

---

# **2026 COMPANY UPDATE – LINE OF BUSINESS Q&A**

TRANSCRIPT

February 23, 2026

# QUESTION AND ANSWER SECTION

**Operator:** Please welcome to the stage, Marianne Lake, Mary Callahan Erdoes, Doug Petno and Troy Rohrbaugh.

---

## **Mikael Grubb**

*Head of Investor Relations, JPMorganChase*

Q

So I know you're all very eager to ask questions, but before that, I actually have a question and it is for Troy. And I was wondering if you could take us through the Banking and Markets guidance for Q1.

---

## **Troy Rohrbaugh**

*Co-CEO of Commercial & Investment Bank*

A

Sure. I feel like this year Mikael wanted to go with guidance before you get to ask questions. This quarter started out for both Banking and Markets very well. So in IB fees year-on-year, we're currently forecasting up mid-teens. And if the quarter remains constructive, that could easily be the high-teens. And then for Markets year-on-year, we're currently forecasting up mid-teens as well. But as all of you know, that is very dependent upon volatility and other factors in the market. And it feels like volatility continues to pick up almost every day. So again, we're hopeful for the quarter, it started well, but there's definitely plenty left of it.

---

## **Mikael Grubb**

*Head of Investor Relations, JPMorganChase*

All right. Thank you, Troy. Mike Mayo, go ahead.

---

## **Mike Mayo**

*Analyst, Wells Fargo Securities LLC*

Q

This is a question for everybody on the panel. And we're in the middle of the AI scare trade and some of the views expressed, I think, have some merit, right. You have to adapt to survive. I remember the old JPMorgan in the early 1990s, they didn't quite adapt and now you guys own them. So there is some merit to this. On the other hand, some of the views expressed seem really, really stupid. So when you look at your businesses, are you an AI and tech victim or beneficiary? And in plain English, if you're a beneficiary, why is that the case and what metrics are you monitoring? Thank you.

---

## **Mary Callahan Erdoes**

*Chief Executive Officer of Asset & Wealth Management*

A

I can just start off by saying that JPMorgan will be an end game winner in the AI space. And you heard it from a lot of the sort of more prolific people in the field say that it's really for the incumbents. And so if you have a very high tech spend and you know exactly what you're doing and where you're headed and you're very disciplined about it, you have a higher probability that you're going to have success.

If you also have taken pretty aggressive steps, and we were one of the first companies to have both Lori Beer and Teresa be on the Operating Committee with a dedicated AI specialist to help us to think through how we were going to organize ourselves, how we were going to be disciplined about it, how we were going to be precise about what we were going to do and how we were going to measure it. And each one of us benefits from each other's successes.

We just had a business review this morning at the Operating Committee, and we talked about something that I did in my line of business in Asset & Wealth Management, where we took 200 people, we tried to figure out some of the controls work they have to do, where each one has to read 50-plus pages of something and then compare, contrast and ask the right controls questions. With some very sophisticated AI work that we did, we were able to take that technology, we have now spread it to 3,000 people across the company that have done it and we've identified another 3,000, 4,000 maybe even 5,000 people that will be able to benefit from that technology – the 80 specific prompts that we've put in and make it safer, better, less error prone and frankly take out the "no-joy-work" in our employees daily lives, so that they can get on to higher level added value.

**Marianne Lake**

*Chief Executive Officer of Consumer & Community Banking*

A

Yeah, I'm happy to add to it too. So, I think there's a lot to be said for the fact that you're going to get more efficiency, the competition will become more efficient, but we have some strategic advantages that we've noted over decades. So trust, confidence, value beyond price, our customer relationships, both the scale of them and the scale of everything, quite frankly, the depth of our relationships and our data assets. So we have a bunch of strategic assets that I think are hard to replicate. That will be one of the reasons. And then only the paranoid survive. So we aren't walking around thinking we have the divine right to success. We are walking around thinking about how to optimize the value that we give to our customers, how to perfect our processes and our systems. There will be price competition, but we compete on a lot more than price. So deep senses and healthy paranoia, lots of strategic assets.

**Doug Petno**

*Co-CEO of Commercial & Investment Bank*

A

Maybe just to add on Mary's points, we didn't just start this work in the last couple of years. We are a center of excellence for machine learning and AI over the last decade. And to paint for, with a finer brush, within CIB, just to give you a sense of the categories of opportunity for us, one big standout category is just giving value back to clients, think agentic commerce, better cash flow forecasting and analytics, the team productivity, banker enablement, sales enablement. We see real productivity gains there through AI and advanced analytics.

We obviously have AI in ops and AI in tech. So when you think about these coding assistants, we're essentially a tech company. We're center of the bull's eye for deploying those capabilities. We're using it in risk, fraud, compliance, extensive use cases across those and then pricing optimization, so think loans, deposits, securities and have a higher order of analytics around that. Every one of those categories has multiple use cases, dedicated teams, trackable KPIs, and then there's a whole book of work that's just kind of table stakes and non-measurable and you'll never really know what you need to do. And you actually have to have the modern tech stack, modern data stack and a foundation to be competitive. But I think we're with the categories we were given, one or the other. I think we're in the one you would want us to be in.

