# Dear Fellow Shareholders,



Jamie Dimon,
Chairman and
Chief Executive Officer

In 2026, America is celebrating its 250th anniversary. Also this year, we are celebrating the 227th anniversary of JPMorganChase, which was founded in April 1799. This is the perfect time to rededicate ourselves to the values that made this great nation of ours — freedom, liberty and opportunity — and to recognize that we all stand on our country's shoulders.

The challenges we all face are significant. The list is long but at the top are the terrible ongoing war and violence in Ukraine, the current war in Iran and the broader hostilities in the Middle East, terrorist activity and growing geopolitical tensions, importantly with China. Our hearts go out to those whose lives are profoundly affected by these crises. We sincerely hope these global conflicts are properly resolved and that one day all of Europe and the Middle East will attain long-term stability and prosperity. Even in troubled times, we have confidence that America will do what it has always done — look to the values that have defined our singular nation and sustained our leadership of the free world.

Despite the unsettling landscape, the U.S. economy continues to be resilient, with consumers still earning and spending (though with some recent weakening) and businesses still healthy. It is important to note that our economy has been fueled

by large amounts of government deficit spending and past stimulus and that increased expenditure on infrastructure remains a growing need. Now, because of the war in Iran, we additionally face the potential for significant ongoing oil and commodity price shocks, along with the reshaping of global supply chains, which may lead to stickier inflation and ultimately higher interest rates than markets currently expect. Continual trade negotiations exacerbate the tense geopolitical issues. And high asset prices, which certainly feel good in the short run, create additional risk if anything goes wrong. In Section III of this letter, I describe in greater detail how we are dealing with these risks.

JPMorganChase, a company that historically has worked across borders and boundaries, will do its part to ensure that the global economy is safe and secure, but we cannot confidently predict the outcome of current events, and our company is not immune to their ultimate effects. As we have for more than two centuries, we will continue to work through all of the complexities that confront us and continue to help our clients, including governments, always defending our values, even when challenged.

Remember the poem "If—" by Rudyard Kipling that begins "If you can keep your head when all about you are losing theirs"? We will stay true to this. We must deal with the world we have — and strive for the one we want.

Two things are absolutely foundational to our long-term success: The first is that we run a great company, and the second, which is maybe more important, is that the vitality of America domestically and the future of the free and democratic world are strong. In the first part of this letter, I talk about issues unique to JPMorganChase and how we are addressing them, including constantly surmounting complexity, bureaucracy and complacency. And in the last two sections, I focus on the perils before us, both nationally and internationally, that require urgent, effective solutions.

Throughout 2025, JPMorganChase demonstrated the power of its investment philosophy and guiding principles, as well as the value of being there for clients — as we always are — in both good times and bad times. The result was continued broad healthy growth across all our franchises, with the firm generating record revenue for the eighth consecutive year and setting numerous records in each of our lines of business. We earned revenue in 2025 of $185.6 billion[1] and net income of $57.0 billion, with return on tangible common equity (ROTCE) of 20%, reflecting a strong underlying performance across all of our businesses.

We also increased our quarterly common dividend from $1.25 per share to $1.40 per share in the first quarter of 2025 — and again to $1.50 per share in the third quarter of 2025 — while continuing to reinforce our fortress balance sheet. We grew market share in several of our businesses and continued to make

1 Represents managed revenue.

significant investments in products, people and technologies while exercising strict risk disciplines. We have achieved our decades-long consistency by adhering to our key principles and strategies (see the sidebar on our steadfast principles on page 5), which allow us to drive good organic growth and promote proper management of our capital (including dividends and stock buybacks).

The charts on pages 6–12 show our performance results and illustrate how we have grown our franchises, how we compare with our competitors and how we look at our fortress balance sheet. Please peruse them and the CEO and COO letters in this Annual Report, all of which provide specific details about our businesses and our plans for the future.

In 2025, we continued to play a forceful and essential role in advancing economic growth. In total, we extended credit and raised capital amounting to $3.3 trillion for our consumer and institutional clients around the world. On a daily basis, we move nearly $12 trillion in 120+ currencies and more than 160 countries, as well as safeguard over $41 trillion in assets. Bank deregulation will make it easier for financial institutions to support our growing economy, and, I believe, if properly done, it can actually make the banking system safer. More on this in Section I.

Amidst the extreme challenges of the last two decades, we have never stopped doing all the things we should be doing to serve our clients and our communities. As you know, we are champions of banking's essential role in a community — its potential for bringing people together, for enabling companies and individuals to attain their goals, and for being a source of strength in difficult times. We remain as committed as ever to reaching out to all communities in an effort to create a stronger, more inclusive economy.

We recently launched two ambitious initiatives, the Security and Resiliency Initiative (described in detail in Sections I and IV) and the American Dream Initiative (highlighted in Section I), both inspired by our resolve to offer our expertise to help address the needs of our country and what's best for all Americans. We hope these commitments also demonstrate how business and government leaders can work together to solve seemingly intractable problems. These efforts are also commercial in nature — and they are no different from what most businesses large and small are trying to do in towns across America.

I often remind our employees that the work we do matters and has impact. United by our principles and purpose, we help people and institutions finance and achieve their aspirations, lifting up individuals, homeowners, small businesses, larger corporations, schools, hospitals, cities and countries in all regions of the world. I remain proud of our company's resiliency and of what our hundreds of thousands of employees around the world have achieved, collectively and individually. We owe them a great debt of gratitude.

## Steadfast principles worth repeating

Looking back on the past two+ decades — starting from my time as Chairman and CEO of Bank One in 2000 — there is one common theme: our unwavering dedication to help clients, communities and countries throughout the world. Clearly our financial discipline, constant investment in innovation and ongoing development of our people have enabled us to achieve this consistency and commitment. In addition, across the firm, we uphold certain steadfast tenets that are worth repeating.

First, our work has very real human impact. While JPMorganChase stock is owned by large institutions, pension plans, mutual funds and directly by single investors, the ultimate beneficiaries, in almost all cases, are individuals in our communities. More than 100 million people in the United States own stocks; many, in one way or another, own JPMorganChase stock. Frequently, these shareholders are veterans, teachers, police officers, firefighters, healthcare workers, retirees, or those saving for a home, education or retirement. Often our employees also bank these shareholders, as well as their families and their companies. Our management team goes to work every day recognizing the enormous responsibility that we have to all of our shareholders.

Second, shareholder value can be built ***only*** if you maintain a healthy and vibrant company, which means doing a good job of taking care of your customers, employees and communities. Conversely, how can you have a healthy company if you neglect any of these stakeholders? As we have learned over the past few years, there are myriad ways an institution can demonstrate compassion for its employees and its communities while still strengthening shareholder value.

Third, while we don't run the company worrying about the stock price in the short run, in the ***long run*** we consider our stock price a measure of our progress over time. This progress is a function of continual investments in our people, systems and products, in good and bad times, to build our capabilities. These important investments also drive our company's future prospects and position it to grow and prosper for decades. Measured by stock performance, our progress is exceptional. For example, whether looking back 10 years or even further to 2004, when the JPMorganChase/Bank One merger took place, we have outperformed the Standard & Poor's 500 Index and the Standard & Poor's Financials Index.

Fourth, we are united behind basic principles and strategies (you can see the principles for How We Do Business on our website and our Purpose statement in my letter from 2022) that have helped build this company and made it thrive. These allow us to maintain a fortress balance sheet, constantly invest and nurture talent, fully satisfy regulators, continually improve risk, governance and controls, and serve customers and clients while lifting up communities worldwide. This philosophy is embedded in our company culture and influences nearly every role in the firm.

Fifth, we strive to build enduring businesses, which rely on and benefit from one another, but we are not a conglomerate. This structure helps generate our superior returns. Nonetheless, despite our best efforts, the walls that protect this company are not particularly high — and we face extraordinary competition. I have written about this reality extensively in the past and cover it again in this letter. We recognize our strengths and vulnerabilities, and we play our hand as best we can.

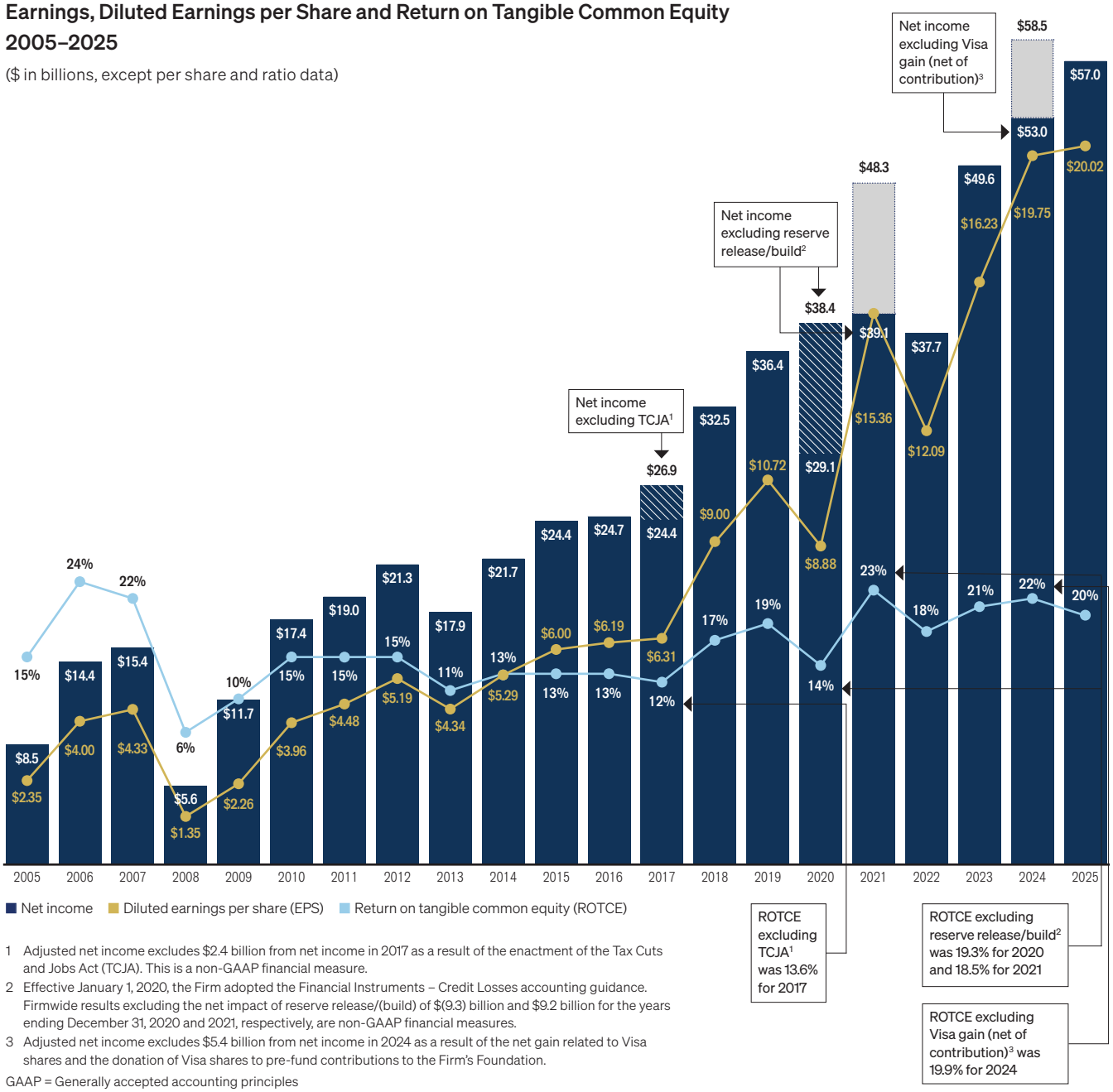
Sixth, we must be a source of strength, particularly in tough times, for our clients and the countries in which we operate. We must take seriously our role as one of the guardians of the world's financial systems.

Seventh, we operate with a very important silent partner — the U.S. government — noting, as my friend Warren Buffett points out, that his company's success is predicated upon the extraordinary conditions our country creates. He is right to have said to his shareholders that when they see the American flag, they all should say thank you. We should, too. JPMorganChase is a healthy and thriving company, and we always want to give back and pay our fair share. We do pay our fair share — and we want it to be spent well and have the greatest impact. To give you an idea of where our taxes and fees go: In the last 10 years, we paid more than $44 billion in federal, state and local taxes in the United States and over $30 billion in taxes outside of the United States. Additionally, we paid the Federal Deposit Insurance Corporation (FDIC) over $13 billion so that it has the resources to cover failures in the American banking sector. Our partner — the federal government — also imposes significant regulations upon us, and it is imperative that we meet all legal and regulatory requirements imposed on our company.

Eighth and finally, we know the foundation of our success rests with our people. They are the front line, both individually and as teams, serving our customers and communities, building the technology, making the strategic decisions, managing the risks, determining our investments and driving innovation. However you view the world — its complexity, risks and opportunities — a company's prosperity requires a great team of people with guts, brains, integrity, enormous capabilities and high standards of professional excellence to ensure its ongoing success.

## Earnings, Diluted Earnings per Share and Return on Tangible Common Equity 2005–2025

($ in billions, except per share and ratio data)



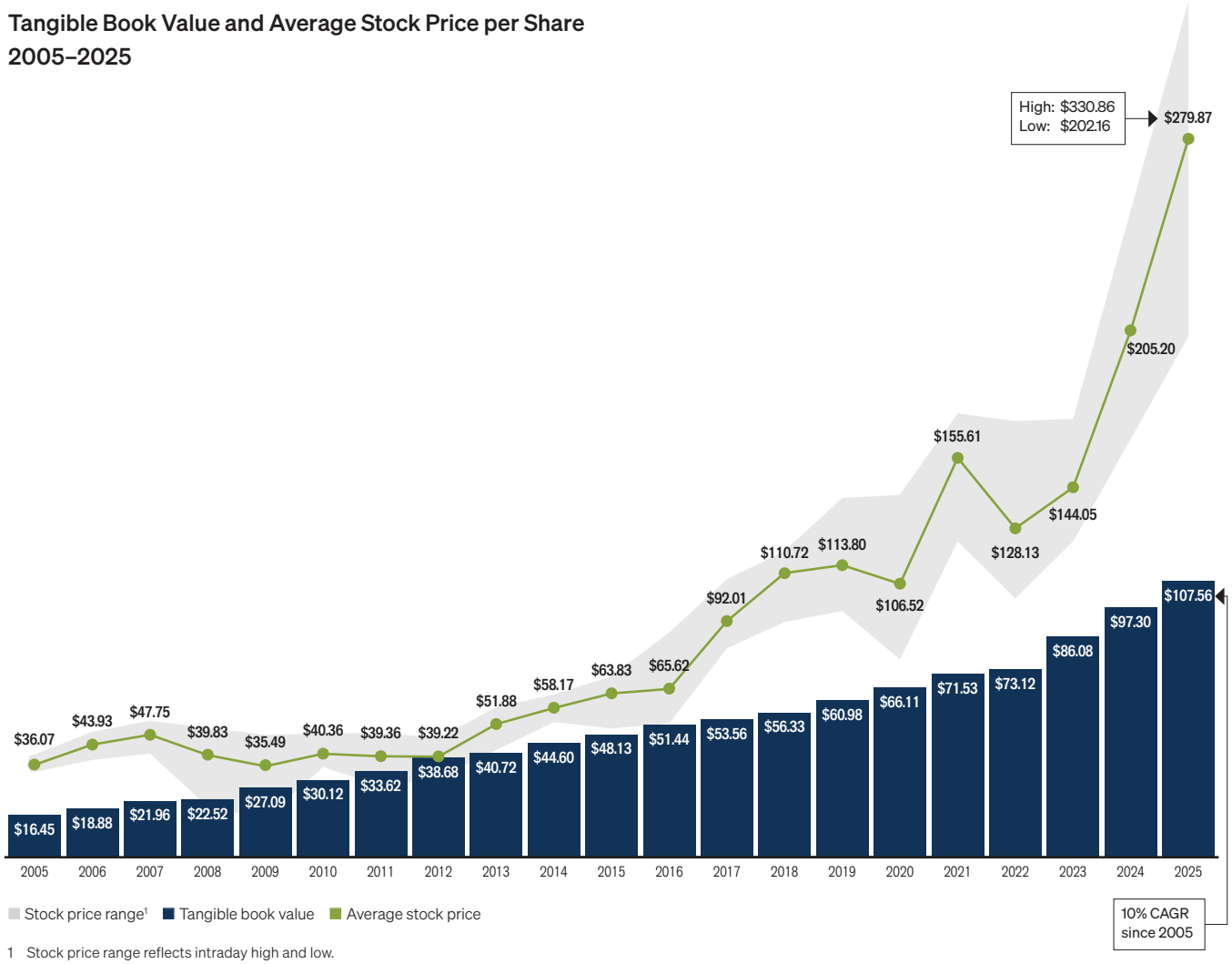

1 Adjusted net income excludes $2.4 billion from net income in 2017 as a result of the enactment of the Tax Cuts and Jobs Act (TCJA). This is a non-GAAP financial measure.

2 Effective January 1, 2020, the Firm adopted the Financial Instruments – Credit Losses accounting guidance. Firmwide results excluding the net impact of reserve release/(build) of $(9.3) billion and $9.2 billion for the years ending December 31, 2020 and 2021, respectively, are non-GAAP financial measures.

3 Adjusted net income excludes $5.4 billion from net income in 2024 as a result of the net gain related to Visa shares and the donation of Visa shares to pre-fund contributions to the Firm's Foundation.

GAAP = Generally accepted accounting principles

## Tangible Book Value and Average Stock Price per Share
## 2005–2025




1 Stock price range reflects intraday high and low.

CAGR = Compound annual growth rate

### Stock total return analysis

| | Bank One | S&P 500 Index | S&P Financials Index |
|---|---|---|---|
| **Performance since becoming CEO of Bank One (3/27/2000–12/31/2025)** | | | |
| Compounded annual gain | 14.1% | 8.0% | 6.1% |
| Overall gain | 2,873.1% | 621.6% | 365.0% |

| | JPMorganChase | S&P 500 Index | S&P Financials Index |
|---|---|---|---|
| **Performance since the JPMorganChase and Bank One merger (7/1/2004–12/31/2025)** | | | |
| Compounded annual gain | 13.4% | 10.8% | 6.3% |
| Overall gain | 1,380.5% | 805.9% | 270.5% |
| **Performance for the period ended December 31, 2025** | | | |
| Compounded annual gain | | | |
| One year | 37.3% | 17.9% | 15.0% |
| Five years | 23.7% | 14.4% | 15.2% |
| Ten years | 20.4% | 14.8% | 13.1% |

This chart shows actual returns of the stock, with dividends reinvested, for heritage shareholders of Bank One and JPMorganChase and Bank One vs. the Standard & Poor's 500 Index (S&P 500 Index) and the Standard & Poor's Financials Index (S&P Financials Index).

