
Section 1: 8-K (FORM 8-K OF AMERICAN EXPRESS COMPANY)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 18, 2018

AMERICAN EXPRESS COMPANY

(Exact name of registrant as specified in its charter)

New York

(State or other jurisdiction
of incorporation or organization)

1-7657

(Commission File Number)

13-4922250

(IRS Employer Identification No.)

200 Vesey Street
New York, New York

(Address of principal executive offices)

10285

(Zip Code)

Registrant's telephone number, including area code: (212) 640-2000

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition and Item 7.01 Regulation FD Disclosure

The following information is furnished under Item 2.02 – Results of Operations and Financial Condition and Item 7.01 – Regulation FD Disclosure:

On April 18, 2018, American Express Company (the "Company") issued a press release regarding its financial results for the first quarter of 2018. A copy of such press release is attached to this report as Exhibit 99.1. The Company also distributed additional financial information relating to the financial results for the first quarter of 2018. Such additional financial information is attached to this report as Exhibit 99.2.

Exhibit Description

- | | |
|------|--|
| 99.1 | <u>Press Release, dated April 18, 2018, of American Express Company regarding its financial results for the first quarter of 2018.</u> |
| 99.2 | <u>Additional financial information relating to the financial results of American Express Company for the first quarter of 2018.</u> |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMERICAN EXPRESS COMPANY
(REGISTRANT)

By: /s/ Tangela Richter

Name: Tangela Richter

Title: Corporate Secretary

Date: April 18, 2018

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Section 2: EX-99.1 (EXHIBIT 99.1)

EXHIBIT 99.1

News Release News Release News Release News Release
News Release News



FOR IMMEDIATE RELEASE

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AMERICAN EXPRESS REPORTS FIRST-QUARTER EPS OF \$1.86

REVENUES RISE 12 PERCENT DRIVEN BY HIGHER CARD MEMBER SPENDING AND LOAN GROWTH

COMPANY EXPECTS 2018 EPS AT HIGH-END OF \$6.90 TO \$7.30 OUTLOOK

(Millions, except percentages and per share amounts)

	Quarters Ended March 31,		Percentage Inc/(Dec)
	2018	2017	
Total Revenues Net of Interest Expense	\$ 9,718	\$ 8,709	12
Net Income	\$ 1,634	\$ 1,251	31

Earnings Per Common Share – Diluted:						
Net Income Attributable to Common Shareholders ¹		\$	1.86	\$	1.35	38
Average Diluted Common Shares Outstanding			861		903	(5)

New York – April 18, 2018 - American Express Company (NYSE: AXP) today reported first-quarter net income of \$1.6 billion, up 31 percent from \$1.3 billion a year ago. Diluted earnings per share was \$1.86, up 38 percent from \$1.35 per share a year ago.

First-quarter consolidated total revenues net of interest expense were \$9.7 billion, up 12 percent (10 percent FX-adjusted²) from \$8.7 billion a year ago. The increase showed steady growth across the company's businesses and reflected higher Card Member spending, loans, and fee income.

¹ Represents net income less (i) earnings allocated to participating share awards of \$13 million and \$10 million for the three months ended March 31, 2018 and 2017, respectively, and (ii) dividends on preferred shares of \$21 million for both the three months ended March 31, 2018 and 2017.

² As reported in this release, FX-adjusted information 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, 2018 apply to the period(s) against which such results are being compared). Management 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 were \$775 million, up 35 percent from \$573 million a year ago. The increase, which was in line with the company's expectations, reflected growth in the loan portfolio and an increase in the lending write-off and delinquency rates.

Consolidated expenses were \$6.9 billion, up 9 percent from \$6.3 billion a year ago. The rise primarily reflected growth in rewards expenses and other costs associated with increased Card Member spending, higher usage of card benefits, and continued investments in cobrand partnerships. Operating expenses were up 5 percent (approximately 2 percent FX-adjusted²) from a year ago, reflecting a number of items, including a loss on a previously announced transaction involving the company's prepaid operations.³

The consolidated effective tax rate was 22 percent, down from 32 percent a year ago. For consolidated results and all segments, the current quarter reflected the reduction in the U.S. federal statutory tax rate as a result of the 2017 Tax Cuts and Jobs Act (the "Tax Act").

"Our year is off to a good start with double-digit growth in billed business, revenues and earnings," said Stephen J. Squeri, chairman and chief executive officer. "Card Member spending grew 12 percent, and we acquired 3.5 million new cards across our global issuing business, reflecting in part the recent Hilton portfolio acquisition. Credit indicators are in line with our expectations, and the loan portfolio grew 16 percent.

"Today's results are showing good returns on the investments we've been making to drive growth in the premium sector, with cobrand partners, in our merchant network and with small and mid-sized businesses. We plan to continue these investments this year and support our initiatives with the global brand campaign we launched this month.

"We feel good about our progress but it is still early in the year. Given what we are seeing so far, we expect revenues to be up at least 8 percent this year and EPS to be at the high end of the \$6.90 to \$7.30 range we set back in January."

Segment Results

U.S. Consumer Services reported first-quarter net income of \$640 million, up 30 percent from \$494 million a year ago.

Total revenues net of interest expense were \$3.7 billion, up 13 percent from \$3.3 billion a year ago. The rise primarily reflected higher loans, increased Card Member spending, and the benefit of the recent acquisition of the Hilton portfolio.

Provisions for losses totaled \$423 million, up 44 percent from \$294 million a year ago. The rise primarily reflected growth in the loan portfolio and, as expected, an increase in the lending write-off and delinquency rates.

³ Operating expenses represent salaries and employee benefits, professional services, occupancy and equipment, and other, net.

Total expenses were \$2.5 billion, up 10 percent from \$2.2 billion a year ago. The rise primarily reflected growth in rewards expenses associated with increased Card Member spending, higher usage of card benefits and continued investments in cobrand partnerships.

The effective tax rate was 21 percent, down from 33 percent a year ago.

International Consumer and Network Services reported first-quarter net income of \$291 million, up 15 percent from \$252 million a year ago.

Total revenues net of interest expense were \$1.8 billion, up 12 percent (5 percent FX-adjusted²) from \$1.6 billion a year ago. The increase primarily reflected higher Card Member spending and net card fees.

Provisions for losses totaled \$108 million, up 64 percent from \$66 million a year ago. The rise primarily reflected continued growth in the lending and charge portfolios.

Total expenses were \$1.3 billion, up 10 percent (5 percent FX-adjusted²) from \$1.2 billion a year ago. The rise primarily reflected higher rewards expenses related to an increase in Card Member spending.

The effective tax rate was 21 percent, down from 28 percent a year ago.

Global Commercial Services reported first-quarter net income of \$552 million, up 35 percent from \$409 million a year ago.

Total revenues net of interest expense were \$3.0 billion, up 9 percent from \$2.8 billion a year ago. The increase primarily reflected higher Card Member spending.

Provisions for losses totaled \$240 million, up 15 percent from \$208 million a year ago, driven primarily by the charge portfolio.

Total expenses were \$2.1 billion, up 6 percent from \$2.0 billion a year ago. The rise primarily reflected higher rewards expenses and other costs related to an increase in Card Member spending.

The effective tax rate was 23 percent, down from 34 percent a year ago.

Global Merchant Services reported first-quarter net income of \$472 million, up 32 percent from \$357 million a year ago.

