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**AMERICAN EXPRESS REPORTS FOURTH QUARTER EPS OF \$1.01, UP 15% FROM A YEAR AGO**  
**CARDMEMBER SPENDING AT RECORD LEVELS**  
**EXPENSE GROWTH SLOWS**

(Millions, except per share amounts)

	Quarters Ended		Percentage	Years Ended		Percentage
	December 31,			December 31,		
	2011	2010	Inc/(Dec)	2011	2010	Inc/(Dec)
Total Revenues Net of Interest Expense	\$ 7,742	\$ 7,244	7 %	\$ 29,962	\$ 27,582	9 %
Income From Continuing Operations	\$ 1,192	\$ 1,062	12 %	\$ 4,899	\$ 4,057	21 %
Income From Discontinued Operations, net of tax <sup>1</sup>	\$ -	\$ -	- %	\$ 36	\$ -	# %
Net Income	\$ 1,192	\$ 1,062	12 %	\$ 4,935	\$ 4,057	22 %
Earnings Per Common Share – Diluted:						
Income From Continuing Operations Attributable to Common Shareholders <sup>2</sup>	\$ 1.01	\$ 0.88	15 %	\$ 4.09	\$ 3.35	22 %
Income from Discontinued Operations <sup>1</sup>	\$ -	\$ -	- %	\$ 0.03	\$ -	# %
Net Income Attributable to Common Shareholders <sup>2</sup>	\$ 1.01	\$ 0.88	15%	\$ 4.12	\$ 3.35	23 %
Average Diluted Common Shares Outstanding	1,163	1,194	(3) %	1,184	1,195	(1) %
Return on Average Equity	27.7 %	27.5 %		27.7 %	27.5 %	

# Denotes a variance of more than 100 %

New York – January 19, 2012 - **American Express Company (NYSE: AXP)** today reported fourth-quarter net income of \$1.2 billion, up 12 percent from \$1.1 billion in the year-ago period. Diluted earnings per share was \$1.01, up 15 percent from \$0.88 a year ago.

Consolidated total revenues net of interest expense were \$7.7 billion in the fourth quarter of 2011, up 7 percent from \$7.2 billion in the year-ago period. The increase largely reflected continued strong

<sup>1</sup> Income from discontinued operations primarily reflects the resolution of certain prior years’ tax items related to American Express Bank Ltd., which was sold to Standard Chartered PLC during Q1’08.

<sup>2</sup> Represents income from continuing operations or net income, as applicable, less earnings allocated to participating share awards and other items of \$14 million and \$12 million for the three months ended December 31, 2011 and 2010, and \$58 million and \$51 million for the twelve months ended December 31, 2011 and 2010, respectively.

growth in cardmember spending and higher travel commissions and fees. These increases were partially offset by a slight decrease in net interest income that reflected lower yields on the loan portfolio.

Adjusted for foreign currency translations, consolidated total revenues net of interest expense also rose 7 percent this quarter compared to a 6 percent increase (9 percent before adjustment) in the third quarter of 2011.<sup>3</sup>

Consolidated provisions for losses totaled \$409 million compared to \$239 million in the year-ago period. The provision increase reflected a larger reserve release in the year-ago period and higher loans outstanding in the current period, partially offset by lower net write-offs in the current period. Credit indicators continued to be at historically low levels.

Consolidated expenses totaled \$5.6 billion, up 1 percent from \$5.5 billion in the year-ago period. That increase was a significant reduction from the growth rates of recent quarters and reflected lower marketing and promotion expenses, slower increases in rewards costs and, as planned, slower growth in operating expenses. The current quarter results include \$49 million (\$32 million after-tax) of restructuring and other reengineering costs compared to \$113 million (\$74 million after-tax) from the year-ago period.

The effective tax rate was 32 percent, compared to 28 percent in the year-ago quarter.

The company's return on average equity (ROE) was 27.7 percent, up from 27.5 percent a year ago.

“Results for the quarter underscored the ability of our spend-centric model to generate revenue and earnings growth at a time when consumer behavior and regulations are changing the economics of the revolving credit business,” said Kenneth I. Chenault, chairman and chief executive officer, American Express.

“Cardmembers spent a record amount on their American Express cards, continuing a trend that has translated into overall share gains during the last two years. Billed business rose 11 percent, showing broad-based improvements from the strong levels of a year ago. Online spending was strong as we capitalized on the accelerating popularity of digital commerce. Revolving credit balances grew, but at a much slower rate than spending as Cardmembers continued to manage their debt and household finances more cautiously. Credit quality remained excellent, with past-due loans and write-offs at historically low levels.

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<sup>3</sup> This FX adjusted information, which constitutes non-GAAP financial measures, assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars (i.e., assumes the foreign exchange rates used to determine results for the three months ended December 31, 2011 and September 30, 2011 apply to the period(s) against which such results are being compared). The company believes the presentation of information on an F/X adjusted basis is helpful to investors by making it easier to compare the company's performance in one period to that of another period without the variability caused by fluctuations in currency exchange rates. Consolidated total revenues net of interest expense were \$7.6 billion in the third quarter of 2011 and \$7.0 billion in the third quarter of 2010.

“While we continued to make substantial investments in the business, we adjusted our budgets to reflect the end of the receipt of litigation-related payments and a diminishing benefit from reserve releases. As planned, operating expense growth declined significantly from the level of prior quarters.

