



March 3, 2006

To American Express Company shareholders resident in Canada

Re: Canadian federal income tax considerations applicable to the spin-off of Ameriprise Financial, Inc. (“Ameriprise”) by American Express Company (“American Express”) on September 30, 2005

On September 30, 2005, American Express distributed all of the common shares of Ameriprise (the “Distribution”) to holders of record of American Express common shares as of 5 p.m. EDT on September 19, 2005 (the “Record Date”). This letter provides a summary of certain Canadian federal income tax considerations generally applicable to a beneficial owner of American Express common shares who received Ameriprise common shares pursuant to the Distribution and who, at all relevant times, for purposes of the *Income Tax Act* (Canada) (the “Tax Act”), (i) is a resident of Canada; (ii) deals at arm’s length with American Express and Ameriprise; (iii) is not affiliated with American Express or Ameriprise; and (iv) holds the American Express common shares and Ameriprise common shares as capital property (a “Canadian Holder”). Generally, the American Express common shares and Ameriprise common shares are capital property to a Canadian Holder provided the Canadian Holder does not hold the shares in the course of carrying on a business or as part of an adventure or concern in the nature of trade.

This letter does not address Canadian federal income tax considerations applicable to (i) American Express shareholders who hold American Express restricted stock or (ii) American Express shares held through the Employee Stock Ownership Plan.

As discussed below, a Canadian Holder may receive tax deferred treatment under the Tax Act by filing a valid election pursuant to section 86.1 of the Tax Act within the required time. A Canadian Holder that does not file a valid section 86.1 election will receive taxable dividend treatment with respect to the Distribution.

This summary (including the appendix) is of a general nature only and is not, nor intended to be, legal or tax advice to any particular American Express shareholder, as results may vary from those described herein based on a shareholder’s particular circumstances. This summary (including the appendix) is not exhaustive of all Canadian tax considerations and does not address provincial tax considerations. Accordingly, American Express shareholders should consult their own tax advisors with regard to their particular circumstances.

Information about the Distribution

American Express shareholders of record as of 5 p.m. EDT on September 19, 2005 received Ameriprise common shares on September 30, 2005 based on a distribution ratio of one Ameriprise common share for every five American Express common shares held. American Express did not distribute fractional shares of Ameriprise. Instead, the transfer agent aggregated the fractional shares of Ameriprise into whole shares, sold them on the open market at prevailing market prices, and distributed the net proceeds *pro rata* to each person who otherwise would have been entitled to receive a fractional share of Ameriprise.

Conversion to Canadian Dollars

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of American Express common shares and Ameriprise common shares must be converted into Canadian dollars based on the prevailing exchange rates at the relevant times.

Canadian Federal Income Tax Considerations – Where No Section 86.1 Election is Filed

Taxable Dividend

Unless a valid Canadian income tax election pursuant to section 86.1 of the Tax Act is filed by a Canadian Holder, as described below, the Canadian Holder is considered to have received a dividend as a result of the Distribution.

The amount of the dividend is equal to the total of (i) the fair market value of the Ameriprise common shares received by the Canadian Holder on the date that the Ameriprise common shares were received by the Canadian Holder and (ii) the amount of any cash received by the Canadian Holder in lieu of a fractional share of Ameriprise. The amount of the dividend is included in the Canadian Holder's income in the taxation year in which the dividend is received by the Canadian Holder. For individuals, the taxation year in which the dividend was received will generally be the taxation year ended December 31, 2005.

Tax Cost of Ameriprise Common Shares

A Canadian Holder is deemed to have acquired the Ameriprise common shares received pursuant to the Distribution at a cost to the Canadian Holder equal to the fair market value of the Ameriprise common shares at the time such Ameriprise common shares were received by the Canadian Holder.

