JPMORGAN CHASE NYSE-JPM

RECENT PRICE **35.02** | P/E RATIO **8.3** (Trailing: 7.5 Median: 13.0) | RELATIVE P/E RATIO **0.56** | DIV'D YLD **2.9%** | **VALUE LINE**

TIMELINESS **3** Lowered 10/21/11
SAFETY **3** Lowered 11/21/08
TECHNICAL **3** Lowered 7/8/11
BETA 1.25 (1.00 = Market)

2014-16 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	90	(+155%)	*28%*
Low	60	(+70%)	*17%*

Insider Decisions

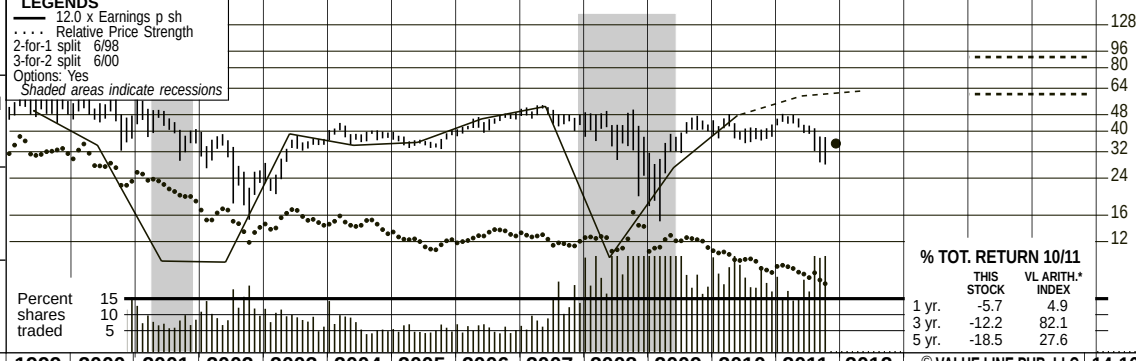
	D	J	F	M	A	M	J	J	A
to Buy	0	1	0	0	0	0	0	1	2
Options	0	7	0	0	0	0	0	1	0
to Sell	0	2	0	0	3	1	0	2	0

Institutional Decisions

	4Q2010	1Q2011	2Q2011
to Buy	776	814	719
to Sell	657	637	720
Hld's(000)	2870597	2940109	2884550

	67.2	57.3	39.7	38.3	43.8	40.6	49.0	53.3	50.6	47.5	48.2	48.4
High:	32.4	29.0	15.3	20.1	34.6	32.9	37.9	40.2	19.7	15.0	35.2	27.8

LEGENDS
12.0 x Earnings p sh
Relative Price Strength
2-for-1 split 6/98
3-for-2 split 6/00
Options: Yes
Shaded areas indicate recessions



% TOT. RETURN 10/11

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-5.7	4.9
3 yr.	-12.2	82.1
5 yr.	-18.5	27.6

