JPM gideon lens

JPMorgan Chase & Co. (JPM) - Gideon-Lens Equity Research

Date: 2026-04-28. Analyst: Codex ER2. Price anchor: $308.28. Market cap anchor from queue: $831.4B. Fiscal year end: December 31.

VERDICT BLOCK

Verdict: BUY

Scorecard:

Gate	Result	Notes
Management	PASS	Proven allocator, deep bench, candid capital discipline
Moat	PASS	Deposit/CIB/scale moat passes 2046 test
P/E <= 15 on confident EPS at TTM + 5 calendar years	PASS	base cushion +34.8%
Compounder Score	Audited 64 / 100	64/100; JPM is an elite bank franchise, but the audited score is capped by uncalculated bank ROIIC, missing acquisition-inclusive return evidence, and a failed 20% return case.
Business Quality Score	Audited 61 / 80	61/80; premium ROTCE, deposits, CIB/AWM scale, management, and disclosure are real, but bank capital intensity and missing product-level capital evidence limit the score.
20% Return UW Score	Audited 3 / 20	3/20; current-price base returns are far below 20%, and a 20% outcome requires a much lower entry price or terminal multiple expansion.

One-line thesis (or reason to pass): JPMorgan Chase is a rare large bank where management, moat, and base-case five-year EPS math all clear ER2, with enough valuation cushion to absorb normal bank cyclicality but not a combined credit-capital shock.

Kill / trigger criteria:

- BUY trigger: price below $415 (implied base-case P/E 15 value, 34.8% cushion at $308.28)
- PASS triggers: CCB card NCO above 4.0%, standardized RWA growing more than 500 bps faster than managed revenue, and quarterly net repurchases below $4.0B while CET1 is at or below 14.0% over a rolling two-quarter window
- Upgrade to BUY conditions: already met at the queue price; add only if the credit-capital trigger remains clean through the next two reported quarters

Position sizing if bought: 3% of equity book maximum, because the franchise is exceptional but the bear case is a real bank-cycle path rather than a remote tail.

Stage 0 - Time Anchor

Today is 2026-04-28. JPMorgan Chase & Co. fiscal year ends December 31. The most recently reported quarter is Q1 2026, period ended March 31, 2026, released April 14, 2026 by JPMorgan Chase IR. The TTM anchor is Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026, producing TTM ending March 31, 2026. The forward horizon is exactly TTM + 5 calendar years, or March 31, 2031. Every valuation reference in this report uses March 31, 2026 to March 31, 2031 as the five-year compounding span.

Stage 1 - Disqualifier Sweep

The disqualifier sweep is green/yellow, not red. ROIC is translated to bank ROTCE and is green: JPM produced 23% ROTCE in Q1 2026 and high-teens to low-twenties ROTCE around the anchor. FCF conversion is yellow/green because banks are not judged by industrial free cash flow; distributable earnings must be checked through CET1, RWA, deposits, credit, dividends, and buybacks. Net debt / EBITDA is yellow/green for the same reason, but capital and liquidity are strong, with an estimated

standardized CET1 ratio of 14.3% at Q1 2026. End markets are green/yellow: global deposits, payments, wealth, markets, credit, custody, and advisory are durable but cyclical. Governance is green with a succession watch item, not a gate stop. AI disruption is yellow because it can pressure interfaces, service workflows, and wealth advice, but JPM also has scale, data, risk controls, distribution, and technology budget. Pricing power is green/yellow, anchored in deposit franchise, CIB network effects, card scale, AWM relationships, and regulated balance-sheet capacity, while still constrained by rates, credit cycles, and regulation.

Management - Summary

Management earns a PASS. The appendix frames JPM as still a Jamie Dimon-led company, but not merely a one-person story. Dimon has owned the post-crisis operating model since becoming CEO in 2005 and Chairman in 2006, while CFO Jeremy Barnum has become a highly numerical public steward of bank-specific capital allocation. The strongest management evidence is the combination of record scale, Q1 2026 ROTCE of 23%, TTM managed revenue of $190.1B, TTM net income of $58.9B, a 14.3% estimated CET1 ratio, and clear disclosure around NII ex-Markets, expenses, card charge-offs, RWA, capital rules, deposits, and buybacks. Capital allocation has the right order: fund organic growth, maintain the dividend, then repurchase stock with residual capital when risk-adjusted returns justify it. The flaws are also real. Dimon succession, combined Chair/CEO structure, GSIB/Basel capital drag, elevated expense, private-credit/NBFI exposure, and regulatory visibility remain standing watch items. None rise to a management-gate failure because the bench is visible, the Board has lead-independent-director mitigants, disclosures are unusually direct, and the firm has not been starving the franchise to manufacture near-term EPS.

Moat - Summary

The moat appendix also earns a PASS, including the 2046 test. JPM's moat is not one generic "brand" claim. It is a stack of trusted deposit funding, payments and custody rails, regulated balance-sheet capacity, CIB network effects, global client procurement trust, wealth distribution, risk infrastructure, technology scale, and a culture that has repeatedly converted stress into share or relationship gains. CIB is the strongest moat segment because institutional clients need liquidity, credit commitment, payments, markets access, custody, securities services, and advice from a counterparty that can operate through volatility. CCB is durable through checking relationships, card scale, branch/digital reach, and small-business/consumer data, but it is more credit-cycle and deposit-interface sensitive. AWM is durable in private banking, advice, alternatives, lending, and complex planning, while more exposed to passive, direct indexing, AI-assisted advice, and fee compression. The 2046 test passes because a recognizable JPM can still exist as regulated global financial infrastructure for deposits, payments, credit, markets, custody, wealth, and risk transfer. The moat is not immune to capital drag or unbundling; it is strong enough that those risks become underwriting haircuts rather than immediate disqualifiers.

Stage 5 Synthesis - Headline Numbers

The synthesis clears all 11 tie-out checks. Base managed revenue grows from $190.103B at the TTM anchor to $225.867B by March 31, 2031, a 3.5% CAGR. This is not an aggressive firmwide revenue case: it is below Q1 2026 managed revenue growth and assumes Corporate normalizes downward rather than becoming a hidden growth plug. Segment base revenue at the horizon is $96.6B for CIB, $93.2B for CCB, $33.067B for AWM, and $3.0B for Corporate. Base PPNR/OI is $105.169B. After a $3.614B FTE item, $18.200B of provisions, and a 21.5% tax rate, base net income is $65.434B. Ending diluted shares are modeled at 2,362.6M, giving base EPS of $27.70.

Case	FY+5 revenue	FY+5 OI/PPNR	FY+5 net income	FY+5 EPS	EPS x 15	Cushion vs $308.28
Bear	$188.219B	$73.016B	$36.849B	$14.13	$211.95	(31.2)%
Base	$225.867B	$105.169B	$65.434B	$27.70	$415.44	+34.8%
Bull	$248.789B	$122.529B	$85.708B	$36.00	$540.00	+75.2%

The required FY+5 EPS for a P/E of 15 at $308.28 is $20.55. The base case clears that by $7.14 per share, and the probability-weighted case also clears. The important caveat is that the bear case fails. JPM can remain an excellent bank while being a poor purchase if credit costs, CIB normalization, RWA inflation, and lower buybacks arrive together. The synthesis explicitly checks the capital path: standardized RWA grows 4.0% annually to about $2.485T, a 13.8% CET1 target requires about $342.9B of CET1, and cumulative retained capital after dividends and $28B annual buybacks still funds the required capital build with a buffer. That makes the buyback path plausible, not free. It is the central modeling sensitivity.

Red Team - Summary

The red team does not downgrade the thesis, but it narrows the confidence claim. Its strongest point is that JPM can be the best bank in the country and still miss the base EPS bridge if CCB card credit, CIB normalization, RWA drag, and lower buybacks happen together. The most likely optimistic Stage 5 number is the ending diluted share count of 2,362.6M, because five years of large buybacks depend on capital rules, RWA growth, credit losses, stock price, and regulator tolerance. The forced exit signal is specific: sell or downgrade if, over any rolling two-quarter window beginning with Q2 2026, CCB card NCO exceeds 4.0%, standardized RWA grows more than 500 bps faster than managed revenue year over year, and quarterly net common-stock repurchases fall below $4.0B while standardized CET1 is at or below 14.0%.

Kill / Trigger Criteria

- Keep BUY while the credit-capital trigger remains clean and base EPS remains above $20.55 at the March 31, 2031 horizon.
- Downgrade immediately if CCB card NCO exceeds 4.0%, RWA grows more than 500 bps faster than revenue, and net repurchases fall below $4.0B while CET1 is at or below 14.0% over the same two-quarter window.
- Reopen the model if CIB Markets and investment-banking fees both decline year over year for two consecutive quarters while CIB RWA does not decline.
- Reopen the model if AWM revenue growth falls below 3% for two consecutive quarters while client assets are flat to positive, because that would indicate fee-yield or mix compression.
- Reassess management if succession coincides with a major control failure, material restatement, or evidence that the post-Dimon operating culture is less disciplined than represented.

Analyst Flags

The largest data limitation is product-level and segment-level granularity. JPM does not disclose every product-level PPNR, provision, and net income line, especially inside CCB and Corporate. The segment appendices therefore use disclosed product revenue and modeled pre-provision margins rather than invented operating-income detail. AWM product-level TTM rows required the Q1 supplement because the data package lacks complete last-four-quarter AM/GPB rows. Corporate has no clean Treasury/CIO versus Other Corporate split and no recurring versus one-time split, so it is modeled as a volatile normalization bucket. QF and QFR also identified a bank-specific FMP issue: FMP generic revenue and share-count fields do not always match JPM's official managed/reported presentation, so official JPM IR and SEC values control. Those caveats do not block the report, but they are part of position sizing. The BUY is real, but it is a bank BUY with a hard credit-capital monitor, not an unrestricted quality-compounder blank check.

Appendix A - Company Primer

JPMorgan Chase & Co. (JPM) - Company Primer

Run date: 2026-04-28 Subagent: A - Company Primer Ticker: JPM Company: JPMorgan Chase & Co. Output: `C:\Users\Admin\OneDrive\GPT\ER 2.0\JPMorgan Chase & Co\appendix_A_primer.md`

Stage 0 Time Anchor

- Today: 2026-04-28.
- Company fiscal year convention: JPMorgan Chase & Co. fiscal year ends December 31.
- Most recently reported quarter: Q1 2026, period ended March 31, 2026, released April 14, 2026 by JPMorgan Chase IR.
- TTM anchor: Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026 -> TTM ending March 31, 2026.
- Forward horizon: TTM + 5 calendar years = March 31, 2031. Compounding horizon is exactly March 31, 2026 to March 31, 2031.

Data Source Rule

The workspace may have a "Data Warehouse First" rule that says check a local `data warehouse/` cache before hitting FMP. **For the ER2 skill this rule is suspended.** Every Wave 1 subagent (D, A) and every Wave 2 subagent (B, M, W) that needs historicals, segment data, or transcript quotes must: fetch live from FMP's `/stable/` endpoints using C:\Users\Admin\.codex\skills\fmp-financial-data\scripts\fmp_request.py, fetch live from the company's IR website and SEC EDGAR, and never substitute cached warehouse files for a live fetch. If a live fetch fails, retry the identical call once, then flag the failure - not cache fallback.

Source Base And Scope

This primer uses `quant_foundation.md` as the controlling source for all financial figures. The quantitative foundation completed live pulls on 2026-04-28 and reported `RECONCILIATION: 8/8 checks PASSED`. For this run, fresh non-overwriting live source files were saved under `raw\subagent_A_20260428_192746`, including FMP endpoints, JPMorgan Chase Q1 2026 IR materials, SEC submissions, SEC companyfacts, the SEC Q1 2026 8-K, and the SEC 2025 Form 10-K HTML filing. No warehouse cache was used as a substitute for live source evidence.

The most important practical adjustment is that JPMorgan Chase is a bank. Industrial-company concepts such as ROIC, free cash flow conversion, and net debt / EBITDA do not translate cleanly because deposits, debt, securities, trading balances, and loans are operating inputs rather than incidental financing choices. The correct bank lens is net revenue, expense efficiency, provision for credit losses, credit quality, deposit franchise strength, risk-weighted assets, CET1 capital, tangible common equity, ROTCE, dividends, buybacks, and management's ability to grow while preserving fortress-balance-sheet flexibility.

Business Overview

JPMorgan Chase & Co. is one of the largest global financial services firms, with a U.S. base, worldwide operations, and two primary customer brands: Chase for consumer and small-business banking, cards, home lending, auto, and mass-affluent wealth; and J.P. Morgan for corporate, institutional, government, investment banking, markets, securities services, asset management, and private banking clients. At March 31, 2026, the firm reported $4.9 trillion of assets and $364 billion of stockholders' equity in its Q1 2026 release. The business is not a single product company; it is a balance-sheet, payments, risk intermediation, advice, execution, custody, asset management, and distribution platform.

The customer problem differs by segment. A retail customer uses Chase to store cash safely, receive wages, pay bills, use cards, borrow through mortgages, auto loans, or revolving credit, invest, and get financial advice. A small business uses Chase for operating accounts, cards, payments, merchant services, credit, payroll connectivity, and branch or banker support. A corporation uses J.P. Morgan for treasury services, payments, liquidity, foreign exchange, capital markets access, M&A advice, lending, derivatives, and custody. An institutional investor uses the firm for trading, financing, research, prime brokerage, clearing, custody, fund services, and investment management. A wealthy household or family office uses the

private bank for advice, lending, deposits, investment products, estate planning, and access to institutional capabilities.

The firm sells through broad channels. Consumer banking is a hybrid branch, digital, mobile, ATM, card, call center, and advisor model. Commercial and investment banking is relationship-led, with bankers, markets salespeople, treasury teams, product specialists, and senior coverage. Asset and wealth management is sold through private bankers, advisors, institutional consultants, retirement platforms, investment distribution, and digital self-directed channels. The value proposition is scale plus trust across deposits, borrowing, transactions, investing, and capital raising.

This breadth is also the core analytical complication. JPMorgan's earnings power is not driven by one demand curve. It is the sum of spread income on loans, securities, deposits, and trading balances; fees from payments, investment banking, card, asset management, and custody; transaction and market-making revenue; credit costs; operating expenses; and capital intensity. The same macro shock can move these lines in different directions. Higher rates may lift asset yields but raise deposit costs and pressure asset values. Strong markets can lift trading and AUM fees but reduce perceived margin of safety in credit. A recession can help volatility but hurt card, wholesale, and commercial credit.

Revenue Architecture

JPMorgan reports its business on a managed basis for segment analysis. Managed basis starts with U.S. GAAP reported results and adjusts revenue to a fully taxable-equivalent basis so that tax-exempt and taxable revenue streams are comparable. In FY2025, the firm generated $185.581 billion of managed net revenue, versus $182.447 billion of reported net revenue after the FTE reconciling item. The current segment structure is Consumer & Community Banking, Commercial & Investment Bank, Asset & Wealth Management, and Corporate.

Segment	FY2025 managed net revenue ($mm)	% of FY2025 managed net revenue	FY2025 net income ($mm)	What it is
Consumer & Community Banking	76,029	41.0%	18,245	Chase consumer banking, cards, home lending, auto, small business, and wealth-management distribution
Commercial & Investment Bank	78,454	42.3%	27,761	Investment banking, payments, commercial banking, markets, securities services, and wholesale lending
Asset & Wealth Management	24,073	13.0%	6,522	Asset management, private banking, investment products, advice, deposits, and lending to wealth clients
Corporate	7,025	3.8%	4,520	Treasury and Chief Investment Office, residual corporate items, and centrally managed balance-sheet activity
Total managed	185,581	100.0%	57,048	Firmwide managed results

Consumer & Community Banking, or CCB, is the Chase household and small-business franchise. It includes Banking & Wealth Management, Home Lending, and Card Services & Auto. The customer sees checking accounts, savings, branches, mobile banking, credit cards, merchant-like payment flows, mortgages, auto loans, investment accounts, and financial advice. The revenue stream is a blend of net interest income on deposits and loans, card net interest income and fees, mortgage production and servicing economics, auto lending and leasing income, and investment or advisory fees. Q1 2026 commentary emphasized checking-account growth, card revolving balances, mobile customer growth, and self-directed investing inflows. CCB is the most deposit-franchise-driven segment and the most visibly exposed to consumer credit cycles.

Commercial & Investment Bank, or CIB, combines what many banks would split into investment banking, commercial banking, transaction banking, markets, and securities services. Banking & Payments includes M&A and capital markets advisory, debt and equity underwriting, treasury services, payments, lending, and deposit relationships for companies, financial institutions, governments, and investors. Markets & Securities Services includes fixed income, currencies, commodities, equities, derivatives, prime services, custody, clearing, fund services, and related financing. CIB is the largest revenue segment in FY2025 and became even larger on a TTM basis through Q1 2026, when Markets revenue and investment banking fees were strong. The model is relationship-led but highly scale-sensitive: clients buy execution quality, balance-sheet commitment, global coverage, product breadth, liquidity, operational reliability, and risk-management capacity.

Asset & Wealth Management, or AWM, includes Asset Management and the Global Private Bank. The business manages and advises on public and private investments, money market funds, fixed income, equities, alternatives, multi-asset portfolios, retirement assets, and customized portfolios. It also provides private banking, deposits, credit, mortgages, custody, trust, and planning services for high-net-worth, ultra-high-net-worth, and institutional clients. Revenue is primarily management fees, performance and transaction-related fees, brokerage activity, deposit spreads, and lending spreads. This segment is less credit-intensive than CCB or parts of CIB, but it is sensitive to market levels, net flows, client risk appetite, fee rates, and advisor productivity.

Corporate includes Treasury and Chief Investment Office and other centrally managed items. This is not a normal customer-facing business segment. It houses liquidity portfolios, balance-sheet hedging, capital-management activity, funding, structural interest-rate risk management, tax-oriented items, First Republic-related residual effects, and other corporate allocations. The segment can produce meaningful earnings when the rate environment, securities portfolio, tax-equivalent adjustments, or corporate items are favorable, but it should not be valued like a recurring growth segment. In FY2025, Corporate generated $7.025 billion of managed revenue and $4.520 billion of net income; in the TTM period ending March 31, 2026, it contributed $5.936 billion of managed revenue and $3.526 billion of net income.

Geographically, JPMorgan is U.S.-anchored but globally active. The largest deposit and consumer franchise is in the United States through Chase. CIB and AWM are materially global because multinational corporations, sovereigns, asset managers, hedge funds, pension funds, family offices, and governments require cross-border payments, capital markets, custody, and investment services. Geography matters less as a separate reporting dimension than as a risk variable: U.S. retail banking drives deposit and consumer credit exposure, while global wholesale and markets activities create cross-border reach, regulatory complexity, and capital-market cyclicality.

Unit Economics By Segment

A bank's revenue dollar is economically different from a software or industrial revenue dollar. Revenue is usually net of interest expense for spread businesses, and credit losses are recognized through provision rather than cost of goods sold. The simplified income path is: net interest income plus noninterest revenue equals net revenue; less noninterest expense equals pre-provision profit; less provision for credit losses equals pretax income; less taxes and preferred dividends yields net income to common shareholders. The durability question is whether the firm can earn attractive returns after normalized credit costs while carrying enough capital and liquidity for stress.

In CCB, the unit economics begin with a deposit relationship. A checking customer provides low-cost or operationally sticky funding, uses payments, may take a credit card, may borrow for auto or home, and may invest through the Chase or J.P. Morgan Wealth Management ecosystem. The revenue dollar is supported by deposit spreads, loan yields, interchange and card fees, asset management or advisory fees, and mortgage or auto economics. The main expenses are branches, technology, marketing, operations, fraud, servicing, compliance, bankers, advisors, call centers, and card rewards. The most important loss line is card credit. In FY2025, CCB produced $76.029 billion of revenue, $40.267 billion of noninterest expense, $11.493 billion of provision, and $18.245 billion of net income. That is a 24.0% net income margin after significant credit provision, showing the value of the franchise but also the sensitivity to card losses and deposit costs.

CCB's operating leverage depends on scale and customer density. Branches and digital platforms are expensive, but a dense customer base can spread fixed technology, compliance, fraud, and servicing costs across millions of accounts. Marketing can be elevated when the firm is acquiring card, checking, or wealth customers. Credit cards are high-yielding assets, but they consume capital and produce cyclical losses. Home lending is lower-yielding and more rate-sensitive, with production revenue affected by mortgage volumes and refinancing activity. Deposit margins expand or compress with rate cycles and customer behavior. If deposit competition rises, the bank may pay higher yields or lose balances to money market funds and brokerage sweeps; if customers value convenience, safety, payments, branch access, and advice, JPMorgan can retain balances at attractive all-in economics.

In CIB, the revenue dollar is a blend of fees, spreads, trading revenue, securities services fees, payments fees, and lending economics. Investment banking advisory and underwriting fees have high incremental margins when deal activity is strong, but compensation is variable and revenue can be cyclical. Payments revenue benefits from deposit balances, transaction volumes, treasury services, and fee growth; it is strategically valuable because payments relationships deepen client dependence and bring operating deposits. Markets revenue depends on client flow, volatility, inventory, risk limits, financing, and capital allocation. Securities services earns custody and fund servicing fees that scale with assets, market levels, transaction activity, and operational efficiency.

CIB's cost structure is front-office talent, technology, data, risk systems, operations, brokerage, exchange, clearing, compliance, capital, liquidity, and control infrastructure. FY2025 CIB results show why scale matters: $78.454 billion of revenue, $38.216 billion of expense, only $2.615 billion of provision, and $27.761 billion of net income, or a 35.4% net income margin. The segment's profitability is not "asset-light" in the software sense, because markets, lending, repo, derivatives, and commitments consume balance sheet and RWA. It is instead capital-optimized: the firm attempts to earn high returns by matching global client demand with risk appetite, collateral, hedging, and cross-product relationships.

In AWM, the cleaner unit-economic engine is fee revenue on AUM and client assets. A dollar of market appreciation or net inflow can lift management fees with limited incremental fixed cost, though advisor compensation, distribution fees, platform costs, and investment-team compensation rise with growth. Private banking adds balance-sheet economics through deposits and loans. The segment's FY2025 $24.073 billion of revenue, $15.332 billion of expense, $97 million of provision, and $6.522 billion of net income imply a 27.1% net income margin. Credit costs are generally modest because private banking and wealth lending are collateralized or relationship-based, but the business is exposed to market levels and client activity. A market drawdown can lower management fees, brokerage activity, incentive fees, and client confidence even if credit losses remain low.

Corporate economics require caution. Treasury and CIO can generate net interest income from liquidity and securities portfolios, but the role is partly defensive: manage liquidity, interest-rate risk, funding, and capital. A high Corporate net income margin does not mean a scalable operating business. FY2025 Corporate net income was $4.520 billion on $7.025 billion of revenue, but Q1 2026 Corporate revenue declined versus the prior year due partly to lower rates and the absence of a prior First Republic-related gain. Analysts should normalize Corporate rather than extrapolate peak or trough quarters.

Deposit, Credit, And Capital Model

JPMorgan's balance sheet is the production engine. At March 31, 2026, the firm had $1.504 trillion of total loans and $2.676 trillion of total deposits, implying a loans-to-deposits ratio of 56%. The firm is not forced to fund its loan book primarily with wholesale borrowing. Large deposits, cash, securities, central bank reserves, secured financing, and long-term debt support lending, trading, and liquidity requirements. Deposit quality is central to the moat. Consumer, small-business, corporate treasury, private bank, and securities services balances differ in cost and stickiness, but the aggregate deposit base gives JPMorgan low-cost optionality.

Credit is the main delayed-cost item in banking. A loan can look profitable when booked because interest income arrives before losses. The provision for credit losses attempts to recognize expected losses ahead of cash charge-offs, but the correct through-cycle view requires judging underwriting quality, collateral, seasoning, unemployment, rates, borrower liquidity, used-car values, housing prices, commercial real estate, corporate defaults, and leveraged finance. For the TTM period ending March 31, 2026, JPMorgan reported $13.414 billion of provision for credit losses and $58.899 billion of net income. In Q1 2026, the provision was $2.507 billion, with net charge-offs of $2.3 billion and a $191 million net reserve build per the IR release. In CCB, Card Services remains the most important normal-cycle credit monitor; management's Q1 2026 outlook continued to point to an approximately 3.4% Card net charge-off rate for full-year 2026.

Capital is the binding resource. JPMorgan reported $291.090 billion of CET1 capital and $2.042 trillion of standardized RWA at March 31, 2026, for an estimated standardized CET1 ratio of 14.3%. CET1 capital is the common-equity-like regulatory buffer available to absorb losses, while RWA is the denominator that weights assets and exposures by regulatory risk. When JPMorgan grows loans, markets activity, derivatives, commitments, or operational risk exposures, RWA can rise even if accounting assets do not move proportionally. The Q1 2026 transcript notes that standardized RWA rose by about $60 billion sequentially, driven primarily by Markets, client activity, seasonal effects, and energy prices. This matters because net income can be strong while CET1 ratio still falls if capital distributions and RWA growth exceed capital generation.

The firm's distribution model is therefore a residual of earnings, capital requirements, growth opportunities, stress buffers, and management conservatism. In the TTM period, net income applicable to common equity was $57.779 billion, common dividends declared were $16.189 billion, net treasury stock purchases were $31.258 billion, and CET1 capital still increased by $11.299 billion. That is the bank version of cash conversion: not industrial free cash flow, but the capacity to fund dividends, buybacks, balance-sheet growth, credit reserves, and regulatory capital while preserving a strong CET1 position.

Why ROIC Becomes ROTCE / TCE For JPMorgan

For an industrial company, ROIC asks whether operating profit after tax is attractive relative to debt plus equity capital invested in factories, working capital, acquired intangibles, and other operating assets. For JPMorgan, that framing breaks down. Deposits are both a liability and a product. Debt is partly funding inventory, liquidity, loans, securities, and regulatory

structure. Trading assets and liabilities are operating balances. Cash and securities are not excess in the ordinary sense; they are liquidity buffers and monetizable resources required to run a global systemically important bank. Net debt / EBITDA is not meaningful because debt is not merely acquisition financing or discretionary leverage.

The closest economic substitute is return on tangible common equity, or ROTCE. Tangible common equity removes goodwill and certain intangibles from common equity, focusing on the tangible loss-absorbing capital available to common shareholders. ROTCE then measures how much net income the bank earns on that scarce tangible common equity base. JPMorgan's Q1 2026 ROTCE was 23%, and its ROE was 19%. The gap reflects the tangible equity adjustment and shows why bank analysts care deeply about tangible book value per share, ROTCE, CET1 ratios, and capital return. A bank that compounds tangible book value at high ROTCE while managing credit and regulatory risk can create substantial shareholder value even if conventional free cash flow is not analytically useful.

The translation is not perfect. ROTCE can be elevated by temporary credit reserve releases, unusually strong markets revenue, high rates, or low equity levels. It can be depressed by reserve builds, legal costs, integration costs, rate pressure, or excess capital. The underwriting question is therefore normalized ROTCE over a full cycle, not last-quarter ROTCE alone. For JPMorgan, the central quality claim is that the firm can earn premium ROTCE because it combines cheap and sticky deposits, broad payments rails, leading capital markets positions, a global institutional network, scale technology spend, strong risk controls, and disciplined capital allocation.

Cycle Sensitivity

JPMorgan is both cyclical and defensive. It is cyclical because earnings respond to rates, credit, loan growth, market activity, investment banking issuance, trading volumes, asset prices, and regulation. It is defensive because diversified revenue streams, strong liquidity, excess capital, a large deposit base, and leading client franchises can allow it to take share during stress. The firm often benefits when weaker competitors pull back, but stress still reduces earnings through credit costs, lower asset values, lower deal activity, and higher funding or operational costs.

The interest-rate cycle works through several channels. Higher short rates can increase asset yields and securities reinvestment yields, but also raise deposit costs and can pressure loan demand, borrower capacity, securities values, and unrealized losses. Lower rates can reduce deposit costs and stimulate mortgage or investment activity, but also compress asset yields and NII. The yield curve matters because banks often fund shorter and lend or invest longer. JPMorgan's Q1 2026 outlook continued to expect NII excluding Markets of about $95 billion and total NII of approximately $103 billion, with Markets NII expected around $8 billion and largely offset in noninterest revenue. This reinforces that reported NII is not the whole story; revenue classification can shift between NII and noninterest revenue in markets businesses.

Credit sensitivity is most visible in consumer card and wholesale reserve builds. Consumer stress would show up through unemployment, lower spending, higher delinquencies, higher card net charge-offs, auto loss severity, and mortgage credit behavior. Wholesale stress would show up through downgrades, criticized loans, leveraged lending, commercial real estate, sponsor-backed borrowers, trading counterparty exposure, and reserve builds. JPMorgan's management noted in Q1 2026 that consumers and small businesses remained resilient, but also highlighted geopolitical tensions, energy volatility, trade uncertainty, fiscal deficits, and elevated asset prices as risks. The key analytical discipline is to avoid capitalizing a benign credit environment as permanent.

Markets and investment banking are activity-sensitive. Volatility can help trading revenue if clients transact and risk is managed well, but extreme volatility can produce losses or widen liquidity needs. Investment banking fees depend on M&A confidence, IPO and equity issuance windows, debt underwriting, rates, credit spreads, CEO confidence, private equity exits, and regulatory clarity. Q1 2026 was strong: CIB revenue rose materially, with Markets revenue and IB fees up year over year. That strength should be treated as evidence of franchise quality, not automatically as a new base level.

Asset and wealth management is tied to market levels, net flows, and advisor productivity. Rising markets lift AUM and management fees; falling markets pressure fees and client risk appetite. Long-term net inflows and client asset growth are more durable signals than a single quarter's market beta. AWM's Q1 2026 AUM of $4.8 trillion and client assets of $7.1 trillion demonstrate scale, but the business is still exposed to fee compression, mix shift, private-market liquidity, and competition from passive products, independent advisors, private banks, and alternative managers.

Regulation is a cycle of its own. Basel III Endgame, GSIB surcharge methodology, stress capital buffer rules, liquidity requirements, resolution planning, TLAC, and operational risk capital can change the amount of equity required to support the same client activity. Management's Q1 2026 transcript framed the re-proposals as improved versus the 2023 proposal but still potentially increasing JPMorgan-specific capital burdens, particularly through GSIB and RWA effects. For valuation, capital

rules can alter both numerator and denominator: lower permitted leverage or higher RWA raises required equity, while higher capital costs may reduce activity, client pricing, or buyback capacity.

Competitive Position And Moat

JPMorgan's moat is cumulative rather than single-source. The Chase consumer franchise produces deposits, card relationships, payments data, branch density, digital engagement, and cross-sell opportunities. The wholesale franchise gives the firm a seat in the largest capital markets, payments, treasury, custody, and trading relationships globally. The asset and wealth platform creates fee income, private-bank deposits and loans, and distribution for investment products. The corporate center and balance sheet allow the firm to intermediate across cycles when smaller or less diversified firms may be constrained.

Scale creates both revenue and cost advantages. Technology and control spending are enormous in global banking, but JPMorgan can spread those costs across more customers, transactions, geographies, and products. Scale also helps in data, fraud detection, cyber defense, compliance, product development, mobile banking, AI, and payments. In markets and securities services, scale improves liquidity, operational reliability, and counterparty confidence. In investment banking, the durable edge is the ability to combine advice, lending, underwriting, hedging, payments, and risk management.

The moat is not invulnerable. Deposit competition can come from money market funds, brokerage platforms, fintech interfaces, AI-enabled cash tools, and high-yield online banks. Card economics can be pressured by rewards competition, regulation, losses, and funding costs. Investment banking, markets, and asset management all face sophisticated bank and nonbank competitors. JPMorgan's advantage is that it can compete across nearly all of those arenas, but each has its own pricing pressure.

What The Reader Should Watch

The first watch item is normalized ROTCE. Q1 2026 ROTCE of 23% is excellent, but the valuation question is whether JPMorgan can sustain premium returns through credit normalization, rate changes, higher capital requirements, and less favorable markets revenue. Tangible book value per share was $108.87 at March 31, 2026, up 8% year over year. Sustained TBVPS growth plus dividends and buybacks is the cleanest compounding path.

The second watch item is deposit quality and cost. Average deposits rose in Q1 2026, and the loans-to-deposits ratio remained conservative at 56%, but deposit competition is structurally more transparent than it was before rate-hiking cycles and real-time digital transfers. The value of Chase's branch, payment, advice, and mobile ecosystem will show up in deposit retention and beta.

The third watch item is credit normalization. CCB card losses, wholesale reserve builds, commercial real estate, leveraged finance, and borrower stress need to be monitored against pre-provision earnings power. The multiple should reflect through-cycle rather than spot-cycle credit costs.

The fourth watch item is CIB cyclicality. CIB generated the largest TTM segment revenue and net income, helped by strong Q1 2026 Markets and banking results. The business is high quality, but capital markets revenue is not a straight-line compounder. The better question is whether JPMorgan is gaining share and earning attractive returns on allocated capital through the cycle.

The fifth watch item is regulatory capital. CET1, RWA, GSIB surcharge, stress testing, TLAC, SLR, and Basel revisions can meaningfully affect buyback capacity and reported returns. The firm has ample capital and liquidity today, but the capital denominator is partly controlled by regulators.

Current Financial Snapshot

For the TTM period ending March 31, 2026, JPMorgan generated $186.973 billion of reported net revenue, $190.103 billion of managed net revenue, $98.893 billion of noninterest expense, $13.414 billion of provision for credit losses, and $58.899 billion of net income. TTM segment managed revenue was $77.284 billion for CCB, $82.167 billion for CIB, $24.716 billion for AWM, and $5.936 billion for Corporate. TTM segment net income was $18.796 billion for CCB, $29.863 billion for CIB, $6.714 billion for AWM, and $3.526 billion for Corporate.

The latest quarter, Q1 2026, showed strong earnings power: $49.836 billion of reported net revenue, $50.536 billion of managed net revenue, $16.494 billion of net income, $5.94 diluted EPS, 19% ROE, and 23% ROTCE. The balance sheet remained large and liquid, with $4.900 trillion of assets, $2.676 trillion of deposits, $1.504 trillion of loans, $343.993 billion of common stockholders' equity, $291.090 billion of CET1 capital, and an estimated 14.3% standardized CET1 ratio.

Primer Bottom Line

JPMorgan Chase is best understood as a diversified, capital-regulated financial compounder whose scarce resource is trusted funding, client relationships, risk capacity, regulatory capital, technology infrastructure, and management discipline. CCB supplies the consumer deposit, card, and wealth-distribution franchise. CIB supplies wholesale relationships, payments, markets, investment banking, and securities services scale. AWM supplies fee-based wealth and asset management economics with private-bank balance-sheet depth. Corporate manages liquidity, funding, interest-rate, and residual items.

The bank's quality is visible in its 2025 and TTM earnings, its conservative loans-to-deposits ratio, its high CET1 capital base, its Q1 2026 ROTCE, and its ability to return capital while still growing CET1. The analytical risk is over-extrapolating a strong quarter or benign credit environment. For downstream ER2 work, the key debates should be normalized ROTCE, sustainable deposit advantage, through-cycle credit costs, capital rule drag, CIB cyclicality, and the pace at which tangible book value per share can compound from March 31, 2026 to March 31, 2031.

Source Notes

- Quantitative foundation: `C:\Users\Admin\OneDrive\GPT\ER 2.0\JPMorgan Chase & Co\quant_foundation.md`.
- Live subagent A source folder: `C:\Users\Admin\OneDrive\GPT\ER 2.0\JPMorgan Chase & Co\raw\subagent_A_20260428_192746`.
- JPMorgan Chase IR Q1 2026 earnings press release, financial supplement, and transcript, released April 14, 2026.
- SEC EDGAR JPMorgan Chase & Co. 2025 Form 10-K, Q1 2026 Form 8-K, submissions JSON, and companyfacts JSON.
- FMP live `/stable/` helper pulls: revenue-product segmentation annual and quarterly, quarterly income statement, and annual key metrics.

Appendix M - Management Assessment

JPMorgan Chase & Co. (JPM) - Management Assessment

Date: 2026-04-28 TTM anchor: Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026, ending March 31, 2026 Forward horizon: March 31, 2031 Primary grounding: `quant_foundation.md` and `data_package.md`; live source checks from JPMorganChase IR, SEC EDGAR, and FMP transcripts.

1. Who is running the company

JPMorgan Chase is still a Jamie Dimon-led company. James Dimon has been Chief Executive Officer since December 2005 and Chairman since December 2006, so he owns the firm's post-crisis operating model, the First Republic integration, the current capital and liquidity posture, the push into technology and AI, the deposit-franchise strategy, and the combative but detailed regulatory posture. This is not a hired-manager situation. The current strategy, culture, risk appetite, and shareholder communication style are all Dimon-era outputs.

Jeremy Barnum has been Chief Financial Officer since May 2021. Before becoming CFO, he was Head of Global Research for the former Corporate & Investment Bank and CFO of that organization. His role matters because JPM's capital allocation is bank-specific: buybacks and dividends are not simply free-cash-flow deployment, but a function of CET1 generation, RWA growth, deposit and liquidity rules, CCAR, GSIB surcharge, and credit-cost normalization. Barnum's public communication is unusually numerical for a large-bank CFO. Across the last eight checked earnings calls, he repeatedly gave explicit line-item guidance for NII ex-Markets, total NII, adjusted expense, card net charge-off rate, CET1 movements, RWA drivers, deposit growth, and private-credit exposure sizing.

The operating bench is deep and visible. Mary Callahan Erdoes has run Asset & Wealth Management since September 2009. Marianne Lake has been CEO of Consumer & Community Banking since January 2024 after serving as co-CEO from May 2021 and previously running Consumer Lending. Douglas Petno and Troy Rohrbaugh are co-CEOs of the Commercial & Investment Bank, with Petno coming from Commercial Banking and global banking leadership and Rohrbaugh from Markets and Securities Services leadership. Jennifer Piepszak became Chief Operating Officer in January 2025 after prior CFO, CCB, and CIB roles. Ashley Bacon has been Chief Risk Officer since June 2013, which is relevant because JPM's management grade depends as much on credit and control culture as on growth.

Board oversight is stronger than the combined Chair/CEO title implies, but the combined role remains the main governance watch item. Stephen B. Burke is Lead Independent Director and wrote the 2026 proxy letter to shareholders. The proxy states that all non-management directors are independent under NYSE and firm standards and describes the Lead Independent Director as the counterweight to the combined Chair/CEO structure. The Board also says its general policy is to separate the Chair and CEO roles upon the next CEO transition, subject to the Board's judgment at that time. That is a meaningful succession marker: the Board is not promising a permanent combined role after Dimon.

2. Tenure and track record

Dimon's tenure is long enough that the question is not whether he owns the strategy. The question is whether the system he built can compound after him. The historical evidence is unusually strong. FY2025 managed net revenue was $185.6B, a record for the eighth consecutive year per the 2026 proxy supplement, net income was $57.0B, ROTCE was 20%, and Q1 2026 ROTCE was 23% with CET1 capital of $291.1B and a standardized CET1 ratio of 14.3%. TTM managed net revenue to March 31, 2026 was $190.1B and TTM net income was $58.9B. For a bank of JPM's scale, that is an elite operating result.

The three biggest Dimon-era decisions visible in this ER2 run are: first, preserving and expanding the "fortress balance sheet" operating culture; second, investing consistently through the cycle in branches, advisors, technology, payments, markets, and wealth management; third, using scale opportunistically when stress creates attractive assets or client demand. The fortress-balance-sheet decision is visible in the Q1 2026 balance sheet: $2.676T of deposits, a 56% loans-to-deposits ratio, and CET1 capital still rising in dollars even while the standardized CET1 ratio fell with RWA growth and distributions. The investment-through-cycle decision is visible in the expense line: management guided to roughly $105B of 2026 adjusted expense while explicitly defending spending on bankers, branches, advisors, technology, marketing, and AI where the expected payoff is long-term. The opportunistic-scale decision is visible in First Republic and the Apple Card transition. First Republic gave JPM a chance to add high-quality wealth and deposit relationships in a stress event; Apple Card is expected to bring over $20B of card balances over an approximately 24-month transition.

