FOR IMMEDIATE RELEASE

Media Contacts:
Marina H. Norville, marina.h.norville@aexp.com, +1.212.640.2832
Mike O'Neill, mike.o'neill@aexp.com, +1.212.640.5951

***Investors/Analysts Contacts*:**
Ken Paukowits, ken.f.paukowits@aexp.com , +1.212.640.6348
Rick Petrino, richard.petrino@aexp.com, +1.212.640.5574

AMERICAN EXPRESS REPORTS FOURTH-QUARTER EPS OF $0.56, DOWN FROM $1.01 A YEAR AGO

CARDMEMBER SPENDING, REVENUES AND CREDIT REMAIN STRONG

RESULTS CONSISTENT WITH PRE-ANNOUNCEMENT

(Millions, except percentages and per share amounts)

	Quarters Ended December 31,		Percentage Inc/(Dec)	Years Ended December 31,		Percentage Inc/(Dec)
	2012	2011		2012	2011	
Total Revenues Net of Interest Expense	$ 8,141	$ 7,742	5 %	$ 31,582	$ 29,962	5 %
Income From Continuing Operations	$ 637	$ 1,192	(47)%	$ 4,482	$ 4,899	(9)%
Income From Discontinued Operations, net of tax[1]	$ -	$ -	-	$ -	$ 36	#
Net Income	$ 637	$ 1,192	(47)%	$ 4,482	$ 4,935	(9)%
Earnings Per Common Share – Diluted:						
Income From Continuing Operations Attributable to Common Shareholders[2]	$ 0.56	$ 1.01	(45)%	$ 3.89	$ 4.09	(5)%
Income from Discontinued Operations[1]	$ -	$ -	-	$ -	$ 0.03	#
Net Income Attributable to Common Shareholders[2]	$ 0.56	$ 1.01	(45)%	$ 3.89	$ 4.12	(6)%
Average Diluted Common Shares Outstanding	1,116	1,163	(4)%	1,141	1,184	(4)%
Return on Average Equity	23.1 %	27.7 %		23.1 %	27.7 %	

# Denotes a variance of more than 100 %

New York – January 17, 2013 - **American Express Company (NYSE: AXP)** today reported fourth-quarter net income of $637 million, down 47 percent from $1.2 billion a year ago. Net income from the quarter included the restructuring charge, rewards expense and cardmember reimbursements that were announced last week. Diluted earnings per share was $0.56, down 45 percent from $1.01 a year ago.

[1] Income from discontinued operations primarily reflects benefits from the resolution of certain prior years' tax items related to American Express Bank Ltd., which was sold to Standard Chartered PLC during Q1'08.
[2] Represents income from continuing operations or net income, as applicable, less earnings allocated to participating share awards of $7 million and $14 million for the three months ended December 31, 2012 and 2011, respectively, and $49 million and $58 million for the twelve months ended December 31, 2012 and 2011, respectively.

Excluding these items, fourth-quarter adjusted net income was $1.2 billion, or $1.09 per share.[3]

Consolidated total revenues net of interest expense were $8.1 billion, up 5 percent from $7.7 billion a year ago. The increase was driven by an 8 percent rise in cardmember spending and higher net interest income that reflected growth in the cardmember loan portfolio.

Adjusted for foreign currency translations, consolidated total revenues net of interest expense rose 5 percent from a year ago.[4]

Consolidated provisions for losses totaled $638 million, up 56 percent from $409 million a year ago. The provision increase reflected higher reserve releases a year ago, partially offset by lower net write-offs in the current quarter. Credit indicators continued to be at historically low levels.

Consolidated expenses totaled $6.6 billion, up 18 percent from $5.6 billion a year ago. The increase primarily reflected the previously announced restructuring charge and Membership Rewards estimation process enhancements.

Adjusted for foreign currency translations, consolidated total expenses were up 17 percent from a year ago.[4]

Net income for the quarter reflected costs associated with the three previously announced items:

- A $400 million restructuring charge ($287 million after-tax) designed to contain future operating expenses, adapt parts of the business as more customers transact online or through mobile channels, and provide the resources for additional growth initiatives in the U.S. and internationally.

- A $342 million expense ($212 million after-tax) reflecting enhancements to the process that estimates future redemptions of Membership Rewards points by U.S. cardmembers.

- Approximately $153 million ($95 million after-tax) of cardmember reimbursements for various types of transactions dating back several years. This amount dealt with fees, interest and bonus rewards as well as an incremental expense related to the consent orders entered into with regulators last October.

The effective tax rate was 31 percent, down from 32 percent a year ago.

The company's return on average equity (ROE) was 23.1 percent, down from 27.7 percent a year ago.

“With higher fourth quarter revenues and cardmember spending, we ended 2012 in strong shape,” said Kenneth I. Chenault, chairman and chief executive officer. “Against the backdrop of an uneven economy, we capitalized on opportunities and continued to stay ahead of the trends that are reshaping our industry.

