

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1995-05-10** | Period of Report: **1995-03-31**
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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.: **95536315**
SIC: **6153** Short-term business credit institutions

Business Address
*ONE RODNEY SQ
WILMINGTON DE 19801
3025943350*

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended March 31, 1995

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 Rodney Square, Wilmington, 19801
Delaware
(Address of principal executive (Zip Code)
offices)

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

None

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 May 10, 1995
-----	-----
Common Stock, \$.10 par value	1,504,938 shares

PAGE

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 months ended March 31, 1995 and 1994	3
Condensed consolidated balance sheets - March 31, 1995 and December 31, 1994	4
Condensed consolidated statements of cash flows - three months ended March 31, 1995 and 1994	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

-2-

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

PART I

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

	Three Months Ended March 31,	
	1995	1994
	----	----
Revenues		
Revenue earned from purchased accounts receivable	\$ 381	\$ 281
Interest income from affiliates	41	18
Interest income from investments	36	13
Other income	2	2
	----	----
Total	460	314
	----	----
Expenses		
Interest	253	150
Provision for doubtful accounts,		

net of recoveries	128	119
Other expenses	2	1
	----	----
Total	383	270
	----	----
Income before taxes	77	44
Income tax provision	27	15
	----	----
Net income	50	29
Retained earnings at beginning of period	1,571	1,532
	-----	-----
Retained earnings at end of period	\$1,621	\$1,561
	=====	=====

See notes to condensed consolidated financial statements.

-3-

PAGE

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

CONDENSED CONSOLIDATED BALANCE SHEETS
(millions)
(Unaudited)

	March 31, 1995	December 31, 1994
	-----	-----
Assets		
Cash and cash equivalents	\$ 1,405	\$ 460
Accounts receivable	13,200	14,020
Less reserve for doubtful accounts	517	498
	-----	-----
	12,683	13,522
Loans to affiliates	2,650	2,650
Deferred charges and other		

assets	274	236
	-----	-----
Total assets	\$17,012	\$16,868
	=====	=====
Liabilities and shareholder's equity		
Short-term debt	\$12,093	\$11,525
Current portion of long-term debt	437	405
Long-term debt	2,117	2,282
	-----	-----
Total debt	14,647	14,212
Due to affiliates	349	707
Accrued interest and other liabilities	145	121
	-----	-----
Total liabilities	15,141	15,040
	-----	-----
Deferred discount revenue	88	95
	-----	-----
Shareholder's equity:		
Common stock	1	1
Capital surplus	161	161
Retained earnings	1,621	1,571
	-----	-----
Total shareholder's equity	1,783	1,733
	-----	-----
Total liabilities and shareholder's equity	\$17,012	\$16,868
	=====	=====

See notes to condensed consolidated financial statements.

-4-

PAGE

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(millions)
(Unaudited)

Three Months Ended
March 31,

1995 1994

Cash Flows from Operating Activities:		
Net income	\$ 50	\$ 29
Adjustments to reconcile net income to net cash and cash equivalents provided by operating activities:		
Provision for doubtful accounts, net of recoveries	128	119
Amortization of deferred underwriting fees and bond discount/premium	1	-
Changes in operating assets and liabilities:		
Increase in deferred tax assets	(5)	(2)
Decrease (increase) in interest receivable and operating assets	150	(8)
(Decrease) increase in accrued interest and other liabilities	(7)	27
Increase (decrease) in due to affiliates	29	(3)
(Decrease) increase in deferred discount revenue	(7)	10
	-----	-----
Net cash provided by operating activities	339	172
	-----	-----
Cash Flows from Investing Activities:		
Decrease in accounts receivable	753	362
Purchase of net secured receivables from an affiliate	-	(85)
Recoveries of accounts receivable previously written off	42	44
Decrease in due to affiliates from purchased receivables	(406)	(368)
	-----	-----
Net cash and cash equivalents provided by (used in) investing activities	389	(47)
	-----	-----
Cash Flows from Financing Activities:		
Net (decrease) increase in short-term debt with maturity less than ninety days	(2,375)	3,230
Proceeds from issuance of debt	2,776	1,309
Repayment of debt	(184)	(3,042)
	-----	-----
Net cash and cash equivalents provided by financing activities	217	1,497
	-----	-----
Net increase in cash and cash equivalents	945	1,622
Cash and cash equivalents at beginning of period	460	257
	-----	-----

Cash and cash equivalents at end of period	\$ 1,405	\$ 1,879
	=====	=====

See notes to condensed consolidated financial statements.