Not every decision is clean. JPM's size creates regulatory frictions, political visibility, and a perennial tendency toward complexity. The firm has had regulatory issues over time, including ongoing obligations around data fed to trade surveillance platforms noted in the 2025 10-K. Dimon also remains personally central to the firm's investor identity. That is not a current failure, but it is a real transition risk. The positive management signal is that JPM discusses succession and bench development openly enough for investors to see named operators in CCB, CIB, AWM, risk, finance, technology, and operations. The negative signal is that the eventual CEO transition will still test whether the culture is institutional or person-dependent.

Barnum's track record is favorable. Since becoming CFO in 2021, he has navigated deposit beta normalization, First Republic integration effects, the CCAR/SCB cycle, Basel III Endgame uncertainty, elevated RWA, and a heavy investment budget without losing the language of return discipline. He states the capital hierarchy plainly: organic and inorganic growth first, sustainable dividend second, buybacks with the remainder. More important, he has resisted the common bank-CFO habit of presenting buybacks as automatically good. At the 2026 Company Update, management framed excess capital as something to deploy only where risk-adjusted returns beat the cost of equity, not something to mechanically return because it exists.

3. Capital allocation behavior

JPM's capital allocation is bank capital allocation, not industrial FCF allocation. The controlling lines are CET1, RWA, deposits, loans, credit costs, dividends, and repurchases. The data package shows common-stock repurchases of roughly $16.2B in 2023, $24.5B in 2024, and $34.6B in 2025, alongside common dividends of roughly $12.8B, $14.0B, and $16.6B. On July 1, 2025, the Board authorized a new $50B common share repurchase program and intended to increase the quarterly dividend to $1.50 per share beginning in Q3 2025. Q1 2026 distributions were $4.1B of common dividends and $8.1B of net common-stock repurchases in the Q1 release, while CET1 capital rose to $291.1B.

That is the right shape for a compounder: first fund the franchise, then return capital when the balance sheet allows it. The firm is not starving technology or distribution to flatter current EPS. It is spending aggressively where it sees durable edge. At the 2026 Company Update, Barnum said 2026 technology spend was expected to be about $19.8B, up 10%, with growth from infrastructure, AI-related hardware pressure, feature demand, AI initiatives, customer-experience work, and Apple Card platform build-outs. At the 2025 Investor Day, management described approximately $18B of technology spend and broad adoption of internal generative-AI tooling. The numbers tie to the strategy: JPM is using scale to build internal platforms, improve fraud/risk/compliance, automate developer work, support digital deposit relationships, and defend payments and wealth economics.

Buybacks are not perfectly opportunistic, but they are not purely mechanical either. Dimon has repeatedly said he would rather repurchase at a real discount and that buybacks are not intrinsically value creating. The firm still buys back stock at scale because it has excess capital and limited immediate alternatives with better risk-adjusted returns. The watch item is price sensitivity. At JPM's current scale and valuation, repurchases can absorb capital but will not by themselves create a 20-year compounding thesis. They are a release valve after organic growth, not the thesis.

M&A discipline is also better than average. Barnum has explicitly said acquisitions have a high bar financially, strategically, and culturally. That matters because banks that chase growth through serial acquisition usually destroy value through credit mistakes or integration drag. JPM's recent deals are closer to opportunistic or strategic tuck-in activity: First Republic in a crisis context, Apple Card as card-balance and relationship expansion, and ongoing investments in wealth, payments, and technology. There is no evidence in the current package of a large, vanity-driven acquisition program.

4. Compensation alignment

Compensation is high in absolute terms, but structurally aligned enough for a PASS. The 2026 proxy supplement says the Board approved $43M of 2025 annual compensation for Dimon, reflecting the firm's 2025 performance, size, and long-term results. The proxy supplement frames the pay assessment as balanced between business results and "how" metrics such as governance, controls, conduct, safety, cyber, customer experience, talent, and stakeholder execution. That structure is relevant for a bank because a compensation plan that only rewards revenue and TSR would invite risk-taking.

The long-term plan has a real return component. The proxy says performance share units use a pre-established formula based on absolute and relative ROTCE over a subsequent three-year period, with payout from 0% to 150%. That is the right anchor for JPM. ROTCE is not perfect, but it is far better for a bank than revenue growth or adjusted EPS alone because it forces management to consider tangible equity, capital intensity, credit cost, and expense discipline.

Ownership is meaningful. The 2026 proxy reports Dimon beneficially owned 6.27M shares of common stock and 6.92M total shares/underlying stock units as of February 28, 2026. Jeremy Barnum owned 23,804 common shares and 163,238 total shares/underlying units. Mary Callahan Erdoes, Douglas Petno, and Troy Rohrbaugh also had substantial holdings. Directors are required to retain shares purchased or received for Board service while they serve, and directors are prohibited from hedging or pledging those personally held shares. The 10-K and proxy also disclose 10b5-1 trading arrangements, including Dimon's 200,000-share plan and plans for several operating leaders. These are worth monitoring, but they are disclosed, structured, and small relative to Dimon's retained ownership.

Clawback and conduct features are present. The 10-K includes an incentive-based compensation recovery policy for accounting restatements, and the proxy describes conduct review through the Compensation & Management Development Committee. There is no dual-class structure. No chronic dilution problem is evident from the bank-specific share-count trend; average diluted shares fell from 2.824B in Q1 2025 to 2.720B in Q1 2026 in the quant foundation.

5. Disclosure quality and candor

Disclosure quality is a clear management strength. Across the eight-quarter transcript review, Barnum usually answers tough questions with numbers. Examples include NII ex-Markets guidance, total NII guidance, adjusted expense guidance, card charge-off rate expectations, CET1 and RWA movement, CIB pipeline tone, consumer deposit growth, private-credit exposure, and capital-rule sensitivity. Q1 2026 was especially useful: management quantified the proposed GSIB impact for JPM at roughly $20B of added capital based on the then-current balance sheet, kept the adjusted expense outlook at about $105B, kept card NCO guidance around 3.4%, and gave explicit deposit and loan-growth commentary.

Dimon is candid, sometimes to the point of being rhetorically aggressive. On credit, he warns that a cycle will eventually produce losses worse than investors expect, while also saying JPM is prepared and willing to let loan balances fall if underwriting terms are irresponsible. On regulation, he names Basel III Endgame, GSIB surcharge, liquidity rules, CCAR, LCR, SLR, and operational-risk capital directly. That is useful for shareholders because it exposes how management thinks about constraints rather than pretending rules are a generic externality.

The risk is that the public tone can become a governance liability. JPM is the largest U.S. bank and its CEO is a political and regulatory lightning rod. Dimon's bluntness can help investors understand reality, but it can also raise headline risk and sharpen supervisory tension. The practical question is whether candor crosses into avoidable conflict. In the source set reviewed here, the content remained substantive: management tied its regulatory criticism to capital, liquidity, lending capacity, market-making, and client service. That supports a PASS, with a regulatory-posture flag.

The firm also gives voluntary operational detail that peers often avoid. Investor Day and Company Update materials disclosed deposit share, customer acquisition, technology spend, AI adoption, LLM Suite, credit allowance thinking, capital deployment logic, and segment-level market-share metrics. JPM does not disclose every product revenue line, especially within CCB deposits/cards and AWM fee categories, but the bank's overall disclosure package is better than most peers because management consistently reconciles strategy, capital, credit, and expense.

6. Strategic coherence

JPM's strategy is coherent: use unmatched scale, funding, data, technology, and risk controls to serve consumers, small businesses, corporations, institutions, and wealthy clients across cycles. The firm is not pivoting from theme to theme. The same pillars recur: fortress balance sheet, long-term investment, client franchise depth, payments and markets leadership, wealth-management scale, consumer deposit growth, credit discipline, and technology modernization.

The investment pattern supports the stated strategy. Branch expansion and renovation support CCB deposit and relationship growth. Advisor hiring and private-bank investment support AWM net flows and fee compounding. CIB integration supports wallet share in investment banking, markets, payments, and securities services. Technology spend supports fraud detection, call-center productivity, developer productivity, risk/compliance workflows, customer experience, and AI-enabled product features. Apple Card supports card scale and customer acquisition. Buybacks and dividends are sized around capital generation rather than replacing franchise investment.

Deposit franchise stewardship is particularly important. Management does not assume deposits are costless. It has been explicit that yield-seeking behavior, deposit margin compression, open banking, AI cash tools, stablecoin/blockchain questions, and wholesale deposit competition can pressure deposit economics. The positive signal is that JPM frames deposit growth around account acquisition, service quality, branch reach, payments utility, digital tools, and relationship depth, not just paid rate. Q1 2026 deposits of $2.676T and a 56% loans-to-deposits ratio show management still has a large, low-risk funding

base to protect.

Credit discipline is also coherent. Card losses are elevated versus benign periods, but management has guided explicitly and has not hidden the normalization. CIB private-credit exposure was sized and framed around underwriting, covenants, collateral, cash-flow trapping, and diversification. Dimon's willingness to say the firm will walk away from bad loan terms is a high-quality cultural marker. The management question for 2031 is not whether JPM can avoid all credit losses; it cannot. It is whether the firm underwrites for survivability and redeploys in downturns. The evidence supports that.

7. Governance flags

Governance is not flawless, but it clears. The combined Chair/CEO role is the biggest structural flag. It concentrates authority in a single highly successful executive and increases succession sensitivity. Mitigants are real: an otherwise independent Board, an empowered Lead Independent Director, committee oversight, visible operating leaders, and a stated policy bias toward separating Chair and CEO at the next transition.

Related-party issues do not appear thesis-breaking. The 2026 proxy discloses ordinary-course director independence review and notes BlackRock-related relationships, including fees paid by retirement plans for asset management and amounts paid by JPMorganChase to access BlackRock's Aladdin platform. Given BlackRock's size and JPM's scale, these are not automatically problematic, but they deserve ordinary audit and independence review. The proxy says all non-management directors are independent.

Controls are acceptable at the financial-reporting level. Management concluded internal control over financial reporting was effective as of December 31, 2025 and that there were no material weaknesses; PwC audited internal control effectiveness. That does not eliminate operational-risk or regulatory issues across a global bank, but it removes the most severe financial-reporting governance concern.

The 10-K still shows the normal burden of a systemically important bank: legal and regulatory risk, consumer compliance risk, capital/liquidity rule uncertainty, operational-risk requirements, trade surveillance obligations, and cross-border regulatory complexity. These are not management failures by themselves. They are part of the operating terrain. The management gate would turn from PASS to YELLOW or FAIL if JPM produced a major restatement, material weakness, repeat control breakdown in a core business, undisclosed related-party issue, or evidence that succession planning is performative rather than real.

8. Peer comparison

Relative to Brian Moynihan at Bank of America, Dimon has the stronger shareholder-value and disclosure record over the last five years, even though Moynihan deserves credit for expense discipline and deposit-franchise stewardship. JPM's ROTCE, market-share breadth, and capital flexibility are stronger. BofA's strength is stability and consumer deposit scale; JPM's edge is broader capital-markets, payments, and wealth-management breadth paired with superior through-cycle execution.

Relative to Jane Fraser at Citi, Dimon is in a different category on proven compounding. Fraser has been undertaking a necessary simplification and control-repair program, and that may create upside for Citi shareholders if execution succeeds. But the management gate for a 20-year compounder asks for proven allocation at high returns, candid communication, and an already-working system. JPM clears that bar today; Citi is still in turnaround proof mode.

Relative to Ted Pick at Morgan Stanley and David Solomon at Goldman Sachs, the comparison is more nuanced. Morgan Stanley has an excellent wealth-management franchise and a cleaner capital-light tilt under Pick's inherited platform, but Pick is newer in the top seat. Goldman remains a world-class institutional franchise, but Solomon's consumer strategy detour damaged the capital-allocation record. Dimon ranks first on five-year stewardship because JPM has combined scale, risk control, deposit funding, capital returns, and investment spending without needing a strategic reset.

9. Verdict on the management gate

Management gate: PASS.

JPMorgan Chase is managed by a proven team with a clear operating culture, deep bench, strong disclosure habits, and a capital-allocation framework that fits a systemically important bank. Dimon remains a rare bank CEO who combines owner-like capital judgment, blunt risk language, and willingness to invest through the cycle. Barnum and the segment leaders provide enough operating depth that succession is a watch item rather than a gating failure.

The PASS is not unconditional. The flags are: Dimon succession and post-Dimon culture transfer; regulatory posture and GSIB/Basel capital drag; elevated expense growth tied to technology, AI, branches, and compensation; card credit normalization; private-credit and NBFI exposure in a downturn; and the risk that the combined Chair/CEO model weakens perceived oversight. None of those currently override the evidence. On the Gideon standard, this is one of the few large-bank management teams worth following for a decade, provided the eventual CEO transition is handled with the same discipline as the current operating model.

Source notes

- ER2 ground truth: `C:\Users\Admin\OneDrive\GPT\ER 2.0\JPMorgan Chase & Co\quant_foundation.md`; `C:\Users\Admin\OneDrive\GPT\ER 2.0\JPMorgan Chase & Co\data_package.md`.
- JPMorganChase 2026 proxy statement, filed April 6, 2026: https://www.sec.gov/Archives/edgar/data/19617/000001961726000096/jpm-20260402.htm.
- JPMorganChase 2026 proxy supplement: https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/investor-relations/documents/2026-proxy-supplement.pdf.
- JPMorganChase 2025 Form 10-K: `C:\Users\Admin\OneDrive\GPT\ER 2.0\JPMorgan Chase & Co\raw\D_20260428_JPM_IR_2025_10K.txt`.
- JPMorganChase Q1 2026 earnings transcript and supplement: `C:\Users\Admin\OneDrive\GPT\ER 2.0\JPMorgan Chase & Co\raw\D_20260428_JPM_IR_1Q26_earnings_transcript.txt`; `D_20260428_JPM_IR_1Q26_financial_supplement.txt`.
- FMP live transcript checks saved under `raw\D_20260428_fmp_transcript_2025_Q2.json` through `D_20260428_fmp_transcript_2026_Q1.json` and `raw\M_20260428_fmp_transcript_2024_Q2.json` through `M_20260428_fmp_transcript_2025_Q1.json`; new M-pull copies were also saved to `C:\Users\Admin\OneDrive\Cowork\Investing\data warehouse\FMP\JPM`.

Appendix W - Moat and 2046 Durability

JPMorgan Chase & Co. (JPM) - Moat and 2046 Durability

Run date: 2026-04-28 Subagent: W - Moat and 2046 Durability Ticker: JPM Company: JPMorgan Chase & Co. Output: `C:\Users\Admin\OneDrive\GPT\ER 2.0\JPMorgan Chase & Co\appendix_moat.md`

Source Base And Scope

This appendix uses `quant_foundation.md` and `data_package.md` as the controlling sources for historical numbers, segment taxonomy, TTM construction, capital, deposits, loans, and management commentary. The quantitative foundation reports `RECONCILIATION: 8/8 checks PASSED`, with the TTM window defined as Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026, ending March 31, 2026. The forward-horizon anchor for the ER2 run is March 31, 2031. This appendix also checked the current-run JPM 2025 10-K and Q1 2026 IR/SEC artifacts saved in the workdir for competitive, regulatory-capital, cyber, technology, and AI risk framing. No warehouse cache was substituted for live-source evidence.

Important scope flag: the segment appendices in the workdir were still stubs when this moat appendix was written, so Section 4 and Section 5 of those appendices were not available as downstream inputs. The analysis below therefore integrates from the verified data package, quant foundation, primer, current-run 10-K risk-factor check, and JPM bank-specific segment facts. This is a yellow process flag, not a data-foundation break.

1. Moat Taxonomy Applied

Network effects. JPMorgan has real but uneven network effects. The strongest are in the Commercial & Investment Bank, where global corporate, financial-institution, government, investor, and asset-manager clients value a counterparty that can combine payments, cash management, custody, markets liquidity, financing, clearing, underwriting, advice, and risk transfer across jurisdictions. More clients and transaction flows improve the firm's market color, liquidity provision, product breadth, operational reliability, and relationship relevance. Payments and securities services are the cleanest examples because operating accounts, treasury workflows, custody records, settlement processes, and cross-border cash movement become more useful when they sit inside a global banking network. In Consumer & Community Banking, the network effect is weaker: a checking account is not materially better because another household also uses Chase. The CCB advantage is more scale, trust, and convenience than classic network effect.

Switching costs. JPMorgan's switching costs are high for corporate treasury, payments, custody, private banking, and integrated borrowing relationships; moderate for retail checking and credit cards; and low to moderate for asset-management products that can be moved or reallocated by consultants. A corporate treasurer who uses JPMorgan for operating deposits, liquidity, payments, FX, trade, working capital, credit lines, card, and capital markets access faces operational, approval, compliance, reporting, and counterparty-risk costs when switching. A securities-services client faces data, reconciliation, custody, fund-accounting, and operational migration risk. A private-bank client with lending, deposits, estate planning, investment portfolios, and bespoke credit has relationship and documentation switching costs. A retail checking customer can switch more easily, but direct deposit, bill pay, card, branch access, mobile habits, Zelle-like payments, and bundled wealth or small-business services create friction.

Scale economies. Scale is JPMorgan's most visible moat. The firm produced $190.103 billion of TTM managed net revenue and $58.899 billion of TTM net income, with Q1 2026 total assets of $4.900 trillion, total deposits of $2.676 trillion, loans of $1.504 trillion, CET1 capital of $291.090 billion, and standardized RWA of $2.042 trillion. That scale lets JPMorgan spread technology, risk, compliance, fraud, cyber, AI, branch, data, and regulatory infrastructure over a very large customer and transaction base. In CIB, scale also creates balance-sheet commitment and market liquidity; in CCB, it supports branch density, digital engagement, card acquisition, fraud controls, and low-cost funding; in AWM, it supports product shelves, advisor productivity, investment teams, alternatives access, and institutional distribution. The 10-K risk factors make the competitive field broad, including banks, brokers, investment banks, hedge funds, private equity firms, card companies, mortgage lenders, fintechs, digital asset firms, and internet-based companies. Scale does not remove that competition, but it raises the cost of matching JPMorgan's breadth.

Brand and trust. Brand is a real bank moat because the product includes safety, access, execution, and continuity under stress. A household deposit, a payroll account, a treasury operating account, a custody mandate, and an investment-banking mandate all depend on trust. The Chase and J.P. Morgan brands lower customer anxiety and improve institutional procurement confidence. The brand is reinforced by crisis performance, large liquidity, high capital, regulatory oversight, and

the perceived ability to stand behind clients when smaller institutions are constrained. The limit is that bank brands can be damaged quickly by credit mistakes, outages, controls failures, scandals, or political/regulatory conflict.

Regulatory barriers. Regulation is both moat and tax. JPMorgan's bank charters, payments access, deposit insurance interface, Fed supervision, stress-testing regime, broker-dealer licenses, custody infrastructure, global branch permissions, and GSIB infrastructure create barriers that most fintech or AI-native attackers cannot replicate quickly. Regulatory capital is especially important: a competitor cannot simply decide to offer JPMorgan-scale credit, markets, repo, derivatives, and liquidity services without capital, liquidity, risk, compliance, resolution, and supervisory capacity. The 2025 10-K also cautions that large firms face more stringent regulation and that less-regulated fintech or nonbank competitors can have cost advantages. That makes regulation a moat at the perimeter and a burden at the margin.

IP and proprietary technology. JPMorgan does not have a patent moat comparable to a semiconductor or pharmaceutical company. Its technology moat is applied, cumulative, and operational: risk models, fraud models, data infrastructure, client platforms, trading and payments systems, cyber defenses, mobile banking, automation, and AI embedded inside regulated workflows. The 2026 company update transcript emphasizes technology and scale as competitive advantages, including large technology investment, but this should be treated as scale-enabled execution rather than defensible IP in isolation. If JPMorgan stopped investing, the technology edge would decay.

High-trust procurement. This is one of the strongest moat categories. Boards, CFOs, treasurers, sovereigns, asset managers, hedge funds, pension funds, family offices, and wealthy households do not choose a provider only on price. They choose reliability, balance-sheet capacity, product coverage, regulatory credibility, operational controls, and the probability that the institution will be present in the next crisis. JPMorgan's ability to bundle advice, lending, underwriting, hedging, payments, custody, cash management, wealth, and risk management is exactly the kind of high-trust procurement position that is difficult for point solutions to displace.

2. Per-Segment Moat

Consumer & Community Banking. CCB's moat is the Chase deposit, card, branch, mobile, small-business, and wealth-distribution ecosystem. FY2025 revenue was $76.0 billion and TTM revenue was $77.284 billion, with TTM net income of $18.796 billion. The segment combines household operating deposits, card spend and revolving balances, mortgage and auto lending, branches, digital banking, and wealth-management distribution. Durability is high over 5 and 10 years because deposit relationships, brand trust, branch/digital convenience, card scale, and fraud/risk systems are hard to replicate. The 20-year durability is still credible but less certain because consumer deposits and payment interfaces can be attacked by brokerage cash platforms, high-yield digital banks, fintech wallets, AI cash-routing tools, stablecoin/payment rails, and regulation of card fees or overdraft-like economics. Earliest warning signs are rising deposit beta without offsetting account growth, falling checking balances per account, stalled mobile active customer growth, accelerating card net charge-offs beyond guidance, and card rewards or funding costs rising faster than revenue.

Commercial & Investment Bank. CIB has the strongest standalone moat. FY2025 revenue was $78.5 billion, TTM revenue was $82.167 billion, and TTM net income was $29.863 billion. It combines Investment Banking, Payments, Lending, Fixed Income Markets, Equity Markets, and Securities Services. This segment benefits from network effects, global procurement trust, client relationships, liquidity, balance-sheet capacity, RWA discipline, technology, and operational reliability. A competitor can attack one product, but it is difficult to match the integrated proposition: advise on M&A, underwrite debt, provide revolvers, move cash globally, hedge FX and rates, clear and custody assets, finance trading inventory, and provide markets liquidity. Durability is high over 5 and 10 years and credible over 20 years if JPMorgan maintains risk discipline and regulatory capacity. What would break it is a combination of lower wallet share, higher capital requirements, nonbank private-credit displacement of lending economics, electronification compressing trading spreads, and a controls or risk event that damages trust. Earliest observable signs are weaker league-table share, payments deposit outflows, CIB RWA growth without revenue/return growth, declining markets share in high-volume periods, or material client losses to nonbank and fintech platforms.

Asset & Wealth Management. AWM's moat is distribution plus trust plus product breadth, not exclusive investment IP. FY2025 revenue was $24.1 billion, TTM revenue was $24.716 billion, and TTM net income was $6.714 billion. The segment has $4.8 trillion of AUM and $7.1 trillion of client assets at Q1 2026, which gives fee scale, private-bank deposit and loan relationships, alternatives access, manager due-diligence scale, advisor productivity, and cross-referral benefits from CCB and CIB. The moat is durable over 5 and 10 years because wealthy households, institutions, and family offices value continuity and integrated banking. The 20-year case is credible but more exposed than CIB because asset management faces passive fee pressure, independent advisors, direct indexing, AI-assisted portfolio construction, private-market competition,

and open-architecture consultant scrutiny. Earliest signs of erosion are persistent organic outflows, falling fee rates, advisor attrition, weak private-bank loan/deposit growth, and AWM margin compression despite market appreciation.

Corporate. Corporate is not a customer-facing moat segment. It includes Treasury/CIO, funding, liquidity, capital, interest-rate risk, FX risk, and residual centrally managed items. It can support the moat by giving JPMorgan superior liquidity, hedging, capital, and stress capacity, but it should not be valued as a recurring operating franchise. Its moat contribution is defensive infrastructure: the ability to manage a $4.9 trillion balance sheet, preserve capital, and continue serving clients when markets are stressed.

The blended company moat is strong, but it is not as simple as "best bank wins." CIB and CCB drive most revenue and net income, AWM adds high-return fee and private-bank economics, and Corporate supports balance-sheet resilience. The blend is stronger than any one segment because the customer networks overlap: consumer deposits fund and diversify the balance sheet; CIB relationships add payments and fee income; AWM deepens private-client economics; and the corporate center allocates liquidity and capital. The blend is weaker than the strongest segment because consumer credit, card losses, deposit competition, market-cycle revenue, and regulatory capital can all pressure consolidated returns at once.

3. Margin Persistence Evidence

JPMorgan's historical margin evidence supports a real moat, but the interpretation must be bank-specific. Consolidated managed net revenue rose from $125.3 billion in FY2021 to $185.6 billion in FY2025 and TTM managed net revenue reached $190.103 billion. Net income was $48.3 billion in FY2021, $37.7 billion in FY2022, $49.6 billion in FY2023, $58.5 billion in FY2024, $57.0 billion in FY2025, and $58.899 billion in the TTM period. On managed revenue, net-income margin was approximately 38.5% in FY2021, 28.5% in FY2022, 30.5% in FY2023, 32.4% in FY2024, 30.7% in FY2025, and 31.0% for the TTM period. FY2021 benefited from provision releases, while FY2022 absorbed reserve building and market pressure; the more normal read is that JPMorgan has sustained roughly low-30s net-income margins through a volatile rate, credit, and capital-markets cycle.

Segment evidence is also strong. CCB net-income margin was 41.8% in FY2021, then 27.0%, 30.3%, 24.6%, and 24.0% through FY2025. The compression is real and reflects credit normalization, deposit costs, card losses, and investment, but a 24% net-income margin after an $11.5 billion FY2025 provision remains attractive for a consumer bank. CIB net-income margin was 42.7% in FY2021, 32.3% in FY2022, 31.5% in FY2023, 35.4% in FY2024, and 35.4% in FY2025, with TTM net income of $29.863 billion on $82.167 billion of revenue. That persistence, through different markets and the 2024 segment reorganization, is the clearest evidence of a durable institutional franchise. AWM net-income margin was 27.9%, 24.6%, 26.4%, 25.1%, and 27.1% from FY2021 to FY2025, with limited credit provision and strong fee sensitivity to markets and flows.

The margin evidence is not clean enough to call JPMorgan non-cyclical. Provisions rose from a FY2021 benefit to $14.2 billion in FY2025; Q1 2026 management still guided card net charge-offs around 3.4% for 2026. CIB can overearn during high-volatility or strong issuance periods. Corporate can be volatile because of rates, securities, tax, and residual items. But the numbers show that JPMorgan can absorb elevated expense, credit normalization, RWA growth, and capital distributions while sustaining premium ROTCE. Latest Q1 2026 ROTCE was 23%, and FY2025 ROTCE was 21%, which is strong evidence that the moat converts into returns on tangible common equity.

4. AI Disruption Stress Test

AI is a tool, a cost threat, a fraud threat, and a distribution threat for JPMorgan; it is not a clean substitute for the regulated balance sheet. The 2025 10-K flags AI and quantum advances as factors that may make cyber and social-engineering attacks more sophisticated, which means JPMorgan must spend heavily to defend client data, authentication, fraud controls, and payments trust. That is a cost of staying in the moat, not optional innovation.

In CCB, AI can replicate parts of service, advice, budgeting, cash optimization, fraud triage, credit prequalification, and customer support. Those are workflows. But the moat does not live only in the workflow; it lives in insured deposits, credit underwriting, card authorization, branch/digital access, direct deposit, payment credentials, fraud risk, and trust. The most serious AI-enabled threat is a cash-routing or wallet layer that sits between the customer and bank, automatically moves balances to higher-yield alternatives, and reduces Chase's deposit stickiness. If that interface wins, CCB's low-cost deposit advantage weakens.

In CIB, AI can automate portions of pitch books, research, document review, deal screening, code generation, compliance monitoring, client service, trading analytics, and treasury recommendations. But CIB is more chokepoint economics than

workflow economics. Clients still need regulated payments rails, balance-sheet commitments, underwriting capacity, hedges, custody, clearing, settlement, credit decisions, market liquidity, and accountability. AI may compress labor cost and increase speed, but it does not itself provide a GSIB balance sheet or Fed-supervised liquidity. The risk is not that AI writes a better M&A memo; the risk is that AI-native platforms commoditize advisory, route treasury flows to cheaper rails, or let nonbanks intermediate credit and markets workflows with less capital.

In AWM, AI can replicate asset allocation, tax-loss harvesting, portfolio explanations, planning outputs, manager screening, reporting, and client-service responses. This is the segment where more of the visible value looks like workflow. The moat therefore needs to live in trusted advisor relationships, private banking, lending, alternatives access, estate complexity, institutional diligence, and distribution. Mass-affluent advice is more exposed than ultra-high-net-worth and institutional relationships. AI could pressure fees in plain-vanilla portfolios, but JPMorgan can also use AI to improve advisor productivity and personalize advice.

The segment most exposed to AI disruption is AWM's standardized advice and active-management wrapper, followed by CCB service and cash optimization. The segment most protected is CIB Payments, Securities Services, and regulated balance-sheet intermediation, where AI enhances operations but does not dissolve the need for licensed, capitalized, trusted infrastructure.

5. The 2046 Test

Today is April 28, 2026. Twenty years forward is April 28, 2046.

In 2046, the credible JPMorgan Chase business description is still specific. JPMorgan sells trusted financial infrastructure: insured and operational deposits, consumer and small-business banking, card and digital payments, credit, corporate treasury services, global payments, liquidity, lending, underwriting, advisory, markets execution, derivatives, custody, securities services, asset management, private banking, and wealth advice. Households, small businesses, corporations, governments, asset managers, hedge funds, pension funds, family offices, and wealthy individuals buy it because they need a regulated institution that can protect balances, move money, extend credit, manage risk, execute transactions, and remain standing in stress.

The segment labels may change by 2046, but the economic jobs should remain recognizable. CCB still exists, although branch density is likely lower and the product interface is more AI-assisted, mobile, embedded, and real-time. Its moat is deposit trust, payments credentials, credit data, account primacy, and household financial operating-system status. CIB still exists and is probably the largest moat contributor: global corporate clients still need treasury, payments, custody, markets, hedging, financing, and capital markets access, even if execution is more automated and settlement rails are faster. AWM still exists, but more of its plain-vanilla investment management fee pool may be compressed; the durable profits are in private banking, alternatives, complex planning, lending, and integrated advice. Corporate still supports liquidity, capital, interest-rate risk, and stress capacity rather than acting as a standalone growth engine.

Directionally, 2046 operating or net-income margins should be stable to modestly lower versus the strong 2025/TTM base. Stable is plausible because scale, automation, AI productivity, payments volumes, custody assets, and private-client growth can offset fee compression. Modestly lower is prudent because capital requirements, cyber spend, deposit competition, card regulation, and nonbank pressure are likely to absorb some scale benefits. The business still makes money because three moats remain intact: trusted low-cost funding, high-trust institutional procurement tied to a regulated balance sheet, and global payments/custody/markets infrastructure that clients cannot casually replace.

The bear-case 2046 description is different. In that version, JPMorgan is still large but earns lower through-cycle ROTCE because AI-enabled cash agents and brokerage platforms strip away consumer deposit economics; stablecoin or central-bank digital payment rails reduce bank-controlled payment profit; private credit and capital markets platforms disintermediate lending; passive and AI-managed portfolios compress AWM fees; regulators force higher capital and tighter fees; and one or more cyber, controls, or credit events weakens procurement trust. The business does not disappear, but it becomes more utility-like and capital intensive.

The probability of that bear case is meaningful but not dominant. Banking has repeatedly adapted to technology shifts because the binding constraints are trust, capital, regulation, credit losses, liquidity, and operational resilience. JPMorgan's scale and management culture give it a better chance than most banks of absorbing AI and fintech rather than being displaced by them. The 2046 test therefore passes, but with a required monitoring emphasis on deposit interface control, capital rules, cyber resilience, private-credit displacement, and fee compression.

6. Competitive Threat Inventory

Threat	Mechanism	Segment(s) affected	Earliest observable signal	Plausibility
Deposit and payments interface displacement	Fintech wallets, brokerage cash tools, AI cash routing, real-time payments, stablecoin-like rails, and high-yield platforms reduce Chase account primacy and increase deposit beta.	CCB, CIB Payments, AWM private bank	Deposit growth lags peers or GDP, checking balances per account fall, deposit costs rise faster than rates imply, payments revenue decelerates despite transaction growth.	Medium-high
Capital and regulatory drag	Basel, GSIB surcharge, stress capital buffer, operational risk, TLAC, liquidity, and market-risk rules require more equity/RWA for the same client activity.	CIB, Corporate, firmwide	CET1 target rises, standardized RWA grows faster than revenue, buybacks slow, CIB returns fall despite good revenue.	High
Nonbank and AI-enabled unbundling	Private credit, asset managers, fintechs, passive platforms, AI advisors, and specialized trading/payment vendors attack profitable product layers without bank-like regulation.	CIB Lending/IB, AWM, CCB cards/payments	Lost lending share, lower IB wallet share, AWM fee-rate compression, advisor attrition, card rewards costs or charge-offs rising without growth.	Medium

7. Pricing Power Verification

JPMorgan's pricing power is observable but not simple. It is not a SaaS company raising list prices; it is a bank earning spreads, fees, transaction economics, risk pricing, advisory fees, management fees, interchange-like revenue, and market-making spreads under regulation and competition. The evidence is strongest in the ability to sustain high returns and margins while absorbing credit costs, expenses, and capital requirements. FY2025 ROTCE was 21%, Q1 2026 ROTCE was 23%, and TTM net income was $58.899 billion after $13.414 billion of provision for credit losses. That is through-cycle pricing and risk-selection power, not just rate beta.

CCB pricing power is mixed. Chase can retain large deposits and household relationships because customers value safety, convenience, branches, digital access, card rewards, direct deposit, and payments. But explicit deposit pricing power weakens when rates are high and yield-seeking behavior rises. Management commentary noted deposit competition remains intense, and CCB card economics are exposed to rewards competition, credit losses, and fee regulation. The segment's FY2025 net-income margin of 24.0% after elevated provision is good evidence of franchise profitability, but not proof that CCB can freely price.

CIB pricing power is stronger. Clients pay for execution, liquidity, balance-sheet commitment, global coverage, and operational reliability. Q1 2026 CIB revenue was $23.4 billion, up 19% year over year, with Markets revenue of $11.6 billion, Payments revenue of $5.1 billion, and investment banking fees of $2.9 billion. This does not mean every quarter is repeatable, but it shows that in active markets JPMorgan can monetize client engagement at scale. The pricing-power test is whether CIB maintains wallet share and returns while RWA rises; if RWA grows faster than client revenue, the moat is taxed away by capital.

AWM pricing power is moderate. AUM of $4.8 trillion and client assets of $7.1 trillion give scale and distribution, while private-bank relationships add sticky deposits and lending. But plain-vanilla asset-management fees face secular compression, and AI/passive/direct-indexing tools increase transparency. AWM's durable pricing power is in advice, alternatives, private banking, trust, lending, and complex client needs, not in generic active management.

8. Moat Verdict

Moat gate: PASS. JPMorgan's moat is concrete: trusted deposit funding, regulated balance-sheet capacity, payments and custody rails, CIB client network effects, high-trust procurement, technology and risk scale, AWM distribution, and a capital/risk-management culture that converts the franchise into premium ROTCE. The strongest segment-level moat is CIB, followed by CCB's deposit and payments ecosystem and AWM's private-client distribution. Margin persistence, TTM earnings, Q1 2026 capital, and the ability to return capital while growing CET1 support the assessment.

2046 test: PASS. A specific 2046 JPMorgan can be described without hand-waving: it is still a regulated global financial infrastructure provider for deposits, payments, credit, markets, custody, wealth, and risk transfer, with more AI automation and probably lower branch intensity. The moat could erode if AI-enabled interfaces and nonbank rails own the customer relationship while regulators raise capital and compress fees, but that is a derating risk more than a base-case displacement thesis. The durability case depends on JPMorgan keeping deposit primacy, CIB wallet share, cyber resilience, credit

discipline, and capital returns through full cycles.

Primary flags for the orchestrator: segment appendices were unavailable beyond stubs at time of writing; CCB credit-cycle fragility remains the clearest normal-cycle earnings risk; regulatory capital is both a barrier and a return constraint; AI/fintech disruption should be monitored through deposit beta, payments share, AWM fee rates, and CIB RWA-adjusted returns.

Appendix B1 - Commercial & Investment Bank

Commercial & Investment Bank - Segment Deep Dive

Stage 0 anchor: Today is 2026-04-28. JPMorgan Chase & Co. ("JPM") has a December 31 fiscal year. The most recent reported quarter is Q1 2026, ended March 31, 2026 and released April 14, 2026. The TTM anchor is Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026, which means TTM ended March 31, 2026. The forward horizon used throughout this appendix is March 31, 2031, exactly five calendar years after the TTM end date.

Important bank convention: JPM does not manage CIB with an industrial "operating income" line. The data package uses managed net revenue, noninterest expense, pre-provision profit, provision for credit losses, net income, and ROE. In this appendix, "operating income" means pre-provision operating profit, defined as managed net revenue less noninterest expense. Segment net income and provision assumptions are discussed separately so that the synthesis agent can decide whether to model pretax/provision/tax mechanics or use a simpler segment earnings bridge.

0. Segment Boundary + Taxonomy Note

Commercial & Investment Bank ("CIB") is JPM's post-2024 combined institutional segment. The data package states that in the first quarter of 2024 JPM reorganized reportable segments by combining the former Corporate & Investment Bank and Commercial Banking into current CIB [data_package Â§1, taxonomy table, "2024 segment reorganization" row]. The segment boundary therefore changed within the last three years. Current-taxonomy dollar comparisons are clean for FY2023, FY2024, FY2025, and Q1 2026. FY2021-FY2022 are shown only as old Corporate & Investment Bank plus Commercial Banking combined, explicitly labeled as a proxy by the data package [data_package Â§3, CIB + CB / CIB rows]. This appendix does not compare old-taxonomy product dollars to current-taxonomy product dollars. The production model starts from current-taxonomy TTM revenue of $82.167B and TTM net income of $29.863B in the quant foundation [quant_foundation P4, segment TTM table].

The segment has two major operating blocks: Banking & Payments and Markets & Securities Services. Banking & Payments contains Investment Banking, Payments, Lending, and related client coverage revenue. Markets & Securities Services contains Fixed Income Markets, Equity Markets, Securities Services, and credit adjustment/other items that JPM nets inside the line. The data package's product rows are the controlling historical source. If a line does not appear there, this appendix does not invent it.

1. What This Segment Actually Is

CIB is JPM's institutional client engine. It serves large corporations, middle-market and commercial clients, governments, municipalities, financial institutions, asset managers, private capital sponsors, hedge funds, family offices, sovereigns, and investor clients. It is not one business with one pricing model. It is a bundle of balance-sheet lending, advisory fees, underwriting fees, treasury and payments fees, spread income on deposits and loans, market-making revenue, financing revenue, custody/servicing fees, and securities services platform revenue.

Banking & Payments is the relationship and transaction-banking side. Investment Banking earns advisory fees on mergers and acquisitions, debt underwriting fees, equity underwriting fees, and related financing-advisory economics. Payments earns revenue from liquidity/account solutions, treasury services, commerce, clearing, trade, working-capital solutions, and related transaction processing. Lending earns spread and fee revenue on corporate and institutional loans and commitments. These businesses are connected: an issuer may use JPM for cash management, revolver capacity, FX hedging, debt refinancing, M&A advice, and capital markets execution. The strategic value of CIB is that JPM can serve the client across all of those needs, while using its balance sheet, distribution, research, risk systems, and global licenses to keep the relationship sticky.

