

AMER. EXPRESS NYSE-AXP				RECENT PRICE	86.36	P/E RATIO	15.6	(Trailing: 16.5 Median: NMF)	RELATIVE P/E RATIO	0.85	DIV'D YLD	1.2%	VALUE LINE						
TIMELINESS	4	Lowered 8/8/14	High: 49.1 57.1 59.5 62.5 65.9 52.6 42.3 49.2 53.8 61.4 90.8 96.2	Low: 30.9 47.3 46.6 49.7 50.4 16.5 9.7 36.6 41.3 47.4 58.3 82.6	<div>LEGENDS</div> <div>15.0 x Earnings p sh</div> <div>Relative Price Strength</div> <div>Options: Yes</div> <div>Shaded area indicates recession</div>								Target Price Range	2017 2018 2019					
SAFETY	2	Raised 5/20/11																	
TECHNICAL	3	Raised 8/1/14																	
BETA	1.10	(1.00 = Market)																	
2017-19 PROJECTIONS																			
Price	125	Gain (+45%)	Ann'l Total Return																
High	125	Low	95																
Insider Decisions																			
S O N D J F M A M																			
to Buy	0	0	0	0	0	0	0	0	0	0	0	0	0						
Options	0	6	2	1	2	4	1	0	0	0	0	0	0						
to Sell	0	6	3	2	2	5	2	0	1	1	1	1	1						
Institutional Decisions																			
3Q2013 4Q2013 1Q2014																			
to Buy	433	477	460	Percent	18														
to Sell	528	563	589	shares	12														
Hld's(000)	890127	888000	874389	traded	6														
On November 14, 2008, American Express became a bank holding company under the BHC Act subject to the supervision and examination by the Federal Reserve of the United States. Thus, in order to better represent American Express' operations, we have altered our financial presentation. <sup>D</sup>																			
CAPITAL STRUCTURE as of 6/30/14																			
ST Debt \$3436 mill. Due in 5 Yrs \$52000 mill.																			
LT Debt \$54836 mill. LT Interest \$1600 mill.																			
(Total interest coverage: 5.2x) (73% of Cap'l)																			
No Defined Benefit Pension Plan																			
Leases, Uncapitalized Annuals rentals \$281 mill.																			
Pfd Stock None																			
Common Stock 1,046,567,365 shs. as of 7/18/14																			
MARKET CAP: \$90.4 billion (Large Cap)																			
FINANCIAL POSITION 2012 2013 6/30/14																			
( \$MILL.)																			
Cash Assets	22250	19486	18430	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Earnings per sh <sup>A</sup>	7.85		
Invest. Sec's	5614	5016	4855	.42	.48	.57	.63	.72	.72	.72	.72	.78	.86	.98	1.04	Div'ds Decl'd per sh <sup>B</sup>	1.30		
Receivables	45914	47185	48646	12.83	8.50	8.77	9.52	10.21	12.09	13.56	16.15	17.09	18.32	19.70	20.80	Book Value per sh	24.25		
Other	79362	81688	80453	1249.0	1241.0	1199.0	1158.0	1160.0	1192.0	1197.0	1164.0	1105.0	1064.0	1035.0	1010.0	Common Shs Outst'g <sup>C</sup>	960.0		
Total Assets	153140	153375	152384	18.9	21.9	18.7	17.4	15.3	17.5	12.4	11.6	12.7	15.0	103.5	101.0	Avg Ann'l P/E Ratio	14.0		
Deposits	39803	41763	42136	1.00	1.17	1.01	.92	.92	1.17	.79	.73	.81	.84	1.03	1.01	Relative P/E Ratio	.90		
Accounts Payable	10006	10615	11645	.8%	.9%	1.0%	1.1%	1.9%	2.7%	1.7%	1.5%	1.4%	1.2%	1.0%	1.0%	Avg Ann'l Div'd Yield	1.1%		
Other	84445	81501	78390	--	113960	128329	149830	126074	124088	147042	153337	153140	153375	158500	165000	Total Assets (\$mill)	185500		
Total Liab.	134254	133879	132171	--	40801	43116	53436	40659	30010	57616	61166	64309	66585	70000	73500	Loans (\$mill)	85000		
ANNUAL RATES Past Past Est'd '11-'13																			
of change (per sh) 10 Yrs. 5 Yrs. to '17-'19																			
Loans	5.0%	2.5%	3.5%	--	2440.0	2993.0	3590.0	3646.0	3124.0	4869.0	4641.0	4628.0	5047.0	5325	5575	Net Interest Inc (\$mill)	6325		
Earnings	4.0%	5%	10.0%	--	2758.0	3026.0	4341.0	5798.0	5313.0	2207.0	1112.0	1990.0	2110.0	2200	2360	Loan Loss Prov'n (\$mill)	2800		
Dividends	8.5%	13.0%	8.5%	--	19985	22161	24141	24719	21399	22950	25321	26954	27927	28825	30000	Noninterest Inc (\$mill)	33825		
Book Value	4.0%	-2.0%	6.0%	--	15614	16989	17824	18986	16369	19648	21894	22246	22976	23550	24200	Noninterest Exp (\$mill)	26300		
QUARTERLY REVENUES (\$ mill.) <sup>A</sup>																			
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	--	3062.0	3611.0	4048.0	2871.0	2137.0	4057.0	4899.0	5076.0	5359.0	5800	6225	Net Profit (\$mill)	7625	
2011	7031	7618	7571	7742	--	24.5%	29.7%	27.3%	19.8%	24.8%	32.0%	29.6%	30.9%	32.1%	31.0%	31.0%	Income Tax Rate	31.0%	
2012	7614	7965	7862	8141	--	2.69%	2.81%	2.70%	2.28%	1.72%	2.76%	3.20%	3.31%	3.49%	3.65%	3.75%	Return on Total Assets	4.0%	