-5-

PAGE

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. 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, 1994. 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 March 31, 1995 and December 31, 1994 and the consolidated results of its operations, changes in its retained earnings and cash flows for the three-month periods ended March 31, 1995 and 1994. Results of operations reported for interim periods are not necessarily indicative of results for the entire year.

2. For the three-month periods ended March 31, 1995 and 1994, Credco paid \$305 million and \$156 million of interest, respectively. Income taxes paid for each of the three-month periods ended March 31, 1995 and 1994 were \$0.8 million and \$17 million, respectively.

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

Credco's 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.

The ratio of earnings to fixed charges for the three-month periods ended March 31, 1995 and 1994 was 1.30 and 1.29, respectively.

Credco purchased \$27 billion and \$26 billion of Cardmember receivables during the three-month periods ended March 31, 1995 and 1994, respectively. At March 31, 1995 and 1994, Credco owned \$12 billion and \$11 billion,

respectively, of non-interest-bearing receivables. At both March 31, 1995 and 1994, non-interest-bearing receivables included \$1.4 billion of gross participation interests arising out of American Express Travel Related Services Company, Inc.'s asset securitization program. In addition, at March 31, 1995 and 1994, Credco owned extended payment plan receivables totaling \$1.5 billion and \$1.3 billion, respectively.

For the three-month periods ended March 31, 1995 and 1994, the average life of Cardmember receivables owned by Credco was 43 and 42 days, respectively.

Credco's write-offs, net of recoveries, as a percentage of the volume of Cardmember receivables purchased for the three-month periods ended March 31, 1995 and 1994 were .41 percent and .43 percent, respectively.

-6-

PAGE

AMERICAN EXPRESS CREDIT CORPORATION
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The following is an analysis of the increase (decrease) in key revenue and expense accounts for the three-month period ended March 31, 1995, compared with the three-month period ended March 31, 1994 (in millions):

Revenue earned from purchased accounts receivable-
changes attributable to:

Volume of receivables purchased	\$ 21
Discount and interest rates	79

Total	\$100
	====

Interest income from affiliates - changes attributable to:

Volume of average investments outstanding	\$ 6
Interest rates	17

Total	\$ 23
	====

Interest expense - changes attributable to:

Volume of average debt outstanding	\$ 18
Interest rates	85

Total	\$103
	====

Provision for doubtful accounts - changes attributable to:

Volume of receivables purchased	\$ 8
Provision rates and volume of recoveries	1

Total	\$ 9

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

- 12. Computation in support of ratio of earnings to fixed charges.
- 27. Financial data schedule.

(b) Reports on Form 8-K

None.

PAGE

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	May 10, 1995	/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. Computation in support of ratio of earnings to fixed charges. Electronically filed herewith.

Exhibit 27. Financial data schedule. Electronically filed herewith.

EXHIBIT 12

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

<TABLE>
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	Three Months Ended March 31, (Unaudited)		Year Ended December 31,				
	<C> 1995 ----	<C> 1994 ----	<C> 1994 ----	<C> 1993 ----	<C> 1992 ----	<C> 1991 ----	<C> 1990 ----
Earnings:							
Income before extraordinary charge	\$ 50	\$ 29	\$139	\$137	\$138	\$174	\$191
Income tax provision	27	15	75	64	70	87	99
Interest expense	253	150	736	599	728	946	1,022
Total earnings	==== \$330	==== \$194	==== \$950	==== \$800	==== \$936	==== \$1,207	==== \$1,312
Fixed charges - interest expense	==== \$253	==== \$150	==== \$736	==== \$599	==== \$728	==== \$946	==== \$1,022
Ratio of earnings to fixed charges	1.30	1.29	1.29	1.34*	1.29	1.28	1.28

</TABLE>

Note: Gross rentals on long-term leases were minimal in amount 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.

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This schedule contains summary financial information extracted from Credco's Condensed Consolidated Balance Sheet at March 31, 1995 and Condensed Consolidated Statement of Income for the year ended March 31, 1995 and is qualified in its entirety by reference to such financial statements.

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