

Q1 2020 Earnings Call

Company Participants

- Jamie Dimon, Chairman and Chief Executive Officer
- Jennifer A. Piepszak, Chief Financial Officer

Other Participants

- Andrew Lim, Analyst
- Betsy Graseck, Analyst
- Brian Kleinhanzl, Analyst
- Chris Kotowski, Analyst
- Erika Najarian, Analyst
- Gerard Cassidy, Analyst
- Glenn Schorr, Analyst
- John McDonald, Analyst
- Mike Mayo, Analyst
- Saul Martinez, Analyst
- Steven Chubak, Analyst

Presentation

Operator

Good morning, ladies and gentlemen. Welcome to JPMorgan Chase's First Quarter 2020 Earnings Call. This call is being recorded. Your line will be muted for the duration of the call. We will now go live to the presentation. Please standby. At this time, I would like to turn the call over to JPMorgan Chase's Chairman and CEO, Jamie Dimon, and Chief Financial Officer, Jennifer Piepszak. Ms. Piepszak, Please go ahead.

Jennifer A. Piepszak {BIO 19013293 <GO>}

Thank you, operator. Good morning, everyone. As you heard, Jamie is with me on the call and I know, I speak for the entire company, when I say, we are just thrilled that he is back. Before we get into the first quarter performance, we want to start by recognizing that this is an extremely challenging time for all of us and our thoughts are with those most affected by COVID-19, particularly those on the front lines of this crisis. The presentation this quarter is slightly longer to address a few key topics as we navigate this environment and as always is available on our website and we ask that you please refer to the disclaimer at the back.

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Starting on Page 1, I'd like to highlight some of the ways we're responding to COVID-19. As a firm, we are focused on being there for our employees, customers, clients and communities in what is an unprecedented and uncertain environment. And while we don't know how this will play out, we will be transparent here about our assumptions in what we know today. Our number one priority is to continue to provide our services in an uninterrupted way by also providing a safe work environment for our employees. We're incredibly proud of all that our firm has been able to do over the past few weeks. So I'll just hit on a few examples here. We mobilized our workforce around the globe to work remotely where feasible including operations and finance teams, portfolio and risk managers, bankers and traders, ensuring they have the right tools to work effectively. Currently, we have about 70% working from home across the company and for many groups that number is well north of 90%. And for those who still need to go into the office or into a branch, we are taking extra precautions and being extremely mindful of their safety.

And we're providing assistance in other ways too, for instance, we're offering free COVID related medical treatment for US employees and their dependents. On the consumer side, approximately three quarters of our 5,000 branches have been open, all with heightened safety procedures and many with drive through options. And the vast majority of our over 16,000 ATMs remain accessible. And while our call center capacity have been challenged, we quickly activated resiliency plans to address customer call seeking assistance and we put in place new digital and self-service solutions in record time. And while wait times have been extended, we're making good progress reducing them. For our customers who are struggling financially during this time, we are providing relief such as a 90-day grace period for mortgage, auto and card payments as well as waiving or refunding certain fees.

We continue to support our customers and clients by providing liquidity and advice during this challenging market environment and in the month of March, we extended more than \$100 billion of new credit. In wholesale, clients drew more than \$50 million on their revolvers with us and we approved over \$25 billion of new credit extensions for clients most impacted. And for our small business clients, we're actively supporting the SBA's Paycheck Protection Program.

The number you see on the slide are as of April 12 and as of this morning, we have more than 300,000 in some stage of the application process, representing \$37 billion in loans and refunded \$9.3 billion to businesses with over 700,000 employees. And to help the most vulnerable and hardest hit communities as an initial step, we've announced a \$150 million loan program to get capital to underserved, small businesses and non-profits as well as a \$50 million philanthropic investment.

Now turning to Page 2 for highlights on our first quarter financial performance. For the quarter, the firm reported net income of \$2.9 billion, EPS of \$0.78 and revenue of \$29.1 billion with a return on tangible common equity of 5%. While the underlying business fundamentals this quarter performed very well, we reported a number of significant items all due to impacts from COVID-19, which I'll discuss in more detail later, but at a high level, these items are a credit reserve build of \$6.8 billion, approximately \$950 million of losses in CIB, largely due to the widening of funding spreads on derivatives and a \$900 million

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markdown on our bridge book. It might be an obvious point but the quarter was really a tale of two cities, January and February and then March when the crisis started to unfold. And with that, I thought it would be helpful to talk through some key metrics that highlight this dynamic across our businesses. So let's go to Page 3. Starting with card sales volume on the top left, in March, we saw a rapid decline in spend initially in travel and entertainment, which then spread to restaurants and retail as social distancing protocols were implemented more broadly.

