Expense Balance

Adjusted Total Expense as a % of Managed Revenue*

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>67%</td>
<td>9%</td>
<td>19%</td>
<td>39%</td>
<td>43%</td>
<td>42%</td>
</tr>
<tr>
<td>64%</td>
<td>8%</td>
<td>16%</td>
<td>40%</td>
<td>20%</td>
<td>23%</td>
</tr>
<tr>
<td>64%</td>
<td>7%</td>
<td>17%</td>
<td>40%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>74%</td>
<td>11%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>75%</td>
<td>10%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Adjusted total expenses as a % of total managed revenues net of interest expense. Adjusted total expenses, a non-GAAP measure, and adjusted opex, a non-GAAP measure, are total expenses and total operating expenses (which include salaries and employee benefits, professional services, occupancy and equipment, communications and other, net expenses), respectively, on a GAAP basis, each as adjusted for the settlement proceeds from MasterCard and Visa and a $180MM benefit in 2009 related to the accounting for a net investment in the Company’s foreign subsidiaries, as set forth in Annexes 2 and 3. See Annex 2 for total expenses and Annex 3 for Marketing and Promotion Expense, Rewards & Cardmember Service Expense and total operating expenses, each as a percent of total revenues net of interest expense on a GAAP basis. In addition, beginning in 2011, the Company reclassified certain contractual lump sum payments to partners as either contra discount revenue or marketing and promotion expense rather than ‘Other, net’ expense. Periods prior to 2011 have been revised to reflect this change throughout this presentation.
## Adjusted Total Operating Expenses*

### $ Billions; FX Adjusted***

<table>
<thead>
<tr>
<th>Year</th>
<th>Occupancy &amp; Equipment, Communications, Adj. Other, Net**</th>
<th>Professional Services</th>
<th>Salaries &amp; Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$12.0</td>
<td>7%</td>
<td>9%</td>
</tr>
<tr>
<td>2009</td>
<td>$11.0</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>2010</td>
<td>$11.7</td>
<td>(2%)</td>
<td>7%</td>
</tr>
<tr>
<td>2011</td>
<td>$12.5</td>
<td>10%</td>
<td>1%</td>
</tr>
</tbody>
</table>

*Adjusted Total Operating Expenses, a non-GAAP measure, includes Salaries & Benefits, Professional Services, Occupancy & Equipment, Communications and Other, Net expense on a GAAP basis adjusted for the settlement proceeds from MasterCard and Visa and a $180MM benefit in 2009 related to the accounting for a net investment in the Company’s foreign subsidiaries. See Annex 3 for reconciliation to GAAP.

**Occupancy & Equipment, Communications and Adjusted Other, Net expense, a non-GAAP measure, includes Occupancy & Equipment, Communications and Other, Net expense on a GAAP basis adjusted for the settlement proceeds from MasterCard and Visa and a $180MM benefit in 2009 related to the accounting for a net investment in the Company’s foreign subsidiaries. ***FX adjusted information is prepared on a monthly basis and assumes the exchange rate at the end of each month in 2011 is applied to the same month in the periods being compared for purposes of currency translation into U.S. dollars (e.g., assumes foreign exchange rate used for Jan’11 applies to Jan’10; rate used for Feb’11 applies to Feb’10, etc). See Annex 4 for CAGR on a GAAP basis.
Adjusted Total Operating Expense* by Function

$ Billions; FX Adjusted**

<table>
<thead>
<tr>
<th>Year</th>
<th>Global Services Group</th>
<th>Technology Development</th>
<th>Investment Opex &amp; Adj. Other Opex†</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$12.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>$11.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>$11.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>$12.5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2 Yr. CAGR 3 Yr. CAGR
7% 1%
(2%) (2%) 18% 9%
11% 3%

NOTE: Global Services Group includes operating expenses for Technology (technology non-development expenses and technology development expenses related to the Global Services Group), World Service, Global Credit Administration and Global Business Services. Technology Development includes operating expenses associated with modernizing our application portfolio for AXP’s lines of business and staff group functions (exclusive of the Global Services Group). Investment Opex includes operating expense associated with certain investments such as Salesforce and New Business Initiatives. *Adjusted Other Opex, a non-GAAP measure, includes operating expenses for business units and support functions (not included in Global Services Group, Technology Development and Investment Opex) less the settlement proceeds from MasterCard and Visa and a $180MM benefit in 2009 related to the accounting for a net investment in the Company’s foreign subsidiaries. **FX adjusted information is prepared on a monthly basis and assumes the exchange rate at the end of each month in 2011 is applied to the same month in the periods being compared for purposes of currency translation into U.S. dollars (e.g., assumes foreign exchange rate used for Jan’11 applies to Jan’10, rate used for Feb’11 applies to Feb’10, etc).
Adjusted Total Operating Expense* by Function