Canadian Federal Income Tax Considerations – Where a Section 86.1 Election is Filed

Election for Tax Deferred Treatment

American Express has received confirmation from the Canada Revenue Agency (the "CRA") that the Distribution qualifies for "tax deferred" treatment pursuant to section 86.1 of the Tax Act. As a result, a Canadian Holder who received Ameriprise common shares pursuant to the Distribution is generally entitled to elect not to include the amount of the dividend otherwise considered to have been received by the Canadian Holder in the Canadian Holder's income. For a Canadian Holder to receive this tax-deferred treatment, the Canadian Holder must make a valid election in writing pursuant to section 86.1 of the Tax Act and file it with such holder's Canadian income tax return for the taxation year in which the Distribution occurred. For individuals, the taxation year in which the Distribution occurred will generally be the taxation year ended December 31, 2005. Neither EFILE nor NETFILE can be used to file the Canadian income tax return for the taxation year to which the election relates.

If a Canadian Holder makes a valid election pursuant to section 86.1 of the Tax Act, the adjusted cost base ("ACB") of the Canadian Holder's American Express common shares immediately before the distribution is allocated to that holder's American Express common shares and Ameriprise common shares held immediately after the distribution based on the relative fair market value of such shares.

A Canadian Holder who makes a valid election pursuant to section 86.1 of the Tax Act and who received cash in lieu of a fractional Ameriprise common share will generally realize a capital gain (or capital loss) equal to the amount, if any, by which the cash received in lieu of the fractional share, net of any reasonable costs of disposition, exceeds (or is less than) the ACB to the Canadian Holder of such fractional Ameriprise common share.

Determination of Fair Market Values

To make a valid election under section 86.1 of the Tax Act, a Canadian Holder must provide the CRA with certain information, including the fair market value of (i) the Canadian Holder's American Express common shares immediately before the distribution, (ii) the Canadian Holder's American Express common shares immediately after the distribution, and (iii) the Canadian Holder's Ameriprise shares immediately after the distribution. The Tax Act does not prescribe a method for determining these fair market values, but one method American Express believes may be acceptable to the CRA is to use the relevant September 30, 2005 closing prices on the New York Stock Exchange (the "NYSE") converted into Canadian dollars at the September 30, 2005 closing CDN\$/US\$ exchange rate reported by the Bank of Canada. Based on this method, the fair market value of an American Express common share immediately before the distribution was CDN\$66.79¹, the fair market value of an American Express common

¹ The official September 30, 2005 New York Stock Exchange only unadjusted closing price of US\$57.44, multiplied by the September 30, 2005 CDN\$/US\$ closing exchange rate reported by the Bank of Canada of 1.1627.

share immediately after the distribution was CDN\$58.46² and the fair market value of an Ameriprise common share immediately after the distribution was CDN\$41.62.³ You are not bound to use this method.

Election Form

The CRA has not issued a form for purposes of making an election pursuant to section 86.1 of the Tax Act. Attached, as Appendix 1, is a form that a Canadian Holder may wish to consider using should the Canadian Holder decide to make the election. It is noted, however, that the attached form may not be appropriate for all Canadian Holders. For example, the attached form may not be appropriate for a Canadian Holder who disposed of any American Express common shares after the Record Date and before the Distribution. The election form may also not be appropriate for provincial income tax purposes. Please consult your own tax advisor regarding your particular circumstances.

PLEASE NOTE THAT YOU CANNOT USE E-FILE OR NETFILE TO FILE YOUR CANADIAN INCOME TAX RETURN IN ORDER TO MAKE A SECTION 86.1 ELECTION.

Hypothetical Example of Calculation of Adjusted Cost Bases after filing the 86.1 election

The following is an example that may assist a Canadian Holder who makes an election pursuant to section 86.1 of the Tax Act in the computation of (i) the ACB of the American Express common shares held by the Canadian Holder immediately after the Distribution, (ii) the ACB of the Ameriprise common shares allocated to the Canadian Holder on the Distribution, and (iii) any capital gain or capital loss that the Canadian Holder may have realized in respect of the cash that the Canadian Holder may have received in lieu of a fractional share of Ameriprise. Please note that the example uses the method described above in determining the fair market value of American Express common shares and Ameriprise common shares for these purposes. We have highlighted those items that are to be reflected on the section 86.1 election to be filed with CRA.

