AMERICAN EXPRESS REPORTS FOURTH QUARTER EARNINGS FROM CONTINUING OPERATIONS OF $238 MILLION, OR $0.21 PER SHARE; FULL YEAR EARNINGS FROM CONTINUING OPERATIONS TOTAL $2.8 BILLION, OR $2.42 PER SHARE

(Millions, except per share amounts)

	Quarters Ended December 31, 2008	Quarters Ended December 31, 2007	Percentage Inc/(Dec)	Year Ended December 31, 2008	Year Ended December 31, 2007	Percentage Inc/(Dec)
Revenues net of interest expense	$ 6,506	$ 7,324	(11)%	$ 28,365	$ 27,559	3%
Income From Continuing Operations	$ 238	$ 858	(72)%	$ 2,803	$ 4,126	(32)%
Loss From Discontinued Operations	$ (66)	$ (27)	#	$ (172)	$ (114)	51%
Net Income	$ 172	$ 831	(79)%	$ 2,631	$ 4,012	(34)%
Earnings Per Common Share - Basic:						
Income From Continuing Operations	$ 0.21	$ 0.74	(72)%	$ 2.43	$ 3.52	(31)%
Loss From Discontinued Operations	$ (0.06)	$ (0.02)	#	$ (0.15)	$ (0.10)	50%
Net Income	$ 0.15	$ 0.72	(79)%	$ 2.28	$ 3.42	(33)%
Earnings Per Common Share - Diluted:						
Income From Continuing Operations	$ 0.21	$ 0.73	(71)%	$ 2.42	$ 3.45	(30)%
Loss From Discontinued Operations	$ (0.06)	$ (0.02)	#	$ (0.15)	$ (0.09)	67%
Net Income	$ 0.15	$ 0.71	(79)%	$ 2.28	$ 3.36	(32)%
Average Common Shares Outstanding						
Basic	1,155	1,157	-%	1,154	1,173	(2)%
Diluted	1,155	1,178	(2)%	1,157	1,196	(3)%
Return on Average Equity*	21.7%	37.3%		21.7%	37.3%	

* Refer to Appendix I for the components of return on average equity

# Denotes a variance of more than 100%.

NEW YORK, January 26, 2009 -- **American Express Company (NYSE: AXP)** today reported fourth-quarter income from continuing operations of $238 million, down 72 percent from $858 million a year ago. Diluted earnings per share from continuing operations were $0.21, down 71 percent from $0.73 a year ago.

Net income totaled $172 million for the quarter, down 79 percent from a year ago. On a per-share basis, net income was $0.15, down 79 percent from $0.71 a year ago.

Consolidated total revenues net of interest expense declined 11 percent to $6.5 billion, down from $7.3 billion a year ago.

Consolidated provisions totaled $1.4 billion compared to $1.5 billion in the year-ago period, which included a significant credit related charge.

Consolidated expenses totaled $4.9 billion, up 5 percent from $4.7 billion a year ago. Both periods included significant items, which are outlined below.

The company's return on average equity (ROE) was 21.7 percent, down from 37.3 percent a year ago.

“Our fourth quarter results reflect an operating environment that was among the harshest we have seen in decades,” said Kenneth I. Chenault, chairman and chief executive officer. “Nevertheless, we met our near term goals – staying liquid, staying profitable, and investing selectively to strengthen our competitive position over the longer term.”

“We remained profitable in the quarter and generated $2.8 billion in earnings for the full year 2008. We exceeded all of our funding requirements, in part by raising $6.2 billion through a new retail certificate of deposit program.

“We also continued to invest in the business, announcing a multiyear partnership with Delta Airlines this quarter, expanding our global network business and successfully integrating the corporate card business we purchased from General Electric.

“While our business volumes compared favorably with other major competitors, overall cardmember spending declined 10 percent year-over-year, or 5 percent adjusting for foreign exchange rates. As anticipated, loan delinquencies and write-offs rose. These trends, together with the restructuring charge, had a significant impact on our bottom line.

“In January, we further bolstered our capital position with a $3.4 billion investment from the U.S. Treasury Capital Purchase Program. These additional funds will enhance our ability to continue extending loans to credit-worthy consumers and small business owners.

