



American Express Earnings Conference Call 2Q'08



Summary Financial Performance

(Millions, except per share amounts)

	2Q'08	2Q'07	% Inc/(Dec)	Targets
Revenues Net of Interest Expense	\$7,484	\$6,938	8%	≥8%
Income from Continuing Ops*	\$655	\$1,040	(37%)	
Diluted EPS**	\$0.56	\$0.86	(35%)	12-15%
ROE	31.1%	37.5%		33-36%
Average Diluted Shares Outstanding	1,163	1,203	(3%)	

*Net income was \$653MM and \$1,057MM in 2Q'08 and 2Q'07, respectively, and net income declined 38%. **Based upon income from continuing operations. EPS on a net income basis was \$0.56 and \$0.88 in 2Q'08 and 2Q'07, respectively, and declined 36%.



Significant Items

(Millions, except per share amounts)

2Q'08

	After-Tax	Per Diluted Share
- Addition to lending credit reserves	(\$374)	(\$0.32)
- Interest-only strip	(\$85)	(\$0.07)
- Tax benefit	\$101	\$0.09

2Q'07

- Tax benefit	\$65	\$0.05
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Percentage of Capital Returned

(Millions)

	2Q'08	YTD'08
Capital Generated*	\$756	\$1,884
Dividends	\$208	\$418
Share Repurchases	-	218
Capital Returned	\$208	\$636
% of Capital Returned	27%	34%

*Capital generated is reported net income plus options and other (primarily employee plan) proceeds.



Metric Performance

	2Q'08	2Q'07	% Inc/(Dec)	FX Adj.
Billed Business (\$B)*	\$180.9	\$161.1	12%	10%
Total Cards In Force (MM)	90.1	82.2	10%	
Avg. Basic Cardmember Spending (Dollars)**	\$3,199	\$3,049	5%	3%
Mgd. Cardmember Loans (\$B)***	\$76.6	\$68.6	12%	
WW Travel Sales (\$B)	\$7.4	\$6.4	15%	

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 a GAAP basis, owned loans were \$49.7B and \$48.3B in 2Q'08 and 2Q'07, respectively, and grew 3%.*



Revenue Performance

(Millions)	2Q'08	2Q'07	% Inc/(Dec)
Discount Revenue	\$3,991	\$3,670	9%
Net Card Fees	576	500	15%
Net Interest & Securitization Income*	1,181	1,264	(7%)
Travel Commissions & Fees	573	491	17%
All Other Revenue**	1,163	1,013	15%
Revenues Net of Interest Expense***	\$7,484	\$6,938	8%

*Includes total interest income, total interest expense and securitization income, net. **Includes other commissions and fees and other. ***Translation of foreign currency benefited the revenues net of interest expense growth rate by approximately 2%. See Annex 1 for reconciliation to managed revenue.



Metric Performance - USCS

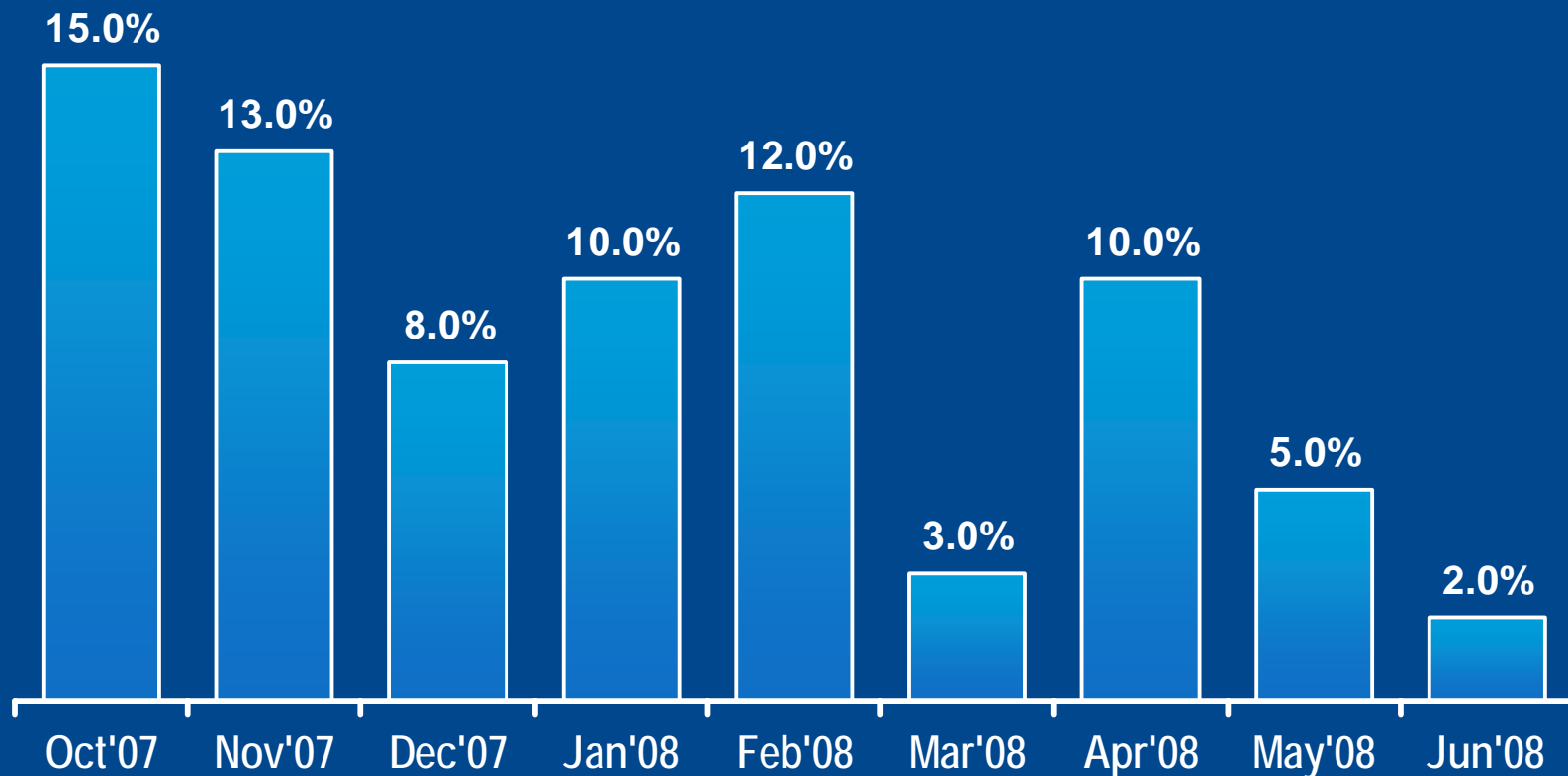
	2Q'08	2Q'07	% Inc/(Dec)
Billed Business - USCS (\$B)	\$100.0	\$94.6	6%
- Consumer			3%
- Small Business			11%
Total Cards In Force (MM)	44.2	42.1	5%
Avg. Basic Cardmember Spending (Dollars)	\$3,047	\$3,054	- %
Mgd. Cardmember Loans (\$B)*	\$64.7	\$58.6	10%
Travel Sales (\$MM)	\$884	\$815	8%