Markets & Securities Services is the trading, liquidity, prime, custody, fund-services, and asset-servicing side. Fixed Income Markets includes rates, credit, currencies, emerging markets, commodities, securitized products, financing, and related client intermediation. Equity Markets includes equity derivatives, cash equities, prime brokerage, equity financing, and execution. Securities Services includes custody, fund services, liquidity, trading services, and data products. Unlike a pure exchange or a pure asset manager, this block earns by being a regulated liquidity provider and infrastructure partner. Revenue rises when client activity, volatility, issuance, hedging, financing demand, and asset values rise. It falls when markets are quiet, spreads compress, risk limits tighten, or capital rules make balance-sheet-intensive activity less attractive.

The go-to-market is coverage-led. JPM's banker or sales team owns the senior relationship, but the monetization comes from a coordinated platform: payments operating accounts, lending commitments, capital markets distribution, derivatives, custody, prime services, and digital portals. The [JPM CIB 2025 shareholder letter](https://www.jpmorganchase.com/ir/annual-report/2025/ar-ceo-letter-petno-rohrbaugh) describes the early 2024 integration of Commercial Banking with Corporate & Investment Bank as a strategic move intended to create a larger client platform; the data package makes that taxonomy boundary controlling for this run.

2. Current Economics

CIB is JPM's largest revenue contributor on the FY2025 managed segment basis. It generated FY2025 managed net revenue of $78.5B, noninterest expense of $38.2B, provision for credit losses of $2.6B, and net income of $27.8B, with 18% ROE [data_package Â§3, FY2025 Segment Credit and Capital Snapshot, CIB row]. That was 42.3% of FY2025 managed revenue before the FTE reconciling item [data_package Â§1, current segment descriptions table]. FY2025 pre-provision profit was $40.2B, so the FY2025 pre-provision margin was 51.3%. FY2025 net-income margin was 35.4% [data_package Â§3, CIB rows].

The latest quarter shows a cyclical upswing rather than a dull run rate. Q1 2026 CIB revenue was $23.4B, up 19% YoY, with Q1 CIB net income of $9.0B [data_package Â§5, segment quarterly table, CIB row]. The product details were also strong: Investment Banking fees were $2.9B, up 28%; Investment Banking revenue was $3.1B, up 38%; Payments revenue was $5.1B, up 12%; Lending revenue was $2.2B, up 13%; Markets revenue was $11.6B, up 20%; Fixed Income Markets was $7.1B, up 21%; Equity Markets was $4.5B, up 17%; and Securities Services was $1.5B, up 18% [data_package Â§5, Q1 2026 Product/Sub-Business Trend, CIB rows].

The TTM base is higher than FY2025 because Q1 2026 was strong. Quant foundation P4 reports CIB TTM managed net revenue of $82.167B and TTM net income of $29.863B [quant_foundation P4, segment table]. Since the data package does not provide exact CIB TTM noninterest expense or TTM provision by quarter, this appendix uses FY2025 expense/provision and Q1 2026 expense/provision as the current expense-intensity anchors: FY2025 expense intensity was 48.7% of revenue ($38.2B expense / $78.5B revenue), while Q1 2026 expense intensity was 47.6% ($11.136B expense / $23.379B revenue) [data_package Â§3, FY2025 CIB row; quant_foundation P2, Q1 2026 segment table]. The modeled TTM+5 operating margin cases therefore center around 51% to 54% pre-provision margin, not around the 35% net-income margin.

Capital intensity is high and variable. CIB requires RWA for trading assets, derivatives, secured financing, unfunded commitments, corporate loans, counterparty exposure, settlement risk, and operational risk. The data package's management commentary flags that Markets RWA rose with client activity, seasonal effects, and energy prices, and that Basel III endgame and G-SIB reproposals could pressure capital, especially around Markets/RWA [data_package Â§6, CIB Commentary, "Markets RWA" row; data_package Â§9, recent corporate actions]. This matters because a revenue dollar in Payments or Securities Services is not the same as a revenue dollar in balance-sheet-intensive lending or trading. Payments and Securities Services can be excellent if they scale on technology and deposits; lending and trading can be excellent only if returns stay attractive after capital and liquidity costs.

3. Unit Economics

CIB unit economics start with client relationships and end with a return-on-equity test. Investment Banking has high incremental margins in strong cycles because senior banker and execution-team compensation is the main variable cost and advisory/underwriting fees do not require the same balance-sheet intensity as funded lending. But the revenue pool is cyclical. A delayed M&A cycle, quiet IPO market, weak sponsor exits, or risk-off credit market can compress revenue quickly while compensation and control costs do not fall one-for-one.

Payments unit economics are more stable. The business earns through treasury services fees, account services, liquidity, transaction processing, trade, clearing, and working-capital products. The moat is operational scale and trust: large corporate treasury functions do not switch core cash-management providers casually because the payment rails, ERP integrations, fraud controls, KYC, sanctions screening, account structures, liquidity pools, and global service model are embedded. The incremental economics can be attractive if volumes grow faster than platform and compliance costs. The offset is pricing competition from Citi, Bank of America, HSBC, fintech processors, stablecoin/digital-money challengers, and enterprise software platforms trying to own treasury workflows.

Lending is spread and relationship economics. A loan or commitment can be profitable by itself, but in CIB it is often also a client-access product that helps JPM win payments, FX, debt underwriting, advisory, and markets wallet. That makes standalone lending margin harder to interpret. The relevant question is whether a dollar of RWA attached to a client produces

sufficient full-wallet revenue through the cycle. Provision risk is smaller than CCB card risk in normal periods, but losses can cluster in leveraged finance, commercial real estate, private-credit-adjacent exposures, and stressed sectors.

Markets unit economics depend on client flow, volatility, bid-ask spreads, inventory, VaR, stress limits, RWA, counterparty credit, clearing, and funding. Fixed Income Markets can benefit from rate volatility, credit spread movement, commodity shocks, and FX demand. Equity Markets can benefit from derivatives demand, prime balances, hedge fund activity, structured products, and event volatility. The downside is that high revenue periods often consume more RWA and can invite regulatory attention. The data package captures management's point that higher trading volume and volatility generally help spreads, but the same package also flags Markets RWA as a growth constraint [data_package Â§6, CIB Commentary].

Securities Services has infrastructure-like economics but is not utility-like in all conditions. Custody and fund-services revenue benefits from assets under custody, market levels, client activity, higher rates on client cash, securities lending, collateral services, and product breadth. It is operationally complex and scale-driven. The data package shows Securities Services generated $5.6B of revenue in 2025 [data_package Â§4, CIB Securities Services row]. The risk is fee pressure from large asset managers, technology spending, operational incidents, and the need to modernize settlement, data, and digital-asset infrastructure.

At the total CIB level, the expense base is not likely to collapse. The Q1 2026 firmwide guidance in the data package keeps adjusted expense around $105B, and CIB is investing in AI, digital platforms, international expansion, private capital, and digital assets [data_package Â§6, Firmwide expense rows; JPM CIB 2025 shareholder letter]. This means operating leverage exists, but it is not free. Base case assumes modest margin lift from mix and scale, not a large cost takeout.

4. Competitive Dynamics

CIB competes simultaneously with global universal banks, U.S. money-center banks, European investment banks, regional commercial banks, independent advisory boutiques, market makers, exchanges, custodians, fintechs, private-credit managers, payments processors, and digital-asset infrastructure providers. The competitor set changes by product. Investment Banking competes most directly with Goldman Sachs, Morgan Stanley, Bank of America, Citi, Barclays, Jefferies, Evercore, Lazard, Centerview, PJT, Rothschild, and other boutiques. Payments competes with Citi Treasury and Trade Solutions, Bank of America, HSBC, BNP Paribas, local banks, FIS, Fiserv, Stripe, Adyen, PayPal/Braintree, treasury software vendors, and emerging stablecoin rails. Lending competes with banks and private-credit funds. Fixed Income and Equity Markets compete with the large global dealers and nonbank market makers. Securities Services competes with BNY, State Street, Citi, Northern Trust, HSBC, and regional custodians.

JPM's advantage is not that any one product is unassailable. Advisory boutiques can beat JPM on conflict-light board advice. Goldman and Morgan Stanley can beat JPM in selected investment-banking verticals. Citi and HSBC are deep in cross-border transaction banking. BNY and State Street are specialized custodians. Nonbank market makers can be faster in electronic market structure. Private credit can be more flexible in bespoke lending. The advantage is breadth, balance sheet, credit standing, risk management, data, and the ability to connect products. A multinational client may prefer one bank that can provide cash management, FX, liquidity, bridge financing, bond issuance, rating-agency advice, acquisition financing, hedges, and custody. That is where JPM's platform is hardest to dislodge.

JPM's public CIB letter makes company-reported claims of leadership across Investment Banking, Payments, Markets, and Securities Services [JPM CIB 2025 shareholder letter]. Those rankings are useful competitive context, not independent ER2 ground truth. The model therefore anchors on the data package's disclosed FY2025 product rows and Q1 2026 momentum rather than on company-ranked share claims.

Pricing power is mixed. JPM has real pricing power in hard-to-switch transaction banking, urgent capital markets execution, complex derivatives, prime financing, and balance-sheet-backed client solutions. Pricing is weaker in vanilla corporate lending, large-cap cash management RFPs, standard custody, liquid FICC products, cash equities, and any product where clients can multibank and run reverse auctions. The real economic moat is therefore not list-price power; it is relationship breadth and high switching cost. If JPM can attach high-return products to balance-sheet commitments, the segment compounds. If clients use JPM's balance sheet but give fee wallet to boutiques, fintechs, or competitors, returns compress.

5. Segment-Level Moat

CIB's moat is a portfolio of moats. The strongest is the integrated client platform. Combining former Commercial Banking with the investment bank gives JPM more middle-market, sponsor, multinational, and institutional touchpoints. The data package says current CIB is Banking & Payments plus Markets & Securities Services for corporate, institutional, merchant,

government, and investor clients [data_package Â§1, segment descriptions]. The 2025 CIB letter adds that the integrated segment is intended to create growth opportunities across clients of all sizes [JPM CIB 2025 shareholder letter]. This is valuable because middle-market and innovation-economy clients can mature into investment-banking, payments, FX, markets, and private-bank relationships.

The second moat is balance sheet plus trust. In crisis or volatile markets, clients need execution certainty. JPM can underwrite, bridge, lend, clear, custody, and make markets at scale. That balance-sheet trust is expensive to replicate because it requires capital, liquidity, regulatory permissions, risk systems, senior credit culture, and a long record of staying open when markets are stressed.

The third moat is infrastructure. Payments, custody, clearing, settlement, cash management, and securities services are embedded in client operations. Switching costs are high because errors are costly and migrations are complex. This moat is durable, but it requires constant investment. Digital assets, real-time payments, AI-enabled treasury, fraud controls, sanctions screening, and data tools are not optional. They are the cost of staying relevant.

The fourth moat is information and distribution. The Markets franchise benefits from research, flow data, balance-sheet capacity, sales coverage, electronic platforms, and institutional distribution. Investment Banking benefits from board access, sponsor relationships, capital markets distribution, and lender/investor knowledge. Those advantages reinforce each other. The caveat is regulation. If capital rules make balance-sheet-heavy activity structurally less profitable, the moat still exists but the return on that moat falls.

The moat does not eliminate cyclicality. CIB can lose revenue in a quiet deal market, low-volatility trading environment, credit downturn, or regulatory capital shock. The right underwriting assumption is not "JPM is number one, therefore growth is steady." It is "JPM should take share and defend returns across cycles, but the segment's revenue mix will remain cyclical."

6. Historical Growth Rates - Data Package Reproduction

All figures below are managed net revenue in $B unless noted. Current-taxonomy product rows are available in the data package for FY2023-FY2025. Because FY2021-FY2022 were under a different segment structure, product-level current-taxonomy CAGRs use FY2023-FY2025 only. The table labels that as a two-year CAGR to avoid pretending that three annual observations equal a three-year compounding period. [DATA GAP: current-taxonomy CIB product revenue before FY2023 is not provided in the data package.]

Product / sub-segment	FY2023 rev	FY2024 rev	FY2025 rev	FY2023-FY2025 CAGR	Most recent YoY	Data package cite
CIB total	$64.4	$70.1	$78.5	10.4%	Q1 2026 +19%	[data_package Â§3, CIB net revenue row; Â§5 CIB quarterly row]
Investment Banking	$7.1	$9.6	$10.2	19.8%	Q1 2026 IB revenue +38%; IB fees +28%	[data_package Â§4, CIB Investment Banking row; Â§5 CIB Investment Banking rows]
Payments	$17.8	$18.1	$19.3	4.1%	Q1 2026 +12%	[data_package Â§4, CIB Payments row; Â§5 Payments row]
Lending	$6.9	$7.5	$7.6	4.9%	Q1 2026 +13%	[data_package Â§4, CIB Lending row; Â§5 Lending row]
Total Banking & Payments	$31.9	$35.3	$37.1	7.9%	Q1 2026 +19%	[data_package Â§4, Total Banking & Payments row; Â§5 CIB quarterly note]
Fixed Income Markets	$19.2	$20.1	$22.5	8.3%	Q1 2026 +21%	[data_package Â§4, Fixed Income Markets row; Â§5 Fixed Income Markets row]
Equity Markets	$8.8	$9.9	$13.3	22.9%	Q1 2026 +17%	[data_package Â§4, Equity Markets row; Â§5 Equity Markets row]
Securities Services	$4.8	$5.1	$5.6	8.0%	Q1 2026 +18%	[data_package Â§4, Securities Services row; Â§5 Securities Services row]
Total Markets & Securities Services	$32.5	$34.8	$41.3	12.7%	Q1 2026 +19%	[data_package Â§4, Total Markets & Securities Services row; Â§5 CIB quarterly note]

Internal arithmetic checks:

Row	Check
Investment Banking	$7.1B to $10.2B over two years equals 19.8% CAGR; FY2025 / FY2024 = $10.2B / $9.6B = 6.3% YoY.
Payments	$17.8B to $19.3B over two years equals 4.1% CAGR; FY2025 / FY2024 = $19.3B / $18.1B = 6.6% YoY.
Lending	$6.9B to $7.6B over two years equals 4.9% CAGR; FY2025 / FY2024 = $7.6B / $7.5B = 1.3% YoY.
Fixed Income Markets	$19.2B to $22.5B over two years equals 8.3% CAGR; FY2025 / FY2024 = $22.5B / $20.1B = 11.9% YoY.
Equity Markets	$8.8B to $13.3B over two years equals 22.9% CAGR; FY2025 / FY2024 = $13.3B / $9.9B = 34.3% YoY.
Securities Services	$4.8B to $5.6B over two years equals 8.0% CAGR; FY2025 / FY2024 = $5.6B / $5.1B = 9.8% YoY.

TTM bridge used for modeling: the quant foundation gives total CIB TTM revenue of $82.167B. To allocate that TTM base to product lines, this appendix uses FY2025 product revenue plus Q1 2026 product revenue less implied Q1 2025 product revenue. Implied Q1 2025 is calculated from Q1 2026 revenue divided by 1 + Q1 2026 YoY growth, using only data-package Q1 revenue and growth rows. The resulting product TTM sum is $82.268B, within 0.1% of quant foundation total CIB TTM revenue. The small difference is rounding and credit-adjustments/other presentation inside JPM's Markets & Securities Services line.

Product / sub-segment	FY2025 rev	Q1 2026 rev	Q1 2026 YoY	Implied Q1 2025 rev	Modeled TTM rev	Cite
Investment Banking revenue	$10.2	$3.1	38%	$2.25	$11.05	[data_package Â§4 and Â§5, CIB Investment Banking rows]
Payments	$19.3	$5.1	12%	$4.55	$19.85	[data_package Â§4 and Â§5, Payments rows]
Lending	$7.6	$2.2	13%	$1.95	$7.85	[data_package Â§4 and Â§5, Lending rows]
Fixed Income Markets	$22.5	$7.1	21%	$5.87	$23.73	[data_package Â§4 and Â§5, Fixed Income rows]
Equity Markets	$13.3	$4.5	17%	$3.85	$13.95	[data_package Â§4 and Â§5, Equity Markets rows]
Securities Services	$5.6	$1.5	18%	$1.27	$5.83	[data_package Â§4 and Â§5, Securities Services rows]
Modeled product sum	$78.5	$23.4	NA	$19.59	$82.27	Sum of modeled product rows; ties to QF total within rounding

7. Management Guidance - Data Package Quotes and Interpretation

The data package provides CIB-specific commentary from Q1 2026, Q4 2025, and Q3 2025. It intentionally uses short snippets and paraphrases for copyright compliance. This appendix does not re-fetch transcripts for JPM's own historical numbers or management quotes.

Source	Speaker	Data-package quote / snippet	Topic	Interpretation
Q1 FY2026 call, 2026-04-14	Jeremy Barnum, CFO	Client engagement and pipelines were healthy, but Middle East developments could affect deal execution and timing.	Investment Banking pipeline	Management supports a constructive IB backdrop, but timing risk is explicit. A straight-line extrapolation of Q1 +38% IB revenue would be too aggressive.
Q4 FY2025 call, 2026-01-13	Jeremy Barnum, CFO	"strong client engagement and deal activity in 2026"	Investment Banking outlook	The Q1 result did not appear from nowhere; management entered 2026 with a strong activity view.

Source	Speaker	Data-package quote / snippet	Topic	Interpretation
Q3 FY2025 call, 2025-10-14	Jeremy Barnum, CFO	"Our pipeline remains robust"	Investment Banking pipeline	Q3, Q4, and Q1 are directionally consistent, supporting a base case above the depressed 2022-2023 fee environment.
Q1 FY2026 call, 2026-04-14	Jeremy Barnum, CFO	Markets RWA rose with client activity, seasonal effects, and energy prices.	Markets RWA / capital	Revenue upside consumes capital. The model should not award all Markets revenue growth the same multiple as fee revenue.
Q1 FY2026 call, 2026-04-14	Jamie Dimon, CEO	Trading is client-service inventory/risk management; higher volume and volatility generally help spreads.	Markets durability	Markets is not pure proprietary risk-taking, but it remains activity and volatility sensitive.
Q1 FY2026 call, 2026-04-14	Jeremy Barnum, CFO	Private-credit exposure within core NBFI was around $50B for leveraged-loan-investor exposure.	Private credit	Exposure is not immaterial. It affects tail risk and provision assumptions even if management frames underwriting as controlled.
Q1 FY2026 release, 2026-04-14	Management release	Q1 CIB revenue grew 19%; Markets reached $11.6B and IB fees increased 28%.	CIB momentum	Q1 2026 is the recency anchor, but it was unusually strong across cyclical lines.

Firmwide guidance also matters for CIB. The data package states that management guided 2026 NII ex Markets to about $95B and adjusted expense to about $105B [data_package Â§6, firmwide guidance rows]. For CIB this means the base case should not assume a sudden cost-efficiency windfall. JPM is investing through the cycle while capital rules remain uncertain.

8. Forward Growth Assumptions

Forward growth is modeled from the TTM product base above to March 31, 2031. The model uses six explicit lines: Investment Banking, Payments, Lending, Fixed Income Markets, Equity Markets, and Securities Services. That omits only a small rounding/credit-adjustments/other difference; the product sum ties to the quant foundation's TTM CIB total within 1%.

Base Case Growth

Base case assumes JPM keeps share, the 2026 deal-cycle recovery partially normalizes, payments and securities services compound above GDP, lending grows modestly with client balances, and Markets fade from a very strong Q1 2026 into a slower but still positive five-year CAGR.

Product	Modeled TTM base	Historical CAGR / latest YoY	Mgmt FY+1 guide	Base CAGR TTM->TTM+5y	TTM+5y revenue	Justification
Investment Banking	$11.05	FY2023-FY2025 19.8%; Q1 2026 revenue +38%	Healthy pipelines but timing risk	4.0%	$13.45	The base assumes the recovery holds but fades; Q1 strength is not annualized because M&A, equity issuance, and debt underwriting are cyclical.
Payments	$19.85	FY2023-FY2025 4.1%; Q1 2026 +12%	No product guide; CIB letter cites share gains and digital investment	5.5%	$25.94	Payments has structural volume growth, deposit/account stickiness, and technology scale, but competition limits pricing.
Lending	$7.85	FY2023-FY2025 4.9%; Q1 2026 +13%	No explicit guide	3.0%	$9.10	Lending grows with client balances, private capital, and corporate activity, but RWA and credit discipline cap growth.
Fixed Income Markets	$23.73	FY2023-FY2025 8.3%; Q1 2026 +21%	Management says volatility/client activity help but RWA rose	1.5%	$25.57	A strong current run rate decelerates; FICC is large, cyclical, and capital intensive.
Equity Markets	$13.95	FY2023-FY2025 22.9%; Q1 2026 +17%	No explicit product guide	2.0%	$15.41	Equity derivatives and prime remain strong, but 2025 was a record-like base.

Product	Modeled TTM base	Historical CAGR / latest YoY	Mgmt FY+1 guide	Base CAGR TTM->TTM+5y	TTM+5y revenue	Justification
Securities Services	$5.83	FY2023-FY2025 8.0%; Q1 2026 +18%	CIB letter highlights scale and record results	4.0%	$7.09	Custody/platform revenue benefits from AUC, markets, and client growth, partly offset by fee pressure and investment needs.

Bull Case Growth

Bull case assumes a sustained capital-markets upcycle, successful CIB integration, private-market monetization, international expansion, strong treasury-services share gains, and no major regulatory capital shock. It does not assume Q1 2026 growth rates persist for five years; it assumes the current momentum becomes a higher platform growth rate.

Product	Modeled TTM base	Historical CAGR / latest YoY	Mgmt FY+1 guide	Bull CAGR TTM->TTM+5y	TTM+5y revenue	Justification
Investment Banking	$11.05	FY2023-FY2025 19.8%; Q1 2026 +38%	Strong engagement and robust pipeline	7.0%	$15.50	Deal activity, sponsor exits, debt refinancing, and equity issuance normalize above base while JPM keeps leading share.
Payments	$19.85	FY2023-FY2025 4.1%; Q1 2026 +12%	Share gains, digital products, global expansion	7.5%	$28.49	Treasury services share gains and transaction volumes compound, with digital money products adding incremental volume.
Lending	$7.85	FY2023-FY2025 4.9%; Q1 2026 +13%	No explicit guide	4.5%	$9.79	Loan demand and commitments grow with private capital, AI infrastructure, reshoring, and acquisition finance without material credit deterioration.
Fixed Income Markets	$23.73	FY2023-FY2025 8.3%; Q1 2026 +21%	Volatility helps client-service trading	3.5%	$28.19	Higher hedging, rates, commodities, securitized products, and FX activity keep FICC above normal-cycle growth.
Equity Markets	$13.95	FY2023-FY2025 22.9%; Q1 2026 +17%	No explicit product guide	4.0%	$16.98	Prime, derivatives, structured products, and electronic execution grow as activity stays high.
Securities Services	$5.83	FY2023-FY2025 8.0%; Q1 2026 +18%	Record revenue and platform investment	6.0%	$7.80	AUC growth, alternative funds, collateral, data, and platform modernization convert into share gains.

Bear Case Growth

Bear case assumes a weak deal market, normalizing volatility, tighter capital rules, private-credit stress, and payments/custody fee pressure. It still gives JPM some resilience because the franchise is strong and some businesses are recurring, but it rejects the idea that CIB has a guaranteed growth floor.

Product	Modeled TTM base	Historical CAGR / latest YoY	Mgmt FY+1 guide	Bear CAGR TTM->TTM+5y	TTM+5y revenue	Justification
Investment Banking	$11.05	FY2023-FY2025 19.8%; Q1 2026 +38%	Pipeline healthy but timing risk	(2.0)%	$9.99	Current pipeline slips, M&A confidence fades, and underwriting volumes fall back toward prior-cycle trough conditions.
Payments	$19.85	FY2023-FY2025 4.1%; Q1 2026 +12%	No product guide	2.0%	$21.91	Volumes grow but deposit spread, fee competition, and fintech/stablecoin pricing pressure limit revenue compounding.

Product	Modeled TTM base	Historical CAGR / latest YoY	Mgmt FY+1 guide	Bear CAGR TTM->TTM+5y	TTM+5y revenue	Justification
Lending	$7.85	FY2023-FY2025 4.9%; Q1 2026 +13%	No explicit guide	(1.0)%	$7.47	Credit discipline, weaker demand, and capital pressure shrink spread revenue despite relationship value.
Fixed Income Markets	$23.73	FY2023-FY2025 8.3%; Q1 2026 +21%	RWA rose with client activity	(2.0)%	$21.45	Volatility fades and capital rules lower balance-sheet intensity; 2025-2026 strength mean reverts.
Equity Markets	$13.95	FY2023-FY2025 22.9%; Q1 2026 +17%	No explicit guide	(1.5)%	$12.94	Derivatives and prime activity normalize after strong 2025, while cash-equity pricing remains competitive.
Securities Services	$5.83	FY2023-FY2025 8.0%; Q1 2026 +18%	No explicit guide	1.5%	$6.28	AUC and fund activity are resilient but fee pressure and market-level weakness slow growth.

Thesis-consistency check: the model explicitly decelerates Q1 2026 growth because every high-growth CIB product is either cyclical or partly market-level driven. The base case takes CIB total revenue from $82.17B TTM to $96.55B at TTM+5, a 3.3% total CAGR. That is lower than FY2023-FY2025 current-taxonomy growth because the model treats Q1 2026 as a favorable cyclical point, not a new steady-state annual growth rate.

9. Forward Operating Margin Assumptions

Current anchors: FY2025 CIB expense intensity was 48.7% and pre-provision margin was 51.3%; Q1 2026 expense intensity was 47.6% and pre-provision margin was 52.4% [data_package Â§3 CIB row; quant_foundation P2 Q1 2026 CIB row]. FY2025 provision was $2.6B and net income was $27.8B; Q1 2026 provision was $0.482B and net income was $9.044B [data_package Â§3; quant_foundation P2]. Exact TTM CIB expense and provision by quarter are not provided in the data package. [DATA GAP: exact CIB TTM noninterest expense and provision are not separately disclosed in data_package P4; this appendix uses FY2025 and Q1 2026 expense/provision anchors.]

Margin mechanics:

Product	Base operating margin	Bull operating margin	Bear operating margin	Mechanism
Investment Banking	50%	53%	42%	Advisory/underwriting fees have high incremental margins, but compensation and deal-cycle utilization drive swings.
Payments	55%	57%	50%	Scale, deposits, automation, and platform reuse support high margin; price competition and tech spend cap upside.
Lending	47%	49%	38%	Spread revenue is capital and credit sensitive; bear case embeds higher risk controls and lower utilization.
Fixed Income Markets	52%	55%	45%	Scale and client flow help, but RWA, funding, compensation, and risk controls reduce trough margins.
Equity Markets	53%	56%	46%	Derivatives/prime scale can be strong; prime balances and risk limits create downside in weak markets.
Securities Services	42%	45%	37%	Platform scale helps, but custody/fund services require technology, operations, control, and client-service spend.

The base case segment operating margin is 51.5%, effectively flat with FY2025 but slightly below Q1 2026's strong quarter. This is intentional. JPM is investing in AI, digital platforms, international expansion, private capital coverage, and digital

assets; the data package also keeps firmwide 2026 expense guidance high. The bull case reaches 54.1% on stronger capital-markets volumes and Payments/Securities Services scale. The bear case falls to 44.9% because cyclical revenue declines do not remove the fixed cost, control, compensation, and technology burden quickly.

Provision and net-income framing: the base case assumes CIB provision normalizes around $2.8B-$3.2B at TTM+5, roughly in line with FY2025 plus modest loan growth and no severe credit cycle. The bull case assumes provisions near $2.0B-$2.5B because credit remains benign. The bear case assumes provisions of $5.0B-$6.0B due to leveraged finance, commercial real estate, private-credit-adjacent exposures, and counterparty stress. Those provision assumptions are not included in the operating-income table because operating income is pre-provision; they matter for segment net income and ROTCE. A rough after-tax net-income bridge at a 21% tax rate would put base CIB net income around $36B-$37B at TTM+5 after provisions, bull around $43B-$44B, and bear around $24B-$25B. The synthesis appendix should decide whether to use this tax/provision bridge or a consolidated tax approach.

10. Segment Rollup - Bottom-Up Arithmetic

Revenue and Operating Income by Case

Product	Bear TTM+5 rev	Bear margin	Bear OI	Base TTM+5 rev	Base margin	Base OI	Bull TTM+5 rev	Bull margin	Bull OI
Investment Banking	$9.99	42.0%	$4.20	$13.45	50.0%	$6.72	$15.50	53.0%	$8.22
Payments	$21.91	50.0%	$10.96	$25.94	55.0%	$14.27	$28.49	57.0%	$16.24
Lending	$7.47	38.0%	$2.84	$9.10	47.0%	$4.28	$9.79	49.0%	$4.80
Fixed Income Markets	$21.45	45.0%	$9.65	$25.57	52.0%	$13.29	$28.19	55.0%	$15.50
Equity Markets	$12.94	46.0%	$5.95	$15.41	53.0%	$8.17	$16.98	56.0%	$9.51
Securities Services	$6.28	37.0%	$2.32	$7.09	42.0%	$2.98	$7.80	45.0%	$3.51
Segment total	$80.04	44.9%	$35.92	$96.55	51.5%	$49.71	$106.75	54.1%	$57.77

Tie-out checks:

Check	Result
TTM product base vs. QF CIB TTM	Modeled product TTM $82.27B vs. QF CIB TTM $82.17B, a 0.1% variance.
Base revenue sum	$13.45 + $25.94 + $9.10 + $25.57 + $15.41 + $7.09 = $96.55B.
Base OI sum	$6.72 + $14.27 + $4.28 + $13.29 + $8.17 + $2.98 = $49.71B.
Base margin	$49.71B / $96.55B = 51.5%.
Bear margin	$35.92B / $80.04B = 44.9%.
Bull margin	$57.77B / $106.75B = 54.1%.

The segment total does not use a top-down plug. It is reconstructable from product-level TTM bases, product-level CAGRs, and product-level margins. The only presentation difference is the small current TTM rounding/credit-adjustments gap noted in section 6.

Summary Table

Case	Segment TTM+5y Revenue	Segment TTM+5y Op Margin	Segment TTM+5y Op Income	Probability
Bear	$80.0B	44.9%	$35.9B	25%
Base	$96.6B	51.5%	$49.7B	50%
Bull	$106.8B	54.1%	$57.8B	25%

Probability-weighted CIB TTM+5 revenue is $94.96B and probability-weighted operating income is $48.28B. That is a meaningful contribution, but not a heroic one. The base case revenue CAGR from TTM is about 3.3%; the probability-weighted CAGR is about 2.9%. This is appropriate for a massive institutional bank segment starting from a strong Q1 2026 run rate.

11. Key Risks and Wildcards

Bear risk - capital rules and RWA inflation: CIB is particularly exposed to Basel III endgame, G-SIB surcharge, market-risk capital, counterparty-credit capital, operational-risk capital, and internal model constraints. If revenue growth requires disproportionate RWA growth, reported revenue can rise while ROE falls. The data package already flags Basel/G-SIB pressure and Markets RWA increases [data_package Â§9; Â§6 CIB Commentary].

Bear risk - investment banking cycle: Q1 2026 Investment Banking revenue growth was strong, and management commentary supported healthy pipelines. That can reverse quickly if geopolitical conflict, inflation, rates, antitrust policy, sponsor exit windows, or equity-market volatility delay transactions. This risk primarily hits Investment Banking and debt/equity underwriting.

Bear risk - Markets normalization: Markets revenue was elevated in 2025 and Q1 2026. If volatility collapses, bid-ask spreads compress, hedge fund activity falls, or client balance-sheet usage declines, Fixed Income and Equity Markets could decline even with a strong competitive position. The bear case embeds this by taking FICC and Equities down over five years.

Bear/base risk - private credit and NBFI exposure: The data package notes a management-sized private-credit-related exposure within core NBFI around $50B for leveraged-loan-investor exposure [data_package Â§6 CIB Commentary]. This does not mean loss is imminent, but it is a tail-risk channel. Stress in private funds, direct lenders, collateralized loan structures, or sponsor-backed borrowers could hit lending, trading counterparty exposure, and advisory activity at the same time.

Base risk - payments disruption: JPM has scale in treasury services and payments, but fintechs, real-time payment rails, stablecoins, enterprise software, card networks, and regional banks are all attacking pieces of the value chain. The CIB letter emphasizes digital assets and Kinexys because the firm understands that core payment economics are not permanently immune. Payments still compounds in the base case, but price realization is conservative.

Base/bull wildcard - AI and digital operating leverage: JPM's CIB leadership says the segment is embedding AI into processes and client tools, including transaction screening, cash-flow forecasting, prime finance inventory optimization, and broad LLM usage [JPM CIB 2025 shareholder letter]. If this creates measurable processing efficiency, better fraud/compliance outcomes, and lower manual operations, margins can exceed the base case. The appendix does not give large credit for this yet because the expense guide remains elevated.

Bull wildcard - integrated CIB cross-sell: The 2024 combination of Commercial Banking and Corporate & Investment Bank may still be early. If middle-market, commercial, sponsor, private-capital, and multinational clients adopt more of JPM's product set, the segment can earn more fee and markets wallet per relationship without requiring proportionate client-acquisition expense. This is the cleanest strategic bull case because it uses an existing client base and broader wallet share.

Bull wildcard - global and private-market expansion: The CIB letter highlights international expansion, private capital, digital assets, and security/resiliency financing as strategic growth areas. If these initiatives create durable fee pools and do not consume excessive RWA, they can lift both revenue and ROE. The risk is that private-market growth often arrives with opaque leverage and crowded underwriting; good revenue can become bad credit if discipline slips.

Overall judgment: CIB is a high-quality, scale-advantaged, cyclically exposed segment. It has genuine moat features: client breadth, trust, global infrastructure, balance sheet, and product integration. It does not have software-like predictability. The right forward model should reward JPM for share, scale, and integration, but it should haircut the Q1 2026 run rate for cyclicality and regulatory capital. The base case in this appendix does that: $96.6B of TTM+5 revenue, 51.5% pre-provision operating margin, and $49.7B of pre-provision operating income.

Appendix B2 - Consumer & Community Banking

Consumer & Community Banking - Segment Deep Dive

Company: JPMorgan Chase & Co. (JPM) Segment: Consumer & Community Banking (CCB) Date: 2026-04-28 TTM anchor: Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026, ending March 31, 2026 Forward horizon: March 31, 2031, exactly five calendar years after the TTM anchor

0. Segment Boundary And Taxonomy Note

Consumer & Community Banking is one of JPMorgan Chase's three operating business segments, alongside Commercial & Investment Bank and Asset & Wealth Management, with Corporate reported separately. The relevant segment boundary is stable for this appendix: CCB includes Banking & Wealth Management, Home Lending, and Card Services & Auto. The data package flags a 2024 reorganization in JPM's reportable segments, but that reorganization combined the former Corporate & Investment Bank and Commercial Banking into the current CIB; it did not redefine CCB in a way that breaks the CCB series. The one caveat is analytical rather than taxonomic: JPM updated funds transfer pricing for consumer deposits in Q4 2024, increasing CCB net interest income with an offset in Corporate and no firmwide net-interest-income effect. Therefore, CCB-vs-Corporate comparisons across 2024 and 2025 need that FTP caveat, but CCB's own reportable boundary is usable for FY2021-FY2025 segment totals and FY2023-FY2025 product rows. Source: data_package Section 1, reporting structure and taxonomy table; quant_foundation P-Taxonomy.

Bank-modeling convention: JPM does not report industrial operating income by segment. It reports managed net revenue, noninterest expense, pre-provision profit, provision for credit losses, net income, and ROE. In this appendix, "operating income" or "OI proxy" means pre-provision profit, calculated as managed net revenue less noninterest expense. That is the cleanest segment operating measure before credit-cycle provisioning. I separately show provision and net income because CCB economics cannot be evaluated without consumer-credit losses. Source: data_package Section 3, Segment Historicals; quant_foundation P2.

1. What This Segment Actually Is

CCB is JPMorgan Chase's mass-market and affluent consumer banking franchise, plus small business, home lending, credit card, and auto finance. It is distributed under the Chase and J.P. Morgan brands through a national branch network, digital banking, telephone banking, credit-card partnerships, mortgage channels, auto dealer relationships, and the J.P. Morgan Wealth Management advisor platform. A customer may enter through a checking account, a Sapphire or Freedom credit card, an auto loan, a mortgage refinance, or a small-business account, then be cross-sold adjacent products over time.

The segment has three disclosed product/sub-business lines. Banking & Wealth Management (BWM) includes Consumer Banking, Business Banking, J.P. Morgan Wealth Management deposits, investments, lending, payments, and services. This is the deposit and relationship-banking engine. It earns net interest income from deposits and loans, service and payments fees, investment and advisory-related revenue, and small-business banking revenue. Home Lending includes mortgage origination, servicing, residential mortgages, and home equity portfolios. It earns origination and servicing income, net interest income on retained loans, and related fees, but it is more rate-cycle sensitive than the core bank. Card Services & Auto includes credit cards, payment solutions, travel and lifestyle benefits, auto loans, and auto leases. It earns card net interest income, interchange, annual fees, partner economics, rewards and servicing economics, auto finance spread, and auto lease income, while absorbing high variable rewards, marketing, fraud, servicing, and credit losses.

The segment is not one homogeneous business. The capital-light portion is the deposit, payments, and wealth-management relationship base in Banking & Wealth Management. That business has scale economics, low physical-incremental cost for digital growth, and a funding advantage when deposits are sticky. The credit-risk portion is Card Services & Auto and, to a lesser extent, Home Lending. Card and auto can grow faster and carry high yields, but they also consume regulatory capital and are exposed to charge-offs. A bank investor should not value every dollar of CCB revenue equally: deposit and payments revenue deserves a higher multiple than cyclical card-spread revenue when credit is late-cycle.

2. Current Economics

CCB is the largest JPM consumer earnings engine and one of the two largest firmwide revenue contributors. In FY2025, CCB generated $76.029B of managed net revenue, $40.267B of noninterest expense, $35.762B of pre-provision profit, $11.493B of provision for credit losses, and $18.245B of net income. Net-income margin was 24.0%, down from 30.3% in FY2023 and

24.6% in FY2024. CCB ROE was 32% in FY2025, making it a high-return business even after elevated consumer-credit costs. Source: quant_foundation P2a; data_package Section 3, FY2025 Segment Credit and Capital Snapshot.

The latest TTM anchor is stronger on revenue but not structurally different in profit mix. CCB TTM managed net revenue was $77.284B and TTM net income was $18.796B for the four quarters ending March 31, 2026. Q1 2026 CCB revenue was $19.568B, up 7% year over year, and Q1 2026 net income was $4.976B. Q1 2026 CCB provision was $2.050B and noninterest expense was $10.979B, implying quarterly pre-provision profit of $8.589B and a 43.9% pre-provision margin. That quarterly pre-provision margin sits below FY2025's 47.0% pre-provision margin because Q1 expense was elevated, and it is a useful warning against mechanically extrapolating the FY2025 expense ratio. Source: quant_foundation P2b; quant_foundation P4; data_package Section 5.

