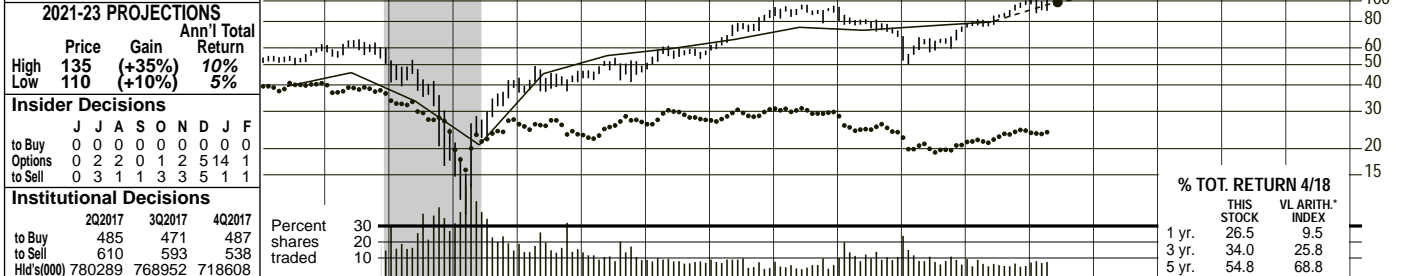


AMER. EXPRESS NYSE-AXP

RECENT PRICE **98.58** P/E RATIO **14.0** (Trailing: 15.4 Median: 14.0) RELATIVE P/E RATIO **0.77** DIV'D YLD **1.5%** VALUE LINE

TIMELINESS 3 Lowered 3/23/18	High: 65.9 52.6 42.3 49.2 53.8 61.4 90.8 96.2 93.9 75.7 100.5 103.0	Target Price Range 2021 2022 2023
SAFETY 1 Raised 8/14/15	Low: 50.4 16.5 9.7 36.6 41.3 47.4 58.3 78.4 67.6 50.3 74.7 87.5	
TECHNICAL 3 Lowered 5/4/18	LEGENDS — 13.5 x Earnings p.sh ... Relative Price Strength Options: Yes Shaded area indicates recession	
BETA 1.10 (1.00 = Market)		



2021-23 PROJECTIONS		2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019											© VALUE LINE PUB. LLC 21-23		
Price	Gain	2.48	1.54	3.35	4.09	4.40	4.88	5.56	5.39	5.65	5.89	7.30	8.00	Earnings per sh ^A	9.25
Ann'l Total Return	Ann'l Total Return	.72	.72	.72	.72	.78	.86	.98	1.10	1.22	1.31	1.43	1.55	Div'ds Decl'd per sh ^B	2.00
High	Low	10.21	12.09	13.56	16.15	17.09	18.32	20.21	21.33	22.68	21.22	24.65	28.20	Book Value per sh	33.75
to Buy	Options	1160.0	1192.0	1197.0	1164.0	1105.0	1064.0	1023.0	969.00	904.00	859.00	850.00	835.00	Common Shs Outst'g ^C	800.00
to Sell	to Sell	15.3	17.5	12.4	11.6	12.7	15.0	16.2	14.5	11.3	14.4	14.4	14.4	Avg Ann'l P/E Ratio	13.5
Hld's(000)	Hld's(000)	.92	1.17	.79	.73	.81	.84	.85	.73	.59	.71	.71	.71	Relative P/E Ratio	.75
780289	768952	1.9%	2.7%	1.7%	1.5%	1.4%	1.2%	1.1%	1.4%	1.9%	1.5%	1.5%	Avg Ann'l Div'd Yield	1.6%	