**Troy Rohrbaugh**

*Co-CEO of Commercial & Investment Bank*

A

I mean, all I would add is I obviously agree with everyone and I think Marianne's point about the paranoia that we live in around this for every one of our businesses. We don't just think holistically at our level or even the next level down. Like every small piece of our franchise, we have dedicated teams, embedded people that are focused on this every day. And I think one of the main points is the size and scale. Even marginal gains in efficiency that we can get from AI just accrue at levels that other people don't have. If you look at the size and scale of just something as simple as FX, just a quarter of a basis point with our size and scale just gives us a revenue outcome that other people don't have and that's manifested across our whole business. I think that's a huge advantage if we get it right.

**Mikael Grubb**

*Head of Investor Relations, JPMorganChase*

All right. Erika Najarian. Go ahead.

**Erika Najarian**

*Analyst, UBS Securities LLC*

Q

Hi, thank you for my question. I feel like the dorky student in front of the class. The positive narrative where that started the year has turned very quickly over the past two weeks and maybe wanted to address one for the CIB business and one, Mary, for your business. The first is the investment banking pipeline. I think there are a lot of concerns that given the volatility, the pipeline is not as robust as people would like for it to be for this year. Additionally, would be interesting to see if there are any sort of update in terms of sponsor sentiment, given the market hiccup. And Mary, alternatives within retail has been a big positive theme in terms of growth. And I'm wondering if you could shed some light in terms of how you're seeing the next 6 to 12 months shape up in terms of progress and penetration.

**Mary Callahan Erdoes**

*Chief Executive Officer of Asset & Wealth Management*

A

I mean, I can start. That's Anton Pil is in the back of the room, that runs the part of the Alternatives business for us, that focuses on making sure that we do – that we find the right investments both inside JPMorgan as well as across the Street for all of our GPs that we invest in. And the most important thing is sizing the risk that's appropriate for clients, and so I can't comment on how the rest of the industry is doing that but as you can imagine, at JPMorgan, risk adjusted returns, right sizing, proper disclosures, liquidity, stress testing for each and every one of our

**Mary Callahan Erdoes**

*Chief Executive Officer of Asset & Wealth Management*

A

clients all the way down to the first time buyer of something is of utmost importance. And so we think that we have a standard that's pretty high for that and we are watching every one of these little ripples that you see in the market. We have forecasted it. We've been talking about that. You've heard that from Jamie on many earnings calls, talking about when you put less liquid investments into things that people are expecting liquidity in, it needs to have been placed properly in the client's portfolios. And we're hoping that that's the case across what we see out there. And whether those should be in all sorts of accounts or only in the ones that it's properly managed for, that's what the industry is going to quickly find out here.

**Doug Petno**

*Co-CEO of Commercial & Investment Bank*

A

Yeah. And so for investment banking, you heard the guidance in the caveat on high-teens was pointing to exactly the market conditions you described. So, and last year showed us it can go hot and cold pretty quickly, but we started the year strong. Pipelines were very good and it was broad based across DCM, ECM and M&A. The one thing I will say on M&A, these are powerful strategic drivers. Companies really see a strategic imperative to be bigger and global and they need growth. And I think that they're seeing through a lot of market disruption, whether it be uncertainty around tariffs, some of this AI disruption, I think a lot of these transactions will survive that volatility and carry on.

Capital markets will be much more subject to whatever the broader fundamentals are. But the pipelines are very strong. And it's not simply a U.S. marketplace, a large majority of the wallet is in the U.S, but we're seeing strength in Europe, seeing tremendous activity in Japan. So it's very much a global opportunity, right this moment.

In terms of private equity, if the markets shut down, if the IPO market slows down, it is the most fickle of the capital markets. It may slow down some of their exits, but they have tremendous dry powder. They're looking for opportunities to invest and they're constantly hunting and market shakeups create disruption for them and they behave opportunistically as well. So the sentiment hasn't really changed. I think they're a little frustrated with the pace at which they're monetizing their investments, but it's still a tremendous opportunity and we're staying very focused on the private equity community.

**Mikael Grubb**

*Head of Investor Relations, JPMorganChase*

All right. Let's do a Zoom question. Mr. Cassidy from RBC, go ahead and unmute your line.

**Gerard Cassidy**

*Analyst, RBC Capital Markets LLC*

Can you hear me, Mikael?

**Mikael Grubb**

*Head of Investor Relations, JPMorganChase*

Yes.

**Gerard Cassidy**

*Analyst, RBC Capital Markets LLC*

Q

Thank you. This is directed a little bit of a follow up on Doug's comments, but to Doug and Troy, we've seen some disruption in the private credit markets very recently. What's your guys' read on that, number one? And number two, what are the opportunities or consequences that we should all be looking out for a bank like yours because of what's going on in the private credit markets at this time? Thank you.

