

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

(Millions)

	Quarters Ended June 30,		Percentage Inc/(Dec)	Six Months Ended June 30,		Percentage Inc/(Dec)
	2005	2004		2005	2004	
Revenues						
Discount revenue	\$ 2,941	\$ 2,529	16.3 %	\$ 5,613	\$ 4,897	14.6 %
Net investment income	822	785	4.7	1,625	1,526	6.5
Management and distribution fees	814	724	12.3	1,612	1,503	7.2
Cardmember lending net finance charge revenue	637	561	13.7	1,229	1,102	11.5
Net card fees	506	472	7.0	1,004	944	6.3
Travel commissions and fees	502	468	7.1	924	885	4.3
Other commissions and fees	611	565	8.2	1,188	1,094	8.6
Insurance and annuity revenues	403	378	6.8	800	742	7.9
Securitization income, net	296	282	4.8	612	512	19.4
Other	470	468	0.7	968	937	3.4
Total revenues	8,002	7,232	10.6	15,575	14,142	10.1
Expenses						
Human resources	2,092	1,813	15.4	4,085	3,592	13.7
Marketing, promotion, rewards and cardmember services	1,471	1,250	17.7	2,829	2,297	23.2
Provision for losses and benefits	1,177	1,080	9.1	2,277	2,102	8.4
Interest	251	210	19.7	470	413	13.8
Other operating expenses	1,692	1,613	4.7	3,220	3,224	(0.1)
Total expenses	6,683	5,966	12.0	12,881	11,628	10.8
Pretax income before accounting change	1,319	1,266	4.2	2,694	2,514	7.1
Income tax provision	306	390	(21.6)	735	773	(5.1)
Income before accounting change	1,013	876	15.7	1,959	1,741	12.6
Cumulative effect of accounting change, net of tax	-	-	-	-	(71) (A)	-
Net income	\$ 1,013	\$ 876	15.7	\$ 1,959	\$ 1,670	17.3

(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

(Billions)

	<u>June 30,</u> <u>2005</u>	<u>December 31,</u> <u>2004</u>
Assets		
Cash and cash equivalents	\$ 9	\$ 10
Accounts receivable	35	35
Investments	61	61
Loans	37	35
Separate account assets	37	36
Other assets	17	16
Total assets	<u>\$ 196</u>	<u>\$ 193</u>
Liabilities and Shareholders' Equity		
Separate account liabilities	\$ 37	\$ 36
Short-term debt	13	14
Long-term debt	30	33
Other liabilities	99	94
Total liabilities	<u>179</u>	<u>177</u>
Shareholders' Equity	17	16
Total liabilities and shareholders' equity	<u>\$ 196</u>	<u>\$ 193</u>

(Preliminary)

American Express Company
Financial Summary

(Millions)

	Quarters Ended June 30,		Percentage Inc/(Dec)	Six Months Ended June 30,		Percentage Inc/(Dec)
	2005	2004		2005	2004	
Revenues						
Travel Related Services	\$ 5,974	\$ 5,378	11.1 %	\$ 11,556	\$ 10,428	10.8 %
American Express Financial Advisors	1,908	1,737	9.8	3,769	3,465	8.8
American Express Bank	208	203	2.1	415	413	0.4
	<u>8,090</u>	<u>7,318</u>	10.5	<u>15,740</u>	<u>14,306</u>	10.0
Corporate and other, including adjustments and eliminations	<u>(88)</u>	<u>(86)</u>	(1.4)	<u>(165)</u>	<u>(164)</u>	(0.5)
CONSOLIDATED REVENUES	<u>\$ 8,002</u>	<u>\$ 7,232</u>	10.6	<u>\$ 15,575</u>	<u>\$ 14,142</u>	10.1
Pretax Income (Loss) Before Accounting Change						
Travel Related Services	\$ 1,168	\$ 1,079	8.2	\$ 2,340	\$ 2,052	14.0
American Express Financial Advisors	177	264	(32.8)	412	581	(29.0)
American Express Bank	45	42	6.9	91	90	1.3
	<u>1,390</u>	<u>1,385</u>	0.4	<u>2,843</u>	<u>2,723</u>	4.4
Corporate and other	<u>(71)</u>	<u>(119)</u>	39.8	<u>(149)</u>	<u>(209)</u>	28.4
PRETAX INCOME BEFORE ACCOUNTING CHANGE	<u>\$ 1,319</u>	<u>\$ 1,266</u>	4.2	<u>\$ 2,694</u>	<u>\$ 2,514</u>	7.1
Net Income (Loss)						
Travel Related Services	\$ 808	\$ 732	10.4	\$ 1,609	\$ 1,397	15.2
American Express Financial Advisors	140	174	(19.4)	306	331 (A)	(7.6)
American Express Bank	61	28	#	91	58	57.9
	<u>1,009</u>	<u>934</u>	8.1	<u>2,006</u>	<u>1,786</u>	12.3
Corporate and other	<u>4</u>	<u>(58)</u>	#	<u>(47)</u>	<u>(116)</u>	59.6
NET INCOME	<u>\$ 1,013</u>	<u>\$ 876</u>	15.7	<u>\$ 1,959</u>	<u>\$ 1,670 (A)</u>	17.3

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

- Denotes a variance of more than 100%.

(Preliminary)

American Express Company
Financial Summary (continued)

	<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>2005</u>	<u>2004</u>		<u>2005</u>	<u>2004</u>	
EARNINGS PER COMMON SHARE						
BASIC						
Income before accounting change	\$ 0.82	\$ 0.69	18.8 %	\$ 1.59	\$ 1.37	16.1 %
Net income	<u>\$ 0.82</u>	<u>\$ 0.69</u>	18.8 %	<u>\$ 1.59</u>	<u>\$ 1.31</u> (A)	21.4 %
Average common shares outstanding (millions)	<u>1,231</u>	<u>1,263</u>	(2.5) %	<u>1,235</u>	<u>1,270</u>	(2.8) %
DILUTED						
Income before accounting change	\$ 0.81	\$ 0.68	19.1 %	\$ 1.56	\$ 1.34	16.4 %
Net income	<u>\$ 0.81</u>	<u>\$ 0.68</u>	19.1 %	<u>\$ 1.56</u>	<u>\$ 1.29</u> (A)	20.9 %
Average common shares outstanding (millions)	<u>1,254</u>	<u>1,288</u>	(2.6) %	<u>1,259</u>	<u>1,296</u>	(2.9) %
Cash dividends declared per common share	<u>\$ 0.12</u>	<u>\$ 0.10</u>	20.0 %	<u>\$ 0.24</u>	<u>\$ 0.20</u>	20.0 %