## Client Franchises Built Over the Long Term

### Consumer & Community Banking

| | 2005 | 2015 | 2024 | 2025 |
|---|---|---|---|---|
| Average deposits ($B)[1] | $187 | $531 | $1,064 | $1,057 |
| Deposits market share[2] | 4.5% | 8.1% | 11.3% | 11.1% |
| *# of top 125 markets where we are top 3* | *22* | *39* | *50* | *48* |
| Business Banking primary market share[3] | 4.0% | 7.9% | 9.7% | 9.5% |
| Client investment assets ($B)[1] | NA | $219 | $1,088 | $1,270 |
| Total payments volume ($T)[4] | NA | $1.9 | $6.4 | $7.0 |
| % of digital noncard payments[5] | ~20% | 52% | 81% | 82% |
| *Credit card sales ($B)* | *$225* | *$496* | *$1,259* | *$1,355* |
| *Debit card sales ($B)* | *NA* | *$258* | *$546* | *$586* |
| Debit and credit card sales volume ($B) | NA | $754 | $1,805 | $1,941 |
| Credit card sales market share[6] | 15% | 21% | 23% | 24% |
| Credit card loans ($B, EOP) | $142 | $131 | $233 | $248 |
| Credit card loans market share[7] | 19% | 16% | 17% | 18% |
| Cards in force (M)[8] | NA | NA | 111.7 | 116.5 |
| Active mobile customers (M) | NA | 22.8 | 57.8 | 61.7 |
| # of branches | 2,641 | 5,413 | 4,966 | 5,083 |
| # of advisors[1] | NM | 2,931 | 5,755 | 6,049 |

- Serve 86.6M U.S. consumers and 7.4M small businesses
- 75M active digital customers[9], including 62M active mobile customers[10]
- Primary bank relationships for ~81% of consumer checking accounts
- #1 retail deposit share
- #1 deposit market share position in 4 out of the 5 largest banking markets in the country (NY, LA, CHI and DAL) while maintaining branch presence in all 48 contiguous U.S. states
- #1 primary bank for U.S. small businesses
- #2 in J.D. Power 2025 U.S. Wealth Management Digital Experience Satisfaction Study among full-service investors[11]
- #1 U.S. credit card issuer based on sales[6]
- #2 owned mortgage servicers as of 4Q25[12]
- #4 in J.D. Power Mortgage Servicers Satisfaction Study[13]
- #3 bank auto lender for loan and lease financing[14]
- #2 in J.D. Power 2025 Digital Experience for Customer Satisfaction Study among Non-Captive Automotive Finance Lenders[15]

### Commercial & Investment Bank

| | 2006 | | | |
|---|---|---|---|---|
| Total Markets revenue[16] | #8 | #1 | #1 | #1 |
| Market share[16] | 6.3% | 9.3% | 11.4% | 11.8% |
| FICC[16] | #7 | #1 | #1 | #1 |
| Market share[16] | 7.0% | 9.8% | 11.0% | 11.1% |
| Equities[16] | #8 | #3 | #2 | Co-#1 |
| Market share[16] | 5.0% | 8.6% | 12.2% | 13.2% |
| Global investment banking fees[17] | #2 | #1 | #1 | #1 |
| Market share[17] | 8.7% | 7.9% | 9.1% | 8.4% |
| Assets under custody ($T) | $10.7 | $19.9 | $35.3 | $41.2 |
| Average client deposits ($B)[18] | $220.8 | $586.8 | $961.6 | $1,097.6 |
| Payments revenue ($B)[19] | $4.9 | $7.6 | $18.1 | $19.3 |
| Payments revenue rank (share)[20] | NA | NA | #1 (9.5)% | #1 (10.2)% |
| Firmwide average daily security purchases and sales ($T) | NA | NA | $3.4 | $4.3 |
| # of top 75 MSAs with dedicated teams[21] | 35 | 57 | 74 | 74 |
| Average Banking and Payments loans ($B)[22] | $117.0 | $227.6 | $348.8 | $350.0 |
| Multifamily lending[23] | #19 | #1 | #1 | #1 |
| # of Global Banking senior bankers[24] | NA | NA | 3,872 | 4,171 |
| # of CB senior bankers | NA | NA | 1,959 | 2,117 |
| # of GCB senior bankers | NA | NA | 670 | 703 |
| # of GIB senior bankers | NA | NA | 1,243 | 1,351 |

- >90% of Fortune 500 companies do business with us
- On-ground presence in 179 locations in the U.S. and 65 countries internationally, serving clients in 100+ markets
- In 2025, extended $10B to create and preserve over 60K affordable housing units
- #1 in global investment banking fees for the 17th consecutive year and ranked #1 across ECM, DCM, North America, EMEA and Latin America in 2025[17]
- Consistently ranked #1 in Markets revenue since 2011[16]
- J.P. Morgan Research ranked as the #1 Global Research Firm, #1 Global Equity Research Team and #1 Global Fixed Income Research Team[25]
- #1 in USD payments volume with 30.2% USD Swift market share[26]
- #2 in U.S. Merchant volume processing[27]
- #1 in U.S. eCommerce Merchant processing volume [28]
- #3 Custodian globally by revenue[29]
- Banking and Payments services to approximately 36K Commercial & Specialized Industries[30] clients and 23K real estate owners and investors[31]
- Approximately $2.7B revenue from Commercial & Specialized Industries[30] expansion and nearly 3,000 new relationships in Commercial & Specialized Industries[30]
- #1 Traditional Middle Market Bookrunner for full year 2025 with 20+ specialized industry coverage teams[32]

### Asset & Wealth Management

| | | | | |
|---|---|---|---|---|
| JPMAM LT funds AUM performed above peer median (10-year)[33] | NA | 84% | 85% | 83% |
| Client assets ($T)[34] | $1.1 | $2.3 | $5.9 | $7.1 |
| Traditional assets ($T)[34, 35] | $1.0 | $1.9 | $5.2 | $6.3 |
| Alternatives assets ($B)[34, 36] | $74 | $221 | $504 | $560 |
| Average deposits ($B)[34] | $42 | $145 | $235 | $245 |
| Average loans ($B)[34] | $27 | $107 | $228 | $247 |
| # of Global Private Bank client advisors[34] | 1,484 | 2,328 | 3,775 | 4,101 |

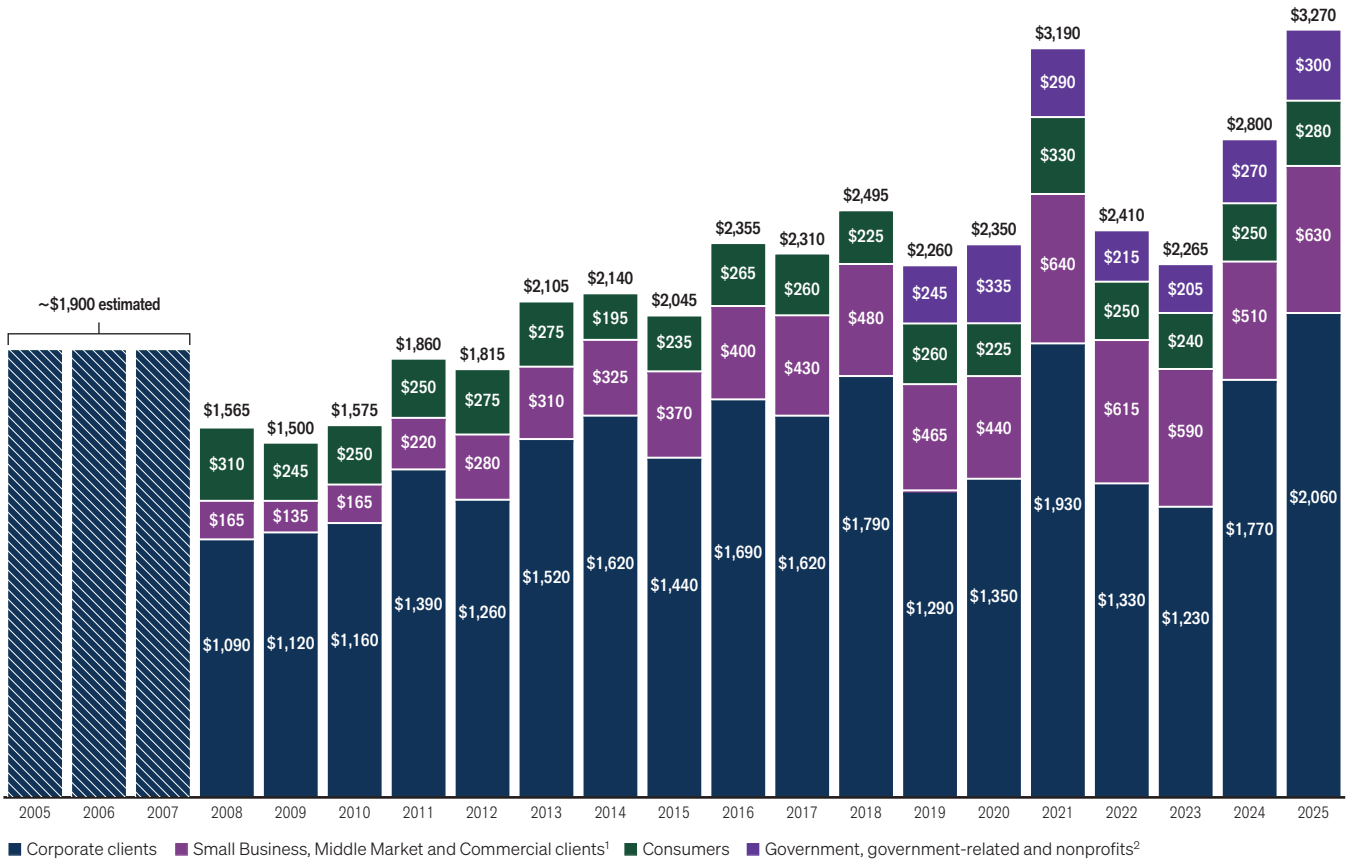
- 170 funds with a 4/5 star rating[37]
- Business with 55% of the world's largest pension funds and sovereign wealth funds
- #2 in 5-year cumulative net client asset flows[38]
- #1 in active flows[39]
- Record client asset flows in 2025 of $553B, positive across all regions and channels
- #1 in active ETF flows and #1 in active ETF AUM[40]
- #1 in Institutional Money Market Funds AUM[41]
- #1 Private Bank in the World[42]

AUM = Assets under management
CB = Commercial Banking
DCM = Debt capital markets
ECM = Equity capital markets
EMEA = Europe, Middle East and Africa
EOP = End of period
ETF = Exchange-traded funds
FICC = Fixed income, currencies and commodities
GCB = Global Corporate Banking
GIB = Global Investment Banking
JPMAM = J.P. Morgan Asset Management
LT = Long-Term
MSA = Metropolitan statistical area
NA = Not available
NM = Not meaningful
Swift = Society for Worldwide Interbank Financial Telecommunications
USD = U.S. dollar
K = Thousands
M = Millions
B = Billions
T = Trillions

For footnoted information, refer to pages 48–49 in this Annual Report.

## New and Renewed Credit and Capital for Our Clients
## 2005–2025

($ in billions)



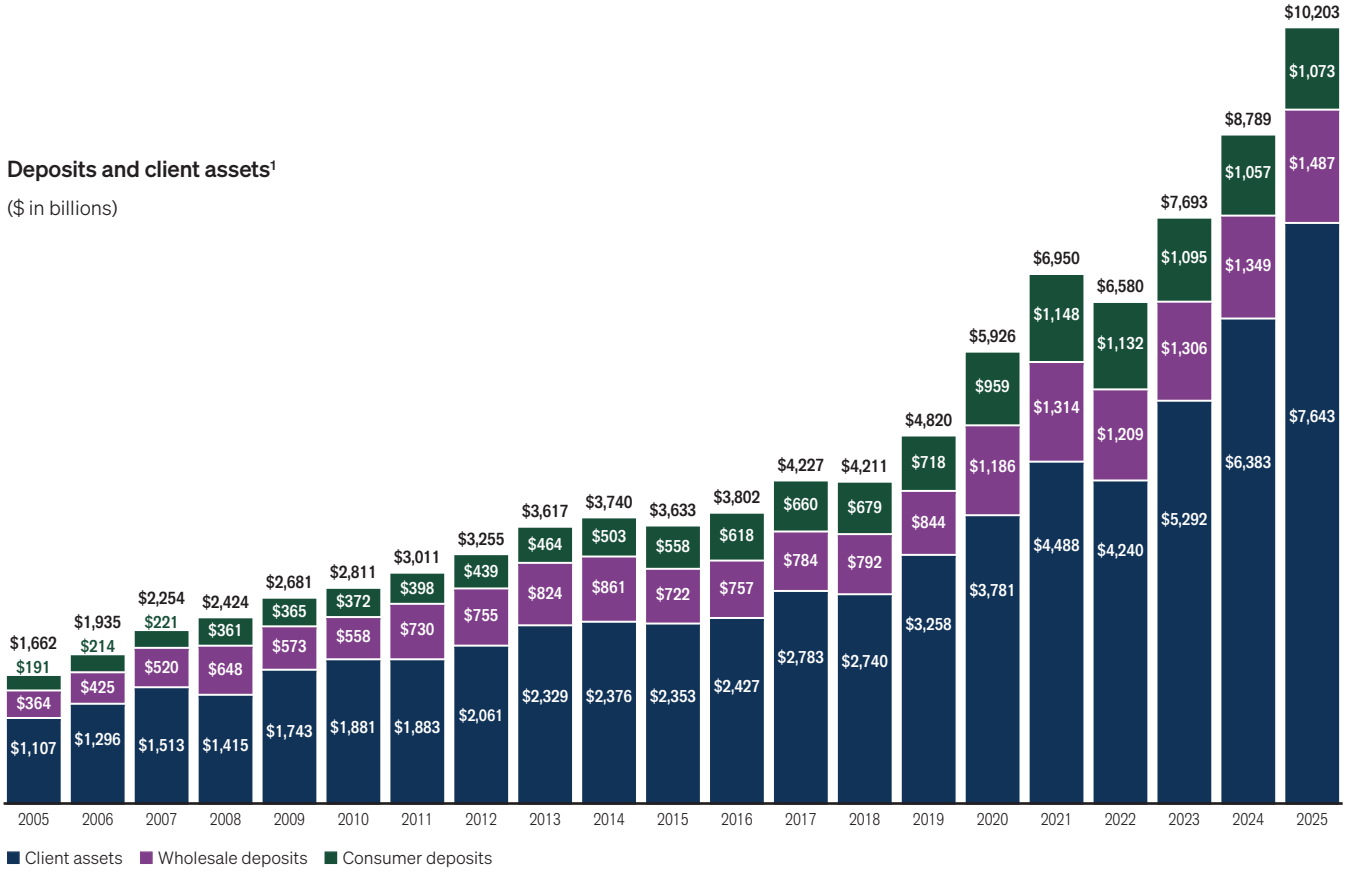

1 In alignment with the business segment reorganization effective in the second quarter of 2024, Corporate Client Banking activity was moved from Small Business, Middle Market and Commercial clients to Corporate clients starting in 2024.

2 Government, government-related and nonprofits available starting in 2019; included in Corporate clients and Small Business, Middle Market and Commercial clients for prior years.

## Assets Entrusted to Us by Our Clients
## 2005–2025

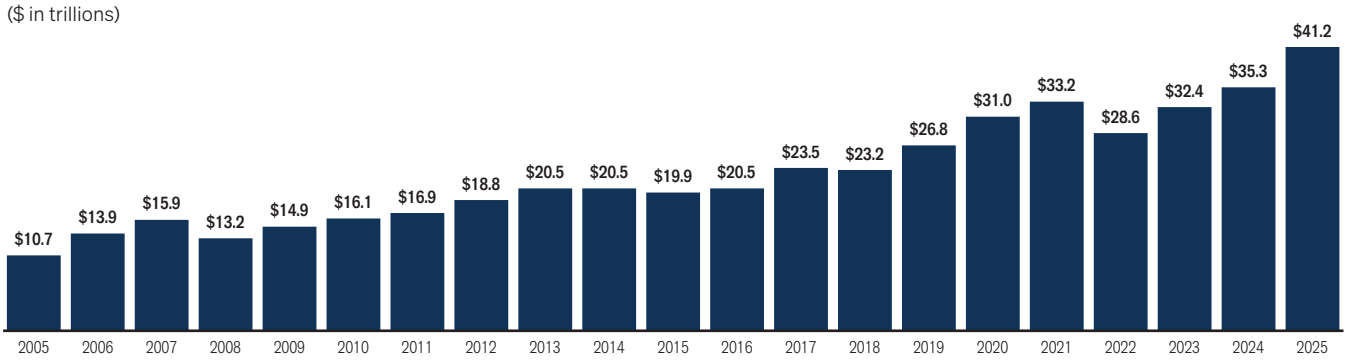
### Deposits and client assets[1]

($ in billions)




### Assets under custody[2]

($ in trillions)

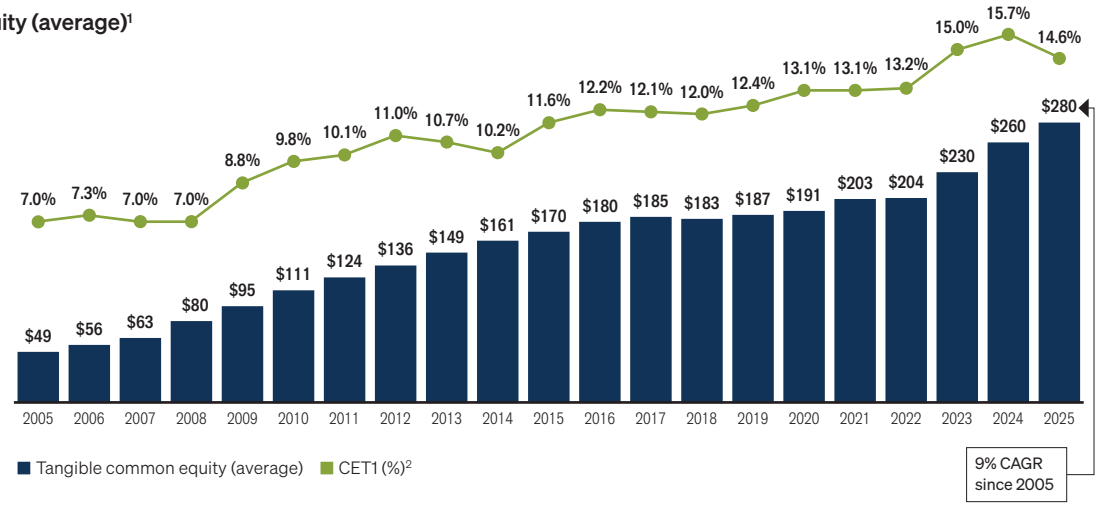



1 Represents assets under management, as well as custody, brokerage, administration and deposit accounts.
2 Represents activities associated with the safekeeping and servicing of assets.

