instance where a partner is not living up to our standards, we will, and we have, terminated the partnership. We will not risk our brand for the sake of market share.

Blue Box

We also hear skepticism that GNS partners' Cardmembers do not spend as much as our proprietary Cardmembers. As you know, on average, consumers spend considerably more on their American Express cards as they do on Visa or MasterCard. We're seeing the same with network cards.

GNS remains focused on high-spending Cardmembers, helping to ensure our partners target their best customers in a number of ways. For example, a number of NCL partners receive financial incentives for higher average spend. And many of our contracts require that the banks' American Express products offer superior value propositions.

Not surprisingly, this is driving significant increases in spend.

GNS Average Cardmember Spend

As a result, average spend on GNS partner cards is measurably higher than average spend on credit and charge products in most markets.

In Switzerland, for example, average spend is 133% higher than the market. In South Africa, average spend is 218% higher. We're seeing this trend even in the early stages of our business in emerging markets, such as Poland, the Czech Republic and China.

As you know, average spend generally increases with tenure. So we'll continue to leverage the strengths of American Express, and build our partners' businesses and Cardmember spending around the world.

Finally, there's a concern out there that banks may be hesitant to move their Visa and MasterCard customers to an American Express card.

We continue to work closely with our partners. We deliver exceptional value. And our partners see that value.

GNS Performance

Ultimately, I believe there is no better proof of that value than the numbers themselves. In the first six months of 2007, with our partners we've already grown the business significantly. New Cards Acquired are up by 70%. Cards in force are up by 34%. And billings are up by 61%.

Agenda - How Do We View GNS's potential?

The last question I posed at the outset was, How do we view GNS's potential?

We're seeing solid growth across all metrics. But as I said earlier, this is a journey. And we're confident that we're well positioned to sustain this strong performance.

Blue Box

Why am I so confident?

It's because we have solid strategies in place to grow the business and drive spend. We're leveraging the core strengths of American Express, including our spend-centric model, unique merchant relationships, and expertise in the premium segment.

We've partnered with an exceptional group of institutions in the U.S. and throughout the world. Our partners bring their local market knowledge, exceptional brands, and extensive distribution networks.

We've opened up sizable new growth opportunities through attractive portfolios we could not previously access.

We continue to sign new partners, and have a number of marquee bank partners in the immediate pipeline.

These opportunities are considerable in themselves. And they're even greater when you consider the global conversion of cash and check to plastic and the potential volume that represents.

And certainly, we're ready to take on additional volume. We have a highly efficient network. So we can significantly ramp up volume without corresponding increases in costs.

And we have a highly skilled and dedicated team around the world, poised to take advantage of these opportunities.

This is why we at American Express are very optimistic about the tremendous potential of our network business, over the short, medium and long term.

Thank you.