American Express
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Thanks Ken.

This afternoon I'd like to talk to you about American Express's international businesses. I'll touch on the full range of the company's operations outside the United States, and I'll go into greater detail on our consumer business, which I manage.

AXP: THE INTERNATIONAL STORY

Over the next 30 minutes, you'll see that American Express has a large, diverse footprint in markets around the world.

We have a broad set of assets and capabilities that confer a distinct competitive advantage, and that we deploy in a flexible manner to respond to varying marketplace conditions.

These assets have enabled strong growth in our core businesses and are being used to expand into new adjacent businesses. By leveraging these assets and increasing investment levels, we have built tremendous momentum. And that momentum should be accelerated even further by some close-in growth initiatives.

AGENDA

I'll divide my talk today into three sections. First, I'll describe the company's international footprint. Then I'll take you through the performance of our international businesses. Finally, I'll spend some time on the strategy for further accelerating our growth.

Before I begin, I want to pause here to point out that, the financial information that is included throughout my presentation, reflects the results of our International Business Operations, which I'll refer to as IBO. This includes the ICS segment, and the international portions of the GNMS and GCS segments.[1] I wanted to share this aggregated view with you because we believe it presents a useful perspective on the performance of our international businesses.

AXP INTERNATIONAL - ACROSS THE PAYMENTS LANDSCAPE

Now that that's out of the way, let me start with our footprint: As in the United States, internationally, we cover the entire payments value chain. We are a merchant acquirer and processor. We are a payment issuer and

[1] The Company is presenting information on an IBO basis because management believes it presents a useful perspective on the performance of the Company's international businesses. International represents the sum of the Europe, Middle East and Africa (EMEA) region, the Japan, Asia/Pacific and Australia (JAPA) region and the Latin America, Caribbean and Canada (LACC) region to be set forth in the geographic operations footnote to the Company's 2010 consolidated financial statements. Due to system limitations related to geographic reporting prior to 2008, the Company is unable to identify the specific nature of the reconciling items related to amounts previously reported in the Company's financial statements and the IBO basis presentation. For additional information see Annex 5, 7, 8, and 10 in the accompanying presentation.

payment processor. And we operate a global network. But we don't necessarily participate in each of these functions in every market. In some cases, we substitute partnerships to carry out some of these roles where it makes sense. In fact, we tend to leverage partners even more actively outside the United States.

It's important to note that while we have a mix of global and local competitors who play in one or more of these fields, we are the only payment company that operates with any scale, across all parts of the payments landscape, on a global basis. And we are the largest global issuer in terms of billings.

Let me show you where we are.

GLOBAL PRESENCE: OVER 130 MARKETS

This is a snapshot of our global scope.

As you all know, economic growth rates are higher outside the US. What these statistics don't fully capture is the concentration of wealth creation. In the next decade, fully 90% of the growth of households earning more than $50,000 will be outside the US, according to a McKinsey study. And our footprint covers almost all of this.

We have a broad geographic presence in both issuing and acquiring – in over 130 markets, in all regions of the world.

The countries with a flag are those that are top ten markets in terms of payment volume for us. As you can see, major markets are distributed throughout North and South America, Asia, and Europe. This balanced distribution creates diversification that positions us to manage our business profitably through economic cycles. We also have good balance between more mature markets and growth markets. I'll speak more about the benefit of this diversification later.

INTERNATIONAL BUSINESS OPERATIONS – BUSIENSS GROWTH

When Ed Gilligan talked to you about our international business in the summer of 2004, he told you that we were going to invest to achieve stronger growth. We did invest, and here are the results.

Billings on our network increased 9%[2] annually over the past five years, and are now at a record high. Over the same period, International Business Operations pre-tax income grew at an annual rate of 14%[3] -- and is also at a record level. Considering the economic conditions that we, and the entire industry faced, we are pleased with these results.

STRONG NETWORK OF RELATIONSHIPS

Our success is based on a strong network of relationships – a network of communities that are mutually beneficial. Just to give you a feel for the size and scope of the components of this network outside the US, here are a few facts:

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[2] On a reported basis, billings grew 11%.