Selected Statistical Information

	<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>2005</u>	<u>2004</u>		<u>2005</u>	<u>2004</u>	
Return on average total shareholders' equity (B)	23.1%	21.2%	-	23.1%	21.2%	-
Common shares outstanding (millions)	1,240	1,267	(2.1) %	1,240	1,267	(2.1) %
Book value per common share	\$ 13.84	\$ 11.96	15.7 %	\$ 13.84	\$ 11.96	15.7 %
Shareholders' equity (billions)	\$ 17.2	\$ 15.2	13.2 %	\$ 17.2	\$ 15.2	13.2 %

(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

(Millions)

	Quarters Ended				
	June 30, 2005	March 31, 2005	December 31, 2004	September 30, 2004	June 30, 2004
Revenues					
Discount revenue	\$ 2,941	\$ 2,672	\$ 2,817	\$ 2,535	\$ 2,529
Net investment income	822	803	826	766	785
Management and distribution fees	814	798	788	732	724
Cardmember lending net finance charge revenue	637	592	560	562	561
Net card fees	506	498	491	474	472
Travel commissions and fees	502	422	484	426	468
Other commissions and fees	611	577	616	574	565
Insurance and annuity revenues	403	397	394	389	378
Securitization income, net	296	316	325	295	282
Other	470	498	470	449	468
Total revenues	<u>8,002</u>	<u>7,573</u>	<u>7,771</u>	<u>7,202</u>	<u>7,232</u>
Expenses					
Human resources	2,092	1,993	1,971	1,796	1,813
Marketing, promotion, rewards and cardmember services	1,471	1,358	1,472	1,314	1,250
Provision for losses and benefits	1,177	1,100	1,162	1,054	1,080
Interest	251	219	238	216	210
Other operating expenses	1,692	1,528	1,745	1,568	1,613
Total expenses	<u>6,683</u>	<u>6,198</u>	<u>6,588</u>	<u>5,948</u>	<u>5,966</u>
Pretax income	1,319	1,375	1,183	1,254	1,266
Income tax provision	306	429	287	375	390
Net income	<u>\$ 1,013</u>	<u>\$ 946</u>	<u>\$ 896</u>	<u>\$ 879</u>	<u>\$ 876</u>

(Preliminary)

American Express Company
Financial Summary

(Millions)

	Quarters Ended				
	June 30, 2005	March 31, 2005	December 31, 2004	September 30, 2004	June 30, 2004
Revenues					
Travel Related Services	\$ 5,974	\$ 5,582	\$ 5,788	\$ 5,362	\$ 5,378
American Express Financial Advisors	1,908	1,861	1,856	1,714	1,737
American Express Bank	208	207	207	205	203
	<u>8,090</u>	<u>7,650</u>	<u>7,851</u>	<u>7,281</u>	<u>7,318</u>
Corporate and other, including adjustments and eliminations	(88)	(77)	(80)	(79)	(86)
CONSOLIDATED REVENUES	<u>\$ 8,002</u>	<u>\$ 7,573</u>	<u>\$ 7,771</u>	<u>\$ 7,202</u>	<u>\$ 7,232</u>
Pretax Income (Loss)					
Travel Related Services	\$ 1,168	\$ 1,172	\$ 1,018	\$ 1,047	\$ 1,079
American Express Financial Advisors	177	235	248	257	264
American Express Bank	45	46	7	49	42
	<u>1,390</u>	<u>1,453</u>	<u>1,273</u>	<u>1,353</u>	<u>1,385</u>
Corporate and other	(71)	(78)	(90)	(99)	(119)
PRETAX INCOME	<u>\$ 1,319</u>	<u>\$ 1,375</u>	<u>\$ 1,183</u>	<u>\$ 1,254</u>	<u>\$ 1,266</u>
Net Income (Loss)					
Travel Related Services	\$ 808	\$ 801	\$ 729	\$ 726	\$ 732
American Express Financial Advisors	140	166	218	186	174
American Express Bank	61	30	6	32	28
	<u>1,009</u>	<u>997</u>	<u>953</u>	<u>944</u>	<u>934</u>
Corporate and other	4	(51)	(57)	(65)	(58)
NET INCOME	<u>\$ 1,013</u>	<u>\$ 946</u>	<u>\$ 896</u>	<u>\$ 879</u>	<u>\$ 876</u>

(Preliminary)

American Express Company
Financial Summary (continued)

	Quarters Ended				
	June 30, 2005	March 31, 2005	December 31, 2004	September 30, 2004	June 30, 2004
EARNINGS PER COMMON SHARE					
BASIC					
Net income	\$ 0.82	\$ 0.76	\$ 0.72	\$ 0.70	\$ 0.69
Average common shares outstanding (millions)	1,231	1,239	1,242	1,251	1,263
DILUTED					
Net income	\$ 0.81	\$ 0.75	\$ 0.71	\$ 0.69	\$ 0.68
Average common shares outstanding (millions)	1,254	1,264	1,270	1,275	1,288
Cash dividends declared per common share	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.10

Selected Statistical Information

	Quarters Ended				
	June 30, 2005	March 31, 2005	December 31, 2004	September 30, 2004	June 30, 2004
Return on average total shareholders' equity (A)	23.1%	22.8%	22.0%	21.5%	21.2%
Common shares outstanding (millions)	1,240	1,245	1,249	1,255	1,267
Book value per common share	\$ 13.84	\$ 12.95	\$ 12.83	\$ 12.62	\$ 11.96
Shareholders' equity (billions)	\$ 17.2	\$ 16.1	\$ 16.0	\$ 15.8	\$ 15.2

(A) 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

(Millions)

	Quarters Ended		Percentage Inc/(Dec)
	June 30,		
	2005	2004	
Net revenues:			
Discount revenue	\$ 2,941	\$ 2,529	16.3 %
Lending:			
Finance charge revenue	839	697	20.5
Interest expense	202	136	48.7
Net finance charge revenue	637	561	13.7
Net card fees	506	472	7.0
Travel commissions and fees	502	468	7.1
Other commissions and fees	602	551	9.3
Travelers Cheque investment income	94	95	(1.1)
Securitization income, net	296	282	4.8
Other revenues	396	420	(5.3)
Total net revenues	5,974	5,378	11.1
Expenses:			
Marketing, promotion, rewards and cardmember services	1,440	1,225	17.6
Provision for losses and claims:			
Charge card	234	189	23.4
Lending	275	314	(12.4)
Other	72	33	#
Total	581	536	8.4
Charge card interest expense	211	175	19.9
Human resources	1,224	1,081	13.1
Other operating expenses:			
Professional services	538	488	10.3
Occupancy and equipment	342	313	9.3
Communications	110	114	(3.5)
Other	360	367	(1.7)
Total	1,350	1,282	5.4
Total expenses	4,806	4,299	11.8
Pretax income	1,168	1,079	8.2
Income tax provision	360	347	3.8
Net income	\$ 808	\$ 732	10.4

- Denotes a variance of more than 100%.

