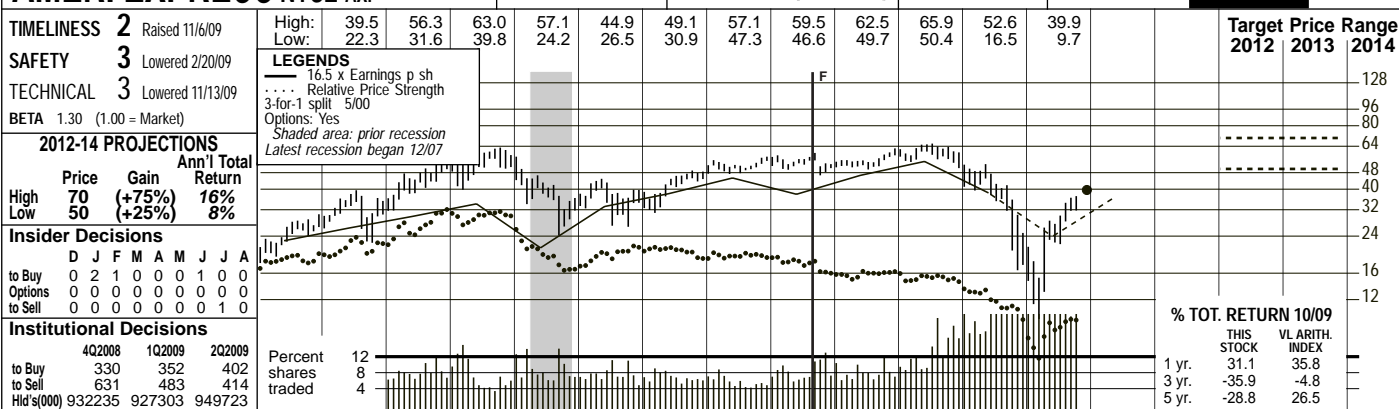


AMER. EXPRESS NYSE-AXP

RECENT PRICE **39.68** P/E RATIO **23.6** (Trailing: 34.2 Median: 20.0) RELATIVE P/E RATIO **1.38** DIV'D YLD **1.9%** **VALUE LINE**



Year	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	12-14
Price	9.64	9.60	10.93	11.45	12.69	14.16	15.87	17.85	16.97	18.24	20.14	23.31	19.55	22.63	23.95	24.45	20.20	20.90	29.30
Gain	1.05	1.16	1.32	1.53	1.56	1.47	1.86	2.42	2.19	2.78	2.86	3.42	2.81	3.97	2.94	3.97	2.20	2.50	4.50
Return	.77	.89	1.04	1.30	1.38	1.59	1.81	2.07	1.28	2.01	2.31	2.74	2.30	2.82	3.29	2.33	1.45	2.25	3.60
Div'd	.33	.30	.30	.30	.30	.30	.30	.32	.32	.32	.36	.42	.48	.54	.60	.72	.72	.76	1.00
Investm. Serv. Inc. psh	.19	.22	.24	.31	.25	.29	.55	.69	.65	.51	.80	.59	.49	.72	.81	.84	.85	.90	1.35
Book Value	5.60	3.99	5.53	6.01	6.84	7.18	7.53	8.81	9.04	10.62	11.93	12.83	8.50	8.77	9.52	10.21	11.95	12.45	15.30
Common Shs Outst'g	1469.5	1487.6	1449.3	1418.7	1399.2	1351.5	1340.7	1326.0	1331.0	1305.0	1284.0	1249.0	1241.0	1199.0	1158.0	1160.0	1190.0	1195.0	1195.0
Avg Ann'l P/E Ratio	13.0	10.9	12.0	12.0	17.8	20.2	24.1	25.8	30.2	18.3	18.0	18.9	23.1	19.3	17.9	16.3	16.0	16.5	16.5
Relative P/E Ratio	.77	.71	.80	.75	1.03	1.05	1.37	1.68	1.55	1.00	1.03	1.00	1.23	1.04	.95	.99	1.00	1.10	1.10
Avg Ann'l Div'd Yield	3.3%	3.1%	2.4%	1.9%	1.2%	.9%	.7%	.6%	.8%	.9%	.9%	.8%	.9%	1.0%	1.0%	1.9%	1.0%	1.7%	1.7%

