JPMorgan Chase & Co.

Recommendation	Price	12-Mo. Target Price	Report Currency	Investment Style
BUY ★★★★★	USD 143.00 (as of market close Nov 03, 2023)	USD 175.00	USD	Large-Cap Value

Equity Analyst Kenneth Leon

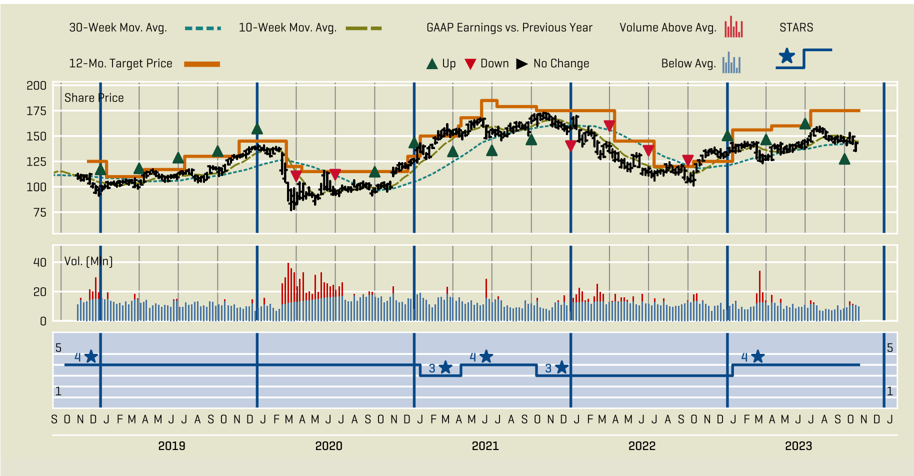
GICS Sector Financials
Sub-Industry Diversified Banks

Summary JPMorgan Chase is one of the largest global financial services companies, with nearly $3.7 trillion in assets & operations around the globe as of December 31, 2022.

Key Stock Statistics (Source: CFRA, S&P Global Market Intelligence (SPGMI), Company Reports)

52-Wk Range	**USD 159.38 - 123.11**	Oper.EPS2023**E**	**USD 17.00**	Market Capitalization[B]	**USD 408.85**	Beta	**1.08**
Trailing 12-Month EPS	**USD 16.75**	Oper.EPS2024**E**	**USD 15.95**	Yield [%]	**2.97**	3-yr Proj. EPS CAGR[%]	**3**
Trailing 12-Month P/E	**8.54**	P/E on Oper.EPS2023**E**	**8.41**	Dividend Rate/Share	**USD 4.2**	SPGMI's Quality Ranking	**A-**
USD 10K Invested 5 Yrs Ago	**15,355.0**	Common Shares Outstg.[M]	**2,891.00**	Trailing 12-Month Dividend	**USD 4.05**	Institutional Ownership [%]	**71.0**

Price Performance



Source: CFRA, S&P Global Market Intelligence
Past performance is not an indication of future performance and should not be relied upon as such.
Analysis prepared by **Kenneth Leon** on Oct 16, 2023 01:47 AM ET, when the stock traded at **USD 148.00**.

Highlights

- We forecast $158.0B revenue in 2023 and $157.0B in 2024, versus $128.7B in 2022, with higher rates and loan volume benefiting net interest income (NII), and the purchase of First Republic Bank. We think consumer spending and commercial loan balances remain healthy. Credit card spending does not show signs of recession, but JPM did add to loan loss reserves.
- Consumer net revenue was +29%, with banking/wealth management +43%, home lending +36%, and card services and auto +7%. Commercial banking revenue was +32%, with middle markets +37%, gaining market share, and corporate client banking +15%. Investment banking fees realized M&A advisory -2%, equity underwriting -6%, and debt underwriting +8%. Fixed income trading was +1% Y/Y, equity markets -10%, and security services +9%.
- NII rose 30% Y/Y with wider interest rate spread to 2.00% vs. 1.79% and higher total loan growth (+17%) but lower total deposits (-4%). NII was driven by total interest-earning assets at 5.32% and total interest-bearing liabilities at 3.32%. In Q3 2023, total allowance for credit losses was down $132M Q/Q to $24.14B. Largest areas for allowances were credit card ($11.9B), wholesale loans ($8.2B), and other consumer loans ($1.9B).

Investment Rationale/Risk

- We are seeing results underscoring that JPM is not only the largest global bank but also leading peers in most businesses. JPM realized an 18% ROE in Q3 2023 versus 15% a year ago. We are positive on JPM's purchase of the FDIC-closed First Republic Bank. JPM received about $92B of deposits (3.7% of JPM's total deposits) and $30B of securities. Unlike JPM's acquisitions of Bear Stearns and Washington Mutual in 2008, JPM is buying a "clean bank" from the FDIC. We think JPM gains potential wallet share with venture capital and technology clients.
- Macro risks are global recession, slower corporate borrowing, and weak consumer loan demand.
- On October 13, we kept our $175 target, forward P/E of 11x, below the 3-year historic average at 12.3x. We increased our 2023 EPS estimate by $0.75 to $17.00 and 2024's by $0.40 to $15.95. We think JPM is executing across most businesses despite headwinds in investment banking. JPM estimates that there is $500M of earnings accretion from the purchase of the closed bank. FDIC signed with JPM a loss share agreement covering residential mortgage loans and commercial loans. Our review of loan credit quality and loan losses suggest JPM has ample reserves to a recession.