(Preliminary)

Travel Related Services
Selected Financial Information

Quarters Ended June 30,
(Millions)

	<u>GAAP Basis</u>		<u>Percentage Inc/(Dec)</u>	<u>Securitization Effect</u>		<u>Managed Basis</u>		<u>Percentage Inc/(Dec)</u>
	<u>2005</u>	<u>2004</u>		<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	
Net revenues:								
Discount revenue	\$ 2,941	\$ 2,529	16.3 %					
Lending:								
Finance charge revenue	839	697	20.5	\$ 618	\$ 489	\$ 1,457	\$ 1,186	23.0 %
Interest expense	202	136	48.7	164	61	366	197	86.7
Net finance charge revenue	637	561	13.7	454	428	1,091	989	10.4
Net card fees	506	472	7.0					
Travel commissions and fees	502	468	7.1					
Other commissions and fees	602	551	9.3	51	50	653	601	8.7
Travelers Cheque investment income	94	95	(1.1)					
Securitization income, net	296	282	4.8	(296)	(282)	-	-	-
Other revenues	396	420	(5.3)					
Total net revenues	5,974	5,378	11.1	209	196	6,183	5,574	10.9
Expenses:								
Marketing, promotion, rewards and cardmember services	1,440	1,225	17.6	(1)	(6)	1,439	1,219	18.0
Provision for losses and claims:								
Charge card	234	189	23.4					
Lending	275	314	(12.4)	210	205	485	519	(6.3)
Other	72	33	#					
Total	581	536	8.4	210	205	791	741	7.0
Charge card interest expense	211	175	19.9					
Human resources	1,224	1,081	13.1					
Other operating expenses:								
Professional services	538	488	10.3					
Occupancy and equipment	342	313	9.3					
Communications	110	114	(3.5)					
Other	360	367	(1.7)	-	(3)	360	364	(0.9)
Total	1,350	1,282	5.4	-	(3)	1,350	1,279	5.7
Total expenses	4,806	4,299	11.8	\$ 209	\$ 196	\$ 5,015	\$ 4,495	11.6
Pretax income	1,168	1,079	8.2					
Income tax provision	360	347	3.8					
Net income	\$ 808	\$ 732	10.4					

- Denotes a variance of more than 100%.

Securitization income, net represents the non-credit provision components of the net gains and charges from securitization activities, the amortization and related impairment charges, if any, of the related interest-only strip, excess spread related to securitized loans, net finance charge revenue on retained interests in securitized loans and servicing income, net of related discounts or fees. Management views any net gains from securitizations as discretionary benefits to be used for card acquisition expenses, which are reflected in both marketing, promotion, rewards and cardmember services expenses and other operating expenses. Consequently, the managed Selected Financial Information above for the quarters ended June 30, 2005 and 2004 assumes that gains from new issuances and charges from the amortization and maturities of outstanding lending securitization transactions of \$1 million and \$9 million, respectively, are offset by higher marketing, promotion, rewards and cardmember services expenses of \$1 million and \$6 million, respectively, and other operating expenses of nil and \$3 million, respectively. Accordingly, the incremental expenses, as well as the impact of this net activity, have been eliminated.

(Preliminary)

Travel Related Services
Selected Financial Information

Quarters Ended
(Millions)

	GAAP Basis			Securitization Effect			Managed Basis		
	March 31, 2005	December 31, 2004	September 30, 2004	March 31, 2005	December 31, 2004	September 30, 2004	March 31, 2005	December 31, 2004	September 30, 2004
Net revenues:									
Discount revenue	\$ 2,672	\$ 2,817	\$ 2,535						
Lending:									
Finance charge revenue	770	716	714	\$ 609	\$ 621	\$ 573	\$ 1,379	\$ 1,337	\$ 1,287
Interest expense	178	156	152	140	132	108	318	288	260
Net finance charge revenue	592	560	562	469	489	465	1,061	1,049	1,027
Net card fees	498	491	474						
Travel commissions and fees	422	484	426						
Other commissions and fees	563	606	563	53	54	53	616	660	616
Travelers Cheque investment income	94	94	96						
Securitization income, net	316	325	295	(316)	(325)	(295)	-	-	-
Other revenues	425	411	411						
Total net revenues	5,582	5,788	5,362	206	218	223	5,788	6,006	5,585
Expenses:									
Marketing, promotion, rewards and cardmember services	1,316	1,416	1,280	(4)	-	(6)	1,312	1,416	1,274
Provision for losses and claims:									
Charge card	215	240	206						
Lending	295	296	233	212	218	232	507	514	465
Other	35	30	84						
Total	545	566	523	212	218	232	757	784	755
Charge card interest expense	176	196	174						
Human resources	1,143	1,169	1,074						
Other operating expenses:									
Professional services	482	619	525						
Occupancy and equipment	323	366	313						
Communications	115	118	112						
Other	310	320	314	(2)	-	(3)	308	320	311
Total	1,230	1,423	1,264	(2)	-	(3)	1,228	1,423	1,261
Total expenses	4,410	4,770	4,315	\$ 206	\$ 218	\$ 223	\$ 4,616	\$ 4,988	\$ 4,538
Pretax income	1,172	1,018	1,047						
Income tax provision	371	289	321						
Net income	\$ 801	\$ 729	\$ 726						

Securitization income, net represents the non-credit provision components of the net gains and charges from securitization activities, the amortization and related impairment charges, if any, of the related interest-only strip, excess spread related to securitized loans, net finance charge revenue on retained interests in securitized loans and servicing income, net of related discounts or fees. Management views any net gains from securitizations as discretionary benefits to be used for card acquisition expenses, which are reflected in both marketing, promotion, rewards and cardmember services expenses and other operating expenses. Consequently, the managed Selected Financial Information above for the quarters ended March 31, 2005 and September 30, 2004 assumes that gains from new issuances and charges from the amortization and maturities of outstanding lending securitization transactions of \$6 million and \$9 million, respectively, are offset by higher marketing, promotion, rewards and cardmember services expenses of \$4 million and \$6 million, respectively, and other operating expenses of \$2 million and \$3 million, respectively. Accordingly, the incremental expenses, as well as the impact of this net activity, have been eliminated.

