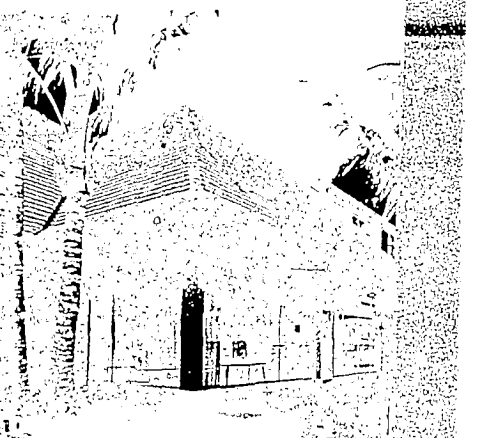
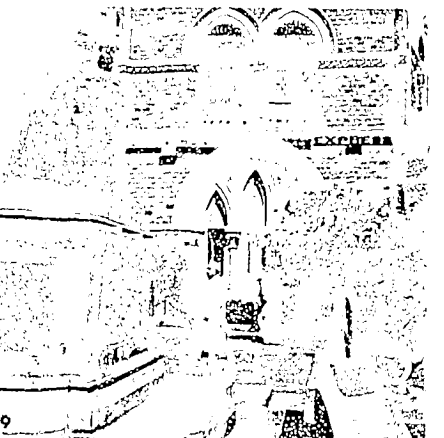


1. 6 Haymarket, London
2. Damrak 66, Amsterdam
3. 11 Rue Scribe, Paris
4. 7 Rue du Mont Blanc, Geneva
5. Piazza di Spagna No. 38, Rome
6. Constitution Square, Athens
7. United Nations Avenue and Florida Street, Manila
8. 14, 3-Chome, Marunouchi, Chiyoda-Ku, Tokyo
9. 364 Dr. Dadabhai Naoroji Road, Bombay
10. 2388 Kalakaua Avenue, Honolulu



American Express Annual Report 1964

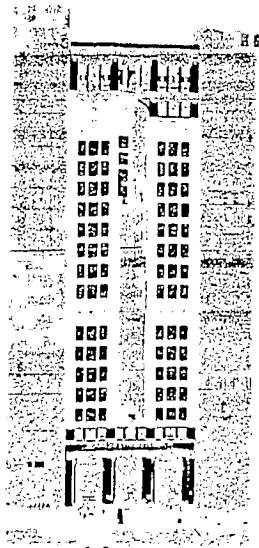
The Annual Report of American Express Company for the year 1964 is addressed to 27,673 shareholders (as of December 31, 1964), to 11,512 employees of the company and its wholly owned subsidiaries, and to our friends and clients everywhere. The report covers activities of American Express Company and its subsidiaries and affiliates, including The American Express Company, Inc., a wholly owned subsidiary which conducts the principal part of its business overseas.

Contents

Letter from the President	2
Financial Highlights	4
Services	6
Organization Changes, Offices and Staff . .	20
Ten Year Review	22-23
Financial Statements	24-27
Board of Directors	30
Officials	31-32

Annual Meeting

The Annual Meeting of Shareholders of American Express Company will be held at the principal office of the company, 65 Broadway, New York, New York, on Tuesday, April 27, 1965, at 10:30 a.m., New York City time. Formal notice will be sent to shareholders about March 19, 1965.



TO THE SHAREHOLDERS

Net income of American Express Company and its consolidated subsidiaries in 1964 rose to an all-time high of \$12,541,000 or \$2.81 per share, an increase of 11% over the \$11,264,000 earned in 1963. It is particularly gratifying to report that net income from operations alone increased more than 20% and reached \$12,320,000 or \$2.76 per share as against \$10,207,000 or \$2.29 per share in 1963. Profits realized on the sale of securities were 5¢ per share in 1964 against 23¢ per share in 1963. Consolidated assets totalled \$1,122,815,000 at year end. Shareholders' equity increased by \$4,917,000 to \$83,613,000 and quarterly dividends of 35¢ per share or \$1.40 for the year were paid in 1964, our ninety-fifth consecutive year of dividend payments.

The American Express Travelers Cheque and the American Express Credit Card made especially significant contributions to the improved 1964 results. Travel and Money Order operations achieved rewarding sales increases and the overseas banking operations of our subsidiary, The American Express Company, Inc., continued to grow. Another subsidiary, Wells Fargo & Company, enjoyed its highest gross revenue and net earnings in modern times, and our Hertz American Express International, Ltd. affiliate increased its net income by 46%.

Important steps have been taken to strengthen the company's management group and organization structure, to explore the potentials of new services, and to achieve operating efficiencies. Substantial expenditures in anticipation of future economies through automation are being made in our large-volume Travelers Cheque, Money Order and Credit Card Divisions, and three complete American Express computer centers are now in operation. A new Money Order form was introduced late in 1964 designed to reduce operating costs through computer processing of Money Orders based on recognition of magnetic ink characters. The tremendous growth in volume of our Credit Card billings, collections and accounting transactions would literally not have been possible without the timely and well planned application of automated data processing procedures.

As reported to the shareholders at the last Annual Meeting, we expect to propose incorporation of American Express Company for shareholder approval

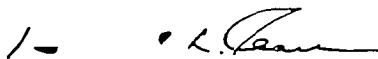
at this year's Annual Meeting. A detailed description of the proposal will be contained in the proxy statement accompanying the Annual Meeting notice.

As set forth beginning on page 18 of this report, negotiations are continuing for agreement upon the plan for the disposition of claims against our subsidiary, American Express Warehousing, Ltd., arising out of the Allied Crude Vegetable Oil Refining Corp. fraud at Bayonne, New Jersey. Because the ultimate outcome of this matter cannot now be determined, no provision has been made in the financial statements of this report for any losses which might be sustained therefrom. Legal fees and other expenses in connection with the warehousing matter were charged directly against surplus in 1964 as reflected in the accompanying Statement of Consolidated Income and Surplus.

Three of our Directors who had earlier retired as officers of the company, Mr. Robert L. Clarkson, Mr. Ralph T. Reed and Mr. Lynde Selden, will retire as Directors this April in accordance with the Board's policy governing such retirements. Each has made important contributions to American Express' growth and development, and their leadership and achievements will be gratefully remembered.

In retrospect, we will remember 1964 as much for the very gratifying improvement in sales and the record net earnings as for the warehousing problem which occupied much of our attention. Great credit and thanks for the company's progress go to the American Express staff in 33 countries who respond vigorously to new opportunities and challenges. Our gratitude goes also to our able Board of Directors for their guidance and to our more than 27,000 shareholders for their loyalty. Our broadening range of services meets the requirements of markets which are expanding throughout the world, and with the enthusiasm of our staff and the support of our friends and customers everywhere, American Express will continue to expand and prosper.

February 23, 1965



President

Financial Highlights

	1964	1963	PERCENT INCREASE
Revenue from operations	\$ 118,144,000	\$ 100,418,000	17.7%
Income before taxes	20,350,000	15,979,000	27.4
Provision for U. S. and foreign income taxes	7,809,000	4,715,000	65.6
Net income	12,541,000	11,264,000	11.3
<hr/>			
Net income per share	\$ 2.81	\$ 2.52	
Dividends declared per share	1.40	1.40	
<hr/>			
Total assets	\$1,122,815,000	\$1,020,206,000	
Cash and due from banks	263,842,000	266,637,000	
Security investments	507,757,000	443,775,000	
Loans and discounts	186,638,000	172,410,000	
Accounts receivable and accrued interest	70,704,000	51,660,000	
Travelers Cheques and Travelers Letters of Credit outstanding	525,667,000	470,127,000	
Customers' deposits and credit balances	387,697,000	366,491,000	
Shareholders' equity	83,613,000	78,696,000	

The greater than usual liquidity evident at the end of 1963 was partially reduced in 1964. Cash and Due from Banks amounted to \$263,842,000 compared with \$266,637,000 at the end of 1963. However, Time Deposits and Certificates of Deposit with banks, included in the Cash and Due from Banks account, increased to \$59,683,000 in 1964 from \$22,835,000 in 1963.

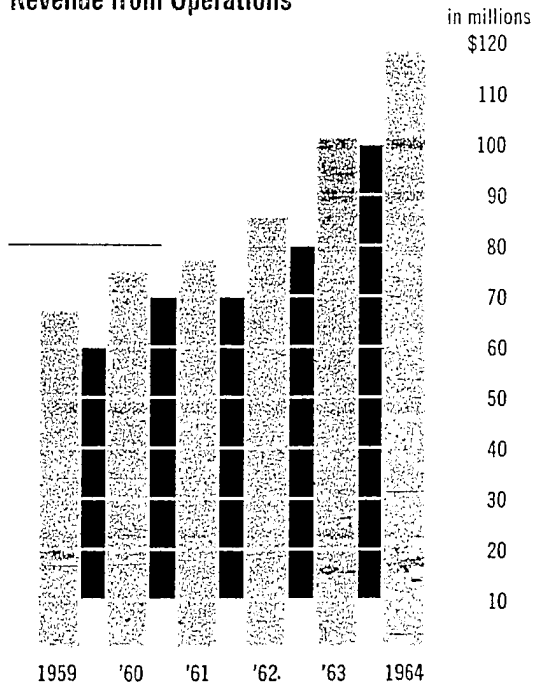
At the close of 1964 holdings of U. S. Government obligations were \$142,653,000 compared with \$141,208,000 on December 31, 1963. The average maturity of the U. S. Government bond portfolio was 3.0 years compared with 3.1 years at the end of 1963. The average life of the entire bond portfolio was 8.1

years compared with 8.8 years at the end of the previous year, the decrease due in part to a continued desire to maintain a flexible investment position. Furthermore, the flatness of the yield curve in the taxable bond market, related to U. S. balance of payments problems, encouraged shorter term commitments.

