

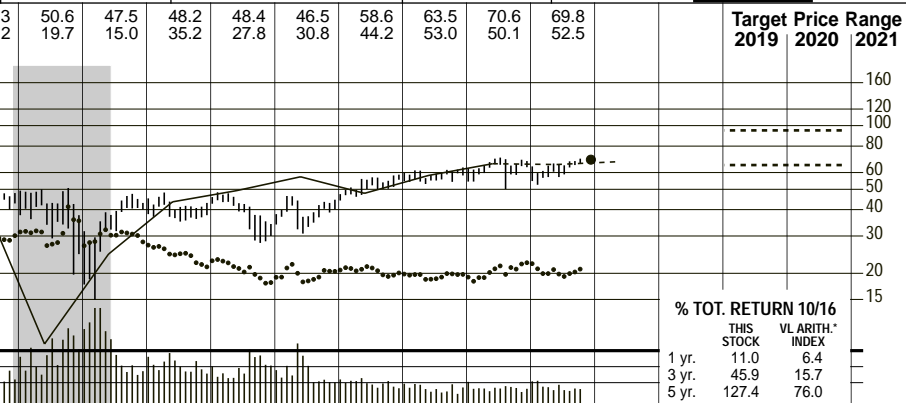
# JPMORGAN CHASE NYSE:JPM

RECENT PRICE **68.97** P/E RATIO **11.4** (Trailing: 11.9 Median: 11.0) RELATIVE P/E RATIO **0.63** DIV'D YLD **2.9%** VALUE LINE

**TIMELINESS** 3 Raised 8/12/16  
**SAFETY** 3 Lowered 11/21/08  
**TECHNICAL** 3 Raised 6/24/16  
**BETA** 1.25 (1.00 = Market)

High: 40.6 49.0 53.3 50.6 47.5 48.2 48.4 46.5 58.6  
 Low: 32.9 37.9 40.2 19.7 15.0 35.2 27.8 30.8 44.2

LEGENDS  
 — 11.0 x Earnings p/sh  
 ····· Relative Price Strength  
 Options: Yes  
 Shaded area indicates recession



2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
2.86	.81	.80	3.24	2.86	2.95	3.82	4.38	.84	2.24	3.96	4.48	5.20	4.35	5.29	6.00	<b>5.95</b>	<b>6.15</b>	Earnings per sh <sup>A</sup>	7.30
1.28	1.36	1.36	1.36	1.36	1.36	1.36	1.48	1.52	.20	.20	1.00	1.20	1.44	1.58	1.72	<b>1.88</b>	<b>1.98</b>	Div'ds Decl'd per sh <sup>B</sup>	2.25
21.17	20.32	20.66	22.10	29.61	30.71	33.45	36.59	36.15	39.88	43.04	46.60	51.27	53.25	57.07	60.46	<b>64.80</b>	<b>69.20</b>	Book Value per sh <sup>C</sup>	85.40
1928.5	1973.4	1998.7	2042.6	3556.2	3486.7	3461.7	3367.4	3732.8	3942.0	3910.3	3771.8	3803.5	3756.1	3714.8	3663.5	<b>3560.0</b>	<b>3520.0</b>	Common Shs Outst'g <sup>D</sup>	3350.0
17.2	53.3	36.1	9.7	13.5	12.2	11.5	10.9	47.2	15.8	10.2	8.8	7.5	11.9	11.0	10.6	<b>Bold figures are Value Line estimates</b>	Avg Ann'l P/E Ratio	11.0	
1.12	2.73	1.97	.55	.71	.65	.62	.58	2.84	1.05	.65	.55	.48	.67	.57	.54	Relative P/E Ratio	.70		
2.6%	3.1%	4.7%	4.3%	3.5%	3.8%	3.1%	3.1%	3.8%	.6%	.5%	2.5%	3.1%	2.8%	2.7%	2.7%	Avg Ann'l Div'd Yield	2.8%		

