

JPMORGAN CHASE NYSE-JPM

RECENT PRICE **106.70** P/E RATIO **11.5** (Trailing: 12.2 Median: 11.0) RELATIVE P/E RATIO **0.68** DIV'D YLD **3.0%** **VALUE LINE**

TIMELINESS 2 Lowered 8/24/18
SAFETY 2 Raised 8/11/17
TECHNICAL 3 Lowered 9/28/18
BETA 1.15 (1.00 = Market)

High: 53.3 50.6 47.5 48.2 48.4 46.5 58.6 63.5 70.6 87.4 108.5 119.3
 Low: 40.2 19.7 15.0 35.2 27.8 30.8 44.2 53.0 50.1 52.5 81.6 102.2

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

2021-23 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	140	(+30%)	10%
Low	105	(Nil)	3%

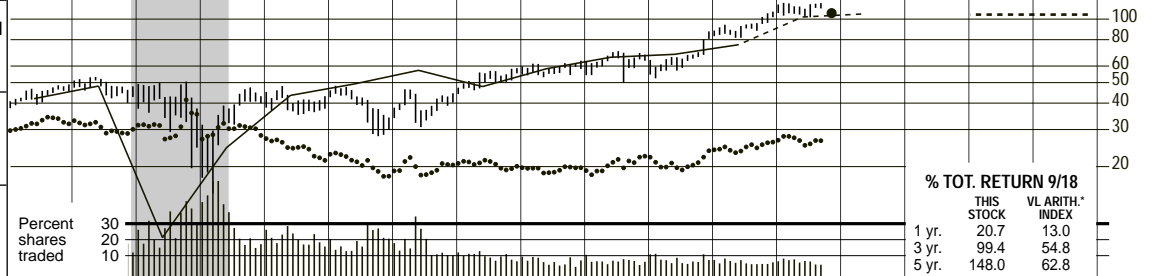
Insider Decisions

	D	J	F	M	A	M	J	J	A
to Buy	0	0	0	0	0	1	0	0	0
Options	0	23	0	0	7	0	0	7	0
to Sell	0	7	0	0	0	0	0	1	0

Institutional Decisions

	4Q2017	1Q2018	2Q2018
to Buy	924	1058	1096
to Sell	969	1153	1076

Hld's (000) 254920324734062437714



2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23	
.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	6.19	6.87	9.30	9.65	Earnings per sh ^A	11.00	
1.36	1.36	1.36	1.36	1.36	1.36	1.52	1.36	1.48	1.52	2.00	1.20	1.44	1.58	1.72	1.88	2.12	2.72	3.24	Div'ds Decl'd per sh ^B	3.80
20.66	22.10	29.61	30.71	33.45	36.59	36.15	39.88	43.04	46.60	51.27	53.25	57.08	60.46	64.06	67.04	70.70	76.25	76.25	Book Value per sh ^C	96.65
1998.7	2042.6	3556.2	3486.7	3461.7	3367.4	3732.8	3942.0	3910.3	3771.8	3803.5	3756.1	3714.0	3663.5	3561.2	3425.3	3290.0	3175.0	3175.0	Common Shs Outst'g ^D	3000.0
NMF	9.7	13.5	12.2	11.5	10.9	NMF	15.8	10.2	8.8	7.5	11.9	11.0	10.6	10.6	13.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	11.0	
NMF	.55	.71	.65	.62	.58	NMF	1.05	.65	.55	.48	.67	.58	.53	.56	.67			Relative P/E Ratio	.70	
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%	2.9%	2.3%			Avg Ann'l Div'd Yield	3.1%	

CAPITAL STRUCTURE as of 9/30/18

LT Debt \$270.1 bill. Due in 5 Yrs \$192.7 bill.
 LT Interest \$8.2 bill.
 LT Debt incl. \$2.3 bill. junior subordinated deferrable interest debentures held by trusts that guaranteed capital securities
 Pension Assets-12/17 \$19.6 bill. Oblig. \$16.7 bill.

Pfd Stock \$27.764 bill. Pfd Div'd \$1.5 bill.

Common Stock 3,325,400,000 shares

MARKET CAP: \$355 bill. (Large Cap)

ASSETS(\$mill.)

	2016	2017	9/30/18
Loans	880989	917093	941190
Funds Sold	229967	198422	217632
Securities	757598	736914	773659
Other Earning	365762	404204	395872
Other	256656	276967	286830

LIABILITIES(\$mill.)

	2016	2017	9/30/18
Deposits	1375179	1443982	1458762
Funds Borrowed	200109	210718	246243
Long-Term Debt	295245	284080	270124
Net Worth	254190	255693	258056
Other	366249	339127	381998
Total	2490972	2533600	2615183
Loan Loss Resrv.	13776	13604	13128

