

## Section 1: 8-K (8-K)

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

### FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 24, 2020

# AMERICAN EXPRESS COMPANY

(Exact name of registrant as specified in its charter)

New York (State or other jurisdiction of incorporation)	1-7657 (Commission File Number)	13-4922250 (IRS Employer Identification No.)
200 Vesey Street, New York, New York 10285 (Address of principal executive offices and zip code)		
(212) 640-2000 (Registrant's telephone number, including area code)		
Not Applicable (Former name or former address, if changed since last report)		

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Shares (par value \$0.20 per Share)	AXP	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## Item 2.02 Results of Operations and Financial Condition and Item 7.01 Regulation FD Disclosure

The following information is furnished under Item 2.02 – Results of Operations and Financial Condition and Item 7.01 – Regulation FD Disclosure:

On July 24, 2020, American Express Company (the “Company”) issued a press release regarding its financial results for the second quarter of 2020. A copy of such press release is attached to this report as Exhibit 99.1. The Company also made available additional information relating to the financial results for the second quarter of 2020. Such additional financial information is attached to this report as Exhibit 99.2.

## Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<b>Exhibit</b>	<b>Description</b>
99.1	<a href="#"><u>Press Release, dated July 24, 2020, of American Express Company regarding its financial results for the second quarter of 2020.</u></a>
99.2	<a href="#"><u>Additional information relating to the financial results of American Express Company for the second quarter of 2020.</u></a>
104	The cover page of this Current Report on Form 8-K, formatted as inline XBRL.

## SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMERICAN EXPRESS COMPANY  
(REGISTRANT)

By: /s/ Kristina V. Fink  
Name: Kristina V. Fink  
Title: Deputy Corporate Secretary

Date: July 24, 2020  
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## Section 2: EX-99.1 (EX-99.1)

### EXHIBIT 99.1

NEWS RELEASE

NEWS RELEASE

NEWS RELEASE

NEWS RELEASE



FOR IMMEDIATE RELEASE

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### AMERICAN EXPRESS REPORTS SECOND-QUARTER REVENUE OF \$7.7 BILLION AND EARNINGS PER SHARE OF \$0.29

(Millions, except percentages and per share amounts)

	Quarters Ended		Percentage Inc/(Dec)	Six Months Ended		Percentage Inc/(Dec)
	June 30,			June 30,		
	2020	2019		2020	2019	
Total Revenues Net of Interest Expense	\$ 7,675	\$ 10,838	(29)	\$ 17,985	\$ 21,202	(15)

Net Income	\$	257	\$	1,761	(85)	\$	624	\$	3,311	(81)
Diluted Earnings Per Common Share <sup>1</sup>	\$	0.29	\$	2.07	(86)	\$	0.71	\$	3.87	(82)
Average Diluted Common Shares Outstanding		805		836	(4)		807		839	(4)

New York – July 24, 2020 – American Express Company (NYSE: AXP) today reported second-quarter net income of \$257 million, or \$0.29 per share, compared with net income of \$1.8 billion, or \$2.07 per share, a year ago.

Second-quarter results continued to be significantly affected by the impacts of COVID-19.

“While our second quarter results reflect the challenges of the current environment, we remain confident that our strategy for navigating this period of uncertainty is the right one,” said Stephen J. Squeri, Chairman and Chief Executive Officer. “Our customers continue to be engaged with our products and services; we have a productive and dedicated workforce; our capital and liquidity levels remain strong; and we continue to focus on those areas most critical to our long-term growth.

“Spending volumes, which declined to their lowest point this quarter in April, gradually improved in May and June, with small businesses being the most resilient.

“We feel good about our efforts to support our customers as they navigate unexpected financial challenges during these unprecedented times. And, we remain confident in our ability to effectively manage credit risk to achieve the best outcomes for both our customers and our shareholders.

“In mid-March, we transitioned most of our colleagues to remote working arrangements. Our frontline colleagues have continued to maintain historically strong customer satisfaction levels throughout the period.

“For customers, we enhanced our value propositions on many of our card products, including adjusting our rewards programs and adding limited time offers and statement credits in categories that are relevant for today, such as wireless, streaming services, business essentials and food delivery. Early results from these enhancements have been encouraging. We haven’t seen an increase in total customer attrition levels from prior years. In addition, we recently launched our largest-ever Shop Small campaign, and have committed more than \$200 million over the next three months to help jumpstart spending at small merchants in over a dozen countries globally.

“As we adjust our business to today’s realities, we are also continuing to invest in areas that are key to our long-term growth. For consumers, we are developing additional product enhancements to meet their changing needs. We extended our digital solutions for our commercial customers with the recent launch of American Express One AP, our first proprietary accounts payable automation offering. For our merchant partners, we raised our contactless transaction thresholds in 60 countries around the world, and we were pleased to become the first foreign payments network to be licensed to clear local currency transactions in mainland China.

“Finally, our already strong capital and liquidity positions improved in the quarter, and we continued to return capital to our shareholders through dividends.

“All in all, while we can’t predict the future, I remain confident that the way we are managing the company will enable us to emerge from the current crisis in a position of strength. Looking ahead, we will continue to focus on what we can control – backing our customers, colleagues and communities, while managing our expenses prudently, and making strategic investments to drive our growth over the long term.”

Second-quarter consolidated total revenues net of interest expense were \$7.7 billion, down 29 percent from \$10.8 billion a year ago. The quarter primarily reflected a decline in Card Member spending and a lower average discount rate compared to the prior year.

Consolidated provisions for losses were \$1.6 billion, up from \$861 million a year ago. The increase was primarily driven by a reserve build of \$628 million.<sup>2</sup> The reserve build primarily reflected the deterioration of the global macroeconomic outlook.

Consolidated expenses were \$5.5 billion, down 29 percent from \$7.8 billion a year ago. The decrease primarily reflected significantly lower customer engagement costs due to the decline in Card Member spending, as well as lower usage of travel-related Card Member benefits.

The consolidated effective tax rate was 58.7 percent, up from 20.6 percent a year ago. The increase reflected the impact of discrete tax items, primarily related to the realizability of certain foreign deferred tax assets, resulting from cumulative losses in certain non-U.S. legal entities that were exacerbated by the impact of COVID-19, and lower overall pretax income.

Global Consumer Services Group reported second-quarter net income of \$527 million, compared with \$881 million a year ago.

Total revenues net of interest expense were \$4.6 billion, down 23 percent from \$6.0 billion a year ago. The decrease primarily reflected a decline in Card Member spending and a lower average discount rate compared to the prior year.

Provisions for losses totaled \$886 million, up from \$651 million a year ago. The increase was driven primarily by a reserve build.

Total expenses were \$2.9 billion, down 32 percent from \$4.3 billion a year ago. The decrease primarily reflected significantly lower customer engagement costs due to a decline in Card Member spending, as well as lower usage of travel-related Card Member benefits.

Global Commercial Services reported a second-quarter net loss of (\$60) million, compared with net income of \$561 million a year ago.

Total revenues net of interest expense were \$2.3 billion, down from \$3.3 billion a year ago, primarily reflecting a decline in Card Member spending and a lower average discount rate compared to the prior year.

Provisions for losses totaled \$645 million, up from \$206 million a year ago, driven primarily by a reserve build.

Total expenses were \$1.6 billion, down 30 percent from \$2.4 billion a year ago. The decrease primarily reflected significantly lower customer engagement costs due to a decline in Card Member spending.

Global Merchant and Network Services reported second-quarter net income of \$66 million, compared with \$564 million a year ago.

Total revenues net of interest expense were \$929 million, down 41 percent from \$1.6 billion a year ago. The decrease primarily reflected a decline in Card Member spending and a lower average discount rate compared to the prior year.

Total expenses were \$701 million, down 14 percent from \$812 million a year ago, driven by lower network partner payments due to a decline in Card Member spending.

Corporate and Other reported a second-quarter net loss of (\$276) million, compared with a net loss of (\$245) million a year ago.

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- 1 Diluted earnings per common share (EPS) was reduced by the impact of (i) earnings allocated to participating share awards and other items of \$2 million and \$13 million for the three months ended June 30, 2020 and 2019, respectively, and \$4 million and \$24 million for the six months ended June 30, 2020 and 2019, respectively, and (ii) dividends on preferred shares of \$17 million and \$19 million for the three months ended June 30, 2020 and 2019, respectively, and \$49 million and \$40 million for the six months ended June 30, 2020 and 2019, respectively.
  - 2 Reserve build represents the portion of the provisions for credit losses for the period related to increasing or decreasing reserves for credit losses as a result of, among other things, changes in volumes, macroeconomic outlook, portfolio composition and credit quality of portfolios. The reserve build for a period is the amount by which the provisions for credit losses exceeds net write-offs.

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### About American Express

American Express is a globally integrated payments company, providing customers with access to products, insights and experiences that enrich lives and build business success. Learn more at [americanexpress.com](http://americanexpress.com) and connect with us on [facebook.com/americanexpress](https://www.facebook.com/americanexpress), [instagram.com/americanexpress](https://www.instagram.com/americanexpress), [linkedin.com/company/american-express](https://www.linkedin.com/company/american-express), [twitter.com/americanexpress](https://twitter.com/americanexpress), and [youtube.com/americanexpress](https://www.youtube.com/americanexpress).

Key links to products, services and corporate responsibility information: charge and credit cards, business credit cards, travel services, gift cards, prepaid cards, merchant services, Accertify, InAuth, corporate card, business travel, and corporate responsibility.

Source: American Express Company

Location: Global

This earnings release should be read in conjunction with the company's statistical tables for the second quarter 2020, available on the American Express website at <http://ir.americanexpress.com> and in a Form 8-K furnished today with the Securities and Exchange Commission.

An investor conference call will be held at 8:30 a.m. (ET) today to discuss second-quarter results. Live audio and presentation slides for the investor conference call will be available to the general public on the above-mentioned American Express Investor Relations website. A replay of the conference call will be available later today at the same website address.

#### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are subject to risks and uncertainties. The forward-looking statements, which address American Express Company's current expectations regarding business and financial performance, among other matters, contain words such as "believe," "expect," "anticipate," "intend," "plan," "aim," "will," "may," "should," "could," "would," "likely" and similar expressions. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The company undertakes no obligation to update or revise any forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements, include, but are not limited to, the following:

- a further deterioration in global economic and business conditions and consumer and business spending generally; an inability or unwillingness of Card Members to pay amounts owed to the company; uncertain impacts of, or additional changes in, monetary, fiscal or tax policy to address the impact of COVID-19, including the end of programs and funding designed to support the economy; prolonged measures to contain the spread of COVID-19 or premature easing of such containment measures, both of which could further exacerbate the effects on the company's business activities and results of operations, Card Members, partners and merchants; an inability of the company to manage risk in an uncertain and fast-changing environment; further market volatility, changes in capital and credit market conditions and the availability and cost of capital; issues impacting brand perceptions and the company's reputation; changes in foreign currency rates and benchmark interest rates; an inability of business partners to meet their obligations to the company and the company's customers due to slowdowns or disruptions in their businesses, bankruptcy or liquidation, or otherwise; and pricing changes, product mix and credit actions, including line size and other adjustments to credit availability;
- future credit performance, which will depend in part on changes in consumer behavior that affect loan and receivable balances (such as paydown rates) and delinquency and write-off rates; macroeconomic factors such as unemployment rates, GDP and the volume of bankruptcies; collections capabilities and recoveries of previously written-off loans and receivables; the enrollment in, and effectiveness of, hardship programs and troubled debt restructurings; and governmental actions that provide forms of relief with respect to certain loans and fees, such as limiting debt collections efforts and encouraging or requiring extensions, modifications or forbearance;
- the amount of loans and receivables outstanding being higher or lower than current expectations, which will depend on the behavior of Card Members and their actual spending and borrowing patterns, the company's ability to manage risk, competition, and the company's ability to enhance the Card Member value proposition;
- the actual amount to be spent on marketing, which will be based in part on continued changes in macroeconomic conditions and business performance; management's assessment of competitive opportunities and the receptivity of Card Members and prospective customers to advertising initiatives; and management's ability to realize efficiencies and optimize investment spending;
- the actual amount to be spent on Card Member rewards and services and business development, and the relationship of these variable customer engagement costs to revenues, which could be impacted by Card Members' interest in the value propositions offered by the company; further enhancements to product benefits to make them attractive to Card Members, potentially in a manner that is not cost effective; Card Member behavior as it relates to their spending patterns (including the level of spend in bonus categories) and the redemption of rewards and offers; the costs related to reward point redemptions; and new and renegotiated contractual obligations with business partners;



- the ability of the company to reduce its operating expenses, which could be impacted by, among other things, the company's inability to balance expense control and investments in the business; management's decision to increase or decrease spending in such areas as technology, business and product development, sales force, premium servicing and digital capabilities depending on overall business performance; an inability to innovate efficient channels of customer interactions, such as chat supported by artificial intelligence; higher-than-expected cyber, fraud or compliance expenses or consulting, legal and other professional fees, including as a result of increased litigation or internal and regulatory reviews; the level of M&A activity and related expenses; the payment of civil money penalties, disgorgement, restitution, non-income tax assessments and litigation-related settlements; impairments of goodwill or other assets; the impact of changes in foreign currency exchange rates on costs; and greater than expected inflation;
- net card fees not growing consistent with current expectations, which could be impacted by, among other things, the further deterioration in macroeconomic conditions impacting the ability and desire of Card Members to pay card fees; higher attrition rates; Card Members continuing to be attracted to the company's premium card products; and the company's inability to address competitive pressures and implement its strategies and business initiatives, including introducing new benefits and services that are designed for the current environment;
- a further decline of the average discount rate, including as a result of further changes in the mix of spending by location and industry, merchant negotiations (including merchant incentives, concessions and volume-related pricing discounts), competition, pricing regulation (including regulation of competitors' interchange rates) and other factors;
- changes in the substantial and increasing worldwide competition in the payments industry, including competitive pressure that may materially impact the prices charged to merchants that accept American Express cards, competition for new and existing cobrand relationships, competition from new and non-traditional competitors and the success of marketing, promotion and rewards programs;
- changes affecting the company's plans regarding the return of capital to shareholders, including its intention to maintain its current quarterly common share dividend for the third quarter of 2020, subject to approval by the company's Board of Directors, which will depend on factors such as capital levels and regulatory capital ratios; changes in the stress testing and capital planning process and approval of the company's capital plans by the Federal Reserve; the company's results of operations and financial condition; the company's credit ratings and rating agency considerations; and the economic environment and market conditions in any given period;
- a failure in or breach of the company's operational or security systems, processes or infrastructure, or those of third parties, including as a result of cyberattacks, which could compromise the confidentiality, integrity, privacy and/or security of data, disrupt its operations, reduce the use and acceptance of American Express cards and lead to regulatory scrutiny, litigation, remediation and response costs, and reputational harm;
- legal and regulatory developments, which could affect the profitability of the company's business activities; limit the company's ability to pursue business opportunities; require changes to business practices or alter the company's relationships with Card Members, partners, merchants and other third parties, including its ability to continue certain cobrand and agent relationships in the EU; exert further pressure on the average discount rate and GNS volumes; result in increased costs related to regulatory oversight, litigation-related settlements, judgments or expenses, restitution to Card Members or the imposition of fines or civil money penalties; materially affect capital or liquidity requirements, results of operations or ability to pay dividends; or result in harm to the American Express brand;
- changes in the financial condition and creditworthiness of the company's business partners, such as bankruptcies, restructurings or consolidations, including cobrand partners and merchants that represent a significant portion of the company's business, such as the airline industry, or partners in GNS or financial institutions that the company relies on for routine funding and liquidity, which could materially affect the company's financial condition or results of operations; and

- factors beyond the company's control such as outbreaks and future waves of COVID-19 cases, severe weather conditions, natural and man-made disasters, power loss, disruptions in telecommunications, or terrorism, any of which could significantly affect demand for and spending on American Express cards, delinquency rates, loan and receivable balances and other aspects of the company's business and results of operations or disrupt its global network systems and ability to process transactions.

A further description of these uncertainties and other risks can be found in American Express Company's Annual Report on Form 10-K for the year ended December 31, 2019, the Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 and the company's other reports filed with the Securities and Exchange Commission.

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## Section 3: EX-99.2 (EX-99.2)

**Exhibit 99.2**  
(Preliminary)

**American Express Company**  
**Consolidated Statements of Income**

(Millions, except percentages and per share amounts)

	Q2'20	Q1'20	Q4'19	Q3'19	Q2'19	YOY % change	YTD'20	YTD'19	YOY % change
<b>Non-interest revenues</b>									
Discount revenue	\$ 4,015	\$ 5,838	\$ 6,829	\$ 6,566	\$ 6,577	(39)	\$ 9,853	\$ 12,772	(23)
Net card fees	1,141	1,110	1,077	1,033	988	15	2,251	1,932	17
Other fees and commissions	449	720	832	825	837	(46)	1,169	1,640	(29)
Other	186	312	343	362	362	(49)	498	725	(31)
<b>Total non-interest revenues</b>	<b>5,791</b>	<b>7,980</b>	<b>9,081</b>	<b>8,786</b>	<b>8,764</b>	<b>(34)</b>	<b>13,771</b>	<b>17,069</b>	<b>(19)</b>
<b>Interest income</b>									
Interest on loans	2,368	2,909	2,934	2,885	2,764	(14)	5,277	5,489	(4)
Interest and dividends on investment securities	27	38	50	53	52	(48)	65	85	(24)
Deposits with banks and other	31	99	101	142	149	(79)	130	345	(62)
<b>Total interest income</b>	<b>2,426</b>	<b>3,046</b>	<b>3,085</b>	<b>3,080</b>	<b>2,965</b>	<b>(18)</b>	<b>5,472</b>	<b>5,919</b>	<b>(8)</b>
<b>Interest expense</b>									
Deposits	260	326	353	401	406	(36)	586	805	(27)
Long-term debt and other	282	390	448	476	485	(42)	672	981	(31)
<b>Total interest expense</b>	<b>542</b>	<b>716</b>	<b>801</b>	<b>877</b>	<b>891</b>	<b>(39)</b>	<b>1,258</b>	<b>1,786</b>	<b>(30)</b>
<b>Net interest income</b>	<b>1,884</b>	<b>2,330</b>	<b>2,284</b>	<b>2,203</b>	<b>2,074</b>	<b>(9)</b>	<b>4,214</b>	<b>4,133</b>	<b>2</b>
<b>Total revenues net of interest expense</b>	<b>7,675</b>	<b>10,310</b>	<b>11,365</b>	<b>10,989</b>	<b>10,838</b>	<b>(29)</b>	<b>17,985</b>	<b>21,202</b>	<b>(15)</b>
<b>Provisions for credit losses</b>									
Card Member receivables	355	597	248	238	224	58	952	477	#
Card Member loans	969	1,876	730	604	603	61	2,845	1,128	#
Other	231	148	46	37	34	#	379	65	#
<b>Total provisions for credit losses</b>	<b>1,555</b>	<b>2,621</b>	<b>1,024</b>	<b>879</b>	<b>861</b>	<b>81</b>	<b>4,176</b>	<b>1,670</b>	<b>#</b>
<b>Total revenues net of interest expense after provisions for credit losses</b>	<b>6,120</b>	<b>7,689</b>	<b>10,341</b>	<b>10,110</b>	<b>9,977</b>	<b>(39)</b>	<b>13,809</b>	<b>19,532</b>	<b>(29)</b>
<b>Expenses</b>									
Marketing and business development	1,362	1,705	1,953	1,821	1,776	(23)	3,067	3,351	(8)
Card Member rewards	1,349	2,392	2,722	2,614	2,652	(49)	3,741	5,103	(27)
Card Member services	208	456	552	558	563	(63)	664	1,113	(40)
Salaries and employee benefits	1,349	1,395	1,623	1,499	1,367	(1)	2,744	2,789	(2)
Professional services	406	439	594	491	512	(21)	845	1,006	(16)
Occupancy and equipment	564	549	599	544	517	9	1,113	1,025	9
Other, net	260	301	312	317	371	(30)	561	968	(42)

