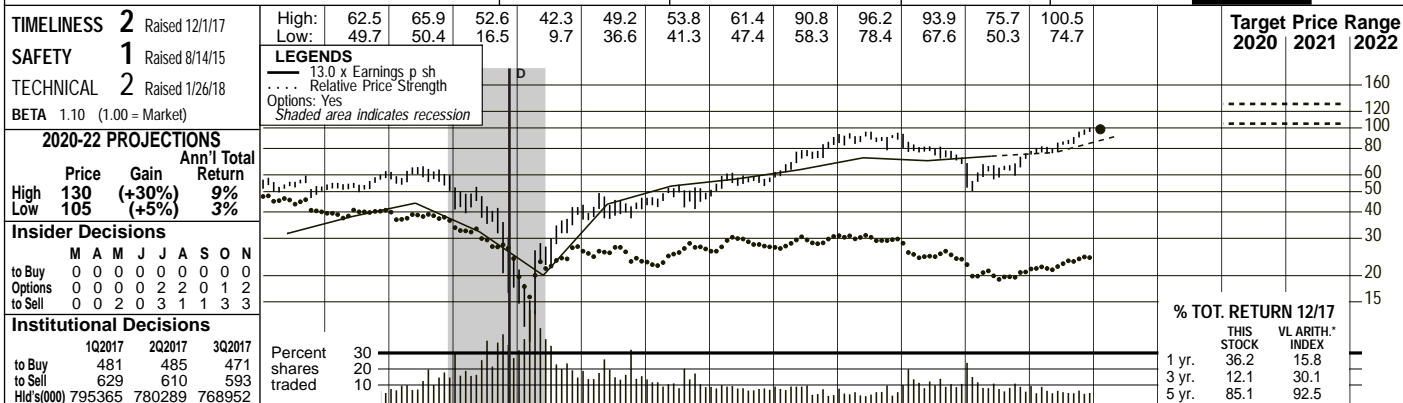


AMER. EXPRESS NYSE-AXP

RECENT PRICE **98.71** P/E RATIO **15.1** (Trailing: 16.8 Median: 14.0) RELATIVE P/E RATIO **0.72** DIV'D YLD **1.5%** VALUE LINE



2020-22 PROJECTIONS	Price	Gain	Ann'l Total Return
High	130	(+30%)	9%
Low	105	(+5%)	3%

Insider Decisions	M	A	M	J	J	A	S	O	N
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	2	2	0	1	2
to Sell	0	0	0	2	0	3	1	1	3

Institutional Decisions	1Q2017	2Q2017	3Q2017	Percent shares traded
to Buy	481	485	471	30
to Sell	629	610	593	20
Hld's(000)	795365	780289	768952	10

