

(Preliminary)

American Express Company
Financial Summary
(Unaudited)

(Dollars in millions)

	Quarters Ended			Percentage Inc/(Dec)	Six Months Ended		Percentage Inc/(Dec)
	June 30,				June 30,		
	2001	2000		2001	2000		
<u>Net Revenues (Managed Basis) (A)</u>							
Travel Related Services	\$ 4,644	\$ 4,372	6 %	\$ 9,109	\$ 8,498	7 %	
American Express Financial Advisors	162	1,081	(85)	968	2,100	(54)	
American Express Bank	159	151	5	317	301	5	
	<u>4,965</u>	<u>5,604</u>	(11)	<u>10,394</u>	<u>10,899</u>	(5)	
Corporate and Other, including adjustments and eliminations	<u>(55)</u>	<u>(46)</u>	(18)	<u>(102)</u>	<u>(82)</u>	(23)	
CONSOLIDATED NET REVENUES (MANAGED BASIS) (A)	<u>\$ 4,910</u>	<u>\$ 5,558</u>	(12)	<u>\$ 10,292</u>	<u>\$ 10,817</u>	(5)	
<u>Pretax Income</u>							
Travel Related Services	\$ 730	\$ 721	1	\$ 1,467	\$ 1,353	8	
American Express Financial Advisors	(508)	397	-	(437)	752	-	
American Express Bank	18	10	84	32	17	84	
	<u>240</u>	<u>1,128</u>	(79)	<u>1,062</u>	<u>2,122</u>	(50)	
Corporate and Other	<u>(87)</u>	<u>(82)</u>	(7)	<u>(168)</u>	<u>(156)</u>	(8)	
PRETAX INCOME	<u>\$ 153</u>	<u>\$ 1,046</u>	(85)	<u>\$ 894</u>	<u>\$ 1,966</u>	(55)	
<u>Net Income</u>							
Travel Related Services	\$ 519	\$ 505	3	\$ 1,041	\$ 953	9	
American Express Financial Advisors	(307)	275	-	(256)	520	-	
American Express Bank	12	7	59	21	15	39	
	<u>224</u>	<u>787</u>	(72)	<u>806</u>	<u>1,488</u>	(46)	
Corporate and Other	<u>(46)</u>	<u>(47)</u>	2	<u>(90)</u>	<u>(92)</u>	3	
NET INCOME	<u>\$ 178</u>	<u>\$ 740</u>	(76)	<u>\$ 716</u>	<u>\$ 1,396</u>	(49)	

(A) Managed net revenues are reported net of interest expense, where applicable, and American Express Financial Advisors' provision for losses and benefits, and exclude the effect of TRS' securitization activities.

(Preliminary)

American Express Company
Financial Summary (continued)
(Unaudited)

	<u>Quarters Ended</u>		<u>Percentage</u>	<u>Six Months Ended</u>		<u>Percentage</u>
	<u>June 30,</u>			<u>June 30,</u>		
EARNINGS PER SHARE	<u>2001</u>	<u>2000</u>	<u>Inc/(Dec)</u>	<u>2001</u>	<u>2000</u>	<u>Inc/(Dec)</u>
<u>Basic</u>						
Earnings Per Common Share	<u>\$ 0.13</u>	<u>\$ 0.56</u>	(77) %	<u>\$ 0.54</u>	<u>\$ 1.05</u>	(49) %
Average common shares outstanding (millions)	<u>1,321</u>	<u>1,328</u>	(1)	<u>1,322</u>	<u>1,330</u>	(1)
<u>Diluted</u>						
Earnings Per Common Share	<u>\$ 0.13</u>	<u>\$ 0.54</u>	(76)	<u>\$ 0.53</u>	<u>\$ 1.03</u>	(49)
Average common shares outstanding (millions)	<u>1,336</u>	<u>1,361</u>	(2)	<u>1,340</u>	<u>1,361</u>	(2)
Cash dividends declared per common share	<u>\$ 0.08</u>	<u>\$ 0.08</u>	-	<u>\$ 0.16</u>	<u>\$ 0.16</u>	-

Selected Statistical Information
(Unaudited)

	<u>Quarters Ended</u>		<u>Percentage</u>	<u>Six Months Ended</u>		<u>Percentage</u>
	<u>June 30,</u>			<u>June 30,</u>		
	<u>2001</u>	<u>2000</u>	<u>Inc/(Dec)</u>	<u>2001</u>	<u>2000</u>	<u>Inc/(Dec)</u>
Return on Average Equity*	18.2 %	25.5 %	-	18.2 %	25.5 %	-
Common Shares Outstanding (millions)	1,324	1,333	(1)%	1,324	1,333	(1)%
Book Value per Common Share:						
Actual	\$ 8.88	\$ 7.88	13%	\$ 8.88	\$ 7.88	13%
Pro Forma*	\$ 8.84	\$ 8.26	7%	\$ 8.84	\$ 8.26	7%
Shareholders' Equity (billions)	\$ 11.8	\$ 10.5	12%	\$ 11.8	\$ 10.5	12%

* Excludes the effect on Shareholders' Equity of SFAS No. 115 and SFAS No. 133. The Company adopted SFAS No. 133 on January 1, 2001.