Total revenues net of interest expense were \$1.2 billion, up 10 percent from \$1.1 billion a year ago. The increase primarily reflected higher Card Member spending, partially offset by a decrease in the average discount rate.

Total expenses were \$514 million, up 2 percent from \$503 million a year ago.

The effective tax rate was 28 percent, down from 36 percent a year ago.

Corporate and Other reported first-quarter net loss of \$321 million compared with net loss of \$261 million a year ago, primarily reflecting a transaction involving the company's prepaid operations.

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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](https://www.facebook.com/americanexpress), [instagram.com/americanexpress](https://www.instagram.com/americanexpress), [linkedin.com/company/american-express](https://www.linkedin.com/company/american-express), twitter.com/americanexpress, and [youtube.com/americanexpress](https://www.youtube.com/americanexpress).

Key links to products, services and corporate responsibility information: charge and credit cards, business credit cards, travel services, gift cards, prepaid cards, merchant services, Accertify, InAuth, corporate card, business travel, and corporate responsibility.

This earnings release should be read in conjunction with the company's statistical tables for the first-quarter 2018, available on the American Express website at <http://ir.americanexpress.com> and in a Form 8-K filed today with the Securities and Exchange Commission.

This earnings release reflects the company's adoption of new revenue recognition guidance issued by the Financial Accounting Standards Board related to contracts with customers effective January 1, 2018 and thus should also be read in conjunction with the company's Form 8-K filed on March 9, 2018 with the Securities and Exchange Commission and available 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 on the above-mentioned American Express Investor Relations website. A replay of the conference call will be available later today at the same website address.

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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 2018, among other matters, contain words such as "believe," "expect," "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 its 2018 earnings per common share outlook, which will depend in part on the following: revenues growing consistently with current expectations, which could be impacted by, among other things, the factors identified in the subsequent bullet; credit performance remaining consistent with current expectations; the impact of any future contingencies, including, but not limited to, litigation-related settlements, judgments or expenses, the imposition of fines or civil money penalties, an increase in Card Member reimbursements, restructurings, impairments and changes in reserves; the ability to control operating expense growth; the amount the Company spends on Card Member engagement and the Company's ability to drive growth from such investments; changes in interest rates beyond current expectations (including the impact of hedge ineffectiveness and deposit rate increases); a greater impact from certain cobrand agreements than expected, which could be affected by volumes and Card Member engagement; the impact of regulation and litigation, which could affect the profitability of the Company's business activities, limit the Company's ability to pursue business opportunities, require changes to business practices or alter the Company's relationships with partners, merchants and Card Members; the Company's tax rate remaining in line with current expectations, which could be impacted by, among other things, changes to the fourth quarter 2017 provisional tax charge due to changes in interpretations and assumptions the Company has made as well as actions the Company may take as a result of the Tax Cuts and Jobs Act, the Company's geographic mix of income, further changes in tax laws and regulation, unfavorable tax audits and other unanticipated tax items; and the impact of accounting changes and reclassifications;
- the ability of the Company to grow revenues net of interest expense consistent with its expectations, which could be impacted by, among other things, weakening economic conditions in the United States or internationally, a decline in consumer confidence impacting the willingness and ability of Card Members to sustain and grow spending, continued growth of Card Member loans, a greater erosion of the average discount rate than expected, the strengthening of the U.S. dollar, more cautious spending by corporate Card Members, the willingness of Card Members to pay higher card fees, lower spending on new cards acquired than estimated; and the Company's ability to address competitive pressures and implement its strategies and business initiatives, including within the premium consumer segment, commercial payments, the global network and digital environment;
- changes in the substantial and increasing worldwide competition in the payments industry, including competitive pressure that may impact the prices charged to merchants that accept American Express cards, competition for cobrand relationships, competition from new and non-traditional competitors and the success of marketing, promotion or rewards programs;
- the erosion of the average discount rate by a greater amount than anticipated, including as a result of changes in the mix of spending by location and industry, merchant negotiations (including merchant incentives, concessions and volume-related pricing discounts), competition, pricing regulation (including regulation of competitors' interchange rates in the European Union and elsewhere), a greater shift of existing merchants into the OptBlue program and other factors;
- the Company's delinquency and write-off rates and growth of provisions for losses being higher or lower than current expectations, which will depend in part on changes in the level of loan and receivable balances and delinquencies, mix of balances, loans and receivables related to new Card Members and other borrowers performing as expected, credit performance of new and enhanced lending products, unemployment rates, the volume of bankruptcies, collections capabilities and recoveries of previously written-off loans and receivables;

- the Company's ability to continue to grow loans, which may be affected by increasing competition, brand perceptions and reputation, the Company's ability to manage risk, the behavior of Card Members and their actual spending and borrowing patterns, and the Company's ability to issue new and enhanced card products, offer attractive non-card lending products, capture a greater share of existing Card Members' spending and borrowings, reduce Card Member attrition and attract new customers;
- the Company's net interest yield on Card Member loans not remaining consistent with current levels, which will be influenced by, among other things, interest rates, changes in consumer behavior that affect loan balances, such as paydown rates, the Company's Card Member acquisition strategy, product mix, cost of funds, credit actions, including line size and other adjustments to credit availability, potential pricing changes and deposit rates, which could be impacted by, among other things, changes in benchmark interest rates, competitive pressure and regulatory constraints;
- the Company's rewards expense and cost of Card Member services growing inconsistently from expectations, which will depend in part on Card Member behavior as it relates to their spending patterns, including the level of spend in bonus categories, and the redemption of rewards and offers, as well as the degree of interest of Card Members in the value proposition offered by the Company; increasing competition, which could result in greater rewards offerings; the Company's ability to enhance card products and services to make them attractive to Card Members; and the amount the Company spends on the promotion of enhanced services and rewards categories and the success of such promotion;
- the actual amount to be spent on marketing and business development, which will be based in part on management's assessment of competitive opportunities; overall business performance and changes in macroeconomic conditions; the actual amount of advertising and Card Member acquisition costs; the Company's ability to continue to shift Card Member acquisition to digital channels; contractual obligations with business partners and other fixed costs and prior commitments; 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 ability to realize efficiencies, optimize investment spending and control expenses to fund such spending;
- the ability of the Company to control operating expense growth, which could be impacted by the need to increase significant categories of operating expenses, such as consulting or professional fees, including as a result of increased litigation, compliance or regulatory-related costs or fraud costs; continuing to implement and achieve benefits from reengineering plans, which could be impacted by factors such as an inability to mitigate the operational and other risks posed by potential staff reductions and underestimating hiring and other employee needs; an inability to innovate efficient channels of customer interactions, such as chat supported by artificial intelligence, or customer acquisition; higher than expected employee levels; the impact of changes in foreign currency exchange rates on costs; the payment of civil money penalties, disgorgement, restitution, non-income tax assessments and litigation-related settlements; impairments of goodwill or other assets; management's decision to increase or decrease spending in such areas as technology, business and product development and sales forces; greater-than-expected inflation; and the level of M&A activity and related expenses;
- changes affecting the Company's plans regarding the return of capital to shareholders through dividends and share repurchases, which will depend on factors such as the pace at which the Company is able to rebuild its capital levels and regulatory capital ratios, including from earnings and a lower effective tax rate; changes in the stress testing and capital planning process and the approval of the Company's capital plans by its primary regulators in 2018; the amount the Company spends on acquisitions of companies; and the Company's results of operations and the economic environment in any given period;

