

All information in the following tables is presented on a basis prepared in accordance with accounting principles generally accepted in the United States (GAAP), unless otherwise indicated.

(Preliminary)

American Express Company
Condensed Consolidated Statements of Income
(Unaudited)

	Quarters Ended		Percentage Inc/(Dec)	Years Ended		Percentage Inc/(Dec)
	December 31,			December 31,		
	2003	2002		2003	2002	
Revenues						
Discount revenue	\$ 2,432	\$ 2,122	14.6 %	\$ 8,781	\$ 7,931	10.7 %
Net investment income	786	816	(3.7)	3,063	2,991	2.4
Management and distribution fees	758	528	43.4	2,450	2,285	7.2
Cardmember lending net finance charge revenue	531	470	12.9	2,042	1,828	11.7
Net card fees	467	435	7.1	1,835	1,726	6.3
Travel commissions and fees	445	369	20.9	1,507	1,408	7.0
Other commissions and fees	487	505	(3.8)	1,977	1,928	2.5
Insurance and annuity revenues	366	317	15.7	1,366	1,218	12.2
Securitization income, net	293	284	3.2	1,150	1,049	9.7
Other	503	350	44.4	1,695	1,443	17.5
Total revenues	7,068	6,196	14.1	25,866	23,807	8.7
Expenses						
Human resources	1,708	1,379	23.8	6,333	5,725	10.6
Provision for losses and benefits	1,164	1,250	(6.9)	4,429	4,586	(3.4)
Marketing, promotion, rewards and cardmember services	1,166	822	41.9	3,901	3,119	25.1
Interest	205	270	(24.0)	905	1,082	(16.4)
Other operating expenses	1,735	1,512	14.8	6,053	5,582	8.5
Restructuring charges	-	14	-	(2)	(7)	(75.8)
Disaster recovery charge	-	-	-	-	(7)	-
Total expenses	5,978	5,247	13.9	21,619	20,080	7.7
Pretax income before accounting change	1,090	949	14.8	4,247	3,727	13.9
Income tax provision	314	266	17.5	1,247	1,056	18.0
Income before accounting change	776	683	13.7	3,000	2,671	12.3
Cumulative effect of accounting change, net of tax (A)	(13)	-	-	(13)	-	-
Net income	\$ 763	\$ 683	11.8 %	\$ 2,987	\$ 2,671	11.8 %

Note: Certain prior period amounts have been reclassified to conform to current year presentation.

(A) Reflects a \$20 million non-cash pre-tax charge (\$13 million after-tax) related to the December 31, 2003 adoption of FIN 46, as revised.

(Preliminary)

American Express Company
Condensed Consolidated Balance Sheets
(Unaudited)

(Billions)

	<u>December 31,</u> <u>2003</u>	<u>December 31,</u> <u>2002</u>
Assets		
Cash and cash equivalents	\$ 6	\$ 10
Accounts receivable	31	29
Investments	57	54
Loans	32	28
Separate account assets	31	22
Other assets	18	14
Total assets	<u>\$ 175</u>	<u>\$ 157</u>
Liabilities and Shareholders' Equity		
Separate account liabilities	\$ 31	\$ 22
Short-term debt	19	21
Long-term debt	21	16
Other liabilities	89	84
Total liabilities	<u>160</u>	<u>143</u>
Shareholders' Equity	<u>15</u>	<u>14</u>
Total liabilities and shareholders' equity	<u>\$ 175</u>	<u>\$ 157</u>

Note: Certain prior period amounts have been reclassified to conform to current year presentation.

(Preliminary)

American Express Company
Financial Summary
(Unaudited)

	Quarters Ended		Percentage	Years Ended		Percentage
	December 31,			December 31,		
	2003	2002	Inc/(Dec)	2003	2002	Inc/(Dec)
Revenues (A)						
Travel Related Services	\$ 5,211	\$ 4,665	12 %	\$ 19,189	\$ 17,721	8 %
American Express Financial Advisors	1,740	1,444	20	6,172	5,617	10
American Express Bank	205	188	9	801	745	7
	<u>7,156</u>	<u>6,297</u>	14	<u>26,162</u>	<u>24,083</u>	9
Corporate and other, including adjustments and eliminations	<u>(88)</u>	<u>(101)</u>	13	<u>(296)</u>	<u>(276)</u>	(7)
CONSOLIDATED REVENUES	<u>\$ 7,068</u>	<u>\$ 6,196</u>	14 %	<u>\$ 25,866</u>	<u>\$ 23,807</u>	9 %
Pretax Income (Loss) Before Accounting Change						
Travel Related Services	\$ 884	\$ 794	11 %	\$ 3,571	\$ 3,080	16 %
American Express Financial Advisors	248	206	20	859	865	(1)
American Express Bank	42	36	16	151	121	24
	<u>1,174</u>	<u>1,036</u>	13	<u>4,581</u>	<u>4,066</u>	13
Corporate and other	<u>(84)</u>	<u>(87)</u>	3	<u>(334)</u>	<u>(339)</u>	2
PRETAX INCOME BEFORE ACCOUNTING CHANGE	<u>\$ 1,090</u>	<u>\$ 949</u>	15 %	<u>\$ 4,247</u>	<u>\$ 3,727</u>	14 %
Net Income (Loss)						
Travel Related Services	\$ 606	\$ 550	10 %	\$ 2,430	\$ 2,135	14 %
American Express Financial Advisors	182 (B)	153	19	669 (B)	632	6
American Express Bank	29	24	22	102	80	27
	<u>817</u>	<u>727</u>	12	<u>3,201</u>	<u>2,847</u>	12
Corporate and other	<u>(54)</u>	<u>(44)</u>	(23)	<u>(214)</u>	<u>(176)</u>	(21)
NET INCOME	<u>\$ 763 (B)</u>	<u>\$ 683</u>	12 %	<u>\$ 2,987 (B)</u>	<u>\$ 2,671</u>	12 %
(A) Managed net revenues are reported net of American Express Financial Advisors' provision for losses and benefits and exclude the effect of TRS' securitization activities. The following table reconciles consolidated GAAP revenues to Managed Basis net revenues:						
GAAP revenues	\$ 7,068	\$ 6,196	14 %	\$ 25,866	\$ 23,807	9 %
Effect of TRS securitizations	208	224		943	948	
Effect of AEFA provisions	(555)	(539)		(2,122)	(1,954)	
Managed net revenues	<u>\$ 6,721</u>	<u>\$ 5,881</u>	14 %	<u>\$ 24,687</u>	<u>\$ 22,801</u>	8 %

(B) Reflects a \$20 million non-cash pre-tax charge (\$13 million after-tax) related to the December 31, 2003 adoption of FIN 46, as revised.

(Preliminary)

American Express Company
Financial Summary (continued)
(Unaudited)

	<u>Quarters Ended</u> <u>December 31,</u>		<u>Percentage</u> <u>Inc/(Dec)</u>	<u>Years Ended</u> <u>December 31,</u>		<u>Percentage</u> <u>Inc/(Dec)</u>
	<u>2003</u>	<u>2002</u>		<u>2003</u>	<u>2002</u>	
EARNINGS PER SHARE						
BASIC						
Income before accounting change	\$ 0.61	\$ 0.52	17 %	\$ 2.34	\$ 2.02	16 %
Net income	<u>\$ 0.60</u> (A)	<u>\$ 0.52</u>	15 %	<u>\$ 2.33</u> (A)	<u>\$ 2.02</u>	15 %
Average common shares outstanding (millions)	<u>1,277</u>	<u>1,309</u>	(2) %	<u>1,284</u>	<u>1,320</u>	(3) %
DILUTED						
Income before accounting change	\$ 0.60	\$ 0.52	15 %	\$ 2.31	\$ 2.01	15 %
Net income	<u>\$ 0.59</u> (A)	<u>\$ 0.52</u>	13 %	<u>\$ 2.30</u> (A)	<u>\$ 2.01</u>	14 %
Average common shares outstanding (millions)	<u>1,299</u>	<u>1,317</u>	(1) %	<u>1,298</u>	<u>1,330</u>	(2) %
Cash dividends declared per common share	<u>\$ 0.10</u>	<u>\$ 0.08</u>	25 %	<u>\$ 0.38</u>	<u>\$ 0.32</u>	19 %

Selected Statistical Information
(Unaudited)

	<u>Quarters Ended</u> <u>December 31,</u>		<u>Percentage</u> <u>Inc/(Dec)</u>	<u>Years Ended</u> <u>December 31,</u>		<u>Percentage</u> <u>Inc/(Dec)</u>
	<u>2003</u>	<u>2002</u>		<u>2003</u>	<u>2002</u>	
Return on average total shareholders' equity (B)	20.6%	20.2%	-	20.6%	20.2%	-
Common shares outstanding (millions)	1,284	1,305	(2) %	1,284	1,305	(2) %
Book value per common share	\$ 11.93	\$ 10.63	12 %	\$ 11.93	\$ 10.63	12 %
Shareholders' equity (billions)	\$ 15.3	\$ 13.9	11 %	\$ 15.3	\$ 13.9	11 %

(A) Reflects a \$20 million non-cash pre-tax charge (\$13 million after-tax), or \$0.01 per share on both a basic and diluted basis, related to the December 31, 2003 adoption of FIN 46, as revised.