## Troy Rohrbaugh

Co-CEO of Commercial & Investment Bank

A

Sure. So I won't comment on any specific player in the market. They're all our clients, and you can read the press just like we do. But I would say, I mean, people should be – I'm shocked that people are shocked. I mean, the reality is, in this environment, as the world gets more volatile, as you get towards the end of a cycle, this outcome should be expected. So we prepare for all of these scenarios. We stress test our book. We're very thoughtful about the risk we take. We feel that in many ways we're quite conservative compared to our peer set. So this is just part of the scenario analysis that we do on a regular basis. So again, I think at this point it feels a bit isolated to a handful of situations, but that could quite easily change and we're prepared for that, both from managing our own portfolio, which we feel quite comfortable about at this point, and also from the opportunity it potentially gives us and others. So, at this point, there's still a lot of capital in the private credit ecosystem. We see lots of deployment; we see lots of people chasing opportunities. So this hasn't changed that overall ecosystem, but we're watching it closely. We're very risk disciplined. We're comfortable with where we are, but I'm just a little surprised that people are so surprised, this is inevitable.

---

## Doug Petno

Co-CEO of Commercial & Investment Bank

A

The only thing I would add is, our strategy is to serve clients, and lending is an outcome, not the strategy. And we went into direct lending products specifically, so we'd have a broader base of debt solutions, credit solutions that could provide an agnostic capital structures, financing alternative. We're not trying to acquire loans, we're building relationships. And we took a sort of [indiscernible] for a model slightly different. And the underwriters that are underwriting those private credit or the direct lending assets for us, are the same underwriters that underwrite our C&I loans generally and bringing all the level of expertise, the industry knowledge, the through-the-cycle judgment, and it's not a loan aggregation business, it's a client business.

---

## Mikael Grubb

Head of Investor Relations, JPMorganChase

All right, John McDonald from Truist. Go ahead.

---

## John McDonald

Analyst, Truist Securities, Inc.

Q

Hi. Thank you. A question for Marianne. Marianne, to what extent are you seeing this revitalization of competitors and increased pressure in, especially in retail banking, in areas you're looking to grow? And then when you think about your embedded growth from all the building you've done at branches, how should we contextualize this 1.7 million net new checking? Is that a hard number to keep up, or is that something you can grow over the next couple of years? Thanks.

---

## Marianne Lake

Chief Executive Officer of Consumer & Community Banking

A

Yeah, so thanks for the question. I would say that, I mean, you've seen that a lot of our competitors have strategies now that are shockingly similar and playbooks that are similar, and I think that imitation is the highest form of flattery, I suppose. And so, what we have been doing and investing in for decades is working. It's working in terms of our customer experience. You saw we have record high customer experiences working in terms of deposit share and profitability. And so, yes, we've seen lots of people announce plans. I will say it is easier said than done. Building branches is one thing, building them in the right places, building them well, hiring the right team, having the right products and services is part of it.

So when you look at our share gains in Consumer Banking, while 40% of it has been on new builds, 60% of it has been in our legacy footprint because we're just continually refreshing and evolving our products and services and just doing it better. So we have a long track record of doing it. So it will take a bit for anyone to be able to build the muscle to catch that up. In terms of customer acquisition, which is the beginning of everything, we've been acquiring customers at a 3% to 4% CAGR pretty much consistently over time, 3% last year; 2-ish million net checking accounts, 1.7 million last year.

## Marianne Lake

Chief Executive Officer of Consumer & Community Banking

A

So I would say there was there was a phenomenon in 2025, wow. No, I'll stop. No, I'm kidding. There was a phenomenon in 2025. So we saw – it was a little harder last year. The non-resident population was an issue, and so – but we're going to grow over that this year, and we would expect that to continue onwards and upwards. So we feel like we have the right playbook. We know what we're doing. We expect our share gains to continue. We do expect the competition to be there. Everybody is trying. And it's not just Consumer Banking. Somebody asked a question earlier about the competitiveness everywhere. Premium card space is competitive, very competitive right now, and we're still doing quite well. So, yeah.

---

## Mikael Grubb

Head of Investor Relations, JPMorganChase

All right. Ken, go ahead. Ken Usdin.

---

## Ken Usdin

Analyst, Autonomous Research

Q

Thanks Mike. Ken Usdin from Autonomous. Maybe for the wholesale side of the business, a different question on wholesale deposits and just with the advent of tokenization and potential use cases for stablecoin. Just how are you adapting the ecosystem based on the building blocks that you obviously already have well established in scale, as we go forward in terms of just, does it become all embedded parts of the of the environment at JPMorgan? How are you kind of facing that and how do you expect the defensibility of new products and offerings coming up also?

