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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**Form 10-K**

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- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the fiscal year ended December 31, 2010
- OR**
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File No. 1-7657
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**American Express Company**

*(Exact name of registrant as specified in its charter)*

**New York**  
*(State or other jurisdiction of  
incorporation or organization)*  
**World Financial Center**  
**200 Vesey Street**  
**New York, New York**

*(Address of principal executive offices)*

**13-492250**  
*(I.R.S. Employer  
Identification No.)*  
**10285**  
*(Zip Code)*

**Registrant's telephone number, including area code: (212) 640-2000**

**Securities registered pursuant to Section 12(b) of the Act:**

Title of each class	Name of each exchange on which registered
Common Shares (par value \$0.20 per Share)	New York Stock Exchange

**Securities registered pursuant to Section 12(g) of the Act: None**

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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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AMERICAN EXPRESS COMPANY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following is a detail of other, net expense for the years ended December 31:

<i>(Millions)</i>	2010	2009	2008
Occupancy and equipment	\$ 1,562	\$ 1,619	\$ 1,641
Communications	383	414	466
MasterCard and Visa settlements	(852)	(852)	(571)
Other <sup>(a)</sup>	1,539	1,233	1,586
Total other, net expense	\$ 2,632	\$ 2,414	\$ 3,122

(a) Includes in 2009, (i) a \$135 million benefit representing the correction of an error related to the accounting for cumulative translation adjustments associated with a net investment in foreign subsidiaries, (ii) a \$45 million benefit resulting from the change in the fair value of certain forward exchange contracts, (iii) a \$59 million benefit related to the completion of certain account reconciliations and (iv) lower travel and entertainment and other expenses due to the Company's reengineering activities.

Other, net expense includes general operating expenses, gains (losses) on sale of assets or businesses not classified as discontinued operations, and litigation and insurance costs or settlements.

## NOTE 20

## STOCK PLANS

## STOCK OPTION AND AWARD PROGRAMS

Under the 2007 Incentive Compensation Plan and previously under the 1998 Incentive Compensation Plan, awards may be granted to employees and other key individuals who perform services for the Company and its participating subsidiaries. These awards may be in the form of stock options, restricted stock awards or units (RSAs), portfolio grants (PGs) or other incentives, and similar awards designed to meet the requirements of non-U.S. jurisdictions.

For the Company's Incentive Compensation Plans, there were a total of 40 million, 37 million and 45 million common shares unissued and available for grant as of December 31, 2010, 2009 and 2008, respectively, as authorized by the Company's Board of Directors and shareholders.

The Company granted stock option awards to its Chief Executive Officer (CEO) in November 2007 and January 2008 that have performance-based and market-based conditions. These option awards are separately described and are excluded from the information and tables presented in the following paragraphs.

A summary of stock option and RSA activity as of December 31, 2010, and changes during the year ended is presented below:

	Stock Options			RSAs	
	Shares	Weighted-Average Exercise Price		Shares	Weighted-Average Grant Price
<i>(Shares in millions)</i>					
Outstanding as of December 31, 2009	79,694	\$ 39.18		15,682	\$ 26.90
Granted	3,205	\$ 37.11		4,886	\$ 38.63
Exercised/vested	(16,987)	\$ 36.45		(4,586)	\$ 31.70
Forfeited	(975)	\$ 42.82		(908)	\$ 27.81
Expired	(7,974)	\$ 41.09		—	—
Outstanding as of December 31, 2010	56,963	\$ 39.54		15,074	\$ 28.97
Options vested and expected to vest as of December 31, 2010	56,681	\$ 39.59		—	—
Options exercisable as of December 31, 2010	44,871	\$ 40.88		—	—

The Company recognizes the cost of employee stock awards granted in exchange for employee services based on the grant-date fair value of the award, net of expected forfeitures. Those costs are recognized ratably over the vesting period.

## STOCK OPTIONS

Each stock option has an exercise price equal to the market price of the Company's common stock on the date of grant and a contractual term of 10 years from the date of grant. Stock options generally vest 25 percent per year beginning with the first anniversary of the grant date.

The weighted-average remaining contractual life and the aggregate intrinsic value (the amount by which the fair value of the Company's stock exceeds the exercise price of the option) of the stock options outstanding,

exercisable, and vested and expected to vest as of December 31, 2010 were as follows:

	Outstanding	Exercisable	Vested and Expected to Vest
Weighted-average remaining contractual life <i>(in years)</i>	4.6	3.7	4.6
Aggregate intrinsic value <i>(millions)</i>	\$ 390	\$ 251	\$ 386

The intrinsic value for options exercised during 2010, 2009 and 2008 was \$130 million, \$11 million and \$79 million, respectively (based upon the fair value of the Company's stock price at the date of exercise). Cash received from the exercise of stock options in 2010, 2009 and 2008 was \$619 million, \$83 million and \$176 million, respectively. The tax benefit realized from income tax deductions from stock option exercises, which was recorded in additional paid-in capital, in 2010, 2009 and 2008 was \$35 million, \$2 million and \$21 million, respectively.

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### AMERICAN EXPRESS COMPANY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The fair value of each option is estimated on the date of grant using a Black-Scholes-Merton option-pricing model. The following weighted-average assumptions are used for grants issued in 2010, 2009 and 2008, the majority of which were granted in the beginning of each year:

	2010	2009	2008
Dividend yield	1.8%	4.1%	1.5%
Expected volatility <sup>(a)</sup>	41%	36%	19%
Risk-free interest rate	2.8%	2.1%	2.8%
Expected life of stock option (in years) <sup>(b)</sup>	6.2	4.8	4.7
Weighted-average fair value per option	\$ 14.11	\$ 4.54	\$ 8.24

(a) The expected volatility is based on weighted historical and implied volatilities of the Company's common stock price.

