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AMERICAN EXPRESS EPS UP 15% FOR THE QUARTER; 14% FOR FULL YEAR

CARD MEMBER SPENDING AND LOANS RISE

INVESTMENT GAIN USED FOR BUSINESS BUILDING INITIATIVES AND RESTRUCTURING

(Millions, except percentages and per share amounts)

	Quarters Ended December 31,		Percentage Inc/(Dec)	Years Ended December 31,		Percentage Inc/(Dec)
	2014	2013		2014	2013	
Total Revenues Net of Interest Expense	$ 9,107	$ 8,547	7%	$ 34,292	$ 32,974	4%
Net Income	$ 1,447	$ 1,308	11%	$ 5,885	$ 5,359	10%
Earnings Per Common Share – Diluted:						
Net Income Attributable to Common Shareholders[1]	$ 1.39	$ 1.21	15%	$ 5.56	$ 4.88	14%
Average Diluted Common Shares Outstanding	1,033	1,073	(4)%	1,051	1,089	(4)%
Return on Average Equity	29.1%	27.8%		29.1%	27.8%	

New York – January 21, 2015 – American Express Company (NYSE: AXP) today reported fourth-quarter net income of $1.4 billion, up 11 percent from $1.3 billion a year ago. Diluted earnings per share rose 15 percent to $1.39, from $1.21 a year ago.

Fourth-quarter consolidated total revenues net of interest expense rose to $9.1 billion from $8.5 billion a year ago, up 7 percent (9 percent when adjusted for foreign currency translations[2]). The revenue

[1] Represents net income less earnings allocated to participating share awards of $11 million for both the three months ended December 31, 2014 and 2013, and $46 million and $47 million for the twelve months ended December 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 December 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.

increase primarily reflected the previously reported gain of $719 million ($453 million after-tax) on the sale of the company's investment in Concur Technologies. The increase also reflected a rise in Card Member spending and higher net interest income. Last year's fourth quarter included revenue from the company's business travel operations, which were deconsolidated as a result of the joint venture transaction that closed on June 30, 2014.

Consolidated provisions for losses totaled $582 million, up 22 percent from $479 million a year ago. The increase primarily reflected a build in reserves this quarter compared to a reserve release last year. Credit indicators continued to be at historically strong levels.

Consolidated expenses totaled $6.3 billion, up 3 percent (6 percent FX adjusted[2]) from $6.1 billion a year ago. As indicated last quarter, the company used a substantial portion of the Concur gain for:

- Companywide initiatives to improve operating efficiencies, which entailed a restructuring charge of $313 million ($206 million after-tax);
- Incremental investments in growth initiatives, which were largely reflected in higher marketing and promotion expenses; and
- The renewal of the company's partnership with Delta Air Lines, which created additional rewards costs of $109 million ($68 million after-tax).

In addition, fourth-quarter results were negatively affected by the impact of foreign currency translations on international operations.

The effective tax rate for the quarter was 35 percent, up from 34 percent from a year ago, driven by the geographic mix of earnings and the resolution of certain prior years' items.

The company's return on average equity (ROE) was 29.1 percent, up from 27.8 percent a year ago.

For the full year, the company reported net income of $5.9 billion, up 10 percent from $5.4 billion a year ago. Diluted earnings per share rose 14 percent to $5.56 from $4.88 a year ago.

Revenues net of interest expense for the full year increased 4 percent (5 percent FX adjusted[2]) to $34.3 billion from $33.0 billion a year ago. Consolidated expenses remained unchanged from 2013 at $23.3 billion. Adjusted for foreign currency translations[2], consolidated expenses were up 1 percent.

"Solid results this quarter reflected the underlying themes that have characterized our performance throughout 2014: higher Card Member spending, increased loan balances, tight control of operating expenses and a substantial return of capital to shareholders through share repurchases," said Kenneth I. Chenault, chairman and chief executive officer.

"Fourth-quarter Card Member spending rose 6 percent (8 percent FX adjusted). Volumes for the year crossed the trillion dollar mark for the first time, reflecting the progress we've made in building customer loyalty, adding new cards and expanding the network of merchants who accept our products. Loan balances were up 7 percent in the U.S., continuing the progress we've made throughout 2014. We continue to see opportunities to grow this portfolio with existing and new customers without significantly changing the overall risk profile of the company.

