

TRAVEL RELATED SERVICES

FIVE-YEAR SUMMARY OF SELECTED FINANCIAL DATA

STATEMENTS OF INCOME

(Managed Basis)

(millions)

	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Net Revenues:					
Discount Revenue	\$ 7,779	\$ 6,741	\$ 6,115	\$ 5,666	\$ 5,024
Net Card Fees	1,653	1,604	1,584	1,609	1,664
Lending:					
Finance Charge Revenue	3,977	2,884	2,470	2,105	1,691
Interest Expense	1,594	955	810	694	548
Net Finance Charge Revenue	<u>2,383</u>	<u>1,929</u>	<u>1,660</u>	<u>1,411</u>	<u>1,143</u>
Travel Commissions and Fees	1,821	1,802	1,647	1,489	1,422
Travelers Cheque Investment Income	387	345	330	331	349
Other Revenues:					
Other Commissions and Assessments	1,800	1,485	1,339	1,252	1,069
Interest & Dividends	351	281	233	221	375
Insurance Premiums	150	138	131	123	125
Publishing	207	192	181	155	132
Merchandise Services	10	34	49	47	56
All Other	900	683	255	326	332
Total	<u>3,418</u>	<u>2,813</u>	<u>2,188</u>	<u>2,124</u>	<u>2,089</u>
Total Net Revenues	<u>17,441</u>	<u>15,234</u>	<u>13,524</u>	<u>12,630</u>	<u>11,691</u>
Expenses:					
Marketing and Promotion	1,348	1,247	1,130	1,025	998
Provision for Losses and Claims:					
Charge Card	1,157	995	994	1,105	989
Lending	1,486	1,186	1,093	937	678
Other	105	85	90	88	101
Total	<u>2,748</u>	<u>2,266</u>	<u>2,177</u>	<u>2,130</u>	<u>1,768</u>
Charge Card Interest Expense	1,408	1,055	1,040	973	871
Human Resources	4,126	3,931	3,610	3,154	2,984
Other Operating Expenses:					
Occupancy and Equipment	1,188	1,011	904	828	839
Professional Fees	1,254	1,048	860	747	724
Taxes Other Than Income	125	118	112	110	86
Restructuring Charge	-	-	-	-	196
Other	2,531	2,175	1,621	1,758	1,702
Total	<u>5,098</u>	<u>4,352</u>	<u>3,497</u>	<u>3,443</u>	<u>3,547</u>
Total Expenses	<u>14,728</u>	<u>12,851</u>	<u>11,454</u>	<u>10,725</u>	<u>10,168</u>
Pretax Income	2,713	2,383	2,070	1,905	1,523
Income Tax Provision	784	691	579	551	418
Net Income	<u>\$ 1,929</u>	<u>\$ 1,692</u>	<u>\$ 1,491</u>	<u>\$ 1,354</u>	<u>\$ 1,105</u>

TRAVEL RELATED SERVICES

FIVE-YEAR SUMMARY OF SELECTED FINANCIAL DATA

STATEMENTS OF INCOME

(GAAP Reporting Basis)

(millions)

	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Net Revenues:					
Discount Revenue	\$ 7,779	\$ 6,741	\$ 6,115	\$ 5,666	\$ 5,024
Net Card Fees	1,651	1,599	1,587	1,604	1,668
Lending:					
Finance Charge Revenue	2,026	2,007	2,007	1,848	1,575
Interest Expense	1,039	674	653	604	507
Net Finance Charge Revenue	987	1,333	1,354	1,244	1,068
Travel Commissions and Fees	1,821	1,802	1,647	1,489	1,422
Travelers Cheque Investment Income	387	345	330	331	349
Other Revenues:					
Other Commissions and Assessments	2,155	1,767	1,531	1,423	1,212
Interest & Dividends	416	298	251	230	375
Insurance Premiums	150	138	131	123	125
Publishing	207	192	181	155	132
Merchandise Services	10	34	49	47	56
All Other	1,557	881	354	355	342
Total	4,495	3,310	2,497	2,333	2,242
Total Net Revenues	<u>17,120</u>	<u>15,130</u>	<u>13,530</u>	<u>12,667</u>	<u>11,773</u>
Expenses:					
Marketing and Promotion	1,434	1,338	1,166	1,062	998
Provision for Losses and Claims:					
Charge Card	1,006	865	701	858	743
Lending	891	799	922	817	635
Other	105	85	90	88	101
Total	2,002	1,749	1,713	1,763	1,479
Charge Card Interest Expense	1,202	835	809	743	688
Net Discount Expense	489	479	665	597	554
Human Resources	4,126	3,931	3,610	3,154	2,984
Other Operating Expenses:					
Occupancy and Equipment	1,188	1,011	904	828	839
Professional Fees	1,254	1,048	860	747	724
Taxes Other Than Income	125	118	112	110	86
Restructuring Charge	-	-	-	-	196
Other	2,587	2,238	1,621	1,758	1,702
Total	5,154	4,415	3,497	3,443	3,547
Total Expenses	<u>14,407</u>	<u>12,747</u>	<u>11,460</u>	<u>10,762</u>	<u>10,250</u>
Pretax Income	2,713	2,383	2,070	1,905	1,523
Income Tax Provision	784	691	579	551	418
Net Income	<u>\$ 1,929</u>	<u>\$ 1,692</u>	<u>\$ 1,491</u>	<u>\$ 1,354</u>	<u>\$ 1,105</u>