(Preliminary)

Travel Related Services
Selected Statistical Information

(Billions, except percentages and where indicated)

	Quarters Ended		Percentage Inc/(Dec)
	June 30,		
	2005	2004	
Total cards-in-force (millions) (A):			
United States	41.0	37.5	9.3 %
Outside the United States	26.3	25.0	5.1
Total	67.3	62.5	7.6
Basic cards-in-force (millions):			
United States	31.1	28.5	9.3 %
Outside the United States	21.8	20.8	4.6
Total	52.9	49.3	7.3
Card billed business:			
United States	\$ 88.5	\$ 75.7	16.9 %
Outside the United States	32.3	26.7	20.9
Total	\$ 120.8	\$ 102.4	17.9
Average discount rate (A)	2.54%	2.56%	
Average basic cardmember spending (dollars) (A)	\$ 2,640	\$ 2,339	12.9 %
Average fee per card - managed (dollars) (A)	\$ 35	\$ 34	2.9 %
Travel sales	\$ 5.6	\$ 5.2	7.8 %
Travel commissions and fees/sales (B)	8.9%	9.0%	
Travelers Cheque and prepaid products:			
Sales	\$ 4.9	\$ 4.8	2.5 %
Average outstanding	\$ 7.1	\$ 6.9	3.7 %
Average investments	\$ 7.7	\$ 7.3	5.6 %
Investment yield	5.2%	5.5%	
Tax equivalent yield	8.0%	8.5%	
Total debt	\$ 41.9	\$ 38.8	8.1 %
Shareholder's equity	\$ 9.7	\$ 8.6	12.4 %
Return on average total shareholder's equity (C)	33.7%	32.1%	
Return on average total assets (D)	3.7%	3.4%	

(A) Card billed business and cards-in-force include activities related to proprietary cards and cards issued under network partnership agreements. Average basic cardmember spending and average fee per card are computed from proprietary card activities only.

(B) Computed from information provided herein.

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

(D) 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)

(Billions, except percentages and where indicated)

	Quarters Ended		Percentage Inc/(Dec)
	June 30,		
	2005	2004	
Worldwide cardmember receivables:			
Total receivables	\$ 31.5	\$ 28.4	11.0 %
90 days past due as a % of total	1.7%	1.9%	
Loss reserves (millions):	\$ 848	\$ 864	(1.8) %
% of receivables	2.7%	3.0%	
% of 90 days past due	160%	163%	
Net loss ratio as a % of charge volume	0.25%	0.25%	
Worldwide cardmember lending - owned basis:			
Total loans	\$ 28.1	\$ 26.4	6.4 %
Past due loans as a % of total:			
30-89 days	1.4%	1.5%	
90+ days	1.0%	1.0%	
Loss reserves (millions):			
Beginning balance	\$ 918	\$ 994	(7.6) %
Provision	262	282	(7.3)
Net write-offs	(285)	(267)	(6.7)
Other	(7)	21	#
Ending balance	<u>\$ 888</u>	<u>\$ 1,030</u>	(13.9)
% of loans	3.2%	3.9%	
% of past due	133%	154%	
Average loans	\$ 27.5	\$ 25.9	6.0 %
Net write-off rate	4.1%	4.1%	
Net interest yield	8.8%	8.4%	
Worldwide cardmember lending - managed basis:			
Total loans	\$ 48.8	\$ 45.1	8.0 %
Past due loans as a % of total:			
30-89 days	1.4%	1.5%	
90+ days	0.9%	1.0%	
Loss reserves (millions):			
Beginning balance	\$ 1,419	\$ 1,570	(9.6) %
Provision	445	486	(8.4)
Net write-offs	(490)	(504)	2.7
Other	(7)	(17)	(56.5)
Ending balance	<u>\$ 1,367</u>	<u>\$ 1,535</u>	(11.0)
% of loans	2.8%	3.4%	
% of past due	121%	136%	
Average loans	\$ 47.5	\$ 44.9	5.7 %
Net write-off rate	4.1%	4.5%	
Net interest yield	8.7%	8.6%	

- Denotes a variance of more than 100%.

(Preliminary)

Travel Related Services
Statements of Income

(Millions)

	Quarters Ended				
	June 30, 2005	March 31, 2005	December 31, 2004	September 30, 2004	June 30, 2004
Net revenues:					
Discount revenue	\$ 2,941	\$ 2,672	\$ 2,817	\$ 2,535	\$ 2,529
Lending:					
Finance charge revenue	839	770	716	714	697
Interest expense	202	178	156	152	136
Net finance charge revenue	637	592	560	562	561
Net card fees	506	498	491	474	472
Travel commissions and fees	502	422	484	426	468
Other commissions and fees	602	563	606	563	551
Travelers Cheque investment income	94	94	94	96	95
Securitization income, net	296	316	325	295	282
Other	396	425	411	411	420
Total net revenues	<u>5,974</u>	<u>5,582</u>	<u>5,788</u>	<u>5,362</u>	<u>5,378</u>
Expenses:					
Marketing, promotion, rewards and cardmember services	1,440	1,316	1,416	1,280	1,225
Provision for losses and claims:					
Charge card	234	215	240	206	189
Lending	275	295	296	233	314
Other	72	35	30	84	33
Total	581	545	566	523	536
Charge card interest expense	211	176	196	174	175
Human resources	1,224	1,143	1,169	1,074	1,081
Other operating expenses:					
Professional services	538	482	619	525	488
Occupancy and equipment	342	323	366	313	313
Communications	110	115	118	112	114
Other	360	310	320	314	367
Total	1,350	1,230	1,423	1,264	1,282
Total expenses	<u>4,806</u>	<u>4,410</u>	<u>4,770</u>	<u>4,315</u>	<u>4,299</u>
Pretax income	1,168	1,172	1,018	1,047	1,079
Income tax provision	360	371	289	321	347
Net income	<u>\$ 808</u>	<u>\$ 801</u>	<u>\$ 729</u>	<u>\$ 726</u>	<u>\$ 732</u>

(Preliminary)

Travel Related Services
Selected Managed Basis Information

(Millions)

	Quarters Ended				
	June 30, 2005	March 31, 2005	December 31, 2004	September 30, 2004	June 30, 2004
Lending finance charge revenue	\$ 1,457	\$ 1,379	\$ 1,337	\$ 1,287	\$ 1,186
Lending interest expense	366	318	288	260	197
Other commissions and fees	653	616	660	616	601
Marketing, promotion, rewards and cardmember services	1,439	1,312	1,416	1,274	1,219
Lending provision	485	507	514	465	519
Other operating expenses	360	308	320	311	364

Note: See prior page for comparable GAAP measures.