Analyst's Risk Assessment

LOW | MEDIUM | HIGH

Our risk assessment reflects our view of the bank's strong balance sheet, diversified lines of business, and strong capital ratios. JPM's geographic and product diversity provide significant protection from a local or regional downturn. The bank does have exposure to economic weakness, interest rate volatility, and weaker loan demand from both consumer and commercial customers. Investment banking and markets trading are both cyclical businesses whereby it is difficult to forecast with geopolitical, monetary, and interest rate risks. We think a shallow and perhaps short recession would not hurt the U.S. banking industry.

Revenue/Earnings Data

Revenue (Million USD)

	1Q	2Q	3Q	4Q	Year
2024	--	--	--	--	**E** 157,000
2023	36,074	35,708	38,390	--	**E** 158,000
2022	30,717	30,715	32,716	34,547	128,695
2021	32,266	30,479	29,647	29,257	121,649
2020	28,192	32,980	29,147	29,224	119,543
2019	27,581	27,598	27,827	26,903	110,041

Earnings Per Share (USD)

	1Q	2Q	3Q	4Q	Year
2024	**E** 4.10	**E** 4.00	**E** 3.90	**E** 3.95	**E** 15.95
2023	4.10	4.75	4.33	**E** 3.82	**E** 17.00
2022	2.63	2.76	3.13	3.57	12.09
2021	4.59	3.78	3.55	2.86	14.78
2020	0.78	1.38	2.93	3.79	8.88
2019	2.65	2.82	2.68	2.57	10.72

Fiscal Year ended Dec 31. EPS Estimates based on CFRA's Operating Earnings; historical earnings are adjusted. In periods where a different currency has been reported, this has been adjusted to match the current quoted currency.

Dividend Data

Amount (USD)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
1.0500	Sep 19	Oct 05	Oct 06	Oct 31 '23
1.0000	May 15	Jul 05	Jul 06	Jul 31 '23
1.0000	Mar 21	Apr 05	Apr 06	Apr 30 '23
1.0000	Dec 13	Jan 05	Jan 06	Jan 31 '23

Dividends have been paid since 1971 . Source: Company reports
Past performance is not an indication of future performance and should not be relied as such.
Forecasts are not a reliable indicator of future performance.
Dividends paid in currencies other than the Trading currency have been accordingly converted for display purposes.

JPMorgan Chase & Co.

Business Summary Oct 16, 2023

CORPORATE OVERVIEW. JPM is one of the world's leading investment banks, with clients consisting of corporations, financial institutions, governments, and institutional investors worldwide. Its products and services include advising on corporate strategy and structure, equity and debt capital raising, sophisticated risk management, research, market making in cash securities and derivative instruments, and prime brokerage and research.

Corporate and Investment Banking offers a broad suite of investment banking, market-making, prime brokerage, treasury, and securities products and services to a global client base of corporations, investors, financial institutions, government, and municipal entities. This reporting segment provides a full range of products and services related to advising on corporate strategy and structure, capital-raising in equity and debt markets, as well as loan origination and syndication. This segment also includes Treasury Services, which provides transaction services consisting of cash management and liquidity solutions. Besides Treasury Services, another area of high recurring revenue is Markets & Investor Services for cash securities and derivative instruments, which complements its prime brokerage unit.

Commercial Banking provides lending, treasury services, investment banking, and investment management services to corporations, municipalities, financial institutions, and not-for-profit entities. Treasury Securities Services offers transaction, investment, and information services to support the needs of corporations, issuers, and institutional investors worldwide.

Asset and Wealth Management (AWM) provides investment management to retail and institutional investors, financial intermediaries, and high-net-worth families and individuals globally. AWM clients include institutions, high-net-worth individuals, and retail investors in major markets throughout the world. AWM offers investment management across most major asset classes, including equities, fixed income, alternatives, and money market funds. AWM also offers multi-asset investment management, providing solutions for a broad range of clients' investment needs. For Wealth Management clients, AWM also provides retirement products and services, brokerage, and banking services, including trusts and estates, loans, mortgages, and deposits.

Consumer & Community Banking (CCB) offers services to consumers and businesses through bank branches, ATMs, digital (including mobile and online), and telephone banking. CCB is organized into Consumer & Business Banking (including Consumer Banking/Chase Wealth Management and Business Banking), Home Lending (including Home Lending Servicing, and Real Estate Portfolios), and Card, Merchant Services, and Auto. Consumer & Business Banking offers deposit and investment products and services to consumers, and lending, deposit, and cash management and payment solutions to small businesses. Home Lending includes mortgage origination and servicing activities, as well as portfolios consisting of residential mortgages and home equity loans.

IMPACT OF MAJOR DEVELOPMENTS. In September 2008, JPM purchased all the assets and certain liabilities of Washington Mutual from the FDIC for $1.9 billion. The acquisition significantly expanded JPM's footprint, particularly in California. Earlier, JPM acquired Bear Stearns in a stock-for-stock exchange, completed in May 2008.

On May 1, 2023, JPM agreed to purchase from the FDIC the majority of the assets of First Republic Bank, $92 billion of total deposits including $30 billion of large bank deposits put there in April, and certain other liabilities. Key terms of the transactions are receiving most of First Republic Bank's assets including $173 billion of loans and $30 billion of securities. As noted, FDIC is providing JPM with a loss share agreement covered acquired single-family residential mortgage loans and commercial loans as well as $50 billion of five-year, fixed-rate term financing. We think this is a clean deal because JPM is not assuming the corporate debt or preferred stock for this bankrupt bank. All of the legacy First Republic branches opened on May 1 as JPMorgan Chase banks. JPM expects to book a one-time $2.6 billion post-tax gain that does not reflect $2.0 billion of post-tax restructuring costs anticipated in the next 18 months. The deal could be accretive to JPM earnings for $500 million.