---

[3] Management believes adjusted net income and adjusted earnings per share, which are non-GAAP measures, provide useful metrics to evaluate the ongoing operating performance of the company. See Appendix V in the selected statistical tables for a reconciliation of adjusted net income and adjusted earnings per share.

[4] As reported in this release, F/X adjusted information, which constitute non-GAAP financial measures, assumes a constant exchange rate between the periods being compared for purposes of currency translation to U.S. dollars (i.e., assumes the foreign exchange rates used to determine results for the three months ended December 31, 2012 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.

"Since rebounding from the recession, we have gained share in a very competitive U.S. industry and enhanced the many benefits we provide cardmembers. We have improved our risk management capabilities, begun to tap additional revenue streams and deployed new technologies that let us serve a growing number of customers online and through their mobile phones. At the same time, we've expanded into new markets internationally and extended our presence well beyond the traditional American Express footprint. The investments we've made in the business are substantial, but we have also been able to contain the growth in overall operating expenses.

"We've made great progress in recent years, and we want to make sure we stay ahead of trends that present both enormous promise and complex challenges. New technologies are changing the way businesses operate, both online and in the physical world. While this evolution is still in the early stages for our industry, it continues to open up opportunities that play to our strengths. The restructuring program we announced last week is designed to help take advantage of them, while also playing an important role in our aim of holding annual operating expense increases to less than 3 percent for the next two years.[5] A lean operating structure is a critical advantage for any business. That, along with the flexibility to allocate resources toward growth initiatives, should put us in an even better position as we seek to deliver strong results for shareholders."

Segment Results

U.S. Card Services reported fourth-quarter net income of $423 million, down 42 percent from $727 million a year ago.

Total revenues net of interest expense increased 4 percent to $4.1 billion from $3.9 billion a year ago. The increase was driven by higher cardmember spending and higher net interest income, partially offset by the impact of cardmember reimbursements mentioned above.

Provisions for losses totaled $477 million, up 77 percent from $269 million a year ago, primarily reflecting higher reserve releases a year ago, partially offset by lower net write-offs in the current quarter. Credit indicators continued to be at historically low levels.

Total expenses increased 21 percent to $3.0 billion from $2.5 billion a year ago, primarily reflecting the Membership Rewards estimation process enhancements and cardmember reimbursements mentioned earlier.

The effective tax rate was 31 percent compared to 38 percent a year ago.

International Card Services reported fourth-quarter net income of $95 million, down 38 percent from $152 million a year ago.

Total revenues net of interest expense increased 5 percent to $1.4 billion from $1.3 billion a year ago, reflecting higher cardmember spending and fee revenues related to Loyalty Partner.

Provisions for losses totaled $99 million, up 18 percent from $84 million a year ago, primarily reflecting higher reserve releases in the prior year.

[5] Operating expenses represent salaries and employee benefits, professional services, occupancy and equipment, communications and other expenses

Total expenses increased 7 percent to $1.2 billion from $1.1 billion a year ago, primarily reflecting the restructuring charge mentioned earlier. Marketing, promotion, rewards and cardmember services costs increased 6 percent.

The effective tax rate was 14 percent compared to (11) percent a year ago. The year ago tax rate reflected the benefit from the resolution of certain prior years' tax items.

Global Commercial Services reported fourth-quarter net income of $65 million, down 64 percent from $180 million a year ago.

Total revenues net of interest expense increased 3 percent to $1.2 billion from a year ago, reflecting increased spending by corporate cardmembers, partially offset by lower travel commissions and fees.

Provisions for losses totaled $33 million, down 6 percent from $35 million a year ago.

Total expenses increased 19 percent to $1.0 billion from $872 million a year ago, primarily reflecting the restructuring charge and Membership Rewards estimation process enhancements mentioned earlier.

The effective tax rate was 54 percent compared to 35 percent a year ago. This quarter's tax rate reflected lower tax benefits from the restructuring charges in international markets.

Global Network & Merchant Services reported fourth-quarter net income of $354 million, up 9 percent from $324 million a year ago.

Total revenues net of interest expense increased 6 percent to $1.4 billion from $1.3 billion a year ago, reflecting higher merchant-related revenues driven by an increase in global cardmember spending.

Total expenses increased 2 percent to $812 million from $794 million a year ago, primarily reflecting the restructuring charge mentioned earlier.

The effective tax rate for the quarter was 36 percent, unchanged from a year ago.

Corporate and Other reported fourth quarter net loss of $300 million compared with a net loss of $191 million a year ago. The result for the current period reflected the restructuring charge mentioned earlier and the prior year included income of $70 million ($43 million after-tax) for the previously announced settlement of Visa litigation.

# # #

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 and connect with us on facebook.com/americanexpress, foursquare.com/americanexpress, linkedin.com/companies/american-express, twitter.com/americanexpress, and youtube.com/americanexpress.

Key links to products and services: charge and credit cards, business credit cards, travel services, gift cards, prepaid cards, merchant services, business travel, and corporate card

The 2012 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, 2011, its Quarterly Reports on Form 10-Q for the quarters ended March 31, June 30 and September 30, 2012 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.