

NOTE RELATING TO NON-GAAP FINANCIAL DISCLOSURES

The managed basis presentation includes on-balance sheet cardmember loans and off-balance sheet securitized cardmember loans. The difference between the “owned basis” (GAAP) information and “managed basis” information is attributable to the effects of securitization activities. For more information about this difference, see also “Differences between GAAP and Managed Basis Presentation” on page 55 in the Company’s 2006 Annual Report, which is filed with the SEC as Exhibit 13 to the Company’s 2006 Form 10-K Report.

INFORMATION RELATED TO FORWARD-LOOKING STATEMENTS

This report 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 meet its ROE target range of 33 to 36 percent on average and over time, which will depend in part on factors such as the Company’s ability to generate sufficient revenue growth and achieve sufficient margins, fluctuations in the capital required to support its businesses, the mix of the Company’s financings, and fluctuations in the level of the Company’s shareholders’ equity due to share repurchases, dividends, changes in accumulated other comprehensive income and accounting changes, among other things; the Company’s ability to grow its business and meet or exceed its return on shareholders’ equity target by reinvesting approximately 35 percent of annually-generated capital, and returning approximately 65 percent 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 credit and charge card products 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, and 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 business; the success of the Global Network Services 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 Global Network Services’ bank partners in the United States the benefits of greater cardmember loyalty and higher spend per customer, and merchant benefits such as greater transaction volume and additional higher spending customers; fluctuations in interest rates, which impact the Company’s borrowing costs and return on lending products; the continuation of favorable trends, including increased travel and entertainment spending, and the overall level of consumer confidence; 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 Company’s ability to reinvest the benefits arising from such reengineering actions in its businesses; the ability to control and manage operating, infrastructure, advertising and promotion expenses as business expands or changes; the Company’s 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, consolidations or similar events affecting the airline or any other industry representing a significant portion of the Company’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; 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; fluctuations in foreign currency exchange rates; 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 the Company’s lending securitizations; the Company’s ability to accurately estimate the benefits resulting from positions taken by it on its tax returns, which could impact the Company’s provision for income taxes on the Company’s income statement; the Company’s ability to protect its intellectual property rights (IP) and avoid infringing the IP of other parties; the potential negative effect on the Company’s businesses and infrastructure, including information technology, of terrorist attacks, natural 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; outcomes and costs associated with litigation and compliance and regulatory matters; 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, 2006, and its other reports filed with the SEC.

AMERICAN EXPRESS COMPANY

SELECTED FINANCIAL STATEMENT DATA AND STATISTICAL INFORMATION

American Express Company (the Company) is a leading global payments, network, and travel company. The Company offers a broad range of products and services including charge and credit cards; stored value products such as Travelers Cheques and gift cards; travel agency services; travel and business expense management products and services; network services and merchant acquisition and merchant processing for the Company's network partners and proprietary payments businesses; lending products; point-of-sale and back-office products and services for merchants; magazine publishing; and international banking products. The Company's various products and services are sold globally to diverse customer groups, including consumers, small businesses, mid-market companies, large corporations, and banking institutions. These products and services are sold through various channels including direct mail, on-line applications, targeted sales-forces, and direct response advertising.

The enclosed tables include:

- American Express Company Consolidated Statements of Income for the years ended December 31, 2006 and 2005.
- American Express Company Consolidated Balance Sheets as of December 31, 2006 and 2005.
- American Express Company Selected Statistical Information for the years ended December 31, 2006, 2005, 2004, 2003, and 2002.
- U.S. Card Services Selected Income Statement Data for the years ended December 31, 2006 and 2005.
- U.S. Card Services Selected Financial Information – Managed Basis Presentation for the years ended December 31, 2006 and 2005.
- U.S. Card Services Selected Statistical Information for the years ended December 31, 2006 and 2005.
- International Card & Global Commercial Services Selected Income Statement Data for the years ended December 31, 2006 and 2005.
- International Card & Global Commercial Services Selected Statistical Information for the years ended December 31, 2006 and 2005.
- Global Network & Merchant Services Selected Income Statement Data for the years ended December 31, 2006 and 2005.
- Global Network & Merchant Services Selected Statistical Information for the years ended December 31, 2006 and 2005.