Adjusted Total Operating Expenses includes Salaries & Benefits, Professional Services, Occupancy & Equipment, Communications and Other, Net expense on a GAAP basis adjusted for the settlement proceeds from MasterCard and Visa and a $180MM benefit in 2009 related to the accounting for a net investment in the Company’s foreign subsidiaries. See Annex 3 for reconciliation to GAAP. ** Adjusted Other Opex, a non-GAAP measure, includes operating expenses for business units and support functions less the settlement proceeds from MasterCard and Visa and a $180MM benefit in 2009 related to the accounting for a net investment in the Company’s foreign subsidiaries. ***Investment Opex includes operating expense associated with certain investments such as salesforce and new business initiatives.
Investments in Operating Expense

$ Billions; FX Adjusted**

Investment Opex

Global Services Group

Technology Development

Other Opex

Investment Opex

2011

2009

2010

2011

$3.0

$12.5

$0.0

*Salesforce and Client Management include operating expenses for Salesforce and client management personnel, as well as payments to external sales agents. ** FX adjusted information is prepared on a monthly basis and assumes the exchange rate at the end of each month in 2011 is applied to the same month in the periods being compared for purposes of currency translation into U.S. dollars (e.g., assumes foreign exchange rate used for Jan’11 applies to Jan’10; rate used for Feb’11 applies to Feb’10, etc). See Annex 4 for CAGR on a GAAP basis.
**Sales Force Effectiveness: U.S. Corporate Payments**

<table>
<thead>
<tr>
<th>Sales Force Expansion</th>
<th>New Booked Charge Volume*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>1.2x</td>
</tr>
<tr>
<td>2011</td>
<td></td>
</tr>
</tbody>
</table>

*New Booked Charge Volume includes the first 13 months of volume from new U.S. Corporate Payments clients, as well as volume associated with existing clients that add incremental corporate payments products or materially expand their program. In the case of existing clients that expand or add new products, only the new volume is included.
Investments in Operating Expense

$ Billions; FX Adjusted**

Global Services Group

Technology Development

Other Opex

Investment Opex

2011

2009

2010

2011

$12.5

$3.0

$0.0

Investment Opex

New Business Initiatives*

Sales Force & Client Management

2 Yr. CAGR

29%

n/a

11%

*New Business Initiatives includes operating expenses for new business activities and the impact of acquisitions. This expense category includes Loyalty Edge, Loyalty Partner, Mobile and Online capabilities, Accertify, Serve and Business Insights. ** FX adjusted information is prepared on a monthly basis and assumes the exchange rate at the end of each month in 2011 is applied to the same month in the periods being compared for purposes of currency translation into U.S. dollars (e.g., assumes foreign exchange rate used for Jan’11 applies to Jan’10; rate used for Feb’11 applies to Feb’10, etc). See Annex 4 for CAGR on a GAAP basis.
New Business Initiatives

serve

LOYALTY PARTNER

Accertify

LoyaltyEdge

AMERICAN EXPRESS

BUSINESS INSIGHTS
Investments in Operating Expense

$ Billions; FX Adjusted**

$12.5

2011

Global Services Group
Technology Development
Other Opex
Investment Opex

2009  2010  2011

GNS*  New Business Initiatives  Sales Force & Client Management

29%  12%  11%

*GNS includes operating expenses for the Global Network Services business, which resides within the Global Network & Merchant Services segment. **FX adjusted information is prepared on a monthly basis and assumes the exchange rate at the end of each month in 2011 is applied to the same month in the periods being compared for purposes of currency translation into U.S. dollars (e.g., assumes foreign exchange rate used for Jan’11 applies to Jan’10; rate used for Feb’11 applies to Feb’10, etc). See Annex 4 for CAGR on a GAAP basis.
Investments in Operating Expense

$ Billions; FX Adjusted**

<table>
<thead>
<tr>
<th>2011</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>$12.5</td>
<td>$12.5</td>
<td>$12.5</td>
<td>$12.5</td>
</tr>
</tbody>
</table>

*Regulatory and Control Infrastructure includes operating expenses related to regulatory reporting and other requirements. This category includes costs for items such as Basel II compliance and Bank Holding Company infrastructure. ** FX adjusted information is prepared on a monthly basis and assumes the exchange rate at the end of each month in 2011 is applied to the same month in the periods being compared for purposes of currency translation into U.S. dollars (e.g., assumes foreign exchange rate used for Jan’11 applies to Jan’10; rate used for Feb’11 applies to Feb’10, etc). See Annex 4 for CAGR on a GAAP basis.
Investments in Operating Expense