While most spend categories were ultimately impacted, we did see an initial boost to supermarkets, wholesale clubs and discount stores as people stocked up on provisions, but even that is now starting to normalize. And we saw similar trends in merchant services, as highlighted in the significant decline in brick and mortar spend excluding supermarkets whereas e-commerce spend tilted [ph] well by comparison. In investment banking, in the middle of the page, there was a surge in debt issuance by investment grade clients as the market remained open and clients desire to shore up liquidity was top of mind. It was the largest quarter ever in terms of investment grade debt issuance led by JPMorgan. And in markets, volatility drove elevated trading volumes across products, most notably across rates and commodities which at their peak were more than triple our average January trading volumes.

And on the far right, deposit growth accelerated meaningfully in March, most notably driven by wholesale clients as they secured liquidity and held those higher cash balances with us. At the same time, we saw accelerating loan growth, primarily driven by revolver draws. And finally, flows in AWM were meaningfully different in March compared to January and February.

Long term, flows through February was strong positive across all asset classes. But this was more than offset by outflows in March. On the flip side, we saw significant net liquidity inflows into our government funds during March, which more than offset prime money market outflows. On to Page 4 and some more detail about our first quarter results. Revenue of \$29.1 billion was down \$782 million or 3% year-on-year as net interest income was flat to the prior year due to the impact of lower rates, offset by balance sheet growth and mix and higher CIB markets NII. And non-interest revenue was down 5% driven by the significant items, I already mentioned, which was largely offset by higher CIB markets revenue. Expenses of \$16.9 billion were up 3%, driven by higher volume and revenue related expenses, continued investments in higher legal expense, all of which were largely offset by structural expense efficiencies. This quarter, credit costs were \$8.3 billion, including a net reserve build of \$6.8 billion, reflecting the impacts of COVID-19 and net charge-offs of \$1.5 billion in line with prior expectations.

Now turning to Page 5, we have some more detail on the reserve builds. Our net reserve build of \$6.8 billion for the quarter consists of \$4.4 billion in consumer, predominantly card and \$2.4 billion in wholesale with builds primarily due to impacts of COVID-19 as well as lower oil prices. This reserve increase assumes in the second quarter that US GDP is down approximately 25% and the unemployment rate rises above 10%, followed by a solid recovery over the second half of the year. In addition to these macro assumptions specific to each business, our consumer reserve build reflects our best estimate of the impact of payment relief that we are providing to our customers as well as the federal

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government's stimulus programs. And in wholesale, the majority of the build is in sectors most directly impacted by COVID-19 such as in consumer and retail and also in oil and gas. We expect other sectors to be impacted to a lesser extent, if we avoid a prolonged downturn. We have also assumed that the stress in oil and gas continues with WTI remaining below \$40 through the end of 2021. After we close the books for the quarter, our economists updated their outlook, which now reflects a more significant deterioration in US GDP and unemployment. If that scenario were to hold, it would be building in the second quarter and build could be meaningfully higher, in aggregate over the next several quarters relative to what we took in the first quarter. A primary unknown is the duration of the crisis, which will directly impact losses across our portfolios. But that being said, our consumer portfolio skews more prime than the industry average and the effectiveness of government support, customer relief and enhanced unemployment benefits while uncertain undoubtedly will act as mitigant to the losses.

And so the -- even though our losses will be material, we will be doing what we can to help our customers recover from this crisis and help our clients stay in business. Now, moving to balance sheet and capital on Page 6. Our balance sheet, capital and liquidity going into this crisis, were incredibly strong and importantly allowed us to facilitate client needs in a period of stress and that combined with our earnings power is an extraordinary base to absorb the inevitable losses to come. For the quarter, we distributed \$8.8 billion of capital to shareholders which include \$6 billion in net share repurchases up to March 15. Since then, we stopped our buybacks, which was both a prudent decision at the time and consistent with what we always say, which is that we would prefer to use our capital to serve our customers and clients. This capital distribution outweighed our earnings for the quarter, and this coupled with significant RWA growth resulted in a decline in our CET1 ratio to 11.5%.

On RWA, which you can see on the bottom right of the page, the key drivers of growth were market volatility, which should subside over time and more importantly, an increase in lending at this critical time for our clients. Going forward in order to leverage our balance sheet to serve our clients, we are prepared to use our internal buffers which may mean our CET1 ratio falls below our target range and if necessary, we can also use regulatory buffers to go below our 10.5% minimum. It's worth noting here that in an environment like this is precisely why we have the buffers, in the first place. We currently also have capacity and intend to continue to pay the \$0.90 dividend pending Board approval. And as you can see in the CET1 walk on the bottom left, it is a small claim on our capital base. And before we move on, just a moment on liquidity.

Even with everything we facilitated, our liquidity position remains strong. And looking forward, it's helpful to remember that we have significant liquidity resources beyond HQLA including the discount window if need be. And now turning to the businesses, starting with Consumer & Community Banking on Page 7. CCB reported net income of \$191 million including reserve builds of \$4.5 billion. January fed rate showed a continuation of strength across the business, but again March showed a major shift in trends and across our consumer segments, we saw a drastic deceleration in spend across all forms of payments and a decline in origination volumes except in the mortgage re-fi market. And on the small business side, we saw significantly reduced inflows in merchant processing activity, early signs of pressure on payment and delinquency rates as well as

line utilization and increased demand for credit. Turning back to the results. Revenue of \$13.2 billion was down 2% year-on-year. In Consumer and Business Banking revenue was down 9% driven by deposit margin compression, partially offset by strong deposit growth of 8% that accelerated in the quarter.