(Preliminary)

American Express Company
Financial Summary
(Unaudited)

(Dollars in millions)

	Quarters Ended				
	June 30, 2001	March 31, 2001	December 31, 2000	September 30, 2000	June 30, 2000
<u>Net Revenues (Managed Basis) (A)</u>					
Travel Related Services	\$ 4,644	\$ 4,465	\$ 4,543	\$ 4,400	\$ 4,372
American Express Financial Advisors	162	806	1,066	1,052	1,081
American Express Bank	159	158	144	146	151
	<u>4,965</u>	<u>5,429</u>	<u>5,753</u>	<u>5,598</u>	<u>5,604</u>
Corporate and Other, including adjustments and eliminations	<u>(55)</u>	<u>(48)</u>	<u>(39)</u>	<u>(44)</u>	<u>(46)</u>
CONSOLIDATED NET REVENUES (MANAGED BASIS) (A)	<u>\$ 4,910</u>	<u>\$ 5,381</u>	<u>\$ 5,714</u>	<u>\$ 5,554</u>	<u>\$ 5,558</u>
<u>Pretax Income</u>					
Travel Related Services	\$ 730	\$ 737	\$ 641	\$ 721	\$ 721
American Express Financial Advisors	(508)	70	344	387	397
American Express Bank	18	14	8	8	10
	<u>240</u>	<u>821</u>	<u>993</u>	<u>1,116</u>	<u>1,128</u>
Corporate and Other	<u>(87)</u>	<u>(80)</u>	<u>(80)</u>	<u>(87)</u>	<u>(82)</u>
PRETAX INCOME	<u>\$ 153</u>	<u>\$ 741</u>	<u>\$ 913</u>	<u>\$ 1,029</u>	<u>\$ 1,046</u>
<u>Net Income</u>					
Travel Related Services	\$ 519	\$ 522	\$ 470	\$ 507	\$ 505
American Express Financial Advisors	(307)	51	242	269	275
American Express Bank	12	9	6	7	7
	<u>224</u>	<u>582</u>	<u>718</u>	<u>783</u>	<u>787</u>
Corporate and Other	<u>(46)</u>	<u>(44)</u>	<u>(41)</u>	<u>(46)</u>	<u>(47)</u>
NET INCOME	<u>\$ 178</u>	<u>\$ 538</u>	<u>\$ 677</u>	<u>\$ 737</u>	<u>\$ 740</u>

(A) Managed net revenues are reported net of interest expense, where applicable, and American Express Financial Advisors' provision for losses and benefits, and exclude the effect of TRS' securitization activities.

(Preliminary)

American Express Company
Financial Summary (continued)
(Unaudited)

	Quarters Ended				
	June 30, <u>2001</u>	March 31, <u>2001</u>	December 31, <u>2000</u>	September 30, <u>2000</u>	June 30, <u>2000</u>
EARNINGS PER SHARE					
<u>Basic</u>					
Earnings Per Common Share	\$ 0.13	\$ 0.41	\$ 0.51	\$ 0.56	\$ 0.56
Average common shares outstanding (millions)	<u>1,321</u>	<u>1,323</u>	<u>1,322</u>	<u>1,326</u>	<u>1,328</u>
<u>Diluted</u>					
Earnings Per Common Share	\$ 0.13	\$ 0.40	\$ 0.50	\$ 0.54	\$ 0.54
Average common shares outstanding (millions)	<u>1,336</u>	<u>1,344</u>	<u>1,355</u>	<u>1,361</u>	<u>1,361</u>
Cash dividends declared per common share	<u>\$ 0.08</u>	<u>\$ 0.08</u>	<u>\$ 0.08</u>	<u>\$ 0.08</u>	<u>\$ 0.08</u>

Selected Statistical Information
(Unaudited)

	Quarters Ended				
	June 30, <u>2001</u>	March 31, <u>2001</u>	December 31, <u>2000</u>	September 30, <u>2000</u>	June 30, <u>2000</u>
Return on Average Equity*	18.2%	23.5%	25.3%	25.5%	25.5%
Common Shares Outstanding (millions)	1,324	1,326	1,326	1,329	1,333
Book Value per Common Share:					
Actual	\$ 8.88	\$ 9.02	\$ 8.81	\$ 8.44	\$ 7.88
Pro Forma*	\$ 8.84	\$ 8.94	\$ 8.92	\$ 8.68	\$ 8.26
Shareholders' Equity (billions)	\$ 11.8	\$ 12.0	\$ 11.7	\$ 11.2	\$ 10.5

* Excludes the effect on Shareholders' Equity of SFAS No. 115 and SFAS No. 133. The Company adopted SFAS No. 133 on January 1, 2001.

(Preliminary)

Travel Related Services
Statements of Income
(Unaudited, Managed Basis)

(Dollars in millions)

	Quarters Ended		Percentage Inc/(Dec)
	June 30, <u>2001</u>	<u>2000</u>	
Net Revenues:			
Discount Revenue	\$ 2,007	\$ 1,949	3.0 %
Net Card Fees	420	411	2.2
Lending:			
Finance Charge Revenue	1,159	948	22.3
Interest Expense	408	385	6.1
Net Finance Charge Revenue	751	563	33.4
Travel Commissions and Fees	427	507	(15.8)
Travelers Cheque Investment Income	100	98	2.2
Other Revenues	939	844	11.2
Total Net Revenues	<u>4,644</u>	<u>4,372</u>	6.2
Expenses:			
Marketing and Promotion	269	345	(22.1)
Provision for Losses and Claims:			
Charge Card	320	344	(7.3)
Lending	564	332	69.7
Other	25	28	(8.4)
Total	909	704	29.0
Charge Card Interest Expense	383	350	9.5
Human Resources	1,053	1,048	0.5
Other Operating Expenses	1,300	1,204	8.0
Total Expenses	<u>3,914</u>	<u>3,651</u>	7.2
Pretax Income	730	721	1.2
Income Tax Provision	211	216	(2.4)
Net Income	<u>\$ 519</u>	<u>\$ 505</u>	2.8

These Statements of Income are provided on a Managed Basis for analytical purposes only. They present the income statements of TRS as if there had been no securitization transactions. On a GAAP reporting basis, TRS recognized pretax gains of \$84 million (\$55 million after-tax) and \$80 million (\$52 million after-tax) in the second quarters of 2001 and 2000, respectively, related to the securitization of U.S. receivables. These gains were invested in card acquisition activities and had no material impact on Net Income or Total Expenses in either quarter. For purposes of this presentation such gains and corresponding changes in Marketing and Promotion and Other Operating Expenses have been eliminated in each quarter.

