

ModernGraham Valuation

JPMorgan Chase &
Co.



Company Name:

Company Ticker JPM

Date of Analysis

9/3/2015

Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass all 6 of the following tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	Pass
2. Earnings Stability	Positive EPS for 10 years prior	Pass
3. Dividend Record	Dividend Payments for 10 years prior	Pass
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	Pass
5. Moderate PEmg Ratio	PEmg < 20	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	Pass

Enterprising Investor; must pass all 3 of the following tests, or be suitable for the Defensive Investor.

1. Earnings Stability	Positive EPS for 5 years prior	Pass
2. Dividend Record	Currently Pays Dividend	Pass
3. Earnings Growth	EPSmg greater than 5 years ago	Pass

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	5.15
MG Growth Estimate	7.25%
MG Value	\$118.54
MG Value based on 3% Growth	\$74.71
MG Value based on 0% Growth	\$43.80
Market Implied Growth Rate	1.83%

MG Opinion

Current Price	\$62.68
% of Intrinsic Value	52.88%
Opinion	Undervalued

Stage 3: Information for Further Research

Graham Number	\$90.42
PEmg	12.16
PB Ratio	0.97
Dividend Yield	2.62%
Number of Consecutive Years of Dividend Growth	5

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.64	Next Fiscal Year Estimate	\$5.15
Dec14	\$5.29	Dec14	\$4.82
Dec13	\$4.35	Dec13	\$4.41
Dec12	\$5.20	Dec12	\$4.11
Dec11	\$4.48	Dec11	\$3.47
Dec10	\$3.96	Dec10	\$3.05
Dec09	\$2.26	Dec09	\$2.69
Dec08	\$1.35	Dec08	\$2.85
Dec07	\$4.38	Dec07	\$3.44
Dec06	\$4.04	Dec06	\$2.78
Dec05	\$2.38	Dec05	\$2.01
Dec04	\$1.55	Dec04	\$1.84
Dec03	\$3.24	Dec03	\$2.08
Dec02	\$0.80	Dec02	\$1.73
Dec01	\$0.80	Dec01	\$2.32
Dec00	\$2.86	Dec00	\$2.97
Dec99	\$3.69	Dec99	\$2.87
Dec98	\$2.83	Balance Sheet Information Jun15	
Dec97	\$2.67	Long-Term Debt	\$316,754,000,000
Dec96	\$1.65	Total Assets	\$2,449,599,000,000
Dec95	\$2.02	Intangible Assets	\$56,138,000,000
		Total Liabilities	\$2,208,394,000,000
		Shares Outstanding (Diluted Average)	3,743,600,000



Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

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ModernGraham
posts about the
company**

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[The 8 Best Stocks For Value Investors This Week – 6/6/15](#)
[5 Undervalued Dow Stocks to Research – June 2015](#)
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[State Street Corporation Analysis – August 2015 Update \\$STT](#)
[BB&T Corporation Analysis – August 2015 Update \\$BBT](#)
[PNC Financial Services Group Inc. Analysis – August 2015 Update \\$PNC](#)
[US Bancorp Analysis – August 2015 Update \\$USB](#)
[Comerica Incorporated Analysis – July 2015 Update \\$CMA](#)