"Tight controls on the cost side of the ledger continued to give us the flexibility to invest in growth opportunities. And, as in the second quarter, a substantial gain allowed us to accelerate some critical initiatives: reengineering to make American Express more efficient; renewing a key partner relationship; and making additional investments to grow our business and drive innovation in the world of payments and commerce.

"We've made very good progress against the backdrop of an uneven global economy and the negative impact of a strengthening U.S. dollar. We see many opportunities for growth, but at the same time, we face competitive and regulatory challenges. Our aim is to continue to capitalize on the opportunities while dealing with the challenges as we enter 2015."

Segment Results

U.S. Card Services reported fourth-quarter net income of $665 million, down 23 percent from $864 million a year ago.

Total revenues net of interest expense increased 5 percent to $4.6 billion from $4.4 billion a year ago. The increase reflected an 8 percent rise in Card Member spending and higher net interest income.

Provisions for losses totaled $399 million, up 25 percent from $319 million a year ago. The increase primarily reflected a build in reserves this quarter compared to a reserve release last year.

Total expenses increased 13 percent to $3.1 billion from $2.8 billion a year ago. The increase reflected a substantial portion of the initiatives related to the Concur gain and were reflected in higher rewards, marketing and operating expenses[3].

The effective tax rate was 39 percent compared to 33 percent a year ago, reflecting the impact of certain prior years' tax items.

International Card Services reported fourth-quarter net income of $33 million, down 68 percent from $103 million a year ago.

Total revenues net of interest expense decreased 5 percent (up 3 percent FX adusted[2]) to $1.4 billion.

Provisions for losses totaled $95 million, down 14 percent from $110 million a year ago. The decrease reflected a small reserve release in the current quarter compared with a reserve build a year ago.

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

Total expenses increased 4 percent (10 percent FX adjusted[2]) to $1.3 billion. The increase primarily reflected higher operating expenses, which included a portion of the restructuring charge, partially offset by a decrease in rewards costs.

Taxes for the quarter reflected the level of pretax income in combination with recurring permanent tax benefits.

Global Commercial Services reported fourth-quarter net income of $594 million, up from $182 million a year ago. The increase reflected the previously mentioned gain on the sale of the company's investment in Concur Technologies. Year-ago results included earnings 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 in Other Revenues.

Total revenues net of interest expense increased 28 percent (32 percent FX adjusted[2]) to $1.6 billion from $1.2 billion. The increase primarily reflected the previously mentioned Concur gain, partially offset by business travel revenues that were in the year-ago quarter.

Provisions for losses totaled $50 million, up from $36 million a year ago.

Total expenses decreased 36 percent (34 percent FX adjusted[2]) to $586 million from $915 million a year ago. Excluding business travel expenses, fourth quarter adjusted expenses increased 6 percent compared to the year-ago period.[4]

Global Network & Merchant Services reported fourth-quarter net income of $417 million, up 5 percent from $399 million a year ago.

Total revenues net of interest expense increased 2 percent (6 percent FX adjusted[2]) to $1.5 billion. The increase primarily reflected higher merchant-related revenues driven by an increase in global Card Member spending.

Provisions for losses totaled $35 million, up from $14 million a year ago, reflecting a reserve build in the current period.

Total expenses decreased 4 percent to $772 million (1 percent FX adjusted[2]) from $801 million a year ago. The decrease reflected merchant litigation settlement expenses a year ago, partially offset by higher marketing and promotion costs in the current quarter.

Corporate and Other reported fourth-quarter net loss of $262 million, compared with net loss of $240 million in the year-ago period. The current quarter included a portion of the previously mentioned restructuring charge.

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[4] The adjusted expense growth rate for Global Commercial Services is a non-GAAP measure. Management believes this metric is useful in evaluating the ongoing operating performance of the company. See Appendix V in the selected statistical tables for a reconciliation to total expenses for Global Commercial Services on a GAAP basis.

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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 Fourth Quarter/Full Year 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 fourth-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, its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2014, June 30, 2014 and September 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.