- uncertainty relating to the ultimate outcome of the antitrust lawsuit filed against the Company by the U.S. Department of Justice and certain state attorneys general, including the review of the case by the U.S. Supreme Court and the impact on existing private merchant cases and potentially additional litigation and/or arbitrations;
- a failure in or breach of the Company's operational or security systems, processes or infrastructure, or those of third parties, including as a result of cyber attacks, which could compromise the confidentiality, integrity, privacy and/or security of data, disrupt our operations, reduce the use and acceptance of our cards and lead to regulatory scrutiny, litigation, remediation and response costs, and reputational harm;
- the Company's deposit rates increasing faster or slower than current expectations and changes affecting the Company's ability to accept, maintain or grow Personal Savings deposits due to market demand, changes in benchmark interest rates or regulatory restrictions on the Company's ability to obtain deposit funding or offer competitive interest rates, which could affect the Company's net interest yield and ability to fund its businesses;
- legal and regulatory developments, which could require the Company to make fundamental changes to many of its business practices, including our ability to continue certain GNS and other partnerships; exert further pressure on the average discount rate and GNS volumes; result in increased costs related to regulatory oversight, litigation-related settlements, judgments or expenses, restitution to Card Members or the imposition of fines or civil money penalties; materially affect capital or liquidity requirements, results of operations, or ability to pay dividends or repurchase of stock; or result in harm to the American Express brand; and
- factors beyond the Company's control such as changes in global economic and business conditions, consumer and business spending generally, the availability and cost of capital, unemployment rates, geopolitical conditions, trade policies, foreign currency rates and interest rates, as well as fire, power loss, disruptions in telecommunications, severe weather conditions, natural disasters, health pandemics or terrorism, any of which could significantly affect demand for and spending on American Express cards, delinquency rates, loan and receivable balances and other aspects of the Company and its results of operations 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, 2017 and the Company's other reports filed with the Securities and Exchange Commission.

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Section 3: EX-99.2 (EXHIBIT 99.2)

EXHIBIT 99.2

American Express Company
Consolidated Statements of Income

(Preliminary)

(Millions, except percentages and per share amounts)

	<u>As Recast</u>					<u>YOY % change</u>
	<u>Q1'18</u>	<u>Q4'17</u>	<u>Q3'17</u>	<u>Q2'17</u>	<u>Q1'17</u>	
Non-interest revenues						
Discount revenue	\$ 5,889	\$ 6,060	\$ 5,700	\$ 5,743	\$ 5,387	9
Net card fees	830	785	786	771	748	11
Other fees and commissions	781	778	755	746	711	10
Other	377	344	371	380	361	4
Total non-interest revenues	<u>7,877</u>	<u>7,967</u>	<u>7,612</u>	<u>7,640</u>	<u>7,207</u>	<u>9</u>

Interest income						
Interest on loans	2,326	2,205	2,131	1,950	1,862	25
Interest and dividends on investment securities	21	21	22	23	23	(9)
Deposits with banks and other	115	93	91	82	60	92
Total interest income	<u>2,462</u>	<u>2,319</u>	<u>2,244</u>	<u>2,055</u>	<u>1,945</u>	27
Interest expense						
Deposits	270	241	213	176	149	81
Long-term debt and other	351	339	354	346	294	19
Total interest expense	<u>621</u>	<u>580</u>	<u>567</u>	<u>522</u>	<u>443</u>	40
Net interest income	<u>1,841</u>	<u>1,739</u>	<u>1,677</u>	<u>1,533</u>	<u>1,502</u>	23
Total revenues net of interest expense	<u>9,718</u>	<u>9,706</u>	<u>9,289</u>	<u>9,173</u>	<u>8,709</u>	12
Provisions for losses						
Charge card	242	205	214	163	213	14
Card Member loans	499	596	531	404	337	48
Other	34	32	24	17	23	48
Total provisions for losses	<u>775</u>	<u>833</u>	<u>769</u>	<u>584</u>	<u>573</u>	35
Total revenues net of interest expense after provisions for losses	<u>8,943</u>	<u>8,873</u>	<u>8,520</u>	<u>8,589</u>	<u>8,136</u>	10
Expenses						
Marketing and business development (A)	1,345	1,535	1,446	1,456	1,285	5
Card Member rewards	2,347	2,262	2,168	2,196	2,061	14
Card Member services and other	409	383	351	341	317	29
Salaries and employee benefits	1,326	1,436	1,265	1,293	1,264	5
Professional services	457	534	494	511	501	(9)
Occupancy and equipment	520	493	567	484	474	10
Other, net (A)	457	432	398	351	395	16
Total expenses	<u>6,861</u>	<u>7,075</u>	<u>6,689</u>	<u>6,632</u>	<u>6,297</u>	9
Pretax income	<u>2,082</u>	<u>1,798</u>	<u>1,831</u>	<u>1,957</u>	<u>1,839</u>	13
Income tax provision	448	3,004	472	613	588	(24)
Net income (loss)	<u>\$ 1,634</u>	<u>\$ (1,206)</u>	<u>\$ 1,359</u>	<u>\$ 1,344</u>	<u>\$ 1,251</u>	31
Net income (loss) attributable to common shareholders (B)	<u>\$ 1,600</u>	<u>\$ (1,228)</u>	<u>\$ 1,327</u>	<u>\$ 1,314</u>	<u>\$ 1,220</u>	31
Effective tax rate	21.5%	167.1%	25.8%	31.3%	32.0%	
Earnings Per Common Share						
Basic						
Net income (loss) attributable to common shareholders	<u>\$ 1.86</u>	<u>\$ (1.42)</u>	<u>\$ 1.51</u>	<u>\$ 1.48</u>	<u>\$ 1.36</u>	37
Average common shares outstanding	<u>859</u>	<u>865</u>	<u>878</u>	<u>890</u>	<u>899</u>	(4)
Diluted						
Net income (loss) attributable to common shareholders	<u>\$ 1.86</u>	<u>\$ (1.42)</u>	<u>\$ 1.51</u>	<u>\$ 1.47</u>	<u>\$ 1.35</u>	38
Average common shares outstanding	<u>861</u>	<u>865</u>	<u>881</u>	<u>893</u>	<u>903</u>	(5)
Cash dividends declared per common share	<u>\$ 0.35</u>	<u>\$ 0.35</u>	<u>\$ 0.35</u>	<u>\$ 0.32</u>	<u>\$ 0.32</u>	9

- Denotes a variance of more than 100 percent.

See Appendix III for Footnote References

American Express Company
Consolidated Balance Sheets and Related Statistical Information
(Billions, except percentages, per share amounts and where indicated)

(Preliminary)

	<u>As Recast</u>					<u>YOY % change</u>
	<u>Q1'18</u>	<u>Q4'17</u>	<u>Q3'17</u>	<u>Q2'17</u>	<u>Q1'17</u>	
Assets						
Cash & cash equivalents	\$ 31	\$ 33	\$ 26	\$ 30	\$ 29	7
Card Member receivables, less reserves	54	54	51	49	47	15
Card Member Loans, less reserves	71	72	66	65	62	15
Investment securities	3	3	3	3	4	(25)
Other (C)	21	19	23	20	19	11
Total assets	\$ 180	\$ 181	\$ 169	\$ 167	\$ 161	12
Liabilities and Shareholders' Equity						
Customer deposits	\$ 67	\$ 64	\$ 61	\$ 58	\$ 54	24
Short-term borrowings	2	3	2	3	4	(50)
Long-term debt	52	56	49	52	52	-
Other (C)	39	40	36	33	30	30
Total liabilities	160	163	148	146	140	14
Shareholders' Equity	20	18	21	21	21	(5)
Total liabilities and shareholders' equity	\$ 180	\$ 181	\$ 169	\$ 167	\$ 161	12
Return on average equity (D)	15.2%	13.2%	22.6%	21.7%	24.9%	
Return on average common equity (D)	15.9%	13.7%	23.9%	22.9%	26.3%	
Book value per common share (dollars)	\$ 20.96	\$ 19.42	\$ 22.43	\$ 22.19	\$ 21.66	(3)

- Denotes a variance of more than 100 percent.