Deposit margin was down 56 basis points year-on-year and we expect it to decline further, given the current rate environment. Home lending revenue was down 14% driven by lower net servicing revenue and lower NII partially offset by higher net production revenue. And in card and auto, revenue was up 8% driven by higher card NII on loan growth and margin expansion. Average card loan growth was 8% with sales up 4% over the quarter driven by January and February activity. Expenses of \$7.2 billion were up 3% driven by revenue related costs from higher volumes as well as continued investments in the business, partially offset by structural expense efficiencies. And lastly, on this slide, credit costs included the \$4.5 billion reserve build I mentioned earlier and net charge-offs of \$1.3 billion, driven by card and consistent with prior expectations.

Now turning to the Corporate & Investment Bank on Page 8. CIB, reported net income of \$2 billion and an ROE of 9% on revenue of \$9.9 billion. Investment banking in the first half of the quarter show continued momentum from last year, but as the market environment shifted, we saw delays in M&A announcements and completions, postponement of new equity issuance and increased draws on existing lines of credit. At the same time the investment grade debt market remained open and we helped our investment grade clients raise approximately \$380 billion of debt in the quarter across a wide range of sectors. By contrast, the high yield market was effectively closed and high yield spreads widened significantly. As a result, our bridge book commitments were marked down by \$820 million and here, it's worth noting our bridge book exposure is about a quarter of what it was entering 2008 crisis and is a higher quality portfolio. As a result of this backdrop, IB revenue of \$886 million was down 49% year-on-year, largely driven by the bridge book markdowns.

IB fees were up 3% year on year and we maintained our number one rank with 9.1% wallet share. Advisory was down 22% not only due to a tough compare, but also reflecting delays in regulatory approvals pushing out the closing of certain large deals. We did however complete more deals than any other banks this quarter. Equity underwriting was up 25% versus the challenged first quarter last year and we saw strong activity in January, February before the market effectively closed in March. And debt underwriting was up 15% and an all-time record. We maintained our number one rank with 9.5% share up 90 basis points from 2019. Lending revenue was up 36% year-on-year, driven by the impact of spread widening on loan hedges. Looking forward, while a rapid recovery in the economy could produce a corresponding rebound in activity, we could also see significant downside risk to our forward-looking pipeline if the downturn is protracted. Now moving to markets; here, total revenue was \$7.2 billion, up 32% year-on-year. It's worth noting that even before the crisis, as we said at Investor Day, market's performance was strong for the quarter.

Then, the growing COVID-19 concerns triggered a major correction in equity market, significant widening of spreads and a spike in volatility leading to extraordinary government intervention and a substantial change in monetary policy, followed by a

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sharp decline in Treasury yields. Simultaneously, we also saw a drop in oil prices. This unique combination of events led to further increased client participation and record trading volumes in several products. Fixed income was up 34% driven by strong client activity, most notably in rates and currencies and emerging markets. Equity markets was up 28% on strength in equity derivatives, driven by increased client activity. In terms of outlook, it goes without saying that it's too early to project this performance going forward. In fact, low rates and low economic activity may even be a headwind. However, we are in a strong position to continue playing a central role in ensuring the orderly functioning of markets and serving our clients' needs.

And now on to wholesale payments, a new business unit we're reporting this quarter comprised of treasury services, trade finance and the merchant services business, which was previously part of CCB. Wholesale payments revenue of \$1.4 billion was down 4% year-on-year driven by a reporting re-classification in merchant services. As clients focused on preserving liquidity, we experienced higher deposit levels in wholesale payments throughout the quarter, offsetting revenue headwinds from lower rates and payments activity. In security services, revenue was \$1.1 billion, up 6% year-on-year. Market volatility drove increased transaction volumes and deposit balances which offset the impact of the market correction on asset balances. In wholesale payments and security services, tailwinds from this quarter like elevated deposit balances may be relatively short-lived and more than offset by the impact of low rates and potentially lower transaction volumes if the crisis is elongated. Credit adjustments in other was a loss of \$951 million, which was one of the significant items that I mentioned upfront. Credit costs were \$1.4 billion, driven by the net reserve builds, I referred to earlier. And finally, expenses of \$5.9 billion were up 5% driven by higher legal and volume-related expenses and continued investments.

Now moving on to Commercial Banking on Page 9. Commercial Banking reported net income of \$147 million including reserve builds of approximately \$900 million. Revenue of \$2.2 billion was down 10% year-on-year with lower deposit NII on lower rates and a \$76 million mark down on the bridge book, partially offset by higher deposit balances. Gross investment banking revenues were \$686 million, down 16% year-on-year compared to a record prior year. While we remain confident in our long-term target, we expect some softness in our pipeline specifically related to M&A and equity underwriting. Expenses of \$988 million were up 5% year-on-year, consistent with the ongoing investments we discussed in Investor Day. Deposits were up 39% year-on-year on a spot basis and increased about \$40 billion during the month of March with about half of that coming from clients drawing on their credit lines and holding their cash with us as they look to secure liquidity.