## Our Fortress Balance Sheet
## 2005–2025

### Tangible common equity (average)[1]

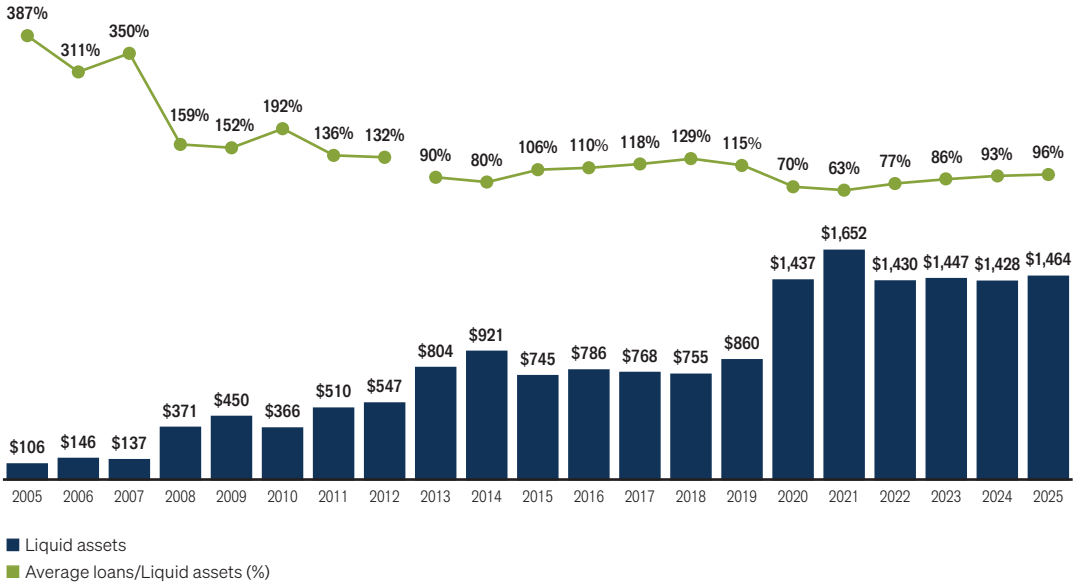
($ in billions)




| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Net income applicable to common stockholders ($B) | $8 | $14 | $15 | $5 | $9 | $16 | $18 | $20 | $17 | $20 | $22 | $23 | $23 | $31 | $35 | $27 | $47 | $36 | $48 | $57 | $56 |
| Capital returned to common stockholders ($B)[3] | $6 | $5 | $9 | $(12) | $(6) | $1 | $11 | $4 | $9 | $10 | $11 | $14 | $22 | $28 | $34 | $16 | $29 | $13 | $20 | $31 | $46 |
| ROTCE (%) | 15% | 24% | 22% | 6% | 10% | 15% | 15% | 15% | 11% | 13% | 13% | 13% | 12% | 17% | 19% | 14% | 23% | 18% | 21% | 22% | 20% |

### Liquid assets[4]

($ in billions)

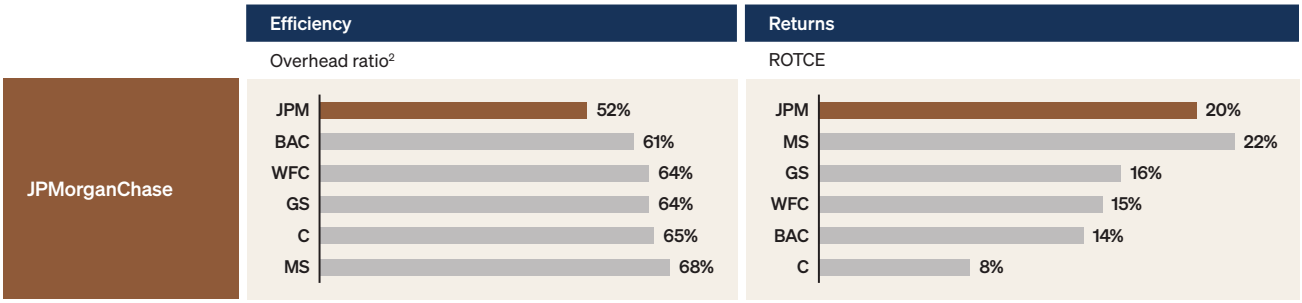



Liquid assets from 2005-2012 defined as cash and due from banks, deposits with banks and investment securities.
CAGR = Compound annual growth rate
CET1 = Common equity Tier 1
ROTCE = Return on tangible common equity

For footnoted information, refer to page 49 in this Annual Report.

## JPMorganChase Exhibits Strength in Both Efficiency and Returns When Compared with Large Peers[1] and Best-in-Class Peers[1]

Year ended December 31, 2025




| | Efficiency | | Returns | | |
|---|---|---|---|---|---|
| | JPM overhead ratio | Best-in-class peer overhead ratio[3] | JPM ROTCE | Best-in-class peer ROTCE[4,6] | Best-in-class GSIB peer ROTCE[5,6] |
| **Consumer & Community Banking** | **53%** | **52%** BAC-CB | **32%** | **28%** BAC-CB | **28%** BAC-CB |
| **Commercial & Investment Bank** | **49%** | **57%** GS-GBM | **18%** | **17%** GS-GBM & MS-IS | **17%** GS-GBM & MS-IS |
| **Asset & Wealth Management** | **64%** | **60%** NTRS-WM & DWS | **40%** | **48%** MS-WM & IM | **48%** MS-WM & IM |

GSIB = Global systemically important bank
ROTCE = Return on tangible common equity

For footnoted information, refer to page 49 in this Annual Report.

Within this letter, I discuss the following:


**Introduction** ..... Page 2

— Steadfast principles worth repeating ..... Page 5

**I. Specific Issues Facing Our Company** ..... Page 14

- We are confronted with extraordinary global competition from both traditional and new challengers. Page 14
- We're addressing those challengers as part of our expansion plans. ..... Page 14
- We continue to roll out exciting new initiatives. ..... Page 15

— Investing in Alabama ..... Page 17

- We believe we can deploy our excess capital over time at good returns. ..... Page 19
- Well-designed bank regulations can make the system safer, simpler and more customer-friendly as they help free up capital and liquidity for productive use. ..... Page 20
- AI, data and technology are key to the future, as is solving for how to implement AI properly and fast. Page 23
- Cities — like individuals, companies and countries — need to compete. ..... Page 24

**II. Management Learnings** ..... Page 25

- It's essential to organize in small teams for super speed. ..... Page 25
- Teams require great platforms across the company. Page 25
- Building a lasting, deeply rooted and common culture is critical — and it takes an extraordinary amount of effort. ..... Page 25
- JPMorganChase is a powerful neural network. ..... Page 27

**III. Managing in a Time of Increasing and Complex Risks** ..... Page 28

- We manage "through the cycle." ..... Page 28
- Many factors are dramatically different in the global economic and financial system than in 2010 — many better but some possibly worse. ..... Page 28
- There are lots of tailwinds helping us in 2026. ..... Page 31
- There are large risks still in front of us that are multi-year and unresolved. ..... Page 31

**IV. Critical Issues Facing America and the World** ..... Page 34

- JPMorganChase and companies across the public and private sectors have an important and unique role in addressing global challenges. ..... Page 34
- We need the world's strongest military — what we can do to help: our new Security and Resiliency Initiative. ..... Page 34
- The foundation of America's strength is predicated on remaining the preeminent economy in the world — what we can do to help: promote growth policies. ..... Page 36
- Reigniting the American Dream is essential to strengthening our country: taking three specific steps can help. ..... Page 39
- Good U.S. foreign economic policy ensures that America is first (though not alone) — it strengthens the U.S. economy and that of our critical allies. ..... Page 41
- We need to strengthen our commitment to the values and virtues that created America and to the Constitution, which embeds these values in law. ..... Page 45

**In Closing** ..... Page 47

# I. Specific Issues Facing Our Company

The last five years have been a period of significant growth for us — as evidence, we added more than 60,000 people to our workforce, we opened over 900 branches across the United States, and we launched multiple new products and services. In the following section and in the letter by our Chief Operating Officer, we share various ways we seek to keep our company healthy, including specific efforts designed to maintain our grit, our leading position and our efficiency. We are keenly aware that our competition around the world is always gaining.

## We are confronted with extraordinary global competition from both traditional and new challengers.

Our shareholders should recognize, as we do, that our company faces strengthened traditional competitors, including large banks in the United States, regional banks, strong international banks, large and successful money managers, and strong investment banks.

As I've detailed in previous letters, our rivals increasingly include a large and growing set of nontraditional and fintech competitors globally in areas such as payments, digital banking and investing, and global market making. I'm not going to mention all their names, but you can imagine that we study and track over a hundred of them.

While we have been able to grow, many but not all of the new players have been quite successful and continue to raise both money and their ambitions. In addition, a whole new set of competitors is emerging based on blockchain, which includes stablecoins, smart contracts and other forms of tokenization.

Our ongoing success will be based on our ability to wisely invest and move very quickly and nimbly, especially around product design and rollout, including incorporating artificial intelligence (AI) in everything we do. While much of what we do will remain the same — serving people and businesses needing to hold money, move money, invest money, raise money and manage their investments — new competitors and new technologies may change the fundamental nature of ***how*** all this is done.

## We're addressing those challengers as part of our expansion plans.

While the competition is fierce, we do believe in most cases we will be able to sustain our top-ranking performance. In the section on management learnings, I discuss what we need to do as a management team to ensure our ongoing success.

### We continue to see growth opportunities in almost all our businesses.

Some of our growth opportunities are basic and exist in every detailed segment level. In Consumer & Community Banking (CCB), we continue to add, train and enable bankers and advisors to serve more clients. We're expanding our branch network to capture share in underpenetrated markets, including more **rural markets** across the country. And we're investing in marketing and product refreshes to drive card account growth, as well as scaling natural adjacencies in wealth management and commerce to address more of our customers' needs. In the Commercial & Investment Bank (CIB), we're expanding to more countries and regions, securing growth in private markets and building upon our capabilities in global payments and digital assets. And in Asset & Wealth Management (AWM), we are continuing to invest in our active management capabilities, enhancing our alternatives and exchange-traded fund platforms, expanding our international footprint and adding Global Private Bank advisors.

You can read about these plans more specifically in the CEO letters.

**Our ongoing success will require us to up our game — and in multiple ways.**

We need to do a better job of utilizing our data to help the customer. We must develop products quicker and always look at the adjacencies that can make a customer's life easier. We need to roll out our own blockchain technology and continually focus on what our customers want in a very detailed way.

**We need to maximize the benefits of our scale and scope, which are necessary to our largest institutional and government clients, while minimizing their considerable negatives.**

Size can often be a tremendous business disadvantage because it frequently comes with the baggage of complexity, bureaucracy and complacency. It can slow down decision making, generate arrogance and cloud the essential focus on seeing the world through the customer's eyes. Being a company of sizable magnitude makes it easier to ignore new competitors since they often start small in one product but move rapidly to expand. The most successful examples of these are Block, Citadel Securities, Revolut and Stripe.

However, scale, capital and capabilities are going to matter **more** with the enormous investments that need to be made in global infrastructure — technology, new supply chains, AI and enhancements that meet government needs. In some of these cases, our size, capital and capabilities can be a relatively good competitive advantage.

## We continue to roll out exciting new initiatives.

They are outlined as follows:

**Our Security and Resiliency Initiative is critical to national and global security.**

Our Security and Resiliency Initiative (SRI) is already well underway and, in fact, will help us grow. It is explained in greater detail in the last section of this letter but, broadly speaking, describes our deployment of capital and expertise to support industries critical to the military and economic security of the United States and its partners. We have a lot to catch up on and **not much time**.

**Reigniting the American Dream is also essential — and it drives growth as well.**

I continue to believe the American Dream is alive, but it's slipping out of reach for too many people — and it's now affecting generations of families. This slows economic growth, hurts communities and prevents many people from getting ahead. Further, it deeply damages Americans' faith and confidence in their country.

That is why JPMorganChase recently announced the American Dream Initiative (ADI) — a firmwide multi-year effort to expand opportunity to millions of Americans through targeted investments in local communities across the United States. It builds on our firm's years of experience of investing in local solutions that work.

We will focus on six areas where we have deep expertise that helps drive meaningful impact:

- **Business growth and entrepreneurship:** Increase access to capital, advice, training or tools for 10 million small businesses.
- **Housing access and affordability:** Improve affordability for hundreds of thousands of renters and buyers through increased housing supply and homeownership opportunities.

- **Financial health and wealth creation:** Expand access to financial education, banking products, services and digital financial health tools — scaling financial education efforts to reach approximately 5 million cumulative customers, students and small businesses, up from 1 million served over the past five years.
- **Careers and skills:** Broaden access to skills-based training through policy and hiring opportunities, including for JPMorganChase employees.
- **Healthcare:** Support efforts that offer better access to healthcare, as well as promote better health outcomes, affordability and transparency for all Americans.
- **Local institutions:** Provide more financing and support for thousands of schools, hospitals, nonprofits and local governments critical to community success across the United States.

We are starting by supporting 10 million small businesses — up from 7 million served today — over the next several years. As the nation's leading small business bank, we intend to scale support for small businesses by deploying increased capital and providing more financial coaching, advice, training and tools.

We're also taking the American Dream to the local level — and our presence in Detroit proves that point. When we went there in 2014, we looked at what the city needed and how investments from our firm could make a meaningful difference, targeting areas where we could make the greatest impact. We must continue these efforts, learning from successes like Detroit. That city spawned many initiatives at our company (think our Service Corps and *Advancing*Cities), but most important, it showed how proper **collaboration** between business and government can help to tackle some of our biggest problems.

Now we want to replicate and scale what works. ADI will be nationwide with a particular focus on amplifying impactful work already happening in certain markets, such as Alabama, Atlanta, Los Angeles, Philadelphia and San Francisco. Please read the sidebar, which shows how we're going deep and local in Alabama.

We need to support policies that create jobs, foster upward mobility and ensure everyone has a fair shot. This could go a long way to solving affordability challenges, too. Jobs create dignity and self-worth — and attaining that first rung almost always leads to the second, which, in turn, fosters many positive social outcomes.

The dream of enjoying freedom, taking care of your family, experiencing good health and making the most of opportunity is not just an American aspiration, it's a global one.

# Investing in Alabama

For over 50 years, JPMorganChase has helped drive economic and job growth, support businesses of all sizes and put the American Dream within reach for more Alabamians. It's clear that Alabama's future is bright, and we are excited for what's next.

We've been working hand in hand with local governments, businesses and community partners to understand how we can best use JPMorganChase's full range of resources to complement their efforts. I was honored to meet with many of these leaders during our bus tour through Alabama last summer. The state's expansive economic growth has opened up immense opportunity for the residents and businesses of Alabama.

We proudly serve more than 590,000 Consumer Banking customers, helping them buy homes and save for the future. We bank over 29,000 small businesses statewide, as well as key institutions like Auburn University, the University of Alabama, Children's Hospital of Alabama and Infirmary Health System, among others. We also finance critical infrastructure, including a recent $730 million Alabama Highway Authority bond for the West Alabama Corridor project.

This year we are deepening our efforts in Alabama as part of our recently announced American Dream Initiative. This includes new programs and ideas that you'll hear more about in the coming weeks and months, such as:

- Strengthening small businesses by expanding access to capital and providing expert advice, helping them compete for supply chain contracts and other opportunities.
- Equipping individuals to secure in-demand jobs in Alabama's growing sectors, working with employers, colleges and other local partners to accomplish this.
- Helping families achieve their financial goals with new digital tools and education programs.

Many of these efforts align with our Security and Resiliency Initiative, a $1.5 trillion, 10-year plan to facilitate, finance and invest in industries critical to national economic security and resiliency. We expect this to benefit companies, workers and communities in Alabama, a leader in advanced manufacturing, aerospace and defense.

### Supporting local businesses

Small and midsized businesses are the backbone of the state's economy — the former alone employ nearly half of Alabama's private sector workers. JPMorganChase will continue to help local entrepreneurs and businesses, like Astrion, headquartered in Huntsville, at every stage of their growth secure access to capital, supply chain opportunities and other essential resources to thrive.

This includes a recent $2 million philanthropic investment to launch the Alabama Capital Access Collaborative aimed to help small businesses gain improved access to capital and achieve greater efficiencies, as well as assist local community development finance institutions and other community lenders in improving their lending, investing and operational capacity.

Moving forward, we're helping local small businesses overcome barriers to serving as suppliers in Alabama's growing aerospace, defense and government industries by providing mentorship, capital and upskilling to compete for supply chain contracts. It can be costly and difficult for smaller companies to meet the requirements, including cyber readiness.

Additionally, we're expanding our team of senior business consultants in branches across Alabama and providing more coaching and expert guidance on business planning, financial management and marketing.

### Connecting Alabama workers to high-growth industries

A prosperous job market is the foundation of a strong economy — and in Alabama, demand is high for skilled workers, especially those who can perform technical work in the industries that are vital for America's security and local economic growth.

With our support, the nonprofit Alabama Possible is working with community colleges to expand eight career advancement programs for adult learners in aviation, steel and aerospace. They're also partnering with Alabama Power to support two accelerated training programs for HVAC technicians and utility line workers.

As we do more in Alabama, we intend to partner with additional community colleges and universities, business leaders, and groups that serve communities large and small to better connect local workers and employers. This includes expanding access to skills and job opportunities for veterans and strengthening apprenticeship pathways.

### Expanding access to banking services

We're working to help more Alabamians save money, build credit and achieve their financial dreams.

We are opening new branches in Decatur, Foley and Trussville this year as part of our plan to triple the number of Chase branches to 35 by 2030. We will also open our first Community Center in the state, which is designed with extra space for community events, financial health workshops, skills training and small business pop-ups. This effort will create more than 170 new jobs and help over 50% of the state's citizens reside within an accessible drive of a Chase branch.