LEGAL/REGULATORY ISSUES. The Bank Holding Company Act generally restricts JPM and other banks from engaging in business activities other than the business of banking and certain closely related activities. Financial holding companies generally can engage in a broader range of financial activities that are otherwise permissible for BHCs, including underwriting, dealing and making markets in securities, and making merchant banking investments in non-financial companies.

FINANCIAL TRENDS. As of December 31, 2022, JPM's tangible book value per share was $73.12, up 2.0% from a year ago, and its Basel III common equity Tier I capital was 13.2% versus 13.1%. In 2022, JPM's total gross loans to total deposits was 48% compared to 44% in 2021. We think loan activity is likely to grow moderately in 2023 with rising rates and increased commercial demand for capital plans and consumer loans picking up with reduced savings.

Regarding 2023 forward guidance, management expects NII, excluding Markets, to be roughly $88.5 billion in 2023 versus $66.7 billion in 2022. We are assuming one more rate hike in 2023 by the Federal Reserve Bank and a yield curve that may be leveling off during 2024. Higher NII is a positive that also depends on loan volume and loan balances outstanding. On adjusted noninterest expense, JPM is forecasting a $3 billion increase to $84 billion in 2023 related to impact from inflation on compensation expense, higher technology costs, and other operating costs. There was no other changes in financial guidance. JPM thinks inflation will come down but could either be stickier than most people think, or the rate curve may go up a little bit. There is going to be some credit tightening in areas like commercial real estate loans, where the majority of JPM's loan book is multi-family lending, not office buildings.

Corporate information

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Officers

Executive VP & General Counsel
S. Friedman

MD, Firmwide Controller & Principal Accounting Officer
E. A. Korablina

Executive VP & CFO
J. Barnum

Chairman & CEO
J. Dimon

President & COO
D. E. Pinto

Board Members

A. B. Davis
A. Gorsky
D. Li
J. Dimon
L. B. Bammann
M. A. Neal
M. L. Hobson
P. N. Novakovic
S. B. Burke
T. A. Combs
T. P. Flynn
V. M. Rometty

Domicile
Delaware

Founded
1799

Employees
308,669

Stockholders
203,141

Auditor
PricewaterhouseCoopers LLP

JPMorgan Chase & Co.

Quantitative Evaluations

Fair Value Rank

1	2	3	4	5

LOWEST — HIGHEST

Based on CFRA's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).

Fair Value Calculation — **USD 70.71** — Analysis of the stock's current worth, based on CFRA's proprietary quantitative model suggests that JPM is overvalued by USD 72.29 or 50.55%

Volatility — LOW | AVERAGE | HIGH

Technical Evaluation — **BEARISH** — Since August, 2023, the technical indicators for JPM have been BEARISH"

Insider Activity — UNFAVORABLE | NEUTRAL | FAVORABLE

Expanded Ratio Analysis

	2022	2021	2020	2019
Price/Sales	3.26	3.66	3.83	4.09
Price/Pretax Income	8.63	8.05	10.95	10.04
P/E Ratio	11.09	10.35	14.98	13.00
Avg. Diluted Shares Outstg. (M)	2,970.00	3,026.60	3,087.40	3,230.40

Figures based on fiscal year-end price

Key Growth Rates and Averages

Past Growth Rate (%)	**1 Year**	**3 Years**	**5 Years**
Net Income	NM	1.13	9.04
Ratio Analysis (Annual Avg.)			
Net Interest Margin (%)	2.00	1.87	2.12
Return on Assets (%)	1.02	1.11	1.19
Loan Loss Reserve (%)	1.67	1.94	1.69
Return on Equity (%)	12.85	13.49	13.45