<b>Total expenses</b>	<b>5,498</b>	<b>7,237</b>	<b>8,355</b>	<b>7,844</b>	<b>7,758</b>	<b>(29)</b>	<b>12,735</b>	<b>15,355</b>	<b>(17)</b>
<b>Pretax income</b>	<b>622</b>	<b>452</b>	<b>1,986</b>	<b>2,266</b>	<b>2,219</b>	<b>(72)</b>	<b>1,074</b>	<b>4,177</b>	<b>(74)</b>
<b>Income tax provision</b>	<b>365</b>	<b>85</b>	<b>293</b>	<b>511</b>	<b>458</b>	<b>(20)</b>	<b>450</b>	<b>866</b>	<b>(48)</b>
<b>Net income</b>	<b>\$ 257</b>	<b>\$ 367</b>	<b>\$ 1,693</b>	<b>\$ 1,755</b>	<b>\$ 1,761</b>	<b>(85)</b>	<b>\$ 624</b>	<b>\$ 3,311</b>	<b>(81)</b>
<b>Net income attributable to common shareholders (A)</b>	<b>\$ 238</b>	<b>\$ 333</b>	<b>\$ 1,661</b>	<b>\$ 1,723</b>	<b>\$ 1,729</b>	<b>(86)</b>	<b>\$ 571</b>	<b>\$ 3,247</b>	<b>(82)</b>
<b>Effective tax rate</b>	<b>58.7 %</b>	<b>18.8 %</b>	<b>14.8 %</b>	<b>22.6 %</b>	<b>20.6 %</b>		<b>41.9 %</b>	<b>20.7 %</b>	

#### **Earnings Per Common Share**

##### **Basic**

<b>Net income attributable to common shareholders</b>	<b>\$ 0.29</b>	<b>\$ 0.41</b>	<b>\$ 2.04</b>	<b>\$ 2.09</b>	<b>\$ 2.07</b>	<b>(86)</b>	<b>\$ 0.71</b>	<b>\$ 3.88</b>	<b>(82)</b>
<b>Average common shares outstanding</b>	<b>804</b>	<b>807</b>	<b>814</b>	<b>825</b>	<b>834</b>	<b>(4)</b>	<b>806</b>	<b>837</b>	<b>(4)</b>

##### **Diluted**

<b>Net income attributable to common shareholders</b>	<b>\$ 0.29</b>	<b>\$ 0.41</b>	<b>\$ 2.03</b>	<b>\$ 2.08</b>	<b>\$ 2.07</b>	<b>(86)</b>	<b>\$ 0.71</b>	<b>\$ 3.87</b>	<b>(82)</b>
<b>Average common shares outstanding</b>	<b>805</b>	<b>808</b>	<b>816</b>	<b>827</b>	<b>836</b>	<b>(4)</b>	<b>807</b>	<b>839</b>	<b>(4)</b>

<b>Cash dividends declared per common share</b>	<b>\$ 0.43</b>	<b>\$ 0.43</b>	<b>\$ 0.43</b>	<b>\$ 0.43</b>	<b>\$ 0.39</b>	<b>10</b>	<b>\$ 0.86</b>	<b>\$ 0.78</b>	<b>10</b>
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# - Denotes a variance of 100 percent or more.

See Appendix IV for footnote references

## Consolidated Balance Sheets and Related Statistical Information

*(Billions, except percentages, per share amounts and where indicated)*

	Q2'20	Q1'20	Q4'19	Q3'19	Q2'19	YOY % change
<b>Assets</b>						
Cash & cash equivalents	\$ 41	\$ 36	\$ 24	\$ 24	\$ 27	52
Card Member receivables, less reserves	37	44	57	56	58	(36)
Card Member loans, less reserves	64	72	85	81	81	(21)
Investment securities	20	5	8	8	9	#
Other (B)	27	29	24	25	23	17
<b>Total assets</b>	<b>\$ 189</b>	<b>\$ 186</b>	<b>\$ 198</b>	<b>\$ 194</b>	<b>\$ 198</b>	<b>(5)</b>
<b>Liabilities and Shareholders' Equity</b>						
Customer deposits	\$ 85	\$ 78	\$ 73	\$ 73	\$ 73	16
Short-term borrowings	2	3	6	3	3	(33)
Long-term debt	49	53	58	58	58	(16)
Other (B)	32	31	38	37	41	(22)
<b>Total liabilities</b>	<b>168</b>	<b>165</b>	<b>175</b>	<b>171</b>	<b>175</b>	<b>(4)</b>
<b>Shareholders' Equity</b>	<b>21</b>	<b>21</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>(9)</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 189</b>	<b>\$ 186</b>	<b>\$ 198</b>	<b>\$ 194</b>	<b>\$ 198</b>	<b>(5)</b>
Return on average equity (C)	18.1 %	24.4 %	29.6 %	31.5 %	31.6 %	
Return on average common equity (C)	18.9 %	25.6 %	31.2 %	33.2 %	33.4 %	
Book value per common share (dollars)	\$ 24.19	\$ 24.13	\$ 26.51	\$ 26.12	\$ 25.84	(6)

# - Denotes a variance of 100 percent or more.

See Appendix IV for footnote references

	Q2'20	Q1'20	Q4'19	Q3'19	Q2'19
<b>Shares Outstanding (in millions)</b>					
Beginning of period	805	810	821	832	837
Repurchase of common shares	—	(7)	(11)	(11)	(6)
Net impact of employee benefit plans and others	—	2	—	—	1
End of period	805	805	810	821	832
<b>Risk-Based Capital Ratios - Basel III (\$ in billions) (D)</b>					
Common Equity Tier 1/Risk Weighted Assets (RWA)	13.6 %	11.9 %	10.7 %	11.0 %	11.0 %
Tier 1	14.8 %	13.0 %	11.6 %	12.0 %	12.0 %
Total	16.5 %	14.6 %	13.2 %	13.6 %	13.6 %
Common Equity Tier 1	\$ 17.6	\$ 17.3	\$ 18.1	\$ 18.0	\$ 18.2
Tier 1 Capital	\$ 19.2	\$ 19.0	\$ 19.6	\$ 19.6	\$ 19.8
Tier 2 Capital	\$ 2.1	\$ 2.3	\$ 2.6	\$ 2.6	\$ 2.7
Total Capital	\$ 21.3	\$ 21.3	\$ 22.2	\$ 22.2	\$ 22.5
RWA	\$ 129.3	\$ 146.2	\$ 168.5	\$ 163.4	\$ 165.4
Tier 1 Leverage	10.4 %	10.0 %	10.2 %	10.3 %	10.5 %
Average Total Assets to calculate the Tier 1 Leverage Ratio (E)	\$ 184.3	\$ 190.1	\$ 192.3	\$ 190.4	\$ 189.2

See Appendix IV for footnote references

## Selected Card Related Statistical Information

(Billions, except percentages and where indicated)

	Q2'20	Q1'20	Q4'19	Q3'19	Q2'19	YOY % change	YTD'20	YTD'19	YOY % change
<b>Billed business (F)</b>									
U.S.	\$ 141.9	\$ 190.2	\$ 216.8	\$ 206.2	\$ 209.2	(32)	\$ 332.1	\$ 404.7	(18)
Outside the U.S.	63.2	89.1	108.4	102.0	102.5	(38)	152.3	202.7	(25)
<b>Total</b>	<b>\$ 205.1</b>	<b>\$ 279.3</b>	<b>\$ 325.2</b>	<b>\$ 308.2</b>	<b>\$ 311.7</b>	<b>(34)</b>	<b>\$ 484.4</b>	<b>\$ 607.4</b>	<b>(20)</b>
Proprietary	\$ 174.8	\$ 242.6	\$ 281.6	\$ 266.2	\$ 269.4	(35)	\$ 417.4	\$ 522.7	(20)
Global Network Services (GNS)	30.3	36.7	43.6	42.0	42.3	(28)	67.0	84.7	(21)
<b>Total</b>	<b>\$ 205.1</b>	<b>\$ 279.3</b>	<b>\$ 325.2</b>	<b>\$ 308.2</b>	<b>\$ 311.7</b>	<b>(34)</b>	<b>\$ 484.4</b>	<b>\$ 607.4</b>	<b>(20)</b>
<b>Cards-in-force (millions) (G)</b>									
U.S.	54.4	54.9	54.7	54.3	54.0	1	54.4	54.0	1
Outside the U.S.	58.5	58.7	59.7	60.2	60.2	(3)	58.5	60.2	(3)
<b>Total</b>	<b>112.9</b>	<b>113.6</b>	<b>114.4</b>	<b>114.5</b>	<b>114.2</b>	<b>(1)</b>	<b>112.9</b>	<b>114.2</b>	<b>(1)</b>
Proprietary	69.3	70.4	70.3	69.9	69.7	(1)	69.3	69.7	(1)
GNS	43.6	43.2	44.1	44.6	44.5	(2)	43.6	44.5	(2)
<b>Total</b>	<b>112.9</b>	<b>113.6</b>	<b>114.4</b>	<b>114.5</b>	<b>114.2</b>	<b>(1)</b>	<b>112.9</b>	<b>114.2</b>	<b>(1)</b>
<b>Basic cards-in-force (millions) (G)</b>									
U.S.	42.7	43.1	43.0	42.7	42.5	—	42.7	42.5	—
Outside the U.S.	49.1	49.2	50.0	50.3	50.3	(2)	49.1	50.3	(2)
<b>Total</b>	<b>91.8</b>	<b>92.3</b>	<b>93.0</b>	<b>93.0</b>	<b>92.8</b>	<b>(1)</b>	<b>91.8</b>	<b>92.8</b>	<b>(1)</b>
<b>Average proprietary basic Card Member spending (dollars)</b>									
U.S.	\$ 3,697	\$ 4,922	\$ 5,630	\$ 5,366	\$ 5,445	(32)	\$ 8,629	\$ 10,529	(18)
Outside the U.S.	\$ 2,272	\$ 3,505	\$ 4,325	\$ 4,027	\$ 4,059	(44)	\$ 5,788	\$ 7,988	(28)
<b>Average</b>	<b>\$ 3,270</b>	<b>\$ 4,497</b>	<b>\$ 5,237</b>	<b>\$ 4,964</b>	<b>\$ 5,030</b>	<b>(35)</b>	<b>\$ 7,776</b>	<b>\$ 9,773</b>	<b>(20)</b>
<b>Card Member loans</b>									
U.S.	\$ 62.0	\$ 69.0	\$ 76.0	\$ 73.2	\$ 72.6	(15)	\$ 62.0	\$ 72.6	(15)
Outside the U.S.	8.1	8.7	11.4	10.5	10.6	(24)	8.1	10.6	(24)
<b>Total</b>	<b>\$ 70.1</b>	<b>\$ 77.7</b>	<b>\$ 87.4</b>	<b>\$ 83.7</b>	<b>\$ 83.2</b>	<b>(16)</b>	<b>\$ 70.1</b>	<b>\$ 83.2</b>	<b>(16)</b>
<b>Average discount rate (H)</b>									
	2.23 %	2.34 %	2.36 %	2.39 %	2.37 %		2.30 %	2.37 %	
<b>Average fee per card (dollars) (I)</b>									
	\$ 65	\$ 63	\$ 61	\$ 59	\$ 57	14	\$ 64	\$ 56	14