See Appendix III for Footnote References

American Express Company
Consolidated Capital

(Preliminary)

	<u>Q1'18</u>	<u>Q4'17</u>	<u>Q3'17</u>	<u>Q2'17</u>	<u>Q1'17</u>
Shares Outstanding (in millions)					
Beginning of period	859	871	885	895	904
Repurchase of common shares	-	(14)	(15)	(10)	(11)
Net impact of employee benefit plans and others	1	2	1	-	2
End of period	<u>860</u>	<u>859</u>	<u>871</u>	<u>885</u>	<u>895</u>
Risk-Based Capital Ratios - Basel III (\$ in billions) (E)					
Common Equity Tier 1/Risk Weighted Assets (RWA)	9.4%	9.0%	11.9%	12.3%	12.7%
Tier 1	10.5%	10.1%	13.0%	13.5%	13.9%
Total	12.2%	11.8%	14.7%	15.2%	15.6%
Common Equity Tier 1	\$ 13.9	\$ 13.2	\$ 16.4	\$ 16.4	\$ 16.3
Tier 1 Capital	\$ 15.5	\$ 14.7	\$ 17.9	\$ 18.0	\$ 17.8
Tier 2 Capital	\$ 2.4	\$ 2.4	\$ 2.3	\$ 2.3	\$ 2.2
Total Capital	\$ 17.9	\$ 17.1	\$ 20.2	\$ 20.3	\$ 20.0
RWA	\$147.4	\$145.9	\$138.0	\$133.5	\$128.6
Tier 1 Leverage	8.8%	8.6%	10.9%	11.0%	11.5%
Supplementary Leverage Ratio (SLR) (F)	7.6%	7.4%	9.3%	9.4%	9.9%
Average Total Assets to calculate the Tier 1 Leverage Ratio (G)	\$175.0	\$171.2	\$164.6	\$164.2	\$155.0
Total Leverage Exposure to calculate SLR	\$204.4	\$198.8	\$191.7	\$190.4	\$180.5

See Appendix III for Footnote References

American Express Company
Selected Card Related Statistical Information
(Billions, except percentages and where indicated)

(Preliminary)

	<u>Q1'18</u>	<u>Q4'17</u>	<u>Q3'17</u>	<u>Q2'17</u>	<u>Q1'17</u>	<u>YOY % change</u>
Card billed business (H)						
United States	\$ 182.5	\$ 188.9	\$ 176.4	\$ 177.6	\$ 165.4	10
Outside the United States	101.3	102.5	95.5	92.0	86.9	17
Worldwide	\$ 283.8	\$ 291.4	\$ 271.9	\$ 269.6	\$ 252.3	12
Proprietary	\$ 236.9	\$ 242.6	\$ 225.3	\$ 223.8	\$ 208.9	13
Global Network Services (GNS)	46.9	48.8	46.6	45.8	43.4	8
Worldwide	\$ 283.8	\$ 291.4	\$ 271.9	\$ 269.6	\$ 252.3	12
Total cards-in-force (millions) (I)						
United States	51.3	50.0	49.5	48.9	48.2	6
Outside the United States	62.9	62.8	63.4	63.3	63.0	-
Worldwide	114.2	112.8	112.9	112.2	111.2	3
Proprietary	66.4	64.6	63.9	63.0	62.2	7
GNS	47.8	48.2	49.0	49.2	49.0	(2)
Worldwide	114.2	112.8	112.9	112.2	111.2	3
Basic cards-in-force (millions) (I)						
United States	40.4	39.4	39.0	38.6	38.1	6
Outside the United States	52.4	52.2	52.7	52.6	52.2	-
Worldwide	92.8	91.6	91.7	91.2	90.3	3
Average basic Card Member spending (dollars) (J)						
United States	\$ 5,015	\$ 5,300	\$ 5,018	\$ 5,128	\$ 4,859	3
Outside the United States	\$ 3,869	\$ 3,918	\$ 3,598	\$ 3,468	\$ 3,283	18
Worldwide	\$ 4,677	\$ 4,890	\$ 4,596	\$ 4,633	\$ 4,387	7
Card Member loans						
United States	\$ 63.9	\$ 64.5	\$ 59.9	\$ 58.5	\$ 56.6	13
Outside the United States	8.9	8.9	8.0	7.5	7.0	27
Worldwide	\$ 72.8	\$ 73.4	\$ 67.9	\$ 66.0	\$ 63.6	14
Average discount rate (K)	2.37%	2.37%	2.40%	2.42%	2.43%	
Average fee per card (dollars) (J)	\$ 51	\$ 49	\$ 49	\$ 49	\$ 48	6

- Denotes a variance of 100 percent or more.

See Appendix III for Footnote References

American Express Company
Selected Credit Related Statistical Information
(Billions, except percentages and where indicated)

(Preliminary)

	Q1'18	Q4'17	Q3'17	Q2'17	Q1'17	YOY % change
Worldwide Card Member receivables						
Total receivables	\$ 54.2	\$ 54.0	\$ 51.5	\$ 49.4	\$ 47.6	14
Loss reserves (millions):						
Beginning balance	\$ 521	\$ 512	\$ 475	\$ 491	\$ 467	12
Provisions (L)	242	205	214	163	213	14
Net write-offs (M)	(199)	(188)	(175)	(179)	(194)	3
Other (N)	1	(8)	(2)	-	5	(80)
Ending balance	\$ 565	\$ 521	\$ 512	\$ 475	\$ 491	15
% of receivables	1.0%	1.0%	1.0%	1.0%	1.0%	
Net write-off rate, excluding Global Corporate Payments (GCP) (principal only) (O)	1.6%	1.5%	1.5%	1.5%	1.7%	
Net write-off rate, excluding GCP (principal and fees) (O)	1.8%	1.6%	1.7%	1.7%	2.0%	
30+ days past due as a % of total, excluding GCP	1.5%	1.4%	1.3%	1.3%	1.5%	
GCP Net loss ratio (as a % of charge volume) (P)	0.10%	0.11%	0.09%	0.10%	0.11%	
GCP 90+ days past billing as a % of total (P)	0.8%	0.9%	0.9%	0.8%	0.7%	
Worldwide Card Member loans						
Total loans	\$ 72.8	\$ 73.4	\$ 67.9	\$ 66.0	\$ 63.6	14
Loss reserves (millions):						
Beginning balance	\$ 1,706	\$ 1,502	\$ 1,320	\$ 1,248	\$ 1,223	39
Provisions (L)	499	596	531	404	337	48
Net write-offs - principal (M)	(358)	(325)	(299)	(285)	(272)	32
Net write-offs - interest and fees (M)	(71)	(64)	(57)	(55)	(51)	39
Other (N)	10	(3)	7	8	11	(9)
Ending balance	\$ 1,786	\$ 1,706	\$ 1,502	\$ 1,320	\$ 1,248	43
Ending reserves - principal	\$ 1,691	\$ 1,622	\$ 1,427	\$ 1,247	\$ 1,179	43
Ending reserves - interest and fees	\$ 95	\$ 84	\$ 75	\$ 73	\$ 69	38
% of loans	2.5%	2.3%	2.2%	2.0%	2.0%	
% of past due	174%	177%	174%	167%	158%	
Average loans	\$ 72.7	\$ 70.1	\$ 67.1	\$ 65.1	\$ 63.9	14
Net write-off rate (principal only) (O)	2.0%	1.8%	1.8%	1.8%	1.7%	
Net write-off rate (principal, interest and fees) (O)	2.4%	2.2%	2.1%	2.1%	2.0%	
30+ days past due loans as a % of total	1.4%	1.3%	1.3%	1.2%	1.2%	
Net interest income divided by average Card Member loans (Q)	10.1%	9.9%	10.0%	9.4%	9.4%	
Net interest yield on average Card Member loans (Q)	10.8%	10.5%	10.7%	10.3%	10.3%	