Company Financials Fiscal year ending Dec 31

Per Share Data (USD)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Tangible Book Value	72.27	70.68	65.30	60.22	55.64	52.93	50.54	47.27	43.84	40.03
Earnings	12.09	15.36	8.88	10.72	9.00	6.31	6.19	6.00	5.29	4.34
Earnings (Normalized)	12.09	15.30	8.48	10.72	9.00	6.87	6.06	6.00	5.29	5.70
Dividends	4.00	3.80	3.60	3.40	2.72	2.12	1.88	1.72	1.58	1.44
Payout Ratio (%)	36.00	26.60	43.56	33.88	31.13	36.79	34.27	32.21	32.15	33.86
Prices: High	169.81	172.96	141.10	140.08	119.33	108.46	87.39	70.61	63.49	58.55
Prices: Low	101.28	123.77	76.91	95.94	91.11	81.64	52.50	50.07	52.97	43.05
P/E Ratio: High	14.00	11.30	16.60	13.10	13.30	15.80	14.40	11.80	12.00	10.30
P/E Ratio: Low	8.40	8.10	9.10	8.90	10.10	11.90	8.70	8.30	10.00	7.60
Income Statement Analysis (Million USD)										
Net Interest Income	66,710	52,311	54,563	57,245	55,059	50,097	46,083	43,510	43,634	43,319
Non Interest Income	61,985	69,331	65,388	58,474	53,556	49,938	50,486	49,519	51,478	54,048
Loan Loss Provision	6,389	-9,256	17,480	5,585	4,871	5,290	5,361	3,827	3,139	225.00
% Expense/Operating Revenue	62.00	54.20	64.00	59.00	60.60	62.80	62.50	62.80	63.50	61.10
Pretax Income	46,166	59,562	35,815	44,866	40,764	35,900	34,536	30,702	30,699	26,675
Effective Tax Rate	18.40	18.90	18.70	18.80	20.30	31.90	28.40	20.40	29.20	32.90
Net Income	37,676	48,334	29,131	36,431	32,474	24,441	24,733	24,442	21,745	17,886
Net Income (Normalized)	29,020	37,493	23,081	28,191	25,523	22,013	21,387	20,724	20,989	23,636
% Net Interest Margin	2.00	1.64	1.98	2.46	2.52	2.37	2.25	2.14	2.18	2.23
Balance Sheet and Other Financial Data (Million USD)										
Investment Securities	747,449	748,249	655,375	491,167	480,802	335,829	770,279	710,439	883,925	745,433
Total Loans	1,180,961	1,128,707	1,052,754	1,024,460	1,003,144	954,145	892,137	835,653	750,119	728,088
Total Assets	3,665,743	3,743,567	3,384,757	2,687,379	2,622,532	2,533,600	2,490,972	2,351,698	2,572,274	2,415,689
Non Perform Assets/Total Assets	0.20	0.22	0.32	0.19	0.20	0.25	0.30	0.30	0.31	0.40
Common Equity	264,928	259,289	249,291	234,337	230,447	229,625	228,122	221,505	211,664	200,020
% Return on Assets	1.02	1.36	0.96	1.37	1.26	0.97	1.02	0.99	0.87	0.75
% Return on Equity	12.80	16.90	10.80	14.10	12.70	9.60	9.90	10.20	9.80	8.60

Source: S&P Global Market Intelligence. Data may be preliminary or restated; before results of discontinued operations/special items. Per share data adjusted for stock dividends; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

JPMorgan Chase & Co.

Sub-Industry Outlook

We have a positive outlook on the diversified banks sub-industry, as we expect consumer and commercial loan activity to moderate but remain positive. Bank stocks are cyclical, and we see all banks affected by a slowing economy and market uncertainty, but no recession. Banks successfully handled credit risks, and we think loan loss reserves are reverting to normalized levels.

The U.S. economy is likely to be a key driver to bank performance in 2023, and the Ukraine-Russia war creates extended uncertainty for global banks. Unlike most industries, banks benefit from the Federal Reserve's rate rise regime with higher net interest income. Banks may realize wider spreads and net interest margins (NIMs). Risks to NIMs are higher deposit costs that narrow asset to liability spreads.

Consumer loans for all commercial banks continue to rise with the last reported data showing $1,895 billion in activity as of September 13, 2023, compared to $1,800 billion a year ago, or $1,600 billion at the beginning of the pandemic in February 2020. Regarding demand for consumer loans, banks reported weaker demand for auto, mortgage, personal, and credit card loans in 2022, with mixed results in 2023 as credit card loan volumes lead the way.

In March 2023, Fed watching took a dramatic turn away from monetary policy to the financial stability of the U.S. banking system. As such, the Fed's Supervision and Regulation organization released its findings on the failures of Silicon Valley Bank and Signature Bank in late April 2023. In addition, Vice Chairman Michael Barr has been steadfast in increasing the Fed's supervision for banks. A July 2023 speech by Mr. Barr points to raising the capital buffers for banks with $100 billion or more in total assets versus the current $250 billion threshold. He believes credit risk is directly tied to liquidity risk, thus both areas have to be better regulated.

Return of capital from the Fed's Dodd Frank Stress Test results helps large banks keep a higher capital buffer. Any changes to the stress test are likely to be complementary to the changes in the risk-based capital framework to reflect credit, trading, and operational risk. There are likely to be changes to the supplementary leverage ratio (SLR), the global systemically important bank (G-SIB) surcharge, and/or the countercyclical capital buffer (CCB) cited in the July speech, called the "Holistic Capital Review."

During the September 19-20, 2023 FOMC meeting, the Fed decided to maintain the target range for the federal funds rate at 5.25%-5.50%. Monthly quantitative tightening (QT) of the Fed's balance sheet, with $35 billion in mortgage-backed securities and $60 billion in U.S. Treasury bonds began in June 2022. QT is part of the Fed's monetary policy to return inflation to its 2.0% mandate. Many Fed observers see a rate increase at the next FOMC session to be held October 31 to November 1.

To date, we think the U.S. economy has remained strong with no signs of a sharp contraction in credit that would significantly slow economic activity. We believe strong balance sheets for households and businesses and the growing role of non-banks as sources of credit suggest the Fed's monetary policy may have smaller effects on the U.S. economy.