“The overall recovery in the U.S. remains uneven and the environment in Europe continues to pose challenges for the global economy. But, we start 2012 from a position of strength and with a unique network that connects millions of consumers, merchants and businesses around the world. A network based on service, relationships, data and market insights is a tremendous asset for a digital age when the boundaries between online and offline commerce are being quickly redefined.”

## Segment Results

**U.S. Card Services** reported fourth-quarter net income of \$727 million, up 4 percent from \$700 million in the year-ago period.

Total revenues net of interest expense increased 5 percent to \$3.9 billion from \$3.7 billion in the year-ago period. The increase was driven by higher cardmember spending and slightly higher net interest income despite lower yields on the loan portfolio.

Provisions for losses totaled \$269 million, up from \$111 million in the year-ago period. The provision increase reflected a larger reserve release in the year-ago period and higher loans outstanding in the current period, partially offset by lower net write-offs in the current period. Credit indicators continued to be at historically low levels.

Total expenses decreased 4 percent. Marketing, promotion, rewards and cardmember services expenses remained flat to the year-ago period. Higher volume-related rewards and cardmember services costs were offset by lower marketing and promotion costs. Salaries and employee benefits and other operating expenses decreased 10 percent, primarily reflecting higher restructuring and other reengineering costs in the year-ago period.

The effective tax rate was 38 percent compared to 34 percent in the year-ago quarter.

**International Card Services** reported fourth-quarter net income of \$152 million, up 54 percent from \$99 million in the year-ago period.

Total revenues net of interest expense increased 8 percent to \$1.3 billion. The benefit from higher cardmember spending and revenues related to Loyalty Partner were partially offset by lower net interest income.

Provisions for losses totaled \$84 million, up 5 percent from \$80 million in the year-ago period.

Total expenses increased 5 percent, primarily reflecting the acquisition of Loyalty Partner earlier in the year. Marketing, promotion, rewards and cardmember services expenses rose 9 percent from year-ago levels, and included increased investments in marketing and promotion and higher volume-related

rewards costs. Salaries and employee benefits and other operating expenses increased 3 percent from year-ago levels.

The effective tax rate was (11) percent compared to 3 percent in the year-ago quarter. The decrease in rate in the current period was primarily due to the favorable resolution of certain prior years' tax items.

**Global Commercial Services** reported fourth-quarter net income of \$180 million, up 75 percent from \$103 million in the year-ago period.

Total revenues net of interest expense increased 11 percent to \$1.2 billion, from \$1.1 billion, reflecting increased spending by corporate cardmembers and higher travel commissions and fees.

Provisions for losses totaled \$35 million, up from \$30 million in the year-ago period.

Total expenses decreased 3 percent. Marketing, promotion, rewards and cardmember services expenses increased 13 percent from the year-ago period, primarily reflecting higher volume-related rewards costs. Salaries and employee benefits and other operating expenses decreased 5 percent from the year-ago period.

The effective tax rate was 35 percent compared to 26 percent in the year-ago quarter. The tax rate for the prior period reflected the impact of recurring permanent tax benefits in relation to the lower level of pre-tax income.

**Global Network & Merchant Services** reported fourth quarter net income of \$324 million, up 25 percent from \$259 million in the year-ago period.

Total revenues net of interest expense increased 12 percent to \$1.3 billion, from \$1.2 billion, reflecting higher merchant-related revenues driven by an increase in global cardmember spending, as well as an increase in revenues from Global Network Services' bank partners.

Total expenses increased 2 percent. Marketing, promotion, rewards and cardmember services expenses increased 5 percent from the year-ago period. Salaries and employee benefits and other operating expenses increased 2 percent.

The effective tax rate was 36 percent compared to 32 percent in the year-ago quarter.

**Corporate and Other** reported fourth-quarter net loss of \$191 million compared with a net loss of \$99 million in the year-ago period. The result for the current period reflected income of \$70 million (\$43 million after-tax) for the previously announced settlement of Visa litigation compared to the \$220 million (\$136 million after-tax) from both MasterCard and Visa settlements a year ago.

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**About American Express**

American Express is a global services company, providing customers with access to products, insights and experiences that enrich lives and build business success. Learn more at [americanexpress.com](http://americanexpress.com) and connect with us on [facebook.com/americanexpress](https://www.facebook.com/americanexpress), [foursquare.com/americanexpress](https://www.foursquare.com/americanexpress), [linkedin.com/companies/american-express](https://www.linkedin.com/companies/american-express), [twitter.com/americanexpress](https://twitter.com/americanexpress), and [youtube.com/americanexpress](https://www.youtube.com/americanexpress).

The 2011 Fourth Quarter/Full Year Earnings Supplement will be available today on the American Express website at <http://ir.americanexpress.com>. An investor conference call will be held at 5:00 p.m. (ET) today to discuss fourth-quarter earnings results. Live audio and presentation slides for the investor conference call will be available to the general public at the same website. A replay of the conference call will be available later today at the same website address.

This release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the company's expected business and financial performance and are subject to risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements due to a variety of factors, including those contained in the company's Annual Report on Form 10-K for the year ended December 31, 2010, its Quarterly Reports on Form 10-Q for the quarters ended March 31, June 30 and September 30, 2011, and the company's other filings with the Securities and Exchange Commission. 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.