(b) In 2010, the expected life of stock options was determined using historical data and expectations of options currently outstanding. In 2009 and 2008, the expected life of stock options was determined using historical data.

### STOCK OPTIONS WITH PERFORMANCE-BASED AND MARKET-BASED CONDITIONS

On November 30, 2007 and January 31, 2008, the Company's CEO was granted in the aggregate 2,750,000 of non-qualified stock option awards with performance-based and market-based conditions. Both awards have a contractual term of 10 years and a vesting period of 6 years.

The aggregate grant date fair value of options with performance based conditions was approximately \$33.8 million. Compensation expense for these awards will be recognized over the vesting period when it is determined it is probable that the performance metrics will be achieved. No compensation expense for these awards was recorded in 2010, 2009 and 2008.

The aggregate grant date fair value of options with market-based conditions was approximately \$10.5 million. Compensation expense for these awards is recognized ratably over the vesting period irrespective of the probability of the market metric being achieved. Total compensation expense of \$2.4 million was recorded in each of the years 2010, 2009 and 2008.

### RESTRICTED STOCK AWARDS

RSAs are valued based on the stock price on the date of grant and generally vest 25 percent per year, beginning with the first anniversary of the grant date. RSA holders receive non-forfeitable dividends or dividend equivalents. The total fair value of shares vested during 2010, 2009 and 2008 was \$175 million, \$44 million and \$134 million, respectively (based upon the Company's stock price at the vesting date).

The weighted-average grant date fair value of RSAs granted in 2010, 2009 and 2008, is \$38.63, \$18.04 and \$48.29, respectively.

### LIABILITY BASED AWARDS

Certain employees are awarded PGs and other incentive awards that can be settled with cash or equity shares at the Company's discretion and final Compensation and Benefits Committee payout approval. These awards earn value based on performance and service conditions and vest over periods of one to three years.

PGs and other incentive awards are classified as liabilities and, therefore, the fair value is determined at the date of grant and remeasured quarterly as part of compensation expense over the performance and service periods. Cash paid upon vesting of these awards was \$64 million, \$71 million and \$78 million in 2010, 2009 and 2008, respectively.

### SUMMARY OF STOCK PLAN EXPENSE

The components of the Company's total stock-based compensation expense (net of cancellations) for the years ended December 31 are as follows:

(Millions)	2010	2009	2008
Restricted stock awards <sup>(a)</sup>	\$ 163	\$ 135	\$ 141
Stock options <sup>(a)</sup>	58	55	73
Liability-based awards	64	38	40
Performance/market-based stock options	2	2	2
Total stock-based compensation expense <sup>(b)</sup>	\$ 287	\$ 230	\$ 256

(a) As of December 31, 2010, the total unrecognized compensation cost related to unvested RSAs and options was \$257 million and \$59 million, respectively. The unrecognized cost for RSAs and options will be recognized ratably over the remaining vesting period. The weighted-average remaining vesting period for RSAs and options is 3.5 years and 2.3 years, respectively.

- (b) The total income tax benefit recognized in the income statement for stock-based compensation arrangements in December 31, 2010, 2009 and 2008 was \$100 million, \$81 million and \$90 million, respectively.

## NOTE 21

### RETIREMENT PLANS

The Company sponsors defined benefit pension plans, defined contribution plans, and other postretirement benefit plans for its employees. The following table provides a summary of the total cost related to these plans for the years ended December 31:

<i>(Millions)</i>	<b>2010</b>	2009	2008
Defined benefit pension plan cost	\$ 40	\$ 21	\$ 13
Defined contribution plan cost	217	118	211
Other postretirement benefit plan cost	25	29	27
Net periodic benefit cost	\$ 282	\$ 168	\$ 251

The expenses in the above table are recorded in salaries and employee benefits in the Consolidated Statements of Income.

### DEFINED BENEFIT PENSION PLANS

The Company's significant defined benefit pension plans cover certain employees in the United States and United Kingdom. Most employees outside the United States and United Kingdom are covered by local retirement plans, some of which are funded, while other employees receive payments at the time of retirement or termination under applicable labor laws or agreements. The Company complies with the minimum funding requirements in all countries.

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We hereby consent to the incorporation by reference in the Registration Statements (Form S-8 No. 2-46918, No. 2-59230, No. 2-64285, No. 2-73954, No. 2-89680, No. 33-01771, No. 33-02980, No. 33-28721, No. 33-33552, No. 33-36442, No. 33-48629, No. 33-62124, No. 33-65008, No. 33-53801, No. 333-12683, No. 333-41779, No. 333-52699, No. 333-73111, No. 333-38238, No. 333-98479; and No. 333-142710; Form S-3 No. 2-89469, No. 33-43268, No. 33-50997, No. 333-32525, No. 333-45445, No. 333-47085, No. 333-55761, No. 333-51828, No. 333-113768, No. 333-117835, No. 333-138032 and 333-162791) of American Express Company of our report dated February 25, 2011, relating to the consolidated financial statements and the effectiveness of internal control over financial reporting, which appears in the 2010 Annual Report to Shareholders, which is incorporated by reference in this Annual Report on Form 10-K.

/s/ PricewaterhouseCoopers LLP

New York, New York  
February 25, 2011

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