The product mix is deposit-heavy but card is now the growth contributor. FY2025 product revenue was $42.9B for Banking & Wealth Management, $5.0B for Home Lending, and $28.2B for Card Services & Auto. Using the data package's Q1 2026 product revenue and YoY growth disclosures to estimate Q1 2025, the TTM product base is approximately $43.2B for BWM, $5.0B for Home Lending, and $29.1B for Card Services & Auto, which sums to $77.3B before minor rounding and ties to QF's $77.284B CCB TTM total after rounding. This is an estimate because JPM does not disclose full Q2-Q4 2025 product revenue in the data package. [DATA GAP: full quarterly CCB product revenue by BWM, Home Lending, and Card Services & Auto for Q2-Q4 2025 is not in the data package.]

The same mix frames the NII/noninterest split. BWM is primarily deposit spread, account fees, payments, small-business, and wealth economics. Home Lending is a blend of mortgage banking, servicing, and balance-sheet spread. Card Services & Auto is a hybrid: card revolving balances and auto loans create net interest income, while interchange, fees, partner arrangements, rewards cost, and auto lease economics create noninterest revenue and expense. JPM's data package does not provide CCB NII and noninterest revenue by product, so the forward model does not allocate segment revenue into exact NII/NIR dollars. [DATA GAP: CCB product-level NII and noninterest revenue split not included in data_package or quant_foundation.]

Key operating metrics from the data package support the revenue bridge. Q1 2026 active mobile customers were up 7% year over year, debit and credit card sales volume was up 9%, and Card Services & Auto revenue was up 13%. Card Services net charge-off rate was 3.47% in Q1 2026, with management's 2026 outlook approximately 3.4%. The data package also notes that Q4 2025 management expected 2026 card loan growth in the mid-single digits and lower than recent periods. That combination means card revenue can still grow above the segment average, but the high recent growth rate should fade as balance growth normalizes and credit costs stay relevant.

3. Unit Economics

CCB's unit economics start with customer acquisition and deposit gathering. The branch network, digital app, brand, and account relationships create low-cost funding and high customer-retention economics. A checking-account customer has direct-deposit behavior, bill pay, card usage, savings balances, and small-business payments opportunities that are hard for monoline products to replicate. A deposit dollar is valuable when JPM can earn an asset yield above the deposit paid rate and operating cost of servicing. The profitability of that dollar falls when competitors bid up deposit rates, when consumers move idle balances into high-yield products, or when the Fed cuts faster than deposit costs reprice. The data package's management commentary explicitly says deposit competition remains intense and yield-seeking flows are moderating, not disappearing. Source: data_package Section 6, CCB commentary.

BWM has the best structural economics in the segment because it combines low marginal digital servicing cost with relationship deposits and wealth cross-sell. Expense is still real: branches, technology, compliance, fraud, client service, marketing, and advisors all cost money. But the incremental economics of a mobile customer using an existing account stack are superior to the economics of a newly originated risk asset. Active mobile customers growing 7% in Q1 2026 matters because it deepens engagement without requiring a proportional branch-footprint increase. The model therefore gives BWM a higher horizon pre-provision margin than Card and Home Lending.

Home Lending is a smaller, more cyclical business. Mortgage origination volumes depend on rates, housing turnover, refinance incentives, affordability, and underwriting standards. Servicing income can be durable, but originations are volatile and competitive. The product generated $4.1B of revenue in FY2023, $5.1B in FY2024, and $5.0B in FY2025. That looks like a rebound from a depressed mortgage cycle rather than a secular growth engine. The base case gives it low growth and mid-30s pre-provision margin, not because JPM lacks scale, but because the mortgage value chain is rate-sensitive and has low differentiation outside brand, service, balance-sheet capacity, and servicing scale.

Card Services & Auto has the strongest revenue growth and the largest credit-risk wedge. Card revenue rose from $22.8B in FY2023 to $28.2B in FY2025, and Q1 2026 Card Services & Auto revenue was $7.8B, up 13% year over year. The economics are attractive when spend volume, revolving balances, interchange, rewards engagement, and partner acquisition produce lifetime value above funding, rewards, servicing, fraud, and charge-offs. They deteriorate quickly if charge-offs rise, rewards costs inflate, marketing becomes less productive, or regulators compress fees. The data package's Card Services NCO guide of approximately 3.4% for 2026 is the most important credit input: this is not a benign credit-cost assumption, but neither is it a crisis assumption.

Provisioning is the difference between CCB as a high-return franchise and CCB as a late-cycle credit bet. FY2025 pre-provision profit was $35.762B, but provision was $11.493B. In other words, roughly one-third of CCB's pre-provision profit was absorbed by credit costs before taxes. That is why this appendix does not treat PPNR growth as equivalent to shareholder-value growth. A larger card book can lift revenue and PPNR while lowering through-cycle net-income quality if growth comes from riskier cohorts or overpriced partner portfolios.

4. Competitive Dynamics

CCB competes against universal banks, regional banks, card issuers, fintech lenders, mortgage originators, brokerages, payment apps, and direct banks. In deposits and everyday banking, the core competitors are Bank of America, Wells Fargo, Citi, Capital One, U.S. Bancorp, PNC, Truist, and large regional banks in local markets. In wealth-adjacent consumer relationships, Schwab, Fidelity, Morgan Stanley, Bank of America/Merrill, and independent RIAs compete for investable assets. In cards, American Express, Capital One, Citi, Bank of America, Discover/Capital One, Synchrony, Bread, and private-label programs compete for spend, revolving balances, and partner relationships. In mortgage, Wells Fargo, Rocket, UWM, Pennymac, banks, credit unions, and nonbank mortgage originators compete intensely on price, service, speed, and channel access.

The competitive structure favors scale but does not eliminate competition. The FDIC Summary of Deposits is the official U.S. branch-deposit data set; the FDIC's 2025 release says the survey covers more than 76,000 domestic offices and allows market-share reports for specific institutions and local markets. That matters because deposits are local, sticky, and distribution-dependent, even as mobile banking lowers switching friction. Source: FDIC 2025 Summary of Deposits release, September 19, 2025, https://www.fdic.gov/news/press-releases/2025/fdic-releases-results-summary-deposits-annual-survey.

Cards are more concentrated than deposits. The Nilson Report release dated March 6, 2025 said U.S. Visa, Mastercard, American Express, and Discover credit-card purchase volume reached $6.136T in 2024, up 5.3%, and that JPMorgan Chase was the top issuer for the sixth consecutive year with more than $1.344T of purchase volume. It also said the five largest issuers accounted for 69.1% of spending and the ten largest for more than 82.5%. Source: Nilson Report release, https://www.globenewswire.com/news-release/2025/03/06/3038338/0/en/JP-Morgan-Tops-Nilson-Report-Ranking-of-US-Credit-Card-Issuers.html. This supports JPM's scale advantage in rewards procurement, partner negotiations, fraud investments, data, and merchant/consumer relevance. It does not prove pricing power is unlimited, because Amex, Capital One, Citi, and Bank of America can match rewards in premium cohorts, and new card partnerships can be aggressively bid.

The CFPB's 2025 consumer credit-card market report is relevant to the risk side. The Federal Register summary says credit card debt exceeded $1.2T at year-end 2024, purchase volume grew to $3.6T in 2024 from $3.2T in 2022, average APRs reached 25.2% for general purpose cards and 31.3% for private label cards, and interest charges rose to $160B. It also noted that minimum-payment behavior was elevated and that delinquencies and charge-offs had reached historically high levels in early 2024 before falling. Source: Federal Register / CFPB 2025 report summary, https://regulations.justia.com/regulations/fedreg/2026/01/07/2026-00081.html. This is good for yield but dangerous for regulatory and credit-cycle risk.

JPM's competitive edge is not that consumers never switch. It is that consumers who use multiple Chase products have high switching costs, data advantages, rewards integration, and service convenience. The moat is strongest where Chase is the customer's operating account and payments hub. It is weaker in single-product mortgage originations, auto loans, or pure rate-seeking deposits. Direct banks and brokerages can compete away excess deposit spread. Fintechs can skim high-growth niches. Private-label partners can renegotiate economics. The segment has a moat, but it is not uniformly deep across every product.

5. Moat At The Segment Level

The CCB moat has five components. First, Chase's deposit and transaction account base creates low-cost funding and recurring customer engagement. Second, the branch and digital network create a national acquisition and service platform

that smaller institutions cannot replicate at the same cost per account. Third, the card franchise benefits from acceptance ubiquity through payment networks, rewards scale, co-brand partners, underwriting data, fraud systems, and merchant/category insight. Fourth, JPM's balance sheet and brand allow it to absorb stressed environments, keep lending when weaker peers pull back, and bid for strategic portfolios such as the Apple Card transition. Fifth, regulatory and compliance scale are barriers: the cost of running consumer banking at JPM's breadth is high, but the cost per account declines with scale.

The moat is durable but cyclical. It should protect CCB's ability to earn returns above the cost of equity over five to ten years. It does not protect near-term net income from deposit beta, card charge-offs, mortgage cyclicality, fee regulation, or rewards competition. A conservative CCB model should therefore preserve high through-cycle profitability but not extrapolate the 2023 rate-benefit period. The 2025 net-income margin of 24.0% and FY2025 ROE of 32% are good enough to underwrite a strong business, yet they already include a provision burden of $11.493B. The question is not whether CCB is high quality; it is whether incremental growth comes from capital-light relationship economics or from higher-risk card balances at late-cycle loss rates.

6. Historical Growth Rates - Data Package Reproduction

The table below reproduces the controlling historical figures from the data package and QF. Product rows use only the three annual product revenue disclosures available in data_package Section 4. The CAGR column is calculated over FY2023-FY2025 because the data package does not provide FY2022 product revenue by BWM, Home Lending, and Card Services & Auto. [DATA GAP: FY2021-FY2022 CCB product/sub-business revenue by the current three-product CCB taxonomy is not in the data package.]

Product / sub-segment	FY2023 rev	FY2024 rev	FY2025 rev	CAGR over disclosed FY2023-FY2025 observations	Most recent YoY	Data package cite
CCB total managed net revenue	$70.148B	$71.507B	$76.029B	4.1%	Q1 2026 +7%	data_package Section 3, CCB Net revenue row; quant_foundation P2a and P4
Banking & Wealth Management	$43.2B	$40.9B	$42.9B	-0.3%	Q1 2026 +3%	data_package Section 4, Dollar-Disclosed Product/Sub-Business Revenue, CCB row 1; Section 5 Q1 product trend
Home Lending	$4.1B	$5.1B	$5.0B	10.4%	Q1 2026 +2%	data_package Section 4, Dollar-Disclosed Product/Sub-Business Revenue, CCB row 2; Section 5 Q1 product trend
Card Services & Auto	$22.8B	$25.5B	$28.2B	11.2%	Q1 2026 +13%	data_package Section 4, Dollar-Disclosed Product/Sub-Business Revenue, CCB row 3; Section 5 Q1 product trend

Internal arithmetic checks:

Row	Check
CCB total	$70.148B x (1 + 1.9%) = $71.481B, close to $71.507B; $71.507B x (1 + 6.3%) = $76.012B, close to $76.029B.
Banking & Wealth Management	FY2025/FY2023 CAGR: ($42.9B / $43.2B)^(1/2) - 1 = -0.3%. The row declined in FY2024 and partially recovered in FY2025.
Home Lending	FY2025/FY2023 CAGR: ($5.0B / $4.1B)^(1/2) - 1 = 10.4%. This is mortgage-cycle recovery from a depressed base, not a structural long-term rate.
Card Services & Auto	FY2025/FY2023 CAGR: ($28.2B / $22.8B)^(1/2) - 1 = 11.2%. Q1 2026 +13% confirms the line remained the main CCB growth driver.

TTM product-base bridge used for forward modeling:

Product / sub-segment	FY2025 revenue	Q1 2026 revenue and YoY	Implied Q1 2025 revenue	Estimated TTM product revenue	Tie-out
Banking & Wealth Management	$42.9B	$10.6B, +3%	$10.3B	$43.2B	FY2025 - implied Q1 2025 + Q1 2026
Home Lending	$5.0B	$1.2B, +2%	$1.2B	$5.0B	FY2025 - implied Q1 2025 + Q1 2026
Card Services & Auto	$28.2B	$7.8B, +13%	$6.9B	$29.1B	FY2025 - implied Q1 2025 + Q1 2026
CCB total	$76.029B	$19.568B, +7%	N/A	$77.284B	Controlling QF P4 TTM total

The product TTM figures are rounded estimates. The segment total is not estimated; it is the controlling QF P4 TTM value. The product sum is reconciled to the $77.284B QF total by rounding, not by introducing an undisclosed fourth product line.

7. Management Guidance - Data Package Quotes And Interpretation

The data package provides the following CCB-relevant forward anchors. The snippets are intentionally short, matching the data package's source-use convention.

Data package row	Speaker/source	Snippet or paraphrased guidance	Interpretation
Section 6, Firmwide / Capital / NII / Expense row 1	Jeremy Barnum, Q1 FY2026 call	"NII ex Markets to be about $95 billion"	CCB is a major non-Markets NII contributor. This supports stable firmwide non-Markets NII, but it does not justify aggressive CCB deposit-spread expansion because rate and deposit competition remain active.
Section 6, Firmwide / Capital / NII / Expense row 2	Jeremy Barnum, Q1 FY2026 call	"adjusted expense outlook continues to be about $105 billion"	The firm is still spending. CCB margin expansion should be modest because technology, branch, compliance, fraud, compensation, and card acquisition spending remain real.
Section 6, Firmwide / Capital / NII / Expense row 3	Jeremy Barnum, Q1 FY2026 call	"Card net charge-off rate continues to be approximately 3.4%"	Credit normalization is central. A 3.4% card NCO assumption is not crisis-level, but it is high enough to prevent a card-revenue boom from fully dropping to net income.
Section 6, CCB Commentary row 1	Jeremy Barnum, Q1 FY2026 call	Consumer and small-business spend remained resilient; deposit growth continued with moderating yield-seeking flows.	The base case should assume spend and deposits grow, but not that deposits become free again.
Section 6, CCB Commentary row 2	Jamie Dimon and Jeremy Barnum, Q1 FY2026 call	AI cash tools are early-stage; deposit competition remains intense.	Digital tools may improve retention and wallet share, but they also make customers more aware of yields and alternatives.
Section 6, CCB Commentary row 3	Jeremy Barnum, Q4 FY2025 call	"Consumers and small businesses remain resilient"	Consumer credit is not breaking as of the latest management commentary. This supports a base case without recession-level provision.
Section 6, CCB Commentary row 4	Jeremy Barnum, Q4 FY2025 call	2026 card loan growth expected in the mid-single digits and lower than recent periods.	Card growth must decelerate from the recent 11%-13% revenue pace. The base model uses 6% card/auto revenue CAGR, not a continuation of the latest Q1 growth.
Section 6, CCB Commentary row 5	Jeremy Barnum, Q3 FY2025 call	CCB credit metrics and early delinquencies were stable and slightly better than expected.	Credit deterioration is not the central case, but the segment remains provision-sensitive.
Section 6, CCB Commentary row 6	Q1 FY2026 release	Q1 CCB revenue rose 7%, with Card Services & Auto up 13%.	Card/Auto is the near-term growth engine. BWM and Home Lending are slower and more rate-cycle dependent.

8. Forward Growth Assumptions - Product Explicit

Base-case assumptions are anchored to the TTM product base, not FY2025. The TTM product base is the bridge shown in Section 6 and reconciles to the QF P4 CCB TTM revenue of $77.284B. The five-year endpoint is March 31, 2031. Growth rates are CAGRs from TTM to TTM+5y.

Base Case Growth

Product	TTM base	Historical CAGR	Latest YoY	Mgmt FY+1 guide	Base CAGR TTM to TTM+5y	TTM+5y revenue	Justification
Banking & Wealth Management	$43.2B	-0.3%	+3%	Non-Markets NII about $95B firmwide; deposit growth with intense competition	2.5%	$48.9B	BWM should grow with accounts, mobile engagement, deposits, small business, payments, and wealth, but deposit beta and lower-rate risk cap upside. A 2.5% CAGR is above the FY2023-FY2025 product CAGR but below nominal GDP plus rate-cycle windfall assumptions.
Home Lending	$5.0B	10.4%	+2%	No product-specific growth guide in data_package	1.5%	$5.4B	The historical CAGR is a rebound from depressed mortgage activity. With affordability and rate sensitivity still limiting origination growth, the base case assumes only modest expansion from servicing and normal housing turnover.
Card Services & Auto	$29.1B	11.2%	+13%	2026 card loan growth expected mid-single digits; card NCO about 3.4%	6.0%	$38.9B	Card remains the growth driver through spend, balances, partnerships, Apple Card transition, and auto finance, but management's mid-single-digit card-loan guide argues for deceleration from the latest revenue growth.
CCB total	$77.284B	4.1%	+7%	CCB revenue +7% in Q1 2026	3.8% implied	$93.2B	Sum of product lines. The base case assumes card mix rises while BWM stays the largest line.

The base case implies CCB revenue grows from $77.284B to $93.2B, a 3.8% segment CAGR. That is not a heroic growth rate for a high-quality national franchise, but it is deliberately below the latest 7% YoY because the latest growth is helped by Card Services & Auto and because management expects card-loan growth to moderate. The implied year-by-year CCB revenue path is approximately $80.3B, $83.4B, $86.5B, $89.8B, and $93.2B. Card/Auto grows faster than BWM, so credit-risk revenue becomes a slightly larger share of the segment.

Bull Case Growth

Product	TTM base	Historical CAGR	Latest YoY	Mgmt FY+1 guide	Bull CAGR TTM to TTM+5y	TTM+5y revenue	Justification
Banking & Wealth Management	$43.2B	-0.3%	+3%	Deposit growth continued; mobile customers +7%	4.0%	$52.5B	Bull case assumes Chase deepens primary-bank status, deposit runoff abates, wealth cross-sell improves, and digital scale lowers marginal cost without triggering a price war.
Home Lending	$5.0B	10.4%	+2%	No product-specific growth guide	3.0%	$5.8B	A lower-rate and healthier housing-turnover environment lets originations recover without assuming another refinance boom.

Product	TTM base	Historical CAGR	Latest YoY	Mgmt FY+1 guide	Bull CAGR TTM to TTM+5y	TTM+5y revenue	Justification
Card Services & Auto	$29.1B	11.2%	+13%	Card-loan growth mid-single digits in 2026; Apple Card adds balances over roughly 24 months	8.0%	$42.7B	Bull case assumes JPM captures Apple Card economics, keeps premium-card share, and sustains spend growth above industry while credit remains contained. It still decelerates from +13% Q1 revenue growth.
CCB total	$77.284B	4.1%	+7%	Q1 2026 CCB +7%	5.5% implied	$101.1B	Sum of product lines. Bull case requires both better BWM growth and sustained Card/Auto outperformance.

Bear Case Growth

Product	TTM base	Historical CAGR	Latest YoY	Mgmt FY+1 guide	Bear CAGR TTM to TTM+5y	TTM+5y revenue	Justification
Banking & Wealth Management	$43.2B	-0.3%	+3%	Deposit competition remains intense	0.0%	$43.2B	Bear case assumes lower rates, persistent deposit-price competition, rate-seeking customers, and muted fee growth offset account and digital growth.
Home Lending	$5.0B	10.4%	+2%	No product-specific growth guide	-1.0%	$4.8B	Mortgage stays subdued due to affordability, turnover weakness, and nonbank competition.
Card Services & Auto	$29.1B	11.2%	+13%	Card NCO about 3.4%; card loan growth normalizing	2.0%	$32.1B	Bear case assumes card spend grows but underwriting tightens, rewards competition rises, auto is weak, and credit costs constrain risk appetite.
CCB total	$77.284B	4.1%	+7%	Q1 2026 CCB +7%	0.7% implied	$80.1B	Sum of product lines. This is not a depression case; it is a stagnant-revenue case with the mix shifting toward less profitable risk assets.

Thesis-consistency check: the largest deceleration is Card Services & Auto from +13% latest YoY and 11.2% FY2023-FY2025 CAGR to a 6.0% base five-year CAGR. That is defensible because management already guided 2026 card-loan growth to the mid-single digits and because card NCO is expected around 3.4%, which should constrain aggressive balance growth. The bear case card CAGR of 2.0% requires weaker underwriting appetite and competitive/reward pressure, not simple maturation.

9. Forward Operating Margin Assumptions

Current CCB profitability is high but provision-sensitive. FY2025 CCB pre-provision margin was 47.0% ($35.762B pre-provision profit on $76.029B revenue). FY2025 net-income margin was 24.0%. Q1 2026 pre-provision margin was 43.9% ($8.589B pre-provision profit on $19.568B revenue), and Q1 net-income margin was 25.4%. The lower Q1 pre-provision margin is mostly an expense signal: Q1 noninterest expense was $10.979B, and firmwide management reaffirmed an adjusted expense outlook of about $105B. Source: quant_foundation P2a and P2b; data_package Section 6.

The product margin assumptions below are not reported product margins. They are modeling assumptions for pre-provision profit contribution by product, used to compute a segment-level OI proxy. JPM does not disclose clean product-level expense, provision, or PPNR for BWM, Home Lending, and Card Services & Auto in the data package. [DATA GAP: product-level CCB PPNR margin, provision, and net income by BWM, Home Lending, and Card Services & Auto are not in data_package.]

Margin Case Table

Product	Current economics anchor	Bear TTM+5y PPNR margin	Base TTM+5y PPNR margin	Bull TTM+5y PPNR margin	Mechanism
Banking & Wealth Management	Segment PPNR margin FY2025 47.0%; Q1 2026 43.9%; BWM is deposit/relationship-heavy	44.0%	49.0%	50.5%	BWM is structurally higher margin because deposits and digital engagement scale well. Bear assumes deposit beta and expense pressure; base assumes modest scale leverage; bull assumes better deposit retention and wealth/payments mix.
Home Lending	Small product line with mortgage-cycle sensitivity	29.0%	36.0%	39.0%	Home Lending has less durable pricing power and volume cyclicality. Bear assumes weak origination and competitive pricing; bull assumes operating leverage from better volumes.
Card Services & Auto	Fastest growth line; card NCO guided around 3.4%	31.0%	42.0%	45.0%	Card/Auto revenue is high-yield but rewards, marketing, fraud, servicing, and credit-cycle management limit PPNR. Bear assumes rewards/credit/funding pressure; bull assumes scale and partner productivity.

Segment Margin Rollup

Case	Product revenue mix	Product PPNR / OI proxy	Blended PPNR margin	Provision and net-income view
Bear	BWM $43.2B; Home $4.8B; Card/Auto $32.1B	$30.3B	37.9%	Provision risk rises materially; after-tax segment earnings could fall to roughly $9B-$10B if credit costs absorb a large share of PPNR.
Base	BWM $48.9B; Home $5.4B; Card/Auto $38.9B	$42.2B	45.3%	With provision around the low-to-mid teens billions and normal tax, net income can compound modestly to about $21B-$22B.
Bull	BWM $52.5B; Home $5.8B; Card/Auto $42.7B	$48.0B	47.5%	Credit remains contained and BWM scale leverage returns the segment close to FY2025 PPNR margin despite larger card mix; net income could exceed $26B.

Any margin expansion above 100 bps needs a mechanism. The base case blended margin is 45.3%, which is below FY2025's 47.0% and modestly above Q1 2026's 43.9%. It assumes technology and digital scale offset some expense growth, but not enough to recreate a full rate windfall. The bull case at 47.5% requires better BWM funding economics and contained credit/reward pressure. The bear case at 37.9% is a combined deposit-beta, expense, and card-credit case.

10. Segment Rollup

The rollup below is built bottom-up from the product growth and product margin tables. Revenue sums to the product-level assumptions within rounding. The "operating income" column is the CCB pre-provision profit / OI proxy, because JPM does not disclose industrial operating income by segment.

Case	BWM revenue	Home Lending revenue	Card Services & Auto revenue	Segment TTM+5y Revenue	Segment TTM+5y Op Margin	Segment TTM+5y Op Income	Probability
Bear	$43.2B	$4.8B	$32.1B	$80.1B	37.9%	$30.3B	25%
Base	$48.9B	$5.4B	$38.9B	$93.2B	45.3%	$42.2B	55%
Bull	$52.5B	$5.8B	$42.7B	$101.1B	47.5%	$48.0B	20%

Revenue arithmetic:

Case	Product sum	Segment total used	Difference
Bear	$80.1B	$80.1B	0.0%
Base	$93.2B	$93.2B	0.0%
Bull	$101.1B	$101.1B	0.0%

Margin arithmetic:

Case	Product-level OI proxy	Segment revenue	Blended margin
Bear	$30.3B	$80.1B	37.9%
Base	$42.2B	$93.2B	45.3%
Bull	$48.0B	$101.1B	47.5%

The base case is the most likely because it respects the two strongest facts in the data package: CCB is still growing, but the growth mix is shifting toward Card Services & Auto at a time when card loan growth is expected to normalize and card NCO remains near 3.4%. The bull case is plausible only if JPM captures Apple Card economics without overpaying in credit or rewards and if deposit competition eases. The bear case does not require a consumer recession; it can occur with lower spread revenue, continued expense investment, and muted card balance growth.

11. Key Risks And Wildcards

Risk / wildcard	Case affected	Why it matters
Deposit beta and rate cuts	Bear / base	If rates fall faster than deposit costs or if customers keep migrating to higher-yield alternatives, BWM revenue and margin undershoot.
Card credit normalization	Bear	A card NCO rate around 3.4% is manageable; a move well above that would consume PPNR and force tighter growth.
Rewards and partner competition	Bear / base	Premium cards and co-brand portfolios can become expensive to win and retain. Growth bought through richer rewards can depress economics.
Apple Card transition	Bull / bear	The announced portfolio transition can add balances and customers, but the economics depend on purchase price, credit quality, servicing, and engagement.
Mortgage rate cycle	Bull / bear	Home Lending is small but cyclical. A healthier housing market helps; persistent affordability stress keeps it stagnant.
Regulation and fee pressure	Bear	Card APRs, late fees, interchange, overdraft, and bank fees can attract regulatory scrutiny.
Digital and AI-driven switching	Bear / base	AI cash tools and financial apps can make yield comparison easier, reducing deposit stickiness, even if JPM also uses the same tools for retention.
Fraud, cyber, and servicing costs	Bear	Faster digital usage and card volume can bring higher fraud and dispute costs. The CFPB report highlights card disputes and AI-related payments fraud as live issues.
Expense discipline	All cases	Firmwide adjusted expense guidance of about $105B means margin expansion is not automatic; the segment must earn back ongoing technology, branch, compliance, and acquisition spend.

Summary Table

Case	Segment TTM+5y Revenue	Segment TTM+5y Op Margin	Segment TTM+5y Op Income	Probability
Bear	$80.1B	37.9%	$30.3B	25%
Base	$93.2B	45.3%	$42.2B	55%
Bull	$101.1B	47.5%	$48.0B	20%

Analyst flags: CCB is high quality, but it is not a pure capital-light consumer platform. BWM is the moat-heavy funding and relationship business; Card Services & Auto is the growth engine and the credit-risk engine; Home Lending is a small rate-cycle option. The correct five-year model grows CCB revenue at a mid-single-digit rate in the base case, holds pre-provision margin below the best recent annual margin, and lets provision determine how much of PPNR becomes net income.

Appendix B3 - Asset & Wealth Management

Asset & Wealth Management - Segment Deep Dive

Run date: 2026-04-28 Company: JPMorgan Chase & Co. Ticker: JPM Segment: Asset & Wealth Management ("AWM") TTM anchor: Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026, ending March 31, 2026 Forward horizon: March 31, 2031, exactly five calendar years from the TTM endpoint

0. Segment Boundary + Taxonomy Note

JPMorgan Chase reports Asset & Wealth Management as one of three operating segments, alongside Consumer & Community Banking and Commercial & Investment Bank, with Corporate as the residual treasury and central-functions bucket. AWM consists of two disclosed lines of business: Asset Management and Global Private Bank. The data package notes that JPM reorganized CIB in 2024, but AWM did not have a comparable revenue-segment restatement; the AWM-specific taxonomy issue is narrower. In Q1 2025, JPM realigned certain AWM client assets from Private Banking to Global Funds and revised prior periods; this affects client-asset presentation but not AWM revenue. Therefore, revenue and profit comparisons use the current AWM segment as presented in the 2025 Form 10-K and the Q1 2026 supplement, while client-asset comparisons use the revised presentation identified in data_package Â§1 row "AWM client-asset presentation." Segment "operating income" is not a JPM reported metric; following quant_foundation P2/P4 and data_package Â§10 flag 4, this appendix uses pre-provision profit, defined as managed net revenue less noninterest expense, as the ER2 operating-income proxy for the segment. [REVIEWER NOTE: data_package does not provide a separate industrial operating-income line for AWM; JPM reports pre-provision profit, provision, net income, ROE, and pre-tax margin instead.]

1. What This Segment Actually Is

AWM is JPMorgan's institutional and high-net-worth investment, advisory, custody, deposit, and lending franchise. The business is not just a mutual fund manager and not just a private bank. It combines an asset-management platform that manufactures and manages investment products with a private-bank and wealth-advice platform that gathers relationships, assets, deposits, loans, and advisory mandates. Data_package Â§1 describes the segment as "Asset Management and Global Private Bank, including investment management, brokerage, custody, estate planning, lending, deposits, and advisory services," and the 2025 10-K section reproduced in the raw source says Asset Management offers multi-asset investment management across equities, fixed income, alternatives, and money market funds, while Global Private Bank provides retirement, brokerage, custody, estate-planning, lending, deposits, and investment management for high-net-worth clients.

The customer sets are distinct but overlapping. Asset Management serves institutional investors, funds, retirement platforms, intermediaries, liquidity clients, and retail fund buyers through managed products. Global Private Bank serves wealthy families, entrepreneurs, family offices, executives, foundations, and related entities that need advice, investment access, credit, deposits, estate planning, and global custody. In practice, this segment monetizes three linked balance sheets: clients' investment assets, client cash balances, and client borrowing needs. The asset base drives asset-management fees and distribution economics. The cash base drives deposits and sweep balances that feed net interest income. The lending base drives spread income and relationship stickiness but also adds credit and collateral-management risk.

The pricing model is mostly asset-based and relationship-based. Management fees are typically a percentage of AUM and move with market levels, product mix, flows, and fee schedules. Brokerage and other fees move with transaction volumes, alternative-investment placement, custody, and advisory activity. Net interest income comes from loans and deposits, with spreads shaped by rate levels, deposit betas, securities-based lending yields, mortgage/lombard lending, subscription finance, and the funds-transfer-pricing regime. The balance-sheet contribution is meaningful: the AWM 2025 10-K table shows FY2025 net interest income of $6.832B and noninterest revenue of $17.241B, so roughly 28% of FY2025 AWM revenue was NII and 72% was noninterest revenue, using the official 10-K lines that the data package maps to AWM. The Q1 2026 supplement shows the same pattern: Q1 AWM net interest income was $1.726B and noninterest revenue was $4.648B, or a 27%/73% split.

The go-to-market is unusually integrated. Asset Management sells through institutional channels, fund platforms, retirement and liquidity channels, JPMorgan's own wealth advisors, and external advisors. Global Private Bank sells through relationship managers, investment specialists, lending specialists, trusts and estates teams, capital markets connectivity, and the broader JPMorgan network. This matters because the segment's advantage is not simply AUM scale. The moat is the combination of brand trust, global advisory coverage, investment product shelf, private markets access, lending capacity, deposits, custody,

estate planning, and cross-segment connectivity with CIB and CCB.

2. Current Economics (FY2025 and TTM)

AWM is JPM's smallest operating segment by revenue but has the highest disclosed segment ROE. Data_package Â§3 shows FY2025 AWM managed net revenue of $24.1B, or about 13.0% of FY2025 managed revenue before FTE reconciling items. It generated $8.7B of pre-provision profit, $0.1B of provision, and $6.5B of net income. The same data_package Â§3 row shows a 40% AWM ROE in FY2025, materially above CCB's 32% and CIB's 18%. On a TTM basis, quant_foundation P4 constructs AWM revenue of $24.716B and net income of $6.714B for Q2 2025 through Q1 2026. Using Q1 supplement quarterly expenses, TTM AWM pre-provision profit is $8.930B, equal to a 36.1% pre-provision margin. That is the current ER2 operating-margin anchor.

The current revenue mix is almost evenly split between the two disclosed businesses. Data_package Â§4 row "AWM | Asset Management" gives FY2025 Asset Management revenue of $11.7B, while row "AWM | Global Private Bank" gives FY2025 Global Private Bank revenue of $12.4B. The Q1 2026 supplement discloses the last four quarterly line-of-business revenues: Asset Management revenue of $2.705B, $2.916B, $3.408B, and $3.072B in Q2 2025 through Q1 2026, and Global Private Bank revenue of $3.055B, $3.150B, $3.108B, and $3.302B. That yields a TTM line split of $12.101B for Asset Management and $12.615B for Global Private Bank. [REVIEWER NOTE: data_package Â§5 includes AWM segment quarterly revenue and AUM/client-asset KPIs but does not include the last-four-quarter Asset Management and Global Private Bank revenue rows; this appendix uses the official JPM Q1 2026 supplement as the needed source check for TTM product-level modeling.]

The segment's core KPI base is very large. Data_package Â§4 shows AWM AUM rising from $3.4T in FY2023 to $4.0T in FY2024 and $4.8T in FY2025, while total client assets rose from $5.0T to $5.9T to $7.1T. Data_package Â§5 shows Q1 2026 AUM of $4.8T, up 16% year over year, and client assets of $7.1T, up 18%. The official 2025 10-K detail also shows the composition: FY2025 AUM of $4.791T included $1.279T liquidity, $998B fixed income, $1.400T equity, $884B multi-asset, and $230B alternatives; client assets added $2.327T of custody, brokerage, administration, and deposits to reach $7.118T. The same 10-K table shows Private Banking client assets of $3.549T, Global Institutional of $2.121T, and Global Funds of $1.448T.

The private-bank balance sheet is meaningful but still capital-light relative to CIB and CCB. JPM's 2025 10-K AWM table shows period-end AWM loans of $266.385B, deposits of $257.316B, average loans of $246.596B, average deposits of $245.248B, and allocated equity of $16.0B. Q1 2026 increased the balance-sheet base: period-end loans were $274.902B and deposits were $266.745B, while average loans were $267.986B and average deposits were $253.706B. Credit losses remain small relative to the segment: FY2025 AWM provision was $97MM and net charge-offs were $92MM; Q1 2026 net charge-offs were $1MM, with allowance for loan losses equal to 0.19% of period-end loans. This is a relationship-collateralized lending book, not a credit-card book.

3. Unit Economics

AWM's unit economics start with asset gathering. A dollar of long-term AUM can generate recurring management fees for years if performance is acceptable and the relationship remains intact. The gross economics depend heavily on product mix. Liquidity funds and passive beta are low-fee but scalable. Active equity, fixed income, multi-asset, alternatives, and private-market products carry higher fee rates but require investment staff, performance support, research, risk management, legal, distribution, and sometimes revenue-sharing economics. The 2025 10-K fee line shows this asset sensitivity clearly: AWM asset management fees rose from $11.826B in FY2023 to $13.693B in FY2024 and $15.494B in FY2025, a 14.5% two-year CAGR, broadly matching the AUM and market-level expansion in the data package.

The next unit-economic layer is distribution and advice. In a pure asset manager, distribution can be third-party and fee pressure is often severe. JPM has third-party fund distribution, but it also owns high-value internal channels: Global Private Bank, J.P. Morgan Wealth Management in CCB, branch referrals, banking relationships, corporate executives, stock-plan clients, family offices, and institutional relationships. That does not eliminate fee pressure, but it lowers customer-acquisition risk and raises wallet-share opportunity. The tradeoff is that advisor teams, bankers, specialists, technology, and revenue-based compensation are expensive. Data_package Â§3 shows AWM noninterest expense of $15.3B in FY2025, and the 2025 10-K states noninterest expense rose 6% in FY2025 driven by higher revenue-related compensation, growth in private-banking advisor teams, and distribution fees, partly offset by lower legal expense.

The balance-sheet layer converts relationship primacy into spread revenue. Global Private Bank clients hold deposits, borrow against securities and real estate, use subscription finance or fund financing, and need foreign-exchange and liquidity services. The 2025 10-K says FY2025 Global Private Bank revenue growth was helped by higher NII from higher average

loans and deposits, partly offset by narrower loan spreads. That is the right modeling structure: the loan/deposit base can grow mid-single digits, but spread can compress if rates fall, deposit betas rise, or competitive pricing intensifies for wealthy clients. JPM's 2026 Company Update transcript supports this: management expected AWM deposit balances to remain essentially flat as clients optimize cash and redeploy into investments, while AWM loan growth was expected to be modest, helped by securities-based lending and subscription finance.

The margin algorithm is therefore: AUM and market levels drive asset-management fees; flows add durable compounding; mix drives fee yield; loan/deposit balances drive NII; and compensation/distribution costs determine how much scale reaches pre-provision profit. The 2025 segment had a 36% pre-tax margin and 64% overhead ratio, with Asset Management at 35% and Global Private Bank at 37%. Q1 2026 was similar: AWM pre-tax margin was 35%, Asset Management 34%, and Global Private Bank 36%. The unit economics are good because credit losses are low and the segment does not need CIB-style trading balance sheet, but it is not software-like. It has high compensation, heavy compliance, regulated fiduciary obligations, and substantial service intensity.

Margin breaks upward if AUM grows faster than headcount, markets rise, higher-fee active and alternatives products take share, advisor productivity improves, and AI/technology reduces servicing and control costs. Margin breaks downward if markets fall, clients rotate to cash/passive/low-fee products, deposit spreads narrow, private-bank lending is priced aggressively, or advisor hiring and distribution costs outrun revenue. Because AWM fees are indexed to asset values, the margin has implicit market beta: a market drawdown cuts revenue faster than compensation can be reset, while rising markets generate operating leverage.

4. Competitive Dynamics

AWM competes in two overlapping arenas: global asset management and global wealth/private banking. In asset management, the largest scaled competitors include BlackRock, Vanguard, Fidelity, State Street, Amundi, UBS Asset Management, Morgan Stanley Investment Management, Goldman Sachs Asset Management, Capital Group, and large private-market managers such as Blackstone, KKR, Apollo, Brookfield, and Carlyle. The industry is both concentrated and fragmented. Thinking Ahead Institute and Pensions & Investments' 2025 study states that the largest 500 asset managers had $139.9T of AUM at the end of 2024, the top 20 controlled 47.0% of total AUM, and passive investments reached 39.0% of total assets. It also states BlackRock remained the largest manager, followed by Vanguard and Fidelity. That puts JPM among the global scale players but not the largest beta factory.

In wealth and private banking, JPM competes with UBS, Morgan Stanley, Bank of America/Merrill, Goldman Sachs, Citi Private Bank, Wells Fargo, HSBC, Julius Baer, Pictet, Lombard Odier, Northern Trust, and large RIA aggregators. Morgan Stanley is the most direct U.S. listed peer on wealth scale: its 2025 shareholder letter says Wealth Management and Investment Management together held $7.9T in client assets at the end of 2024 and targeted $10T+. UBS remains the global private-wealth benchmark, with its 2025 Global Wealth Report page stating UBS managed $6.1T of invested assets as of Q4 2024. JPM's AWM had $7.1T of client assets at FY2025, but the mix is different because AWM includes institutional assets, global funds, and private banking, and JPM also has CCB wealth assets outside AWM.

Pricing power varies by product. JPM has pricing power in bespoke private-bank advice, private markets access, securities-based lending, estate planning, alternatives, active fixed income, institutional liquidity, and integrated lending/advisory mandates where trust, scale, and balance sheet matter. It has less pricing power in plain-vanilla equity beta, ETF-like exposures, money market funds, and platform-distributed funds. The secular fee-pressure risk is real: passive providers keep lowering the clearing price for broad market exposure, while RIAs and fintech platforms compete on digital advice and open architecture. However, the relationship and balance-sheet portions of AWM are harder to displace than a standalone mutual fund. A high-net-worth client who uses JPM for credit, deposits, custody, estate planning, alternatives access, business banking, and family governance is less price-sensitive than a retail investor buying an S&P 500 ETF.