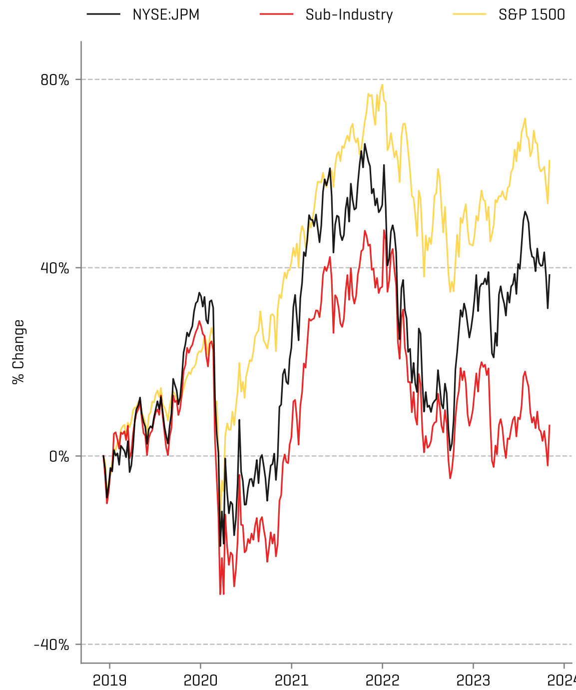
Year-to-date as of September 22, 2023, the S&P Diversified Banks Index has underperformed, declining 3.7% versus a 12.5% increase for the S&P 500 Index. In 2022, the S&P Diversified Banks Index declined 19.3% versus a 19.4% drop for the S&P 500 Index.

/ Kenneth Leon

Industry Performance

GICS Sector: Financials
Sub-Industry: Diversified Banks

Based on S&P 1500 Indexes
Five-Year market price performance through Nov 04, 2023



NOTE: A sector chart appears when the sub-industry does not have sufficient historical index data.

All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS).

Past performance is not an indication of future performance and should not be relied upon as such.

Source: CFRA, S&P Global Market Intelligence

Sub-Industry: Diversified Banks Peer Group*: Diversified Banks

Peer Group	Stock Symbol	Exchange	Currency	Recent Stock Price	Stk. Mkt. Cap. (M)	30-Day Price Chg. (%)	1-Year Price Chg. (%)	P/E Ratio	Fair Value Calc.	Yield (%)	Return on Equity (%)	LTD to Cap (%)
JPMorgan Chase & Co.	**JPM**	**NYSE**	**USD**	**141.42**	**408,846.0**	**-0.9**	**11.4**	**8.0**	**70.71**	**3.0**	**16.9**	**N/A**
Bank of America Corporation	BAC	NYSE	USD	27.62	218,577.0	6.6	-23.5	8.0	32.10	3.5	11.0	N/A
Bank of Montreal	BMO	NYSE	USD	78.57	56,240.0	-1.9	-13.8	9.0	72.46	5.4	10.3	N/A
Citigroup Inc.	C	NYSE	USD	41.35	79,628.0	3.7	-9.2	7.0	20.68	5.1	6.7	N/A
HSBC Holdings plc	HSBC	NYSE	USD	37.02	141,038.0	-5.8	41.8	21.0	N/A	5.3	15.7	N/A
Royal Bank of Canada	RY	NYSE	USD	83.56	116,281.0	1.3	-8.9	10.0	76.56	4.7	13.5	N/A
The Bank of Nova Scotia	BNS	NYSE	USD	42.87	51,467.0	1.1	-10.3	8.0	40.48	7.3	10.9	N/A
The PNC Financial Services Group, Inc.	PNC	NYSE	USD	119.85	47,731.0	0.1	-24.5	8.0	196.10	5.2	13.1	N/A
The Toronto-Dominion Bank	TD	NYSE	USD	58.08	103,960.0	-0.0	-8.6	10.0	54.11	4.8	13.5	N/A
U.S. Bancorp	USB	NYSE	USD	34.34	53,466.0	9.6	-17.8	10.0	26.24	5.6	10.9	N/A
Wells Fargo & Company	WFC	NYSE	USD	40.51	147,118.0	4.8	-13.6	7.0	49.12	3.5	9.9	N/A

*For Peer Groups with more than 10 companies or stocks, selection of issues is based on market capitalization.
NA-Not Available; NM-Not Meaningful.
Note: Peers are selected based on Global Industry Classification Standards and market capitalization. The peer group list includes companies with similar characteristics, but may not include all the companies within the same industry and/or that engage in the same line of business.

JPMorgan Chase & Co.

Analyst Research Notes and other Company News

October 13, 2023
09:52 AM ET... CFRA Keeps Buy Rating on Shares of JPMorgan Chase & Co. (JPM 145.81****):
Despite no lift from investment banking fee income, JPM is executing across most businesses with 18% ROE. We keep our $175 target, a forward P/E of 11x, below the three-year historic average at 12.3x. We increase our 2023 EPS estimate by $0.75 to $17.00 and 2024's by $0.40 to $15.95. Loan growth remains critical to net interest income (NII) and non-interest income in 2023-2024, assuming economic growth. NII rose 30% Y/Y, with a rise in interest rate spread to 2.00% vs. 1.79% Y/Y (1.97% Q/Q) and total loans +17% Y/Y, while deposit-related fees were -4%. Consumer net revenue was +29%, with banking/wealth management +43%, home lending +36%, and card services and auto +7%. Commercial banking revenue was +32%, with middle markets +37% (gaining market share), corporate client banking +15%, and commercial real estate +48%. Investment banking fees were -2% Y/Y, with M&A advisory -10%, equity underwriting -6%, and debt underwriting +8%. Fixed income trading was +1% Y/Y, equity markets -10%, and security services +9%. / Kenneth Leon

