

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

(Preliminary)

American Express Company  
Condensed Consolidated Statements of Income  
(Unaudited)

	Quarters Ended			Percentage Inc/(Dec)	Six Months Ended			Percentage Inc/(Dec)
	June 30,		2003		June 30,		2003	
	2004	2003			2004	2003		
<b>Revenues</b>								
Discount revenue	\$ 2,529	\$ 2,152	17.5	%	\$ 4,897	\$ 4,128	18.6	%
Management and distribution fees	750	569	31.8		1,529	1,089	40.4	
Net investment income	785	780	0.6		1,526	1,547	(1.4)	
Cardmember lending net finance charge revenue	561	483	15.9		1,102	1,035	6.5	
Net card fees	472	455	3.9		944	906	4.3	
Travel commissions and fees	468	373	25.7		885	713	24.2	
Other commissions and fees	565	466	21.1		1,094	943	15.9	
Insurance and annuity revenues	378	341	11.2		742	655	13.3	
Securitization income, net	282	300	(5.8)		512	511	0.1	
Other	468	437	6.8		937	852	10.0	
<b>Total revenues</b>	<u>7,258</u>	<u>6,356</u>	14.2		<u>14,168</u>	<u>12,379</u>	14.5	
<b>Expenses</b>								
Human resources	1,839	1,576	16.6		3,618	3,066	18.0	
Marketing, promotion, rewards and cardmember services	1,250	944	32.5		2,297	1,719	33.6	
Provision for losses and benefits	1,080	1,075	0.5		2,102	2,185	(3.8)	
Interest	210	231	(9.2)		413	461	(10.5)	
Other operating expenses	1,613	1,433	12.6		3,224	2,855	13.0	
<b>Total expenses</b>	<u>5,992</u>	<u>5,259</u>	14.0		<u>11,654</u>	<u>10,286</u>	13.3	
Pretax income before accounting change	1,266	1,097	15.4		2,514	2,093	20.1	
Income tax provision	390	335	16.1		773	639	21.0	
Income before accounting change	876	762	15.1		1,741	1,454	19.7	
Cumulative effect of accounting change, net of tax	-	-	-		(71) (A)	-	-	
<b>Net income</b>	<u>\$ 876</u>	<u>\$ 762</u>	15.1		<u>\$ 1,670</u>	<u>\$ 1,454</u>	14.9	

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

(A) Reflects a \$109 million non-cash pretax charge (\$71 million after-tax) related to the January 1, 2004 adoption of SOP 03-1.

(Preliminary)

**American Express Company**  
**Condensed Consolidated Balance Sheets**  
**(Unaudited)**

(Billions)

	<u>June 30, 2004</u>	<u>December 31, 2003</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 6	\$ 6
Accounts receivable	32	31
Investments	58	57
Loans	34	32
Separate account assets	33	31
Other assets	16	18
Total assets	<u>\$ 179</u>	<u>\$ 175</u>
<b>Liabilities and Shareholders' Equity</b>		
Separate account liabilities	\$ 33	\$ 31
Short-term debt	17	19
Long-term debt	23	21
Other liabilities	91	89
Total liabilities	<u>164</u>	<u>160</u>
Shareholders' Equity	<u>15</u>	<u>15</u>
Total liabilities and shareholders' equity	<u>\$ 179</u>	<u>\$ 175</u>

(Preliminary)

**American Express Company**  
**Financial Summary**  
(Unaudited)

(Millions)

	<u>Quarters Ended</u> <u>June 30,</u>		<u>Percentage</u> <u>Inc/(Dec)</u>	<u>Six Months Ended</u> <u>June 30,</u>		<u>Percentage</u> <u>Inc/(Dec)</u>
	<u>2004</u>	<u>2003</u>		<u>2004</u>	<u>2003</u>	
<b>Revenues (A)</b>						
Travel Related Services	\$ 5,378	\$ 4,734	13.6 %	\$ 10,428	\$ 9,220	13.1 %
American Express Financial Advisors	1,763	1,496	17.9	3,491	2,907	20.1
American Express Bank	203	200	1.8	413	397	4.2
	<u>7,344</u>	<u>6,430</u>	14.2	<u>14,332</u>	<u>12,524</u>	14.4
Corporate and other, including adjustments and eliminations	(86)	(74)	(16.7)	(164)	(145)	(13.0)
<b>CONSOLIDATED REVENUES</b>	<u>\$ 7,258</u>	<u>\$ 6,356</u>	14.2	<u>\$ 14,168</u>	<u>\$ 12,379</u>	14.5
<b>Pretax Income (Loss) Before Accounting Change</b>						
Travel Related Services	\$ 1,079	\$ 937	15.2	\$ 2,052	\$ 1,795	14.3
American Express Financial Advisors	264	209	26.5	581	387	50.2
American Express Bank	42	39	9.4	90	68	32.3
	<u>1,385</u>	<u>1,185</u>	17.0	<u>2,723</u>	<u>2,250</u>	18.7
Corporate and other	(119)	(88)	(37.2)	(209)	(157)	(33.2)
<b>PRETAX INCOME BEFORE ACCOUNTING CHANGE</b>	<u>\$ 1,266</u>	<u>\$ 1,097</u>	15.4	<u>\$ 2,514</u>	<u>\$ 2,093</u>	20.1
<b>Net Income (Loss)</b>						
Travel Related Services	\$ 732	\$ 634	15.6	\$ 1,397	\$ 1,218	14.7
American Express Financial Advisors	174	157	11.1	331 (B)	290	14.3
American Express Bank	28	27	3.6	58	46	25.2
	<u>934</u>	<u>818</u>	14.3	<u>1,786</u>	<u>1,554</u>	14.9
Corporate and other	(58)	(56)	(4.3)	(116)	(100)	(16.1)
<b>NET INCOME</b>	<u>\$ 876</u>	<u>\$ 762</u>	15.1	<u>\$ 1,670 (B)</u>	<u>\$ 1,454</u>	14.9

(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	\$ 7,258	\$ 6,356	14.2 %	\$ 14,168	\$ 12,379	14.5 %
Effect of TRS securitizations	196	216		475	480	
Effect of AEFA provisions	(532)	(526)		(1,033)	(1,032)	
Managed net revenues	<u>\$ 6,922</u>	<u>\$ 6,046</u>	14.5	<u>\$ 13,610</u>	<u>\$ 11,827</u>	15.1

(B) Reflects a \$109 million non-cash pretax charge (\$71 million after-tax) related to the January 1, 2004 adoption of SOP 03-1.