$ Billions; FX Adjusted***

$12.5

2011

Global Services Group

Technology Development

Other Opex

Investment Opex

2009

2010

2011

Investment Opex & Adj. Other Opex

Adjusted Other Opex*

Investment Opex**

2 Yr. CAGR

11%

6%

29%

*Adjusted Other Opex, a non-GAAP measure, includes operating expenses for business units and support functions (not included in Global Services Group, Technology Development and Investment Opex) less the settlement proceeds from MasterCard and Visa and a $180MM benefit in 2009 related to the accounting for a net investment in the Company’s foreign subsidiaries. **Investment Opex includes operating expense associated with certain investments such as salesforce and new business initiatives. *** FX adjusted information is prepared on a monthly basis and assumes the exchange rate at the end of each month in 2011 is applied to the same month in the periods being compared for purposes of currency translation into U.S. dollars (e.g., assumes foreign exchange rate used for Jan’11 applies to Jan’10; rate used for Feb’11 applies to Feb’10, etc). See Annex 4 for CAGR on a GAAP basis.
Technology Development*

$ Billions; FX Adjusted**

2011

Global Services Group

Technology Development

Other Opex

Investment Opex

$12.5

$2.0

$0.0

2009 2010 2011

Technology Development*

2 Yr. CAGR

18%

*Technology Development includes operating expenses associated with modernizing our application portfolio for AXP’s lines of business and staff group functions (exclusive of the Global Services Group). ** FX adjusted information is prepared on a monthly basis and assumes the exchange rate at the end of each month in 2011 is applied to the same month in the periods being compared for purposes of currency translation into U.S. dollars (e.g., assumes foreign exchange rate used for Jan’11 applies to Jan’10; rate used for Feb’11 applies to Feb’10, etc). See Annex 4 for CAGR on a GAAP basis.
Global Services Group*

*Global Services Group includes operating expenses for Technology (non-development technology expenses and technology development expenses related to the Global Services Group), World Service, Global Credit Administration, and Global Business Services.

**FX adjusted information is prepared on a monthly basis and assumes the exchange rate at the end of each month in 2011 is applied to the same month in the periods being compared for purposes of currency translation into U.S. dollars (e.g., assumes foreign exchange rate used for Jan’11 applies to Jan’10; rate used for Feb’11 applies to Feb’10, etc). See Annex 4 for CAGR on a GAAP basis.

2011

$12.5

$ Billion; FX Adjusted**

2009

2010

2011

Global Services Group*
Adjusted Total Operating Expenses*

*$ Billions, FX Adjusted***

2009: $11.0

2010: $11.7

2011: $12.5

- **Global Services Group**: 7%
- **Technology Development**: (2%)
- **Adjusted Other Opex**: 6%
- **Investment Opex**: 29%

*Adjusted Total Operating Expenses, a non-GAAP measure, includes Salaries & Benefits, Professional Services, Occupancy & Equipment, Communications and Other. Net expense on a GAAP basis adjusted for the settlement proceeds from MasterCard and Visa and a $180MM benefit in 2009 related to the accounting for a net investment in the Company’s foreign subsidiaries. See Annex 3 for reconciliation to GAAP.

**Adjusted Other Opex, a non-GAAP measure, includes operating expenses for business units and support functions (not included in Global Services Group, Technology Development and Investment Opex) less the settlement proceeds from MasterCard and Visa and a $180MM benefit in 2009 related to the accounting for a net investment in the Company’s foreign subsidiaries.

***FX adjusted information is prepared on a monthly basis and assumes the exchange rate at the end of each month in 2011 is applied to the same month in the periods being compared for purposes of currency translation into U.S. dollars (e.g., assumes foreign exchange rate used for Jan’11 applies to Jan’10; rate used for Feb’11 applies to Feb’10, etc). See Annex 4 for CAGR on a GAAP basis.
## Operating Expense Growth Targets

<table>
<thead>
<tr>
<th>Total Operating Expense</th>
<th>2009-2011 CAGR (Fx Adj)**</th>
<th>2-3 Year Target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&gt; Revenue Growth</td>
<td>&lt; Revenue Growth</td>
</tr>
<tr>
<td>Global Services Group</td>
<td>(2%)</td>
<td>Flat to 2%</td>
</tr>
<tr>
<td>Technology Development Spending</td>
<td>18%</td>
<td>Flat to 2%</td>
</tr>
<tr>
<td>Investment Opex</td>
<td></td>
<td>Flexible; Tied to Revenue Generation</td>
</tr>
<tr>
<td>- Sales Force, New Business Initiatives, Acquisitions &amp; GNS</td>
<td>29%</td>
<td>Requirement Based</td>
</tr>
<tr>
<td>- Regulatory &amp; Control Infrastructure</td>
<td>27%</td>
<td>&lt;5%</td>
</tr>
<tr>
<td>All Other Opex*</td>
<td>6%</td>
<td>TBD</td>
</tr>
<tr>
<td>Foreign Exchange Impact</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*2009 to 2011 CAGR for Other Opex, a non-GAAP measure, is impacted by adjustment for the settlement proceeds from MasterCard and Visa and a $180MM benefit in 2009 related to the accounting for a net investment in the Company’s foreign subsidiaries. ** FX adjusted information is prepared on a monthly basis and assumes the exchange rate at the end of each month in 2011 is applied to the same month in the periods being compared for purposes of currency translation into U.S. dollars (e.g., assumes foreign exchange rate used for Jan’11 applies to Jan’10; rate used for Feb’11 applies to Feb’10, etc). See Annex 4 for CAGR on a GAAP basis.
Global Services Overview