The financial statements, selected income statement data, selected financial information, and selected statistical information above should be read in conjunction with the Annual Report on Form 10-K of American Express Company for the years ended December 31, 2006. Certain reclassifications of 2006 and 2005 financial information were made as contained in the current report on Form 8-K dated March 30, 2007. These reclassifications were made to conform to the Company's presentation beginning with the first quarter of 2007. The data presented for 2006 and 2005 reflects the effects of these reclassifications. Management's Discussion and Analysis of Financial Condition and Results of Operations are provided in the Company's Annual Report referenced above. Additionally, see the U.S. Card Services segment in the Annual Report on Form 10-K of American Express Company for additional information on managed basis presentation.

CONSOLIDATED STATEMENTS OF INCOME

American Express Company

Years Ended December 31, (Millions, except per share amounts)

	2006	2005
Revenues		
Discount revenue	\$12,978	\$11,489
Net card fees	1,994	2,033
Travel commissions and fees	1,778	1,780
Other commissions and fees	2,555	2,375
Securitization income, net	1,489	1,260
Other	1,807	1,496
Total	22,601	20,433
Interest income:		
Cardmember lending finance charge revenue	4,586	3,379
International banking	1,053	902
Other	790	705
Total	6,429	4,986
Total revenues	29,030	25,419
Interest expense:		
Cardmember lending	1,192	847
International banking	410	316
Charge card and other	1,528	1,108
Total	3,130	2,271
Revenues net of interest expense	25,900	23,148
Expenses		
Marketing, promotion, rewards and cardmember services	6,516	5,841
Human resources	5,065	4,829
Professional services	2,710	2,308
Occupancy and equipment	1,491	1,428
Communications	449	457
Other	1,254	1,264
Total	17,485	16,127
Provisions for losses and benefits:		
Charge card	935	1,038
Cardmember lending	1,623	1,349
International banking and other (including investment certificates)	529	386
Total	3,087	2,773
Pretax income from continuing operations	5,328	4,248
Income tax provision	1,599	1,027
Income from continuing operations	3,729	3,221
(Loss) Income from discontinued operations, net of tax	(22)	513
Net income	\$ 3,707	\$ 3,734
Earnings Per Common Share — Basic:		
Income from continuing operations	\$ 3.08	\$ 2.61
(Loss) Income from discontinued operations	(0.02)	0.42
Net income	\$ 3.06	\$ 3.03
Earnings Per Common Share — Diluted:		
Income from continuing operations	\$ 3.01	\$ 2.56
(Loss) Income from discontinued operations	(0.02)	0.41
Net income	\$ 2.99	\$ 2.97
Average common shares outstanding for earnings per common share:		
Basic	1,212	1,233
Diluted	1,238	1,258

CONSOLIDATED BALANCE SHEETS

American Express Company

December 31, (Millions, except share data)	2006	2005
Assets		
Cash and cash equivalents	\$ 7,956	\$ 7,126
Accounts receivable and accrued interest:		
Cardmember receivables, less reserves: 2006, \$981; 2005, \$942	36,386	33,216
Other receivables, less reserves: 2006, \$42; 2005, \$66	2,465	2,281
Investments	20,990	21,334
Loans:		
Cardmember lending, less reserves: 2006, \$1,171; 2005, \$996	42,135	32,108
International banking, less reserves: 2006, \$64; 2005, \$64	7,160	7,049
Other, less reserves: 2006, \$34; 2005, \$37	953	1,644
Land, buildings and equipment — at cost, less accumulated depreciation: 2006, \$3,169; 2005, \$2,868	2,448	2,230
Other assets	7,360	6,972
Total assets	\$127,853	\$113,960
Liabilities and Shareholders' Equity		
Customers' deposits	\$ 24,656	\$ 24,579
Travelers Cheques outstanding	7,215	7,175
Accounts payable	8,764	7,503
Investment certificate reserves	6,058	6,872
Short-term debt	15,162	15,633
Long-term debt	42,747	30,781
Other liabilities	12,740	10,868
Total liabilities	117,342	103,411
Shareholders' Equity		
Common shares, \$.20 par value, authorized 3.6 billion shares; issued and outstanding 1,199 million shares in 2006 and 1,241 million shares in 2005	240	248
Additional paid-in capital	9,638	8,652
Retained earnings	1,153	1,788
Accumulated other comprehensive (loss) income :		
Net unrealized securities gains, net of tax: 2006, \$(61); 2005, \$(88)	92	137
Net unrealized derivatives gains, net of tax: 2006, \$(16); 2005, \$(77)	27	143
Foreign currency translation adjustments, net of tax: 2006, \$22; 2005, \$34	(222)	(400)
Net unrealized pension and other postretirement benefits costs, net of tax: 2006, \$210	(417)	—
Minimum pension liability, net of tax: 2005, \$10	—	(19)
Total accumulated other comprehensive loss	(520)	(139)
Total shareholders' equity	10,511	10,549
Total liabilities and shareholders' equity	\$127,853	\$113,960