(Preliminary)

**American Express Company**  
**Financial Summary (continued)**  
**(Unaudited)**

	<u>Quarters Ended</u> <u>June 30,</u>		<u>Percentage</u> <u>Inc/(Dec)</u>	<u>Six Months Ended</u> <u>June 30,</u>		<u>Percentage</u> <u>Inc/(Dec)</u>
	<u>2004</u>	<u>2003</u>		<u>2004</u>	<u>2003</u>	
<b>EARNINGS PER SHARE</b>						
<b>BASIC</b>						
Income before accounting change	\$ 0.69	\$ 0.59	17 %	\$ 1.37	\$ 1.13	21 %
Net income	<u>\$ 0.69</u>	<u>\$ 0.59</u>	17 %	<u>\$ 1.31</u> (A)	<u>\$ 1.13</u>	16 %
Average common shares outstanding (millions)	<u>1,263</u>	<u>1,283</u>	(2) %	<u>1,270</u>	<u>1,290</u>	(2) %
<b>DILUTED</b>						
Income before accounting change	\$ 0.68	\$ 0.59	15 %	\$ 1.34	\$ 1.12	20 %
Net income	<u>\$ 0.68</u>	<u>\$ 0.59</u>	15 %	<u>\$ 1.29</u> (A)	<u>\$ 1.12</u>	15 %
Average common shares outstanding (millions)	<u>1,288</u>	<u>1,295</u>	(1)	<u>1,296</u>	<u>1,300</u>	-
Cash dividends declared per common share	<u>\$ 0.10</u>	<u>\$ 0.10</u>	-	<u>\$ 0.20</u>	<u>\$ 0.18</u>	11 %

**Selected Statistical Information**  
**(Unaudited)**

	<u>Quarters Ended</u> <u>June 30,</u>		<u>Percentage</u> <u>Inc/(Dec)</u>	<u>Six Months Ended</u> <u>June 30,</u>		<u>Percentage</u> <u>Inc/(Dec)</u>
	<u>2004</u>	<u>2003</u>		<u>2004</u>	<u>2003</u>	
Return on average total shareholders' equity (B)	21.2%	20.1%		21.2%	20.1%	
Common shares outstanding (millions)	1,267	1,286	(1) %	1,267	1,286	(1) %
Book value per common share	\$ 11.96	\$ 11.27	6 %	\$ 11.96	\$ 11.27	6 %
Shareholders' equity (billions)	\$ 15.2	\$ 14.5	5 %	\$ 15.2	\$ 14.5	5 %

(A) Reflects a \$109 million non-cash pretax charge (\$71 million after-tax), or \$0.06 on a basic per share basis and \$0.05 on a diluted per share basis, related to the January 1, 2004 adoption of SOP 03-1.

(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				
	June 30, 2004	March 31, 2004	December 31, 2003	September 30, 2003	June 30, 2003
<b>Revenues</b>					
Discount revenue	\$ 2,529	\$ 2,368	\$ 2,432	\$ 2,221	\$ 2,152
Management and distribution fees	750	779	758	603	569
Net investment income	785	741	786	730	780
Cardmember lending net finance charge revenue	561	541	531	476	483
Net card fees	472	472	467	462	455
Travel commissions and fees	468	417	445	349	373
Other commissions and fees	565	529	531	486	466
Insurance and annuity revenues	378	364	366	345	341
Securitization income, net	282	230	293	301	300
Other	468	469	459	446	437
Total revenues	<u>7,258</u>	<u>6,910</u>	<u>7,068</u>	<u>6,419</u>	<u>6,356</u>
<b>Expenses</b>					
Human resources	1,839	1,779	1,708	1,559	1,576
Marketing, promotion, rewards and cardmember services	1,250	1,047	1,166	1,016	944
Provision for losses and benefits	1,080	1,022	1,164	1,080	1,075
Interest	210	203	205	239	231
Other operating expenses	1,613	1,611	1,735	1,463	1,433
Restructuring charges	-	-	-	(2)	-
Total expenses	<u>5,992</u>	<u>5,662</u>	<u>5,978</u>	<u>5,355</u>	<u>5,259</u>
Pretax income before accounting change	1,266	1,248	1,090	1,064	1,097
Income tax provision	390	383	314	294	335
Income before accounting change	876	865	776	770	762
Cumulative effect of accounting change, net of tax	-	(71) (A)	(13) (B)	-	-
Net income	<u>\$ 876</u>	<u>\$ 794</u>	<u>\$ 763</u>	<u>\$ 770</u>	<u>\$ 762</u>

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

(A) Reflects a \$109 million non-cash pretax charge (\$71 million after-tax) related to the January 1, 2004 adoption of SOP 03-1.

(B) Reflects a \$20 million non-cash pretax 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				
	June 30, 2004	March 31, 2004	December 31, 2003	September 30, 2003	June 30, 2003
<b>Revenues (A)</b>					
Travel Related Services	\$ 5,378	\$ 5,050	\$ 5,211	\$ 4,758	\$ 4,734
American Express Financial Advisors	1,763	1,728	1,740	1,525	1,496
American Express Bank	203	210	205	199	200
	<u>7,344</u>	<u>6,988</u>	<u>7,156</u>	<u>6,482</u>	<u>6,430</u>
Corporate and other, including adjustments and eliminations	(86)	(78)	(88)	(63)	(74)
<b>CONSOLIDATED REVENUES</b>	<u>\$ 7,258</u>	<u>\$ 6,910</u>	<u>\$ 7,068</u>	<u>\$ 6,419</u>	<u>\$ 6,356</u>
<b>Pretax Income (Loss) Before Accounting Change</b>					
Travel Related Services	\$ 1,079	\$ 973	\$ 884	\$ 892	\$ 937
American Express Financial Advisors	264	317	248	224	209
American Express Bank	42	48	42	41	39
	<u>1,385</u>	<u>1,338</u>	<u>1,174</u>	<u>1,157</u>	<u>1,185</u>
Corporate and other	(119)	(90)	(84)	(93)	(88)
<b>PRETAX INCOME BEFORE ACCOUNTING CHANGE</b>	<u>\$ 1,266</u>	<u>\$ 1,248</u>	<u>\$ 1,090</u>	<u>\$ 1,064</u>	<u>\$ 1,097</u>
<b>Net Income (Loss)</b>					
Travel Related Services	\$ 732	\$ 665	\$ 606	\$ 606	\$ 634
American Express Financial Advisors	174	157 (B)	182 (C)	197	157
American Express Bank	28	30	29	27	27
	<u>934</u>	<u>852</u>	<u>817</u>	<u>830</u>	<u>818</u>
Corporate and other	(58)	(58)	(54)	(60)	(56)
<b>NET INCOME</b>	<u>\$ 876</u>	<u>\$ 794 (B)</u>	<u>\$ 763 (C)</u>	<u>\$ 770</u>	<u>\$ 762</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	\$ 7,258	\$ 6,910	\$ 7,068	\$ 6,419	\$ 6,356
Effect of TRS securitizations	196	279	208	255	216
Effect of AEFA provisions	(532)	(501)	(555)	(535)	(526)
Managed net revenues	<u>\$ 6,922</u>	<u>\$ 6,688</u>	<u>\$ 6,721</u>	<u>\$ 6,139</u>	<u>\$ 6,046</u>

