

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1996-11-14** | Period of Report: **1996-09-30**
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FILER

AMERICAN EXPRESS CREDIT CORP

CIK: **4969** | IRS No.: **111988350** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **001-06908** | Film No.: **96664814**
SIC: **6153** Short-term business credit institutions

Mailing Address
200 VESSEY ST
NEW YORK NY 10285-4900

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WILMINGTON DE 19801
3025943350

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 1996

() 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. 1-6908

AMERICAN EXPRESS CREDIT CORPORATION
(Exact name of registrant as specified in its charter)

Delaware 11-1988350
(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

One Christina Centre, Wilmington, Delaware 19801-2919
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (302) 594-3350

Former name, former address and former fiscal year, if changed since last
report.

THE REGISTRANT MEETS THE CONDITIONS SET FORTH IN GENERAL INSTRUCTION
H (1) (a) AND (b) OF FORM 10-Q AND HAS THEREFORE OMITTED CERTAIN ITEMS FROM
THIS REPORT IN ACCORDANCE WITH THE REDUCED DISCLOSURE FORMAT PERMITTED
UNDER GENERAL INSTRUCTIONS H(2).

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 X NO

Indicate the number of shares outstanding of each of the issuer's
classes of common stock, as of the latest practicable date.

Class	Outstanding at November 14, 1996
-----	-----
Common Stock, \$.10 par value	1,504,938 shares

AMERICAN EXPRESS CREDIT CORPORATION
(a wholly-owned subsidiary of American Express
Travel Related Services Company, Inc.)

FORM 10-Q

INDEX

	Page No.

PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements	
Condensed consolidated statements of income and retained earnings - three and nine months ended September 30, 1996 and 1995	3
Condensed consolidated balance sheets - September 30, 1996 and December 31, 1995	4
Condensed consolidated statements of cash flows - nine months ended September 30, 1996 and 1995	5
Notes to condensed consolidated financial statements	6
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	6
PART II. OTHER INFORMATION	
Item 6. Exhibits and Reports on Form 8-K	9

AMERICAN EXPRESS CREDIT CORPORATION
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PART I

Item 1. Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
AND RETAINED EARNINGS
(millions)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	1996	1995	1996	1995
	----	----	----	----
Revenues				
Revenue earned from purchased				
accounts receivable	\$ 453	\$ 408	\$1,375	\$1,191
Interest income from affiliates	40	43	120	126
Interest income from investments	46	27	145	96
Other income	1	2	3	6
	-----	-----	-----	-----
Total	540	480	1,643	1,419
	-----	-----	-----	-----
Expenses				
Interest expense - affiliates	33	29	104	101
Interest expense - other	248	231	740	672
Provision for doubtful accounts,				
net of recoveries	169	149	547	429
Other expenses	1	2	4	5
	-----	-----	-----	-----
Total	451	411	1,395	1,207
	-----	-----	-----	-----
Income before taxes	89	69	248	212
Income tax provision	31	24	87	74
	-----	-----	-----	-----
Net income	58	45	161	138
Retained earnings at				
beginning of period	1,721	1,664	1,618	1,571
	-----	-----	-----	-----
Retained earnings at				
end of period	\$1,779	\$1,709	\$1,779	\$1,709
	=====	=====	=====	=====

-3-

AMERICAN EXPRESS CREDIT CORPORATION
(a wholly-owned subsidiary of American Express
Travel Related Services Company, Inc.)

CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)

	(Unaudited) September 30, 1996 ----	December 31, 1995 ----
Assets		
Cash and cash equivalents	\$ 2,233	\$ 1,190
Accounts receivable	15,324	16,439
Less: reserve for doubtful accounts	620 -----	624 -----
	14,704	15,815
Loans and deposits with affiliates	2,850	2,850
Deferred charges and other assets	302 -----	337 -----
Total assets	\$20,089 =====	\$20,192 =====
Liabilities and shareholder's equity		
Short-term debt with affiliates	\$ 1,073	\$ 1,087
Short-term debt - other	13,572	13,115
Current portion of long-term debt - other	452	409
Long-term debt with affiliate	910	910
Long-term debt - other	1,561 -----	1,763 -----
Total debt	17,568	17,284
Due to affiliates	361	882
Accrued interest and other liabilities	131 -----	130 -----
Total liabilities	18,060 -----	18,296 -----
Deferred discount revenue	88 -----	116 -----

Shareholder's equity:		
Common stock	1	1
Capital surplus	161	161
Retained earnings	1,779	1,618
	-----	-----
Total shareholder's equity	1,941	1,780
	-----	-----
Total liabilities and shareholder's equity	\$20,089	\$20,192
	=====	=====

See notes to condensed consolidated financial statements.