(Preliminary)

Travel Related Services
Statements of Income
(Unaudited, GAAP Reporting Basis)

(Dollars in millions)

	Quarters Ended		Percentage Inc/(Dec)
	June 30, <u>2001</u>	<u>2000</u>	
Net Revenues:			
Discount Revenue	\$ 2,007	\$ 1,949	3.0 %
Net Card Fees	404	411	(1.8)
Lending:			
Finance Charge Revenue	467	500	(6.5)
Interest Expense	267	258	3.4
Net Finance Charge Revenue	200	242	(17.1)
Travel Commissions and Fees	427	507	(15.8)
Travelers Cheque Investment Income	100	98	2.2
Other Revenues	1,358	1,117	21.6
Total Net Revenues	<u>4,496</u>	<u>4,324</u>	4.0
Expenses:			
Marketing and Promotion	320	393	(18.7)
Provision for Losses and Claims:			
Charge Card	319	302	5.7
Lending	346	170	#
Other	25	28	(8.4)
Total	690	500	38.0
Charge Card Interest Expense	387	295	31.4
Net Discount Expense	(17)	131	-
Human Resources	1,053	1,048	0.5
Other Operating Expenses	1,333	1,236	7.9
Total Expenses	<u>3,766</u>	<u>3,603</u>	4.6
Pretax Income	730	721	1.2
Income Tax Provision	211	216	(2.4)
Net Income	<u>\$ 519</u>	<u>\$ 505</u>	2.8

Denotes a variance of more than 100%.

(Preliminary)

Travel Related Services
Selected Statistical Information
(Unaudited)

(Amounts in billions, except percentages and where indicated)

	Quarters Ended		Percentage Inc/(Dec)
	June 30, <u>2001</u>	<u>2000</u>	
Total Cards in Force (millions):			
United States	34.6	32.5	6.6 %
Outside the United States	19.7	16.9	16.1
Total	<u>54.3</u>	<u>49.4</u>	9.9
Basic Cards in Force (millions):			
United States	26.9	25.3	6.3
Outside the United States	15.0	12.9	16.1
Total	<u>41.9</u>	<u>38.2</u>	9.6
Card Billed Business:			
United States	\$ 58.8	\$ 55.8	5.3
Outside the United States	18.5	18.7	(0.7)
Total	<u>\$ 77.3</u>	<u>\$ 74.5</u>	3.8
Average Discount Rate (A)	2.67 %	2.69 %	-
Average Basic Cardmember Spending (dollars) (A)	\$ 1,986	\$ 2,085	(4.7)
Average Fee per Card - Managed (dollars) (A)	\$ 34	\$ 36	(5.6)
Non-Amex Brand (B):			
Cards in Force (millions)	0.7	0.6	9.6
Billed Business	\$ 0.8	\$ 0.7	17.0
Travel Sales	\$ 4.9	\$ 6.2	(20.4)
Travel Commissions and Fees/Sales (C)	8.7 %	8.2 %	-
Travelers Cheque:			
Sales	\$ 6.5	\$ 6.7	(3.5)
Average Outstanding	\$ 6.5	\$ 6.5	(0.9)
Average Investments	\$ 6.5	\$ 6.2	5.8
Tax Equivalent Yield	9.0 %	8.9 %	-
Total Debt	\$ 37.6	\$ 31.1	21.1
Shareholder's Equity	\$ 6.7	\$ 6.0	12.4
Return on Average Equity (D)	32.0 %	32.2 %	-
Return on Average Assets (E)	3.0 %	3.0 %	-

(A) Computed from proprietary card activities only.

(B) This data relates to Visa and Eurocards issued in connection with joint venture activities.

(C) Computed from information provided herein.

(D) Excludes the effect on Shareholder's Equity of SFAS No. 115 and SFAS No. 133. The Company adopted SFAS No. 133 on January 1, 2001.

(E) Excludes the effect on total assets of SFAS No. 115 and SFAS No. 133 to the extent that they directly affect Shareholder's Equity.

(Preliminary)

Travel Related Services
Selected Statistical Information (continued)
(Unaudited, Managed Basis)

(Amounts in billions, except percentages and where indicated)

	Quarters Ended		Percentage Inc/(Dec)
	June 30,		
	<u>2001</u>	<u>2000</u>	
Charge Card Receivables:			
Total Receivables	\$ 26.1	\$ 27.4	(4.7) %
90 Days Past Due as a % of Total	2.9 %	2.4 %	-
Loss Reserves (millions)	\$ 1,034	\$ 986	4.8
% of Receivables	4.0 %	3.6 %	-
% of 90 Days Past Due	138 %	153 %	-
Net Loss Ratio	0.42 %	0.36 %	-
U.S. Lending:			
Total Loans	\$ 31.2	\$ 25.9	20.3
Past Due Loans as a % of Total:			
30-89 Days	1.9 %	1.6 %	-
90+ Days	1.0 %	0.8 %	-
Loss Reserves (millions):			
Beginning Balance	\$ 907	\$ 689	31.5
Provision	495	268	84.4
Net Charge-Offs/Other	(443)	(271)	62.9
Ending Balance	<u>\$ 959</u>	<u>\$ 686</u>	39.8
% of Loans	3.1 %	2.6 %	-
% of Past Due	107 %	109 %	-
Average Loans	\$ 30.3	\$ 25.2	19.9
Net Write-Off Rate	5.7 %	4.4 %	-
Net Interest Yield	8.6 %	7.4 %	-

(Preliminary)

Travel Related Services
Statements of Income
(Unaudited, Managed Basis)