[3] Pre-tax income grew 16% on a reported IBO basis, 13% on an International basis and 4% on a consolidated GAAP basis.

- We have over 37 million consumer, small business, and corporate Cardmembers.
- Our merchant network is extensive and growing. We increased merchant locations by over 800,000 last year alone.
- We have an impressive array of Global Commercial Card clients including 83% of the Global Fortune 500.

  Growth in our Commercial Card billings volumes outside of the US has been strong. Some of this growth is a result of an increase in travel since the downturn. But it is also being driven by a focused effort to grow non-T&E spend, and an increased investment in our sales force.

- We have formed GNS partnerships with 121 financial institutions in 130 markets to issue cards or acquire merchants on our network
  and
- We have an impressive set of co-brand partnerships

PARTNERSHIP EXCELLENCE

In fact, we have 46 major airlines with which we have co-brand cards in either our proprietary or GNS businesses. In the last 18 months, we have renewed our contracts with most of our major airline co-brand partners including Air France / KLM, British Airways, and Singapore Airlines. And while we have signed several new co-brands in recent years, we have not lost a single airline co-brand partnership since 2002. This is perhaps the best measure of the strength of our partnerships and our joint commitment to grow these businesses together.

And on the right, you see a list of a few of the major financial institutions in our partner network. These are, as you can see, among the world's premier institutions.

STRONG NETWORK OF RELATIONSHIPS

While each component of the network is valuable in its own right, what is really powerful is how they work together to provide rich information and marketing assets that allow us to create value, and facilitate commerce among community members. This is the American Express network advantage.

UNIQUE CAPABILITIES AND ASSETS

Typically, we are not the largest issuer in any single market. However, our pan-international scope, and our focus on serving businesses and the affluent consumer, give us an opportunity to create the kind of cross-market scale, that would be impossible to realize on an individual market basis. This scale is enabled by the deployment of global platforms and capabilities that create competitive advantage for us as we compete locally.

The three key elements are Servicing, Sales & Marketing, and Infrastructure.

- Servicing is the foundation of our value proposition, and an enduring differentiator for us. We continually strive to extend our lead in servicing by meeting the expectations of very demanding customers, and by building personal relationships, and delivering experiences that our customers cannot get elsewhere. And it's paying off. The vast majority of our customers rate our service higher than that of the other cards in their wallets.

- The second key capability is Sales and Marketing where we create brand demand and develop products, services, and programs that allow us to attract, retain, and engage our customers. This drives our premium economics. And our Membership Rewards program delivers best in class value to customers and partners alike.
  And finally,
- Our global focus on serving businesses and affluent segments, allows us to build a global technical infrastructure to provide cost-effective support at market level. One example, Risk Management, gives us advanced capability that we can apply to markets across the world with a level of sophistication that would be prohibitively costly to duplicate on a market-by-market basis.

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Now that I've given you a brief description of our international presence, I'll talk you through our performance.

INTERNATIONAL BUSINESS OPERATIONS – FINANCIAL PERFORMANCE

Let's look at our International Business Operations performance overall.

There are a few points I'd like to make here.

First, IBO revenue[4] is at historic highs, and is continuing to grow.

Our IBO operating expenses[4] are well-controlled. We didn't waste the crisis. Rather, we took advantage of the economic slowdown to realign our expense base to drive revenues. This meant increasing our sales force, and reducing overhead. That realignment is now paying off for us.

IBO PTI[4] grew throughout the period, and is now at an all-time high.

And you are also seeing the benefit of geographic diversification. During the economic downturn, we were able to dial back investments in geographies and business segments that were hardest hit, and to increase investments in areas which were less impacted. The result is a strong performance.

Going forward, our job is to ensure IBO PTI continues to grow at a rate above the corporate targets. To do this, we will continue to manage expenses tightly, and drive strong credit performance, which have been key to recent results. But increasingly profit growth will need to be driven by revenue growth. Given our current momentum, the carryover impact of 2010 investment levels, and our investment opportunities going forward, we feel good about our prospects.