Technology

World Service

Global Credit Administration

Global Business Services
To provide American Express with a competitive advantage through superior service, solutions, capabilities and operational excellence, which enable us to increase customer and shareholder value.
Global Services Productivity

Indexed to 2009

*Transactions represent the number of American Express proprietary transactions between a cardmember and merchant. **Cards-in-force represents the number of cards that are issued and outstanding. This includes basic and supplemental cards issued and outstanding within our proprietary and non-proprietary portfolios, except for retail co-brand cardmember accounts which have no out-of-store spend activity during the prior 12-month period. *** Refer to slide 50 for definition of Global Services Group Opex. FX adjusted information is prepared on a monthly basis and assumes the exchange rate at the end of each month in 2011 is applied to the same month in the periods being compared for purposes of currency translation into U.S. dollars (e.g., assumes foreign exchange rate used for Jan’11 applies to Jan’10; rate used for Feb’11 applies to Feb’10, etc).
Global Services

Technology

World Service

Global Credit Administration

Global Business Services
Technology Development* Spending Trends

$ Billions; FX Adjusted**

<table>
<thead>
<tr>
<th>Year</th>
<th>Global Services Group</th>
<th>Technology Development</th>
<th>Other Opex</th>
<th>Investment Opex</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$2.0</td>
<td>$12.5</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>2010</td>
<td>$2.0</td>
<td>$12.5</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>2011</td>
<td>$2.0</td>
<td>$12.5</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
</tbody>
</table>

*Technology Development includes operating expenses associated with modernizing our application portfolio for AXP’s lines of business and staff group functions (exclusive of the Global Services Group). ** FX adjusted information is prepared on a monthly basis and assumes the exchange rate at the end of each month in 2011 is applied to the same month in the periods being compared for purposes of currency translation into U.S. dollars (e.g., assumes foreign exchange rate used for Jan’11 applies to Jan’10; rate used for Feb’11 applies to Feb’10, etc). See Annex 4 for CAGR on a GAAP basis.

2 Yr. CAGR

<table>
<thead>
<tr>
<th>Year</th>
<th>Technology Development*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$12.5</td>
</tr>
<tr>
<td>2011</td>
<td>$12.5</td>
</tr>
</tbody>
</table>

18%

S See Annex 4 for CAGR on a GAAP basis.

68
<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2011</th>
<th>Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable Development*</td>
<td>52%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Development**</td>
<td>48%</td>
<td>42%</td>
<td>-5%</td>
</tr>
<tr>
<td>Fixed Development Leverage Ratio****</td>
<td>1.1</td>
<td>1.4</td>
<td>+24%</td>
</tr>
</tbody>
</table>

*Variable Development is the cost of third party developers to work on building new capabilities. **Fixed Development is the AXP cost of full time employees to develop new capabilities. ***Net Effective Vendor Rate is the overall average hourly rate AXP pays third party vendors to develop new capabilities, excluding fixed bid contracts. ****Fixed Development Leverage Ratio measures the amount of variable development dollar spend for every dollar of fixed development spend.
Technology Non-Development Productivity

Indexed to 2009

2009 2010 2011

Midrange Storage*
Mainframe Storage**
Midrange Images***
Mainframe Processing****
Technology Non-Development Expenses Fx Adj.†

*Midrange is an internal systems environment which represents the server infrastructure between mainframe and end user computing. Midrange Storage reflects the average gigabytes of storage allocated per month across the American Express midrange environment. ** Mainframe Storage reflects the average gigabytes of storage allocated per day across the American Express mainframe environment. *** Midrange Images reflect the total number of images used across the American Express midrange environment. ****Mainframe Processing reflects the average daily CPU application processing seconds across the American Express mainframe environment. †Technology Non-Development is the FX adjusted cost of running AXP’s technology infrastructure encompassing data centers and telecommunications, as well as maintenance, security and compliance. These costs include employee and external partner costs. FX adjusted information is prepared on a monthly basis and assumes the exchange rate at the end of each month in 2011 is applied to the same month in the periods being compared for purposes of currency translation into U.S. dollars (e.g., assumes foreign exchange rate used for Jan’11 applies to Jan’10; rate used for Feb’11 applies to Feb’10, etc).
Technology Transformation Approach
Infrastructure Transformation

Global Wide Area Network

Data Center Facilities
Delivery Modernization

- Move from custom-built applications to **more modern assembly**
- **Introduce new tools** such as visualization, business process mapping and web services
- **Design and deliver solutions iteratively** in close partnership with the business
New Capabilities

- Pay with Points
- Online Servicing
- Smart Offer API
American Express Business Model

**Assets**
- Brand
- Premium Positioning
- Channels
- Closed Loop Data
- Travel Network
- Processing Infrastructure
- Rewards Bank

**Capabilities**
- Marketing / Sales
- Risk Management
- Info Management
- Servicing
- Rewards/Loyalty
- Ability to Partner
- Reengineering

**Relationships**
- Affluent Customers
- Merchants
- Corporate Clients
- Business Partners
- GNS Partners
Emerging AXP 3.0

160-Year-Old American Express Out-Innovates Google and Groupon

This morning, American Express is launching a new deals platform in partnership with Facebook that should make big waves in the payments and offers space.

