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 2007 Annual Report, which is filed with the SEC as Exhibit 13 to the Company's 2007 Form 10-K Report.

INFORMATION RELATED TO FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements, which are subject to risks and uncertainties. The forward-looking statements, which address the Company's expected business and financial performance, among other matters, contain words such as "believe," "expect," "anticipate," "optimistic," "intend," "plan," "aim," "will," "may," "should," "could," "would," "likely," and similar expressions. 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: 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 economic environment, and 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 Company's ability to manage credit risk related to consumer debt, business loans, merchants and other credit trends, which will depend in part on the economic environment, the rates of bankruptcies and unemployment, which can affect spending on card products, debt payments by individual and corporate customers and businesses that accept the Company's card products, and on the effectiveness of the Company's credit models; fluctuations in interest rates (including fluctuations in benchmarks, such as LIBOR and other benchmark rates, used to price loans and other indebtedness, as well as credit spreads in the pricing of loans and other indebtedness), which impact the Company's borrowing costs, return on lending products and the value of the Company's investments; 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 actual amount to be spent by the Company on marketing, promotion, rewards and Cardmember services based on management's assessment of competitive opportunities and other factors affecting its judgment; 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; fluctuations in foreign currency exchange rates; 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; 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; trends in travel and entertainment spending and the overall level of consumer confidence; the costs and integration of acquisitions; the underlying assumptions and expectations related to the sale of the American Express Bank Ltd. businesses proving to be inaccurate or unrealized, including, among other things, the likelihood of and expected timing for completion of the transaction, the proceeds to be received by the Company in the transaction and the transaction's impact on the Company's earnings; 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; 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; 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 invest in technology advances across all areas of its business to stay on the leading edge of technologies applicable to the payments industry; 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; accounting changes; outcomes and costs associated with litigation and compliance and regulatory matters; and competitive pressures in all of the Company's major businesses. See also "Risk Factors" in the Company's 2007 Form 10-K filed with the SEC.

AMERICAN EXPRESS COMPANY
SELECTED FINANCIAL STATEMENT DATA AND STATISTICAL INFORMATION

American Express Company is a leading global payments and travel company. The Company's principal products and services are charge and credit payment card products and travel-related services offered to consumers and businesses around the world. The Company's businesses are organized into two customer-focused groups, the Global Consumer Group and the Global Business-to-Business Group. The Global Consumer Group offers a range of products and services including charge and lending (i.e., credit) card products; consumer travel services; and stored value products such as Travelers Cheques and prepaid products. The Business-to-Business Group offers business travel, corporate cards and other expense management products and services; network services and merchant acquisition and merchant processing for the Company's network partners and proprietary payments businesses; and point-of-sale, back-office, and marketing products and services for merchants. The Company's various products and services are sold globally to diverse customer groups, including consumers, small businesses, middle-market companies, and large corporations. These products and services are sold through various channels including direct mail, on-line applications, targeted sales forces, and direct response advertising.

The following tables include:

- American Express Company Consolidated Statements of Income for the years ended December 31, 2007, 2006, and 2005.
- American Express Company Consolidated Balance Sheets as of December 31, 2007 and 2006.
- American Express Company Selected Statistical Information for the years ended December 31, 2007, 2006, 2005, 2004, and 2003.
- U.S. Card Services Selected Income Statement Data for the years ended December 31, 2007, 2006, and 2005.
- U.S. Card Services Selected Financial Information – Managed Basis Presentation for the years ended December 31, 2007, 2006, and 2005.
- U.S. Card Services Selected Statistical Information for the years ended December 31, 2007, 2006, and 2005.
- International Card Services Selected Income Statement Data for the years ended December 31, 2007, 2006, and 2005.
- International Card Services Selected Statistical Information for the years ended December 31, 2007, 2006, and 2005.
- Global Commercial Services Selected Income Statement Data for the years ended December 31, 2007, 2006, and 2005.
- Global Commercial Services Selected Statistical Information for the years ended December 31, 2007, 2006, and 2005.
- Global Network & Merchant Services Selected Income Statement Data for the years ended December 31, 2007, 2006, and 2005.
- Global Network & Merchant Services Selected Statistical Information for the years ended December 31, 2007, 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, 2007.

