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AMERICAN EXPRESS FIRST QUARTER EPS UP 33% to $0.97
REVENUES RISE 7% ON STRONG CARDMEMBER SPENDING
CREDIT QUALITY CONTINUES TO IMPROVE

(Millions, except per share amounts)

	Quarters Ended March 31, 2011	Quarters Ended March 31, 2010	Percentage Inc/(Dec)
Total Revenues Net of Interest Expense	$ 7,031	$ 6,560	7 %
Net Income	$ 1,177	$ 885	33 %
Earnings Per Common Share – Diluted:			
Net Income Attributable to Common Shareholders[1]	$ 0.97	$ 0.73	33 %
Average Diluted Common Shares Outstanding	1,198	1,191	1 %
Return on Average Equity	27.9 %	18.0 %	

New York – April 20, 2011 - **American Express Company (NYSE: AXP)** today reported first-quarter net income of $1.2 billion, up 33 percent from $885 million a year ago. Diluted earnings per share was $0.97, up 33 percent from $0.73 a year ago.

Consolidated total revenues net of interest expense were $7.0 billion, up 7 percent from $6.6 billion a year ago. The increase largely reflects higher cardmember spending and higher travel commissions and fees, partially offset by lower interest income due to a lower yield on the loan portfolio.

Consolidated provisions for losses totaled $97 million compared to $943 million in the year-ago period reflecting continued improvement in credit quality.

Consolidated expenses totaled $5.2 billion, up 19 percent from $4.4 billion a year ago. The increase reflected significant investments in business building initiatives, as well as higher rewards costs. The company's return on average equity (ROE) was 27.9 percent, up from 18.0 percent a year ago.

[1] Represents net income, less earnings allocated to participating share awards and other items of $14 million and $12 million for the three months ended March 31, 2011 and 2010, respectively.

“Record earnings this quarter reflect credit quality and billed business trends that are among the best we’ve seen,” said Kenneth I. Chenault, chairman and chief executive officer, American Express. “Cardmember spending was up 17 percent, with broad-based strength across all our businesses segments. After several years of decline, our lending portfolio leveled off and total revenues grew at the healthiest pace since before the recession.

“Continued improvement in credit quality strengthened our bottom line results and provided additional resources to enhance premium products, expand reward offerings and build technology that supports our best-in-class customer service.

“Our stepped up investment spending has helped us capitalize on opportunities during the early stages of the economic recovery and strengthen relationships with consumer, small business and corporate customers. By moving aggressively, we have also been able to expand our leadership role in online commerce, introduce the next generation of digital payments and deepen our relationships with merchants internationally.

“A good deal of our investment spending has been funded with the benefits of rapidly improving credit quality and payments from the settlement of litigation with MasterCard and Visa. Now, with credit losses at historical lows and settlement payments ending in the second and fourth quarter, we are moving forward with plans to slow the growth of our operating expenses towards the end of this year and into next.

“While the economic and regulatory environment remains uncertain, we are generating strong momentum across our businesses and are well positioned to deliver strong results for our shareholders.”

Segment Results

U.S. Card Services reported first-quarter net income of $555 million, up 34 percent from $414 million a year ago.

Total revenues net of interest expense increased 2 percent to $3.6 billion from $3.5 billion. Revenues reflect higher cardmember spending, partially offset by lower interest income due to a lower yield on the loan portfolio.

Provisions for losses totaled $47 million, down 93 percent from $687 million a year ago. The decline reflects continued improvement in credit quality.

Total expenses increased 21 percent. Marketing, promotion, rewards and cardmember services expenses increased 30 percent from the year-ago period, reflecting higher volume-related rewards costs and an increase in the ultimate redemption rate estimate for the U.S. Membership Rewards program due to increased cardmember engagement, as well as increased investments in marketing and promotions. Salaries and employee benefits and other operating expenses increased 8 percent from year-ago levels, reflecting a charge related to accounting for hedging the company’s fixed-rate debt compared to a benefit in the year-ago period, as well as various customer service initiatives and technology investments.

The effective tax rate was 39 percent compared to 37 percent in the year-ago quarter.

International Card Services reported first-quarter net income of $189 million, up 36 percent from $139 million a year ago.

Total revenues net of interest expense increased 6 percent to $1.2 billion, from $1.1 billion, reflecting higher cardmember spending, partially offset by lower interest income due to a lower yield on the loan portfolio.

Provisions for losses totaled $5 million, down 97 percent from $158 million a year ago. The decline reflects continued improvement in credit quality.

Total expenses increased 19 percent. Marketing, promotion, rewards and cardmember services expenses increased 16 percent from year-ago levels, reflecting higher volume-related rewards costs and co-brand expenses, as well as increased investments in marketing and promotion. Salaries and employee benefits and other operating expenses increased 20 percent from year-ago levels, partially reflecting customer service initiatives and technology investments.

The effective tax rate was 21 percent compared to 16 percent in the year-ago quarter.

Global Commercial Services reported first-quarter net income of $184 million, up 116 percent from $85 million a year ago.

Total revenues net of interest expense increased 16 percent to $1.1 billion, from $965 million, reflecting increased spending by corporate cardmembers and higher travel commissions and fees.

Provisions for losses totaled $23 million, down 71 percent from $78 million a year ago, reflecting continued improvement in credit quality, as well as increased provision associated with implementing an enhanced reserve methodology in the year-ago quarter.

Total expenses increased 9 percent. Marketing, promotion, rewards and cardmember services expenses increased 10 percent from the year-ago period, primarily reflecting higher volume-related rewards costs. Salaries and employee benefits and other operating expenses increased 9 percent from the year-ago period, reflecting increases in sales force expenses, as well as a charge related to accounting for hedging the company's fixed-rate debt compared to a benefit in the year-ago period.

