

## LIABILITIES(\$mill.)

| Deposits | 1279715 | 1375179 | 1443982 |  |
| :--- | ---: | ---: | ---: | ---: |
| Funds Borrowed | 189345 | 200109 | 210718 |  |
| Long-Term Debt | 288651 | 295245 | 284080 |  |
| Net Worth | 247573 | 254190 | 255693 |  |
| Other | 346414 | 366249 | 339127 |  |
| Total | 2351698 | 2490792 | 2533600 |  |
| Loan Loss Resrv. | 13555 |  | 13776 | 13604 |
| ANNUAL RATES | Past | Past | Est'd '14.'16 |  |
| of change (per sh) | 10 Yrs. | 5 Yrs. | to '20.22 |  |
| Loans | $6.5 \%$ | $6.0 \%$ | $8.0 \%$ |  |
| Earnings | $6.0 \%$ | $10.5 \%$ | $8.0 \%$ |  |
| Dividends | $2.5 \%$ | NMF | $9.5 \%$ |  |
| Book Value | $7.0 \%$ | $7.0 \%$ | $7.0 \%$ |  |
| Total Assets | $6.5 \%$ | $4.0 \%$ | $6.0 \%$ |  |


| Cal- <br> endar | Mar.31 | Jun.30 | Sep.30 | Dec.31 |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 2014 | 715124 | 731657 | 728368 | 743151 |  |
| 2015 | 750120 | 777332 | 795991 | 823744 |  |
| 2016 | 833319 | 858577 | 873850 | 880989 |  |
| 2017 | 882561 | 895404 | 900222 | 917093 |  |
| 2018 | 907000 | 915000 | 922000 | 930000 |  |
| Cal- | EARNINGS PER SHARE A |  |  |  | Full |
| endar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Year |
| 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 | 1.71 | 6.19 |
| 2017 | 1.65 | 1.82 | 1.76 | 1.07 | 6.31 |
| 2018 | 2.00 | 2.05 | 2.08 | 2.12 | 8.25 |
| Cal- | QUARTERLY DIVIDENDS PAID Ba | Full |  |  |  |
| endar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Year |
| 2014 | .38 | .38 | .40 | .40 | 1.56 |
| 2015 | .40 | .40 | .44 | .44 | 1.68 |
| 2016 | .44 | .44 | .48 | .48 | 1.84 |
| 2017 | .48 | .50 | .50 | .56 | 2.04 |
| 2018 | .56 |  |  |  |  |

BUSINESS: JPMorgan Chase \& Co. is a global financial services firm with operations in over 60 nations. As of 12/31/17, 5,130 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: . $60 \%$ of average loans in '17. On 12/31/17, loan
J PMorgan's results in 2017's final quarter were reduced by a $\$ 0.69$-ashare charge for the upfront impact of the Tax Cuts and J obs Act. The charge was for the repatriation of overseas earnings and an adjustment to the value of tax-related investments.
The company's underlying operating performance was strong. Excluding the charge and a legal benefit in the J une quarter, JPMorgan would have earned $\$ 1.76$ a share in the December term and $\$ 6.87$ for the full year. Average core loans rose $6 \%$ in the quarter. To be sure, Corporate \& Investment Bank profits declined $32 \%$, reflecting low fixed-income markets volatility, the initial negative effect of the new tax law, and a $\$ 130$ million loan loss reserve build for a loan to a single commercial borrower. But results in the other three business groups rose nicely.
As the result of the new tax law, the company's tax rate will decline to $19 \%$ in 2018, from the $26 \% 30 \%$ range that prevailed during much of the past decade. Management also expects the new tax law to boost business activity and help lift commercial loan demand, which
loss reserve, $1.46 \%$ of loans; nonaccrual loans (excluding 90 -day past due), $64 \%$. Had 252,539 employees on 12/31/17. Directors \& officers own less than $1 \%$ of common stock; BlackRock, $6.6 \%$; The Vanguard Group, 6.6\% (Proxy, 4/17). Chairman \& CEO: James Dimon. Inc.: DE. Address: 270 Park Ave., NY, NY 10017. Tel.: 212-270-6000. Internet: www.jpmorganchase.com.
has disappointed in recent years. We have increased our share-net estimate for 2018, from $\$ 7.40$ to $\$ 8.25$, mainly owing to the lower tax rate. The tax rate is expected to increase gradually subsequent to 2020, as certain business credits are phased out.
Other factors ought to work in J PMorgan's favor. Despite some pressure to raise the interest rates on commercial deposits, consumer deposit rates have held fairly steady, and we expect net interest income to benefit from higher interest rates. Ongoing investments in personnel, products, and technology should continue to pay off in higher revenues. Credit card loan losses may rise a bit further as new card accounts added in 2016 mature and card Ioans grow. But the large Decemberquarter fraud-related credit loss doesn't look likely to repeat. The company indicated the investment banking pipeline looked good entering 2018.
J PMorgan shares are ranked 2 (Above Average) for Timeliness. But the issue's strength discounts most of its total return potential to 2020-2022. And the dividend yield is only about average.
Theresa Brophy
F ebruary 9, 2018
(A) Diluted earnings. Quarterly earnings per continued operations: '06, \$0.17. Excl. ex- April. (B) Dividends historically paid late Jan., share in ' 15 do not sum due to change in traordinary gain: '08, $\$ 0.53$; '09, $\$ 0.02$. Incl. Apr., July, Oct. I Div'd reinvestment plan avail$\$ 1.31$; ' 05 , $\$ 0.57$. Excludes income from dis- - reform: '17, ( $\$ 0.69$ ). Next earnings report mid-

Company's Financial Strength
Stock's Price Stability
Price Growth Persistence
Earnings Predictability