-4-

AMERICAN EXPRESS CREDIT CORPORATION
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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(millions)
(Unaudited)

	Nine Months Ended September 30,	
	----- 1996 ----	----- 1995 ----
Cash Flows from Operating Activities:		
Net income	\$ 161	\$ 138
Adjustments to reconcile net income to net cash and cash equivalents provided by operating activities:		
Provision for doubtful accounts, net of recoveries	547	429
Amortization of deferred underwriting fees and bond discount/premium	1	1
Changes in operating assets and liabilities:		
Increase in deferred tax assets	(19)	(15)
Increase in interest receivable and other operating assets	(94)	(50)
Increase in accrued interest and other liabilities	4	1
Increase in due to affiliates	71	31
Decrease in deferred discount revenue	(28)	(11)
	-----	-----
Net cash provided by operating activities	643	524
	-----	-----
Cash Flows from Investing Activities:		
Increase in accounts receivable	(1,017)	(1,261)
Sale of net accounts receivable to an affiliate	2,294	-
Purchase of participation interest in seller's interest in accounts receivable from an		

affiliate	(2,178)	-
Sale of participation interest in seller's interest in accounts receivable to an affiliate	1,304	-
Recoveries of accounts receivable previously written off	141	124
Increase in loans and deposits with affiliates	-	(200)
Decrease in due to affiliates from purchased receivables	(531)	(239)
	-----	-----
Net cash provided by (used in) investing activities	13	(1,576)
	-----	-----
Cash Flows from Financing Activities:		
Net decrease in short-term debt with affiliates with maturity less than ninety days	(14)	(240)
Net increase(decrease) in short-term debt - other with maturity less than ninety days	6,621	(5,353)
Proceeds from issuance of debt	6,167	14,033
Repayment of debt	(12,387)	(6,355)
	-----	-----
Net cash provided by financing activities	387	2,085
	-----	-----
Net increase in cash and cash equivalents	1,043	1,033
Cash and cash equivalents at beginning of period	1,190	460
	-----	-----
Cash and cash equivalents at end of period	\$2,233	\$1,493
	=====	=====

See notes to condensed consolidated financial statements.

-5-

AMERICAN EXPRESS CREDIT CORPORATION
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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

- The condensed consolidated financial statements should be read in conjunction with the Annual Report of American Express Credit Corporation, including its subsidiaries where appropriate, ("Credco") on Form 10-K for the year ended December 31, 1995. Significant accounting policies disclosed therein have not changed.

The condensed consolidated financial statements are unaudited; however, in the opinion of management, they include all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the consolidated financial position of Credco at September 30, 1996 and the consolidated results of its operations and changes in its retained

earnings for the nine-month periods ended September 30, 1996 and 1995 and cash flows for the nine-month periods ended September 30, 1996 and 1995. Results of operations reported for interim periods are not necessarily indicative of results for the entire year.

2. For the nine-month periods ended September 30, 1996 and 1995, Credco paid \$844 million and \$869 million of interest, respectively. Income taxes paid for each of the nine-month periods ended September 30, 1996 and 1995 were \$124 million and \$103 million, respectively.
3. As part of American Express Travel Related Services Company, Inc.'s ("TRS") securitization program, Credco sold back to TRS \$2.2 billion of gross receivables arising under specified U.S. consumer Cardmember accounts. TRS sold these receivables, together with the right to receive subsequent receivables arising from such Cardmember accounts, to its subsidiary, American Express Receivables Financing Corporation ("RFC"). RFC, in turn, conveyed them to the American Express Master Trust (the "Trust"). This resulted in an increase in the participation interest in RFC's seller's interest in the securitized receivables owned by Credco Receivables Corp. ("CRC"), a subsidiary of Credco, for which CRC paid \$2.2 billion. In September 1996, the Trust issued \$1.25 billion of receivables trust certificates in two series. At the time of such issuance, CRC sold, at face amount less applicable reserve, \$1.3 billion of its gross participation interest in RFC's seller's interest back to RFC.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Liquidity and Capital Resources

At September 30, 1996, Credco had the ability to issue \$1 billion of medium and long-term debt securities under shelf registrations filed with the Securities and Exchange Commission.

Results of Operations

Credco purchases Cardmember receivables without recourse from American Express Travel Related Services Company, Inc. ("TRS") or its subsidiaries.