(Dollars in millions)

	Quarters Ended				
	June 30, 2001	March 31, 2001	December 31, 2000	September 30, 2000	June 30, 2000
Net Revenues:					
Discount Revenue	\$ 2,007	\$ 1,925	\$ 2,062	\$ 1,963	\$ 1,949
Net Card Fees	420	422	417	420	411
Lending:					
Finance Charge Revenue	1,159	1,120	1,090	1,052	948
Interest Expense	408	429	448	429	385
Net Finance Charge Revenue	751	691	642	623	563
Travel Commissions and Fees	427	418	442	433	507
Travelers Cheque Investment Income	100	98	95	103	98
Other Revenues	939	911	885	858	844
Total Net Revenues	4,644	4,465	4,543	4,400	4,372
Expenses:					
Marketing and Promotion	269	296	314	358	345
Provision for Losses and Claims:					
Charge Card	320	285	262	273	344
Lending	564	501	432	386	332
Other	25	24	19	29	28
Total	909	810	713	688	704
Charge Card Interest Expense	383	393	383	362	350
Human Resources	1,053	1,034	1,046	1,017	1,048
Other Operating Expenses	1,300	1,195	1,446	1,254	1,204
Total Expenses	3,914	3,728	3,902	3,679	3,651
Pretax Income	730	737	641	721	721
Income Tax Provision	211	215	171	214	216
Net Income	\$ 519	\$ 522	\$ 470	\$ 507	\$ 505

These Statements of Income are provided on a Managed Basis for analytical purposes only. They present the income statements of TRS as if there had been no securitization transactions. On a GAAP reporting basis, TRS recognized pretax gains of \$84 million (\$55 million after-tax) in the second quarter of 2001, \$42 million (\$27 million after-tax) in the first quarter of 2001, \$26 million (\$17 million after-tax) in the third quarter of 2000 and \$80 million (\$52 million after-tax) in the second quarter of 2000, related to the securitization of U.S. receivables. These gains were invested in card acquisition activities and had no material impact on Net Income or Total Expenses in any quarter. For purposes of this presentation such gains and corresponding changes in Marketing and Promotion and Other Operating Expenses have been eliminated in each quarter.

(Preliminary)

Travel Related Services
Statements of Income
(Unaudited, GAAP Reporting Basis)

(Dollars in millions)

	Quarters Ended				
	June 30, <u>2001</u>	March 31, <u>2001</u>	December 31, <u>2000</u>	September 30, <u>2000</u>	June 30, <u>2000</u>
Net Revenues:					
Discount Revenue	\$ 2,007	\$ 1,925	\$ 2,062	\$ 1,963	\$ 1,949
Net Card Fees	404	422	417	418	411
Lending:					
Finance Charge Revenue	467	518	498	504	500
Interest Expense	267	278	277	272	258
Net Finance Charge Revenue	200	240	221	232	242
Travel Commissions and Fees	427	418	442	433	507
Travelers Cheque Investment Income	100	98	95	103	98
Other Revenues	1,358	1,223	1,184	1,190	1,117
Total Net Revenues	<u>4,496</u>	<u>4,326</u>	<u>4,421</u>	<u>4,339</u>	<u>4,324</u>
Expenses:					
Marketing and Promotion	320	321	314	373	393
Provision for Losses and Claims:					
Charge Card	319	249	228	236	302
Lending	346	287	277	267	170
Other	25	24	19	29	28
Total	690	560	524	532	500
Charge Card Interest Expense	387	349	336	312	295
Net Discount Expense	(17)	113	114	119	131
Human Resources	1,053	1,034	1,046	1,017	1,048
Other Operating Expenses	1,333	1,212	1,446	1,265	1,236
Total Expenses	<u>3,766</u>	<u>3,589</u>	<u>3,780</u>	<u>3,618</u>	<u>3,603</u>
Pretax Income	730	737	641	721	721
Income Tax Provision	211	215	171	214	216
Net Income	<u>\$ 519</u>	<u>\$ 522</u>	<u>\$ 470</u>	<u>\$ 507</u>	<u>\$ 505</u>

(Preliminary)

Travel Related Services
Selected Statistical Information
(Unaudited)

(Amounts in billions, except percentages and where indicated)

	Quarters Ended				
	June 30, 2001	March 31, 2001	December 31, 2000	September 30, 2000	June 30, 2000
Total Cards in Force (millions):					
United States	34.6	34.2	33.3	32.9	32.5
Outside the United States	19.7	19.0	18.4	17.5	16.9
Total	<u>54.3</u>	<u>53.2</u>	<u>51.7</u>	<u>50.4</u>	<u>49.4</u>
Basic Cards in Force (millions):					
United States	26.9	26.9	26.3	25.8	25.3
Outside the United States	15.0	14.4	13.9	13.4	12.9
Total	<u>41.9</u>	<u>41.3</u>	<u>40.2</u>	<u>39.2</u>	<u>38.2</u>
Card Billed Business:					
United States	\$ 58.8	\$ 55.6	\$ 59.0	\$ 56.2	\$ 55.8
Outside the United States	18.5	18.4	20.0	18.6	18.7
Total	<u>\$ 77.3</u>	<u>\$ 74.0</u>	<u>\$ 79.0</u>	<u>\$ 74.8</u>	<u>\$ 74.5</u>
Average Discount Rate (A)	2.67 %	2.68 %	2.69 %	2.70 %	2.69 %
Average Basic Cardmember Spending (dollars) (A)	\$ 1,986	\$ 1,933	\$ 2,113	\$ 2,041	\$ 2,085
Average Fee per Card - Managed (dollars) (A)	\$ 34	\$ 35	\$ 35	\$ 36	\$ 36
Non-Amex Brand (B):					
Cards in Force (millions)	0.7	0.6	0.6	0.6	0.6
Billed Business	\$ 0.8	\$ 0.8	\$ 1.1	\$ 0.8	\$ 0.7
Travel Sales	\$ 4.9	\$ 5.0	\$ 5.5	\$ 5.4	\$ 6.2
Travel Commissions and Fees/Sales (C)	8.7 %	8.4 %	8.0 %	8.0 %	8.2 %
Travelers Cheque:					
Sales	\$ 6.5	\$ 5.0	\$ 5.1	\$ 7.7	\$ 6.7
Average Outstanding	\$ 6.5	\$ 6.1	\$ 6.2	\$ 6.9	\$ 6.5
Average Investments	\$ 6.5	\$ 6.3	\$ 6.2	\$ 6.7	\$ 6.2
Tax Equivalent Yield	9.0 %	9.1 %	9.1 %	8.8 %	8.9 %
Total Debt	\$ 37.6	\$ 35.5	\$ 40.0	\$ 35.2	\$ 31.1
Shareholder's Equity	\$ 6.7	\$ 6.7	\$ 6.6	\$ 6.3	\$ 6.0
Return on Average Equity (D)	32.0 %	33.0 %	33.0 %	32.6 %	32.2 %
Return on Average Assets (E)	3.0 %	3.1 %	3.0 %	3.0 %	3.0 %

