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AMERICAN EXPRESS REPORTS THIRD QUARTER EPS OF \$1.50, UP 25%

REVENUES RISE 9%

FULL YEAR 2017 EPS GUIDANCE RAISED TO \$5.80-\$5.90

(Millions, except percentages and per share amounts)

	Quarters Ended September 30,		Percentage Inc/(Dec)	Nine Months Ended September 30,		Percentage Inc/(Dec)
	2017	2016		2017	2016	
Total Revenues Net of Interest Expense	\$ 8,436	\$ 7,774	9	\$ 24,632	\$ 24,097	2
Net Income	\$ 1,356	\$ 1,142	19	\$ 3,933	\$ 4,583	(14)
Earnings Per Common Share – Diluted:						
Net Income Attributable to Common Shareholders ¹	\$ 1.50	\$ 1.20	25	\$ 4.30	\$ 4.76	(10)
Average Diluted Common Shares Outstanding	881	923	(5)	892	943	(5)

New York – October 18, 2017 - American Express Company (NYSE: AXP) today reported third-quarter net income of \$1.4 billion, up 19 percent from \$1.1 billion a year ago. Diluted earnings per share was \$1.50, up 25 percent from \$1.20 a year ago.

Third-quarter consolidated total revenues net of interest expense were \$8.4 billion, up 9 percent from \$7.8 billion a year ago. Excluding the impact of foreign exchange rates, adjusted revenues net of interest expense grew 8 percent.² Those increases primarily reflected higher net interest income and Card Member spending, partially offset by a lower discount rate.

¹ Represents net income less (i) earnings allocated to participating share awards of \$11 million and \$9 million for the three months ended September 30, 2017 and 2016, respectively, and \$32 million and \$37 million for the nine months ended September 30, 2017 and 2016, respectively, and (ii) dividends on preferred shares of \$21 million for both the three months ended September 30, 2017 and 2016, and \$61 million for both the nine months ended September 30, 2017 and 2016.

² As reported in this release, FX-adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translations into U.S. dollars (i.e., assumes the foreign exchange rates used to determine results for the three months ended September 30, 2017 apply to the period(s) against which such results are being compared). Management believes the presentation of information on an FX-adjusted basis is helpful to investors by making it easier to compare the company's performance in one period to that of another period without the variability caused by fluctuations in currency exchange rates.



Consolidated provisions for losses were \$769 million, up 53 percent from \$504 million a year ago. The rise primarily reflected continued strong growth in the loan portfolio and an expected increase in the lending write-off and delinquency rates.

Consolidated expenses were \$5.8 billion, up 6 percent from \$5.5 billion last year. The current quarter included higher rewards expenses primarily related to product enhancements and an increase in Card Member spending, partially offset by lower marketing costs. Operating expenses were unchanged from a year ago, reflecting lower technology-related costs, offset by asset impairments and restructuring and other charges in the company's U.S. Loyalty Coalition and Prepaid businesses. Excluding the asset impairments and other charges in the current year and restructuring charges in both years, adjusted operating expenses declined 4 percent.³

The effective tax rate for the quarter was 26 percent, down from 34 percent a year ago, primarily due to the realization of certain foreign tax credits in the current year and the geographic mix of earnings.

"We are completing a two-year turnaround ahead of plan with strong revenue and earnings growth across all of our business segments," said Kenneth I. Chenault, chairman and chief executive officer. "We've added products and benefits, shown continued strength in acquiring new customers, and expanded our merchant network.

"Loan growth continued to be strong and credit metrics were again in line with our expectations. We've contained operating costs and reallocated a significant part of those savings to fund many of the initiatives that are now driving growth across the business. Throughout the turnaround, we've dealt effectively with competitive challenges and redesigned our marketing, customer service and risk management capabilities for the digital age.

"We're starting a new chapter from a position of strength. Based on the momentum in the business, we now expect full year 2017 EPS of \$5.80 to \$5.90. That's up from our earlier outlook of \$5.60 to \$5.80."

Segment Results

U.S. Consumer Services reported third-quarter net income of \$475 million, up 18 percent from \$401 million a year ago.