(B) Computed on a trailing 12-month basis using total shareholders' equity as included in the Consolidated Financial Statements prepared in accordance with GAAP.

(Preliminary)

American Express Company
Condensed Consolidated Statements of Income
(Unaudited)

(Millions)

	Quarters Ended				
	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003	December 31, 2002
Revenues					
Discount revenue	\$ 2,432	\$ 2,221	\$ 2,152	\$ 1,976	\$ 2,122
Net investment income	786	730	780	767	816
Management and distribution fees	758	603	569	520	528
Cardmember lending net finance charge revenue	531	476	483	552	470
Net card fees	467	462	455	451	435
Travel commissions and fees	445	349	373	340	369
Other commissions and fees	487	514	479	497	505
Insurance and annuity revenues	366	345	341	314	317
Securitization income, net	293	301	345	211	284
Other	503	418	379	395	350
Total revenues	7,068	6,419	6,356	6,023	6,196
Expenses					
Human resources	1,708	1,559	1,576	1,490	1,379
Provision for losses and benefits	1,164	1,080	1,075	1,110	1,250
Marketing, promotion, rewards and cardmember services	1,166	1,016	944	775	822
Interest	205	239	231	230	270
Other operating expenses	1,735	1,463	1,433	1,422	1,512
Restructuring charges	-	(2)	-	-	14
Total expenses	5,978	5,355	5,259	5,027	5,247
Pretax income before accounting change	1,090	1,064	1,097	996	949
Income tax provision	314	294	335	304	266
Income before accounting change	776	770	762	692	683
Cumulative effect of accounting change, net of tax (A)	(13)	-	-	-	-
Net income	\$ 763	\$ 770	\$ 762	\$ 692	\$ 683

Note: Certain prior period amounts have been reclassified to conform to current year presentation.

(A) Reflects a \$20 million non-cash pre-tax charge (\$13 million after-tax) related to the December 31, 2003 adoption of FIN 46, as revised.

(Preliminary)

American Express Company
Financial Summary
(Unaudited)

(Millions)

	Quarters Ended				
	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003	December 31, 2002
Revenues (A)					
Travel Related Services	\$ 5,211	\$ 4,758	\$ 4,734	\$ 4,486	\$ 4,665
American Express Financial Advisors	1,740	1,525	1,496	1,411	1,444
American Express Bank	205	199	200	197	188
	<u>7,156</u>	<u>6,482</u>	<u>6,430</u>	<u>6,094</u>	<u>6,297</u>
Corporate and other, including adjustments and eliminations	<u>(88)</u>	<u>(63)</u>	<u>(74)</u>	<u>(71)</u>	<u>(101)</u>
CONSOLIDATED REVENUES	<u>\$ 7,068</u>	<u>\$ 6,419</u>	<u>\$ 6,356</u>	<u>\$ 6,023</u>	<u>\$ 6,196</u>
Pretax Income (Loss) Before Accounting Change					
Travel Related Services	\$ 884	\$ 892	\$ 937	\$ 858	\$ 794
American Express Financial Advisors	248	224	209	178	206
American Express Bank	42	41	39	29	36
	<u>1,174</u>	<u>1,157</u>	<u>1,185</u>	<u>1,065</u>	<u>1,036</u>
Corporate and other	<u>(84)</u>	<u>(93)</u>	<u>(88)</u>	<u>(69)</u>	<u>(87)</u>
PRETAX INCOME BEFORE ACCOUNTING CHANGE	<u>\$ 1,090</u>	<u>\$ 1,064</u>	<u>\$ 1,097</u>	<u>\$ 996</u>	<u>\$ 949</u>
Net Income (Loss)					
Travel Related Services	\$ 606	\$ 606	\$ 634	\$ 584	\$ 550
American Express Financial Advisors	182 (B)	197	157	133	153
American Express Bank	29	27	27	19	24
	<u>817</u>	<u>830</u>	<u>818</u>	<u>736</u>	<u>727</u>
Corporate and other	<u>(54)</u>	<u>(60)</u>	<u>(56)</u>	<u>(44)</u>	<u>(44)</u>
NET INCOME	<u>\$ 763 (B)</u>	<u>\$ 770</u>	<u>\$ 762</u>	<u>\$ 692</u>	<u>\$ 683</u>

(A) Managed net revenues are reported net of American Express Financial Advisors' provision for losses and benefits and exclude the effect of TRS' securitization activities. The following table reconciles consolidated GAAP revenues to Managed Basis net revenues:

GAAP revenues	\$ 7,068	\$ 6,419	\$ 6,356	\$ 6,023	\$ 6,196
Effect of TRS securitizations	208	255	216	264	224
Effect of AEFA provisions	(555)	(535)	(526)	(506)	(539)
Managed net revenues	<u>\$ 6,721</u>	<u>\$ 6,139</u>	<u>\$ 6,046</u>	<u>\$ 5,781</u>	<u>\$ 5,881</u>

(B) Reflects a \$20 million non-cash pre-tax charge (\$13 million after-tax) related to the December 31, 2003 adoption of FIN 46, as revised.

(Preliminary)

American Express Company
Financial Summary (continued)
(Unaudited)

	Quarters Ended				
	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003	December 31, 2002
EARNINGS PER SHARE					
BASIC					
Income before accounting change	\$ 0.61	\$ 0.60	\$ 0.59	\$ 0.53	\$ 0.52
Net income	<u>\$ 0.60</u> (A)	<u>\$ 0.60</u>	<u>\$ 0.59</u>	<u>\$ 0.53</u>	<u>\$ 0.52</u>
Average common shares outstanding (millions)	<u>1,277</u>	<u>1,278</u>	<u>1,283</u>	<u>1,297</u>	<u>1,309</u>
DILUTED					
Income before accounting change	\$ 0.60	\$ 0.59	\$ 0.59	\$ 0.53	\$ 0.52
Net income	<u>\$ 0.59</u> (A)	<u>\$ 0.59</u>	<u>\$ 0.59</u>	<u>\$ 0.53</u>	<u>\$ 0.52</u>
Average common shares outstanding (millions)	<u>1,299</u>	<u>1,297</u>	<u>1,295</u>	<u>1,305</u>	<u>1,317</u>
Cash dividends declared per common share	<u>\$ 0.10</u>	<u>\$ 0.10</u>	<u>\$ 0.10</u>	<u>\$ 0.08</u>	<u>\$ 0.08</u>

Selected Statistical Information
(Unaudited)

	Quarters Ended				
	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003	December 31, 2002
Return on average total shareholders' equity (B)	20.6%	20.4%	20.1%	20.0%	20.2%
Common shares outstanding (millions)	1,284	1,285	1,286	1,298	1,305
Book value per common share	\$ 11.93	\$ 11.54	\$ 11.27	\$ 10.84	\$ 10.63
Shareholders' equity (billions)	\$ 15.3	\$ 14.8	\$ 14.5	\$ 14.1	\$ 13.9

(A) Reflects a \$20 million non-cash pre-tax charge (\$13 million after-tax), or \$0.01 per share on both a basic and diluted basis, related to the December 31, 2003 adoption of FIN 46, as revised.

(B) Computed on a trailing 12-month basis using total shareholders' equity as included in the Consolidated Financial Statements prepared in accordance with GAAP.

