
2025 INVESTOR DAY – COMMERCIAL & INVESTMENT BANK

TRANSCRIPT

May 19, 2025

MANAGEMENT DISCUSSION SECTION

Operator: Please welcome to the stage, Doug Petno.

Doug Petno

Co-CEO of Commercial & Investment Bank

Good morning, everyone. On behalf of the entire team in CIB, thank you so much for joining us today. Troy and I are honored to lead this incredible franchise and we're delighted to have you here.

Today, I'm going to speak to the newly formed Commercial & Investment Bank and our strategic priorities. Troy will update you on our efforts across Securities Services, Markets, and Global Banking, and Max and Umar will provide a deeper dive into our Payments solutions and their strategy for innovation and growth. Troy and I will then come back up and give you an outlook for CIB second quarter and we'd be happy to answer any questions that you may have.

So let's jump right in. So as a reminder, last year, we combined our two operating businesses, Commercial Banking and Corporate and Investment Banking, to form the new Commercial & Investment Bank. Our clients are growing, scaling and expanding globally at an accelerated pace, all while our competitive landscape continues to evolve.

The new CIB is designed to best serve our clients, creating a single wholesale operating entity, four business units tightly knit with a very clear strategy to be our clients' most important financial partner. In Global Banking, we've aligned our leading Investment Banking, Global Corporate Banking and Commercial Banking businesses to enhance our go-to-market approach and seamlessly serve our clients throughout their lifecycle. The result is a franchise with incredible global reach, scale and capability, and we're winning.

Our Investment Bank is a clear market leader in M&A, DCM and ECM, ranking number one in all three last year. Our Global Corporate Bank serves over 5,000 of the largest companies globally, with about one-third of our clients headquartered outside of the United States. And in Commercial Banking, we are the number one bank serving the Middle Market, and we've been number one in Multifamily lending over the last decade.

Working hand-in-hand with Global Banking is our Payments franchise, which serves clients in over 160 countries and over 120 currencies. We process over \$10 trillion and nearly 60 million transactions in payments every day.

Our Markets business is a complete counterparty to clients, meeting their needs across a range of asset classes and through the entire trade lifecycle from Research, pre-trade analytics, from trading and financing, all the way to post-trade support. We cover nearly 90% of Institutional Investors and we're number one in market share in every region. And finally, in Securities Services, we are a leading custody and fund services provider with a blue-chip client franchise and industry-leading margins.

So looking forward, we're completely focused on the enormous potential we have in front of us and equally aware of the range of threats, including competitors across all of our businesses and in all of our markets. And so what is it that sets us apart? And this will look familiar. As you have heard from all of our partners today, we have real moats around our franchise. We are complete with a comprehensive offering and leadership positions in all of our businesses.

That said, we're not standing still and we're making strategic investments in our platform, capabilities and footprint. We have incredible global reach, while we serve our clients locally. We do this across 60 countries and in 74 of the top 75 MSAs in the United States, benefiting from a rich legacy around the world, with almost 80 years in Tokyo, over 200 years in London, and over 225 years right here in New York City. And we're deeply embedded in these communities, with strong local knowledge, expertise and connectivity.

We are diversified with \$70 billion of total revenues across client size, industry, geography and business. Our diversified business model provides for more enduring, repeatable revenues and financial performance through-the-cycle. And this gives us stamina, especially in volatile markets, which lets us make sustained investments in the long term.

As a part of JPMorganChase, we operate with tremendous scale, with our iconic brand, exceptional client franchise, expansive footprint and market-leading capabilities, all setting the foundation for our continued growth and success.

On the right-hand side of the slide, you'll see just a few statistics that dimension the absolute scale of our businesses. This gives us real efficiency and operating leverage. And if you look just within our Markets business, there's several powerful examples. For instance, as our overall trading volumes have nearly tripled since 2019, we've seen significant reductions in our cost per trade. In Rates, it's come down 42%; in Cash Equities, it's come down 23%. But perhaps, the biggest differentiator for us is our exceptional team and strong culture. Our client-focused mindset and commitment to excellence is a common language across our business.

So while we're quite proud of our franchise, we take nothing for granted. Against both the opportunities and challenges, we've set out a deliberate, strategic agenda, focused on capturing the full potential of our now combined businesses, investing to extend our competitive advantages, and empowering what is the best team by any measure.

