| $\sqrt{ } \boldsymbol{P}$ | 1 | A | C1 | $\checkmark$ |  |  |  | $\text { ENT } 1$ |  | $\begin{aligned} & \hline \text { P/E } \\ & \text { RAT } \end{aligned}$ |  | $\begin{aligned} & \text { Trailin } \\ & \text { Media } \end{aligned}$ | $\begin{aligned} & \text { ing: } 11.8 \\ & \text { ian: } \\ & \hline 11.0 \end{aligned}$ | $\begin{array}{\|l\|} \hline \text { RELAT } \\ \text { P/E RA } \end{array}$ | $0,6$ | DIV'D YLD | $3,1$ |  | $\begin{aligned} & \text { ALUE } \\ & \text { IINE } \end{aligned}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\text { IESS } 2$ | Lowered | 8/24/18 | High: Low: | 50.6 19.7 | 47.5 15.0 | 48.2 35.2 | 48.4 27.8 | $\begin{aligned} & \hline 46.5 \\ & 30.8 \end{aligned}$ | $\begin{aligned} & 58.6 \\ & 44.2 \end{aligned}$ | $\begin{aligned} & 63.5 \\ & 53.0 \end{aligned}$ | $\begin{aligned} & 70.6 \\ & 50.1 \end{aligned}$ | $\begin{aligned} & 87.4 \\ & 52.5 \end{aligned}$ | $\begin{array}{r} 108.5 \\ 81.6 \end{array}$ | $\begin{array}{r} 119.3 \\ 91.1 \end{array}$ | $\begin{array}{r} 117.2 \\ 95.9 \end{array}$ |  |  | Target Price $2022 \mid 2023$ | Range 2024 |
| SAFE <br> TECH | CAL | Raised 8 Lowered | $\begin{aligned} & 11 / 17 \\ & 7 / 19 / 19 \end{aligned}$ | $\begin{aligned} & \text { LEGEND } \\ & \hline \ldots \text { Rel Rela } \end{aligned}$ | $\begin{aligned} & \text { NDS } \\ & \text { 1.0xiarnir } \\ & \text { lelative Pric } \end{aligned}$ | ing p sh e Strength |  |  |  |  |  |  |  |  |  |  |  |  |  | 2024 -200 160 |
| BETA | $15 \quad(1.00$ | = Market) |  | Options: Shaded | Yes area in | ates recess |  |  |  |  |  |  |  |  |  |  |  |  |  | -160 |
|  | 24 PRO | JECTIO |  |  |  |  |  |  |  |  |  |  |  |  | - | +1+ |  |  |  | 100 |
|  | Price | , | 'I Total |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | -80 |
| High | rice 50 | $\begin{aligned} & \text { Gain } \\ & 30 \% \text { ) } \end{aligned}$ | eturn $10 \%$ |  |  |  |  |  |  |  |  | 1411 | 小川1"1 |  |  |  |  |  |  | - 60 |
| $\begin{aligned} & \text { High } \\ & \text { Low } \end{aligned}$ | $\begin{aligned} & 50 \\ & 10 \end{aligned}$ | $\begin{aligned} & 30 \% \\ & (-5 \%) \\ & \hline \end{aligned}$ | ?\% |  |  |  |  |  |  | 111 |  | , |  |  |  |  |  |  |  | 50 |
| Insid | Decisi | Os |  | IIII |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 40 |
| , | S O N | D J F | M A |  |  | ll |  |  | \| ${ }^{1}$ |  |  |  |  |  |  |  |  |  |  | 30 |