CONSOLIDATED STATEMENTS OF INCOME

American Express Company

Years Ended December 31, (Millions, except per share amounts)	2007	2006	2005
Revenues			
Discount revenue	**$14,596**	$12,978	$11,489
Net card fees	**2,050**	1,994	2,033
Travel commissions and fees	**1,926**	1,778	1,780
Other commissions and fees	**2,417**	2,233	2,106
Securitization income, net	**1,507**	1,489	1,260
Other	**1,645**	1,689	1,317
Total	**24,141**	22,161	19,985
Interest income			
Cardmember lending finance revenue	**6,145**	4,586	3,379
Other	**1,271**	1,147	1,040
Total	**7,416**	5,733	4,419
Total revenues	**31,557**	27,894	24,404
Interest expense			
Cardmember lending	**1,734**	1,192	847
Charge card and other	**2,092**	1,548	1,132
Total	**3,826**	2,740	1,979
Revenues net of interest expense	**27,731**	25,154	22,425
Expenses			
Marketing, promotion, rewards and cardmember services	**7,817**	6,504	5,823
Human resources	**5,438**	5,040	4,745
Professional services	**2,283**	2,269	1,986
Occupancy and equipment	**1,436**	1,384	1,318
Communications	**461**	434	439
Other, net	**389**	1,358	1,303
Total	**17,824**	16,989	15,614
Provisions for losses and benefits			
Charge card	**1,140**	935	1,038
Cardmember lending	**2,761**	1,623	1,349
Other (including investment certificates)	**440**	468	371
Total	**4,341**	3,026	2,758
Pretax income from continuing operations	**5,566**	5,139	4,053
Income tax provision	**1,518**	1,528	991
Income from continuing operations	**4,048**	3,611	3,062
(Loss) Income from discontinued operations, net of tax	**(36)**	96	672
Net income	**$ 4,012**	$ 3,707	$ 3,734
Earnings Per Common Share — Basic:			
Income from continuing operations	**$ 3.45**	$ 2.98	$ 2.48
(Loss) Income from discontinued operations	**(0.03)**	0.08	0.55
Net income	**$ 3.42**	$ 3.06	$ 3.03
Earnings Per Common Share — Diluted:			
Income from continuing operations	**$ 3.39**	$ 2.92	$ 2.43
(Loss) Income from discontinued operations	**(0.03)**	0.07	0.54
Net income	**$ 3.36**	$ 2.99	$ 2.97
Average common shares outstanding for earnings per common share:			
Basic	**1,173**	1,212	1,233
Diluted	**1,196**	1,238	1,258

CONSOLIDATED BALANCE SHEETS

American Express Company

December 31, (Millions, except share data)	**2007**	2006
Assets		
Cash and cash equivalents	**$ 11,737**	$ 5,306
Accounts receivable		
Cardmember receivables, less reserves: 2007, $1,149; 2006, $981	**38,923**	36,386
Other receivables, less reserves: 2007, $36; 2006, $35	**3,082**	2,279
Investments	**15,864**	17,954
Loans:		
Cardmember lending, less reserves: 2007, $1,831; 2006, $1,171	**52,674**	42,135
Other, less reserves: 2007, $45; 2006, $36	**762**	981
Land, buildings and equipment — at cost, less accumulated depreciation: 2007, $3,453; 2006, $2,980	**2,692**	2,350
Other assets	**7,349**	6,526
Assets of discontinued operations	**16,747**	14,412
Total assets	**$149,830**	$128,329
Liabilities and Shareholders' Equity		
Customers' deposits	**$ 15,397**	$ 12,010
Travelers Cheques outstanding	**7,197**	7,215
Accounts payable	**7,674**	8,676
Investment certificate reserves	**5,299**	6,058
Short-term debt	**17,762**	15,236
Long-term debt	**55,285**	42,747
Other liabilities	**13,959**	11,931
Liabilities of discontinued operations	**16,228**	13,945
Total liabilities	**138,801**	117,818
Shareholders' Equity		
Common shares, $.20 par value, authorized 3.6 billion shares; issued and outstanding 1,158 million shares in 2007 and 1,199 million shares in 2006	**232**	240
Additional paid-in capital	**10,164**	9,638
Retained earnings	**1,075**	1,153
Accumulated other comprehensive (loss) income :		
Net unrealized securities gains, net of tax: 2007, $(6); 2006, $(61)	**12**	92
Net unrealized derivatives (losses) gains, net of tax: 2007, $40; 2006, $(16)	**(71)**	27
Foreign currency translation adjustments, net of tax: 2007, $7; 2006, $22	**(255)**	(222)
Net unrealized pension and other postretirement benefits costs, net of tax: 2007, $56; 2006, $210	**(128)**	(417)
Total accumulated other comprehensive loss	**(442)**	(520)
Total shareholders' equity	**11,029**	10,511
Total liabilities and shareholders' equity	**$149,830**	$128,329