*Managed basis includes owned and securitized loans. On a GAAP basis, owned loans were \$37.9B and \$38.3B in 2Q'08 and 2Q'07, respectively, and declined 1%.



USCS Billed Business

% increase versus prior year:





Metric Performance - ICS

	2Q'08	2Q'07	% Inc/(Dec)	FX Adj.
Billed Business (\$B)	\$28.3	\$23.6	20%	10%
Total Cards In Force (MM)	16.3	15.7	4%	
Avg. Basic Cardmember Spending (Dollars)	\$2,476	\$2,123	17%	7%
Cardmember Loans (\$B)	\$11.8	\$10.0	18%	
Travel Sales (\$MM)	\$369	\$279	32%	



Metric Performance - GCS

	2Q'08	2Q'07	% Inc/(Dec)	FX Adj.
Billed Business (\$B)	\$35.4	\$31.0	14%	10%
Total Cards In Force (MM)	7.0	6.8	3%	
Avg. Basic Cardmember Spending (Dollars)	\$5,083	\$4,583	11%	7%
Travel Sales (\$B)	\$6.2	\$5.3	17%	



Metric Performance - GNMS

	2Q'08	2Q'07	% Inc/(Dec)
<u>Global Merchant Services</u>			
Global Card Billed Business (\$B)*			
United States	\$123.5	\$115.7	7%
Outside the United States	57.4	45.4	26%
Total	\$180.9	\$161.1	12%
Average Discount Rate	2.56%	2.57%	
<u>Global Network Services</u>			
Billed Business (\$B)	\$17.5	\$12.3	42%
Total Cards In Force (MM)	22.6	17.6	28%

*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.



Expense and Provision Performance

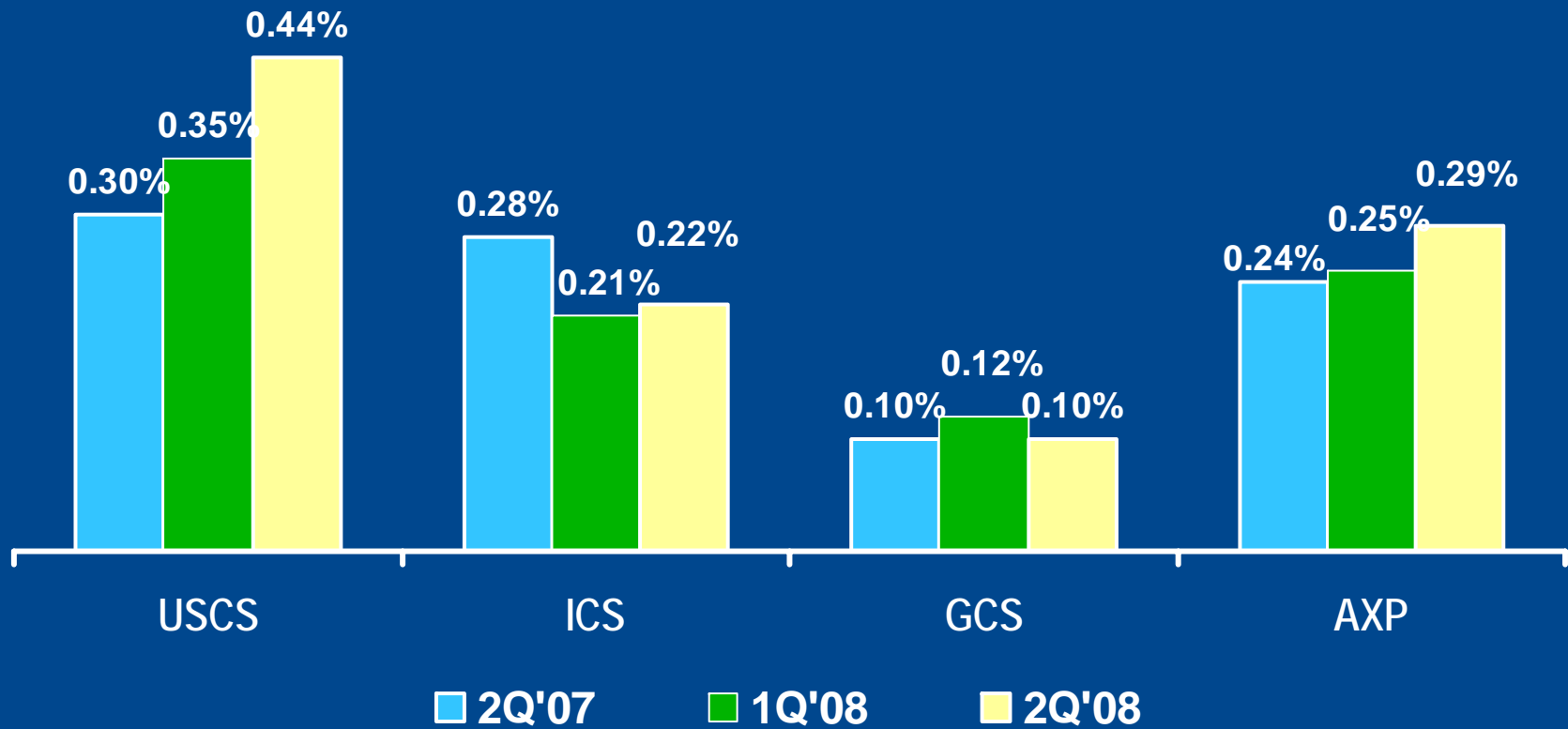
(Millions)