(A) Computed from proprietary card activities only.

(B) This data relates to Visa and Eurocards issued in connection with joint venture activities.

(C) Computed from information provided herein.

(D) Excludes the effect on Shareholder's Equity of SFAS No. 115 and SFAS No. 133. The Company adopted SFAS No. 133 on January 1, 2001.

(E) Excludes the effect on total assets of SFAS No. 115 and SFAS No. 133 to the extent that they directly affect Shareholder's Equity.

(Preliminary)

Travel Related Services
Selected Statistical Information (continued)
(Unaudited, Managed Basis)

(Amounts in billions, except percentages and where indicated)

	Quarters Ended				
	June 30, <u>2001</u>	March 31, <u>2001</u>	December 31, <u>2000</u>	September 30, <u>2000</u>	June 30, <u>2000</u>
Charge Card Receivables:					
Total Receivables	\$ 26.1	\$ 26.4	\$ 29.0	\$ 28.1	\$ 27.4
90 Days Past Due as a % of Total	2.9%	2.7 %	2.3 %	2.3 %	2.4 %
Loss Reserves (millions)	\$ 1,034	\$ 1,004	\$ 964	\$ 987	\$ 986
% of Receivables	4.0 %	3.8 %	3.3 %	3.5 %	3.6 %
% of 90 Days Past Due	138 %	139 %	142 %	152 %	153 %
Net Loss Ratio	0.42 %	0.35 %	0.36 %	0.37 %	0.36 %
U.S. Lending:					
Total Loans	\$ 31.2	\$ 30.2	\$ 28.7	\$ 27.1	\$ 25.9
Past Due Loans as a % of Total:					
30-89 Days	1.9 %	2.0 %	1.9 %	1.8 %	1.6 %
90+ Days	1.0 %	0.9 %	0.9 %	0.8 %	0.8 %
Loss Reserves (millions):					
Beginning Balance	\$ 907	\$ 820	\$ 731	\$ 686	\$ 689
Provision	495	426	377	328	268
Net Charge-Offs/Other	(443)	(339)	(288)	(283)	(271)
Ending Balance	<u>\$ 959</u>	<u>\$ 907</u>	<u>\$ 820</u>	<u>\$ 731</u>	<u>\$ 686</u>
% of Loans	3.1 %	3.0 %	2.9 %	2.7 %	2.6 %
% of Past Due	107 %	103 %	104 %	103 %	109 %
Average Loans	\$ 30.3	\$ 28.9	\$ 27.6	\$ 26.6	\$ 25.2
Net Write-Off Rate	5.7 %	5.1 %	4.4 %	4.3 %	4.4 %
Net Interest Yield	8.6 %	8.3 %	7.7 %	7.8 %	7.4 %

(Preliminary)

American Express Financial Advisors
Statements of Income
(Unaudited)

(Dollars in millions)

	Quarters Ended		Percentage
	June 30,		
	<u>2001</u>	<u>2000</u>	<u>Inc/(Dec)</u>
Net Revenues:			
Investment Income	\$ (246)	\$ 592	- %
Management and Distribution Fees	623	701	(11.3)
Other Revenues	290	248	16.8
Total Revenues	<u>667</u>	<u>1,541</u>	(56.8)
Provision for Losses and Benefits:			
Annuities	255	254	0.2
Insurance	152	138	10.3
Investment Certificates	98	68	43.6
Total	<u>505</u>	<u>460</u>	9.6
Net Revenues	<u>162</u>	<u>1,081</u>	(85.0)
Expenses:			
Human Resources	496	528	(6.0)
Other Operating Expenses	174	156	10.8
Total Expenses	<u>670</u>	<u>684</u>	(2.2)
Pretax (Loss) Income	(508)	397	-
Income Tax (Benefit) Provision	(201)	122	-
Net (Loss) Income	<u>\$ (307)</u>	<u>\$ 275</u>	-

(Preliminary)

American Express Financial Advisors
Selected Statistical Information
(Unaudited)

(Dollars in millions, except where indicated)