American Express Company
Selected Statistical Information

Years Ended December 31, (Billions, except percentages and where indicated)	**2007**	2006	2005	2004	2003
Card billed business[(a)]:					
United States	**$ 459.3**	$ 406.8	$ 354.6	$ 304.8	$ 262.1
Outside the United States	**188.0**	154.7	129.8	111.3	90.1
Total	**$ 647.3**	$ 561.5	$ 484.4	$ 416.1	$ 352.2
Total cards-in-force (millions)[(b)]:					
United States	**52.3**	48.1	43.0	39.9	36.4
Outside the United States	**34.1**	29.9	28.0	25.5	24.1
Total	**86.4**	78.0	71.0	65.4	60.5
Basic cards-in-force (millions)[(b)]:					
United States	**40.9**	37.1	32.8	30.3	27.7
Outside the United States	**29.2**	25.4	23.2	21.0	19.9
Total	**70.1**	62.5	56.0	51.3	47.6
Average discount rate[(c)]	**2.56%**	2.57%	2.58%	2.61%	2.62%
Average basic cardmember spending (dollars)[(d)]	**$ 12,106**	$ 11,201	$ 10,445	$ 9,460	$ 8,367
Average fee per card (dollars)[(d)]	**$ 32**	$ 32	$ 35	$ 34	$ 35

(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. Card billed business is reflected in the United States or outside the United States based on where the cardmember is domiciled.

(b) Total cards-in-force represents the number of cards that are issued and outstanding. Proprietary basic consumer cards-in-force includes basic cards issued to the primary account owner and does not include additional supplemental cards issued on that account. Proprietary basic small business and corporate cards-in-force include basic and supplemental cards issued to employee cardmembers. Non-proprietary basic cards-in-force includes all cards that are issued and outstanding under network partnership agreements.

(c) This calculation is designed to approximate merchant pricing. It represents the percentage of billed business (both proprietary and Global Network Services) retained by the Company from merchants it acquires, prior to payments to third parties unrelated to merchant acceptance.

(d) Average basic cardmember spending and average fee per card are computed from proprietary card activities only. Average fee per card is computed based on net card fees including the amortization of deferred direct acquisition costs (which beginning prospectively as of July 1, 2006, was reclassified from other, net expense to a reduction in net card fees), divided by average worldwide proprietary cards-in-force. The adjusted average fee per card is computed in the same manner, but excludes amortization of deferred direct acquisition costs. The adjusted average fee per card was $36 and $35, in 2007 and 2006, respectively, and the amount of amortization excluded was $288 million and $147 million for 2007 and 2006, respectively. In 2005, 2004, and 2003, the average fee per card in the table above was greater than in 2007 and 2006 as 2005, 2004, and 2003 were prior to the reclassification discussed above. The Company presents adjusted average fee per card because management believes that this metric presents a better picture of card fee pricing across a range of its proprietary card products

American Express Company
Selected Statistical Information (continued)