With the new platform, merchants will be able to target deals at American Express cardholders on the Facebook platform. Initial launch partners include H&M, Sports Authority, Dunkin’ Donuts, Sheraton, Westin, Travelocity, and Celebrity Cruises. Although the launch focus is on major national brands, the platform is self-serve and well suited to the needs of small business. This presents a big and creative threat to Groupon, LivingSocial, Google Offers and other daily deal providers.

Global Services

Technology

World Service

Global Credit Administration

Global Business Services
Our Heritage, Our Mission

Service has been the foundation since the beginning

1850
A brand is born

Today
To become the world’s most respected service brand
World Service

*Includes employees (both Production & Support), Temps & Contractors and Partners. The data refers to a FY 2011 average.

20,000 People*
20 Markets
16 Languages
7 Channels
Evolving Expectations

- Multiple Touchpoints
- More Informed Consumers
- Sharing in Social Media
- Cross-Industry Experience
- Interconnected Global Society
- Increased Regulatory Scrutiny
World Service Transformation Approach

Global, Integrated Network

Improving Capabilities

Empowering Our People
Globalize Key Processes

Consolidate Global Footprint

Flexible Resource Model
Deploy new capabilities to serve our customers more effectively

Listen to and measure the voice of the customer

Ask a simple question –

“Would you recommend American Express to a friend, based on this servicing interaction?”
Empowering Our People

Relationship Care SM

“Recognize me”

“Be genuine and authentic”

“Resolve my request on the first try”

“Treat me like a person, not a number”
Recommend to a Friend (RTF) measures a cardmember’s satisfaction with the level of servicing provided by American Express customer care professionals. The metric is calculated from ratings given by cardmembers in response to the question: “Based on this recent service experience, how likely are you to recommend American Express to a friend or colleague? Please use a 1 to 10 scale where ‘10’ means ‘extremely likely’ and ‘1’ means ‘extremely unlikely.’” Cardmembers who respond with a rating of 9 or 10 are “Promoters” while cardmembers who respond with a rating between 1 and 6 are “Detractors.” RTF is the difference between the percentage of cardmembers who are “Promoters” vs. “Detractors.” Survey is conducted via email and administered by an independent research company on behalf of American Express. Responses across three channels (Telephone Servicing Center, Membership Rewards and Disputes) are gathered, and represents approx 500K surveys in a 12 month period.
A Service Leader Across Industries

FORBES.COM

THE ECONOMIC TIMES

FINANCIAL TIMES

THE SYDNEY MORNING HERALD

USA TODAY
Great Service Is Great Business

10% Increased Cardmember Spend*

4X Lower Cardmember Attrition**

---

*Reflects spend by Promoters in the six months following a customer servicing interaction, as compared to the spend of non-promoters during that same period. **Reflects the difference between the % of Promoters who voluntary attrite from the franchise in the four months following the customer servicing interaction, as compared to non-promoters during that same period. Refer to slide 85 for a definition of “Promoter.”
World Service Productivity

Indexed to 2009

*Refer to Slide 66 for definitions of “Transactions” and “Cards in Force.” **World Service Expenses includes operating expenses for the customer care business unit of American Express, which handles inbound customer service inquiries on card products, services and benefits; the processing of new accounts; cardmember bill remittance; membership reward redemptions; collections; fraud concerns and prevention; card replacement; cardmember disputes; corporate card services; and merchant services. FX adjusted information is prepared on a monthly basis and assumes the exchange rate at the end of each month in 2011 is applied to the same month in the periods being compared for purposes of currency translation into U.S. dollars (e.g., assumes foreign exchange rate used for Jan’11 applies to Jan’10; rate used for Feb’11 applies to Feb’10, etc).
New Service Paradigm

- Social Media
- Online
- Telephone
- Text
- Voice Response
- Email
- Mobile
- Experiential Servicing
Serving customers when, where and how they want to do business with us

Deployed **mobile servicing capabilities** in 14 markets.

Piloting **social media servicing** in the U.S. and U.K.

@AskAmex

Morning, we’re all in today. Let’s make it a great day.
Global Services

Technology

World Service

Global Credit Administration

Global Business Services
Collections at American Express

- The key to collections is **right party contacts** and **collections effectiveness**.