(B) Reflects a \$109 million non-cash pretax charge (\$71 million after-tax) related to the January 1, 2004 adoption of SOP 03-1.

(C) Reflects a \$20 million non-cash pretax 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				
	June 30, 2004	March 31, 2004	December 31, 2003	September 30, 2003	June 30, 2003
<b>EARNINGS PER SHARE</b>					
<b>BASIC</b>					
Income before accounting change	\$ 0.69	\$ 0.68	\$ 0.61	\$ 0.60	\$ 0.59
Net income	<u>\$ 0.69</u>	<u>\$ 0.62</u> (A)	<u>\$ 0.60</u> (B)	<u>\$ 0.60</u>	<u>\$ 0.59</u>
Average common shares outstanding (millions)	<u>1,263</u>	<u>1,277</u>	<u>1,277</u>	<u>1,278</u>	<u>1,283</u>
<b>DILUTED</b>					
Income before accounting change	\$ 0.68	\$ 0.66	\$ 0.60	\$ 0.59	\$ 0.59
Net income	<u>\$ 0.68</u>	<u>\$ 0.61</u> (A)	<u>\$ 0.59</u> (B)	<u>\$ 0.59</u>	<u>\$ 0.59</u>
Average common shares outstanding (millions)	<u>1,288</u>	<u>1,305</u>	<u>1,299</u>	<u>1,297</u>	<u>1,295</u>
Cash dividends declared per common share	<u>\$ 0.10</u>	<u>\$ 0.10</u>	<u>\$ 0.10</u>	<u>\$ 0.10</u>	<u>\$ 0.10</u>

**Selected Statistical Information**  
(Unaudited)

	Quarters Ended				
	June 30, 2004	March 31, 2004	December 31, 2003	September 30, 2003	June 30, 2003
Return on average total shareholders' equity (C)	21.2%	20.7%	20.6%	20.4%	20.1%
Common shares outstanding (millions)	1,267	1,281	1,284	1,285	1,286
Book value per common share	\$ 11.96	\$ 12.30	\$ 11.93	\$ 11.54	\$ 11.27
Shareholders' equity (billions)	\$ 15.2	\$ 15.7	\$ 15.3	\$ 14.8	\$ 14.5

(A) Reflects a \$109 million non-cash pretax charge (\$71 million after-tax), or \$0.06 on a basic per share basis and \$0.05 on a diluted per share basis, related to the January 1, 2004 adoption of SOP 03-1.

(B) Reflects a \$20 million non-cash pretax 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.

(C) 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 Inc/(Dec)
	June 30,		
	2004	2003	
Net revenues:			
Discount revenue	\$ 2,529	\$ 2,152	17.5 %
Lending:			
Finance charge revenue	697	598	16.3
Interest expense	136	115	18.1
Net finance charge revenue	561	483	15.9
Net card fees	472	455	3.9
Travel commissions and fees	468	373	25.7
Other commissions and fees	551	457	20.6
Travelers Cheque investment income	95	92	2.5
Securitization income, net	282	300	(5.8)
Other revenues	420	422	(0.8)
Total net revenues	5,378	4,734	13.6
Expenses:			
Marketing, promotion, rewards and cardmember services	1,225	918	33.3
Provision for losses and claims:			
Charge card	189	205	(7.1)
Lending	314	278	13.0
Other	33	37	(13.0)
Total	536	520	3.3
Charge card interest expense	175	204	(14.2)
Human resources	1,081	965	12.0
Other operating expenses	1,282	1,190	7.7
Total expenses	4,299	3,797	13.2
Pretax income	1,079	937	15.2
Income tax provision	347	303	14.4
Net income	\$ 732	\$ 634	15.6

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

(Preliminary)

**Travel Related Services**  
**Selected Financial Information**  
(Unaudited)

Quarters Ended June 30,  
(Millions)

	GAAP Basis		Percentage Inc/(Dec)	Securitization Effect		Managed Basis		Percentage Inc/(Dec)
	2004	2003		2004	2003	2004	2003	
Net revenues:								
Discount revenue	\$ 2,529	\$ 2,152	17.5 %					
Lending:								
Finance charge revenue	697	598	16.3	\$ 489	\$ 566	\$ 1,186	\$ 1,164	1.8 %
Interest expense	136	115	18.1	61	95	197	210	(6.3)
Net finance charge revenue	561	483	15.9	428	471	989	954	3.6
Net card fees	472	455	3.9					
Travel commissions and fees	468	373	25.7					
Other commissions and fees	551	457	20.6	50	45	601	502	19.8
Travelers Cheque investment income	95	92	2.5					
Securitization income, net	282	300	(5.8)	(282)	(300)	-	-	-
Other revenues	420	422	(0.8)					
Total net revenues	5,378	4,734	13.6	196	216	5,574	4,950	12.6
Expenses:								
Marketing, promotion, rewards and cardmember services	1,225	918	33.3	(6)	(48)	1,219	870	40.2
Provision for losses and claims:								
Charge card	189	205	(7.1)					
Lending	314	278	13.0	205	297	519	575	(9.8)
Other	33	37	(13.0)					
Total	536	520	3.3	205	297	741	817	(9.3)
Charge card interest expense	175	204	(14.2)					
Human resources	1,081	965	12.0					
Other operating expenses	1,282	1,190	7.7	(3)	(33)	1,279	1,157	10.4
Total expenses	4,299	3,797	13.2	\$ 196	\$ 216	\$ 4,495	\$ 4,013	12.0
Pretax income	1,079	937	15.2					
Income tax provision	347	303	14.4					
Net income	\$ 732	\$ 634	15.6					

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 net gains and charges from securitization activity, net finance charge revenue on retained interests in securitized loans and servicing income, net of related discounts or fees. 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, 2004 and June 30, 2003 assume that net activity of \$9 million and \$81 million, respectively, from lending securitizations was offset by higher marketing, promotion, rewards and cardmember services expenses of \$6 million and \$48 million, respectively, and other operating expenses of \$3 million and \$33 million, respectively. Accordingly, the incremental expenses, as well as the net activity, have been eliminated.