With whitespace across CIB, we are executing multiple growth initiatives, focused on expanding and deepening our client franchise. As we constantly face powerful new competitors, emerging technologies and evolving client expectations, we're innovating to extend our competitive advantages. Our opportunity to self-disrupt spreads across every single client journey in CIB – from how we onboard clients and conduct KYC to how clients trade with us and to how we deliver credit. And we've seen real improvements in our critical processes.

In KYC, for instance, we've seen a 40% reduction in unit cost since 2022 due to AI and technology enhancements. With our digital platforms, we're working to drive simpler, more efficient, more intuitive, digital-first experiences. And you'll hear more from Max and Umar and our work to optimize our digital channels.

We have incredibly rich data assets and we've made steady progress in building a truly data-driven business. CIB has over 175 AI use cases in production. And with so much potential, this work is quite exciting as we're leveraging our data at scale to provide our teams with predictive analytics and unique insights, optimize our operations, and protect both our clients and our firm with better risk decisioning and portfolio management.

We're also continuing to invest in our teams and we're expanding to support important growth and strategic initiatives with targeted hiring across the franchise.

In Global Banking, we've added nearly 600 senior bankers in the last two years. And we aren't just adding talent, we're delivering training, insights and technology to empower and enable our teams, focused on serving our clients in a highly differentiated manner. Importantly, maintaining fortress principles is a core tenet of our strategy. We benefit from a strong risk and control culture, rigorous client selection, and a through-the-cycle mindset. As such, complex markets play to our strengths as we continuously prepare for a range of economic scenarios.

Altogether, this consistent long-term strategy has underpinned CIB's strong financial and operating performance. As you can see on the slide, CIB has delivered substantial organic growth and we've done so through a range of market environments. In 2024, we generated total revenues of \$70 billion, net income of \$25 billion, and a return on equity of 18%. Over the last five years, we've seen steady growth in revenues and our earnings have grown at a compounded annual growth rate of 9%.

Importantly, these results are diversified, and they benefit from our market leadership positions and the stickiness and repeatability of our Treasury Services, Lending and Securities Services revenues. We consistently maintain risk discipline and efficiently deploy our capital to serve our clients through-the-cycle. And so looking forward, we would expect a return on equity of 16% over the medium-term. But obviously, this could be impacted by potential headwinds that Jeremy walked through earlier today.

The strong results I just highlighted were driven by the sustained investments we've made over the past decade or longer. And CIB's overhead ratio of 50% in 2024 is one of the best amongst our key peers, even while we've made significant investments in our franchise. This year, we expect our total expenses to increase 7%, in line with the guidance we gave at year-end. Our volume and revenue-related expenses should increase year-over-year in line with our continued growth and momentum we see across the business. And the biggest percentage increase in our expenses relates to the investments we are making in technology and a range of strategic initiatives. These investments will defend our franchise and best position us to capture the many opportunities ahead.

For this year, we expect total investments to increase 8% from \$4.3 billion to \$4.7 billion. Most of the spend is across two main categories. First is technology, where we're investing \$3.7 billion, targeting \$2.5 billion to our products, platforms, and experiences. We also continue to make the necessary long-term investments into modernizing our infrastructure. This includes investments for cybersecurity, resiliency and executing our cloud strategy.

The other major focus is funding the strategic expansion of our Banking and Sales teams. Troy will cover this in detail, but we have an outstanding track record of organic growth tied to deliberately putting more JPMorgan bankers in front of more clients and more prospects.

And before I hand the mic to Troy, let me end by saying that we're only beginning to see the full potential of our interconnected businesses. Our coverage and product teams are even more closely aligned, segmented and focused, delivering deep industry and market expertise. We're solutions-driven, serving our clients at every step in their journey from start-ups to large multinationals. And we are one face to sizable market ecosystems like private capital and the innovation economy. And with each of our businesses performing exceptionally well, what is exciting is we operate in large and growing addressable markets and there are substantial opportunities to build on our momentum.

And with that, let me now pass it over to Troy to tell you more.

Operator: Welcome to the stage, Troy Rohrbaugh.