Entry barriers are substantial but not impenetrable. An asset manager can enter a narrow strategy with a small team, but building a $4T-plus AUM platform requires track record, distribution, compliance, risk, technology, and brand. A private bank can hire advisors, but replicating JPM's global balance sheet, trust infrastructure, cross-border governance, research, lending, custody, alternatives access, and CIB connectivity is very hard. The bigger threat is not a startup replacing AWM wholesale. It is margin leakage from product commoditization, advisor mobility, open-architecture platforms, passive substitution, and large peers with comparable integrated models.

5. Moat at the Segment Level

The segment moat is strong but not absolute. The durable advantages are scale, trust, distribution, balance-sheet capacity, investment performance, product breadth, and cross-segment connectivity. Scale matters because it funds investment research, data, technology, alternatives access, distribution, compliance, and global servicing. Trust matters because wealthy families and institutions do not switch core custody, fiduciary, or private-bank relationships casually. Distribution matters because JPM can gather assets through institutional channels, private-bank advisors, branch referrals, corporate relationships, stock-plan administration, and its own wealth platforms. Balance-sheet capacity matters because private-bank clients value lending and liquidity, and JPM can underwrite against securities, real estate, fund interests, and other collateral with a global credit apparatus.

Investment performance is the most important non-balance-sheet moat input. The 2025 annual-report letter from AWM CEO Mary Callahan Erdoes says 83% of J.P. Morgan Asset Management's 10-year, long-term active funds AUM was above peer median in 2025, with equities and fixed income consistently strong over the decade. The same page highlights active flows rankings, including #1 active flows and #1 active ETF AUM/flows in the displayed 2025 rankings. This supports the case that JPM can defend active fees better than an underperforming traditional manager. Still, performance is a renewable moat, not a permanent asset. Weak five-year performance in core strategies would directly pressure flows, fee rates, and advisor confidence.

The 5-10 year durability case is credible because the segment participates in secular growth in wealth, retirement savings, private markets, liquidity management, and institutional outsourcing. The 2025 Company Update transcript says AWM produced record total client-asset flows of $553B in 2025, positive across channels and regions, and management stated AWM was above prior targets for margin, ROE, flows, and revenue growth. But a moat at this segment level should not be overstated. Asset management is exposed to fee compression and market levels. Wealth management is exposed to advisor competition and technology-enabled advice. Private banking lending is exposed to collateral and credit cycles. The defensible view is that JPM can compound AWM revenue at mid-single-digit to high-single-digit rates with high returns, not that AWM can compound at 15% forever.

6. Historical Growth Rates - Data Package Reproduction

The historical table below uses data_package Â§3 and Â§4 as the controlling source for JPM's own historical dollar figures. For product lines, JPM discloses three years of Asset Management and Global Private Bank revenue, so the displayed CAGR is a two-year CAGR from FY2023 to FY2025 even though the table contains three fiscal-year columns. AWM total also has five-year segment history in data_package Â§3; the row below uses the same FY2023-FY2025 window to keep product rows comparable, and the text notes the FY2021-FY2025 segment CAGR separately. The firmwide asset-management-fee row is included only as a fee-pool KPI cross-check, not as a third AWM product line. No back-solved product revenue is used.

Product / sub-segment	FY2023 rev / KPI	FY2024 rev / KPI	FY2025 rev / KPI	FY2023-FY2025 CAGR	Most recent YoY	Data package cite
AWM total managed net revenue	$19.827B	$21.578B	$24.073B	10.2%	11.0%	data_package Â§3 row "AWM / Net revenue"; data_package Â§5 Q1 segment trend; quant_foundation P2a
Asset Management revenue	$9.129B	$10.175B	$11.700B	13.2%	15.0%	data_package Â§4 row "AWM / Asset Management"
Global Private Bank revenue	$10.698B	$11.403B	$12.373B	7.5%	8.5%	data_package Â§4 row "AWM / Global Private Bank"
Firmwide asset management fees, mostly AWM and CCB	$15.2B	$17.8B	$20.3B	15.5%	15.0%	data_package Â§4 row "AWM / Asset management fees"; Q1 2026 supplement asset-management-fee trend
AWM AUM	$3.4T	$4.0T	$4.8T	18.8%	16.0%	data_package Â§4 row "Firmwide / AWM AUM"; data_package Â§5 Q1 KPI
AWM client assets	$5.0T	$5.9T	$7.1T	19.2%	18.0%	data_package Â§4 row "Firmwide / AWM client assets"; data_package Â§5 Q1 KPI

Arithmetic tie-out checks: AWM total $19.827B x 1.088 = $21.572B, approximately $21.578B, and $21.578B x 1.116 = $24.081B, approximately $24.073B. Asset Management $9.129B x 1.115 = $10.179B, approximately $10.175B, and

$10.175B x 1.150 = $11.701B, approximately $11.700B. Global Private Bank $10.698B x 1.066 = $11.404B, approximately $11.403B, and $11.403B x 1.085 = $12.372B, approximately $12.373B. The historical rows satisfy the ER2 2% arithmetic check. The AWM total row also has a longer data_package Â§3 history: $17.0B in FY2021 to $24.1B in FY2025, or roughly 9.1% annualized over four years, with FY2021-FY2022 under the same AWM segment but the broader company taxonomy changing around CIB in 2024.

7. Management Guidance - Data Package Section 6

The management anchor is concentrated around fee compounding, client flows, market levels, deposits, and expense investment. Data_package Â§6 AWM commentary row "Q1 FY2026 call | Jeremy Barnum" says AWM revenue was driven by management-fee growth from net inflows and market levels. Interpretation: the base model should not extrapolate Q1's 11% revenue growth as pure organic volume; part of the revenue growth is market beta. A bear case must include market-level sensitivity, while a bull case can include continued market appreciation and positive net flows.

Data_package Â§6 AWM commentary row "Q1 FY2026 release | Management release" says AUM was $4.8T, up 16%, and client assets were $7.1T, up 18%. Interpretation: scale is the primary moat input, but the KPI growth rate is much faster than the revenue growth rate because AUM includes liquidity and lower-fee assets, and because fee yield can compress as markets and product mix change.

Data_package Â§6 AWM commentary row "2025 10-K | Management filing" says Asset Management revenue rose 15% in FY2025 and Global Private Bank revenue rose 9%. Interpretation: FY2025 growth was broad-based and not solely a private-bank spread story. Asset Management had the higher recent growth rate, but Global Private Bank remains a steadier relationship and balance-sheet engine.

Data_package Â§6 AWM commentary row "2025 Investor Day / 2026 Company Update" notes strategic emphasis on wealth-management scale, advisors, flows, and integrated client relationships. Interpretation: forecast assumptions should include ongoing advisor hiring, technology, and distribution spending rather than assuming immediate cost takeout.

Additional source-check context from the official 2026 Company Update transcript: management said AWM delivered 40% ROE and a 36% pre-tax margin in 2025 with record total client-asset flows of $553B, positive across channels and regions. In the same update, management expected AWM deposit balances to remain essentially flat as clients optimize cash and redeploy into investments, while CIB and AWM loans were expected to show modest growth from securities-based lending and subscription finance. This source is not used to replace data-package historicals; it is used to shape forward deposit/lending assumptions where the data package is intentionally high level.

8. Forward Growth Assumptions - Explicit, Per Product

The forward model starts from TTM revenue, not FY2025. TTM Asset Management revenue is $12.101B and TTM Global Private Bank revenue is $12.615B, based on the Q2 2025 through Q1 2026 quarterly rows in the Q1 2026 supplement. The segment total reconciles to quant_foundation P4 AWM TTM revenue of $24.716B. This appendix compounds each line for exactly five years to March 31, 2031.

Base Case Revenue Growth

Product	FY2023-FY2025 historical CAGR	Latest YoY	Mgmt FY+1 guide	Base CAGR TTM to TTM+5y	Justification
Asset Management	13.2%	Q1 2026 revenue +15% YoY; FY2025 +15%	No precise revenue guide; management frames growth as fee growth from inflows and market levels	6.5%	The line should decelerate from FY2025 because AUM growth benefited from markets and liquidity flows, while passive and fee pressure remain structural. Still, JPM's active performance, #1 active-flow positioning in the annual letter, and institutional/private-market breadth support growth above nominal GDP.

Product	FY2023-FY2025 historical CAGR	Latest YoY	Mgmt FY+1 guide	Base CAGR TTM to TTM+5y	Justification
Global Private Bank	7.5%	Q1 2026 revenue +8% YoY; FY2025 +9%	Management expects AWM deposits essentially flat and modest AWM loan growth	5.5%	The private bank has durable advisor, lending, and deposit relationships, but the 2026 deposit guide and narrower loan-spread comment argue for slower revenue growth than the FY2025 run rate. Securities-based lending, subscription finance, and advisor expansion keep growth positive.

Base case year-by-year revenue path:

Year ending Mar 31	Asset Management revenue	Global Private Bank revenue	Segment revenue
TTM 2026 anchor	$12.101B	$12.615B	$24.716B
2027	$12.888B	$13.309B	$26.197B
2028	$13.726B	$14.041B	$27.767B
2029	$14.618B	$14.813B	$29.431B
2030	$15.568B	$15.628B	$31.196B
2031	$16.579B	$16.487B	$33.067B

Bull Case Revenue Growth

Product	FY2023-FY2025 historical CAGR	Latest YoY	Mgmt FY+1 guide	Bull CAGR TTM to TTM+5y	Justification
Asset Management	13.2%	Q1 2026 +15%	Fee growth from inflows and market levels	8.5%	Bull assumes markets remain supportive, active ETFs and active fixed income continue taking share, alternatives/private markets broaden in wealth channels, and JPM sustains superior active-flow rankings. This is still below the recent 13% CAGR because industry passive share and fee pressure keep a lid on long-run fee yield.
Global Private Bank	7.5%	Q1 2026 +8%	Modest loan growth; deposits flat near term	7.0%	Bull assumes stronger advisor productivity, continued global wealth formation, better deposit retention after rate normalization, and higher securities-based lending without credit losses. It does not assume a return to zero-rate deposit windfalls.

Bull case year-by-year revenue path:

Year ending Mar 31	Asset Management revenue	Global Private Bank revenue	Segment revenue
TTM 2026 anchor	$12.101B	$12.615B	$24.716B
2027	$13.130B	$13.498B	$26.628B
2028	$14.247B	$14.442B	$28.689B
2029	$15.458B	$15.453B	$30.911B
2030	$16.772B	$16.535B	$33.307B
2031	$18.196B	$17.693B	$35.889B

Bear Case Revenue Growth

Product	FY2023-FY2025 historical CAGR	Latest YoY	Mgmt FY+1 guide	Bear CAGR TTM to TTM+5y	Justification
Asset Management	13.2%	Q1 2026 +15%	Fee growth depends on flows and market levels	2.5%	Bear assumes a market drawdown or muted asset returns early in the period, persistent rotation to passive/low-fee products, and weaker active performance. The line still grows slightly because liquidity, fixed income, retirement, and institutional mandates remain sticky.
Global Private Bank	7.5%	Q1 2026 +8%	AWM deposits essentially flat, loans modest growth	2.0%	Bear assumes flat-to-down deposit spreads, cautious lending, advisor churn pressure, and lower transaction/brokerage activity. Relationship stickiness prevents collapse, but revenue growth falls well below recent trend.

Bear case year-by-year revenue path:

Year ending Mar 31	Asset Management revenue	Global Private Bank revenue	Segment revenue
TTM 2026 anchor	$12.101B	$12.615B	$24.716B
2027	$12.404B	$12.867B	$25.271B
2028	$12.714B	$13.124B	$25.838B
2029	$13.032B	$13.387B	$26.419B
2030	$13.358B	$13.655B	$27.013B
2031	$13.691B	$13.928B	$27.619B

The thesis-consistency check is that the base case decelerates Asset Management from 15% latest YoY to 6.5% five-year CAGR, and Global Private Bank from 8% latest YoY to 5.5%. That is not an abrupt one-year cliff; the model assumes FY2026-FY2027 remain above the five-year average and deceleration occurs through slower market appreciation, lower incremental deposit spread, and fee compression. The comparable industry evidence supports this shape: Thinking Ahead Institute reports passive share rising and top-20 concentration increasing, while Morgan Stanley's wealth/investment-management letter emphasizes asset aggregation and scale as the route to growth, not sustained double-digit fee yield expansion for everyone.

9. Forward Operating Margin Assumptions

Because JPM reports AWM pre-tax margin and pre-provision profit rather than industrial operating income, the model uses pre-provision profit margin as the operating-margin proxy. Current TTM pre-provision profit is $8.930B on $24.716B of revenue, or 36.1%. FY2025 AWM pre-tax margin was 36%; Asset Management was 35% and Global Private Bank was 37%, per the 2025 10-K AWM table. Q1 2026 margins were 35% for AWM, 34% for Asset Management, and 36% for Global Private Bank, per the Q1 supplement.

Product	Current margin anchor	Bear TTM+5y margin	Base TTM+5y margin	Bull TTM+5y margin	Mechanism
Asset Management	TTM estimated 35.1%; FY2025 35%; Q1 2026 34%	32.5%	36.5%	38.5%	Bear reflects lower market levels, fee compression, and weaker operating leverage. Base assumes scale and technology offset distribution and compensation costs. Bull assumes higher AUM per employee/advisor, active ETF scale, and better mix into higher-fee active and alternatives.

Product	Current margin anchor	Bear TTM+5y margin	Base TTM+5y margin	Bull TTM+5y margin	Mechanism
Global Private Bank	TTM estimated 36.5%; FY2025 37%; Q1 2026 36%	33.5%	36.5%	38.0%	Bear reflects narrower loan/deposit spreads, advisor hiring costs, and conservative credit reserves. Base keeps margins near current because deposit balances are flat but loans and fee revenue grow. Bull assumes better advisor productivity, stable credit, and stronger spread/fee mix.

The largest margin swing is not from credit cost, because AWM credit losses are low in normal conditions. The real margin sensitivity is revenue beta to market levels and compensation/distribution costs. If markets fall 15-20%, AUM-linked fees reset quickly while private-bank teams and technology investments do not. Conversely, if markets rise and flows remain positive, incremental revenue can carry high contribution margins after paying revenue-related compensation. The model does not assume that AI eliminates advisors. It assumes AI improves advisor productivity, risk controls, and personalization, but the human relationship remains central for high-net-worth and institutional clients.

10. Segment Rollup - Bottoms-Up Arithmetic

The rollup below sums Asset Management and Global Private Bank. It reconciles to the forecast tables in sections 8 and 9 within rounding. "Operating income" means ER2 pre-provision operating income proxy for JPM bank segments.

Case	Product revenue detail	Segment TTM+5y revenue	Blended op margin	Segment TTM+5y op income
Bear	AM $13.691B + GPB $13.928B	$27.619B	33.0%	$9.116B
Base	AM $16.579B + GPB $16.487B	$33.067B	36.5%	$12.069B
Bull	AM $18.196B + GPB $17.693B	$35.889B	38.3%	$13.729B

Base case implies segment revenue compounds at 6.0% from the $24.716B TTM anchor to $33.067B in March 2031. That is below FY2023-FY2025 AWM revenue CAGR of 10.2% and far below the AUM/client-asset CAGR, which is appropriate because FY2024-FY2025 benefited from strong markets, positive flows, and higher private-bank balances. Base operating income compounds from $8.930B TTM pre-provision profit to $12.069B, or 6.2% annualized, with margin roughly stable. Bull case reaches $35.889B revenue and $13.729B operating income, requiring both market support and execution. Bear case still grows revenue to $27.619B but margin compresses to 33.0%, producing only $9.116B operating income, barely above the current TTM level.

The implied deposit/lending assumption is embedded mostly in Global Private Bank. Base assumes loan balances grow in the low-to-mid single digits, deposits are flat near term and then low-single-digit as cash optimization normalizes, and spread pressure offsets some balance growth. Bull assumes client cash stabilizes faster and securities-based lending/subscription finance remains healthy. Bear assumes lower deposit spread and more conservative loan growth, with credit provisions still manageable but not zero. No case assumes AWM becomes a credit-driven growth segment; lending is a relationship amplifier, not the primary earnings engine.

11. Key Risks and Wildcards

Market-level reset (bear): AWM has direct exposure to equity, fixed-income, and multi-asset market levels. A broad drawdown lowers AUM and client assets, reducing management fees faster than headcount and platform costs can adjust. The 2025 10-K risk disclosure states fees from managing or custodying client assets can decline with lower asset values, outflows, or client migration to lower-revenue products.

Fee compression and passive substitution (bear/base): Thinking Ahead Institute reports passive investments at 39.0% of total assets in the 2025 study, and passive share continues to pressure active management fees. JPM's active performance mitigates the risk but does not remove it.

Advisor competition and client portability (base/bear): Wealth and private banking are relationship businesses. Large peers, RIAs, family-office platforms, and boutique private banks can recruit advisors or win concentrated family relationships. JPM's platform is strong, but advisors still matter.

Deposit beta and spread pressure (base/bear): Management expects AWM deposit balances to remain essentially flat near term as clients optimize cash and redeploy into investments. If rates fall and deposit costs lag, or if high-net-worth clients

demand market-rate cash yields, NII growth can lag loan/deposit balances.

Private-bank credit tail risk (bear): Current credit metrics are benign, with Q1 2026 AWM allowance for loan losses at 0.19% of period-end loans and net charge-offs near zero. But securities-based lending, fund finance, nontraditional collateral, concentrated single-name wealth, and real estate exposure can deteriorate quickly in stress.

Regulatory and fiduciary burden (base/bear): AWM operates through investment advisers, broker-dealers, bank fiduciaries, funds, and cross-border wealth entities. Higher fiduciary, AML, marketing, fund-liquidity, private-fund, or cross-border rules can raise cost and constrain product design.

Technology and AI disruption (bull/bear): AI can improve advisor productivity, personalization, risk controls, and client servicing. It can also commoditize basic portfolio construction and planning. The bull case assumes JPM uses AI to deepen relationships; the bear case assumes digital advice lowers willingness to pay for human-intermediated advice in mass-affluent and lower-HNW cohorts.

M&A and private-markets access (bull): JPM has the balance sheet and franchise to buy or build specialty capabilities, especially in alternatives, active ETFs, and private markets. The 2026 Company Update transcript notes management is constantly evaluating buy-versus-build options. The upside case includes selective capability additions but does not require a large acquisition.

Summary Table

Case	Segment TTM+5y Revenue	Segment TTM+5y Op Margin	Segment TTM+5y Op Income	Probability
Bear	$27.619B	33.0%	$9.116B	25%
Base	$33.067B	36.5%	$12.069B	55%
Bull	$35.889B	38.3%	$13.729B	20%

Source Notes

- JPM historical revenue, segment profit, AUM/client assets, and management commentary: `C:\Users\Admin\OneDrive\GPT\ER 2.0\JPMorgan Chase & Co\data_package.md`, especially Â§1, Â§3, Â§4, Â§5, Â§6, and Â§10.
- TTM construction and managed-basis control: `C:\Users\Admin\OneDrive\GPT\ER 2.0\JPMorgan Chase & Co\quant_foundation.md`, especially P2 and P4.
- Official AWM detailed source checks: `D_20260428_JPM_IR_1Q26_financial_supplement.txt` raw text lines 858-978 and `D_20260428_JPM_IR_2025_10K.txt` raw text lines 6590-6878 in `C:\Users\Admin\OneDrive\GPT\ER 2.0\JPMorgan Chase & Co\raw`.
- External industry context: Thinking Ahead Institute / Pensions & Investments, "The world's largest 500 asset managers - 2025," key findings; Morgan Stanley 2025 shareholder letter; UBS Global Wealth Report 2025; JPMorgan Chase 2025 annual-report letter from Mary Callahan Erdoes.

Appendix B4 - Corporate

Corporate - Segment Deep Dive

Run date: 2026-04-28 Company: JPMorgan Chase & Co. (JPM) Segment: Corporate Stage 0 anchor: Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026 -> TTM ending March 31, 2026; forward horizon March 31, 2031. Small/simple segment flag: Corporate is not a durable customer-facing operating segment. It is a centrally managed treasury, funding, tax, liquidity, capital, risk-management, and residual corporate bucket. The data package explicitly says to treat it as volatile and not as a durable growth segment, so this appendix is intentionally narrower than the main operating-segment appendices while still meeting the small/simple production floor.

0. Segment Boundary + Taxonomy Note

Corporate is stable as a reportable bucket in the current JPMorgan Chase taxonomy, but it is not economically stable in the way CCB, CIB, or AWM are. The data package Section 1 identifies JPM's current structure as three business segments plus Corporate: Consumer & Community Banking, Commercial & Investment Bank, Asset & Wealth Management, and Corporate. It describes Corporate as "Treasury/CIO and centrally managed staff functions, initiatives, funding, liquidity, capital, interest-rate, and FX risk management" [data_package Section 1, current segment descriptions row: Corporate]. Quant foundation P-Taxonomy maps "Treasury and CIO; Other Corporate" to the Corporate bucket and ties that mapping to the 2025 Form 10-K business-segment note [quant_foundation P-Taxonomy row: Treasury and CIO; Other Corporate].

There is a 2024 taxonomy issue elsewhere in JPM because former Corporate & Investment Bank and Commercial Banking were combined into the current CIB segment, but Corporate itself remains a residual and centrally managed bucket under the current taxonomy. The relevant caution is different: Corporate contains Treasury/CIO marks, firmwide funding and liquidity decisions, central initiatives, staff functions, tax items, Visa-related and other one-time items, and transfer-pricing effects. Section 1 of the data package flags the Q4 2024 funds-transfer-pricing update: JPM increased CCB net interest income with an offset in Corporate and no firmwide NII effect [data_package Section 1, taxonomy investigation row: Q4 2024 FTP update]. That means Corporate history can move because management moves economics across internal boundaries, not because an external customer franchise is compounding.

For this appendix, all historical Corporate dollar figures come from the data package and quant foundation. I do not re-fetch or substitute external historicals. Where the required ER2 segment template asks for product-level growth, I use the single disclosed Corporate-total line because the data package does not disclose separate recurring revenue dollars for Treasury/CIO versus Other Corporate. That is a real data gap, not a modeling inconvenience to smooth over. The model therefore normalizes Corporate as a volatile residual center rather than applying a product-style growth algorithm.

1. What This Segment Actually Is

Corporate is JPMorgan Chase's central balance-sheet and corporate-functions segment. It is the place where the firm reports Treasury and Chief Investment Office activities, centrally managed staff functions and initiatives, funding, liquidity, capital management, interest-rate risk management, foreign-exchange risk management, and other items that do not belong cleanly in CCB, CIB, or AWM. The segment exists because a universal bank the size of JPM cannot be understood purely through customer-facing businesses. The firm has a $4.9 trillion balance sheet at Q1 2026, $2.7 trillion of deposits, $1.5 trillion of loans, $1.5 trillion of cash and marketable securities, $448.8 billion of long-term debt, $291.1 billion of CET1 capital, and $2.0 trillion of standardized RWA [data_package Section 8, balance-sheet rows]. Those resources have to be centrally funded, hedged, invested, stress-tested, and allocated.

The customer for Corporate is mostly internal. CCB, CIB, and AWM generate deposits, loans, fee streams, market-risk inventory, and RWA usage. Corporate helps the firm decide how much liquidity to hold, how to position the securities portfolio, how to manage duration and basis risk, how to fund the parent and bank subsidiaries, how to allocate capital, and how to absorb items that management does not assign to operating lines. Its "pricing model" is therefore not a normal external list price. A large part of Corporate economics is internal transfer pricing, funding spread, securities reinvestment yield, hedging cost, and the accounting location of central gains, losses, expenses, and tax effects. The Q4 2024 FTP update is the cleanest example: a consumer-deposit transfer-pricing change moved NII from Corporate to CCB without changing firmwide NII [data_package Section 1, taxonomy investigation row: Q4 2024 FTP update].

The go-to-market model is also not conventional. Corporate does not sell checking accounts, card loans, investment banking mandates, markets liquidity, or asset-management mandates. Instead, it provides the firmwide treasury and control layer that

allows the operating businesses to run. Its direct economic levers are asset-liability management, liquidity-buffer size, securities reinvestment, wholesale funding, parent liquidity, hedging, capital distribution, central expense discipline, and the treatment of tax and one-off corporate items. When Corporate reports a large positive revenue number, the right question is not "what product grew?" It is "what balance-sheet, rate, funding, tax, or one-time item moved through this residual bucket, and is it repeatable?"

That distinction matters for valuation. A customer-facing segment can be valued on durable unit growth, retention, pricing power, and incremental margin. Corporate should be valued mostly as a normalization adjustment. In a clean central case, it should not be awarded a high multiple for temporary gains; in a stress case, it should be allowed to be negative because liquidity carry, funding cost, hedge losses, or one-off charges can overwhelm revenue. Corporate can improve or damage firmwide earnings, but it is not the engine that proves the Gideon thesis.

2. Current Economics

The current TTM anchor is March 31, 2026. Quant foundation P4 shows Corporate quarterly managed revenue of $1.538 billion in Q2 2025, $1.703 billion in Q3 2025, $1.480 billion in Q4 2025, and $1.215 billion in Q1 2026, for TTM Corporate net revenue of $5.936 billion and TTM Corporate net income of $3.526 billion [quant_foundation P4, Corporate row]. The data package reproduces the same trend and states that Q1 2026 Corporate revenue was down 47% year over year as a First Republic-related prior-year gain lapped and rates were lower [data_package Section 5, Segment Quarterly Net Revenue and Net Income row: Corporate].

On a full-year basis, Corporate revenue has been highly non-linear. It was negative $3.5 billion in FY2021, $0.1 billion in FY2022, $8.0 billion in FY2023, $17.4 billion in FY2024, and $7.0 billion in FY2025 [data_package Section 3, Current Taxonomy Segment Revenue and Net Income row: Corporate net revenue]. Corporate net income was negative $3.7 billion in FY2021, negative $0.7 billion in FY2022, $2.8 billion in FY2023, $10.6 billion in FY2024, and $4.5 billion in FY2025 [data_package Section 3, row: Corporate net income]. The FY2025 credit and capital snapshot shows Corporate revenue of $7.0 billion, expense of $1.8 billion, provision of $0.0 billion, net income of $4.5 billion, ROE not meaningful, and the modeling instruction: "Treat as volatile treasury/funding/tax bucket, not a durable growth segment" [data_package Section 3, FY2025 Segment Credit and Capital Snapshot row: Corporate].

The current economics are therefore optically attractive but analytically low-quality. FY2025 Corporate pre-provision profit was $5.2 billion against $7.025 billion of net revenue, a 74.0% pre-provision margin, with only $7 million of provision and $4.520 billion of net income [quant_foundation P2a, Corporate 2025 row]. FY2024 was even larger at $17.394 billion of revenue, $13.400 billion of pre-provision profit, and $10.601 billion of net income [quant_foundation P2a, Corporate 2024 row]. Those margins are not evidence of a structurally superior product. They reflect that Corporate includes items whose expenses are not matched to revenue like a normal business and whose tax effects can make net income look unusually high or low.

Capital intensity is best read indirectly. The data package says industrial ROIC, capex, free cash flow, net debt, and net debt/EBITDA are not controlling for JPM; the right bank measures are ROTCE, CET1/RWA, deposits, loans, credit costs, payout, and buybacks [data_package Section 10, open data gaps and flags row 5]. Corporate is the segment most tied to those bank-specific measures. It does not require branch buildout, card acquisition, bankers, advisors, or markets salespeople in the same way the operating businesses do, but it can consume or protect capital through liquidity and duration decisions. A marginal securities-positioning decision can add revenue in a favorable rate path and subtract revenue in an unfavorable one. A regulatory capital change can alter the cost of the same client franchise without showing up as a "product" headcount decision inside Corporate.

The key sub-products are not separately dollar-disclosed in the data package. The only current mapping is Treasury/CIO and Other Corporate [quant_foundation P-Taxonomy row: Treasury and CIO; Other Corporate]. I therefore use the disclosed Corporate total as the model line. [REVIEWER NOTE: data gap - the data package does not provide separate annual or quarterly revenue, expense, provision, or net income for Treasury/CIO versus Other Corporate, nor does it provide recurring versus one-time Corporate revenue splits.] This limits precision, but it is also the right conservatism: disaggregating Corporate into invented stable sub-products would create false confidence.

3. Unit Economics

Corporate unit economics are balance-sheet economics, not customer-unit economics. Revenue becomes profit when the firm earns spread or mark-to-market gains on centrally managed assets, funding costs are contained, liquidity and hedging costs are not too punitive, central expenses are controlled, and tax or one-off items are favorable. Revenue becomes loss when the opposite occurs: lower reinvestment yields, unfavorable duration positioning, internal transfer-pricing offsets, higher

liquidity carry, hedge losses, funding dislocation, central investment expense, or a tax/other item that runs against the segment.

The segment's apparent margin history proves why a normal product margin framework is dangerous. In FY2023, Corporate generated $8.038 billion of revenue, $5.601 billion of expense, $2.437 billion of pre-provision profit, $171 million of provision, and $2.821 billion of net income, for a 35.1% net-income margin [quant_foundation P2a, Corporate 2023 row]. In FY2024, revenue more than doubled to $17.394 billion while expense fell to $3.994 billion, producing $13.400 billion of pre-provision profit and $10.601 billion of net income [quant_foundation P2a, Corporate 2024 row]. In FY2025, revenue fell to $7.025 billion, expense fell again to $1.825 billion, and net income was $4.520 billion [quant_foundation P2a, Corporate 2025 row]. That is not a stable operating-cost curve. It is the accounting footprint of a central bucket.

For modeling, I define "operating income" in this appendix as normalized Corporate pre-provision profit, because the data package explicitly says segment operating income is not JPM's controlling segment measure and that JPM uses managed net revenue, noninterest expense, pre-provision profit, provision, net income, and ROE instead [data_package Section 10, open data gaps and flags row 4]. The final model table therefore presents revenue, normalized pre-provision margin, and normalized pre-provision profit as the closest bank-specific equivalent to segment operating margin and operating income. Provision is usually immaterial for Corporate in the disclosed years, but taxes and one-off items can make net income diverge from pre-provision profit.

The upside unit-economic mechanism is straightforward but not durable enough to underwrite as a moat. If JPM carries large liquidity and securities balances and earns higher reinvestment yields than its funding and hedging costs, Corporate revenue can be materially positive. If central expenses are low and favorable tax/other items flow through, most of that revenue can become net income. The downside mechanism is equally direct. If rates fall quickly, hedges reset, internal transfer pricing moves economics to CCB, or liquidity/funding costs rise, the same central structure can produce low revenue or negative revenue. The FY2021 negative $3.5 billion revenue and negative $3.7 billion net income show that negative Corporate economics are not theoretical [data_package Section 3, Corporate historical rows].

The core modeling implication is normalization. A durable operating segment starts from TTM revenue and applies a supported growth rate. Corporate starts from TTM revenue but must mean-revert toward a through-cycle central contribution. TTM revenue of $5.936 billion is already below FY2025's $7.025 billion and far below FY2024's $17.394 billion [quant_foundation P4, Corporate row; quant_foundation P2a, Corporate rows]. Q1 2026 revenue of $1.215 billion was down 47% year over year as First Republic-related prior-year gains lapped and rates were lower [data_package Section 5, Corporate quarterly row]. That latest-quarter evidence argues against carrying FY2024 or FY2025 economics forward as the base case.

4. Competitive Dynamics

Corporate does not face direct product competition in the same sense as cards, payments, investment banking, trading, custody, or asset management. Its "competitors" are the treasury, CIO, ALM, funding, capital, and central-risk functions of other global systemically important banks. JPM's relative advantage comes from the whole-firm deposit base, liquidity position, capital generation, risk culture, and management discipline. The data package shows JPM had $2.675 trillion of deposits and a 56% loans-to-deposits ratio at Q1 2026 [data_package Section 8, rows: Total deposits and loans-to-deposits ratio]. That liquidity surplus gives the central treasury function more optionality than a bank that has to fund loan growth with higher-cost wholesale liabilities.

The competitive comparison is therefore indirect. A weaker bank's Corporate or Treasury function may be forced to carry liquidity at punitive costs, sell securities at a bad time, issue expensive debt, or pull back client activity to preserve capital. JPM's Corporate segment should be more resilient because the firm has a broad deposit franchise, diversified earnings streams, high capital generation, and access to funding markets. Q1 2026 CET1 capital was $291.1 billion, standardized RWA was $2.042 trillion, and the standardized CET1 ratio was 14.3% [data_package Section 8, balance-sheet rows]. Those are not segment-specific moats, but they shape Corporate's ability to absorb shocks.

Pricing power is also indirect. Corporate cannot simply raise prices to customers, but the firmwide franchise can preserve deposit spreads, allocate scarce balance-sheet capacity, and decide how much client activity earns the right return after funding and capital costs. The Treasury/CIO layer influences those prices through funds transfer pricing. The Q4 2024 FTP update shows that management can reassign economics between CCB and Corporate to better reflect internal funding value [data_package Section 1, taxonomy row: Q4 2024 FTP update]. This is a control mechanism, not a customer monopoly.

Entry barriers are high at the firmwide level and low at the segment-label level. Every bank has a treasury function. What not every bank has is JPM's scale, deposit base, market access, risk systems, regulatory credibility, and earnings diversity. Corporate's durability is therefore borrowed from JPM's overall franchise. If CCB deposits, CIB client activity, AWM asset gathering, and firmwide capital generation remain strong, Corporate is better positioned. If those weaken, Corporate has little standalone defense.

Substitution risk is not a fintech taking Treasury/CIO share. The real substitution risk is a change in interest-rate regime, regulation, capital rules, liquidity requirements, internal transfer-pricing methodology, or accounting that moves economics out of Corporate or turns the central balance-sheet portfolio from a contributor into a drag. Basel III endgame and G-SIB reproposals are explicitly flagged in the data package as recent management topics, with potential capital pressure focused on G-SIB surcharge and Markets/RWA [data_package Section 9, recent corporate actions row: Basel III endgame and G-SIB reproposals]. Corporate is one of the places where such constraints are absorbed, even when the client-facing revenue line sits elsewhere.

5. Moat at the Segment Level

Corporate has no standalone product moat. It has a structural role inside a moated bank. The protected asset is not a Treasury/CIO product sold to outside customers; it is the firm's ability to manage a massive balance sheet through cycles without being forced into destructive funding or capital actions. That ability is valuable, but it is better viewed as a support pillar for JPM's enterprise moat than as a segment moat that should earn a separate growth multiple.

The strongest protection is JPM's funding and liquidity position. The firm entered Q1 2026 with $1.5 trillion of cash and marketable securities, $2.675 trillion of deposits, and a 56% loans-to-deposits ratio [data_package Section 8]. That balance-sheet structure allows Corporate to choose liquidity and securities posture from a position of strength. A bank with a weaker deposit base may have to accept worse funding spreads or shrink assets. JPM can still make mistakes, but it has more room to avoid forced mistakes.

The second protection is management process. The data package's management commentary emphasizes that JPM is preparing the firm for a wide range of environments [data_package Section 6, Firmwide / Capital / NII / Expense row: Jamie Dimon risk posture]. Corporate is where that risk posture becomes concrete: liquidity buffers, hedging, duration, funding term, parent liquidity, capital ratios, and central expense planning. This is not a guarantee of positive earnings, but it reduces the probability that Corporate becomes a franchise-threatening source of losses.

The third protection is diversification. Corporate's economics may be volatile, but the firmwide earnings base is large. TTM managed revenue was $190.103 billion and TTM net income was $58.899 billion [quant_foundation P4, Total managed row]. Corporate TTM revenue was $5.936 billion, only 3.1% of TTM managed revenue, and TTM net income was $3.526 billion, 6.0% of TTM net income [quant_foundation P4, Corporate and Total managed rows]. Even a bad Corporate outcome can matter for EPS, but the segment is not the core earnings engine.

The key weakness is that Corporate does not control end-demand. It does not win households, merchants, corporates, investors, or advisors. It monetizes or absorbs the central consequences of the firmwide franchise. That makes its moat derivative. If the operating businesses compound and the balance sheet is managed prudently, Corporate should be a modest positive contributor over time. If rates, funding, regulation, or internal economics move against it, Corporate can become a drag without any evidence that a competitor has "taken share."

6. Historical Growth Rates

The table below reproduces Corporate history from the data package and quant foundation. JPM does not disclose separate Corporate product revenue in the data package. The only usable line is Corporate total. Five-year history is included because the volatility itself is the point; three-year CAGR would be misleading when the base year is small or negative.

Product / sub-segment	FY2021 rev	FY2022 rev	FY2023 rev	FY2024 rev	FY2025 rev	3-yr CAGR / latest YoY	Data package cite
Corporate total	$(3.5)B	$0.1B	$8.0B	$17.4B	$7.0B	CAGR NM; FY2025 YoY (59.6)%	data_package Section 3, Corporate net revenue row; quant_foundation P2a Corporate rows
Corporate net income	$(3.7)B	$(0.7)B	$2.8B	$10.6B	$4.5B	CAGR NM; FY2025 YoY (57.4)%	data_package Section 3, Corporate net income row; quant_foundation P2a Corporate rows

Product / sub-segment	FY2021 rev	FY2022 rev	FY2023 rev	FY2024 rev	FY2025 rev	3-yr CAGR / latest YoY	Data package cite
Corporate quarterly TTM revenue	NA	NA	NA	NA	TTM $5.936B	Q1 2026 revenue down 47% YoY	data_package Section 5 Corporate quarterly row; quant_foundation P4 Corporate row

Internal arithmetic check: FY2024 to FY2025 Corporate revenue moved from $17.394 billion to $7.025 billion, a decline of 59.6%; $17.394B x (1 - 59.6%) = $7.03B, which ties within rounding to the data package's $7.0B figure. FY2024 to FY2025 Corporate net income moved from $10.601 billion to $4.520 billion, a decline of 57.4%; $10.601B x (1 - 57.4%) = $4.52B, tying to quant foundation P2a. Q2 2025 through Q1 2026 revenue sums to $1.538B + $1.703B + $1.480B + $1.215B = $5.936B, matching quant foundation P4.

This history is intentionally not converted into a normal CAGR. Any CAGR from negative FY2021 revenue to positive FY2025 revenue is not meaningful. Any CAGR from FY2023 to FY2025 would depend heavily on FY2024's unusually high $17.4 billion revenue base. The latest-quarter signal is more useful: Corporate revenue declined sharply as prior-year First Republic-related gains lapped and rates were lower [data_package Section 5, Corporate quarterly row]. That supports a normalization model rather than a growth model.

[REVIEWER NOTE: data gap - the data package does not include separate Treasury/CIO and Other Corporate historical rows. It also does not identify which portion of FY2024 or FY2025 Corporate revenue was recurring spread income versus one-time gains, tax-related benefits, funding items, transfer-pricing offsets, or other corporate items.]

7. Management Guidance

The data package does not provide Corporate-specific management guidance. The relevant guidance is firmwide guidance that affects Corporate through NII, expense, risk posture, capital, and regulation.

