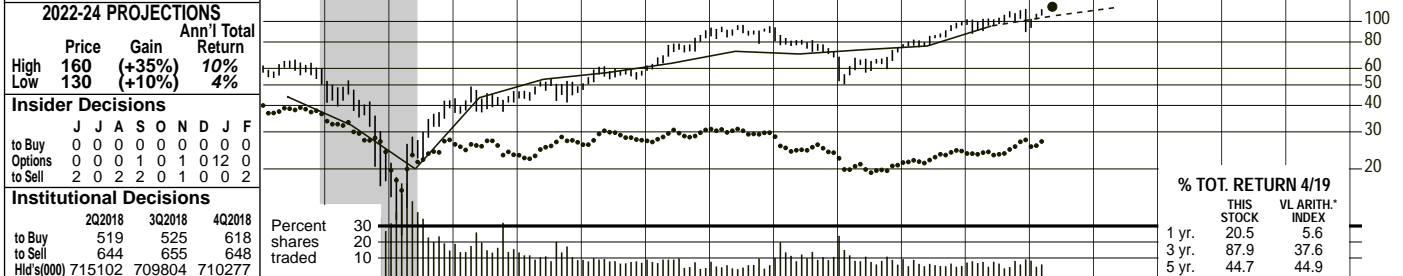


AMER. EXPRESS NYSE-AXP

RECENT PRICE **117.23** P/E RATIO **14.8** (Trailing: 15.7; Median: 14.0) RELATIVE P/E RATIO **0.81** DIV'D YLD **1.5%** VALUE LINE

TIMELINESS 2 Raised 3/15/19	High: 52.6 42.3 49.2 53.8 61.4 90.8 96.2 93.9 75.7 100.5 114.6 117.7	Target Price Range 2022 2023 2024
SAFETY 1 Raised 8/14/15	Low: 16.5 9.7 36.6 41.3 47.4 58.3 78.4 67.6 50.3 74.7 87.5 93.2	
TECHNICAL 3 Lowered 5/3/19	LEGENDS — 13.0 x Earnings p sh ... Relative Price Strength Options: Yes Shaded area indicates recession	
BETA 1.10 (1.00 = Market)		



2022-24 PROJECTIONS		2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020											© VALUE LINE PUB. LLC 22-24		
Price	160	154	3.35	4.09	4.40	4.88	5.56	5.39	5.65	5.89	7.33	8.20	9.00	Earnings per sh ^A	11.10
Gain	(+35%)	.72	.72	.78	.86	.98	1.10	1.22	1.31	1.48	1.65	1.85	1.85	Div'ds Decl'd per sh ^B	2.35
Ann'l Total Return	10%	12.09	13.56	16.15	17.09	18.32	20.21	21.33	22.68	21.22	26.32	27.90	29.95	Book Value per sh	35.65
High	160	1192.0	1197.0	1164.0	1105.0	1064.0	1023.0	969.00	904.00	859.00	847.00	835.00	825.00	Common Shs Outst'g ^C	800.00
Low	130	17.5	12.4	11.6	12.7	15.0	16.2	14.5	11.3	14.4	13.8	13.0	12.7	Avg Ann'l P/E Ratio	13.0
Options to Buy	0 0 0 0 0 0 0 0 0 0 0 0 0 0	1.17	.79	.73	.81	.84	.85	.73	.59	.72	.74	.74	.74	Relative P/E Ratio	.70
Options to Sell	2 0 2 2 0 1 0 1 0 2 0 2	2.7%	1.7%	1.5%	1.4%	1.2%	1.1%	1.4%	1.9%	1.5%	1.5%	1.5%	1.5%	Avg Ann'l Div'd Yield	1.6%
Institutional Decisions		124088	147042	153337	153140	153375	159103	161184	158893	181159	188602	205000	215000	Total Assets (\$mill)	250000
to Buy	519	30010	57616	61166	64309	66585	70104	58799	65461	74300	83396	90200	92450	Loans (\$mill)	107500
to Sell	644	3124.0	4869.0	4641.0	4628.0	5047.0	5472.0	5922.0	5771.0	6441.0	7663.0	8500	9500	Net Interest Inc (\$mill)	12000
Hld's(000)	715102	5313.0	2207.0	1112.0	1990.0	2110.0	2044.0	1988.0	2026.0	2759.0	3352.0	4055	4600	Loan Loss Prov'n (\$mill)	5650
		21399	22950	25321	26954	27927	28820	26896	26348	27030	32675	29165	30000	Noninterest Inc (\$mill)	31040
		16369	19648	21894	22246	22976	23257	22473	21997	23298	28864	25000	25625	Noninterest Exp (\$mill)	26000
		2137.0	4057.0	4899.0	5076.0	5359.0	5885.0	5498.0	5408.0	5336.0	6425.0	6800	7325	Net Profit (\$mill)	9000
		24.8%	32.0%	29.6%	30.9%	32.1%	34.5%	34.2%	33.2%	28.0%	20.9%	21.0%	20.9%	Income Tax Rate	21.0%
		1.72%	2.76%	3.20%	3.31%	3.49%	3.70%	3.41%	3.40%	2.95%	3.41%	3.30%	3.40%	Return on Total Assets	3.45%
		52338	66416	59570	58973	55330	57955	48061	46990	55804	58423	57000	57000	Long-Term Debt (\$mill)	58000
		14406	16230	18794	18886	19496	20673	20673	20501	18227	22290	23300	24700	Shr. Equity (\$mill)	28500
		11.6%	11.0%	12.3%	12.3%	12.7%	13.0%	12.8%	12.9%	10.1%	11.8%	11.5%	11.5%	Shr. Eq. to Total Assets	11.5%
		24.2%	39.2%	39.9%	42.0%	43.4%	44.1%	36.5%	41.2%	41.0%	44.2%	44.0%	43.0%	Loans to Tot Assets	43.0%
		14.8%	25.0%	26.1%	26.9%	27.5%	28.5%	26.6%	26.4%	29.3%	28.8%	29.0%	29.5%	Return on Shr. Equity	31.5%
		8.4%	19.7%	21.5%	22.1%	22.7%	23.4%	20.9%	20.5%	22.4%	22.9%	23.5%	24.0%	Retained to Com Eq	24.5%
		43%	21%	18%	18%	18%	18%	21%	22%	23%	21%	20%	21%	All Div'ds to Net Prof	21%