- Denotes a variance of 100 percent or more.

See Appendix III for Footnote References

American Express Company
Selected Income Statement Information by Segment
(Millions)

(Preliminary)

	U.S. Consumer Services (USCS)	International Consumer and Network Services (ICNS)	Global Commercial Services (GCS)	Global Merchant Services (GMS)	Corporate and Other	Consolidated
Q1'18						
Non-interest revenues	\$ 2,294	\$ 1,551	\$ 2,838	\$ 1,110	\$ 84	\$ 7,877
Interest income	1,656	294	377	-	135	2,462
Interest expense	253	78	171	(63)	182	621
Total revenues net of interest expense	3,697	1,767	3,044	1,173	37	9,718
Total provision	423	108	240	5	(1)	775
Total revenues net of interest expense after provisions for losses	3,274	1,659	2,804	1,168	38	8,943
Marketing, business development, rewards, Card Member services and other	1,771	857	1,373	74	26	4,101
Salaries and employee benefits, and other operating expenses	690	432	714	440	484	2,760
Pretax income (loss)	813	370	717	654	(472)	2,082
Income tax provision (benefit)	173	79	165	182	(151)	448
Net income (loss)	640	291	552	472	(321)	1,634
Q1'17 (As Recast)						
Non-interest revenues	\$ 2,118	\$ 1,400	\$ 2,603	\$ 1,021	\$ 65	\$ 7,207
Interest income	1,310	235	319	-	81	1,945
Interest expense	161	54	123	(43)	148	443
Total revenues net of interest expense	3,267	1,581	2,799	1,064	(2)	8,709
Total provision	294	66	208	3	2	573
Total revenues net of interest expense after provisions for losses	2,973	1,515	2,591	1,061	(4)	8,136
Marketing, business development, rewards, Card Member services and other	1,564	726	1,290	71	12	3,663
Salaries and employee benefits, and other operating expenses	671	441	684	432	406	2,634
Pretax income (loss)	738	348	617	558	(422)	1,839
Income tax provision (benefit)	244	96	208	201	(161)	588
Net income (loss)	494	252	409	357	(261)	1,251
YOY % change						
Non-interest revenues	8	11	9	9	29	9
Interest income	26	25	18	-	67	27
Interest expense	57	44	39	47	23	40
Total revenues net of interest expense	13	12	9	10	#	12
Total provision	44	64	15	67	#	35
Total revenues net of interest expense after provisions for losses	10	10	8	10	#	10
Marketing, business development, rewards, Card Member services and other	13	18	6	4	#	12
Salaries and employee benefits, and other operating expenses	3	(2)	4	2	19	5
Pretax income (loss)	10	6	16	17	12	13
Income tax provision (benefit)	(29)	(18)	(21)	(9)	(6)	(24)
Net income (loss)	30	15	35	32	23	31

- Denotes a variance of 100 percent or more.

See Appendix III for Footnote References

	YOY % change									
	Reported					FX-Adjusted (R)				
	Q1'18	Q4'17	Q3'17	Q2'17	Q1'17	Q1'18	Q4'17	Q3'17	Q2'17	Q1'17
Worldwide (S)										
Total Billed Business	12%	11%	8%	-	(1%)	10%	9%	8%	1%	-
Proprietary billed business	13	11	9	(1)	(2)	11	10	9	-	(2)
GNS billed business (T)	8	9	4	5	7	3	6	4	5	6
Airline-related volume (9% of Q1'18 worldwide billed business)	10	7	5	1	1	6	4	3	1	2
United States (S)										
Billed Business	10	8	7	(4)	(6)	n/a	n/a	n/a	n/a	n/a
Proprietary consumer card billed business (U)	11	8	7	(9)	(13)	n/a	n/a	n/a	n/a	n/a
Proprietary small business and corporate services billed business (V)	10	9	9	4	2	n/a	n/a	n/a	n/a	n/a
T&E-related volume (27% of Q1'18 U.S. billed business)	8	6	3	(3)	(5)	n/a	n/a	n/a	n/a	n/a
Non-T&E-related volume (73% of Q1'18 U.S. billed business)	11	9	8	(4)	(7)	n/a	n/a	n/a	n/a	n/a
Airline-related volume (8% of Q1'18 U.S. billed business)	7	5	2	(1)	(4)	n/a	n/a	n/a	n/a	n/a
Outside the United States (S)										
Billed Business	17	15	10	9	12	9	10	9	11	13
Japan, Asia Pacific & Australia ("JAPA") billed business	16	15	8	12	16	10	11	9	13	14
Latin America & Canada ("LACC") billed business	12	11	10	8	10	11	8	8	9	9
Europe, Middle East & Africa ("EMEA") billed business	20	19	13	7	7	7	10	10	10	12
Proprietary consumer card billed business (T)	25	20	15	9	8	16	14	13	12	11
Proprietary small business and corporate services billed business (V)	23	19	14	8	13	14	13	11	10	14

See Appendix III for Footnote References

U.S. Consumer Services
Selected Income Statement and Statistical Information
(Millions, except percentages)

(Preliminary)

	As Recast					YOY % change
	Q1'18	Q4'17	Q3'17	Q2'17	Q1'17	
Non-interest revenues	\$ 2,294	\$ 2,349	\$ 2,234	\$ 2,265	\$ 2,118	8
Interest income	1,656	1,571	1,512	1,371	1,310	26
Interest expense	253	234	219	189	161	57
Net interest income	1,403	1,337	1,293	1,182	1,149	22
Total revenues net of interest expense	3,697	3,686	3,527	3,447	3,267	13
Provisions for losses	423	532	459	345	294	44
Total revenues net of interest expense after provisions for losses	3,274	3,154	3,068	3,102	2,973	10
Expenses						
Marketing, business development, rewards, Card Member services and other	1,771	1,755	1,713	1,747	1,564	13
Salaries and employee benefits and other operating expenses	690	700	663	687	671	3
Total expenses	2,461	2,455	2,376	2,434	2,235	10
Pretax segment income	813	699	692	668	738	10
Income tax provision	173	215	220	229	244	(29)
Segment income	\$ 640	\$ 484	\$ 472	\$ 439	\$ 494	30
Effective tax rate	21.3%	30.8%	31.8%	34.3%	33.1%	

(Billions, except percentages and where indicated)