Non-interest-bearing Cardmember receivables are purchased at face amount less

-6-

AMERICAN EXPRESS CREDIT CORPORATION
(a wholly-owned subsidiary of American Express
Travel Related Services Company, Inc.)

a specified discount agreed upon from time to time, and interest-bearing Cardmember receivables are generally purchased at face amount. Non-interest-bearing receivables are purchased under Receivables Agreements that generally

provide that the discount rate shall not be lower than a rate that yields earnings of at least 1.25 times fixed charges on an annual basis. The ratio of earnings to fixed charges for the nine-month periods ended September 30, 1996 and 1995 was 1.29 and 1.27, respectively. The ratio of earnings to fixed charges for American Express Company (the "Company"), the parent of TRS, for the nine-month periods ended September 30, 1996 and 1995 was 2.05 and 1.87, respectively. The Receivables Agreements also provide that consideration will be given from time to time to revising the discount rate applicable to purchases of new receivables to reflect changes in money market interest rates or significant changes in the collectibility of receivables. Pretax income depends primarily on the volume of Cardmember receivables purchased, the discount rates applicable thereto, the relationship of total discount to Credco's interest expense and the collectibility of the receivables purchased.

Credco purchased \$100 billion and \$88 billion of Cardmember receivables during the nine-month periods ended September 30, 1996 and 1995, respectively. At September 30, 1996 and December 31, 1995, Credco owned \$13.6 billion and \$14.8 billion, respectively, of non-interest-bearing receivables, of which \$2.2 billion and \$2.3 billion, respectively, were participation interests owned by Credco Receivables Corp. ("CRC"), a wholly owned subsidiary of Credco. CRC owns a participation in the seller's interest in Cardmember receivables that have been conveyed to the American Express Master Trust (the "Trust"). This Trust was formed in 1992 by TRS to securitize U.S. consumer Cardmember receivables.

In connection with TRS' securitization program for U.S. consumer Cardmember receivables, CRC purchases from American Express Receivables Financing Corporation ("RFC"), a subsidiary of TRS, a participation interest in RFC's seller's interest in the receivables owned by the Trust. In September 1996, the Trust issued an additional \$1.25 billion of accounts receivable trust certificates to the public. At that time, CRC sold to RFC, at face amount less applicable reserve, \$1.3 billion of its gross participation interest. The gross participation interests represent undivided interests in the receivables conveyed to the Trust by RFC.

In addition, at both September 30, 1996 and December 31, 1995, Credco owned extended payment plan receivables totaling \$1.7 billion, including revolving credit loans purchased directly from American Express Centurion Bank ("Centurion Bank"), a subsidiary of TRS. The extended payment plan receivables owned at September 30, 1996 include \$98 million of participation interest owned by CRC. This represents a participation in the seller's interest in revolving credit receivables that have been conveyed to the American Express Credit Account Master Trust (the "Master Trust"). This Master Trust was formed by Centurion Bank during the second quarter of 1996 to securitize revolving credit loans.

For the nine-month periods ended September 30, 1996 and 1995, the average life of Cardmember receivables owned by Credco was 44 days and 43 days, respectively.

AMERICAN EXPRESS CREDIT CORPORATION
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Travel Related Services Company, Inc.)

Credco's write-offs, net of recoveries, as a percentage of the volume of Cardmember receivables purchased for the nine-month periods ended September 30, 1996 and 1995 was .48 percent and .42 percent, respectively.

Credco's increase in revenue for the nine-month period ended September 30, 1996, is due to increased volume of receivables purchased. Increased interest income for the nine-month period ended September 30, 1996 is attributable to an increase in average investments. Interest expense increased for the nine-month period ended September 30, 1996 due to an increase in volume. Provision for doubtful accounts for the nine-month period also increased primarily reflecting volume growth.

The following is an analysis of the increase (decrease) in key revenue and expense accounts for the nine-month period ended September 30, 1996, compared with the nine-month period ended September 30, 1995 (in millions):

	Nine Month Period -----
Revenue earned from purchased accounts receivable- changes attributable to:	
Volume of receivables purchased	\$ 149
Discount and interest rates	35

Total	\$ 184
	=====
Interest income from affiliates - changes attributable to:	
Volume of average investments outstanding	\$ 6
Interest rates	(12)

Total	\$ (6)
	=====
Interest income from investments - changes attributable to:	
Volume of average investments outstanding	\$ 64
Interest rates	(15)

Total	\$ 49
	=====
Interest expense(affiliates) - changes attributable to:	
Volume of average debt outstanding	\$ 15
Interest rates	(12)

Total	\$ 3

AMERICAN EXPRESS CREDIT CORPORATION
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Interest expense(other) - changes attributable to:	
Volume of average debt outstanding	\$ 159
Interest rates	(91)

Total	\$ 68
	=====

Provision for doubtful accounts - changes attributable to:	
Volume of receivables purchased	\$ 80
Provision rates and volume of recoveries	38

Total	\$ 118
	=====

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

- 12.1 Computation in support of ratio of earnings to fixed charges of American Express Credit Corporation.
- 12.2 Computation in support of ratio of earnings to fixed charges of American Express Company.
- 27. Financial data schedule.

(b) Reports on Form 8-K

None.