INTERNATIONAL BUSINESS OPERATIONS – CARDS IN FORCE AND BILLED BUSINESS

Looking at our cards in force and billings over the past five years, you can see that we turned in strong growth on both metrics, even through a tough economic time. And in 2010 we saw an increase in average spend per card that drove 15%[5] billings growth, with an 8% increase in cards.

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[4] See footnote 1 on page 1.

INTERNATIONAL BUSINESS OPERATIONS BILLINGS GROWTH VS. US

Of course, our international billings were adversely affected by the economic downturn, as they were in the US. International's spending did not fall as far, and so the recovery has not been as dramatic. But we are now growing at a healthy rate.

Overall, international grew faster throughout the period, benefiting from diversification, and access to faster growing economies.

INTERNATIONAL CARD SERVICES SEGMENT - LOANS

Here is a snapshot of Loan Volumes for our International Card Services business. We have experienced a sizeable drop in loan volumes and revolve rates since 2008. This is a result of consumer deleveraging, risk actions we took, and our investment strategy which shifted focus to transactor-oriented products. And while this trend has had an impact on our revenues, it has also produced a lower risk profile within our lending business. But I should point out that the lending business in international forms a smaller portion of our business compared to the US, due to differing consumer borrowing habits, and the greater penetration of GNS in international, where the partner – not Amex – holds the receivables. As a result of these characteristics, changes in loan volumes and write-offs have had less of an impact on the overall international results.

INTERNATIONAL CARD SERVICES SEGMENT – NET WRITE-OFF RATES

Looking at write off rates, the story is similar to that of billings. International write-off rates peaked lower than those in the US, and have recovered in synch with the US.

BLUE BOX MAP

Let me help you to get underneath these numbers by talking about four points:

- How international compares to the US – a market with which you are probably more familiar.
- How our performance breaks down by region.
- How we are doing in the growth markets.
  and
- How we decide which business model to use in each market.

INTERNATIONAL AND US: SIMILARITIES

I'll start by looking at how the US and international businesses are alike.

Fundamentally, our international consumer business shares many attributes with the US business.

- Both have differentially high-spending cardmember bases
- Both have valuable co-brand partnerships and competencies that are driving growth

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[5] On a reported basis, billings grew 19%.

- Both enjoy strong credit quality
  and
- Both are making excellent progress in the digital engagement of our customers.

INTERNATIONAL AND US: DIFFERENCES

Now let's look at some of the metrics that illustrate some of the differences between the two businesses.

- Spend velocity – a ratio of spending to borrowing – is higher in international. This reflects a lower propensity of consumers in international markets to borrow on credit cards.
- Outbound spend is strong at 19%, and is a result of our affluent traveler focus. The flipside of this is that we still have an opportunity to capture an even greater share of our cardmembers' every-day and local spend. And this is an opportunity we fully intend to go after in all our markets.
  and finally,
- In ICS, our premium product focus has led to a high average annual fee.

INTERNATIONAL BUSINESS OPERATIONS – REGIONAL OVERVIEW

Next, we'll look at how our performance breaks down by region.

I mentioned that we have a geographic breadth that allows us to make targeted investments where economies are more favorable. Here are some of the results:

- Europe has had modest volume growth, but with strong margins and low risk due to the fact that continental European markets tend to be more charge-oriented.
- Asia experienced rapid growth in billings with lower margins due to investments, strong growth in Asian emerging markets, and impressive growth in our GNS business in some key markets. Margins – expressed as a ratio to billings – are lower in GNS, but so are the capital requirements.
- And Latin America and Canada saw strong growth with strong margins. The region also had more credit volatility due to our lending businesses in Mexico and Canada. But the headline here is one of strong growth, and strong margins, that are healthy enough to deal with the region's volatility.

So as you can see, we are balanced geographically, and the results across the regions are strong.