July 14, 2023
09:35 AM ET... CFRA Reiterates Buy Opinion on Shares of JPMorgan Chase & Co. (JPM 148.87****):
We raise our 12-month target by $15 to $175 using a forward P/E of 10.8x our 2023 earnings estimate, below the three-year historic average at 12.3x. We think JPM is executing across most businesses despite headwinds in investment banking. We increase our 2023 EPS estimate by $2.75 to $16.25 and 2024's by $1.85 to $15.55. Loan growth can benefit both net interest income (NII) and non-interest income in 2023-2024, assuming economic growth. NII rose 44% Y/Y, with a rise in interest rate spread to 1.97% vs. 1.68% and total loans +19%, while deposit-related fees were -3%. Consumer net revenue was +37%, with banking/wealth management +68%, home lending +1%, and card services and auto +5%. Commercial banking revenue was +48%, with middle markets +64%, gaining market share, and corporate client banking +33%. Investment banking fees realized M&A advisory -12%, equity underwriting +12%, and debt underwriting -22%. Fixed income trading was +3% Y/Y, equity markets -20%, and security services +6%. ROE was 20% vs. 13%. / Kenneth Leon

May 01, 2023
09:46 AM ET... CFRA Reiterates Buy Rating on Shares of JPMorgan Chase & Co. (JPM 138.24****):
We are positive on JPM's purchase of the FDIC-closed First Republic Bank. JPM will receive $103.9B of deposits (only 4.2% of JPM's total deposits) and $30B of securities. Unlike JPM's acquisitions of Bear Stearns and Washington Mutual in 2008, JPM says it is buying a "clean bank" from the FDIC. JPM conservatively estimates that there is $500M of earnings accretion from the purchase of the closed bank. Therefore, we think there is upside potential to our current earnings estimates of $13.50 in 2023 and $13.70 in 2024. We will wait to digest more details about the transaction before we revise our earnings estimates. While many top producing advisors have left First Republic already, we believe JPM is getting a high quality pool of advisors and clients for its own wealth management franchise. We also think JPM gains potential wallet share with venture capital and technology clients in northern CA. More review is needed in evaluating the quality of the $229.1B assets that JPM is getting in this deal. / Kenneth Leon

April 14, 2023
09:47 AM ET... CFRA Reiterates Buy Opinion on Shares of JPMorgan Chase & Co. (JPM 128.99****):
We raise our target price by $4 to $160 on forward P/E of 11.9x our 2023 EPS, below the five-year historic average of 12.1x. We raise our 2023 EPS by $0.70 to $13.50 and leave 2024's at $13.70. JPM posts Q1 2023 EPS of $4.10, $0.73 above consensus estimates, with a 7.2% revenue beat to consensus. JPM had $2.28b in provision for credit losses, flat Q/Q. Net interest income (NII) rose 49% Y/Y, with a rise in interest rate spread to 3.80% vs. 1.95% and total loans +5%, while deposit-related fees were -4%. We expect NII to face tougher comps Y/Y in 2H of 2023, as the Fed pauses its rate rise regime. Consumer net revenue was +35%, with consumer banking/lending +2%, home lending -38%, and card income +18%. Commercial banking revenue was +46%, with middle markets +72%, perhaps gaining market share, and corporate client banking +42%. Investment banking fees realized M&A advisory -6%, equity underwriting -6%, and debt underwriting -34%. Fixed income trading was flat Y/Y, equity markets -12%, and security services +7%. / Kenneth Leon

January 13, 2023
09:16 AM ET... CFRA Raises Opinion on Shares of JPMorgan Chase & Co. to Buy from Hold (JPM 139.50****):
We raise our target by $31 to $156 on a forward P/E of 12.2x our 2023 EPS, below the five-year historic average of 12.8x. We raise our 2023 EPS by $0.70 to $12.80 and set 2024's at $13.70. JPM posts Q4 2022 EPS of $3.57, $0.46 above consensus estimates, with revenues slightly better than estimates, while JPM had $2.2b in provision for credit losses. Net interest income rose 48% Y/Y, with a rise in interest rate spread to 1.99% vs. 1.58% and total loans +5%, while deposit-related fees were -5%. Consumer net revenue was +29%, with consumer banking/lending +11%, home lending -71%, and card income +11%. Commercial banking revenue was +30%, with middle markets +52%, corporate client banking +20%, and no distressed industries. Investment banking fees realized -58% Y/Y revenue, with M&A advisory -53%, equity underwriting -69%, and debt underwriting -58%. Fixed income trading was +12% Y/Y, equity markets -1%, and security services +9%. JPM paid $3.0b in dividends, with attractive growth ahead and a 37% payout ratio. / Kenneth Leon