Years Ended December 31, (Billions, except percentages and where indicated)	2007	2006	2005	2004	2003
Worldwide cardmember receivables:					
Total receivables	**$ 40.1**	$ 37.4	$ 34.2	$ 31.1	$ 28.4
90 days past due as a % of total	**3.0%**	2.8%	2.8%	N/A	N/A
Loss reserves (millions):	**$ 1,149**	$ 981	$ 942	$ 806	$ 916
% of receivables	**2.9%**	2.6%	2.8%	2.6%	3.2%
% of 90 days past due	**95%**	95%	97%	N/A	N/A
Net loss ratio as a % of charge volume	**0.24%**	0.24%	0.26%	0.26%	0.28%
Worldwide cardmember lending — owned basis[a]:					
Total loans	**$ 54.5**	$ 43.3	$ 33.1	$ 26.9	$ 25.8
30 days past due as a % of total	**3.4%**	2.7%	2.5%	2.4%	2.7%
Loss reserves (millions):					
Beginning balance	**$ 1,171**	$ 996	$ 972	$ 998	$ 1,030
Provision	**2,615**	1,507	1,227	1,016	1,121
Net write offs	**(1,990)**	(1,359)	(1,155)	(1,040)	(1,148)
Other	**35**	27	(48)	(2)	(5)
Ending balance	**$ 1,831**	$ 1,171	$ 996	$ 972	$ 998
% of loans	**3.4%**	2.7%	3.0%	3.6%	3.9%
% of past due	**100%**	98%	122%	151%	145%
Average loans	**$ 47.2**	$ 36.5	$ 28.3	$ 25.9	$ 22.6
Net write-off rate	**4.2%**	3.7%	4.1%	4.0%	5.1%
Net finance revenue[b]/average loans	**9.4%**	9.3%	8.9%	8.6%	9.0%
Worldwide cardmember lending — managed basis[c]:					
Total loans	**$ 77.2**	$ 63.5	$ 54.3	$ 47.2	$ 45.3
30 days past due as a % of total	**3.2%**	2.6%	2.4%	2.4%	2.7%
Loss reserves (millions):					
Beginning balance	**$ 1,622**	$ 1,469	$ 1,475	$ 1,541	$ 1,529
Provision	**3,726**	1,991	2,097	1,931	2,188
Net write offs	**(2,799)**	(1,933)	(2,055)	(1,957)	(2,171)
Other	**32**	95	(48)	(40)	(5)
Ending balance	**$ 2,581**	$ 1,622	$ 1,469	$ 1,475	$ 1,541
% of loans	**3.3%**	2.6%	2.7%	3.1%	3.4%
% of past due	**106%**	97%	114%	129%	127%
Average loans	**$ 68.3**	$ 56.9	$ 48.9	$ 45.4	$ 41.6
Net write-off rate	**4.1%**	3.4%	4.2%	4.3%	5.2%
Net finance revenue[b]/average loans	**9.4%**	9.3%	9.2%	9.0%	9.4%

(a) "Owned," a GAAP basis measurement, reflects only cardmember loans included in the Company's Consolidated Balance Sheets.
(b) Net finance revenue represents cardmember lending finance revenue less cardmember lending interest expense.
(c) 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 2007 Annual Report, which is filed with the SEC as Exhibit 13 to the Company's 2007 Form 10-K Report.

U.S. CARD SERVICES

Selected Income Statement Data
GAAP Basis Presentation

Years Ended December 31, (Millions)	2007	2006	2005
Revenues			
Discount revenue, net card fees and other	**$10,435**	$9,421	$8,451
Cardmember lending finance revenue	**4,762**	3,434	2,408
Securitization income:			
Excess spread, net (excluding servicing fees)[a]	**1,025**	1,055	811
Servicing fees	**425**	407	412
Gains on sales from securitizations[b]	**57**	27	37
Securitization income, net	**1,507**	1,489	1,260
Total revenues	**16,704**	14,344	12,119
Interest expense			
Cardmember lending	**1,518**	957	616
Charge card and other	**964**	767	529
Revenues net of interest expense	**14,222**	12,620	10,974
Expenses			
Marketing, promotion, rewards and cardmember services	**5,140**	4,445	3,831
Human resources and other operating expenses	**3,354**	3,227	2,810
Total	**8,494**	7,672	6,641
Provisions for losses	**2,998**	1,625	1,658
Pretax segment income	**2,730**	3,323	2,675
Income tax provision	**907**	1,171	938
Segment income	**$1,823**	$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, other expenses, and the changes in the fair value of the interest-only strip in 2007.

(b) Excludes $144 million and $(84) million in 2007, $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 provisions for losses.

Selected Financial Information
Managed Basis Presentation

Years Ended December 31, *(Millions)*	2007	2006	2005
Discount revenue, net card fees and other:			
Reported for the period (GAAP)	**$ 10,435**	$ 9,421	$ 8,451
Securitization adjustments[a]	**310**	199	210
Managed discount revenue, net card fees and other	**$ 10,745**	$ 9,620	$ 8,661
Cardmember lending finance revenue:			
Reported for the period (GAAP)	**$ 4,762**	$ 3,434	$ 2,408
Securitization adjustments[a]	**3,130**	2,937	2,692
Managed finance revenue	**$ 7,892**	$ 6,371	$ 5,100
Securitization income, net:			
Reported for the period (GAAP)	**$ 1,507**	$ 1,489	$ 1,260
Securitization adjustments[a]	**(1,507)**	(1,489)	(1,260)
Managed securitization income, net	**$ —**	$ —	$ —
Cardmember lending interest expense:			
Reported for the period (GAAP)	$ **1,518**	$ 957	$ 616
Securitization adjustments[a]	**1,136**	1,057	739
Managed cardmember lending interest expense	$ **2,654**	$ 2,014	$ 1,355
Provisions for losses:			
Reported for the period (GAAP)	**$ 2,998**	$ 1,625	$ 1,658
Securitization adjustments[a]	**871**	550	924
Managed provisions for losses	**$ 3,869**	$ 2,175	$ 2,582