GROWTH MARKETS

I also wanted to give you a closer look at how we are doing in what have become known as growth markets. This categorization recognizes that the BRIC markets – Brazil, Russia, India, and China – are not the only countries driving global growth. Joining the BRICs as the growth markets are Turkey, Mexico, Indonesia, and South Korea.

We are present in all these markets – albeit under differing operating models. In Mexico and India, we operate proprietary businesses while in the other six, we operate through strong local partners.

INTERNATIONAL BUSINESS OPERATIONS GROWTH MARKET PERFORMANCE

These graphs show our performance in three key metrics: billed business, cards in force, and IBO pre-tax income. Growth in all metrics is strong, and the absolute level of return is attractive.

Four growth markets – Mexico, Brazil, South Korea, and Turkey – have well-established payments industries. And three of them -- Mexico, Brazil, and South Korea -- are among our ten largest, and account for the majority of the growth markets' billings and profits.

The payments industries in Indonesia and Russia are smaller but growing rapidly. And we are well positioned with strong partners, and are growing well from a small base.

In India and China, the ultimate shape of the payments industry is still playing out. What is clear is that meeting the payments needs of 2.5 billion consumers will be enabled by new technologies and form factors. Mobile, prepaid, and peer-to-peer, will all figure prominently in the future of payments for these markets. We are working closely with Dan Schulman's Enterprise Growth team to ensure we have the right partnerships, licenses, and technical capabilities, to fully participate in these two critical markets.

Overall, we're pleased with this progress, but we continue to innovate our model to make sure we are well positioned in these important growth markets.

FLEXIBLE, MULTI-MODEL APPROACH

And now, I'll take you through the framework we use to decide which issuing model to adopt in each market.

We begin by looking at each market individually to decide whether we issue cards ourselves, or rely on an independent operator, or something on the spectrum in between.

In evaluating our options, we consider a range of factors:

- Does the market offer attractive and stable returns?
- Is the affluent segment large enough?
- How strong is the available marketing and credit data?
- Are there any large co-brand opportunities?
  and
- How best can we create strong merchant value?

Let me add that we are regularly re-evaluating our business models in light of changing market conditions, in order to ensure that they remain the most effective construct for us in each market.

Here, I thought it might be helpful to give you a few examples of how we applied the criteria I just mentioned to some of our markets.

MEXIC0: HIGH GROWTH PROPRIETARY MARKET

First let's look at Mexico.

This is a market that turned in healthy profits, even during the downturn. The credit bureau system is strong, and has been improving since the 90's. With AeroMexico, we have a powerful co-brand partner. And most importantly, in Mexico we provide strong merchant value, given the attractiveness of our brand and our relevance to the affluent segment.

Considering all of these attributes, we maintain Mexico as a proprietary market where we issue cards to consumers, businesses, and corporations. You can see that the business results in Mexico are very strong, with billings growth of 12%[6] annually, the highest billings share in the country, and a profit margin that is one of the healthiest on our network

AUSTRALIA: GNS AND PROPRIETARY

Australia is a market where we have a hybrid model, with proprietary and GNS operating in parallel.

We decided to pursue this hybrid model based on several key market characteristics:

- Australia has a large affluent segment, with a high affinity for rewards which matches well to our spend-centric business.
- Our operating margins are strong and stable.
- But the credit bureau contains limited information, so the big four banks have an advantage in terms of underwriting, and card distribution.

You are probably familiar with the regulatory intervention in Australia that began several years ago. Those new regulations certainly created challenges for the entire card industry — including American Express. As a result, many observers questioned the future of the industry in Australia. These results demonstrate that we were able to adjust our business model to respond to the regulatory environment.

For many years, we operated a proprietary-only business. To increase the rate of our market penetration, we signed all four major Australian banks to issue American Express cards along side us to consumers and small businesses. As a result, we have achieved annual growth in billings of 10%[7], and 36% in IBO PTI[8]. What's interesting to note about Australia, is that the GNS business is growing strongly, while our proprietary business continues to prosper. Our proprietary business is focused on co-brands – like those with Qantas and David Jones, the leading department store chain – affinity cards we issue to CPAs, lawyers and other professional associations, as well as a thriving small business card practice.