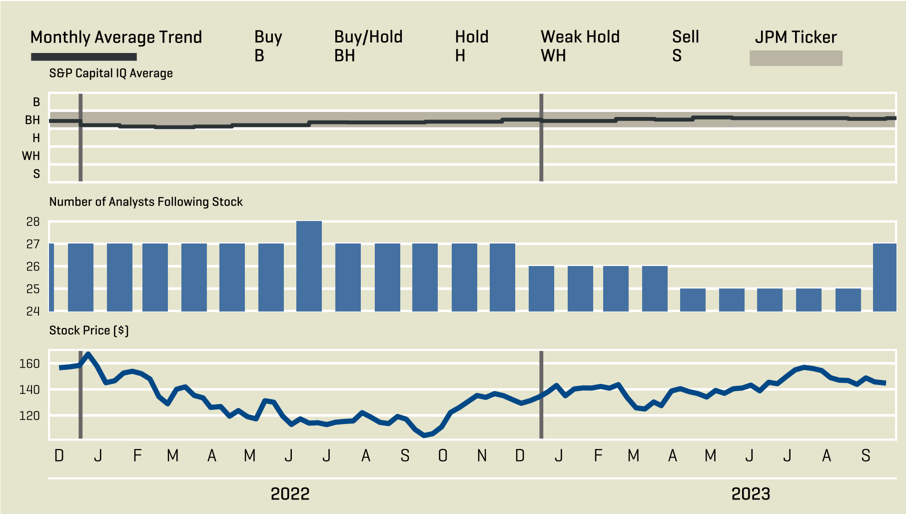
October 14, 2022
08:53 AM ET... CFRA Keeps Hold Opinion on Shares of JPMorgan Chase & Co. (JPM 109.37***):
We raise our target by $5 to $125 on a forward P/E of 10.3x our 2023 EPS, near the recession historical average and forward price to net tangible book value of 1.8x, below the 5-year historic average. We raise our 2022 EPS by $0.60 to $11.50 and keep 2023's at $12.10. JPM posts Q3 2022 EPS of $3.12, $0.27 above consensus estimates, with revenues also better than estimates, while JPM added $1.2b to loan loss reserves. Net interest income rose 34% Y/Y, with the rise in interest rate spread to 1.79% vs. 1.58%, but lending and deposit related fees were 4% lower. Consumer net revenue rose +14%, with consumer banking/lending +30%, home lending -34%, and card & auto +9%. Commercial loans were +13%, with no distressed industries. Investment banking fees realized -49% Y/Y revenue, with M&A advisory -31%, equity underwriting -72%, and debt underwriting -40%. Fixed income trading was +22% Y/Y, equity markets -11%, and security services -1%. JPM did not repurchase common stock, and headcount rose 9% to 288,474 employees. / Kenneth Leon

July 14, 2022
10:05 AM ET... CFRA Maintains Hold Opinion on Shares of JPMorgan Chase & Co. (JPM 106.65***):
JPM suspending its buyback plan to increase its Fed regulated (G-SIB) capital buffers was disappointing. We lower our target $25 to $120 on a forward P/E of 11.0x our 2022 EPS, near the recession historical average of 11.5x and forward price to net tangible book value of 1.7x, below the 5-year historic average. We lower our 2022 EPS $0.10 to $10.90 and 2023's $0.30 to $12.10. JPM posts Q2 2022 EPS of $2.76, $0.12 below consensus estimates, with revenues also below estimates, while JPM added $1.1b to loan loss reserves. Net interest income rose 19% Y/Y, with the rise in interest rate spread to 1.68% vs. 1.57% and higher loan growth (+11%). Consumer net revenue was -1%, with consumer banking/lending +9%, home lending -26%, and card & auto -6%. Commercial loans were +7%, with no distressed industries. Investment banking fees realized -54% Y/Y revenue, with M&A advisory -28%, equity underwriting -77%, and debt underwriting -53%. Fixed income trading was +22% and equity markets +15%, with higher trading volume. / Kenneth Leon

Note: Research notes reflect CFRA's published opinions and analysis on the stock at the time the note was published. The note reflects the views of the equity analyst as of the date and time indicated in the note, and may not reflect CFRA's current view on the company.

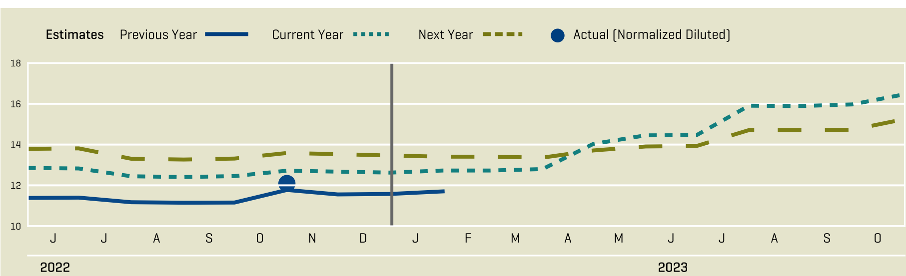
JPMorgan Chase & Co.

Analysts Recommendations



	No. of Recommendations	% of Total	1 Mo.Prior	3 Mos.Prior
Buy	9	35	10	10
Buy/Hold	7	27	7	7
Hold	8	31	8	8
Weak hold	0	0	0	0
Sell	0	0	0	0
No Opinion	2	8	2	0
Total	26	100	27	25

Wall Street Consensus Estimates



Fiscal Year	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2024	15.25	16.96	13.65	14	9.27
2023	16.47	17.20	15.13	13	8.59
2024 vs. 2023	▼ -7%	▼ -1%	▼ -10%	▲ 8%	▲ 8%
Q4'24	3.71	4.07	3.39	8	38.13
Q4'23	3.68	4.15	3.02	10	38.40
Q4'24 vs. Q4'23	▲ 1%	▼ -2%	▲ 12%	▼ -20%	▼ -1%

Forecasts are not reliable indicator of future performance.
Note: A company's earnings outlook plays a major part in any investment decision. S&P Global Market Intelligence organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years, as well as how those earnings estimates have changed over time. Note that the information provided in relation to consensus estimates is not intended to predict actual results and should not be taken as a reliable indicator of future performance.
Note: For all tables, graphs and charts in this report that do not cite any reference or source, the source is S&P Global Market Intelligence.

Wall Street Consensus Opinion

Buy/Hold

Wall Street Consensus vs. Performance

For fiscal year 2023, analysts estimate that JPM will earn USD 16.47. For fiscal year 2024, analysts estimate that JPM's earnings per share will grow by -7.41% to USD 15.25.