Troy Rohrbaugh

Co-CEO of Commercial & Investment Bank

Thank you, Doug; and good morning, everyone. We believe the power of our combined CIB franchise is incredibly unique. We are now even better positioned to deliver comprehensive solutions to our clients and capture large and growing opportunities. So now I'll walk through our lines of business and cover their performance and key priorities.

Starting with Securities Services, where we have made immense progress. This is a business with a concentrated wallet across the largest institutional investors, and that trend has been accelerating. Our strategy has always been focused on partnering with long-term clients who are benefiting from these consolidation trends, and therefore, need and value our full offering as they become even more global and complex.

We operate in 100 markets. And as a result, our client base is well-diversified across geographies, with over 60% of our revenue generated outside the U.S. From Securities Services to Markets, we offer front-to-back solutions. 80% of our clients are also Markets clients, including our top 200. We have over \$35 trillion in Assets Under Custody and generated over \$5 billion in revenue in 2024, marking our fifth straight year of record revenue, driven by steady fee growth as well as the stable and growing deposit base.

Since 2019, we've improved our share by 50 basis points and are in the top three with 10.7% share. While it's important for us to close the gap to number one, we are focused on doing so profitably. We continue to drive efficiency at scale across our complete product set. As you can see on the right, in Trading Services, we've increased our balances by 80% and reduced unit costs by 72%. And in ETFs, we've increased Assets under Custody by over 300%.

Importantly, we've continued to deliver the best-in-class operating margin of 32%, which is the outcome of years of investing in our platforms and thoughtfully partnering and growing with our clients. This space continues to evolve, including factors like competition and price compression, clients investing in more complex markets and strategies and the increasing need for data and analytics.

As our clients navigate a changing landscape, they rely on us as their long-term partner. Our technology and scale are critical to being an endgame winner in this business. Not to mention the data in our Fusion platform, which opens up incredible potential for AI to further drive value for our clients and better enable productivity.

Moving on to Markets. We are proud to be the top franchise. In any market environment, we are committed to being a complete and global counterparty with strong risk management and the ability to allocate capital dynamically. Our intense client-centric focus allows us to meet our clients' needs through the trade lifecycle.

Our number one ranked Research organization delivers best-in-class content and insights to clients, with over 90,000 active users on our J.P. Morgan Markets portal. In Trading, we ranked top two in 11 of the 13 sub-products. And Financing is a significant and expanding portion of our revenue in both FICC and Equities, growing by 75% since 2019. And here, we have the top market share among our peer group at 17%. Supporting all of this is our resilient infrastructure and digital platforms, enabling us to handle massive spikes in volume like we saw last month. For example, we executed \$340 billion of FX notional in one single day.

Turning to financial performance, we generated a record \$30 billion of revenue last year, maintaining our number one rank, even as the significant wallet continues to attract competition from both banks and non-banks. In the middle of the slide is our product market share. In Equities, our multi-year investment strategy has led to growth across all three key areas: Cash, Prime and Derivatives.

In FICC, we have been the leading franchise for over a decade. However, our market share is lower relative to pre-COVID, due to a change in the wallet mix, plus certain areas of underperformance, such as Rates, which we are addressing. Perhaps, even more important is our client market share on the right, which is the cornerstone of our franchise. Similar to Securities Services, we are focused on growing alongside our largest institutional clients where we've seen the consolidation of the wallet there as well over the past few years.

Here we have the leading market share, increasing by 230 basis points since 2019. As we discussed last year, we continue to see opportunities to deepen relationships with Corporates, which we are well-positioned to do through our combined organization. For example, our TSFX revenues from international corporate clients have grown by over 40% in the last two years.

So while the market environment remains uncertain, we operate from a position of strength, which should allow us to capitalize on a potentially larger wallet, while still investing in our clients, products, technology and innovation. We also continue to deploy capital in a disciplined way, pursuing opportunities dynamically across key products and client segments.

Okay. So now turning to Global Banking, where, as Doug said, we are fully integrated yet intentionally segmented to serve our clients at every stage of their lifecycle. With our comprehensive set of solutions across Payments, Lending, Advisory and Capital Markets, all delivered with excellence, we are creating client-for-life relationships. The breadth and expertise of our model is what truly sets us apart, including fit-for-purpose solutions delivered to our 80,000 clients, global scale with local presence in 220 cities and nearly 4,000 senior bankers with deep industry knowledge, serving as trusted advisors to our clients. And the interconnectedness across our businesses allows us to deliver a unified client experience.