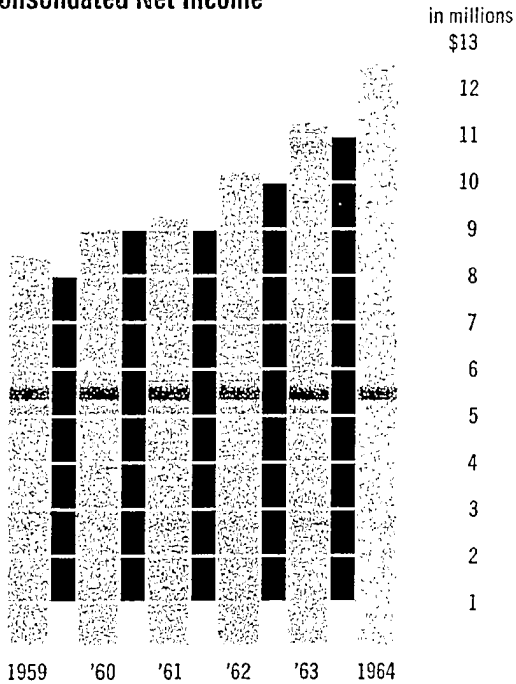
While State and Municipal bond holdings remained virtually unchanged, substantial additions were made in the Other Bonds and Obligations category in 1964. These investments, together with increased emphasis on interest bearing deposits with banks, permitted the development of a more appropriate balance between taxable and tax-exempt income, considered desirable under present conditions.

**American Express Company
and Consolidated Subsidiary Companies**

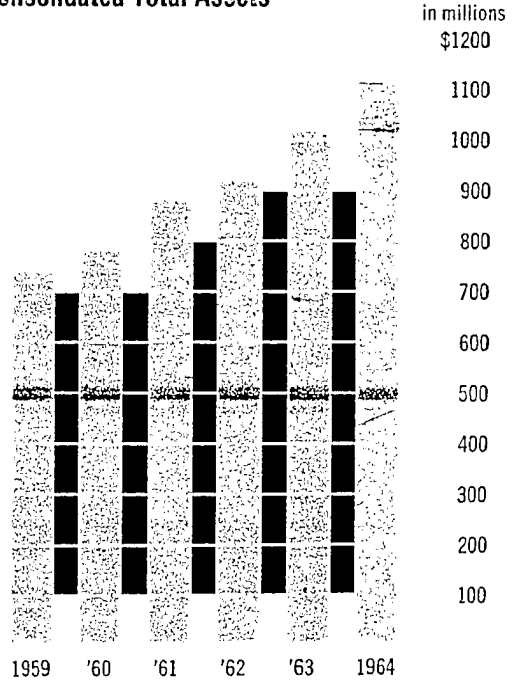
Revenue from Operations



Consolidated Net Income



Consolidated Total Assets



TRAVELERS CHEQUES The largest dollar volume sales increase in their 73 year history was recorded by American Express Travelers Cheques in 1964. Overseas sales continued to increase at an even greater rate, reflecting growing awareness abroad of the value of this universally accepted form of "safe money" that protects business trips and vacation pleasure.

Nearly all sales of Travelers Cheques are made by banks and we continue to enjoy the wholehearted support of these bank friends. A substantial increase in the number of outlets selling our Travelers Cheques resulted from the opening by banks of offices in new population centers. Consequently, over 38,643 bank selling outlets in the United States and abroad now make our Cheques available to their customers, an unmatched coverage and a distinguished example of mutually beneficial cooperation in the financial field.

This cooperation was further strengthened in 1964 by distribution to banks of vast quantities of point-of-sale material to promote other retail services together with Travelers Cheques. A record total of more than 60 million leaflets featuring loans and other services was provided to banks free of charge during the year, along with an unprecedented volume of posters, ad mats, displays and other sales aids. The result of this program was year round, rather than seasonal, promotion of our Cheques as well as a saving of important advertising dollars by banks.

Further refinements were made in refund procedures to customers, enabling refund requests to be handled even faster than in the past. A special service which permits the business traveler to obtain Cheques from his bank without leaving his office, test-marketed in Dallas, Seattle and Baltimore during 1963, was extended to New York and Washington during the year, proving popular among businessmen and cooperating banks.

Also during 1964 important steps were taken to accelerate further the sale of Travelers Cheques in overseas markets. Additional senior personnel were posted abroad, and a research study was initiated in Europe to provide more detailed information on the potential of key markets in that area.



James A. Henderson (right), Senior Vice President, accepts an award presented to American Express and its advertising agency for the 1964 Travelers Cheque radio advertising campaign



An American Express Travelers Cheque field representative assists a banker assemble one of the many promotion displays furnished to banks during 1964.

Based on the success of our 1963 radio advertising campaign, a considerably expanded program was conducted with excellent results during 1964, utilizing the four national radio networks in addition to special spot campaigns in twenty-one major metropolitan markets. This effort was adjudged by the Radio Advertising Bureau to be one of the twelve most effective national campaigns of the year. The New York World's Fair designated the American Express Travelers Cheque as Official Travelers Cheque of the Fair.

At the Caribbean restaurant at the New York World's Fair, American Express Travelers Cheques are welcomed as they are worldwide



Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.

TRAVEL Reflecting a favorable year for the travel industry as a whole, plus greater public demand for an improved and more selective range of offerings, the American Express Travel Service achieved the highest sales in its history in 1964. While still not showing divisional earnings, the operations of the travel division with its worldwide network of offices and services contribute importantly to the earnings of other divisions and to the strength of the company as a whole. Our efforts to improve the division's profitability continue.

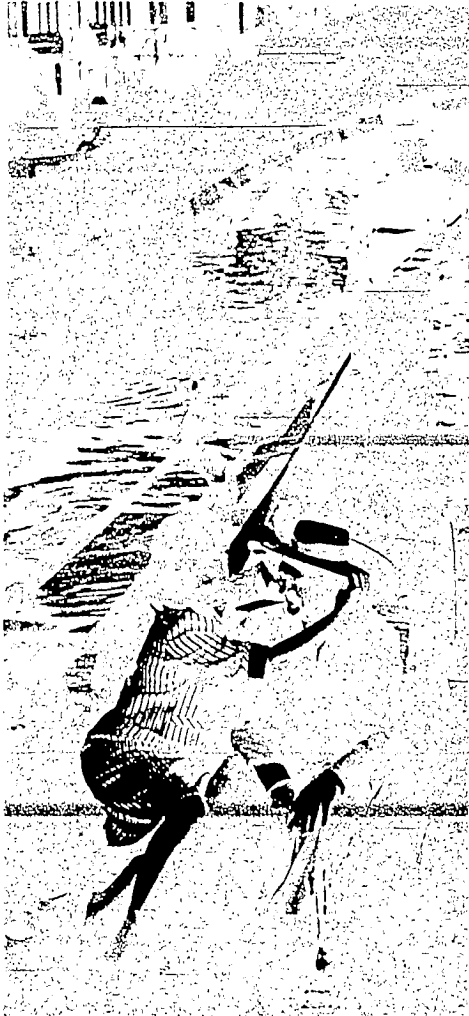
Basic to current planning is the development of a full line of marketable tours with frequent departure dates, designed to appeal to a cost-conscious international clientele. A new concept of economy European motorcoach tours was successfully placed on the market and hundreds of these escorted "Priceless Tours" were operated for thousands of participants. In view of their popularity and price value, a considerably broader program of "Priceless Tours" is under way for 1965—including for the first time motorcoach tours to Eastern Europe.

Various other changes were made during the year to improve operations and simplify marketing worldwide. Production of foreign independent tours, a famous American Express service providing personalized itineraries to travelers everywhere, was decentralized from New York and each office is now producing its own independent tours. This change has resulted in valuable savings for customers and the company, plus faster preparation of itineraries.

During the year American Express participated with leading steamship companies in numerous cruise movements, securing a record volume of business. Our leadership position in this field was further enhanced by effective advertising and promotion, and by a broad program of lectures given to a variety of groups and organizations. In this latter connection, a recent speaking trip by our foremost cruise lecturer to twenty-one cities resulted in attendance of over 32,000 potential customers.

Perhaps the most remarkable accomplishment of the Travel Service in 1964 was the achievement of sales by the overseas travel offices of The American Express Company, Inc. and its subsidiaries that were nearly equal to sales in the domestic offices of American Express Company. This reflects an increasing propensity for business and vacation travel among many more nations, as well as the successful promotion during 1964 of our major "Travel America" program introduced in 1963 in cooperation with the U.S. Travel Service of the Department of Commerce. Attractive literature in several languages featuring the great cities, national parks and other points of interest in the United States received wide distribution; two around-the-world tours were specially designed to include "Travel America" arrangements; and the New York World's Fair proved an important drawing card for overseas visitors as well as for Americans. Some 30,000 persons from the U.S. and abroad took advantage of American Express' New York City and World's Fair package arrangements during the 1964 season.