2013	7881	8245	8301	8547	--	30781	42747	55285	60041	52338	66416	59570	58973	55330	54000	53000	Long-Term Debt (\$mill)	50000	
2014	8199	8657	8825	9119	--	10549	10511	11029	11841	14406	16230	18794	18886	19496	20400	21000	Shr. Equity (\$mill)	23275	
2015	8850	9450	9425	9725	--	9.3%	8.2%	7.4%	9.4%	11.6%	11.0%	12.3%	12.3%	12.7%	13.0%	12.5%	Shr. Eq. to Total Assets	12.5%	
EARNINGS PER SHARE <sup>B</sup>																			
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	--	35.8%	33.6%	35.7%	32.3%	24.2%	39.2%	39.9%	42.0%	43.4%	44.0%	44.5%	Loans to Tot Assets	46.0%	
2011	.97	1.07	1.03	1.01	--	29.0%	34.4%	36.7%	24.2%	14.8%	25.0%	26.1%	26.9%	27.5%	28.5%	29.5%	Return on Shr. Equity	32.5%	
2012	1.07	1.15	1.09	1.09	--	23.4%	28.1%	30.2%	17.2%	8.4%	19.7%	21.5%	22.1%	22.7%	23.5%	24.5%	Retained to Com Eq	27.5%	
2013	1.15	1.27	1.25	1.21	--	19%	18%	18%	29%	43%	21%	18%	18%	18%	18%	17%	All Div'ds to Net Prof	17%	
2014	1.33	1.43	1.39	1.40	--														
2015	1.46	1.56	1.54	1.54	--														
QUARTERLY DIVIDENDS PAID <sup>C</sup>																			
Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	--														
2010	.18	.18	.18	.18	--														
2011	.18	.18	.18	.18	--														
2012	.18	.20	.20	.20	--														
2013	.20	.20	.23	.23	--														
2014	.23	.23	.26		--														
BUSINESS: American Express Company is a leading global payments, network, and travel firm established in 1850. Its business segments are: Global Consumer Group and Global Business-to-Business Group. Divested AMEX Life, 10/95; American Express Bank, 2/08. Spun off Lehman Brothers to shareholders, 5/94; American Express Financial Advisors, 9/05. Had approximately 62,800 employees at 12/31/13. Officers and directors own approximately 1.1% of the company's common stock; Berkshire Hathaway, 14.3%; Capital World Investors, 6.1%; BlackRock, 5.1% (3/14 Proxy). Chrmn. & CEO: Kenneth I. Chenault. Incorporated: New York. Address: 200 Vesey Street, New York, New York 10285. Telephone: 212-640-2000. Internet: www.americanexpress.com.																			
Shares of American Express have underperformed of late. After increasing more than 50% in value in 2013, the stock appears to have stopped to take a breath. In fact, year to date, the equity has declined almost 5%. In comparison, the Dow Jones Industrial Average is around breakeven. We attribute the stock's lackluster performance to simple profit taking. At this time, we think that the equity remains fully valued. Although our outlook for American Express is positive (discussed below), the stock is trading at 15.6 times our 12-month share-earnings estimate to December 2014, which is higher than recent annual levels, as well as the multiple we project to the 2017-2019 period. True, due to historically low interest rates and a growing U.S. economy, we expect that stocks, overall, will continue to trade at elevated price-to-earnings multiples. However, in regard to Amex, specifically, we think that the current P/E ratio is not sustainable. In addition, according to our proprietary Ranking System for Timeliness, the issue will lag the year-ahead market. What's more, three- to five-year capital appreciation potential is be-																			
low average. All told, while we still consider Amex a core holding, particularly for conservative, long-term investors, perhaps waiting for a better entry point is the prudent strategy at this juncture. Our outlook for American Express remains rosy. Although economic and political concerns still abound, both domestically and abroad, we expect that cardmember spending will increase at solid annual rates. Also helping matters is that Amex's customer base generally possesses good credit scores, so healthy spending patterns and manageable loan losses should persist. On the latter note, the provision for loan losses declined 5% in the June quarter, and credit quality remains very high. Furthermore, continued, gradual improvements in the U.S. housing and job markets would likely further benefit the company's top and bottom lines. For 2014, we are reiterating our share-earnings forecast of \$5.55, which would represent an almost 14% increase over 2013's tally. Our 2015 call is \$6.10, and we project that share net will exceed \$7.75 by the 2017-2019 time frame. Ian Gendler August 15, 2014																			