American Express Company
Selected Statistical Information

Years Ended December 31,
(Billions, except percentages
and where indicated)

	2006	2005	2004	2003	2002
Card billed business(a):					
United States	\$ 406.8	\$ 354.6	\$ 304.8	\$ 262.1	\$ 234.1
Outside the United States	154.7	129.8	111.3	90.1	77.3
Total	\$ 561.5	\$ 484.4	\$ 416.1	\$ 352.2	\$ 311.4
Total cards-in-force (millions)(a):					
United States	48.1	43.0	39.9	36.4	34.8
Outside the United States	29.9	28.0	25.5	24.1	22.2
Total	78.0	71.0	65.4	60.5	57.0
Basic cards-in-force (millions)(a):					
United States	37.1	32.8	30.3	27.7	26.9
Outside the United States	25.4	23.2	21.0	19.9	18.3
Total	62.5	56.0	51.3	47.6	45.2
Average discount rate(b)	2.57%	2.58%	2.61%	2.62%	2.64%
Average basic cardmember spending (dollars)(a)	\$ 11,201	\$ 10,445	\$ 9,460	\$ 8,367	\$ 7,645
Average fee per card (dollars)(a)	\$ 35	\$ 35	\$ 34	\$ 35	\$ 34

(a) Card billed business includes activities (including cash advances) related to proprietary cards, cards issued under network partnership agreements, and certain insurance fees charged on proprietary cards. Cards-in-force include 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 as follows: Discount Revenue from all card spending (proprietary and Global Network Services) at merchants divided by all billed business (proprietary and Global Network Services) generating discount revenue at such merchants. Only merchants acquired by the Company are included in the computation.

(c) Average fee per card is computed based on net card fees excluding the amortization of deferred direct acquisition costs.

American Express Company
Selected Statistical Information (continued)

Years Ended December 31,
(Billions, except percentages
and where indicated)

	2006	2005	2004	2003	2002
Worldwide cardmember receivables:					
Total receivables	\$ 37.4	\$ 34.2	\$ 31.1	\$ 28.4	\$ 26.3
90 days past due as a % of total (a)	2.8%	2.8%	N/A	N/A	N/A
Loss reserves (millions):					
\$ 981	\$ 942	\$ 806	\$ 916	\$ 930	
% of receivables	2.6%	2.8%	2.6%	3.2%	3.5%
% of 90 days past due (a)	95%	97%	N/A	N/A	N/A
Net loss ratio as a % of charge volume	0.24%	0.26%	0.26%	0.28%	0.38%
Worldwide cardmember lending — owned basis (b):					
Total loans	\$ 43.3	\$ 33.1	\$ 26.9	\$ 25.8	\$ 22.6
30 days past due as a % of total	2.7%	2.5%	2.4%	2.7%	3.2%
Loss reserves (millions):					
Beginning balance	\$ 996	\$ 972	\$ 998	\$ 1,030	\$ 831
Provision	1,507	1,227	1,016	1,121	1,271
Net write offs	(1,359)	(1,155)	(1,040)	(1,148)	(1,167)
Other	27	(48)	(2)	(5)	95
Ending balance	\$ 1,171	\$ 996	\$ 972	\$ 998	\$ 1,030
% of loans	2.7%	3.0%	3.6%	3.9%	4.6%
% of past due	98%	122%	151%	145%	144%
Average loans	\$ 36.5	\$ 28.3	\$ 25.9	\$ 22.6	\$ 19.9
Net write-off rate	3.7%	4.1%	4.0%	5.1%	5.9%
Net finance revenue/average loans (c)	9.3%	8.9%	8.6%	9.0%	9.2%
Worldwide cardmember lending — managed basis(d):					
Total loans	\$ 63.5	\$ 54.3	\$ 47.2	\$ 45.3	\$ 39.8
30 days past due as a % of total	2.6%	2.4%	2.4%	2.7%	3.1%
Loss reserves (millions):					
Beginning balance	\$ 1,469	\$ 1,475	\$ 1,541	\$ 1,529	\$ 1,240
Provision	1,991	2,097	1,931	2,188	2,370
Net write offs	(1,933)	(2,055)	(1,957)	(2,171)	(2,176)
Other	95	(48)	(40)	(5)	95
Ending balance	\$ 1,622	\$ 1,469	\$ 1,475	\$ 1,541	\$ 1,529
% of loans	2.6%	2.7%	3.1%	3.4%	3.8%
% of past due	97%	114%	129%	127%	124%
Average loans	\$ 56.9	\$ 48.9	\$ 45.4	\$ 41.6	\$ 36.7
Net write-off rate	3.4%	4.2%	4.3%	5.2%	5.9%
Net finance revenue/average loans (c)	9.3%	9.2%	9.0%	9.4%	10.0%