In view of the attention being directed at the U.S. balance of payments deficit and the role that travel expenditures play in the deficit, we have prepared and distributed to government and industry a paper entitled "Travel Spending and the U.S. Balance of Payments." This study attempts to pinpoint the misunderstandings which distort the effect of travel spending abroad by U.S. residents and emphasizes the harm to the U.S. economy which would result from any major action to discourage the free flow of travel or travel expenditures.



Because of their many attractive features, thousands of travelers took "Priceless Tours" in 1964—our popular new concept of economy European travel.

An American Express guide takes visitors from Australia on a tour of fabulous shops in the Orient.



福壽

AMERICAN
ENTERTAINMENT

CREDIT CARDS

For the American Express Credit Card 1964 was a year of unprecedented growth. Billings totalled \$344,000,000, a remarkable 42% increase over the \$242,000,000 billed in 1963, and the total number of cards in force at year end increased 20% from 1,020,000 to over 1,225,000. These increases were the largest of the last five years, strengthening our conviction that the market for this comprehensive credit instrument is far from saturated.

The most significant development of the year was the introduction of Credit Card service on major air carriers. The new American Express "Sign & Fly" service enables cardholders to charge air tickets with 61 airlines and their 8,000 authorized travel agents. Among major air carriers in this plan are Air France, American, Braniff, Continental, Delta, Eastern, Icelandic, KLM, Lufthansa, National, Northeast, Northwest Orient, Pan Am, Sabena, SAS, TWA, United and Western. In addition to being able to charge tickets for billing on their regular monthly statements, cardholders may now spread their payments for tickets over 3, 6, 9 or 12 months on 33 airlines at a very low service charge. This new service offers the consumer greater value than any other air travel credit plan. In the period between May, 1964, when the service was first introduced, and the end of the year, the American Express Credit Card was used over 80,000 times to charge airline tickets. We are convinced that "Sign & Fly" will substantially expand the vacation travel market, particularly stimulating family air travel.

Left Howard I. Clark, President, and Willis G. Elycomb, Senior Vice President Traffic and Sales of Pan American, sign an agreement enabling more than 1,225,000 Credit Card holders to charge fares on all Pan Am flights. Pan Am is one of 61 major airlines participating in the "Sign & Fly" plan.

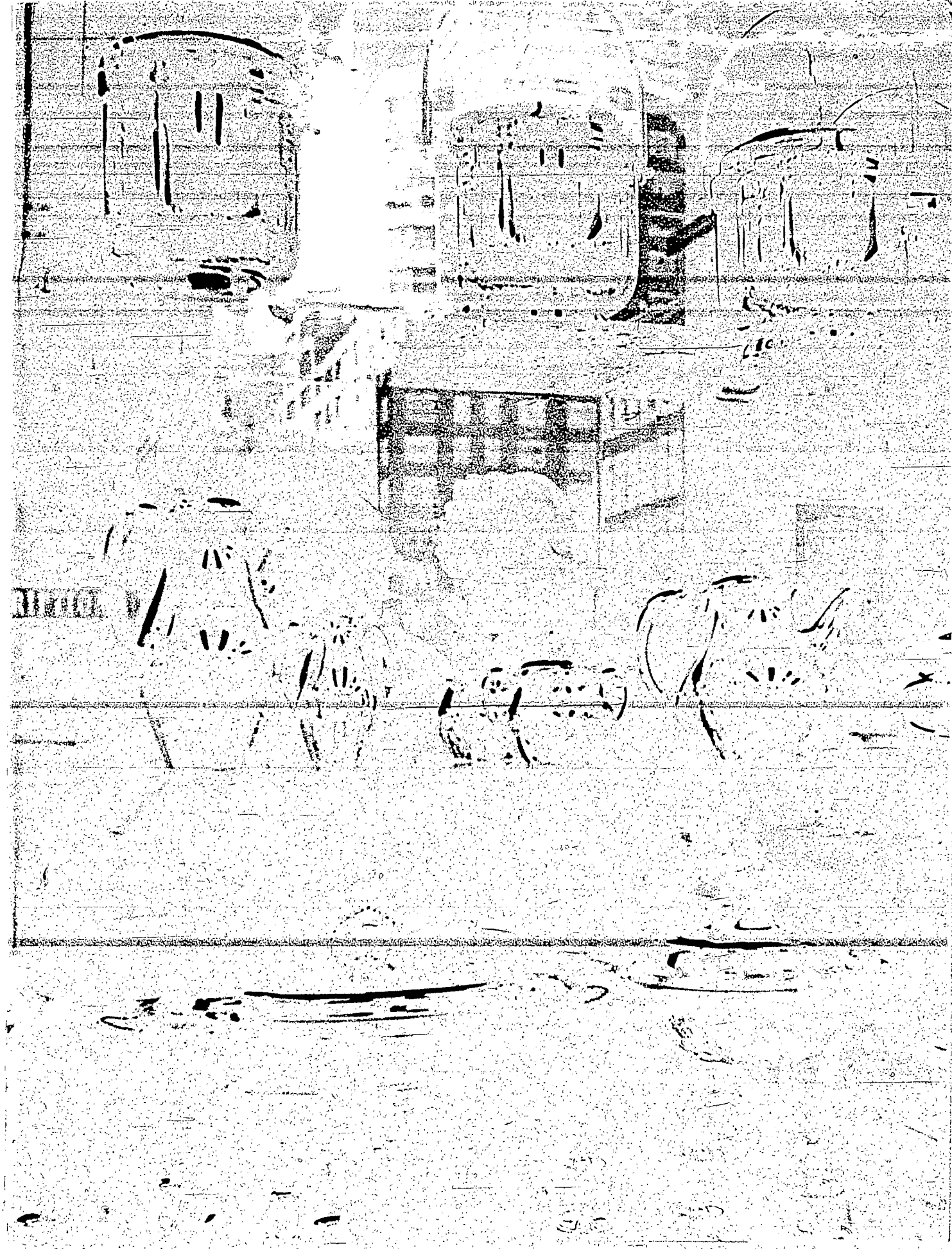
Right The American Express Credit Card is honored by more than 11,000 fine restaurants throughout the world, such as this Montmartre cafe.



Another important area of expansion in service offered to cardholders was the introduction of the Credit Card service at 25,000 Sinclair Oil service stations, in addition to some 30,000 Socony Mobil Oil Company service stations which already honored the Card. At year end cardholders could charge purchases at over 121,000 establishments, an increase of 42% over the 85,000 establishments in effect at the end of 1963. This year end total included some 11,000 restaurants, 17,000 hotels and motels, 16,000 shops, 6,000 car rental agencies, 2,190 airline offices, 5,000 travel agencies, and a variety of other establishments throughout the world. At the New York World's Fair, the American Express Credit Card was designated Official Credit Card. The majority of restaurants and shops, in addition to many other attractions, honored the Card, giving further evidence of the unmatched standing of this instrument.

Until recently American Express Credit Card charges were payable in U.S. or Canadian dollars only. During 1963, accounts were made available in Mexico payable in Mexican pesos, and in the United Kingdom payable in pounds sterling. Supplementing this coverage, French franc and Deutschemerk cards were introduced during the early part of 1964, permitting cardholders in these countries to pay for services in their own currencies.

More than 121,000 establishments proudly display decals showing that they honor the American Express Credit Card.



**MONEY ORDERS AND
UTILITY BILLS**

Sales of Money Orders in 1964 showed substantial increases, reflecting a new agent commission structure which had been introduced late in 1963. Despite the larger share of customer charges retained by agents in 1964, gross revenues to us exceeded those of 1963.

Introduced in 1882, the American Express Money Order is sold today by over 32,000 outlets, including department stores, supermarkets, drug and variety chains and other retail shops, as well as by many Western Union and REA Express offices. In part because of the financial reputation of our worldwide organization, the American Express Money Order continues to be one of the nation's largest selling commercial instruments of its kind. It and the U.S. Postal Money Order are the only money orders sold in all fifty states of the U.S.

The fall of 1964 saw a "new look" for the historic American Express Money Order, with a paper form inscribed with magnetic ink characters being substituted for the earlier punch card form. This innovation permits economic sorting and processing by the high-speed electronic equipment increasingly employed by banks and American Express.



Customers of this supermarket in Pittsburgh find the Service Center offering American Express Money Orders a great convenience.



Senior Vice President George W. Waters (center), Vice President W. K. Reynolds (right), and Assistant Vice President J. K. Conway map strategy and plans for a national Money Order promotional campaign.

Significant improvement was made during the year in field office organization, with seven regional distribution centers supplanting prior operations through numerous district offices. Further automation of accounting and distribution was made possible by this change, thereby gearing towards a lower cost operation with simplified staff structure and improved controls. In the face of active competition and pressure on profit margins, savings in this area will have particular significance. Continuing sales training programs are under way to improve solicitation of new business and to encourage the introduction of more effective agent merchandising techniques.

