NEW YORK, January 18, 2018 --

**American Express Company (NYSE: AXP)** today reported a fourth-quarter net loss of $1,197 million or $1.41 per share, compared with net income of $825 million or $0.88 per share a year ago.

Excluding the impacts of the recently enacted Tax Cuts and Jobs Act (the “Tax Act”), earnings per share for the quarter were $1.58.[1]

As previously disclosed, the quarter reflected a substantial charge related to the Tax Act. The $2.6 billion charge represents our current estimate of taxes on deemed repatriations of certain overseas earnings and the remeasurement of U.S. deferred tax assets and liabilities. For 2018, the company expects an effective U.S. tax rate of approximately 22 percent before discrete tax items.

Fourth-quarter consolidated total revenues net of interest expense were $8.8 billion, up 10 percent (9 percent FX-adjusted[3]) from $8.0 billion a year ago. The increase primarily reflected higher Card Member spending, loans and fees, which more than offset the impact of a lower discount rate.

Consolidated provisions for losses were $833 million, up 33 percent from $625 million a year ago. The rise primarily reflected strong growth in the loan portfolio and an increase in the lending write-off and delinquency rates. The increase in provisions was in line with the company’s expectations.

Consolidated expenses were $6.2 billion, down 1 percent from a year ago. Lower spending on marketing initiatives was partially offset by higher rewards expenses, primarily driven by an increase in Card Member spending. Operating expenses were down 2 percent from a year ago, reflecting lower technology costs and consulting fees.[4] Those declines were partially offset by higher employee compensation expenses, which included a special incremental contribution to employee profit-sharing plans.

The effective tax rate was up substantially from 29 percent a year ago. The effective tax rate excluding the impacts of the Tax Act was 24 percent this quarter.[5] The decrease primarily reflected the level and geographic mix of earnings as well as discrete tax items.

For the full year, the company reported net income of $2.7 billion, compared with $5.4 billion a year ago. Diluted earnings per share were $2.97, compared with $5.65 a year ago.

Excluding the impacts of the Tax Act, earnings per share were $5.87.[1] That was in line with the guidance the company offered in October (earnings per share of $5.80 to $5.90) and above the initial guidance from the start of the year (earnings per share of $5.60 to $5.80).

Revenues net of interest expense for the full year were $33.5 billion, up 4 percent from $32.1 billion a year ago. Excluding last year's Costco-related revenues and the impact of foreign exchange rates, adjusted revenues net of interest expense increased 8 percent.[6]

Consolidated expenses for the full year increased 6 percent to $23.3 billion from $22.0 billion a year ago.

"We ended the year with record billings and strong loan growth, which helped drive a 10 percent increase (up 9 percent FX-adjusted[3]) in revenues this quarter," said Kenneth I. Chenault, chairman and chief executive officer. "Card Member spending grew 11 percent with strong momentum across each of our business segments. Loans grew 14 percent in the quarter while credit metrics remained strong and were again in line with our expectations.

"We acquired more than 2.5 million new cards this quarter, grew our merchant network, reached a strategic cobrand agreement with Marriott and announced a suite of new cobrand cards with Hilton. Our momentum reflected many of the selective investments we've made over the past two years to grow the business. And, our ability to contain operating costs again this year gave us additional flexibility to increase the level of investment spending beyond our initial 2017 plan.

"The upfront charge triggered by the Tax Act reduced our capital ratios and, as a result, while we will be continuing our quarterly dividends at the current level, we plan to suspend our share buyback program for the first half of 2018 in order to rebuild our capital.

"Overall, we believe the Tax Act will be a positive development for both the U.S. economy and American Express. Given the momentum in the business and the anticipated benefit of a lower tax rate, we now expect to invest up to $200 million more in 2018 than we originally planned for customer-facing growth initiatives. We've also made an incremental contribution to our employee profit-sharing plans to support the long-term financial well-being of our employees. And, for shareholders, we expect to use the remaining anticipated benefits to build capital and support earnings growth in 2018.

"We expect 2018 earnings per share to be between $6.90 and $7.30. The midpoint of that range would represent an approximate 20 percent increase from 2017 earnings per share, excluding the impacts of the Tax Act in 2017.

"I feel very good about the progress we've made throughout 2017 and will be leaving American Express in very strong hands when Steve Squeri succeeds me as chairman and chief executive officer at the end of this month."

**Segment Results**

**U.S. Consumer Services** reported fourth-quarter net income of $507 million, up 44 percent from $351 million a year ago.

Total revenues net of interest expense were $3.4 billion, up 13 percent from $3.0 billion a year ago. The increase primarily reflected higher Card Member spending, loans and fees.

Provisions for losses totaled $532 million, up 47 percent from $363 million a year ago. The rise primarily reflected strong growth in the loan portfolio and as expected, an increase in the lending write-off and delinquency rates.

Total expenses were $2.2 billion, down 1 percent from a year ago. The current quarter reflected lower marketing expenses and technology costs, partially offset by higher rewards expenses related to an increase in Card Member spending and higher Card Member services costs.

The effective tax rate was 31 percent, up from 27 percent a year ago.

**International Consumer and Network Services** reported fourth-quarter net income of $199 million, up from $84 million a year ago.

Total revenues net of interest expense were $1.5 billion, up 12 percent (up 7 percent FX-adjusted[3]) from $1.4 billion a year ago. The increase partly reflected higher Card Member spending.

Provisions for losses totaled $111 million, up 21 percent from $92 million a year ago. The rise primarily reflected continued strong growth in the loan portfolio.

Total expenses were $1.2 billion, unchanged (down 3 percent FX-adjusted[3]) from a year ago.

The effective tax rate was 9 percent, up from (2) percent a year ago, reflecting the impact of recurring permanent tax benefits on varied levels of pre-tax income.

**Global Commercial Services** reported fourth-quarter net income of $580 million, up 52 percent from $382 million a year ago.

Total revenues net of interest expense were $2.7 billion, up 7 percent from $2.5 billion a year ago. The increase primarily reflected higher Card Member spending.

Provisions for losses totaled $188 million, up 10 percent from $171 million a year ago. The increase primarily reflected strong growth in the loan portfolio and as expected, an increase in the lending write-off and delinquency rates.

Total expenses were $1.7 billion, down 7 percent from $1.8 billion a year ago. The current quarter reflected lower marketing expenses, partially offset by higher rewards expenses related to an increase in Card Member spending.

The effective tax rate was 30 percent, unchanged from a year ago.

**Global Merchant Services** reported fourth-quarter net income of $413 million, up 12 percent from $369 million a year ago.

Total revenues net of interest expense were $1.2 billion, up 9 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 $587 million, up 5 percent from $560 million a year ago, reflecting higher employee compensation expenses.

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

**Corporate and Other** reported fourth-quarter net loss of $2.9 billion compared with net loss of $361 million a year ago, reflecting the impacts related to the Tax Act.