---

## Troy Rohrbaugh

Co-CEO of Commercial & Investment Bank

A

Sure. I'll take a stab at it first. So first off, I mean, you said it yourself, we have a great starting point in this business. We've been investing in the space for over a decade, Max and Umar are here, and highly recommend at cocktails that you grab them because they are the experts in the space, but they've been investing in Kinexys for over a decade. We have incredible products already in the space, whether that be in our own JPMorgan coin, which is a tokenized deposit, our support and our participation in the stablecoin environment, our tokenization of money market funds and other aspects of the business and other growing products.

So I think we feel really comfortable. From a bank perspective, we are either at or beyond our peer set. We also embedded in each one of our businesses on the wholesale side, whether that be Securities Services, Payments, Banking or Markets at the business level, and we spend quite a bit of time on what the future ecosystem could look like.

So I would break it into two parts. In the Market space, there's like tokenized assets or securities. I think in some ways, we may be trying to solve a problem that doesn't exist. But the reality is if we go that way as an industry, we're fully prepared. We're ready to trade it. We're ready to provide custody out of security service for – on a digital ledger for these types of assets. So we would provide the same services that we provide in the traditional securities, and we think we'll be very competitive there.

On the Payments side, Max and Umar are completely ready for the space. It's our view, tokenized deposits is the more likely logical path forward, but that could change. We think that while it may have some effects on our business in terms of people shifting from traditional deposits to tokenized deposits. With our capabilities, we can continue to grow share, and we'll be fine in any of those outcomes and we're prepared for it.

---

## Mary Callahan Erdoes

Chief Executive Officer of Asset & Wealth Management

A

Yeah. And of course, our clients expect that. They expect one-stop shopping from JPMorgan. So we have to have every solution for them, be able to go on a continuum, and things change, and we're there for them, and that's most important.

---

## Mikael Grubb

Head of Investor Relations, JPMorganChase

All right. We'll take a question from the webcast. Saul Martinez, please go ahead.

**Mary Callahan Erdoes**

*Chief Executive Officer of Asset & Wealth Management*

Saul, I think that's for you.

---

**Mikael Grubb**

*Head of Investor Relations, JPMorganChase*

Okay. We will park Saul, and we'll go to Steven Chubak.

---

**Steven Chubak**

*Analyst, Wolfe Research LLC*

Q

So I was actually hoping to build on that last question, but really look at tokenization from a retail perspective because, Marianne, one of the key concerns that we've been hearing from folks increasingly is whether it's the emergence of agentic AI tools that people can leverage to optimize their cash balances and the yields that they're earning and the emergence of tokenized money market funds and deposits. Do you see a potential risk that if that's introduced at the retail bank that you are going to see some level of deposit attrition as these customers become more sophisticated and just look to optimize some of their returns. And any perspective you can offer, whether this is real risk in your view, would be very helpful.

---

**Marianne Lake**

*Chief Executive Officer of Consumer & Community Banking*

A

Yeah. So I mean, listen, I think, first of all, I should say that yield optimization is not a new phenomenon. There are plenty of high-yield options that exist today for consumers who are looking for that, including within our own complex, including within the bank and in Asset Management. And we sort of offer that, but you can go elsewhere. And moving money is increasingly easy. And so of course, you'll see a little bit more help in optimization, but this is not something that has been that difficult for people. So I would just say that that risk has been out there. Therefore, when you think about, for example, the sort of advent of – are you thinking...

---

**Steven Chubak**

*Analyst, Wolfe Research LLC*

Q

Yeah. It's really more in the context of immediate settlement versus...

---

**Marianne Lake**

*Chief Executive Officer of Consumer & Community Banking*

A

Right.

---

**Steven Chubak**

*Analyst, Wolfe Research LLC*

Q

...if I'm a Chase customer, I have to sell a money market position, wait a day, transfer it to a checking account and potentially doing things like bill pay from some sort of tokenized vehicle when we get that immediate settlement.

---

**Marianne Lake**

*Chief Executive Officer of Consumer & Community Banking*

A

Yeah. So in that sense, I would say the answer for retail is similar to the answer for Troy, which is for the vast, vast majority of consumer use cases today to all practical intents and purposes, there's access to 24/7 real-time [indiscernible]. It is true that in real assets, there is some lag. And so, we're similarly going to be investing in making sure using Kinexys for proprietary solutions. You've seen some announcements with AWS on a consortium for Payments. We're going to continue to invest in understanding how we could continue to reduce friction in some of those processes, but we can provide real-time access to funds within our ecosystem already today. I think that digital, I think that blockchain, I think the tokenized assets, I think that stablecoins may be part of the future for retail at some point in time, but I don't think that's going to be in the immediate future. We're building the capabilities right now.

**Mikael Grubb**

Head of Investor Relations, JPMorganChase

I will try again with the Zoom. Chris McGratty from KBW. Please go ahead.

**Christopher McGratty**

Analyst, Keefe, Bruyette & Woods, Inc.