(Preliminary)

Travel Related Services
Statements of Income
(Unaudited)

(Millions)

	Quarters Ended		Percentage	Years Ended		Percentage
	December 31,			December 31,		
	2003	2002	Inc/(Dec)	2003	2002	Inc/(Dec)
Net revenues:						
Discount revenue	\$ 2,432	\$ 2,122	14.6 %	\$ 8,781	\$ 7,931	10.7 %
Net card fees	467	435	7.1	1,835	1,726	6.3
Lending:						
Finance charge revenue	654	602	8.7	2,525	2,338	8.0
Interest expense	123	132	(6.0)	483	510	(5.2)
Net finance charge revenue	531	470	12.9	2,042	1,828	11.7
Travel commissions and fees	445	369	20.9	1,507	1,408	7.0
Other commissions and fees	515	476	8.2	1,901	1,833	3.7
Travelers Cheque investment income	93	94	(1.2)	367	375	(2.2)
Securitization income, net	293	284	3.2	1,150	1,049	9.7
Other revenues	435	415	5.2	1,606	1,571	2.3
Total net revenues	5,211	4,665	11.7	19,189	17,721	8.3
Expenses:						
Marketing, promotion, rewards and cardmember services	1,141	796	43.3	3,814	3,027	26.0
Provision for losses and claims:						
Charge card	227	237	(3.8)	853	960	(11.1)
Lending	330	414	(20.2)	1,218	1,369	(11.0)
Other	28	26	11.1	127	149	(14.1)
Total	585	677	(13.3)	2,198	2,478	(11.3)
Charge card interest expense	187	252	(26.0)	786	1,001	(21.6)
Human resources	1,003	852	17.7	3,822	3,503	9.1
Other operating expenses	1,411	1,279	10.3	4,998	4,636	7.8
Restructuring charges	-	15	-	-	(4)	-
Total expenses	4,327	3,871	11.8	15,618	14,641	6.7
Pretax income	884	794	11.3	3,571	3,080	15.9
Income tax provision	278	244	13.9	1,141	945	20.7
Net income	\$ 606	\$ 550	10.2 %	\$ 2,430	\$ 2,135	13.8 %

Note: Certain prior period amounts have been reclassified to conform to current year presentation.

(Preliminary)

Travel Related Services
Selected Financial Information
(Unaudited)

Years Ended December 31,
(Millions)

	GAAP Basis		Percentage Inc/(Dec)	Securitization Effect		Managed Basis		Percentage Inc/(Dec)
	2003	2002		2003	2002	2003	2002	
Net revenues:								
Discount revenue	\$ 8,781	\$ 7,931	10.7 %					
Net card fees	1,835	1,726	6.3					
Lending:								
Finance charge revenue	2,525	2,338	8.0	\$ 2,172	\$ 2,166	\$ 4,697	\$ 4,504	4.3 %
Interest expense	483	510	(5.2)	272	340	755	850	(11.1)
Net finance charge revenue	2,042	1,828	11.7	1,900	1,826	3,942	3,654	7.9
Travel commissions and fees	1,507	1,408	7.0					
Other commissions and fees	1,901	1,833	3.7	193	185	2,094	2,018	3.8
Travelers Cheque investment income	367	375	(2.2)					
Securitization income, net	1,150	1,049	9.7	(1,150)	(1,049)	-	-	-
Other revenues	1,606	1,571	2.3	-	(14)	1,606	1,557	3.2
Total net revenues	19,189	17,721	8.3	943	948	20,132	18,669	7.8
Expenses:								
Marketing, promotion, rewards and cardmember services	3,814	3,027	26.0	(74)	(81)	3,740	2,946	27.0
Provision for losses and claims:								
Charge card	853	960	(11.1)					
Lending	1,218	1,369	(11.0)	1,067	1,098	2,285	2,467	(7.4)
Other	127	149	(14.1)					
Total	2,198	2,478	(11.3)	1,067	1,098	3,265	3,576	(8.7)
Charge card interest expense	786	1,001	(21.6)	-	(14)	786	987	(20.4)
Human resources	3,822	3,503	9.1					
Other operating expenses	4,998	4,636	7.8	(50)	(55)	4,948	4,581	8.0
Restructuring charges	-	(4)	-					
Total expenses	15,618	14,641	6.7	\$ 943	\$ 948	\$ 16,561	\$ 15,589	6.2
Pretax income	3,571	3,080	15.9					
Income tax provision	1,141	945	20.7					
Net income	\$ 2,430	\$ 2,135	13.8 %					

Note: Certain prior period amounts have been reclassified to conform to current year presentation.

Securitization income, net represents revenue related to the Company's securitized loan receivables, which includes gains recorded at the time of securitization, net finance charge revenue on retained interests in securitized loans and servicing income net of related discounts. Management views the gains from securitizations as discretionary benefits to be used for card acquisition expenses, which are reflected in marketing, promotion, rewards and cardmember services expenses and other operating expenses. Consequently, the above managed Selected Financial Information for the years ended December 31, 2003 and 2002 assumes that net gains of \$124 million and \$136 million, respectively, from lending securitizations were offset by higher marketing, promotion, rewards and cardmember services expenses of \$74 million and \$81 million, respectively, and other operating expenses of \$50 million and \$55 million, respectively. Accordingly, the incremental expenses, as well as the gains, have been eliminated.

(Preliminary)

Travel Related Services
Selected Financial Information
(Unaudited)

Quarters Ended December 31,
(Millions)

	GAAP Basis		Percentage Inc/(Dec)	Securitization Effect		Managed Basis		Percentage Inc/(Dec)
	2003	2002		2003	2002	2003	2002	
Net revenues:								
Discount revenue	\$ 2,432	\$ 2,122	14.6 %					
Net card fees	467	435	7.1					
Lending:								
Finance charge revenue	654	602	8.7	\$ 532	\$ 553	\$ 1,186	\$ 1,155	2.8 %
Interest expense	123	132	(6.0)	84	89	207	221	(5.1)
Net finance charge revenue	531	470	12.9	448	464	979	934	4.6
Travel commissions and fees	445	369	20.9					
Other commissions and fees	515	476	8.2	53	48	568	524	8.5
Travelers Cheque investment income	93	94	(1.2)					
Securitization income, net	293	284	3.2	(293)	(284)	-	-	-
Other revenues	435	415	5.2	-	(4)	435	411	6.1
Total net revenues	5,211	4,665	11.7	208	224	5,419	4,889	10.8
Expenses:								
Marketing, promotion, rewards and cardmember services	1,141	796	43.3					
Provision for losses and claims:								
Charge card	227	237	(3.8)					
Lending	330	414	(20.2)	208	227	538	641	(16.3)
Other	28	26	11.1					
Total	585	677	(13.3)	208	227	793	904	(12.3)
Charge card interest expense	187	252	(26.0)	-	(3)	187	249	(24.9)
Human resources	1,003	852	17.7					
Other operating expenses	1,411	1,279	10.3					
Restructuring charges	-	15	-					
Total expenses	4,327	3,871	11.8	\$ 208	\$ 224	\$ 4,535	\$ 4,095	10.7
Pretax income	884	794	11.3					
Income tax provision	278	244	13.9					
Net income	\$ 606	\$ 550	10.2 %					

Note: Certain prior period amounts have been reclassified to conform to current year presentation.

(Preliminary)

Travel Related Services
Selected Financial Information
(Unaudited)

Quarters Ended (Millions)	GAAP Basis			Securitization Effect			Managed Basis		
	September 30, 2003	June 30, 2003	March 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003
Net revenues:									
Discount revenue	\$ 2,221	\$ 2,152	\$ 1,976						
Net card fees	462	455	451						
Lending:									
Finance charge revenue	592	598	681	\$ 585	\$ 566	\$ 489	\$ 1,177	\$ 1,164	\$ 1,170
Interest expense	116	115	129	74	50	64	190	165	193
Net finance charge revenue	476	483	552	511	516	425	987	999	977
Travel commissions and fees	349	373	340						
Other commissions and fees	465	457	464	45	45	50	510	502	514
Travelers Cheque investment income	90	92	92						
Securitization income, net	301	345	211	(301)	(345)	(211)	-	-	-
Other revenues	394	377	400						
Total net revenues	4,758	4,734	4,486	255	216	264	5,013	4,950	4,750
Expenses:									
Marketing, promotion, rewards and cardmember services	994	918	761	-	(48)	(26)	994	870	735
Provision for losses and claims:									
Charge card	213	205	208						
Lending	279	278	331	255	297	307	534	575	638
Other	31	37	31						
Total	523	520	570	255	297	307	778	817	877
Charge card interest expense	186	204	209						
Human resources	938	965	916						
Other operating expenses	1,225	1,190	1,172	-	(33)	(17)	1,225	1,157	1,155
Total expenses	3,866	3,797	3,628	\$ 255	\$ 216	\$ 264	\$ 4,121	\$ 4,013	\$ 3,892
Pretax income	892	937	858						
Income tax provision	286	303	274						
Net income	\$ 606	\$ 634	\$ 584						

Note: Certain prior period amounts have been reclassified to conform to current year presentation.