The effective tax rate was 31 percent, consistent with the year-ago quarter.

Global Network & Merchant Services reported first quarter net income of $313 million, up 24 percent from $253 million a year ago.

Total revenues net of interest expense increased 16 percent to $1.1 billion, from $982 million, reflecting higher merchant-related revenues driven by an increase in global card spending, as well as an increase in revenues from Global Network Services' bank partners.

Total expenses increased 13 percent. Marketing, promotion, rewards and cardmember services expenses were consistent with the year-ago period. Salaries and employee benefits and other operating expenses increased 18 percent, reflecting business-building investments.

The effective tax rate was 34 percent compared to 36 percent in the year-ago quarter.

Corporate and Other reported first-quarter net loss of $64 million compared with net loss of $6 million a year ago, partially reflecting investments in Enterprise Growth Group initiatives. The results for both periods reflect income of $220 million ($136 million after-tax) for the previously announced MasterCard and Visa settlements.

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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 www.americanexpress.com and connect with us on www.facebook.com/americanexpress, www.twitter.com/americanexpress and www.youtube.com/americanexpress.

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

Cautionary Note Regarding Forward-Looking Statements

This supplement includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are subject to risks and uncertainties. The forward-looking statements, which address the company's expected business and financial performance, among other matters, contain words such as "believe," "expect," "estimate," "anticipate," "optimistic," "intend," "plan," "aim," "will," "may," "should," "could," "would," "likely," and similar expressions. 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. Factors that could cause actual results to differ materially from these forward-looking statements, include, but are not limited to, the following:

- changes in global economic and business conditions, including consumer and business spending, the availability and cost of credit, unemployment and political conditions, all of which may significantly affect spending on the Card, delinquency rates, loan balances and other aspects of our business and results of operations;
- changes in capital and credit market conditions, which may significantly affect the company's ability to meet its liquidity needs, access to capital and cost of capital, including changes in interest rates; changes in market conditions affecting the valuation of our assets; or any reduction in our credit ratings or those of our subsidiaries, which could materially increase the cost and other terms of our funding, restrict our access to the capital markets or result in contingent payments under contracts;
- litigation, such as class actions or proceedings brought by governmental and regulatory agencies (including the lawsuit filed against the company by the U.S. Department of Justice and certain state attorneys general), that could result in (i) the imposition of behavioral remedies against the company or the company's voluntarily making certain changes to its business practices, the effects of which in either case could have a material adverse impact on the company's financial performance; (ii) the imposition of substantial monetary damages in private actions against the company; and/or (iii) damage to the company's global reputation and brand;
- legal and regulatory developments wherever we do business, including legislative and regulatory reforms in the United States, such as the Dodd-Frank Act's stricter regulation of large, interconnected financial institutions, changes in requirements relating to securitization and the establishment of the Bureau of Consumer Financial Protection, which could make fundamental changes to many of our business practices or materially affect our capital requirements, results of operations, ability to pay dividends or repurchase our stock; or actions and potential future actions by the FDIC and credit rating agencies applicable to securitization trusts, which could impact the company's ABS program;
- changes in the substantial and increasing worldwide competition in the payments industry, including competitive pressure that may impact the prices we charge merchants that accept our Cards and the success of marketing, promotion or rewards programs;
- changes in technology or in our ability to protect our intellectual property (such as copyrights, trademarks, patents and controls on access and distribution), and invest in and compete at the leading edge of technological developments across our businesses,

including technology and intellectual property of third parties whom we rely on, all of which could materially affect our results of operations;

- data breaches and fraudulent activity, which could damage our brand, increase our costs or have regulatory implications, and changes in regulation affecting privacy and data security under federal, state and foreign law, which could result in higher compliance and technology costs to ourselves or our vendors;
- changes in our ability to attract or retain qualified personnel in the management and operation of the company's business, including any changes that may result from increasing regulatory supervision of compensation practices;
- changes in the financial condition and creditworthiness of our business partners, such as bankruptcies, restructurings or consolidations, involving merchants that represent a significant portion of our business, such as the airline industry, or our partners in Global Network Services or financial institutions that we rely on for routine funding and liquidity, which could materially affect our financial condition or results of operations;
- uncertainties associated with business acquisitions, including the ability to realize anticipated business retention, growth and cost savings or effectively integrate the acquired business into our existing operations;
- changes affecting the success of our reengineering and other cost control initiatives, such as the ability to execute plans during the year with respect to certain of the company's facilities, which may result in the company not realizing all or a significant portion of the benefits that we intend;
- the actual amount to be spent by the company on investments in the business, including on marketing, promotion, rewards and cardmember services and certain other operating expenses, which will be based in part on management's assessment of competitive opportunities and the company's performance and the ability to control and manage operating, infrastructure, advertising and promotion expenses as business expands or changes;
- the effectiveness of the company's risk management policies and procedures, including credit risk relating to consumer debt, liquidity risk in meeting business requirements and operational risks;
- changes affecting our ability to accept or maintain deposits due to market demand or regulatory constraints, such as changes in interest rates and regulatory restrictions on our ability to obtain deposit funding or offer competitive interest rates, which could affect our liquidity position and our ability to fund our business; and
- factors beyond our control such as fire, power loss, disruptions in telecommunications, severe weather conditions, natural disasters, terrorism, "hackers" or fraud, which could affect travel-related spending or disrupt our global network systems and ability to process transactions.

A further description of these uncertainties and other risks can be found in the company's Annual Report on Form 10-K for the year ended December 31, 2010 and the company's other reports filed with the SEC.