2175052	2031989	2117605	2265792	2359141	2415689	2573126	2351698	2490972	2533600	2650000	2750000	Total Assets (\$mill)	3125000
721734	601856	660661	696111	711860	722154	743151	823744	880989	917093	950000	990000	Loans (\$mill)	1125000
38779	51152	51001	47689	44910	43319	43634	43510	46083	50097	54800	57800	Net Interest Inc (\$mill)	66000
20979	32015	16639	7574.0	3385.0	22.05	3139.0	3827.0	5361.0	5290.0	4550	5500	Loan Loss Prov'n (\$mill)	7500
28473	49282	51693	49545	52121	53287	50571	50033	49585	48882	55500	55900	Noninterest Inc (\$mill)	61000
43500	52352	61196	62911	64729	70467	61274	59014	55771	58434	63500	66000	Noninterest Exp (\$mill)	73000
3699.0	11652	17370	18976	21284	17923	21762	24442	24733	26481	33600	34750	Net Profit (\$mill)	36250
--	27.5%	30.1%	29.1%	26.4%	30.8%	27.0%	20.4%	28.4%	24.9%	20.5%	20.0%	Income Tax Rate	22.0%
.18%	.57%	.82%	.85%	.90%	.74%	.85%	1.04%	.99%	1.05%	1.25%	1.25%	Return on Total Assets	1.15%
270683	266318	247669	256775	249024	267889	276836	288651	295245	284080	265000	260000	Long-Term Debt (\$mill)	350000
166884	165365	176106	183573	204069	211178	232065	247573	254190	255693	260300	269800	Shr. Equity (\$mill)	317700
7.9%	8.1%	8.3%	8.1%	8.7%	8.7%	9.0%	10.5%	10.2%	10.1%	10.0%	10.0%	Shr. Eq. to Total Assets	10.0%
33.2%	29.6%	31.2%	30.7%	30.2%	29.9%	28.9%	35.0%	35.4%	36.2%	36.0%	36.0%	Loans to Tot Assets	36.0%
2.2%	7.0%	9.9%	10.3%	10.4%	8.5%	9.4%	9.9%	9.7%	10.4%	13.0%	13.0%	Return on Shr. Equity	11.5%
NMF	6.0%	9.4%	8.1%	8.2%	5.8%	6.9%	7.4%	7.0%	7.6%	10.0%	9.5%	Retained to Com Eq	8.0%
NMF	18%	9%	25%	25%	36%	33%	33%	34%	35%	32%	35%	All Div'ds to Net Prof	36%

BUSINESS: JPMorgan Chase & Co. is a global financial services firm with operations in over 60 nations. Over 5,000 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 9/30/18, loan loss reserve,

1.38% of loans; nonaccrual loans (excluding 90-day past due), .49%. Had 255,313 employees on 9/30/18. Directors & officers own less than 1% of common stock; BlackRock, 6.5%; The Vanguard Group, 7.25% (Proxy, 4/18). Chairman & CEO: James Dimon. Inc.: DE. Address: 270 Park Ave., NY, NY 10017. Tel.: 212-270-6000. Internet: www.jpmorganchase.com.

ANNUAL RATES

	Past 10 Yrs	Past 5 Yrs	Est'd '15-'17 to '21-'23
Loans	6.0%	6.5%	7.0%
Earnings	5.5%	7.0%	9.5%
Dividends	3.0%	19.0%	12.0%
Book Value	6.5%	6.5%	7.0%
Total Assets	5.5%	3.5%	7.0%

LOANS (\$mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31
2015	750120	777332	795991	823744
2016	833319	858577	873850	880989
2017	882561	895404	900222	917093
2018	921049	935164	941190	950000
2019	955000	970000	975000	990000

EARNINGS PER SHARE ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	1.70	1.76	1.76	6.87
2018	2.37	2.29	2.34	2.30	9.30
2019	2.35	2.40	2.42	2.48	9.65

QUARTERLY DIVIDENDS PAID ^B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full 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	.56	.56	.80	

JPMorgan's Consumer & Community Banking business led the way in the September quarter. The segment's profits advanced 60% year to year, far outpacing growth in its other divisions, especially Corporate & Investment Bank profits (up only 3%). Consumer & Community Banking benefited from mid-single-digit core loan growth, a wider deposit margin, and a reduction in reserves for purchased home loans. In contrast, lower fixed-income markets revenues offset much of the increase in investment banking and equities revenues, and Corporate & Investment Banking expenses grew faster than revenues. **Loan growth should benefit from expansion into new markets.** JPMorgan is opening branches in a couple of new cities, like Philadelphia, and is increasing lending to companies in targeted industries. It expects economic activity and loan growth to remain healthy in the year ahead. **In recent years, the company has also spent heavily to develop mobile banking products.** These offerings enable users to perform functions, like transferring funds, using mobile devices. The outlays, which boosted expenses and likely

will remain high in the new year, no doubt have supported customer growth. But it remains to be seen, as interest rates rise, whether the enhanced products will make JPMorgan's deposits stickier, that is, less likely to move to competitors paying higher rates. For now, we assume net interest income will grow moderately in 2019, despite somewhat higher funding costs. **We have raised our share-net estimate for 2019 by \$0.15, to \$9.65.** In the absence of another reduction in the corporate tax rate, earnings momentum is apt to slow in 2019. Too, the loan loss provision probably won't remain as low as in 2018. But JPMorgan's strong shares of the credit card and investment banking businesses should continue to work to its advantage. **JPMorgan shares have lost ground since the start of 2018, amid growing concerns regarding the possible negative effect of higher interest rates on economic activity.** Despite the pullback, the timely stock doesn't stand out for total return potential over the pull to 2021-2023. But the dividend yield may appeal to income-oriented investors.
Theresa Brophy
 November 9, 2018

(A) Diluted earnings. Quarterly earnings per share in '15 do not sum due to change in shares. Excludes unusual expenses: '04, \$1.31; '05, \$0.57; '17, \$0.56. Excludes income from discontinued operations: '06, \$0.17. Excl. extraordinary gain: '08, \$0.53; '09, \$0.02. Next earnings report mid-Jan. (B) Dividends historically paid late Jan., Apr., July, Oct. (C) Incl. intangibles: on 9/30/18, \$54.7 bill., \$16.45/sh. (D) In millions.

Company's Financial Strength A+
Stock's Price Stability 85
Price Growth Persistence 65
Earnings Predictability 70