Through Chase Money Skills, Chase Secure Banking℠ and Chase First Banking℠, we're also helping people access digital financial tools and affordable banking products. Through our Birmingham-based Community Manager, we're offering additional financial education and expanding our partnerships with community organizations and colleges. These collective efforts help with ways to boost credit scores and put residents on a pathway to homeownership.

By doing more in Alabama, we're not just investing in the state's economic future — we're helping to secure America's long-term economic resilience and security, with Alabama's people and industries leading the way.

### Serving Alabama since 1973

Our footprint includes:

*Serving our clients and customers*

- ~280 medium and large clients
- $15+ billion in credit and capital provided to medium and large clients since 2021
- 590,000+ customers supported with mortgages, auto loans, and savings, checking and credit card accounts
- 29,000+ small business customers
- 14 branches across the state, growing to 35 by 2030

*Serving local institutions*

- 17 government, higher education, healthcare and nonprofit clients throughout the state
- $5.1 billion in credit and capital provided to government, higher education, healthcare and nonprofit clients throughout the state since 2021
- 30+ regional, midsized and community banks provided services, helping them serve local communities
- $155 million in credit and capital extended to financial institutions, such as local and regional banks, since 2021
- $55+ million in financing for affordable housing construction and preservation in Alabama since 2020
- $730 million Alabama Highway Authority bond to advance the West Alabama Corridor project, widening the highway to four lanes and creating better access to services like healthcare, education and jobs

*Serving the local economy and communities*

- 150 company employees throughout the state, providing full-time employees with a minimum annual pay of $41,600 (plus an average annual benefits package worth over $21,000), compared with the statewide per capita income of nearly $36,100
- $9.5+ million contributed to the Alabama economy through goods and services purchased by the firm in 2025
- $6.5 million in philanthropic support provided since 2019

**We will be building new products to make us an even greater trusted partner.**

We are an extremely trusted partner in a world of growing distrust, particularly in the spheres of social media, commerce and use of data and where these intersect. There are a lot of risks associated with the misuse of customer data and commerce, which is likely to get far worse with AI and agentic commerce. We think there are large opportunities for us to act on behalf of our customers and in the way they want — as a truly trusted partner. We are continually improving our already strong capabilities to combat scams and fraud. We expect to roll out some products over the next two years that will build on what we already offer, particularly around control of personal data, safe commerce and customer-friendly algorithms. We also believe that some of our identity and fraud prevention capabilities can be extended to more third parties.

**We continue to bring all our clients, regardless of size, best-in-class money management tools.**

We have continued to grow our Wealth Management business through our branch bank model, J.P. Morgan advisors and Self-Directed Investing. In total, client investment assets in this area rose 17% in 2025 to $1.3 trillion. In 2026, we intend to make it much easier for clients to **automatically** move money from their regular checking account to higher-yielding brokerage products and vice versa so they can maximize yield while managing day-to-day cash flow. It won't require multiple steps to trade, clear and transfer cash between accounts — our Smart Cash capability will do it for them. Eventually, AI will allow clients to predict cash flow needs and anticipate upcoming bills, doing their budgeting for them.

In 2026, we have also rolled out what we believe is **best-in-class retail trade execution** — basically giving consumers access to the same execution capability that the largest, most sophisticated investors in the world enjoy, which saves them money. We believe this is better than the execution provided when a broker is paid for order flow.

**We now offer Special Advisory Services to our key clients.**

With clients facing unprecedented change, uncertainty and opportunity, we recognize that the traditional role of a banker is changing. In navigating complex challenges, clients are often seeking guidance far beyond typical financial advice. We're commonly asked, "How does JPMorganChase approach this? How are you preparing for that? How do you protect the firm? How do you ensure operational resiliency?"

Special Advisory Services allows us to formally connect clients with our in-house experts leading critical areas such as AI, cybersecurity, digital assets, geopolitics, government affairs, real estate, risk strategy, supply chain and talent management. This means our clients can draw on the same expertise and insights that guide our own firm through today's most complex challenges.

Whether a client is preparing for a major IPO, planning a transformational deal or looking to grow their business with us as their primary bank, our commitment is to be there every step of the way. Sharing insights and best practices with them across so many aspects of their company can help them run a better business. It's also one more way we can demonstrate our dedication to the client, understanding their challenges and strengthening our value as their partner for years to come.

We used to offer these services on an ad hoc basis, often by request. Now we intend to extend these extraordinary services further to companies that have a long-term relationship with us; i.e., we are one of their lead banks and have trusted relationships with their C-suite and board members.

## We believe we can deploy our excess capital over time at good returns.

Our excess capital, making many assumptions around regulatory reform, is approximately $40 billion. This $40 billion is effectively earning a 4% after-tax return. We now believe that over time we can deploy it at excellent returns. We will do this with our normal careful building of important customer relationships, which also means that it may take several years or so to deploy this capital.

In the meantime, we continue to pay healthy and increasing dividends. And we also continue to buy back enough stock so as not to increase total excess capital, though we have a number of options on how to deploy our capital and are clear-eyed that many asset prices, including bank stocks, are fully valued. We always prefer to deploy capital, if possible, and when we do that through share repurchases, we want it at prices that enhance the value for our ongoing shareholders.

Some of our excess capital is effectively deployed when we build new branches or hire new bankers, even though it is treated as an expense. We believe that the initiatives listed above and outlined in the CEO letters are effective uses of our deployable capital.

## Well-designed bank regulations can make the system safer, simpler and more customer-friendly as they help free up capital and liquidity for productive use.

A properly regulated banking system helps reduce risk to the financial system, protect customers, and maximize productive use of capital and lending. The Dodd-Frank Wall Street Reform and Consumer Protection Act and some of the rules that followed that legislation accomplished some good things. At the same time, they also created a fragmented, slow-moving system with expensive, overlapping and excessive rules and regulations — some of which made the financial system weaker and reduced productive lending. Those regulations also created many rules and requirements that had nothing to do with safety and soundness, and in fact often took the regulators' eyes off the real risk. The real risks almost always end up being credit, liquidity, interest rate or operational risk.

Many of the financial rules that were put in place did not originate from a clear idea about what they should be or what they should accomplish, which led to unintended consequences. Additionally, rules were often inconsistent from regulating body to regulating body — and many regulators were independently involved in so many regulations that they lacked an ability to make rapid or coordinated changes as needed. Of course, this was also very difficult for them.

I am going to talk further about some of the negative consequences of bad bank regulations, but I also hope to provide some real solutions.

One other flaw of the banking regulations is that they were legislated in a way that made them open to completely different interpretations depending on your political point of view. As agency leadership changes, this has the effect of creating ping-pong regulations. It would be very helpful if legislators wrote more clearly crafted regulations across the board that minimized the risk of dramatically different political interpretations.

**Here are some of the negative consequences partially due to poor bank regulations.**

- Because capital requirements on banks are much higher than the market gives to private entities, insurance companies or even foreign banks, huge arbitrage is created. This is often a sign of potential risk.
- Regulators wrongly incorporated an accounting concept called "held to maturity" (HTM) into the capital rules, thereby giving Treasury and mortgage securities better capital treatment because the holder has promised not to sell them. This had many negative consequences — it allowed banks to not recognize mark-to-market losses on those securities in their regulatory capital, and in some cases, it falsely increased returns on those securities (because the amount of regulatory capital needed to be held against them was significantly smaller). This inadvertently encouraged banks to take on more interest rate risk, which was the ultimate trigger for the failure of Silicon Valley Bank (SVB) and First Republic Bank (FRB).
- The Fed's Comprehensive Capital Analysis and Review (CCAR) stress test, as currently constructed, produces results that are far worse, in our strongly held opinion, than what our actual results would be under those severely adverse conditions. The process is flawed, including reliance on inaccurate models and assumptions and the fact that it tests only one type of crisis, so other scenarios are overlooked (e.g., rapid rises in interest rates, as in the case of SVB and FRB). Testing

should use accurate numbers and assumptions — then the results are what they are — rather than being driven by predetermined "what-ifs." More transparency and sound methodology would lead to continuous improvement, not gaming the system. Essentially, we do not use CCAR to manage risk — we look at far more scenarios and need to be prepared for all of them. We also look at these risks every week, not just once a year.

- The calculation for a global systemically important bank (GSIB) remains one of the most convoluted and distorted calculations I have ever seen (it was a typical over-architected academic modeling exercise that has very little to do with real risk) — and it should be gotten rid of and replaced with something reasonable. I understand the concept that the failure of a large bank would be more damaging in general than the failure of a smaller bank. This is the same concept as loss given default, however the probability of default may be considerably less. At the very least, the methodology should be simplified and made to focus on risk more than it does today.
- Operational risk capital calculations are also intensely inaccurate and should *actually measure* risk in a way that helps banks manage operational risk. The framework does not offer credit for anything that was done to dramatically reduce such risk. And it does not measure factors that cause *actual* operational risk, such as excessive margining, low-quality collateral, actual operational failures, lower-quality lending and others. In an ironic twist, most of the operational risk capital borne by banks is related to litigation plus fines and fees charged by regulators, which were excessive and punitive (and impossible to dispute).
- The Federal Reserve never fully disclosed what they believed the changes in capital rules and liquidity requirements would do to bank lending and market liquidity. Nor has the Fed ever accurately provided an analysis of the effects that result from the interconnectivity between liquidity requirements and quantitative easing (QE).
- Liquidity requirement regulations permanently locked up (in a very rigid way) an extraordinary amount of liquidity in the banking system, which could have gone to more productive use. JPMorganChase alone will have over $1 trillion in usable liquidity but will be unable to deploy it because of the inflexibility of the calculations. More to come on this point.
- All these financial rules dramatically reduced lending by banks and contributed to lending's shift into the nonbank sector, which is often more expensive and less reliable.
- The FDIC process was badly handled. Its mismanagement of SVB, Signature Bank and FRB probably cost the FDIC many billions more than it should have. And since the FDIC is effectively a mutual insurance company, these losses are always charged back to the banks — **the taxpayer has never paid**.

Not all bank regulations are all good or all bad — we should just try to get it right. I have a few suggestions.

**Here are some examples of smart, rigorous regulations and new ideas that could make the system safer and better.**

One of the huge risks for a bank has always been a "run on the bank," which occurs when people think that their uninsured deposits are at risk. The FDIC only covers insured deposits, and the run risk is driven by uninsured deposits, particularly nonoperating uninsured deposits. In recent bank failures, regulators have had to invoke the systemic risk exception (SRE) to protect uninsured deposits at the point of failure. That is a problem — no one should want this as an emergency mechanism. It creates moral hazard, and the process to invoke the SRE is chaotic and involves multiple agencies, including approval by the Treasury Secretary in consultation with the President. Bank runs can happen quickly, and relying on that type of action to avoid contagion is simply not a good idea. Here are some ideas that I believe would not only significantly reduce the chances that the SRE would need to be invoked but would also make the system safer and avoid moral hazard.

- I would limit the amount of HTM securities in a way that links to the total long-term debt that the bank must have available to absorb losses upon its failure. And while this is a judgment call, banks need to realize that when available-for-sale and HTM security losses start to exceed 50% of tangible equity, investors will get worried.
- Through some simple tests, I would limit the extent of interest rate exposure that banks can take.
- Capital has not been an issue for banks. However, I would establish clear capital thresholds. If banks go below a certain amount, they cannot raise their dividend or buy back stock. At a level below that, they would have to cut their dividend. And at a level below that, they would be forced to raise capital. This would impose real discipline. Although current Fed rules already achieve some of that, I think the rules could be tougher, clearer and simpler.
- The liquidity component of loans and securities should be equal to what the Fed discount window would lend against those securities. We should eliminate duplicative or unnecessary liquidity buffers. These actions would create an enormous amount of lendable liquidity and also allow banks to use their capital far more flexibly in a crisis. They would also reduce the need for the Fed to step in every time there is a kerfuffle in the market. Credit for the Fed discount window alone would increase JPMorganChase's lendable liquidity by almost $500 billion.
- Prior to failure — between the Fed window and the rather quick sale or financing of securities or other assets — banks should be in a position where they have enough liquidity to pay off more than 50% of uninsured, nonoperating deposits. Regulators floated a similar idea in 2024, and I agree with them. This plan, plus the fact that equity and long-term debt will absorb losses before uninsured deposits are at risk, would give customers far greater peace of mind.
- We should also consider simply setting, upfront, a statutory cap on the percentage loss on uninsured deposits in the event of failure — say, at 5%. This would reduce moral hazard and create an additional buffer for the FDIC to achieve a smooth resolution without using the SRE. With this plan, a small portion of the uninsured deposits would be immediately available to cover losses and communicated to depositors in "peacetime" while the bulk of uninsured deposits would be protected in a resolution. Although some might argue that a mechanism like this might increase the risk of a bank run, I think if the percentage is well-chosen, it might actually be stabilizing by eliminating the uninsured depositor's nightmare scenario of losing all their money. In the end, all debates about the best way to proceed revolve around how much shareholders, creditors and uninsured depositors of the failing bank should pay and how much healthy banks should pay. As I already said, it has never been the taxpayer. And perhaps capping the maximum loss on uninsured deposits upfront would put an end to ad hoc involvement by the government once and for all.
- On highly leveraged repo or derivative-type positions, there should be standard conservative margin requirements, as appropriate, for each type of collateral and maturity. Banks should be allowed to require less margin, which often happens because of competitive markets; but if banks take this step, they should report that action to the Fed. The Fed ought to reserve the right to charge capital if it thinks margin requirements are too low or the aggregate size of these positions is causing risk to the system. This would give the Fed a very powerful tool to deleverage and derisk the system.

**Our initial reactions to the revised Basel 3 Endgame and GSIB proposals are mixed.**

While it was good to see that the recent proposals for the Basel 3 Endgame (B3E) and GSIB attempted to reduce the increase in required capital from the 2023 proposals, there are still some aspects that are frankly nonsensical.

The GSIB surcharge is still broken. The original Basel rule, known as Method 1, was a grab bag of overlapping metrics — many of which had nothing to do with risk or resolvability — that solved for a number that international regulators thought was right. Then the United States decided that wasn't high enough and created Method 2, which basically was double Method 1. In the meantime, banks, including JPMorganChase, have made enormous progress addressing resolvability concerns while remaining profitable and becoming more resilient. Due to its methodological flaws, the bulk of the increase of our Method 2 surcharge has been driven by growth in the overall economy. Under the GSIB re-proposal, our surcharge would only decrease very modestly, to about 5.0%. This is absurd when we compare it with our 2015 Method 2 surcharge of 3.5%, and even more absurd when compared with our Method 1 surcharge of 2.5%, which has been flat versus inception.

A properly designed framework should reward the resilience and strength of our diverse income streams and strong risk management. With a surcharge of approximately 5.0%, JPMorganChase will have to hold as much as 50% more capital across the vast majority of loans to U.S. consumers and businesses when compared with a large non-GSIB bank for the same set of loans. While we can accept that some level of surcharge is appropriate, given our position in the market, the proposed level just seems to punish our success, our strength, our consistency and our balanced business model. Frankly, it's not right, and it's un-American.

As I mentioned earlier, there are numerous flaws in the operational risk framework. Since the current proposal still retains this operational risk and hasn't addressed all the duplication and flaws, we could show you some additional capital metrics that are a fairer representation of the strength of our balance sheet.

We support a timely finalization of the B3E and GSIB re-proposals: Everyone wants to move on, and there are new important areas that require focus, like liquidity regulation. But, unfortunately, the latest proposals are still very flawed in a few specific areas, so we will be pointing that out in our comment letters.

## AI, data and technology are key to the future, as is solving for how to implement AI properly and fast.

The importance of AI is real — and while I hesitate to use the word transformational — it is. The pace of adoption will likely be far faster than prior technological transformations, like electricity or the internet. Those took decades to roll out, but this implementation looks likely to accelerate over the next few years. Our Chief Operating Officer describes our efforts in more detail, but I want to make some key points here.

- We will not put our heads in the sand. We will deploy AI, as we deploy all technology, to do a better job for our customers (and employees).
- AI will affect virtually every function, application and process in the company. And in the long run, it will have a huge positive impact on productivity. I do not think it is an exaggeration to say that AI will cure some cancers, create new composites and reduce accidental deaths, among other positive outcomes. It will eventually reduce the workweek in the developed world. And people will live longer and safer.
- We do not yet know exactly how AI will unfold. The landscape will change rapidly, with shifting assumptions about power consumption, costs, chip technologies and the speed at which data centers are deployed. There will be a wide variety of AI models — open and closed, large and small — and no single tool will dominate. Overall, the investment in AI is not a speculative bubble; rather, it will deliver significant benefits. However, at this time, we cannot predict the ultimate winners and losers in AI-related industries.
- AI is a genuine technological shift that will impact many sectors, including physical industries and scientific research. AI is only beginning to be applied broadly in science, and its influence will continue to expand.

- AI will also introduce serious new risks — from deepfakes and misinformation to cybersecurity vulnerabilities. These risks are real, but they are manageable if companies, regulators and governments prepare. The worst mistakes we can make are predictable: overreact at the first serious incident and regulate out important innovation or underreact and fail to learn from what went wrong. The right approach requires rigorous preparation in advance, an honest assessment when things go wrong — and they will — and discipline to fix what's broken without destroying what works.
- AI will definitely eliminate some jobs, while it enhances others. Our firm will have definitive plans on how we can support and redeploy our affected workforce.
- AI will create many jobs — some we can see today in cybersecurity and AI itself, and some we can't see. But we do know that there is a huge workforce shortage for many well-paying white- and blue-collar jobs.
- There is a possibility that AI deployment will move faster than workforce adaptation to new job creation. In prior technological transformations, labor had time to adjust and retrain. We do believe that business and government can do many things to properly incent retraining, income assistance, reskilling, early retirement and relocation for those whose job might be adversely impacted by AI (I talk about some of these ideas in Section IV around work skills training and the Earned Income Tax Credit).

One last but important point: We have focused on some of the "known and predictable" and some of the "known unknown" events. But huge technological shifts like AI always have second- and third-order effects as well that can deeply impact society. Some of these are, for example, cars bringing about the development of suburbs and shopping malls; agriculture enabling cities; and the original internet (invented back in 1969) leading to mobile phones, apps and social media. We should be monitoring for this kind of transformation, too.