Total revenues net of interest expense were \$3.3 billion, up 13 percent from \$2.9 billion a year ago. The increase primarily reflected higher net interest income and Card Member spending.

Provisions for losses totaled \$459 million, up 67 percent from \$275 million a year ago. The rise primarily reflected strong growth in the loan portfolio and an expected increase in the lending write-off and delinquency rates.

³ Operating expenses represent salaries and employee benefits, professional services, occupancy and equipment, communications, and other, net. Adjusted operating expenses is a non-GAAP measure. Management believes adjusted operating expenses is a useful metric for evaluating the company's ongoing performance and cost reduction efforts. See Appendix I for a reconciliation to operating expenses on a GAAP basis.



Total expenses were \$2.1 billion, up 6 percent from \$2.0 billion a year ago. The current quarter reflected higher rewards expenses related to product enhancements and an increase in Card Member spending, partially offset by lower technology-related costs and a decline in marketing expenses.

The effective tax rate was 32 percent, down from 35 percent a year ago.

International Consumer and Network Services reported third-quarter net income of \$286 million, up 85 percent from \$155 million a year ago.

Total revenues net of interest expense were \$1.5 billion, up 7 percent (up 6 percent FX-adjusted²) from \$1.4 billion a year ago. The increase primarily reflected higher Card Member spending and net interest income.

Provisions for losses totaled \$106 million, up 26 percent from \$84 million a year ago. The rise primarily reflected continued strong growth in the loan portfolio and an expected increase in the lending write-off rate.

Total expenses were \$1.1 billion, down 2 percent (down 3 percent FX-adjusted²) from a year ago. The decrease primarily reflected lower marketing and employee compensation expenses, partially offset by higher rewards costs.

The effective tax rate was 7 percent, down from 25 percent a year ago, due largely to the realization of certain foreign tax credits in the current year and the geographic mix of earnings.

Global Commercial Services reported third-quarter net income of \$529 million, up 14 percent from \$466 million a year ago.

Total revenues net of interest expense were \$2.6 billion, up 6 percent from \$2.4 billion a year ago. The increase primarily reflected higher Card Member spending and net interest income.

Provisions for losses totaled \$194 million, up 45 percent from \$134 million a year ago. The increase primarily reflected strong growth in the loan portfolio and an expected increase in the lending write-off rate.

Total expenses were \$1.6 billion, up 3 percent from a year ago. The current quarter reflected higher rewards expenses related to product enhancements and an increase in Card Member spending, partially offset by lower technology-related and marketing expenses.

The effective tax rate was 31 percent, down from 36 percent a year ago, due largely to the geographic mix of earnings.

Global Merchant Services reported third-quarter net income of \$368 million, up 3 percent from \$359 million a year ago.



Total revenues net of interest expense were \$1.2 billion, up 4 percent from \$1.1 billion a year ago. The increase primarily reflected higher Card Member spending, partially offset by a lower discount rate.

Total expenses were \$628 million, up 20 percent from \$525 million a year ago. The increase primarily reflected a portion of the previously-mentioned asset impairments and restructuring and other charges.

The effective tax rate was 29 percent, down from 37 percent a year ago, due largely to the realization of certain foreign tax credits in the current year.

Corporate and Other reported third-quarter net loss of \$302 million compared with net loss of \$239 million a year ago, reflecting a portion of the previously-mentioned asset impairments and restructuring charges.

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About American Express

American Express is a global services company, providing customers with access to products, insights and experiences that enrich lives and build business success. Learn more at americanexpress.com, and connect with us on facebook.com/americanexpress, instagram.com/americanexpress, linkedin.com/company/american-express, twitter.com/americanexpress, and youtube.com/americanexpress.

Key links to products, services and corporate responsibility information: [charge and credit cards](#), [business credit cards](#), [Plenti rewards program](#), [travel services](#), [gift cards](#), [prepaid cards](#), [merchant services](#), [Accertify](#), [corporate card](#), [business travel](#), and [corporate responsibility](#).

This earnings release should be read in conjunction with the company's statistical tables for the third-quarter 2017, available on the American Express website at <http://ir.americanexpress.com> and in a Form 8-K filed today with the Securities and Exchange Commission.