(Preliminary)

Travel Related Services
Selected Statistical Information

(Billions, except percentages and where indicated)

	Quarters Ended				
	June 30, 2005	March 31, 2005	December 31, 2004	September 30, 2004	June 30, 2004
Total cards-in-force (millions) (A):					
United States	41.0	40.3	39.9	38.0	37.5
Outside the United States	26.3	25.8	25.5	25.3	25.0
Total	67.3	66.1	65.4	63.3	62.5
Basic cards-in-force (millions):					
United States	31.1	30.6	30.3	28.9	28.5
Outside the United States	21.8	21.3	21.0	20.8	20.8
Total	52.9	51.9	51.3	49.7	49.3
Card billed business:					
United States	\$ 88.5	\$ 79.6	\$ 83.4	\$ 75.6	\$ 75.7
Outside the United States	32.3	29.7	32.1	27.2	26.7
Total	\$ 120.8	\$ 109.3	\$ 115.5	\$ 102.8	\$ 102.4
Average discount rate (A)	2.54%	2.56%	2.54%	2.57%	2.56%
Average basic cardmember spending (dollars) (A)	\$ 2,640	\$ 2,412	\$ 2,589	\$ 2,330	\$ 2,339
Average fee per card - managed (dollars) (A)	\$ 35	\$ 35	\$ 35	\$ 34	\$ 34
Travel sales	\$ 5.6	\$ 5.0	\$ 5.3	\$ 4.6	\$ 5.2
Travel commissions and fees/sales (B)	8.9%	8.4%	9.1%	9.2%	9.0%
Travelers Cheque and prepaid products:					
Sales	\$ 4.9	\$ 4.2	\$ 4.9	\$ 5.8	\$ 4.8
Average outstanding	\$ 7.1	\$ 7.1	\$ 7.0	\$ 7.1	\$ 6.9
Average investments	\$ 7.7	\$ 7.8	\$ 7.6	\$ 7.6	\$ 7.3
Investment yield	5.2%	5.2%	5.4%	5.4%	5.5%
Tax equivalent yield	8.0%	8.0%	8.3%	8.3%	8.5%
Total debt	\$ 41.9	\$ 43.1	\$ 45.4	\$ 39.1	\$ 38.8
Shareholder's equity	\$ 9.7	\$ 9.3	\$ 8.8	\$ 9.0	\$ 8.6
Return on average total shareholder's equity (C)	33.7%	33.9%	33.4%	32.7%	32.1%
Return on average total assets (D)	3.7%	3.6%	3.5%	3.5%	3.4%

(A) Card billed business and cards-in-force include activities related to proprietary cards and cards issued under network partnership agreements. Average basic cardmember spending and average fee per card are computed from proprietary card activities only.

(B) Computed from information provided herein.

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

(D) 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)

(Billions, except percentages and where indicated)

	Quarters Ended				
	June 30, 2005	March 31, 2005	December 31, 2004	September 30, 2004	June 30, 2004
Worldwide cardmember receivables:					
Total receivables	\$ 31.5	\$ 30.0	\$ 31.1	\$ 28.6	\$ 28.4
90 days past due as a % of total	1.7%	1.9%	1.8%	1.8%	1.9%
Loss reserves (millions):	\$ 848	\$ 831	\$ 806	\$ 847	\$ 864
% of receivables	2.7%	2.8%	2.6%	3.0%	3.0%
% of 90 days past due	160%	147%	146%	160%	163%
Net loss ratio as a % of charge volume	0.25%	0.23%	0.25%	0.26%	0.25%
Worldwide cardmember lending - owned basis:					
Total loans	\$ 28.1	\$ 25.9	\$ 26.9	\$ 25.2	\$ 26.4
Past due loans as a % of total:					
30-89 days	1.4%	1.6%	1.5%	1.6%	1.5%
90+ days	1.0%	1.0%	0.9%	0.9%	1.0%
Loss reserves (millions):					
Beginning balance	\$ 918	\$ 972	\$ 1,008	\$ 1,030	\$ 994
Provision	262	266	272	205	282
Net write-offs	(285)	(267)	(254)	(255)	(267)
Other	(7)	(53)	(54)	28	21
Ending balance	<u>\$ 888</u>	<u>\$ 918</u>	<u>\$ 972</u>	<u>\$ 1,008</u>	<u>\$ 1,030</u>
% of loans	3.2%	3.6%	3.6%	4.0%	3.9%
% of past due	133%	134%	151%	159%	154%
Average loans	\$ 27.5	\$ 26.3	\$ 26.2	\$ 26.2	\$ 25.9
Net write-off rate	4.1%	4.1%	3.9%	3.9%	4.1%
Net interest yield	8.8%	8.6%	8.1%	8.1%	8.4%
Worldwide cardmember lending - managed basis:					
Total loans	\$ 48.8	\$ 46.3	\$ 47.2	\$ 45.6	\$ 45.1
Past due loans as a % of total:					
30-89 days	1.4%	1.6%	1.5%	1.6%	1.5%
90+ days	0.9%	1.0%	0.9%	0.9%	1.0%
Loss reserves (millions):					
Beginning balance	\$ 1,419	\$ 1,475	\$ 1,537	\$ 1,535	\$ 1,570
Provision	445	471	463	437	486
Net write-offs	(490)	(474)	(471)	(463)	(504)
Other	(7)	(53)	(54)	28	(17)
Ending balance	<u>\$ 1,367</u>	<u>\$ 1,419</u>	<u>\$ 1,475</u>	<u>\$ 1,537</u>	<u>\$ 1,535</u>
% of loans	2.8%	3.1%	3.1%	3.4%	3.4%
% of past due	121%	120%	129%	132%	136%
Average loans	\$ 47.5	\$ 46.4	\$ 46.5	\$ 45.3	\$ 44.9
Net write-off rate	4.1%	4.1%	4.1%	4.1%	4.5%
Net interest yield	8.7%	8.8%	8.5%	8.6%	8.6%

(Preliminary)

American Express Financial Advisors
Statements of Income

(Millions)

	Quarters Ended		Percentage Inc/(Dec)
	June 30,		
	2005	2004	
Revenues:			
Net investment income	\$ 638	\$ 603	5.9 %
Investment management and service fees	454	411	10.3
Distribution fees	362	315	15.3
Variable life insurance and variable annuity charges*	113	111	2.5
Life and health insurance premiums	92	88	4.2
Property-casualty insurance premiums	121	103	17.5
Other	128	106	18.0
Total revenues	<u>1,908</u>	<u>1,737</u>	9.8
Expenses:			
Provision for losses and benefits:			
Interest credited on annuities and universal life-type contracts	281	280	0.1
Benefits on insurance and annuities	125	124	1.0
Interest credited on investment certificates	96	48	97.3
Losses and expenses on property-casualty insurance	92	80	16.5
Total	<u>594</u>	<u>532</u>	11.6
Human resources - Field	393	333	17.8
Human resources - Non-field	279	210	33.4
Amortization of deferred acquisition costs	125	125	0.3
Other	340	273	23.8
Total expenses	<u>1,731</u>	<u>1,473</u>	17.4
Pretax income	177	264	(32.8)
Income tax provision	37	90	(58.5)
Net income	<u>\$ 140</u>	<u>\$ 174</u>	(19.4)

* - Variable life insurance and variable annuity charges include variable universal life and universal life insurance charges.