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. ^D	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
Earnings per sh ^A	3.39	2.48	1.54	3.35	4.09	4.40	4.88	5.56	5.39	5.65	5.89	7.10	Earnings per sh ^A	9.00
Div'ds Decl'd per sh ^B	.63	.72	.72	.72	.72	.78	.86	.98	1.10	1.22	1.31	1.43	Div'ds Decl'd per sh ^B	2.00
Book Value per sh	9.52	10.21	12.09	13.56	16.15	17.09	18.32	20.21	21.33	22.68	20.70	23.80	Book Value per sh	28.40
Common Shs Outst'g ^C	1158.0	1160.0	1192.0	1197.0	1164.0	1105.0	1064.0	1023.0	969.00	904.00	859.00	840.00	Common Shs Outst'g ^C	775.00
Avg Ann'l P/E Ratio	17.4	15.3	17.5	12.4	11.6	12.7	15.0	16.2	14.5	11.3	14.4		Avg Ann'l P/E Ratio	13.0
Relative P/E Ratio	.92	.92	1.17	.79	.73	.81	.84	.85	.73	.59	.70		Relative P/E Ratio	.80
Avg Ann'l Div'd Yield	1.1%	1.9%	2.7%	1.7%	1.5%	1.4%	1.2%	1.1%	1.4%	1.9%	1.6%		Avg Ann'l Div'd Yield	1.7%
Total Assets (\$mill)	149830	126074	124088	147042	153337	153140	153375	159103	161184	158893	181000	190000	Total Assets (\$mill)	220000
Loans (\$mill)	53436	40659	30010	57616	61166	64309	66585	70104	58799	65461	72000	78000	Loans (\$mill)	95000
Net Interest Inc (\$mill)	3590.0	3646.0	3124.0	4869.0	4641.0	4628.0	5047.0	5472.0	5922.0	5771.0	6441	6800	Net Interest Inc (\$mill)	8200
Loan Loss Prov'n (\$mill)	4341.0	5798.0	5313.0	2207.0	1112.0	1990.0	2110.0	2044.0	1988.0	2026.0	2759	3000	Loan Loss Prov'n (\$mill)	3000
Noninterest Inc (\$mill)	24141	24719	21399	22950	25321	26954	27927	28820	26896	26348	27030	27300	Noninterest Inc (\$mill)	29000
Noninterest Exp (\$mill)	17824	18986	16369	19648	21894	22246	22976	23257	22473	21997	22475	23500	Noninterest Exp (\$mill)	25225
Net Profit (\$mill)	4048.0	2871.0	2137.0	4057.0	4899.0	5076.0	5359.0	5885.0	5498.0	5408.0	5240	6000	Net Profit (\$mill)	7100
Income Tax Rate	27.3%	19.8%	24.8%	32.0%	29.6%	30.9%	32.1%	34.5%	34.2%	33.2%	34.0%	34.2%	Income Tax Rate	21.0%
Return on Total Assets	2.70%	2.28%	1.72%	2.76%	3.20%	3.31%	3.49%	3.70%	3.41%	3.40%	2.90%	3.20%	Return on Total Assets	3.20%
Long-Term Debt (\$mill)	55285	60041	52338	66416	59570	58973	55330	57955	48061	46990	56000	55000	Long-Term Debt (\$mill)	55000
Shr. Equity (\$mill)	11029	11841	14406	16230	18794	18886	19496	20673	20673	20501	18000	20000	Shr. Equity (\$mill)	22000
Shr. Eq. to Total Assets	7.4%	9.4%	11.6%	11.0%	12.3%	12.3%	12.7%	13.0%	12.8%	12.9%	10.0%	10.5%	Shr. Eq. to Total Assets	10.0%
Loans to Tot Assets	35.7%	32.3%	24.2%	39.2%	39.9%	42.0%	43.4%	44.1%	36.5%	41.2%	40.0%	41.0%	Loans to Tot Assets	43.0%
Return on Shr. Equity	36.7%	24.2%	14.8%	25.0%	26.1%	26.9%	27.5%	28.5%	26.6%	26.4%	29.0%	30.0%	Return on Shr. Equity	32.0%
Retained to Com Eq	30.2%	17.2%	8.4%	19.7%	21.5%	22.1%	22.7%	23.4%	20.9%	20.5%	22.0%	24.0%	Retained to Com Eq	24.5%
All Div'ds to Net Prof	18%	29%	43%	21%	18%	18%	18%	18%	21%	22%	22%	20%	All Div'ds to Net Prof	22%

CAPITAL STRUCTURE as of 9/30/17
 ST Debt \$2352 mill. Due in 5 Yrs \$45000 mill.
 LT Debt \$48762 mill. LT Interest \$1175 mill.
 (Total interest coverage ¹⁶: 8.3x) (70% of Cap'l)

No Defined Benefit Pension Plan

Leases, Uncapitalized Annuals rentals \$127 mill.

Pfd Stock Series B & C: \$1.7 bill. Div'd \$61 mill.

Common Stock 867,996,250 shs. as of 10/18/17

MARKET CAP: \$85.7 billion (Large Cap)

FINANCIAL POSITION (\$MILL.)

