

JPMorgan Chase (JPM US)

FUNDAMENTAL VIEW ¹

As of 28 May 2025

- JPMorgan is one of the strongest and best positioned banks to navigate the current environment, with a well-diversified business model and good competitive positioning across a variety of lending and capital markets areas.
- The company continues to deploy its considerable earnings power into reinvestment, specifically around technology where we are bullish on its ability to drive competitive advantages through strategic enhancements and efficiency gains.

RISKS & CATALYSTS

As of 28 May 2025

- Succession planning at JPMorgan has a higher profile than many peers, with CEO Dimon (68 year-old) having held the top spot for over 15 years. Another recent round of shuffling top management yielded a little clarity, with Jennifer Piepszak taking herself out of the running and moving into the COO seat, with remaining candidates including Marianne Lake (CEO of Consumer), Troy Rohrbaugh (CEO of Commercial/Investment Bank), and Mary Erdoes (CEO of Asset/Wealth Management).
- The sector remains exposed to reputational, legislative/administrative risk, and cyber threats, although the significant tech spend over the past few years should (theoretically) result in a stronger position for JPM to manage the security threats.
- Although not likely a credit risk, JPMorgan may continue to be acquisitive around non-bank financial and ancillary services; but we would expect any deal to be conservatively funded and looking to further technology and fee income strategies (e.g. payments or asset management).

CREDIT QUALITY SCORE (CQS)²

As of 29 Aug 2025

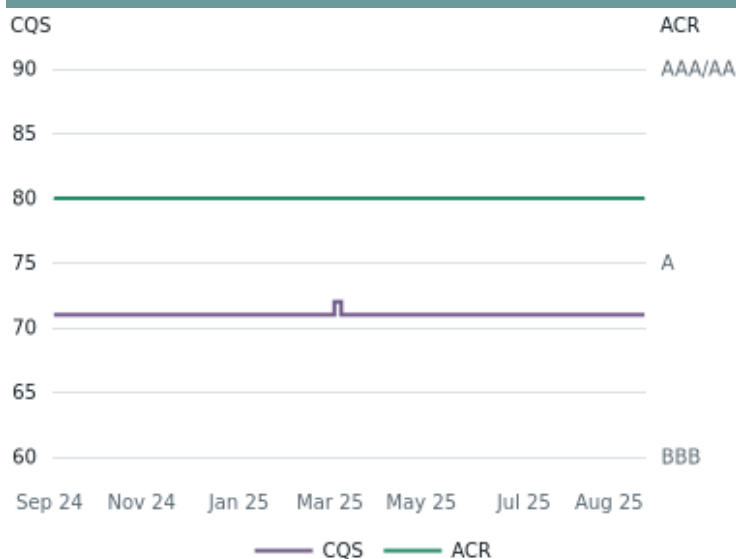
CURRENT CQS

71

CQS OUTLOOK ³

NEGATIVE STABLE POSITIVE

HISTORICAL RATINGS: AVERAGE AGENCY RATING (ACR)⁴ VS CQS



KEY METRICS

As of 28 May 2025

\$ MN	FY21	FY22	FY23	FY24	1Q25
ROAE (annual)	17.0%	13.2%	16.0%	17.4%	17.5%
ROAA (annual)	1.3%	1.0%	1.3%	1.4%	1.4%
PPNR / Avg. Assets	1.32%	1.39%	7.06%	n/m	2.08%
Efficiency Ratio	59%	58%	214%	n/m	53%
Net Interest Margin (Annual)	1.63%	2.00%	2.70%	2.63%	2.60%
Net charge-offs (LTM) / Loans	0.26%	0.25%	0.48%	0.63%	0.65%
Common Dividend Payout	24%	32%	101%	n/m	24%
CET1 Ratio	13.1%	13.2%	15.0%	15.7%	15.4%
Supplementary Leverage Ratio (SLR)	5.4%	5.6%	6.1%	6.1%	6.0%
Liquidity Coverage Ratio (LCR)	110%	110%	113%	113%	113%

BUSINESS DESCRIPTION

As of 28 May 2025

- JPMorgan ranks as the largest U.S. bank by total assets (\$4.4 tn at 1Q25) and deposits (\$2.49 tn at 1Q25).
- JPMorgan ranks 1st in terms of U.S. deposits with approximately \$2.08 tn in deposits at YE24 across 4,970 branches (S&P Capital IQ). JPMorgan's footprint includes New York (#1), Texas (#1), California (#2), Illinois (#1), Michigan (#1), Arizona (#1), Ohio (#5), and Florida (#4), among others.
- JPMorgan's major business lines include investment banking, retail banking, card services, treasury & securities services, commercial banking, and asset & wealth management.

GLOSSARY

¹ The **Fundamental View** is our current assessment of credit quality and our expectation of how credit quality will trend over the next year or longer.

² The **Credit Quality Score (CQS)** is a number between 5 and 100. It is a medium-term credit score for corporates and financial institutions that utilizes a combination of sector fundamental scores and equity market signals. Values of CQS above 50 generally indicate investment grade credit quality.

³ The **Credit Quality Score (CQS) Outlook** is the near-term (3 month) outlook for the CQS, based on its trend, volatility and distance from the adjacent CQS risk bucket.

⁴ The **Agency Composite Rating (ACR)** is the average senior unsecured rating from one or more major rating agencies.

Quantitative scores provided by CreditSights Analytics, LLC. Scores are shown are for the lesser of (1) 2 years and (2) date of CreditSights inception of quantitative coverage.

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