BRAZIL: PARTNERING FOR GROWTH

The third example I'll talk to you about is Brazil. This is a real success story for our bank partners and for us.

Brazil is a market with a history of economic volatility. Its financial sector is dominated by large local institutions, and it is from these institutions that most Brazilians get their credit cards. And that's in part

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[6] On a reported basis, billings grew 8%.
[7] On a reported basis, billings grew 16%.
[8] See footnote 1 on page 1.

because the country does not have a robust credit bureau system, so banks are in the best position to judge the credit-worthiness of their customers.

In Brazil, we have an independent operator agreement with Bradesco, but we have also signed licensing agreements with other banks to expand our reach. For example, Banco do Brasil and HSBC are now issuing cards on the American Express network in Brazil.

Importantly, Brazil's vast size makes merchant coverage a challenge, but Bradesco has the scope and the motivation to grow coverage for us. And they are doing that very successfully, having grown the number of merchant locations by 28% annually. Cards in force have grown over 14% annually, with billings growing at 12%[9]. We chose this period of July 2005 to June 2010 to show you the strong business results since we transferred our proprietary business to Bradesco.

Since then, our Brazilian business, in partnership with Bradesco and the other banks, has turned in strong volume and profit growth, with minimal capital requirements for American Express.

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Those are the three basic models we use to adapt our business to local conditions, and ensure that we maximize our relevance and earning potential in each market.

Now I'd like to turn to the future and talk briefly about how we plan to grow our businesses in international markets.

GROWING IN INTERNATIONAL

As pleased as we are with our progress and momentum, we feel we're only just beginning to realize the potential of our international franchise. I'd now like to spend some time reviewing some of our initiatives that we believe will contribute to accelerated momentum. Keeping it simple; we need to dramatically increase the number of customers we have outside the US.

We will do this by focusing on underpenetrated segments – like small business. We will continue to leverage partnerships both in co-brand and GNS to reach new customers. We will leverage our acquisition of Loyalty Partner, which we believe will bring in 100 million new customers. And alternative payments, especially in emerging markets, will be a source of dramatic growth in customer scale. We'll be working with the Enterprise Growth group under Dan Schulman which will play a key role in helping the company reach its earnings potential in these markets.

Our second imperative is to deepen our engagement with our customers. Key to this will be expanding merchant acceptance and utilization. Driving share gains in on-line commerce and building out our range of fee-based offerings – from insurance to loyalty.

I'll now take you through five key investment areas that will help bring this to life.

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[9] On a reported basis, billings grew 18%.

SMALL BUSINESSES SERVICES

First, let's talk about small business, which will be a major driver of growth for us going forward.

Compared to the US, where we have a well-developed, industry-leading program for small businesses, most of our markets outside the US are at a much earlier stage of development. This is an underserved segment that presents a terrific opportunity.

But we're not beginning from a standing start. We have a good base of business that is already outgrowing our consumer portfolio in international. But now is the time to capitalize on that base and expand dramatically. We have the experience of the US, and strong small business programs in a few international markets on which to build.

We understand the small business owner's needs, and how to leverage our assets to:

- Design products for business-sized spend
- Undertake commercial underwriting and relationship management for these businesses
- Conduct targeted merchant acquisition aligned to the specific needs of the small business segment, and
- Offer small business owners rewards and benefits that they can use to run their business, and motivate their employees.

While we are clearly playing from a position of strength, most of our competitors are still largely consumer-focused, and their products are, in reality, not much more than re-branded consumer products that don't address the specific needs of a small business owner.

DENTAL INDUSTRY –JAPAN

Another way we will accelerate growth is through industry-specific approaches. For example, in Japan, we built a network of dental suppliers and linked them to Dentists who now buy their supplies on an American Express card. You can see in the graphs that we can very quickly scale up both accounts and billings within an industry group. Once this system is in place, it eliminates billing and credit risk issues for the suppliers, and provides dentists with a simple bill-payment tool, cash flow management, and rewards for their business spending. This industry approach allows us to create a purpose-built merchant network which delivers very high-spending cards. In fact, the average annual spend on these cards is nearly $70,000 per account.