Q

Great. Thank you. Moving to slide 11, where you unpack the components of PPNR over the past five years, I think it's really helpful and powerful. I believe in Jeremy's remarks, he talked about perhaps being past peak modernization. So I guess my question is, number one, how should we think about the degree of operating leverage over the medium term? And then, secondarily, if that's the right conclusion, maybe comments by business line would be great. Thank you.

**Mikael Grubb**

Head of Investor Relations, JPMorganChase

Yeah, yeah.

**Jeremy Barnum**

Chief Financial Officer, JPMorganChase

A

All right. I'm back. So, look, I don't want to like bore you with the, like, "we don't believe in operating leverage" speech, but I kind of do think that I need to give it. And I think as we were thinking about this – so let me just give it because it's actually interesting.

So number one, in any given year, and we've seen this over the prior cycle, realistically, the operating leverage number is going to be primarily driven by revenue dynamics, not expense dynamics. Number two, as you go from the short-term to the long-term, the question is then, okay, Jamie always talks about how, like, it's not realistic to have, like, the ever-expanding margins that are associated with actually delivering operating leverage year after year after year, it's just not consistent with capitalism. Now, sure, if you're a company with a serious expense problem that's extremely inefficient, it's reasonable to have your, kind of, near-term plan be, "I'm going to deliver a lot of operating leverage over the next few years, and that's going to return me to reasonable margins, and that is my PPNR growth delivery strategy."

But a company like us, which is starting at a very efficient place with very healthy margins, operating leverage is just not how we deliver growth fundamentally. Now, obviously, that's not the same as saying, "we don't care about expenses," and we are very committed to being extremely disciplined about it. We do recognize the market doesn't love years like this year, where I would say, according to the analyst consensus, we will have negative operating leverage. But we believe very strongly that when you're in the position that we're in as a company, focusing on those types of metrics is a recipe for underinvesting in the future and for seriously weakening our strategic position.

So, in the context of that, the peak modernization point is that – reaching the peak is not the same as having it go to zero, so we're still spending money on modernization, and we will always modernize our infrastructure. It's just the focus is shifting from, kind of, a particular moment of a lot of focus on cleaning up the data center state to a focus on modernizing applications, rewriting things, modernizing data, et cetera.

**Marianne Lake**

Chief Executive Officer of Consumer & Community Banking

A

Yeah. And if I just maybe build on that point slightly, because when you think about our expense base and what we spend on strategic investments, and I'll just use CCB as an example of that, a lot of our investments pay back or sort of breakeven over a few years and pay back over a longer period, but are extremely profitable. And so, when we build branches, when we acquire cards, when we're spending on marketing more broadly, these are investments that are going to drive long-term growth and profitability at strong margins, and we don't want to feel constrained this year because of dynamics that are going on. So we're just looking very much at the long-term and spending every accretive dollar that we can well.

**Mikael Grubb**

Head of Investor Relations, JPMorganChase

Okay. Glenn Schorr, go ahead.

**Glenn Schorr**

*Analyst, Evercore Group LLC*

Q

Thanks. Glenn Schorr at Evercore. Troy, I wanted to see if we could drill down a little bit more on your shock that people are shocked comment. So I was a little shocked to hear that.

**Troy Rohrbaugh**

*Co-CEO of Commercial & Investment Bank*

A

I think you should save that one for Jamie.

**Glenn Schorr**

*Analyst, Evercore Group LLC*

Q

The implication is – and forgive me for putting words and so put me straight if I get it wrong, but the implication is that this is not liquidity-led volatility on certain products. There were some loans extended that are actually going to have some real loss content. If that's the case, that means the equity is zero. So, I guess, I'm just looking for perspective. I heard your comments about your book, but your perspective overall, what kind of loss content are we looking at? And is it isolated in private markets because it's a wide-ranging investment fill that usually credit cycles aren't isolated to public or private, it's a broader swath of companies.

**Troy Rohrbaugh**

*Co-CEO of Commercial & Investment Bank*

A

Yeah. I mean, I almost think in some ways, you answered your own question. We don't view this, depending on how the economic environment develops, either this year or even into 2027, that it will be isolated to a very small part of private credit. So first of all, when we say private credit, the ecosystem is huge now. It goes from very large investment-grade deals to very small middle-market companies that are below investment-grade. So it's a huge spectrum. Also, the public and private markets are merging together. Some of the largest deals out there are now hybrid deals. There are some very large deals that in some ways are done in the private space, but look like public deals for all intents and purposes.

So, our view is that this isn't going to be isolated to just private credit. As you move forward, get near the end of a cycle, if it were to get more of a significant downturn, we'd expect this to be a little bit more broad-based and not be isolated to just private credit. So, the boss may have a slightly different view, I don't think so, but more broadly, like we don't think about it as just private credit. We think about it as the whole credit ecosystem. As Doug mentioned, we use the same underwriting standards. Yes, we understand each space is different. They all have their own characteristics, but, ultimately, it's credit and it's going to be across the whole spectrum if we get a more significant downturn. It won't be isolated there.