”We authorized more than $73 billion of U.S. charge card spending during the quarter, and we are providing U.S. consumer and small business cardmembers with open credit lines that are on par with year-ago levels, despite the difficult conditions in the marketplace. Our aim is to accommodate the spending needs of our cardmembers, while helping to ensure that they do not incur inappropriate debt levels.

"We remain cautious about the economic outlook through 2009, and expect cardmember spending to remain soft with past-due loans and write-offs rising from current levels. However, we believe the longer-term growth potential of the payments sector remains very attractive. The investments we are making in our business will help ensure that we can capitalize on those opportunities when the environment improves."

The fourth quarter results included:

- $421 million ($273 million after-tax) of reengineering costs, primarily related to severance and other costs associated with previously announced staff reductions, and
- A previously announced $106 million ($66 million after-tax) increase in the company's Membership Rewards reserve, in connection with the company's extension of its partnership agreement with Delta Air Lines.

Significant items in the year-ago fourth quarter included:

- $1.13 billion ($700 million after-tax) gain from the company's settlement with Visa, and
    - $143 million ($89 million after-tax) of incremental investments in business-building initiatives,
    - $74 million ($46 million after-tax) in litigation-related costs pertaining to the lawsuit against Visa, and
    - $50 million ($31 million after-tax) in contributions to the American Express Charitable Fund.
- $685 million ($430 million after-tax) charge related to the company's enhancements to its method of estimating the liability for Membership Rewards,
- $438 million ($274 million after-tax) credit-related charge in the U.S. Card Services Segment.

During the fourth-quarter, non-U.S. revenues, provisions and expenses were lower due to the translation effects of a comparatively stronger U.S. dollar.

The net tax benefit for the quarter of $78 million was principally due to the impact of recurring permanent benefits on lower pre-tax income.

Discontinued operations

Discontinued operations for the fourth quarter generated a loss of $66 million compared with a loss of $27 million during the year-ago period, which primarily reflected mark-to-market adjustments within the American Express International Deposit Company investment portfolio.

Segment Results

U.S. Card Services reported fourth-quarter net income of $4 million, down from $7 million a year ago.

Total revenues net of interest expense for the fourth quarter decreased 13 percent to $3.2 billion, driven by lower cardmember spending as well as lower securitization income, net.

Provisions for losses decreased 8 percent to $1.1 billion from the year ago levels, which included the credit-related charge mentioned above. The provision for the current quarter reflected higher write-off and past due rates. On a managed basis1 the net loan write-off rate was 6.7%, up from 5.9% in the third quarter and 3.4% a year ago. Owned net write-offs were 7.0% in the quarter, up from 6.1% in the third quarter and 3.5% a year ago.

Total expenses decreased 15 percent. Marketing, promotion, rewards and cardmember services expenses decreased 31 percent from the year-ago period, which included a portion of the 2007 Membership Rewards charge mentioned above. The current quarter reflected scaled-back marketing activities as well as the Delta Air Lines related rewards expense. Salaries and employee benefits and other operating expenses increased 16 percent from year-ago levels, reflecting $30 million ($20 million after-tax) of the reengineering charge mentioned above.

International Card Services reported fourth-quarter net income of $36 million, compared to a net loss of $68 million a year ago.

Total revenues net of interest expense decreased 8 percent to $1.1 billion, primarily driven by reduced cardmember spending.

Provisions for losses rose 10 percent to $243 million, from $220 million a year ago reflecting higher past due and write-off rates.

Total expenses decreased 22 percent. Marketing, promotion, rewards and cardmember services expenses decreased 53 percent from year-ago levels, which included a portion of the 2007 Membership Rewards charge mentioned earlier. The current quarter also reflected lower marketing expenses. Salaries and employee benefits and other operating expenses increased 15 percent from year-ago levels, reflecting $84 million ($55 million after-tax) of the reengineering charge mentioned earlier, as well as higher operating expenses.

Global Commercial Services reported a fourth-quarter net loss of $18 million compared to net income of $110 million a year ago.

