AMERICAN EXPRESS CO
Form 11-K
June 20, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 11-K

(Mark One)
ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2017
or

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 1-7657

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

AMERICAN EXPRESS RETIREMENT SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

AMERICAN EXPRESS COMPANY

200 Vesey Street
New York, New York 10285

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AMERICAN EXPRESS RETIREMENT SAVINGS PLAN
Financial Statements and Supplemental Schedule

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* Other supplemental schedules required by the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended, have been omitted because they are not applicable or not required.

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Report of Independent Registered Public Accounting Firm

To the Administrator of the American Express Retirement Savings Plan

Opinion on the Financial Statements

We have audited the accompanying statements of net assets available for benefits of American Express Retirement Savings Plan (the "Plan") as of December 31,2017 and December 31,2016 and the related statement of changes in net assets available for benefits for the year ended December 31, 2017, including the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2017 and December 31, 2016, and the changes in net assets available for benefits for the year ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on the Plan's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Supplemental Information

The supplemental schedule of assets (held at end of year) as of December 31, 2017 and the schedule of assets (acquired and disposed of within year) for the year ended December 31, 2017 have been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental schedules are the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental schedules reconcile to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedules. In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ PricewaterhouseCoopers LLP
Minneapolis, Minnesota
June 20, 2018

We have served as the Plan’s auditor since 2006.

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AMERICAN EXPRESS RETIREMENT SAVINGS PLAN
Statements of Net Assets Available for Benefits
as of December 31, 2017 and 2016

(Thousands)	2017	2016
Assets		
Investments, at fair value:		
Money market funds	$55,811	$55,245
Corporate debt instruments	91,782	76,738
Common stocks	2,074,740	1,777,962
U.S. Government and agency obligations	167,456	168,684
Common/collective trusts	1,311,735	860,605
Mutual funds	720,064	747,142
Self-directed brokerage accounts	147,313	134,956
Other investments	130,301	92,912
Total investments, at fair value	4,699,202	3,914,244
Fully benefit responsive investment contracts, at contract value	529,458	553,762
Due from brokers	2,526	4,611
Cash (non-interest bearing)	2,857	86
Receivables:		
Notes receivable from participants	79,947	78,998
Investment income accrued	2,902	2,570
Employer contributions:		
Profit sharing	109,553	47,070
Other than profit sharing	26,975	21,712
Total Assets	5,453,420	4,623,053
Liabilities		
Accrued expenses	2,734	2,294
Due to brokers	4,476	2,558
Total Liabilities	7,210	4,852
Net assets available for benefits	$5,446,210	$4,618,201

See accompanying notes to the financial statements.

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AMERICAN EXPRESS RETIREMENT SAVINGS PLAN
Statement of Changes in Net Assets Available for Benefits
for the Year Ended December 31, 2017

(Thousands)	2017
Contributions	
Employer	
Profit sharing	$109,563
Other than profit sharing	132,071
Employee	164,662
Rollovers	16,664
Total contributions	422,960
Investment income	
Net appreciation of investments	803,428
Interest and dividends	61,532
Other income	685
Total investment income	865,645
Interest on notes receivable from participants	3,476
Total additions to net assets	1,292,081
Withdrawal payments	(450,775)
Administrative expenses	(13,297)
Total deductions to net assets	(464,072)
Net increase in net assets available for benefits	828,009
Net assets available for benefits at beginning of year	4,618,201
Net assets available for benefits at end of year	$5,446,210

See accompanying notes to the financial statements.

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AMERICAN EXPRESS RETIREMENT SAVINGS PLAN
Notes to Financial Statements

1. Description of the Plan

General

The American Express Retirement Savings Plan (the "Plan"), which became effective June 11, 1973, is a defined contribution pension plan. Under the terms of the Plan, regular full-time and certain part-time employees of American Express Company and its participating subsidiaries (the "Company") can make elective contributions to the Plan beginning as soon as practicable after their date of hire and are eligible to receive Company contributions, if any, upon completion of six months of service.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The following is not a comprehensive description of the Plan, and therefore does not include all situations and limitations covered by the Plan. The Plan Document is the exclusive governing document and should be referred to for more complete information.

Administration

Wells Fargo Bank, N.A. is the Trustee and Recordkeeper for the Plan. The Plan is administered by the Company's Employee Benefits Administration Committee ("EBAC") and the Company's Retirement Savings Plan Investment Committee ("RSPIC"). The Plan Document requires that the American Express Company Stock Fund be offered as an investment option, subject to compliance with ERISA. RSPIC has the power to select the other investment options available under the Plan and the manner in which these investment options are invested. Subject to Plan limits, RSPIC also has the power to appoint investment managers to make investment decisions. Under the terms of the Plan Document, the members of EBAC and RSPIC are appointed by the Company's Vice President, Benefits & Mobility.

Compensation

The participant compensation (commonly referred to as "Total Pay") that is used in the calculation of Plan contributions generally includes an employee's base pay plus overtime, shift differentials, most commissions and most incentives. For participants above certain salary grades, as defined by the Plan, Total Pay does not include any incentive pay which, in the aggregate, is in excess of one times their base salary when calculating Company contributions.