(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)	**2007**	2006	2005
Card billed business	**$ 375.2**	$ 333.4	$ 292.8
Total cards-in-force (millions)	**43.3**	40.7	37.5
Basic cards-in-force (millions)	**32.3**	30.1	27.7
Average basic cardmember spending (dollars)	**$ 12,011**	$ 11,521	$ 10,996
U.S. Consumer Travel:			
Travel sales	**$ 3.0**	$ 2.4	$ 1.9
Travel commissions and fees/sales	**8.0%**	8.4%	8.7%
Total segment assets	**$ 82.3**	$ 71.0	$ 61.6
Segment capital[a]	**$ 4.5**	$ 4.7	$ 4.6
Return on segment capital[b]	**40.2%**	47.4%	41.0%
Cardmember receivables:			
Total receivables	**$ 21.4**	$ 20.6	$ 19.2
90 days past due as a % of total	**3.9%**	3.3%	3.4 %
Net loss ratio as a % of charge volume	**0.31%**	0.28%	0.30%
Cardmember lending — owned basis[c]:			
Total loans	**$ 43.3**	$ 33.6	$ 24.8
30 days past due loans as a % of total	**3.5%**	2.7%	2.3%
Average loans	**$ 37.1**	$ 27.6	$ 21.0
Net write-off rate	**3.9%**	3.0%	3.9%
Net finance revenue[d]/average loans	**8.7%**	9.0%	8.5%
Cardmember lending — managed basis[e]:			
Total loans	**$ 66.0**	$ 53.8	$ 46.0
30 days past due loans as a % of total	**3.2%**	2.6%	2.3%
Average loans	**$ 58.3**	$ 48.0	$ 41.5
Net write-off rate	**3.8%**	2.9%	4.1%
Net finance revenue[d]/average loans	**9.0%**	9.1%	9.0%

(a) Segment capital includes an allocation attributable to goodwill of $175 million, $168 million, and $168 million as of the years ended December 31, 2007, 2006, and 2005, respectively.

(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) “Owned,” a GAAP basis measurement, reflects only cardmember loans included in the Company’s Consolidated Balance Sheets.

(d) Net finance revenue represents cardmember lending finance revenue less cardmember lending interest expense.

(e) 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. Refer to the information set forth under “Differences between GAAP and Managed Basis Presentation” on page 55 of the Company’s 2007 Annual Report for further discussion of the managed basis presentation.

International Card Services
Selected Income Statement Data

Years Ended December 31, (Millions)	**2007**	2006	2005
Revenues			
Discount revenue, net card fees and other	**$3,703**	$3,405	$3,210
Cardmember lending finance revenue	**1,372**	1,146	967
Total revenues	**5,075**	4,551	4,177
Interest expense			
Cardmember lending	**493**	393	323
Charge card and other	**251**	193	134
Revenues net of interest expense	**4,331**	3,965	3,720
Expenses			
Marketing, promotion, rewards and cardmember services	**1,566**	1,109	998
Human resources and other operating expenses	**1,836**	1,692	1,795
Total	**3,402**	2,801	2,793
Provisions for losses	**812**	852	629
Pretax segment income	**117**	312	298
Income tax benefit	**(174)**	(31)	(8)
Segment income	**$291**	$343	306

Selected Statistical Information

Years Ended December 31, (Billions, except percentages and where indicated)	**2007**	2006	2005
Card billed business	**$ 98.0**	$ 86.3	$ 76.4
Total cards-in-force (millions)	**16.0**	15.6	16.3
Basic cards-in-force (millions)	**11.3**	11.2	11.6
Average basic cardmember spending (dollars)	**$8,772**	$ 7,491	$ 6,805
International Consumer Travel:			
Travel sales (millions)	**$1,113**	$ 922	$ 885
Travel commissions and fees/sales	**8.6%**	8.7%	9.3%
Total segment assets	**$ 21.4**	$ 18.9	$ 17.4
Segment capital[(a)]	**$ 2.1**	$ 1.7	$ 1.9
Return on segment capital[(b)]	**15.3%**	17.9%	16.4%
Cardmember receivables:			
Total receivables	**$ 6.6**	$ 6.0	$ 5.5
90 days past due as a % of total	**1.8%**	2.3%	2.2%
Net loss ratio as a % of charge volume	**0.26%**	0.26%	0.25%
Cardmember lending:			
Total loans	**$ 11.2**	$ 9.7	$ 8.3
30 days past due loans as a % of total	**2.8%**	2.9%	2.8%
Average loans	**$ 10.0**	$ 8.9	$ 7.4
Net write-off rate	**5.6%**	5.9%	4.7%
Net finance revenue[(c)]/average loans	**8.8%**	8.5%	8.8%