(Preliminary)

Travel Related Services  
Selected Financial Information  
(Unaudited)

Quarters Ended  
(Millions)

	GAAP Basis			Securitization Effect			Managed Basis		
	March 31, 2004	December 31, 2003	September 30, 2003	March 31, 2004	December 31, 2003	September 30, 2003	March 31, 2004	December 31, 2003	September 30, 2003
Net revenues:									
Discount revenue	\$ 2,368	\$ 2,432	\$ 2,221						
Lending:									
Finance charge revenue	668	654	592	\$ 539	\$ 532	\$ 585	\$ 1,207	\$ 1,186	\$ 1,177
Interest expense	127	123	116	83	84	74	210	207	190
Net finance charge revenue	541	531	476	456	448	511	997	979	987
Net card fees	472	467	462						
Travel commissions and fees	417	445	349						
Other commissions and fees	510	515	465	53	53	45	563	568	510
Travelers Cheque investment income	93	93	90						
Securitization income, net	230	293	301	(230)	(293)	(301)	-	-	-
Other revenues	419	435	394						
Total net revenues	5,050	5,211	4,758	279	208	255	5,329	5,419	5,013
Expenses:									
Marketing, promotion, rewards and cardmember services	1,023	1,141	994	(4)	-	-	1,019	1,141	994
Provision for losses and claims:									
Charge card	198	227	213						
Lending	287	330	279	287	208	255	574	538	534
Other	29	28	31						
Total	514	585	523	287	208	255	801	793	778
Charge card interest expense	168	187	186						
Human resources	1,065	1,003	938						
Other operating expenses	1,307	1,411	1,225	(4)	-	-	1,303	1,411	1,225
Total expenses	4,077	4,327	3,866	\$ 279	\$ 208	\$ 255	\$ 4,356	\$ 4,535	\$ 4,121
Pretax income	973	884	892						
Income tax provision	308	278	286						
Net income	\$ 665	\$ 606	\$ 606						

Securitization income, net represents revenue related to the Company's securitized loan receivables, which includes net gains and charges from securitization activity, net finance charge revenue on retained interests in securitized loans and servicing income, net of related discounts or fees. 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 quarter ended March 31, 2004 assumes that net activity of \$8 million from lending securitizations was offset by higher marketing, promotion, rewards and cardmember services expenses of \$4 million and other operating expenses of \$4 million. Accordingly, the incremental expenses, as well as the net activity, have been eliminated.

(Preliminary)

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

(Billions, except percentages and where indicated)

	Quarters Ended		Percentage Inc/(Dec)
	2004	2003	
<b>Total cards-in-force (millions) (A):</b>			
United States	37.5	35.4	5.8 %
Outside the United States	25.0	22.9	9.5
<b>Total</b>	<b>62.5</b>	<b>58.3</b>	<b>7.3</b>
<b>Basic cards-in-force (millions):</b>			
United States	28.5	27.3	4.3 %
Outside the United States	20.8	18.9	10.3
<b>Total</b>	<b>49.3</b>	<b>46.2</b>	<b>6.8</b>
<b>Card billed business:</b>			
United States	\$ 75.7	\$ 64.6	17.3 %
Outside the United States	26.7	21.5	23.9
<b>Total</b>	<b>\$ 102.4</b>	<b>\$ 86.1</b>	<b>19.0</b>
<b>Average discount rate (A)</b>	2.56%	2.59%	
<b>Average basic cardmember spending (dollars) (A)</b>	\$ 2,339	\$ 2,054	13.9 %
<b>Average fee per card - managed (dollars) (A)</b>	\$ 34	\$ 34	
<b>Non-Amex brand (B):</b>			
Cards-in-force (millions)	0.7	0.7	6.4 %
Billed business	\$ 1.0	\$ 1.0	8.7 %
<b>Travel sales</b>	\$ 5.2	\$ 3.9	34.0 %
Travel commissions and fees/sales (C)	9.0%	9.6%	
<b>Travelers Cheque and prepaid products:</b>			
Sales	\$ 4.8	\$ 4.4	7.9 %
Average outstanding	\$ 6.9	\$ 6.4	6.5 %
Average investments	\$ 7.3	\$ 6.9	6.2 %
Investment yield	5.5%	5.5%	
Tax equivalent yield	8.5%	8.4%	
<b>Total debt</b>	\$ 38.8	\$ 34.2	13.4 %
<b>Shareholder's equity</b>	\$ 8.6	\$ 7.8	11.1 %
<b>Return on average total shareholder's equity (D)</b>	32.1%	31.5%	
<b>Return on average total assets (E)</b>	3.4%	3.4%	

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

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

(C) Computed from information provided herein.

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

(E) 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 Inc/(Dec)
	June 30,		
	2004	2003	
<b>Worldwide charge card receivables:</b>			
Total receivables	\$ 28.4	\$ 26.0	9.2 %
90 days past due as a % of total	1.9%	2.1%	
Loss reserves (millions)	\$ 864	\$ 943	(8.3) %
% of receivables	3.0%	3.6%	
% of 90 days past due	163%	171%	
Net loss ratio as a % of charge volume	0.25%	0.29%	
<b>Worldwide lending - owned basis:</b>			
Total loans	\$ 26.4	\$ 22.6	17.1 %
Past due loans as a % of total:			
30-89 days	1.5%	1.6%	
90+ days	1.0%	1.2%	
Loss reserves (millions):			
Beginning balance	\$ 994	\$ 1,025	(3.0) %
Provision	282	256	10.2
Net charge-offs	(267)	(282)	(5.2)
Other	21	18	19.5
Ending balance	<u>\$ 1,030</u>	<u>\$ 1,017</u>	1.3
% of loans	3.9%	4.5%	
% of past due	154%	161%	
Average loans	\$ 25.9	\$ 22.0	18.2 %
Net write-off rate	4.1%	5.1%	
Net interest yield	9.4%	9.7%	
<b>Worldwide lending - managed basis:</b>			
Total loans	\$ 45.1	\$ 42.1	7.2 %
Past due loans as a % of total:			
30-89 days	1.5%	1.7%	
90+ days	1.0%	1.1%	
Loss reserves (millions):			
Beginning balance	\$ 1,570	\$ 1,582	(0.7) %
Provision	486	552	(12.0)
Net charge-offs	(504)	(558)	(9.6)
Other	(17)	18	-
Ending balance	<u>\$ 1,535</u>	<u>\$ 1,594</u>	(3.7)
% of loans	3.4%	3.8%	
% of past due	136%	137%	
Average loans	\$ 44.9	\$ 41.2	9.3 %
Net write-off rate	4.5%	5.4%	
Net interest yield	8.6%	9.0%	