See Appendix IV for footnote references

## Selected Credit Related Statistical Information

(Billions, except percentages and where indicated)

	Q2'20	Q1'20	Q4'19	Q3'19	Q2'19	YOY % change	YTD'20	YTD'19	YOY % change
<b>Worldwide Card Member loans</b>									
U.S.	\$ 62.0	\$ 69.0	\$ 76.0	\$ 73.2	\$ 72.6	(15)	\$ 62.0	\$ 72.6	(15)
Outside the U.S.	\$ 8.1	\$ 8.7	\$ 11.4	\$ 10.5	\$ 10.6	(24)	\$ 8.1	\$ 10.6	(24)
<b>Total loans</b>	<b>\$ 70.1</b>	<b>\$ 77.7</b>	<b>\$ 87.4</b>	<b>\$ 83.7</b>	<b>\$ 83.2</b>	<b>(16)</b>	<b>\$ 70.1</b>	<b>\$ 83.2</b>	<b>(16)</b>
<b>Credit loss reserves (millions)</b>									
Beginning balance (J)	\$ 5,236	\$ 4,027	\$ 2,232	\$ 2,168	\$ 2,121	#	\$ 4,027	\$ 2,134	89
Provisions - principal, interest and fees	969	1,876	730	604	603	61	2,845	1,128	#
Net write-offs - principal less recoveries	(499)	(518)	(493)	(447)	(463)	8	(1,017)	(920)	11
Net write-offs - interest and fees less recoveries	(103)	(107)	(98)	(91)	(94)	10	(210)	(186)	13
Other (K)	25	(42)	12	(2)	1	#	(17)	12	#
<b>Ending balance</b>	<b>\$ 5,628</b>	<b>\$ 5,236</b>	<b>\$ 2,383</b>	<b>\$ 2,232</b>	<b>\$ 2,168</b>	<b>#</b>	<b>\$ 5,628</b>	<b>\$ 2,168</b>	<b>#</b>
% of loans	8.0 %	6.7 %	2.7 %	2.7 %	2.6 %		8.0 %	2.6 %	
% of past due	493 %	406 %	177 %	176 %	186 %		493 %	186 %	
Average loans	\$ 72.1	\$ 83.4	\$ 85.2	\$ 83.3	\$ 81.9	(12)	\$ 77.8	\$ 81.3	(4)
Net write-off rate (principal only) (L)	2.8 %	2.5 %	2.3 %	2.1 %	2.3 %		2.6 %	2.3 %	
Net write-off rate (principal, interest and fees) (L)	3.3 %	3.0 %	2.8 %	2.6 %	2.7 %		3.2 %	2.7 %	
30+ days past due as a % of total (M)	1.6 %	1.7 %	1.5 %	1.5 %	1.4 %		1.6 %	1.4 %	
<b>Net interest income divided by average Card Member loans (N)</b>									
	10.5 %	11.2 %	10.7 %	10.6 %	10.1 %		10.8 %	10.2 %	
<b>Net interest yield on average Card Member loans (N)</b>									
	11.6 %	11.9 %	11.3 %	11.2 %	10.9 %		11.7 %	11.0 %	
<b>Worldwide Card Member receivables</b>									
U.S.	\$ 26.9	\$ 32.6	\$ 39.0	\$ 39.0	\$ 40.3	(33)	\$ 26.9	\$ 40.3	(33)
Outside the U.S.	\$ 10.7	\$ 12.1	\$ 18.4	\$ 17.6	\$ 18.4	(42)	\$ 10.7	\$ 18.4	(42)
<b>Total receivables</b>	<b>\$ 37.6</b>	<b>\$ 44.7</b>	<b>\$ 57.4</b>	<b>\$ 56.6</b>	<b>\$ 58.7</b>	<b>(36)</b>	<b>\$ 37.6</b>	<b>\$ 58.7</b>	<b>(36)</b>
<b>Credit loss reserves (millions)</b>									
Beginning balance (J)	\$ 459	\$ 126	\$ 615	\$ 616	\$ 608	(25)	\$ 126	\$ 573	(78)
Provisions - principal and fees	355	597	248	238	224	58	952	477	#
Net write-offs - principal and fees less recoveries	(299)	(258)	(243)	(231)	(210)	42	(557)	(426)	31
Other (K)	4	(6)	(1)	(8)	(6)	#	(2)	(8)	(75)
<b>Ending balance</b>	<b>\$ 519</b>	<b>\$ 459</b>	<b>\$ 619</b>	<b>\$ 615</b>	<b>\$ 616</b>	<b>(16)</b>	<b>\$ 519</b>	<b>\$ 616</b>	<b>(16)</b>
% of receivables	1.4 %	1.0 %	1.1 %	1.1 %	1.0 %		1.4 %	1.0 %	
Net write-off rate (principal and fees) (L)	3.1 %	1.9 %	1.7 %	1.6 %	1.5 %		2.4 %	1.5 %	
Net write-off rate, excluding Global Corporate Payments (GCP) (principal and fees) (L)(O)	2.8 %	2.3 %	2.1 %	2.0 %	1.9 %		2.5 %	1.9 %	
Net write-off rate, excluding GCP (principal only) (L)(O)	2.5 %	2.1 %	1.9 %	1.8 %	1.7 %		2.3 %	1.7 %	
30+ days past due as a % of total, excluding GCP (O)	1.7 %	1.9 %	1.4 %	1.5 %	1.4 %		1.7 %	1.4 %	
<b>Other loans (B)</b>									
Total other loans	\$ 4.6	\$ 5.2	\$ 4.8	\$ 4.5	\$ 4.2	\$ 10	\$ 4.6	\$ 4.2	\$ 10
<b>Credit loss reserves (millions)</b>									
Beginning balance	\$ 241	\$ 172	\$ 140	\$ 133	\$ 129	\$ 87	\$ 172	\$ 124	\$ 39
Provisions	206	98	36	32	30	#	304	58	#
Net write-offs	(24)	(29)	(24)	(25)	(26)	\$ (8)	(53)	(49)	\$ 8
<b>Ending balance</b>	<b>\$ 423</b>	<b>\$ 241</b>	<b>\$ 152</b>	<b>\$ 140</b>	<b>\$ 133</b>	<b>#</b>	<b>\$ 423</b>	<b>\$ 133</b>	<b>#</b>
% of other loans	9.2 %	4.6 %	3.2 %	3.1 %	3.2 %		9.2 %	3.2 %	
<b>Other receivables (B)</b>									

<b>Total other receivables</b>	<b>\$ 2.8</b>	<b>\$ 2.9</b>	<b>\$ 3.1</b>	<b>\$ 2.9</b>	<b>\$ 3.2</b>	<b>(13)</b>	<b>\$ 2.8</b>	<b>\$ 3.2</b>	<b>(13)</b>
<b>Credit loss reserves (millions)</b>									
<b>Beginning balance</b>	<b>\$ 71</b>	<b>\$ 27</b>	<b>\$ 22</b>	<b>\$ 27</b>	<b>\$ 25</b>	<b>#</b>	<b>\$ 27</b>	<b>\$ 25</b>	<b>8</b>
<b>Provisions</b>	<b>25</b>	<b>50</b>	<b>10</b>	<b>5</b>	<b>4</b>	<b>#</b>	<b>75</b>	<b>7</b>	<b>#</b>
<b>Net write-offs</b>	<b>(2)</b>	<b>(6)</b>	<b>(5)</b>	<b>(10)</b>	<b>(2)</b>	<b>—</b>	<b>(8)</b>	<b>(5)</b>	<b>60</b>
<b>Ending balance</b>	<b>\$ 94</b>	<b>\$ 71</b>	<b>\$ 27</b>	<b>\$ 22</b>	<b>\$ 27</b>	<b>#</b>	<b>\$ 94</b>	<b>\$ 27</b>	<b>#</b>
<b>% of other receivables</b>	<b>3.4 %</b>	<b>2.4 %</b>	<b>0.9 %</b>	<b>0.8 %</b>	<b>0.8 %</b>		<b>3.4 %</b>	<b>0.8 %</b>	

