

## CONSOLIDATED STATEMENTS OF INCOME

Years Ended December 31 (Millions, except per share amounts)	2018	2017	2016
<b>Revenues</b>			
Non-interest revenues			
Discount revenue	\$ 24,721	\$ 22,890	\$ 22,377
Net card fees	3,441	3,090	2,886
Other fees and commissions	3,153	2,990	2,718
Other	1,360	1,457	1,678
Total non-interest revenues	32,675	30,427	29,659
<b>Interest income</b>			
Interest on loans	9,941	8,148	7,214
Interest and dividends on investment securities	118	89	131
Deposits with banks and other	547	326	139
Total interest income	10,606	8,563	7,484
<b>Interest expense</b>			
Deposits	1,287	779	598
Long-term debt and other	1,656	1,333	1,107
Total interest expense	2,943	2,112	1,705
Net interest income	7,663	6,451	5,779
Total revenues net of interest expense	40,338	36,878	35,438
<b>Provisions for losses</b>			
Charge card	937	795	696
Card Member loans	2,266	1,868	1,235
Other	149	97	96
Total provisions for losses	3,352	2,760	2,027
Total revenues net of interest expense after provisions for losses	36,986	34,118	33,411
<b>Expenses</b>			
Marketing and business development	6,470	5,722	6,249
Card Member rewards	9,696	8,687	7,819
Card Member services	1,777	1,392	1,100
Salaries and employee benefits	5,250	5,258	5,259
Other, net	5,671	5,634	4,942
Total expenses	28,864	26,693	25,369
Pretax income	8,122	7,425	8,042
Income tax provision	1,201	4,677	2,667
Net income	\$ 6,921	\$ 2,748	\$ 5,375
<b>Earnings per Common Share — (Note 22)<sup>(a)</sup></b>			
Basic	\$ 7.93	\$ 3.00	\$ 5.63
Diluted	\$ 7.91	\$ 2.99	\$ 5.61
Average common shares outstanding for earnings per common share:			
Basic	856	883	933
Diluted	859	886	935

(a) Represents net income less (i) earnings allocated to participating share awards of \$54 million, \$21 million and \$43 million for the years ended December 31, 2018, 2017 and 2016, respectively, and (ii) dividends on preferred shares of \$80 million, \$81 million and \$80 million for the years ended December 31, 2018, 2017 and 2016, respectively.

See Notes to Consolidated Financial Statements.

## CONSOLIDATED BALANCE SHEETS

December 31 (Millions, except share data)	2018	2017
<b>Assets</b>		
Cash and cash equivalents		
Cash and due from banks	\$ 3,253	\$ 5,148
Interest-bearing deposits in other banks (includes securities purchased under resale agreements: 2018, \$64; 2017, \$48)	24,026	27,709
Short-term investment securities	166	70
Total cash and cash equivalents	27,445	32,927
Accounts receivable		
Card Member receivables (includes gross receivables available to settle obligations of a consolidated variable interest entity: 2018, \$8,539; 2017, \$8,919), less reserves: 2018, \$573; 2017, \$521	55,320	53,526
Other receivables, less reserves: 2018, \$25; 2017, \$31	2,907	3,209
Loans		
Card Member loans (includes gross loans available to settle obligations of a consolidated variable interest entity: 2018, \$33,194; 2017, \$25,695), less reserves: 2018, \$2,134; 2017, \$1,706	79,720	71,693
Other loans, less reserves: 2018, \$124; 2017, \$80	3,676	2,607
Investment securities	4,647	3,159
Premises and equipment, less accumulated depreciation and amortization: 2018, \$6,015; 2017, \$5,455	4,416	4,329
Other assets (includes restricted cash of consolidated variable interest entities: 2018, \$70; 2017, \$62)	10,471	9,746
Total assets	\$ 188,602	\$ 181,196
<b>Liabilities and Shareholders' Equity</b>		
<b>Liabilities</b>		
Customer deposits	\$ 69,960	\$ 64,452
Travelers Cheques and other prepaid products	2,295	2,555
Accounts payable	12,255	14,657
Short-term borrowings	3,100	3,278
Long-term debt (includes debt issued by consolidated variable interest entities: 2018, \$19,509; 2017, \$18,560)	58,423	55,804
Other liabilities	20,279	22,189
Total liabilities	\$ 166,312	\$ 162,935
<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, 2018 and 2017 (Note 17)	—	—
Common shares, \$0.20 par value, authorized 3.6 billion shares; issued and outstanding 847 million shares as of December 31, 2018 and 859 million shares as of December 31, 2017	170	172
Additional paid-in capital	12,218	12,210
Retained earnings	12,499	8,307
Accumulated other comprehensive loss		
Net unrealized securities losses, net of tax of: 2018, \$(1); 2017, \$1	(8)	—
Foreign currency translation adjustments, net of tax of: 2018, \$(300); 2017, \$(363)	(2,133)	(1,961)
Net unrealized pension and other postretirement benefits, net of tax of: 2018, \$(170); 2017, \$(179)	(456)	(467)
Total accumulated other comprehensive loss	(2,597)	(2,428)
Total shareholders' equity	22,290	18,261
Total liabilities and shareholders' equity	\$ 188,602	\$ 181,196