Securitization income, net represents revenue related to the Company's securitized loan receivables, which includes gains recorded at the time of securitization, net finance charge revenue on retained interests in securitized loans and servicing income net of related discounts. Management views the gains from securitizations as discretionary benefits to be used for card acquisition expenses, which are reflected in marketing, promotion, rewards and cardmember services expenses and other operating expenses. Consequently, the above managed Selected Financial Information for the quarters ended June 30, 2003 and March 31, 2003 assume that net gains of \$81 million and \$43 million, respectively, from lending securitizations were offset by higher marketing, promotion, rewards and cardmember services expenses of \$48 million and \$26 million, respectively, and other operating expenses of \$33 million and \$17 million, respectively. Accordingly, the incremental expenses, as well as the gains, have been eliminated.

(Preliminary)

Travel Related Services
Selected Statistical Information
(Unaudited)

(Billions, except percentages and where indicated)

	Quarters Ended		Percentage Inc/(Dec)	Years Ended		Percentage Inc/(Dec)
	December 31,			December 31,		
	2003	2002		2003	2002	
Total cards-in-force (millions) (A):						
United States	36.4	34.8	4.3 %	36.4	34.8	4.3 %
Outside the United States	24.1	22.2	8.8	24.1	22.2	8.8
Total	60.5	57.0	6.1 %	60.5	57.0	6.1 %
Basic cards-in-force (millions):						
United States	27.7	26.9	2.7 %	27.7	26.9	2.7 %
Outside the United States	19.9	18.3	9.2	19.9	18.3	9.2
Total	47.6	45.2	5.3 %	47.6	45.2	5.3 %
Card billed business						
United States	\$ 72.3	\$ 62.9	15.0 %	\$ 262.1	\$ 234.1	11.9 %
Outside the United States	26.2	21.2	23.6	90.1	77.3	16.6
Total	\$ 98.5	\$ 84.1	17.1 %	\$ 352.2	\$ 311.4	13.1 %
Average discount rate (B)	2.56 %	2.62 %		2.59 %	2.64 %	
Average basic cardmember spending (dollars) (B)	\$ 2,314	\$ 2,050	12.9 %	\$ 8,367	\$ 7,645	9.4 %
Average fee per card (dollars) (B)	\$ 35	\$ 34	2.9 %	\$ 35	\$ 34	2.9 %
Non-Amex brand (C):						
Cards-in-force (millions)	0.7	0.7	(0.6) %	0.7	0.7	(0.6) %
Billed business	\$ 1.1	\$ 1.0	10.5 %	\$ 3.9	\$ 3.7	7.0 %
Travel sales	\$ 4.7	\$ 3.8	22.1 %	\$ 16.0	\$ 15.5	3.2 %
Travel commissions and fees/sales (D)	9.5 %	9.6 %		9.4 %	9.1 %	
Travelers Cheque:						
Sales	\$ 4.7	\$ 4.8	(4.1) %	\$ 19.2	\$ 22.1	(13.1) %
Average outstanding	\$ 6.6	\$ 6.5	2.2 %	\$ 6.6	\$ 6.5	1.8 %
Average investments	\$ 7.1	\$ 6.8	3.9 %	\$ 7.1	\$ 6.9	2.9 %
Investment yield	5.5 %	5.6 %		5.4 %	5.6 %	
Tax equivalent yield	8.4 %	8.7 %		8.4 %	8.7 %	
Total debt	\$ 38.4	\$ 36.4	5.4 %	\$ 38.4	\$ 36.4	5.4 %
Shareholder's equity	\$ 7.9	\$ 7.3	8.7 %	\$ 7.9	\$ 7.3	8.7 %
Return on average total shareholder's equity (E)	31.3 %	30.3 %		31.3 %	30.3 %	
Return on average total assets (F)	3.4 %	3.2 %		3.4 %	3.2 %	

(A) Total cards-in-force for prior periods have been reduced, reflecting a correction to the number of supplemental cards-in-force.

(B) Cards-in-force include proprietary cards and cards issued under network partnership agreements outside the U.S. Average discount rate, average basic cardmember spending and average fee per card are computed from proprietary card activities only.

(C) These data relate to Visa and Eurocards issued in connection with joint venture activities.

(D) Computed from information provided herein.

(E) Computed on a trailing 12-month basis using total shareholder's equity as included in the Consolidated Financial Statements prepared in accordance with GAAP.

(F) Computed on a trailing 12-month basis using total assets as included in the Consolidated Financial Statements prepared in accordance with GAAP.

(Preliminary)

Travel Related Services
Selected Statistical Information (continued)
(Unaudited)

(Billions, except percentages and where indicated)

	Quarters Ended		Percentage	Years Ended		Percentage
	December 31,			December 31,		
	2003	2002	Inc/(Dec)	2003	2002	Inc/(Dec)
Charge card receivables:						
Total receivables	\$ 28.4	\$ 26.3	7.9 %	\$ 28.4	\$ 26.3	7.9 %
90 days past due as a % of total	1.9 %	2.2 %		1.9 %	2.2 %	
Loss reserves (millions)	\$ 916	\$ 930	(1.5) %	\$ 916	\$ 930	(1.5) %
% of receivables	3.2 %	3.5 %		3.2 %	3.5 %	
% of 90 days past due	171 %	162 %		171 %	162 %	
Net loss ratio	0.27 %	0.32 %		0.28 %	0.38 %	
U.S. Lending (Owned Basis):						
Total loans	\$ 19.0	\$ 17.1	11.0 %	\$ 19.0	\$ 17.1	11.0 %
Past due loans as a % of total:						
30-89 days	1.6 %	2.0 %		1.6 %	2.0 %	
90+ days	1.0 %	1.3 %		1.0 %	1.3 %	
Loss reserves (millions):						
Beginning balance	\$ 759	\$ 669	13.6 %	\$ 798	\$ 668	19.5 %
Provision	226	318	(29.0)	765	954	(19.8)
Net charge-offs	(192)	(206)	(6.5)	(817)	(903)	(9.7)
Other	19	17	15.2	66	79	(18.1)
Ending balance	<u>\$ 812</u>	<u>\$ 798</u>	1.8 %	<u>\$ 812</u>	<u>\$ 798</u>	1.8 %
% of loans	4.3 %	4.7 %		4.3 %	4.7 %	
% of past due	162 %	143 %		162 %	143 %	
Average loans	\$ 17.3	\$ 15.7	10.3 %	\$ 16.7	\$ 15.3	9.1 %
Net write-off rate	4.4 %	5.2 %		4.9 %	5.9 %	
Net interest yield (A)	8.1 %	8.8 %		8.2 %	8.8 %	
U.S. Lending - Managed Basis:						
Total loans	\$ 38.5	\$ 34.3	12.2 %	\$ 38.5	\$ 34.3	12.2 %
Past due loans as a % of total:						
30-89 days	1.7 %	1.9 %		1.7 %	1.9 %	
90+ days	1.0 %	1.2 %		1.0 %	1.2 %	
Loss reserves (millions):						
Beginning balance	\$ 1,340	\$ 1,193	12.3 %	\$ 1,297	\$ 1,077	20.5 %
Provision	433	547	(20.8)	1,832	2,053	(10.8)
Net charge-offs	(437)	(460)	(4.8)	(1,840)	(1,912)	(3.8)
Other	19	17	15.2	66	79	(18.1)
Ending balance	<u>\$ 1,355</u>	<u>\$ 1,297</u>	4.5 %	<u>\$ 1,355</u>	<u>\$ 1,297</u>	4.5 %
% of loans	3.5 %	3.8 %		3.5 %	3.8 %	
% of past due	131 %	120 %		131 %	120 %	
Average loans	\$ 36.8	\$ 32.9	12.0 %	\$ 35.6	\$ 32.0	11.3 %
Net write-off rate	4.7 %	5.5 %		5.1 %	6.0 %	
Net interest yield	8.6 %	9.8 %		8.9 %	9.8 %	

(A) Certain prior period amounts have been recomputed to conform to current year presentation.

