AMERICAN EXPRESS ANNUAL SHAREHOLDER MEETING
Ken Chenault Remarks
May 2, 2011

TITLE SLIDE

Good morning.

Welcome to our 2011 Annual Meeting of Shareholders. I'm very pleased you could join us today.

With me on the dais is Carol Schwartz, Secretary of the Company, who will assist me in conducting the meeting.

Now, before I comment on the Company's financial performance, Carol will read a statement called for under the securities laws.

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Thanks, Carol.

Let me begin today with our 2010 performance.

After the difficult environmental challenges of 2009, 2010 represented a turnaround year for the company.

HISTORICAL FINANCIAL PERFORMANCE

For 2010 we generated $4.1 billion of net income, EPS growth of 117%, managed revenue growth of 2%[1] and a Return on Equity of 28%.

Given the continuing softness and uncertainty across the global economy last year, I'm very proud of our performance.

Our profitability was strong, with net income back to the peak we hit in 2007; revenue growth strengthened during the second half of the year, helped by the performance of our investments; and our return on equity reflected the strength of our business model and our hard work to provide superior value to our customers.

In 2010 we also turned the corner in terms of our business metrics.

[1] On a GAAP basis, total revenue net of interest expense increased 13%.

HISTORICAL METRIC PERFORMANCE

Billed business, cards in force, and average cardmember spending all rebounded from 2009, and our billings clearly outperformed the pace of the economy overall.

At $713 billion, billed business for the full year was our highest ever, as was our average spend of over $13,000.

The one metric that remains in red is cardmember loans, which were down 1% for the year.[2]

As you can see, our balances have declined since 2008, but in 2010 we generally stabilized our loan levels.

This decline reflects a lower demand for lending across a number of countries and regions, along with our multi-year strategy to prioritize charge and co-brand products over proprietary lending.

FULL YEAR 2010 RELATIVE PERFORMANCE

On a relative basis the strength of our performance was quite clear.

Our total billings were more than double that of our nearest competitor, and our growth rate of 15% significantly outpaced all major issuers.

All these issuers saw lower managed loan levels during 2010, many by double digit rates, while our balances were generally flat, down only (1%)[2].

BILLINGS GROWTH - GLOBAL

Against our network competitors our growth outpaced both Visa and MasterCard's for credit and charge volumes, and also outpaced them including faster growing debit volumes.

AXP SHARE OF US PURCHASE VOLUME

In fact, our growth rates in the U.S. translated into a 160 basis point increase in our share of U.S. credit and charge purchase volume, our highest single year gain over the period shown here.

This outcome has been the result of a lot of hard work in an extremely competitive environment, along with our consistent investment in both cardmember and merchant value.

[2] Managed Basis. On a GAAP basis, worldwide loans increased 86%.

NET WRITE OFF RATE

In regards to credit, we ended the year with the lowest managed net write-off rate of our major competitors.

Our credit performance improved more quickly and consistently than other large issuers, allowing us to invest a substantial portion of this benefit into growth investments, while also dropping a significant portion to the bottom line.

2010 INVESTMENT PRIORITIES

Our growth investments in 2010 generally fell into three broad areas: growing our premium base of cardmembers and billings; driving volume growth across our network; and driving new revenues by leveraging our unique business model and company assets.

I believe we made strong progress in each category. Here are just a few examples.

GLOBAL PROPRIETARY NEW CARDS AND FIRST YEAR SPEND ACQUIRED

In 2010 new cards acquired across all of our proprietary products and geographies increased by 8%.

This is, of course, good news, but even more important is that we're bringing high value cardmembers into our franchise.

In fact, the cards we acquired this year are estimated to generate a 31% spend lift compared to the cards acquired in 2009.

As you can see, this strong performance was consistent across all card products and was the result of improvements in our targeting and segmentation capabilities, areas we've invested in over the last several years.

GLOBAL COVERAGE EXPANSION

We also drove growth by expanding our merchant base. We invested in expanding our sales force and client managers in Global Merchant Services and saw excellent results from this team.

Our new booked charge volume – defined as merchant volumes that are new to our franchise – rose by more than 25% for 2010.

2010 INVESTMENT PRIORITIES

The last investment priority was to drive new revenues by leveraging our unique business model and company assets.

To that end we launched or expanded a number of fee revenue initiatives such as Business Insights, which uses our data and analytics to bring value to merchants, and LoyaltyEdge, our white label loyalty solution.

We also invested in alternative payments capabilities such as our Serve platform (the rebranded name of our Revolution Money acquisition).

Growth in fee services is very attractive because these businesses leverage assets and capabilities that already exist across the company, and because they generate recurring revenues that are low risk and high margin.

Diversifying our revenue stream and expanding our network value were also a consideration in the two acquisitions we announced in 2010.