# - Denotes a variance of 100 percent or more.

See Appendix IV for footnote references



## Selected Income Statement Information by Segment

(Millions)

	Global Consumer Services Group (GCSG)	Global Commercial Services (GCS)	Global Merchant and Network Services (GMNS)	Corporate and Other	Consolidated
<b>Q2'20</b>					
Non-interest revenues (P)	\$ 2,932	\$ 2,014	\$ 919	\$ (74)	\$ 5,791
Interest income	1,971	402	4	49	2,426
Interest expense (Q)	272	154	(6)	122	542
Total revenues net of interest expense	4,631	2,262	929	(147)	7,675
Total provisions for credit losses	886	645	25	(1)	1,555
Total revenues net of interest expense after provisions for credit losses	3,745	1,617	904	(146)	6,120
Marketing, business development, and Card Member rewards and services	1,723	924	249	23	2,919
Salaries and employee benefits and other operating expenses (P)	1,195	715	452	217	2,579
Pretax income (loss)	827	(22)	203	(386)	622
Income tax provision (benefit)	300	38	137	(110)	365
Net income (loss)	527	(60)	66	(276)	257
<b>Q2'19</b>					
Non-interest revenues (P)	\$ 4,193	\$ 3,059	\$ 1,478	\$ 34	\$ 8,764
Interest income	2,297	468	7	193	2,965
Interest expense (Q)	446	269	(87)	263	891
Total revenues net of interest expense	6,044	3,258	1,572	(36)	10,838
Total provisions for credit losses	651	206	3	1	861
Total revenues net of interest expense after provisions for credit losses	5,393	3,052	1,569	(37)	9,977
Marketing, business development, and Card Member rewards and services	3,067	1,565	336	23	4,991
Salaries and employee benefits and other operating expenses (P)	1,221	790	476	280	2,767
Pretax income (loss)	1,105	697	757	(340)	2,219
Income tax provision (benefit)	224	136	193	(95)	458
Net income (loss)	881	561	564	(245)	1,761
<b>YOY % change</b>					
Non-interest revenues	(30)	(34)	(38)	#	(34)
Interest income	(14)	(14)	(43)	(75)	(18)
Interest expense	(39)	(43)	(93)	(54)	(39)
Total revenues net of interest expense	(23)	(31)	(41)	#	(29)
Total provisions for credit losses	36	#	#	#	81
Total revenues net of interest expense after provisions for credit losses	(31)	(47)	(42)	#	(39)
Marketing, business development, and Card Member rewards and services	(44)	(41)	(26)	—	(42)
Salaries and employee benefits and other operating expenses	(2)	(9)	(5)	(23)	(7)
Pretax income (loss)	(25)	#	(73)	14	(72)
Income tax provision (benefit)	34	(72)	(29)	16	(20)
Net income (loss)	(40)	#	(88)	13	(85)

# - Denotes a variance of 100 percent or more.



	YOY % change												
	Reported					FX-Adjusted (R)					Reported	FX-Adjusted (R)	
	Q2'20	Q1'20	Q4'19	Q3'19	Q2'19	Q2'20	Q1'20	Q4'19	Q3'19	Q2'19	YTD'20	YTD'20	
<b>Worldwide</b>													
Proprietary consumer	(35)%	(3)%	8%	9%	8%	(34)%	(2)%	8%	10%	10%	(19)%	(19)%	
Proprietary commercial	(36)	(6)	5	5	6	(36)	(5)	5	5	7	(21)	(21)	
Proprietary	(35)	(4)	7	6	7	(35)	(3)	7	7	8	(20)	(19)	
GNS	(28)	(13)	(2)	(6)	(7)	(25)	(10)	(1)	(2)	(2)	(21)	(18)	
Total	(34)	(6)	5	5	5	(33)	(4)	6	6	7	(20)	(19)	
<i>T&amp;E-related volume (6% of Q2'20 Worldwide Total) (S)</i>	(87)	(21)	6	5	5	(87)	(19)	(T)	(T)	(T)	(54)	(54)	
<i>Non-T&amp;E-related volume (94% of Q2'20 Worldwide Total) (S)</i>	(13)	3	6	6	7	(12)	4	(T)	(T)	(T)	(5)	(4)	
<i>Airline-related volume (0% of Q2'20 Worldwide Total) (S)</i>	#	(32)	1	—	2	#	(30)	1	2	4	(66)	(65)	
<b>U.S.</b>													
Proprietary consumer	(32)	(1)	7	8	8	n/a	n/a	n/a	n/a	n/a	(18)	n/a	
Proprietary commercial	(33)	(4)	4	4	6	n/a	n/a	n/a	n/a	n/a	(19)	n/a	
Proprietary	(32)	(3)	6	6	7	n/a	n/a	n/a	n/a	n/a	(18)	n/a	
Total	(32)	(3)	6	6	7	n/a	n/a	n/a	n/a	n/a	(18)	n/a	
<i>T&amp;E-related volume (6% of Q2'20 U.S. Total) (S)</i>	(84)	(17)	6	7	6	n/a	n/a	n/a	n/a	n/a	(51)	n/a	
<i>Non-T&amp;E-related volume (94% of Q2'20 U.S. Total) (S)</i>	(12)	3	5	6	7	n/a	n/a	n/a	n/a	n/a	(5)	n/a	
<i>Airline-related volume (0% of Q2'20 U.S. Total) (S)</i>	#	(29)	4	3	5	n/a	n/a	n/a	n/a	n/a	(64)	n/a	
<b>Outside the U.S.</b>													
Proprietary consumer	(41)	(6)	11	10	10	(39)	(2)	11	14	15	(24)	(21)	
Proprietary commercial	(49)	(12)	7	7	8	(46)	(7)	8	12	12	(30)	(27)	
Proprietary	(44)	(8)	10	9	9	(42)	(4)	10	13	14	(27)	(24)	
Total	(38)	(11)	4	2	1	(36)	(7)	5	6	6	(25)	(22)	
<i>Japan, Asia Pacific &amp; Australia billed business</i>	(27)	(10)	4	2	1	(25)	(6)	5	4	5	(19)	(16)	
<i>Latin America &amp; Canada billed business</i>	(49)	(12)	5	5	6	(42)	(5)	7	11	12	(31)	(23)	
<i>Europe, Middle East &amp; Africa billed business</i>	(50)	(13)	4	1	—	(49)	(10)	4	6	5	(31)	(29)	

# - Denotes a variance of 100 percent or more.

See Appendix IV for footnote references

## Global Consumer Services Group

(Preliminary)

## Selected Income Statement and Statistical Information

(Millions, except percentages)

	Q2'20	Q1'20	Q4'19	Q3'19	Q2'19	YOY % change	YTD'20	YTD'19	YOY % change
Non-interest revenues (P)	\$ 2,932	\$ 3,894	\$ 4,371	\$ 4,226	\$ 4,193	(30)	\$ 6,826	\$ 8,105	(16)
Interest income	1,971	2,411	2,442	2,402	2,297	(14)	4,382	4,569	(4)
Interest expense (Q)	272	328	412	437	446	(39)	600	881	(32)
Net interest income	1,699	2,083	2,030	1,965	1,851	(8)	3,782	3,688	3
Total revenues net of interest expense	4,631	5,977	6,401	6,191	6,044	(23)	10,608	11,793	(10)
Total provisions for credit losses	886	1,810	780	653	651	36	2,696	1,202	#
Total revenues net of interest expense after provisions for credit losses	3,745	4,167	5,621	5,538	5,393	(31)	7,912	10,591	(25)
<b>Expenses</b>									
Marketing, business development, and Card Member rewards and services	1,723	2,702	3,145	3,042	3,067	(44)	4,425	5,856	(24)
Salaries and employee benefits and other operating expenses (P)	1,195	1,234	1,318	1,233	1,221	(2)	2,429	2,416	1
Total expenses	2,918	3,936	4,463	4,275	4,288	(32)	6,854	8,272	(17)
Pretax segment income	827	231	1,158	1,263	1,105	(25)	1,058	2,319	(54)
Income tax provision	300	30	177	272	224	34	330	484	(32)
Segment income	\$ 527	\$ 201	\$ 981	\$ 991	\$ 881	(40)	\$ 728	\$ 1,835	(60)
Effective tax rate	36.3 %	13.0 %	15.3 %	21.5 %	20.3 %		31.2 %	20.9 %	

(Billions, except percentages and where indicated)