(Preliminary)

Travel Related Services
Statements of Income
(Unaudited)

(Millions)

	Quarters Ended				
	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003	December 31, 2002
Net revenues:					
Discount revenue	\$ 2,432	\$ 2,221	\$ 2,152	\$ 1,976	\$ 2,122
Net card fees	467	462	455	451	435
Lending:					
Finance charge revenue	654	592	598	681	602
Interest expense	123	116	115	129	132
Net finance charge revenue	531	476	483	552	470
Travel commissions and fees	445	349	373	340	369
Other commissions and fees	515	465	457	464	476
Travelers Cheque investment income	93	90	92	92	94
Securitization income, net	293	301	345	211	284
Other revenues	435	394	377	400	415
Total net revenues	<u>5,211</u>	<u>4,758</u>	<u>4,734</u>	<u>4,486</u>	<u>4,665</u>
Expenses:					
Marketing, promotion, rewards and cardmember services	1,141	994	918	761	796
Provision for losses and claims:					
Charge card	227	213	205	208	237
Lending	330	279	278	331	414
Other	28	31	37	31	26
Total	585	523	520	570	677
Charge card interest expense	187	186	204	209	252
Human resources	1,003	938	965	916	852
Other operating expenses	1,411	1,225	1,190	1,172	1,279
Restructuring charges	-	-	-	-	15
Total expenses	<u>4,327</u>	<u>3,866</u>	<u>3,797</u>	<u>3,628</u>	<u>3,871</u>
Pretax income	884	892	937	858	794
Income tax provision	278	286	303	274	244
Net income	<u>\$ 606</u>	<u>\$ 606</u>	<u>\$ 634</u>	<u>\$ 584</u>	<u>\$ 550</u>

Note: Certain prior period amounts have been reclassified to conform to current year presentation.

(Preliminary)

Travel Related Services
Selected Managed Basis Information
(Unaudited)

(Millions)

	Quarters Ended				
	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003	December 31, 2002
Lending finance charge revenue	\$ 1,186	\$ 1,177	\$ 1,164	\$ 1,170	\$ 1,155
Lending interest expense	207	190	165	193	221
Other commissions and fees	568	510	502	514	524
Other revenues	435	394	-	-	411
Marketing, promotion, rewards and cardmember services	1,141	994	870	735	796
Lending provision	538	534	575	638	641
Charge card interest expense	187	186	204	209	249
Other operating expenses	1,411	1,225	1,157	1,155	1,279

Note: Certain prior period amounts have been reclassified to conform to current year presentation. See prior page for comparable GAAP measures.

(Preliminary)

Travel Related Services
Selected Statistical Information
(Unaudited)

(Billions, except percentages and where indicated)

	Quarters Ended				
	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003	December 31, 2002
Total cards-in-force (millions) (A):					
United States	36.4	35.9	35.4	35.2	34.8
Outside the United States	24.1	23.4	22.9	22.4	22.2
Total	60.5	59.3	58.3	57.6	57.0
Basic cards-in-force (millions):					
United States	27.7	27.3	27.3	27.1	26.9
Outside the United States	19.9	19.3	18.9	18.5	18.3
Total	47.6	46.6	46.2	45.6	45.2
Card billed business					
United States	\$ 72.3	\$ 66.3	\$ 64.6	\$ 58.9	\$ 62.9
Outside the United States	26.2	22.5	21.5	19.9	21.2
Total	\$ 98.5	\$ 88.8	\$ 86.1	\$ 78.8	\$ 84.1
Average discount rate (B)	2.56 %	2.60 %	2.59 %	2.60 %	2.62 %
Average basic cardmember spending (dollars) (B)	\$ 2,314	\$ 2,101	\$ 2,054	\$ 1,894	\$ 2,050
Average fee per card - managed (dollars) (B)	\$ 35	\$ 35	\$ 34	\$ 35	\$ 34
Non-Amex brand (C):					
Cards-in-force (millions)	0.7	0.7	0.7	0.7	0.7
Billed business	\$ 1.1	\$ 1.0	\$ 1.0	\$ 0.9	\$ 1.0
Travel sales	\$ 4.7	\$ 3.7	\$ 3.9	\$ 3.7	\$ 3.8
Travel commissions and fees/sales (D)	9.5 %	9.3 %	9.6 %	9.3 %	9.6 %
Travelers Cheque:					
Sales	\$ 4.7	\$ 6.0	\$ 4.4	\$ 4.1	\$ 4.8
Average outstanding	\$ 6.6	\$ 7.0	\$ 6.4	\$ 6.5	\$ 6.5
Average investments	\$ 7.1	\$ 7.4	\$ 6.9	\$ 6.9	\$ 6.8
Investment yield	5.5 %	5.2 %	5.5 %	5.6 %	5.6 %
Tax equivalent yield	8.4 %	8.0 %	8.4 %	8.6 %	8.7 %
Total debt	\$ 38.4	\$ 33.3	\$ 34.2	\$ 34.1	\$ 36.4
Shareholder's equity	\$ 7.9	\$ 8.0	\$ 7.8	\$ 7.5	\$ 7.3
Return on average total shareholder's equity (E)	31.3 %	31.2 %	31.5 %	31.3 %	30.3 %
Return on average total assets (F)	3.4 %	3.4 %	3.4 %	3.3 %	3.2 %

(A) Total cards-in-force for prior periods have been reduced, reflecting a correction to the number of supplemental cards-in-force.

(B) Cards-in-force include proprietary cards and cards issued under network partnership agreements outside the U.S. Average discount rate, average basic cardmember spending and average fee per card are computed from proprietary card activities only.

(C) These data relate to Visa and Eurocards issued in connection with joint venture activities.

(D) Computed from information provided herein.

(E) Computed on a trailing 12-month basis using total shareholder's equity as included in the Consolidated Financial Statements prepared in accordance with GAAP.

(F) Computed on a trailing 12-month basis using total assets as included in the Consolidated Financial Statements prepared in accordance with GAAP.

(Preliminary)

Travel Related Services
Selected Statistical Information (continued)
(Unaudited)

(Billions, except percentages and where indicated)

	Quarters Ended				
	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003	December 31, 2002
Charge card receivables:					
Total receivables	\$ 28.4	\$ 26.4	\$ 26.0	\$ 24.3	\$ 26.3
90 days past due as a % of total	1.9 %	2.0 %	2.1 %	2.4 %	2.2 %
Loss reserves (millions)	\$ 916	\$ 921	\$ 943	\$ 923	\$ 930
% of receivables	3.2 %	3.5 %	3.6 %	3.8 %	3.5 %
% of 90 days past due	171 %	174 %	171 %	159 %	162 %
Net loss ratio	0.27 %	0.28 %	0.29 %	0.28 %	0.32 %
U.S. Lending (Owned Basis):					
Total loans	\$ 19.0	\$ 16.4	\$ 16.5	\$ 16.5	\$ 17.1
Past due loans as a % of total:					
30-89 days	1.6 %	1.7 %	1.7 %	1.9 %	2.0 %
90+ days	1.0 %	1.0 %	1.1 %	1.2 %	1.3 %
Loss reserves (millions):					
Beginning balance	\$ 759	\$ 773	\$ 790	\$ 798	\$ 669
Provision	226	174	165	200	318
Net charge-offs	(192)	(201)	(199)	(225)	(206)
Other	19	13	17	17	17
Ending balance	<u>\$ 812</u>	<u>\$ 759</u>	<u>\$ 773</u>	<u>\$ 790</u>	<u>\$ 798</u>
% of loans	4.3 %	4.6 %	4.7 %	4.8 %	4.7 %
% of past due	162 %	169 %	169 %	155 %	143 %
Average loans	\$ 17.3	\$ 16.4	\$ 16.1	\$ 16.6	\$ 15.7
Net write-off rate	4.4 %	4.9 %	4.9 %	5.4 %	5.2 %
Net interest yield (A)	8.1 %	7.5 %	7.8 %	8.9 %	8.8 %
U.S. Lending - Managed Basis:					
Total loans	\$ 38.5	\$ 35.9	\$ 36.0	\$ 34.6	\$ 34.3
Past due loans as a % of total:					
30-89 days	1.7 %	1.8 %	1.7 %	1.9 %	1.9 %
90+ days	1.0 %	1.0 %	1.0 %	1.2 %	1.2 %
Loss reserves (millions):					
Beginning balance	\$ 1,340	\$ 1,350	\$ 1,347	\$ 1,297	\$ 1,193
Provision	433	431	461	507	547
Net charge-offs	(437)	(454)	(475)	(474)	(460)
Other	19	13	17	17	17
Ending balance	<u>\$ 1,355</u>	<u>\$ 1,340</u>	<u>\$ 1,350</u>	<u>\$ 1,347</u>	<u>\$ 1,297</u>
% of loans	3.5 %	3.7 %	3.7 %	3.9 %	3.8 %
% of past due	131 %	133 %	136 %	127 %	120 %
Average loans	\$ 36.8	\$ 36.0	\$ 35.3	\$ 34.2	\$ 32.9
Net write-off rate	4.7 %	5.0 %	5.4 %	5.5 %	5.5 %
Net interest yield	8.6 %	8.9 %	8.9 %	9.4 %	9.8 %

(A) Certain prior period amounts have been recomputed to conform to current year presentation.