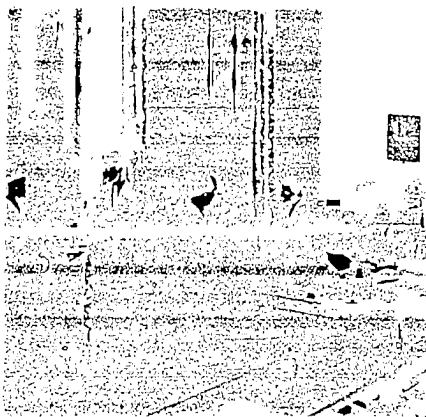
Through the American Express Utility Bill Service, the company accepts payment of gas, electric, telephone and water bills at Money Order sales agencies in many United States cities.

**COMMERCIAL BANKING
— OVERSEAS**

Overseas banking operations conducted by The American Express Company, Inc. showed improved results in 1964, with increases in deposits and credit balances of commercial and military facility offices, and in commercial loans. Deposits and credit balances of commercial and facility offices totalled \$387,697,000 and loans \$186,638,000 at year end. A number of new relationships were established with correspondent banks, with commercial firms and individuals operating in the international field. Contributing to the growth of deposits was a marked increase in the number of personal savings accounts, particularly in Greece, Pakistan, India and Hong Kong.

Overseas Banking is conducted in 16 countries outside the United States by The American Express Company, Inc., and its subsidiaries.





Formal "toppers" identify Discount House Representatives making their morning calls on the London office of the Overseas Banking Division

Banking operations are conducted through 48 branches in 16 leading countries abroad, and in the United States through the New York Agency of The American Express Company, Inc. The New York Agency offers commercial banking facilities to banks, companies and individuals doing business abroad.

An important reason for the success of these operations is the steadily greater awareness by international banks of the unusual breadth of banking and related services available through The American Express Company, Inc. in many countries, including the major financial centers of the world. With experienced area banking specialists and a unit of trained credit analysts, a broad range of financial and related services can be placed at the disposal of banks in all countries for their international clients. Particularly useful is the capacity of American Express banking branches to provide credit in whatever leading European or Asian currencies a client may find most convenient at any particular time.

These long established local banking offices also provide invaluable assistance in handling many kinds of trade and financial problems for banks and their commercial clients in many countries. They can report, in the language of any inquirer, credit information and economic data as well as information on establishing a business in various foreign countries.

NEW EXPORT MARKETING SERVICE INAUGURATED

A significant long range development of the year was the initiation by the Overseas Banking Division of an Export Marketing Service, offering assistance to U.S. exporters in locating and developing new outlets for their products abroad. This service, in support of the U.S. Government's export expansion program, focuses particularly on assistance to companies seeking to conduct export operations for the first time, while also helping established exporters to expand the scope of their operations. In cooperation with the International Freight Division, this new facility assists in investigating individual product markets; locating and checking out distributors and reporting on their capacity and capabilities; financing; performing collection and foreign exchange services; handling point-to-point product shipments; customs clearances; and storage. Similar services are to be offered abroad. In 1965 the Export Marketing Service will support the National Association of Manufacturers and the Harvard Business School's International Marketing Institute in a vigorous export expansion promotion among companies in 40 principal cities of the U.S.

BANKING OFFICES — MILITARY BASES

At the end of 1964 The American Express Company, Inc. operated 180 offices, suboffices, mobile banking units and conversion points at military installations overseas. These offices, opened at the request of the military as authorized by the United States Treasury, provide banking and in most cases travel and shipping services for U.S. military personnel and authorized civilians. Services are currently provided in Great Britain, France, Germany, Greece, the Netherlands, Iceland, Morocco, Libya, Japan, Okinawa and Taiwan.

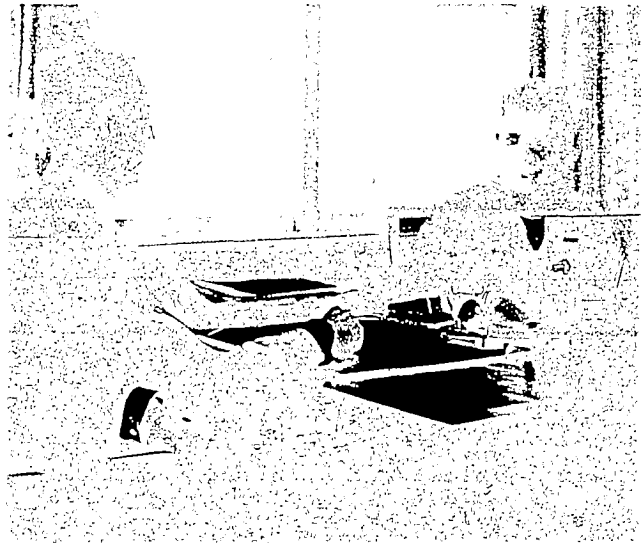
The volume of facility office business increased in 1964 despite some officially announced overseas troop reductions. New steps were taken to bring

to wider attention of military personnel the American Express services available to them. A film, "You and Your Banking Facility," was produced during the year with the cooperation of the Defense and Treasury Departments to explain the banking services available at military bases; this film is being given frequent showings to personnel of the U.S. Armed Forces assigned overseas.

A new service was introduced at the end of 1964 making U.S. automobile insurance available to military personnel returning with automobiles to the United States. It is anticipated that this service will become as popular as financing of "Fly Now, Pay Later" flights which continued to grow during the past year.



A Foreign Remittance from relatives in Milwaukee is paid to the pleased beneficiary in the Frankfurt office.



A U.S. Navy seaman stationed on Taiwan arranges a checking account with the manager of the Taipei Facility Office.

Despite strong competition, the 1964 dollar volume of Foreign Remittances sold by American Express rose satisfactorily over 1963's total, the increase being one of the largest of recent years.

Since the 1880's American Express has provided Foreign Remittance services to banks, commercial firms and individuals as a safe and convenient means of forwarding funds overseas either in the form of drafts, or mail or cable transfers, which are payable to beneficiaries abroad in dollars, foreign currencies, or Travelers Cheques.

American Express is also an historic leader in the field of providing Foreign Exchange services to banks and individuals in whatever currencies and amounts are required. Associated with this service is the sale of actual foreign banknotes. During 1964 this latter operation was expanded by the packaging of banknotes and coins of various currencies desired by clients, with informational literature to assure ready identification of the currencies included. These packaged banknotes are available at American Express offices and travel bureaus throughout the United States.

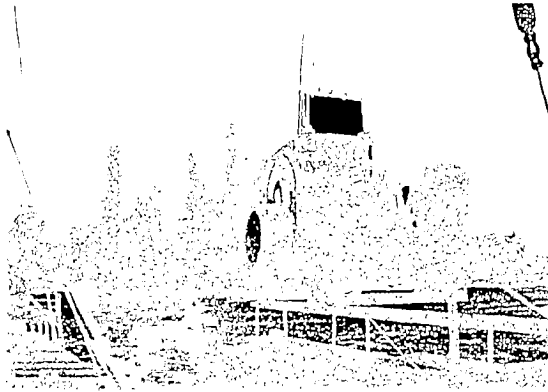
Foreign Remittance and Exchange facilities are closely related to many of the other services provided by American Express, contributing usefully to the company's relationship with American and overseas banks and other financial organizations.

FOREIGN REMITTANCES AND EXCHANGE

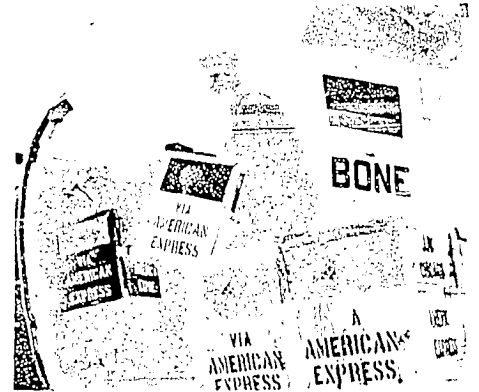
INTERNATIONAL FREIGHT The air and surface freight operations conducted by American Express are another component of the package of services offered by the company through its network of offices around the world.

In 1964 further emphasis was placed on our handling of household effects for families of personnel transferred abroad by international companies. This service has been provided to U.S. military personnel for years and is but one example of the many benefits afforded by our unique combination of activities: in addition to handling the entire packing and shipment of household goods. American Express and its subsidiaries can arrange for family transportation and accommodations en route; provide Travelers Cheques for maximum safety and acceptability of funds; exchange those funds for local currency upon arrival in foreign countries; and offer a full range of personal banking services at those final destinations abroad where banking offices exist.

Overseas, relatively early participation in freight operations has given American Express a measure of market leadership, and efforts to improve this position continued during the year. The development of air freight forwarding and consolidation services received special attention. The consolidation of international air shipments of various sizes and origin at key cities offers greater savings to the shipper at lower cost and higher profit to American Express. Air freight consolidation centers of The American Express Company, Inc. and its subsidiaries have been established in London, Frankfurt, Milan and Copenhagen and are complemented by similar American Express Company facilities at airport offices in New York, Chicago, Los Angeles, San Francisco and Miami. Also, agency arrangements have been made with other European and United States air freight forwarders to route cargo through the enlarged American Express air consolidation program.



New Export Marketing Service assists firms in locating markets and distributors abroad, and with financing, shipping and inventory control.