## Cities — like individuals, companies and countries — need to compete.

No matter who you are, you need to deal with reality and the truth. The truth is that while New York City has much going for it, particularly for financial companies (because of extraordinary local talent), it also has the highest city and state corporate taxes and the highest individual income and state taxes. People often make this a moral or loyalty issue, but it is not. Companies need to remain competitive in this very tough, fast-moving world. And higher taxes mean lower returns on capital and less competitiveness by their nature.

Additionally, individuals vote with their feet — you can already see a fairly large exodus of people and jobs out of some states with high taxes and high expenses (often due to high taxes and regulatory burdens). Sometimes you see companies leaving states, but migration also shows up in shifts of employees out of certain states. For example, while New York City is still our company's global headquarters, we have shrunk our headcount in the city, from 30,000 a decade ago to 24,000 today, and increased our headcount in Texas, from 26,000 in 2015 to 32,000 today. This trend will likely continue.

Sometimes this can be a disaster for a city. I am reminded that in the 1970s, nearly half of the 125 Fortune 500 companies based in New York City left. While mergers accounted for some departures, the price of doing business in New York City accounted for most: cost of taxes, office rents, labor and so on. No city — or company or country — has a divine right to success.

# II. Management Learnings

We always enjoy every year musing about management lessons learned — and sometimes relearned. Sometimes we also discover that we need to change how we function because the world (technology, competitors, products, among other factors) has changed.

## It's essential to organize in small teams for super speed.

The real competitive battles are fought at the detailed segment level: It's not just investment banking or the investment banking healthcare sector; it's having the right team to win in healthcare pharma or medical devices. It's not just credit card or even affluent brands; it's the Chase Sapphire® card. It's not small business clients in branches; it's restaurateurs or law firms. It's not digital payments; it's 24/7 digital payments with automatic currency conversions. It's hundreds of small teams (including technology, AI, marketing, subject matter experts and others) attacking specific problems. The teams needed to tackle these challenges should be small and authorized with the decision-making ability to move and act like Navy SEALs or the Army's Delta Force. Finally, they need to be dedicated to the task at hand. Very often when a management team wants to accomplish something new, like create a digital account opening process that cuts across virtually every area, everyone on the team says, "We'll get it done," meaning they will add it to the long list of tasks already on their plate. But when efforts are 1% of a lot of people's jobs, it will never get done. You need a team 100% dedicated to the mission — and everyone else supports them.

Success requires speed, agility and relentless execution. This is trench warfare; it's about fighting for every inch, moving quickly and getting things done. Growth comes from out-working and out-innovating the competition, deploying our resources strategically and fine-tuning our initiatives to maximize impact.

We need to keep everything in motion, break down bureaucracy, and leverage our trusted brand and technological edge to win in every market where opportunity exists. I do believe that we have everything in motion for continuous progress.

## Teams require great platforms across the company.

While there is an unbelievable need for speed, these teams can't all build their own systems. They need to rely on a common language, common tools and interoperability. Therefore, certain platforms (e.g., for data, AI, coding, financial and CRM systems) need to be companywide and easily deployed, which may mean they are necessarily large. Before they are deployed, it may require consensus that they are the best platform to use. This makes them reusable and highly efficient. The trick is to have great platforms without creating bureaucracy and to build great teams for speed.

## Building a lasting, deeply rooted and common culture is critical — and it takes an extraordinary amount of effort.

It has been an immense pleasure and honor running this company. It has also been an extraordinary amount of hard work, long days and lots of travel. And I have often wondered if all of that effort was worthwhile. I have seen management teams that don't work as hard or travel as much and still run a successful company. And I have seen companies that have multiple cultures and still seem to get by — at least in the short run. But I do not believe this company, with its complexity and extraordinary risk and global reach, could have survived or thrived that way. When I look back, I do believe the exceptional effort that we all made really made a huge difference.

Given the breadth of our company, these efforts take many forms. In addition to constant business reviews, management meetings, workout sessions, deep dives, client and employee lunches, and leadership offsites, our commitments are considerable, a sampling of which may help our shareholders better understand how we maintain our culture. Here are a few examples from the **past 10 years**:

- **The letter to shareholders**, published each year in the Annual Report, is very clarifying not just to shareholders but to me, the management team, our employees and the communities in which we operate. While the annual letter is a lot of work — both for me and for many people in the company — it makes us analyze and answer complex questions, and articulate clearly and concisely what we are trying to accomplish.
- Attending leadership training sessions, of which we do hundreds, and employee town halls, of which I **personally hosted more than 60 last year**, has been a significant commitment over the last 10 years.
- In my travels, I've made a total of over **230 international visits** to **46 countries**.
- Meetings that our leadership has held with management, employees, clients, regulators and government leaders have involved **6,887 flights, 9 million miles** and **372 cities**, again with extensive meetings in each place. Wherever I go, I also meet with community leaders and partners, traveling on average **145 days** a year.
- Over the course of each year, JPMorganChase hosts more than **2,900 global client events** for over **440,000 attendees**. Of those, I typically host approximately **250** of these large events around the world. And I always try to stand out front shaking the hands of clients as they enter.
- This year we will host our **16th** bus tour, where we travel off the beaten path to visit branches and operations centers to see our employees in action and to meet with clients in their local communities. Over our first 15 bus tours spanning 14 years, we have stopped in **39 states**, with California, Illinois, Minnesota and Washington hosting three tours each. North Dakota was a first. Last year we hit Mississippi, Alabama and the Carolinas, the backyard of some of our biggest competitors. And the bus has made stops in approximately **75 cities** in the United States. Approximately **24,000 clients** and **30,000 employees** have attended a bus tour event. Approximately **100 branches** have been visited by bus over the 15 tours.
- Each year, one of my other favorite things to do is travel to our annual **National Achievers** event — **1,400 strong** — where we recognize and thank our top branch tellers and personal bankers for the great job they are doing in serving our customers. We present awards to the winners that takes hours — and we all find it inspiring. It always motivates me to do a better job for all of them.
- Importantly, our travels have included **396 trips to Washington, D.C.,** over the last decade, visiting regulators, administration officials and members of Congress approximately 300 times — providing insights, research, data and, where necessary, a countervailing view, testifying and receiving input, handling customer complaints and helping to resolve issues (including big ones like the failure of First Republic). Not every conversation resulted in agreement or alignment, but we are committed to being part of the solution. During this time, JPMorganChase has played a central role, across party lines and administrations, to support American resilience and global safety in moments of stress.
- Every year, **350 of our senior leaders** from around the world gather together to educate and network with one another, hear from expert external speakers and internal colleagues about business segments and innovations, and prepare with a common purpose for the year ahead.

This hard work is also fun as we celebrate our successes, and it is extremely informative as we learn from employees and customers about what we could do better. These extensive efforts and travel drive continuous improvement and inform how we educate our people to treat one another and our clients and deal with problems. One last note: Wherever I go, I get to observe our employees around the world getting to know our people in other parts of the firm and seamlessly collaborate with one another for the benefit of JPMorganChase and our clients. It's gratifying to see this exceptional company in action.

One of the most rewarding parts of the bus trip for us is riding alongside some of our front-line employees — our bankers and advisors. Their perspective and advice on how we can do a better job are invaluable. And, boy, do we get a lot of advice — over the years, there have been hundreds of specific recommendations, which we implement as appropriate.

We want to make this drive toward continuous improvement a part of the fiber of every person at our firm.

## JPMorganChase is a powerful neural network.

Recently, I was blown away by the presentations of several of our executives (at a senior leaders' meeting) and by the level of collaboration across every segment — consumer, private bank, investment bank, commercial bank and others. There's a sense of momentum: I feel like we've got everything in motion and that we're attacking our problems in multiple ways. If the senior leaders ever feel we're too bureaucratic or slow, they speak up. Our challenge to them is: "Don't wait. Get stuff done; get it fixed." We need to make it an "always-on" process of streamlining and bureaucracy-busting.

In effect, with all of this "culture building," JPMorganChase is its own strong "neural network"— powerful and healthy connections ***between*** our people. People usually look at investment as capital expenditures, but in many ways, our investment is in the intelligence of our people and their healthy connections. They need to perform like a well-functioning sports team. This network and the knowledge, talents and brainpower of our people, dedicated to the purpose of serving clients, create the capabilities that we have today, which would be very difficult to replicate.

A good culture is hard to create and easy to lose so you have to fight for it every day — with a little bit of grit, courage and an open mind.

# III. Managing in a Time of Increasing and Complex Risks

We must remain clear-eyed: As good — or bad — as things feel now, we must necessarily always be prepared for all possibilities, including the possibility of some really tough times ahead. We do this so that our company is prepared to serve all of our clients, including governments around the world, regardless of the turn of events.

To do this, we look at many increasingly large and complex factors — such as geopolitics and wars, energy prices, trade and economic relations, political polarization, large global deficits and high asset prices, among others. We look at both short-term factors that will likely affect us in the ensuing 12 months and the complex factors that may affect us in the current year and in **future** years.

## We manage "through the cycle."

On Investor Day, our Chief Financial Officer showed what our returns would look like under various scenarios. Some of these examples reflect historical economic events. For instance, the worst-case scenario (a very bad recession) assumes front-end rates cutting to floor levels, the stock market dropping 40%, credit losses doubling and volumes dropping significantly. Even then, our return on tangible common equity would still be approximately 10%. It's also worth remembering that the firm didn't lose money in any single quarter during the great financial crisis — a period whose stresses are similar to those modeled for the Fed's annual CCAR test. We are very disciplined in using both actual historical scenarios and very detailed economic models, but we know they do not and cannot accurately predict the future.

We often talk about our "through-the-cycle" target returns of 17% return on tangible common equity. By through the cycle, we mean that there will be times when returns will be better than that, and there will be times when they will be worse. We are often asked why we don't raise that target since we have exceeded it for numerous years. It's good to put this number in context. Compared with the returns of our 10 major competitors, this return has been exceeded only 9% of the time over the last 10 years.

## Many factors are dramatically different in the global economic and financial system than in 2010 — many better but some possibly worse.

Before I talk about risks specifically, it's helpful to recognize that the world's economy is far larger and more diversified and far less reliant on energy as an input versus 20 years ago. Global energy consumption to the global gross domestic product (GDP) is only about 40% of what it was around 45 years ago, say in the early 1980s, and the United States, instead of being a major importer on a net basis, is now a major exporter. All of this may very well mean that the economy is more resilient and less vulnerable to some of the factors I am going to discuss. It is also good to remember that the United States remains the world's best investment destination, particularly when things are going badly.

If you look at the table on the next page, there are a few items that are truly different now from what they were in 2010, and these may well lead to different and unexpected outcomes. To name a few: The global debt and equity markets are far bigger than before (as are global deficits). Many nonbank financial institutions and investors are dramatically bigger than they were in the past (think hedge funds, private equity funds, sovereign wealth funds, among others). Global foreign portfolio investments are far bigger than before, and a large stock of U.S. Treasuries owned by foreigners is not held by

## Size of the Financial Sector/Industry

($ in trillions)

| | | | 2010 | 2025 |
|---|---|---|---|---|
| The global system | Global GDP | | $ 67.0 | $ 117.2 |
| | Treasury debt held by the public[1] | | $ 9.0 | $ 30.2 |
| | Treasury debt held by the public (% of U.S. GDP)[1] | | 61% | 99% |
| | Total Treasuries held by foreigners | | $ 4.4 | $ 9.3 |
| | Total sovereign debt[2] | | $ 51.2 | $ 110.9 |
| | Global deficit[2] | | $ (3.9) | $ (6.1) |
| | Global deficit (% of global GDP)[2] | | (6)% | (5)% |
| | Total value of global gold[3] | | $ 2.7 | $ 12.4 |
| Banks in the financial system | Total U.S. debt and equity market | | $ 56.2 | $ 176.5 |
| | Total U.S. broker-dealer inventories | | $ 4.1 | $ 6.3 |
| | U.S. GSIB market capitalization | | $ 0.8 | $ 2.4 |
| | U.S. bank loans | | $ 6.6 | $ 13.4 |
| | U.S. bank liquid assets[4] | | $ 2.8 | $ 7.6 |
| Nonbank financial institutions | Global hedge fund and private equity AUM[5] | | $ 3.4 | $ 11.8 |
| | Top 50 sovereign wealth fund AUM[6] | | $ 4.0 | $ 14.8 |
| | Global private credit AUM[7] | | $ 0.3 | $ 1.8 |
| | Global venture capital AUM[8] | | $ 0.4 | $ 3.6 |
| | Global family office AUM | | NA | $ 3.9 |
| | Loans held by nonbanks | | $ 13.7 | $ 22.8 |
| | U.S. money market funds[9] | | $ 3.0 | $ 8.2 |
| | U.S. private equity-backed companies (K) | 1996 | 6.1 | 13.1 |
| | U.S. publicly listed companies (K)[10] | 7.3 | 4.2 | 3.9 |
| | Nonbank share of leveraged lending[7] | | 54% | 64% |
| | Nonbank share of mortgage originations[11] | | 9% | 77% |
| | Total crypto value | | NA | $ 3.0 |
| Foreign direct investment | Total foreign direct investment into the U.S.[12] | | $ 2.5 | $ 6.6 |
| | Total U.S. foreign direct investment into the world[12] | | $ 2.8 | $ 6.0 |
| | Total cross-border foreign direct investment[12] | | $ 22.8 | $ 42.3 |
| | Total China foreign direct investment[13] | | $ 0.3 | $ 2.3 |
| | China Belt & Road Initiative[13] | | NA | $ 1.2 |
| Foreign portfolio investment | Total U.S. portfolio investment into Europe[14] | | $ 3.1 | $ 7.8 |
| | Total U.S. portfolio investment into the world[14] | | $ 6.7 | $ 17.6 |
| | Total foreign portfolio investment into the U.S.[14] | | $ 8.4 | $ 25.5 |
| | China portfolio investment[14] | | NA | $ 1.7 |
| Monetary policy actions | U.S. quantitative easing[15] | | $ 1.5 | $ 5.7 |
| | Global quantitative easing[16] | | $ 2.9 | $ 17.4 |
| | U.S. central bank assets (% of U.S. GDP) | | 16% | 21% |
| | Total global central bank assets (% of global GDP)[16] | | 18% | 34% |

Source: Bloomberg, CoinMarketCap, Congressional Budget Office, Dealogic, Deloitte, FactSet, Federal Reserve Board, Financial Times fDi Markets, Haver, Hedge Fund Research, Inside Mortgage Finance, International Monetary Fund, J.P. Morgan Research, Pitchbook, Preqin, Sovereign Wealth Fund Institute, Treasury International Capital, U.S. Department of Treasury, World Federation of Exchanges and World Gold Council.

AUM = Assets under management
GDP = Gross domestic product
GSIB = Global systemically important bank
NA = Not available
K = Thousands

For footnoted information, refer to page 49 in this Annual Report.

central banks (central banks are less likely to make dramatic changes in their holdings of U.S. Treasuries). In addition, global QE is far bigger than it ever was before. A change in sentiment could easily affect the global flow of investments into securities, including U.S. Treasuries. You can also see that brokerage inventories are far smaller as a percentage of investments than ever before and, as a result, market makers are less able to intermediate in extremely volatile markets.

More broadly, as we think about how these new conditions relate to one another, it's good to keep three things in mind: 1) It seems to me that while people frequently overreact to often-inaccurate short-term weekly and monthly data, their forecasts are generally small modifications versus current conditions, 2) while the economy may be less fragile than in the past, this alone does not mean there is no "tipping point" — it just may mean it could take more straws on the camel's back to get there and 3) often it is an unexpected confluence of events that causes a "tipping point." The convergence of rapidly increasing oil prices and inflation is frequently viewed as among the main causes of the very large 1974 and 1982 recessions. Also, human nature has ***not*** changed — sentiment and confidence can change rapidly and drive the markets.

Liquidity itself is a complex concept and can also change with sentiment. Often when people talk about liquidity, they are talking about the ability to readily buy or sell in the marketplace, e.g., when spreads are high and volumes are low, this would be considered low liquidity. Sometimes people are referring to the money supply. Money can be created by the central bank when it buys securities or by banks when they expand their balance sheets. In both cases, they create deposits (more liquid assets) in the short run. But all investors, from individuals to companies to major asset managers and banks, have their own liquidity needs and requirements, usually driven by their policy or regulatory policy, working capital requirements, collateral needs and sentiment (for example, the desire to be more conservative). When asset prices drop and all of these other factors change, the "need for liquidity" can change dramatically, too. When people get scared, they generally sell risky assets to buy safe ones, e.g., essentially T-bills or deposits at safe banks. And when they sell risky assets, they usually start with their most liquid positions.

While the most important outcome we should all hope for now is proper resolution of the current wars and, ultimately, peace on Earth, we do need to understand and track the economic effects of all the risks we mentioned. A bad confluence of events generally causes various degrees of a recession, which is accompanied by high credit losses and volatile markets, lower asset prices and higher unemployment rates, though recession would happen in different ways in different places. What might vary is inflation. There are some scenarios that would result in a recession, which generally reduces inflation, and other scenarios that would lead to a recession with inflation (stagflation — where inflationary forces overcome deflationary ones). The skunk at the party — and it could happen in 2026 — would be inflation slowly going up, as opposed to slowly going down. This alone could cause interest rates to rise and asset prices to drop. Interest rates are like gravity to almost all asset prices. And falling asset prices at one point can change sentiment rapidly and cause a flight to cash.

## There are lots of tailwinds helping us in 2026.

While there are many larger risks, as discussed in the next section, that may or may not impact the economy in 2026, we do know several things that will have a positive impact on the economy in the remainder of this year. They are:

- Increasing fiscal stimulus from the One Big Beautiful Bill. Our economists believe this will inject another $300 billion (effectively 1% of GDP) into the economy. This has to be very modestly inflationary this year.
- Benefits from the Fed's purchase of $40 billion of additional securities each month, which is supposed to be reduced to $20 billion–$25 billion this April. At a minimum, this supports asset prices and helps ensure there is no liquidity squeeze in the financial system.
- Positive effects of comprehensive deregulatory policies. This was badly needed and long overdue. Change is clearly evident in bank regulations that will free up capital and liquidity, which can be lent out (and we already see this happening), and in deregulation across many other industries, from energy to home building. It is fair to say that actions taken have clearly increased confidence and animal spirits. This should add to productivity and be modestly deflationary this year.
- Huge increase in AI-driven capital spending and construction by the five hyperscalers. In 2025, this number was $450 billion, and in 2026, it will be approximately $725 billion. While AI will clearly drive productivity, which is generally good for inflation in the long run, all of this spending is probably inflationary in the short run.