The power of Global Banking is demonstrated in our financial results, with strong growth in revenue delivered in close collaboration with our Payments team. Max and Umar will tell you more about that in a minute.

For the past 15 years, we've been number one in Global Investment Banking fees. And last year, for the first time, we took a full sweep of number one across M&A, DCM and ECM. However, the race at the top is tight, which is why we continue to focus diligently, product-by-product, sub-sector by -sub-sector. And we remain incredibly disciplined in our loan growth, while still growing our deposits through-the-cycle.

We're in a challenging environment with potential downward pressures on the Investment Banking wallet, acute competition, and the increasing war for talent. But we will continue to expand our client franchise through our targeted growth initiatives. For example, we are using our data to better target 60,000 Middle Market prospects to become their primary bank.

In Investment Banking, we're making inroads in the sub-sector opportunities we shared with you last year, and we've prioritized 16 of those, which are growing and benefiting from secular trends. And as Doug mentioned, the sponsor and innovation economy ecosystems present large market opportunities, where we believe we are uniquely positioned to gain outsized wallet share.

For example, we grew our Innovation Economy client base by 30% last year. Finally, we continue to invest in our talent, adding over 2,000 client-facing and supporting team members in the last five years, while enabling them with real-time insights and analytics to increase sales productivity.

Okay. Turning to our Lending exposure. Jeremy already covered some of this, so I won't add much further other than to say we're comfortable with our overall exposure, but we are closely monitoring both Middle Market companies and certain sectors that may be more significantly impacted by tariffs, as well as other areas where credit has broadly grown during this cycle.

In Commercial Real Estate, our portfolio remains consistent at \$200 billion, which is predominantly multifamily, mainly in Classes B and C where we've seen limited losses. And as Doug shared, our primary objective is to be the most important financial partner to our clients and to be a stable port in the storm.

Okay. So I'm going to finish with a powerful example of how our combined franchise across Commercial Banking, Investment Banking and Markets is even better positioned to deliver comprehensive solutions to our clients. As we said earlier, we are one face to large market ecosystems. And Private Credit is no exception. We talked about this last year and we've made real progress since then.

We believe that we are uniquely positioned to sit at the center of this ecosystem. And our public commitment to Direct Lending speaks for itself, \$50 billion from our own balance sheet, alongside nearly \$15 billion from our co-lending partners. This will be deployed thoughtfully and over time, applying our consistent and disciplined approach to risk management. We do not do this for the purpose of gathering assets. We do this to meet our clients needs.

Core to our strategy is that we partner with both our borrower and investor clients. When it comes to our borrower clients, we are committed to meeting their capital needs by delivering the most appropriate solution, whether it's public, private, hybrid, or any variation thereof. As for our investor clients, we do not see this as being at odds with those who provide these solutions as well. We see it as an opportunity to partner with them and promote a healthy, functioning market.

And all of this creates flywheel benefits, helping us capture revenues across Trading, Financing, Payments, Advisory, among others. And we will continue to evolve our approach as needed to ensure we are best positioned to drive value for our clients.

So with that, I'll hand it over to Max and Umar who will give you an update on our Payments business.

Operator: Welcome to the stage, Max Neukirchen.

Max Neukirchen

Co-Head of J.P. Morgan Global Payments

Thank you, Troy and Doug, and welcome to our deep dive on Payments. In Payments, we serve an incredible breadth of clients across sizes and industries all around the world. But we do not pursue a "one-size fits all" approach. We offer comprehensive solutions tailored to their specific needs – from digital-first products to support start-ups, to complex global solutions for multi-national companies.

Our business is world-leading. Last year, we generated more than \$18 billion dollars of revenues. And our scale is unmatched. We serve 20 of the largest 20 companies on the planet. We cover 80% of the Fortune 500 and we are number one in U.S. Middle Market. And central to all of this is our goal of being the primary operating bank to each of our clients.

In addition to serving our clients, we're also a critical partner to the rest of the Firm. For example, we hold \$760 billion dollars of deposits, which is almost one-third of the Firm's deposit funding. Most of them are operating deposits. And we are also critical to the success of other businesses within JPMC as the examples on the bottom show.

Payments unlocks incremental revenues. For example, we have a successful collaboration with Markets around seamless FX that has added hundreds of millions of incremental revenues over the last few years. Payments also generates significant cost savings. As you can see in the middle at the bottom, both Securities Services and CCB leverage our infrastructure to process trillions of dollars of savings (sic) [payments] every year.

And Payments powers alternative solutions for our clients. For example, we enable them to sweep funds into AWM, at the moment about \$175 billion dollars of balances. All these synergies create value for the Firm, but they also really solidify our role as a leader in financial services.

Now, let me talk a little bit more about the sub-businesses we have in Payments. Treasury Services is a business that offers liquidity management and money movement to clients. We are number one and we continue to grow. On an average day, we process more than \$10 trillion of volume and that goes up to \$14 trillion on peak days.

In Merchant Services, we allow companies to accept payments from their customers, both online and in-store. We are the number one acquirer in the U.S., and we are also the number one e-commerce acquirer in EMEA. Last year, we processed more than \$2.6 trillion dollars of volume, and at peak, more than 6,000 transactions per second.

Our Trade business is focused on being a leader in key sub-segments, such as structured trade. And as you can see on the page, the number 7 ranking has opportunities to grow. These first three businesses are well-established and generate more than 90% of our Payments revenues. However, the next two are areas of key investment and also show high growth. Embedded Finance & Solutions encompasses vertical and horizontal value-added services, as well as software solutions. Our Embedded Payments platform is number one ranked.

And then, finally, we offer a best-in-class Digital Solutions, including our number one ranked client portals, J.P. Morgan Access and Connect as well as Kinexys, one of the largest blockchain networks in payments.

Now, what makes us unique in all of this? Our solutions create tangible value by combining the power of a large, trusted bank with the innovation of a tech company. And no other payments business has our unique set of assets, having a number one Treasury Services organization and the world-leading acquirer all under one roof. And we also differentiate by how we deliver this to our clients. We have a single coverage organization. We have a unified, high-touch approach to clients service. And we operate at scale 24/7 all around the world.

Let me bring this alive to you with two client examples, Booking Holdings and TotalEnergies. Booking Holdings on the left is an online travel agency that has household brands such as Booking.com and KAYAK. We've been with them since the beginning. We were their first bank. We gave them their first ever loan through the Commercial Bank. And of course, we have had a deep Payments relationship.

Our Payments relationship has evolved over the last 30 years to become Booking's pre-eminent partner by offering them the specific solutions that you see on the left-hand side of the page. TotalEnergies is a global energy company, headquartered in France. We've enjoyed a longstanding relationship with them across Investment Banking, Markets, and of course, Payments. TotalEnergies leverages us for liquidity management and cash management, but most importantly, to power their global growth.

And beyond the day-to-day, we support TotalEnergies in defining modern day Treasury Management. We allow them to have real-time settlement, 24/7, leveraging our blockchain solutions, and they benefit from our AI-powered fraud prevention tools. Both examples show that we are a trusted partner to companies at every growth stage, earned by delivering solutions to their specific needs.

Now, let's turn to some key financials. We have seen incredible top line growth over the last few years, adding more than \$8 billion of revenue at a 12% CAGR. But it's not only the absolute growth, it's also relative growth. Our Treasury Services market share has increased by more than 350 basis points over that timeframe. And it's the quality of these revenues that also matters. Payments is essential to our clients. Our relationships are deep and long-lasting, and those revenues are therefore consistent and recurring.

Two metrics we monitor very closely to judge the health of our franchise, actually are growth in fees and growth in deposits as you can see in the middle of the page. Fees have grown at a 9% CAGR, driven by our investment in modern platforms as well as in expanded coverage, as you heard earlier from Doug. And over the same time period, as you can see at the middle in the bottom, our deposits are up more than 50%, mostly high-quality operating deposits.

Last year offered a clear demonstration of the strong earnings profile of this franchise. While revenue growth was nearly flat, it was a very successful year, because we were able to absorb significant rate-related headwinds through our deposit and our fee growth. And it's performance like that that will help us weather future rate cycles.

Now, let's look ahead – looking ahead, we see significant tailwinds that will position us well for continued growth. First of all, payments continue to digitize all around the world, with electronic solutions replacing cash. That grows the wallet for us, but, of course, also for the whole industry.