(Preliminary)

American Express Financial Advisors
Statements of Income
(Unaudited)

(Millions)

	Quarters Ended		Percentage Inc/(Dec)	Years Ended		Percentage Inc/(Dec)
	December 31,			December 31,		
	2003	2002		2003	2002	
Revenues:						
Investment income	\$ 599	\$ 577	3.9 %	\$ 2,279	\$ 2,058	10.7 %
Management and distribution fees	759	535	41.8	2,458	2,292	7.2
Other revenues	382	332	14.7	1,435	1,267	13.3
Total revenues	<u>1,740</u>	<u>1,444</u>	20.5	<u>6,172</u>	<u>5,617</u>	9.9
Expenses:						
Provision for losses and benefits:						
Annuities	274	283	(3.1)	1,104	1,034	6.8
Insurance	226	203	10.5	817	737	10.8
Investment certificates	55	53	5.1	201	183	10.2
Total	<u>555</u>	<u>539</u>	2.8	<u>2,122</u>	<u>1,954</u>	8.6
Human resources	592	449	31.9	2,090	1,898	10.1
Other operating expenses	345	250	38.2	1,101	907	21.4
Disaster recovery charge	-	-	-	-	(7)	-
Total expenses	<u>1,492</u>	<u>1,238</u>	20.5	<u>5,313</u>	<u>4,752</u>	11.8
Pretax income before accounting change	248	206	20.2	859	865	(0.7)
Income tax provision	53	53	(1.5)	177	233	(24.2)
Income before accounting change	195	153	27.8	682	632	8.0
Cumulative effect of accounting change, net of tax (A)	(13)	-	-	(13)	-	-
Net income	<u>\$ 182</u>	<u>\$ 153</u>	19.3 %	<u>\$ 669</u>	<u>\$ 632</u>	5.9 %

(A) Reflects a \$20 million non-cash pre-tax charge (\$13 million after-tax) related to the December 31, 2003 adoption of FIN 46, as revised.

(Preliminary)

American Express Financial Advisors
Selected Statistical Information
(Unaudited)

(Millions, except where indicated)

	Quarters Ended December 31,		Percentage Inc/(Dec)	Years Ended December 31,		Percentage Inc/(Dec)
	2003	2002		2003	2002	
Investments (billions) (A)	\$ 42.1	\$ 38.2	10.2 %	\$ 42.1	\$ 38.2	10.2 %
Client contract reserves (billions)	\$ 41.2	\$ 37.3	10.2 %	\$ 41.2	\$ 37.3	10.2 %
Shareholder's equity (billions)	\$ 7.1	\$ 6.3	12.5 %	\$ 7.1	\$ 6.3	12.5 %
Return on average total shareholder's equity (B)	10.4 %	10.9 %	-	10.4 %	10.9 %	-
Life insurance inforce (billions)	\$ 131.4	\$ 119.0	10.4 %	\$ 131.4	\$ 119.0	10.4 %
Assets owned, managed or administered (billions):						
Assets managed for institutions (C)	\$ 116.4 (F)	\$ 42.3	#	\$ 116.4 (F)	\$ 42.3	#
Assets owned, managed or administered for individuals:						
Owned assets:						
Separate account assets (C)	30.8	22.0	40.2 %	30.8	22.0	40.2 %
Other owned assets (C)	53.8 (E)	51.7	3.9	53.8 (E)	51.7	3.9
Total owned assets	84.6	73.7	14.7	84.6	73.7	14.7
Managed assets (C)	110.2	81.6	35.1	110.2	81.6	35.1
Administered assets (D)	54.1	33.0	64.0	54.1	33.0	64.0
Total	\$ 365.3	\$ 230.6	58.4 %	\$ 365.3	\$ 230.6	58.4 %
Market appreciation (depreciation) during the period:						
Owned assets:						
Separate account assets	\$ 2,752	\$ 1,040	#	\$ 5,514	\$ (5,057)	-
Other owned assets	\$ (275)	\$ 23	-	\$ (244)	\$ 898	-
Managed assets	\$ 15,767	\$ 3,334	#	\$ 26,213	\$ (16,788)	-
Cash sales:						
Mutual funds	\$ 9,096	\$ 6,563	38.6 %	\$ 30,407	\$ 31,945	(4.8) %
Annuities	1,683	2,284	(26.3)	8,335	8,541	(2.4)
Investment certificates	1,520	959	58.6	5,736	4,088	40.3
Life and other insurance products	212	182	16.8	760	710	7.0
Institutional	939	521	80.2	3,033	3,331	(9.0)
Other	978	1,269	(23.0)	5,787	5,201	11.3
Total cash sales	\$ 14,428	\$ 11,778	22.5 %	\$ 54,058	\$ 53,816	0.4 %
Number of financial advisors	12,121	11,689	3.7 %	12,121	11,689	3.7 %
Fees from financial plans and advice services	\$ 20.6	\$ 26.8	(23.3) %	\$ 120.7	\$ 113.9	5.9 %
Percentage of total sales from financial plans and advice services	74.6 %	74.4 %	-	74.8 %	73.3 %	-

- Denotes a variance of more than 100%.

(A) Excludes cash, derivatives, short-term and other investments.

(B) Computed on a trailing 12-month basis using income before cumulative effect of accounting change and total shareholder's equity as included in the Consolidated Financial Statements prepared in accordance with GAAP.

(C) At September 30, 2003 includes \$73.2 billion of assets managed for institutions, \$2.6 billion of separate account assets, \$1.0 billion of other owned assets and \$7.9 billion of assets managed for individuals related to the September 30, 2003 Threadneedle acquisition.

(D) Excludes non-branded administered assets of \$3.6 billion at December 31, 2002. Assuming such assets had been included, the increase in administered assets would have been 47.8%.

(E) As a result of AEFA's December 31, 2003 adoption of FIN 46, as revised, \$0.5 billion of additional assets were consolidated.

(F) As a result of AEFA's December 31, 2003 adoption of FIN 46, as revised, managed assets decreased by \$3.8 billion.

(Preliminary)

American Express Financial Advisors
Statements of Income
(Unaudited)

(Millions)

	Quarters Ended				
	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003	December 31, 2002
Revenues:					
Investment income	\$ 599	\$ 551	\$ 571	\$ 558	\$ 577
Management and distribution fees	759	606	571	522	535
Other revenues	382	368	354	331	332
Total revenues	<u>1,740</u>	<u>1,525</u>	<u>1,496</u>	<u>1,411</u>	<u>1,444</u>
Expenses:					
Provision for losses and benefits:					
Annuities	274	277	280	273	283
Insurance	226	212	187	192	203
Investment certificates	55	46	59	41	53
Total	<u>555</u>	<u>535</u>	<u>526</u>	<u>506</u>	<u>539</u>
Human resources	592	511	508	479	449
Other operating expenses	345	255	253	248	250
Total expenses	<u>1,492</u>	<u>1,301</u>	<u>1,287</u>	<u>1,233</u>	<u>1,238</u>
Pretax income before accounting change	248	224	209	178	206
Income tax provision	53	27	52	45	53
Income before accounting change	195	197	157	133	153
Cumulative effect of accounting change, net of tax (A)	(13)	-	-	-	-
Net income	<u>\$ 182</u>	<u>\$ 197</u>	<u>\$ 157</u>	<u>\$ 133</u>	<u>\$ 153</u>

(A) Reflects a \$20 million non-cash pre-tax charge (\$13 million after-tax) related to the December 31, 2003 adoption of FIN 46, as revised.