At docks and airports here and abroad, "Via American Express" is a familiar phrase on international cargo.

As one of the two official custom house brokers at the 1964-1965 New York World's Fair, American Express handled customs requirements for about 2,500 shipments imported to the U.S. by exhibitors at the Fair in 1964 and will continue to handle this business in 1965.

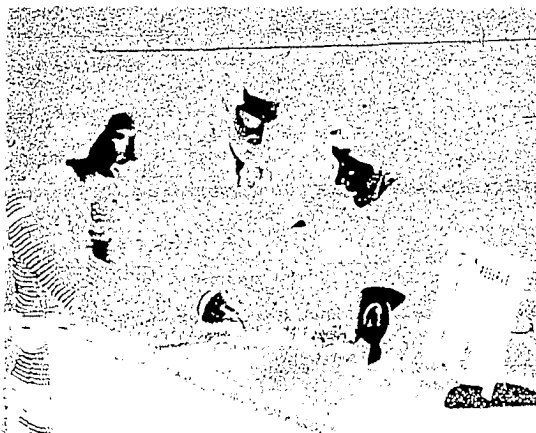
WELLS FARGO & COMPANY This wholly owned subsidiary engages in armored car operations and coin sorting and packaging activities through subsidiaries. These operations were conducted successfully during 1964, with revenues and net income for the year reaching record totals. The results of Wells Fargo & Company are included in the consolidated financial statements of American Express Company.

Operations are conducted by Wells Fargo companies through 33 offices in 12 southern and eastern states. A new office was opened in Asheville, North Carolina during the year. Wells Fargo handled the armored car requirements for the New York World's Fair during 1964 and will do so again in 1965.

Wells Fargo accepted an offer by Thomas De La Rue International, Ltd. for the purchase of the 49% interest which had been held in Security Express, Ltd., an armored car company operating in the United Kingdom. The results of Security Express were never included in the consolidated financial statements of this report. The proceeds from this sale will be used for attractive business opportunities.



Certificates of Honor for bravery are presented by the President of Wells Fargo & Company to three Wells Fargo crewmen who thwarted an attempted holdup of a large payroll.



On arrival at London Airport, a couple visits the Skyway Hotel Hertz Office for a Rent A Car auto tour of the Cotswolds. Hertz American Express International, Ltd. has over 12,000 cars and trucks.

In its seventh full year of operations, Hertz American Express International, Ltd. set new records for gross revenues and net income. Net income amounted to \$902,124, an increase of 46% over the record earnings achieved in 1963. American Express' 49% share (51% owned by The Hertz Corporation) of these 1964 undistributed earnings was \$442,041 compared with \$303,286 in 1963. Results of the affiliate are not consolidated in the financial statements of this report.

Hertz American Express continued to expand its operations during the year, establishing additional company owned operations in Australia, New Zealand, Colombia, the Netherlands, Sweden and England. New licensee operations were started in Aruba, Norway, Senegal, Nicaragua, French New Caledonia and on the islands of Rhodes and Corfu in Greece. Truck rental service was expanded in the United Kingdom, Italy, Germany and Sweden. These additional stations brought the total coverage of Hertz American Express operations to 394 cities in 73 countries. Including cars operated by licensees, Hertz American Express now has over 12,000 cars and trucks available for renting and leasing.

To finance this program of acquisition and growth, earnings to date have been reinvested in the company. Capital was increased from \$4,500,000 to \$5,350,000 during the year in the 49%-51% ratio.

Already the largest and most successful car and truck rental organization operating outside the United States, Hertz American Express has successfully met its yearly goals and is demonstrating a healthy potential for future growth.

**HERTZ AMERICAN EXPRESS
INTERNATIONAL, LTD.**

**AMERICAN EXPRESS
WAREHOUSING, LTD.**

The claims against American Express Company's subsidiary, American Express Warehousing, Ltd. (now in a Chapter XI proceeding in the United States District Court for the Southern District of New York) arising out of the latter's involvement in the Allied Crude Vegetable Oil Refining Corporation fraud at Bayonne, New Jersey, have not as yet been resolved.

On January 8, 1965 Anthony DeAngelis pleaded guilty in the United States District Court of New Jersey to several counts of an indictment charging him with the transportation of forged and fraudulent warehouse receipts, and to an information charging him and Allied Crude Vegetable Oil Refining Corporation with conspiracy to defraud others in connection with the transportation and issuance of warehouse receipts. In the latter part of 1964 a grand jury in Hudson County in the State of New Jersey also indicted DeAngelis and others in connection with the gigantic swindle perpetrated by him and his collaborators on banks, commodity houses, other institutions, and our warehousing subsidiary. Many investigations into this affair, by various governmental authorities and others, are continuing and by no means have all the facts as yet come to light.

As the shareholders were told in the Annual Report for 1963 and in the President's Statement at the Annual Meeting of Shareholders on April 28, 1964, American Express Company on November 27, 1963 advised the holders of warehouse receipts issued by its subsidiary that it felt morally bound to do everything it could, consistent with its overall responsibilities, to see that the legal liabilities of such subsidiary were satisfied. In doing so, however, American Express Company has denied that it is legally liable to the holders of the subsidiary's warehouse receipts.

Public confidence and good will form the cornerstone of American Express Company and its subsidiaries. To protect the Company's future earnings position, it was necessary to move quickly to maintain the good will and respect of the financial community and to insure that no one would have reason to hesitate over the sale or encashment of American Express Company's financial paper. As the shareholders were also advised at the April 28, 1964 Annual Meeting, the Board of Directors under date of April 9, 1964 made a proposal to the creditors of the subsidiary for the settlement of their claims.

That proposal provides for the following, subject to certain conditions: payment of up to \$45 million by American Express Company, which, together with the subsidiary's insurance and other assets, are to be applied against warehousing claims that are established as valid in the Chapter XI bankruptcy proceeding; \$35 million of such amount to be payable as soon as the proposal becomes effective and \$10 million in three equal annual installments with interest, thereafter; and guarantee by American Express Company that the minimum insurance recovery will be at least \$10 million.

The time for acceptance of the proposal by claimants against American Express Warehousing, Ltd. has from time to time been extended at the request

of representatives of holders of its warehouse receipts. The requisite number of holders of receipts have not indicated that the proposal in its present form would be acceptable to them. There have been intensive discussions between American Express Company and such representatives regarding various features of the April 9 proposal and numerous counter-proposals and suggestions have been explored in the course of such discussions. These discussions are continuing.

Any settlement agreement will include a number of conditions for the protection of American Express Company and its shareholders. Among them are the obtaining of a tax ruling to the effect that payments by American Express Company pursuant to the proposal shall be deductible in computing federal income taxes. It will also be a condition that the federal court which has supervision over the Chapter XI proceeding to which American Express Warehousing, Ltd. is a party, approves the plan of arrangement which will be proposed as part of the settlement agreement.

Another important condition is an appropriate adjudication by the New York Supreme Court for the County of New York. As shareholders were advised at the Annual Meeting, a few shareholders have objected to any payments to holders of our subsidiary's warehouse receipts on the ground that the Company was not legally liable for the debts of its subsidiary. It was and is the unanimous opinion of the Board of Directors that the making of a fair proposal to the claimants against the warehousing subsidiary clearly represents the best interests of the Company and its shareholders. The views of the shareholders who have objected to this opinion will be adjudicated in the courts before any payments to warehouse receipt holders will be made.

If it will be possible to come to a satisfactory resolution of substantially all the claims against the warehousing subsidiary, much needless and expensive litigation will be avoided. Some litigation, however, may continue, including litigation with various insurance companies which issued policies of insurance in connection with warehousing activities. The insurance companies have denied liability on that insurance and the warehousing subsidiary has instituted actions against several insurance companies to have the insurance declared valid. These insurance companies, in turn, have pleaded American Express Company as a defendant in the actions. In addition, the insurers under policies issued to Allied Crude Vegetable Oil Refining Corporation and the issuers of insurance to certain warehouse receipt holders have also denied liability and a number of actions have been commenced by warehouse receipt holders to enforce their rights under these policies.

As described in other sections of this report, the extremely complex warehousing situation has not interfered with the continued growth and attainment of new record highs in our main lines of business. There have been no developments since our last report to shareholders which give us reason to doubt the soundness of our course of action in the protection of shareholders' interest in the ownership of this Company.

Organization Changes, Offices and Staff

ORGANIZATION CHANGES In accordance with the Board's policy governing the retirement of Directors, Mr. Robert L. Clarkson, Mr. Ralph T. Reed and Mr. Lynde Selden will not stand for reelection to the Board of Directors of American Express Company and The American Express Company, Inc. at the Annual Meeting on April 27, 1965.

Mr. Clarkson, a Director since 1932, retired as an officer in 1960 after 25 years as Chairman of the Board and has since served as Chairman of the Finance Committee. Mr. Reed, a Director since 1933 and President of American Express from 1944 until his retirement as an officer in 1960, has served since that time as Chairman of the Executive Committee. Mr. Selden, a Director since 1936, continued as a member of the Board following his retirement as Vice Chairman in 1956.

Each of these distinguished and able men made significant contributions to the company's development during the difficult years of the 1930's, World War II and the years following. Their leadership and foresight guided the reestablishment of our operations worldwide following the war and the remarkable growth the company achieved during the 1950's. We acknowledge with much gratitude their many contributions to the company's position today.

