

## LIABILITIES(\$mill.)

136342712797151330958 Long-Term Debt Net Worth Other Total Loan Loss Resrv. $\begin{array}{lll}288667 & 189345 & 203268 \\ 276836 & 288651 & 295627 \\ 232065 & 247573 & 252423\end{array}$ $\begin{array}{lll}276836 & 288651 & 295627 \\ 232065 & 247573 & 252423 \\ 412131 & 346414 & 383820\end{array}$
25731262355169824638096

ANNUAL RATES Past Past Est'd '13-'15 of change (per sh) Loans Earnings Dividends
Book Value Book Value Total Asset

Past Past Est'd '13-'15 $\begin{array}{lll}10 \text { Yrs. } & 5 \text { Yrs. } & \text { to '19'21 } \\ 6.5 \% & 3.5 \% & 9.0 \%\end{array}$ $\begin{array}{lll}5.5 \% & 1.5 \% & 9.0 \% \\ & 1.5 \% & 6.0 \%\end{array}$ $1.5 \% \quad 20.0 \% \quad 6.0 \%$ $\begin{array}{lll}9.0 \% & 7.5 \% & 6.5 \% \\ 6.5 \% & 4.0 \% & 6.5 \%\end{array}$

Cal- LOANS (\$ mill.) endar Mar. 31 Jun. 30 Sep. 30 Dec. 31 2013708106706202711108722154 $2014 \quad 715124731657728368743151$ 2015750120777332795991823744 2016833319858577880000900000 2017905000930000950000970000 | $\begin{array}{c}\text { Cal- } \\ \text { endar }\end{array}$ | EARNINGS PER SHARE A |  |  |
| :---: | :---: | :---: | :---: |
| Mar. 31 | Jun. 30 | Sep. 30 | Dec. 31 |

| Calendar | RNINGS PER SH |  |  |  | Full Yea |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Mar. 3 | Jun. 30 | Sep. 30 | Dec. 31 |  |
| 2013 | 1.59 | 1.60 | d. 17 | 1.30 | , |
| 2014 | 1.28 | 1.46 | 1.36 | 1.19 | 5.29 |
| 2015 | 1.45 | 1.54 | 1.68 | 1.32 | 6.00 |
| 2016 | 1.35 | 1.55 | 1.45 | 1.40 | 5.7 |
| 2017 | 1.45 | 1.60 | 1.52 | 1.48 |  |


| 2017 | 1.45 | 1.60 | 1.52 | 1.48 | 6.05 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Cal- <br> endar | QUARTERLY DIVIDENDS PAID Ba <br> Mar.31 |  | Fun.30 <br> Full |  |  |
| 2012 | .25 | .30 | .30 | .30 | 1.15 |
| 2013 | .30 | .30 | .38 | .38 | 1.36 |
| 2014 | .38 | .38 | .40 | .40 | 1.56 |
| 2015 | .40 | .40 | .44 | .44 | 1.68 |
| 2016 | .44 | .44 | .48 |  |  |

BUSINESS: JPMorgan Chase \& Co. is a global financial services firm with operations in over 60 nations. As of $12 / 31 / 15,5,413$ branches. Merged with Washington Mutual, 9/08; Bank One, 7/04. Operations include consumer \& community banking, corporate \& investment banking, commercial banking, and asset management Net loan losses: . $52 \%$ of average loans in '15. On $6 / 30 / 16$, loan

## J PMorgan Chase turned in a decent

 operating performance in the June quarter. Although net income slipped 1\% year to year, earnings before taxes advanced $11 \%$. A $2 \%$ increase in revenues (supported by strong trading volume and consumer loan growth), and a $6 \%$ decline in expenses (aided by cost-reduction measures and a legal benefit) offset a 50\% rise in the loan loss provision (due to higher loss rates on new credit card vintages and a $\$ 50$ million reserve build for one oil and gas company loan). J PM organ repurchased $\$ 2.6$ billion of its common stock, which lifted share net..Average core consumer loans rose 23\% in the $J$ une term, and should stay strong. J PM organ expects net interest income to rise $\$ 2.0$ billion- $\$ 2.5$ billion in 2016 and $\$ 1.0$ billion- $\$ 1.5$ billion in 2017, even if interest rates remain stable.

## But fee-based revenue may be flat in

2016. Fixed-income trading revenue (which rose $35 \%$ year to year in the J une period on a surge in volume following the referendum in the United Kingdom to exit the European Union) probably won't remain quite as strong.
loss reserve, $1.63 \%$ of loans; nonaccrual loans (excluding 90-day past due), $.82 \%$. Had 240,046 employees on 6/30/16. Directors \& officers own less than $1 \%$ of common stock; BlackRock, $6.4 \%$; The Vanguard Group, 5.9\% (Proxy, 4/16). Chairman \& CEO: James Dimon. Inc.: DE. Address: 270 Park Ave., NY, NY 10017. Tel.: 212-270-6000. Internet: www.jpmorganchase.com
And expenses, loan loss provisions, and the tax rate are expected to increase. Spending to build up promising businesses probably will stay high and, in the second half, an FDIC surcharge will kick in. Loan loss provisions are likely to rise since the energy sector remains stressed and losses on newer vintage credit card loans are trending higher. Too, the tax rate is expected to edge up. (The September-quarter earnings comparison may be unfavorable because results in the like period of 2015 were bolstered by $\$ 2.2$ billion of tax credits.)
We have trimmed our share-net estimates for 2016 and 2017 by $\$ 0.15$ and $\$ 0.30$, to $\$ \$ 5.75$ and $\$ 6.05$, respectively. Earnings should respond positively when interest rates eventually rise.
J PMorgan's strong market shares in consumer banking, mortgage, credit cards, and investment banking ought to serve it well over the pull to 20192021. The stock's dividend yield is attractive, but the issue is ranked only 3 (Average) for Timeliness and has less-thanaverage 3 - to 5 -year total return potential. Theresa Brophy

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[^0]:    (A) Chase Manhattan only prior to 00 . Diluted $\$ 0.57$. Excludes income from discontinued opearnings. Quarterly earnings per share in '13 \& erations: '06, \$0.17. Excl. extraordinary gain: July, Oct. - Div'd reinvestment plan available. '15 do not sum due to change in shares. Ex- '08, $\$ 0.53$; ' $09, \$ 0.02$. Incl. legal charge: Q3 (C) Incl. intangibles: on $6 / 30 / 16$, $\$ 53.3$ bill., cludes unusual expenses: '04, \$1.31; '05, '13, (\$1.85). Next earnings report mid-Oct.