End of period loans were up 14% year-on-year mainly driven by increases in C&I loans in March. C&I loans were up 26% as revolver utilization increased to 44% which is an all-time high. CRE loans were up 3% and here the story remains largely unchanged. Higher origination in Commercial Term Lending driven by the low rate environment were partially offset by declines in Real Estate Banking as we remain selective. Credit costs of \$1 billion included the reserve build, I mentioned and \$100 million of net charge-offs, largely driven by oil and gas.

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Now, on to Asset & Wealth Management on Page 10. Asset & Wealth Management reported net income of \$664 million with pre-tax margin of 24% and ROE of 25%. Revenue of \$3.6 billion was up 3% year-on-year, driven by higher management fees on higher average market levels and net inflows, over the past year. And then in addition, we saw record brokerage activity in March related to the recent market volatility. These increases were largely offset by lower investment valuations.

Expenses of \$2.7 billion were flat year-on-year with higher investments in the business as well as increased volume and revenue related expenses, offset by lower structural expenses. Credit costs were \$94 million, driven by reserve builds from the impact of COVID-19 as well as loan growth. Net long-term outflows were \$2 billion and the strength we saw in January and February was more than offset in March. At the same time, we saw \$75 billion of net liquidity inflows driven by significant inflows into our industry-leading government funds in March as I mentioned earlier. AUM of \$2.2 trillion and overall client assets of \$3 trillion up 7% and 4% respectively were driven by cumulative net inflows, partially offset by lower market levels. Deposits were up 9% year-on-year on growth in interest bearing products and finally, loan balances were up 11% with strength in both Wholesale and Mortgage Lending.

Now on to Corporate on Page 11. Corporate reported a net loss of \$125 million. Revenue was \$166 million, a decline of \$259 million year-on-year primarily due to lower net interest income and lower rates, partially offset by higher net gains on investment securities. Expenses of \$146 million were down \$65 million year-on-year. And now, let's turn to Page 12, for the outlook. At Investor Day, we showed you a path to 2020, where we expected net interest income to be slightly down from 2019 and obviously since then the backdrop has changed significantly. Based on the latest implies and what we know today, we expect to see further pressure from rates, partially offset by balance sheet growth in CIB markets NII, which results in NII of about \$55.5 billion for the full year.

And to give you an idea for the second quarter, we expect NII to be \$13.7 billion. On non-interest revenue, it's always difficult to provide meaningful guidance and even more so, given the current heightened level of uncertainty. But based on our best estimates today, we do expect to see headwinds in 2020 compared to 2019. In addition to the two significant items in the first quarter, these headwinds include a \$3.5 billion decrease in non-interest revenue all else equal, which is also due to the impact of rates and as we offset to higher CIB markets NII and therefore, revenue neutral.

We also expect to see pressure on AWM and investment banking fees. And we now expect adjusted expenses for 2020 to be approximately \$65 billion, largely due to lower volume and revenue related expenses versus the outlook we provided at Investor Day. It goes without saying, all of this is market dependent and we'll keep you updated on future earnings calls. So, to wrap up, the challenges we are all facing as the COVID-19 crisis continues to unfold around the globe are unprecedented. Although we don't quite know what the past will look like going forward, what we do know is that we will continue to be there for our employees, clients, customers and communities as we always have been and we have the talent, resources and operational resiliency to do so. Our employees have proven that being resilient is not just about maintaining operations, it's also about culture and that feels stronger than ever, with our team's work around the world, working harder

than ever to continue to serve our clients, customers and communities. We've never been more proud of our people and we simply can't thank them enough.

And with that, operator, please open the line for Q&A.

Questions And Answers

Operator

And our first question comes from Erika Najarian of Bank of America.

Q - Erika Najarian {BIO 17048573 <GO>}

Hi, good morning. And Jamie, we're glad that you could join us and that you're alone enough to join us. My first question is on the forbearance activity. Jen, if you could give us a sense of byproduct, how many of your clients for example in card and auto, home lending are in a forbearance state so they started to defer the payment to the percentage of your clients? And how we should think about the significant government intervention relative to the severely adverse scenarios, I believe for total losses it's 5.9 [ph] over 9 quarters for the Fed and 4.1% for company rent [ph]?

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Sure. So first of all, I'll start with the payment relief and forbearance. There, I would start by saying that we have already refunded millions of dollars in fees, we have approved payment relief for hundreds of thousands of accounts across consumer lending and we obviously expect that to be meaningfully higher through time. We pause for closures and auto repossession and importantly, we've made the process easier for our customers through digital and self-service options that we built in record time. But, in terms of what we're seeing, those are the numbers, they are still, as I said, relatively small compared to what we think will ultimately see. In mortgage, just to give you context outside of customers asking for forbearance, which is just a little over 4% of our service book at this time, the April 1 payment seems BAU. In card, we are seeing payments rate -- payment rates down a bit, but still strong and we've seen a slight uptick in late payments in Auto.

