

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
SAFETY 2 Raised 5/20/11
TECHNICAL 3 Raised 8/1/14
BETA 1.10 (1.00 = Market)

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

LEGENDS
 — 15.0 x Earnings p sh
 - - - Relative Price Strength
 Options: Yes
 Shaded area indicates recession

Target Price Range
 2017 2018 2019

2017-19 PROJECTIONS

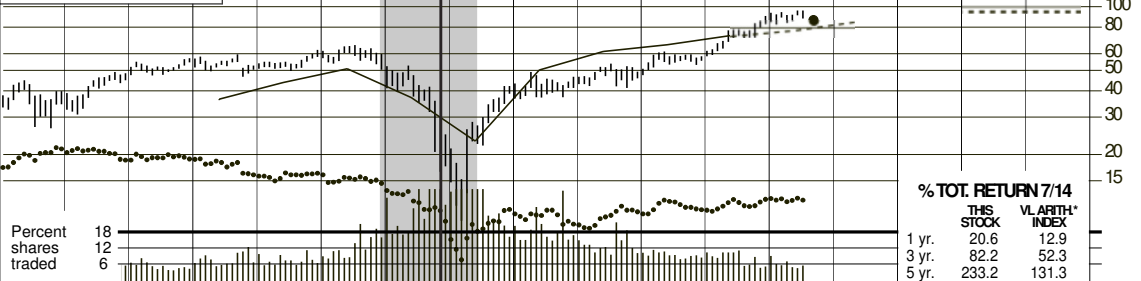
	Price	Gain	Ann'l Total Return
High	125	(+45%)	11%
Low	95	(+10%)	4%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	6	2	1	2	4	1	0	0
to Sell	0	6	3	2	2	5	2	0	1

Institutional Decisions

	3Q2013	4Q2013	1Q2014
to Buy	433	477	460
to Sell	528	563	589
Hld's(000)	890127	888000	874389



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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
Earnings per sh ^A	2.74	2.43	2.92	3.39	2.48	1.54	3.35	4.09	4.40	4.88	5.55	6.10		7.85
Div'ds Decl'd per sh ^{B-}	.42	.48	.57	.63	.72	.72	.72	.72	.78	.86	.98	1.04		1.30
Book Value per sh	12.83	8.50	8.77	9.52	10.21	12.09	13.56	16.15	17.09	18.32	19.70	20.80		24.25
Common Shs Outst'g ^C	1249.0	1241.0	1199.0	1158.0	1160.0	1192.0	1197.0	1164.0	1105.0	1064.0	1035.0	1010.0		960.0
Avg Ann'l P/E Ratio	18.9	21.9	18.7	17.4	15.3	17.5	12.4	11.6	12.7	15.0	<i>Bold figures are Value Line estimates</i>			14.0
Relative P/E Ratio	1.00	1.17	1.01	.92	.92	1.17	.79	.73	.81	.84				.90
Avg Ann'l Div'd Yield	.8%	.9%	1.0%	1.1%	1.9%	2.7%	1.7%	1.5%	1.4%	1.2%				1.1%
Total Assets (\$mill)	--	113960	128329	149830	126074	124088	147042	153337	153140	153375	158500	165000		185500
Loans (\$mill)	--	40801	43116	53436	40659	30010	57616	61166	64309	66585	70000	73500		85000
Net Interest Inc (\$mill)	--	2440.0	2993.0	3590.0	3646.0	3124.0	4869.0	4641.0	4628.0	5047.0	5325	5575		6325
Loan Loss Prov'n (\$mill)	--	2758.0	3026.0	4341.0	5798.0	5313.0	2207.0	1112.0	1990.0	2110.0	2200	2360		2800
Noninterest Inc (\$mill)	--	19985	22161	24141	24719	21399	22950	25321	26954	27927	28825	30000		33825
Noninterest Exp (\$mill)	--	15614	16989	17824	18986	16369	19648	21894	22246	22976	23550	24200		26300
Net Profit (\$mill)	--	3062.0	3611.0	4048.0	2871.0	2137.0	4057.0	4899.0	5076.0	5359.0	5800	6225		7625
Income Tax Rate	--	24.5%	29.7%	27.3%	19.8%	24.8%	32.0%	29.6%	30.9%	32.1%	31.0%	31.0%		31.0%
Return on Total Assets	--	2.69%	2.81%	2.70%	2.28%	1.72%	2.76%	3.20%	3.31%	3.49%	3.65%	3.75%		4.0%
Long-Term Debt (\$mill)	--	30781	42747	55285	60041	52338	66416	59570	58973	55330	54000	53000		50000
Shr. Equity (\$mill)	--	10549	10511	11029	11841	14406	16230	18794	18886	19496	20400	21000		23275
Shr. Eq. to Total Assets	--	9.3%	8.2%	7.4%	9.4%	11.6%	11.0%	12.3%	12.3%	12.7%	13.0%	12.5%		12.5%
Loans to Tot Assets	--	35.8%	33.6%	35.7%	32.3%	24.2%	39.2%	39.9%	42.0%	43.4%	44.0%	44.5%		46.0%
Return on Shr. Equity	--	29.0%	34.4%	36.7%	24.2%	14.8%	25.0%	26.1%	26.9%	27.5%	28.5%	29.5%		32.5%
Retained to Com Eq	--	23.4%	28.1%	30.2%	17.2%	8.4%	19.7%	21.5%	22.1%	22.7%	23.5%	24.5%		27.5%
All Div'ds to Net Prof	--	19%	18%	18%	29%	43%	21%	18%	18%	18%	18%	17%		17%

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 (\$MILL.)

	2012	2013	6/30/14
Cash Assets	22250	19486	18430
Invest. Sec's	5614	5016	4855
Receivables	45914	47185	48646
Other	79362	81688	80453
Total Assets	153140	153375	152384
Deposits	39803	41763	42136
Accounts Payable	10006	10615	11645
Other	84445	81501	78390
Total Liab.	134254	133879	132171

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '17-'19
Loans	5.0%	2.5%	3.5%
Earnings	4.0%	.5%	10.0%
Dividends	8.5%	13.0%	8.5%
Book Value	4.0%	-2.0%	6.0%

QUARTERLY REVENUES (\$ mill.) ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	7031	7618	7571	7742	29962
2012	7614	7965	7862	8141	31582
2013	7881	8245	8301	8547	32974
2014	8199	8657	8825	9119	34800
2015	8850	9450	9425	9725	37450

EARNINGS PER SHARE ^B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	0.62	0.62	0.62	0.62	2.48
2012	0.58	0.58	0.58	0.58	2.32
2013	0.62	0.62	0.62	0.62	2.48
2014	0.62	0.62	0.62	0.62	2.48
2015	0.62	0.62	0.62	0.62	2.48

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

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

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.

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 56% in

