

## CONSOLIDATED STATEMENTS OF INCOME

Year Ended December 31 (Millions, except per share amounts)	2019	2018	2017
<b>Revenues</b>			
Non-interest revenues			
Discount revenue	\$ 26,167	\$ 24,721	\$ 22,890
Net card fees	4,042	3,441	3,090
Other fees and commissions	3,297	3,153	2,990
Other	1,430	1,360	1,457
Total non-interest revenues	34,936	32,675	30,427
<b>Interest income</b>			
Interest on loans	11,308	9,941	8,148
Interest and dividends on investment securities	188	118	89
Deposits with banks and other	588	547	326
Total interest income	12,084	10,606	8,563
<b>Interest expense</b>			
Deposits	1,559	1,287	779
Long-term debt and other	1,905	1,656	1,333
Total interest expense	3,464	2,943	2,112
Net interest income	8,620	7,663	6,451
Total revenues net of interest expense	43,556	40,338	36,878
<b>Provisions for losses</b>			
Charge card	963	937	795
Card Member loans	2,462	2,266	1,868
Other	148	149	97
Total provisions for losses	3,573	3,352	2,760
Total revenues net of interest expense after provisions for losses	39,983	36,986	34,118
<b>Expenses</b>			
Marketing and business development	7,114	6,470	5,722
Card Member rewards	10,439	9,696	8,687
Card Member services	2,222	1,777	1,392
Salaries and employee benefits	5,911	5,250	5,258
Other, net	5,868	5,671	5,634
Total expenses	31,554	28,864	26,693
Pretax income	8,429	8,122	7,425
Income tax provision	1,670	1,201	4,677
Net income	\$ 6,759	\$ 6,921	\$ 2,748
<b>Earnings per Common Share — (Note 21)<sup>(a)</sup></b>			
Basic	\$ 8.00	\$ 7.93	\$ 3.00
Diluted	\$ 7.99	\$ 7.91	\$ 2.99
Average common shares outstanding for earnings per common share:			
Basic	828	856	883
Diluted	830	859	886

(a) Represents net income less (i) earnings allocated to participating share awards of \$47 million, \$54 million and \$21 million for the years ended December 31, 2019, 2018 and 2017, respectively, and (ii) dividends on preferred shares of \$81 million, \$80 million and \$81 million for the years ended December 31, 2019, 2018 and 2017, respectively.

See Notes to Consolidated Financial Statements.

## CONSOLIDATED BALANCE SHEETS

December 31 (Millions, except share data)	2019	2018
<b>Assets</b>		
Cash and cash equivalents		
Cash and due from banks	\$ 3,402	\$ 3,253
Interest-bearing deposits in other banks (includes securities purchased under resale agreements: 2019, \$87; 2018, \$64)	20,392	24,026
Short-term investment securities	138	166
Total cash and cash equivalents	23,932	27,445
Card Member receivables (includes gross receivables available to settle obligations of a consolidated variable interest entity: 2019, \$8,284; 2018, \$8,539), less reserves: 2019, \$619; 2018, \$573	56,794	55,320
Card Member loans (includes gross loans available to settle obligations of a consolidated variable interest entity: 2019, \$32,230; 2018, \$33,194), less reserves: 2019, \$2,383; 2018, \$2,134	84,998	79,720
Other loans, less reserves: 2019, \$152; 2018, \$124	4,626	3,676
Investment securities	8,406	4,647
Premises and equipment, less accumulated depreciation and amortization: 2019, \$6,562; 2018, \$6,015	4,834	4,416
Other assets (includes restricted cash of consolidated variable interest entities: 2019, \$85; 2018, \$70)	14,731	13,378
Total assets	\$ 198,321	\$ 188,602
<b>Liabilities and Shareholders' Equity</b>		
<b>Liabilities</b>		
Customer deposits	\$ 73,287	\$ 69,960
Accounts payable	12,738	12,255
Short-term borrowings	6,442	3,100
Long-term debt (includes debt issued by consolidated variable interest entities: 2019, \$19,668; 2018, \$19,509)	57,835	58,423
Other liabilities	24,948	22,574
Total liabilities	\$ 175,250	\$ 166,312
<b>Contingencies and Commitments (Note 12)</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, 2019 and 2018 (Note 16)	—	—
Common shares, \$0.20 par value, authorized 3.6 billion shares; issued and outstanding 810 million shares as of December 31, 2019 and 847 million shares as of December 31, 2018	163	170
Additional paid-in capital	11,774	12,218
Retained earnings	13,871	12,499
Accumulated other comprehensive loss		
Net unrealized debt securities gains (losses), net of tax of: 2019, \$11; 2018, \$(1)	33	(8)
Foreign currency translation adjustments, net of tax of: 2019, \$(319); 2018, \$(300)	(2,189)	(2,133)
Net unrealized pension and other postretirement benefits, net of tax of: 2019, \$(208); 2018, \$(170)	(581)	(456)
Total accumulated other comprehensive loss	(2,737)	(2,597)
Total shareholders' equity	23,071	22,290
Total liabilities and shareholders' equity	\$ 198,321	\$ 188,602