| to Buy Options to Sell | $\begin{array}{rrrr}0 & 1 & 0 \\ 0 & 10 \\ 0 & 1 \\ 0 & 0 & 0\end{array}$ | $\begin{array}{rrrr}0 & 0 \\ 0 & 0 \\ 0 & 2 \\ 0 & 2 \\ 0 & 0\end{array}$ | $\begin{array}{llll}0 & 1 & 0 \\ 8 & 8 & 1 \\ 0 & 7 & 0\end{array}$ |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | -20 |
| Institu | ional D | ecision |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 302018 | 402018 | 102019 | Percent |  |  |  |  |  |  |  |  |  |  |  |  |  |  | $\begin{array}{lll}\text { STOCK } & \text { INDEX } \\ 10.3 & -1.2\end{array}$ |  |
| $\begin{aligned} & \text { to Buy } \\ & \text { to Sell } \end{aligned}$ | $\begin{aligned} & 1047 \\ & 1133 \end{aligned}$ | $\begin{aligned} & 1259 \\ & 1123 \end{aligned}$ |  | shares traded |  |  |  |  |  |  |  |  |  |  |  |  |  | 3 yr . | $\begin{array}{ll}94.0 & 33.7\end{array}$ |  |
| Hld's (000) | 4236432 | 3779982 | 2318968 |  |  |  |  |  |  |  | 1 | ШلШ | 11 | ШلШ1 | لШ1 | U111 |  | 5 yr . | $121.0 \quad 35.3$ |  |
| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | ${ }^{\circ} \mathrm{V}$ | LINE PUB. LLC | 22-24 |
| 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 | 9.00 | 10.10 | 10.15 | Earnin | per sh A | 12.00 |
| 1.36 | 1.36 | 1.36 | 1.36 | 1.48 | 1.52 | . 20 | . 20 | 1.00 | 1.20 | 1.44 | 1.58 | 1.72 | 1.88 | 2.12 | 2.72 | 3.40 | 3.70 | Div'ds | ecl'd per sh $\mathrm{B}_{\mathbf{m}}$ | 4.30 |
| 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 | 70.35 | 75.75 | 80.85 | Book | lue per sh ${ }^{\text {C }}$ | 101.40 |
| 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 | 3275.8 | 3100.0 | 3000.0 | Commo | Shs Outst'g D | 2850.0 |
| 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 | 12.3 | Bold figures are Value Line estimates |  | Avg Ann'I P/E Ratio |  | 11.0 |
| . 55 | . 71 | . 65 | 62 | . 58 | NMF | 1.05 | . 65 | . 55 | . 48 | . 67 | . 58 | . 53 | . 56 | . 67 | . 66 |  |  | Relative P/E Ratio |  | 70 |
| 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\% | 2.5\% |  |  | Avg Ann'I Div'd Yield |  | 3.3\% |
| CAPITAL STRUCTURE as of 6/30/19 |  |  |  |  |  | 2031989211760522657922359141 |  |  |  | 2415689 | 2573126 | 2351698 | 2490972 | 2533600 | 2622532 | 2750000 | 2825000 | Total Assets (\$mill) |  | 3100000 |
|  |  |  |  |  |  | 601856 | 660661 | 696111 | 711860 | 722154 | 743151 | 823744 | 880989 | 917093 | 971109 | 950000 | 960000 | Loans |  | 1050000 |
| LT Debt $\$ 288.9$ bill. Due in 5 Yrs $\$ 161.8$ bill. |  |  |  |  |  | 51152 | 51001 | 47689 | 44910 | 43319 | 43634 | 43510 | 46083 | 50097 | 55059 | 57500 | 57200 | Net Interest Inc (\$mill) |  | 64000 |