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

(Preliminary)

Travel Related Services  
Statements of Income  
(Unaudited)

(Millions)

	Quarters Ended				
	June 30, 2004	March 31, 2004	December 31, 2003	September 30, 2003	June 30, 2003
Net revenues:					
Discount revenue	\$ 2,529	\$ 2,368	\$ 2,432	\$ 2,221	\$ 2,152
Lending:					
Finance charge revenue	697	668	654	592	598
Interest expense	136	127	123	116	115
Net finance charge revenue	561	541	531	476	483
Net card fees	472	472	467	462	455
Travel commissions and fees	468	417	445	349	373
Other commissions and fees	551	510	515	465	457
Travelers Cheque investment income	95	93	93	90	92
Securitization income, net	282	230	293	301	300
Other revenues	420	419	435	394	422
Total net revenues	5,378	5,050	5,211	4,758	4,734
Expenses:					
Marketing, promotion, rewards and cardmember services	1,225	1,023	1,141	994	918
Provision for losses and claims:					
Charge card	189	198	227	213	205
Lending	314	287	330	279	278
Other	33	29	28	31	37
Total	536	514	585	523	520
Charge card interest expense	175	168	187	186	204
Human resources	1,081	1,065	1,003	938	965
Other operating expenses	1,282	1,307	1,411	1,225	1,190
Total expenses	4,299	4,077	4,327	3,866	3,797
Pretax income	1,079	973	884	892	937
Income tax provision	347	308	278	286	303
Net income	\$ 732	\$ 665	\$ 606	\$ 606	\$ 634

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

(Preliminary)

**Travel Related Services**  
**Selected Managed Basis Information**  
(Unaudited)

(Millions)

	<b>Quarters Ended</b>				
	<b>June 30, 2004</b>	<b>March 31, 2004</b>	<b>December 31, 2003</b>	<b>September 30, 2003</b>	<b>June 30, 2003</b>
Lending finance charge revenue	\$ 1,186	\$ 1,207	\$ 1,186	\$ 1,177	\$ 1,164
Lending interest expense	197	210	207	190	210
Other commissions and fees	601	563	568	510	502
Marketing, promotion, rewards and cardmember services	1,219	1,019	1,141	994	870
Lending provision	519	574	538	534	575
Other operating expenses	1,279	1,303	1,411	1,225	1,157

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				
	June 30, 2004	March 31, 2004	December 31, 2003	September 30, 2003	June 30, 2003
<b>Total cards-in-force (millions) (A):</b>					
United States	37.5	37.0	36.4	35.9	35.4
Outside the United States	25.0	24.6	24.1	23.4	22.9
<b>Total</b>	<b>62.5</b>	<b>61.6</b>	<b>60.5</b>	<b>59.3</b>	<b>58.3</b>
<b>Basic cards-in-force (millions):</b>					
United States	28.5	28.1	27.7	27.3	27.3
Outside the United States	20.8	20.4	19.9	19.3	18.9
<b>Total</b>	<b>49.3</b>	<b>48.5</b>	<b>47.6</b>	<b>46.6</b>	<b>46.2</b>
<b>Card billed business:</b>					
United States	\$ 75.7	\$ 70.1	\$ 72.3	\$ 66.3	\$ 64.6
Outside the United States	26.7	25.3	26.2	22.5	21.5
<b>Total</b>	<b>\$ 102.4</b>	<b>\$ 95.4</b>	<b>\$ 98.5</b>	<b>\$ 88.8</b>	<b>\$ 86.1</b>
<b>Average discount rate (A)</b>	2.56%	2.59%	2.56%	2.60%	2.59%
<b>Average basic cardmember spending (dollars) (A)</b>	\$ 2,339	\$ 2,202	\$ 2,314	\$ 2,101	\$ 2,054
<b>Average fee per card - managed (dollars) (A)</b>	\$ 34	\$ 35	\$ 35	\$ 35	\$ 34
<b>Non-Amex brand (B):</b>					
Cards-in-force (millions)	0.7	0.7	0.7	0.7	0.7
Billed business	\$ 1.0	\$ 1.0	\$ 1.1	\$ 1.0	\$ 1.0
<b>Travel sales</b>	\$ 5.2	\$ 4.8	\$ 4.7	\$ 3.7	\$ 3.9
Travel commissions and fees/sales (C)	9.0%	8.7%	9.5%	9.3%	9.6%
<b>Travelers Cheque and prepaid products:</b>					
Sales	\$ 4.8	\$ 4.4	\$ 4.7	\$ 6.0	\$ 4.4
Average outstanding	\$ 6.9	\$ 6.8	\$ 6.6	\$ 7.0	\$ 6.4
Average investments	\$ 7.3	\$ 7.3	\$ 7.1	\$ 7.4	\$ 6.9
Investment yield	5.5%	5.4%	5.5%	5.2%	5.5%
Tax equivalent yield	8.5%	8.3%	8.4%	8.0%	8.4%
<b>Total debt</b>	\$ 38.8	\$ 38.7	\$ 38.4	\$ 33.3	\$ 34.2
<b>Shareholder's equity</b>	\$ 8.6	\$ 8.1	\$ 7.9	\$ 8.0	\$ 7.8
<b>Return on average total shareholder's equity (D)</b>	32.1%	31.7%	31.3%	31.2%	31.5%
<b>Return on average total assets (E)</b>	3.4%	3.4%	3.4%	3.4%	3.4%

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

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

(C) Computed from information provided herein.