- (a) As discussed in the current report on Form 8-K dated March 30, 2007, the Company revised the method of reporting certain credit statistics related to the charge card business to better align these metrics with the way the Company manages credit risk as well as to align such credit statistics with the method used for reporting the Company's lending activities. Historically, the credit statistics for the charge card business have been presented using the portion of the account balance that was 90 days past due or more. However, the Company's practices for managing credit risk and establishing reserves for uncollectible amounts consider the entire amounts of customer accounts for those accounts which have any portion that is past due by 90 days or more. The Company has determined that the disclosure of credit statistics for the charge card business in a manner consistent with the internal methodology used for reserving practices is preferable. Because the Company's existing risk management assessments already utilize this methodology, the level of reserves has not been changed. The new statistics do not indicate a change in management's view of the Company's underlying credit quality, risk profile or adequacy of reserves. Revised historical statistics using this new reporting method are presented above where available. N/A indicates not available.
- (b) "Owned," a GAAP basis measurement, reflects only cardmember loans included in the Company's Consolidated Balance Sheets.
- (c) As discussed in the current report on Form 8-K dated March 30, 2007, the calculation of net finance revenue divided by average loans was corrected for a computational error. The ratios presented for 2004, 2003 and 2002 were not restated as this correction had a minimal impact on the historic trends for this statistical information.
- (d) The managed basis presentation includes on-balance sheet cardmember loans and off-balance sheet securitized cardmember loans. The difference between the "owned basis" (GAAP) information and "managed basis" information is attributable to the effects of securitization activities. For more information about this difference, see also "Differences between GAAP and Managed Basis Presentation" on page 55 of the Company's Annual Report, which is filed with the SEC as Exhibit 13 to the Company's 2006 Form 10-K Report.

U.S. CARD SERVICES
Selected Income Statement Data
GAAP Basis Presentation

Years Ended December 31, (Millions)	2006	2005
Revenues		
Discount revenue, net card fees and other	\$9,421	\$8,451
Cardmember lending finance revenue	3,434	2,408
Securitization income:		
Excess spread, net (excluding servicing fees)(a)	1,055	811
Servicing fees	407	412
Gains on sales from securitizations(b)	27	37
Securitization income, net	1,489	1,260
Total revenues	14,344	12,119
Interest expense:		
Cardmember lending	957	616
Charge card and other	767	529
Revenues net of interest expense	12,620	10,974
Expenses		
Marketing, promotion, rewards and cardmember services	4,445	3,830
Human resources and other operating expenses	3,227	2,810
Total	7,672	6,640
Provisions for losses	1,625	1,659
Pretax segment income	3,323	2,675
Income tax provision	1,171	938
Segment income	\$2,152	\$1,737

(a) Excess spread is the net positive cash flow from interest and fee collections allocated to the investor's interests after deducting the interest paid on investor certificates, credit losses, contractual servicing fees, and other expenses.