For purposes of the Plan, compensation is limited to a participant's regular cash remuneration up to a maximum of $270,000 in 2017 and $265,000 in 2016, before tax deductions and certain other withholdings.

Contributions

The Plan currently provides for the following contributions:

Elective Contributions
Each pay period, participants may make Before-Tax Contributions, Roth Contributions, and/or After-Tax Contributions up to 10% of eligible compensation, or a combination thereof, not to exceed 80% of their Total Pay, to the Plan through payroll deductions. Roth Contributions are a special type of after-tax contribution and are subject to most of the same rules as Before-Tax Contributions. The Internal Revenue Code of 1986, as amended (the "Code")

imposes a limitation that is adjusted annually for cost of living increases on participants' pre-tax and Roth contributions to plans which are qualified under Code Section 401(k) and other specified tax favored plans. For both 2017 and 2016, this limit was $18,000 for participants under age 50 and $24,000 for participants age 50 or older. The Plan complied with non-discrimination requirements under the Code during 2017 and 2016 by utilizing the safe harbor design for deferrals and matching contributions in accordance with Sections 401(k)(12) and 401(m)(11) of the Code.

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AMERICAN EXPRESS RETIREMENT SAVINGS PLAN
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Eligible employees hired for the first time on or after January 1, 2017 are automatically enrolled to make Before-Tax Contributions equal to 3% of base pay, with a 1% automatic increase each year until the rate reaches 10%, unless the employee makes an alternative election to contribute at a different rate or opt out of automatic enrollment.

Company Matching Contributions
Effective January 1, 2017, the Company matches 100% of a participant's Before-Tax Contributions and/or Roth Contributions up to 6% of Total Pay after a participant's completion of six months of service. For 2016, the Company Matching Contribution was capped at 5% of Total Pay.

Profit Sharing Contributions
Upon a participant's completion of six months of service, additional Company contributions may be made annually at the Company's discretion which can be based, in part, on the Company's performance. Participants must be employed on the last working day of the Plan year (or be disabled under the terms of the Plan) to be eligible for any Profit Sharing Contributions made for that Plan year. Profit Sharing Contributions to eligible participants are made regardless of whether the eligible participant contributes to the Plan. Profit Sharing Contributions comprised 5.50% and 2.50% of eligible participants' Total Pay in 2017 and 2016, respectively.

Qualified Non-Elective Contributions
The Company may make Qualified Non-Elective Contributions ("QNEC"). A QNEC is a discretionary, fully vested contribution. The Company may designate all or part of a Company profit sharing contribution as a QNEC. Alternatively, the Company may, in its sole discretion, make an additional contribution designated as a QNEC. Any QNECs are fully vested when made and distributable only under circumstances that permit distributions of Before-Tax Contributions or Roth Contributions (excluding hardship withdrawals). QNECs may be allocated as a uniform percentage of eligible compensation for designated employees and may be restricted to only such employees employed on the last day of the Plan year. Alternatively, the Company may direct that QNECs be allocated among specifically designated non-highly compensated employees in varying percentages of compensation as permitted by law.

Conversion Contributions
For eligible employees on the Company's United States payroll or on unpaid leave of absence on July 1, 2007 and who generally commenced service prior to April 1, 2007, the Company makes Conversion Contributions equal to a percentage of compensation. The amount of the participant's Conversion Contributions is based on his/her projected attained age plus completed years of service with the Company as of December 31, 2008. Conversion Contributions range from 0.5% to 8.0% of Total Pay. Effective January 1, 2018, the Company will phase out Conversion Contributions. No Conversion Contributions will be provided for periods after December 31, 2018.

Disability Contributions
Certain qualifying participants who become disabled, as defined by the Plan Document, are eligible to receive contributions similar to Company Conversion, Profit Sharing and/or Matching Contributions.

Transfer of Account Balances
A participant's account balance may be transferred among the Plan's investment options upon receipt of instructions from the participant. Account balances may be allocated among the Plan's investment options on a daily basis.

Participant Rollovers

A rollover contribution is a transfer to the Plan of a qualified distribution in accordance with the provisions of the Plan. Rollovers are accepted into the Plan, but are not subject to Company contributions.

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AMERICAN EXPRESS RETIREMENT SAVINGS PLAN
Notes to Financial Statements

In-Plan Roth Conversions
The Plan allows for in-Plan Roth conversions.

Vesting
Participants are immediately vested in their elective Before-Tax, Roth and After-Tax Contributions and rollovers, if any, as well as the investment earnings on the foregoing. Other contributions become vested as set forth below:

Company Matching Contributions
Company Matching Contributions and investment earnings thereon are immediately 100% vested.

Discretionary Profit Sharing Contributions
Profit Sharing Contributions and investment earnings thereon are 100% vested after the earlier of three years of service or, if still employed by the Company or an affiliate, at or after attainment of age 65, disability or death.

Qualified Non-Elective Contributions
QNECs are immediately 100% vested and investment earnings thereon are immediately 100% vested.

Conversion Contributions