(Preliminary)

American Express Financial Advisors
Selected Statistical Information
(Unaudited)

(Millions)

	Quarters Ended				
	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003	December 31, 2002
Investments (billions) (A)	\$ 42.1	\$ 42.3	\$ 42.4	\$ 40.3	\$ 38.2
Client contract reserves (billions)	\$ 41.2	\$ 40.8	\$ 40.2	\$ 38.6	\$ 37.3
Shareholder's equity (billions)	\$ 7.1	\$ 7.1	\$ 6.7	\$ 6.3	\$ 6.3
Return on average total shareholder's equity (B)	10.4%	10.1 %	9.6 %	9.8 %	10.9 %
Life insurance inforce (billions)	\$ 131.4	\$ 127.5	\$ 124.4	\$ 121.4	\$ 119.0
Assets owned, managed or administered (billions):					
Assets managed for institutions (C)	\$ 116.4 (F)	\$ 116.7	\$ 43.8	\$ 41.4	\$ 42.3
Assets owned, managed or administered for individuals:					
Owned assets:					
Separate account assets (C)	30.8	27.6	24.1	21.3	22.0
Other owned assets (C)	53.8 (E)	53.3	52.2	51.5	51.7
Total owned assets	84.6	80.9	76.3	72.8	73.7
Managed assets (C)	110.2	96.6	87.3	79.9	81.6
Administered assets (D)	54.1	45.6	37.4	34.0	33.0
Total	<u>\$ 365.3</u>	<u>\$ 339.8</u>	<u>\$ 244.8</u>	<u>\$ 228.1</u>	<u>\$ 230.6</u>
Market appreciation (depreciation) during the period:					
Owned assets:					
Separate account assets	\$ 2,752	\$ 613	\$ 2,620	\$ (471)	\$ 1,040
Other owned assets	\$ (275)	\$ (388)	\$ 399	\$ 20	\$ 23
Managed assets	\$ 15,767	\$ 2,134	\$ 9,457	\$ (1,145)	\$ 3,334
Cash sales:					
Mutual funds	\$ 9,096	\$ 7,361	\$ 7,150	\$ 6,800	\$ 6,563
Annuities	1,683	1,866	2,581	2,205	2,284
Investment certificates	1,520	1,542	1,607	1,067	959
Life and other insurance products	212	198	188	162	182
Institutional	939	680	722	692	521
Other	978	1,595	1,531	1,683	1,269
Total cash sales	<u>\$ 14,428</u>	<u>\$ 13,242</u>	<u>\$ 13,779</u>	<u>\$ 12,609</u>	<u>\$ 11,778</u>
Number of financial advisors	12,121	11,742	11,667	11,606	11,689
Fees from financial plans and advice services	\$ 20.6	\$ 34.9	\$ 33.5	\$ 31.7	\$ 26.8
Percentage of total sales from financial plans and advice services	74.6 %	75.0 %	74.0 %	75.6 %	74.4 %

(A) Excludes cash, derivatives, short-term and other investments.

(B) Computed on a trailing 12-month basis using income before cumulative effect of accounting change and total shareholder's equity as included in the Consolidated Financial Statements prepared in accordance with GAAP.

(C) At September 30, 2003, includes \$73.2 billion of assets managed for institutions, \$2.6 billion of separate accounts assets, \$1.0 billion of other owned assets and \$7.9 billion of assets managed for individuals, related to the September 30, 2003 Threadneedle acquisition.

(D) Excludes non-branded administered assets of \$5.4 billion, \$3.8 billion and \$3.6 billion for the periods ended June 30, 2003, March 31, 2003 and December 31, 2002, respectively.

(E) As a result of AEFA's December 31, 2003 adoption of FIN 46, as revised, \$0.5 billion of additional assets were consolidated.

(F) As a result of AEFA's December 31, 2003 adoption of FIN 46, as revised, managed assets decreased by \$3.8 billion.

(Preliminary)

American Express Bank
Statements of Income
(Unaudited)

(Millions)

	<u>Quarters Ended</u>		<u>Percentage</u>	<u>Years Ended</u>		<u>Percentage</u>
	<u>December 31,</u>			<u>December 31,</u>		
	<u>2003</u>	<u>2002</u>	<u>Inc/(Dec)</u>	<u>2003</u>	<u>2002</u>	<u>Inc/(Dec)</u>
Net revenues:						
Interest income	\$ 139	\$ 156	(11.8) %	\$ 575	\$ 606	(5.2) %
Interest expense	57	65	(11.8)	226	246	(8.0)
Net interest income	82	91	(11.8)	349	360	(3.2)
Commissions and fees	68	58	20.2	238	215	10.9
Foreign exchange income & other revenues	55	39	39.8	214	170	25.8
Total net revenues	<u>205</u>	<u>188</u>	8.7	<u>801</u>	<u>745</u>	7.5
Expenses:						
Human resources	75	59	26.4	271	236	14.9
Other operating expenses	67	63	5.8	279	244	14.0
Provision for losses	21	31	(33.3)	102	147	(30.6)
Restructuring charges	-	(1)	#	(2)	(3)	(49.9)
Total expenses	<u>163</u>	<u>152</u>	6.8	<u>650</u>	<u>624</u>	4.2
Pretax income	42	36	16.5	151	121	24.2
Income tax provision	13	12	5.8	49	41	18.7
Net income	<u>\$ 29</u>	<u>\$ 24</u>	22.1 %	<u>\$ 102</u>	<u>\$ 80</u>	27.1 %

Denotes a variance of more than 100%.

(Preliminary)

American Express Bank
Selected Statistical Information
(Unaudited)

(Billions, except where indicated)

	Quarters Ended		Percentage	Years Ended		Percentage
	December 31,			December 31,		
	2003	2002	Inc/(Dec)	2003	2002	Inc/(Dec)
Total shareholder's equity (millions)	\$ 949	\$ 947	0.2 %	\$ 949	\$ 947	0.2 %
Return on average total shareholder's equity (A)	10.8%	9.6 %		10.8%	9.6 %	
Return on average total assets (B)	0.74 %	0.66 %		0.74 %	0.66 %	
Total loans	\$ 6.5	\$ 5.6	15.4 %	\$ 6.5	\$ 5.6	15.4 %
Total non-performing loans (millions) (C)	\$ 78	\$ 119	(34.7) %	\$ 78	\$ 119	(34.7) %
Other non-performing assets (millions)	\$ 15	\$ 15	(2.7) %	\$ 15	\$ 15	(2.7) %
Reserve for credit losses (millions) (D)	\$ 121	\$ 158	(23.3) %	\$ 121	\$ 158	(23.3) %
Loan loss reserves as a % of total loans	1.7 %	2.7 %		1.7 %	2.7 %	
Total Personal Financial Services (PFS) loans	\$ 1.4	\$ 1.6	(14.1) %	\$ 1.4	\$ 1.6	(14.1) %
30+ days past due PFS loans as a % of total	6.6 %	5.4 %		6.6 %	5.4 %	
Deposits	\$ 10.8	\$ 9.5	13.4 %	\$ 10.8	\$ 9.5	13.4 %
Assets managed (E) / administered	\$ 16.2	\$ 12.5	29.0 %	\$ 16.2	\$ 12.5	29.0 %
Assets of non-consolidated joint ventures	\$ 1.7	\$ 1.8	(7.4) %	\$ 1.7	\$ 1.8	(7.4) %
Risk-based capital ratios (F):						
Tier 1	11.4 %	10.9 %		11.4 %	10.9 %	
Total	11.3 %	11.4 %		11.3 %	11.4 %	
Leverage ratio	5.5 %	5.3 %		5.5 %	5.3 %	

(A) Computed on a trailing 12-month basis using total shareholder's equity as included in the Consolidated Financial Statements prepared in accordance with GAAP.

Prior period amounts have been revised to conform to current presentation.

(B) Computed on a trailing 12-month basis using total assets as included in the Consolidated Financial Statements prepared in accordance with GAAP.

Prior period amounts have been revised to conform to current presentation.

(C) AEB defines non-performing loans as loans (other than certain smaller-balance loans) on which the accrual of interest is discontinued because the contractual payment of principal or interest has become 90 days past due or if, in management's opinion, the borrower is unlikely to meet its contractual obligations. For smaller-balance loans, management establishes reserves it believes to be adequate to absorb credit losses inherent in the portfolio. Generally, these loans are written off in full when an impairment is determined or when the loan becomes 120 or 180 days past due, depending on loan type.

(D) Allocation (millions):

Loans	\$ 113	\$ 151	\$ 113	\$ 151
Other assets, primarily foreign exchange and other derivatives	6	6	6	6
Unfunded contingents	2	1	2	1
Total reserve for credit losses	<u>\$ 121</u>	<u>\$ 158</u>	<u>\$ 121</u>	<u>\$ 158</u>

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

(F) Based on legal entity financial information.