	2Q'08	2Q'07	% Inc/(Dec)
M&P, Rewards & CM Services	\$1,924	\$1,826	5%
Human Resources and Other Operating Expenses*	2,905	2,726	7%
Total Expenses**	\$4,829	\$4,552	6%
Charge Card Provision	241	233	3%
CM Lending Provision	1,537	638	#
Other Provision	111	106	5%
Total Provisions**	\$1,889	\$977	93%
Tax Rate	14%	26%	

Denotes a variance of more than 100%. *Includes human resources, professional services, occupancy and equipment, communications and other, net. **Translation of foreign currency contributed approximately 2% to the total expense growth rate and approximately 1% to the provision growth rate.

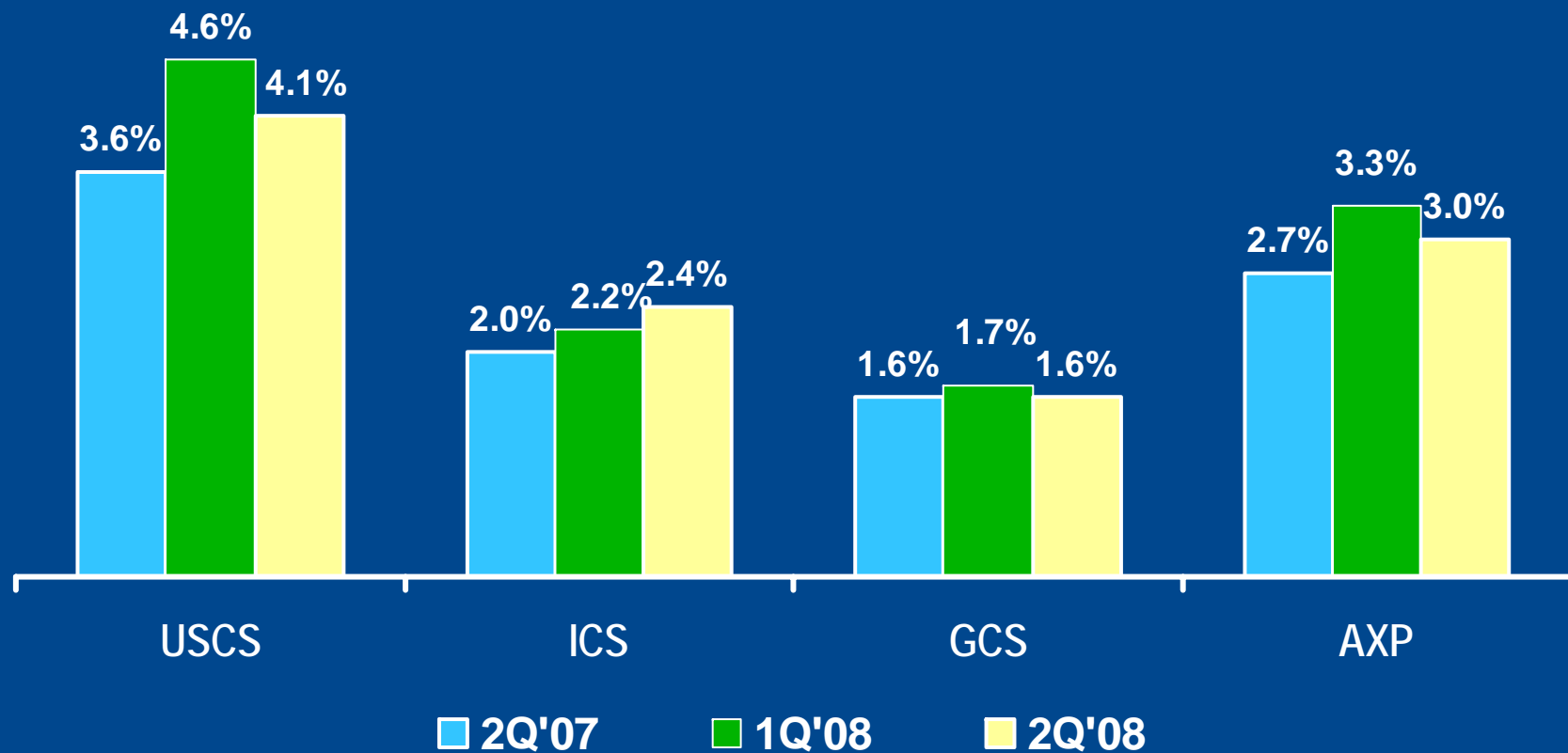


Charge Card Net Loss Ratios



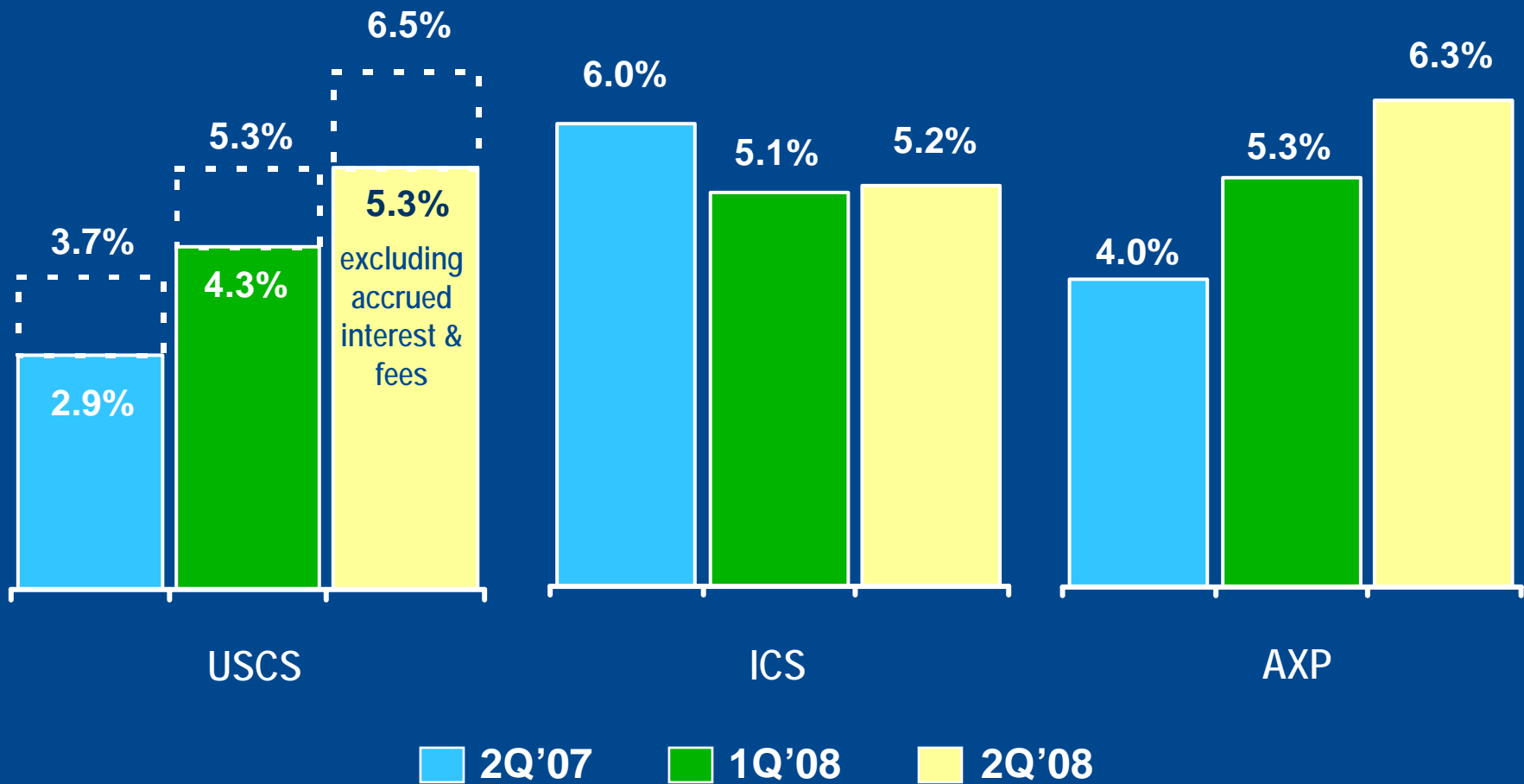


Charge Card 90 Days Past Due





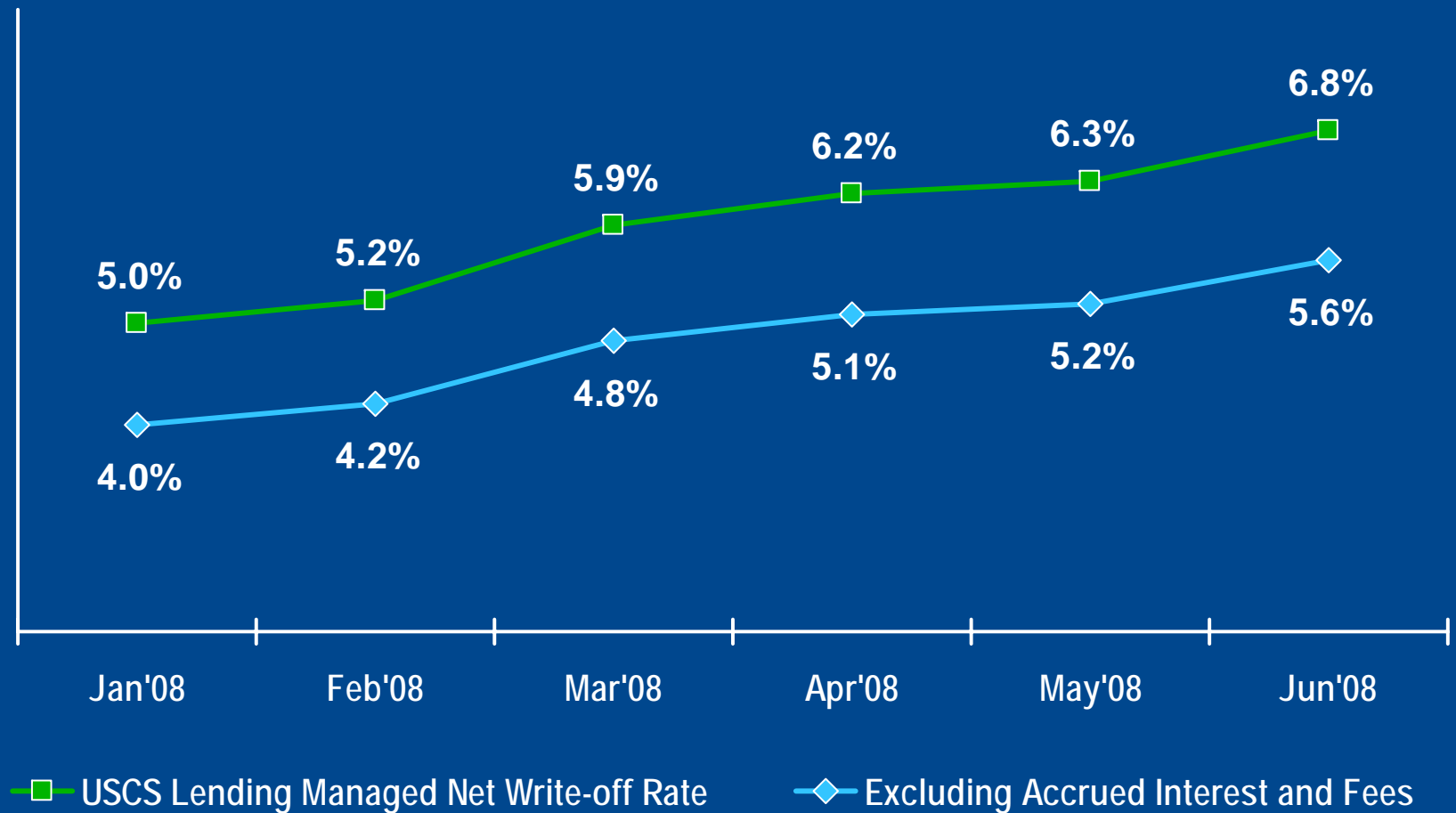
Lending Managed Net Write-off Rates



See Annex 2 for owned basis. There are no off-balance sheet International Card Services securitizations; therefore, the net write-off rates for International Card Services are on an owned basis.



