

AMERICAN EXPRESS CENTURION BANK

This supplement highlights selected information about American Express Centurion Bank (“AECB”, or “the Bank”) and the information presented below is qualified in its entirety by reference to and should be read in conjunction with AECB’s Quarterly Call Reports for each of the years ended December 31, 2012, 2011 and 2010. The information contained in this supplement is current only as of December 31, 2012. AECB’s business, financial condition, results of operation and prospects may have changed since that date.

Business

American Express Centurion Bank was incorporated under Utah law as an industrial loan company in 1987 and received Federal Deposit Insurance Corporation (“FDIC”) insurance in 1989. Its principal office is located at 4315 South 2700 West, Salt Lake City, Utah 84184. AECB is a wholly-owned subsidiary of American Express Travel Related Services Company, Inc.

AECB is regulated, supervised and regularly examined by the Utah Department of Financial Institutions and the FDIC. In addition, AECB and its affiliates are subject to supervision, examination and enforcement by the Consumer Financial Protection Bureau with respect to the marketing and sale of consumer financial products and compliance with certain federal consumer financial laws, including, among other laws, the Consumer Financial Protection Act and the Truth in Lending Act.

AECB issues Blue from American Express, Blue Cash and other American Express branded revolving credit cards in the United States and owns most of the receivables arising from the use of these cards. AECB is also the issuer of certain consumer charge cards. In addition, AECB has outstanding lines of credit in association with certain consumer charge cards and offers unsecured loans to cardmembers in connection with its Lending on Charge program. The Lending on Charge program offers qualified United States cardmembers the option of extending payment for certain charges on a charge card.

In addition to earning cardmember lending finance revenues, AECB also receives revenue from cardmember fees and issuer revenue from billed business at service establishments. Proprietary charge and lending cards are offered with a variety of features and terms, including cards with differing rates, fees and grace periods, and cards with additional features such as rebates.

SELECTED FINANCIAL INFORMATION OF AMERICAN EXPRESS CENTURION BANK

The following unaudited financial information of AECB prepared in accordance with Regulatory Accounting Principles for each of the years ended or as of December 31, 2012, 2011 and 2010 was derived from AECB's Call Reports, which are incorporated herein by reference, and should be read in conjunction therewith and with the detailed information contained elsewhere herein.

In the fourth quarter of 2012, AECB reclassified certain amounts pertaining to annual card fees and fraud reserves on the Operating and Balance Sheet Data. The change in annual card fees increased Non-interest income and reduced Interest income and increased Loans and Other liabilities. The fraud reclassification led to a decrease in Provision for loan losses and an increase in Non-interest expense and a decline in Reserves and an increase in Other liabilities. Corresponding amounts in prior periods have not been reclassified to conform to the current period presentation.

(in millions)	For the Years Ended December 31,		
	2012	2011	2010
Operating Data:			
Interest income	\$ 1,741	\$ 2,605	\$ 2,198
Interest expense	304	307	341
Net interest income	1,437	2,298	1,857
Provisions for loan losses	505	371	509
Income after provisions for loan losses	932	1,927	1,348
Non-interest income	5,071	3,900	3,618
Non-interest expense	3,152	3,067	2,873
Net non-interest income	1,919	833	745
Pretax income	2,851	2,760	2,093
Income tax provision	1,067	1,052	753
Net income	\$ 1,784	\$ 1,708	\$ 1,340

(in millions)

As of December 31,

	<u>2012</u>			<u>2011</u>			<u>2010</u>		
Balance Sheet Data:									
<i>Assets:</i>									
Cash and cash equivalents	\$	11,897	\$	13,072	\$	5,649			
Investments		812		1,324		4,139			
Loans		20,448		19,410		16,585			
Reserves		(455)		(531)		(759)			
Loans, net		19,993		18,879		15,826			
Other assets		1,756		1,877		4,333			
Total assets	\$	34,458	\$	35,152	\$	29,947			
<i>Liabilities and Shareholder's Equity:</i>									
Deposit liabilities	\$	21,401	\$	23,421	\$	17,648			
Other borrowings		4,300		3,452		4,450			
Total debt		25,701		26,873		22,098			
Other liabilities		2,864		2,165		1,959			
Total liabilities		28,565		29,038		24,057			
Total shareholder's equity		5,893		6,114		5,890			
Total liabilities and shareholder's equity	\$	34,458	\$	35,152	\$	29,947			

SELECTED FINANCIAL INFORMATION OF AMERICAN EXPRESS CENTURION BANK

(in millions)

	As of December 31,		
	2012	2011	2010
Key Statistics:			
Average assets	\$ 33,948	\$ 29,386	\$ 28,126
Average shareholder's equity	\$ 5,972	\$ 6,102	\$ 5,346
Average loans	\$ 18,646	\$ 17,627	\$ 13,360
Total risk-weighted assets	\$ 33,042	\$ 32,035	\$ 31,598
Tier 1 capital	\$ 5,814	\$ 6,029	\$ 5,771
Total risk-based capital	\$ 6,227	\$ 6,431	\$ 6,170
Past due & non-accrual loans	\$ 392	\$ 452	\$ 462
Net charge-offs	\$ 581	\$ 599	\$ 688

	As of December 31,		
	2012	2011	2010
Selected Ratios:			
Return on average assets ⁽¹⁾	5.26%	5.81%	4.77%
Return on average shareholder's equity ⁽²⁾	29.87%	27.99%	25.08%
Tier 1 leverage ratio	17.00%	19.05%	19.40%
Tier 1 risk-based capital ratio	17.60%	18.82%	18.26%
Total risk-based capital ratio	18.85%	20.07%	19.53%
Net charge-offs / average loans ⁽³⁾	3.12%	3.40%	5.15%
Reserves / past due & non-accrual loans ⁽⁴⁾	116%	118%	164%
Reserves / period-end-loans ⁽⁵⁾	2.23%	2.74%	4.58%
Past due & non-accrual loans / period-end loans ⁽⁶⁾	1.92%	2.33%	2.78%

(1) Return on average assets is calculated by dividing net income by average assets.

(2) Return on average shareholder's equity is calculated by dividing net income by average shareholder's equity.

(3) Net charge-offs / average loans is calculated by dividing gross charge-offs less recoveries by full year average loans.

(4) Past due and non-accrual loans is based on the Call Report definitions (i.e. all balances that are 30 days past due and still accruing interest, plus all non-accrual loans).

(5) Reserves / period-end-loans is calculated by dividing the allowance for loan losses by total loans.

(6) Past due and non-accrual loans / period-end loans is calculated by dividing past due and non-accrual loans by total loans.

CAPITALIZATION OF AMERICAN EXPRESS CENTURION BANK

The following table sets forth AECB's capitalization as of December 31, 2012, 2011, and 2010. The table should be read in conjunction with AECB's Call Reports incorporated by reference herein.

(in millions)	As of December 31,		
	2012	2011	2010
Deposit liabilities	\$ 21,401	\$ 23,421	\$ 17,648
Debt:			
Bank notes	4,300	3,452	4,450
Total debt	\$ 4,300	\$ 3,452	\$ 4,450
Shareholder's equity:			
Capital surplus	\$ 897	\$ 897	\$ 897
Undivided profits and capital reserves	4,996	5,217	4,993
Total shareholder's equity	\$ 5,893	\$ 6,114	\$ 5,890
Total capitalization	\$ 31,594	\$ 32,987	\$ 27,988