<b>Proprietary billed business (F)</b>									
U.S.	\$ 68.1	\$ 90.9	\$ 105.9	\$ 99.9	\$ 100.9	(33)	\$ 159.0	\$ 193.0	(18)
Outside the U.S.	\$ 22.5	\$ 33.7	\$ 41.8	\$ 38.3	\$ 38.0	(41)	\$ 56.2	\$ 73.9	(24)
Total	\$ 90.6	\$ 124.6	\$ 147.7	\$ 138.2	\$ 138.9	(35)	\$ 215.2	\$ 266.9	(19)
<b>Proprietary cards-in-force (millions) (G)</b>									
U.S.	37.5	38.0	37.9	37.7	37.6	—	37.5	37.6	—
Outside the U.S.	17.2	17.6	17.5	17.4	17.4	(1)	17.2	17.4	(1)
Total	54.7	55.6	55.4	55.1	55.0	(1)	54.7	55.0	(1)
<b>Proprietary basic cards-in-force (millions) (G)</b>									
U.S.	26.6	27.0	26.9	26.8	26.8	(1)	26.6	26.8	(1)
Outside the U.S.	11.9	12.1	12.1	12.0	12.0	(1)	11.9	12.0	(1)
Total	38.5	39.1	39.0	38.8	38.8	(1)	38.5	38.8	(1)
<b>Average proprietary basic Card Member spending (dollars)</b>									
U.S.	\$ 2,548	\$ 3,366	\$ 3,945	\$ 3,719	\$ 3,743	(32)	\$ 5,922	\$ 7,148	(17)
Outside the U.S.	\$ 1,871	\$ 2,777	\$ 3,457	\$ 3,189	\$ 3,173	(41)	\$ 4,656	\$ 6,227	(25)
Average	\$ 2,338	\$ 3,183	\$ 3,794	\$ 3,555	\$ 3,567	(34)	\$ 5,529	\$ 6,867	(19)
Segment assets	\$ 80.4	\$ 87.3	\$ 106.3	\$ 99.4	\$ 102.1	(21)	\$ 80.4	\$ 102.1	(21)
<b>Card Member loans</b>									
<b>Total loans</b>									
U.S.	\$ 50.3	\$ 55.6	\$ 62.4	\$ 59.7	\$ 59.5	(15)	\$ 50.3	\$ 59.5	(15)
Outside the U.S.	\$ 7.6	\$ 8.2	\$ 10.9	\$ 10.1	\$ 10.2	(25)	\$ 7.6	\$ 10.2	(25)
Total	\$ 57.9	\$ 63.8	\$ 73.3	\$ 69.8	\$ 69.7	(17)	\$ 57.9	\$ 69.7	(17)
<b>Average loans</b>									
U.S.	\$ 51.7	\$ 59.3	\$ 60.6	\$ 59.7	\$ 58.8	(12)	\$ 55.4	\$ 58.6	(5)
Outside the U.S.	\$ 7.6	\$ 10.0	\$ 10.5	\$ 10.0	\$ 9.9	(23)	\$ 8.9	\$ 9.8	(9)
Total	\$ 59.3	\$ 69.3	\$ 71.1	\$ 69.7	\$ 68.7	(14)	\$ 64.3	\$ 68.4	(6)

## Lending Credit Metrics

U.S.

Net write-off rate (principal only) (L)	2.8 %	2.6 %	2.4 %	2.2 %	2.3 %	2.7 %	2.4 %		
Net write-off rate (principal, interest and fees) (L)	3.3 %	3.1 %	2.9 %	2.6 %	2.8 %	3.2 %	2.8 %		
30+ days past due as a % of total (M)	1.5 %	1.7 %	1.6 %	1.5 %	1.4 %	1.5 %	1.4 %		
<b>Outside the U.S.</b>									
Net write-off rate (principal only) (L)	3.7 %	2.9 %	2.5 %	2.4 %	2.4 %	3.2 %	2.3 %		
Net write-off rate (principal, interest and fees) (L)	4.6 %	3.5 %	3.0 %	3.0 %	3.0 %	4.0 %	2.9 %		
30+ days past due as a % of total (M)	2.3 %	2.1 %	1.8 %	1.7 %	1.7 %	2.3 %	1.7 %		
<b>Total</b>									
Net write-off rate (principal only) (L)	2.9 %	2.6 %	2.4 %	2.2 %	2.4 %	2.7 %	2.4 %		
Net write-off rate (principal, interest and fees) (L)	3.5 %	3.2 %	2.9 %	2.7 %	2.8 %	3.3 %	2.8 %		
30+ days past due as a % of total (M)	1.6 %	1.7 %	1.6 %	1.6 %	1.4 %	1.6 %	1.4 %		
<b>Net interest income divided by average Card Member loans (N)</b>									
	11.5 %	12.0 %	11.4 %	11.3 %	10.8 %	11.8 %	10.8 %		
<b>Net interest yield on average Card Member loans (N)</b>									
U.S.	11.7 %	12.1 %	11.6 %	11.4 %	11.1 %	11.9 %	11.1 %		
Outside the U.S.	13.3 %	11.9 %	11.3 %	11.0 %	10.6 %	12.4 %	10.7 %		
Total	11.9 %	12.1 %	11.5 %	11.4 %	11.0 %	12.0 %	11.1 %		
<b>Card Member receivables</b>									
U.S.	\$ 9.5	\$ 10.5	\$ 14.2	\$ 12.9	\$ 13.1	(27)	\$ 9.5	\$ 13.1	(27)
Outside the U.S.	\$ 5.5	\$ 5.3	\$ 8.6	\$ 7.8	\$ 8.1	(32)	\$ 5.5	\$ 8.1	(32)
Total receivables	\$ 15.0	\$ 15.8	\$ 22.8	\$ 20.7	\$ 21.2	(29)	\$ 15.0	\$ 21.2	(29)

#### Charge Credit Metrics

<b>U.S.</b>							
Net write-off rate (principal only) (L)	2.1 %	1.7 %	1.7 %	1.3 %	1.3 %	1.9 %	1.4 %
Net write-off rate (principal and fees) (L)	2.3 %	1.9 %	1.8 %	1.4 %	1.4 %	2.0 %	1.5 %
30+ days past due as a % of total (M)	1.2 %	1.5 %	1.2 %	1.3 %	1.2 %	1.2 %	1.2 %
<b>Outside the U.S.</b>							
Net write-off rate (principal only) (L)	3.5 %	2.6 %	2.2 %	2.4 %	2.2 %	2.9 %	2.2 %
Net write-off rate (principal and fees) (L)	3.7 %	2.8 %	2.4 %	2.6 %	2.3 %	3.1 %	2.4 %
30+ days past due as a % of total (M)	1.6 %	2.2 %	1.3 %	1.4 %	1.4 %	1.6 %	1.4 %
<b>Total</b>							
Net write-off rate (principal only) (L)	2.6 %	2.0 %	1.9 %	1.7 %	1.6 %	2.2 %	1.7 %
Net write-off rate (principal and fees) (L)	2.8 %	2.2 %	2.0 %	1.9 %	1.8 %	2.4 %	1.8 %
30+ days past due as a % of total (M)	1.3 %	1.7 %	1.2 %	1.4 %	1.3 %	1.3 %	1.3 %

# - Denotes a variance of 100 percent or more.

See Appendix IV for footnote references

Global Commercial Services  
Selected Income Statement and Statistical  
Information

(Preliminary)

(Millions, except percentages)

	Q2'20	Q1'20	Q4'19	Q3'19	Q2'19	YOY % change	YTD'20	YTD'19	YOY % change
Non-interest revenues (P)	\$ 2,014	\$ 2,788	\$ 3,187	\$ 3,070	\$ 3,059	(34)	\$ 4,802	\$ 5,985	(20)
Interest income	402	499	493	485	468	(14)	901	922	(2)
Interest expense (Q)	154	200	247	262	269	(43)	354	525	(33)
Net interest income	248	299	246	223	199	25	547	397	38
Total revenues net of interest expense	2,262	3,087	3,433	3,293	3,258	(31)	5,349	6,382	(16)
Total provisions for credit losses	645	762	236	222	206	#	1,407	460	#
Total revenues net of interest expense after provisions for credit losses	1,617	2,325	3,197	3,071	3,052	(47)	3,942	5,922	(33)
<b>Expenses</b>									
Marketing, business development, and Card Member rewards and services	924	1,508	1,641	1,562	1,565	(41)	2,432	3,034	(20)
Salaries and employee benefits and other operating expenses (P)	715	798	919	796	790	(9)	1,513	1,546	(2)
Total expenses	1,639	2,306	2,560	2,358	2,355	(30)	3,945	4,580	(14)
Pretax segment income (loss)	(22)	19	637	713	697	#	(3)	1,342	#
Income tax provision (benefit)	38	(19)	87	145	136	(72)	19	269	(93)
Segment income (loss)	(60)	38	550	568	561	#	(22)	1,073	#
Effective tax rate	(172.7)%	(100.0)%	13.7 %	20.3 %	19.5 %		(633.3)%	20.0 %	

(Billions, except percentages and where indicated)

Proprietary billed business (F)	\$ 82.8	\$ 116.1	\$ 133.0	\$ 127.3	\$ 129.6	(36)	\$ 198.9	\$ 253.0	(21)
Proprietary cards-in-force (millions) (G)	14.6	14.8	14.9	14.8	14.7	(1)	14.6	14.7	(1)
Average Card Member spending (dollars)	\$ 5,645	\$ 7,836	\$ 8,956	\$ 8,627	\$ 8,866	(36)	\$ 13,495	\$ 17,321	(22)
Segment assets	38.3	\$ 46.7	\$ 52.8	\$ 53.7	\$ 55.0	(30)	\$ 38.3	\$ 55.0	(30)

Card Member loans

Total loans	\$ 12.2	\$ 13.9	\$ 14.1	\$ 13.9	\$ 13.5	(10)	\$ 12.2	\$ 13.5	(10)
Total loans - Global Small Business Services (GSBS)	\$ 12.1	\$ 13.8	\$ 14.1	\$ 13.8	\$ 13.4	(10)	\$ 12.1	\$ 13.4	(10)
30+ days past due as a % of total - GSBS (M)	1.6 %	1.4 %	1.3 %	1.3 %	1.3 %		1.6 %	1.3 %	
Average loans - GSBS	\$ 12.8	\$ 14.1	\$ 14.0	\$ 13.6	\$ 13.2	(3)	\$ 13.4	\$ 12.9	4
Net write-off rate (principal only) - GSBS (L)	2.3 %	1.9 %	2.0 %	1.8 %	1.8 %		2.1 %	1.8 %	
Net write-off rate (principal, interest and fees) - GSBS (L)	2.6 %	2.2 %	2.3 %	2.1 %	2.1 %		2.4 %	2.1 %	
Net interest income divided by average Card Member loans (N)	7.8 %	8.4 %	7.0 %	6.6 %	6.0 %		8.1 %	6.2 %	
Net interest yield on average Card Member loans (N)	10.0 %	10.8 %	10.4 %	10.5 %	10.5 %		10.5 %	10.7 %	