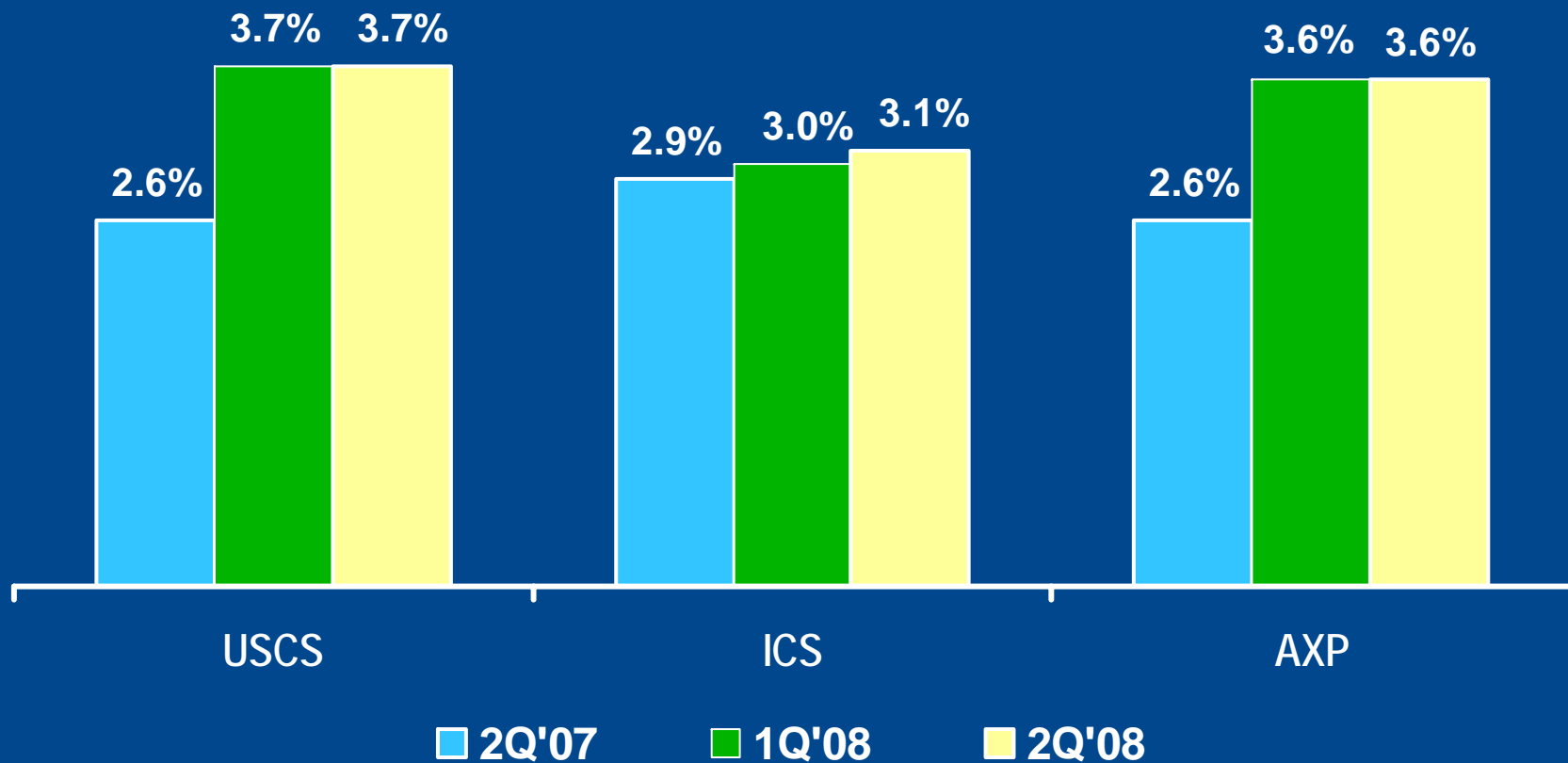
USCS Lending Managed Net Write-off Rates



See Annex 2 for owned basis.



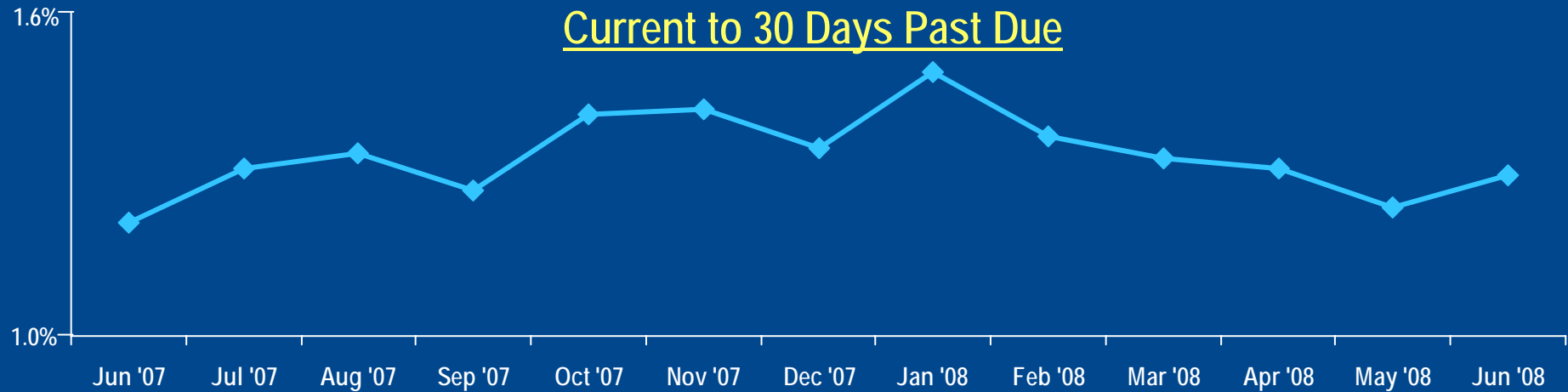
Lending Managed 30 Days Past Due



See Annex 2 for owned basis. There are no off-balance sheet International Card Services securitizations; therefore, the net write-off rates for International Card Services are on an owned basis.

