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AMERICAN EXPRESS REPORTS THIRD QUARTER EPS OF $1.24, VERSUS $1.40 A YEAR AGO

RESULTS REFLECT HIGHER SPENDING ON GROWTH INITIATIVES AS WELL AS THE IMPACT OF PREVIOUS CO-BRAND RENEWALS AND STRONGER U.S. DOLLAR

(Millions, except percentages and per share amounts)

	Quarters Ended September 30,		Percentage Inc/(Dec)	Nine Months Ended September 30,		Percentage Inc/(Dec)
	2015	2014		2015	2014	
Total Revenues Net of Interest Expense	$ 8,193	$ 8,303	(1%)	$24,427	$ 25,107	(3%)
Net Income	$1,266	$ 1,477	(14%)	$4,264	$ 4,438	(4%)
Earnings Per Common Share – Diluted:						
Net Income Attributable to Common Shareholders[1]	$1.24	$ 1.40	(11%)	$4.15	$ 4.17	(0%)
Average Diluted Common Shares Outstanding	997	1,047	(5%)	1,011	1,057	(4%)
Return on Average Equity	26.8%	28.8%		26.8%	28.8%	

New York – October 21, 2015 - **American Express Company (NYSE: AXP)** today reported third-quarter net income of $1.3 billion, down 14 percent from $1.5 billion a year ago. Diluted earnings per share was $1.24, down 11 percent from $1.40 a year ago.

Results for the quarter were significantly affected by higher spending on growth initiatives, earlier changes to certain renewed co-brand partnerships, and the stronger U.S. dollar.

Consolidated total revenues net of interest expense was $8.2 billion, down 1 percent from $8.3 billion a year ago. Excluding the impact of foreign exchange rates, adjusted revenues rose 3 percent.[2] The

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[1] Represents net income less earnings allocated to participating share awards of $10 million and $11 million for the three months ended September 30, 2015 and 2014, respectively, and $32 million and $35 million for the nine months ended September 30, 2015 and 2014, respectively. In addition, net income is further reduced by dividends on preferred shares of $22 million and $42 million for the three and nine months ended September 30, 2015, respectively. No preferred dividends were paid in 2014.

[2] As reported in this release, FX-adjusted information, which constitute non-GAAP financial measures, assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars (i.e., assumes the foreign exchange rates used to determine results for the three months ended September 30, 2015 apply to the period(s) against which such results are being compared). Certain amounts included in the calculation of FX-adjusted revenues and expenses, which constitute non-GAAP measures, are subject to management allocations. The company 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.

increase primarily reflected continued growth in the loan portfolio and modestly higher Card Member spending.

Consolidated provisions for losses totaled $529 million, up 8 percent from $488 million a year ago, reflecting an addition to reserves in the current year compared to a reserve release a year ago.

Consolidated expenses totaled $5.7 billion, up 3 percent from $5.6 billion a year ago. On an FX-adjusted basis, consolidated expenses rose 7 percent, reflecting higher spending on growth initiatives, primarily for marketing and technology development.[2] The increase was also driven by higher rewards and Card Member services costs due to higher Card Member spending volumes and the impact of certain previously renewed co-brand partnerships.

The effective tax rate was 35 percent, compared to 34 percent a year ago.

The company's return on average equity (ROE) was 26.8 percent, down from 28.8 percent a year ago.

“While overall results were in line with our 2015 financial outlook, the quarter reflected the headwinds and challenges that we have been dealing with throughout this year,” said Kenneth I. Chenault, chairman and chief executive officer. “Reported revenue and billed business levels were suppressed by a stronger U.S. dollar. In addition, the renewals and changes that we made earlier this year to some co-brand relationships also entailed some significant incremental expenses this quarter.

“Against the backdrop of a challenging environment and an uneven global economy, we continued to move forward with initiatives to build our business for the years ahead. With our Costco relationship set to end in the U.S. next year, we’re investing substantially more in marketing, incentives and technology to attract a range of new Card Members and additional spending across our network. We’re expanding card acceptance at an accelerated pace among smaller merchants and also added Sam’s Club, the eighth largest retailer in the U.S., to our network earlier this month. We’re broadening our relationships with Card Members to accommodate more of their borrowing needs, and our loan portfolio continued its steady growth this quarter.

“The flexibility to invest in these and other growth initiatives comes in part from our ongoing progress in containing operating expenses throughout the company. We also continue to benefit from a strong balance sheet that allows us to return a substantial portion of our earnings to shareholders through share repurchases and dividends.

“We continue to expect quarterly earnings performance to be more uneven than it has been historically as we move forward on initiatives to help ensure our organization is in position to return to growth and deliver on the multi-year financial outlook that we first shared in February of this year. Throughout this year, we have said that our full year 2015 outlook was for EPS to be flat to modestly down versus the prior year. Barring any contingencies, we now expect our full year 2015 EPS to be between $5.20 and $5.35. We believe our outlook to return to positive earnings per share growth in 2016 and within our target range of 12 to 15 percent in 2017 remains appropriate.”