(b) Excludes \$83 million and \$(104) million in 2006 and \$144 million and \$(118) million in 2005 of impact from cardmember loan sales and maturities, respectively, reflected in credit provision.

U.S. CARD SERVICES
Selected Financial Information
Managed Basis Presentation

Years Ended December 31, (Millions)	2006	2005
Discount revenue, net card fees and other:		
Reported for the period (GAAP)	\$ 9,421	\$ 8,451
Securitization adjustments(a)	199	210
Managed discount revenue, net card fees and other	\$ 9,620	\$ 8,661
Cardmember lending finance revenue:		
Reported for the period (GAAP)	\$ 3,434	\$ 2,408
Securitization adjustments(a)	2,937	2,692
Managed finance revenue	\$ 6,371	\$ 5,100
Securitization income, net:		
Reported for the period (GAAP)	\$ 1,489	\$ 1,260
Securitization adjustments(a)	(1,489)	(1,260)
Managed securitization income, net	\$ —	\$ —
Cardmember lending interest expense:		
Reported for the period (GAAP)	\$ 957	\$ 616
Securitization adjustments(a)	1,057	739
Managed cardmember lending interest expense	\$ 2,014	\$ 1,355
Provisions for losses:		
Reported for the period (GAAP)	\$ 1,625	\$ 1,659
Securitization adjustments(a)	550	924
Managed provisions for losses	\$ 2,175	\$ 2,583

(a) The managed basis presentation assumes that there have been no off-balance sheet securitization transactions, i.e., all securitized cardmember loans and related income effects are reflected as if they were in the Company's balance sheets and income statements, respectively. For the managed basis presentation, revenue and expenses related to securitized cardmember loans are reflected in other commissions and fees (included above in discount revenue, net card fees and other), cardmember lending finance revenue, cardmember lending interest expense, and provisions for losses. On a managed basis, there is no securitization income, net, as the managed basis presentation assumes no securitization transactions have occurred.

U.S. Card Services
Selected Statistical Information

Years Ended December 31,
(Billions, except percentages and
where indicated)

	2006	2005
Card billed business	\$ 333.4	\$ 292.8
Total cards-in-force (millions)	40.7	37.5
Basic cards-in-force (millions)	30.1	27.7
Average basic cardmember spending (dollars)	\$11,521	\$10,996
U.S. Consumer Travel		
Travel sales	\$ 2.4	\$ 1.9
Travel commissions and fees/sales	8.4%	8.7%
Total segment assets	\$ 71.0	\$ 61.6
Segment capital	\$ 4.7	\$ 4.6
Return on segment capital(a)	47.4%	41.0%
Cardmember receivables:		
Total receivables	\$ 20.6	\$ 19.2
90 days past due as a % of total	3.3%	3.4%
Net loss ratio as a % of charge volume	0.28%	0.30%
Cardmember lending — owned basis: (b)		
Total loans	\$ 33.6	\$ 24.8
30 days past due loans as a % of total	2.7%	2.3%
Average loans	\$ 27.6	\$ 21.0
Net write-off rate	3.0%	3.9%
Net finance charge revenue/average loans	9.0%	8.5%
Cardmember lending — managed basis: (c)		
Total loans	\$ 53.8	\$ 46.0
30 days past due loans as a % of total	2.6%	2.3%
Average loans	\$ 48.0	\$ 41.5
Net write-off rate	2.9%	4.1%
Net finance charge revenue/average loans	9.1%	9.0%

(a) Computed on a trailing 12-month basis using segment income and equity capital allocated to segments based upon specific business operational needs, risk measures, and regulatory capital requirements.

(b) "Owned," a GAAP basis measurement, reflects only cardmember loans included in the Company's Consolidated Balance Sheets.

(c) The managed basis presentation includes on-balance sheet cardmember loans and off-balance sheet securitized cardmember loans. The difference between the "owned basis" (GAAP) information and "managed basis" information is attributable to the effects of securitization activities. For more information about this difference, see also "Differences between GAAP and Managed Basis Presentation" on page 55 in the Company's 2006 Annual Report, which is filed with the SEC as Exhibit 13 to the Company's 2006 Form 10-K Report.