In terms of your question of where are we specifically right now, it appears to be isolated, much like the things we announced in the third quarter, were isolated from our perspective. It doesn't mean they're good or we're proud of them. But ultimately, more and more of these things happen as you get, like, late cycle. At this point, they're arguably isolated, but that could change.

**Mikael Grubb**

*Head of Investor Relations, JPMorganChase*

Alright. Ebrahim Poonawala, go ahead.

**Ebrahim H. Poonawala**

*Analyst, Bank of America Merrill Lynch*

Q

Troy, just talk to us in terms of – Jeremy talked about all the changes in regulations. When we think about banks versus non-banks, regulatory arbitrage, there have been many areas where banks have lost market share over the last decade. When you look at the playing field today, do you think you're – you've run the Markets business for a long time, are you better positioned to compete with the non-banks. So when we think about market makers trying to get into high-touch trading, gain share there, just when you look through all of that, do you think you're better positioned to defend and even gain share relative to some of these players?

## Troy Rohrbaugh

Co-CEO of Commercial & Investment Bank

A

Sure. You mean specifically to Markets or do you mean broadly to the CIB, because we compete with non-banks and...

---

## Ebrahim H. Poonawala

Analyst, Bank of America Merrill Lynch

Q

I mean, yes, one just the likes of Citadel Securities leaning into high touch. Can you defend that share, one? And then, just more broadly, as we think about even lending, you heard Scott Bessent talked about lending moved to private credit. He wants it into banks. Is that happening?

---

## Troy Rohrbaugh

Co-CEO of Commercial & Investment Bank

A

Sure. That's sort of what I was getting at. I'll separate the two. So in Markets, I mean, everyone mentioned Citadel Securities and Jane Street because they've been incredibly successful. They've done an amazing job. They've grown significantly. I mean, from the very beginning, we know them very well. We compete with them in some parts of our business very aggressively with each other; other parts, we partner; and other parts, they're a real client. And we have like a long track record of having relationships like that. They happen to be very good. We've always assumed that they would be successful.

But without talking about them specifically, I don't think their success or non-bank market makers are really because of regulation. I think it's electrification of the market, overall change in market structure, the fact that they've done a very good job, the advent of quant trading. So, we're going to absolutely compete in the space. I feel very comfortable that we can hold our own and gain share. They may gain share as well, but it will arguably, in our view, be at the expense of someone else. And we're prepared to go to toe-to-toe, not specifically with the two of them, but with everyone in the space, including them.

I think it's going to be hard for some of the players that are more traditional because they're not going to have the resources to invest in the space. I don't think it's because of regulation. Just because there's a change in capital rules, it's not going to change our ability or what we have to do to compete with them in that space. We're going to compete, but regulation won't be the driver of that.

When it comes to non-bank lenders, again, I don't think the regulation is going to change enough to dramatically change the playing field. But again, we're competing there. We've been competing. But as Doug said, like, we have a very different business model there, whereas in market making, we have the same business model. We are market makers. We're competing for the same trades, particularly as these non-banks go to higher touch parts of the business.

But in the lending space, they're lending to get assets, like that's their goal. That isn't our goal. As Doug mentioned, our goal is to have a holistic relationship with our clients, and we feel like we're doing a really good job there. We have our own direct lending solution. I mentioned previously in the month that we have deployed almost \$14 billion of capital right now there. At the end of last year, that's about where we were. We have over \$25 billion of partner capital available. We're in the heart of the ecosystem.

We're doing a lot of financing. We're doing a lot of lending. We're not doing it to develop assets, like that's not what we do. We're doing it to be in the ecosystem to create a halo effect with our clients and create velocity in our portfolios. And we really have a competitive advantage because we have all these ancillary products that we want to do with these clients. The people that are just lending don't. So we think both can grow. I know everyone likes to write the article about us fighting with each other. But I think in the most part, there's opportunity for both sides, and we will compete there.

---

## Mary Callahan Erdoes

Chief Executive Officer of Asset & Wealth Management

A

It's exactly why the last question that was just asked about expense management and why you would take a break, like we would never take a break for the areas that we're fiercely competing against. We're going to win. We're all focused on the long-term shareholder value up here. No one has a short-term measure at all for wanting to hit a profit target of any kind. We could if we want it to. You could just shut things off in a short term. But that's not how this place is driven. And so, you shouldn't expect it to happen, which is exactly why Jeremy's point about how the whole thing works is so important.

**Mikael Grubb**

*Head of Investor Relations, JPMorganChase*

All right. Gerard Cassidy on the Zoom. Please go ahead.

---

**Gerard Cassidy**

*Analyst, RBC Capital Markets LLC*

Can you hear me, Mikael?

---

**Mikael Grubb**

*Head of Investor Relations, JPMorganChase*

Yes, sir.