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

(E) 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				
	June 30, 2004	March 31, 2004	December 31, 2003	September 30, 2003	June 30, 2003
<b>Worldwide charge card receivables:</b>					
Total receivables	\$ 28.4	\$ 27.9	\$ 28.4	\$ 26.4	\$ 26.0
90 days past due as a % of total	1.9%	2.0%	1.9%	2.0%	2.1%
Loss reserves (millions)	\$ 864	\$ 896	\$ 916	\$ 921	\$ 943
% of receivables	3.0%	3.2%	3.2%	3.5%	3.6%
% of 90 days past due	163%	164%	171%	174%	171%
Net loss ratio as a % of charge volume	0.25%	0.26%	0.27%	0.28%	0.29%
<b>Worldwide lending - owned basis:</b>					
Total loans	\$ 26.4	\$ 24.5	\$ 25.8	\$ 22.6	\$ 22.6
Past due loans as a % of total:					
30-89 days	1.5%	1.7%	1.6%	1.7%	1.6%
90+ days	1.0%	1.1%	1.1%	1.1%	1.2%
Loss reserves (millions):					
Beginning balance	\$ 994	\$ 998	\$ 938	\$ 1,017	\$ 1,025
Provision	282	257	304	261	256
Net charge-offs	(267)	(264)	(275)	(282)	(282)
Other	21	3	31	(58)	18
Ending balance	<u>\$ 1,030</u>	<u>\$ 994</u>	<u>\$ 998</u>	<u>\$ 938</u>	<u>\$ 1,017</u>
% of loans	3.9%	4.1%	3.9%	4.2%	4.5%
% of past due	154%	145%	146%	150%	161%
Average loans	\$ 25.9	\$ 25.1	\$ 23.8	\$ 22.5	\$ 22.0
Net write-off rate	4.1%	4.2%	4.6%	5.0%	5.1%
Net interest yield	9.4%	9.4%	9.6%	9.2%	9.7%
<b>Worldwide lending - managed basis:</b>					
Total loans	\$ 45.1	\$ 44.8	\$ 45.3	\$ 42.1	\$ 42.1
Past due loans as a % of total:					
30-89 days	1.5%	1.7%	1.6%	1.7%	1.7%
90+ days	1.0%	1.0%	1.1%	1.1%	1.1%
Loss reserves (millions):					
Beginning balance	\$ 1,570	\$ 1,541	\$ 1,519	\$ 1,594	\$ 1,582
Provision	486	545	511	518	552
Net charge-offs	(504)	(519)	(520)	(535)	(558)
Other	(17)	3	31	(58)	18
Ending balance	<u>\$ 1,535</u>	<u>\$ 1,570</u>	<u>\$ 1,541</u>	<u>\$ 1,519</u>	<u>\$ 1,594</u>
% of loans	3.4%	3.5%	3.4%	3.6%	3.8%
% of past due	136%	128%	127%	128%	137%
Average loans	\$ 44.9	\$ 44.8	\$ 43.3	\$ 42.1	\$ 41.2
Net write-off rate	4.5%	4.6%	4.8%	5.1%	5.4%
Net interest yield	8.6%	8.7%	8.7%	9.0%	9.0%

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

(Preliminary)

**American Express Financial Advisors**  
**Statements of Income**  
**(Unaudited)**

(Millions)

	Quarters Ended		Percentage Inc/(Dec)
	June 30,		
	2004	2003	
<b>Revenues:</b>			
Management and distribution fees	\$ 752	\$ 571	31.5 %
Net investment income	603	571	5.6
Other revenues	408	354	15.8
Total revenues	<u>1,763</u>	<u>1,496</u>	17.9
<b>Expenses:</b>			
Provision for losses and benefits:			
Annuities	266	280	(5.3)
Insurance	218	187	16.0
Investment certificates	48	59	(17.1)
Total	<u>532</u>	<u>526</u>	1.0
Human resources	646	508	27.3
Other operating expenses	321	253	27.3 (A)
Total expenses	<u>1,499</u>	<u>1,287</u>	16.5
Pretax income	264	209	26.5
Income tax provision	90	52	72.5
Net income	<u>\$ 174</u>	<u>\$ 157</u>	11.1

(A) Certain expenses that are included in other operating expenses in the condensed AEFA segment financial statements above are disaggregated into their respective reporting lines for consolidated reporting purposes. These expenses primarily relate to marketing, promotion, rewards and cardmember services and interest expenses and result in a 32 percent change in other operating expenses reported on page 3 of the earnings release as compared to a 27 percent change reported above.

(Preliminary)

**American Express Financial Advisors**  
**Selected Statistical Information**  
(Unaudited)

(Millions, except percentages and where indicated)

	Quarters Ended		Percentage Inc/(Dec)
	June 30,		
	2004	2003	
Investments (billions) (A)	\$ 41.8	\$ 42.4	(1.3) %
Client contract reserves (billions)	\$ 41.9	\$ 40.2	4.3 %
Shareholder's equity (billions)	\$ 6.3	\$ 6.7	(5.5) %
Return on average total shareholder's equity before accounting change (B)	11.7%	9.6%	
Return on average total shareholder's equity (B)	10.5%	9.6%	
Life insurance inforce (billions)	\$ 139.1	\$ 124.4	11.9 %
Assets owned, managed or administered (billions):			
Assets managed for institutions (C)	\$ 125.5	\$ 43.8	#
Assets owned, managed or administered for individuals:			
Owned assets:			
Separate account assets (C)	32.9	24.1	36.8 %
Other owned assets (C)	57.9	52.2	10.8
Total owned assets	90.8	76.3	19.0
Managed assets (C)	108.8	87.3	24.6
Administered assets (D)	55.3	37.4	47.7
Total	<u>\$ 380.4</u>	<u>\$ 244.8</u>	55.4
Market appreciation (depreciation) during the period:			
Owned assets:			
Separate account assets	\$ (101)	\$ 2,620	#
Other owned assets	\$ (1,476)	\$ 399	#
Managed assets	\$ 232	\$ 9,457	(97.5) %
Cash sales:			
Mutual funds	\$ 8,480	\$ 7,150	18.6 %
Annuities	1,912	2,581	(26.0)
Investment certificates	1,445	1,607	(10.0)
Life and other insurance products	221	188	17.3
Institutional	2,841	722	#
Other	1,116	1,531	(27.1)
Total cash sales	<u>\$ 16,015</u>	<u>\$ 13,779</u>	16.2
Number of financial advisors	11,943	11,667	2.4 %
Fees from financial plans and advice services	\$ 39.3	\$ 33.5	17.4 %
Percentage of total sales from financial plans and advice services	74.6%	74.0%	

# - 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 total shareholder's equity as included in the Consolidated Financial Statements prepared in accordance with GAAP.

(C) At June 30, 2004, amounts reflect September 30, 2003 Threadneedle acquisition balances of \$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.

(D) Excludes non-branded administered assets of \$5.4 billion at June 30, 2003. Assuming such assets had been included, the increase in administered assets would have been 29%.

(Preliminary)

American Express Financial Advisors  
Statements of Income  
(Unaudited)

(Millions)

	Quarters Ended				
	June 30, 2004	March 31, 2004	December 31, 2003	September 30, 2003	June 30, 2003
<b>Revenues:</b>					
Management and distribution fees	\$ 752	\$ 781	\$ 759	\$ 606	\$ 571
Net investment income	603	556	599	551	571
Other revenues	408	391	382	368	354
Total revenues	<u>1,763</u>	<u>1,728</u>	<u>1,740</u>	<u>1,525</u>	<u>1,496</u>
<b>Expenses:</b>					
Provision for losses and benefits:					
Annuities	266	255	274	277	280
Insurance	218	201	226	212	187
Investment certificates	48	45	55	46	59
Total	<u>532</u>	<u>501</u>	<u>555</u>	<u>535</u>	<u>526</u>
Human resources	646	603	592	511	508
Other operating expenses	321	307	345	255	253
Total expenses	<u>1,499</u>	<u>1,411</u>	<u>1,492</u>	<u>1,301</u>	<u>1,287</u>
Pretax income before accounting change	264	317	248	224	209
Income tax provision	90	89	53	27	52
Income before accounting change	174	228	195	197	157
Cumulative effect of accounting change, net of tax	-	(71) (A)	(13) (B)	-	-
Net income	<u>\$ 174</u>	<u>\$ 157</u>	<u>\$ 182</u>	<u>\$ 197</u>	<u>\$ 157</u>

(A) Reflects a \$109 million non-cash pretax charge (\$71 million after-tax) related to the January 1, 2004 adoption of SOP 03-1.

(B) Reflects a \$20 million non-cash pretax 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 percentages and where indicated)

	Quarters Ended				
	June 30, 2004	March 31, 2004	December 31, 2003	September 30, 2003	June 30, 2003
Investments (billions) (A)	\$ 41.8	\$ 43.4	\$ 42.1	\$ 42.3	\$ 42.4
Client contract reserves (billions)	\$ 41.9	\$ 41.6	\$ 41.2	\$ 40.8	\$ 40.2
Shareholder's equity (billions)	\$ 6.3	\$ 7.4	\$ 7.1	\$ 7.1	\$ 6.7
Return on average total shareholder's equity before accounting change (B)	11.7%	11.5%	10.4%	10.1%	9.6%
Return on average total shareholder's equity (B)	10.5%	10.2%	10.2%	10.1%	9.6%
Life insurance inforce (billions)	\$ 139.1	\$ 135.0	\$ 131.4	\$ 127.5	\$ 124.4
Assets owned, managed or administered (billions):					
Assets managed for institutions (C)	\$ 125.5	\$ 123.4	\$ 116.4 (F)	\$ 116.7	\$ 43.8
Assets owned, managed or administered for individuals:					
Owned assets:					
Separate account assets (C)	32.9	32.4	30.8	27.6	24.1
Other owned assets (C)	57.9	58.9	53.8 (E)	53.3	52.2
Total owned assets	90.8	91.3	84.6	80.9	76.3
Managed assets (C)	108.8	109.3	110.2	96.6	87.3
Administered assets (D)	55.3	54.4	54.1	45.6	37.4
Total	<u>\$ 380.4</u>	<u>\$ 378.4</u>	<u>\$ 365.3</u>	<u>\$ 339.8</u>	<u>\$ 244.8</u>
Market appreciation (depreciation) during the period:					
Owned assets:					
Separate account assets	\$ (101)	\$ 756	\$ 2,752	\$ 613	\$ 2,620
Other owned assets	\$ (1,476)	\$ 713	\$ (275)	\$ (388)	\$ 399
Managed assets	\$ 232	\$ 5,453	\$ 15,767	\$ 2,134	\$ 9,457
Cash sales:					
Mutual funds	\$ 8,480	\$ 9,799	\$ 9,096	\$ 7,361	\$ 7,150
Annuities	1,912	2,186	1,683	1,866	2,581
Investment certificates	1,445	1,324	1,520	1,542	1,607
Life and other insurance products	221	218	212	198	188
Institutional	2,841	1,415	939	680	722
Other	1,116	1,292	978	1,595	1,531
Total cash sales	<u>\$ 16,015</u>	<u>\$ 16,234</u>	<u>\$ 14,428</u>	<u>\$ 13,242</u>	<u>\$ 13,779</u>
Number of financial advisors	11,943	12,070	12,121	11,742	11,667
Fees from financial plans and advice services	\$ 39.3	\$ 33.2	\$ 20.6	\$ 34.9	\$ 33.5
Percentage of total sales from financial plans and advice services	74.6%	75.3%	74.6%	75.0%	74.0%

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

(B) Computed on a trailing 12-month basis using 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 \$5.4 billion for the quarter ended June 30, 2003.

(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)

	Quarters Ended		Percentage Inc/(Dec)
	June 30,		
	2004	2003	
<b>Net revenues:</b>			
Interest income	\$ 131	\$ 148	(12.0) %
Interest expense	51	57	(11.3)
Net interest income	80	91	(12.4)
Commissions and fees	70	57	23.7
Foreign exchange income and other revenues	53	52	2.5
Total net revenues	203	200	1.8
<b>Expenses:</b>			
Human resources	71	64	11.3
Other operating expenses	78	70	12.0
Provision for losses	12	27	(57.4)
Total expenses	161	161	(0.1)
Pretax income	42	39	9.4
Income tax provision	14	12	22.4
Net income	\$ 28	\$ 27	3.6

(Preliminary)

**American Express Bank**  
**Selected Statistical Information**  
(Unaudited)

(Billions, except percentages and where indicated)