TRAVEL RELATED SERVICES

FIVE-YEAR SUMMARY OF SELECTED FINANCIAL DATA

SELECTED FINANCIAL STATISTICS AND DATA

(Amounts in billions, except percentages and where indicated)

	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Total Cards in Force (millions):					
United States	33.3	29.9	27.8	29.6	29.2
Outside the United States	<u>18.4</u>	<u>16.1</u>	<u>14.9</u>	<u>13.1</u>	<u>12.3</u>
Total	<u>51.7</u>	<u>46.0</u>	<u>42.7</u>	<u>42.7</u>	<u>41.5</u>
<i>Percent increase in total Cards in Force</i>	12.2%	7.8%	0.1%	2.9%	8.2%
Basic Cards in Force (millions):					
United States	26.3	23.4	21.7	23.3	22.5
Outside the United States	<u>13.9</u>	<u>12.3</u>	<u>11.5</u>	<u>10.0</u>	<u>9.6</u>
Total	<u>40.2</u>	<u>35.7</u>	<u>33.2</u>	<u>33.3</u>	<u>32.1</u>
<i>Percent increase(decrease) in total Basic Cards in Force</i>	12.4%	7.7%	(0.2%)	3.7%	9.8%
Card Billed Business:					
United States	\$ 221.7	\$ 186.4	\$ 165.6	\$ 150.5	\$ 131.0
Outside the United States	<u>75.0</u>	<u>67.7</u>	<u>61.9</u>	<u>58.7</u>	<u>53.3</u>
Total	<u>\$ 296.7</u>	<u>\$ 254.1</u>	<u>\$ 227.5</u>	<u>\$ 209.2</u>	<u>\$ 184.3</u>
<i>Percent increase in total Billed Business</i>	16.8%	11.7%	8.7%	13.5%	13.4%
Average Discount Rate (A)	2.70%	2.72%	2.73%	2.73%	2.75%
Average Basic Cardmember Spending (dollars) (A):					
United States	\$8,844	\$8,301	\$7,152	\$6,568	\$6,149
Outside the United States	<u>\$6,682</u>	<u>\$6,465</u>	<u>\$6,229</u>	<u>\$6,233</u>	<u>\$5,893</u>
Total	<u>\$8,229</u>	<u>\$7,758</u>	<u>\$6,885</u>	<u>\$6,473</u>	<u>\$6,074</u>
<i>Percent increase in total Average Basic Cardmember Spending</i>	6.1%	12.7%	6.4%	6.6%	4.2%
Average Fee per Card-Managed (dollars) (A)	\$36	\$39	\$38	\$39	\$42
Non-Amex Brand (B):					
Cards in Force (millions)	0.6	0.3	0.2	-	-
Billed Business	<u>\$3.2</u>	<u>\$0.7</u>	<u>\$0.2</u>	-	-
Worldwide Travel:					
Sales	\$22.6	\$22.5	\$19.9	\$17.4	\$15.8
<i>Percent increase in Sales</i>	0.6%	13.0%	14.7%	10.2%	4.2%
Travel Commissions and Fees/Sales (C)	8.1%	8.0%	8.3%	8.6%	9.0%
Travelers Cheque:					
Sales	\$24.6	\$23.3	\$23.6	\$25.0	\$26.0
<i>Percent increase (decrease) in Sales</i>	5.3%	(1.2%)	(5.4%)	(4.0%)	1.7%
Average Outstanding	\$6.4	\$6.2	\$6.0	\$5.9	\$6.0
<i>Percent increase (decrease) in Average Outstanding</i>	4.7%	2.7%	1.1%	(2.1%)	1.2%
Tax Equivalent Yield	8.9%	8.8%	9.0%	9.2%	9.4%
Weighted average interest rate during the year on debt of Credco	6.04%	5.16%	5.66%	5.66%	5.67%
Travel and foreign exchange services locations including representatives, franchisees and joint ventures (actual)	4,179	4,132	3,912	3,719	3,443
Number of TRS employees at year end (actual):					
United States	42,503	41,851	40,355	34,519	34,725
Outside United States	<u>32,354</u>	<u>32,192</u>	<u>30,535</u>	<u>25,722</u>	<u>25,459</u>
Total	<u>74,857</u>	<u>74,043</u>	<u>70,890</u>	<u>60,241</u>	<u>60,184</u>

(A) Computed from proprietary card activities only.