---

**Gerard Cassidy**

*Analyst, RBC Capital Markets LLC*

Q

This is for Mary. Obviously, 2025 was another spectacular year for Wealth Management, Asset Management at JPMorgan. Two-part question. First, with all the excess capital, does it ever make sense – you’ve had great organic growth, of course. Does it ever make sense to do an acquisition in your space, in your specific area?

And then, second, can you parse out for us how much of the bull market or the asset inflation we’ve all seen over the last two or three years, how has that contributed to the success that you guys have had? Thank you.

---

**Mary Callahan Erdoes**

*Chief Executive Officer of Asset & Wealth Management*

A

Sure. In Asset & Wealth Management, we had a tremendous year last year, over \$550 billion of flows like Jeremy had mentioned. And very importantly, thanks to Ben and his obsession with the ROE number, we hit a 40% ROE target, and we're well above our targets that we laid out for you of 25% margin, 25% ROE, 4% flows and 5% revenue growth. And we will continue to grow on those. The markets have been very healthy, so that has, obviously, helped. But our investment performance is the thing that is our North Star, as you always know. And so, our investment performance garners new clients as well as more assets in.

On the M&A front, it's something we think about every single day. I think Ben signed a different NDA once every two weeks last year. And so, there are about 25 of them. Most of the big deals, except for one big one last year, we had seen and turned down for a variety of reasons. It didn't fit either culturally or otherwise. But it is something that we are always in the game on. We are always looking. We are always learning. It's a very important part of the muscles that we have here, not just in Asset & Wealth Management, but in each of our businesses. We need to know what's going on. We need to know if it's better to buy or to build, organic or acquisition. And so, that's what you would expect us to be doing, and that's what we're doing each and every day.

---

**Mikael Grubb**

*Head of Investor Relations, JPMorganChase*

Erika, go ahead.

---

**Erika Najarian**

*Analyst, UBS Securities LLC*

Q

This question is for both Marianne and Mary, and follow-up to Mike's question on AI. Another part of the market disruption is this concept that AI will disrupt financial advisors, that there'd be no need for financial advisors. And I guess I would love your just raw response to that, Mary.

And Marianne, as you think about acquiring client assets through the branch network, is there a role for AI in terms of helping customers in the beginning of their investment journey and tax planning journey?

**Marianne Lake**

*Chief Executive Officer of Consumer & Community Banking*

A

So – yes. So AI for our bankers in the branches and for our advisors to whom they refer the clients, their sort of advisor tools and wealth planning tools are a critical part of our strategy and have been. It's one of the reasons why we're seeing advisor productivity go up so much, but also while we're seeing record levels of client satisfaction, too. And so, using what we know about our customers from the deep relationships they have with us, being able to deploy that with AI to the desktop of advisors and the desktop of bankers has meant that we've been able to deliver twice as many net flows per advisor over the last five years. So it's definitely a big part of it, and we're just at the beginning, honestly.

**Mary Callahan Erdoes**

*Chief Executive Officer of Asset & Wealth Management*

A

Yeah. I would just say – I actually think about it very differently. I think that the companies that invest the most in AI, particularly in this space where you need an advisor, not just on the Wealth Management front, but when you think about our investment bankers, you think about our asset management advisors, when you're talking to the CIOs of different sovereign wealth funds, et cetera. The more you invest, the more the ecosystem creates a moat for you in the company because you know more about the client and you know more about the advisor so that each and every day – when the sell-off happened today, you can know immediately who you should be calling, what you should be – we talked about it at our Operating Committee today, what you should be grating if your stock drops 5% while you're sitting in a meeting, like how'd you be thinking about that? That stuff starts to be highly fine-tuned, but not just AI alone.

And so, we had a deep dive on an AI question that I had with Dave Frame and his team last week, who runs the Global Private Bank. And one of the things that AI will do is it will take what you say to it and it will take it seriously. And so, if a client says, "I don't like fixed income," or, "I don't like bonds," and you find that their portfolio just continues to morph into things without fixed income of any kind or any ballast to their portfolio, that's not the right answer, but that's where AI will go. And so, you need the combination of really smart AI and then really smart advisors to say, "you need to counteract what you're feeding the AI in order to give the right advice." It'd be the same thing on whether you stay private longer or you go public or all these things like – so there's a very intentional way that we are creating our AI systems here in JPMorgan, where we take the best of the models outside and, over cocktails, I think it's really important you talk to Teresa and Lori and Derek and the whole team, because embedding it in what we do takes the decades of experience that we have, fine tunes it to help our people get smarter, better, faster, cheaper, quicker, all that stuff, and then creates the thought that as a client, "the more you know about me, the more you see what my questions are, how could I ever not be with you because somebody else doesn't have all that information and all that history."

So I think, again, it just goes to the original question that Mike asked, which is you're an endgame winner if you are heavily invested in these areas and you obsess about it every single day, which is like what you would feel if you walked any of the floors right now.