	Quarters Ended		Percentage Inc/(Dec)
	June 30,		
	2004	2003	
Total shareholder's equity (millions)	\$ 953	\$ 955	(0.2) %
Return on average total shareholder's equity (A)	11.9%	10.5%	
Return on average total assets (B)	0.81%	0.75%	
Total loans	\$ 6.5	\$ 5.8	10.4 %
Total non-performing loans (millions) (C)	\$ 50	\$ 102	(50.8) %
Other non-performing assets (millions)	\$ 2	\$ 16	(89.5) %
Reserve for credit losses (millions) (D)	\$ 105	\$ 151	(30.4) %
Loan loss reserve as a % of total loans	1.6%	2.4%	
Total Personal Financial Services (PFS) loans	\$ 1.3	\$ 1.5	(9.2) %
30+ days past due PFS loans as a % of total PFS loans	5.5%	5.5%	
Deposits	\$ 11.2	\$ 10.1	11.0 %
Assets managed (E) / administered	\$ 16.9	\$ 14.1	19.6 %
Assets of non-consolidated joint ventures (F)	\$ 1.7	\$ 1.8	(4.0) %
Risk-based capital ratios (G):			
Tier 1	12.0%	10.5%	
Total	11.8%	10.7%	
Leverage ratio	5.9%	5.5%	

(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.

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

(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 of reserves (millions):

Loans	\$ 103	\$ 142
Other assets, primarily matured foreign exchange and other derivative contracts	1	5
Other credit-related commitments	1	4
Total reserve for credit losses	<u>\$ 105</u>	<u>\$ 151</u>

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

(F) Excludes American Express International Deposit Company's total assets (which are 100% consolidated at AEFA) for each period presented (and which totaled \$4.8 billion at June 30, 2004).

(G) Based on legal entity financial information.

(Preliminary)

**American Express Bank**  
**Statements of Income**  
(Unaudited)

(Millions)

	<b>Quarters Ended</b>				
	<b>June 30, 2004</b>	<b>March 31, 2004</b>	<b>December 31, 2003</b>	<b>September 30, 2003</b>	<b>June 30, 2003</b>
<b>Net revenues:</b>					
Interest income	\$ 131	\$ 134	\$ 139	\$ 139	\$ 148
Interest expense	51	53	57	52	57
Net interest income	80	81	82	87	91
Commissions and fees	70	70	68	58	57
Foreign exchange income and other revenues	53	59	55	54	52
Total net revenues	203	210	205	199	200
<b>Expenses:</b>					
Human resources	71	75	75	71	64
Other operating expenses	78	81	67	69	70
Provision for losses	12	6	21	20	27
Restructuring charges	-	-	-	(2)	-
Total expenses	161	162	163	158	161
Pretax income	42	48	42	41	39
Income tax provision	14	18	13	14	12
Net income	\$ 28	\$ 30	\$ 29	\$ 27	\$ 27

(Preliminary)

**American Express Bank**  
**Selected Statistical Information**  
(Unaudited)

(Billions, except percentages and where indicated)

	Quarters Ended				
	June 30, 2004	March 31, 2004	December 31, 2003	September 30, 2003	June 30, 2003
Total shareholder's equity (millions)	\$ 953	\$ 992	\$ 949	\$ 952	\$ 955
Return on average total shareholder's equity (A)	11.9%	11.9%	10.8%	10.4%	10.5%
Return on average total assets (B)	0.81%	0.81%	0.74%	0.74%	0.75%
Total loans	\$ 6.5	\$ 6.4	\$ 6.5	\$ 6.2	\$ 5.8
Total non-performing loans (millions) (C)	\$ 50	\$ 69	\$ 78	\$ 84	\$ 102
Other non-performing assets (millions)	\$ 2	\$ 10	\$ 15	\$ 15	\$ 16
Reserve for credit losses (millions) (D)	\$ 105	\$ 113	\$ 121	\$ 125	\$ 151
Loan loss reserve as a % of total loans	1.6%	1.7%	1.7%	1.9%	2.4%
Total Personal Financial Services (PFS) loans	\$ 1.3	\$ 1.3	\$ 1.4	\$ 1.4	\$ 1.5
30+ days past due PFS loans as a % of total PFS loans	5.5%	5.5%	6.6%	5.3%	5.5%
Deposits	\$ 11.2	\$ 10.7	\$ 10.8	\$ 10.6	\$ 10.1
Assets managed (E) / administered	\$ 16.9	\$ 16.8	\$ 16.2	\$ 15.0	\$ 14.1
Assets of non-consolidated joint ventures (F)	\$ 1.7	\$ 1.8	\$ 1.7	\$ 1.7	\$ 1.8
Risk-based capital ratios (G):					
Tier 1	12.0%	11.7%	11.4%	10.5%	10.5%
Total	11.8%	11.5%	11.3%	10.8%	10.7%
Leverage ratio	5.9%	5.7%	5.5%	6.0%	5.5%

(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.

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

(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 of reserves (millions):

Loans	\$ 103	\$ 106	\$ 113	\$ 117	\$ 142
Other assets, primarily matured foreign exchange and other derivative contracts	1	6	6	6	5
Other credit-related commitments	1	1	2	2	4
Total reserve for credit losses	<u>\$ 105</u>	<u>\$ 113</u>	<u>\$ 121</u>	<u>\$ 125</u>	<u>\$ 151</u>

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

(F) Excludes American Express International Deposit Company's total assets (which are 100% consolidated at AEFA ) for each period presented (and which totaled \$4.8 billion at June 30, 2004).

(G) 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 reengineering and other cost-control initiatives, as well as factors impacting the Company's revenues; the Company's ability to cost effectively manage and expand cardmember benefits, including containing the growth of its marketing, promotion, rewards and cardmember services expenses; the Company's ability to accurately estimate the provision for the cost of the Membership Rewards program; 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 United States and internationally; volatility in the valuation assumptions for the interest-only (I/O) strip relating to TRS' lending securitizations; 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 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 (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 reengineering 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, of 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 on its card products in light of market pressures, increase merchant coverage, retain cardmembers after low introductory lending rates have expired, and expand the global network services business; 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; AEFA's ability to develop and roll out new and attractive products to clients in a timely manner and effectively manage the economics in selling a growing volume of non-proprietary mutual funds and other retail financial products to clients; 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; bankruptcies, restructurings or similar events affecting the airline or any other industry representing a significant portion of TRS's billed business, including any potential negative effect on particular card products and services and billed business generally that could result from the actual or perceived weakness of key business partners in such industries; 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, 2003, and its other reports filed with the SEC.