| LT Debt incl. $\$ 2.3$ bill. junior subordinated deferrable interest debentures held by trusts that guaranteed capital securities <br> Pension Assets-12/18 $\$ 18.1$ bill. Oblig. $\$ 15.5$ bill. |  |  |  |  |  | 32015 | 16639 | 7574.0 | 3385.0 | 225.0 | 3139.0 | 3827.0 | 5361.0 | 5290.0 | 4871.0 | 5300 | 6200 | Loan Loss Prov'n (\$mill) |  | 8500 |
|  |  |  |  |  |  | 49282 | 51693 | 49545 | 52121 | 53287 | 50571 | 50033 | 49585 | 48882 | 53970 | 55300 | 56000 | Noninterest Inc (\$mill) |  | 63000 |
|  |  |  |  |  |  | 52352 | 61196 | 62911 | 64729 | 70467 | 61274 | 59014 | 55771 | 58434 | 63394 | 65500 | 66000 | Noninterest Exp (\$mill) |  | 72000 |
|  |  |  |  |  |  | 11652 | 17370 | 18976 | 21284 | 17923 | 21762 | 24442 | 24733 | 26481 | 32474 | 34475 | 32775 | Net Pro | it (\$mill) | 37250 |
| Pfd Stock $\$ 26.993$ bill. Pfd Div'd $\$ 1.496$ bill. |  |  |  |  |  | 27.5\% | 30.1\% | 29.1\% | 26.4\% | 30.8\% | 27.0\% | 20.4\% | 28.4\% | 24.9\% | 20.3\% | 18.0\% | 20.0\% |  |  | 20.0\% |
|  |  |  |  |  |  | .57\% | .82\% | .85\% | . $90 \%$ | .74\% | .85\% | 1.04\% | .99\% | 1.05\% | 1.24\% | 1.25\% | 1.15\% | Income Tax Rate <br> Return on Total Assets |  | 1.20\% |
| Common Stock 3,197,500,000 shares |  |  |  |  |  | 266318 | 247669 | 256775 | 249024 | 267889 | 276836 | 288651 | 295245 | 284080 | 282031 | 285000 | 300000 | Long-Term Debt (\$mill) |  | 375000 |
|  |  |  |  |  |  | 165365 | 176106 | 183573 | 204069 | 211178 | 232065 | 247573 | 254190 | 255693 | 256515 | 261150 | 269500 | Shr. Eq | ity (\$mill) | 316000 |
| MARKET CAP: $\$ 370$ bill. (Large Cap) |  |  |  |  |  | 8.1\% | 8.3\% | 8.1\% | 8.7\% | 8.7\% | 9.0\% | 10.5\% | 10.2\% | 10.1\% | 9.8\% | 9.5\% | 9.5\% | Shr. Eq. to Total Assets |  | 10.0\% |
| ASSETS(\$mill.) |  | 2017 |  | $2018$ | 6/30/19 | 29.6\% | 31.2\% | 30.7\% | 30.2\% | 29.9\% | 28.9\% | 35.0\% | 35.4\% | 36.2\% | 37.0\% | 34.5\% | 34.0\% | Loans to Tot Assets |  | 34.0\% |
| Loans |  |  | 7093 | $971109$ | $943723$ | 7.0\% | 9.9\% | 10.3\% | 10.4\% | 8.5\% | 9.4\% | 9.9\% | 9.7\% | 10.4\% | 12.7\% | 13.0\% | 12.0\% | Return on Shr. Equity |  | 12.0\% |
| Securitie |  |  | 6914 | 787537 | 961298 | 6.0\% | 9.4\% | 8.1\% | 8.2\% | 5.8\% | 6.9\% | 7.4\% | 7.0\% | 7.5\% | 10.8\% | 9.5\% | 8.0\% | Retained to Com Eq |  | 6.0\% |
| Other Ear | arning |  | 4204 | 2564692 | 244874 | 18\% | 9\% | 25\% | 25\% | 36\% | 33\% | 33\% | 34\% | 35\% | 33\% | 36\% | 39\% | All Div'ds to Net Prof |  | 38\% |