Data package row	Management quote / snippet	Interpretation for Corporate
data_package Section 6, Firmwide / Capital / NII / Expense, Q1 FY2026 call dated 2026-04-14, FMP transcript, Jeremy Barnum	"NII ex Markets to be about $95 billion"	Corporate is sensitive to NII allocation, funding, and rate paths, but the guide is firmwide ex-Markets NII rather than Corporate revenue guidance. It supports a stable firmwide spread backdrop, not a Corporate growth forecast.
data_package Section 6, Firmwide / Capital / NII / Expense, Q1 FY2026 call dated 2026-04-14, FMP transcript, Jeremy Barnum	"adjusted expense outlook continues to be about $105 billion"	Central expense discipline matters. Because Corporate includes centrally managed staff functions and initiatives, firmwide expense pressure argues against assuming an expense-light windfall in Corporate.
data_package Section 6, Firmwide / Capital / NII / Expense, Q1 FY2026 release dated 2026-04-14, Jamie Dimon	"prepare the Firm for a wide range of environments"	Corporate should be modeled with stress capacity, not just a benign-rate central case. Liquidity, capital, and funding buffers may reduce earnings in normal periods but protect the franchise.
data_package Section 6, Firmwide / Capital / NII / Expense, Q3 FY2025 call dated 2025-10-14, FMP transcript, Jeremy Barnum	"about $95 billion"	The 2026 NII ex-Markets guide was consistent before Q1 2026; it is not a sudden upgrade that should be capitalized into Corporate.
data_package Section 9, recent corporate actions, Q1 2026 Basel III/G-SIB discussion	Management discussed Basel III endgame and G-SIB reproposals with potential capital pressure focused on G-SIB surcharge and Markets/RWA	Corporate is the likely absorber of firmwide capital and liquidity constraints. This supports a conservative margin and revenue range.

[REVIEWER NOTE: data gap - no data-package row gives a Corporate revenue target, Treasury/CIO NII target, Corporate expense target, or normalized Corporate net-income target for 2026 or the March 31, 2031 horizon.]

8. Forward Growth Assumptions

Because Corporate is not a product segment, the forward table uses one disclosed line: Corporate total. The starting point is TTM net revenue of $5.936 billion [quant_foundation P4, Corporate row]. The five-year endpoint is March 31, 2031. I do not use FY2024's $17.394 billion or FY2025's $7.025 billion as a compounding base because Q1 2026 already shows the normalization pressure after First Republic-related prior-year gains lapped and rates moved lower [data_package Section 5, Corporate row].

Base case: Corporate revenue normalizes down from the TTM level to $3.0 billion by March 31, 2031. That is an implied CAGR of negative 12.8% from $5.936 billion. The assumption is not that JPM's treasury function deteriorates every year. It is

that the visible TTM base still contains above-normal benefits relative to a clean residual bucket, while internal transfer pricing, lower-rate pressure, and absence of repeat gains reduce the reported Corporate line. A $3.0 billion contribution remains positive but does not give Corporate credit for durable growth.

Bull case: Corporate revenue reaches $5.0 billion by March 31, 2031, an implied CAGR of negative 3.4%. This case assumes JPM preserves most of the TTM Corporate contribution through favorable liquidity reinvestment, benign funding, limited negative transfer-pricing offsets, and no major adverse regulatory or tax item. It still does not extrapolate FY2024 because that year was too large to treat as normal.

Bear case: Corporate revenue is $0.5 billion by March 31, 2031, an implied CAGR of negative 39.0%. This is not a disaster scenario for JPM, but it is a credible Corporate normalization/stress scenario: lower rates, higher funding cost, adverse hedge or securities positioning, internal transfer-pricing economics moving to operating segments, and central expenses or one-off items consuming most revenue. I keep revenue slightly positive rather than negative in the endpoint so the consolidated synthesis can treat Corporate as a modest residual drag in operating profit without assuming a crisis year.

Product	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Base CAGR TTM to TTM+5y	Justification
Corporate total	NM due negative/small base and FY2024 spike	Q1 2026 revenue down 47% YoY	No Corporate-specific guide; firmwide NII ex Markets about $95B and adjusted expense about $105B	(12.8)%	TTM $5.936B normalizes to $3.0B as prior-year First Republic-related gains lap, rates are lower, and Corporate remains a residual funding/tax bucket rather than a growth engine.

Product	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Bull CAGR TTM to TTM+5y	Justification
Corporate total	NM	Q1 2026 revenue down 47% YoY	No Corporate-specific guide	(3.4)%	JPM retains most TTM Corporate revenue as liquidity reinvestment and funding costs remain favorable, but the case still rejects FY2024 as a repeatable earnings level.

Product	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Bear CAGR TTM to TTM+5y	Justification
Corporate total	NM	Q1 2026 revenue down 47% YoY	No Corporate-specific guide	(39.0)%	Corporate becomes close to breakeven on revenue as lower rates, funding cost, transfer-pricing offsets, hedging, regulation, and central items absorb most of the TTM contribution.

Thesis-consistency check: the model intentionally does not smooth a normal deceleration curve because Corporate's revenue path is not product adoption. The latest disclosed annual path was $8.038 billion in FY2023, $17.394 billion in FY2024, and $7.025 billion in FY2025 [quant_foundation P2a, Corporate rows]. The TTM path through Q1 2026 was $5.936 billion [quant_foundation P4, Corporate row]. A normal SaaS-like or payments-like CAGR would be the wrong method. The base case asks: if Corporate is a central bucket, what is the sustainable residual contribution after temporary gains and rate/funding benefits fade? The answer is a positive but smaller $3.0 billion revenue endpoint.

9. Forward Operating Margin Assumptions

JPM does not present industrial operating income by segment. The data package states that segment operating income is not the controlling measure, and that JPM presents managed net revenue, noninterest expense, pre-provision profit, provision, net income, and ROE [data_package Section 10, open data gaps row 4]. In this appendix, "operating margin" means normalized pre-provision profit margin: managed net revenue less noninterest expense, before provision and taxes. That is the cleanest bank-segment proxy for operating income.

The starting evidence is wide. FY2023 Corporate pre-provision margin was 30.3% ($2.437 billion pre-provision profit on $8.038 billion revenue), FY2024 was 77.0% ($13.400 billion on $17.394 billion), and FY2025 was 74.0% ($5.200 billion on $7.025 billion) [quant_foundation P2a, Corporate rows]. Q1 2026 pre-provision profit was $647 million on $1.215 billion revenue, or 53.3%, using Q1 segment revenue and expense from quant foundation P2b. These percentages are mathematically correct but not economically stable. They reflect central bucket accounting, low provisions, tax effects, and non-linear expense allocation.

Base case margin: 40.0%. I assume $3.0 billion of revenue and $1.8 billion of expense, producing $1.2 billion of normalized pre-provision profit. This is well below FY2024-FY2025 margins but above a distressed residual bucket. The mechanism is normalization: lower revenue against a central cost base that cannot fall proportionally because Corporate still has treasury, CIO, risk, funding, liquidity, staff, and initiative costs.

Bull case margin: 60.0%. I assume $5.0 billion of revenue and $2.0 billion of expense, producing $3.0 billion of normalized pre-provision profit. This is lower than FY2025's 74.0% margin but recognizes that a favorable rate/funding environment and benign central items can allow substantial drop-through. The case requires no major adverse tax, regulatory, or transfer-pricing shift.

Bear case margin: negative 460.0%. I assume $0.5 billion of revenue and $2.8 billion of expense, producing negative $2.3 billion of normalized pre-provision profit. The percentage is ugly because the denominator is small; the dollar loss is the more meaningful measure. This case reflects a low-revenue Corporate bucket still carrying central staff, liquidity, funding, hedging, and initiative costs. It is consistent with the historical fact that Corporate produced negative revenue and negative net income in FY2021 [data_package Section 3, Corporate rows].

Product	Current / recent margin evidence	Bear TTM+5y margin	Base TTM+5y margin	Bull TTM+5y margin	Mechanism
Corporate total	FY2025 pre-provision margin 74.0%; Q1 2026 pre-provision margin 53.3%	(460.0)%	40.0%	60.0%	Revenue is residual and volatile; expense base does not flex one-for-one with rate, funding, transfer-pricing, and one-off items.

The margin assumption deliberately moves more than 100 basis points from recent history. That is not an arbitrary haircut. It is the correction for a segment where FY2024 and FY2025 were flattered by items that are not disclosed as recurring product economics, and where Q1 2026 already showed a 47% revenue decline. The proper conservative stance is to normalize dollars first and treat margin as a residual outcome of revenue less central expense, not as a durable software-like margin.

10. Segment Rollup

The rollup is one-line because the data package only supports one disclosed Corporate-total line. Product-level sums therefore reconcile exactly to segment total. All numbers are in billions of dollars unless noted.

Case	Corporate revenue	Assumed expense	Normalized pre-provision margin	Normalized pre-provision profit / operating income	Arithmetic check
Bear	$0.5	$2.8	(460.0)%	$(2.3)	$0.5B - $2.8B = $(2.3)B
Base	$3.0	$1.8	40.0%	$1.2	$3.0B - $1.8B = $1.2B
Bull	$5.0	$2.0	60.0%	$3.0	$5.0B - $2.0B = $3.0B

Reconciliation to the starting point: TTM Corporate revenue is $5.936 billion and TTM net income is $3.526 billion [quant_foundation P4, Corporate row]. The base case declines to $3.0 billion of revenue and $1.2 billion of pre-provision profit by March 31, 2031. The bull case keeps Corporate close to the TTM revenue scale but still below FY2025 revenue and far below FY2024 revenue. The bear case treats Corporate as a modest firmwide earnings drag, not as a systemic crisis.

This rollup should be used cautiously in the combined synthesis. Corporate's contribution should not be valued as if it were a repeatable customer franchise. The correct use is as a normalization line inside JPM's firmwide earnings bridge. In a bull case, Corporate adds a few billion dollars of pre-provision profit. In the base case, it is positive but smaller. In the bear case, it absorbs earnings. The key synthesis question is whether CCB, CIB, and AWM can carry the firmwide five-year EPS case without relying on Corporate windfalls.

11. Key Risks and Wildcards

Bear risk - rate and securities repositioning: A lower-rate path, adverse reinvestment timing, or unfavorable hedge outcomes could reduce Treasury/CIO revenue faster than expenses can adjust. Corporate's Q1 2026 revenue decline as rates were lower is the current evidence point [data_package Section 5, Corporate row].

Bear risk - internal transfer pricing: Management can move economics between operating businesses and Corporate through funds transfer pricing. The Q4 2024 FTP update increased CCB NII with an offset in Corporate and no firmwide NII effect [data_package Section 1, Q4 2024 FTP update]. A future FTP change could make Corporate look worse even if firmwide economics are unchanged.

Bear risk - regulation and capital: Basel III endgame, G-SIB surcharge changes, and RWA pressure can raise the cost of balance-sheet activity. The data package flags these as current management/regulatory issues with potential capital pressure [data_package Section 9]. Corporate may absorb part of that cost through liquidity and funding decisions.

Base risk - false precision: The data package does not split Treasury/CIO from Other Corporate. A one-line model is honest but imprecise. If future filings disclose a recurring Treasury/CIO run-rate, the model should be rebuilt around that line rather than the current residual bucket.

Bull wildcard - liquidity optionality: JPM's large deposit base and low loans-to-deposits ratio can allow Corporate to earn attractive spread on liquid assets and securities without taking the same funding risk as weaker peers. This could keep revenue closer to the bull case.

Bull wildcard - favorable tax or one-time items: Corporate can benefit from items that are not visible in product revenue. Those should not be capitalized as durable growth, but they can still lift EPS in individual years.

Bear wildcard - crisis-year negative revenue: FY2021 Corporate revenue was negative $3.5 billion and net income was negative $3.7 billion [data_package Section 3, Corporate rows]. The bear endpoint uses positive $0.5 billion revenue, but a stressed year inside the five-year period could be worse.

Summary Table

Case	Segment TTM+5y Revenue	Segment TTM+5y Op Margin	Segment TTM+5y Op Income	Probability
Bear	$0.5B	(460.0)%	$(2.3)B	25%
Base	$3.0B	40.0%	$1.2B	55%
Bull	$5.0B	60.0%	$3.0B	20%

The practical conclusion is simple: Corporate should be a conservative normalization line. It can help JPM's earnings, and JPM's scale gives the central treasury function more resilience than many peers, but the segment has no standalone growth moat. The base case assumes a smaller positive contribution by March 31, 2031; the bear case allows Corporate to be an earnings drag; and the bull case preserves some TTM strength without extrapolating FY2024's exceptional result. Any JPM buy thesis that needs Corporate to grow like an operating franchise is not robust.

Appendix S - Synthesis (Combined Earnings Model)

JPMorgan Chase & Co. (JPM) - Synthesis (Combined Earnings Model)

This appendix is the combined earnings model for JPMorgan Chase & Co. It uses the reviewed segment appendices as the source for March 31, 2031 segment revenue and operating-income endpoints, and then applies a bank-specific bridge from pre-provision operating profit to net income and EPS. The controlling convention is that segment "operating income" in the segment appendices means pre-provision profit, or managed net revenue less noninterest expense. JPM is a bank, so this synthesis does not treat that figure as net income. The bridge explicitly subtracts the fully taxable equivalent reconciling item, normalized provision for credit losses, and tax before applying a five-year diluted share-count path.

1. Anchors

Stage 0 time anchor used verbatim:

- Today: 2026-04-28.
- Company fiscal year convention: JPMorgan Chase & Co. fiscal year ends December 31.
- Most recently reported quarter: Q1 2026, period ended March 31, 2026, released April 14, 2026 by JPMorgan Chase IR.
- TTM anchor: Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026 -> TTM ending March 31, 2026.
- Forward horizon: TTM + 5 calendar years = March 31, 2031. Compounding horizon is exactly March 31, 2026 to March 31, 2031.

Current price from the queue is $308.28. Required FY+5 EPS for a P/E of 15 is therefore $308.28 / 15 = $20.55. The latest average diluted share count anchor is 2,720.2 million shares from the Q1 2026 official supplement as reproduced in quant_foundation P6c. The latest period-end common share count is 2,679.5 million. For EPS, I start from the average diluted share count because the P/E test uses diluted EPS, then I reconcile the five-year path with buyback dollars, assumed average repurchase prices, and issuance.

JPM's TTM managed net revenue was $190.103 billion, reported net revenue was $186.973 billion, noninterest expense was $98.893 billion, provision for credit losses was $13.414 billion, reported pretax income was $74.666 billion, tax expense was $15.767 billion, and net income was $58.899 billion. The implied TTM tax rate is 21.1%. The managed-to-reported FTE reconciling item was $3.130 billion, or 1.65% of managed revenue. This matters because the segment appendices use managed segment economics, while consolidated pretax income is reported after the FTE reconciling item.

2. Segment-Level Forward Assumptions

The following table reproduces the reviewed segment horizon outputs. I do not re-derive the segment endpoints; this appendix uses them as the input layer and tests the consolidated arithmetic around them.

Segment	TTM revenue ($B)	Bear TTM+5y rev	Base TTM+5y rev	Bull TTM+5y rev	Bear OI margin	Base OI margin	Bull OI margin	Source
Commercial & Investment Bank	82.167	80.0	96.6	106.8	44.9%	51.5%	54.1%	appendix_B_commercial_investment_bank.md sections 8-10
Consumer & Community Banking	77.284	80.1	93.2	101.1	37.9%	45.3%	47.5%	appendix_B_consumer_community_banking.md sections 8-10
Asset & Wealth Management	24.716	27.619	33.067	35.889	33.0%	36.5%	38.3%	appendix_B_asset_wealth_management.md sections 8-10
Corporate	5.936	0.5	3.0	5.0	(460.0)%	40.0%	60.0%	appendix_B_corporate.md sections 8-10
Total managed segment base	190.103	188.219	225.867	248.789	NM	NM	NM	Sum of rows

Segment operating income, in this bank-specific model, is pre-provision operating profit. That is the right measure to sum across JPM segments because JPM's segment reporting presents managed net revenue, noninterest expense, provision, net income, and ROE rather than an industrial operating-income line. The data package explicitly flags that industrial operating income is not controlling for JPM and that downstream work should use provisions, ROTCE, CET1, RWA, deposits, loans, payout, and buybacks.

3. Combined Revenue Build

The segment endpoints sum directly to managed net revenue before FTE reconciling item. To present a reported-basis revenue line, I subtract an FTE reconciling item. The TTM FTE item was $3.130 billion on $190.103 billion of managed revenue. I use 1.6% of managed revenue at the horizon, slightly below the TTM 1.65% and FY2025 1.69%, because the precise future mix of tax-exempt income is unknowable and not a thesis driver.

Line	Bear	Base	Bull
CIB revenue	80.000	96.600	106.800
CCB revenue	80.100	93.200	101.100
AWM revenue	27.619	33.067	35.889
Corporate revenue	0.500	3.000	5.000
Sum of segment managed revenue	188.219	225.867	248.789
FTE / reported-basis reconciling item at 1.6%	(3.012)	(3.614)	(3.981)
Reported-basis net revenue reference	185.207	222.253	244.808
Managed revenue CAGR from TTM $190.103B	(0.2)%	3.5%	5.5%
Reported revenue CAGR from TTM $186.973B	(0.2)%	3.5%	5.5%

The base case is not a heroic revenue case at the firmwide level. Managed revenue grows from $190.103 billion to $225.867 billion over exactly five calendar years, a 3.5% CAGR. That is below the latest Q1 2026 managed revenue growth rate of 10% year over year. The model therefore does not annualize a strong capital-markets quarter. It assumes CIB grows modestly from a high base, CCB grows with card and deposit relationships but faces deposit beta and credit costs, AWM compounds fees and private-bank relationships, and Corporate normalizes downward rather than becoming a hidden growth engine.

4. Combined Operating Income Build

All segment operating-income figures below are pre-provision profit. Corporate is already included as its own segment, so there is no additional unallocated corporate expense plug. The only consolidated adjustment between managed pre-provision profit and reported pretax income is the FTE reconciling item and the provision for credit losses, both shown in the next section.

Line	Bear	Base	Bull
CIB pre-provision profit / OI	35.900	49.700	57.800
CCB pre-provision profit / OI	30.300	42.200	48.000
AWM pre-provision profit / OI	9.116	12.069	13.729
Corporate pre-provision profit / OI	(2.300)	1.200	3.000
Sum of segment pre-provision profit / OI	73.016	105.169	122.529
Additional unallocated corporate expense	0.000	0.000	0.000
Combined TTM+5y OI / PPNR	73.016	105.169	122.529
Managed pre-provision margin	38.8%	46.6%	49.2%

The base margin is 46.6% of managed revenue, versus TTM managed pre-provision profit of $91.210 billion on $190.103 billion of managed revenue, or 48.0%. The base margin is lower than the TTM aggregate because the model deliberately normalizes Corporate from an unusually positive residual bucket and carries higher CCB card mix and expense. That is conservative. CIB and AWM have stable to modestly better segment margins, but those gains do not fully offset CCB

credit/expense risk and Corporate normalization.

5. Bank-Specific Net Income and EPS Build

The bridge below is the core bank adaptation. Segment PPNR is not net income. I subtract an FTE reconciling item, provisions, and tax. Net interest income and noninterest revenue are already embedded inside segment managed net revenue; a separate industrial "net interest expense" line would double count funding economics. "Other income" is also embedded in JPM's managed segment net revenue and Corporate bucket.

Provision assumptions:

Segment / item	Bear	Base	Bull	Rationale
CCB provision	18.500	15.000	13.000	CCB is card/consumer-credit sensitive; base uses low-to-mid teens billions as the CCB appendix indicated.
CIB provision	5.500	3.000	2.200	CIB appendix framed base provisions around $2.8B-$3.2B, bull near $2.0B-$2.5B, bear $5.0B-$6.0B.
AWM provision	0.400	0.200	0.100	AWM credit losses are normally small, but private-bank lending is not zero-risk.
Corporate / other provision	0.000	0.000	0.000	Corporate is a residual treasury/central bucket; no provision is modeled.
Consolidated provision	24.400	18.200	15.300	Sum of rows.

Tax assumptions: bear 22.5%, base 21.5%, bull 21.0%. The TTM tax rate was 21.1%, so the base is modestly conservative. The bear case carries a higher tax rate to avoid relying on Corporate/tax benefits when credit stress is already elevated. The bull case is close to the TTM rate.

Line	Bear	Base	Bull
Combined OI / PPNR	73.016	105.169	122.529
Net interest income / expense	Embedded	Embedded	Embedded
Other income	Embedded	Embedded	Embedded
FTE reconciling item	(3.012)	(3.614)	(3.981)
Provision for credit losses	(24.400)	(18.200)	(15.300)
Reported pre-tax income	45.604	83.355	103.248
Tax rate assumed	22.5%	21.5%	21.0%
Tax expense	(10.261)	(17.921)	(21.682)
Net income	35.343	65.434	81.566
Diluted share count at TTM+5y (M)	2,500.4	2,362.6	2,265.7
EPS at TTM+5y	14.13	27.70	36.00

The base-case bridge is therefore: $105.169B of PPNR, less $3.614B FTE, less $18.200B of provision, equals $83.355B of reported pretax income. At a 21.5% tax rate, net income is $65.434B. Dividing by 2,362.6 million diluted shares gives base FY+5 EPS of $27.70.

This is higher than TTM EPS not because PPNR is being treated as earnings, but because three things happen simultaneously: managed revenue grows at 3.5% annually, provisions rise but do not absorb all PPNR growth, and share count declines through repurchases funded by retained capital. If credit costs rise beyond the bear assumption or if capital rules force buybacks down, EPS falls quickly.

6. Share Count, Capital, and RWA Path

Starting diluted shares: 2,720.2 million. TTM net purchase of treasury stock was $31.258 billion and TTM common dividends were $16.189 billion. Q1 2026 CET1 capital was $291.1 billion, standardized RWA was $2.042 trillion, and the standardized

CET1 ratio was 14.3%. The capital-allocation appendix says management's hierarchy is organic/inorganic growth first, sustainable dividends second, and buybacks with the remainder. I therefore do not assume unlimited buybacks. I assume buybacks are sized around capital generation after dividends and RWA growth.

Base case RWA/capital check: standardized RWA grows 4.0% annually from $2.042 trillion to about $2.485 trillion by March 2031. A 13.8% CET1 target on that RWA base requires about $342.9 billion of CET1, or roughly $51.8 billion more than Q1 2026. Base-case cumulative net income over the five-year period is assumed to average around the low $60 billions per year before reaching $65.4 billion at the horizon, or roughly $310 billion cumulative. Dividends of roughly $18B-$20B per year consume about $94 billion. Buybacks of $28B per year consume $140 billion. That leaves roughly $76 billion of retained capital before other OCI/model effects, enough to fund the $51.8 billion CET1 need with a buffer. This makes the base buyback path capital-plausible rather than a pure EPS plug.

Base share-count path:

Year ending Mar 31	Starting diluted shares (M)	Buyback ($B)	Avg price assumed	Shares retired (M)	SBC / issuance (M)	Ending diluted shares (M)
2027	2,720.2	28.0	320	87.5	8.0	2,640.7
2028	2,640.7	28.0	336	83.3	8.0	2,565.4
2029	2,565.4	28.0	353	79.3	8.0	2,494.0
2030	2,494.0	28.0	371	75.5	8.0	2,426.6
2031	2,426.6	28.0	389	72.0	8.0	2,362.6

Case-level share assumptions:

Case	Buyback path	Avg price path	Issuance assumption	Ending diluted shares
Bear	$15B, $16B, $17B, $18B, $19B	$290, $302, $314, $327, $340	10M per year	2,500.4M
Base	$28B each year	$320, $336, $353, $371, $389	8M per year	2,362.6M
Bull	$35B, $36B, $37B, $38B, $39B	$340, $360, $382, $405, $429	6M per year	2,265.7M

The share count path is intentionally explicit. It is not "buybacks maintain EPS." In the bear case, buybacks slow because provisions and capital pressure rise. In the bull case, buybacks rise because retained capital after dividends and RWA needs is higher. Issuance is a conservative diluted-share proxy for employee stock compensation, share-settled awards, and other dilution. JPM's actual TTM period-end common share count fell from 2,779.1 million to 2,679.5 million, so the base path of roughly 357.6 million net diluted-share reduction over five years is plausible but meaningful.

7. P/E 15 Test

Required FY+5 EPS at the current $308.28 price is $20.55. Cushion equals (EPS x 15 - current price) / current price.

Case	EPS at TTM+5y	EPS x 15	Current price	Cushion	Pass?
Bear	14.13	212.02	308.28	(31.2)%	FAIL
Base	27.70	415.44	308.28	34.8%	PASS
Bull	36.00	540.02	308.28	75.2%	PASS

The confident case that matters is the base case, not the bull case. The base case clears the P/E 15 threshold by $7.14 of EPS, or by 34.8% on price. This gives JPM a positive valuation cushion in the ER2 math. The caveat is that the cushion depends heavily on provisions not moving into a severe credit cycle and on buybacks continuing at a bank-capital-plausible pace. The bear case fails the P/E 15 test even though JPM remains profitable, because the combination of higher credit costs, lower buybacks, and Corporate normalization reduces EPS to $14.13.

8. Reflexivity Check Against TTM and FY2025

TTM reconstruction:

Item	Segment / managed sum	Consolidated control	Difference	Result
TTM managed revenue	190.103	190.103	0.0%	PASS
TTM reported revenue after FTE	186.973	186.973	0.0%	PASS

Item	Segment / managed sum	Consolidated control	Difference	Result
TTM managed PPNR	91.210	91.210	0.0%	PASS
TTM reported pretax income	74.666	74.666	0.0%	PASS
TTM net income	58.899	58.899	0.0%	PASS

Latest completed FY reconstruction:

Item	Sum / reconstruction	Reported control	Difference	Result
FY2025 managed revenue	185.581	185.581	0.0%	PASS
FY2025 reported revenue after FTE	182.447	182.447	0.0%	PASS
FY2025 managed PPNR	89.941	89.941	0.0%	PASS
FY2025 provision	14.212	14.212	0.0%	PASS
FY2025 net income	57.048	57.048	0.0%	PASS

This check matters because the forward model compounds from the TTM base. The segment sum ties exactly in the quant foundation: TTM segment managed revenue equals $190.103 billion; TTM segment net income equals $58.899 billion; the reported-vs-managed bridge reconciles through the $3.130 billion FTE item. There is no hidden plug at the starting point.

9. In-Progress FY Reconciliation

Stage 0 did not treat FY2026 as complete. The TTM anchor is Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026, ending March 31, 2026. Therefore there is no in-progress FY full-year anchor to reconcile as if FY2026 were already complete. The relevant recency check is Q1 2026 and the TTM run-rate.

Q1 2026 managed revenue was $50.536 billion. Annualized mechanically, that is $202.144 billion, but Q1 includes strong CIB markets and investment-banking momentum. The base-case first-forward-year managed revenue path implied by the segment appendices is approximately $197.0 billion, or 3.6% above the TTM managed revenue base of $190.103 billion and 2.5% below a naive Q1 annualization. That is a reasonable start. It does not jump above the latest annualized run-rate, and it does not ignore Q1 strength.

For PPNR, TTM managed PPNR was $91.210 billion. Base-case horizon PPNR is $105.169 billion, a 2.9% CAGR. A straight-line first-forward-year approximation is about $94.1 billion, or 3.2% above the TTM base. That is within the required 10% recency tolerance.

10. Sensitivity

The sensitivity table holds the base model constant except for the named variable. It is not a full scenario rebuild, but it identifies which inputs can move the verdict.

Sensitivity	Change	Approx. EPS impact	Interpretation
CIB revenue CAGR	+/- 200 bps	+$1.64 / -$1.56	CIB is the largest earnings lever because revenue dollars carry high PPNR margins.
CCB PPNR margin	+/- 200 bps	+$0.62 / -$0.62	CCB margin matters, but credit provision assumptions matter more than small PPNR changes.
Share count	+/- 5% ending shares	-$1.32 / +$1.46	Buybacks are a major EPS bridge; capital constraints would reduce the cushion.
Tax rate	+/- 300 bps	-$1.06 / +$1.06	Tax matters, but it is not the primary swing factor unless Corporate/tax items shift materially.
Consolidated provisions	+/- $5B	-$1.66 / +$1.66	Credit costs are as important as CIB growth because each extra provision dollar drops through pretax.

The two variables that matter most are CIB revenue/PPNR durability and consolidated provisions, especially CCB card credit. Buybacks are the next swing factor because a bank cannot repurchase freely if RWA rises faster than revenue or regulators

demand a higher CET1 target. A JPM thesis at $308.28 should therefore monitor CIB RWA-adjusted returns, CCB card net charge-offs, deposit beta, and the actual quarterly buyback run-rate.

11. Combined Earnings Summary

Probability weights are 25% bear, 55% base, and 20% bull. The weights are not uniform because management and moat both support a high-quality franchise, but JPM is still a cyclical, regulated bank with credit, capital-markets, deposit, and capital-rule risks. The base case gets the highest weight, while the bear gets a meaningful 25% because a credit/regulatory cycle can compress bank EPS even when the franchise remains strong.

Case	Revenue ($B, managed)	OI / PPNR ($B)	OI margin	NI ($B)	EPS ($)	Probability	EPS x 15	vs. $308.28
Bear	188.219	73.016	38.8%	35.343	14.13	25%	212.02	(31.2)%
Base	225.867	105.169	46.6%	65.434	27.70	55%	415.44	34.8%
Bull	248.789	122.529	49.2%	81.566	36.00	20%	540.02	75.2%
Probability-weighted	220.1	99.0	45.0%	58.3	25.97	100%	389.48	26.3%

The probability-weighted EPS result also clears the P/E 15 bar. I would not use that as the investment gate, because ER2 uses the base case as the confident case. It is still useful because it shows the bear case is not being ignored: even with a 25% weight on a failed bear case, the weighted EPS x 15 value is above the current price.

12. Management and Moat Cross-Checks

Management appendix cross-check: the buyback path is consistent with JPM's bank-specific capital allocation behavior. The management appendix states that JPM's capital allocation is governed by CET1, RWA, deposits, loans, credit costs, dividends, and repurchases, and that management prioritizes organic and inorganic growth first, dividends second, and buybacks with the remainder. It also notes Q1 2026 distributions of roughly $4.1 billion of common dividends and $8.1 billion of net common-stock repurchases while CET1 capital still rose to $291.1 billion. The base model's $28 billion annual buyback assumption is below the latest TTM $31.3 billion run-rate and below the FY2025 $34.6 billion level, which gives room for RWA growth and a higher CET1 requirement.

Moat appendix cross-check: the base case assumes the moat remains strong but not frictionless. The moat appendix passes JPM on the 2046 test, emphasizing trusted deposit funding, regulated balance-sheet capacity, payments and custody rails, CIB client network effects, technology and risk scale, AWM distribution, and premium ROTCE. It also flags deposit-interface displacement, capital/regulatory drag, nonbank unbundling, AI-enabled fee pressure, and CCB credit-cycle fragility. The base model reflects that mixture: CIB and AWM compound, CCB grows but with real provisions, and Corporate normalizes.

13. Tie-Out Checks

- Reported-financial tie-out (TTM + latest completed FY): PASS. TTM managed revenue is $190.103B and ties to the segment sum. TTM reported revenue is $186.973B after the $3.130B FTE item. TTM net income is $58.899B. FY2025 managed revenue, reported revenue, PPNR, provision, and net income all tie to the quant foundation and data package.

- NI / shares = EPS: PASS. Bear $35.343B / 2.5004B shares = $14.13. Base $65.434B / 2.3626B shares = $27.70. Bull $81.566B / 2.2657B shares = $36.00. Differences are rounding only.

- Segment sum tie-out at horizon: PASS. Bear revenue $188.219B equals $80.0B + $80.1B + $27.619B + $0.5B. Base revenue $225.867B equals $96.6B + $93.2B + $33.067B + $3.0B. Bull revenue $248.789B equals $106.8B + $101.1B + $35.889B + $5.0B. There is no revenue plug. The FTE item is separately named.

- Product-to-segment rollup: PASS. CIB appendix section 10 reconciles product sums to total within 0.1% at the TTM base and exactly within rounded horizon tables. CCB appendix section 10 shows product sums equal segment totals with 0.0% difference. AWM appendix section 10 sums Asset Management and Global Private Bank to the segment totals. Corporate is a one-line residual segment and reconciles exactly.

- Weighted margin check: PASS. CIB, CCB, and AWM blended margins are derived from product-level revenue and margins in their section 10 tables. CCB explicitly shows $42.2B / $93.2B = 45.3% in base. CIB shows $49.71B / $96.55B = 51.5% in base. AWM shows $12.069B / $33.067B = 36.5% in base. Corporate is one line.

- Share count path: PASS. Starting diluted shares are 2,720.2M. Base buybacks retire 397.6M shares over five years, issuance adds 40.0M shares, and ending diluted shares are 2,362.6M. The path uses exactly five annual periods, not six.

- Growth plausibility: PASS. Base managed revenue CAGR is 3.5%. Segment base CAGRs are CIB about 3.3%, CCB 3.8%, AWM 6.0%, and Corporate negative 12.8%. AWM's 6.0% is below its recent double-digit growth. CIB and CCB are below recent Q1 growth. Corporate declines. No segment base case exceeds the growth-plausibility threshold without justification.

- Historical arithmetic: PASS. Segment appendices compute TTM x (1 + CAGR)^5 to horizon endpoints. Spot checks: AWM Asset Management $12.101B x 1.065^5 = $16.579B; AWM Global Private Bank $12.615B x 1.055^5 = $16.487B; CCB total $77.284B to $93.2B implies 3.8%; Corporate $5.936B to $3.0B implies negative 12.8%. CIB appendix product rows provide the product-level computations and reconcile to the total.

- Recency anchor: PASS. Base first-forward-year managed revenue is approximately $197.0B, 3.6% above TTM managed revenue of $190.103B and below the $202.144B annualized Q1 2026 managed revenue run-rate. Base first-forward-year PPNR is approximately $94.1B, 3.2% above TTM managed PPNR of $91.210B. Both are within the 10% tolerance.

- Bank bridge arithmetic: PASS. For each case, PPNR minus FTE minus provisions equals reported pretax income; pretax income times the stated tax rate equals tax expense; pretax less tax equals net income. Base case: $105.169B - $3.614B - $18.200B = $83.355B pretax; $83.355B x 21.5% = $17.921B tax; net income = $65.434B.

- P/E 15 and probability math: PASS. Required EPS is $20.55. Base EPS is $27.70, so EPS x 15 is $415.44 and cushion is 34.8%. Probability-weighted EPS is 25% x $14.13 + 55% x $27.70 + 20% x $36.00 = $25.97, and $25.97 x 15 = $389.48, 26.3% above the current price.

14. Flags

The main modeling flag is bank cyclicality. The base case clears the P/E 15 gate, but the bear case fails. JPM can be a superior bank and still be a poor purchase if credit costs, capital rules, or CIB normalization hit at the same time. The model's largest hard-data limitation is that JPM does not disclose every product-level PPNR, provision, and net income line, especially inside CCB and Corporate. The segment appendices handled this by using disclosed product revenue and modeled PPNR margins; this synthesis preserves those assumptions rather than inventing more granular data.

The second flag is capital. Buybacks are plausible because JPM entered the period with a 14.3% standardized CET1 ratio, $291.1B of CET1 capital, and strong TTM capital generation. They are not guaranteed. If Basel/G-SIB rules raise the required capital stack materially, if standardized RWA grows faster than the modeled 4% base path, or if stress losses consume capital, the base share-count reduction would be too aggressive.

The third flag is FTE/tax. The FTE reconciling item is modeled as 1.6% of managed revenue. It is not a value driver, but it must be included so managed segment revenue does not overstate reported pretax income. Tax is modeled near the TTM rate. A large tax-law or Corporate tax-benefit shift would change EPS.

Overall synthesis: JPM clears the ER2 P/E 15 math in the base case at the $308.28 price anchor. Base FY+5 managed revenue is $225.867B, PPNR/OI is $105.169B, net income is $65.434B, EPS is $27.70, required EPS is $20.55, and the cushion is 34.8%. The tie-out status is 11/11 passed. The investment conclusion still depends on whether the red team accepts the base-case credit, capital, CIB, and buyback assumptions.

Appendix CS - Compounder Score

JPMorgan Chase & Co. - Compounder Score

Analysis date: 2026-05-28 Ticker: JPM Exchange: NYSE Currency: USD Diagnostic only: this score does not override the ER2 BUY / WATCH / PASS verdict.

1. Executive Verdict

JPMorgan Chase is a very high-quality bank, but it is not a clean 20% annualized-return compounder at the current share price. The evidence supports a strong bank-franchise score: premium ROTCE, large and durable deposit and payments scale, leading Commercial & Investment Bank relationships, a credible Asset & Wealth Management platform, strong disclosure, and a capital-allocation culture that has produced both franchise investment and substantial capital return. The evidence does not support an "investable now under the 20% return rubric" classification because the base-case five-year shareholder return is far below 20% unless the terminal value, buyback path, or earnings path is pushed beyond the ER2 synthesis.

The bank adaptation is central. Conventional industrial ROIC, net debt / EBITDA, and free cash flow conversion are not controlling measures for JPMorgan because deposits, trading liabilities, wholesale funding, securities, loans, and regulatory capital are operating inputs. The correct scarce-capital lens is ROTCE, tangible common equity, CET1 capital, risk-weighted assets, deposit quality, credit costs, and buyback capacity after regulatory capital needs. On that lens, JPM is elite: the ER2 quant foundation reports TTM managed net revenue of $190.103 billion, TTM net income of $58.899 billion, latest ROTCE of 23%, latest standardized CET1 ratio of 14.3%, loans-to-deposits ratio of 56%, and TTM common dividends plus net treasury-stock purchases of $47.447 billion while CET1 capital still rose by $11.299 billion.

The score is capped by three issues. First, a bank's high returns on tangible common equity are partly cyclical and regulator-dependent; JPM can be the best bank and still have earnings power compressed by credit losses, higher RWA, or more capital. Second, ROIIC cannot be measured with the same confidence as an industrial compounder because the source files do not provide product-level capital allocation, risk-weighted returns, or full segment-level provision and capital detail. Third, the current valuation fails the 20% return underwriting test. A live quote checked on 2026-05-28 showed JPM at $298.66, with market cap around $826.8 billion and trailing P/E around 14.8. Even using the ER2 base-case March 2031 EPS of $27.70 and a fair exit multiple, the expected annualized return is in the high single digits to low double digits, not 20%.

Final diagnostic score: 70 / 100. Business Quality Score: 66 / 80. Valuation / 20% Return Underwriting Score: 4 / 20. Score-implied classification: Buy only at lower price.

2. Data Source Map

The scorer used the local ER2 source chain first and used one live quote only for current valuation. No API key was displayed or written.

Evidence area	Source used	Confidence	Notes
Time anchor	`quant_foundation.md`; `appendix_synthesis.md`	High	TTM anchor is Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026, ending 2026-03-31; horizon is 2031-03-31.
Income statement and bank metrics	`quant_foundation.md`; `data_package.md`	High	QF reports `RECONCILIATION: 8/8 checks PASSED`; official JPM IR / SEC sources control over generic FMP bank revenue fields.
Balance sheet and capital	`quant_foundation.md` P6; `data_package.md`	High	CET1, RWA, deposits, loans, TBVPS, dividends, buybacks, and share count come from official supplements and QF.
Segment runway	`appendix_B_consumer_community_banking.md`; `appendix_B_commercial_investment_bank.md`; `appendix_B_asset_wealth_management.md`; `appendix_B_corporate.md`; `appendix_synthesis.md`	Medium	Segment revenue and PPNR assumptions are reconciled, but product-level PPNR, provision, and allocated capital are incomplete.
Management	`appendix_management.md`; `data_package.md`	High	Management gate is PASS with succession, regulation, expense, credit, and governance watch items.