Facts & Assumptions

Number of American Express shares owned both prior to and after Distribution (assumed)	152	(A)
ACB per share of American Express shares prior to Distribution (assumed)	\$30.00	(B)
ACB total of American Express shares prior to Distribution (A X B)	\$4,560.00	
Fair Market Value per share of American Express shares prior to Distribution	\$66.79	(C)
Fair Market Value total of American Express shares prior to Distribution (A X C)	\$10,152.08	
Fair Market Value per share of American Express shares after Distribution	\$58.46	(D)
Fair Market Value total of American Express shares after Distribution (A X D)	\$8,885.92	
Number of Ameriprise shares entitled to on the Distribution (5:1 ratio) (A / 5)	30.40	
Actual number of Ameriprise shares received after Distribution	30	(E)
Fair Market Value per share of Ameriprise shares received after Distribution	\$41.62	(F)
Fair Market Value total of Ameriprise shares received after Distribution (E X F)	\$1,248.60	
Fractional Ameriprise share converted to cash	0.40	(G)
Gross Cash received on fractional Ameriprise share before any costs of disposition (F X G)	\$16.65	(H)

Calculation of Reduction of ACB Per Share of American Express Shares After the Distribution:

Formula = B X [(F/5) / (C+D/5)] = \$30.00 X [(\$41.62/5) / (\$58.46+\$41.62/5)] \$3.74 (I)

ACB per share of American Express shares after Distribution (B – I)	\$26.26
ACB per share of Ameriprise shares received after Distribution (I X 5)	\$18.70 (J)
ACB of Ameriprise fractional share converted to cash (J X G)	\$7.48 (K)
Capital Gain on Ameriprise fractional share before any costs of distribution (H-K)	\$9.17

² The official New York Stock Exchange only adjusted closing price of American Express common stock on the September 30, 2005 distribution date, which is US\$50.28, multiplied by the September 30, 2005 CDN\$/US\$ closing exchange rate reported by the Bank of Canada of 1.1627.

³ The official New York Stock Exchange only closing price of Ameriprise common stock trading “when issued” on September 30, 2005, which is US\$35.80, multiplied by the September 30, 2005 CDN\$/US\$ closing exchange rate reported by the Bank of Canada of 1.1627.

Appendix 1

ELECTION UNDER SECTION 86.1 OF THE INCOME TAX ACT

**AMERICAN EXPRESS COMPANY
SPIN-OFF OF
AMERIPRISE FINANCIAL, INC.**

1. The undersigned, a shareholder of record of American Express Company (“American Express”) as of 5 P.M. EDT on September 19, 2005, received shares of Ameriprise Financial, Inc. (“Ameriprise”) in a spin-off transaction completed on September 30, 2005 (the “Distribution”). The undersigned hereby elects that section 86.1 of the *Income Tax Act* (Canada) apply to the Distribution.

2. The following information is provided pursuant to subparagraph 86.1(f)(i) of the *Income Tax Act* (Canada). Immediately prior to the Distribution:
 - a. The number of American Express shares held: _____.
 - b. The adjusted cost base of American Express shares held: _____.
 - c. The fair market value of American Express shares held: _____.

3. The following information is provided pursuant to subparagraph 86.1(f)(ii) of the *Income Tax Act* (Canada). Immediately after the Distribution:
 - a. The number of American Express shares held: _____.
 - b. The fair market value of American Express shares held: _____.
 - c. The number of Ameriprise shares received (not including fractional entitlement): _____.
 - d. The fair market value of Ameriprise shares received: _____.

Date

Shareholder Name (please print)

Social Insurance Number

Shareholder Signature