Some of the items above have mild inflationary effects, while others probably have some deflationary effects.

## There are large risks still in front of us that are multi-year and unresolved.

I think some of the larger risks are much like tectonic plates, always moving and periodically causing earthquakes and volcanoes when they crash into each other. Some of the larger risks we should keep our eyes on are:

- **First and foremost, geopolitics.** Russia's war in Ukraine and its ongoing sabotage in Europe and now the war in Iran and its potential effects on energy prices can cause events that are unpredictable. We all hope these wars get properly resolved. But war is the realm of uncertainty, as each side in a war determines what it wants to do (as is often said, "the enemy gets a vote"), and these conflicts involve many countries. Not only do they have a major impact on the nations at war, but they also have an impact on countries and economies across the globe that are not directly involved in war. Nations that are heavily dependent upon imported energy are already seeing the effects. And it's not just energy, it's commodity products that are byproducts of oil and gas, like fertilizer and helium. And given our complex global supply chains, countries are experiencing disruptions in shipbuilding, food and farming, among others. The outcome of current geopolitical events may very well be the defining factor in how the future global economic order unfolds — then again, it may not.
- **High global sovereign deficits and debt.** Global deficits are significantly elevated, particularly during what has been a relatively healthy global economy and, until recently, a time of peace — the deficit globally is at an extremely high 5%, while global sovereign debt is at all-time highs. The current forecast from the Congressional Budget Office has our debt-to-GDP ratio going from 100% today to 120% in 2036. High government debt is somewhat offset by low consumer debt, which was nearly 100% of GDP in 2007 and is now below 70%. Similarly, corporate debt is at a fairly normal healthy level of 45%. High and increasing government debt will eventually have to be dealt with — the right way would be to deal with it now before it becomes a problem; the wrong way would

be to let it become a crisis, which, in my opinion, is probably the likely outcome. Importantly, almost 60% of government spending is for entitlements and is not discretionary. This makes the job that much harder. A crucial note on the **importance of growth**: If interest rates went down 100 basis points and GDP grew at 3%, the debt-to-GDP ratio could actually start to go down instead of going up.

- **High asset prices and very low credit spreads.** In and of itself, this is not a bad thing. Household net worth as a percentage of GDP is now 560%. The high during the housing peak in 2006 was 460%. But this also means that anything less than positive outcomes could have a dramatic impact on global markets. Rapidly decreasing asset prices can sometimes create a self-reinforcing loop. It's always good to remember that prices are set by the ***marginal*** buyers and sellers — which, on the average day, is only a small fraction of asset owners. And it's also good to remember that foreigners own almost $30 trillion of U.S. equities and bonds. While U.S. investments and the U.S. dollar are generally havens of security in a troubled world, that didn't stop recessions and bad markets in prior times.
- **Trade 2.0.** The U.S. tariffs themselves had only minor effects on inflation or growth, and were only one straw on the camel's back. But the trade battles are clearly not over, and it should be expected that many nations are analyzing how and with whom they should create trade arrangements. This is causing a realignment of economic relations in the world. While some of this is necessary for national security and resiliency, which are paramount, it is hard to figure out what the long-term effects will be.
- **U.S. and China relations.** This relationship is critical to the whole world and is also impacted by the events mentioned above. The United States and China clearly have different systems, values, goals and objectives, and while both sides are currently engaging, we have to expect that there will be some bumps in the road — maybe even some large ones. We should all hope that ongoing proper engagement continues to lead to what may be a competitive but peaceful future.
- **Private credit and credit in general.** The leveraged private credit market totals $1.8 trillion. As a comparison, the U.S. high yield bond market totals $1.5 trillion, and the bank syndicated leveraged loan market totals $1.7 trillion. Taking a wider view, the total market size of investment grade bonds is $13 trillion. And the total market value of all residential mortgage securities and loans is also $13 trillion. In the great scheme of things, private credit probably does not present a systemic risk.

  I do believe that when we have a credit cycle, which will happen one day, losses on all leveraged lending in general will be higher than expected, relative to the environment. This is because credit standards have been modestly weakening pretty much across the board; i.e., more aggressive and positive assumptions about future performance (called add-backs), weaker covenants, more use of PIK (payment-in-kind; not paying interest in cash but accruing it), more aggressive private ratings (particularly in insurance companies) and more arbitrage (not always a great sign). Also, by and large, private credit does not tend to have great transparency or rigorous valuation "marks" of their loans — this increases the chance that people will sell if they think the environment will get worse — even if actual realized losses barely change.

Additionally, actual losses right now are already a little higher than they should be, relative to the environment. Finally, if rates or credit spreads ever go up, the companies that borrowed will have to borrow at even higher rates, putting them under even greater stress. However this plays out, it should be expected that at some point insurance regulators will insist on more rigorous ratings or markdowns, which will likely lead to demands for more capital.

It has always been true that not everyone providing credit is necessarily good at it. There are many players who are late to this game, and it should be expected that some credit providers will do a far worse job than others. We have not had a credit recession in a long time, and it seems that some people assume it will never happen.

Additionally, anything that gets sold to retail investors as opposed to institutional investors requires greater transparency, higher standards and fewer potential conflicts. If anything ever goes wrong, you should assume that retail investors, even though they were told about some of the risks, will seek remedy in the courts. Also, some of these loans go into various funds run by the asset management company. Generally, each of these funds has its own objectives and its own fiduciary responsibility to make sure that the loans are suitable for that specific fund. Those who do not do this properly are likely to get into trouble.

- **Private markets.** With stock markets at all-time highs in recent months, it is a little surprising that private equity firms, which own close to 13,000 companies, have not taken greater advantage of healthy markets to take their companies public. Private equity investments are now held for an average of seven years — this is virtually double what it used to be. And some are sold, not to another company or taken public, and put in a new fund called a continuation fund. We have generally had nothing but a bull market since the great financial crisis — it's hard to imagine what will happen if and when we have an extended bear market.
- **Cyber risk.** I have to mention this because it remains one of our biggest risks, and this is probably true for many other major industries and corporations. AI will almost surely make this risk worse. We invest significantly to protect ourselves and stay vigilant.

All in all, there are lots of moving parts and potential straws that might be added to the poor camel's back. We are watching closely and hoping for the best. We always try to be prepared and vigilant and also recognize that tough times can create good opportunities.

# IV. Critical Issues Facing America and the World

There are three critical issues that will ultimately determine the health and safety of the United States and possibly determine the future direction and strength of the free and democratic world. JPMorganChase and its employees — like all other businesses and individuals — will be deeply affected over time by how the United States succeeds in these areas:

1. The United States must maintain the premier military force in the world.
2. The United States must maintain its preeminent economic position in the world, which also requires reigniting the American Dream.
3. The United States must manage its foreign economic affairs to strengthen the U.S. economy and that of our critical allies so that the first two points remain true.

Foundational to accomplishing the three goals above is that the core strength of the United States — its deeply held values and principles, including our commitment to the Constitution — is constantly nourished and strengthened. In this section, we also ask and answer the question: What can we as a company offer in order to do our part?

## JPMorganChase and companies across the public and private sectors have an important and unique role in addressing global challenges.

Many public and private companies and institutions play a vital role in addressing various critical policy issues. The world is increasingly complex and polarized, and we need to remain completely clear-headed. It has become obvious, for example, that many of our largest policy issues cannot be solved by government or business alone. Our national security clearly depends not only on the U.S. military but also on the civilians and companies responsible for developing equipment and tools critical to our country's defense, from ships and planes to chips and AI. JPMorganChase saw the benefit of collaboration in Detroit, where business leaders, community stakeholders and government officials worked together to successfully address the city's economic decline. We see this same need for collaboration to help address challenges related to our national education system, job creation, skills development and virtually anything related to realizing the American Dream. America will be far stronger if more Americans prosper. The scale, brainpower and resources that institutions like ours can bring to bear on these challenges can be extraordinary.

We at JPMorganChase feel an enormous responsibility to our nation and many others — and we remind ourselves that many companies will only thrive if their countries thrive. With the right policies and committed actions, the United States will maintain the strongest military and strongest economy, and will remain the bastion of freedom and the arsenal of democracy. (An important side note: This is also essential to maintaining the U.S. dollar as the world's reserve currency.) In spite of all our extraordinary blessings, the United States needs to get stronger and tougher to make this true — no country has a divine right to success.

We have met big challenges before. At one point in 1940, only one nation, the United Kingdom, stood against the Nazi war machine, which had already conquered most of Western Europe. The United States was unprepared for what was going to happen but rose to the challenge. You may find it uplifting to read the book *Freedom's Forge*, which shows how the United States came together to build the arsenal of freedom and to keep the world safe for democracy.

## We need the world's strongest military — what we can do to help: our new Security and Resiliency Initiative.

The ongoing war in Ukraine, the conflict between Iran and both the United States and Israel, and other major hostilities across the globe should permanently dispel the illusion

that the world is safe. Having the world's best military is expensive, but it will always be a huge deterrent to war. Fighting wars is even more expensive. And losing wars even more so.

I firmly hope that the United States provides sufficient military and economic support to help Ukraine prevail in what has become an extended and bloody war for democracy and against autocracy. Time will tell whether the current war in Iran achieves our short-term and long-term objectives in the region and at what cost. We should not turn a blind eye to the role the current regime in Iran has played in fostering terrorism and killing thousands of people, including Americans and many of its own citizens, over many years. And that threat must be addressed in an appropriate manner (by those who have more intel and knowledge than I do) — and urgently if Iran ever acquires a nuclear ballistic missile. Nuclear proliferation remains the gravest threat to the future of mankind.

The U.S. military umbrella has not only provided security for our allies and partner countries since World War II, but it has also provided safety and stability for non-allied states, including major countries like India.

**We have much to do to ensure we remain the world's best military.**

While we have the world's best military and while congressional oversight is a constitutional responsibility, the military is often stretched and hampered by congressional rules, interference, legislation and short-term budgeting, as well as by over-consolidation and under-investment in our defense industrial base. We need to spend more (and we hope smarter and more efficiently) on our military and give it the ability to move faster, unimpeded by politics and bureaucracy. The United States has also allowed itself to become too dependent on unreliable sources for items that are essential to our national security, such as critical minerals, semiconductors and advanced manufacturing output, among others. We have maintained insufficient productive capabilities to be ready to quickly increase production if necessary. And our military needs to be able to rapidly develop new and often cheaper weapons, like drones. The Pentagon, and in fact the whole government, is now actively addressing this problem, but it needs lots of private sector help.

JPMorganChase is well-positioned to do its part.

**That's why JPMorganChase has launched the Security and Resiliency Initiative.**

This initiative is a $1.5 trillion, 10-year plan to facilitate, finance and invest in industries critical to national economic security and resiliency. As part of this endeavor, we will make direct equity and venture capital investments, with an initial amount of $10 billion, to help companies enhance their growth, spur innovation and accelerate strategic manufacturing.

We are focusing our efforts on the following five key areas, supporting companies across all sizes and development stages by offering advice, providing financing and, in some cases, investing capital:

- **Supply chain and advanced manufacturing**, including critical minerals, shipbuilding and robotics, helping ensure access to essential minerals and gaining dominance in advanced manufacturing
- **Defense and aerospace**, including defense technology, autonomous systems, drones, next-generation connectivity and secure communications, helping defend our nation
- **Energy independence and resilience**, including battery storage, grid resilience and distributed energy, helping build energy systems to meet the increased demand of technologies like AI and data centers
- **Frontier and strategic technologies**, including AI, cybersecurity and quantum computing
- **Pharmaceuticals and health technologies**, including medicines, essential medical supplies, devices and technology

The initiative will also include special, thematic research focused on private industries and supply chain weaknesses like rare earths, AI and technology. It will be complemented by the firm's recently launched JPMorganChase Center for Geopolitics, which provides us and clients with timely analysis and insights on top global trends.

Policy is essential, too. So our objectives will include designing practices that can accelerate these efforts, including research and development (R&D), permitting reform, rapid and multi-year procurement, and regulations conducive to growth. As our firm intensifies its focus on those industries essential to our nation's security and resiliency, we will also continue to work closely with our community and business partners to champion these enterprises, foster talent and support skills training to ensure companies can fill critical jobs.

Since the launch of our Security and Resiliency Initiative at the end of 2025, the response has been nothing short of remarkable. We have received more than 750 business opportunities from company leaders and government officials across critical sectors. To handle this momentum, we are assembling a dedicated 30+ person SRI global banking and investment team (supported by much of the rest of the company) with the experience and vision necessary to drive meaningful impact.

In addition, we announced the formation of an external advisory council composed of experienced leaders and exceptional thinkers from both the public and private sectors (from military generals to former secretaries of state and defense to business executives and CEOs) to help guide the SRI's direction and strategy. I have the privilege of chairing this council, which recently convened in person in Washington, D.C., alongside many of JPMorganChase's top leaders.

Building on advice from the advisory council, we are hosting our inaugural Defense Action Forum this month. Unlike typical industry conferences, our forum is designed to foster collaboration and generate practical solutions that drive meaningful change. The sessions will bring together leading experts to explore the pivotal role that the private sector can play in ensuring our nation's enduring strength and security. We hope to make some real progress, which will be shared broadly.

Our SRI work is more comprehensive than American security alone. This initiative will continue to be extended, as appropriate, to other allied nations. The SRI can help allied and partner countries and companies as they make the investments and reforms necessary to play a more active role in our nations' common defense needs.

## The foundation of America's strength is predicated on remaining the preeminent economy in the world — what we can do to help: promote growth policies.

Over the last 20 years or so, U.S. GDP has averaged about 2% annually — I believe we could have easily achieved at least 3% growth. The reason we were able to grow 2% is that America's businesses and entrepreneurial spirit allowed us to overcome a lot of the roadblocks mentioned later in this section. That 1% difference would have had an enormous impact, providing Americans with an extra $20,000 GDP per person annually, giving us resources to take care of nearly all our problems and jump-starting deficit reduction. Growth is part of the solution to almost all of our problems. Achieving such growth also would help restore trust in our government.

**Good policy drives growth, helps all citizens and has the virtue of being fundamentally free.**

Good policy matters and is at the heart of sustainable progress. It's policy, policy, policy. We're committed to engaging with policymakers, supporting sound regulation, and advocating for growth and security.

We're investing in strong policy teams and backing our positions with rigorous analysis. We have a responsibility to help shape the right policies, not just for our company but for the country and the world.

In the *Sturm und Drang* of today's politics, you mostly hear about simplistic solutions like raising taxes, taxing the rich and cutting expenses, but as any businessperson knows, you should always be asking, "How are you doing with what you have?" Our inefficiencies, red (and blue) tape and lack of analysis stifle our growth and almost always hurt the poor the most. But there are so many things that could be done that could make everything better — for all citizens. And these things would be virtually free.

**There are some very basic things that hamper our growth and really need to be fixed.**

I am going to mention a few damaging policies, not in detail because I've written about them in the past, but if they aren't corrected, real progress may be impossible.

- **Fraud, waste and abuse.** These areas likely cost U.S. taxpayers many hundreds of billions of dollars annually (according to the Government Accountability Office). In many cases, the government does not even have basic controls in place to manage this waste, like any good company would. It offends people and causes them to lose trust in their government.
- **Inefficiencies within the federal government (and within state and local governments, too).** Every government department should have detailed budgeting, planning and analytics; for example, every agency should be answering this question: "What is the output of all the money you gave me?" And writing clearer, more effective legislation would lessen regulatory overreach and reduce the ability of political parties to interpret the law the way they see fit. Technology and AI should begin to make this kind of waste of taxpayers' money inexcusable, and the government will have to adapt to embrace these new technologies.
- **Mortgage and regulatory policies and local housing requirements.** Excessive rules around mortgages (servicing, origination and securitization) have pushed most of the mortgage business out of banks and have increased the cost of mortgages by 20–30 basis points. Mortgage regulatory reform alone would make the mortgage business far safer and generate an additional 500,000 mortgages a year.

  Local zoning requirements often limit affordable housing and make it much more expensive. In addition, there are many examples of excellent public/private affordable housing programs, which only need to be replicated.

  Fixing these regulations would go a long way to helping people achieve this part of the American Dream.
- **Red and "blue" tape, permitting reforms and a little litigation reform.** Some politicians think that all regulations are good — the more the better. Given that many of these politicians come from the blue side of America's red-blue divide, I think it's more appropriate to call excessive regulation "blue tape." We should aim for "good" regulations, continuously improved, to both protect the public and reduce costs. You probably need to have real-life experience in dealing with regulations to understand this.

  Permitting and many associated regulations take too long and not only extend the duration of a project but also increase the cost and sometimes stop projects from beginning. Many countries, including Canada and Singapore, have successfully introduced policies to dramatically reduce permitting time.

  Proper federal, state and local regulations, along with permitting reform, are necessary to reduce delays and legal bottlenecks. Minimizing "blue" tape — excessive regulatory and related litigation costs — would make it easier, cheaper and faster to build infrastructure such as roads, schools, bridges, energy facilities and housing. A little common sense would go a long way.

One last point: Excessive regulations make it much harder to start a new business, and they often reduce competition. And they almost always hurt smaller companies more than larger ones.

- **Policy uncertainty.** Legal, regulatory and tax policies swing dramatically with changes in administrations. This definitely reduces the propensity for companies to invest and hire employees.
- **Unreliable R&D policies.** We also need policy certainty around research and development. Government, businesses and universities are all essential to our country's R&D. On the government side, this includes the Defense Advanced Research Projects Agency, the National Aeronautics and Space Administration, and the National Institutes of Health, among others. Businesses need consistent tax policy for R&D; universities need consistent funding policy. The government is directly responsible for R&D that no one else can afford and that has been fundamental to the country's success. Government funding of universities has made possible extraordinary discoveries, including many of our new technologies. Businesses, in turn, use these new technologies and perform their own research to create new products and services. This system has been critical to the incredible innovation machine of America.
- **Failure to recognize that capital formation drives growth.** Central to growth in a country and growth of its GDP are capital formation and disciplined capital allocation. Countries that do not promote capital formation, including those that tolerate policies inhibiting capital formation, fail to thrive. Globally competitive taxes and policy certainly are critical for capital formation. Other good policies include strengthening active capital markets, tax incentives for capital expenditures and R&D, and savings and pension plans (we support the new "Trump Accounts" that, over time, will give all Americans an economic stake in America) that incent investment in equities, venture capital and other investments.