	Quarters Ended		Percentage <u>Inc/(Dec)</u>
	June 30,		
	<u>2001</u>	<u>2000</u>	
Investments (billions)	\$ 32.0 **	\$ 30.0	6.7 %
Client Contract Reserves (billions)	\$ 32.1	\$ 31.0	3.3
Shareholder's Equity (billions)	\$ 4.6	\$ 4.0	13.7
Return on Average Equity *	5.4 %	23.1 %	-
Life Insurance in Force (billions)	\$ 102.3	\$ 93.8	9.1
Assets Owned, Managed or Administered (billions):			
Assets Managed for Institutions	\$ 54.3	\$ 56.1	(3.2)
Assets Owned, Managed or Administered for Individuals:			
Owned Assets:			
Separate Account Assets	28.9	36.5	(20.8)
Other Owned Assets	41.6	39.9	4.1
Total Owned Assets	<u>70.5</u>	<u>76.4</u>	(7.8)
Managed Assets	104.0	119.6	(13.1)
Administered Assets	33.0	34.1	(3.1)
Total	<u>\$ 261.8</u>	<u>\$ 286.2</u>	(8.5)
Market Appreciation (Depreciation) During the Period:			
Owned Assets:			
Separate Account Assets	\$ 1,248	\$ (2,301)	-
Other Owned Assets	\$ 229	\$ (90)	-
Total Managed Assets	\$ 4,552	\$ (6,488)	-
Cash Sales:			
Mutual Funds	\$ 8,394	\$ 10,376	(19.1)
Annuities	1,406 **	1,566	(10.3) **
Investment Certificates	1,017	871	16.7
Life and Other Insurance Products	233	219	6.3
Institutional	1,265	1,557	(18.8)
Other	1,058	661	60.2
Total Cash Sales	<u>\$ 13,373 **</u>	<u>\$ 15,250</u>	(12.3) **
Number of Financial Advisors	11,646	11,486	1.4
Fees from Financial Plans and Advice Services	\$ 29.7	\$ 23.9	24.5
Percentage of Total Sales from Financial Plans and Advice Services	72.3 %	66.1 %	-

* Excludes the effect on Shareholder's Equity of SFAS No. 115 and SFAS No. 133. The Company adopted SFAS No. 133 on January 1, 2001.

** Revised from previous disclosure.

(Preliminary)

American Express Financial Advisors

Statements of Income

(Unaudited)

(Dollars in millions)

	Quarters Ended				
	June 30, <u>2001</u>	March 31, <u>2001</u>	December 31, <u>2000</u>	September 30, <u>2000</u>	June 30, <u>2000</u>
Net Revenues:					
Investment Income	\$ (246)	\$ 368	\$ 546	\$ 582	\$ 592
Management and Distribution Fees	623	638	722	700	701
Other Revenues	290	277	273	258	248
Total Revenues	<u>667</u>	<u>1,283</u>	<u>1,541</u>	<u>1,540</u>	<u>1,541</u>
Provision for Losses and Benefits:					
Annuities	255	238	251	253	254
Insurance	152	157	134	146	138
Investment Certificates	98	82	90	89	68
Total	<u>505</u>	<u>477</u>	<u>475</u>	<u>488</u>	<u>460</u>
Net Revenues	<u>162</u>	<u>806</u>	<u>1,066</u>	<u>1,052</u>	<u>1,081</u>
Expenses:					
Human Resources	496	548	540	527	528
Other Operating Expenses	174	188	182	138	156
Total Expenses	<u>670</u>	<u>736</u>	<u>722</u>	<u>665</u>	<u>684</u>
Pretax (Loss) Income	(508)	70	344	387	397
Income Tax (Benefit) Provision	(201)	19	102	118	122
Net (Loss) Income	<u>\$ (307)</u>	<u>\$ 51</u>	<u>\$ 242</u>	<u>\$ 269</u>	<u>\$ 275</u>

(Preliminary)

American Express Financial Advisors
Selected Statistical Information
(Unaudited)

(Dollars in millions, except where indicated)

	Quarters Ended				
	June 30, <u>2001</u>	March 31, <u>2001</u>	December 31, <u>2000</u>	September 30, <u>2000</u>	June 30, <u>2000</u>
Investments (billions)	\$ 32.0 **	\$ 31.2	\$ 30.5	\$ 30.0	\$ 30.0
Client Contract Reserves (billions)	\$ 32.1	\$ 31.7	\$ 31.4	\$ 31.4	\$ 31.0
Shareholder's Equity (billions)	\$ 4.6	\$ 4.7	\$ 4.4	\$ 4.2	\$ 4.0
Return on Average Equity*	5.4 %	17.8 %	22.6 %	23.1 %	23.1 %
Life Insurance in Force (billions)	\$ 102.3	\$ 100.0	\$ 98.1	\$ 95.8	\$ 93.8
Assets Owned, Managed or Administered (billions):					
Assets Managed for Institutions	\$ 54.3	\$ 53.7	\$ 55.0	\$ 56.7	\$ 56.1
Assets Owned, Managed or Administered for Individuals:					
Owned Assets:					
Separate Account Assets	28.9	27.4	32.3	36.6	36.5
Other Owned Assets	41.6	42.0	41.3	40.6	39.9
Total Owned Assets	<u>70.5</u>	<u>69.4</u>	<u>73.6</u>	<u>77.2</u>	<u>76.4</u>
Managed Assets	104.0	99.8	112.0	122.0	119.6
Administered Assets	33.0	30.8	34.4	38.0	34.1
Total	<u>\$ 261.8</u>	<u>\$ 253.7</u>	<u>\$ 275.0</u>	<u>\$ 293.9</u>	<u>\$ 286.2</u>
Market Appreciation (Depreciation) During the Period:					
Owned Assets:					
Separate Account Assets	\$ 1,248	\$ (5,204)	\$ (4,937)	\$ (203)	\$ (2,301)
Other Owned Assets	\$ 229	\$ 608	\$ 153	\$ 163	\$ (90)
Total Managed Assets	\$ 4,552	\$ (16,657) **	\$ (14,923)	\$ (76)	\$ (6,488)
Cash Sales:					
Mutual Funds	\$ 8,394	\$ 9,889	\$ 9,890	\$ 11,698	\$ 10,376
Annuities	1,406 **	1,427 **	1,493	1,465	1,566
Investment Certificates	1,017	954	722	868	871
Life and Other Insurance Products	233	244	225	220	219
Institutional	1,265	2,506	1,571	1,922	1,557
Other	1,058	1,955	1,508	815	661
Total Cash Sales	<u>\$ 13,373 **</u>	<u>\$ 16,975 **</u>	<u>\$ 15,409</u>	<u>\$ 16,988</u>	<u>\$ 15,250</u>
Number of Financial Advisors	11,646	12,052	12,663	12,137	11,486
Fees from Financial Plans and Advice Services	\$ 29.7	\$ 27.6	\$ 21.4	\$ 26.1	\$ 23.9
Percentage of Total Sales from Financial Plans and Advice Services	72.3 %	73.0 %	70.3 %	69.2 %	66.1 %