An investor conference call will be held at 5:00 p.m. (ET) today to discuss third-quarter earnings results. Live audio and presentation slides for the investor conference call will be available to the general public on the above-mentioned American Express Investor Relations website. A replay of the conference call will be available later today at the same website address.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are subject to risks and uncertainties. The forward-looking statements, which address the Company's expected business and financial performance and which include management's outlook for 2017, among other matters, contain words such as "believe," "expect," "estimate," "anticipate," "intend," "plan," "aim," "will," "may,"



“should,” “could,” “would,” “likely” and similar expressions. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The Company undertakes no obligation to update or revise any forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements, include, but are not limited to, the following:

- the Company’s ability to achieve its 2017 earnings per common share outlook , which will depend in part on the following: revenues growing consistently with current expectations, which could be impacted by, among other things, the factors identified in the subsequent bullet; credit performance remaining consistent with current expectations; the level of spend in bonus categories on rewards-based and/or cash-back cards and redemptions of Card Member rewards and offers; the impact of any future contingencies, including, but not limited to, litigation-related settlements, judgments or expenses, the imposition of fines or civil money penalties, an increase in Card Member reimbursements, restructurings, impairments and changes in reserves; the ability to continue to realize benefits from restructuring actions and operating leverage at levels consistent with current expectations; the amount the Company spends on Card Member engagement and the Company’s ability to drive growth from such investments; changes in interest rates beyond current expectations (including the impact of hedge ineffectiveness and deposit rate increases); the impact of regulation and litigation, which could affect the profitability of the Company’s business activities, limit the Company’s ability to pursue business opportunities, require changes to business practices or alter the Company’s relationships with partners, merchants and Card Members; the Company’s tax rate remaining in line with current expectations, which could be impacted by, among other things, the Company’s geographic mix of income being weighted more to higher tax jurisdictions than expected, changes in tax laws and regulation and unfavorable tax audits and other unanticipated tax items; write-downs of deferred tax assets as a result of tax law or other changes; the impact of accounting changes and reclassifications; and the Company’s ability to continue executing its share repurchase program;
- the ability of the Company to grow revenues net of interest expense, which could be impacted by, among other things, weakening economic conditions in the United States or internationally, a decline in consumer confidence impacting the willingness and ability of Card Members to sustain and grow spending, continued growth of Card Member loans, a greater erosion of the average discount rate than expected, the strengthening of the U.S. dollar, a greater impact on discount revenue from cash back and cobrand partner and client incentive payments, more cautious spending by large and global corporate Card Members, the willingness of Card Members to pay higher card fees, and lower spending on new cards acquired than estimated; and will depend on factors such as the Company’s success in addressing competitive pressures and implementing its strategies and business initiatives, including growing profitable spending from existing and new Card Members, increasing penetration among middle market and small business clients, expanding the Company’s international footprint and increasing merchant acceptance;
- changes in the substantial and increasing worldwide competition in the payments industry, including competitive pressure that may impact the prices charged to merchants that accept American Express cards, competition for cobrand relationships and the success of marketing, promotion or rewards programs;
- the Company’s rewards expense and cost of Card Member services growing inconsistently from expectations, which will depend in part on Card Member behavior as it relates to their spending patterns and actual usage and redemption of rewards, as well as the degree of interest of Card Members in the value proposition offered by the Company; increasing competition, which could result in greater rewards offerings; the Company’s ability to enhance card products and services to make them attractive to Card Members; and the amount the Company spends on the promotion of enhanced services and rewards categories and the success of such promotion;