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	© VALUE LINE PUB. LLC	14-16
2.02	1.65	2.68	2.82	4.18	2.86	.81	.80	3.24	2.86	2.95	3.82	4.38	.84	2.24	3.96	***4.50***	***4.70***	Earnings per sh [A]	***6.25***
.65	.75	.83	.96	1.09	1.28	1.36	1.36	1.36	1.36	1.36	1.36	1.48	1.52	.20	.20	***1.00***	***1.00***	Div'ds Decl'd per sh [B■]	***1.30***
13.94	14.19	15.84	17.93	18.29	21.17	20.32	20.66	22.10	29.61	30.71	33.45	36.59	36.15	39.88	43.04	***46.65***	***50.85***	Book Value per sh [C]	***65.45***
1305.0	1292.4	1262.9	1272.0	1240.8	1928.5	1973.4	1998.7	2042.6	3556.2	3486.7	3461.7	3367.4	3732.8	3942.0	3910.3	***3800.0***	***3750.0***	Common Shs Outst'g [D]	***3700.0***
- -	15.6	13.1	14.8	12.7	17.2	53.3	36.1	9.7	13.5	12.2	11.5	10.9	47.2	15.8	10.2	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	***12.0***
- -	.98	.76	.77	.72	1.12	2.73	1.97	.55	.71	.65	.62	.58	2.84	1.05	.66			Relative P/E Ratio	***.80***
- -	2.9%	2.4%	2.3%	2.1%	2.6%	3.1%	4.7%	4.3%	3.5%	3.8%	3.1%	3.1%	3.8%	.6%	.5%			Avg Ann'l Div'd Yield	***1.7%***
693575	758800	770912	1157248	1198942	1351520	1562147	2100000	2031989	2117605	***2300000***	***2350000***	Total Assets ($mill)	***2750000***
212920	211014	214995	394794	412058	475848	510140	721734	601856	660661	***670000***	***685000***	Loans ($mill)	***825000***
10802	11526	12337	16761	19831	21242	26406	38779	51152	51001	***47300***	***48500***	Net Interest Inc ($mill)	***58000***
3185.0	4331.0	1540.0	2544.0	3483.0	3270.0	6864.0	20979	32015	16639	***7500***	***8500***	Loan Loss Prov'n ($mill)	***12000***
18248	18088	20919	26336	34702	40195	44966	28473	49282	51693	***52000***	***51000***	Noninterest Inc ($mill)	***58000***
23299	22764	21688	29294	35549	38281	41703	43500	52352	61196	***64000***	***63000***	Noninterest Exp ($mill)	***68000***
1719.0	1663.0	6719.0	8211.0	10521	13649	15365	3699.0	11652	17370	***19175***	***19325***	Net Profit ($mill)	***24800***
33.0%	34.0%	33.0%	27.1%	32.1%	31.4%	32.6%	- -	27.5%	30.1%	***30.5%***	***31.0%***	Income Tax Rate	***32.0%***
.25%	.22%	.87%	.71%	.88%	1.01%	.98%	.18%	.57%	.82%	***.85%***	***.80%***	Return on Total Assets	***.90%***
44172	45190	54782	105718	162083	161814	199010	270683	266318	247669	***270000***	***280000***	Long-Term Debt ($mill)	***350000***
41099	42306	46154	105653	107211	115790	123221	166884	165365	176106	***185000***	***198500***	Shr. Equity ($mill)	***250000***
5.9%	5.6%	6.0%	9.1%	8.9%	8.6%	7.9%	7.9%	8.1%	8.3%	***8.0%***	***8.5%***	Shr. Eq. to Total Assets	***9.0%***
30.7%	27.8%	27.9%	34.1%	34.4%	35.2%	32.7%	34.4%	29.6%	31.2%	***29.0%***	***29.0%***	Loans to Tot Assets	***30.0%***
4.2%	3.9%	14.6%	7.8%	9.8%	11.8%	12.5%	2.2%	7.0%	9.9%	***10.5%***	***9.5%***	Return on Shr. Equity	***10.0%***
NMF	NMF	8.5%	4.1%	5.3%	7.6%	8.3%	NMF	6.0%	9.4%	***8.5%***	***8.0%***	Retained to Com Eq	***8.0%***
NMF	NMF	43%	48%	46%	36%	34%	NMF	18%	9%	***24%***	***23%***	All Div'ds to Net Prof	***22%***

CAPITAL STRUCTURE as of 9/30/11

LT Debt $273.7 bill. **Due in 5 Yrs** $160.6 bill.
LT Interest $6.0 bill.
LT Debt incl. $19.1 bill. junior subordinated deferrable interest debentures held by trusts that guaranteed capital securities
Pension Assets-12/10 $13.5 bill. **Oblig.** $10.9 bill.

Pfd Stock $7.8 bill. **Pfd Div'd** $628 mill.

Common Stock 3,798,900,000 shares

MARKET CAP: $133 bill. (Large Cap)

ASSETS($mill.)	2009	2010	9/30/11
Loans	601856	660661	668503
Funds Sold	195404	222554	248042
Securities	891148	929815	932441
Other Earning	63230	21673	128877
Other	280351	282902	311377
LIABILITIES($mill.)			
Deposits	938367	930369	1092708
Funds Borrowed	358947	369316	318976
Long-Term Debt	266318	247669	273688
Net Worth	165365	176106	182287
Other	302992	394145	421581
Total	2031989	2117605	2289240
Loan Loss Resrv.	31602	342266	28350