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 3/31/19
 ST Debt \$2028 mill. Due in 5 Yrs \$53000 mill.
 LT Debt \$58418 mill. LT Interest \$1985 mill.
 (Total interest coverage '18: 4.9x)
 (72% of Cap'l)

No Defined Benefit Pension Plan

Leases, Uncapitalized Annuals rentals \$142 mill.

Pfd Stock Series B & C: \$1.6 bill. Div'd \$21 mill.

Common Stock 835,080,540 shs. as of 4/15/19

MARKET CAP: \$97.9 billion (Large Cap)

FINANCIAL POSITION (\$MILL.)	2017	2018	3/31/19
Cash Assets	32927	27445	33177
Invest. Sec's	3159	4647	6457
Receivables	56689	58227	59355
Other	88384	98283	98204
Total Assets	181159	188602	197193
Deposits	64452	69960	72857
Accounts Payable	14657	12255	16162
Other	83823	84097	85956
Total Liab.	162932	166312	174975

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '16-'18 of change (per sh)

Loans	5.0%	2.5%	9.5%
Earnings	4.0%	.5%	10.0%
Dividends	8.5%	13.0%	10.0%
Book Value	4.0%	-2.0%	7.5%

Cal-endar	QUARTERLY REVENUES (\$ mill.) ^D				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2016	8088	8235	7774	8022	32119
2017	7889	8307	8436	8839	33471
2018	9718	10002	10144	10474	40338
2019	10364	10900	11000	11511	43775
2020	11150	11700	11800	12250	46900

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2016	1.45	2.10	1.20	.88	5.65
2017	1.34	1.47	1.50	1.58	5.89
2018	1.86	1.84	1.88	1.74	7.33
2019	2.01	2.05	2.10	2.04	8.20
2020	2.20	2.25	2.30	2.25	9.00

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2015	.26	.26	.29	.29	1.10
2016	.29	.29	.32	.32	1.22
2017	.32	.32	.32	.35	1.31
2018	.35	.35	.39	.39	1.48
2019	.39	.39			

Shares of American Express have performed quite well of late. In tandem with the broader market, the issue lost some value during the final months of 2018. However, since the calendar flipped, AXP has experienced a price gain of 22%, and is now trading near its all-time high. For comparison, the Dow is up 13%, year to date. We attribute the outperformance to the company's healthy quarterly financials, as well as positive outlook by the bulk of the analyst community.

The credit card behemoth recently reported March-period financial results. For the quarter, it achieved share net of \$2.01, which excluded a \$0.21 charge related to a now-resolved litigation. The figure compared nicely to the \$1.86 that Amex posted in the year-earlier period. It also tallied a 7% top-line increase, to \$10.4 billion. The solid revenue gain mostly stemmed from greater cardmember spending, loan volumes, and fee income.

Looking ahead, we remain bullish in regard to Amex's business prospects. In the March quarter, the company was able to add 3.1 million cards. This should lead to further advances in cardmember

spending, loans, and fees. For full-year 2019, management's guidance points to earnings per share of \$7.85-\$8.35, and our new estimate (we added a nickel to our previous call) of \$8.20 fits nicely in that range. For 2020, we are introducing a bottom-line estimate of \$9.00 per share, or about 10% higher than this year's probable tally. Lastly, we now project that share earnings will exceed \$11.00 by the 2022-2024 time frame.

However, our outlook for the stock is largely unexciting. Although we view American Express' business prospects as favorable, a good deal of the upbeat news looks to already be reflected in the equity. In fact, due to the recent stock price increase, AXP appears fully valued from a number of valuation metrics. At the current quotation, average annual total-return prospects appear unexciting. That said, Amex is an industry leader and boasts incredibly high customer satisfaction. Its prospects are fairly well defined, and the issue is top-ranked for Safety and holds other defensive prospects. Thus, it may interest conservative accounts.

Ian Gendler
 May 10, 2019

Company's Financial Strength	A++
Stock's Price Stability	85
Price Growth Persistence	70
Earnings Predictability	80

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