* Excludes the effect on Shareholder's Equity of SFAS No. 115 and SFAS No. 133. The Company adopted SFAS No. 133 on January 1, 2001.

** Revised from previous disclosure.

(Preliminary)

American Express Bank
Statements of Income
(Unaudited)

(Dollars in millions)

	Quarters Ended		Percentage <u>Inc/(Dec)</u>
	June 30,		
	<u>2001</u>	<u>2000</u>	
Net Revenues:			
Interest Income	\$ 182	\$ 183	(0.2) %
Interest Expense	<u>110</u>	<u>120</u>	(7.7)
Net Interest Income	72	63	14.0
Commissions and Fees	51	56	(9.4)
Foreign Exchange Income & Other Revenue	<u>36</u>	<u>32</u>	12.7
Total Net Revenues	<u>159</u>	<u>151</u>	5.0
Expenses:			
Human Resources	62	65	(4.0)
Other Operating Expenses	65	69	(6.9)
Provision for Losses	<u>14</u>	<u>7</u>	#
Total Expenses	<u>141</u>	<u>141</u>	(0.3)
Pretax Income	18	10	83.7
Income Tax Provision	<u>6</u>	<u>3</u>	#
Net Income	<u>\$ 12</u>	<u>\$ 7</u>	59.1

Denotes a variance of more than 100%.

(Preliminary)

American Express Bank
Selected Statistical Information
(Unaudited)

(Dollars in billions, except where indicated)

	Quarters Ended		Percentage <u>Inc/(Dec)</u>
	June 30,		
	<u>2001</u>	<u>2000</u>	
Total Shareholder's Equity (millions)	\$ 767	\$ 707	8.5 %
Return on Average Common Equity (A)	5.2 %	3.7 %	-
Return on Average Assets (B)	0.30 %	0.21 %	-
Total Loans	\$ 5.5	\$ 5.1	7.9
Total Non-performing Loans (millions)	\$ 159	\$ 174	(8.4)
Other Non-performing Assets (millions)	\$ 4	\$ 36	(88.1)
Reserve for Credit Losses (millions) (C)	\$ 130	\$ 187	(30.3)
Loan Loss Reserves as a % of Total Loans	2.3 %	3.3 %	-
Deposits	\$ 8.5	\$ 8.2	3.5
Assets Managed (D) / Administered	\$ 11.1	\$ 9.8	14.0
Assets of Non-Consolidated Joint Ventures	\$ 2.0	\$ 2.3	(14.0)
Risk-Based Capital Ratios:			
Tier 1	10.4 %	10.3 %	-
Total	11.1 %	11.9 %	-
Leverage Ratio	5.8 %	5.8 %	-

(A) Excludes the effect on Shareholder's Equity of SFAS No. 115 and SFAS No. 133. The Company adopted SFAS No. 133 on January 1, 2001.

(B) Excludes the effect on total assets of SFAS No. 115 and SFAS No. 133 to the extent that they directly affect Shareholder's Equity.

(C) Allocation:

Loans	\$ 126	\$ 166
Other Assets, primarily derivatives	3	16
Other Liabilities	<u>1</u>	<u>5</u>
Total Credit Loss Reserves	<u>\$ 130</u>	<u>\$ 187</u>

(D) Includes assets managed by American Express Financial Advisors.

(Preliminary)

American Express Bank
Statements of Income
(Unaudited)

(Dollars in millions)

	Quarters Ended				
	June 30, <u>2001</u>	March 31, <u>2001</u>	December 31, <u>2000</u>	September 30, <u>2000</u>	June 30, <u>2000</u>
Net Revenues:					
Interest Income	\$ 182	\$ 187	\$ 181	\$ 188	\$ 183
Interest Expense	<u>110</u>	<u>122</u>	<u>122</u>	<u>125</u>	<u>120</u>
Net Interest Income	72	65	59	63	63
Commissions and Fees	51	52	52	54	56
Foreign Exchange Income & Other Revenue	<u>36</u>	<u>41</u>	<u>33</u>	<u>29</u>	<u>32</u>
Total Net Revenues	<u>159</u>	<u>158</u>	<u>144</u>	<u>146</u>	<u>151</u>
Expenses:					
Human Resources	62	62	60	65	65
Other Operating Expenses	65	66	68	67	69
Provision for Losses	<u>14</u>	<u>16</u>	<u>8</u>	<u>6</u>	<u>7</u>
Total Expenses	<u>141</u>	<u>144</u>	<u>136</u>	<u>138</u>	<u>141</u>
Pretax Income	18	14	8	8	10
Income Tax Provision	<u>6</u>	<u>5</u>	<u>2</u>	<u>1</u>	<u>3</u>
Net Income	<u>\$ 12</u>	<u>\$ 9</u>	<u>\$ 6</u>	<u>\$ 7</u>	<u>\$ 7</u>

(Preliminary)

American Express Bank
Selected Statistical Information
(Unaudited)

(Dollars in billions, except where indicated)

