

AMERICAN EXPRESS FINANCIAL ADVISORS
SEGMENT CONSOLIDATED INCOME STATEMENTS
FOR YEARS ENDED DECEMBER 31

Unaudited
(\$ Millions)*

	2002	2001	2000	1999	1998
Revenues:					
Investment income	\$2,058	\$1,162	\$2,292	\$2,443	\$2,437
Investment management and services fees	1,316	1,538	1,853	1,461	1,222
Distribution fees	976	921	959	808	630
Variable annuity and variable life insurance charges	416	389	334	328	311
Life insurance premiums	334	315	290	256	229
Property-Casualty insurance premiums	229	167	136	124	109
Other	288	299	266	216	157
Total revenues	<u>5,617</u>	<u>4,791</u>	<u>6,130</u>	<u>5,636</u>	<u>5,095</u>
Benefits and Expenses:					
Benefits:					
Annuities	1,034	989	1,018	1,071	1,151
Life insurance	560	522	468	438	418
Investment certificates	183	329	337	306	275
Property/Casualty	177	126	88	84	71
Expenses:					
Compensation and benefits	1,945	1,995	2,153	1,744	1,530
Professional fees	261	211	185	190	152
Occupancy and equipment costs	237	261	230	199	152
Taxes, other than income taxes	35	33	33	27	25
Interest	38	26	22	32	30
Restructuring charge	-	107	-	-	-
Disaster recovery charge	(7)	11	-	-	-
Other	289	205	113	182	99
Total benefits and expenses	<u>4,752</u>	<u>4,815</u>	<u>4,647</u>	<u>4,273</u>	<u>3,903</u>
Income (loss) before income tax expense (benefit)	865	(24)	1,483	1,363	1,192
Income tax expense (benefit)	<u>233</u>	<u>(76)</u>	<u>451</u>	<u>428</u>	<u>374</u>
Net income	<u>\$632</u>	<u>\$52</u>	<u>\$1,032</u>	<u>\$935</u>	<u>\$818</u>

*Amounts disclosed in above table may not agree to previously disclosed filings due to rounding.

AMERICAN EXPRESS FINANCIAL ADVISORS
SEGMENT CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31

Unaudited
(\$ Millions)*

	2002	2001	2000	1999	1998
ASSETS					
Investments					
Securities	\$34,171	\$29,596	\$26,383	\$26,270	\$27,014
Mortgage loans	3,980	4,024	4,097	3,984	3,840
Other investments	419	511	674	617	439
Total investments	38,570	34,131	31,154	30,871	31,293
Cash and cash equivalents	6,370	2,673	2,219	1,534	604
Life insurance policy and investment certificate loans	610	641	644	591	558
Consumer loans	215	296	326	190	213
Accounts, notes and investment income receivable	1,025	1,388	2,158	1,284	1,014
Land, buildings and equipment--less accumulated depreciation	714	679	605	373	262
Deferred acquisition costs	3,783	3,652	3,502	3,176	2,934
Goodwill--less accumulated amortization	223	221	232	243	255
Other assets	233	456	371	450	104
Separate account assets	21,981	27,334	32,349	35,895	27,349
	<u>\$73,724</u>	<u>\$71,471</u>	<u>\$73,560</u>	<u>\$74,607</u>	<u>\$64,586</u>

*Amounts disclosed in above table may not agree to previously disclosed filings due to rounding.