Card billed business	\$ 86.0	\$ 91.0	\$ 83.7	\$ 84.8	\$ 77.5	11
Total cards-in-force (millions)	36.1	34.9	34.4	33.8	33.2	9
Basic cards-in-force (millions)	25.8	25.0	24.6	24.2	23.7	9
Average basic Card Member spending (dollars)	\$ 3,371	\$ 3,672	\$ 3,433	\$ 3,538	\$ 3,297	2
Total segment assets	\$ 93.8	\$ 95.0	\$ 89.9	\$ 88.5	\$ 85.3	10
Card Member receivables						
Total receivables	\$ 11.7	\$ 13.1	\$ 11.2	\$ 11.3	\$ 10.9	7
30+ days past due as a % of total	1.3%	1.1%	1.2%	1.1%	1.3%	
Net write-off rate (principal only) (O)	1.3%	1.3%	1.2%	1.2%	1.5%	
Net write-off rate (principal and fees) (O)	1.5%	1.4%	1.3%	1.4%	1.7%	
Card Member loans						
Total loans	\$ 52.7	\$ 53.7	\$ 49.3	\$ 48.3	\$ 46.7	13
30+ days past due loans as a % of total	1.4%	1.3%	1.3%	1.1%	1.2%	
Average loans	\$ 52.9	\$ 51.1	\$ 49.0	\$ 47.7	\$ 47.2	12
Net write-off rate (principal only) (O)	2.0%	1.9%	1.8%	1.8%	1.7%	
Net write-off rate (principal, interest and fees) (O)	2.4%	2.2%	2.1%	2.1%	2.0%	
Net interest income divided by average Card Member loans (Q)	10.6%	10.5%	10.6%	9.9%	9.7%	
Net interest yield on average Card Member loans (Q)	10.7%	10.5%	10.6%	10.1%	10.0%	

- Denotes a variance of 100 percent or more.

See Appendix III for Footnote References

International Consumer and Network Services
Selected Income Statement and Statistical Information
(Millions, except percentages)

(Preliminary)

	As Recast					YOY % change
	Q1'18	Q4'17	Q3'17	Q2'17	Q1'17	
Non-interest revenues	\$ 1,551	\$ 1,545	\$ 1,491	\$ 1,470	\$ 1,400	11
Interest income	294	278	271	246	235	25
Interest expense	78	76	66	62	54	44
Net interest income	216	202	205	184	181	19
Total revenues net of interest expense	1,767	1,747	1,696	1,654	1,581	12
Provisions for losses	108	111	106	84	66	64
Total revenues net of interest expense after provisions for losses	1,659	1,636	1,590	1,570	1,515	10
Expenses						
Marketing, business development, rewards, Card Member services and other	857	939	829	802	726	18
Salaries and employee benefits, and other operating expenses	432	461	419	440	441	(2)
Total expenses	1,289	1,400	1,248	1,242	1,167	10
Pretax segment income	370	236	342	328	348	6
Income tax provision	79	27	34	87	96	(18)
Segment income	\$ 291	\$ 209	\$ 308	\$ 241	\$ 252	15
Effective tax rate	21.4%	11.4%	9.9%	26.5%	27.6%	

(Billions, except percentages and where indicated)

Card billed business						
Proprietary	\$ 33.3	\$ 33.7	\$ 30.5	\$ 28.9	\$ 26.6	25
GNS	47.0	48.8	46.6	45.8	43.4	8
Total	\$ 80.3	\$ 82.5	\$ 77.1	\$ 74.7	\$ 70.0	15
Total cards-in-force (millions)						
Proprietary	16.2	15.7	15.6	15.4	15.3	6
GNS	47.8	48.2	49.0	49.2	49.0	(2)
Total	64.0	63.9	64.6	64.6	64.3	-
Proprietary basic cards-in-force (millions)	11.3	10.8	10.8	10.6	10.5	8
Average proprietary basic Card Member spending (dollars)	\$ 3,001	\$ 3,106	\$ 2,840	\$ 2,726	\$ 2,542	18
Total segment assets	\$ 42.0	\$ 38.8	\$ 39.1	\$ 37.8	\$ 36.1	16
Card Member receivables						
Total receivables	\$ 7.1	\$ 7.8	\$ 6.5	\$ 6.0	\$ 5.5	29
30+ days past due as a % of total	1.5%	1.3%	1.4%	1.4%	1.5%	
Net write-off rate (principal only) (O)	2.0%	1.8%	2.2%	1.9%	2.1%	
Net write-off rate (principal and fees) (O)	2.2%	1.9%	2.4%	2.0%	2.3%	
Card Member loans						
Total loans	\$ 8.7	\$ 8.7	\$ 7.8	\$ 7.2	\$ 6.8	28
30+ days past due loans as a % of total	1.6%	1.4%	1.6%	1.7%	1.7%	
Average loans	\$ 8.6	\$ 8.1	\$ 7.5	\$ 7.1	\$ 6.9	25
Net write-off rate (principal only) (O)	2.1%	2.0%	2.2%	2.0%	2.0%	
Net write-off rate (principal, interest and fees) (O)	2.6%	2.4%	2.7%	2.5%	2.5%	
Net interest income divided by average Card Member loans (Q)	10.0%	10.0%	10.9%	10.4%	10.5%	
Net interest yield on average Card Member loans (Q)	10.9%	10.8%	11.6%	11.2%	11.1%	

- Denotes a variance of 100 percent or more.

See Appendix III for Footnote References

Global Commercial Services
Selected Income Statement and Statistical Information
(Millions, except percentages)

(Preliminary)

	As Recast					YOY % change
	Q1'18	Q4'17	Q3'17	Q2'17	Q1'17	
Non-interest revenues	\$ 2,838	\$ 2,867	\$ 2,733	\$ 2,740	\$ 2,603	9
Interest income	377	357	351	334	319	18
Interest expense	171	168	159	145	123	39
Net interest income	206	189	192	189	196	5
Total revenues net of interest expense	3,044	3,056	2,925	2,929	2,799	9
Provisions for losses	240	188	194	154	208	15
Total revenues net of interest expense after provisions for losses	2,804	2,868	2,731	2,775	2,591	8
Expenses						
Marketing, business development, rewards, Card Member services and other	1,373	1,362	1,312	1,347	1,290	6
Salaries and employee benefits and other operating expenses	714	736	679	686	684	4
Total expenses	2,087	2,098	1,991	2,033	1,974	6
Pretax segment income	717	770	740	742	617	16
Income tax provision	165	224	231	261	208	(21)
Segment income	\$ 552	\$ 546	\$ 509	\$ 481	\$ 409	35
Effective tax rate	23.0%	29.1%	31.2%	35.2%	33.7%	

(Billions, except percentages and where indicated)

Card billed business	\$ 115.7	\$ 116.6	\$ 109.7	\$ 109.0	\$ 102.8	13
Total cards-in-force (millions)	14.1	14.0	13.9	13.8	13.7	3
Basic cards-in-force (millions)	14.1	14.0	13.9	13.8	13.7	3
Average basic Card Member spending (dollars)	\$ 8,233	\$ 8,356	\$ 7,907	\$ 7,920	\$ 7,533	9
Total segment assets	\$ 57.8	\$ 53.9	\$ 54.8	\$ 53.6	\$ 51.5	12
Card Member receivables	\$ 35.5	\$ 33.1	\$ 33.8	\$ 32.1	\$ 31.2	14
Card Member loans	\$ 11.5	\$ 11.1	\$ 10.7	\$ 10.4	\$ 10.0	15
Card Member receivables						
Total receivables - GCP (P)	\$ 19.3	\$ 17.0	\$ 17.9	\$ 16.9	\$ 16.6	16
90+ days past billing as a % of total - GCP (P)	0.8%	0.9%	0.9%	0.8%	0.7%	
Net loss ratio (as a % of charge volume) - GCP (P)	0.10%	0.11%	0.09%	0.10%	0.11%	
Total receivables - Global Small Business Services (GSBS) (W)	\$ 16.2	\$ 16.1	\$ 15.9	\$ 15.2	\$ 14.6	11
30+ days past due as a % of total - GSBS	1.8%	1.6%	1.4%	1.4%	1.6%	
Net write-off rate (principal only) - GSBS (O)	1.7%	1.5%	1.5%	1.6%	1.8%	
Net write-off rate (principal and fees) - GSBS (O)	1.9%	1.7%	1.7%	1.8%	2.0%	
Card Member loans (X)						
Total loans - GSBS	\$ 11.4	\$ 11.0	\$ 10.7	\$ 10.3	\$ 10.0	14
30+ days past due as a % of total - GSBS	1.3%	1.2%	1.1%	1.1%	1.2%	
Average loans - GSBS	\$ 11.1	\$ 10.9	\$ 10.5	\$ 10.1	\$ 9.6	16
Net write-off rate (principal only) - GSBS (O)	1.6%	1.6%	1.6%	1.5%	1.6%	
Net write-off rate (principal, interest and fees) - GSBS (O)	1.9%	1.9%	1.9%	1.8%	1.8%	
Net interest income divided by average Card Member loans (Q)	7.4%	6.9%	7.3%	7.4%	8.1%	
Net interest yield on average Card Member loans (Q)	10.7%	10.5%	10.8%	10.8%	11.1%	

- Denotes a variance of 100 percent or more.

See Appendix III for Footnote References

Global Merchant Services
Selected Income Statement and Statistical Information
(Millions, except percentages)

(Preliminary)

	As Recast					YOY % change
	Q1'18	Q4'17	Q3'17	Q2'17	Q1'17	
Non-interest revenues	\$ 1,110	\$ 1,147	\$ 1,092	\$ 1,089	\$ 1,021	9
Interest income	-	-	-	1	-	-
Interest expense	(63)	(61)	(51)	(49)	(43)	47
Net interest income	63	61	51	50	43	47
Total revenues net of interest expense	1,173	1,208	1,143	1,139	1,064	10
Provisions for losses	5	4	8	-	3	67
Total revenues net of interest expense after provisions for losses	1,168	1,204	1,135	1,139	1,061	10
Expenses						
Marketing, business development, rewards, Card Member services and other	74	111	91	78	71	4
Salaries and employee benefits and other operating expenses	440	491	547	400	432	2
Total expenses	514	602	638	478	503	2
Pretax segment income	654	602	497	661	558	17
Income tax provision	182	203	143	242	201	(9)
Segment income	\$ 472	\$ 399	\$ 354	\$ 419	\$ 357	32
Effective tax rate	27.8%	33.7%	28.8%	36.6%	36.0%	
Loyalty Coalition revenue	\$ 111	\$ 121	\$ 115	\$ 114	\$ 102	9
<i>(Billions, except percentages and where indicated)</i>						
Average discount rate (K)	2.37%	2.37%	2.40%	2.42%	2.43%	
Total segment assets	\$ 29.3	\$ 29.6	\$ 28.0	\$ 27.4	\$ 25.9	13

- Denotes a variance of 100 percent or more.

See Appendix III for Footnote References

Appendix I

Components of Return on Average Equity (ROE) and Return on Average Common Equity (ROCE)

(Millions, except percentages)

	As Recast				
	For the Twelve Months Ended				
	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017
ROE					
Net income	\$ 3,131	\$ 2,748	\$ 4,763	\$ 4,546	\$ 5,187
Average shareholders' equity	\$ 20,536	\$ 20,857	\$ 21,038	\$ 20,946	\$ 20,829
Return on average equity (D)	15.2%	13.2%	22.6%	21.7%	24.9%
Reconciliation of ROCE					
Net income	\$ 3,131	\$ 2,748	\$ 4,763	\$ 4,546	\$ 5,187
Preferred shares dividends and related accretion	81	81	80	80	80
Earnings allocated to participating share awards and other	37	21	38	36	42
Net income attributable to common shareholders	\$ 3,013	\$ 2,646	\$ 4,645	\$ 4,430	\$ 5,065
Average shareholders' equity	\$ 20,536	\$ 20,857	\$ 21,038	\$ 20,946	\$ 20,829
Average preferred shares	1,584	1,584	1,584	1,584	1,584
Average common shareholders' equity	\$ 18,952	\$ 19,273	\$ 19,454	\$ 19,362	\$ 19,245
Return on average common equity (D)	15.9%	13.7%	23.9%	22.9%	26.3%

See Appendix III for Footnote References

American Express Company
Appendix II
Net Interest Yield on Average Card Member Loans
(Millions, except percentages and where indicated)

(Preliminary)

		As Recast			
	Q1'18	Q4'17	Q3'17	Q2'17	Q1'17
Consolidated					
Net interest income	\$ 1,841	\$ 1,739	\$ 1,677	\$ 1,533	\$ 1,502
<i>Exclude:</i>					
Interest expense not attributable to the Company's Card Member loan portfolio (Y)	302	297	309	295	247
Interest income not attributable to the Company's Card Member loan portfolio (Z)	(213)	(177)	(173)	(155)	(130)
Adjusted net interest income (AA)	\$ 1,930	\$ 1,859	\$ 1,813	\$ 1,673	\$ 1,619
Average Card Member loans (billions)	\$ 72.7	\$ 70.1	\$ 67.1	\$ 65.1	\$ 63.9
Net interest income divided by average Card Member loans (AB)	10.1%	9.9%	10.0%	9.4%	9.4%
Net interest yield on average Card Member loans (AC)	10.8%	10.5%	10.7%	10.3%	10.3%
U.S. Consumer Services					
Net interest income	\$ 1,403	\$ 1,337	\$ 1,293	\$ 1,182	\$ 1,149
<i>Exclude:</i>					
Interest expense not attributable to the Company's Card Member loan portfolio (Y)	37	45	44	41	34
Interest income not attributable to the Company's Card Member loan portfolio (Z)	(38)	(31)	(29)	(23)	(18)
Adjusted net interest income (AA)	\$ 1,402	\$ 1,351	\$ 1,308	\$ 1,200	\$ 1,165
Average Card Member loans (billions)	\$ 52.9	\$ 51.1	\$ 49.0	\$ 47.7	\$ 47.2
Net interest income divided by average Card Member loans (AB)	10.6%	10.5%	10.6%	9.9%	9.7%
Net interest yield on average Card Member loans (AC)	10.7%	10.5%	10.6%	10.1%	10.0%
International Consumer and Network Services					
Net interest income	\$ 216	\$ 202	\$ 205	\$ 184	\$ 181
<i>Exclude:</i>					
Interest expense not attributable to the Company's Card Member loan portfolio (Y)	21	22	18	16	12
Interest income not attributable to the Company's Card Member loan portfolio (Z)	(4)	(3)	(3)	(3)	(4)
Adjusted net interest income (AA)	\$ 233	\$ 221	\$ 220	\$ 197	\$ 189
Average Card Member loans (billions)	\$ 8.6	\$ 8.1	\$ 7.5	\$ 7.1	\$ 6.9
Net interest income divided by average Card Member loans (AB)	10.0%	10.0%	10.9%	10.4%	10.5%
Net interest yield on average Card Member loans (AC)	10.9%	10.8%	11.6%	11.2%	11.1%
Global Commercial Services					
Net interest income	\$ 206	\$ 189	\$ 192	\$ 189	\$ 196
<i>Exclude:</i>					
Interest expense not attributable to the Company's Card Member loan portfolio (Y)	126	128	122	114	96
Interest income not attributable to the Company's Card Member loan portfolio (Z)	(36)	(30)	(29)	(27)	(27)
Adjusted net interest income (AA)	\$ 296	\$ 287	\$ 285	\$ 276	\$ 265
Average Card Member loans (billions)	\$ 11.2	\$ 10.9	\$ 10.5	\$ 10.2	\$ 9.7
Net interest income divided by average Card Member loans (AB)	7.4%	6.9%	7.3%	7.4%	8.1%
Net interest yield on average Card Member loans (AC)	10.7%	10.5%	10.8%	10.8%	11.1%