See Notes to Consolidated Financial Statements.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31 (Millions)	2018	2017	2016
<b>Cash Flows from Operating Activities</b>			
Net income	\$ 6,921	\$ 2,748	\$ 5,375
Adjustments to reconcile net income to net cash provided by operating activities:			
Provisions for losses	3,352	2,760	2,027
Depreciation and amortization	1,293	1,321	1,095
Deferred taxes and other	455	782	(1,066)
Stock-based compensation	283	282	254
Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:			
Other receivables	248	475	(332)
Other assets	743	(77)	206
Accounts payable and other liabilities	(4,121)	5,506	1,180
Travelers Cheques and other prepaid products	(244)	(257)	(448)
Net cash provided by operating activities	8,930	13,540	8,291
<b>Cash Flows from Investing Activities</b>			
Sales of available-for-sale investment securities	4	2	88
Maturities and redemptions of available-for-sale investment securities	3,499	2,494	2,429
Sales of other investments	—	—	10
Purchases of investments	(5,434)	(2,612)	(2,162)
Net (increase) decrease in Card Member loans and receivables, including held for sale <sup>(a)</sup>	(15,854)	(16,853)	3,220
Purchase of premises and equipment, net of sales: 2018, \$1; 2017, \$1; 2016, \$2	(1,310)	(1,062)	(1,375)
Acquisitions/dispositions, net of cash acquired	(520)	(211)	(487)
Net cash (used in) provided by investing activities	(19,615)	(18,242)	1,723
<b>Cash Flows from Financing Activities</b>			
Net increase (decrease) in customer deposits	5,542	11,385	(1,935)
Net (decrease) increase in short-term borrowings	(148)	(2,300)	888
Proceeds from long-term borrowings	21,524	32,764	8,824
Payments of long-term borrowings	(18,895)	(24,082)	(9,848)
Issuance of American Express common shares	87	129	177
Repurchase of American Express common shares and other	(1,685)	(4,400)	(4,498)
Dividends paid	(1,324)	(1,251)	(1,207)
Net cash provided by (used in) financing activities	5,101	12,245	(7,599)
Effect of foreign currency exchange rates on cash, cash equivalents and restricted cash	129	226	(160)
Net (decrease) increase in cash, cash equivalents and restricted cash	(5,455)	7,769	2,255
Cash, cash equivalents and restricted cash at beginning of year	33,263	25,494	23,239
Cash, cash equivalents and restricted cash at end of year	\$ 27,808	\$ 33,263	\$ 25,494

(a) Refer to Note 2 for additional information.

### Supplemental cash flow information

Cash, cash equivalents and restricted cash reconciliation	Dec-18	Dec-17	Dec-16
Cash and cash equivalents per Consolidated Balance Sheets	\$ 27,445	\$ 32,927	\$ 25,208
Restricted cash included in Other assets per Consolidated Balance Sheets	363	336	286
Total cash, cash equivalents and restricted cash	\$ 27,808	\$ 33,263	\$ 25,494

See Notes to Consolidated Financial Statements.