AMERICAN EXPRESS CREDIT CORPORATION
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AMERICAN EXPRESS CREDIT CORPORATION
(REGISTRANT)

DATE	November 14, 1996	/s/Vincent P. Lisanke ----- Vincent P. Lisanke (President, Chief Executive Officer and Chief Accounting Officer)
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EXHIBIT INDEX

Pursuant to Item 601 of Regulation S-K

	Description -----	How Filed -----
Exhibit 12.1	Computation in support of ratio of earnings to fixed charges of American Express Credit Corporation.	Electronically filed herewith.

AMERICAN EXPRESS CREDIT CORPORATION
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EXHIBIT 12.1
COMPUTATION IN SUPPORT OF RATIO OF EARNINGS TO FIXED CHARGES
OF AMERICAN EXPRESS CREDIT CORPORATION
(millions)

	Nine Months Ended September 30, (Unaudited)		Year Ended December 31,				
	----- 1996 -----	----- 1995 -----	----- 1995 -----	----- 1994 -----	----- 1993 -----	----- 1992 -----	----- 1991 -----
Earnings:							
Income before extraordinary charge	\$ 161	\$ 138	\$ 197	\$ 139	\$ 137	\$ 138	\$ 174
Income tax provision	87	74	105	75	64	70	87
Interest expense	844	773	1,054	736	599	728	946
	-----	-----	-----	-----	-----	-----	-----
Total earnings	\$1,092	\$ 985	\$1,356	\$ 950	\$ 800	\$ 936	\$1,207
	=====	=====	=====	=====	=====	=====	=====
Fixed charges:							
interest expense	\$844	\$773	\$1,054	\$736	\$599	\$728	\$946
	=====	=====	=====	=====	=====	=====	=====
Ratio of earnings to fixed charges	1.29	1.27	1.29	1.29	1.34*	1.29	1.28

Note: Gross rentals on long-term leases were minimal in each of the periods shown.

* The ratio of earnings to fixed charges calculated in accordance with the Receivables Agreements after the impact of the extraordinary charges of \$34 million (pretax) was 1.28.

AMERICAN EXPRESS CREDIT CORPORATION
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EXHIBIT 12.2
COMPUTATION IN SUPPORT OF RATIO OF EARNINGS TO FIXED CHARGES
OF AMERICAN EXPRESS COMPANY
(millions)

	Nine Months Ended September 30, (Unaudited)	Year Ended December 31,				
	1996	1995	1994	1993	1992	1991
Earnings:						
Pretax income from continuing operations	\$1,821	\$2,183	\$1,891	\$2,326	\$ 896	\$ 622
Interest expense	1,639	2,343	1,925	1,776	2,171	2,761
Other adjustments	108	95	103	88	196	142
Total earnings (a)	\$3,568	\$4,621	\$3,919	\$4,190	\$3,263	\$3,525
Fixed charges:						
Interest expense	\$1,639	\$2,343	\$1,925	\$1,776	\$2,171	\$2,761
Other adjustments	100	135	142	130	154	147
Total fixed charges (b)	\$1,739	\$2,478	\$2,067	\$1,906	\$2,325	\$2,908
Ratio of earnings to fixed charges (a/b)	2.05	1.86	1.90	2.20	1.40	1.21

Included in interest expense in the above computation is interest expense related to the international banking operations of American Express Company (the "Company") and Travel Related Services' Cardmember lending activities, which is netted against interest and dividends and Cardmember lending net finance charge revenue, respectively, in the Consolidated Statement of Income.

For purposes of the "earnings" computation, other adjustments include adding the amortization of capitalized interest, the net loss of affiliates accounted for under the equity method whose debt is not guaranteed by the Company, the minority interest in the earnings of majority-owned subsidiaries with fixed charges, and the interest component of rental expense and subtracting undistributed net income of affiliates accounted for under the equity method.

For purposes of the "fixed charges" computation, other adjustments include capitalized interest costs and the interest component of rental expense.

On May 31, 1994, the Company completed the spin-off of Lehman Brothers through a dividend to American Express common shareholders. Accordingly, Lehman Brothers' results are reported as a discontinued operation and are excluded from the above computation for all periods presented. In March 1993, the Company reduced its ownership in First Data Corporation to approximately 22 percent through a public offering. As a result, beginning in 1993, FDC was reported as an equity investment in the above computation. In the fourth quarter of 1995, the Company's ownership was further reduced to approximately 10 percent as a result of shares issued by FDC in connection with a merger transaction. Accordingly, as of December 31, 1995, the Company's investment in FDC is accounted for as Investments - Available for Sale.

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This schedule contains summary financial information extracted from Credco's Condensed Consolidated Balance Sheet at September 30, 1996 and Condensed Consolidated Statement of Income for the nine months ended September 30, 1996 and is qualified in its entirety by reference to such financial statements.

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