- the actual amount to be spent on marketing and promotion, which will be based in part on management's assessment of competitive opportunities; overall business performance and changes in macroeconomic conditions; the actual amount of advertising and Card Member acquisition costs; competitive pressures that may require additional expenditures; the Company's ability to continue to shift Card Member acquisition to digital channels; contractual obligations with business partners and other fixed costs and prior commitments; management's ability to identify attractive investment opportunities and make such investments, which could be impacted by business, regulatory or legal complexities; and the Company's ability to realize efficiencies, optimize investment spending and control expenses to fund such spending;
- the ability of the Company to reduce its overall cost base by \$1 billion on a run rate basis by the end of 2017, which will depend in part on the timing and financial impact of reengineering plans, which could be impacted by factors such as the Company's inability to mitigate the operational and other risks posed by potential staff reductions, the Company's inability to develop and implement technology resources to realize cost savings and underestimating hiring and other employee needs; the ability of the Company to reduce annual operating expenses, which could be impacted by, among other things, the factors identified below; the ability of the Company to optimize marketing and promotion expenses, which could be impacted by the factors identified in the preceding bullet;
- the ability to reduce annual operating expenses, which could be impacted by the need to increase significant categories of operating expenses, such as consulting or professional fees, including as a result of increased litigation, compliance or regulatory-related costs or fraud costs; the ability of the Company to develop, implement and achieve substantial benefits from reengineering plans; higher than expected employee levels; the impact of changes in foreign currency exchange rates on costs; the payment of civil money penalties, disgorgement, restitution, non-income tax assessments and litigation-related settlements; impairments of goodwill or other assets; management's decision to increase or decrease spending in such areas as technology, business and product development and sales forces; greater than expected inflation; the Company's ability to balance expense control and investments in the business; the impact of accounting changes and reclassifications; and the level of M&A activity and related expenses;
- the Company's delinquency and write-off rates and growth of provisions for losses being higher than current expectations, which will depend in part on changes in the level of loan balances and delinquencies, mix of loan balances, loans and receivables related to new Card Members and other borrowers performing as expected, credit performance of new and enhanced lending products, unemployment rates, the volume of bankruptcies and recoveries of previously written-off loans;
- the Company's ability to execute against its lending strategy to grow loans, which may be affected by increasing competition, brand perceptions and reputation, the Company's ability to manage risk in a growing Card Member loan portfolio, and the behavior of Card Members and their actual spending and borrowing patterns, which in turn may be driven by the Company's ability to issue new and enhanced card products, offer attractive non-card lending products, capture a greater share of existing Card Members' spending and borrowings, reduce Card Member attrition and attract new customers;
- the growth in net interest income slowing more than expected, which will be impacted by the growth and mix of Card Member and other loans, which will depend in part on the factors identified in the preceding bullet, and the Company's net interest yield on Card Member loans, which will be influenced by, among other things, interest rates, changes in consumer behavior that affect loan balances, such as paydown rates,



the Company's Card Member acquisition strategy, product mix, cost of funds, credit actions, including line size and other adjustments to credit availability, potential pricing changes and deposit rates, which could be impacted by, among other things, the factors identified in the subsequent bullet;

- the Company's deposit rates increasing faster or slower than current expectations due to changes in the Company's funding mix, market pressures, regulatory constraints or changes in benchmark interest rates, which could affect the Company's net interest yield and funding costs;
- the possibility that the Company will not execute on its plans to significantly increase merchant coverage, which will depend in part on the success of OptBlue merchant acquirers in signing merchants to accept American Express, which could be impacted by the pricing set by the merchant acquirers, the value proposition offered to small merchants and the efforts of OptBlue merchant acquirers to sign merchants for American Express acceptance, as well as the awareness and willingness of Card Members to use American Express cards at small merchants and of those merchants to accept American Express cards;
- the ability of the Company to capture commercial spending, which will depend in part on the willingness and ability of companies to use credit and charge cards for procurement and other business expenditures, perceived or actual difficulties and costs related to setting up card-based B2B payment platforms, the ability of the Company to offer attractive value propositions and card products to potential customers, competition, the Company's ability to enhance and expand its payment solutions, and the effectiveness of the Company's marketing and promotion of its corporate payment solutions and small business card products to potential customers;
- the ability of the Company to grow internationally, including the growth of international proprietary and GNS billed business, which could be impacted by regulation and business practices, such as those capping interchange or other fees, favoring local competitors or prohibiting or limiting foreign ownership of certain businesses; the Company's ability to partner with additional GNS issuers as a result of regulation or otherwise and the success of GNS partners in acquiring Card Members and/or merchants; political or economic instability, which could affect lending and other commercial activities; the Company's ability to tailor products and services to make them attractive to local customers; and competitors with more scale and experience and more established relationships with relevant customers, regulators and industry participants;
- the Company's ability to attract and retain Card Members, including within the premium space, which will be impacted in part by competition, brand perceptions (including perceptions related to merchant coverage) and reputation and the ability of the Company to develop and market value propositions that appeal to Card Members and new customers and offer attractive services and rewards programs, which will depend in part on ongoing investment in marketing and promotion expenses, new product innovation and development, Card Member acquisition efforts and enrollment processes, including through digital channels, and infrastructure to support new products, services and benefits;
- the ability of the Company to maintain and expand its presence in the digital payments space, which will depend on the Company's success in evolving its products and processes for the digital environment, offering attractive value propositions to Card Members to incentivize the use of and enhance satisfaction with the Company's digital channels and the Company's products as a means of payment through online and mobile channels, building partnerships and executing programs with other companies, and utilizing digital capabilities that can be leveraged for future growth;