Card Member receivables

Total receivables	\$ 22.6	\$ 28.9	\$ 34.6	\$ 35.9	\$ 37.5	(40)	\$ 22.6	\$ 37.5	(40)
Net write-off rate (principal and fees) (L)	3.3 %	1.8 %	1.5 %	1.5 %	1.3 %		2.4 %	1.4 %	
Total receivables - GCP (O)	\$ 9.4	\$ 13.2	\$ 17.2	\$ 18.5	\$ 19.7	(52)	\$ 9.4	\$ 19.7	(52)
90+ days past billing as a % of total - GCP (M)(O)	2.5 %	1.1 %	0.8 %	0.7 %	0.7 %		2.5 %	0.7 %	
Net write-off rate (principal and fees) - GCP (L)(O)	4.0 %	1.0 %	0.8 %	0.9 %	0.7 %		2.2 %	0.7 %	
Total receivables - GSBS	\$ 13.2	\$ 15.7	\$ 17.4	\$ 17.4	\$ 17.8	(26)	\$ 13.2	\$ 17.8	(26)
30+ days past due as a % of total - GSBS (M)	2.1 %	2.0 %	1.7 %	1.7 %	1.6 %		2.1 %	1.6 %	
Net write-off rate (principal only) - GSBS (L)	2.5 %	2.2 %	2.0 %	1.9 %	1.8 %		2.4 %	1.8 %	
Net write-off rate (principal and fees) - GSBS (L)	2.8 %	2.5 %	2.2 %	2.1 %	2.0 %		2.6 %	2.1 %	

# - Denotes a variance of 100 percent or more.



## Global Merchant and Network Services

(Preliminary)

## Selected Income Statement and Statistical Information

(Millions, except percentages)

	Q2'20	Q1'20	Q4'19	Q3'19	Q2'19	YOY % change	YTD'20	YTD'19	YOY % change
<b>Non-interest revenues (P)</b>	\$ 919	\$ 1,346	\$ 1,505	\$ 1,471	\$ 1,478	(38)	\$ 2,265	\$ 2,927	(23)
<b>Interest income</b>	4	6	6	6	7	(43)	10	16	(38)
<b>Interest expense (Q)</b>	(6)	(36)	(62)	(74)	(87)	(93)	(42)	(167)	(75)
<b>Net interest income</b>	10	42	68	80	94	(89)	52	183	(72)
<b>Total revenues net of interest expense</b>	929	1,388	1,573	1,551	1,572	(41)	2,317	3,110	(25)
<b>Total provisions for credit losses</b>	25	48	9	4	3	#	73	7	#
<b>Total revenues net of interest expense after provisions for credit losses</b>	904	1,340	1,564	1,547	1,569	(42)	2,244	3,103	(28)
<b>Expenses</b>									
<b>Marketing, business development, and Card Member rewards and services</b>	249	324	417	365	336	(26)	573	640	(10)
<b>Salaries and employee benefits and other operating expenses (P)</b>	452	465	581	480	476	(5)	917	949	(3)
<b>Total expenses</b>	701	789	998	845	812	(14)	1,490	1,589	(6)
<b>Pretax segment income</b>	203	551	566	702	757	(73)	754	1,514	(50)
<b>Income tax provision</b>	137	134	92	179	193	(29)	271	379	(28)
<b>Segment income</b>	\$ 66	\$ 417	\$ 474	\$ 523	\$ 564	(88)	\$ 483	\$ 1,135	(57)
<b>Effective tax rate</b>	67.5 %	24.3 %	16.3 %	25.5 %	25.5 %		35.9 %	25.0 %	

(Billions)

<b>Segment assets</b>	\$ 11.6	\$ 10.2	\$ 17.5	\$ 17.2	\$ 22.2	(48)	\$ 11.6	\$ 22.2	(48)
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# - Denotes a variance of 100 percent or more.

See Appendix IV for footnote references



## Appendix I

## Components of Return on Average Equity (ROE) and Return on Average Common Equity (ROCE)

*(Millions, except percentages)*

	For the Twelve Months Ended				
	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019
<b>ROE</b>					
Net income	\$ 4,072	\$ 5,576	\$ 6,759	\$ 7,076	\$ 6,975
Average shareholders' equity	\$ 22,504	\$ 22,818	\$ 22,812	\$ 22,473	\$ 22,073
Return on average equity (C)	18.1 %	24.4 %	29.6 %	31.5 %	31.6 %
<b>Reconciliation of ROCE</b>					
Net income	\$ 4,072	\$ 5,576	\$ 6,759	\$ 7,076	\$ 6,975
Preferred shares dividends and related accretion	90	92	81	80	79
Earnings allocated to participating share awards and other	27	38	47	51	53
Net income attributable to common shareholders	\$ 3,955	\$ 5,446	\$ 6,631	\$ 6,945	\$ 6,843
Average shareholders' equity	\$ 22,504	\$ 22,818	\$ 22,812	\$ 22,473	\$ 22,073
Average preferred shares	1,584	1,584	1,584	1,584	1,584
Average common shareholders' equity	\$ 20,920	\$ 21,234	\$ 21,228	\$ 20,889	\$ 20,489
Return on average common equity (C)	18.9 %	25.6 %	31.2 %	33.2 %	33.4 %

See Appendix IV for footnote references

## Appendix II

## Net Interest Yield on Average Card Member Loans

(Millions, except percentages and where indicated)

	Q2'20	Q1'20	Q4'19	Q3'19	Q2'19	YTD'20	YTD'19
<b>Consolidated</b>							
Net interest income	\$ 1,884	\$ 2,330	\$ 2,284	\$ 2,203	\$ 2,074	\$ 4,214	\$ 4,133
<i>Exclude:</i>							
Interest expense not attributable to the Company's Card Member loan portfolio (Q)(U)	350	395	421	461	465	745	951
Interest income not attributable to the Company's Card Member loan portfolio (V)	(156)	(264)	(271)	(308)	(312)	(420)	(647)
Adjusted net interest income (W)	\$ 2,078	\$ 2,461	\$ 2,434	\$ 2,356	\$ 2,227	\$ 4,539	\$ 4,437
Average Card Member loans (billions)	\$ 72.1	\$ 83.4	\$ 85.2	\$ 83.3	\$ 81.9	\$ 77.8	\$ 81.3
Net interest income divided by average Card Member loans (X)	10.5 %	11.2 %	10.7 %	10.6 %	10.1 %	10.8 %	10.2 %
Net interest yield on average Card Member loans (Q)(Y)	11.6 %	11.9 %	11.3 %	11.2 %	10.9 %	11.7 %	11.0 %
<b>Global Consumer Services Group</b>							
<b>U.S.</b>							
Net interest income (Q)	\$ 1,462	\$ 1,800	\$ 1,750	\$ 1,707	\$ 1,606	\$ 3,262	\$ 3,202
<i>Exclude:</i>							
Interest expense not attributable to the Company's Card Member loan portfolio (Q)(U)	97	46	73	67	67	143	136
Interest income not attributable to the Company's Card Member loan portfolio (V)	(54)	(60)	(58)	(55)	(53)	(114)	(105)
Adjusted net interest income (W)	\$ 1,505	\$ 1,786	\$ 1,765	\$ 1,719	\$ 1,620	\$ 3,291	\$ 3,233
Average Card Member loans (billions)	\$ 51.7	\$ 59.3	\$ 60.6	\$ 59.7	\$ 58.8	\$ 55.5	\$ 58.6
Net interest income divided by average Card Member loans (Q)(X)	11.3 %	12.1 %	11.6 %	11.4 %	10.9 %	11.8 %	10.9 %
Net interest yield on average Card Member loans (Q)(Y)	11.7 %	12.1 %	11.6 %	11.4 %	11.1 %	11.9 %	11.1 %
<b>Outside the U.S.</b>							
Net interest income (Q)	\$ 237	\$ 283	\$ 280	\$ 258	\$ 245	\$ 520	\$ 486
<i>Exclude:</i>							
Interest expense not attributable to the Company's Card Member loan portfolio (Q)(U)	18	16	22	22	20	34	41
Interest income not attributable to the Company's Card Member loan portfolio (V)	(2)	(4)	(4)	(4)	(3)	(6)	(7)
Adjusted net interest income (W)	\$ 253	\$ 295	\$ 298	\$ 276	\$ 262	\$ 548	\$ 520
Average Card Member loans (billions)	\$ 7.6	\$ 10.0	\$ 10.5	\$ 10.0	\$ 9.9	\$ 8.9	\$ 9.8
Net interest income divided by average Card Member loans (Q)(X)	12.5 %	11.3 %	10.7 %	10.3 %	9.9 %	11.7 %	9.9 %
Net interest yield on average Card Member loans (Q)(Y)	13.3 %	11.9 %	11.3 %	11.0 %	10.6 %	12.4 %	10.7 %
<b>Total</b>							
Net interest income (Q)	\$ 1,699	\$ 2,083	\$ 2,030	\$ 1,965	\$ 1,851	\$ 3,782	\$ 3,688
<i>Exclude:</i>							
Interest expense not attributable to the Company's Card Member loan portfolio (Q)(U)	115	62	95	89	87	177	177
Interest income not attributable to the Company's Card Member loan portfolio (V)	(56)	(64)	(62)	(59)	(56)	(120)	(112)
Adjusted net interest income (W)	\$ 1,758	\$ 2,081	\$ 2,063	\$ 1,995	\$ 1,882	\$ 3,839	\$ 3,753
Average Card Member loans (billions)	\$ 59.3	\$ 69.3	\$ 71.1	\$ 69.7	\$ 68.7	\$ 64.3	\$ 68.4
Net interest income divided by average Card Member loans (Q)(X)	11.5 %	12.0 %	11.4 %	11.3 %	10.8 %	11.8 %	10.8 %
Net interest yield on average Card Member loans (Q)(Y)	11.9 %	12.1 %	11.5 %	11.4 %	11.0 %	12.0 %	11.1 %