### Capital Expenditures, Employment and R&D for Small and Large Businesses

| | | 2025 estimate[1] |
|---|---|---|
| Businesses (K) | # of small businesses[2] | 38,000 |
| | # of large businesses[3] | 22 |
| Employment (M) | # of employees working at small businesses[2] | 64 |
| | # of employees working at large businesses[3] | 78 |
| R&D (T) | Total spend by businesses | $0.8 |
| | % by large businesses[3] | 80% |
| CapEx (T) | Total CapEx | $2.2 |
| | % by 1,000 largest U.S. public companies[4] | 70% |

1 2025 is projected based on published surveys for prior years, internal JPMorganChase estimates and proprietary assumptions. Actual results may differ materially.
2 Small businesses defined as companies with fewer than 500 employees, including nonemployers.
3 Large businesses defined as companies with 500 employees or more.
4 Based on companies included in the Russell 1000 Index.

Source: Bloomberg, Annual Capital Expenditures Survey (ACES), U.S. Census Bureau; Business Enterprise Research and Development (BERD) Survey, National Center for Science and Engineering Statistics and U.S. Census Bureau; FactSet; Nonemployer Statistics (NES), U.S. Census Bureau; and Statistics of U.S. Businesses (SUSB), U.S. Census Bureau.

CapEx = Capital expenditures
R&D = Research and development
K = Thousands
M = Millions
T = Trillions

There are also some good examples found in other countries. In Sweden, an investment savings account is available that simplifies the investing process with favorable tax treatment. Account holders can deposit and withdraw funds at any time, and there is no capital gains tax — just an annual tax of 1% on the balance. This has dramatically increased investment by retail investors into the Swedish stock market. It may surprise some of our readers that Sweden's policies have created a growing and innovative stock market and that Sweden has more unicorns and billionaires per person than America does. Another example is Australia, which has a wonderful retirement policy based on superannuation, a savings account funded by both employer and employee contributions.

We must recognize that capital formation drives capital expenditures and R&D, and large companies lead the way: 80% of R&D is done by large companies; and 70% of capital expenditure comes from the largest 1,000 public companies. This is what drives productivity and GDP-per-person growth. And small business and big business are symbiotic. When a bigger company builds a billion-dollar plant that creates 5,000 jobs, it may also generate 25,000 jobs surrounding the facility. These jobs are often small businesses that are developed to support the plant and those who live nearby.

People often refer to financialization of the economy as a bad thing — and if they mean pure speculation, then I understand. But a country that is a barter economy effectively has no financial assets. As capital formation takes place, financial assets, including stocks, bonds and loans, are created, which represent all the investment. And as a country grows and continually reinvests in higher productivity, there will be more financial assets per person. While the market value of those assets may fluctuate, the growth in financial assets is very good.

## Reigniting the American Dream is essential to strengthening our country: taking three specific steps can help.

The American Dream itself rests upon our providing, as best we can, equal opportunity to all our citizens. Education and jobs are still the best way to achieve this. Much of our education system no longer truly meets our country's promise that its students graduate with the skills they need to attain a good job.

In a number of our inner city and rural high schools, under 50% of the students graduate, and those who do often don't have the skills they need to hold a well-paying job. Increasingly, poverty has become intergenerational.

### High schools and colleges should be judged by their outcomes — do the students graduate with job offers, and what do they pay?

The growth of America was always driven by productivity that matched capital investment with skills, which is also the driver of individual income. Fortunately, to fix our problems, all we need to do is reorient what we do today. No investment is required. It is essentially free; we just need to redirect existing resources (the United States spends almost $1 trillion a year on K–12 education) into better outcomes.

We know exactly what to do, though systems change is hard. There are millions of jobs available for which training could be done in high school, community college or special programs outside of school. For example, there are training programs lasting 12–24 weeks in computer science, advanced manufacturing, cyber, data science, program management, and nursing and healthcare-related areas, among others. These trainings should be certified and counted as credits for an undergraduate or graduate education. Many unions run excellent apprenticeship and training programs that certify workers for badly needed high-skilled jobs like welding, electrical work, plumbing and others. These jobs can pay well in excess of $100,000 a year.

The federal government should use its considerable power to ask every school to report on the jobs and income levels that their students achieve when they leave school. This alone would put tremendous pressure on schools to become accountable — everyone would be seeking out best practices so as not to be left behind. I would even consider tying teacher and administrator compensation to these goals.

**We should double the Earned Income Tax Credit, which raises the income of our lowest-paid citizens, creates better social outcomes and has the virtue of incenting employment.**

It is clear that, over the decades, the income levels of low-wage workers have not kept up with general growth and overall salaries despite the fact that their work is still essential. It is also clear that in any economy, there are groups of people who are struggling to get ahead. Approximately 23% of American workers make less than $17 an hour. And close to 10% have an income of $20,000 a year or less, partially because they only have part-time jobs. Some surveys show that over 60% of workers today are living paycheck to paycheck, that hourly workers have less predictable incomes and that 35% of households with incomes below $50,000 spend 95% on necessities — these conditions are likely very stressful for many families. We need to fix this.

Dramatically expanding the Earned Income Tax Credit (EITC) does not help everyone, but it would go a long way in helping those who need it most. The tax code could play an important role in easing the stress of individuals and families at the bottom of the economic ladder. One way the code could incentivize labor force participation is to expand and reform the EITC. The EITC gives an individual earning $18,000 a year with two children a maximum tax credit of $7,152 (and with no children a maximum tax credit of $649). The average EITC across all recipients is approximately $2,900, and close to 20% of eligible taxpayers don't apply. I would double this tax credit and remove the child requirement. I would effectively make it a negative monthly income tax as opposed to a year-end credit. (It's also important that any tax credit and social benefits program be properly phased in so it is both fair and it doesn't disincent work.)

While this would cost a lot of money, it has many excellent virtues. It would give those with lower income far more money to spend, without government interference, on what they and their families need — education, food, better housing and so on. And much of it would be spent locally, in lower-income neighborhoods. This plan has the benefit of both rewarding work and bringing more people into the workforce, which would grow GDP. Jobs not only bring dignity but better social outcomes in terms of less homelessness and crime, improved health outcomes and more household formation, among other upsides. For many people, that first job is just the first rung on the ladder of a career. I have little doubt that this plan would more than pay for itself over time. Many Republicans and Democrats support this proposal as it helps to create the American Dream for many people.

**Now that we have strong border control, we should finish proper immigration reform.**

Uncontrolled immigration is highly disturbing to affected populations around the world and reduces the ability to manage legal and needed immigration. In the United States, the number of immigrants has increased by more than 60% over the last 25 years. Since we have finally gained control of our borders, I believe most Americans would support the following: increasing merit-based immigration, allowing anyone who earns a degree here to stay, ensuring there are proper visas for seasonal workers, enabling children born in this country to remain and providing a rigorous path to citizenship for law-abiding, undocumented immigrants.

Healthy and proper immigration would bring great talent to our country and has been shown to actually help grow the economy. There are over 150,000 foreign students who receive a degree annually in science, technology, engineering or math but have no guaranteed way of staying here for the long term, although many would choose to do so. Most students from

countries outside the United States pay full freight to attend our universities, but many are forced to take the skills they learned here back home. From my vantage point, that means one of our largest exports is brainpower.

The last time we had major immigration reform was in 1986 under President Reagan. There have been two times in the last 20 years when Congress almost passed an immigration reform bill that looks a lot like what I outlined above. Let's just get it done this time.

The Congressional Budget Office estimated that the failure to pass immigration reform is costing us 0.3% of GDP a year. Immigration has been one of the great strengths of this country — we should never forget that.

## Good U.S. foreign economic policy ensures that America is first (though not alone) — it strengthens the U.S. economy and that of our critical allies.

The goal of U.S. economic foreign policy should be twofold (after protecting national security):

1. Maximize the growth and competitiveness of America — both in the United States and for our companies doing business internationally.
2. Simultaneously strengthen our allies economically and bind them closer to the United States and like-minded Western democracies.

Economic weakening of the world's democracies or a fragmentation of their economic bonds could lead to truly adverse consequences. This is precisely what some of our adversaries and many autocratic nations want — it is their stated objective. They would like to see all of our allies far less dependent on the United States and therefore far more dependent on them. In this scenario, many countries would be compelled to seek deeper economic bonds with some possible bad actors — over time, they could become vassals of these countries and unable to avoid coercion from them. The following are a few ideas on how we can promote healthy economic engagement (and combat unfair trade) while strengthening both our own and our allies' economies. And I will leave you with one big, bold idea.

### There are many ways to promote good U.S. foreign economic policy.

America's ties with the rest of the world are already extensive (see U.S. global foreign direct investment and portfolio investment), and the levers to accomplish our foreign policy goals extend to tax policy (and our international competitiveness), investment policy and trade policy, which encompass tariffs, quotas, regulatory barriers, immigration policies and so on. While tariffs have certainly "brought people to the table" and have allowed us to start to correct some of our past bad trade practices, we need to look at U.S. foreign economic policy comprehensively. The ultimate goal should be to create a system with our allies of stability and consistency, in addition to fairness and mutual benefit.

Not only should our foreign economic policy help us grow as a nation, but it should also help other countries grow. For example, the United States has the best capital markets in the world, large and small, public and private, and we have already described how proper capital formation and allocation are key to America's vibrant economic system. Another goal of our foreign economic policy should be to help other countries develop their capital markets. In addition, there are excellent economic policies found elsewhere in the world, and we should emulate them to help more countries thrive.

Even the proper use of strategic communications can foster entrepreneurship and the universal principles of freedom, which will also drive growth and prosperity.

The United States does not do enough to foster American business expansion overseas, particularly in complex parts of the world. Most other nations, China in particular, encourage the growth of their companies overseas. China, through their Belt & Road Initiative and basic foreign direct investment (see Size of the Financial Sector/Industry chart on page 29), has massively invested, particularly in emerging and developing countries around the world. America has recently begun to expand its development finance institution and its Export-Import Bank to help U.S. businesses grow overseas. This should be encouraged.

**We need to combat unfair trade — and strive for free and fair trade.**

For hundreds of years, countries have used trade practices to get a leg up on other countries. This economic competition is often exercised through industrial and trade policy, and it comes in many forms: banning or limiting trade (quotas), tariffs, subsidies, grants, tax credits or accelerated depreciation, loan guarantees, long-term purchase agreements and capital controls. There are also other unfair trade practices that need to be mentioned; e.g., nontrade barriers, such as regulations that effectively stop specific types of trade and various unfair tax policies that range from value-added taxes to a particular country's tax schemes. Practices such as permitting countries to circumvent trade restrictions imposed on them — for example, allowing any country to use agreements it has with other nations to bypass tariffs on their goods — can and should be stopped.

All of these trade practices are generally used as tools to give a company or an industry an unfair competitive advantage, and when used together, they can create unbeatable economies of scale. In their harshest form, trade practices can be used by countries as a tactic to try to unfairly dominate whole industries. This should not be allowed.

Trade agreements have many flaws and need to be carefully negotiated. Had the World Trade Organization done its job well, we would not have such serious trade issues — it is in need of serious reform. Obviously, where the United States is treated unfairly, we should demand that those agreements be fixed. It would also be good to acknowledge that we have sometimes treated others unfairly (for example, parts of the Inflation Reduction Act unfairly favor American business).

We also need to acknowledge that there have been real negative job impacts as a result of trade (in 1990, there were 18 million jobs in manufacturing in this country versus 13 million today), which are usually concentrated around certain geographic areas and businesses. The loss of these jobs also had a serious negative effect on social outcomes, including depression, divorce and others.

However, the worst outcome to trade's evolution over the past several decades is that Americans have become too dependent on some non-aligned foreign countries for many things essential to our national security and resiliency. This extends, as mentioned previously, from rare earths to the manufacturing of semiconductors. Unfortunately, we need industrial policy to remedy this.

America already trades with more than 200 countries and territories. We should strike the best — and, of course, the most fair — trade agreements that we can. We can do this while maintaining our close economic relations with our allies.

**Industrial policy has become a necessary tool now, but it should be done right. It should be limited and market-based.**

Unfortunately, we need industrial policy to guarantee our national security and resiliency. And it also could be used to combat unfair mercantilist policies around critical industries. These policies uniquely could be completely ***unilateral***.

Industrial policy mechanisms, when used, should be as targeted and as simple as possible. They come in many guises: grants, cheap loans, equity investing, purchase agreements and others. The cleanest of these is tax credits in various forms. Whatever the policy, two rules should not be violated: (1) there should be no social engineering — this is not a jobs program (the Jones Act meant to preserve jobs in the Merchant Marine has basically destroyed our Merchant Marine and merchant ship building business) and (2) for the most part, the market should allocate capital, not the government. Industrial policy can easily devolve into a buffet where corporate America gorges at the expense of the taxpayer. While there are certain circumstances that require the government to allocate capital (think infrastructure and national security), generally the government is simply not good at allocating capital in a free market. America does best not with central planning but with consistent and clear policies that are conducive to growth.

The reason we need industrial policy is because many of the things we need to do for national security would fail without government support. It just needs to be designed wisely. The question, however, is: What conditions require industrial policy and what guardrails are needed so the policy does not grow unchecked and distort the free market?

**Trade is increasingly complex, and the United States needs to stay deeply engaged.**

Trade is very complex and constantly changing. I have no doubt that other nations will be thinking about their future trade policies as they try to adjust to demands from both the United States and China, as well as weigh their own national security needs. It is in our country's interest that our allies remain economically tied to the United States. Many nations have joined, or are negotiating to join, large transregional free trade groups. Europe, for goods, is already essentially one, and the European Union (EU) signed a free trade agreement with India and the EU-Mercosur Partnership Agreement, a large free trade agreement with Argentina, Brazil, Paraguay and Uruguay. The Comprehensive and Progressive Agreement for Trans-Pacific Partnership is another large free trade agreement between 12 countries in the West and Indo-Pacific. Being excluded from an increasing number of these free trade agreements will, over time, weaken America's competitiveness and companies. It will also mean that America will not have a seat at the table when policies, strategies and processes are being established. Therefore, I believe formulating trade agreements should be drawn up ***alongside*** our allies if possible.

**America needs Europe to succeed — and it's currently on a bad path.**

It is very hard to predict the future, and even when we analyze history, hindsight is not 20/20. We still analyze the disintegration of the Roman Empire, the British Empire, the Chinese Empire and the failures after World War I that led to Nazi Germany. However, there are major trends that we should study — they are like shifting tectonic plates that can determine the future course of history.

I believe we are staring one in the face: the slow but constant decline and fragmentation of Europe. Europe is entering a decisive decade, and it is unable to act. The EU was an extraordinary accomplishment — nations coming together and using political and peaceful means to settle differences. And this after a millennium of terrible wars. It worked, but it only went halfway. Europe never finished the economic union (see the Draghi report), which meant that European countries constantly underperformed economically. This has led to their GDP relative to the United States going from 90% in the year 2000 to approximately 70% today. This fragmentation remains a structural drag on competitiveness. As former European Central Bank President Mario Draghi has noted, internal EU market barriers function like "hard tariffs" of approximately 45% for manufacturing and 110% for services. Those barriers reflect not a failure of ambition but rather a failure of integration. This has led to a lack of scale for their major businesses and a lack of mobility for both capital and people.

EU nations also created whole new layers of bureaucracy that reduced innovation, growth and investment among other things. This will continue unless European leaders dramatically change course. If they don't, they will eventually be unable to afford their social safety nets, restrengthen their nations' militaries and grow their economies. The EU is currently home to world-class companies, deep pools of savings and a talented workforce. But without new EU direction, their major global companies will weaken, faced with very strong American and Chinese competition. The ultimate loser in all this will be Europe and all its citizens — and it will hurt the United States as well.

Europe and America are each other's largest trade partners at $2 trillion a year. The United States and Europe remain the twin engines of the world economy, with the transatlantic relationship reaching a record $9.8 trillion in 2025. While America and Europe do have real differences, we believe that a stronger Europe, militarily and economically, is in America's self-interest.

**Europe needs to rebuild its military and its defense industrial base.**

Almost all European countries have dramatically increased their budgets to strengthen their militaries — all allies now meet or exceed their current North Atlantic Treaty Organization (NATO) commitments. We can and should clarify and reaffirm NATO's goals and mission. The goal should be to end up with a far stronger NATO and fit for purpose.

Yet Europe's defense industrial base is still not fit for purpose. This is as much an economic and industrial challenge as a military one. The continent needs enduring production capacity, coordinated procurement and dual-use manufacturing that serves both commercial and defense sectors.

Europe's defense will also benefit from maintaining the deep interconnectedness with the United States that has anchored Euro-Atlantic security for decades. Efforts to grow Europe's defense industrial base should avoid measures — such as strict "Buy European" content requirements — designed to favor EU suppliers but that end up shutting out U.S. firms and, with them, the small- and medium-sized suppliers that many European defense manufacturers still rely upon.

Europe will have a hard time competing with the United States on the large-scale production of certain very advanced military capabilities, like nuclear submarines, advanced airplanes, military intelligence and satellites among others. They should rely on our country for this, which means we need to be totally reliable. European nations should focus on the types of things they can build very effectively, like drones, tanks, armaments and others. They do, however, need to do this efficiently — not inefficiently. They do this now by, for example, building 14 different types of tanks all over the continent. The military equipment of NATO needs to be interoperable. While they need several manufacturers to compete to build most types of equipment, they should not have so many that it's highly inefficient. And while the successful manufacturers can have plants in different countries, this should not be treated as a jobs creation program.

Finally, a transatlantic approach to some defense production — such as RTX's partnership with Germany's Diehl Defence on air defense systems — will deliver more scale, more interchangeability and more capability than any go-it-alone model.

**We need one big, beautiful trade deal for Europe.**

The United States should do whatever it can to help — or even push — Europe to take all necessary steps to reverse its decline and strengthen its economy. We should support them to act on what is in their own self-interest: adopting the reforms in the Draghi report. For example, strengthening the EU's internal market structure — through completion of the Capital Markets Union and Banking Union — would be transformative for Europe's ability to scale and compete. A more integrated financial system would unlock investment for strategic industries; enhance stability and reduce fragmentation costs; enable more European banks to compete globally; and make the continent a more attractive environment for foreign firms. For companies like ours, it would create tougher competition (which in the long run is good), but it would also enable us to serve clients more efficiently across borders — lowering complexity, improving capital allocation and, ultimately, increasing growth.

I know this is a long shot, but we could offer Europe one unbelievable inducement: If it commits to economic and military reforms, the United States would negotiate **one big, beautiful free trade agreement with all of Europe**. If I could, I would throw in similar action with Australia, Japan, the Philippines, South Korea and other nations. This would be an economic and geopolitical home run for the United States and for Europe, allowing us to set the global rules around trade (if you want to access to over 40% of the world's market), and it would bind Western allies together in the face of autocratic pressure.