(Preliminary)

American Express Bank
Statements of Income
(Unaudited)

(Millions)

	Quarters Ended				
	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003	December 31, 2002
Net revenues:					
Interest income	\$ 139	\$ 139	\$ 148	\$ 149	\$ 156
Interest expense	57	52	57	60	65
Net interest income	82	87	91	89	91
Commissions and fees	68	58	57	55	58
Foreign exchange income & other revenues	55	54	52	53	39
Total net revenues	<u>205</u>	<u>199</u>	<u>200</u>	<u>197</u>	<u>188</u>
Expenses:					
Human resources	75	71	64	61	59
Other operating expenses	67	69	70	73	63
Provision for losses	21	20	27	34	31
Restructuring charges	-	(2)	-	-	(1)
Total expenses	<u>163</u>	<u>158</u>	<u>161</u>	<u>168</u>	<u>152</u>
Pretax income	42	41	39	29	36
Income tax provision	13	14	12	10	12
Net income	<u>\$ 29</u>	<u>\$ 27</u>	<u>\$ 27</u>	<u>\$ 19</u>	<u>\$ 24</u>

(Preliminary)

American Express Bank
Selected Statistical Information
(Unaudited)

(Billions, except where indicated)

	Quarters Ended				
	December 31, 2003	September 30, 2003	June 30, 2003	March 31, 2003	December 31, 2002
Total shareholder's equity (millions)	\$ 949	\$ 952	\$ 955	\$ 918	\$ 947
Return on average total shareholder's equity (A)	10.8 %	10.4 %	10.5 %	10.0 %	9.6 %
Return on average total assets (B)	0.74 %	0.74 %	0.75 %	0.71 %	0.66 %
Total loans	\$ 6.5	\$ 6.2	\$ 5.8	\$ 5.7	\$ 5.6
Total non-performing loans (millions) (C)	\$ 78	\$ 84	\$ 102	\$ 106	\$ 119
Other non-performing assets (millions)	\$ 15	\$ 15	\$ 16	\$ 15	\$ 15
Reserve for credit losses (millions) (D)	\$ 121	\$ 125	\$ 151	\$ 155	\$ 158
Loan loss reserves as a % of total loans	1.7 %	1.9 %	2.4 %	2.5 %	2.7 %
Total Personal Financial Services (PFS) loans	\$ 1.4	\$ 1.4	\$ 1.5	\$ 1.5	\$ 1.6
30+ days past due PFS loans as a % of total	6.6 %	5.3 %	5.5 %	5.0 %	5.4 %
Deposits	\$ 10.8	\$ 10.6	\$ 10.1	\$ 9.5	\$ 9.5
Assets managed (E) / administered	\$ 16.2	\$ 15.0	\$ 14.1	\$ 13.1	\$ 12.5
Assets of non-consolidated joint ventures	\$ 1.7	\$ 1.7	\$ 1.8	\$ 1.7	\$ 1.8
Risk-based capital ratios (F):					
Tier 1	11.4 %	10.5 %	10.5 %	10.8 %	10.9 %
Total	11.3 %	10.8 %	10.7 %	11.0 %	11.4 %
Leverage ratio	5.5 %	6.0 %	5.5 %	5.5 %	5.3 %

(A) Computed on a trailing 12-month basis using total shareholder's equity as included in the Consolidated Financial Statements prepared in accordance with GAAP. Prior period amounts have been revised to conform to current presentation.

(B) Computed on a trailing 12-month basis using total assets as included in the Consolidated Financial Statements prepared in accordance with GAAP. Prior period amounts have been revised to conform to current presentation.

(C) AEB defines non-performing loans as loans (other than certain smaller-balance loans) on which the accrual of interest is discontinued because the contractual payment of principal or interest has become 90 days past due or if, in management's opinion, the borrower is unlikely to meet its contractual obligations. For smaller-balance loans, management establishes reserves it believes to be adequate to absorb credit losses inherent in the portfolio. Generally, these loans are written off in full when an impairment is determined or when the loan becomes 120 or 180 days past due, depending on loan type.

(D) Allocation (millions):

Loans	\$ 113	\$ 117	\$ 142	\$ 145	\$ 151
Other assets, primarily foreign exchange and other derivatives	6	6	5	5	6
Unfunded contingents	2	2	4	5	1
Total reserve for credit losses	<u>\$ 121</u>	<u>\$ 125</u>	<u>\$ 151</u>	<u>\$ 155</u>	<u>\$ 158</u>

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

(F) Based on legal entity financial information.

This release includes forward-looking statements, which are subject to risks and uncertainties. The words "believe," "expect," "anticipate," "optimistic," "intend," "plan," "aim," "will," "may," "should," "could," "would," "likely," and similar expressions are intended to identify forward-looking statements. 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 company's ability to successfully implement a business model that allows for significant earnings growth based on revenue growth that is lower than historical levels, including the ability to improve its operating expense to revenue ratio both in the short-term and over time, which will depend in part on the effectiveness of re-engineering and other cost-control initiatives, as well as factors impacting the company's revenues; the company's ability to moderate the quarterly growth rate of its marketing, promotion, rewards and cardmember services expenses to levels below the fourth quarter of 2003; the company's ability to grow its business and meet or exceed its return on shareholders' equity target by reinvesting approximately 35% of annually-generated capital, and returning approximately 65% of such capital to shareholders, over time, which will depend on the company's ability to manage its capital needs and the effect of business mix, acquisitions and rating agency requirements; the ability of the company to generate sufficient revenues for expanded investment spending and to actually spend such funds to the extent available, and the ability to capitalize on such investments to improve business metrics; credit risk related to consumer debt, business loans, merchant bankruptcies and other credit exposures both in the U.S. and internationally; fluctuation in the equity and fixed income markets, which can affect the amount and types of investment products sold by AEFA, the market value of its managed assets, and management, distribution and other fees received based on the value of those assets; AEFA's ability to recover Deferred Acquisition Costs (DAC), as well as the timing of such DAC amortization, in connection with the sale of annuity, insurance and certain mutual fund products; changes in assumptions relating to DAC, which could impact the amount of DAC amortization; the ability to improve investment performance in AEFA's businesses, including attracting and retaining high-quality personnel; the success, timeliness and financial impact, including costs, cost savings and other benefits including increased revenues, of re-engineering initiatives being implemented or considered by the company, including cost management, structural and strategic measures such as vendor, process, facilities and operations consolidation, outsourcing (including, among others, technologies operations), 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 re-engineering actions; 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; the potential negative effect on the company's businesses and infrastructure, including information technology systems, terrorist attacks, disasters or other catastrophic events in the future; the impact on the company's businesses resulting from continuing geopolitical uncertainty; the overall level of consumer confidence; consumer and business spending on the company's travel related services products, particularly credit and charge cards and growth in card lending balances, which depend in part on the ability to issue new and enhanced card products and increase revenues from such products, attract new cardholders, capture a greater share of existing cardholders' spending, sustain premium discount rates, increase merchant coverage, retain cardmembers after low introductory lending rates have expired, and expand the global network services business; the ability to manage and expand cardmember benefits, including Membership Rewards®, in a cost effective manner and to accurately estimate the provision for the cost of the Membership Rewards program; the triggering of obligations to make payments to certain co-brand partners, merchants, vendors and customers under contractual arrangements with such parties under certain circumstances; successfully cross-selling financial,

travel, card and other products and services to the company's customer base, both in the United States and internationally; a downturn in the company's businesses and/or negative changes in the company's and its subsidiaries' credit ratings, which could result in contingent payments under contracts, decreased liquidity and higher borrowing costs; fluctuations in interest rates, which impact the company's borrowing costs, return on lending products and spreads in the investment and insurance businesses; credit trends and the rate of bankruptcies, which can affect spending on card products, debt payments by individual and corporate customers and businesses that accept the company's card products and returns on the company's investment portfolios; fluctuations in foreign currency exchange rates; political or economic instability in certain regions or countries, which could affect lending and other commercial activities, among other businesses, or restrictions on convertibility of certain currencies; changes in laws or government regulations; the costs and integration of acquisitions; and outcomes and costs associated with litigation and compliance and regulatory matters. A further description of these and other risks and uncertainties can be found in the company's Annual Report on Form 10-K for the year ended December 31, 2002, and its other reports filed with the SEC.