But the quality of these portfolios was strong coming in as we've done surgical risk management over the last few years and that has made these portfolios more resilient. And then, in terms of how we think about the significant government intervention, I mean, I think the ultimate effectiveness of these programs, which are extraordinary in terms of the direct payments or the enhanced unemployment insurance, the ultimate effectiveness is I think the biggest unknown, the key obviously is being able to bridge people back to employment and so we have assumed as best we could for our first quarter results, the impact of those programs, as well as the ultimate impact on payment relief that will be providing through our customers, but that is, that is for sure an unknown and we certainly expect to learn a lot more about that in the second quarter.

Q - Erika Najarian {BIO 17048573 <GO>}

Thank you. My second question, you mentioned that you're prepared to go below 10.5% CET1 to help your clients below -- going below 10.5% is also when the automatic restriction start kicking in, from the Fed in terms of pay-out, so if I understand it would be a 60% payout restriction on eligible net income and just wanted to understand your thoughts on balancing, servicing your clients and also thinking about your capital levels relative to those automatic restrictions from the regulators?

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Sure. So as you probably know Erika, that the Fed made some changes there recently, which as you say, puts us in a 60% bucket as we go below 10.5% and we have a reasonable amount of room, below 10.5% to remain in the 60% bucket. I would say that that was very helpful clarification from the regulators in terms of how we should think about using regulatory buffers, so that was particularly helpful. And right now, we are focused on serving clients and customers and we've looked at a range of scenarios. So we can ensure that we're managing our capital quite carefully. Jamie, talked about an extreme adverse scenario in his Chairman's letter that we've looked at assuming large parts of the economy remain in lockdown through the end of this year and in that scenario, our CET1 drops to about 9.5%. And so we think we have significant room to continue to serve our customers and clients through this crisis. But, we are managing it quite properly [ph] and looking at a range of scenarios. So we make sure that we're prepared.

Operator

Our next question is from Mike Mayo of Wells Fargo.

Q - Mike Mayo {BIO 1494617 <GO>}

Hi, and welcome back, Jamie, the question is for you. How do you thread the needle between supporting your customers and the country and doing all those things that you want to do while still protecting the resiliency of the balance sheet and not getting hit with unexpected litigation costs as you mentioned in your CEO letter?

A - Jamie Dimon {BIO 1484062 <GO>}

Yeah, it's a very important question. And I think in times of need, banks have always been the lender of last resort to their customers. And obviously, you've got to be a disciplined capital provider because, undisciplined loans are bad. So you take a calculated risk, we're making additional loans. We're adults, we know that if the economy gets worse, we will bear additional loss.

But, we do forecast all of that, so we are -- we know we can handle really, really adverse consequences. There will be a point and the last question (inaudible) was where you get below 10% CET1 even though we'll have almost \$200 billion of capital and a trillion dollars of liquidity, all these other constraint start to kick in when SLR, G-SIBs, advanced risk-weighted assets, that make kind of constraint. And so, and then obviously then you go look forward. So we want to do our job, if we can help to kind of get through this, everybody is better off, if we move a little bit more money in the meantime, so be it. Obviously we want to protect our company, our balance sheet, our growth and we'll be

having close conversation with regulators about what that is. I also think you have to take in consideration the extraordinary measures the government has taken that's the income to individuals, the GPP and all the federal reserve things.

Q - Mike Mayo {BIO 1494617 <GO>}

So, also in your CEO letter, you talk about the economy coming back on online and I guess with your reserve build, you're assuming what 10% unemployment and then the economy improves in the second half of the year, so what is your base case for how people come back to work that behind those expressions. And I know you have lot of scenarios too, but just the -- a base case?

A - Jamie Dimon {BIO 1484062 <GO>}

Yeah, I'll let Jen talk about the base case, but I think the back to work, we should think it was a binary thing that after the CDC and we all get instructions from the government after there is enough capacity in the hospitals, after this proper amount of testing. Remember, a lot of people are going to work today, in farms, factories, food production, retail, pharmacies, hospitals. So this is like no one is going to work. And you can -- hopefully you can turn it back on where it's very safe. There is plenty of capacity, you're not worried that you can't get every American who does get sick the best hospital -- medical advice and the turn on would be regional by company, we are all following standards of -- health -- best health practices and in some ways, you need to get that done because the bad economy has very adverse consequences way beyond just the economy. And in terms of mental health, domestic abuse, substance abuse, et cetera, so we have a rational plan to get back to work is a good thing to do. And hopefully, it will be seen around later but won't be May, you are talking about June, July, August, something like that. So I don't know if that answers your whole question. And then Jen, you give the base case on --

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Sure. So Mike, as we close the books for the first quarter, just to give a context, we were looking at an economic outlook that had GDP down 25% in the second quarter and unemployment above 10%. It's just important to note that that kind of gives you a frame of how to think about it, but there is a lot more that goes in to our reserving including management judgment of some, like world-class risk management and finance people and also other analytics. And so that just kind of gives you a frame of reference, but there, we did think about a number of other scenarios that we should contemplate in reserving and we also thought about the impact, what's our best estimate of the impact of these extraordinary government programs as well as our own payment relief programs. Since then, as I noted in my prepared remarks, our economists have updated their outlook and now have GDP down 40% in the second quarter at 20%, that's obviously materially different. Both scenarios though do include a recovery in the back half of the year and so all else equal, and of course, the one thing, probably the only thing we know for sure, Mike, is that all else won't be equal, when we close the books for the second quarter, but all else equal, given the deteriorated macroeconomic outlook, we would expect to build reserves in the second quarter, but again a lot will depend on the ultimate effect of these extraordinary programs and how effective, they can be in bridging people back to employment. And we're going to still have a number of unknowns, I would say, at

the end of the second quarter, but we're going to learn a lot through these next few months that will inform our judgment for second quarter reserves.

Operator

Our next question is from Steven Chubak of Wolfe Research.

Q - Steven Chubak {BIO 18457976 <GO>}

Hey, good morning and Jamie, nice to have you back. So I wanted to ask a question on some of the remarks relating to capital. Corel [ph] actually made some comments on Friday alluding to efforts by the Fed to incorporate real life COVID stress in the upcoming CCAR cycle. We haven't gotten much color, since then. I'm wondering, whether you received any guidance from the Fed on which changes if any they plan on contemplating for this year's tasks [ph]. And maybe just bigger picture, how you're thinking about the potential impact that could have on the SCB and potentially raise some of your capital requirements?

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Sure. Thanks, Steven. So we haven't gotten specific guidance, but it certainly makes sense that the Fed would want to look at a scenario like that. We have been, as you might imagine, staying very close to our regulators, through this crisis, so they can have a very good understanding of how we are managing things. And then in terms of the potential impact, we'll learn more about that in June, we've given our best estimate of SCB and the impact it will have on our minimums and that is absolutely incorporated into our thinking about how we'll manage capital through a range of scenarios here, but we'll learn more from the Fed in June.

A - Jamie Dimon {BIO 1484062 <GO>}

I mean, I guess -- I have always put out. I have always put out to floor doing one stress tests, which will not be distress, you go through. JPMorgan does 100 a week and we're always looking at potential outcomes and obviously, we're doing our own COVID related type of stress testing including extreme and will always be updating them talking to regulators about it, because that's what we're going to deal with this time not where I would consider a traditional stress test.

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

We have looked at a -- the range of outcomes probably have never been broader. And so, as Jamie said, we have -- CCAR has been a good place for us to start in terms of one scenario, but we have looked at a number of different scenarios at how this may play out and obviously Jamie articulated, what we think could be an extreme adverse and we're prepared for that too. So I think the most important thing is that we're prepared for a range of outcomes and we'll learn more about SCB in June.

Q - Steven Chubak {BIO 18457976 <GO>}

Got it. And just a follow-up on the securities book. Just given some of the significant declines at the long end of the curve, Jen, I was hoping you could help us think about where reinvestment levels are today just compared with the 2.48% yield on the blend of these book and then, just separately, given the large impact of QE driven deposit growth, how you're deploying some of that excess liquidity in this environment?

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Sure. So on the investment securities portfolio, managing the balance sheet in this rate environment is obviously a different dynamic. And with lower rates as well as the deposit growth that you mentioned with the Fed balance sheet expansion, you do see a large increase in our investment securities portfolio this quarter, which makes a lot of sense. Right now, in terms of balance sheet, we are completely focused on supporting client activity. Our balance sheet is harder to predict right now, but we are prepared for a range of outcomes.

Q - Steven Chubak {BIO 18457976 <GO>}

Okay, thanks very much.

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Sure.

Operator

Our next question comes from Saul Martinez of UBS.

Q - Saul Martinez {BIO 5811266 <GO>}

Hi, good morning. I wanted to follow-up on the CECL related questions. Jen, you gave us a -- clear -- good amount of color on what the underlying economic assumptions that were used to build the reserves and where (inaudible) and your economics team is now for the, for the second quarter, but maybe thinking about it a little bit differently in terms of how to attribute the CECL reserve build. I am not looking for specific numbers more just directional, how do we think about it in terms of how much is attributed to sort of mechanistic model related changes, where you calibrate your model for new economic scenario versus actual signs of stress that you're seeing in your book that maybe aren't showing up in credit measures, but that you do think will show up in a reasonably short time period, call it, within the next few quarters, how much of it's growth, how much of it's mix. Just if you can talk to that. And because, I guess what I'm trying to get at is how much of it's more mechanistic and how much is it actual tangible signs that you're seeing that of financial stress in your borrower base that could emerge in the reasonably near future as credit losses?

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Sure. So it's a great question, Saul. So I would start by saying that we haven't actually seen the stress emerge as of yet. So, I wouldn't necessarily use the term mechanistic, but I would say that what we took in the first quarter is our best estimate of future losses. It's

also important to note that we don't reserve for future growth and so future growth with all else being equal, the reserve build. So, I wouldn't necessarily think of this as materially different because of CECL. We didn't actually really think about the impact of CECL relative to the incurred model, I mean the regulators have given their point of view on that given the change in the capital rules where 25% is assumed to be the difference. But that's their view, and like I said, we did spend a lot of time thinking about it and I would say that it is our best estimate of the losses that will inevitably emerge through this crisis and it is life of loan, which of course is different under CECL.

And so again, all else equal, you can think card [ph] was larger than it would have been under an incurred model, but we didn't really think about it that way and it's impossible of course, to know what judgment we would have applied under a different model.

Q - Saul Martinez {BIO 5811266 <GO>}

Okay. No, that's helpful. And Jen, just on that point of growth pivotal -- pivoting a little bit. What -- obviously a lot of it -- the pressure in CET1 was because of risk-weighted asset growth and drawdowns on commitments? Kind of where are we in terms -- where do you think we are in terms of those drawdowns, I think it's like \$350 billion still in wholesale commitment -- unfunded commitments, but like how do we think about that and how it -- how much room there is for that to continue to make pressure risk weighted asset evolution?

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Yes. So like so many other things, it is difficult to predict. I will say that early here in the second quarter, we have seen a pause on revolver draws but it could very well just be a pause and so we are assuming as we think about our own capital plans that we will see revolver draws continue in the second quarter albeit at lower levels than the first quarter. And then of course the timing and the case of the pay downs will depend upon the ultimate path of the virus and the economic recovery.

Operator

Our next question is from Glenn Schorr of Evercore ISI.

Q - Glenn Schorr {BIO 1881019 <GO>}

Hi, thanks very much. I appreciate the limited sight we all have. Maybe we could -- let's assume hopefully sooner than later, we get past the bulk of the credit impact. On the other side of this, have you thought about lending spreads, underwriting criteria and how much terms need to tighten given what we've learned or on a scenario that we didn't encapture under its previous underwriting, in other words, as lending spreads glide and you get paid more for your balance sheet. I'm just curious on how you're thinking about risk management on a go-forward basis?

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Sure. So there, I would say that our approach we always take a long-term franchise view on things like that and so our philosophy has not changed. It is true, however, that the

marginal cost of new activity is higher for us right now and so that's a consideration. But I would say in terms of risk management, we do what we've always done and what we always do, which is manage carefully within our risk appetite and I think that has served us well, coming into this crisis and we'll continue to stay close to our clients and manage that carefully.

A - Jamie Dimon {BIO 1484062 <GO>}

I would just say, on the consumer side, you use forward-looking view of risk, on the wholesale side, the revolvers were taken down to like \$50 billion, our existing spreads, the bilateral stuff has been done by new credits. They're being done at slightly different spreads and stuff like that higher, and then, trading obviously, you're actually getting higher spreads and a lot of things doing, training your finance people and do things and stuff like that. And then, you will see a tightening of credit in the market, think of leverage lending, certain underwriting, certain non-bank lenders who were no longer there. So you will see an interventional tightening, and an eventual increase in spreads, but you won't see banks do the price gouge, which you've seen in other industries, banks are very careful to support their clients through times like this.

Q - Glenn Schorr {BIO 1881019 <GO>}

Okay. And then one more impossible question, Jen, maybe. Could you help qualify, I know you can't quantify but exit rate revenues that you kind of alluded to in some of the things like underwriting falling off, so tale of two quarters. The quarter itself it's learned [ph] for the ginormous credit issue that we're facing, it would have been like -- revenues down a little bit, expenses up a drop, okay, but how much of the exit rate revenues are we looking at second quarter, third quarter versus the full first quarter and that's a hard one?

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

So Glenn, I am glad, you acknowledge. But it's impossible question and a hard one. I think. So there is a reason why we gave directional guidance here in terms of what could be headwinds, but it is just impossible to predict right now as you point out. So, but I will say, like if you think there is obviously nothing that we can really say with confidence about exit rates in 2021, but I will say, based upon the latest implies, if you look at NII. You could see growth in 2021 on balance sheet growth there and then NIR is absolutely going to depend on the path of the virus and the economic recovery and when and how, we all get back to work. And then, we've given you expense guidance to think about. And then from a credit perspective, as I said, we could see continued bills over the next several quarters, but the way CECL works in theory. Again, all else equal, at should be could be behind us, by the end of the year, and we then have pursue -- absorb the losses that will inevitably emerge over the back half of this year and into 2021.

Operator

Our next question is from Gerard Cassidy of RBC.

Q - Gerard Cassidy {BIO 1505265 <GO>}

Thank you. Good morning. Can you (technical difficulty)

I know you gave this, the color on the base case of downturn in the second quarter, what's your outlook on that recovery in the second half of the year, can you give us any color on what kind of recovery you're expecting in the second half of the year as part of the CECL reserve build?