Year	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	12-14
Revenues per sh	9.64	9.60	10.93	11.45	12.69	14.16	15.87	17.85	16.97	18.24	20.14	23.31	19.55	22.63	23.95	24.45	20.20	20.90	29.30
Travel Service Inc. p sh	1.05	1.16	1.32	1.53	1.56	1.47	1.86	2.42	2.19	2.78	2.86	3.42	2.81	3.97	2.94	3.97	2.20	2.50	4.50
Earnings per sh	.77	.89	1.04	1.30	1.38	1.59	1.81	2.07	1.28	2.01	2.31	2.74	2.30	2.82	3.29	2.33	1.45	2.25	3.60
Div'ds Decl'd per sh	.33	.30	.30	.30	.30	.30	.30	.32	.32	.32	.36	.42	.48	.54	.60	.72	.72	.76	1.00
Investm. Serv. Inc. psh	.19	.22	.24	.31	.25	.29	.55	.69	.65	.51	.80	.59	.49	.72	.81	.84	.85	.90	1.35
Book Value per sh	5.60	3.99	5.53	6.01	6.84	7.18	7.53	8.81	9.04	10.62	11.93	12.83	8.50	8.77	9.52	10.21	11.95	12.45	15.30
Common Shs Outst'g	1469.5	1487.6	1449.3	1418.7	1399.2	1351.5	1340.7	1326.0	1331.0	1305.0	1284.0	1249.0	1241.0	1199.0	1158.0	1160.0	1190.0	1195.0	1195.0
Avg Ann'l P/E Ratio	13.0	10.9	12.0	12.0	17.8	20.2	24.1	25.8	30.2	18.3	18.0	18.9	23.1	19.3	17.9	16.3	16.0	16.5	16.5
Relative P/E Ratio	.77	.71	.80	.75	1.03	1.05	1.37	1.68	1.55	1.00	1.03	1.00	1.23	1.04	.95	.99	1.00	1.10	1.10
Avg Ann'l Div'd Yield	3.3%	3.1%	2.4%	1.9%	1.2%	.9%	.7%	.6%	.8%	.9%	.9%	.8%	.9%	1.0%	1.0%	1.9%	1.0%	1.7%	1.7%

Year	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	12-14
Revenues (\$mill)	21278	23675	22582	23807	25866	29115	24267	27136	27731	28365	24035	25000	25000	25000	25000	25000	25000	25000	35000
Cards In Force (\$mill)	46.0	51.7	55.2	57.3	60.5	65.4	71.0	78.0	86.4	92.4	90.5	96.5	96.5	96.5	96.5	96.5	96.5	96.5	120
Avg. Travellers Checks	6.2	6.4	6.4	6.5	6.6	7.0	7.1	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	9.0
Net Profit (\$mill)	2475.0	2810.0	1722.0	2671.0	3000.0	3516.0	2891.0	3482.0	3945.0	2702.0	1690	2690	4300	4300	4300	4300	4300	4300	4300
Income Tax Rate	28.0%	28.1%	17.9%	28.3%	29.4%	29.0%	30.0%	30.0%	29.5%	27.0%	24.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	27.0%	30.0%
Net Profit Margin	11.6%	11.9%	7.6%	11.2%	11.6%	12.1%	11.9%	12.8%	14.2%	9.5%	7.0%	10.8%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%
Total Assets	148517	154423	151100	157253	175001	192638	113960	127853	149830	126074	123000	128500	150000	150000	150000	150000	150000	150000	150000
Long-Term Debt (\$mill)	5995.0	4711.0	7788.0	16308	20654	33061	30781	42747	55285	60041	52500	55000	75000	75000	75000	75000	75000	75000	75000
Shr. Equity (\$mill)	10095	11684	12037	13861	15323	16020	10549	10511	11029	11841	14250	14900	18300	18300	18300	18300	18300	18300	18300
Return on Total Cap'l	16.4%	19.0%	11.2%	9.8%	9.3%	8.0%	8.1%	7.7%	8.8%	6.2%	5.0%	6.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Return on Shr. Equity	24.5%	24.1%	14.3%	19.3%	19.6%	21.9%	27.4%	33.1%	35.8%	22.8%	12.0%	18.0%	23.5%	23.5%	23.5%	23.5%	23.5%	23.5%	23.5%
Retained to Com Eq	20.5%	20.4%	10.8%	16.2%	16.5%	18.6%	21.7%	26.8%	29.3%	15.8%	6.0%	12.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%
All Div'ds to Net Prof	16%	15%	25%	16%	16%	15%	21%	19%	18%	31%	51%	34%	28%	28%	28%	28%	28%	28%	28%