(B) This data relates to Visa and Eurocards issued in connection with joint venture activities

(C) Computed from information provided herein.

TRAVEL RELATED SERVICES

FIVE-YEAR SUMMARY OF SELECTED FINANCIAL DATA

SELECTED STATISTICAL INFORMATION

(Managed Basis)

(Amounts in billions, except percentages and where indicated)

	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Charge Card Receivables:					
Total Receivables	\$29.0	\$27.0	\$24.0	\$23.5	\$22.5
90 Days Past Due as a % of Total	2.3%	2.5%	2.7%	3.1%	3.2%
Loss Reserves (millions)	\$964	\$857	\$897	\$951	\$923
% of Receivables	3.3%	3.2%	3.7%	4.0%	4.1%
% of 90 Days Past Due	142%	126%	138%	132%	128%
Net Loss Ratio	0.36%	0.41%	0.46%	0.50%	0.51%
Average life (in days) of Charge Card receivables	41	40	40	38	38
U.S. Cardmember Lending:					
Total Loans	\$28.7	\$23.4	\$16.7	\$14.6	\$12.7
Past Due Loans as a % of Total:					
30-89 Days	1.9%	1.8%	2.2%	2.4%	2.4%
90+ Days	0.9%	0.8%	0.9%	1.1%	0.9%
Loss Reserves (millions):					
Beginning Balance	\$672	\$619	\$589	\$488	\$443
Provision	1,258	994	961	867	607
Net Charge-Offs/Other	<u>(1,110)</u>	<u>(941)</u>	<u>(931)</u>	<u>(766)</u>	<u>(562)</u>
Ending Balance	<u>\$820</u>	<u>\$672</u>	<u>\$619</u>	<u>\$589</u>	<u>\$488</u>
% of Loans	2.9%	2.9%	3.7%	4.0%	3.8%
% of Past Due	104%	110%	120%	116%	117%
Average Loans	\$25.8	\$18.9	\$15.0	\$13.3	\$10.8
Net Write-Off Rate	4.4%	5.0%	6.4%	6.0%	5.2%
Net Interest Yield	7.6%	8.6%	9.5%	9.1%	8.8%
Worldwide Cardmember Loans	\$31.7	\$25.6	\$18.3	\$15.8	\$13.7
Securitized Receivables & Loans:					
Cardmember Receivables	\$2.9	\$3.5	\$4.0	\$3.3	\$3.8
Cardmember Loans	\$11.3	\$7.3	\$3.0	\$2.0	\$1.0

Note: Managed Cardmember receivables and loans include securitized assets not reflected in the Condensed Balance Sheets.

TRAVEL RELATED SERVICES

CONDENSED BALANCE SHEET

(Dollars in millions)

	<u>December 31,</u>				
	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
ASSETS					
Cash & Investment Securities	\$ 16,427	\$ 14,908	\$ 10,284	\$ 8,925	\$ 7,638
Cardmember & Other Receivables, net	29,621	25,622	21,542	20,888	19,503
Loans, net	20,034	17,910	14,947	13,373	12,220
Land, Buildings, & Equipment, net	1,602	1,356	1,097	990	1,080
Other Assets	3,735	3,437	3,294	3,011	2,612
Total Assets	\$ 71,419	\$ 63,233	\$ 51,164	\$ 47,187	\$ 43,053
LIABILITIES & EQUITY					
Travelers Cheques Outstanding	\$ 6,127	\$ 6,213	\$ 5,823	\$ 5,634	\$ 5,838
Customers' Deposits	4,319	3,797	2,056	841	897
Accounts Payable	7,116	5,971	5,025	3,983	3,905
Insurance Reserves	165	149	141	104	104
Debt	40,056	35,686	27,770	26,936	23,431
Deferred Card Fees	789	786	770	733	745
Other Liabilities	6,277	5,087	4,225	3,906	3,459
Total Liabilities	64,849	57,689	45,810	42,137	38,379
Equity	6,570	5,544	5,354	5,050	4,674
Total Liabilities & Equity	\$ 71,419	\$ 63,233	\$ 51,164	\$ 47,187	\$ 43,053
Return on Average Equity (A)	33.0%	31.2%	29.1%	27.9%	25.6%
Return on Average Assets (A)	3.0%	3.1%	3.1%	3.0%	2.8%

(A) Excluding the effect of SFAS No. 115.

(B) Excludes restructuring charge of \$125 million after-tax.