(Preliminary)

American Express Financial Advisors
Selected Statistical Information

(Millions, except percentages and where indicated)

	Quarters Ended June 30,		Percentage Inc/(Dec)
	2005	2004	
Investments (billions) (A)	\$ 44.8	\$ 41.8	7.1 %
Client contract reserves (billions)	\$ 45.0	\$ 41.9	7.4 %
Shareholder's equity (billions)	\$ 6.7	\$ 6.3	6.4 %
Return on average total shareholder's equity before accounting change (B)	10.8%	11.7%	
Return on average total shareholder's equity (B)	10.8%	10.5%	
Life insurance inforce (billions)	\$ 153.2	\$ 139.1	10.1 %
Assets owned, managed or administered (billions):			
Assets managed for institutions	\$ 136.8	\$ 125.5	9.0 %
Assets owned, managed or administered for individuals:			
Owned assets:			
Separate account assets	37.4	32.9	13.8
Other owned assets	63.3	57.9	9.4
Total owned assets	<u>100.7</u>	<u>90.8</u>	11.0
Managed assets	118.4	108.8	8.8
Administered assets	59.6	55.3	7.8
Total	<u>\$ 415.5</u>	<u>\$ 380.4</u>	9.2
Market appreciation (depreciation) and foreign currency translation during the period:			
Owned assets:			
Separate account assets	\$ 614	\$ (101)	#
Other owned assets	\$ 614	\$ (1,476)	#
Managed assets	\$ 4,093	\$ 232	#
Cash sales:			
Mutual funds	\$ 9,830	\$ 8,480	15.9 %
Annuities	2,440	1,912	27.7
Investment certificates	1,896	1,445	31.2
Life and other insurance products	242	221	9.5
Institutional	2,519	2,841	(11.3)
Other	1,081	1,116	(3.2)
Total cash sales	<u>\$ 18,008</u>	<u>\$ 16,015</u>	12.4
Number of financial advisors	12,162	11,943	1.8 %
Fees from financial plans and advice services	\$ 51.3	\$ 39.3	30.6 %
Percentage of total sales from financial plans and advice services	75.4%	74.6%	

- 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.

(Preliminary)

American Express Financial Advisors
Statements of Income

(Millions)

	Quarters Ended				
	June 30, 2005	March 31, 2005	December 31, 2004	September 30, 2004	June 30, 2004
Revenues:					
Net investment income	\$ 638	\$ 622	\$ 635	\$ 581	\$ 603
Investment management and service fees	454	450	463	429	411
Distribution fees	362	351	327	304	315
Variable life insurance and variable annuity charges*	113	114	113	111	111
Life and health insurance premiums	92	89	91	91	88
Property-casualty insurance premiums	121	115	114	109	103
Other	128	120	113	89	106
Total revenues	1,908	1,861	1,856	1,714	1,737
Expenses:					
Provision for losses and benefits:					
Interest credited on annuities and universal life-type contracts	281	273	286	279	280
Benefits on insurance and annuities	125	112	124	112	124
Interest credited on investment certificates	96	76	86	45	48
Losses and expenses on property-casualty insurance	92	88	89	84	80
Total	594	549	585	520	532
Human resources - Field	393	376	339	312	333
Human resources - Non-field	279	272	253	235	210
Amortization of deferred acquisition costs	125	128	116	100	125
Other	340	301	315	290	273
Total expenses	1,731	1,626	1,608	1,457	1,473
Pretax income	177	235	248	257	264
Income tax provision	37	69	30	71	90
Net income	\$ 140	\$ 166	\$ 218	\$ 186	\$ 174

* - Variable life insurance and variable annuity charges include variable universal life and universal life insurance charges.

(Preliminary)

American Express Financial Advisors
Selected Statistical Information

(Millions, except percentages and where indicated)

	Quarters Ended				
	June 30, 2005	March 31, 2005	December 31, 2004	September 30, 2004	June 30, 2004
Investments (billions) (A)	\$ 44.8	\$ 44.6	\$ 44.9	\$ 43.1	\$ 41.8
Client contract reserves (billions)	\$ 45.0	\$ 44.9	\$ 44.3	\$ 42.9	\$ 41.9
Shareholder's equity (billions)	\$ 6.7	\$ 6.2	\$ 6.4	\$ 6.9	\$ 6.3
Return on average total shareholder's equity before accounting change (B)	10.8%	11.2%	11.8%	11.4%	11.7%
Return on average total shareholder's equity (B)	10.8%	11.2%	10.8%	10.1%	10.5%
Life insurance inforce (billions)	\$ 153.2	\$ 150.0	\$ 145.8	\$ 142.5	\$ 139.1
Assets owned, managed or administered (billions):					
Assets managed for institutions	\$ 136.8	\$ 134.4	\$ 139.3	\$ 127.4	\$ 125.5
Assets owned, managed or administered for individuals:					
Owned assets:					
Separate account assets	37.4	36.0	35.9	32.4	32.9
Other owned assets	63.3	61.9	61.2	59.6	57.9
Total owned assets	100.7	97.9	97.1	92.0	90.8
Managed assets	118.4	115.8	117.5	108.6	108.8
Administered assets	59.6	57.4	58.8	55.3	55.3
Total	<u>\$ 415.5</u>	<u>\$ 405.5</u>	<u>\$ 412.7</u>	<u>\$ 383.3</u>	<u>\$ 380.4</u>
Market appreciation (depreciation) and foreign currency translation during the period:					
Owned assets:					
Separate account assets	\$ 614	\$ (573)	\$ 2,920	\$ (377)	\$ (101)
Other owned assets	\$ 614	\$ (778)	\$ 56	\$ 752	\$ (1,476)
Managed assets	\$ 4,093	\$ (3,844)	\$ 17,956	\$ (194)	\$ 232
Cash sales:					
Mutual funds	\$ 9,830	\$ 9,830	\$ 8,680	\$ 8,066	\$ 8,480
Annuities	2,440	2,016	1,835	1,887	1,912
Investment certificates	1,896	2,226	2,586	1,786	1,445
Life and other insurance products	242	236	229	239	221
Institutional	2,519	1,758	1,763	1,664	2,841
Other	1,081	925	1,078	991	1,116
Total cash sales	<u>\$ 18,008</u>	<u>\$ 16,991</u>	<u>\$ 16,171</u>	<u>\$ 14,633</u>	<u>\$ 16,015</u>
Number of financial advisors	12,162	12,356	12,344	12,071	11,943
Fees from financial plans and advice services	\$ 51.3	\$ 39.1	\$ 38.2	\$ 28.1	\$ 39.3
Percentage of total sales from financial plans and advice services	75.4%	76.6%	75.9%	75.4%	74.6%

(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.

(Preliminary)

American Express Bank
Statements of Income

(Millions)

	Quarters Ended		Percentage Inc/(Dec)
	June 30,		
	2005	2004	
Net revenues:			
Interest income	\$ 157	\$ 131	20.9 %
Interest expense	84	51	66.5
Net interest income	73	80	(8.2)
Commissions and fees	78	70	10.3
Foreign exchange income and other revenues	57	53	6.6
Total net revenues	208	203	2.1
Expenses:			
Human resources	81	71	14.4
Other operating expenses	80	78	1.0
Provision for losses	2	12	(82.8)
Total expenses	163	161	0.8
Pretax income	45	42	6.9
Income tax provision (benefit)	(16)	14	#
Net income	\$ 61	\$ 28	#

- Denotes a variance of more than 100%.

(Preliminary)

American Express Bank
Selected Statistical Information

(Billions, except percentages and where indicated)

	Quarters Ended		Percentage Inc/(Dec)
	June 30,		
	2005	2004	
Total shareholder's equity (millions)	\$ 987	\$ 953	3.5 %
Return on average total shareholder's equity (A)	13.7%	11.9%	
Return on average total assets (B)	0.96%	0.81%	
Total loans	\$ 7.0	\$ 6.5	8.4 %
Non-Consumer Financial Services (CFS) loans:			
Total Non-CFS loans (C)	\$ 5.6	\$ 5.2	10.0 %
Non-CFS loan loss reserves (millions):			
Beginning balance	\$ 48	\$ 61	(20.0) %
Provision	-	2	#
Net charge-offs	3	(5)	#
Other	(5)	4	#
Ending balance	<u>\$ 46</u>	<u>\$ 62</u>	(25.6)
% of Non-CFS loans	0.8%	1.2%	
Total non-performing loans (millions)	\$ 21	\$ 50	(57.7) %
CFS loans:			
Total CFS Loans (D)	\$ 1.4	\$ 1.3	2.4 %
Past due as a % of total CFS loans:			
30-89 days past due	3.5%	4.6%	
90+ days past due	0.7%	0.9%	
CFS loan loss reserves (millions):			
Beginning balance	\$ 35	\$ 45	(21.9) %
Provision	7	10	(26.6)
Net charge-offs	(11)	(13)	(17.4)
Other	-	(1)	(64.9)
Ending balance	<u>\$ 31</u>	<u>\$ 41</u>	(23.8)
% of CFS loans	2.3%	3.1%	
% of 30 days past due CFS loans	54%	57%	
Net write-off rate	3.2%	4.0%	
Deposits	\$ 11.3	\$ 11.2	0.5 %
Assets owned, managed (E) / administered:			
Owned	\$ 14.0	\$ 14.1	(1.2)
Managed (E) / administered	19.7	16.9	16.4
Total	<u>\$ 33.7</u>	<u>\$ 31.0</u>	8.4
Assets of non-consolidated joint ventures (F)	\$ 1.9	\$ 1.7	14.3 %
Risk-based capital ratios (G):			
Tier 1	11.7%	12.0%	
Total	11.1%	11.8%	
Leverage ratio	6.0%	5.9%	

- Denotes a variance of more than 100%.

(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) Loans other than certain smaller-balance consumer loans (including loans impaired under Statement of Financial Accounting Standards No. 114, "Accounting by Creditors for Impairment of a Loan"), are placed on non-performing status when payments of principal or interest are 90 days past due or if, in management's opinion, the borrower is unlikely to meet its contractual obligations. When loans are placed on non-performing status, all previously accrued but unpaid interest is reversed against current interest income. Cash receipts of interest on non-performing loans are recognized either as interest income or as a reduction of principal, based on management's judgment as to the ultimate collectibility of principal. Generally, a non-performing loan may be returned to performing status when all contractual amounts due are reasonably assured of repayment within a reasonable period and the borrower shows sustained repayment performance, in accordance with the contractual terms of the loan or when the loan has become well-secured and is in the process of collection.

(D) For smaller-balance consumer loans included in CFS 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.

(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 \$6.1 billion at June 30, 2005).

(G) Based on legal entity financial information.

(Preliminary)

American Express Bank
Statements of Income

(Millions)

	Quarters Ended				
	June 30, 2005	March 31, 2005	December 31, 2004	September 30, 2004	June 30, 2004
Net revenues:					
Interest income	\$ 157	\$ 148	\$ 145	\$ 132	\$ 131
Interest expense	84	74	67	56	51
Net interest income	73	74	78	76	80
Commissions and fees	78	73	74	69	70
Foreign exchange income and other revenues	57	60	55	60	53
Total net revenues	208	207	207	205	203
Expenses:					
Human resources	81	81	81	71	71
Other operating expenses	80	75	76	74	78
Provision for losses	2	5	8	11	12
Restructuring charges	-	-	35	-	-
Total expenses	163	161	200	156	161
Pretax income	45	46	7	49	42
Income tax provision (benefit)	(16)	16	1	17	14
Net income	\$ 61	\$ 30	\$ 6	\$ 32	\$ 28

(Preliminary)

American Express Bank
Selected Statistical Information

(Billions, except percentages and where indicated)