Total revenues net of interest expense decreased 7 percent to $1.0 billion, reflecting lower level of spending by corporate cardmembers as well as lower travel commissions and fees.

Provisions for losses totaled $69 million up 25 percent from $55 million in the year ago period due to higher write-offs and past due rates.

Total expenses increased 11 percent. Salaries and employee benefits and other operating expenses increased 20 percent from the year-ago period reflecting $136 million ($88 million after-tax) of the reengineering charge mentioned earlier. Marketing, promotion, rewards and cardmember services expenses decreased 41 percent from the year-ago period, which included a portion of the 2007 Membership Rewards charge mentioned above.

Both revenues and expenses reflected the impact of the acquisition of a commercial card and corporate purchasing unit in March 2008.

Global Network & Merchant Services reported fourth-quarter net income of $215 million, down 15 percent from $254 million a year ago.

Fourth-quarter total revenues net of interest expense decreased 9 percent to $945 million. The decrease reflected lower merchant-related revenues from the decrease in global card billed business, offset in part by higher revenues from Global Network Services' bank partners.

Provisions for losses were $36 million, primarily reflecting merchant-related provisions. The year-ago provision was $28 million.

Total expenses decreased 4 percent, reflecting lower brand advertising. Salaries and employee benefits and other operating expenses included $28 million ($17 million after-tax) of the reengineering charge mentioned above.

Corporate and Other reported a fourth-quarter net income of $1 million, compared with net income of $555 million last year. The year-ago quarter included the previously mentioned gain from the company's settlement with Visa. The fourth quarter 2008 reflects the recognition of $220 million ($136 million after-tax) for the previously announced MasterCard and Visa settlements as well as $143 million ($93 million after-tax) of the reengineering charges mentioned above.

American Express Company is a leading global payments and travel company founded in 1850. For more information, visit www.americanexpress.com.

Ed. Note: On November 10, 2008, American Express became a bank holding company regulated by the Federal Reserve Board and consequently fourth-quarter earnings results incorporate some financial reporting changes in accordance with SEC regulations.

The 2008 Fourth Quarter Earnings Supplement will be available today on the American Express web site at http://ir.americanexpress.com. An investor conference call will be held at 5:00 p.m. (ET) today to discuss fourth-quarter earnings results. Live audio and presentation slides for the investor conference call will be available to the general public at the same web site. A replay of the conference call will be available later today at the same web site address.

EXHIBIT I

AMERICAN EXPRESS COMPANY
U.S. Card Services

(Billions, except percentages)

	Quarter Ended December 31, 2008	Quarter Ended September 30, 2008	Quarter Ended December 31, 2007
Cardmember lending - owned basis (A):			
Average Loans (B)	$33.2	$36.3	$40.8
Net write-off rate	7.0%	6.1%	3.5%
Cardmember lending - owned basis (C):			
Average Loans (B)	$63.0	$64.6%	$63.2
Net write-off rate	6.7%	5.9%	3.4%

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

(B) Loan balances for all periods presented used to calculate average loans have been revised in connection with the Company's conversion to a bank holding company. Specifically, deferred card fees net of deferred direct acquisition costs for cardmember loans were reclassified from other liabilities to cardmember loans for all periods.

(C) 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. The difference between the "owned basis" (GAAP) information and "managed basis" information is attributable to the effects of securitization activities. The Company presents U.S. Card Services information on a managed basis because that is the way the Company's management views and manages the business. Management believes that a full picture of trends in the Company's cardmember lending business can only be derived by evaluating the performance of both securitized and non-securitized cardmember loans. Management also believes that use of a managed basis presentation presents a more accurate picture of the key dynamics of the cardmember lending business. Irrespective of the on and off-balance sheet funding mix, it is important for management and investors to see metrics for the entire cardmember lending portfolio because they are more representative of the economics of the aggregate cardmember relationships and ongoing business performance and trends over time. It is also important for investors to see the overall growth of cardmember loans and related revenue in order to evaluate market share. These metrics are significant in evaluating the Company's performance and can only be properly assessed when all non-securitized and securitized cardmember loans are viewed together on a managed basis. The Company does not currently securitize international loans.