**Global Commercial Services**

Net interest income (Q)	\$ 248	\$ 299	\$ 246	\$ 223	\$ 199	\$ 547	\$ 397
<i>Exclude:</i>							
Interest expense not attributable to the Company's Card Member loan portfolio (Q)(U)	119	145	183	195	202	264	394
Interest income not attributable to the Company's Card Member loan portfolio (V)	(47)	(64)	(58)	(56)	(56)	(111)	(107)
Adjusted net interest income (W)	\$ 320	\$ 380	\$ 371	\$ 362	\$ 345	\$ 700	\$ 684
Average Card Member loans (billions)	\$ 12.8	\$ 14.2	\$ 14.1	\$ 13.6	\$ 13.2	\$ 13.5	\$ 12.9
Net interest income divided by average Card Member loans (Q)(X)	7.8 %	8.4 %	7.0 %	6.6 %	6.0 %	8.1 %	6.2 %
Net interest yield on average Card Member loans (Q)(Y)	10.0 %	10.8 %	10.4 %	10.5 %	10.5 %	10.5 %	10.7 %

See Appendix IV for footnote references

## Appendix III

## Card Member Receivables Net Write-offs Components

(Billions, except percentages and where indicated)

	Q2'20	Q1'20	Q4'19	Q3'19	Q2'19	YOY % change	YTD'20	YTD'19	YOY % change
<b>Worldwide Card Member receivables</b>									
<b>Net write-offs (millions)</b>									
Net write-offs (principal and fees) (L)	\$ 299	\$ 258	\$ 243	\$ 231	\$ 210	42	\$ 557	\$ 426	31
Less: Net write-offs (principal and fees) - GCP (L) (O)	105	43	37	43	31	#	148	67	#
Net write-offs (principal and fees) - GCSG and GSBS (L)	\$ 194	\$ 215	\$ 206	\$ 188	\$ 179	8	\$ 409	\$ 359	14
Less: Net write-offs (fees only) - GCSG and GSBS (L)	18	19	18	17	17	6	37	35	6
Net write-offs (principal only) - GCSG and GSBS (L)	\$ 176	\$ 196	\$ 188	\$ 171	\$ 162	9	\$ 372	\$ 324	15
<b>Average Card Member receivables</b>									
Global Consumer Services Group (GCSG)	\$ 14.0	\$ 19.8	\$ 21.3	\$ 20.8	\$ 20.5	(32)	\$ 17.0	\$ 20.3	(16)
Global Small Business Services (GSBS)	13.7	16.8	17.6	17.4	17.4	(21)	15.3	16.9	(9)
Average receivables (GCSG and GSBS)	\$ 27.7	\$ 36.6	\$ 38.9	\$ 38.2	\$ 37.9	(27)	\$ 32.3	\$ 37.2	(13)
GCP	10.5	16.6	18.3	18.6	19.2	(45)	13.6	\$ 18.8	(28)
Total average receivables	\$ 38.2	\$ 53.2	\$ 57.2	\$ 56.9	\$ 57.1	(33)	\$ 45.9	\$ 56.0	(18)
Net write-off rate (principal and fees) (L)	3.1 %	1.9 %	1.7 %	1.6 %	1.5 %		2.4 %	1.5 %	
Net write-off rate (principal and fees) - GCSG and GSBS (L)	2.8 %	2.3 %	2.1 %	2.0 %	1.9 %		2.5 %	1.9 %	
Net write-off rate (principal only) - GCSG and GSBS (L)	2.5 %	2.1 %	1.9 %	1.8 %	1.7 %		2.3 %	1.7 %	

# - Denotes a variance of 100 percent or more.

See Appendix IV for footnote references

All Information in the preceding tables is presented on a basis prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), unless otherwise indicated. Certain reclassifications of prior period amounts have been made to conform to the current period presentation.

- (A) Represents net income, less (i) earnings allocated to participating share awards of \$2 million, \$2 million, \$12 million, \$11 million and \$13 million in Q2'20, Q1'20, Q4'19, Q3'19 and Q2'19, respectively; and (ii) dividends on preferred shares of \$17 million, \$32 million, \$20 million, \$21 million and \$19 million in Q2'20, Q1'20, Q4'19, Q3'19 and Q2'19, respectively.
- (B) Within assets, "other" includes the following items as presented in the Company's Consolidated Balance Sheets: Other loans, less reserves for credit losses (including merchant financing loans and Paycheck Protection Program (PPP)), Premises and equipment and Other assets (including Other receivables); and within liabilities, "other" includes the following items: Accounts payable and Other liabilities.
- (C) Return on average equity and return on average common equity are calculated by dividing one-year period of net income by one-year average of total shareholders' equity, and one-year period of net income attributable to common shareholders by one-year average of common shareholders' equity, respectively. Refer to Appendix I for components of return on average equity and return on average common equity.
- (D) The first quarter 2020 capital ratios have been updated as the Company continued its analysis of the impacts of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was signed into law on March 27, 2020.
- (E) Presented for the purpose of calculating the Tier 1 Leverage Ratio.
- (F) Billed business represents transaction volumes (including cash advances) on cards and other payment products issued by American Express (proprietary billed business) and cards issued under network partnership agreements with banks and other institutions, including joint ventures (GNS billed business). In-store spending activity within GNS retail cobrand portfolios, from which we earn no revenue, is not included in billed business. Billed business is reported as United States or outside the United States based on the location of the issuer. Billed business, together with the average discount rate, drive our discount revenue.
- (G) Cards-in-force represents the number of cards that are issued and outstanding by American Express (proprietary cards-in-force) and cards issued and outstanding under network partnership agreements with banks and other institutions, including joint ventures (GNS cards-in-force) except for GNS retail cobrand cards that have no out of store spend activity during the prior 12 months. Basic cards-in-force excludes supplemental cards issued on consumer accounts. Cards-in-force is useful in understanding the size of our Card Member base.
- (H) Average discount rate calculation is generally designed to reflect the average pricing at all merchants accepting American Express cards and represents the percentage of proprietary and GNS billed business retained by the Company from merchants it acquires, or from merchants acquired by third parties on its behalf, net of amounts retained by such third parties. The average discount rate, together with billed business, drive our discount revenue.
- (I) Average fee per card is computed based on proprietary net card fees divided by average proprietary total cards-in-force.
- (J) The January 1, 2020, balance includes an increase of \$1,643 million and a decrease of \$493 million to the beginning reserve balances for Card Member loans and receivables, respectively, related to the adoption of the CECL (Current Expected Credit Losses) methodology.
- (K) Other includes foreign currency impact on balance sheet re-measurement and translation.
- (L) The Company presents a net write-off rate based on principal losses only (i.e., excluding interest and/or fees) to be consistent with industry convention. In addition, as the Company's practice is to include uncollectible interest and/or fees as part of its total provision for credit losses, a net write-off rate including principal, interest and/or fees is also presented. The Company believes the net write-off rate, excluding GCP net write-offs, a non-GAAP measure, is useful to show the write-off rate based on principal losses only for the Card Member receivables portfolios for which data is available (i.e., Global Consumer and Global Small Business Services). See Appendix III for a reconciliation.
- (M) During the first quarter 2020, we created a Customer Pandemic Relief program to provide short-term support for customers impacted by COVID-19. Delinquency status is generally frozen at enrollment, and loans that are current at enrollment do not age, regardless of whether payment is made. Upon exiting the program, delinquency aging resumes where it had left off at enrollment.
- (N) See Appendix II for calculations of net interest yield on average Card Member loans, a non-GAAP measure, and net interest income divided by average Card Member loans, a GAAP measure, and the Company's rationale for presenting net interest yield on average Card Member loans (refer to Footnotes "X" and "Y").
- (O) GCP reflects global, large and middle market corporate accounts. GCP delinquency data for periods other than 90+ days past billing and the net write-off rate based on principal losses only are not available due to system constraints.
- (P) Effective Q1'20, results reflect enhancements to our transfer pricing methodology related to the sharing of revenues among our card issuing, network and merchant businesses. Prior period amounts have been revised to conform to the current period presentation.
- (Q) Effective Q1'20, results reflect enhancements to our methodology related to the allocation of certain funding costs primarily related to our Card Member loan and Card Member receivable portfolios. Prior period amounts have been revised to conform to the current period presentation.
- (R) FX-adjusted information assumes a constant exchange rate between the periods being compared for purposes of currency translation into U.S. dollars (i.e., assumes the foreign exchange rates used to determine results for Q2'20 apply to the period(s) against which such results are being compared).
- (S) Based on billed business from merchants we acquire or merchants acquired by third parties on our behalf (e.g. OptBlue merchants).
- (T) FX-adjusted T&E and Non-T&E historical results are not available due to system limitations.
- (U) Primarily represents interest expense attributable to maintaining our corporate liquidity pool and funding Card Member receivables.
- (V) Primarily represents interest income attributable to Other loans, interest-bearing deposits and the fixed income investment portfolios.
- (W) Adjusted net interest income is a non-GAAP measure that represents net interest income attributable to our Card Member loans (which includes, on a GAAP basis, interest that is deemed uncollectible), excluding the impact of interest expense and interest income not attributable to our Card Member loans. The Company believes adjusted net interest income is useful to investors because it represents the interest expense and interest income attributable to our Card Member loan portfolio and is a component of net interest yield on average Card Member loans, which provides a measure of profitability of our Card Member loan portfolio.
- (X) Net interest income divided by average Card Member loans, computed on an annualized basis, a GAAP measure, includes elements of total interest income and total interest expense that are not attributable to the Card Member loan portfolio, and thus is not representative of net interest yield on average Card Member loans.
- (Y) Net interest yield on average Card Member loans is a non-GAAP measure that is computed by dividing adjusted net interest income by average Card Member loans, computed on an annualized basis. Reserves and net write-offs related to uncollectible interest are recorded through provisions for credit losses, and thus not included in the net interest yield calculation. The Company believes that net interest yield on average Card Member loans is useful to investors because it provides

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