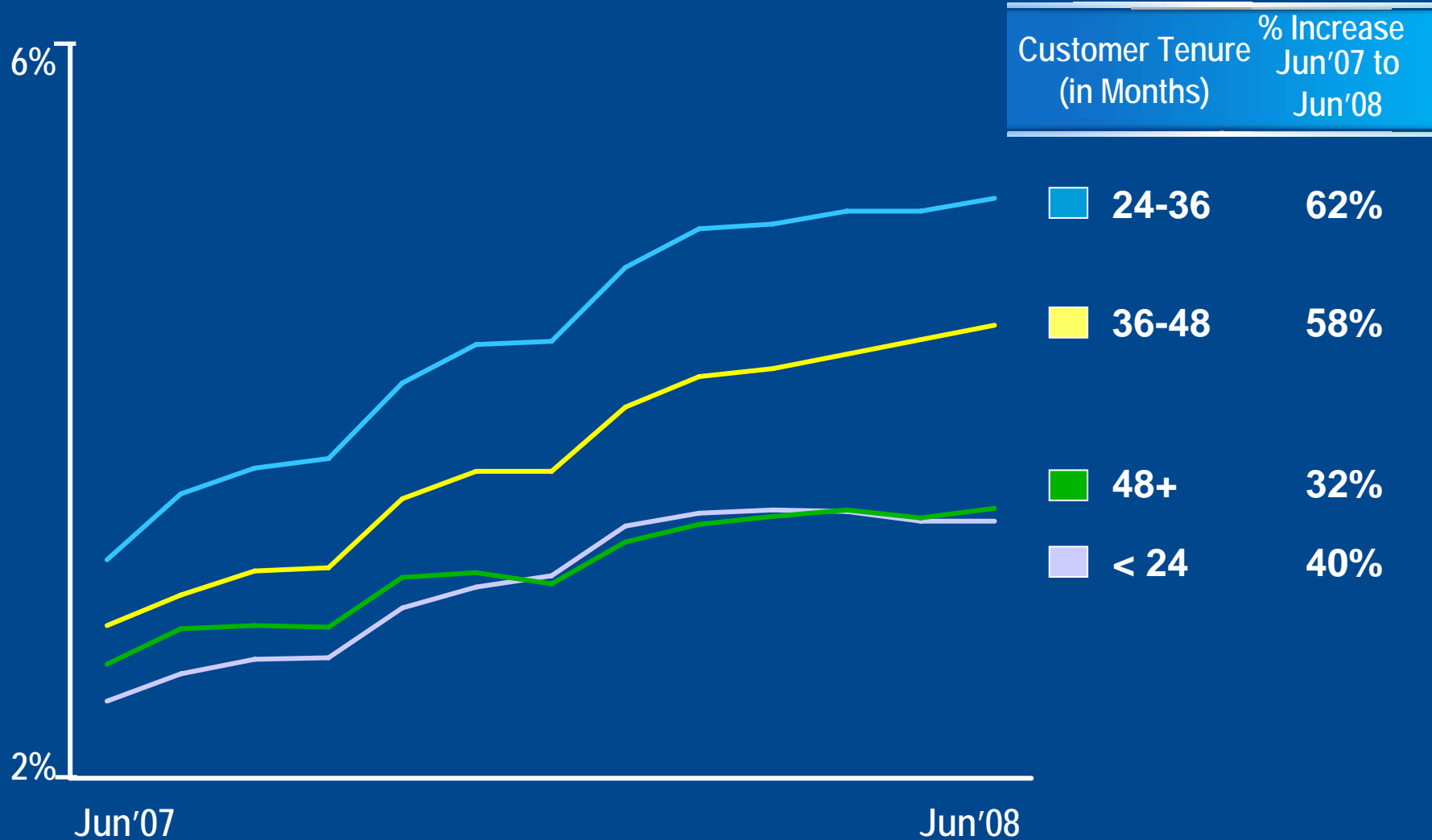


USCS Lending Managed Monthly Roll Rates



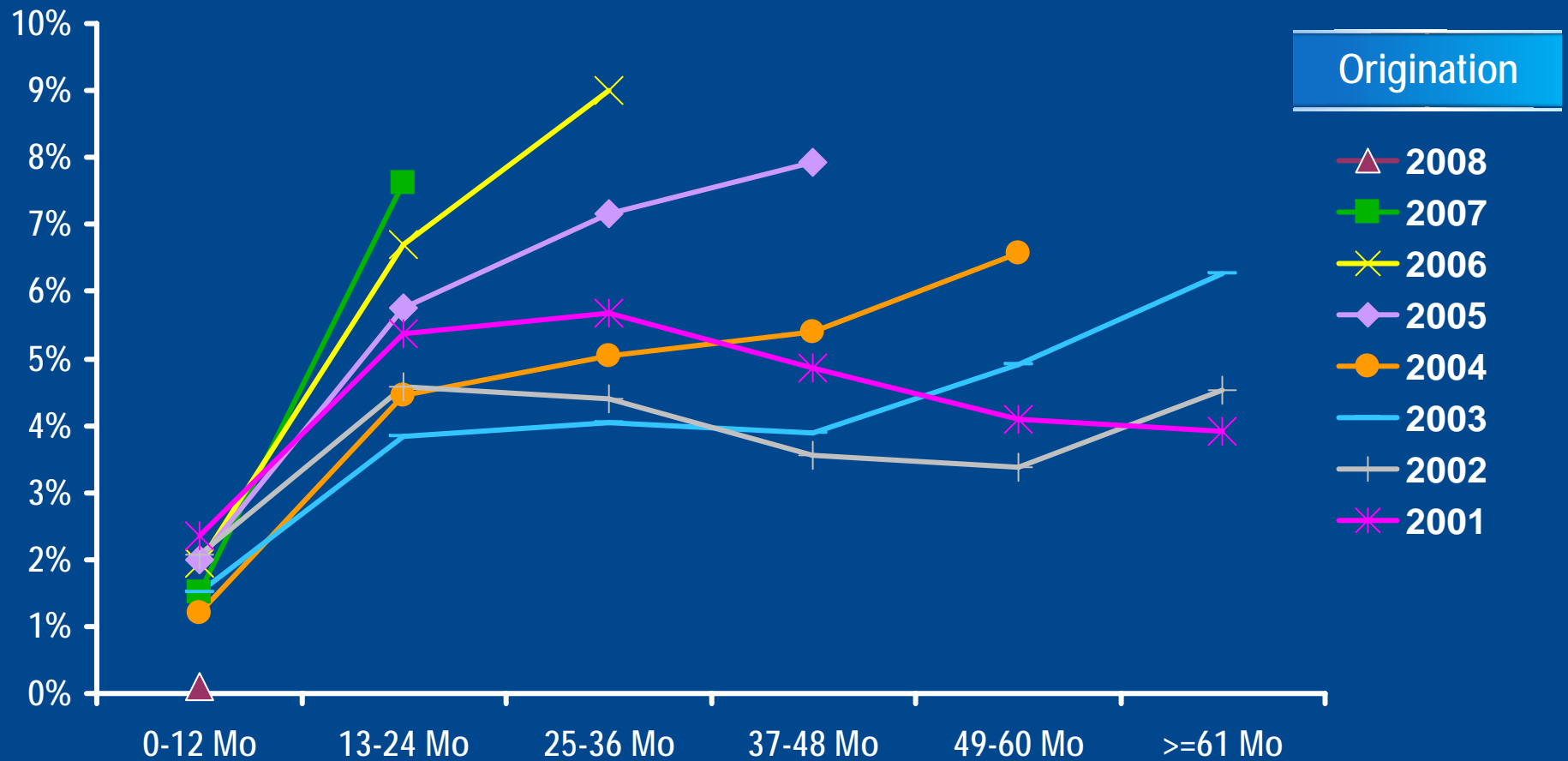