**Marianne Lake**

*Chief Executive Officer of Consumer & Community Banking*

A

And there was a thing in that paper that said, "a relationship business might be dead if the relationship is just a human-faced friction." That's not what this is, right? So when our customers come in for advice, whether at the beginning of their journey, whether it's later on, whether it's a company, they're coming in to get, like, real advisory and real help and the human in the loop is definitely is sort of part of that.

**Mikael Grubb**

*Head of Investor Relations, JPMorganChase*

Manan Gosalia, go ahead.

**Manan Gosalia**

*Analyst, Morgan Stanley & Co. LLC*

Q

Manan Gosalia, Morgan Stanley. Marianne, can you talk about the international opportunity in your business, and how do you size that on both the deposit side and the lending side?

**Marianne Lake**

*Chief Executive Officer of Consumer & Community Banking*

A

Yeah. So, I mean, we're at the relatively early stages of the international consumer expansion, although very excited about it. So remember, we really only launched in the UK in 2021, so we're an infant in that context and we aim for a multi-country digital bank at the intersection of banking and investing that sort of differentiates on service and value. We have seen really great momentum in the UK, and so, in the UK, we have 2.8 million customers and \$35 billion deposits.

Obviously, there are some limitations to how much you can grow in the UK if you don't want to become a ring-fenced bank. And so, we're not at that stage yet. What we're doing is expanding our product offering and deepening into primary relationships and looking for primacy. And we're entering Germany in the second quarter of this year with a savings-led proposition. And so, we're in the early stages. So we're not declaring this as a goal of some number of deposits. We're looking for primary relationships. We're looking for value for our customers and value for us.

J.P. Morgan Personal Investing is also a really important part of that. So we bought an asset, we've integrated it, rebranded it, J.P. Morgan Personal Investing. That's also scaling really nicely at \$12.5 billion of assets under management and integrating that with banking, delivering on self-directed, delivering on pensions is a big part of it. So we're early, early days right now. Very, very, very good momentum. We're super excited. There's no one in this company, including Jamie, that is more excited than me about the proposition of having tens of millions of engaged European or international consumers. Hundreds of millions, not tens of millions. We'll get to hundreds of millions.

**Mikael Grubb**

*Head of Investor Relations, JPMorganChase*

All right. We'll take one last question before the break. Ken?

**Ken Usdin**

*Analyst, Autonomous Research*

Q

Thanks. Marianne, can you talk a little bit – Jeremy mentioned that credit is in good shape...

**Marianne Lake**

*Chief Executive Officer of Consumer & Community Banking*

A

Yeah.

**Ken Usdin**

*Analyst, Autonomous Research*

Q

...and expectations are fine, but remain alert. And can you talk about both sides of the K? I think there's more questions today about the top end of the K, than there's even been about the bottom end of the K of late. So just what might you be looking for in the data that could be at least different than just unemployment rate? And how do you see the trends on the top and the bottom evolving? Thanks.

**Marianne Lake**

*Chief Executive Officer of Consumer & Community Banking*

A

Yeah. So we have – I mean, I don't actually have the risk team here, but we have an entire pack of leading indicators across the board that we look at, but some obvious ones like payment rate in Card still look in line with expectations. Typically, when subprime auto was a debate – auto is at the top of the payment hierarchy for consumers. People need their cars. And so, when they default on their cars, you usually see that they've already started defaulting on unsecured credit. We're not seeing any of that. And so, early – like roll rates – early roll rates are steady. Year-over-year delinquencies are down. Everything looks pretty solid, as she goes right now. I can't see any wood. And so, we're not seeing any new trends.

Now, on the K-shape, if we look at the bottom end, and I think this is what Jeremy was talking about earlier, we are seeing a continued separation between the sort of higher earners and lower earners, but we're not seeing deterioration at the lower end. So we're still seeing everything is solid, and nothing is so out of track from pre-pandemic trends as to be concerning. So as we sit here today and remember in Card, which is the elephant in the room for us, the first six months of next year is already baked. We shifted our guidance down at the end of last year to losses of between 3.3% and 3.6%, and we're going to come in at the lower end of that range so far, all things being equal.

**Mikael Grubb**

*Head of Investor Relations, JPMorganChase*

All right. Thank you.

**Disclaimer**

*This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the current beliefs and expectations of JPMorgan Chase & Co.'s management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. Factors that could cause JPMorgan Chase & Co.'s actual results to differ materially from those described in the forward-looking statements can be found in JPMorgan Chase & Co.'s Annual Report on Form 10-K for the year ended December 31, 2025, which has been filed with the Securities and Exchange Commission and is available on JPMorgan Chase & Co.'s website (<https://jpmorganchaseco.qcs-web.com/financial-information/sec-filings>), and on the Securities and Exchange Commission's website ([www.sec.gov](http://www.sec.gov)). JPMorgan Chase & Co. does not undertake to update any forward-looking statements.*