International Card & Global Commercial Services
Selected Income Statement Data

Years Ended December 31, (Millions)	2006	2005
Revenues		
Discount revenue, net card fees and other	\$7,851	\$7,422
Cardmember lending finance revenue	1,146	964
Total revenues	8,997	8,386
Interest expense:		
Cardmember lending	393	328
Charge card and other	624	475
Revenues net of interest expense	7,980	7,583
Expenses		
Marketing, promotion, rewards and cardmember services	1,420	1,258
Human resources and other operating expenses	4,528	4,564
Total	5,948	5,822
Provisions for losses	1,042	843
Pretax segment income	990	918
Income tax provision	195	166
Segment income	\$795	\$752

Selected Statistical Information

Years Ended December 31, (Billions, except percentages and where indicated)	2006	2005
Card billed business	\$ 193.1	\$ 168.5
Total cards-in-force (millions) (a)	22.3	22.7
Basic cards-in-force (millions)	17.9	18.0
Average basic cardmember spending (dollars)	\$ 10,681	\$ 9,641
Global Corporate & International Consumer Travel		
Travel sales	\$ 19.4	\$ 18.8
Travel commissions and fees/sales	8.1%	8.6%
Total segment assets	\$ 37.8	\$ 33.0
Segment capital	\$ 3.7	\$ 3.7
Return on segment capital(b)	20.6%	21.4%
Cardmember receivables:		
Total receivables	\$ 16.3	\$ 14.5
90 days past due as a % of total	2.1%	2.1%
Net loss ratio as a % of charge volume	0.18%	0.21%
Cardmember lending:		
Total loans	\$ 9.7	\$ 8.3
30 days past due loans as a % of total	2.9%	2.8%
Average loans	\$ 8.9	\$ 7.4
Net write-off rate	5.9%	4.7%
Net finance charge revenue/average loans	8.5%	8.8%

(a) Cards-in-force at December 31, 2006, reflected the transfer of 1.3 million proprietary cards in Brazil, and approximately 200,000 proprietary cards in Malaysia and Indonesia to Global Network Services during 2006.

(b) Computed on a trailing 12-month basis using segment income and equity capital allocated to segments based upon specific business operational needs, risk measure, and regulatory capital requirements.

Global Network & Merchant Services
Selected Income Statement Data

Years Ended December 31, (Millions)	2006	2005
Revenues		
Discount revenue, fees and other	\$ 3,063	\$ 2,681
Interest expense:		
Cardmember lending	(98)	(66)
Other	(183)	(145)
Revenues net of interest expense	3,344	2,892
Expenses		
Marketing and promotion	518	604
Human resources and other operating expenses	1,549	1,340
Total	2,067	1,944
Provisions for losses	89	66
Pretax segment income	1,188	882
Income tax provision	409	309
Segment income	\$ 779	\$ 573

Selected Statistical Information

Years Ended December 31, (Billions, except percentages and where indicated)	2006	2005
Global Card billed business(a)	\$ 561.5	\$ 484.4
Global Network & Merchant Services:		
Total segment assets	\$ 4.4	\$ 4.5
Segment capital	\$ 1.3	\$ 1.3
Return on segment capital(b)	60.3%	49.2%
Global Network Services(c):		
Card billed business	\$ 35.4	\$ 24.0
Total cards-in-force (millions)(d)	15.0	10.8

(a) Global Card billed business includes activities (including cash advances) related to proprietary cards, cards issued under network partnership agreements, and certain insurance fees charged on proprietary cards.

(b) Computed on a trailing 12-month basis using segment income and equity capital allocated to segments based upon specific business operational needs, risk measures, and regulatory capital requirements.

(c) Billed business and cards-in-force reflect the transfer, effective January 1, 2006, to International Card & Global Commercial Services' segment of corporate card accounts in certain emerging markets that had been managed within Global Network Services.

(d) Cards-in-force for 2006 reflect the transfer of 1.3 million proprietary cards in Brazil, and approximately 200,000 proprietary cards-in-force in Malaysia and Indonesia from the International Card & Global Commercial Services segment during second quarter 2006 and third quarter 2006, respectively.
