

Item 6. Summary of Selected Financial Data

The following table presents selected consolidated financial data and performance metrics for the five-year period ended December 31, 2018. Certain prior period amounts have been recast to conform to the current period presentation. We prepare our consolidated financial statements based on U.S. GAAP. This data should be reviewed in conjunction with our audited consolidated financial statements and related notes and with the MD&A included in this Report. The historical financial information presented may not be indicative of our future performance.

Five-Year Summary of Selected Financial Data

(Dollars in millions, except per share data and as noted)	Year Ended December 31,					Change	
	2018	2017	2016	2015	2014	2018 vs. 2017	2017 vs. 2016
Income statement							
Interest income	\$ 27,176	\$ 25,222	\$ 22,891	\$ 20,459	\$ 19,397	8 %	10 %
Interest expense	4,301	2,762	2,018	1,625	1,579	56	37
Net interest income	22,875	22,460	20,873	18,834	17,818	2	8
Non-interest income	5,201	4,777	4,628	4,579	4,472	9	3
Total net revenue	28,076	27,237	25,501	23,413	22,290	3	7
Provision for credit losses	5,856	7,551	6,459	4,536	3,541	(22)	17
Non-interest expense:							
Marketing	2,174	1,670	1,811	1,744	1,561	30	(8)
Operating expenses	12,728	12,524	11,747	11,252	10,619	2	7
Total non-interest expense	14,902	14,194	13,558	12,996	12,180	5	5
Income from continuing operations before income taxes	7,318	5,492	5,484	5,881	6,569	33	—
Income tax provision	1,293	3,375	1,714	1,869	2,146	(62)	97
Income from continuing operations, net of tax	6,025	2,117	3,770	4,012	4,423	185	(44)
Income (loss) from discontinued operations, net of tax	(10)	(135)	(19)	38	5	(93)	**
Net income	6,015	1,982	3,751	4,050	4,428	**	(47)
Dividends and undistributed earnings allocated to participating securities	(40)	(13)	(24)	(20)	(18)	**	(46)
Preferred stock dividends	(265)	(265)	(214)	(158)	(67)	—	24
Net income available to common stockholders	\$ 5,710	\$ 1,704	\$ 3,513	\$ 3,872	\$ 4,343	**	(51)
Common share statistics							
Basic earnings per common share:							
Net income from continuing operations	\$ 11.92	\$ 3.80	\$ 7.00	\$ 7.08	\$ 7.70	**	(46)%
Income (loss) from discontinued operations	(0.02)	(0.28)	(0.04)	0.07	0.01	(93)%	**
Net income per basic common share	\$ 11.90	\$ 3.52	\$ 6.96	\$ 7.15	\$ 7.71	**	(49)
Diluted earnings per common share:							
Net income from continuing operations	\$ 11.84	\$ 3.76	\$ 6.93	\$ 7.00	\$ 7.58	**	(46)
Income (loss) from discontinued operations	(0.02)	(0.27)	(0.04)	0.07	0.01	(93)	**
Net income per diluted common share	\$ 11.82	\$ 3.49	\$ 6.89	\$ 7.07	\$ 7.59	**	(49)
Common shares outstanding (period-end, in millions)	467.7	485.5	480.2	527.3	553.4	(4)	1
Dividends declared and paid per common share	\$ 1.60	\$ 1.60	\$ 1.60	\$ 1.50	\$ 1.20	—	—
Tangible book value per common share (period-end) ⁽¹⁾	69.20	60.28	57.76	53.65	50.32	15	4
Common dividend payout ratio ⁽²⁾	13.45%	45.45%	22.99%	20.98%	15.56%	(32)	22
Stock price per common share at period end	\$ 75.59	\$ 99.58	\$ 87.24	\$ 72.18	\$ 82.55	(24)	14
Book value per common share at period end	110.47	100.37	98.95	89.67	81.41	10	1
Total market capitalization at period end	35,353	48,346	41,893	38,061	45,683	(27)	15
Balance sheet (average balances)							
Loans held for investment	\$ 242,118	\$ 245,565	\$ 233,272	\$ 210,745	\$ 197,925	(1)%	5 %
Interest-earning assets	332,738	322,330	307,796	282,581	267,174	3	5
Total assets	363,036	354,924	339,974	313,474	297,659	2	4
Interest-bearing deposits	221,760	213,949	198,304	185,677	181,036	4	8
Total deposits	247,117	239,882	223,714	210,989	205,675	3	7
Borrowings	53,144	53,659	56,878	45,420	38,882	(1)	(6)
Common equity	45,831	45,170	45,162	45,072	43,055	1	—
Total stockholders' equity	50,192	49,530	48,753	47,713	44,268	1	2