We tried this before in the so-called T-TIP (Transatlantic Trade and Investment Partnership) proposal a decade ago. Clearly, it would be hard to do because we would need to resolve existing tax and regulatory issues around digital services, as well as extraterritorial regula-

tions around climate reporting (the highly misguided Corporate Sustainability Due Diligence Directive disclosure rules). And of course, we are all going to have to be a little flexible about one of the most challenging issues — agriculture — but with hard work, all of these concerns could be resolved. And the benefits would be enormous. Doing big things is never easy.

**Strong American leadership is required — there is no real alternative.**

Some political leaders have said that there is a "rupture" between America and the Western world —that the red lines have been crossed and there is no return to the prior system. I completely disagree. There is no practical replacement to the prior system. It has not ruptured, but it needs reform. The middle-sized nations do not have real alternatives in terms of building a unified military or a unified economy that can compete effectively with the United States and China. If these middle nations did, the result would look a lot like what Europe is today: dysfunctional. The only practical alternative is to fix the current situation.

The United States and Europe have an extraordinary number of commonalities, including values deeply held. For more than 75 years since the end of World War II, the United States and Europe have worked together to resolve most major global economic or military challenges and in fighting terrorism and nuclear proliferation. We need this cooperation for the next 75 years.

I do not want to contemplate the opposite. Without American leadership, there would be a huge vacuum. If not us, who? We are the only country that has the capability to do it. Fragmented relationships with and among our extensive allies could lead to an "every nation for themselves" mentality. America would become more isolated, the U.S. dollar would no longer be the world's reserve currency and autocratic nations would rejoice. Need I say more?

**We need to strengthen our commitment to the values and virtues that created America and to the Constitution, which embeds these values in law.**

The Constitution is the legal embodiment of the values and principles that define America. We pledge allegiance to the Constitution, but it's the values that are the true foundation of America's success.

**The values we uphold unite us.**

Our country's values transcend any political stance — libertarian, conservative, progressive, Democrat or Republican. These values reach deep into American life: to provide justice and equal opportunity to all, to try to lift up all of our citizens, to dedicate to a strong national defense, to promote free enterprise, to have freedom of religion, and to respect family, country, self-reliance, labor and laborers, and common sense. These values are not mutually exclusive and should be embraced and upheld by all of us.

"We hold these truths to be self-evident, that all men are created equal."

"That they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness."

"With liberty and justice for all."

**We need to be stronger.**

These principles allow individuals to pursue life as they lawfully see fit. These extraordinary legal rights come with important civic responsibilities. To be able to address our problems at home and abroad, we must be strong. And our core strength is based upon our commitment to our values. If the soul of America is not strong, then the rest will be weak.

While we should acknowledge America's flaws, they should not be used to pull apart our country. We need to believe in ourselves and get back to work, not tear each other down. Many of the blind ideologies being bandied about run counter to our fundamental principles. Ideologues often adhere to rigid beliefs and, when extreme, seek to impose those beliefs on others; in radical forms of fanaticism, there is no room for individual differences. While we should listen to all people and all viewpoints, we should not allow ourselves to become weaponized. We should fight blind ideologies, like anti-Semitism, and any form of racism however and whenever it rears its ugly head.

I believe we have gotten a little too soft. Working hard, having ambition, demonstrating self-responsibility and loving your nation (particularly this nation) are wonderful qualities. We need to rededicate ourselves to these values. Proper civic engagement should better reflect President Kennedy's statement, "Ask not what your country can do for you, but what you can do for your country."

We also cannot forget that we have to deal with the world we have — not the one we want. Directly related to our values should be our strong commitment to defending them, including militarily. Tough minds and realpolitik are absolutely required in our complex world and in our global relationships.

It is incumbent on us to educate ourselves, our fellow citizens and future generations — starting in grammar school — about American values, our history and our ongoing pursuit of a more perfect democracy.

# In Closing

I hope you are as proud of what we all have achieved — as a business, as a bank and as a community investor — as I am. I can't even begin to express my heartfelt appreciation and respect for the tremendous character and capabilities of the management team that guided us through the good times and the bad times to where we stand today. And I recognize that we are enormously indebted to the achievements of many others who came before us in building this exceptional company of ours.

We are delighted to have opened our new headquarters in New York City, which is a beautiful physical manifestation of our company. It is a great example of how we treat our people with wonderful places to work — in New York City, across the country and around the world. Our new headquarters also shows how you can deconstruct something and rebuild it in a powerful way — that's good for our colleagues, our clients and our community.

I would also like to express my deep gratitude to the 320,000+ employees, and their families, of JPMorganChase. Through these annual letters, I hope shareholders and all readers have gained a deeper understanding of what it takes to keep your company strong in a rapidly changing world.

Finally, we sincerely hope to see the world on the path to peace and prosperity.



Jamie Dimon
Chairman and Chief Executive Officer

April 6, 2026

# Footnotes

## Client Franchises Built Over the Long Term (page 8)

Note: Figures may not sum due to rounding.

1 Certain wealth management clients were realigned from Asset & Wealth Management (AWM) to Consumer & Community Banking (CCB) in 4Q20. 2005 and 2015 amounts were not revised in connection with this realignment.

2 Federal Deposit Insurance Corporation (FDIC) Summary of Deposits survey per S&P Global Market Intelligence applies a $1 billion deposit cap to Chase and industry branches for market share. While many of our branches have more than $1 billion in retail deposits, applying a cap consistently to ourselves and the industry is critical to the integrity of this measurement. Includes all commercial banks, savings banks and savings institutions as defined by the FDIC. Deposit market share and rankings are calculated with historical institutional ownership for each year stated.

3 Barlow Research Associates, Primary Bank Market Share Database. Rolling eight-quarter average of small businesses with revenue of more than $100,000 and less than $25 million. Barlow's 2005 Primary Bank Market Share is based on companies with revenue of more than $100,000 and less than $10 million.

4 Total payments transaction volume includes debit and credit card sales volume and gross outflows of ACH, ATM, teller, wires, BillPay, PayChase, Zelle, person-to-person and checks.

5 Digital noncard payment transactions include outflows for ACH, BillPay, PayChase, Zelle, real-time-payments (RTP), external transfers and digital wires, excluding credit and debit card sales. 2005 is based on internal JPMorganChase estimates.

6 Sales share based on 2025 sales peer disclosures, JPMorganChase estimates, and excludes private label and Commercial Card.

7 Outstandings share based on 2025 loans outstanding peer disclosures, JPMorganChase estimates, and excludes private label, Citi Retail Cards and Commercial Card.

8 Represents the total number of open credit cards, inclusive of primary cardholders and authorized users.

9 Represents users of all web and/or mobile platforms who have logged in within the past 90 days.

10 Represents users of all mobile platforms who have logged in within the past 90 days.

11 Measures satisfaction with wealth management websites and apps. Learn more: jdpower.com/awards.

12 Inside Mortgage Finance, Top Owned Mortgage Servicers as of 4Q25.

13 Measures customer satisfaction with the mortgage servicing experience. Learn more: jdpower.com/awards.

14 Experian Velocity data as of full year 2025. Reflects financing market share for new and used loan and lease units at franchised and independent dealers.

15 Measures satisfaction with automotive finance websites and apps. Learn more: jdpower.com/awards.

16 Coalition Greenwich Competitor Analytics (preliminary for full year 2025). Market share is based on JPMorganChase's internal business structure, footprint and revenue. Ranks are based on Coalition Index Banks for Markets. 2006 rank is based on JPMorganChase analysis.

17 Dealogic as of January 2, 2026, excludes the impact of the UBS/Credit Suisse merger prior to the year of acquisition (2023).

18 Client deposits and other third-party liabilities pertain to the Payments and Securities Services businesses.

19 2005 data represents Treasury Services firmwide revenue only. All other periods include Merchant Services revenue.

20 Coalition Greenwich Competitor Analytics (preliminary for full year 2025) reflects global firmwide Treasury Services business (Commercial & Investment Bank and Commercial Banking (CB)). Market share is based on JPMorganChase's internal business structure, footprint and revenue. Ranks are based on Coalition Index Banks for Treasury Services.

21 Data in 2005 column is as of 12/31/2006.

22 Balances represented for 2005 include certain loans in the Markets business.

23 Prior year rankings based on current active banks – excludes banks that have been acquired. S&P Global Market Intelligence as of December 31, 2025.

24 Global Banking is a client coverage view within the Banking & Payments business and is comprised of the Global Corporate Banking (GCB), Global Investment Banking (GIB) and CB client coverage segments. Senior banker includes Vice President and higher. CB includes bankers and Treasury Management Officers; GCB and GIB include bankers only.

25 Extel.

26 Represents U.S. dollar payment instructions for direct payments and credit transfers processed over Society for Worldwide Interbank Financial Telecommunications (Swift) in the countries where J.P. Morgan has sales coverage. Market share is based on internal JPMorganChase estimates as of December 2025.

27 Nilson, full year 2025.

28 Nilson, card-not-present acquiring, full year 2025.

29 Coalition Greenwich Competitor Analytics (preliminary for full year 2025). Rank is based on JPMorganChase's internal business structure, footprint and revenue and Coalition Index Banks for Securities Services (excluding Corporate Trust, Escrow Services and Clearing & Settlement).

30 In the second quarter of 2025, the Middle Market Banking client coverage segment was renamed Commercial & Specialized Industries.

31 There was a change in methodology during 2025 in terms of how to count Commercial Term Lending clients within Commercial Real Estate ("CRE"). Client count is now based on Ultimate Parent, thereby reducing CRE's overall client count from 38,000 in 2024 to 23,000 for 2025.

32 London Stock Exchange Group – U.S. Traditional Middle Market Bookrunner, 2025.

33 Percentage of long-term active mutual fund and active exchange-traded funds (ETF) assets under management (AUM) in funds ranked in the 1st or 2nd quartile (one, three and five years): All quartile rankings, the assigned peer categories and the asset values used to derive these rankings are sourced from the fund rating providers. Quartile rankings are based on the net-of-fee absolute return of each fund. Where applicable, the fund rating providers redenominate asset values into U.S. dollars. The percentage of AUM is based on fund performance and associated peer rankings at the share class level for U.S.-domiciled funds, at a "primary share class" level to represent the quartile ranking for U.K., Luxembourg and Hong Kong Special Administrative Regional (SAR) funds and at the fund level for all other funds. The performance data may have been different if all share classes had been included. Past performance is not indicative of future results. "Primary share class" means the C share class for European funds and Acc share class for Hong Kong SAR and Taiwan funds. If these share classes are not available, the oldest share class is used as the "primary share class." Due to a methodology change effective September 30, 2023, prior results include all long-term mutual fund assets and exclude active ETF assets.

34 In the fourth quarter of 2020, the Firm realigned certain wealth management clients from AWM to CCB. Prior period amounts have been revised to conform with the current presentation.

35 Traditional assets include Equity, Fixed Income, Multi-Asset and Liquidity AUM; Brokerage, Administration and Custody assets under supervision.

36 Alternatives assets include Private Equity, Private Credit, Real Assets, Hedge Funds, Liquid Alternatives and other nontraditional assets. Assets calculated using net asset value of investments (except for certain Real Asset strategies, which use gross asset value) plus undrawn, committed capital. AUM only for 2005.

37 Morningstar, as of December 31, 2025. Count of active mutual funds and active ETFs rated 4- or 5-stars: Mutual fund rating services rank funds based on their risk-adjusted performance over various periods. A 5-star rating is the best rating and represents the top 10% of industry-wide ranked funds. A 4-star rating represents the next 22.5% of industry-wide ranked funds. A 3-star rating represents the next 35% of industry-wide ranked funds. A 2-star rating represents the next 22.5% of industry-wide ranked funds. A 1-star rating is the worst rating and represents the bottom 10% of industry-wide ranked funds. An overall Morningstar rating is derived from a weighted average of the performance associated with a fund's three-, five and 10-year (if applicable) Morningstar Rating metrics. For U.S.-domiciled funds, separate star ratings are provided at the individual share class level. The Nomura "star rating" is based on three-year risk-adjusted performance only. Funds with fewer than three years of history are not rated and hence excluded from these rankings. All ratings, the assigned peer categories and the asset values used to derive these rankings are sourced from the applicable fund rating provider. Where applicable, the fund rating providers redenominate asset values into U.S. dollars. The count of funds is based on star ratings at the share class level for U.S.-domiciled funds and at a "primary share class" level to represent the star rating of all other funds except for Japan, for which Nomura provides ratings at the fund level. The performance data may have been different if all share classes had been included. Past performance is not indicative of future results.

38 Company filings and JPMorganChase estimates. Rankings reflect publicly traded peer group as follows: Allianz, Bank of America, Bank of New York Mellon, BlackRock, Charles Schwab, DWS, Franklin Templeton, Goldman Sachs, Invesco, Morgan Stanley, State Street, T. Rowe Price and UBS. JPMorganChase ranking reflects Asset & Wealth Management client assets, U.S. Wealth Management investments and new-to-firm Chase Private Client deposits.

39 Public filings, Morningstar, J.P. Morgan estimates.

40 Bloomberg and FactSet December 31, 2025.

41 iMoneyNet.

42 Global Finance magazine.

### Our Fortress Balance Sheet (page 11)

1 Tangible common equity (TCE) 2005-2007 reflects common stockholders' equity less goodwill and other intangibles assets.

2 Basel III Transitional rules became effective on January 1, 2014; prior-period common equity Tier 1 (CET1) data is based on Basel I rules. As of December 31, 2014, the ratios represent the more binding of the Standardized or Advanced approach calculated under the Basel III Fully Phased-in basis. Capital results reflect the current expected credit loss (CECL) capital transition provisions starting in 2020. The 2025 binding capital ratio reflects an $80 billion downward adjustment for the temporarily elevated Advanced RWA related to the Apple Card transaction as disclosed in Capital Risk Management in the Form 10-K.

3 Capital returned to common shareholders includes common dividends and net repurchases.

4 Includes eligible high quality liquid assets (HQLA) as defined in the liquidity coverage ratio (LCR) rule and unencumbered marketable securities, such as equity and debt securities, that the Firm believes would be available to raise liquidity, including excess eligible HQLA securities at JPMorgan Chase Bank, N.A. that are not transferable to nonbank affiliates. For December 31, 2022-2025, the balance includes eligible end-of-period HQLA as defined in the LCR rule issued December 19, 2016. For December 31, 2017-2021, the balance includes average eligible HQLA. Periods prior to 2017 represent period-end balances. December 31, 2016 and 2015 balances are under the initial U.S. rule approved on September 3, 2014. The December 31, 2014 amount is estimated prior to the effective date of the initial rule and under the Basel III liquidity coverage ratio (Basel III LCR) for December 31, 2013. Amounts for December 31, 2005-2012 reflect cash and due from banks, deposits with banks and investment securities.

### JPMorganChase Exhibits Strength in Both Efficiency and Returns When Compared with Large Peers and Best-in-Class Peers (page 12)

1 Bank of America Corporation (BAC), Citigroup Inc. (C), The Goldman Sachs Group, Inc. (GS), Morgan Stanley (MS) and Wells Fargo & Company (WFC).

2 Managed overhead ratio = total noninterest expense/managed revenue; revenue for GS and MS is reflected on a reported basis.

3 Best-in-class overhead ratio of comparable peer business segments and firms: Bank of America Consumer Banking (BAC-CB), Goldman Sachs Global Banking & Markets (GS-GBM) and Northern Trust Wealth Management & Data Warehouse Solutions (NTRS-WM & DWS). Peer segment overhead ratio is estimated based on public disclosure, where unavailable.

4 Best-in-class ROTCE of comparable peer business segments and firms: Bank of America Consumer Banking (BAC-CB), Goldman Sachs Global Banking & Markets (GS-GBM), Morgan Stanley Institutional Securities (MS-IS) and Morgan Stanley Wealth Management & Investment Management (MS-WM & IM). Peer segment ROTCE is estimated based on public disclosure, where unavailable.

5 Best-in-class ROTCE of comparable GSIB peer business segments: Bank of America Consumer Banking (BAC-CB), Goldman Sachs Global Banking & Markets (GS-GBM), Morgan Stanley Institutional Securities (MS-IS) and Morgan Stanley Wealth Management & Investment Management (MS-WM & IM). Peer segment ROTCE is estimated based on public disclosure, where unavailable.

6 Given comparisons are at the business segment level, where available; allocation methodologies across peers may be inconsistent with JPM's.

### Size of the Financial Sector/Industry (page 29)

1 Congressional Budget Office; reflects end of fiscal year (September 30).

2 International Monetary Fund (IMF) estimates for general government as of October 2025 edition of Fiscal Monitor.

3 World Gold Council, Bloomberg and internal JPMorganChase estimates.

4 Consists of cash assets and Treasury and agency securities.

5 Private Equity assets under management (AUM) includes Balanced, Buyout, Co-Investment, Co-Investment Multi-Manager, Direct Secondaries, Growth, Hybrid, private investment in public equity (PIPE) and Turnaround in closed-end funds only. Excludes Fund of Funds, Secondaries and venture capital (VC) to avoid the double counting of funds.

6 Top 50 fund AUM data per Sovereign Wealth Fund Institute (SWFI). 2010 AUM for entities in the top 50 in 2025.

7 Preqin, Dealogic and JPMorganChase Credit Research.

8 Venture Capital AUM includes Early Stage, Venture and Expansion/ Late-Stage Capital in closed-end funds only. Excludes Fund of Funds and Secondaries to avoid the double counting of funds.

9 U.S. money market fund investment holdings of securities issued by entities worldwide.

10 NYSE + NASDAQ; excludes investment funds, exchange-traded fund (ETF) unit trusts and companies whose business goal is to hold shares of other listed companies; a company with several classes of shares is only counted once.

11 Inside Mortgage Finance and JPMorganChase internal data; consists of Top 50 Originators.

12 2025 based on flow data up to 3Q25. Global data preliminary based on 80 country sub-sample.

13 Financial Times fDi Markets, Dealogic.

14 Data up to 2Q25.

15 Reflects the growth in central bank assets during subsequent quantitative easing (QE) phases, net of the decline observed during the balance sheet reduction phase.

16 Global quantitative easing (QE) and global central bank assets are proxied by the changes and outstanding values of central bank assets as % of gross domestic product in the following economies: Australia, Canada, Denmark, Euro Area, Iceland, Japan, New Zealand, Norway, Sweden, Switzerland, the U.K. and the United States.