- Two-prong approach:
  - Flexible resourcing
  - Building new capabilities
Delinquency Case Volume* measures the number of unique cardmembers with a balance at least 30+ days past billing with at least one inbound call or outbound call attempt during a calendar month. The annual volume is calculated as a 12 point average of the volume for each calendar month within that year. **Right Party Contact Rate measures the proportion of Delinquency Volume with at least one Right Party Contact (defined as a connecting inbound or outbound telephone interaction with an authorized party over the account) within a calendar month. The annual contact rates are 12 point averages of the monthly contact rates within that year.
Customer Satisfaction

% of U.S. Delinquent Cardmembers* who rated Collections Interaction Good or Better**

<table>
<thead>
<tr>
<th>Year</th>
<th>% Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>73</td>
</tr>
<tr>
<td>2010</td>
<td>77</td>
</tr>
<tr>
<td>2011</td>
<td>79</td>
</tr>
</tbody>
</table>

*Delinquent Cardmembers are cardmembers with balances 30-59 days past billing. **Source: American Express Voice of the Customer Survey. Data normalized for migration from paper to email survey.
Collections Effectiveness

**U.S. Consumer Lending Newly Delinquent (30 Days Past Billing) to Charge-Off Ratio***

*Newly Delinquent (30 DPB) to Charge-off Ratio is the dollars charged off relative to the cardmember loans entering 30 DPB delinquency in the same time period. **“Industry Peer Group” refers to the aggregate account data from participants in the Argus US Consumer Card study, which according to Argus Information and Advisory Services includes US Credit Card Issuers of substantially all US consumer credit card accounts. Source: Argus Information and Advisory Services and internal American Express analysis.
Collections Channel of Choice

- Cannot simply rely on phone channel to drive collections.
- Developing **new online and mobile collection tools**.
Global Services

Technology

World Service

Global Credit Administration

Global Business Services
Workplace Enablement

BlueWork

Home Based Servicing
Service-Profit Chain

Engaged Employees → Satisfied Customers → Superior Economic Returns
End-to-End Process Mindset

Wants More than Needs

Iterations of Standards

Same Work, Disparate Teams

Talent Mis-utilization

Expensive Resources

Excessive Demand

Over-Customization

Duplication/Rework

Under-utilization of Resources

Over-Payment
Morning, we’re all in today. Let’s make it a great day.
### Billed Business - Reported & FX Adjusted*

% increase/(decrease) vs. prior year:

<table>
<thead>
<tr>
<th></th>
<th>Q4’08</th>
<th>Q1’09</th>
<th>Q2’09</th>
<th>Q3’09</th>
<th>Q4’09</th>
<th>Q1’10</th>
<th>Q2’10</th>
<th>Q3’10</th>
<th>Q4’10</th>
<th>Q1’11</th>
<th>Q2’11</th>
<th>Q3’11</th>
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</tr>
<tr>
<td>Reported</td>
<td>(8%)</td>
<td>(15%)</td>
<td>(15%)</td>
<td>(11%)</td>
<td>2%</td>
<td>11%</td>
<td>14%</td>
<td>13%</td>
<td>14%</td>
<td>15%</td>
<td>14%</td>
<td>13%</td>
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<tr>
<td>FX Adjusted</td>
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</tr>
<tr>
<td>Reported</td>
<td>(12%)</td>
<td>(19%)</td>
<td>(19%)</td>
<td>(9%)</td>
<td>21%</td>
<td>27%</td>
<td>19%</td>
<td>17%</td>
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<td>(3%)</td>
<td>(7%)</td>
<td>(3%)</td>
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<td>16%</td>
<td>16%</td>
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</tr>
<tr>
<td>Reported</td>
<td>(13%)</td>
<td>(23%)</td>
<td>(24%)</td>
<td>(15%)</td>
<td>11%</td>
<td>16%</td>
<td>5%</td>
<td>5%</td>
<td>4%</td>
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<td>(13%)</td>
<td>(8%)</td>
<td>2%</td>
<td>11%</td>
<td>11%</td>
<td>11%</td>
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</tr>
<tr>
<td>Reported</td>
<td>(10%)</td>
<td>(15%)</td>
<td>(12%)</td>
<td>(1%)</td>
<td>34%</td>
<td>44%</td>
<td>34%</td>
<td>31%</td>
<td>29%</td>
<td>28%</td>
<td>36%</td>
<td>31%</td>
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<tr>
<td>FX Adjusted</td>
<td>5%</td>
<td>1%</td>
<td>-</td>
<td>1%</td>
<td>12%</td>
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<td>23%</td>
<td>23%</td>
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<td>18%</td>
<td>19%</td>
<td>19%</td>
<td>17%</td>
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<tr>
<td><strong>LACC</strong></td>
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</tr>
<tr>
<td>Reported</td>
<td>(14%)</td>
<td>(19%)</td>
<td>(19%)</td>
<td>(11%)</td>
<td>20%</td>
<td>26%</td>
<td>24%</td>
<td>19%</td>
<td>18%</td>
<td>21%</td>
<td>22%</td>
<td>18%</td>
<td>8%</td>
</tr>
<tr>
<td>FX Adjusted</td>
<td>4%</td>
<td>(1%)</td>
<td>(5%)</td>
<td>(1%)</td>
<td>7%</td>
<td>11%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>16%</td>
<td>15%</td>
<td>14%</td>
<td>13%</td>
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<tr>
<td><strong>Total</strong></td>
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</tr>
<tr>
<td>Reported</td>
<td>(10%)</td>
<td>(16%)</td>
<td>(16%)</td>
<td>(11%)</td>
<td>8%</td>
<td>16%</td>
<td>16%</td>
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<td>18%</td>
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<td>11%</td>
</tr>
<tr>
<td>FX Adjusted</td>
<td>(5%)</td>
<td>(12%)</td>
<td>(13%)</td>
<td>(9%)</td>
<td>4%</td>
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<td>15%</td>
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<td>14%</td>
<td>15%</td>
<td>15%</td>
<td>13%</td>
<td>11%</td>
</tr>
</tbody>
</table>