## LIABILITIES(\$mill.)

## Funds Borrowed Long-Term Debt Net Worth

 Other Total Loan Loss Resrv.144398214706661524361 210718251596261573 284080282031288869 $\begin{array}{lll}284080 & 282031 & 2888669 \\ 255693 & 256515 & 262887 \\ 339127 & 361724 & 389689\end{array}$
 ANNUAL RATES Past Past Est'd '16-'18 of change (per sh) Loans Earnings Dividends Book Value
Total Assets $\begin{array}{ccc}10 \text { Yrs. } & 5 \text { Yrs. } & \text { to '22.24 } \\ 6.0 \% & 7.5 \% & 5.5 \%\end{array}$

| $6.0 \%$ | $7.5 \%$ | $5.5 \%$ |
| ---: | ---: | ---: |
| $11.0 \%$ | $12.5 \%$ | $6.0 \%$ |
| $4.5 \%$ | $13.0 \%$ | $11.5 \%$ |
| $6.5 \%$ | $60 \%$ | $7.0 \%$ |
| $5.0 \%$ | $4.0 \%$ | $6.5 \%$ |


| Cal- <br> endar | Mar.31 | LOANS (\$ mill.) |  |  |  |
| :---: | :---: | :---: | :---: | :---: | ---: |
| Jun.30 | Sep.30 | Dec.31 |  |  |  |
| 2016 | 833319 | 858577 | 873850 | 880989 |  |
| 2017 | 882561 | 895404 | 900222 | 917093 |  |
| 2018 | 921049 | 935164 | 941190 | 971109 |  |
| 2019 | 942712 | 943723 | 945000 | 950000 |  |
| 2020 | 952000 | 953000 | 955000 | 960000 |  |
| Cal- | EARNINGS PER SHARE A |  |  |  | Full |
| endar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Year |
| 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 | 1.98 | 9.00 |
| 2019 | 2.65 | 2.82 | 2.45 | 2.18 | 10.10 |
| 2020 | 2.70 | 2.65 | 2.55 | 2.25 | 10.15 |
| Cal- | QUARTERLY DIVIDENDS PAID Bı | Full |  |  |  |
| endar | Mar.31 | Jun.30 | Sep.30 | Dec. 31 | Year |
| 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 | 2.48 |
| 2019 | .80 | .80 | .80 |  |  |

BUSINESS: JPMorgan Chase \& Co. is a global financial services firm with operations in over 60 nations. On $6 / 30 / 19,4,970$ 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: $.53 \%$ of average loans in '18. On 6/30/19, loan loss
J PMorgan Chase's diversified business mix was evident in the June quarter. Consumer \& Community Banking profits advanced $22 \%$ in the period, helping to offset mid-single-digit profit declines in its other three segments. Investment banking and market activity fell short of the very strong year-earlier levels. Lower asset yields and higher deposit costs compressed margins. Reported share net included $\$ 0.23$ of tax benefits.
The going probably will get more difficult in the next several quarters. Loan growth is apt to remain modest, even if economic activity doesn't slow, due to ongoing sales of mortgage loans, as well as balance-sheet management actions that favor investment securities. Too, in the expectation that the Federal Reserve will reduce interest rates in the second half, J PM organ has lowered its forecast for net interest income in 2019, from $\$ 58$ million to around $\$ 57.5$ million, perhaps less. The company sees opportunities to increase credit card revenue, even if the number of card holders doesn't rise. But investment banking activity seems to have reverted to normal, rather than the 2018 record
reserve, $1.38 \%$ of loans; nonaccrual loans (excluding 90 -day past due), $.55 \%$. Had 254,983 employees on $6 / 30 / 19$. Directors \& officers own less than $1 \%$ of common stock; The Vanguard Group, 7.8\%; BlackRock, 6.5\% (Proxy, 4/19). Chairman \& CEO: James Dimon. Inc.: DE. Address: 383 Madison Ave., NY, NY 10079. Tel.: 212-270-6000. Internet: www.jpmorganchase.com.
levels. On the positive side, credit quality remains sound. And expenditures to build up J PM organ's businesses should level off as old projects are completed and the outlays are redirected to new initiatives.
Including the J une-period tax benefits, we expect J PMorgan to earn $\$ 10.10$ a share in 2019. That assumes a $4 \%$ reduction in our second-half estimates. We also have lowered our share-net call for 2020, from $\$ 10.60$ to $\$ 10.15$, which represents a $3 \%$ increase if one factors out the second-quarter tax benefits.

## Nonetheless, among banks, J PMorgan

 Chase stands out. Its significant market shares in the credit card and investment banking businesses may be hard to replicate. The heavy investment in investment bankers, online offerings, new markets, and the like over the years has created a lot of earning power. Although the timely stock's continued strength discounts much of J PMorgan's long-term earnings prospects, the dividend yield is attractive. The company plans to raise the quarterly payout to $\$ 0.90$ a share, pending board approval.Theresa Brophy
August 9, 2019
(A) Diluted earnings. Quarterly earnings per
continued operations: ' '06, $\$ 0.17$. Excl. ex-
share in '18 do not sum due to rounding. Ex-
traordinary gain: '08, $\$ 0.53$; '09, $\$ 0.02$. Next
on $6 / 30 / 19, \$ 53.3$ bill., $\$ 16.67 /$ sh. (D) In milshare in ' 18 do not sum due to rounding. Ex- traordinary gain: '08, \$0.53; ' $09, \$ 0.02$. Next on $6 / 30$ cludes unusual expenses: '04, $\$ 1.31$; '05,
$\$ 0.57$ earnings report mid-Oct. '17. $\$ 0.56$. Excludes income from dis- $\begin{aligned} & \text { Dividends histori- } \\ & \text { cally paid late Jan., Apr., July, Oct. - Div'd rein- }\end{aligned}$
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Company's Financial Strength
Stock's Price Stability
Price Growth Persistence
Earnings Predictability