STRATEGIC ACQUISITIONS

Our acquisitions of Accertify and Loyalty Partner will serve to capitalize on our existing assets, while bringing in new customers, capabilities and revenue streams.
As a reminder, Accertify specializes in fraud management capabilities for online merchants, while Loyalty Partner develops and runs consumer and merchant reward programs outside of the U.S.

Loyalty Partner, in particular, will be a key means of expanding our international scale and relevance given their established base of 35 million customers outside of the U.S. and the potential to roll-out their model to other countries.

We intend to use both acquisitions to add value to existing customers, and as a distribution channel for current products and services.

2010 INVESTMENT PRIORITIES

Our financial performance in 2010 allowed us to accelerate our investment spending and I believe we did so productively.

So let me just wrap up 2010 with a couple of comments.

BLUE BOX

Despite a slow and uncertain economic environment during most of 2010, and a challenging competitive environment, we achieved record billings and best in class credit results.

We took full advantage of our earnings performance by substantially investing in key growth priorities across the company.

We acquired new cardmember and merchant customers, announced two significant acquisitions and made significant progress in our Enterprise Growth group.

Even as we ramped up investments our ongoing operating expenses were well controlled, and we continued to generate significant reengineering benefits across our major business processes.

Very importantly we maintained our historic commitment to customer service and saw our service metrics continue to improve.

For the fourth straight year we received the J.D. Power Award for highest credit card customer satisfaction in the U.S., and we received service recognitions in several other countries as well.

Now, while our performance was strong, we clearly faced challenges over the year, including on the regulatory and legal front. But I firmly believe we'll manage through these challenges appropriately and continue generating strong returns for our shareholders.

While our business model and growth potential are important drivers of my confidence, another contributing factor is the strength of our organization.

Our employees continue to be highly motivated. They are committed to winning, and winning the right way, in accordance with our values.

Given the challenges we face and the ambitious goals we have as a company, we must have motivated and committed people. And I'm proud to say we do.

Our goal as a leadership team over the last year was to navigate through the near-term challenges of the marketplace, while continuing to capitalize on our long-term growth opportunities. And I believe we achieved this goal.

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As we move into 2011 our organizational priorities are the same as they were for 2010 -- to:

ORGANIZATIONAL PRIORITIES FOR 2011

- Drive Growth
- Drive Efficiency
- And Deliver Superior Service.

Driving growth is critical to our profitability, our position in the marketplace and our long-term success.

Driving efficiency allows us to compete effectively and provides a funding source for future investments.

And Deliver Superior Service is about who we are as a company. It's about our customer commitment and it provides us with a significant competitive advantage.

While we have a great deal of work ahead of us, our first quarter results are a good sign of the momentum we've already generated against our goals.

We announced our results on April 20th and they were quite strong.

Q1 2011 HIGHLIGHTS

- We generated almost $1.2 billion in net income from continuing operations, up 33% from last year;
- Revenues net of interest expense grew by 7%;
- And our Return on Average Equity was 28%, compared to 18% last year.
- Worldwide Card billings grew by 17% on a reported basis and 15% on an FX adjusted basis.
- Our global net write-off rate fell to 3.7%, down 60 basis points from the fourth quarter, and 330 basis points from the first quarter last year;
- Finally, our capital ratios continue to be well above our regulatory benchmarks.

As a result of our capital strength we were advised in March that the Federal Reserve had no objection to the capital distribution plan we submitted. This plan includes resuming our share repurchase program, which we'll begin in the second quarter.

Unlike a number of large financial companies we didn't need to reinstate our dividend payments since we were able to manage through the crisis without eliminating or reducing our dividends to all of you.

We know that many shareholders rely on our dividend and it was important to our Board that we try to fulfill these expectations.

While the environment in 2011 has some ongoing challenges, I believe our performance in the first quarter puts us in a strong competitive position.

But, as a leadership team, we're not just focused on quarterly results. Our goal is to drive growth over all time periods – short, medium and long-term – since that is what truly generates sustained shareholder value.

And we know that our longer-term growth will not come from just maintaining the status quo.

To remain a leader we have to look for opportunities and innovations that will position us for growth for the next 3, 5, 10 or 20 years.

So, with that as context, I developed 5 areas of focus for the organization, 5 drivers we'll invest in to sustain our growth and relevance over the moderate to long-term. Here's a quick summary.

GROWTH DRIVERS

First is driving greater value to our merchant base.

Growing the scale and relevance of our network business is critical to the company's future.

To grow our merchant base and our share of global billings we have to continue to demonstrate the value that comes from being a member of the American Express network community.

We compete fairly and vigorously at this today, and we're sure to have to up our game even more going forward.

Merchants don't have to accept our products. They do so because we prove our value to them on a daily basis.

With the evolution taking place in consumer payment behavior we're competing against all forms of payment, both traditional and non-traditional, with new capabilities and services.
The bar will be raised for all payment networks, and I intend for us to remain the leader in driving value to the global merchant community.