AMERICAN EXPRESS FINANCIAL ADVISORS
SEGMENT CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31

Unaudited
(\$ Millions)*

	2002	2001	2000	1999	1998
LIABILITIES AND SHAREHOLDER'S EQUITY					
Liabilities:					
Future policy benefits:					
Fixed annuities	\$23,411	\$19,592	\$19,418	\$20,552	\$21,172
Life and disability insurance	5,272	4,944	4,681	4,459	4,261
Investment certificate reserves	8,666	8,227	7,348	5,951	4,855
Property/Casualty insurance reserves	172	129	110	114	111
Deferred income taxes, net	286	-	-	-	-
Other liabilities:					
Accounts payable and accrued expenses	2,094	2,681	3,343	2,296	1,553
Open securities transactions	3,614	1,450	614	96	67
Short-term debt	900	667	328	241	104
Long-term debt - due to Parent	250	-	-	-	-
Long-term debt	120	120	123	125	126
Career Distributors' Retirement Plan	75	111	141	164	180
Other	607	818	683	861	722
Total other liabilities	7,660	5,847	5,232	3,783	2,752
Liabilities related to separate account assets	21,981	27,334	32,349	35,895	27,349
Total liabilities	67,448	66,073	69,138	70,754	60,500
Shareholder's Equity:					
Additional paid-in capital	1,941	1,943	1,412	1,402	1,389
Other comprehensive income	661	90	(409)	(477)	231
Retained earnings	3,674	3,365	3,419	2,928	2,466
Total shareholder's equity	6,276	5,398	4,422	3,853	4,086
	\$73,724	\$71,471	\$73,560	\$74,607	\$64,586

*Amounts disclosed in above table may not agree to previously disclosed filings due to rounding.

AMERICAN EXPRESS FINANCIAL ADVISORS
SEGMENT SELECTED STATISTICAL INFORMATION
(Unaudited)

(Dollars in millions, except where indicated)

	Years Ended December 31				
	2002	2001	2000	1999	1998
Net Income	\$632	\$52	\$1,032	\$935	\$818
Revenues, Net of Provisions	\$3,663	\$2,825	\$4,219	\$3,737	\$3,181
Return on Average Equity*	11.6%	1.0%	22.6%	22.9%	22.5%
Investment Certificate Reserves (billions)	\$8.7	\$8.2	\$7.3	\$6.0	\$4.9
Deferred Annuities in Force (billions)	\$41.0	\$41.3	\$45.3	\$47.4	\$42.8
Life Insurance in Force (billions)	\$119.0	\$107.9	\$98.1	\$89.2	\$81.1
Assets Owned, Managed or Administered (billions):					
Assets managed for institutions	\$42.3	\$49.7	\$55.0	\$55.5	\$45.7
Assets owned and managed for individuals:					
Owned Assets:					
Separate Account Assets	22.0	27.3	32.3	35.9	27.3
Other Owned Assets	51.7	44.2	41.3	38.7	37.3
Total Owned Assets	<u>73.7</u>	<u>71.5</u>	<u>73.6</u>	<u>74.6</u>	<u>64.6</u>
Managed Assets	81.6	98.7	112.0	115.1	92.0
Administered Assets	33.0	33.4	34.4	24.8	16.6
Total	<u>230.6</u>	<u>\$253.3</u>	<u>\$275.0</u>	<u>\$270.0</u>	<u>\$218.9</u>
Market Appreciation/(Depreciation) During the Period:					
Owned Assets:					
Separate Account Assets	(\$5,057)	(\$5,752)	(\$5,109)	\$8,172	\$3,547
Other Owned Assets	\$898	\$879	\$106	(\$1,126)	(\$109)
Managed Assets	(\$16,788)	(\$18,662)	(\$14,467)	\$23,774	\$13,954
Sales of Selected Products:					
Mutual Funds	\$31,945	\$33,581	\$44,068	\$34,269	\$27,567
Annuities	8,541	5,648	5,886	3,902	3,298
Investment Certificates	4,088	3,788	3,297	3,591	2,342
Life and Other Insurance Products	710	895	900	746	605
Institutional	3,727	5,006	6,601	5,012	5,113
Other	5,201	5,276	3,557	3,514	3,167
Total Cash Sales	<u>\$54,212</u>	<u>\$54,194</u>	<u>\$64,309</u>	<u>\$51,034</u>	<u>\$42,092</u>
Number of Financial Advisors	11,689	11,535	12,663	11,366	10,350
Fees From Financial Plans and Advice Services	\$113.9	\$107.5	\$97.7	\$88.5	\$72.4
Percentage of Total sales from Financial Plans and Advice Services	73.3%	72.5%	68.1%	66.7%	65.4%

* Computed on a trailing 12-month basis excluding the effect on Shareholder's Equity of unrealized gains or losses related to SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities," and SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities."