

Financial Analysis: JPM - 2025 FY summary

Executive Summary

Executive Summary: JPMorgan Chase & Co. Quarterly Results (2025)

JPMorgan Chase & Co. demonstrated resilient financial performance throughout 2025, navigating a complex economic landscape with robust underlying business activity. While overall revenue trends remained strong, results were occasionally influenced by non-recurring items and a consistently cautious outlook on credit quality and macroeconomic risks.

Revenue Trend:

The firm's quarterly revenue exhibited strength and growth over the year, albeit with some fluctuations. Managed revenue started at **\$46.0 billion in Q1**, dipped slightly to **\$45.7 billion in Q2** (primarily due to the absence of a significant prior-year gain related to Visa shares), before rebounding to a peak of **\$47.1 billion in Q3**. The year concluded with a strong **\$46.8 billion in Q4**, marking a 7% year-over-year increase. This growth was driven by solid performance across all major business lines, including record payments revenue and significant increases in Asset & Wealth Management client assets. However, underlying comparisons were occasionally masked by one-off tax benefits (Q2) and substantial credit reserve builds (Q4).

Headcount Changes:

The provided data indicates **no reported changes in total headcount** across all quarters of 2025. This suggests a stable workforce size or that specific headcount adjustments were not detailed in these summaries.

Write-offs and Risk Profile:

Credit quality emerged as a key area of focus, with a discernible upward trend in net charge-offs and a proactive stance on credit loss provisions throughout the year.

* **Net Charge-offs (Write-offs):** These gradually increased from **\$2.3 billion in Q1** to **\$2.4 billion in Q2** and **\$2.6 billion in Q3**, before a slight moderation to **\$2.5 billion in Q4**. This trend indicates a measured increase in actual credit deterioration across the portfolio.

* **Credit Loss Provisions:** Total credit loss provisions showed an increasing trajectory, from **\$3.3 billion in Q1** to **\$2.8 billion in Q2**, then rising to **\$3.4 billion in Q3**, and culminating in a substantial **\$4.7 billion in Q4**. The Q4 figure notably includes a **\$2.2 billion credit reserve** established for the forward purchase commitment of the Apple credit card portfolio, which significantly impacted reported net income and

capital ratios. This substantial reserve build reflects a more cautious and forward-looking approach to potential credit risks.

Management consistently highlighted a cautious economic outlook, citing "considerable turbulence," "geopolitical tensions," "sticky inflation," and "elevated asset prices" as persistent macroeconomic headwinds. Specific credit concerns included rising risk within the consumer loan portfolio (e.g., "seasoning of vintages"), "borrower-related collateral irregularities" in CIB, and a "charge-off related to a single client" in AWM. These factors underscore the firm's proactive approach to risk management amidst an uncertain operating environment.

In summary, JPMorgan Chase delivered a robust financial performance in 2025, characterized by strong revenue generation and strategic capital returns. However, the firm maintained a vigilant posture on credit risk, evidenced by increasing write-offs and significant reserve builds, reflecting management's cautious outlook on the broader economic and geopolitical landscape.

Quarterly Metrics

Metric	Q1	Q1_2	Q2	Q2_2	Q3
Quarterly Revenue Bn	46.014	46.0	44.9	45.7	47.1
Eps	5.07	5.07	5.24	5.24	5.07
Net Interest Income Millions	23400	23400	23300	23300	24100
Dividend Per Share	1.4	1.4	1.4	1.4	1.5
Assets Under Supervision Bn	4100.0	4113.0	6.4	6421.0	4600.0
Total Headcount	0	0	0	0	0
Write Offs Millions	2300.0	2300.0	2400.0	2400.0	2600.0
Credit Loss Provisions Millions	3305.0	1000.0	2849.0	2800.0	3403.0
Operating Expenses Bn	23.597	23.6	23.779	23.8	24.3
Return On Equity Bn	18.0	0.18	18.0	0.0	0.17
Return On Equity Tier1 Capital Bn	0.0	0.21	21.0	0.0	0.0
Net Profit Growth Percentage	9.0	8.96	-17.0	-17.58	12.0
Liquidity Coverage Ratio Percentage	0.0	113.0	0.0	113.0	0.0

Risk Weighted Assets Bn	1800.0	1818.0	1.9	1886.0	1900.0
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Qualitative Insights

Key Highlights

[Q1]: JPMorgan Chase reported a strong first quarter in 2025, with net income reaching \$14.6 billion, translating to \$5.07 per share. The firm achieved managed revenue of \$46.0 billion, demonstrating robust underlying business and financial results. Operating expenses stood at \$23.6 billion, while credit costs were \$3.3 billion, including \$2.3 billion in net charge-offs and a \$973 million net reserve build.

The quarter also saw significant capital returns to shareholders, with \$7 billion in common stock repurchases and a 12% increase in the common dividend to \$1.40 per share. The firm maintained a very strong capital position, with a CET1 ratio of 15.4% and substantial liquidity, holding \$1.5 trillion in cash and marketable securities.

Key business segments performed well, with the Commercial & Investment Bank (CIB) experiencing a 12% rise in Investment Banking fees and a 21% increase in Markets revenue, driven by record performance in Equities. The Consumer & Community Banking (CCB) segment continued to expand its customer base, adding 500,000 net new checking accounts. Asset & Wealth Management (AWM) reported healthy assets under management (AUM) net inflows of \$90 billion, contributing to a 15% year-over-year increase in AUM to \$4.1 trillion.

[Q1_2]: JPMorgan Chase reported strong first-quarter 2025 financial results, with net income reaching \$14.6 billion and diluted earnings per share (EPS) of \$5.07. The firm achieved managed revenue of \$46.0 billion, demonstrating robust performance across its segments. Key balance sheet metrics remained solid, with average loans increasing 2% year-over-year to \$1.3 trillion and average deposits also rising 2% year-over-year to \$2.4 trillion.

Capital ratios remained healthy, with a Standardized CET1 capital ratio of 15.4% and an Advanced CET1 capital ratio of 15.5%. The firm distributed significant capital to shareholders, including a common dividend of \$1.40 per share. Return on Tangible Common Equity (ROTCE) stood at an impressive 21%, reflecting efficient capital utilization.

Asset & Wealth Management (AWM) showed particular strength, with Assets Under Management (AUM) and client assets both growing 15% year-over-year to \$4.1 trillion and \$6.0 trillion, respectively, driven by strong net inflows and favorable market conditions. The firm's liquidity position was also strong, with a Firm Liquidity Coverage Ratio (LCR) of 113%.

[Q2]: JPMorgan Chase reported strong second-quarter 2025 results with a net income of \$15.0 billion, or \$14.2 billion excluding a significant item, translating to \$5.24 per share. The firm generated \$44.9 billion in reported revenue and managed expenses of \$23.8 billion. Credit costs amounted to \$2.8 billion, including \$2.4 billion in net charge-offs and a \$439 million net reserve build.

All lines of business performed well, with CIB Markets revenue rising 15% year-over-year and Investment Banking fees up 7%. The Consumer & Community Banking segment added approximately 500,000 net new checking accounts, and Card Services sales volume increased by 7%. Asset & Wealth Management saw asset management fees rise 10% and continued client asset net inflows of \$80 billion, pushing total client assets past \$6.4 trillion.

The company demonstrated robust capital and liquidity, ending the quarter with a 15% CET1 ratio, well above regulatory

requirements, and \$1.5 trillion in cash and marketable securities. The Board also announced an intention to increase the common dividend for the second time this year, resulting in a 20% cumulative increase compared to Q4 2024, alongside \$7 billion in common stock repurchases.

[Q2_2]: The company reported a net income of \$15.0 billion and diluted earnings per share (EPS) of \$5.24 for the second quarter of 2025. Managed revenue reached \$45.7 billion, reflecting a robust performance across various segments. The firm maintained a strong capital position, with a Standardized CET1 capital ratio of 15.0%.

Key operational metrics showed positive trends, with average loans increasing by 5% year-over-year and average deposits growing by 6% year-over-year. The company distributed a common dividend of \$1.40 per share, totaling \$3.9 billion, alongside \$7.1 billion in common stock net repurchases.

Segment-wise, Consumer & Community Banking (CCB) saw a significant 23% year-over-year increase in net income, while the Commercial & Investment Bank (CIB) and Asset & Wealth Management (AWM) segments also reported strong net income growth of 13% and 17% year-over-year, respectively. Client assets under supervision reached \$6.4 trillion, driven by continued net inflows and favorable market levels.

[Q3]: JPMorgan Chase & Co. reported strong third-quarter 2025 results, with net income reaching \$14.4 billion, translating to \$5.07 per share, and delivering a robust Return on Tangible Common Equity (ROTCE) of 20%. The firm's managed revenue stood at an impressive \$47.1 billion, reflecting broad-based strength across its business segments.

Each of the firm's major lines of business contributed significantly to this performance. The Commercial & Investment Bank (CIB) saw a 16% increase in Investment Banking fees and achieved a record third-quarter Markets revenue of nearly \$9 billion. The Consumer & Community Banking (CCB) segment maintained its #1 ranking in U.S. retail deposits, adding over 400,000 net new checking accounts, while Asset & Wealth Management (AWM) reported revenue exceeding \$6 billion and strong AUM net inflows of \$109 billion.

The firm demonstrated solid balance sheet growth, with average loans increasing 7% year-over-year and average deposits up 6% year-over-year. JPMorgan Chase also returned substantial capital to shareholders through a common dividend of \$1.50 per share and \$8.0 billion in common stock net repurchases. The company maintained its "Fortress Principles" with a strong Basel III common equity Tier 1 capital of \$287 billion and a standardized ratio of 14.8%.

CEO Jamie Dimon acknowledged the U.S. economy's general resilience, despite some signs of softening in job growth. He emphasized the firm's preparedness for a wide range of scenarios given heightened uncertainty from geopolitical conditions, trade issues, elevated asset prices, and the risk of sticky inflation, while thanking employees for their dedication.

[Q3_2]: The firm reported robust financial performance for 3Q25, with net income reaching \$14.4 billion, marking a 12% increase year-over-year, and diluted earnings per share (EPS) of \$5.07. Managed revenue grew by 9% year-over-year to \$47.1 billion, driven by strong contributions from both net interest income (\$24.1 billion, up 2% YoY) and noninterest revenue (\$23.0 billion, up 16% YoY), particularly from higher asset management fees, investment banking fees, and payments fees.

The balance sheet remained strong, with average loans increasing 7% year-over-year to \$1.4 trillion and average

deposits up 6% year-over-year to \$2.5 trillion. Capital ratios demonstrated resilience, with a Standardized CET1 capital ratio of 14.8% and an Advanced CET1 capital ratio of 14.9%. The firm actively returned capital to shareholders, distributing \$4.1 billion in common dividends (\$1.50 per share) and executing \$8.0 billion in net common stock repurchases.

However, operating expenses rose by 8% year-over-year to \$24.3 billion, primarily due to increased compensation, marketing, and auto lease depreciation. Credit costs totaled \$3.4 billion, comprising \$2.6 billion in net charge-offs and an \$810 million net reserve build, reflecting loan growth and macroeconomic variable updates.

[Q4]: JPMorgan Chase reported a strong fourth quarter for 2025, with managed revenue reaching \$46.8 billion, marking a 7% increase. Net income, excluding a significant item, stood at \$14.7 billion. All major business lines demonstrated solid performance, with the Corporate & Investment Bank (CIB) revenue rising 10% (Markets up 17%) and Payments revenue hitting a record \$5.1 billion.

The Consumer & Community Banking (CCB) segment saw a 6% revenue increase, achieving a record \$6.5 billion, driven by robust customer acquisition, including 1.7 million net new checking accounts and 10.4 million new credit card accounts. Asset & Wealth Management (AWM) revenue grew 13%, with client assets surpassing \$7 trillion due to strong net inflows of \$553 billion for the year.

The firm highlighted its commitment to strategic investments for future growth, exemplified by the new partnership to become the issuer of the Apple Card. CEO Jamie Dimon noted the resilience of the U.S. economy, characterized by continued consumer spending and healthy businesses, though he also cautioned about potential hazards like geopolitical conditions, sticky inflation, and elevated asset prices.

[Q4_2]: JPMorgan Chase reported strong 4Q25 financial results with a net income of \$13.0 billion and diluted EPS of \$4.63. Managed revenue reached \$46.8 billion, marking a 7% year-over-year increase, driven by growth in both Net Interest Income (NII) and Noninterest Revenue (NIR). The firm maintained a robust capital position, with a Standardized CET1 capital ratio of 14.5% and an Advanced CET1 capital ratio of 14.1%.

Average loans grew by 9% year-over-year and 3% quarter-over-quarter to \$1.5 trillion, while average deposits increased by 6% year-over-year and 2% quarter-over-quarter to \$2.6 trillion. The Asset & Wealth Management segment demonstrated significant strength, with Assets Under Management (AUM) rising 18% year-over-year to \$4.8 trillion and client assets increasing 20% year-over-year to \$7.1 trillion, propelled by favorable market conditions and substantial net inflows.

The firm also distributed capital through a common dividend of \$1.50 per share and \$7.9 billion in common stock net repurchases, reflecting a net payout of 82% over the last twelve months. These highlights underscore the firm's continued growth in core banking activities and strong capital management.

Critical View

[Q1]: Despite strong headline figures, the report indicates several areas of concern and potential headwinds. Jamie Dimon highlighted "considerable turbulence" in the economy, including geopolitical tensions, potential trade wars, sticky

inflation, high fiscal deficits, and elevated asset prices and volatility. This cautious outlook suggests a challenging operating environment ahead.

Specifically, while CIB's Investment Banking fees rose, clients became "more cautious amid an increase in market volatility." Firmwide net interest income, excluding Markets, saw a 2% decline, primarily due to lower rates, deposit margin compression, and reduced deposit balances in CCB, indicating pressure on core lending profitability.

In the Consumer & Community Banking segment, net income was down 8%, and net charge-offs in Card Services increased by \$275 million, attributed to the "seasoning of vintages originated in recent years." This points to rising credit risk within the consumer loan portfolio, which could impact future provisions. Furthermore, CIB's Banking & Payments revenue saw a 6% quarter-over-quarter decline, and its lending revenue growth was primarily driven by lower losses on hedges rather than organic loan expansion.

[Q1_2]: While overall results were strong, a closer look reveals several areas that warrant attention. The reported net income was significantly boosted by a one-time \$588 million pre-tax gain related to an agreement with the FDIC concerning the First Republic acquisition, which contributed \$0.16 to EPS. Excluding this non-recurring item, the underlying profitability would be lower. Furthermore, credit costs increased substantially year-over-year, rising from \$1.9 billion in 1Q24 to \$3.3 billion in 1Q25, driven by higher net charge-offs and a significant reserve build of \$1.0 billion, indicating a more cautious outlook on credit quality.

Segment-wise, Consumer & Community Banking (CCB) net income declined 8% year-over-year, and average deposits in this segment were down 2% year-over-year. The Commercial & Investment Bank (CIB) experienced deposit margin compression, and its Banking & Payments revenue was down quarter-over-quarter. Corporate net interest income also saw a notable decrease of \$826 million year-over-year. Additionally, the Standardized CET1 capital ratio slightly decreased from 15.7% in 4Q24 to 15.4% in 1Q25, and the Firm's Supplementary Leverage Ratio (SLR) also saw a marginal dip.

[Q2]: While the headline net income of \$15.0 billion appears strong, it represents a 17% decrease compared to the prior year's second quarter. Similarly, reported net revenue was down 11% year-over-year, and managed net revenue decreased by 10%. A significant portion of this decline in revenue, particularly noninterest revenue, is attributed to the absence of a \$7.9 billion net gain related to Visa shares recorded in the prior year, which artificially inflated prior-year comparisons and makes the current quarter's performance appear less robust on a like-for-like basis.

Furthermore, the reported net income for Q2 2025 was boosted by a \$774 million income tax benefit in Corporate, driven by the resolution of tax audits and finalized tax regulations. Excluding this one-time benefit, net income would have been \$14.2 billion and EPS \$4.96, indicating that a portion of the reported "strong results" is non-recurring. The provision for credit losses included a net reserve build of \$439 million, but this was partially offset by a "decrease in the weight placed on the adverse scenarios," which could be seen as an optimistic adjustment to credit risk modeling amidst persistent economic uncertainties.

[Q2_2]: While the report highlights strong quarterly net income, a critical view reveals a significant year-over-year decline in overall net profit, with 2Q25 net income of \$15.0 billion being \$3.2 billion lower than 2Q24, representing a decrease of approximately 17.6%. Similarly, managed revenue for 2Q25 was down \$5.3 billion compared to 2Q24, indicating broader revenue challenges.

A substantial portion of this decline is attributable to the Corporate segment, which saw its revenue plummet by \$8.6 billion year-over-year. This dramatic drop is largely due to the absence of a \$7.9 billion net gain related to Visa shares recorded in the prior year, effectively masking underlying revenue pressures when comparing firm-wide performance. Net interest income within Corporate also decreased by \$875 million year-over-year.

Furthermore, the report mentions "excluding a significant item" for net income, EPS, and ROTCE, where the significant item was a \$774 million income tax benefit. This suggests that the reported performance was bolstered by a one-off tax benefit, and without it, the core operational profitability would have been lower, with net income at \$14.2 billion and EPS at \$4.96. Lending revenue in the Commercial & Investment Bank also experienced a 6% year-over-year decline, driven by higher losses on hedges.

[Q3]: While the report highlights strong overall performance, several underlying trends and risks warrant a critical perspective. Quarter-over-quarter, both net income and earnings per share saw a slight decline, alongside a marginal dip in Return on Common Equity and Return on Tangible Common Equity, suggesting some deceleration from the previous quarter's peak.

A notable concern is the increase in credit costs, with the provision for credit losses rising to \$3.4 billion, up from \$2.849 billion in the prior quarter and \$3.111 billion in the prior year. This was driven by \$2.6 billion in net charge-offs, particularly in Wholesale and Card Services, and an \$810 million net reserve build. Specific issues included "borrower-related collateral irregularities in certain secured lending facilities" within CIB and a "charge-off related to a single client" in AWM, indicating isolated but significant credit quality deteriorations.

Furthermore, noninterest expense increased by 8% year-over-year, primarily due to higher compensation, brokerage, distribution fees, and marketing, which could pressure future profitability if revenue growth moderates. The Corporate segment experienced a substantial decline in net income, down \$1.0 billion year-over-year, largely attributed to lower rates and deposit margin compression impacting net interest income. CEO Jamie Dimon also explicitly flagged a "heightened degree of uncertainty stemming from complex geopolitical conditions, tariffs and trade uncertainty, elevated asset prices and the risk of sticky inflation," which poses significant macroeconomic headwinds for future performance.

[Q3_2]: While overall revenue growth was positive, the report indicates underlying pressures in certain areas. Net interest income excluding Markets was flat year-over-year, primarily due to the impact of lower rates and deposit margin compression, which were only "predominantly offset" by other factors. Furthermore, both the Standardized CET1 capital ratio and the Firm's Liquidity Coverage Ratio (LCR) experienced slight sequential and year-over-year declines, although they remain at healthy levels.

Operating expenses across the firm, and specifically within Consumer & Community Banking, saw notable increases driven by compensation, marketing, and auto lease depreciation, suggesting ongoing cost management challenges. In the Commercial & Investment Bank, lending revenue declined by 1% year-over-year, and credit costs were impacted by "borrower-related collateral irregularities in certain secured lending facilities," indicating specific credit quality concerns. The Corporate segment experienced a significant year-over-year decline in both revenue and net interest income, largely attributed to lower rates and changes in funds transfer pricing for consumer deposits, which represents a substantial drag on overall corporate performance.

[Q4]: While the report emphasized net income excluding a significant item (\$14.7 billion), the reported net income for Q4 2025 was \$13.0 billion, representing a 7% decrease year-over-year. This reported figure includes a \$2.2 billion credit reserve established for the forward purchase commitment of the Apple credit card portfolio, which reduced EPS by \$0.60. This indicates that underlying reported profitability was impacted by a substantial one-off charge.

Specific areas of weakness include Investment Banking fees, which were down 5% year-over-year and 11% quarter-over-quarter, suggesting a challenging environment in this segment despite overall CIB growth. Home Lending net revenue also declined by 4%, primarily due to lower net interest income and servicing revenue. Furthermore, net charge-offs increased by \$150 million, predominantly driven by the Wholesale segment.

The Corporate segment experienced a significant decline in net income, down \$1.0 billion or 77%, mainly attributed to lower net interest income from the impact of lower rates. CEO Jamie Dimon's cautionary remarks about 'potential hazards-including from complex geopolitical conditions, the risk of sticky inflation and elevated asset prices' could be seen as a subtle acknowledgment of broader economic risks that might temper future performance, despite the generally positive tone of the report.

[Q4_2]: The reported net income of \$13.0 billion and EPS of \$4.63 were significantly impacted by a \$2.2 billion pretax credit reserve established for the forward purchase commitment of the Apple credit card portfolio. Excluding this 'significant item,' net income would have been \$14.7 billion and EPS \$5.23, indicating a substantial one-off drag on reported earnings that masks underlying profitability.

Despite strong revenue growth, net income was down 7% year-over-year, primarily due to higher credit costs, including the aforementioned Apple card reserve build. Operating expenses increased 5% year-over-year to \$24.0 billion, driven by higher compensation, auto lease depreciation, brokerage, and occupancy expenses. While partially offset by an FDIC special assessment accrual release, this still points to persistent underlying cost pressures.

Furthermore, the Standardized CET1 capital ratio decreased from 15.7% in 4Q24 to 14.5% in 4Q25, and the Advanced CET1 capital ratio also declined. This reduction was partly attributed to the Apple Card impact of approximately 90 basis points on Advanced Risk-Weighted Assets (RWA), which, although expected to reduce over time, represents a current capital drag.

Regulatory & Legal

[Q1]: The firm noted several regulatory and legal developments impacting its financial results. A significant item was the impact of a FDIC special assessment accrual release of \$323 million, which favorably offset noninterest expense compared to a substantial increase in the prior year.

JPMorgan Chase also finalized an agreement with the FDIC regarding outstanding items from the First Republic acquisition, resulting in a \$588 million gain recorded in other income for the quarter. This settlement involved a payment of \$609 million to the FDIC.

Furthermore, the report highlighted the firm's strong adherence to capital requirements, with Basel III common equity Tier 1 capital at \$280 billion and a Standardized ratio of 15.4%. It also mentioned that as of January 1, 2025, the benefit

from the Current Expected Credit Losses (CECL) capital transition provision had been fully phased out, indicating a full adoption of the accounting standard's capital impact.

[Q1_2]: The report highlighted a significant regulatory development regarding the Current Expected Credit Losses (CECL) capital transition provision, which was fully phased out as of January 1, 2025. This means the firm no longer benefits from the temporary capital relief provided by this provision. A notable legal and regulatory resolution was the agreement reached with the FDIC on January 17, 2025, concerning outstanding items from the First Republic acquisition. This agreement involved a \$609 million payment to the FDIC, which, combined with a reduction in additional payables, resulted in the aforementioned \$588 million gain recorded in the first quarter. The firm also mentioned excluding "Firmwide legal expense" from its adjusted expense outlook, indicating ongoing legal considerations.

[Q2]: The report notes that the current quarter's results included a \$774 million income tax benefit in Corporate. This benefit was driven by the resolution of certain tax audits and the impact of tax regulations finalized in 2024 related to foreign currency translation gains and losses. While not a new regulatory development *in* Q2 2025, these prior regulatory finalizations and audit resolutions had a material positive impact on the firm's financial performance during the quarter. Jamie Dimon also commented on the "finalization of tax reform and potential deregulation" as positive for the economic outlook, indicating an awareness of broader regulatory environment shifts, though no specific new regulatory actions or legal challenges were detailed for the quarter.

[Q2_2]: The report indicates several regulatory and legal developments impacting the firm's financial results. Notably, the second quarter of 2025 included a \$774 million income tax benefit within the Corporate segment. This benefit stemmed from the resolution of certain tax audits and the positive impact of tax regulations finalized in 2024 concerning foreign currency translation gains and losses, highlighting the ongoing influence of tax policy and audit outcomes on profitability.

From a capital perspective, the firm's Basel III Common Equity Tier 1 (CET1) capital and Total Loss-Absorbing Capacity metrics are presented, with a note that the benefit from the Current Expected Credit Losses (CECL) capital transition provision had been fully phased out as of January 1, 2025. This signifies the firm's adaptation to evolving capital requirements.

Additionally, the report references the Liquidity Coverage Ratio (LCR) rule in its liquidity metrics, demonstrating adherence to regulatory standards for maintaining sufficient high-quality liquid assets. The mention of Firmwide legal expense, although excluded from adjusted expense, indicates the continuous presence of legal costs as part of the firm's operational landscape.

[Q3]: The report notes the full phase-out of the Current Expected Credit Losses (CECL) capital transition provision as of January 1, 2025, indicating the firm is now fully operating under the CECL framework without transitional benefits. While the Liquidity Coverage Ratio (LCR) rule is referenced in the context of high-quality liquid assets, no new regulatory or legal developments regarding the LCR or other significant compliance changes were explicitly detailed in this quarter's report. The firm did report lower legal expenses, contributing to a partial offset in overall noninterest expense increases.

[Q3_2]: The report notes the full phase-out of the Current Expected Credit Losses (CECL) capital transition provision as of January 1, 2025, which had previously provided a capital benefit. This development impacts how capital is calculated and reflects a completed regulatory change rather than a new or ongoing legal/regulatory action. Beyond this, the report

mentions a "lower legal expense" as a partial offset to rising overall expenses, but does not detail any new significant regulatory investigations, legal challenges, or policy changes impacting the firm's operations or financial outlook.

[Q4]: The report provided updates on key regulatory capital metrics. JPMorgan Chase's Basel III common equity Tier 1 (CET1) capital stood at \$288 billion, with a Standardized ratio of 14.5% and an Advanced ratio of 14.1%. The Firm's supplementary leverage ratio was reported at 5.8%.

A notable regulatory impact in Q4 2025 was the \$2.2 billion credit reserve established for the forward purchase commitment of the Apple credit card portfolio. This reserve resulted in a decrease to the fourth-quarter 2025 CET1 capital ratio of approximately 25 basis points under the Standardized approach and approximately 90 basis points under the Advanced approach.

Additionally, the report mentioned that as of January 1, 2025, the benefit from the Current Expected Credit Losses (CECL) capital transition provision had been fully phased-out, indicating a full implementation of CECL accounting standards on capital calculations.

[Q4_2]: The report highlights several regulatory and legal developments impacting the firm's financial performance and capital structure. An 'FDIC special assessment accrual release' partially offset increases in operating expenses, indicating ongoing adjustments related to regulatory assessments and their financial implications.

Basel III capital metrics remain a central focus, with detailed reporting on Standardized and Advanced Risk-Weighted Assets (RWA) and CET1 capital ratios. The firm's capital ratios, including the Standardized CET1 capital ratio of 14.5% and Advanced CET1 capital ratio of 14.1%, are key indicators of compliance and financial strength under these frameworks.

Additionally, the report notes that as of January 1, 2025, the benefit from the Current Expected Credit Losses ('CECL') capital transition provision had been fully phased-out. This change impacted CET1 capital and Total Loss-Absorbing Capacity, reflecting the full implementation of CECL accounting standards and their effect on regulatory capital calculations.