	2015	2016	9/30/17
Cash Assets	22762	25208	26168
Invest. Sec's	3759	3157	3250
Receivables	46695	50073	53703
Other	87968	80455	85456
Total Assets	161184	158893	168577
Deposits	54997	53042	61290
Accounts Payable	11822	11190	12240
Other	73692	74160	73962
Total Liab.	140511	138392	147492

BUSINESS: American Express Company is a leading global payments, network, and travel firm established in 1850 and incorporated in 1965. 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 56,400 employees at 12/31/16. Officers and directors own approximately 1.0% of the company's common stock; Berkshire Hathaway, 16.8%; The Vanguard Group, 5.3% (3/17 Proxy). Chairman & CEO: Stephen J. Squeri. Inc.: New York. Address: 200 Vesey Street, New York, New York 10285. Phone: 212-640-2000. Web: www.americanexpress.com.

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '20-'22
change (per sh)			
Loans	5.0%	2.5%	3.5%
Earnings	4.0%	.5%	8.5%
Dividends	8.5%	13.0%	10.5%
Book Value	4.0%	-2.0%	10.0%

QUARTERLY REVENUES (\$ mill.) ^E	Full Year
Cal-endar	Mar.31 Jun.30 Sep.30 Dec.31
2014	8199 8657 8329 9107 34292
2015	7950 8284 8193 8391 32818
2016	8088 8235 7774 8022 32119
2017	7889 8307 8436 8839 33471
2018	8500 8900 9000 9500 35900

EARNINGS PER SHARE ^A	Full Year
Cal-endar	Mar.31 Jun.30 Sep.30 Dec.31
2014	1.33 1.43 1.40 1.39 5.56
2015	1.48 1.42 1.24 1.23 5.39
2016	1.45 2.10 1.20 .88 5.65
2017	1.34 1.47 1.50 1.58 5.89
2018	1.70 1.75 1.80 1.85 7.10

QUARTERLY DIVIDENDS PAID ^B	Full Year
Cal-endar	Mar.31 Jun.30 Sep.30 Dec.31
2014	.23 .23 .26 .26 .98
2015	.26 .26 .29 .29 1.10
2016	.29 .29 .32 .32 1.22
2017	.32 .32 .32 .35 1.31
2018	.35

American Express' December-period results require some explaining. On a GAAP basis, the credit card behemoth incurred a share loss of \$1.41. However, that included a large one-time tax charge, which we view as nonrecurring in nature. Absent that item, share net came in at \$1.58, or \$0.09 higher than our estimate. It also compared favorably to the year-earlier tally of just \$0.88 a share. What's more, for the period, Amex's revenues increased 10%, thanks to greater cardmember spending, fees, and loans. Although loan losses were higher, credit quality remained above historical levels.

Looking ahead, we are bullish in regard to the company's prospects. Over the past couple of years, following the business separation from Costco, management has implemented a number of initiatives that should bear fruit in 2018. These include marketing endeavors and technology improvements, along with cutting down on some operating expenses. This year's profits will receive a big boost from share repurchases and, even more important, tax reform. On the latter note, over the past several years, Amex's tax rate has hovered in the low-to-mid 30's, and should come down to around the headline percentage of 21%. All told, for 2018, we have increased our share-earnings estimate from \$6.35, to \$7.10, which is the midpoint of management's guidance.

Speaking of leadership, on February 1st, there was a changing of the guard. After 17 years at the helm, Kenneth Chenault stepped down as Chairman and CEO. He was replaced by Stephen J. Squeri, who was Vice Chairman since 2015. Mr. Squeri will be ushering Amex through the current transition, and has already promised some operating changes.

As for the stock, after trading lower in 2015 and early on in 2016, it has staged a huge comeback. In fact, over the past two years, the issue has advanced more than 80% in price. This surge has, in our opinion, reduced the equity's appeal, though we could easily see the price head higher, especially if the bull market persists. That said, AXP now appears fully valued, and we recommend that most interested investors wait on the sidelines for a better entry point.

Ian Gendler
 February 9, 2018

(A) Fully diluted earnings. May not sum to total due to rounding. Excludes non-recurring charges: '15 \$0.34; '17, \$2.99. Next earnings report due late April.
 (B) Div'd's historically paid around the 10th of February, May, August, and November. Div'd reinv. plan available.
 (C) In millions.
 (D) Began reporting as a bank holding company on 11/14/08.
 (E) Revenues are net of interest expense.