JPMorgan Chase & Co.

Glossary

STARS

Since January 1, 1987, CFRA Equity and Fund Research Services, and its predecessor S&P Capital IQ Equity Research has ranked a universe of U.S. common stocks, ADRs (American Depositary Receipts), and ADSs (American Depositary Shares) based on a given equity's potential for future performance. Similarly, we have ranked Asian and European equities since June 30, 2002. Under proprietary STARS (Stock Appreciation Ranking System), equity analysts rank equities according to their individual forecast of an equity's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (MSCI AC Asia Pacific Index, MSCI AC Europe Index or S&P 500® Index)), based on a 12-month time horizon. STARS was designed to help investors looking to put their investment decisions in perspective. Data used to assist in determining the STARS ranking may be the result of the analyst's own models as well as internal proprietary models resulting from dynamic data inputs.

S&P Global Market Intelligence's Quality Ranking

(also known as **S&P Capital IQ Earnings & Dividend Rankings**) - Growth and S&P Capital IQ Earnings & Dividend Rankings stability of earnings and dividends are deemed key elements in establishing S&P Global Market Intelligence's earnings and dividend rankings for common stocks, which are designed to capsulize the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+	Highest	B	Below Average
A	High	B-	Lower
A	Above	C	Lowest
B+	Average	D	In Reorganization
NC	Not Ranked		

EPS Estimates

CFRA's earnings per share (EPS) estimates reflect analyst projections of future EPS from continuing operations, and generally exclude various items that are viewed as special, non-recurring, or extraordinary. Also, EPS estimates reflect either forecasts of equity analysts; or, the consensus (average) EPS estimate, which are independently compiled by S&P Global Market Intelligence, a data provider to CFRA. Among the items typically excluded from EPS estimates are asset sale gains; impairment, restructuring or merger-related charges; legal and insurance settlements; in process research and development expenses; gains or losses on the extinguishment of debt; the cumulative effect of accounting changes; and earnings related to operations that have been classified by the company as discontinued. The inclusion of some items, such as stock option expense and recurring types of other charges, may vary, and depend on such factors as industry practice, analyst judgment, and the extent to which some types of data is disclosed by companies.

12-Month Target Price

The equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics, including Fair Value.

Abbreviations Used in Equity Research Reports

CAGR - Compound Annual Growth Rate
CAPEX - Capital Expenditures
CY - Calendar Year
DCF - Discounted Cash Flow
DDM - Dividend Discount Model
EBIT - Earnings Before Interest and Taxes
EBITDA - Earnings Before Interest, Taxes, Depreciation & Amortization
EPS - Earnings Per Share
EV - Enterprise Value
FCF - Free Cash Flow
FFO - Funds From Operations
FY - Fiscal Year
P/E - Price/Earnings
P/NAV - Price to Net Asset Value
PEG Ratio - P/E-to-Growth Ratio
PV - Present Value
R&D - Research & Development
ROCE - Return on Capital Employed
ROE Return on Equity
ROI - Return on Investment
ROIC - Return on Invested Capital
ROA - Return on Assets
SG&A - Selling, General & Administrative Expenses
SOTP - Sum-of-The-Parts
WACC - Weighted Average Cost of Capital

Dividends on American Depository Receipts (ADRs) and American Depository Shares (ADSs) are net of taxes (paid in the country of origin).

Qualitative Risk Assessment

Reflects an equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment is a relative ranking to the U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices. For an ETF this reflects on a capitalization-weighted basis, the average qualitative risk assessment assigned to holdings of the fund.

STARS Ranking system and definition:

★★★★★ **5-STARS (Strong Buy):**
Total return is expected to outperform the total return of a relevant benchmark, by a notable margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★☆ **4-STARS (Buy):**
Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months.

★★★☆☆ **3-STARS (Hold):**
Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months.

★★☆☆☆ **2-STARS (Sell):**
Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months.

★☆☆☆☆ **1-STAR (Strong Sell):**
Total return is expected to underperform the total return of a relevant benchmark by a notable margin over the coming 12 months, with shares falling in price on an absolute basis.

Relevant benchmarks:
In North America, the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are the MSCI AC Europe Index and the MSCI AC Asia Pacific Index, respectively.

Disclosures

Stocks are ranked in accordance with the following ranking methodologies:

STARS Stock Reports:
Qualitative STARS rankings are determined and assigned by equity analysts. For reports containing STARS rankings refer to the Glossary section of the report for detailed methodology and the definition of STARS rankings.

Quantitative Stock Reports:
Quantitative rankings are determined by ranking a universe of common stocks based on 5 measures or model categories: Valuation, Quality, Growth, Street Sentiment, and Price Momentum. In the U.S., a sixth sub-category for Financial Health will also be displayed. Percentile scores are used to compare each company to all other companies in the same universe for each model category. The five (six) model category scores are then weighted and rolled up into a single percentile ranking for that company. For reports containing quantitative rankings refer to the Glossary section seof the report for detailed methodology and the definition of Quantitative rankings.

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STARS Stock Reports:

Global STARS Distribution as of September 30, 2023

Ranking	North America	Europe	Asia	Global
Buy	36.8%	34.5%	41.6%	37.4%
Hold	53.8%	51.2%	50.3%	52.6%
Sell	9.4%	14.3%	8.1%	10.1%
Total	100.0%	100.0%	100.0%	100.0%

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