Ken mentioned that our strategy is targeted at acquiring billings rather than merely increasing cards in force. The Japanese dentist program is an example of this strategy in action. Only 4,200 cards are spending almost $300 million a year, and this base is growing.

This is one industry, in one market, so you can imagine the potential across international.

GROWTH THROUGH PARTNERS

Partners have been a critical component of our strategy over the last decade, and have generated a significant portion of our growth. With the strong foundation we have built, we now have an opportunity to take this growth to the next level, on two dimensions.

First, we can expand the reach of our current partnerships. As we have renewed many of our co-brand and financial institution deals, we have been aggressively adding new products, new channels, and increasingly, new markets to the agreements. Examples include adding Platinum cards and insurance products to co-brand portfolios, or expanding beyond original home markets. For example, we have recently broadened our Starwood co-brand partnership to include Canada and the UK, and brought the Delta Air Lines co-brand to Puerto Rico.

We are also reviewing all our key proprietary assets –

the reward programs, superior customer service capabilities, and premium products that drive our proprietary business – to determine how we can use these assets to power-up GNS partners to accelerate the growth of their American Express business, and to deliver on our shared brand promise. Sharing more of these assets provides a new way to more fully enable growth with these valuable partnerships -- especially in emerging growth markets.

EXPANDING MERCHANT COVERAGE

We have made significant progress in expanding our merchant coverage to new industries, and to new geographies. But we know that we have a way to go before we have all the coverage our customers want. And we are committed to building a network of coverage that meets the spending needs of our customers where they live, work, and travel.

I want to talk to you about initiatives already underway that are proving successful in substantially increasing our merchant coverage:

- In Spain, we extended our GNS partnership with La Caixa, one of the country's largest merchant acquirers. La Caixa's widespread presence across the market, affords them access to merchants we want, but could not reach, in a cost-effective way. La Caixa's focused efforts have already added 51,000 new merchants to our network in Spain, and they're only just getting started.
- In Brazil, Bradesco signed an agreement with Cielo, a large acquirer, to work with them in bringing merchants onto the American Express network. The result is that, in the past four months, we added over 130,000 active merchants -- a doubling of the number of active merchants in our Brazilian network.
- And in the UK, we have recently begun working with major acquirers to sign merchants in targeted industries and postcodes. After only a couple of months, this initiative has already delivered more than 31,000 new merchants.

You can expect to see more partnerships like this in other markets where we need to broaden our merchant base to support increased issuer activity both in our proprietary and GNS businesses.

DIGITIZE THE BUSINESS

Another growth initiative is to further digitize our business. We know that the more our customers move on-line, and onto mobile, the more growth we can drive through these more convenient, efficient, and relevant channels. We are also providing more opportunities across multiple markets for customers with new mobile apps and electronic wallets. And importantly, we are seeing significant increases in customer engagement and spending on-line.

As we provide more digital capabilities, we are creating efficiencies through paperless statements, on-line remittances, and on-line servicing.

Customer satisfaction is critically important to us. And given the heavy propensity of our international customers to travel, we absolutely have to provide superior service via on-line and mobile. We watch attitudes toward servicing closely, and I can tell you that customer satisfaction with service in digital channels, is on par with – or better than – our high levels of satisfaction through our traditional channels.

Our customers are able to interact with us through their channel of choice, which increasingly is digital. We see this trend in our existing customers, and even more markedly in our new customers. For example in the UK, two thirds of new cardmembers are acquired on-line, activate on-line, and turn to on-line for at least some of their servicing needs.

Different markets are in varying states of adoption, but one common trait they all share, is that digital is growing rapidly.

FEE-BASED REVENUE

Driving Fee Revenues is also a critical part of our strategy. Here is a look at international's revenue mix. You can see fee revenue already plays an important role in the revenue story, and we plan to make it grow even more rapidly.