Segment Results

U.S. Card Services reported third-quarter net income of $794 million, down 11 percent from $889 million a year ago.

Total revenues net of interest expense increased 5 percent to $4.7 billion, from $4.5 billion a year ago. The rise reflected higher net interest income from growth in the loan portfolio and an increase in Card Member spending.

Provisions for losses totaled $390 million, up 23 percent from $316 million a year ago. The increase reflected an addition to reserves in the current year compared to a reserve release a year ago.

Total expenses increased 11 percent to $3.1 billion from $2.8 billion a year ago. The rise reflected in part higher spending on growth initiatives, primarily within marketing and promotion and technology development. The increase was also driven by higher rewards and services costs due to higher Card Member spending volumes and the impact of certain previously renewed co-brand partnerships.

The effective tax rate for the quarter remained unchanged from a year ago at 37 percent.

International Card Services reported third-quarter net income of $89 million, down 37 percent from $142 million a year ago. The decline largely reflected a significant impact from a stronger U.S. dollar.

Total revenues net of interest expense were $1.2 billion, down 11 percent from $1.4 billion a year ago. On an FX-adjusted basis, revenues rose 4 percent, reflecting in part higher net card fees and an increase in revenues from the Loyalty Partner business.[2]

Total expenses were $1.0 billion, down 6 percent from $1.1 billion a year ago. On an FX-adjusted basis, expenses were up 4 percent, reflecting increased spending on growth initiatives, primarily within marketing.[2]

The effective tax rate was 15 percent compared to 19 percent a year ago.

Global Commercial Services reported third-quarter net income of $151 million, down 26 percent from $204 million a year ago.

Total revenues net of interest expense were $817 million, down 9 percent from $900 million a year ago. On an FX-adjusted basis, revenues declined 5 percent, primarily reflecting a year-ago gain on the sale of investment securities and lower discount revenue.[2]

Total expenses were $541 million, compared to $542 million a year ago. The quarter reflected expenses associated with technology development to support growth initiatives.

The effective tax rate was 37 percent, up from 34 percent from a year ago.

Global Network & Merchant Services reported third-quarter net income of $462 million, up 8 percent from $427 million a year ago.

Total revenues net of interest expense were $1.4 billion, down 6 percent from $1.5 billion a year ago. On an FX-adjusted basis, revenues increased 1 percent, reflecting in part increased revenue from bank partners.[2]

Total expenses decreased 16 percent to $633 million, from $756 million a year ago, primarily reflecting a litigation reserve release associated with a recently rejected merchant class settlement.

The effective tax rate was 36 percent, unchanged from a year ago.

Corporate and Other reported third-quarter net loss of $230 million compared with net loss of $185 million a year ago.

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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, foursquare.com/americanexpress, linkedin.com/company/american-express, twitter.com/americanexpress, and youtube.com/americanexpress.

Key links to products and services: charge and credit cards, business credit cards, Plenti rewards program, travel services, gift cards, prepaid cards, merchant services, corporate card and business travel.

The 2015 Third Quarter Earnings Supplement will be available today on the American Express website at http://ir.americanexpress.com. 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 at the same website. A replay of the conference call will be available later today at the same website address.

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 2015-2017, 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 earnings per common share ("EPS") growth for the full year 2015 between $5.20 and $5.35, which will depend in part on the following: billed business and revenue growth rates in the fourth quarter, which could be impacted by, among other things, a decline in consumer confidence impacting the willingness and ability of Card Members to sustain spending, deterioration in the corporate and small business spending levels, weakening economic conditions in the U.S. or internationally, concerns regarding U.S. debt and budget matters, and an increase in the erosion of the average discount rate due to mix, competition, timing of merchant re-signings or other factors; the impact of any potential restructuring charges or other contingencies, including, but not limited to, unanticipated litigation-related expenses, impairments to goodwill or other intangible assets, regulatory fines, an increase in Card Member reimbursements and changes in reserves; credit performance worsening beyond current expectations; a decline in the Card Member loan portfolio; the Company's tax rate remaining in line with recent performance, which could be impacted by, among other things, the potential failure of the U.S. Congress to renew legislation regarding the active financing exception to Subpart F of the Internal Revenue Code, the Company's geographic mix of income being weighted more to higher tax jurisdictions than expected and unfavorable tax audits and other unanticipated tax items; the ability to continue to realize benefits from the Company's 2014 restructuring actions and operating leverage at levels consistent with recent quarters; the U.S. dollar strengthening beyond current expectations; the amount the Company spends in the fourth quarter on growth initiatives; significant changes in interest rates; the impact of accounting changes and reclassifications; and the Company's ability to continue executing its share repurchase program;