The following were elected officials of American Express Company and The American Express Company, Inc. during 1964 and early 1965: Hasbrouck B. Miller, Senior Vice President and Secretary; George T. Pfifer, Senior Vice President; Robert D. Beals, Vice President; John E. White, Comptroller; Eric W. Hurner, Assistant Secretary. Paul M. Hermann and Frank B. Page, Jr. were appointed Assistant Vice Presidents; Frederick L. Tracy, Assistant Comptroller and Jack M. Moody, Assistant Treasurer.

For American Express Company, Michael E. Lively was elected a Vice President, and George O. Johnson, Robert T. Roche and Thomas N. Thorne were appointed Assistant Vice Presidents.

For The American Express Company, Inc., Frank R. Davis and Richard B. Howland were elected Vice Presidents, and Kevin Connelly, Joseph C. Hart, and Richard D. Stuart were appointed General Managers. Assistant Vice Presidents of The American Express Company, Inc. were appointed as follows: Gordon Bradford, Michel P. Lancrenon, Gero Von Grothuss, Ward H. Manning, Ronald J. Diorio, and Theodore D. Jennings.

Mr. James A. Henderson, in addition to his other duties with American Express Company and The American Express Company, Inc., was elected President of Wells Fargo & Company; Mr. Walter H. Beecroft was elected Executive Vice President and Mr. William L. Cole was elected Vice President of that company.

OFFICES During the year additional offices were opened abroad in Venice, Italy; Lugano (Banking) and Geneva (Air Cargo), Switzerland; Southampton, England (Travel Bureau); Athens, Greece; and Tokyo, Japan (Travel Bureau). By the end of the year a total of 294 offices and service points were in operation in 29 countries outside North America. Within the United States new travel offices were opened in Princeton, New Jersey; Portland, Oregon; Garden City, Long Island; and at Gimbel Brothers in New York City (Travel Bureau), bringing the total number of offices in the United States, Canada, Mexico and Puerto Rico to 114.

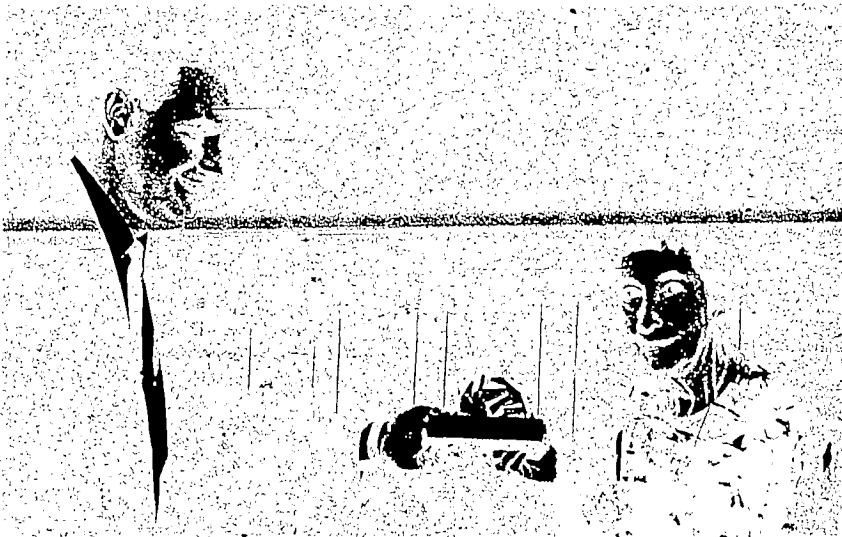
With increasing industrialization in the developing countries and growing prosperity in other nations, this worldwide network of 408 offices in 33 countries offers a unique opportunity to meet the growing demand for our diversified services. By affording frequent opportunities to develop complementary marketing efforts these offices assure a broad base for the company's operations and are a source of continuing strength and vitality.

As opportunities expand, competition intensifies, and business decisions grow increasingly complex, the need for skilled staff becomes more and more important. Recognizing this dependence on qualified personnel, our important training and management development programs received concentrated attention throughout the year and our plans for giving promising employees specialized training for reassignment and broader responsibilities were expanded.

Also of vital importance to the smooth and efficient conduct of our operations is the frequent meeting of key staff from various offices and activities in an atmosphere of stimulating and informative discussions. During 1964 such meetings were held by senior management representatives in Brussels and Hong Kong for managers and accountants of the principal European, African and Far Eastern offices. Similar meetings were held in the United States and abroad by our line divisions for their field sales and operations personnel.

The American Express tuition refund plan entered its fourth year and continues to be widely utilized by overseas and domestic employees as an effective technique of self-development. The special skills and experience of long service employees are another source of strength to our operations and we honor their contributions at regular meetings of the American Express Quarter Century Club.

Through these and other means of training and communications we strive to provide the knowledge and motivation needed by the 11,512 American Express employees around the world to meet the increasing demands placed upon them for capable, imaginative and dependable service. The excellent results achieved in 1964 testify to how well they measure up to these demands.



Mary Wilson, a retiring Staff member with 47 years of service, receives a farewell gift from the manager of the San Francisco Freight Office.

Ten Year Review

	1964	1963	1962	1961
Revenue from operations	\$ 118,144,000	\$ 100,418,000	\$ 86,771,000	\$ 77,378,000
Profit on sales of securities	297,000	1,436,000	2,028,000	2,884,000
Operating expenses	98,091,000	85,875,000	76,848,000	69,068,000
Provision for U.S. and foreign income taxes	7,809,000	4,715,000	1,820,000	1,990,000
Net income	12,541,000	11,264,000	10,131,000	9,204,000
<hr/>				
Net income per share	\$ 2.81	\$ 2.52	\$ 2.27	\$ 2.06
Dividends declared per share	\$ 1.40	\$ 1.40	\$ 1.25	\$ 1.20
Number of shareholders at year end	27,673	24,055	23,366	23,814
<small>(All figures based on 4,461,058 \$5 par value shares)</small>				
<hr/>				
Cash and due from banks	\$ 263,842,000	\$ 266,637,000	\$187,307,000	\$169,151,000
Security investments	507,757,000	443,775,000	463,480,000	473,544,000
Loans and discounts	186,638,000	172,410,000	141,505,000	85,149,000
Total assets	1,122,815,000	1,020,206,000	915,179,000	876,546,000
Travelers Cheques and Travelers Letters of Credit outstanding	525,667,000	470,127,000	421,063,000	386,389,000
Customers' deposits and credit balances	387,697,000	366,491,000	337,238,000	303,538,000
Shareholders' equity	83,613,000	78,696,000	68,356,000	63,805,000
<hr/>				
Number of employees at year end:				
Domestic	5,846	5,530	4,944	5,138
Overseas	5,666	5,424	5,333	5,107
TOTAL	<u>11,512</u>	<u>10,954</u>	<u>10,277</u>	<u>10,245</u>
<hr/>				
Number of offices at year end:				
Domestic offices	114	115	105	108
Overseas commercial offices	114	110	105	98
Overseas offices at military bases	180	177	179	173
TOTAL	<u>408</u>	<u>402</u>	<u>389</u>	<u>379</u>
<hr/>				
American Express correspondents	5,953	5,921	5,902	4,631
Other American Express selling outlets	83,034	75,378	70,471	69,338
American Express Credit Card service establishments	122,208	85,580	81,989	50,676

American Express Company and Consolidated Subsidiary Companies

1960	1959	1958	1957	1956	1955
\$ 74,709,000	\$ 67,117,000	\$ 59,045,000	\$ 53,821,000	\$ 47,936,000	\$ 42,219,000
2,700,000	2,476,000	2,405,000	859,000	1,392,000	1,315,000
65,913,000	59,984,000	52,945,000	46,560,000	42,026,000	37,261,000
2,489,000	1,172,000	919,000	1,249,000	958,000	842,000
9,007,000	8,437,000	7,586,000	6,871,000	6,344,000	5,431,000
\$ 2.02	\$ 1.89	\$ 1.70	\$ 1.54	\$ 1.42	\$ 1.22
\$ 1.20	\$ 1.05	\$ 1.00	\$.95	\$.82½	\$.63¾
24,665	24,335	25,341	25,111	25,302	25,366
\$155,637,000	\$124,590,000	\$124,686,000	\$141,080,000	\$148,958,000	\$131,184,000
461,916,000	453,564,000	443,223,000	445,839,000	453,179,000	423,927,000
58,426,000	39,262,000	28,996,000	24,468,000	15,650,000	11,487,000
787,844,000	732,703,000	680,115,000	667,635,000	700,136,000	629,326,000
365,526,000	358,703,000	337,510,000	320,297,000	304,436,000	282,832,000
286,080,000	223,842,000	215,640,000	243,049,000	266,758,000	243,054,000
60,102,000	56,399,000	52,996,000	49,867,000	47,178,000	44,296,000
5,326	5,213	4,839	4,114	4,054	3,847
4,927	4,770	4,609	4,698	4,657	4,580
10,253	9,983	9,448	8,812	8,711	8,427
99	96	96	96	91	85
99	102	94	90	87	84
181	186	183	213	208	203
379	384	373	399	386	372
4,551	4,541	4,465	4,478	4,399	4,351
67,614	67,736	66,280	64,271	66,436	64,457
46,982	41,455	32,183	—	—	—