*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 Q4’10 applies to Q4’11; rate used for Q3’11 applies to Q3’10, etc).*
Annex 2

Note: Beginning in 2011, the Company reclassified certain contractual lump sum payments to partners as either contra discount revenue or marketing and promotion expense rather than ‘Other, net’ expense. Periods prior to 2011 have been revised to reflect this change. For periods ended on or prior to December 31, 2009, information presented is based on the Company’s historical non-GAAP, or “managed” basis presentation. Unlike the GAAP basis presentation, the information presented on a managed basis in such periods includes both the securitized and non-securitized cardmember loans. The adoption of new GAAP on January 1, 2010 resulted in accounting for both the Company’s securitized and non-securitized cardmember loans in the consolidated financial statements. As a result, the Company’s 2010 GAAP presentations and managed basis presentations prior to 2010 are generally comparable. Refer to page 19 in the Company’s fourth quarter 2010 earnings financial tables for a discussion of managed basis information.

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
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<tbody>
<tr>
<td>GAAP Total Revenues Net of Interest Expense</td>
<td>$27,462</td>
<td>$28,227</td>
<td>$24,336</td>
<td>$27,582</td>
<td>$29,962</td>
</tr>
<tr>
<td>Securitization Adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discount revenue, net card fees and other</td>
<td>310</td>
<td>400</td>
<td>331</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Interest income</td>
<td>3,130</td>
<td>3,512</td>
<td>3,097</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Securitization income, net</td>
<td>(1,507)</td>
<td>(1,070)</td>
<td>(400)</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(1,136)</td>
<td>(830)</td>
<td>(244)</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Managed Total Revenues Net of Interest Expense</td>
<td>$28,259</td>
<td>$30,239</td>
<td>$27,120</td>
<td>$27,582</td>
<td>$29,962</td>
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<tr>
<td>GAAP Total Expenses</td>
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<td>$18,848</td>
<td>$16,182</td>
<td>$19,411</td>
<td>$21,894</td>
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<td>Visa/MasterCard Settlement Payments</td>
<td>1,130</td>
<td>580</td>
<td>880</td>
<td>880</td>
<td>580</td>
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<tr>
<td>Net Investment in Foreign Subsidiary</td>
<td>-</td>
<td>-</td>
<td>180</td>
<td>-</td>
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<tr>
<td>Adjusted Total Expenses</td>
<td>$18,795</td>
<td>$19,428</td>
<td>$17,242</td>
<td>$20,291</td>
<td>$22,474</td>
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<td>GAAP Total Expenses / GAAP Total Revenues Net of Interest Expense</td>
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<td>67%</td>
<td>66%</td>
<td>70%</td>
<td>73%</td>
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<td>Managed Total Revenues, Net of Interest Expense/Total Adjusted Expenses</td>
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<td>64%</td>
<td>64%</td>
<td>74%</td>
<td>75%</td>
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<tr>
<td></td>
<td>2007</td>
<td>2008</td>
<td>2009</td>
<td>2010</td>
<td>2011</td>
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<td>Securitization Adjustments:</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
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<td>331</td>
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<td>NA</td>
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<tr>
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<td>3,512</td>
<td>3,097</td>
<td>NA</td>
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</tr>
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<td>(1,070)</td>
<td>(400)</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(1,136)</td>
<td>(830)</td>
<td>(244)</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Managed Total Revenues Net of Interest Expense</strong></td>
<td>$28,259</td>
<td>$30,239</td>
<td>$27,120</td>
<td>$27,582</td>
<td>$29,962</td>
</tr>
<tr>
<td><strong>Marketing and Promotion Expense</strong></td>
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<td></td>
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</tr>
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<td><strong>Marketing &amp; Promotion/ GAAP Total Revenues, Net of Interest Expense</strong></td>
<td>10%</td>
<td>9%</td>
<td>8%</td>
<td>11%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Marketing &amp; Promotion/ Mgd Total Revenues, Net of Interest Expense</strong></td>
<td>9%</td>
<td>8%</td>
<td>7%</td>
<td>11%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Cardmember Rewards and Services Expense</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cardmember Rewards and Services / GAAP Total Revenues, Net of Interest Expense</strong></td>
<td>19%</td>
<td>17%</td>
<td>19%</td>
<td>20%</td>
<td>23%</td>
</tr>
<tr>
<td><strong>Cardmember Rewards and Services / Mgd Total Revenues, Net of Interest Expense</strong></td>
<td>19%</td>
<td>16%</td>
<td>17%</td>
<td>20%</td>
<td>23%</td>
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<tr>
<td><strong>GAAP Consolidated Operating Expenses</strong></td>
<td>9,780</td>
<td>$11,404</td>
<td>$9,619</td>
<td>$10,673</td>
<td>$11,964</td>
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<td>Visa/MasterCard Settlement Payments</td>
<td>$1,130</td>
<td>$580</td>
<td>$880</td>
<td>$880</td>
<td>$580</td>
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<tr>
<td>Net Investment in a Foreign Subsidiary</td>
<td>-</td>
<td>-</td>
<td>$180</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Operating Expenses-Adjusted</strong></td>
<td>$10,910</td>
<td>$11,984</td>
<td>$10,679</td>
<td>$11,553</td>
<td>$12,544</td>
</tr>
<tr>
<td><strong>GAAP Operating Expenses/GAAP Total Revenues, Net of Interest Expense</strong></td>
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<td>40%</td>
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<td>39%</td>
<td>40%</td>
</tr>
<tr>
<td><strong>Operating Expenses/Mgd Total Revenues, Net of Interest Expense</strong></td>
<td>39%</td>
<td>40%</td>
<td>40%</td>
<td>43%</td>
<td>42%</td>
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<tr>
<td><strong>Operating Expenses-Adjusted</strong></td>
<td>$11,984</td>
<td>$10,679</td>
<td>$11,553</td>
<td>$12,544</td>
<td></td>
</tr>
<tr>
<td>Fx Impact</td>
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<td>$295</td>
<td>$189</td>
<td>-</td>
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<td><strong>Operating Expenses-Adjusted and FX Restated</strong></td>
<td>$12,014</td>
<td>$10,974</td>
<td>$11,742</td>
<td>$12,544</td>
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</tbody>
</table>