- the ability of the Company to innovate and introduce new network features and offer expanded products and services to GNS partners, which will depend in part on the ability of the Company to update its systems and platforms, the amount the Company invests in the network, and technological developments relating to fraud protection support, marketing insights and digital connections;
- the erosion of the average discount rate by a greater amount than anticipated, including as a result of a greater shift of existing merchants into the OptBlue program, changes in the mix of spending by location and industry, merchant negotiations (including merchant incentives, concessions and volume-related pricing discounts), competition, pricing regulation (including regulation of competitors' interchange rates in the European Union and elsewhere) and other factors;
- changes affecting the ability or desire of the Company to return capital to shareholders through dividends and share repurchases, which will depend on factors such as approval of the Company's capital plans by its primary regulators, the amount the Company spends on acquisitions of companies and the Company's results of operations and capital needs and economic environment in any given period;
- uncertainty relating to the ultimate outcome of the antitrust lawsuit filed against the Company by the U.S. Department of Justice and certain state attorneys general, including the review of the case by the U.S. Supreme Court and the impact on existing private merchant cases and potentially additional litigation and/or arbitrations;
- legal and regulatory developments, including with regard to broad payment system regulatory regimes, actions by the CFPB and other regulators and the stricter regulation of financial institutions, which could require the Company to make fundamental changes to many of its business practices, including our ability to continue certain GNS and other partnerships; exert further pressure on the average discount rate and GNS volumes; result in increased costs related to regulatory oversight, litigation-related settlements, judgments or expenses, restitution to Card Members or the imposition of fines or civil money penalties; materially affect capital or liquidity requirements, results of operations, or ability to pay dividends or repurchase of stock; or result in harm to the American Express brand; and
- factors beyond the Company's control such as changes in global economic and business conditions, consumer and business spending, the availability and cost of capital, unemployment rates, geopolitical conditions (including potential impacts resulting from the U.S. Administration and the proposed exit of the U.K. from the European Union), foreign currency rates and interest rates, as well as fire, power loss, disruptions in telecommunications, severe weather conditions, natural disasters (including further impacts from the recent hurricanes in Texas, Florida and Puerto Rico), health pandemics, terrorism, cyber attacks or fraud, any of which could significantly affect demand for and spending on American Express cards, delinquency rates, loan balances and other aspects of the Company and its results of operations or disrupt the Company's global network systems and ability to process transactions.

A further description of these uncertainties and other risks can be found in the Company's Annual Report on Form 10-K for the year ended December 31, 2016, the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 2017 and the Company's other reports filed with the Securities and Exchange Commission.



Appendix I

Reconciliations of Adjustments

(Millions, except percentages and where indicated)

	Q3'17	Q3'16	YOY % Change
Adjusted Operating Expenses			
Operating expenses (A)	\$ 2,763	\$ 2,761	-
U.S. Loyalty Coalition and Prepaid charges (pre-tax) (B)	(155)		
Q3'16 Restructuring charge (pre-tax)		(44)	
Adjusted Operating Expenses	\$ 2,608	\$ 2,717	(4)

(A) Operating expenses represent salaries and employee benefits, professional services, occupancy and equipment, communications, and other, net.

(B) Includes asset impairments and restructuring and other charges.