CAPITAL STRUCTURE as of 9/30/16				315120	562147	2175052	2031989	2117605	2265792	2359141	2415689	2573126	2351698	2580000	2680000	Total Assets (\$mill)	3250000
LT Debt \$309.4 bill.	Due in 5 Yrs \$200.4 bill.	LT Interest \$5.5 bill.	LT Debt incl. \$4.0 bill. junior subordinated deferrable interest debentures held by trusts that guaranteed capital securities	475848	510140	721734	601856	660661	696111	711860	722154	743151	823744	890000	950000	Loans (\$mill)	1150000
Pension Assets-12/15 \$17.6 bill.	Oblig. \$15.3 bill.	Pfd Stock \$26.068 bill.	Pfd Div'd \$1.648 bill.	21242	26406	38779	51152	51001	47689	44910	43319	43634	43510	46000	48000	Net Interest Inc (\$mill)	58000
Common Stock 3,578,300,000 shares	MARKET CAP: \$247 bill. (Large Cap)	ASSETS(\$mill.)	2014	2015	9/30/16	3270.0	6864.0	20979	32015	16639	7574.0	3385.0	22.05	3139.0	3827.0	Loan Loss Resrv. (\$mill)	8000
		Loans	743151	823744	873850	40195	44966	28473	49282	51693	49545	52121	53287	50571	50033	Noninterest Inc (\$mill)	56000
		Funds Sold	215803	212575	232637	38281	41703	43500	52352	61196	62911	64729	70467	61274	59014	Noninterest Exp (\$mill)	65000
		Securities	857427	733387	756435	13649	15365	3699.0	11652	17370	18976	21284	17923	21762	24442	Net Profit (\$mill)	28700
		Other Earning	484477	340015	396200	31.4%	32.6%	--	27.5%	30.1%	29.1%	26.4%	30.8%	26.9%	20.4%	Income Tax Rate	30.0%
		Other	272268	241977	261907	1.01%	.98%	.18%	.57%	.82%	.85%	.90%	.74%	.85%	1.04%	Return on Total Assets	.90%
		LIABILITIES(\$mill.)	Deposits	1363427	1279715	1376138	161814	199010	270683	266318	247669	256775	249024	267889	276836	Long-Term Debt (\$mill)	450000
			Funds Borrowed	288667	189345	205228	115790	123221	166884	165365	176106	183573	204069	211178	232065	Shr. Equity (\$mill)	312150
			Long-Term Debt	276836	288651	309418	8.6%	7.9%	7.9%	8.1%	8.3%	8.1%	8.7%	8.7%	9.0%	Shr. Eq. to Total Assets	9.5%
			Net Worth	232065	247573	254331	35.2%	32.7%	33.2%	29.6%	31.2%	30.7%	30.2%	29.9%	28.9%	Loans to Tot Assets	35.5%
			Other	412131	346414	375914	11.8%	12.5%	2.2%	7.0%	9.9%	10.3%	10.4%	8.5%	9.4%	Return on Shr. Equity	9.0%
			Total	2573126	2351698	2521029	7.6%	8.3%	NMF	6.0%	9.4%	8.1%	8.2%	5.8%	6.9%	Retained to Com Eq	7.0%
			Loan Loss Resrv.	14185	13555	14204	36%	34%	NMF	18%	9%	25%	25%	36%	33%	All Div'ds to Net Prof	32%

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '13-'15 to '19-'21
Loans	6.5%	3.5%	9.0%
Earnings	5.5%	17.5%	6.0%
Dividends	1.5%	20.0%	6.0%
Book Value	9.0%	7.5%	6.5%
Total Assets	6.5%	4.0%	6.5%

Cal-endar	LOANS (\$ mill.)			
	Mar.31	Jun.30	Sep.30	Dec.31
2013	708106	706202	711108	722154
2014	715124	731657	728368	743151
2015	750120	777332	795991	823744
2016	833319	858577	873850	<b>890000</b>
2017	<b>900000</b>	<b>920000</b>	<b>930000</b>	<b>950000</b>

Cal-endar	EARNINGS PER SHARE <sup>A</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2013	1.59	1.60	d.17	1.30	4.35
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	1.58	<b>1.47</b>	<b>5.95</b>
2017	<b>1.47</b>	<b>1.58</b>	<b>1.60</b>	<b>1.50</b>	<b>6.15</b>

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
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	.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 9/30/16, loan loss reserve, 1.60% of loans; nonaccrual loans (excluding 90-day past due), .80%. Had 242,315 employees on 9/30/16. 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.

**JPMorgan Chase's September-quarter earnings fell short of the year-earlier figure, which was bolstered by \$2.2 billion of tax credits.** On a before-tax basis, results advanced 33%, powered mainly by strong investment banking and markets revenues, a 15% increase in loans, and lower legal costs. These positive items more than offset lower credit card income, reflecting new card origination costs and a \$225 million addition to credit card and auto loan loss reserves.

**Conditions may not remain quite as favorable for the investment banking and markets business.** Market activity in the September term was unusually strong following the United Kingdom's vote to leave the European Union.

**And credit card loan losses probably will increase.** Card delinquencies have already risen, reflecting a change in the mix of card originations to slightly less creditworthy consumers. As this business, which has attractive margins, seasons and represents a larger portion of the card portfolio, higher loan losses are likely. Meanwhile, energy sector loan quality hasn't deteriorated as much as expected.

**Still, the December-quarter earnings comparison should be easier, and we look for results to advance modestly in 2017.** Even if interest rates stay flat, management expects net interest revenue to increase \$1 billion-\$1.5 billion in 2017, supported by continued healthy loan and deposit growth. The company also has been reducing securities, which yield less than loans. New credit card products introduced in 2016 ought to gain ground. In all, we have increased our share-net estimates for 2016 and 2017 by \$0.20 and \$0.10, respectively, to \$5.95 and \$6.15.

**The company's long-term prospects look good.** JPMorgan has strong market shares in the investment banking and credit card businesses. Investments in its operations, including additional commercial bankers and offices, should pay off in time. And spread income eventually ought to benefit from higher interest rates. The stock's above-average dividend yield may hold some appeal for income-oriented investors. But the issue has recovered from its early 2016 lows and now has limited total return potential to 2019-2021.

*Theresa Brophy*  
 November 11, 2016

(A) Diluted earnings. Quarterly earnings per share in '13 & '15 do not sum due to change in shares. Excludes unusual expenses: '04, \$1.31; '05, \$0.57. Excludes income from discontinued operations: '06, \$0.17. Excl. extraordinary gain: '08, \$0.53; '09, \$0.02. Incl. legal charge: Q3 '13, (\$1.85). Next earnings report mid-Jan.  
 (B) Dividends historically paid late Jan., Apr., July, Oct. ■ Div'd reinvestment plan available.  
 (C) Incl. intangibles: on 9/30/16, \$53.1 bill., \$14.85/sh. (D) In millions.

Company's Financial Strength		A
Stock's Price Stability		70
Price Growth Persistence		55
Earnings Predictability		50