CAPITAL STRUCTURE as of 9/30/09
ST Debt \$2202 mill. **Due in 5 Yrs** \$50000 mill.
LT Debt \$52850 mill. **LT Interest** \$3000 mill.
 (LT interest earned: 2.1x; total interest coverage: 2.1x) (79% of Cap'l)
Pension Assets-12/08 \$1693 mill. **Oblig.** \$2134 mill.
Pfd Stock None
Common Stock 1,189,169,358 shs. as of 10/22/09
MARKET CAP: \$47.2 billion (Large Cap)

Year	2007	2008	9/30/09
Cash Assets (\$mill)	11737	20547	18648
Invest. Sec's	15864	12526	23798
Receivables	42005	36571	34795
Other	80224	56430	43204
Total Assets	149830	126074	120445
Deposits	15397	15486	23863
Accounts Payable	7674	8428	8780
Other	115730	90319	73859
Total Liab.	138801	114233	106502

Year	2006	2007	2008	2009	2010
Revenues	6.5%	5.0%	4.0%	4.0%	4.0%
Earnings	7.0%	8.5%	4.5%	4.5%	4.5%
Dividends	7.5%	13.0%	8.5%	8.5%	8.5%
Book Value	3.5%	-2.0%	8.5%	8.5%	8.5%

Year	2006	2007	2008	2009	2010
Revenues (\$mill)	6319	6850	6759	7208	27136
Earnings (\$mill)	6484	6938	6945	7364	27731
Dividends (\$mill)	7240	7455	7164	6506	28365
Book Value (\$mill)	5926	6092	6016	6001	24035
Net Profit (\$mill)	6000	6250	6250	6500	25000

Year	2006	2007	2008	2009	2010
Earnings per share	.67	.67	.76	.72	2.82
Dividends per share	.86	.81	.87	.75	3.29
Book Value per share	.90	.48	.74	.21	2.33
Net Profit per share	.32	.09	.54	.50	1.45
Book Value per share	.55	.55	.58	.57	2.25

Year	2005	2006	2007	2008	2009
Dividends (\$mill)	.12	.12	.12	.12	.48
Dividends per share	.12	.12	.15	.15	.54
Dividends per share	.15	.15	.15	.15	.60
Dividends per share	.18	.18	.18	.18	.72
Dividends per share	.18	.18	.18	.18	.72

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. Has around 66,000 employees at present. Officers and directors hold approximately 1.5% of the company's common stock; Berkshire Hathaway, 13.1%; Davis Selected Advisers, 7.1% (3/09 Proxy). Chairman and Chief Executive Officer: Kenneth I. Chenault. Incorporated: New York. Address: 200 Vesey Street, New York, New York 10285. Telephone: 212-640-2000. Internet: www.americanexpress.com.

American Express is en route to a disappointing 2009. The difficult economic environment has dampened spending activity, and has pushed up write-off rates and delinquency rates. As a result, the company's total provision for losses is at an extra high level (about \$4.6 billion through the first nine months of this year), reflecting severe weakness in the cardmember lending segment. Although restructuring initiatives, which include a reduction in headcount, are helping to a certain extent, it appears that earnings per share for 2009 will plummet between 35% and 40%. That would be despite the easy comparison we anticipate in the fourth quarter. Nonetheless, the company's bottom line may stage a partial recovery next year, possibly to \$2.25 a share, since there are now indications that credit metrics are stabilizing.

We remain optimistic about the company's 2012-2014 prospects. American Express boasts significant credit card operations in both the United States and overseas, which should continue to benefit greatly from growing acceptance of plastic as a preferred method of payment com-

pared to cash and checks. New partnerships should help, as well. Indeed, agreements were recently established with ANZ (one of the largest banks in Australia) and SAS Scandinavian Airlines (Northern Europe's biggest airline). Finally, results ought to be bolstered by product introductions and additional restructuring initiatives.

The Credit Card Accountability, Responsibility and Disclosure (CARD) Act will take effect soon. The measure, signed by President Obama earlier this year, is intended to crack down on questionable practices in the credit card industry, which include surprise interest rate hikes and unreasonable penalties. Nevertheless, American Express should be able to take the changes in stride.

The stock is ranked 2 (Above Average) for Timeliness. That's based on its good price momentum in recent months, reflecting a better performance from the overall market.

But these shares offer unexciting recovery potential, at the present quotation.

Frederick L. Harris, III November 20, 2009

To subscribe call 1-800-833-0046.

Company's Financial Strength	B++
Stock's Price Stability	60
Price Growth Persistence	15
Earnings Predictability	65