



American Express Statement Regarding S&P CreditWatch Action *March 19, 2009*

We are disappointed that S&P decided to place our debt ratings on CreditWatch.

While we understand S&P's concerns regarding the economic downturn and consumer credit environment, the dollar write-offs in January and February that we disclosed earlier this week in an 8-K report were consistent with our 2009 plan.

As we have said on a number of occasions, we expected economic conditions to deteriorate and, as a result, past-due loans and write-offs to rise in the first half of 2009.

As indicated in the American Express lending trust data filed with the SEC earlier this week:

- Roll rates in February show some stability in the early stage delinquencies;
- Net interest yields on the portfolio have remained relatively stable; and
- The payment rate remains well above other industry issuers.

We too are concerned about the impact of further deterioration in economic conditions going forward, but believe we have a number of strengths that position us well to navigate through this tough environment.

The company has proactively taken various actions to mitigate the current environmental pressures. These include revenue enhancements and expense reengineering efforts such as the \$1.8 billion program announced last October, and other more recent discretionary expense reductions.

Our brokered retail certificate of deposit program has raised an additional net \$2.6 billion year-to-date through the first week of March, and now stands at approximately \$8.8 billion. The company also has approximately \$7 billion of additional borrowing capacity under the FDIC's Temporary Liquidity Guarantee Program (TLGP).

Our current excess cash and readily marketable securities position of approximately \$25 billion covers our projected funding needs for more than 12 months before considering any of our contingent funding sources.

Our tangible common equity to risk weighted asset ratio of 8.5% at December 31, 2008 was higher than that of most bank holding companies, and all of our regulatory ratios are comfortably above the "well capitalized" thresholds.

Charge card receivables, which represented approximately 30% of our total cardmember receivables and managed loans as of the end of February¹, have performed well to date, with write-off levels that have only risen modestly over the past five quarters.

While we have a \$66 billion managed cardmember lending portfolio², the Company does not have significant balance sheet exposure to other troubled asset classes, such as mortgage, home equity, commercial lending or other consumer exposures.

In fact, a large portion of our franchise consists of Business-to-Business activities, such as corporate card, network processing and merchant services that do not involve significant credit risk.

As we've stated before, our near-term objectives are to stay liquid, stay profitable and selectively invest in the business.

Managed basis data consists of owned (GAAP) on-balance sheet cardmember receivables and loans and off-balance sheet cardmember loans. ¹Approximately 45% of owned cardmember receivables and loans as of the end of February 2009.

²The owned cardmember lending portfolio was \$38 billion as of the end of February 2009.

Forward-Looking Statements

This disclosure includes forward-looking statements, which are subject to risks and uncertainties. Forward-looking statements 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: fluctuations in card lending balances, which depend in part on the economic environment; the Company's ability to manage credit risk related to consumer and small business loans and other credit trends, which will depend in part on the economic environment, including, among other things, the housing market, the rates of bankruptcies and unemployment, which can affect spending on card products and debt payments by individuals and small business customers, and on the effectiveness of the Company's credit models; credit performance for March 2009; and 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. 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, and the Company's other reports filed with the SEC.