(a) Segment capital includes an allocation attributable to goodwill of $519 million, $518 million, and $542 million as of the years ended December 31, 2007, 2006, and 2005, respectively.
(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) Net finance revenue represents cardmember lending finance revenue less cardmember lending interest expense.

Global Commercial Services

Selected Income Statement Data

Years Ended December 31, (Millions)	**2007**	2006	2005
Revenues			
Discount revenue, net card fees and other	**$4,747**	$4,269	$4,013
Interest expense:			
Charge card and other	**478**	369	294
Revenues net of interest expense	**4,269**	3,900	3,719
Expenses			
Marketing, promotion, rewards and cardmember services	**387**	307	251
Human resources and other operating expenses	**2,975**	2,764	2,694
Total	**3,362**	3,071	2,945
Provisions for losses	**163**	113	180
Pretax segment income	**744**	716	594
Income tax provision	**208**	239	165
Segment income	**$ 536**	$ 477	$ 429

Selected Statistical Information

Years Ended December 31, (Billions, except percentages and where indicated)	**2007**	2006	2005
Card billed business	**$ 122.1**	$ 106.9	$ 92.0
Total cards-in-force (millions)	**6.8**	6.7	6.4
Basic cards-in-force (millions)	**6.8**	6.7	6.4
Average basic cardmember spending (dollars)	**$ 18,017**	$ 16,264	$ 14,746
Global Corporate Travel:			
Travel sales	**$ 20.5**	$ 18.5	$ 18.0
Travel commissions and fees/sales	**7.7%**	8.1%	8.5%
Total segment assets	**$ 21.1**	$ 18.9	$ 15.2
Segment capital (millions)[(a)]	**$ 2,239**	$ 1,907	$ 1,665
Return on segment capital[(b)]	**25.3%**	25.7%	27.9%
Cardmember receivables:			
Total receivables	**$ 11.4**	$ 10.3	$ 9.0
90 days past due as a % of total	**2.1%**	1.9%	1.9%
Net loss ratio as a % of charge volume	**0.10%**	0.09%	0.13%

(a) Segment capital includes an allocation attributable to goodwill of $771 million, $740 million, and $631 million as of the years ended December 31, 2007, 2006, and 2005, respectively.

(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)	**2007**	2006	2005
Revenues			
Discount revenue, fees and other	**$ 3,550**	$ 3,063	$ 2,681
Interest expense			
Cardmember lending	**(126)**	(98)	(66)
Other	**(188)**	(183)	(145)
Revenues net of interest expense	**3,864**	3,344	2,892
Expenses			
Marketing and promotion	**595**	518	604
Human resources and other operating expenses	**1,665**	1,549	1,340
Total	**2,260**	2,067	1,944
Provisions for losses	**44**	89	66
Pretax segment income	**1,560**	1,188	882
Income tax provision	**538**	409	309
Segment income	**$ 1,022**	$ 779	$ 573

Selected Statistical Information

Years Ended December 31, (Billions, except percentages and where indicated)	**2007**	2006	2005
Global Card billed business[(a)]	**$647.3**	$561.5	$484.4
Global Network & Merchant Services:			
Total segment assets	**$ 6.5**	$ 4.4	$ 4.5
Segment capital[(b)]	**$ 1.2**	$ 1.3	$ 1.3
Return on segment capital[(c)]	**90.7%**	60.3%	49.2%
Global Network Services[(d)]:			
Card billed business	**$ 52.9**	$ 35.4	$ 24.0
Total cards-in-force (millions)[(e)]	**20.3**	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) Segment capital includes an allocation to goodwill of $27 million as of the years ended December 31, 2007 and 2006, respectively, and $104 million as of the year ended December 31, 2005.

(c) 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.

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

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

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