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. ^D

CAPITAL STRUCTURE as of 3/31/18		2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019											© VALUE LINE PUB. LLC 21-23		
ST Debt \$1852 mill. Due in 5 Yrs \$51387 mill.	LT Debt \$52461 mill. LT Interest \$1400 mill.	126074	124088	147042	153337	153140	153375	159103	161184	158893	181159	200000	215000	Total Assets (\$mill)	250000
(Total interest coverage '17: 6.6x)	(73% of Cap'l)	40659	30010	57616	61166	64309	66585	70104	58799	65461	74300	81000	86000	Loans (\$mill)	100000
No Defined Benefit Pension Plan	Leases, Uncapitalized Annuals rentals \$151 mill.	3646.0	3124.0	4869.0	4641.0	4628.0	5047.0	5472.0	5922.0	5771.0	6441.0	7500	8200	Net Interest Inc (\$mill)	9000
Pfd Stock Series B & C: \$1.7 bill. Div'd \$84 mill.	Common Stock 860,362,205 shs. as of 4/18/18	5798.0	5313.0	2207.0	1112.0	1990.0	2110.0	2044.0	1988.0	2026.0	2759.0	3150	3250	Loan Loss Prov'n (\$mill)	3390
MARKET CAP: \$84.8 billion (Large Cap)	FINANCIAL POSITION 2016 2017 3/31/18 (\$MILL.)	24719	21399	22950	25321	26954	27927	28820	26896	26348	27030	27750	28500	Noninterest Inc (\$mill)	32000
		18986	16369	19648	21894	22246	22976	23257	22473	21997	23298	24050	24700	Noninterest Exp (\$mill)	28000
		2871.0	2137.0	4057.0	4899.0	5076.0	5359.0	5885.0	5498.0	5408.0	5336.0	6275	6800	Net Profit (\$mill)	7500
		19.8%	24.8%	32.0%	29.6%	30.9%	32.1%	34.5%	34.2%	33.2%	28.0%	22.0%	22.0%	Income Tax Rate	22.0%
		2.28%	1.72%	2.76%	3.20%	3.31%	3.49%	3.70%	3.41%	3.40%	2.95%	3.15%	3.15%	Return on Total Assets	3.00%
		60041	52338	66416	59570	58973	55330	57955	48061	46990	55804	52000	52000	Long-Term Debt (\$mill)	55000
		11841	14406	16230	18794	18886	19496	20673	20673	20501	18227	20950	23550	Shr. Equity (\$mill)	27000
		9.4%	11.6%	11.0%	12.3%	12.3%	12.7%	13.0%	12.8%	12.9%	10.1%	10.5%	11.0%	Shr. Eq. to Total Assets	11.0%
		32.3%	24.2%	39.2%	39.9%	42.0%	43.4%	44.1%	36.5%	41.2%	41.0%	40.5%	40.0%	Loans to Tot Assets	40.0%
		24.2%	14.8%	25.0%	26.1%	26.9%	27.5%	28.5%	26.6%	26.4%	29.3%	30.0%	29.0%	Return on Shr. Equity	28.0%
		17.2%	8.4%	19.7%	21.5%	22.1%	22.7%	23.4%	20.9%	20.5%	22.4%	24.0%	23.0%	Retained to Com Eq	21.5%
		29%	43%	21%	18%	18%	18%	18%	21%	22%	23%	20%	20%	All Div'ds to Net Prof	22%

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 55,000 employees at 12/31/17. Officers and directors own less than 1.0% of the company's common stock; Berkshire Hathaway, 17.6%; The Vanguard Group, 5.6%; BlackRock, 5.0% (3/18 Proxy). Chrmn. & CEO: Stephen J. Squeri. Inc.: New York. Addr.: 200 Vesey Street, New York, New York 10285. Phone: 212-640-2000. Web: www.americanexpress.com.

Shares of American Express have performed quite well of late. After registering a 2017 total return of 36%, AXP stock has continued to head higher. Year to date, the price has advanced 5%, which is nicely above the return of the Dow Jones Industrial Average. Solid recent financial results, a healthy business outlook, and shareholder-friendly actions have all contributed to AXP's good showing.

The company recently reported March-period financial results that were better than expected. For the quarter, total revenues were \$9.7 billion, or 12% higher than the year-earlier tally. Share profits were \$1.86, which were above our estimate and represented a year-over-year gain of 39%.

Looking ahead, we remain bullish in regard to Amex's operations. As the first quarter indicated, management has done a fine job of replacing the lost business from its recent separation from Costco. It has aggressively implemented marketing endeavors and technology improvements, which should continue to bear fruit. Just as important, the bottom line will receive a significant boost from tax reform. Over the past several years, Amex's tax rate has hovered in the low-to-mid 30s and, for the first quarter, it was just 22%. All told, for 2018, we have increased our share-net estimate by \$0.20, to \$7.30, which is at the high end of management's guidance (\$6.90-\$7.30). For 2019, we expect earnings to reach \$8.00.

As for the stock, however, our outlook is mixed. Although we think management has done an excellent job of righting the ship after Costco and expect healthy profit gains over the next few years, the issue now appears fully valued. For instance, it is trading at roughly 14 times our 12-month share-net estimate to September 2018, which is in line with its historical average, as well as the multiple we project to 2021-2023. That said, conservative investors may find AXP's defensive properties worthwhile. It is ranked 1 (Highest) for Safety and garners good scores for Price Stability and Earnings Predictability. On a risk-adjusted basis, annual total return prospects are decent, and come with probable annual dividend increases and share repurchases.

Ian Gendler May 11, 2018

(A) Fully diluted earnings. May not sum to total due to rounding. Excludes nonrecurring charges: '15 \$0.34; '17, \$2.99. Next earnings report due late July.	(B) Div'd's historically paid around the 10th of February, May, August, and November. Div'd inv. plan available.	(C) In millions.	(D) Revenues are net of interest expense.	Company's Financial Strength A++ Stock's Price Stability 80 Price Growth Persistence 65 Earnings Predictability 90
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