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AMERICAN EXPRESS THIRD QUARTER EPS UP 12% TO $1.40

CARD MEMBER SPENDING AND LOANS CONTINUE TO GROW

CREDIT INDICATORS REMAIN STRONG

(Millions, except percentages and per share amounts)

	Quarters Ended September 30,		Percentage Inc/(Dec)	Nine Months Ended September 30,		Percentage Inc/(Dec)
	2014	2013		2014	2013	
Total Revenues Net of Interest Expense	$ 8,329	$ 8,301	- %	$ 25,185	$ 24,427	3%
Adjusted Revenues Net of Interest Expense Excluding Business Travel Revenues in Q3 2013[1]		$ 7,905	5%		$ 24,031	5%
Net Income	$ 1,477	$ 1,366	8%	$ 4,438	$ 4,051	10%
Earnings Per Common Share – Diluted:						
Net Income Attributable to Common Shareholders[2]	$ 1.40	$ 1.25	12%	$ 4.17	$ 3.67	14%
Average Diluted Common Shares Outstanding	1,047	1,081	(3)%	1,057	1,094	(3)%
Return on Average Equity	28.8%	24.3 %		28.8%	24.3 %	

New York – October 15, 2014 - **American Express Company (NYSE: AXP)** today reported third-quarter net income of $1.5 billion, up 8 percent from $1.4 billion a year ago. Diluted earnings per share was $1.40, up 12 percent from $1.25 a year ago.

Consolidated total revenues net of interest expense was $8.3 billion, in line with a year ago. Last year's third quarter included revenue from the company's business travel operations, which were deconsolidated as a result of the previously announced joint venture transaction that closed on June 30, 2014. Excluding business travel revenues from the year-ago period, adjusted revenue rose 5 percent[1] (6

[1] Adjusted revenue growth and adjusted expense growth are non-GAAP measures. Management believes these metrics are useful in evaluating the ongoing operating performance of the company. See Appendix V in the selected statistical tables for reconciliations to total revenues net of interest expense and total expenses on a GAAP basis.
[2] Represents net income less earnings allocated to participating share awards of $11 million and $12 million for the three months ended September 30, 2014 and 2013, respectively, and $35 million and $36 million for the nine months ended September 30, 2014 and 2013, respectively.

percent when further adjusted for foreign currency translations[3]). The increase primarily reflected higher Card Member spending and higher net interest income.

Consolidated provisions for losses totaled $488 million, up 16 percent from $419 million, reflecting a larger credit reserve release in the year-ago period. Credit indicators continued to be at historically strong levels.

Consolidated expenses totaled $5.6 billion, down 5 percent from $5.9 billion last year. The decrease primarily reflected expenses related to business travel operations in the prior year. Excluding those expenses from the year-ago period, adjusted expenses rose 1 percent for the third quarter of 2014.[1]

The effective tax rate was 34 percent, up from 32 percent from a year ago.

The company's return on average equity (ROE) was 28.8 percent, up from 24.3 percent a year ago.

“We delivered another solid quarter of financial results,” said Kenneth I. Chenault, chairman and chief executive officer. “Card Member spending was up 9 percent, a modest acceleration from last quarter, and loan balances grew 5 percent. Revenues continued to rise at a steady pace, but the growth rate is still below our long-term target.

“On the cost side of the ledger, operating expense growth remained on track to come in well below our target for the full year and that’s one of the factors that provided the flexibility to invest in both the core business as well as some newer initiatives.

“We developed new partnerships and services with Uber, Apple Pay and McDonald’s that are helping us to capitalize on the convergence of online and offline commerce. At the same time, initiatives like the Amex EveryDay Credit Card and OptBlue are helping to make our brand more welcoming and inclusive as we expand into markets not traditionally served by American Express.

“Over the last couple of years we have delivered solid earnings through a combination of disciplined expense control, a strong balance sheet and targeted investments in growth initiatives. While the economy is stronger, it is not growing as fast or as steadily as most people would like, and those same levers will continue to be an important part of our strategy.

“Our focus will be on delivering earnings growth in an environment that is characterized by rapidly changing technologies, intense competition, regulation and an economy that may continue to grow at only a modest pace.”

[3] 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, 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.

Segment Results

U.S. Card Services reported third-quarter net income of $889 million, up 14 percent from $782 million a year ago.

Total revenues net of interest expense increased 6 percent to $4.5 billion, from $4.3 billion a year ago. The increase reflected a 9 percent increase in Card Member spending and a rise in net interest income, driven primarily by 6 percent growth in average Card Member loans.

Provisions for losses totaled $316 million, up 11 percent from $285 million a year ago. The increase reflected a larger reserve release in the prior year.

Total expenses increased 2 percent to $2.8 billion, primarily reflecting higher rewards expenses.

The effective tax rate was 37 percent, down from 38 percent from a year ago.

International Card Services reported third-quarter net income of $142 million, unchanged from a year ago.

Total revenues net of interest expense were $1.4 billion, up 3 percent (5 percent FX adjusted[3]). The increase primarily reflected higher revenues from the Loyalty Partner business and an increase in Card Member spending, partially offset by a decrease in net interest income.

Provisions for losses increased 2 percent to $98 million from $96 million a year ago.

Total expenses were $1.1 billion, up 4 percent (6 percent FX adjusted[3]) from a year ago. The increase primarily reflected higher rewards, marketing and operating expenses.[4]

The effective tax rate was 19 percent compared to 24 percent a year ago.

Global Commercial Services reported net income of $204 million, down 22 percent from $261 million a year ago. The segment previously included results from the company's business travel operations, which were deconsolidated as a result of the joint venture transaction referred to above. The company's proportional share of the joint venture's net income is now reported within Other Revenues. This change impacts growth rates for Global Commercial Services' net income, revenues and expenses.

Total revenues net of interest expense were $900 million, down 26 percent from $1.2 billion a year ago. Excluding business travel revenue from the year-ago period, adjusted revenues rose 9 percent (10 percent FX adjusted[3]) primarily reflecting higher Card Member spending.[1]

Provisions for losses totaled $49 million, up 69 percent from $29 million a year ago. The increase primarily reflected higher net write-offs in the current quarter.

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

Total expenses were $542 million, down 36 percent from $851 million. Excluding business travel expenses, third quarter adjusted expenses rose 5 percent.[1] The increase reflected joint venture transaction-related costs and higher rewards expenses.

The effective tax rate was 34 percent compared to 23 percent from a year ago. The year-ago quarter benefited from the release of a valuation allowance in business travel.

Global Network & Merchant Services reported third-quarter net income of $427 million, up 9 percent from $391 million a year ago.

Total revenues net of interest expense were $1.5 billion, up 5 percent (6 percent FX adjusted[3]) from $1.4 billion a year ago. The increase reflected higher merchant-related revenues driven by an increase in global Card Member spending.

Total expenses of $756 million were in line with a year ago.

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

Corporate and Other reported third-quarter net loss of $185 million compared with net loss of $210 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, corporate card and business travel.

The 2014 Third Quarter Earnings Supplement will be available today on the American Express web site 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 web site. A replay of the conference call will be available later today at the same web site 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, its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2014 and June 30, 2014 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.