See Notes to Consolidated Financial Statements.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31 (Millions)	2019	2018	2017
<b>Cash Flows from Operating Activities</b>			
Net income	\$ 6,759	\$ 6,921	\$ 2,748
Adjustments to reconcile net income to net cash provided by operating activities:			
Provisions for losses	3,573	3,352	2,760
Depreciation and amortization	1,188	1,293	1,321
Deferred taxes and other	426	455	782
Stock-based compensation	283	283	282
Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:			
Other assets	(368)	991	398
Accounts payable & other liabilities	1,771	(4,365)	5,249
Net cash provided by operating activities	13,632	8,930	13,540
<b>Cash Flows from Investing Activities</b>			
Sale of available-for-sale investment securities	22	4	2
Maturities and redemptions of investment securities	7,329	3,499	2,494
Purchase of investments	(11,166)	(5,434)	(2,612)
Net increase in Card Member loans and receivables, and other loans	(11,047)	(15,854)	(16,853)
Purchase of premises and equipment, net of sales: 2019, \$43; 2018, \$1; 2017, \$1	(1,645)	(1,310)	(1,062)
Acquisitions/dispositions, net of cash acquired	(352)	(520)	(211)
Other investing activities	152	—	—
Net cash used in investing activities	(16,707)	(19,615)	(18,242)
<b>Cash Flows from Financing Activities</b>			
Net increase in customer deposits	3,330	5,542	11,385
Net increase (decrease) in short-term borrowings	3,316	(148)	(2,300)
Proceeds from long-term debt	12,706	21,524	32,764
Payments of long-term debt	(13,850)	(18,895)	(24,082)
Issuance of American Express common shares	86	87	129
Repurchase of American Express common shares and other	(4,685)	(1,685)	(4,400)
Dividends paid	(1,422)	(1,324)	(1,251)
Net cash (used in) provided by financing activities	(519)	5,101	12,245
Effect of foreign currency exchange rates on cash, cash equivalents and restricted cash	232	129	226
Net (decrease) increase in cash, cash equivalents and restricted cash	(3,362)	(5,455)	7,769
Cash, cash equivalents and restricted cash at beginning of year	27,808	33,263	25,494
Cash, cash equivalents and restricted cash at end of year	\$ 24,446	\$ 27,808	\$ 33,263

### Supplemental cash flow information

Cash, cash equivalents and restricted cash reconciliation	Dec-19	Dec-18	Dec-17
Cash and cash equivalents per Consolidated Balance Sheets	\$ 23,932	\$ 27,445	\$ 32,927
Restricted cash included in Other assets per Consolidated Balance Sheets	514	363	336
Total cash, cash equivalents and restricted cash	\$ 24,446	\$ 27,808	\$ 33,263

See Notes to Consolidated Financial Statements.