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '08-'10 to '14-'16
Loans	3.0%	9.0%	*4.0%*
Earnings	-3.5%	-5.0%	*18.0%*
Dividends	-5.5%	-14.0%	*12.5%*
Book Value	7.5%	7.5%	*8.5%*
Total Assets	5.0%	9.0%	*5.5%*

Calendar	LOANS ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31
2008	525310	524783	742329	721734
2009	680862	651529	622511	601856
2010	675613	663647	656370	660661
2011	656246	661216	668503	***670000***
2012	***672000***	***676000***	***681000***	***685000***

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.68	.54	d.06	d.28	.84
2009	.40	.28	.80	.74	2.24
2010	.74	1.09	1.01	1.12	3.96
2011	1.28	1.27	1.02	***.93***	***4.50***
2012	***1.00***	***1.10***	***1.25***	***1.35***	***4.70***

Calendar	QUARTERLY DIVIDENDS PAID [B■] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2007	.34	.34	.38	.38	1.44
2008	.38	.38	.38	.38	1.52
2009	.38	.05	.05	.05	.53
2010	.05	.05	.05	.05	.20
2011	.05	.25	.25	.25	

BUSINESS: JPMorgan Chase & Co. is a global financial services firm with operations in over 60 nations. On 3/31/11, 5,292 offices. Merged with Washington Mutual, 9/08; Bank One, 7/04; Chase Manhattan, 12/00. Operations incl. investment bkg., treasury & securities serv., asset mgmt., commercial bkg., retail fin'l serv., card services, and private equity investment. Net loan losses: 3.81% of avg. loans in '10. On 9/30/11, loan loss reserve, 4.07% of loans; nonperforming assets (excl. 90-day past due), 1.75%. Had 239,831 full-time equivalent employees 12/31/10. Directors & officers own less than 1% of common; BlackRock, 5.52% (proxy, 2/28/11). Chairman & CEO: J. Dimon. Inc.: DE. Address: 270 Park Ave., NY, NY 10017. Tel.: 212-270-6000. Internet: www.jpmorganchase.com.

JPMorgan came close to breaking its two-year string of improving year-to-year quarterly share-net comparisons in the September interim, when earnings of $1.02 a share beat results in the year-earlier period by just a penny.

As expected, investment banking and trading revenue fell sharply, reflecting unfavorable market conditions. Recall that in recent years, strength in the investment banking business, along with reductions in loan loss reserves, offset much of the weakness in other areas. But there were some positive trends in the quarter, like strong credit card sales volume and business loan growth. Expenses rose, including higher litigation and card marketing costs. Although net income slipped 4% from the comparable period of 2010, JPM repurchased $4.4 billion of common stock in the quarter, which lifted share net slightly.

Weak revenue prospects have caused us to reduce our share-net estimates for 2011 and 2012 by $0.40 and $0.50, respectively. Management doesn't look for much improvement in investment banking market conditions in the December quarter, and it cautions that declines in asset values might pressure asset management revenues. Further spread compression in the current low-interest-rate environment may also hurt net interest income. And it will take time to offset the expected annual loss of $1 billion of debit card revenue as the result of new rules that went into effect on October 1st.

Too, foreclosure and mortgage repurchase costs are likely to stay high in the new year, as will the costs of dealing with regulatory issues. The company also may be more cautious on releasing loan loss reserves in 2012 than in 2011, and stock repurchases may not be as large.

The stock has good recovery potential to mid-decade, but may remain sensitive to economic and political developments in Europe in the near term. As if the aforementioned earnings pressures weren't enough, JPM had $15.1 billion of securities and loans to five troubled euro-zone nations on September 29th, with 85% to Italy and Spain, and very little to Greece. The situation may take a while to resolve. Meantime, conservative investors may want to stay on the sidelines.

Theresa Brophy *November 18, 2011*

(A) Chase Manhattan only prior to '00. Diluted earnings. Quarterly earnings per share in '08, &'09 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. Next earnings report mid-Jan. **(B)** Dividends historically paid late Jan., Apr., July, Oct. ■ Div'd reinvestment plan available. **(C)** Incl. intangibles: on 9/30/11, $59.4 bill., $15.64/sh. **(D)** In millions, adjusted for stock splits.

Company's Financial Strength	A
Stock's Price Stability	45
Price Growth Persistence	55
Earnings Predictability	35

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