American Express Company
and Consolidated Subsidiary Companies

Statement of Consolidated Income and Surplus

FOR THE YEARS ENDED DECEMBER 31, 1964 AND 1963

	1964	1963
Revenues:		
Revenue from operations	\$118,144,155	\$100,418,244
Profit on sales of securities	297,588	1,435,903
Total	<u>118,441,743</u>	<u>101,854,147</u>
Expenses and taxes:		
Salaries and wages	45,447,899	41,308,088
Cost of financial paper and other printing and stationery	6,190,503	4,854,346
Postage, telephone, telegraph and cable	4,504,399	3,605,062
Travel, express and other transportation costs	3,484,558	2,995,345
Property and equipment expenses	9,029,228	7,602,788
Advertising and literature	7,449,104	5,700,052
Other expenses	17,282,493	14,920,469
Taxes other than United States and foreign income taxes	4,702,813	4,889,298
Total	<u>98,090,997</u>	<u>85,875,448</u>
Income before United States and foreign income taxes	20,350,746	15,978,699
Provision for United States and foreign income taxes	7,809,322	4,714,858
Net income	12,541,424	11,263,841
Surplus at beginning of year	56,390,267	46,051,152
Surplus credits:		
Profit from special sales of securities—net of applicable taxes	—	4,376,996
Excess of net assets over related investment at January 1, 1963 arising from consolidation of Wells Fargo & Company	—	892,784
Total	<u>68,931,691</u>	<u>62,584,773</u>
Surplus charges:		
Dividends	6,197,689	6,194,506
Legal fees and other expenses in connection with the American Express Warehousing, Ltd. matter—net of applicable taxes (note 1)	1,426,701	—
Total	<u>7,624,390</u>	<u>6,194,506</u>
Surplus at end of year	<u>\$ 61,307,301</u>	<u>\$ 56,390,267</u>

See Notes to Financial Statements.

American Express Company
and Consolidated Subsidiary Companies

Consolidated Balance Sheet, December 31, 1964 and 1963

ASSETS	1964	1963
Cash and due from banks	\$ 263,841,861	\$ 266,637,122
Security investments — at cost (note 2):		
U. S. Government obligations	142,652,911	141,208,249
State and municipal obligations	230,015,226	229,784,429
Other bonds and obligations	103,641,723	39,614,783
Preferred stocks	18,859,390	18,968,863
Common stocks	12,587,800	14,198,704
Total security investments	<u>507,757,050</u>	<u>443,775,028</u>
(current market valuation: 1964, \$515,677,000; 1963, \$450,500,000)		
U. S. Government depository bonds (see contra) (note 2)	40,000,000	35,000,000
Loans and discounts	186,638,154	172,410,264
Accounts receivable and accrued interest (less reserves: 1964, \$3,674,308; 1963, \$2,741,819)	70,703,625	51,660,293
American Express Company capital stock reacquired — at cost (1964, 32,965 shares; 1963, 33,340 shares) (note 3)	1,420,406	1,436,565
Investments in subsidiary and affiliated companies not consolidated — at cost (equity in net assets: 1964, \$4,293,000; 1963, \$4,096,000)	3,996,501	3,580,002
Land, buildings and equipment — at cost (less reserves: 1964, \$13,546,032; 1963, \$11,927,151)	15,587,962	14,347,038
Customers' acceptance liability	16,297,890	18,873,203
Other assets	16,571,095	12,486,135
Total	<u>\$1,122,814,544</u>	<u>\$1,020,205,650</u>
 LIABILITIES		
Travelers Cheques and Travelers Letters of Credit	\$ 525,667,060	\$ 470,126,789
Customers' deposits and credit balances held by The American Express Company, Incorporated	387,697,073	366,490,835
Deposit liability relating to U. S. Government depository bonds (see contra)	40,000,000	35,000,000
Acceptances outstanding	16,799,768	18,903,238
Other liabilities	69,038,052	50,989,231
Total	<u>1,039,201,953</u>	<u>941,510,093</u>
Shareholders' equity:		
Capital stock — authorized, 5,000,000 shares of \$5 par value; issued, 4,461,058 shares	22,305,290	22,305,290
Surplus	61,307,301	56,390,267
Total shareholders' equity	<u>83,612,591</u>	<u>78,695,557</u>
Total	<u>\$1,122,814,544</u>	<u>\$1,020,205,650</u>

See Notes to Financial Statements.

Balance Sheet, December 31, 1964 and 1963

ASSETS	1964	1963
Cash and due from banks	\$110,225,127	\$121,532,683
Security investments — at cost (note 2):		
U. S. Government obligations	80,862,422	78,315,656
State and municipal obligations	217,926,968	217,426,804
Other bonds and obligations	67,789,359	11,233,299
Preferred stocks	18,859,390	18,968,863
Common stocks	<u>10,646,636</u>	<u>12,547,570</u>
Total security investments	396,084,775	338,492,192
(current market valuation: 1964, \$404,172,000; 1963, \$345,243,000)		
Accounts receivable and accrued interest (less reserves: 1964, \$3,640,016; 1963, \$2,741,075)	56,315,702	38,994,850
American Express Company capital stock reacquired — at cost (1964, 32,965 shares; 1963, 33,340 shares) (note 3)	1,420,406	1,436,565
Due from subsidiary companies	14,093,590	13,762,085
Investments in subsidiary and affiliated companies— at cost (equity in net assets: 1964, \$34,019,000; 1963, \$32,831,000)	11,861,623	11,667,489
Land, buildings and equipment — at cost (less reserves: 1964, \$8,070,875; 1963, \$6,915,047)	8,741,944	8,073,682
Other assets	<u>10,012,678</u>	<u>7,047,640</u>
Total	<u>\$608,755,845</u>	<u>\$541,007,186</u>
 LIABILITIES		
Travelers Cheques and Travelers Letters of Credit	\$525,667,060	\$470,126,789
Other liabilities	<u>21,365,955</u>	<u>12,832,605</u>
Total	<u>547,033,015</u>	<u>482,959,394</u>
Shareholders' equity:		
Capital stock — authorized, 5,000,000 shares of \$5 par value; issued, 4,461,058 shares	22,305,290	22,305,290
Surplus	<u>39,417,540</u>	<u>35,742,502</u>
Total shareholders' equity	61,722,830	58,047,792
Total	<u>\$608,755,845</u>	<u>\$541,007,186</u>

See Notes to Financial Statements.

Consolidated Balance Sheet, December 31, 1964 and 1963

ASSETS	1964	1963
Cash and due from banks	\$151,875,658	\$144,246,060
Security investments — at cost (note 2):		
U. S. Government obligations	61,790,489	62,892,593
State and municipal obligations	12,017,916	12,279,997
Other bonds and obligations	35,780,289	26,234,487
Common stocks	1,884,426	1,634,156
Total security investments	<u>111,473,120</u>	<u>103,041,233</u>
(current market valuation: 1964, \$111,275,000; 1963, \$103,004,000)		
U. S. Government depository bonds (see contra) (note 2)	40,000,000	35,000,000
Loans and discounts	186,638,154	172,410,264
Accounts receivable and accrued interest	13,677,254	12,002,071
Investment in affiliated company not consolidated — at cost (equity in net assets: 1964, \$3,582,000; 1963, \$2,724,000)	2,621,500	2,205,000
Land, buildings and equipment — at cost (less reserves: 1964, \$4,490,005; 1963, \$4,132,592)	5,810,657	5,584,151
Customers' acceptance liability	16,297,890	18,873,203
Other assets	5,057,139	3,135,548
Total	<u>\$533,451,372</u>	<u>\$496,497,530</u>
 LIABILITIES		
Customers' deposits and credit balances	\$387,697,073	\$366,490,835
Deposit liability relating to U. S. Government depository bonds (see contra)	40,000,000	35,000,000
Acceptances outstanding	16,799,768	18,903,238
Due to American Express Company	13,612,824	10,682,207
Other liabilities	46,209,672	36,889,509
Total	<u>504,319,337</u>	<u>467,965,789</u>
Shareholder's equity:		
Capital stock — authorized and outstanding, 60,000 shares of \$100 par value	6,000,000	6,000,000
Surplus	<u>23,132,035</u>	<u>22,531,741</u>
Total shareholder's equity	<u>29,132,035</u>	<u>28,531,741</u>
Total	<u>\$533,451,372</u>	<u>\$496,497,530</u>

See Notes to Financial Statements.

Notes to Financial Statements

1. The accompanying financial statements include the accounts of American Express Company and its wholly owned subsidiaries, with the exception of American Express Warehousing, Ltd. The Company's investment in this subsidiary is carried at a nominal amount under the caption "Investments in subsidiary and affiliated companies not consolidated." Because the ultimate outcome of the Allied Crude Vegetable Oil Refining Corporation matter (discussed in this report under the caption "American Express Warehousing, Ltd.") cannot now be determined, no provision has been made in the financial statements for any losses which might result therefrom. Legal fees and other expenses in connection with this matter, however, have been charged directly against surplus in 1964.