	Quarters Ended				
	June 30, 2005	March 31, 2005	December 31, 2004	September 30, 2004	June 30, 2004
Total shareholder's equity (millions)	\$ 987	\$ 905	\$ 924	\$ 931	\$ 953
Return on average total shareholder's equity (A)	13.7%	10.0%	10.0%	12.4%	11.9%
Return on average total assets (B)	0.96%	0.71%	0.70%	0.85%	0.81%
Total loans	\$ 7.0	\$ 7.0	\$ 6.9	\$ 6.4	\$ 6.5
Non-Consumer Financial Services (CFS) loans:					
Total Non-CFS loans (C)	\$ 5.6	\$ 5.6	\$ 5.5	\$ 5.1	\$ 5.2
Non-CFS loan loss reserves (millions):					
Beginning balance	\$ 48	\$ 58	\$ 57	\$ 62	\$ 61
Provision	-	-	1	2	2
Net charge-offs	3	(3)	-	(6)	(5)
Other	(5)	(7)	-	(1)	4
Ending balance	<u>\$ 46</u>	<u>\$ 48</u>	<u>\$ 58</u>	<u>\$ 57</u>	<u>\$ 62</u>
% of Non-CFS loans	0.8%	0.9%	1.0%	1.1%	1.2%
Total non-performing loans (millions)	\$ 21	\$ 28	\$ 37	\$ 32	\$ 50
CFS loans:					
Total CFS Loans (D)	\$ 1.4	\$ 1.4	\$ 1.4	\$ 1.3	\$ 1.3
Past due as a % of total CFS loans:					
30-89 days past due	3.5%	3.6%	3.8%	4.3%	4.6%
90+ days past due	0.7%	0.7%	0.7%	0.8%	0.9%
CFS loan loss reserves (millions):					
Beginning balance	\$ 35	\$ 37	\$ 39	\$ 41	\$ 45
Provision	7	6	7	9	10
Net charge-offs	(11)	(11)	(10)	(11)	(13)
Other	-	3	1	-	(1)
Ending balance	<u>\$ 31</u>	<u>\$ 35</u>	<u>\$ 37</u>	<u>\$ 39</u>	<u>\$ 41</u>
% of CFS loans	2.3%	2.6%	2.7%	2.9%	3.1%
% of 30 days past due CFS loans	54%	59%	61%	57%	57%
Net write-off rate	3.2%	3.0%	3.0%	3.6%	4.0%
Deposits	\$ 11.3	\$ 10.7	\$ 10.4	\$ 10.5	\$ 11.2
Assets owned, managed (E) / administered:					
Owned	\$ 14.0	\$ 13.4	\$ 13.4	\$ 13.4	\$ 14.1
Managed (E) / administered	19.7	19.5	19.2	17.6	16.9
Total	<u>\$ 33.7</u>	<u>\$ 32.9</u>	<u>\$ 32.6</u>	<u>\$ 31.0</u>	<u>\$ 31.0</u>
Assets of non-consolidated joint ventures (F)	\$ 1.9	\$ 1.8	\$ 1.8	\$ 1.7	\$ 1.7
Risk-based capital ratios (G):					
Tier 1	11.7%	11.0%	11.0%	10.8%	12.0%
Total	11.1%	10.7%	10.1%	10.6%	11.8%
Leverage ratio	6.0%	5.8%	5.8%	5.7%	5.9%

(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) Loans other than certain smaller-balance consumer loans (including loans impaired under Statement of Financial Accounting Standards No. 114, "Accounting by Creditors for Impairment of a Loan"), are placed on non-performing status when payments of principal or interest are 90 days past due or if, in management's opinion, the borrower is unlikely to meet its contractual obligations. When loans are placed on non-performing status, all previously accrued but unpaid interest is reversed against current interest income. Cash receipts of interest on non-performing loans are recognized either as interest income or as a reduction of principal, based on management's judgment as to the ultimate collectibility of principal. Generally, a non-performing loan may be returned to performing status when all contractual amounts due are reasonably assured of repayment within a reasonable period and the borrower shows sustained repayment performance, in accordance with the contractual terms of the loan or when the loan has become well-secured and is in the process of collection.

(D) For smaller-balance consumer loans included in CFS 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.

(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 \$6.1 billion at June 30, 2005).

(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 following: the Company’s ability to complete the planned spin-off of its AEFA business unit, which is subject to final approval by the Company’s Board of Directors, the receipt of necessary regulatory approvals and a favorable tax opinion from counsel, and in connection with the proposed spin-off, the Company’s ability to capitalize AEFA consistent with rating agency requirements and to manage transition costs and implement effective transition arrangements with AEFA on a post-completion basis; 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; consumer and business spending on the Company’s travel related services products, particularly credit and charge cards and Travelers Cheques and other prepaid products and growth in card lending balances, which depend in part on the ability to issue new and enhanced card and prepaid products, services and rewards programs, and increase revenues from such products, attract new cardmembers, reduce cardmember attrition, capture a greater share of existing cardmembers’ spending, sustain premium discount rates on its card products in light of regulatory and market pressures, increase merchant coverage, retain cardmembers after low introductory lending rates have expired, and expand the global network services (GNS) business; the Company’s ability to introduce new products, reward program enhancements and service enhancements on a timely basis during the latter half of 2005 and the first half of 2006; the success of the GNS business in partnering with banks in the United States, which will depend in part on the extent to which such business further enhances the Company’s brand, allows the Company to leverage its significant processing scale, expands merchant coverage of the network, provides U.S. GNS bank partners the benefits of greater cardmember loyalty and higher spend per customer, and merchant benefits such as greater transaction volume and additional higher spending customers; the continuation of favorable trends, including increased travel and entertainment spending and the overall level of consumer confidence; successfully cross-selling, travel, card and other products and services to the Company’s customer base, both in the United States and abroad; the Company’s ability to generate sufficient revenues for expanded investment spending, and the ability to capitalize on such investments to improve business metrics; the costs and integration of acquisitions; the success, timeliness and financial impact (including costs, cost savings and other benefits including increased revenues), and beneficial effect on the Company’s operating expense to revenue ratio, both in the short-term and over time, 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 expenses as business expands or changes, including the ability to accurately estimate the provision for the cost of the Membership Rewards program; the Company’s ability to manage credit risk related to consumer debt, business loans, merchant bankruptcies and other 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' 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; 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; 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; risks associated with the Company's agreements with Delta Air Lines to prepay \$500 million for the future purchases of Delta SkyMiles rewards points and to loan up to \$75 million to Delta; AEFA's ability to improve investment performance, including attracting and retaining high-quality personnel, and reduce outflows of invested funds; AEFA's ability to develop and introduce 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; 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, and the level of guaranteed minimum death benefits paid to clients; changes in assumptions relating to DAC, which could impact the amount of DAC amortization; changes in federal securities laws affecting the mutual fund industry, including possible enforcement proceedings and the adoption of rules and regulations designed to prevent trading abuses, restrict or eliminate certain types of fees, change mutual fund governance and mandate additional disclosures, and the ability to make the required investment to upgrade compliance systems and procedures in response to these changes; AEFA's ability to avoid deterioration in its high-yield portfolio in order to mitigate losses in its investment portfolio; fluctuations in foreign currency exchange rates; fluctuations in interest rates, which impact the Company's borrowing costs, return on lending products and spreads in the insurance, annuity and investment certificate products; accuracy of estimates for the fair value of the assets in the Company's investment portfolio and, in particular, those investments that are not readily marketable, including the valuation of the interest-only strip relating to TRS' lending securitizations; 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; 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, including changes in tax laws or regulations that could result in the elimination of certain tax benefits; outcomes and costs associated with litigation and compliance and regulatory matters; deficiencies and inadequacies in the Company's internal control over financial reporting, which could result in inaccurate or incomplete financial reporting; and competitive pressures in all of the Company's major businesses. 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, 2004, and its other reports filed with the SEC.