*Consolidated Operating Expenses includes Salaries & Benefits, Professional Services, Occupancy & Equipment, Communications & Other, Net*
**Annex 4**

<table>
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<tr>
<th></th>
<th>2-Year CAGR</th>
<th>3-Year CAGR</th>
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<tr>
<td></td>
<td>FX Adjusted**</td>
<td>GAAP Basis</td>
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<tr>
<td>Total Operating Expense</td>
<td>7%*</td>
<td>12%</td>
</tr>
<tr>
<td>Salaries &amp; Benefits</td>
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<td>11%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>10%</td>
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<tr>
<td>Occupancy &amp; Equipment,</td>
<td>1%*</td>
<td>14%</td>
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<tr>
<td>Communications and Other, Net</td>
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<td></td>
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<tr>
<td>Global Services Group</td>
<td>(2%)</td>
<td>(1%)</td>
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<tr>
<td>Technology Development</td>
<td>18%</td>
<td>18%</td>
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<tr>
<td>Investment &amp; Other Opex</td>
<td>11%*</td>
<td>21%</td>
</tr>
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<td>Salesforce &amp; Client Management</td>
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<td>New Business Initiatives</td>
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<td>N/A</td>
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<td>Global Network Services</td>
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<td>15%</td>
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<tr>
<td>Regulatory and Control Infrastructure</td>
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<td>27%</td>
</tr>
<tr>
<td>Other Opex</td>
<td>6%*</td>
<td>17%</td>
</tr>
<tr>
<td>Investment Opex</td>
<td>29%</td>
<td>31%</td>
</tr>
</tbody>
</table>

*Total Operating Expense, Other, Net and Other Opex have also been adjusted for the settlement proceedes from MasterCard and Visa and a $180MM benefit in 2009 related to the accounting for a net investment in the Company’s foreign subsidiaries. **Global Network Services is included in the Global Network & Merchant Services (GNMS) segment. The 2-year CAGR on a GAAP basis for GNMS segment operating expenses is 13%. ***FX adjusted information is prepared on a monthly basis and assumes the exchange rate at the end of each month in 2011 is applied to the same month in the periods being compared for purposes of currency translation into U.S. dollars (e.g., assumes foreign exchange rate used for Jan’11 applies to Jan’10; rate used for Feb’11 applies to Feb’10, etc).