In addition to wallet growth, there continues to be a consolidation towards the largest players, reflecting an industry trend towards scale and security. JPMorgan is very well-positioned for that trend. And thirdly, Payments is becoming more and more strategic, evolving from a back-office function to a key revenue driver for many of our clients. That means clients are willing to pay a premium for differentiated solutions.

Now, how will we capture all of these opportunities going forward? For that, I'll hand it over to my partner, Umar, who will take you through our five growth levers.

Operator: Welcome to the stage, Umar Farooq.

Umar Farooq

Co-Head of J.P. Morgan Global Payments

Thanks, Max; and good morning, everyone. As you heard, our business has tremendous momentum and natural tailwinds. We want to ensure that we capture this opportunity and have a five-pronged strategy to do so. Working closely with our partners in Banking, we will continue to expand coverage across industries and geographies.

We will combine this expanded coverage with the strength of our balance sheet to deploy capital and meet the needs of our clients. We have been on a modernization journey for many years now. And given the centrality of technology to our business and the constant innovation in our space, we will continue to invest in platforms that are innovative, scalable and resilient. Last, but definitely not least, we are doubling down in our existing footprint and looking to expand to new markets.

Let me cover a few of these points in a bit more detail. Our partnership with Commercial Banking and Corporate Banking is a key asset for the Payments business. We see significant opportunities across segments and geographies to deepen existing relationships and to capture new clients. Our focus on expanding coverage is actually nothing new. Since 2022, we have expanded our banker headcount by more than 1,000, and we intend to continue growing. Most importantly, as mentioned earlier, this shows the power of bringing the Commercial and Investment Bank together last year. Many of the segments we are focused on take our existing expertise from Commercial Banking in the United States and rolls it out across our international footprint.

Now you've heard quite a bit about our modernization journey in past investor days and can now say – see multiple years of investments paying off in our performance. Our double-digit growth in fee revenue is a testament to building a modern, highly scalable and resilient platform. In fact, we build all of our new applications for maximum flexibility, utilizing micro services and a cloud-ready architecture. Down the middle of this page, you can see many examples of completed and ongoing work across our entire product suite, including very importantly, the completion of our target state global platforms for Treasury Services and Merchant Services. We believe this gives us a sustainable advantage versus our peers. And I'd be remiss if I didn't say that in our business, you're never really done with modernization. And we will continue to invest in our platforms on an ongoing basis.

These state-of-the-art platforms enable industry-leading digital experiences and innovation. We are laser focused on providing the absolute best digital experience to every single client segment. We already have, as you heard, award winning, at-scale platforms like J.P. Morgan Access and Chase Connect that serve more than 400,000 users on a regular basis. But we are building new ones. We are really focused on building digital experiences that are targeted to specific segments like technology startups.

On the right of this page, you can see an area that makes us really proud, Kinexys, our blockchain business, formerly known as Onyx by J.P. Morgan. Kinexys is one of the largest and leading institutional blockchain platforms and has delivered many industry firsts, from programmable payments for our corporate clients to instant settlement between U.S. dollars and euros.

Our pedigree in this space is unique. We started investing in blockchain many years ago before our peers, fintechs included, and have stuck with this investment through all intervening cycles. Our world-class team has spent years building a platform that's scaled and fully compliant. And this platform, since launch, has processed nearly \$2 trillion, putting it in a category by itself. And we are very excited about recent developments in areas like tokenized assets. With our platform, we are ready to capture these opportunities. And we intend to continue innovation in this space with the quality and the compliance expected of J.P. Morgan. Needless to say, we have some exciting products lined up, so stay tuned.

We are also very proud of our best-in-class data platform. As one of the largest players in payments, we have a data asset that is second to none. To harness the power of this data, we have been building and have completed building a cloud-native data infrastructure and are utilizing AI and machine learning models for everything, from prospect qualification to transaction screening and operations. The operational efficiencies our data platform has allowed us to capture with AI models are truly impressive.

In the last few years, our transaction volumes have gone up by more than 50%. At the same time, our AI models have allowed us to cut manual exceptions by more than 50%, delivering significant operating leverage. And that's not it. We also have been able to cut down the turnaround times for these exceptions by nearly 75%, which has allowed us to deliver exceptional client experience. Frankly, this is just a small example of how key our data asset will be to the future of our business as we expand and lean ever more so into technologies like generative AI.

