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AMERICAN EXPRESS REPORTS FIRST QUARTER EPS OF $1.33, UP 16 PERCENT FROM A YEAR AGO

REVENUES, LOANS AND CARD MEMBER SPENDING INCREASE

OPERATING EXPENSES DECLINE FROM YEAR-AGO LEVELS

(Millions, except percentages and per share amounts)

	Quarters Ended March 31, 2014	Quarters Ended March 31, 2013	Percentage Inc/(Dec)
Total Revenues Net of Interest Expense	$ 8,199	$ 7,881	4%
Net Income	$ 1,432	$ 1,280	12%
Earnings Per Common Share – Diluted:			
Net Income Attributable to Common Shareholders[1]	$ 1.33	$ 1.15	16%
Average Diluted Common Shares Outstanding	1,067	1,106	(4)%
Return on Average Equity	28.3%	23.2%	

New York – April 16, 2014 - **American Express Company (NYSE: AXP)** today reported first-quarter net income of $1.4 billion, up from $1.3 billion a year ago. Diluted earnings per share rose 16 percent to $1.33, from $1.15 a year ago.

Consolidated total revenues net of interest expense rose to $8.2 billion in the quarter, up 4 percent (5 percent when adjusted for foreign currency translations[2]) from $7.9 billion a year ago. The increase reflected higher Card Member spending and higher net interest income.

[1] Represents net income less earnings allocated to participating share awards of $12 million and $11 million for the three months ended March 31, 2014 and 2013, respectively.
[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 translations into U.S. dollars (i.e., assumes the foreign exchange rates used to determine results for the three months ended March 31, 2014 apply to the period(s) against which such results are being compared). 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.

Consolidated provisions for losses totaled $485 million, up 17 percent from $416 million a year ago. The increase reflected a larger reserve release a year ago, offset, in part, by the benefit of lower net write-offs this quarter.

Consolidated expenses totaled $5.5 billion, down 1 percent from $5.6 billion a year ago. The decrease reflected a 4 percent decline in operating expenses[3], partially offset by higher rewards costs. Adjusted for foreign currency translations, consolidated total expenses were unchanged from a year ago.[2]

The effective tax rate for the quarter was 35 percent, up from 33 percent from a year ago.

The company's return on average equity (ROE) was 28.3 percent, up from 23.2 percent a year ago.

“We are off to a good start to 2014, thanks to disciplined expense control, credit metrics near their historic low, higher revenues and a strong balance sheet that allows us to return a substantial amount of capital to shareholders,” said Kenneth I. Chenault, chairman and chief executive officer.

“Earnings per share exceeded our long-term target, and the overall performance reflected our ability to manage the business in a way that delivers bottom-line results.

“Card Member spending was up 6 percent globally (7 percent adjusted for foreign currency translations), with higher volumes in the U.S. and internationally. While consumers remain cautious about taking on additional debt, we continued to see a modest increase in Card Member loan balances.

“During the quarter, we launched new initiatives to expand card acceptance among smaller merchants, capture a greater share of U.S. consumers’ everyday spending and extend our loyalty coalition business into Italy. These initiatives are aimed at helping us reach additional segments of the market. They put us in a stronger position to grow over the medium and long term and are making the American Express brand more welcoming and inclusive.

“Once again, we performed very well in the Federal Reserve’s annual stress test. The results provide us with the flexibility to move forward with plans to increase the quarterly dividend by 13 percent and repurchase up to $4.4 billion of shares this year and an additional $1.0 billion during the first quarter of 2015. Our plan remains focused on balancing three priorities: supporting growth strategies, maintaining strong capital ratios and returning a substantial level of capital to our shareholders.”

Segment Results

U.S. Card Services reported first-quarter net income of $876 million, up 9 percent from $804 million a year ago.

Total revenues net of interest expense increased 5 percent to $4.3 billion from $4.1 billion a year ago. The rise reflected a 7 percent increase in Card Member spending and higher net interest income.

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[3] Operating expenses include salaries and employee benefits, professional services, occupancy and equipment, communications and other, net.

Provisions for losses totaled $342 million, up 18 percent from $290 million a year ago. The increase reflected a larger reserve release a year ago, offset, in part, by the benefit of lower net write-offs this year.

Total expenses increased 1 percent to $2.5 billion.

The effective tax rate was 38 percent compared to 37 percent a year ago.

International Card Services reported first-quarter net income of $159 million, down 11 percent from $178 million a year ago.

Total revenues net of interest expense were $1.4 billion, up 3 percent (7 percent FX adjusted[2]) from a year ago. The increase primarily reflected higher Card Member spending and higher revenues from the Loyalty Partner business.

Total expenses were $1.1 billion, up 2 percent (5 percent FX adjusted[2]) from a year ago. The increase primarily reflected higher marketing and promotion and rewards costs, partially offset by a decline in operating expenses.

The effective tax rate was 22 percent compared to 8 percent a year ago due to certain tax benefits related to foreign operations last year.

Global Commercial Services reported first-quarter net income of $184 million, down 4 percent from $191 million a year ago.

Total revenues net of interest expense were $1.2 billion, up 3 percent (4 percent FX adjusted[2]) from a year ago. The increase primarily reflected higher Card Member spending, partially offset by lower travel commissions and fees.

Total expenses increased 2 percent (3 percent FX adjusted[2]) to $871 million from $852 million a year ago. The rise primarily reflected costs related to the planned joint venture for the Global Business Travel division.

The effective tax rate was 35 percent compared to 33 percent from a year ago.

Global Network & Merchant Services reported first-quarter net income of $443 million, up 19 percent from $373 million a year ago.

Total revenues net of interest expense increased 5 percent (7 percent FX adjusted[2]) to $1.4 billion from $1.3 billion a year ago. The increase primarily reflected higher merchant-related revenues driven by an increase in global Card Member spending, as well as an increase in revenues from Global Network Services' bank partners.

Total expenses decreased 8 percent (7 percent FX adjusted[2]) to $647 million from $702 million a year ago, primarily reflecting lower operating expenses.

The effective tax rate was 37 percent compared to 36 percent a year ago.

Corporate and Other reported first-quarter net loss of $230 million compared with net loss of $266 million in the year-ago period.

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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/companies/american-express, twitter.com/americanexpress, and youtube.com/americanexpress.

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

The 2014 First 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 first-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.

This release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the company's expected business and financial performance and are subject to risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements due to a variety of factors, including those contained in the company's Annual Report on Form 10-K for the year ended December 31, 2013 and the company's other filings with the Securities and Exchange Commission. 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.