We intend to do this:

- By continuing to strengthen our value proposition for fee-based products and pricing for that value,
- By innovating new products for our current customer base – expanding into new insurance products, for example.
- And by adding new sources of revenue beyond our current customer and product set

Ken mentioned Loyalty Partner. Let me take you through our thinking on this pending acquisition, starting with what led us to pursue a company in the loyalty industry.

WHY LOYALTY SERVICES?

We view coalition loyalty as an ideal vehicle for dramatically improving our customer scale in key markets. Payments will no longer be the only point of entry in our franchise. Loyalty Partner has 35 million consumer relationships in the three markets it operates in today.

We also see this adjacency as a meaningful source of growth in fee-based revenues.

At the heart of a loyalty program's model is the ability to provide demonstrable value to merchant partners, and share in that value – something that has long been core to our payments business.

We were also encouraged by the fact that the business model is centered around a number of competencies such as loyalty marketing and analytics, that we understand well.

COALITION LOYALTY STRUCTURE

To fully understand the opportunity, let's talk about the coalition loyalty business. This is a loyalty format that is largely unknown in the US, but popular and growing outside the US. Simply put, coalition loyalty is a format where multiple merchants join together, to operate a single loyalty program, with a single rewards currency. While coalition loyalty programs compete with single merchant programs, coalition loyalty programs have some significant advantages.

For consumers, known as collectors, it offers the opportunity to collect points on a single program for a large portion of their spend. This simplifies their life and allows them to accelerate points balances, and attain more meaningful rewards. Consumers also receive more relevant offers enabled by the rich data resources of the coalition.

Merchants, known as sponsors, receive a number of benefits for their investment in funding points. They gain access to a more compelling currency with which to drive loyalty and spend. They have access through the coalition, to rich data on customers -- <u>and prospects</u> -- to power their promotional marketing. And they also enjoy an operating cost advantage when compared to running a proprietary program.

The coalition operator, the role Loyalty Partner plays, builds valuable assets in the form of data rich, multi-channel marketing relationships, with tens of millions of consumers. The value of these assets is recognized through program management fees paid by the sponsors, and performance marketing commissions paid by the sponsors and other merchants, for driving increased sales.

LOYALTY PARTNER SYNERGIES

Finally, what are the synergies we expect from the acquisition of Loyalty Partner?

First and foremost, geographic expansion.

We expect our consumer, merchant, and infrastructure assets, to enable significant geographic expansion of Loyalty Partner's core businesses over the next several years. We are targeting at least an additional four markets by year-end 2015. And given this footprint, our goal is to expand our scale to over 100 million collectors. That's a step-function increase in scale.

Another important source of synergies is within our payments business. We believe data rich relationships with 100 million collectors will significantly enhance our ability to distribute our existing payments and insurance products in a targeted fashion.

As we move forward with Loyalty Partner, we will also look at creating new payment products powered by the coalition currency.

Additionally, there will be synergies with our Membership Rewards program that can both improve program appeal, and lower costs.

The last category of synergies, is the creation of new performance-based marketing services. These services could take the form of on-line aggregation, local merchant marketing services, and couponing. These services can add value to our broader merchant base, and would be enabled by location-based and mobile technology.

We are very excited about this acquisition, see it as a logical adjacency and, pending regulatory approval, hope to close this transaction in the first quarter.

AXP THE INTERNATIONAL STORY

I hope that in the last 30 minutes or so, I answered most of your questions on our strategy to grow the business outside the United States. Let me take a moment to recap:

- We have a large and diverse business in international, that has generated strong earnings and revenue growth,
- We have strong and differentiated set of assets and capabilities that position us well to compete.
- We bring these assets together in a flexible manner to meet a variety of marketplace conditions.
- This diversity and flexibility has delivered strong growth, reduced volatility and created excellent momentum, even through the challenges of the last few years.
- And finally, the potential for future growth is very strong. We have a number of compelling opportunities, which we are confident will build on our momentum to make international an even larger, more important part of American Express.

Thank you.