

JPMORGAN CHASE & CO. - CONSOLIDATED EQUITY RESEARCH REPORT

Executive Summary:

JPMorgan Chase & Co. (JPM) delivered a robust Q3 2023 performance with a net income of \$13.2 billion (\$4.33 per share), showcasing an impressive 18% Return on Equity (ROE) and 22% Return on Tangible Common Equity (ROTCE). The diversified business model spanning Consumer & Community Banking (CCB), Corporate & Investment Bank (CIB), Commercial Banking (CB), and Asset & Wealth Management (AWM) has been instrumental in this success. While resilience is evident across segments, there are lingering concerns about potential economic challenges and geopolitical uncertainties.

Business Segments:

1. Consumer & Community Banking (CCB):

- ROE: 41%
- Growth in deposits, investments, loans, and mobile customers.

2. Corporate & Investment Bank (CIB):

- ROE: 11%
- #1 in Global Investment Banking fees.
- Total Markets revenue: \$6.6 billion.

3. Commercial Banking (CB):

- ROE: 25%
- Gross Investment Banking and Markets revenue: \$821 million.

4. Asset & Wealth Management (AWM):

- ROE: 32%
- Assets under Management (AUM) growth to \$3.2 trillion.

Earnings Per Share Data (Q3 2023):

- Basic EPS: \$4.33 (9% QoQ decrease)
- Diluted EPS: \$4.33 (9% QoQ decrease)

Market and Per Common Share Data (Q3 2023):

- Market Cap: \$419.25 billion (1% increase)
- Book Value Per Share: \$100.30 (15% increase)
- Tangible Book Value Per Share (TBVPS): \$82.04 (17% increase)
- Dividends Per Share: \$1.05 (5% increase)

Financial Ratios (Q3 2023):

- ROE: 18%
- ROTCE: 22%
- Return on Assets: 1.36%
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Capital Ratios (Q3 2023):

- CET1 Capital Ratio: 14.3%
- Tier 1 Capital Ratio: 15.9%
- Total Capital Ratio: 17.8%

Management Comments:

Jamie Dimon acknowledges solid results and cautions about risks like inflation and geopolitical events.

Outlook and Recommendation:

JPM is well-positioned but faces economic uncertainties. A cautious "Hold" recommendation is suggested, pending further analysis.

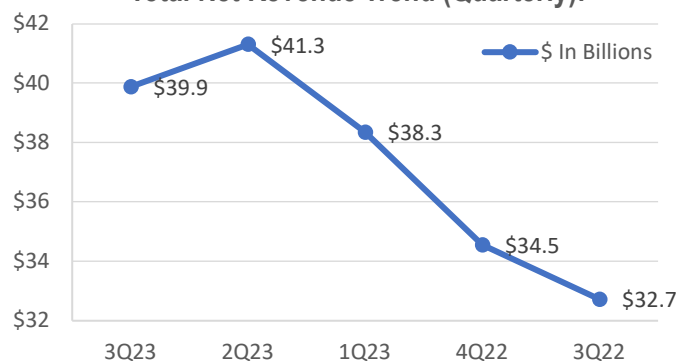
Capital Distribution

- Common dividend: \$3.1 billion or \$1.05 per share.
- Common stock net repurchases: \$2.0 billion.

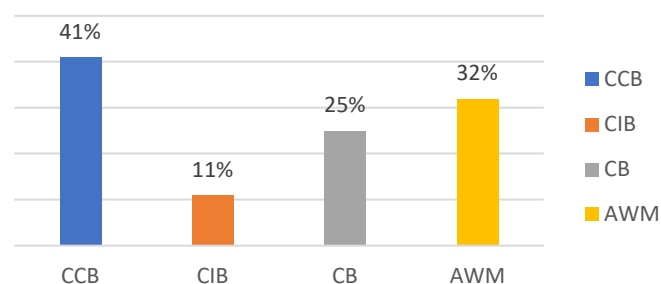
Fortress Principles

- Book value per share: \$100.30 (up 15%); Tangible book value per share: \$82.04 (up 17%)

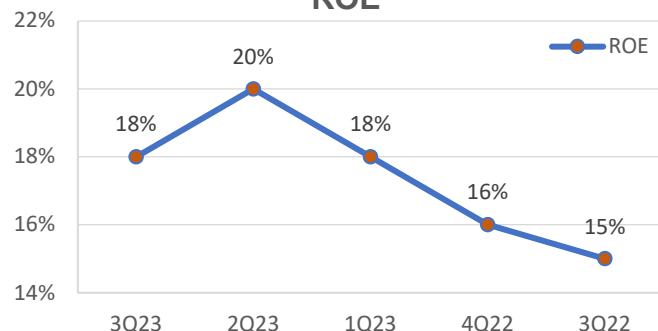
Total Net Revenue Trend (Quarterly):



ROE by Business Segments in Q3 2023



ROE



Operating Leverage

- 3Q23 expense: \$21.8 billion; reported overhead ratio of 55% managed overhead ratio of 53%.

Support to Consumers, Businesses & Communities:

- \$1.7 trillion of credit and capital raised YTD.

Comparison with Previous Quarters

- Net revenue reported at \$39.9 billion, down 3% QoQ.
- Net income down 9% QoQ.

Corporate Segment:

- Net revenue down 58% YoY, driven by investment securities losses.

Analysis:

- Strong performance across segments, with notable growth in loans, deposits, and assets under management.
- Concerns about potential economic challenges, inflation, and geopolitical uncertainties.
- Emphasis on adaptability to regulatory changes and maintaining a strong financial position.

Appendix:

Detailed financial tables, charts, and additional supporting information in the appendix

Earnings Per Share Trend (Quarterly):