Evidence area	Source used	Confidence	Notes
Moat	`appendix_moat.md`; `appendix_A_primer.md`	High	Moat gate and 2046 test are PASS, with explicit AI, nonbank, deposit-interface, and capital-regulation risks.
Synthesis valuation	`appendix_synthesis.md`; `appendix_red_team.md`	High	Synthesis tie-outs are 11/11 passed; base EPS clears ER2 P/E 15 math; bear case fails.
Current price / market cap	Live market quote checked 2026-05-28	Medium	Price was $298.66, market cap about $826.8B, and trailing P/E about 14.8 at the checked timestamp.

3. Key Financial and Quality Metrics

Metric	Value	Source / calculation	Scoring read
TTM managed net revenue	$190.103B	QF P4	Scale is exceptional.
TTM reported net revenue	$186.973B	QF P4	Official reported basis after FTE adjustment.
TTM net income	$58.899B	QF P4	Very high current earnings power.
Latest ROTCE	23%	QF P4 / data package	Elite bank return, but spot-cycle sensitive.
FY2021-FY2025 ROTCE	23%, 18%, 21%, 22%, 21%	Data package historical table	Supports a premium through-cycle bank-return conclusion.
Latest standardized CET1 ratio	14.3%	QF P6b	Strong, though down from 15.4% in Q1 2025 as RWA rose and capital was returned.
Latest loans-to-deposits ratio	56%	QF P6a	Conservative funding structure.
Latest deposits	$2.676T	QF P6a	Deposit scale is a major moat asset.
Latest loans	$1.504T	QF P6a	Large balance-sheet engine, but credit sensitive.
TTM net treasury stock purchases	$31.258B	QF P6d	Buybacks are material to EPS compounding.
TTM common dividends declared	$16.189B	QF P6d	Cash return supports shareholder return but does not solve the 20% hurdle.
Latest average diluted shares	2.720B	QF P6c	Official JPM IR count controls.
Base FY+5 EPS	$27.70	Synthesis	Clears ER2 P/E 15 math at the old $308.28 queue price and current $298.66 quote.
Bear FY+5 EPS	$14.13	Synthesis	Fails P/E 15 and exposes capital / credit sensitivity.
Bull FY+5 EPS	$36.00	Synthesis	Upside case exists but should not drive the score.
Current price	$298.66	Live quote, 2026-05-28	Updated from the synthesis queue price of $308.28.
Current P/E on base FY+5 EPS	10.8x	$298.66 / $27.70	Looks reasonable, but only a five-year low-double-digit return unless the exit multiple is high.
Current P/E on TTM implied EPS	~13.8x	$58.899B / 2.720B shares = ~$21.65 EPS	Not obviously excessive for JPM quality, but not a 20% setup.

The most important metric for quality is not one-year ROTCE, but the combination of high ROTCE, capital strength, and retained capital after distributions. The most important metric for valuation is not the ER2 P/E 15 pass alone, but whether buying today can plausibly produce 20% annualized returns without terminal multiple expansion. It cannot under the base case.

4. Rubric Scorecard

Category	Score	Max	Evidence read
Incremental Returns on Capital	20	25	ROTCE is consistently premium, but ROIIC is bank-adapted and less directly observable than industrial ROIIC.
Reinvestment Runway	15	20	JPM has meaningful runway in payments, card, CIB wallet share, AWM flows, wealth, technology, and Apple Card, but bank growth consumes capital and is not capital-light.
Durability of Moat	13	15	Moat and 2046 test pass; strongest in CIB, deposits, payments, trust, and scale; risks remain from regulation, AI interfaces, nonbanks, and credit.
Accounting and Financial Quality	9	10	Disclosure is strong, QF/QFR tie-outs are clean, and official bank metrics control; cash-flow statements are not useful as industrial FCF.
Capital Allocation	9	10	Management has a rational hierarchy and strong record; buyback price sensitivity and Dimon succession keep it short of perfect.
Price and 20% Return Underwriting	4	20	The 20% case fails at current price without heroic assumptions; cash returns help, but not enough.
Total	70	100	Strong bank quality, weak 20% return underwriting.

4.1 Incremental Returns on Capital - 20 / 25

For a bank, this category is scored through normalized ROTCE, CET1 deployment, RWA discipline, and distributable capital generation rather than industrial NOPAT / invested capital. JPM earns high marks because the historical ROTCE series in the data package is 23%, 18%, 21%, 22%, and 21% for FY2021-FY2025, with latest Q1 2026 ROTCE of 23%. That is well above the cost of equity and materially better than a commodity bank. The firm also generated TTM net income of $58.899 billion and increased CET1 capital by $11.299 billion while declaring $16.189 billion of common dividends and buying back $31.258 billion of stock.

The score is not a perfect 25 because bank ROIIC is not directly proven at product level. The source files do not provide full RWA, capital, or provision attribution by every product line over the 3-year and 5-year measurement windows. The synthesis shows base revenue growth and buybacks can create EPS growth, but the red team correctly flags that CIB growth may consume RWA and CCB card growth may consume credit provision. The evidence supports high returns, but not a clean industrial-style >35% ROIIC calculation.

Subscores: normalized bank ROIC / ROTCE 4.5 / 5; bank-adapted ROIIC 5 / 8; no sharp deterioration 2.5 / 3; unit economics support returns 2.5 / 3; capital conversion is real 3 / 3; returns are not only accounting artifact 2.5 / 3.

4.2 Reinvestment Runway - 15 / 20

JPM has a large runway, but it is a regulated-bank runway. The moat appendix and primer support durable growth opportunities in consumer deposits, card, Apple Card balances, payments, investment banking, markets, securities services, private banking, asset management, advisors, technology, fraud/risk systems, AI-enabled productivity, and wealth relationships. The synthesis base case uses only 3.5% managed revenue CAGR from TTM to March 2031, which is not aggressive relative to recent Q1 2026 strength.

The cap is capital intensity. Growth in card, lending, markets, derivatives, repo, securities financing, and client commitments consumes RWA and regulatory capital. AWM is more fee-like, but even AWM has market-beta and fee-pressure exposure. CIB is a strong franchise, yet strong client activity can raise RWA before it raises distributable shareholder value. JPM can reinvest at scale, but not like a software company where incremental revenue requires little capital.

4.3 Durability of Moat - 13 / 15

The moat appendix earns a PASS and the 2046 test earns a PASS. JPM's moat is concrete: trusted deposit funding, regulated balance-sheet capacity, payments and custody rails, CIB client network effects, high-trust procurement, technology and risk scale, AWM distribution, and a risk-management culture that has repeatedly converted scale into premium returns.

CIB appears to have the strongest standalone moat because clients need integrated liquidity, credit, payments, markets, advisory, custody, securities services, and risk transfer. CCB has a durable but more attackable deposit, card, branch, and mobile ecosystem. AWM has distribution and private-client trust, but is more exposed to passive fee pressure, AI-assisted advice, independent advisors, and market levels.

The two-point deduction is for structural threats that do not break the moat today but can compress returns: AI-enabled cash routing, fintech and nonbank credit intermediation, stablecoin or payment-rail substitution, fee pressure, cyber and fraud cost, and regulation. JPM is likely still recognizable in 2046, but the economics may be taxed more heavily.

4.4 Accounting and Financial Quality - 9 / 10

The accounting and disclosure evidence is strong. QF reports 8/8 reconciliation checks passed. The data package explicitly flags FMP bank-data mismatches and uses official JPM IR / SEC values for reported and managed net revenue, share count, CET1, RWA, deposits, loans, and per-share data. Management's disclosures around NII ex-Markets, expenses, card charge-offs, RWA, capital rules, deposits, and buybacks are unusually numerical for a bank of JPM's complexity. The 2025 10-K financial-reporting controls are not flagged as broken in the local package.

The deduction is for bank opacity rather than a known accounting failure. Operating cash flow and FCF are not useful quality measures for JPM because balance-sheet movements dominate. Product-level PPNR, provision, and allocated capital are incomplete. That makes the analytical quality lower than it would be for a company with clean segment-level revenue, margin, capital, and cash conversion data.

4.5 Capital Allocation - 9 / 10

Management earns a PASS. The evidence supports a rational capital hierarchy: organic and inorganic growth first, sustainable dividends second, and buybacks with the residual. The management appendix highlights the fortress balance sheet, investment through the cycle, technology spend, branch and advisor investment, First Republic, Apple Card, and disciplined buybacks. The TTM numbers support the claim: JPM returned substantial capital while CET1 dollars still rose. Incentives also use ROTCE, which is a sensible bank-specific return metric.

The deduction is for price sensitivity and succession. Buybacks are useful but not automatically value creating, especially at a premium bank valuation. Jamie Dimon remains central to the investor identity and culture, and the post-Dimon transfer still has to be proven.

4.6 Price and 20% Return Underwriting - 4 / 20

This is where the score becomes skeptical. The current quote checked for the scorer was $298.66. The ER2 synthesis base case reaches March 2031 EPS of $27.70, with $65.434 billion of net income and 2.3626 billion diluted shares. At a 12.5x exit P/E, ending price value would be about $346.25. Add roughly $32-$35 of dividends over five years and the total value is about $379-$381, implying roughly 4.9%-5.0% annualized from $298.66. At a 15x exit P/E, ending price value would be $415.50; adding dividends gives roughly $448-$451 total value, or about 8.4%-8.6% annualized. Neither case approaches 20%.

The 20% hurdle is severe. A buyer paying $298.66 needs ending value of about $743 in five years to compound at 20% before considering dividends, or roughly $708 after assuming about $35 of dividends. On the base EPS of $27.70, that would require an exit P/E around 25.5x after dividends. That is terminal multiple expansion and is not acceptable under the rubric. Alternatively, with a 15x exit multiple and dividends, the base case supports a 20% entry price around $180. With a 12.5x exit multiple, the 20% entry price is closer to $153. These are not precise target prices; they are diagnostic statements about how far the current price sits from a 20% underwriting setup.

Subscores: base-case IRR >= 20% 0 / 6; conservative exit multiple 1 / 4; bear case acceptable 0 / 3; reverse DCF beatable 0 / 3; multiple does not price perfection 1 / 2; cash returns help 2 / 2.

5. ROIIC and Reinvestment Analysis

The standard ROIIC formula is not cleanly applicable to JPMorgan. In an industrial company, reinvestment is net capex plus working capital plus capitalized R&D and acquisitions. At JPM, "reinvestment" is largely regulatory and balance-sheet capital: CET1 capital to support RWA, credit reserves, deposits and liquidity, branch / technology / compliance expense, card and loan growth, market-making inventories, client commitments, and acquisition or portfolio additions.

The closest available bank-specific evidence is favorable but incomplete:

Bank-specific reinvestment evidence	Read
ROTCE stayed around high-teens to low-twenties from FY2021-FY2025	Supports high returns through changing rates and credit.
Q1 2026 CET1 capital was $291.1B and CET1 ratio was 14.3%	Strong capital base, but RWA growth can absorb earnings.
TTM common dividends plus net buybacks were $47.4B	Strong distributable-capital evidence.
TTM CET1 capital still increased $11.3B	Supports capital conversion after distributions.
Synthesis assumes base RWA grows 4.0% annually and still funds $28B annual buybacks	Plausible, but sensitive to regulation, stress losses, and CIB capital intensity.
Product-level RWA / provision / capital attribution is incomplete	Prevents a high-confidence ROIIC score.

The evidence supports a premium bank ROIIC conclusion, but not a clean quantified >35% ROIIC conclusion. Unsupported precision would be false comfort.

6. Runway Analysis

JPM's runway is broad rather than explosive. CCB can grow checking relationships, mobile users, card spend, revolving balances, Apple Card balances, small-business relationships, and wealth distribution. CIB can grow payments, securities services, investment banking wallet share, markets client flows, lending relationships, and treasury services. AWM can grow net flows, advisor productivity, private-bank relationships, alternatives, and market-linked fee revenue. Corporate can support the franchise by managing liquidity, securities, hedging, funding, and capital, but it should not be treated as a recurring growth segment.

The synthesis base case deliberately avoids heroic growth. Managed revenue grows from $190.103 billion to $225.867 billion over five years, or 3.5% CAGR. Segment base CAGRs are modest relative to Q1 2026 momentum: CIB about 3.3%, CCB 3.8%, AWM 6.0%, and Corporate negative 12.8%. That supports the runway score.

The runway is capped because the business is capital regulated. JPM may grow revenue and still not grow intrinsic value at the same pace if RWA, required CET1, credit provisions, or regulatory constraints rise faster. The red team specifically warns that the path from base to failed bear is not exotic: higher card credit losses, CIB normalization, RWA drag, and lower buybacks can arrive together.

7. Moat Analysis

The moat is real. JPM's advantages come from the interaction of trust, scale, balance-sheet capacity, regulation, client relationships, and operational execution. This is stronger than a simple "big bank" claim. CIB clients value the ability to combine payments, treasury, liquidity, lending, underwriting, markets, custody, securities services, and risk management. CCB customers value safe deposits, card networks, branches, digital convenience, payments, direct deposit, bill pay, and integrated small-business or wealth services. AWM clients value private banking, advice, alternatives, investment products, custody, lending, and continuity.

The moat is also expensive to maintain. JPM must spend on technology, AI, cyber, fraud, compliance, branches, data, risk, and regulation. That cost is part of the moat, but it also means the moat does not translate one-for-one into margin expansion. The moat score is high because the 2046 JPM description remains specific and plausible. It is not perfect because interfaces can shift, regulation can tax scale, and parts of advice and asset management are exposed to fee compression and AI-enabled substitution.

8. Accounting and Capital Allocation Analysis

JPM's local ER2 package is unusually careful about source hierarchy. QF identifies where FMP's generic bank revenue and share-count fields do not match official JPM presentation. Official JPM IR and SEC values control. This reduces the chance of a fabricated score from stale or generic datasets.

Capital allocation is bank-specific. The data package shows buybacks of roughly $16.2 billion in 2023, $24.5 billion in 2024, and $34.6 billion in 2025, alongside common dividends of roughly $12.8 billion, $14.0 billion, and $16.6 billion. JPM announced a new $50 billion buyback authorization effective July 1, 2025 and a dividend increase to $1.50 per share beginning in Q3 2025, subject to normal board approval. Q1 2026 distributions were $4.1 billion of dividends and $8.1 billion of net repurchases, while CET1 capital rose to $291.1 billion.

This is strong, but the score should not treat buybacks as a free compounding engine. Buybacks are residual after organic growth, regulatory capital, RWA, credit losses, dividends, and supervisor tolerance. The red team identifies ending diluted

share count as the most likely Stage 5 number to be revised down because five years of large buybacks depend on capital rules, RWA growth, credit losses, stock price, and regulator tolerance.

9. 20% Return Underwriting

Case	Starting price	FY+5 EPS	Exit P/E	Terminal price	Approx dividends	Approx annualized return	Read
Bear	$298.66	$14.13	10.0x	$141	$28	(11)%	Fails; credit, CIB, RWA, and buyback pressure overwhelm.
Base conservative exit	$298.66	$27.70	12.5x	$346	$34	5%	Reasonable ownership return, not a 20% setup.
Base fair exit	$298.66	$27.70	15.0x	$416	$34	9%	Clears ER2 P/E 15 math, still far below 20%.
Bull	$298.66	$36.00	15.0x	$540	$38	14%	Good outcome, still below 20% unless the multiple expands materially.

The current price does not need a heroic base case to be reasonable, but the rubric is stricter than "reasonable." It asks whether the evidence supports at least 20% annualized long-term shareholder return without terminal multiple expansion. The answer is no.

For a 20% five-year return, $298.66 must become roughly $743 before dividends. Assuming about $35 of dividends, the required terminal price is still about $708. With base FY+5 EPS of $27.70, that is roughly 25.5x earnings. That requires a premium terminal multiple materially above today's P/E and above the ER2 P/E 15 discipline. The 20% return case therefore fails the no-multiple-expansion rule.

10. Hard Veto Checklist

Hard veto	Status	Evidence
ROIIC below cost of capital with no credible path	Pass / Watch	ROTCE is premium, but exact ROIIC is bank-adapted and incompletely observable.
Reported returns high only because capital is artificially tiny	Pass	Tangible common equity and CET1 are large; returns are not simply a negative-capital artifact.
Growth requires persistent external financing	Pass	Deposits, earnings, CET1, and retained capital support growth; regulation remains a constraint.
Share count rises materially without value creation	Pass	Share count fell materially through buybacks; no chronic dilution evident.
Serial acquisitions without return disclosure	Pass / Watch	First Republic and Apple Card are strategic/opportunistic; acquisition-inclusive returns are not fully measurable.
FCF structurally lags earnings	Not applicable / Watch	Industrial FCF is not a bank control; use capital generation and CET1 instead.
Concentration, regulation, cyclicality, leverage can impair equity	Watch	Regulation, credit, CIB cyclicality, and capital rules are real and central.
20% return case requires terminal multiple expansion	Fail	At current price, 20% requires roughly 25x+ terminal P/E on base EPS after dividends.
Needs flawless execution	Watch	Base case is plausible, but credit + RWA + buyback assumptions must all hold reasonably well.
Cannot explain moat in one paragraph	Pass	Moat is deposits, regulated balance sheet, payments/custody rails, CIB network, trust, scale, and risk culture.
Accounting / governance issues impair trust	Pass / Watch	No financial-reporting break found; normal GSIB legal/regulatory risk and Dimon succession remain.
Balance sheet risk could wipe out equity in downturn	Pass / Watch	CET1 and liquidity are strong, but banks always carry tail-risk leverage.

The only hard fail is the 20% return case requiring terminal multiple expansion. That is enough to block "Investable now under this rubric," even though it does not mechanically alter the ER2 verdict.

11. Final Decision

Compounder Score note: 70/100; JPM is an elite bank franchise, but the diagnostic score is capped because bank ROIIC is only partially observable and the 20% return case fails at the current price.

Business Quality Score note: 66/80; premium ROTCE, deposits, CIB/AWM scale, management, and disclosure support high quality, with deductions for bank cyclicality, regulation, capital intensity, and incomplete product-level ROIIC evidence.

20% Return UW Score note: 4/20; base-case ownership return is plausibly high single digits to low double digits, not 20%, and a 20% outcome requires terminal multiple expansion or a much lower entry price.

Score-implied classification: Buy only at lower price. The business is strong enough to deserve continued work, but under this rubric the current price does not underwrite a 20% annualized return. A diagnostic 20% entry range is roughly $150-$180 depending on exit multiple and dividend assumptions. That range is not a formal ER2 target; it is the price discipline implied by this scoring rubric.

12. Machine-Readable JSON

The companion file `compounder_score.json` contains the machine-readable version of this score.

Appendix CSA - Scoring Audit

JPMorgan Chase & Co. - Scoring Audit

Analysis date: 2026-05-28 Ticker: JPM Role: CSA scoring auditor

1. Original vs Audited Scores

Item	Original	Audited	Notes
Business Quality Score / 80	66	61	High bank quality is supported, but the original over-awarded points where ROIIC, product capital attribution, and acquisition-inclusive returns were not calculated.
Valuation / 20% Return UW Score / 20	4	3	The 20% case fails. The original calculation is directionally right, but the valuation rubric should penalize inconsistent base IRR presentation and the need for a much lower entry price.
Total Score / 100	70	64	The diagnostic score falls below the original "Buy only at lower price" line because missing ROIIC evidence is a real score cap.
Classification	Buy only at lower price	Watchlist / evidence-capped	JPM is an elite bank, but under this diagnostic rubric the evidence is not clean enough for a high compounder score and the current price fails the 20% hurdle.

Original reconstructed score: Business Quality 66/80, Valuation / 20% Return Underwriting 4/20, Total 70/100. Original classification was "Buy only at lower price." Original JSON reports base IRR 8.6%, bear IRR -11.0%, bull IRR 14.0%, and maximum buy price for 20% IRR of about $180. The markdown also shows a conservative-exit base return closer to 5% and a fair-exit base return near 8.4%-8.6%. That is not fatal, but it should be stated as scenario-dependent rather than a single base IRR.

2. Score Reductions and Reasons

This score is reduced because Category 1 gave JPM 20/25 despite the audit record showing no calculated 3-year ROIIC, 5-year ROIIC, or acquisition-inclusive ROIIC. For a bank, industrial ROIC and free cash flow should be adapted to ROTCE, CET1, RWA, provisions, deposits, and distributable capital. The original scorer did that conceptually. The problem is that CSA rules still require the equivalent scarce-capital return test to be calculated, not just asserted. QF and synthesis support high ROTCE, capital generation, and clean bank tie-outs, but they do not provide full product-level capital, provision, RWA, or acquisition attribution by segment.

Incremental Returns on Capital is reduced from 20/25 to 15/25. JPM deserves credit for FY2021-FY2025 ROTCE of 23%, 18%, 21%, 22%, and 21%, latest ROTCE of 23%, TTM net income of $58.899B, CET1 capital of $291.1B, and the ability to return capital while CET1 still increased. But 1B, ROIIC, should be zero under the CSA cap because it was not calculated. Capital conversion also deserves credit, but not full industrial FCF credit.

Reinvestment Runway is reduced from 15/20 to 14/20. The runway in CCB, CIB, payments, AWM, wealth, and technology is real, but the red team shows that growth consumes RWA, credit provisions, and regulator-controlled buyback capacity. AWM growth also carries market beta and fee pressure.

Capital Allocation is reduced from 9/10 to 8/10. Management quality and the capital hierarchy are supported, but acquisition-inclusive returns are not sufficiently proven for First Republic residual economics and Apple Card onboarding economics. Buybacks are large and rational, but value creation depends on price, capital rules, and stress-cycle permission.

Valuation / 20% Return Underwriting is reduced from 4/20 to 3/20. The original correctly failed the 20% hurdle. The extra reduction is for relying on an EPS and terminal-multiple bridge rather than a bank-specific reverse requirement tied to ROTCE, CET1 growth, RWA growth, payout, and sustainable buybacks.

3. Unsupported Claims

The evidence does not support a precise "high ROIIC" score. It supports "high bank ROTCE and capital generation." Those are not the same claim. The local files explicitly say product-level PPNR, provisions, and allocated capital are incomplete. That means the score should not award a high ROIIC subscore as though the incremental capital denominator were known.

The evidence partly supports "cash conversion is real." For a bank, QF appropriately rejects industrial FCF and uses capital generation, CET1, dividends, buybacks, deposits, and credit costs. The TTM record is strong: common dividends of $16.189B, net treasury stock purchases of $31.258B, and CET1 capital up $11.299B. Still, this is not a multi-year FCF conversion test, so it should be capped rather than treated as a full 3/3 industrial analogue.

The moat and management scores are mostly supported. Moat PASS and 2046 PASS are grounded in deposits, regulated balance sheet, payments/custody rails, CIB client network effects, trust, scale, risk culture, and AWM distribution. Management PASS is supported by the capital hierarchy and disclosure quality. These are not the inflated parts.

4. Calculation Errors

No major arithmetic error was found in the synthesis EPS bridge. Base case net income of $65.434B divided by 2.3626B diluted shares gives $27.70 EPS. The P/E 15 test also ties: $27.70 x 15 is about $415.50, comfortably above the original $308.28 queue price and above the $298.66 scorer price.

The calculation breaks at the 20% return test, not the EPS tie-out. At $298.66, a 20% five-year outcome requires roughly $743 of value before dividends. Even after about $35 of dividends, the required terminal price is about $708. On $27.70 base EPS, that implies about 25.5x terminal P/E. That is multiple expansion and fails the rubric. A 15x exit multiple plus dividends supports a materially lower 20% buy price, around the original $180 diagnostic range.

5. Missing Data

The most important missing evidence is a bank-specific ROIIC bridge: incremental net income or PPNR after normalized provisions against incremental tangible common equity, CET1, RWA, and segment capital over 3-year and 5-year windows. Also missing are acquisition-inclusive returns for First Republic and Apple Card, product-level segment capital/RWA attribution, product-level provision attribution, and a reverse DCF stated in bank terms rather than EV/NOPAT.

SBC is not material in the same way it is for a software company, and the synthesis includes issuance in the diluted-share path. This is adequate. EV/NOPAT and net debt/EBITDA are not useful for JPM because deposit-funded balance sheets make enterprise value misleading. That is a correct bank adaptation, not a gap.

6. Hard-Veto and Threshold Test Audit

The 20% return case requiring terminal multiple expansion is a hard fail. Business Quality no longer clears 65/80 after the ROIIC cap. Valuation does not clear 15/20. ROIIC plus runway does not clear 35/45 after 1B is set to zero. Base IRR is below 20%, bear IRR is negative, and the bear case fails the ER2 P/E 15 test. No accounting or governance hard veto was found.

7. Final 20% Hurdle Pass/Fail

Final 20% hurdle: FAIL. JPM may be a reasonable or even attractive bank at some prices, but the current-price base case is high single digit under a fair exit multiple and far below 20%. A 20% outcome requires either a much lower entry price, materially higher EPS, materially higher payout, or terminal multiple expansion.

8. Dream Business / Dream Investment Classification

Classification: neither, under the strict compounder-scoring rubric. JPM is close to a dream bank business, but not a clean dream business in the industrial compounder sense because returns are regulated, cyclical, capital-intensive, and not directly proven by ROIIC. It is not a dream investment at the scorer price because the 20% return case fails.

9. Stage 7 Scorecard Notes

Compounder Score note: 64/100; JPM is an elite bank franchise, but the audited score is capped by uncalculated bank ROIIC, missing acquisition-inclusive return evidence, and a failed 20% return case.

Business Quality Score note: 61/80; premium ROTCE, deposits, CIB/AWM scale, management, and disclosure are real, but bank capital intensity and missing product-level capital evidence limit the score.

20% Return UW Score note: 3/20; current-price base returns are far below 20%, and a 20% outcome requires a much lower entry price or terminal multiple expansion.

10. Auditor JSON

See `compounder_score_audit.json`.

Appendix RT - Red Team

JPMorgan Chase & Co. (JPM) - Red-Team Appendix

Date: 2026-04-28

Role: adversarial review after synthesis. This appendix tries to break the JPMorgan Chase thesis, not to restate the quality case. The synthesis base case is: March 31, 2031 managed revenue of $225.867B, OI/PPNR of $105.169B, net income of $65.434B, diluted EPS of $27.70, required EPS of $20.55 at a $308.28 stock price, and a 34.8% base-case cushion. The bear case fails. The red team's job is therefore to ask whether the base case is really the confident case or whether it is a benign-cycle case wearing conservative language.

1. The Most Fragile Assumption

The most fragile assumption is the Consumer & Community Banking credit-and-card mix embedded in the base case: Card Services & Auto revenue rising from a $29.1B TTM base to $38.9B by March 31, 2031 at a 6.0% CAGR, while CCB still earns a 45.3% pre-provision margin and the consolidated model carries only $18.2B of total firmwide provisions. This is the line where the model asks JPM to have it both ways. Card/Auto becomes the main growth engine inside CCB, but the provision bridge assumes credit costs normalize only moderately rather than consuming the incremental spread revenue.

The data package gives the bull and bear ammunition in the same table. Q1 2026 Card Services & Auto revenue was up 13%, but management also guided card net charge-offs around 3.4% and expected 2026 card loan growth in the mid-single digits. The CCB appendix correctly decelerates card revenue from recent growth to 6.0%, but the red-team objection is not only the revenue CAGR. It is the joint assumption that card mix rises, rewards and partner competition remain manageable, Apple Card adds balances without adverse selection, digital fraud/servicing costs stay contained, and CCB can rebuild from Q1 2026's 43.9% pre-provision margin to a 45.3% horizon margin.

If this assumption is wrong, EPS moves quickly. The synthesis sensitivity says each additional $5B of consolidated provisions cuts EPS by about $1.66. A card-heavy downside does not need a crisis to matter. If CCB provision is $8B higher than the base horizon, EPS falls by roughly $2.66 before second-order buyback effects. If the same credit pressure causes buybacks to slow and ending diluted shares are 5% higher than modeled, EPS loses another roughly $1.32. That combined hit takes base EPS from $27.70 to about $23.72. The thesis would still clear the $20.55 P/E 15 threshold, but the cushion falls from 34.8% to roughly 15%. Add even mild CIB normalization and the base case becomes a WATCH/PASS debate rather than a clean BUY.

The key point: JPM can be the best consumer bank in the country and still have this assumption fail. Superior underwriting does not repeal the cycle. It only changes how much of the industry loss pool JPM absorbs and how much capital it has available when the cycle arrives.

2. Most-Likely-to-Be-Optimistic Stage 5 Number

The most likely Stage 5 number to be revised down in the real world is the ending diluted share count of 2,362.6M. The synthesis builds that result from $28B of annual buybacks for five straight years, retiring 397.6M gross shares and 357.6M net shares after issuance. The arithmetic is transparent and the historical anchor is real: TTM net treasury-stock purchases were $31.258B, FY2025 buybacks were about $34.6B, and Q1 2026 net repurchases were $8.1B in the release. The weakness is not arithmetic. The weakness is that bank buybacks are the residual after capital, RWA, credit, dividends, and regulators have taken their share.

The base case assumes standardized RWA grows 4.0% annually from $2.042T to about $2.485T and that a 13.8% CET1 target is adequate. That may be too gentle. The data package flags Basel III endgame and G-SIB reproposals as current management issues, with potential capital pressure focused on G-SIB surcharge and Markets/RWA. The management appendix notes that JPM quantified a proposed G-SIB impact of roughly $20B of added capital based on the then-current balance sheet. That is not a theoretical footnote. It competes directly with buybacks. So does CIB growth, because management specifically said Markets RWA rose with client activity, seasonality, and energy prices. If CIB is the growth engine, RWA is not a passive denominator.

The share count is also vulnerable because the buyback path assumes the stock is repurchased at an average $320, $336, $353, $371, and $389 over the five years. If JPM remains expensive because the market keeps capitalizing quality, the same dollar buyback retires fewer shares. If the stock falls because credit or regulation worsens, regulators and management are

less likely to maximize buybacks into the stress. That asymmetry matters: the model gets share reduction in the benign case, but in the bad case the lower stock price may coincide with less permission to buy.

3. Strongest Bear Case, In Its Strongest Form

The bear case is that the synthesis is underwriting a high-quality bank at a late-cycle bank multiple while assuming the next five years are normal enough for provisions, capital, and buybacks to coexist. In that bear narrative, CIB's strong Q1 2026 is a cyclical high-water mark, not a new base; CCB card growth is increasingly credit-intensive; deposit beta and AI-enabled cash routing erode consumer and wealth spread economics; and Basel/G-SIB/RWA inflation turns revenue growth into lower capital velocity. JPM still earns money, but ROTCE compresses, buybacks fall, and EPS lands near or below the $20.55 hurdle.

Mechanically, the short case hits three places at once. CIB revenue does not compound at the base 3.3%; it slips toward the bear case as Markets and investment banking normalize. CCB provisions run $5B-$10B above base as card losses and fraud costs rise while deposit spread revenue softens. Capital rules and RWA growth reduce buybacks from $28B per year toward the bear path or below. The observable anchor is not "macro weakness." It is JPM reporting two consecutive quarters where standardized RWA grows faster than managed revenue, CCB card NCO exceeds guidance, and repurchases fall below the dividend run-rate.

4. Cross-Examination Of Management Commentary

Management quote one: Jeremy Barnum guided "NII ex Markets to be about $95 billion" on the Q1 FY2026 call. The skeptical read is that this is a 2026 guide, not a five-year spread guarantee. CCB and AWM deposit economics are both exposed to customer yield sensitivity. The data package says consumer deposit competition remains intense and that AWM deposit balances are expected to remain essentially flat as clients optimize cash and redeploy into investments. If AI cash tools, brokerage sweep products, high-yield funds, or stablecoin-like payment balances make rate shopping easier, the first sign will be deposit-cost pressure without matching loan growth. The model would show it as BWM revenue and margin undershooting before the consolidated EPS bridge fully reacts.

Management quote two: Barnum said the "adjusted expense outlook continues to be about $105 billion." The synthesis uses a base PPNR margin of 46.6%, below the 48.0% TTM managed PPNR margin, so it is not blindly assuming efficiency. Still, the red-team issue is that the expense base is not optional. Technology spend, AI hardware, Apple Card platform work, branches, fraud, compliance, controls, and compensation are all recurring competitive costs. If revenue decelerates and expenses remain on the $105B-plus trajectory, JPM's operating leverage can reverse. The first warning would be firmwide expense growth exceeding managed revenue growth for two or more quarters while management continues to describe the spend as strategic rather than temporary.

Management quote three: card net charge-off rate "continues to be approximately 3.4%." That figure is manageable, but it is not benign-cycle credit. It is already elevated enough to prevent card growth from dropping cleanly to earnings. The base case uses consolidated provisions of $18.2B at the horizon, with CCB at $15.0B. If the actual card book, including Apple Card balances, seasons worse than expected or requires richer rewards and marketing to retain customers, provisions and acquisition costs rise together. The first signal would be card NCO moving above 4.0% while Card Services & Auto revenue growth remains below 6%, because that means JPM is no longer getting paid enough for the incremental risk.

Management quote four: CIB pipelines were healthy and "strong client engagement" was a repeated theme. The skeptical read is that pipelines are not revenue until deals close, and Q1 2026 had unusually strong CIB momentum: Markets revenue up 20%, investment banking revenue up 38%, and CIB revenue up 19%. The CIB appendix does decelerate these lines, but the base case still assumes CIB reaches $96.6B of revenue and $49.7B of PPNR. If geopolitical, rate, antitrust, sponsor-exit, or equity-market windows close, CIB can miss both revenue and margin. The first warning would be investment banking fees and Markets revenue declining together while CIB RWA remains elevated.

5. Stage 5 Tie-Out Reverification

The recency anchor is correctly constructed. The synthesis uses Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026, ending March 31, 2026, and the Stage 5 tie-outs passed 11/11. There is no obvious arithmetic break, no hidden revenue plug, and no mistaken FY-minus-one anchor. The red-team challenge is different: the right anchor may still be a favorable cyclical anchor. Q1 2026 managed revenue was $50.536B, or $202.144B annualized, and CIB produced $23.4B of Q1 revenue with 19% year-over-year growth. The synthesis says the first-forward-year managed revenue path is about $197.0B, below naive annualization, which is reasonable. But if Q1's CIB strength is a peak, even that lower path can still start above normalized

earnings power.

The share-count path is plausible but not robust. It is below the latest TTM buyback pace, but it does not fully stress a combined capital event. JPM started with a 14.3% standardized CET1 ratio, $291.1B of CET1, and $2.042T of standardized RWA. That is strong. Yet it is exactly why regulators may ask JPM, not weaker banks, to carry more capital. If the required CET1 stack rises, if RWA grows faster than 4% annually, or if the stress capital buffer moves against the firm, buybacks are the release valve. The base EPS cushion should therefore be haircut for buyback uncertainty.

The product CAGR check mostly passes, but two areas deserve skepticism. AWM grows at a 6.0% segment CAGR even though management says AWM revenue depends on net inflows and market levels, and AWM deposits are essentially flat near term. That assumption is defensible if markets cooperate, but it is market beta in part, not pure franchise alpha. CIB Payments grows at 5.5% and Securities Services at 4.0%, which look modest, but the moat appendix itself flags deposit/payments interface displacement and nonbank unbundling. Those businesses can grow volumes while price realization slips.

6. The Signal That Forces An Exit

The exit signal should be a combined credit-capital signal, not a generic bank risk headline. Sell or downgrade if, over any rolling two-quarter window beginning with Q2 2026, all three of the following occur: CCB card net charge-off rate exceeds 4.0%; standardized RWA grows more than 500 bps faster than managed net revenue year over year; and quarterly net common-stock repurchases fall below $4.0B while the standardized CET1 ratio is at or below 14.0%.

This signal is specific because it attacks the actual EPS bridge. Card NCO above 4.0% says the CCB growth engine is turning into a credit consumer. RWA growth more than 500 bps faster than revenue says CIB and balance-sheet growth are becoming capital-inefficient. Buybacks below $4.0B per quarter with CET1 at or below 14.0% says the base share-count path is no longer available. If these appear together, the base-case $27.70 EPS is no longer the right underwriting case; the synthesis should be rewritten around the bear-to-low-base range.

Secondary monitor: CIB should be downgraded if Markets revenue and investment-banking fees both decline year over year for two consecutive quarters while CIB RWA does not decline. That would mean the firm is carrying capital without the revenue velocity the base case assumes. AWM should be downgraded if AWM revenue growth falls below 3% for two consecutive quarters while client assets are flat to positive, because that would indicate fee yield or mix compression rather than a simple market drawdown.

7. Other Red-Team Findings

Dimon succession is not a spreadsheet line, but it is real. The management appendix argues succession is a watch item rather than a gate failure because the bench is deep, the board has mitigants, and the culture is institutionalized. The red-team version is harsher: JPM's regulatory posture, risk appetite, crisis response, capital discipline, and public credibility are unusually tied to Dimon. The next CEO may be excellent and still have less political capital with regulators, less authority to resist bad industry terms, and less investor patience during a credit cycle. If succession coincides with capital-rule pressure or a CCB credit turn, the market will not value JPM as if culture transfer is guaranteed.

Regulatory/legal tail risk is structurally under-modeled because it rarely fits a smooth five-year CAGR. JPM's scale makes it a preferred supervisory target. Basel, G-SIB surcharge, stress capital buffer, operational-risk capital, TLAC, liquidity rules, card fees, overdraft, interchange, market conduct, AML, sanctions, and consumer compliance can all tax the model. The synthesis includes capital flags, but the base still relies on a clean enough environment for $140B of buybacks. A single large legal or control event may not break JPM. A series of supervisory constraints can break the EPS path.

AI and fintech risk is not that an AI chatbot replaces JPM. That is too simplistic. The real risk is interface loss. If AI cash agents, brokerage apps, payroll wallets, stablecoin-like rails, or embedded treasury software control the customer's financial command center, JPM can retain the regulated balance sheet while losing some economics of deposits, payments, advice, and cash management. That is a slower derating mechanism: deposit beta rises, payment take-rates compress, wealth fees fall, and JPM must spend more on technology to defend the relationship. The moat appendix identifies this risk; the red team would give it more weight because it directly attacks CCB BWM, AWM, and CIB Payments.

Expense inflation is another hidden compounder. The base assumes high spending but still grants scale benefits in CCB, CIB, and AWM. JPM's technology and controls spend may create productivity, but in a regulated bank productivity gains are often consumed by cyber, fraud, resiliency, model risk, compliance, and client-experience requirements before they reach shareholders. AI may therefore be a defensive cost rather than a margin expansion lever.

8. Conviction After Red Team

Thesis survives this red team, but conditionally. The synthesis arithmetic is clean, the base revenue CAGR is not heroic, and JPM's franchise quality is strong enough that the red team cannot honestly downgrade the case solely on generic bank cyclicality. However, the buyback and credit assumptions are not as conservative as the headline 34.8% cushion makes them look. The bear case already fails, and the path from base to failed bear is not exotic: card credit, CIB normalization, RWA drag, and lower buybacks can arrive together.

The correct red-team conclusion is: thesis survives, but position sizing should reflect a live bear scenario. The strongest bear point is not that JPM is a bad bank; it is that the market may be paying for the best bank just as the next five-year EPS bridge becomes more capital-hungry and less buyback-rich. The orchestrator should keep JPM on a BUY only if it is comfortable underwriting through the combined credit-capital signal above. If that signal trips, downgrade immediately.

Appendix D - Data Package (raw historicals)

JPMorgan Chase & Co. (JPM) - ER2 Data Package

Run timestamp: 2026-04-28 19:45 Asia/Singapore Owner: Subagent D - Data Package Output path: `C:\Users\Admin\OneDrive\GPT\ER 2.0\JPMorgan Chase & Co\data_package.md`

Stage 0 Anchor

- Today: 2026-04-28.
- Company fiscal year convention: JPMorgan Chase & Co. fiscal year ends December 31.
- Most recently reported quarter: Q1 2026, period ended March 31, 2026, released April 14, 2026 by JPMorgan Chase IR.
- TTM anchor: Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026 -> TTM ending March 31, 2026.
- Forward horizon: TTM + 5 calendar years = March 31, 2031. Compounding horizon is exactly March 31, 2026 to March 31, 2031.

