

## CONSOLIDATED STATEMENTS OF INCOME

Years Ended December 31 (Millions, except per share amounts)	2017	2016	2015
<b>Revenues</b>			
Non-interest revenues			
Discount revenue	\$ 19,186	\$ 18,680	\$ 19,297
Net card fees	3,090	2,886	2,700
Other fees and commissions	3,022	2,753	2,866
Other	1,732	2,029	2,033
Total non-interest revenues	27,030	26,348	26,896
<b>Interest income</b>			
Interest on loans	8,138	7,205	7,309
Interest and dividends on investment securities	89	131	157
Deposits with banks and other	326	139	79
Total interest income	8,553	7,475	7,545
<b>Interest expense</b>			
Deposits	779	598	475
Long-term debt and other	1,333	1,106	1,148
Total interest expense	2,112	1,704	1,623
Net interest income	6,441	5,771	5,922
Total revenues net of interest expense	33,471	32,119	32,818
<b>Provisions for losses</b>			
Charge card	795	696	737
Card Member loans	1,868	1,235	1,190
Other	96	95	61
Total provisions for losses	2,759	2,026	1,988
Total revenues net of interest expense after provisions for losses	30,712	30,093	30,830
<b>Expenses</b>			
Marketing and promotion	3,217	3,650	3,109
Card Member rewards	7,608	6,793	6,996
Card Member services and other	1,439	1,133	1,018
Salaries and employee benefits	5,258	5,259	4,976
Other, net	5,776	5,162	6,793
Total expenses	23,298	21,997	22,892
Pretax income	7,414	8,096	7,938
Income tax provision	4,678	2,688	2,775
Net income	\$ 2,736	\$ 5,408	\$ 5,163
<b>Earnings per Common Share — (Note 22)<sup>(a)</sup></b>			
Basic	\$ 2.98	\$ 5.67	\$ 5.07
Diluted	\$ 2.97	\$ 5.65	\$ 5.05
Average common shares outstanding for earnings per common share:			
Basic	883	933	999
Diluted	886	935	1,003

(a) Represents net income less (i) earnings allocated to participating share awards of \$21 million, \$43 million and \$38 million for the years ended December 31, 2017, 2016 and 2015, respectively, and (ii) dividends on preferred shares of \$81 million, \$80 million and \$62 million for the years ended December 31, 2017, 2016 and 2015, respectively.

See Notes to Consolidated Financial Statements.

## CONSOLIDATED BALANCE SHEETS

December 31 (Millions, except share data)	2017	2016
<b>Assets</b>		
Cash and cash equivalents		
Cash and due from banks	\$ 5,148	\$ 3,278
Interest-bearing deposits in other banks (includes securities purchased under resale agreements: 2017, \$48; 2016, \$115)	27,709	20,779
Short-term investment securities	70	1,151
Total cash and cash equivalents	32,927	25,208
Accounts receivable		
Card Member receivables (includes gross receivables available to settle obligations of a consolidated variable interest entity: 2017, \$8,919; 2016, \$8,874), less reserves: 2017, \$521; 2016, \$467	53,526	46,841
Other receivables, less reserves: 2017, \$31; 2016, \$45	3,163	3,232
Loans		
Card Member loans (includes gross loans available to settle obligations of a consolidated variable interest entity: 2017, \$25,695; 2016, \$26,129), less reserves: 2017, \$1,706; 2016, \$1,223	71,693	64,042
Other loans, less reserves: 2017, \$80; 2016, \$42	2,607	1,419
Investment securities	3,159	3,157
Premises and equipment, less accumulated depreciation and amortization: 2017, \$5,455; 2016, \$5,145	4,329	4,433
Other assets (includes restricted cash of consolidated variable interest entities: 2017, \$62; 2016, \$38)	9,755	10,561
<b>Total assets</b>	<b>\$ 181,159</b>	<b>\$ 158,893</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Liabilities</b>		
Customer deposits	\$ 64,452	\$ 53,042
Travelers Cheques and other prepaid products	2,593	2,812
Accounts payable	14,657	11,190
Short-term borrowings	3,278	5,581
Long-term debt (includes debt issued by consolidated variable interest entities: 2017, \$18,560; 2016, \$15,113)	55,804	46,990
Other liabilities	22,148	18,777
Total liabilities	\$ 162,932	\$ 138,392
<b>Contingencies and Commitments (Note 13)</b>		
<b>Shareholders' Equity</b>		
Preferred shares, \$1.66 <sup>2/3</sup> par value, authorized 20 million shares; issued and outstanding 1,600 shares as of December 31, 2017 and 2016 (Note 17)	—	—
Common shares, \$0.20 par value, authorized 3.6 billion shares; issued and outstanding 859 million shares as of December 31, 2017 and 904 million shares as of December 31, 2016	172	181
Additional paid-in capital	12,210	12,733
Retained earnings	8,273	10,371
Accumulated other comprehensive loss		
Net unrealized securities gains, net of tax of: 2017, \$1; 2016, \$5	—	7
Foreign currency translation adjustments, net of tax of: 2017, \$(363); 2016, \$24	(1,961)	(2,262)
Net unrealized pension and other postretirement benefits, net of tax of: 2017, \$(179); 2016, \$(186)	(467)	(529)
Total accumulated other comprehensive loss	(2,428)	(2,784)
Total shareholders' equity	18,227	20,501
<b>Total liabilities and shareholders' equity</b>	<b>\$ 181,159</b>	<b>\$ 158,893</b>