Finally, we are excited about expanding our global footprint, something that's very important to many of our clients. We are already well positioned. We are the number one player in financial institution payments globally. Our SWIFT market share is significantly higher than any of our peers. However, as we mentioned earlier, we continue to invest in expanding corporate coverage across all segments from startups to multi-nationals. This goes hand in hand with expanding capabilities in our existing markets.

Take Mexico for an example. Mexico is the second largest economy in Latin America and has a large untapped Payments opportunity. To capture this, we've been investing and expanding our product capabilities within Mexico. And since 2021, this has allowed us to double our client count and increase transaction counts by nearly 10 times. And Mexico is just one example. We have similar product expansion and

modernization work going across many of the countries in our footprint. We are also expanding into new markets to capture new opportunities.

One exciting announcement is that we have launched an ADGM, UAE's free trade zone earlier this year. We plan to continue adding new geographies in a disciplined manner in the years to come. For example, the Shanghai Free Trade Zone, coming soon. Now, I'd love to share other countries on our roadmap, but you, as investors, are not the only ones listening.

Let me recap what Max and I covered over the last few minutes. We have an incredibly powerful franchise that we deliver to our clients, large and small, across the globe. They choose us as their primary operating bank because of the safety, the scale and innovation we deliver every single day. We continue to deliver strong performance, driven by double-digit organic growth and recurring revenue streams. And we believe that our targeted investments in state-of-the-art platforms and innovation set us up for high quality growth in the long term.

We have a great hand, and even with moderate rate headwinds, we believe our business is well positioned to add several billion dollars of incremental annual revenue in the coming years. We truly hope you're as excited about our business as Max and I are.

And with that, I'll turn it back to Doug and Troy.

Operator: Please welcome back Doug Petno and Troy Rohrbaugh.

Doug Petno

Co-CEO of Commercial & Investment Bank

Max, Umar, thank you both. So let us just close today by saying that we are immensely grateful for the trust that our clients place in us every day. It's something we never take for granted. So to add even more value to our clients and to best compete in the future, we're going to continue to invest in our franchise and we're going to continue to evolve our business. We believe the strategic reorganization that we completed last year positions the new CIB to capitalize on our strengths and to continue to deliver strong results. Our talent, our culture, our proven track record, give us confidence in the future.

And so before we turn it over to Q&A, Troy is going to give us some more detail on our outlook for the second quarter.

Troy Rohrbaugh

Co-CEO of Commercial & Investment Bank

So, now, I think the part many of you have been waiting for all morning: guidance. So in Investment Banking, we expect the second quarter IB fees to be down mid-teens, plus or minus, year-on-year, depending on how the remainder of the quarter plays out. And in Markets, we had a strong start to the quarter. However, volatility has moderated. As of today, we expect growth in the mid to high-single digits year-on-year, but keep in mind, for both Markets and Investment Banking, we're operating in a very uncertain market (sic) [environment], which makes forecasting quite difficult.

So with that, thank you and we'll take any questions.

QUESTION AND ANSWER SECTION

Mikael Grubb

Head of Investor Relations, JPMorganChase

Okay, we're running a little behind, but we'll take five minutes of questions here. Scott Siefers.

R. Scott Siefers

Analyst, Piper Sandler & Co.

Q

Good morning. I guess so much production in volatility. Unclear how much uncertainty we've really reduced over the past several weeks. Maybe if you could provide just sort of little color on kind of where your clients are at? Has this last few weeks emboldened them or given them enough visibility to move forward or are we still in that kind of pause where we were several weeks ago?

Doug Petno

Co-CEO of Commercial & Investment Bank

A

Yeah. I mean, look, it's hard to make general comments about client sentiment just because the facts and circumstances are unique to every one of our clients. But I think in a general way, clients entered the year very bullish, expecting pro-growth, pro-business, deregulatory environment, maybe some more big M&A. And when they started to see some flashing yellows, flashing red signs and a slowdown in the economy, many tapped the brakes.

And then with the events of April, everybody put everything on hold. If you think – I'm talking about our corporate clients now, not our trading clients per se. If you think about what's open and in the air right now, every – almost every input variable and capital budgeting or valuing a company, interest rates, discount rates, currencies, taxes, all of that stuff's yet to be determined. So, I think all those puzzle pieces have to come together. So, the typical clients kind of got their foot on the brake at the moment. Wait and see attitude, waiting to sort of more clarity on. And tariffs are only one part of it. It's what kind of landing we're going to have in the U.S. and globally.