Data source rule: The workspace may have a "Data Warehouse First" rule that says check a local `data warehouse/` cache before hitting FMP. **For the ER2 skill this rule is suspended.** Every Wave 1 subagent (D, A) and every Wave 2 subagent (B, M, W) that needs historicals, segment data, or transcript quotes must: fetch live from FMP's `/stable/` endpoints using C:\Users\Admin\.codex\skills\fmp-financial-data\scripts\fmp_request.py, fetch live from the company's IR website and SEC EDGAR, and never substitute cached warehouse files for a live fetch. If a live fetch fails, retry the identical call once, then flag the failure -- not cache fallback.

Quant foundation control: this package uses `C:\Users\Admin\OneDrive\GPT\ER 2.0\JPMorgan Chase & Co\quant_foundation.md` as the numerical bedrock. Fresh pulls in this package are for source context, source files, management commentary, and expanded tables. Where FMP bank statement fields conflict with JPM's reported/managed net revenue, the official JPM IR/SEC values control, consistent with QF reconciliation.

Source Map From This Run

Source	Fresh artifact saved in `raw`	Use
FMP `/stable/income-statement`, annual and quarter	`D_20260428_fmp_income_statement_annual_6.json`; `D_20260428_fmp_income_statement_quarter_8.json`	Net income, EPS, share count, FMP bank-revenue discrepancy evidence
FMP `/stable/balance-sheet-statement`, `/stable/cash-flow-statement`, `/stable/key-metrics`, `/stable/ratios`	`D_20260428_fmp_balance_sheet_*`; `D_20260428_fmp_cash_flow_*`; `D_20260428_fmp_key_metrics_annual_6.json`; `D_20260428_fmp_ratios_annual_6.json`	Balance sheet, cash-flow caveats, capital allocation table
FMP `/stable/revenue-product-segmentation`	`D_20260428_fmp_revenue_product_segmentation_annual.json`; `D_20260428_fmp_revenue_product_segmentation_quarter.json`	Segment revenue cross-check; latest FMP quarter is Q4 2025
FMP `/stable/earning-call-transcript`	`D_20260428_fmp_transcript_2026_Q1.json`; `D_20260428_fmp_transcript_2025_Q4.json`; `D_20260428_fmp_transcript_2025_Q3.json`; `D_20260428_fmp_transcript_2025_Q2.json`	Last four earnings-call commentary; Q1 FY2026 date verified as 2026-04-14
JPM IR Q1 2026 release/supplement/transcript	`D_20260428_JPM_IR_1Q26_earnings_release.pdf/.txt`; `D_20260428_JPM_IR_1Q26_financial_supplement.pdf/.txt`; `D_20260428_JPM_IR_1Q26_earnings_transcript.pdf/.txt`	Latest-quarter trend, segment data, management commentary
JPM IR 2026 Company Update and 2025 Investor Day transcripts	`D_20260428_JPM_IR_2026_company_update_transcript.pdf/.txt`; `D_20260428_JPM_IR_2025_investor_day_transcript.pdf/.txt`	Strategic framing only; numbers checked against filings/releases
SEC EDGAR 2022-2025 Forms 10-K and Q1 2026 8-K	`D_20260428_SEC_JPM_2022_10K.*`; `D_20260428_SEC_JPM_2023_10K.*`; `D_20260428_SEC_JPM_2024_10K.*`; `D_20260428_SEC_JPM_2025_10K.htm`; `D_20260428_SEC_JPM_2026_Q1_8K_24990.htm`; `D_20260428_SEC_JPM_2026_Q1_EX991_earnings_release.htm`; `D_20260428_SEC_JPM_2026_Q1_EX992_supplement.htm`	Official annual reporting, taxonomy, latest 8-K exhibits

Source	Fresh artifact saved in `raw`	Use
JPM IR news pages	`D_20260428_JPM_IR_2025_dividend_buyback_news.htm`; `D_20260428_JPM_IR_2026_apple_card_news.htm`	Recent corporate actions

Primary URLs fetched: [JPM Q1 2026 press release PDF](https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/investor-relations/documents/quarterly-earnings/2026/1st-quarter/a5fd2d13-877b-43b2-8b58-81bad4399c87.pdf), [JPM Q1 2026 supplement PDF](https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/investor-relations/documents/quarterly-earnings/2026/1st-quarter/ea70ca6c-a0d5-4596-94f5-52f1722cd704.pdf), [JPM 2025 10-K PDF](https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/investor-relations/documents/quarterly-earnings/2025/4th-quarter/corp-10k-2025.pdf), [SEC 2025 Form 10-K](https://www.sec.gov/Archives/edgar/data/19617/000162828026008131/jpm-20251231.htm), [SEC Q1 2026 8-K](https://www.sec.gov/Archives/edgar/data/19617/000162828026024990/jpm-20260414.htm), [SEC Q1 2026 Exhibit 99.1](https://www.sec.gov/Archives/edgar/data/19617/000162828026024990/a1q26erfexhibit991narrative.htm), [SEC Q1 2026 Exhibit 99.2](https://www.sec.gov/Archives/edgar/data/19617/000162828026024990/a1q26erfex992supplement.htm), [JPM Apple Card announcement](https://www.jpmorganchase.com/ir/news/2026/chase-to-become-new-issuer-of-apple-card), [JPM dividend and buyback announcement](https://www.jpmorganchase.com/ir/news/2025/jpmorganchase-plans-dividend-increase).

1. Reporting Structure & Taxonomy

Current reportable structure: JPMorgan Chase reports three business segments plus Corporate on a managed basis: Consumer & Community Banking (CCB), Commercial & Investment Bank (CIB), Asset & Wealth Management (AWM), and Corporate. JPM's 2025 Form 10-K Note 32 says segment results are presented on a managed basis and that the Operating Committee reviews net interest income, noninterest revenue, noninterest expense, provision for credit losses, and net income on that basis. Managed basis adds fully taxable-equivalent adjustments for tax-exempt income and eliminates those adjustments through reconciling items to reach U.S. GAAP reported results. For JPM, "revenue" in ER2 should therefore mean reported net revenue or managed net revenue, not FMP's generic revenue field.

Current segment descriptions:

Segment	Description	FY2025 managed net revenue ($B)	% of FY2025 managed revenue before FTE reconciling item
Consumer & Community Banking	Branch, digital, telephone, card, auto, mortgage, small-business, and wealth-management services for consumers and small businesses.	76.0	41.0%
Commercial & Investment Bank	Banking & Payments plus Markets & Securities Services for corporate, institutional, merchant, government, and investor clients.	78.5	42.3%
Asset & Wealth Management	Asset Management and Global Private Bank, including investment management, brokerage, custody, estate planning, lending, deposits, and advisory services.	24.1	13.0%
Corporate	Treasury/CIO and centrally managed staff functions, initiatives, funding, liquidity, capital, interest-rate, and FX risk management.	7.0	3.8%
Segment reconciling items	FTE and other managed-to-reported reconciling items.	(3.1)	NM
Total managed before FTE reconciling item	Sum of CCB, CIB, AWM, and Corporate.	185.6	100.0%
Total reported net revenue	Managed revenue less FTE reconciling item.	182.4	NM

Taxonomy investigation:

Issue	Finding	Treatment in this package
2024 segment reorganization	JPM's 2024 Form 10-K states that in the first quarter of 2024 JPMorganChase reorganized reportable segments by combining former Corporate & Investment Bank and Commercial Banking into the current Commercial & Investment Bank.	Use current CCB/CIB/AWM/Corporate taxonomy for FY2023-FY2025 from the 2025 10-K. Treat FY2021-FY2022 as old taxonomy unless shown as old CIB + Commercial Banking combined.
Old vs. new CIB	FY2021-FY2022 old taxonomy disclosed Corporate & Investment Bank and Commercial Banking separately.	For a comparable high-level CIB proxy, show old CIB + Commercial Banking combined, explicitly labeled old-taxonomy combined CIB/CB. Do not compare product mix to current CIB sub-businesses without this flag.
2024 accounting/tax-credit presentation	2025 Form 10-K notes adoption of updates to accounting for investments in tax credit structures effective January 1, 2024.	Segment net revenue remains sourced from JPM's managed basis. Avoid using unadjusted FMP operating-income measures as controlling segment economics.
Q4 2024 FTP update	JPM updated funds transfer pricing for consumer deposits in Q4 2024, increasing CCB NII with offset in Corporate and no firmwide NII effect.	CCB and Corporate trend comparisons across 2024/2025 need this caveat. Firmwide revenue is unaffected.
AWM client-asset presentation	In Q1 2025 JPM realigned certain client assets from Private Banking to Global Funds; prior periods were revised.	Revenue unaffected. Use revised AWM client-asset rows as presented in the 2025 Form 10-K.
FMP product endpoint	FMP's revenue-product-segmentation endpoint returns JPM segment lines, not granular product revenue.	Use it as live FMP segment support and reconcile to JPM official managed/reported revenue.

Geography: JPM does not present firmwide segment revenue by all geographies in the same way it presents LOB results. AWM discloses regional revenue: FY2025 AWM international net revenue was $7.7B, including EMEA $4.0B, Asia-Pacific $2.4B, and Latin America/Caribbean $1.2B; North America was $16.4B. AWM total client assets were $7.1T, with $2.0T international and $5.2T North America. For firmwide modeling, geography is secondary to line of business, product, capital, deposit, and credit-cost exposures.

2. Consolidated Historicals

Bank adaptation: conventional industrial ROIC and FCF conversion are not controlling measures for JPM. The table keeps the requested FMP/statement fields for traceability, but downstream modeling should use reported/managed net revenue, provision, net income, ROTCE, CET1, RWA, deposits, loans, dividends, and buybacks. FMP income-statement `revenue` is not JPM reported net revenue. Official 10-K reported net revenue controls.

Metric	FY2021	FY2022	FY2023	FY2024	FY2025	Source
Reported net revenue ($B)	121.6	128.7	158.1	177.6	182.4	SEC 2022 10-K for FY2021-FY2022; SEC/JPM 2025 10-K for FY2023-FY2025
Managed net revenue before FTE reconciling item ($B)	125.3	132.3	162.4	180.6	185.6	SEC 2022 and 2025 10-K segment managed tables
Noninterest revenue ($B)	69.3	62.0	68.8	85.0	87.0	SEC 2022 and 2025 10-K
Net interest income ($B)	52.3	66.7	89.3	92.6	95.4	SEC 2022 and 2025 10-K
Noninterest expense ($B)	71.3	76.1	87.2	91.8	95.6	SEC 2022 and 2025 10-K
Pre-provision profit, reported basis ($B)	50.3	52.6	70.9	85.8	86.8	Calc: reported net revenue less noninterest expense
Provision for credit losses ($B)	(9.3)	6.4	9.3	10.7	14.2	SEC 2022 and 2025 10-K
Net income ($B)	48.3	37.7	49.6	58.5	57.0	SEC 2022 and 2025 10-K; FMP net income ties for FY2023-FY2025
EPS diluted ($)	15.36	12.09	16.23	19.75	20.05	SEC/FMP income statement
Diluted share count (M)	3,026.6	2,970.0	2,943.1	2,879.0	2,793.7	SEC 2022 10-K and FMP annual income-statement pull

Metric	FY2021	FY2022	FY2023	FY2024	FY2025	Source
FMP operating income / EBIT ($B)	59.6	46.2	61.6	75.1	72.6	FMP annual income-statement; bank line not used as primary segment profit
FMP cash-flow capex ($B)	0.0	0.0	0.0	0.0	0.0	FMP annual cash-flow pull; not meaningful for JPM bank economics
FMP free cash flow ($B)	78.1	107.1	13.0	(42.0)	100.9	FMP annual cash-flow pull; not a distributable-cash proxy
ROTCE (%)	23	18	21	22	21	SEC/JPM annual ratios; latest Q1 2026 ROTCE was 23%
CET1 ratio, standardized (%)	13.1	13.2	15.0	15.7	14.6	SEC/JPM capital disclosures; Q1 2026 was 14.3% estimated

ROIC note: ROIC is not the relevant capital efficiency metric for JPM because deposits, trading liabilities, securities financing, regulatory capital, and bank leverage dominate the balance sheet. A mechanical NOPAT/invested-capital figure would be misleading. The bank-specific substitute is ROTCE and CET1 deployment. FY2025 net income was $57.0B; average tangible common equity implied by 21% ROTCE is approximately $271.7B. Q1 2026 ROTCE was 23% with CET1 capital of $291.1B and standardized CET1 ratio of 14.3%. Downstream ER2 should test through-cycle ROTCE, excess capital, credit normalization, deposit beta, RWA growth, and payout/buyback durability rather than industrial ROIC.

3. Segment Historicals

Values are managed basis, $B except margins. "Profit margin" is net-income margin, because bank segment operating income is not the controlling JPM segment measure; JPM presents pre-provision profit, provision, and net income.

Current Taxonomy Segment Revenue and Net Income

Segment	Metric	FY2021	FY2022	FY2023	FY2024	FY2025	Source and comparability
CCB	Net revenue	50.1	55.0	70.1	71.5	76.0	FY2021-FY2022 old taxonomy from 2022 10-K; FY2023-FY2025 current taxonomy from 2025 10-K
CCB	YoY	NM	9.9%	27.5%	1.9%	6.3%	Calc; FY2023 affected by First Republic and higher rates
CCB	Pre-provision profit	20.8	23.5	35.3	33.5	35.8	SEC/JPM 10-K managed tables
CCB	Provision	(7.0)	3.8	6.9	10.0	11.5	SEC/JPM 10-K managed tables
CCB	Net income	20.9	14.9	21.2	17.6	18.2	SEC/JPM 10-K managed tables
CCB	Net-income margin	41.8%	27.0%	30.3%	24.6%	24.0%	Calc
CIB + CB / CIB	Net revenue	61.8	59.4	64.4	70.1	78.5	FY2021-FY2022 is old CIB plus Commercial Banking; FY2023-FY2025 is current CIB
CIB + CB / CIB	YoY	NM	(3.9)%	8.3%	9.0%	11.9%	Calc; FY2023-FY2025 current taxonomy
CIB + CB / CIB	Pre-provision profit	32.4	27.6	30.4	34.8	40.2	SEC/JPM 10-K managed tables
CIB + CB / CIB	Provision	(2.1)	2.4	2.1	0.8	2.6	SEC/JPM 10-K managed tables
CIB + CB / CIB	Net income	26.4	19.2	20.3	24.8	27.8	SEC/JPM 10-K managed tables
CIB + CB / CIB	Net-income margin	42.7%	32.3%	31.5%	35.4%	35.4%	Calc
AWM	Net revenue	17.0	17.7	19.8	21.6	24.1	SEC/JPM 10-K managed tables

Segment	Metric	FY2021	FY2022	FY2023	FY2024	FY2025	Source and comparability
AWM	YoY	NM	4.7%	11.7%	8.8%	11.6%	Calc
AWM	Pre-provision profit	6.0	5.9	7.0	7.2	8.7	SEC/JPM 10-K managed tables
AWM	Provision	(0.2)	0.1	0.2	(0.1)	0.1	SEC/JPM 10-K managed tables
AWM	Net income	4.7	4.4	5.2	5.4	6.5	SEC/JPM 10-K managed tables
AWM	Net-income margin	27.9%	24.6%	26.4%	25.1%	27.1%	Calc
Corporate	Net revenue	(3.5)	0.1	8.0	17.4	7.0	SEC/JPM 10-K managed tables
Corporate	Net income	(3.7)	(0.7)	2.8	10.6	4.5	Corporate is volatile; includes Treasury/CIO, tax, Visa, funding, and central items
Total managed	Net revenue	125.3	132.3	162.4	180.6	185.6	Sum of segment managed revenue
Total managed	Net income	48.3	37.7	49.6	58.5	57.0	SEC/JPM 10-K managed tables

FY2025 Segment Credit and Capital Snapshot

Segment	FY2025 revenue ($B)	FY2025 expense ($B)	FY2025 provision ($B)	FY2025 net income ($B)	ROE	Key modeling read
CCB	76.0	40.3	11.5	18.2	32%	Highest credit normalization sensitivity; card losses, deposits, and consumer spend matter.
CIB	78.5	38.2	2.6	27.8	18%	Largest revenue contributor; Markets, IB, Payments, and RWA/capital rules matter.
AWM	24.1	15.3	0.1	6.5	40%	Fee compounding from AUM/client assets and private-bank deposit/loan spread matter.
Corporate	7.0	1.8	0.0	4.5	NM	Treat as volatile treasury/funding/tax bucket, not a durable growth segment.

4. Product / Sub-Segment Historicals

Dollar disclosure rule: use only dollar-disclosed lines from JPM's Form 10-K or quarterly supplement. Do not infer or allocate undisclosed product revenue. FMP product segmentation is segment-level for JPM, so product rows below come from JPM filings.

Dollar-Disclosed Product/Sub-Business Revenue

Segment	Product/sub-business	What it is	FY2023 revenue ($B)	FY2024 revenue ($B)	FY2025 revenue ($B)	Source
CCB	Banking & Wealth Management	Consumer Banking, Business Banking, J.P. Morgan Wealth Management deposits, investments, lending, payments, services.	43.2	40.9	42.9	JPM 2025 10-K CCB selected income statement
CCB	Home Lending	Mortgage origination, servicing, residential mortgages, home equity portfolios.	4.1	5.1	5.0	JPM 2025 10-K CCB selected income statement
CCB	Card Services & Auto	Credit cards, payment solutions, travel/lifestyle benefits, auto loans and leases.	22.8	25.5	28.2	JPM 2025 10-K CCB selected income statement

Segment	Product/sub-business	What it is	FY2023 revenue ($B)	FY2024 revenue ($B)	FY2025 revenue ($B)	Source
CIB	Investment Banking	Advisory, equity underwriting, debt underwriting, and broader IB revenue.	7.1	9.6	10.2	JPM 2025 10-K CIB revenue by business
CIB	Payments	Liquidity/account solutions, commerce, clearing, trade, working capital.	17.8	18.1	19.3	JPM 2025 10-K CIB revenue by business
CIB	Lending	Corporate and institutional lending revenue.	6.9	7.5	7.6	JPM 2025 10-K CIB revenue by business
CIB	Total Banking & Payments	Investment Banking + Payments + Lending + Other.	31.9	35.3	37.1	JPM 2025 10-K CIB revenue by business
CIB	Fixed Income Markets	FICC markets client activity across rates, credit, commodities, currencies, emerging markets, securitized products.	19.2	20.1	22.5	JPM 2025 10-K CIB revenue by business
CIB	Equity Markets	Equity markets, prime, derivatives, cash equities.	8.8	9.9	13.3	JPM 2025 10-K CIB revenue by business
CIB	Securities Services	Custody, fund services, liquidity, trading services, data products.	4.8	5.1	5.6	JPM 2025 10-K CIB revenue by business
CIB	Total Markets & Securities Services	Markets and Securities Services, net of Credit Adjustments & Other.	32.5	34.8	41.3	JPM 2025 10-K CIB revenue by business
AWM	Asset Management	Investment management solutions across equities, fixed income, alternatives, liquidity, and multi-asset.	9.1	10.2	11.7	JPM 2025 10-K AWM revenue by line of business
AWM	Global Private Bank	Wealth, retirement, brokerage, custody, estate planning, lending, deposits, and investment management for high-net-worth clients.	10.7	11.4	12.4	JPM 2025 10-K AWM revenue by line of business
AWM	Asset management fees	Fee line mostly earned by AWM and CCB.	15.2	17.8	20.3	JPM 2025 10-K Note 6 / revenue details
Firmwide	AWM AUM	Assets under management, not revenue.	3.4T	4.0T	4.8T	JPM 2025 10-K AWM client assets
Firmwide	AWM client assets	AUM plus custody/brokerage/administration/deposits.	5.0T	5.9T	7.1T	JPM 2025 10-K AWM client assets

Growth-Only or Partial-Dollar Disclosures

Segment	Product	Disclosure method	Last-four-quarter / latest growth	Source
CCB	Active mobile customers	KPI count/growth, not revenue dollars.	Q1 2026 active mobile customers up 7% YoY.	JPM Q1 2026 earnings release
CCB	Debit and credit card sales volume	Growth rate and volume metrics; not revenue by product.	Q1 2026 sales volume up 9% YoY.	JPM Q1 2026 earnings release
CCB	Card Services net charge-off rate	Credit metric, not revenue.	Q1 2026 Card Services NCO rate 3.47%; 2026 outlook approx. 3.4%.	JPM Q1 2026 supplement/transcript
CIB	Investment Banking fees	Dollar-disclosed quarterly and annual.	Q1 2026 fees $2.9B, up 28% YoY; IB revenue $3.1B, up 38% YoY.	JPM Q1 2026 earnings release
CIB	Payments revenue	Dollar-disclosed quarterly in release.	Q1 2026 Payments revenue $5.1B, up 12% YoY.	JPM Q1 2026 earnings release
CIB	Markets revenue	Dollar-disclosed quarterly.	Q1 2026 Markets revenue $11.6B, up 20% YoY; Fixed Income +21%, Equity +17%.	JPM Q1 2026 earnings release

Segment	Product	Disclosure method	Last-four-quarter / latest growth	Source
AWM	Long-term AUM net inflows	Flow KPI, not revenue.	Q1 2026 long-term AUM net inflows $54B.	JPM Q1 2026 earnings release/transcript
AWM	AUM/client assets	Balance KPI, not revenue.	Q1 2026 AUM $4.8T up 16%; client assets $7.1T up 18%.	JPM Q1 2026 earnings release

No back-solved product revenue is used. Open gap: CCB line items such as consumer deposits, card NII, and auto operating lease income are discussed qualitatively but not all are separately disclosed as recurring product revenue dollars in a clean product taxonomy.

5. Most Recent Quarterly Trend

Company FY ends December 31. Most recently completed fiscal quarter at time of writing: FY26 Q1, covering January 1-March 31, 2026, reported on April 14, 2026 via [JPM Q1 2026 earnings release](https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/investor-relations/documents/quarterly-earnings/2026/1st-quarter/a5fd2d13-877b-43b2-8b58-81bad4399c87.pdf) and filed in SEC 8-K Exhibit 99.1/99.2.

Firmwide Quarterly Trend

Quarter	Reported net revenue ($B)	Managed net revenue ($B)	NII ($B)	NIR ($B)	Provision ($B)	Expense ($B)	Net income ($B)	ROTCE	Source
Q2 2025	44.9	45.7	NA	NA	2.8	23.8	15.0	NA	QF from JPM Q2 2025 supplement
Q3 2025	46.4	47.1	NA	NA	3.4	24.3	14.4	NA	QF from JPM Q3 2025 supplement
Q4 2025	45.8	46.8	NA	NA	4.7	24.0	13.0	18%	QF/JPM Q4 2025 supplement
Q1 2026	49.8	50.5	25.5	25.1	2.5	26.9	16.5	23%	JPM Q1 2026 earnings release /supplement
TTM ending Q1 2026	187.0	190.1	NA	NA	13.4	98.9	58.9	NA	QF official-quarter construction

Segment Quarterly Net Revenue and Net Income

Segment	Q2 2025 revenue	Q3 2025 revenue	Q4 2025 revenue	Q1 2026 revenue	Q1 YoY revenue growth	Q1 2026 net income	Key Q1 2026 note
CCB	18.8	19.5	19.4	19.6	7%	5.0	BWM $10.6B +3%; Home Lending $1.2B +2%; Card Services & Auto $7.8B +13%.
CIB	19.5	19.9	19.4	23.4	19%	9.0	Banking & Payments $10.4B +19%; Markets & Securities Services $13.0B +19%.
AWM	5.8	6.1	6.5	6.4	11%	1.8	AUM $4.8T +16%; client assets $7.1T +18%.
Corporate	1.5	1.7	1.5	1.2	(47)%	0.7	Corporate revenue down as First Republic-related prior-year gain lapped and rates lower.
Total managed	45.7	47.1	46.8	50.5	10%	16.5	Average loans up 11% YoY; average deposits up 7% YoY.

Q1 2026 Product/Sub-Business Trend

Segment	Product/sub-business	Q1 2026 revenue / KPI	YoY growth	Source
CCB	Banking & Wealth Management	$10.6B	3%	JPM Q1 release

Segment	Product/sub-business	Q1 2026 revenue / KPI	YoY growth	Source
CCB	Home Lending	$1.2B	2%	JPM Q1 release
CCB	Card Services & Auto	$7.8B	13%	JPM Q1 release
CIB	Investment Banking fees	$2.9B	28%	JPM Q1 release
CIB	Investment Banking revenue	$3.1B	38%	JPM Q1 release
CIB	Payments revenue	$5.1B	12%	JPM Q1 release
CIB	Lending revenue	$2.2B	13%	JPM Q1 release
CIB	Markets revenue	$11.6B	20%	JPM Q1 release
CIB	Fixed Income Markets	$7.1B	21%	JPM Q1 release
CIB	Equity Markets	$4.5B	17%	JPM Q1 release
CIB	Securities Services	$1.5B	18%	JPM Q1 release
AWM	AUM	$4.8T	16%	JPM Q1 release
AWM	Client assets	$7.1T	18%	JPM Q1 release

6. Management Commentary on Forward Growth

Copyright compliance note: ER2 asks for verbatim quotes. To avoid over-quoting source documents, this section uses short verbatim snippets and paraphrases the surrounding guidance. Each entry identifies source, speaker, topic, and interpretation. Transcript dates were verified from FMP: Q2 FY2025 call dated 2025-07-15; Q3 FY2025 call dated 2025-10-14; Q4 FY2025 call dated 2026-01-13; Q1 FY2026 call dated 2026-04-14.

Firmwide / Capital / NII / Expense

Source	Speaker	Short quote/snippet	Topic	Interpretation
Q1 FY2026 call, 2026-04-14, FMP transcript	Jeremy Barnum, CFO	"NII ex Markets to be about $95 billion"	2026 NII guidance	Base-case non-Markets NII guidance held stable; lower-rate pressure is offset by balance growth and mix.
Q1 FY2026 call, 2026-04-14, FMP transcript	Jeremy Barnum, CFO	"adjusted expense outlook continues to be about $105 billion"	2026 expenses	Expense growth remains an explicit investment and compensation burden; model should not assume immediate efficiency gains.
Q1 FY2026 call, 2026-04-14, FMP transcript	Jeremy Barnum, CFO	"Card net charge-off rate continues to be approximately 3.4%"	Credit	Card losses remain elevated versus benign-cycle levels but stable enough for guidance.
Q1 FY2026 release, 2026-04-14	Jamie Dimon, CEO	"Performance was strong across our businesses."	Overall operating momentum	Management frames Q1 as broad-based, with CIB, CCB customer acquisition, and AWM flows all contributing.
Q1 FY2026 release, 2026-04-14	Jamie Dimon, CEO	"prepare the Firm for a wide range of environments"	Risk posture	Macro risks are material; JPM is not managing for a single soft-landing scenario.
Q4 FY2025 call, 2026-01-13, FMP transcript	Jeremy Barnum, CFO	"expense to be about $105 billion"	2026 cost base	Same expense guide existed before Q1; Q1 reaffirmation matters.
Q3 FY2025 call, 2025-10-14, FMP transcript	Jeremy Barnum, CFO	"about $95 billion"	2026 NII ex Markets preview	The Q1 2026 guide is not new optimism; it is consistent with prior central case.

CCB Commentary

Source	Speaker	Short quote/snippet	Topic	Interpretation
Q1 FY2026 call	Jeremy Barnum, CFO	Consumer and small-business spend remained resilient; deposit growth continued with moderating yield-seeking flows.	Deposits / spend	CCB revenue should be modeled from account/deposit growth and card revolving balances, not just rate beta.

Source	Speaker	Short quote/snippet	Topic	Interpretation
Q1 FY2026 call	Jamie Dimon, CEO; Jeremy Barnum, CFO	AI cash tools are early-stage; Barnum added the tool is targeted at a small subset of clients, while deposit competition remains intense.	Deposit beta / competition	Digital tools may pressure margin but can expand wallet share; model deposit spread conservatively.
Q4 FY2025 call	Jeremy Barnum, CFO	"Consumers and small businesses remain resilient"	Consumer credit	Management did not see broad consumer stress at year-end 2025.
Q4 FY2025 call	Jeremy Barnum, CFO	JPM expected 2026 card loan growth in the mid-single digits and lower than recent periods.	Card loans	Card growth should normalize; do not extrapolate high-teens card loan growth.
Q3 FY2025 call	Jeremy Barnum, CFO	CCB credit metrics and early delinquencies were stable and slightly better than expected.	Credit	Q3 comments support no abrupt credit-cycle inflection before Q1 2026.
Q1 FY2026 release	Management release	Q1 CCB revenue rose 7%, with Card Services & Auto up 13%.	Product growth	Card Services & Auto is the main near-term CCB growth contributor but also carries charge-off sensitivity.

CIB Commentary

Source	Speaker	Short quote/snippet	Topic	Interpretation
Q1 FY2026 call	Jeremy Barnum, CFO	Client engagement and pipelines were healthy, but Middle East developments could affect deal execution and timing.	Investment banking pipeline	Underwriting/advisory pipeline is constructive but event-risk timing matters.
Q4 FY2025 call	Jeremy Barnum, CFO	"strong client engagement and deal activity in 2026"	IB outlook	Management entered 2026 with constructive CIB demand expectations.
Q3 FY2025 call	Jeremy Barnum, CFO	"Our pipeline remains robust"	IB pipeline	Q3/Q4 commentary and Q1 results are directionally consistent.
Q1 FY2026 call	Jeremy Barnum, CFO	Markets RWA rose with client activity, seasonal effects, and energy prices.	RWA / capital	Markets revenue growth consumes capital; model capital rules as a growth constraint.
Q1 FY2026 call	Jamie Dimon, CEO	Trading is client-service inventory/risk management; higher volume and volatility generally help spreads.	Markets durability	Markets strength is not purely speculative but remains cyclically sensitive to volatility and client activity.
Q1 FY2026 call	Jeremy Barnum, CFO	Private-credit exposure within core NBFI was sized around $50B for leveraged-loan-investor exposure.	Private credit	Exposure is meaningful but management frames it as underwritten and collateral/covenant controlled.
Q1 FY2026 release	Management release	Q1 CIB revenue grew 19%; Markets reached $11.6B and IB fees increased 28%.	CIB momentum	Q1 2026 is the key recency anchor for CIB, especially Markets and IB fees.

AWM Commentary

Source	Speaker	Short quote/snippet	Topic	Interpretation
Q1 FY2026 call	Jeremy Barnum, CFO	AWM revenue was driven by management-fee growth from net inflows and market levels.	Fee compounding	AWM revenue is sensitive to market levels plus net flows; margin is high but distribution/comp growth matters.
Q1 FY2026 release	Management release	AUM was $4.8T, up 16%; client assets were $7.1T, up 18%.	Scale	AWM scale is a key moat input; product-level revenue is disclosed only at Asset Management and Global Private Bank annual lines.

Source	Speaker	Short quote/snippet	Topic	Interpretation
2025 10-K	Management filing	Asset Management revenue rose 15% in FY2025; Global Private Bank revenue rose 9%.	Sub-business growth	FY2025 AWM growth was broad, with asset management fees and higher loans/deposits offsetting spread pressure.
2025 Investor Day / 2026 Company Update	Management presentations	Strategic emphasis was continued wealth-management scale, advisors, flows, and integrated client relationships.	Strategy	Use as strategic support only; historical numbers in this package come from filings and releases.

7. Capital Allocation History

Bank adaptation: R&D is not material/reported like an industrial technology company. Capex in FMP cash flow is not a useful bank reinvestment measure. The relevant capital-allocation lines are dividends, buybacks, capital ratio, CET1, loan/deposit growth, and RWA deployment.

Year	FMP capex ($B)	FMP FCF ($B)	R&D ($B)	Buybacks ($B)	Common dividends paid/declared ($B)	Net income ($B)	CET1 ratio	Source / note
2021	0.0	78.1	NA	FMP not controlling here	NA	48.3	13.1%	SEC/FMP; bank cash flows not distributable proxy
2022	0.0	107.1	NA	FMP not controlling here	NA	37.7	13.2%	SEC/FMP
2023	0.0	13.0	NA	FMP not controlling here	NA	49.6	15.0%	SEC/FMP
2024	0.0	(42.0)	NA	FMP common stock repurchased approx. 24.5	FMP common dividends approx. 14.0	58.5	15.7%	FMP cash-flow pull and JPM 10-K
2025	0.0	100.9	NA	FMP common stock repurchased approx. 34.6	FMP common dividends approx. 16.6	57.0	14.6%	FMP/JPM 2025 10-K
TTM ending Q1 2026	NA	NA	NA	31.3	16.2	58.9	14.3% latest	QF from JPM quarterly supplements

Recent capital distribution anchor: JPM's July 1, 2025 IR announcement said the Board authorized a new $50B common share repurchase program effective July 1, 2025 and intended to increase the quarterly common dividend to $1.50 per share beginning in Q3 2025, subject to customary board approval. Q1 2026 distributions were $4.1B common dividends and $8.1B common stock net repurchases in the Q1 release; the QF rollforward shows Q1 2026 common dividends declared of $4.067B and net purchase of treasury stock of $7.125B.

8. Balance Sheet Snapshot

Item	FY2025 / latest value	Source / note
Cash and equivalents, FY2025	$343.3B	FMP annual balance sheet
Cash and short-term investments, FY2025	$1,479.7B	FMP annual balance sheet; broadly consistent with JPM cash/marketable securities framing
Cash and marketable securities, Q1 2026	$1.5T	JPM Q1 2026 release
Total assets, FY2025	$4,424.9B	JPM 2025 10-K / QF
Total assets, Q1 2026	$4,900.5B	JPM Q1 2026 supplement / QF
Total loans, Q1 2026	$1,503.5B	JPM Q1 2026 supplement / QF
Total deposits, Q1 2026	$2,675.5B	JPM Q1 2026 supplement / QF
Loans-to-deposits ratio, Q1 2026	56%	JPM Q1 2026 supplement / QF
Long-term debt, Q1 2026	$448.8B	JPM Q1 2026 supplement / QF
Total debt, FY2025 FMP	$942.4B	FMP annual balance sheet; includes bank funding liabilities, not industrial debt
Net debt / EBITDA	Not meaningful	Bank balance sheet and deposit/funding model make industrial leverage metrics invalid
Common stockholders' equity, Q1 2026	$344.0B	JPM Q1 2026 supplement / QF

Item	FY2025 / latest value	Source / note
Total stockholders' equity, Q1 2026	$364.0B	JPM Q1 2026 supplement / QF
Tangible book value per share, Q1 2026	$108.87	JPM Q1 2026 supplement / QF
Book value per share, Q1 2026	$128.38	JPM Q1 2026 supplement / QF
CET1 capital, Q1 2026	$291.1B	JPM Q1 2026 supplement / QF
Standardized RWA, Q1 2026	$2,041.7B	JPM Q1 2026 supplement / QF
Standardized CET1 ratio, Q1 2026	14.3%	JPM Q1 2026 supplement / QF
Goodwill + intangibles, FY2025	FMP goodwill/intangibles field available but not controlling here	Use JPM TCE/TBVPS for bank tangible-equity lens

9. Recent Corporate Actions

- July 1, 2025: JPM announced a planned quarterly common-stock dividend increase to $1.50 per share for Q3 2025 and a new $50B common share repurchase authorization effective July 1, 2025. Source: JPM IR dividend/buyback announcement.
- January 7, 2026: Chase announced it would become the new issuer of Apple Card, with an expected transition over approximately 24 months. JPM's announcement said the portfolio purchase was estimated to bring over $20B of card balances to Chase. Source: JPM IR Apple Card announcement.
- December 30, 2025 / Q4 2025: JPM entered into a forward purchase commitment for the Apple Card portfolio. QF and Q1 2026 supplement show Apple Card-related RWA modeling changed materially by Q1 2026; Q1 2026 RWA impact was approximately $30B versus approximately $110B at year-end 2025 after modeling completion.
- Q1 2026: JPM returned capital through $4.1B common dividends and $8.1B common stock net repurchases per Q1 release. QF CET1 rollforward shows CET1 still rose to $291.1B, but standardized CET1 ratio fell to 14.3% as RWA rose.
- Q1 2026: Management discussed Basel III endgame and G-SIB reproposals. JPM's internal estimate was unfavorable versus the aggregate large-bank estimate, with potential capital pressure focused on G-SIB surcharge and Markets/RWA. Treat regulatory capital as a modeling constraint.
- 2025 / Q1 2026: No CEO/CFO transition identified in the fetched recent-action set. Jamie Dimon remained Chairman and CEO; Jeremy Barnum remained CFO on the Q1 2026 call.
- 2024-2025 taxonomy: current CIB taxonomy from 2024+ is the operating taxonomy. Do not combine old Corporate & Investment Bank and current CIB product rows silently.

10. Open Data Gaps and Flags

- FMP income-statement `revenue` does not equal JPM reported net revenue for JPM. FY2025 FMP revenue was $279.745B, while JPM reported net revenue was $182.447B and managed net revenue was $185.581B. This is a bank-taxonomy/gross-style issue; official JPM IR/SEC net revenue controls. FMP net income ties the official figure.
- FMP revenue-product-segmentation is useful for segment revenue but is not granular product revenue. It ties FY2025 managed segment revenue, but the latest quarterly FMP product row is Q4 2025, not Q1 2026. Q1 2026 segment/product trend uses JPM IR supplement/release.
- Segment history before FY2023 is not directly current-taxonomy comparable. FY2021-FY2022 old Corporate & Investment Bank plus Commercial Banking is shown as combined proxy only.
- Segment "operating income" is not JPM's controlling segment measure. JPM uses managed net revenue, noninterest expense, pre-provision profit, provision, net income, and ROE. This package uses those measures instead of industrial operating income.
- Industrial ROIC, capex, free cash flow, net debt, and net debt/EBITDA are not controlling for JPM. Use ROTCE, CET1/RWA, deposits, loans, credit costs, payout, and buybacks.
- AWM product dollars are disclosed at Asset Management and Global Private Bank, plus AUM/client assets by category and region. Not all fee products are separately dollar-disclosed.

- CCB sub-product disclosures are good for BWM, Home Lending, Card Services & Auto, but not all underlying deposit/card/auto economics are separately disclosed in a clean product revenue taxonomy.
- Management quotes are intentionally short snippets with source/date/speaker metadata to comply with source-use limits; downstream subagents should fetch the same transcript artifacts if they need longer verbatim passages.

Self-Verification Checks

Check	Live source used	Result	Status
Largest latest segment growth	JPM Q1 2026 earnings release and SEC Exhibit 99.1	CIB Q1 2026 net revenue was $23.4B, up 19% YoY; release also shows Markets $11.6B up 20%.	PASS
Transcript quote/date	FMP `/stable/earning-call-transcript?symbol=JPM&year=2026&quarter=1`	Returned one transcript dated 2026-04-14 for Q1 FY2026; snippets used above appear in the returned content.	PASS
FY-1 revenue tie-out	FMP `/stable/income-statement?symbol=JPM&period=annual` plus JPM 2025 10-K and FMP `/stable/revenue-product-segmentation?period=annual`	FMP income-statement revenue does not tie because FMP's bank revenue field is not JPM net revenue. FMP product/segment endpoint ties official reported net revenue at $182.447B including the FTE reconciling item, and ties managed revenue before FTE at $185.581B when that reconciling item is excluded.	PASS WITH BANK-SPECIFIC FLAG