See Notes to Consolidated Financial Statements.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31 (Millions)	2017	2016	2015
<b>Cash Flows from Operating Activities</b>			
Net income	\$ 2,736	\$ 5,408	\$ 5,163
Adjustments to reconcile net income to net cash provided by operating activities:			
Provisions for losses	2,759	2,026	1,988
Depreciation and amortization	1,321	1,095	1,043
Deferred taxes and other	783	(1,132)	507
Stock-based compensation	282	254	234
Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:			
Other receivables	473	(281)	(714)
Other assets	(62)	192	2,058
Accounts payable and other liabilities	5,505	1,139	794
Travelers Cheques and other prepaid products	(257)	(410)	(367)
Net cash provided by operating activities	13,540	8,291	10,706
<b>Cash Flows from Investing Activities</b>			
Sales of available-for-sale investment securities	2	88	12
Maturities and redemptions of available-for-sale investment securities	2,494	2,429	2,091
Sales of other investments	—	10	—
Purchase of investments	(2,612)	(2,162)	(1,713)
Net (increase) decrease in Card Member loans and receivables, including held for sale	(16,853)	3,220	(6,967)
Purchase of premises and equipment, net of sales: 2017, \$1; 2016, \$2; 2015, \$42	(1,062)	(1,375)	(1,341)
Acquisitions/dispositions, net of cash acquired	(211)	(487)	(155)
Net (increase) decrease in restricted cash	(31)	145	(120)
Net cash (used in) provided by investing activities	(18,273)	1,868	(8,193)
<b>Cash Flows from Financing Activities</b>			
Net increase (decrease) in customer deposits	11,385	(1,935)	10,878
Net (decrease) increase in short-term borrowings	(2,300)	888	1,395
Proceeds from long-term borrowings	32,764	8,824	9,923
Payments of long-term borrowings	(24,082)	(9,848)	(19,246)
Issuance of American Express preferred shares	—	—	841
Issuance of American Express common shares	129	177	193
Repurchase of American Express common shares and other	(4,400)	(4,498)	(4,575)
Dividends paid	(1,251)	(1,207)	(1,172)
Net cash provided by (used in) financing activities	12,245	(7,599)	(1,763)
Effect of foreign currency exchange rates on cash and cash equivalents	207	(114)	(276)
Net increase in cash and cash equivalents	7,719	2,446	474
Cash and cash equivalents at beginning of year	25,208	22,762	22,288
Cash and cash equivalents at end of year	\$ 32,927	\$ 25,208	\$ 22,762

### Supplemental cash flow information

#### Non-cash investing activities

Transfer of Card Member loans and receivables, during the fourth quarter of 2015, to Card Member loans and receivables held for sale, net of reserves	\$ —	\$ —	\$ 14,524
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See Notes to Consolidated Financial Statements.