

RECENT PRICE **132.45** P/E RATIO **15.5** (Trailing: 16.2 Median: 14.0) RELATIVE P/E RATIO **0.84** DIV'D YLD **1.3%** **VALUE LINE**

18-Month Target Price Range		
Low-High	Midpoint (% to Mid)	
\$108-\$154	\$131 (0%)	

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.	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
	1.54	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
	.72	.72	.72	.78	.86	.98	1.10	1.22	1.31	1.48	1.60	1.78	Div'ds Decl'd per sh ^B	2.25
	12.09	13.56	16.15	17.09	18.32	20.21	21.33	22.68	21.22	26.32	28.75	31.25	Book Value per sh	38.00
	1192.0	1197.0	1164.0	1105.0	1064.0	1023.0	969.00	904.00	859.00	847.00	816.00	790.00	Common Shs Outst'g ^C	750.00
	17.5	12.4	11.6	12.7	15.0	16.2	14.5	11.3	14.4	13.8	14.2		Avg Ann'l P/E Ratio	13.0
	1.17	.79	.73	.81	.84	.85	.73	.59	.72	.74	.78		Relative P/E Ratio	.70
	2.7%	1.7%	1.5%	1.4%	1.2%	1.1%	1.4%	1.9%	1.5%	1.5%	.7%		Avg Ann'l Div'd Yield	1.6%

(72% of Cap'l)

No Defined Benefit Pension Plan

Pfd Stock Series B & C: \$1.6 bill. Div'd \$40 mill.

MARKET CAP: \$108 billion (Large Cap)

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Loans	5.0%	2.5%	9.0%
Earnings	4.0%	.5%	10.0%
Dividends	8.5%	13.0%	9.0%
Book Value	4.0%	-2.0%	8.5%

2020	11/30	11/30	11/30	12/31	40900
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	2.07	2.08	2.03	8.20
2020	2.20	2.25	2.30	2.25	9.00

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124088	147042	153337	153140	153375	159103	161184	158893	181159	188602	205000	215000	Total Assets (\$mill)	250000
30010	57616	61166	64309	66585	70104	58799	65461	74300	83396	90200	92450	Loans (\$mill)	107500
313124.0	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
5324.30	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%	21.0%	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%	23.0%	23.0%	Retained to Com Eq	23.0%
43%	21%	18%	18%	18%	18%	21%	22%	23%	21%	20%	20%	All Div'ds to Net Prof	20%

approximately 59,000 employees at 12/31/18. Officers and directors own less than 1.0% of the company's common stock; Berkshire Hathaway, 18.1%; The Vanguard Group, 5.9%; BlackRock, 5.3% (3/19 Proxy). Chairman & CEO: Stephen J. Squeri. Inc.: New York. Address: 200 Vesey Street, New York, New York 10285. Telephone: 212.644.2000. Web: www.americanexpress.com

remains focused on marketing initiatives that will likely generate sizable new customer growth. For this year, we are reiterating our share-net target of \$9.00, which is within the company's guidance range of \$8.85–\$9.25. Our estimate would work out to an almost 10% increase over 2019's results. Furthermore, we project that the bottom line will exceed \$11.00 per share out three to five years.

Our outlook for the stock remains mixed. The bull market, along with AXP's favorable business prospects and continued share repurchases, may help the equity reach new heights over the next several months. However, due to the recent stock price run-up, the equity appears rather expensive. It is presently trading at 15.5 times our 12-month share-earnings estimate to June 2020. That ratio is materially higher than its historical average, as well as the multiple we project to the 2022–2024 time frame. As such, AXP may not appeal to value-oriented investors. The stock also offers below-average 18-month and three- to five-year capital appreciation potential.

Jan Candler February 7, 2020

<p>(A) Fully diluted earnings. May not sum to total due to rounding. Excludes nonrecurring charges: '15, \$0.34; '17, \$2.99; '18, \$0.58; '19, \$0.21. Next earnings report due late Apr. '20.</p> <p>© 2020 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THIS PUBLICATION IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for informational purposes only. No part of it may be reproduced, resold, stored or transmitted in any other electronic or other form, or used for generating or marketing any financial or other product.</p>		<p>(B) Div'd's historically paid around the 10th of February, May, August, and November. ■ Div'd reinv. plan available.</p> <p>(C) In millions.</p>	<p>(D) Revenues are net of interest expense.</p>	<p>Company's Financial Strength</p> <p>Stock's Price Stability</p> <p>Price Growth Persistence</p> <p>Earnings Predictability</p>	<p>A++</p> <p>85</p> <p>65</p> <p>80</p>
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