USCS Lending Managed 30 Days Past Due by Tenure





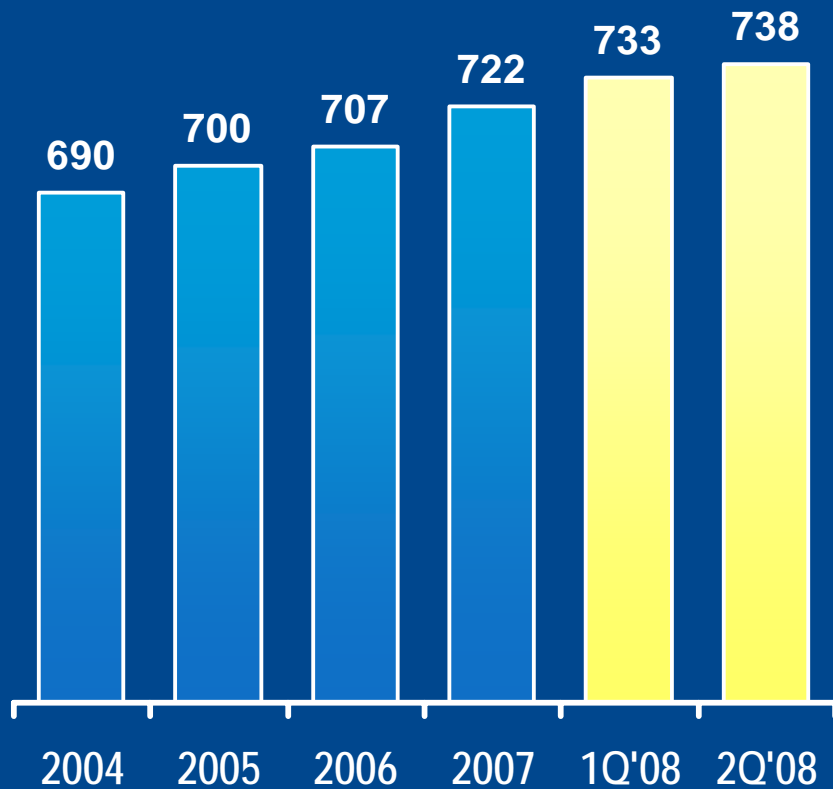
US Consumer Lending Managed Net Write-off Rates by Acquisition Vintage