Troy Rohrbaugh

Co-CEO of Commercial & Investment Bank

A

I think even investor clients are right where Doug described, I mean, we saw volumes at multiples of what we normally saw, and I think a lot of them now are in wait-and-see mode as well, and you see that in volumes and volatility.

Mikael Grubb

Head of Investor Relations, JPMorganChase

Okay. Ken Usdin

Ken Usdin

Analyst, Autonomous Research

Is that good?

Mikael Grubb

Head of Investor Relations, JPMorganChase

You're good.

Ken Usdin

Analyst, Autonomous Research

Q

Hi. Ken Usdin. Thanks. Just Troy, you made some comments in your remarks just about the fee pool in Markets, and I'm just wondering about where you think market share can go to and your points about especially the Markets fee pool. Do you continue to see that potentially growing over time? It's continued to upside surprise us since the post-pandemic time.

Troy Rohrbaugh

Co-CEO of Commercial & Investment Bank

A

Yeah, sure. A couple questions in that I'll try to answer. So I think post-pandemic, people asked every year, ourselves included, like when's the pool going to normalize? And I think we thought it would, everyone in this room probably thought it would. And I think in the beginning, it was

Troy Rohrbaugh

Co-CEO of Commercial & Investment Bank

A

more of a surprise. But now, I think it's not going to normalize anywhere near those levels because you're in a totally different environment. I mean, if you think about that pre-COVID period, you had rates at zero, lots of monetary stimulus, volatility near all-time lows. Like we're just not there and unlikely to go back there. So I think the broad fee pool in Markets won't go back to those pre-COVID levels.

And then when you have moments like this where volatility is higher, you can see it, the volumes explode across the market. The opportunity, and what I was specifically referring to is, if you continue to have volatility like we've seen in like in the last month or the first part of the year, this year alone could be better than we expected in Markets. And then the third thing is just generally, I think we can gain market share in Markets. We continue to see the benefits of our investment in Equities. We're growing our – and deepening our client franchise across the whole space. There's real opportunity in Corporates. So in Fixed Income it won't be easy, but I think we can gain share. And in Equities, I think we'll continue to benefit from our investments.

Mikael Grubb

Head of Investor Relations, JPMorganChase

Okay, we'll take our last question from Glenn Schorr.

Glenn Schorr

Analyst, Evercore Group LLC

Q

Hi. Thanks very much. I guess I want to get the right perspective on your thoughts on the growth opportunities across private markets. I think JPMorgan has done more than just about any bank in terms of positioning and adapting to what a client needs. But your success story of \$13 billion compares to like a direct lending market of close to \$1 trillion, a private credit market of \$2 trillion. How much can you address in terms of clients' needs? What is the perspective on the wallet you're going after? I know you partner with those same competitors on many fronts, whether in terms of you as a lender and facilitator, I'm curious how much you can get of the private markets wallet. Thanks.

Troy Rohrbaugh

Co-CEO of Commercial & Investment Bank

A

Yeah. I mean, look, I think we hit it hard because it's an important part of how Doug and I are thinking about the business. We're not doing it to grow assets. Like we're not trying to compete in asset gathering with any of the major direct lenders out there.

What we're trying to do is stay in the middle of the ecosystem and stay connected to our clients. I think personally, the capital available in the Street is becoming a commodity. It's the origination that has real value. And I don't think anyone can compete with our origination. The power of this franchise, the investment in bankers, like no one will be able to match that. And so we're just uniquely positioned to A, help our borrowing clients, but then partner with that entire side in many ways to help them raise assets.

The reason we're putting our own balance sheet to work is you need to have skin in the game to be in the ecosystem. And there are some interesting opportunities, particularly when you think about things like hybrid structures et cetera, where again, we're uniquely positioned. So I think it's been our origination and our ability to structure like we are just uniquely positioned, where I think some of the more specific direct lending competitors will really value what we bring to the table. So that's how we're thinking about it. Not to mention, unlike everyone else in the space, we have ancillary products for them. We have payments. We have regular banking services. We do lots of other things. So being in the middle of the ecosystem is really important.

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