2. At December 31, 1964, investment securities and U. S. Government depositary bonds with book values aggregating \$59,495,000 and \$40,000,000 respectively, were deposited with various governmental agencies (principally U. S. Government) pursuant to their requirements. Substantially all of these securities have been deposited by the Company's principal subsidiary, The American Express Company, Incorporated.

3. The 1962 Stock Option Plan permits the granting (prior to July 1, 1967) to officers and employees of options to purchase shares of the Company's capital stock at prices equal to the fair market value of the stock at the time the options are granted. The options are exercisable in cumulative installments commencing one year after date of grant and, subject to certain limitations, expire five years from date of grant. At January 1, 1964, options to purchase 24,940 shares were outstanding. During 1964 options for 5,500 shares were granted and options for 375 shares were exercised. At December 31, 1964, options to purchase 30,065 shares were outstanding (for which an equal number of shares of the Company's reacquired capital stock were reserved). In addition, options for 65,200 shares may still be granted under the Plan.

4. Accounts carried on the books of overseas offices in foreign currencies are expressed in the accompanying financial statements at the U. S. dollar equivalent based on rates of exchange generally prevailing at the end of each respective year.

Accountants' Report

HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

TWO BROADWAY
NEW YORK 10004

The Directors and Shareholders of American Express Company:

We have examined the consolidated balance sheet of American Express Company and consolidated subsidiaries as of December 31, 1964 and the related statement of consolidated income and surplus for the year then ended. We have also examined the balance sheet of American Express Company and the consolidated balance sheet of the Company's principal subsidiary, The American Express Company, Incorporated, and consolidated subsidiaries. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances; as to American Express Company it was not practicable to reconcile the individual balances of travelers cheques and money orders with the respective related control accounts, but we satisfied ourselves with respect to the aggregate amounts of these accounts by other auditing procedures.

In our opinion, subject to the ultimate outcome of the Allied Crude Vegetable Oil Refining Corporation matter referred to in Note 1 to the financial statements, the accompanying balance sheets and statement of consolidated income and surplus present fairly the respective financial positions of the companies at December 31, 1964 and the results of their operations, on a consolidated basis, for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

February 16, 1965

Haskins + Sells

Board of Directors

American Express Company and The American Express Company, Inc.

HOYT AMMIDON	<i>Chairman of the Board, United States Trust Company of New York</i>
*†EUGENE R. BLACK	
*†HOWARD L. CLARK	<i>President and Chief Executive Officer</i>
*†ROBERT L. CLARKSON	<i>Chairman of the Finance Committee</i>
*LUCIUS D. CLAY	<i>Senior Partner, Lehman Brothers</i>
*†JOSEPH H. KING	<i>Partner, Eastman Dillon, Union Securities & Co.</i>
*†JAMES T. LEE	<i>Chairman of the Board, Central Savings Bank</i>
*WALTER P. MARSHALL	<i>Chairman of the Board and Chief Executive Officer, The Western Union Telegraph Company</i>
ROBERT R. MATHEWS	<i>Senior Vice President</i>
*†RALPH OWEN	<i>President, Equitable Securities Corporation and Chairman of the Board, American Express Company and The American Express Company, Inc.</i>
†FREDERICK W. PAGE	<i>Partner, J. & W. Seligman & Co.</i>
NORMAN F. PAGE	<i>Senior Vice President</i>
†OLAF RAVNDAL	<i>Executive Vice President, The American Express Company, Inc., and Senior Vice President, American Express Company</i>
†PHILIP D. REED	<i>Director of Various Companies</i>
*†RALPH T. REED	<i>Chairman of the Executive Committee</i>
*†LYNDE SELDEN	<i>Trustee of Various Trusts</i>
GRANT G. SIMMONS	<i>Honorary Chairman of the Board, Simmons Company</i>
WHITNEY STONE	<i>Chairman of the Board, Stone & Webster, Inc.</i>
	*Member of the Executive Committee
	†Member of the Finance Committee

Transfer Agent

The Chase Manhattan Bank, 1 Chase Manhattan Plaza, New York, N. Y.

Registrar

Bankers Trust Company, 16 Wall Street, New York, N. Y.

General Counsel

Carter, Ledyard & Milburn, 2 Wall Street, New York, N. Y.

Officials

President

HOWARD L. CLARK

Senior Vice Presidents

*OLAF RAVNDAL
RICHARD F. BLANCHARD
JAMES A. HENDERSON

ROBERT R. MATHEWS
NORMAN F. PAGE
GEORGE T. PFIFER
GEORGE W. WATERS

Senior Vice President and Secretary

HASBROUCK B. MILLER

Vice Presidents and General Managers

D. MARTIN AGNEW
‡General Manager, South Africa

JOHN S. ANDERSON, JR.
Vice President

RICHARD G. BARDSLEY
‡Vice President

ROBERT D. BEALS
Vice President

TREVOSE W. BENNEY
‡Vice President

DOUGLAS F. BUSHNELL
‡Vice President

KEVIN CONNELLY
‡General Manager, India

CHARLES A. CUCCINELLO
Vice President

FRANK R. DAVIS
‡Vice President, Switzerland

GEORGE F. DOHERTY
Vice President

MAXWELL C. ELLIOT
‡Vice President & General Manager,
Great Britain, Ireland, Iceland

DEREK J. FLETCHER
‡General Manager, Greece

JAMES J. GRIECO
Vice Presidente e Amministratore Delegato,
American Express Company, S.A.I. (Italy)

STEPHEN S. HALSEY
Vice President

MAURICE F. HARRI
‡Vice President

JOSEPH C. HART
‡General Manager, Pakistan

Treasurer
BROOKS BANKER

Inspector
BEN W. CUNNINGHAM, JR.

EVERETT K. HICKS
Vice President

RICHARD B. HOWLAND
Vice President & General Manager,
France and Morocco‡

MICHAEL E. LIVELY
Vice President

AUSTIN W. LOHSE
Vice President‡

DEMETRIOS D. PAPAËFSTRATIOU
General Manager, American Express (Hellas)
Travel and Shipping A. E. (Greece)

J. PAUL PARIS
General Manager, Canada‡

JOHN R. PEARSON
General Manager, American Express Company, mbH

WINFIELD K. REYNOLDS
Vice President‡

E. J. SCHUYTEN
Vice President‡

JOHN D. STEWART
Vice President

ROBERT L. STILLSON
Vice President

RICHARD D. STUART
General Manager, Japan and Okinawa‡

RICHARD TAYLOR
Vice President

THOMAS P. TURNBULL
General Manager (Facility Offices), Germany and Libya‡

MARSHALL S. WALKER, JR.
Vice President‡

CLARK B. WINTER
Vice President

Comptroller
JOHN E. WHITE

**Comptroller
Overseas Offices (London)**
IAN D. MARJORIBANKS‡

Assistant Vice Presidents

‡JACK H. BADY	PAUL M. HERMANN
†THOMAS A. BALL	CLEMENT J. HOLGATE‡
†WILLIAM B. BEAM	FRANK G. HOLMES
BENJAMIN F. BECKER	ERIC W. HURNER
‡GORDON BRADFORD	FRANK W. JAENIKE
WADE H. CARDEN	THEODORE D. JENNINGS†
AMORY S. CARHART, JR.	GEORGE O. JOHNSON†
†JOHN K. CONWAY	DONALD J. KELLY
JAMES R. CULLEN	MICHEL P. LANCRENON†
†EDWIN J. DANHEUSER	HARRY F. LYNCH†
VINCENT DeMAIO	WARD H. MANNING‡
‡RAYMOND T. DeNIGHT	FRANK B. PAGE, JR.
†RONALD J. DIORIO	FREDERICK A. PARKER, JR.
†CARL S. EGLAND	WILLIAM P. J. POWERS†
†FRANK W. ERICKSON	WILLIAM R. REID†
PHILIP P. FEDDIS	ROBERT T. ROCHE†
†HORACE A. FOULKS	HOWARD C. L. TERZIN‡
†ERSKINE GIRARD	THOMAS N. THORNE†
ROBERT J. GORRA	GERO VON GROTTTHUSS†
†KARL W. GRIMMELMANN	LEWIS D. WEIDA†

Assistant Comptrollers

PHILIP P. FEDDIS
ROBERT L. PURYEAR
THOMAS M. SIXSMITH
JAMES A. SMITH
FREDERICK L. TRACY

Assistant Secretaries

MICHAEL J. FENNIMORE
JOHN H. GILL†
ERIC W. HURNER
JOHN E. O'BRIEN

Assistant Treasurers

DANIEL M. FARRELL
EDGAR R. HAMILTON†
JACK M. MOODY
PHILIP M. SCHNECKENBURGER
CHARLES A. VON ELM

Wells Fargo & Company

JAMES A. HENDERSON	<i>President</i>
WALTER H. BEECROFT	<i>Executive Vice President</i>
JULIAN B. BONDURANT	<i>Vice President</i>
WILLIAM L. COLE	<i>Vice President</i>
CHARLES HANS	<i>Vice President, Secretary & Treasurer</i>
EDWIN A. INGBRETSEN	<i>Comptroller</i>

NOTE: Unless otherwise indicated, the foregoing officers hold the same position in both American Express Company and The American Express Company, Inc.

†American Express Company only

‡The American Express Company, Inc. only

*Also Executive Vice President, The American Express Company, Inc.