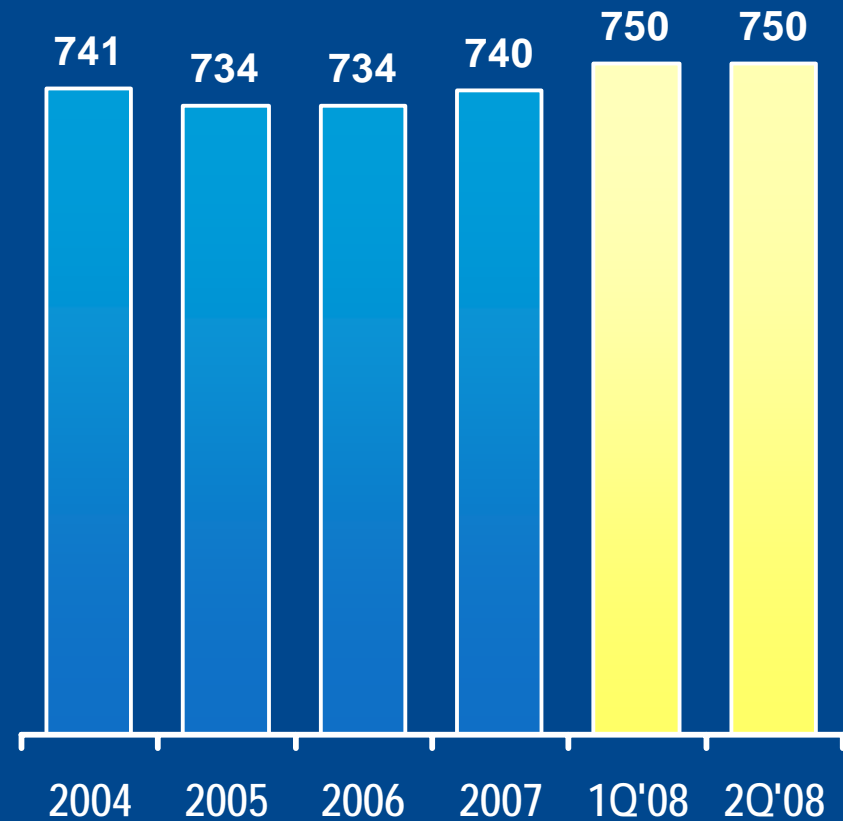


USCS Average FICO at Acquisition

Charge Cards



Credit Cards







Annex 1

	<u>2Q08</u>	<u>2Q07</u>	<u>%Inc/(Dec)</u>
GAAP Revenues Net of Interest Expense	\$ 7,484	\$ 6,938	8%
Securitization Adjustments:			
Discount revenue, net card fees and other	95	80	
Cardmember lending finance revenue	824	724	
Securitization income	(227)	(332)	
Cardmember lending interest expense	(184)	(274)	
Managed Revenues Net of Interest Expense	<u>\$ 7,992</u>	<u>\$ 7,136</u>	<u>12%</u>



Annex 2

	2Q'07	1Q'08	2Q'08	FY06	FY07
Cardmember Lending Owned Basis					
Total Loans					
USCS	38.3	38.1	37.9	33.6	43.3
AXP	48.3	49.6	49.7	43.3	54.5
30 Days Past Due Loans as a % of Total					
USCS	2.7%	4.1%	4.1%	2.7%	3.5%
AXP	2.8%	3.8%	3.9%	2.7%	3.4%
Average Loans					
USCS	35.9	39.6	38.0	27.6	37.1
AXP	45.6	50.8	49.7	36.5	47.2
Net Write-off Rate					
USCS	3.7%	5.5%	7.1%*	3.0%	3.9%
AXP	4.1%	5.5%	6.7%*	3.7%	4.2%
Cardmember Lending Managed Basis					
Total Loans					
USCS	58.6	63.7	64.7	53.8	66.0
AXP	68.6	75.2	76.6	63.5	77.2
30 Days Past Due Loans as a % of Total					
USCS	2.6%	3.7%	3.7%	2.6%	3.2%
AXP	2.6%	3.6%	3.6%	2.6%	3.2%
Average Loans					
USCS	56.3	64.6	64.2	48.0	58.3
AXP	65.9	75.8	75.9	56.9	68.3
Net Write-off Rate					
USCS	3.7%	5.3%	6.5%	2.9%	3.8%
AXP	4.0%	5.3%	6.3%	3.4%	4.1%

*The 2Q'08 owned net write-off rates were elevated partially due to an addition of \$10.2B of loans to the American Express Credit Account Master Trust (the "Lending Trust") on May 16, 2008. This resulted in decreased net write-off rates within the Lending Trust, and increased net write-off rates on an owned basis. The managed basis net write-off rates were not affected by this addition.



Annex 2 Continued

	Jan'08	Feb'08	Mar'08	Apr'08	May'08	Jun'08
USCS Cardmember Lending Owned Basis						
Average Loans	41.2	38.5	38.1	38.1	38.0	37.8
Net Write-off Rate	4.7%	5.6%	6.5%	6.6%	7.4% *	7.3% *
USCS Cardmember Lending Managed Basis						
Average Loans	65.3	64.3	63.9	63.9	64.3	64.6
Net Write-off Rate	5.0%	5.2%	5.9%	6.2%	6.3%	6.8%

**The May'08 and Jun'08 owned net write-off rates were elevated partially due to an addition of \$10.2B of loans to the American Express Credit Account Master Trust (the "Lending Trust") on May 16, 2008. This resulted in decreased net write-off rates within the Lending Trust, and increased net write-off rates on an owned basis. The managed basis net write-off rates were not affected by this addition.*



Forward Looking Statement

This release includes forward-looking statements, 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: 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 Company's ability to manage credit risk related to consumer debt, business loans, merchants and other credit trends, which will depend in part on the economic environment, including, among 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, and on the effectiveness of the Company's credit models; 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, the Company's near-term write-off rates, including during the remainder of 2008, and the volumes of the Company's loan balances in 2008; the level of future write-offs and delinquencies of Cardmembers added by the Company during the past several years, which will impact the profitability of such Cardmembers to the Company; 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 Company's ability to meet its ROE target range of 33 to 36 percent on average and over time, which will depend in part on factors such as the Company's ability to generate sufficient revenue growth and achieve sufficient margins, fluctuations in the capital required to support its businesses, the mix of the Company's financings, and fluctuations in the level of the Company's shareholders' equity due to share repurchases, dividends, changes in accumulated other comprehensive income and accounting changes, among other things; 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 meet or exceed its return on shareholders' equity target by reinvesting approximately 35 percent of annually-generated capital, and returning approximately 65 percent of such capital to shareholders, over time, which will depend on the Company's ability to manage its capital needs and the effect of business mix, acquisitions and rating agency requirements; 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



Forward Looking Statement

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 recent 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 underlying assumptions and expectations related to the February 2008 sale of the American Express Bank Ltd. businesses and the transaction's impact on the Company's earnings proving to be inaccurate or unrealized; 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 and over time, of reengineering initiatives being implemented or considered by the Company, including cost management, structural and strategic measures such as vendor, 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 (including, among others, the proposed Delta Airlines / Northwest Airlines merger) 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; 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; 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 payments industry; 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 regulations to be proposed 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; the potential failure of the U.S. Congress to extend the active financing exception to Subpart F of the Internal Revenue Code, which is scheduled to expire at the end of 2008 and could increase the Company's effective tax rate and have an adverse impact on net income; accounting changes; 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, 2007, and its other reports filed with the SEC.