	Year Ended December 31,					Change	
	2018	2017	2016	2015	2014	2018 vs. 2017	2017 vs. 2016
<i>(Dollars in millions, except per share data and as noted)</i>							
Selected performance metrics							
Purchase volume ⁽¹⁾	\$ 387,102	\$ 336,440	\$ 307,138	\$ 271,167	\$ 224,750	15 %	10 %
Total net revenue margin ⁽⁴⁾	8.44%	8.45%	8.29%	8.29%	8.34%	(1)bps	16bps
Net interest margin ⁽⁵⁾	6.87	6.97	6.78	6.66	6.67	(10)	19
Return on average assets	1.66	0.60	1.11	1.28	1.49	106	(51)
Return on average tangible assets ⁽⁶⁾	1.73	0.62	1.16	1.35	1.57	111	(54)
Return on average common equity ⁽⁷⁾	12.48	4.07	7.82	8.51	10.08	8 %	(4)%
Return on average tangible common equity ("TCE") ⁽⁸⁾	18.56	6.16	11.93	12.87	15.79	12	(6)
Equity-to-assets ratio ⁽⁹⁾	13.83	13.96	14.34	15.22	14.87	(13)bps	(38)bps
Non-interest expense as a percentage of average loans held for investment	6.15	5.78	5.81	6.17	6.15	37	(3)
Efficiency ratio ⁽¹⁰⁾	53.08	52.11	53.17	55.51	54.64	97	(106)
Operating efficiency ratio ⁽¹¹⁾	45.33	45.98	46.06	48.06	47.64	(65)	(8)
Effective income tax rate from continuing operations	17.7	61.5	31.3	31.8	32.7	(44)%	30 %
Net charge-offs	\$ 6,112	\$ 6,562	\$ 5,062	\$ 3,695	\$ 3,414	(7)	30
Net charge-off rate ⁽¹²⁾	2.52%	2.67%	2.17%	1.75%	1.72%	(15)bps	50bps
<i>(Dollars in millions, except as noted)</i>							
	December 31,					Change	
	2018	2017	2016	2015	2014	2018 vs. 2017	2017 vs. 2016
Balance sheet (period-end)							
Loans held for investment	\$ 245,899	\$ 254,473	\$ 245,586	\$ 229,851	\$ 208,316	(3)%	4 %
Interest-earning assets	341,293	334,124	321,807	302,007	277,849	2	4
Total assets	372,538	365,693	357,033	334,048	308,167	2	2
Interest-bearing deposits	226,281	217,298	211,266	191,874	180,467	4	3
Total deposits	249,764	243,702	236,768	217,721	205,548	2	3
Borrowings	58,905	60,281	60,460	59,115	48,457	(2)	—
Common equity	47,307	44,370	43,154	43,990	43,231	7	3
Total stockholders' equity	51,668	48,730	47,514	47,284	45,053	6	3
Credit quality metrics							
Allowance for loan and lease losses	\$ 7,220	\$ 7,502	\$ 6,503	\$ 5,130	\$ 4,383	(4)%	15 %
Allowance as a percentage of loans held for investment ("allowance coverage ratio")	2.94%	2.95%	2.65%	2.23%	2.10%	(1)bps	30bps
30+ day performing delinquency rate	3.62	3.23	2.93	2.69	2.62	39	30
30+ day delinquency rate	3.84	3.48	3.27	3.00	2.91	36	21
Capital ratios							
Common equity Tier 1 capital ⁽¹³⁾	11.2%	10.3%	10.1%	11.1%	12.5%	90bps	20bps
Tier 1 capital ⁽¹³⁾	12.7	11.8	11.6	12.4	13.2	90	20
Total capital ⁽¹³⁾	15.1	14.4	14.3	14.6	15.1	70	10
Tier 1 leverage ⁽¹³⁾	10.7	9.9	9.9	10.6	10.8	80	—
Tangible common equity ⁽¹⁴⁾	9.1	8.3	8.1	8.9	9.5	80	20
Supplementary leverage ⁽¹³⁾	9.0	8.4	8.6	9.2	N/A	60	(20)
Other							
Employees (period end, in thousands)	47.6	49.3	47.3	45.4	46.0	(3)%	4 %

⁽¹⁾ Tangible book value per common share is a non-GAAP measure calculated based on tangible common equity divided by common shares outstanding. See "MD&A—Table F—Reconciliation of Non-GAAP Measures" for additional information on non-GAAP measures.

⁽²⁾ Common dividend payout ratio is calculated based on dividends per common share for the period divided by basic earnings per common share for the period.

⁽³⁾ Purchase volume consists of purchase transactions, net of returns, for the period for loans both classified as held for investment and held for sale in our Credit Card business, and excludes cash advance and balance transfer transactions.

⁽⁴⁾ Total net revenue margin is calculated based on total net revenue for the period divided by average interest-earning assets for the period.

⁽⁵⁾ Net interest margin is calculated based on net interest income for the period divided by average interest-earning assets for the period.

⁽⁶⁾ Return on average tangible assets is a non-GAAP measure calculated based on income from continuing operations, net of tax, for the period divided by average tangible assets for the period. See "MD&A—Table F—Reconciliation of Non-GAAP Measures" for additional information on non-GAAP measures.