The second growth driver is to expand our penetration of younger customers, women and minorities, thereby driving profitable spend onto our network.

There is tremendous potential across our current base, but as we look out over the next few years we're going to up our efforts to expand the demographics of our franchise in order to sustain our growth for the longer-term.
We're reprioritizing these customer segments over the short-term because we recognize they'll be drivers of growth over the moderate to long-term.

A healthy customer franchise is one that crosses demographic lines. And by targeting our prospects, and providing appropriate products and services to meet their needs, I believe we can tap into the considerable growth potential they represent.

Our third driver is to accelerate our growth outside of the U.S. through proprietary consumer, small business and corporate products, GNS partners and new payment alternatives.

Leadership across payments and services requires global presence and relevance. And, as we all know, the highest economic growth rates – both currently and as projected in the moderate term – are occurring outside of the U.S.

As a result of our investments, we've doubled the pretax income generated by our International business operations over the last 3 years.

We're very pleased with this performance because it has served to profitably diversify our revenues beyond the U.S., and it represents the success of our investment strategy over the last several years.

As we look to the moderate and long-term we know that our growth in certain countries will not be generated just by traditional cards, but will also come from alternative, mobile and online products.

We're already preparing for this eventuality and we expect that many of our core assets can and will be leveraged by any of the payment and service options we may offer.

The fourth growth objective is to make significant progress within our Enterprise Growth businesses.

Enterprise Growth is organized to execute against a number of major growth opportunities, including:

- expanding our portfolio of prepaid and alternative payments,
- launching our digital platform Serve and embedding it into partner channels, thereby expanding our position within digital payments,
- expanding our mobile capabilities and partnerships,
- and accelerating the scope and penetration of fee service revenues to new and existing customers.

We've taken a number of important steps against these objectives, including hiring key leaders such as Dan Schulman to drive our online, mobile and fee services initiatives.

We also brought existing businesses such as prepaid and Revolution Money under the Enterprise Growth umbrella in order to fully leverage their capabilities and potential.

Already this year we announced the launch of our Serve digital payments platform and our investment in Payfone, a leading mobile payment processor. In future quarters you'll see news on other Enterprise Growth initiatives, both in the U.S. and in other major countries.

The fifth growth driver is to increase our share of online billings and significantly transform our customers' digital experience.

As we all know, the marketplace has been transformed by the internet and its offspring, such as social media, search and P2P commerce.

Our overall goal is to be the payment provider of choice for customers' spending, whether that involves handing over a piece of plastic, clicking online or waving a mobile phone.

As we evolve our business models and processes more fully for the digital environment, we have the advantage of starting from a very strong base.

For 2010 we conservatively estimate that online billings across our merchant base were over $100 billion, with a growth rate of 20%+.

This spend outpaced our overall billings growth of 15%, a trend you'd expect given the increased shift to online sales.

Since most card issuers don't report their online spend, it's difficult to know online billings share with certainty.

But, based on our volumes and internal industry estimates, we believe, with volumes in excess of $100 billion, that we have the largest volume of online billings of all card issuers.

Our online volumes also exceeded that of Paypal, a payment network focused primarily online, and the perceived leader in this space.

I believe our existing products have a strong online presence because of the trust people have in our brand, our commitment to privacy, and our support of customers in the event of a dispute or fraud.

Given our strong position, we believe this gives us a long runway when it comes to future growth from online spending.

The digital evolution has changed the definition of scale, and I can assure you that we intend to add value, remain relevant and generate growth in this space.

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Taken together, I believe these five drivers represent the sustainable growth potential of the company for the moderate to long-term. And I believe they represent the transformation we'll need to make as we pursue that potential.

BLUE BOX

In closing my discussion of our performance, let me just say a few things.

As I discussed with you last year, my focus over the last 24 months has been on making sure our company navigated through challenging economic conditions in the best position possible, relative to our payments competitors and relative to the overall industry.

In the past our practice has been to not just "manage through" periods of weakness, but to build and invest so that we come out of a cycle stronger than we went in – and I believe we have.

Our business model, our combination of payment businesses, and our assets, capabilities and relationships are unique in the industry and I believe they improved our ability to navigate through the downturn, while also positioning us well for future growth.

We have sound strategies in place, with excellent people implementing them.

While we'll always face competitive and environmental challenges I'm very pleased with, and proud of, the position of the company today.

Unlike a number of companies that are firmly entrenched in traditional financial services, I believe our growth options and potential have far fewer limits.

In 2011 and beyond we have an opportunity to transform our 161 year old company for the digital environment and extend our leadership within payments and services.

With our commitment to shareholder value, our financial strength, our unique competitive advantages, the power of our brand and, most of all, the quality, character and commitment of our people, I believe we're more than up for this challenge.

Thank you.