- the Company's ability to achieve earnings per share growth in 2016 and return to the Company's on-average and over-time EPS growth target in 2017, which will depend on factors such as: the Company's success in implementing its strategies and business initiatives, including growing profitable spending through proprietary, co-brand and network products, increasing penetration among corporate clients, expanding its international footprint, growing loyalty coalitions and marketing services, increasing merchant acceptance, controlling expenses and addressing the end of the Costco U.S. relationship; the terms and outcome of the Costco U.S. Card Member loan portfolio sale discussions; the behavior of Card Members and their actual spending patterns; the impact of new regulations in the European Union, the court's order in the U.S. Department of Justice case in the marketplace and regulatory and competitive pressures generally; the effectiveness of the Company's marketing and loyalty programs; credit trends; changes in foreign currency exchange and interest rates; changes in general economic conditions, such as GDP growth, consumer confidence, unemployment and the housing market; and on other factors outside management's control;

- the actual amount to be spent by the Company on growth initiatives, including on marketing and promotion, technology development and contra-discount revenue items, as well as the timing of any such spending, which will be based in part on management's assessment of competitive opportunities, overall business performance, the amount of any potential gain arising from a sale of the Costco U.S. Card Member loan portfolio the Company decides to spend on growth initiatives, contractual obligations with business partners, 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 performance, and the Company's ability to realize efficiencies and control expenses to fund such spending;

- uncertainty related to the Company's ability to drive growth and achieve attractive returns from spending on growth initiatives, which will depend in part on the Company's ability to develop and market value propositions that appeal to Card Members and new customers and on the Company's ability to offer attractive services and rewards programs, as well as increasing competition, brand perceptions and reputation, the behavior of the Company's Card Members and their actual spending patterns, and ineffective or insufficient levels of investments, including on marketing and promotion expenses, new product development, acquisition efforts, including through digital channels, and attractive Card Member services and rewards programs;

- the ability to hold annual operating expense growth to less than 3 percent for 2015, which could be impacted by unanticipated increases in significant categories of operating expenses, such as consulting or professional fees, compliance or regulatory-related costs and technology costs, any potential restructuring charges, the payment of civil money penalties, disgorgement and restitution, the Company's decision to increase or decrease spending in such areas as technology development depending on overall business performance, the Company's ability to achieve the expected benefits of the Company's reengineering plans, the Company's ability to balance expense control and investments in the business, the impact of changes in foreign currency exchange rates on costs, the impact of accounting changes and reclassifications, and the level of acquisition activity and related expenses;

- the Company's lending write-off rates increasing more quickly than current expectations and reserves building more than modestly, and the concomitant impact on the Company's provision expense being higher than current expectations, which will depend in part on changes in the level of the Company's loan balances, delinquency rates of Card Members, unemployment rates, the volume of bankruptcies and recoveries of previously written-off loans;

- uncertainty relating to the ultimate outcome of the lawsuit filed against the Company by the U.S. Department of Justice and certain state attorneys general, including the success or failure of our appeal and the impact of the court's order in the marketplace, including significantly increased merchant steering or other actions impairing the Card Member experience, as well as on existing private merchant cases, and potentially additional litigation and/or arbitrations;

- the Company's ability to execute against its lending strategy, 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 the Company's Card Members and their actual spending patterns, which in turn may be driven by the Company's ability to issue new and enhanced card products, offer attractive services and rewards programs, attract new Card Members, reduce Card Member attrition and capture a greater share of existing Card Members' spending and borrowing;

- the ability of the Company to grow in international markets, which could be impacted by business practices that favor local competitors or prohibit or limit foreign ownership of certain businesses; continued regulation in the payments space; the Company's ability to partner with additional GNS issuers 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, among other businesses; 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;

- uncertainties associated with the impact of any potential sale of the Costco Card Member loan portfolio, including the result of discussions with Costco and its new cobrand issuer, the ability and willingness of the new issuer to purchase the portfolio and the timing and magnitude of the recognition of any gain by the Company as a result of a sale, which will be impacted by the credit quality and performance of the portfolio;

- the possibility that the Company will not fully execute on its plans for OptBlue, including bringing incremental volumes onto the American Express network over the next several years, 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 and the value proposition offered to small merchants and the priority given to the Company by OptBlue merchant acquirers, as well as the willingness of Card Members to use American Express cards at small merchants;

- the ability of the Company to add new benefits and introduce new products and services, which will depend in part on the Company's ongoing investment in product innovation, the ability of the Company to update its systems and platforms to support new products, services and benefits, the degree of interest of Card Members in the value proposition offered by the Company and the Company's ability to tailor new products and services to make them attractive to Card Members; and

- factors beyond the Company's control such as changes in global economic and business conditions, including consumer and business spending, the availability and cost of capital, unemployment and political conditions, foreign currency rates, fire, power loss, disruptions in telecommunications, severe weather conditions, natural disasters, health pandemics, terrorism, cyber attacks or fraud, which could significantly affect spending on American Express cards, delinquency rates, loan balances and travel-related spending 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, 2014, the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 2015 and the Company's other reports filed with the Securities and Exchange Commission.