See Appendix III for Footnote References

All Information in the preceding tables is presented on a basis prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), unless otherwise indicated. Certain reclassifications of prior period amounts have been made to conform to the current period presentation. None of the prior period financial information was materially misstated.

- (A) Includes reclassification of certain business development expenses from Other expenses to Marketing and business development that are not directly attributable to the adoption of the new revenue recognition guidance. Prior periods have been conformed to the current period presentation.
- (B) Represents net income (loss), less (i) earnings allocated to participating share awards of \$13 million, \$2 million, \$11 million, \$11 million and \$10 million in Q1'18, Q4'17, Q3'17, Q2'17 and Q1'17, respectively; and (ii) dividends on preferred shares of \$21 million, \$20 million, \$21 million, \$19 million and \$21 million in Q1'18, Q4'17, Q3'17, Q2'17 and Q1'17, respectively.
- (C) Within assets, "other" includes the following items as presented in the Company's Consolidated Balance Sheets: Other receivables, Other loans (including merchant financing loans), Premises and equipment and Other assets; and within liabilities, "other" includes the following items: Travelers Cheques and other prepaid products, Accounts payable and Other liabilities.
- (D) Return on average equity and return on average common equity are calculated by dividing one year period net income/net income attributable to common shareholders by one year average total shareholders' equity/average common shareholders' equity, respectively. Refer to Appendix I for components of return on average equity and return on average common equity.
- (E) Effective January 1, 2018, we have exited the transitional Basel III Reporting and these ratios represent preliminary estimates for the current period as of the date of First Quarter 2018 Earnings Release and may be revised in the Company's 2018 Form 10-Q for period ended March 31, 2018.
- (F) The Company is required to calculate a Supplementary Leverage Ratio, which is defined as Tier 1 Capital divided by Total Leverage Exposure. The Total Leverage Exposure reflects average total consolidated assets with adjustments for Tier 1 Capital deductions and includes off-balance sheet derivatives exposures, repo-style transactions and credit equivalents of undrawn commitments that are both conditionally and unconditionally cancellable.
- (G) Presented for the purpose of calculating the Tier 1 Leverage Ratio.
- (H) Card billed business includes activities (including cash advances) related to proprietary cards, cards issued under network partnership agreements (non-proprietary billed business), and certain insurance fees charged on proprietary cards. In-store spend activity within retail cobrand portfolios in GNS, from which the Company earns no revenue, is not included. Card billed business is reflected in the United States or outside the United States based on where the issuer is located.
- (I) Total cards-in-force represents the number of cards that are issued and outstanding. Proprietary basic consumer cards-in-force includes basic cards issued to the primary account owner and does not include supplemental cards issued on that account. Proprietary basic small business and corporate cards-in-force include basic and supplemental cards issued to employee Card Members. Non-proprietary cards-in-force includes all cards that are issued and outstanding under network partnership agreements, except for retail cobrand Card Member accounts that have no out-of-store spend activity during the prior 12-month period.
- (J) Average basic Card Member spending and average fee per card are computed from proprietary card activities only. Average fee per card is computed based on net card fees divided by average worldwide proprietary cards-in-force.
- (K) This calculation is generally designed to reflect pricing at merchants accepting general-purpose American Express cards. It represents the percentage of billed business (generated from both proprietary and GNS Card Member spending) retained by the Company from merchants it acquires, or for merchants acquired by a third party on its behalf, net of amounts retained by such third party. Effective January 1, 2018, the Company also began including billings volumes related to certain business-to-business products in the calculation of the average discount rate to reflect our expanding business to business product offerings. Prior periods have been conformed to the current period presentation.
- (L) Provisions for principal, interest and/or fee reserve components.
- (M) Consists of principal, interest and/or fees, less recoveries.
- (N) Other includes foreign currency translation adjustments and other items for all periods.
- (O) The Company presents a net write-off rate based on principal losses only (i.e., excluding interest and/or fees) to be consistent with industry convention. In addition, because the Company's practice is to include uncollectible interest and/or fees as part of its total provision for losses, a net write-off rate including principal, interest and/or fees is also presented.
- (P) GCP includes global, large and middle markets corporate accounts.
- (Q) See Appendix II for calculations of net interest yield on average Card Member loans, a non-GAAP measure, and net interest income divided by average Card Member loans, a GAAP measure, and the Company's rationale for presenting net interest yield on average Card Member loans.
- (R) FX-adjusted information 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 Q1'18 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.
- (S) Captions not designated as "proprietary" or "GNS" include both proprietary and GNS data.
- (T) Included in ICNS.
- (U) Included in USCS.
- (V) Included in GCS.
- (W) GSBS includes small business in the U.S. and international small business services.
- (X) Effective Q3'17, GSBS loans and associated metrics include small business in the U.S. and international small business services. Prior to Q3'17, due to certain system limitations, international small business services loans and associated credit metrics were reported within the international consumer business, in the ICNS segment, which were insignificant to both ICNS and GCS.

- (Y) Primarily represents interest expense attributable to maintaining our corporate liquidity pool and funding Card Member receivables.
- (Z) Primarily represents interest income attributable to Other loans, interest-bearing deposits and our Travelers Cheque and other stored-value investment portfolio.
- (AA) Adjusted net interest income, a non-GAAP measure that represents net interest income attributable to our Card Member loans (which includes, on a GAAP basis, interest that is deemed uncollectible), excluding the impact of interest expense and interest income not attributable to our Card Member loans. The Company believes adjusted net interest income is useful to investors because it represents the interest expense and interest income attributable to our Card Member loan portfolio and is a component of net interest yield on average Card Member loans, which provides a measure of profitability of our Card Member loan portfolio.
- (AB) Net interest income divided by average Card Member loans, computed on an annualized basis, a GAAP measure, includes elements of total interest income and total interest expense that are not attributable to the Card Member loan portfolio, and thus is not representative of net interest yield on average Card Member loans.
- (AC) Net interest yield on average Card Member loans, a non-GAAP measure that is computed by dividing adjusted net interest income by average Card Member loans, computed on an annualized basis. Reserves and net write-offs related to uncollectible interest are recorded through provisions for losses and are thus not included in the net interest yield calculation. The Company believes net interest yield on average Card Member loans is useful to investors because it provides a measure of profitability of the Company's Card Member loan portfolio.