	Quarters Ended				
	June 30, <u>2001</u>	March 31, <u>2001</u>	December 31, <u>2000</u>	September 30, <u>2000</u>	June 30, <u>2000</u>
Total Shareholder's Equity (millions)	\$ 767	\$ 774	\$ 754	\$ 729	\$ 707
Return on Average Common Equity (A)	5.2 %	4.6 %	4.4 %	4.1 %	3.7 %
Return on Average Assets (B)	0.30 %	0.26 %	0.26 %	0.24 %	0.21 %
Total Loans	\$ 5.5	\$ 5.4	\$ 5.3	\$ 5.1	\$ 5.1
Total Non-performing Loans (millions)	\$ 159	\$ 187	\$ 137	\$ 156	\$ 174
Other Non-performing Assets (millions)	\$ 4	\$ 24	\$ 24	\$ 37	\$ 36
Reserve for Credit Losses (millions) (C)	\$ 130	\$ 164	\$ 153	\$ 179	\$ 187
Loan Loss Reserves as a % of Total Loans	2.3 %	2.8 %	2.6 %	3.1 %	3.3 %
Deposits	\$ 8.5	\$ 8.5	\$ 8.0	\$ 8.0	\$ 8.2
Assets Managed (D) / Administered	\$ 11.1	\$ 10.7	\$ 10.6	\$ 10.2	\$ 9.8
Assets of Non-Consolidated Joint Ventures	\$ 2.0	\$ 2.1	\$ 2.1	\$ 2.3	\$ 2.3
Risk-Based Capital Ratios:					
Tier 1	10.4 %	10.7 %	10.1 %	10.4 %	10.3 %
Total	11.1 %	11.4 %	11.4 %	11.9 %	11.9 %
Leverage Ratio	5.8 %	5.8 %	5.9 %	5.8 %	5.8 %

(A) Excludes the effect on Shareholder's Equity of SFAS No. 115 and SFAS No. 133. The Company adopted SFAS No. 133 on January 1, 2001.

(B) Excludes the effect on total assets of SFAS No. 115 and SFAS No. 133 to the extent that they directly affect Shareholder's Equity.

(C) Allocation:

Loans	\$ 126	\$ 149	\$ 137	\$ 158	\$ 166
Other Assets, primarily derivatives	3	12	14	16	16
Other Liabilities	1	3	2	5	5
Total Credit Loss Reserves	<u>\$ 130</u>	<u>\$ 164</u>	<u>\$ 153</u>	<u>\$ 179</u>	<u>\$ 187</u>

(D) Includes assets managed by American Express Financial Advisors.

(Preliminary)

**American Express Bank
Exposures By Country and Region
(Unaudited)**

(\$ in billions)

<u>Country</u>	<u>Loans</u>	<u>FX and Derivatives</u>	<u>Net Guarantees and Contingents</u>	<u>Other*</u>	<u>6/30/01 Total Exposure**</u>	<u>3/31/01 Total Exposure**</u>
Hong Kong	\$ 1.0	-	\$ 0.1	\$ 0.1	\$ 1.1	\$ 1.0
Indonesia	0.1	-	-	-	0.1	0.2
Singapore	0.5	-	0.1	0.1	0.6	0.6
Korea	0.2	-	-	0.3	0.5	0.4
Taiwan	0.2	-	-	0.1	0.2	0.3
Japan	-	-	-	0.1	0.1	0.1
Other	-	-	-	0.1	0.2	0.2
Total Asia/Pacific Region**	1.9	-	0.2	0.7	2.9	2.9
Chile	0.2	-	-	0.1	0.4	0.4
Brazil	0.3	-	-	0.1	0.4	0.4
Mexico	-	-	-	-	0.1	0.1
Peru	-	-	-	-	-	0.1
Argentina	-	-	-	-	0.1	0.1
Other	0.3	-	0.2	0.1	0.6	0.6
Total Latin America**	0.9	\$ 0.1	0.3	0.3	1.5	1.6
India	0.3	-	0.1	0.3	0.7	0.7
Pakistan	0.1	-	-	0.1	0.2	0.2
Other	0.1	-	-	0.1	0.2	0.2
Total Subcontinent**	0.4	-	0.1	0.6	1.1	1.1
Egypt	0.2	-	-	0.2	0.4	0.5
Other	0.2	-	-	-	0.2	0.3
Total Middle East & Africa**	0.3	-	0.1	0.2	0.6	0.7
Total Europe	1.6	0.1	0.5	2.6	4.8	5.1
Total North America	0.3	-	0.3	1.5	2.1	2.1
Total Worldwide**	\$ 5.5	\$ 0.2	\$ 1.4	\$ 5.9	\$ 13.1	\$ 13.5

* Includes cash, placements and securities.

** Individual items may not add to totals due to rounding.

Note: Includes cross-border and local exposure and does not net local funding or liabilities against any local exposure.

This release contains certain forward-looking statements, which are subject to risks and uncertainties. The words "believe", "expect", "anticipate", "intend", "aim", "will", "should", and similar expressions are intended to identify these forward-looking statements. 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:

Potential deterioration in the high-yield sector and other investment areas, which could result in further losses in AEFA's investment portfolio; the ability of AEFA to sell certain high-yield investments at expected values and within anticipated time frames and to maintain its high-yield portfolio at certain levels in the future; the success and financial impact, including costs, cost savings and other benefits, of reengineering initiatives being implemented or considered by the company, including cost management, structural and strategic measures such as vendor, process, facilities and operations consolidation, outsourcing, relocating certain functions to lower-cost overseas locations, moving internal and external functions to the internet to save costs and planned staff reductions relating to certain of such reengineering actions; and the ability to control and manage operating, infrastructure, advertising and promotion and other expenses as business expands or changes, including balancing the need for longer-term investment spending.