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Sure. So it is, I don't have the numbers to hand, Gerard, but they're public. It was, I suppose you can say, it was based on our economist's outlook at the end of March, which did have a recovery. I just don't have the GDP numbers to hand. I think, and the unemployment. I think what's most important to note, Gerard, is that what -- based upon what we're looking at. You do have a recovery in the back half of the year, but it is, it still leaves you from a GDP perspective and unemployment below your launch point on absolute levels of GDP and above your launch point on absolute levels of unemployment, so it's a recovery, it is our latest outlook. And as I said earlier, it is probably the only thing we know for sure is that that is going to change through time, but it is a recovery in the back half of the year that doesn't get us back to where we started. And importantly, as we've said that we're prepared for a range of scenarios, so while that may be the case that we based our reserve levels off, it is not the only scenario that we are preparing for.

Q - Gerard Cassidy {BIO 1505265 <GO>}

Very good and then just as a follow-up, on the bridge book and I apologize if you addressed this, and I missed it. I know you guys mentioned the losses in the bridge book. Could you split us the size of the book, and then some more color on what triggered the losses in the bridge book?

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Sure. So there, I would just start by, I said it in the prepared remarks, but it's worth repeating, our bridge book is about a quarter of the size, it was in the financial crisis. So it's about \$13 billion. It's slightly down from where we were at year-end. Importantly, we don't have any imminent closing deadlines and the market is actually performing a little bit better here in the second quarter. So we'll see where we land at the end of the quarter. But so...

A - Jamie Dimon {BIO 1484062 <GO>}

It's just -- just basically marking the positions to market effectively (inaudible).

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Right. And with no imminent closing deadlines, it's not necessarily the case that we'll realize those losses. But, as Jamie said, we're mark to market at the end of the quarter.

A - Jamie Dimon {BIO 1484062 <GO>}

And I would just also put this in perspective. We're adults, we know that we have a bridge loan book, that you're going to have quarters within these gap out, where you might lose some money. We're the leader in leverage lending, we're the leader in high yield, the leader in loans, et cetera, and we intend to maintain that position and every now and then

you have not a particularly good quarter. So we're not, we don't worry about this very much. And like Jen said, so far, if it's with spreads, it's probably recovery this quarter.

Operator

Our next question is from John McDonald of Autonomous Research.

Q - John McDonald {BIO 21440002 <GO>}

Hi Jen, regarding credit cards, just based on payment rates that you've seen so far and maybe the draws on revolves, how are you expecting card spending and card balances that to trend over the next few quarters this year?

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Yeah, hi, John. So, based upon what we're looking at right now, spend was down. We talked about different categories but spend in aggregate was down 13% in the month of March year-over-year and we are seeing trends like that continue here in April. And so with that, I would say that we would, given what we know today, expect outstandings to trend down from here.

Q - John McDonald {BIO 21440002 <GO>}

And then can you help us think about how you do the accounting for the consumer deferrals, you keep accruing, but do you add some kind of haircut for NII and suppression in terms of what might not be collectible even though technically you are allowed to accrue while you defer?

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Yeah, you got it, John. And so we do continue to accrue but it is a lower yield over the life of the loan.

Operator

Our next question is from Betsy Graseck of Morgan Stanley.

Q - Betsy Graseck {BIO 4799503 <GO>}

Hi, good morning.

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Hi Betsy.

Q - Betsy Graseck {BIO 4799503 <GO>}

I just want to add two questions, one just thinking about the outlook for the next couple of quarters here. I know you mentioned that your economics team had updated their estimates and maybe, you could give us a sense as to the timing of when you clip your

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reserves versus those estimate changes. And part of the reason I'm asking is because of the reserve ratio move between 4Q '19 and 1Q '20 for the various segments, when I look at the CIB and the Commercial Bank, the reserve ratios are down from where they were in 4Q '19, so I'm trying to understand how the next change in the reserving is likely to traject between the various asset classes, is there -- as you move from an adverse case to a severely adverse case, are there different asset classes that potentially have a higher uptick in reserve ratio that we should be expecting here?

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Sure. So on the wholesale side, specifically, Betsy the reason you see that dynamic is because of CECL. So in the presentation, so you can see the numbers. So we -- the CECL adoption impact in wholesale was a net release and -- and so we now built back. And so that's why you see that dynamic there. And then in terms of the reserving, when we close the books, which was here in early April, we do have to of course kind of snap the chalk line at some point and close the books, which is why, we wanted to be very transparent about how we think about reserving going forward because like I said, all else equal, given the macroeconomic outlook that we're looking at that we would expect to have a build in the second quarter, and perhaps, beyond because as I said, obviously everything is incredibly fluid and we need to, we really need to learn a lot about the ultimate impact of these programs because they are extraordinary and should have an extraordinary impact. But we need some time to learn.

A - Jamie Dimon {BIO 1484062 <GO>}

And then also just to add on the wholesale side, kind of one point you have an overlay. But way you expect in terms of migration downward and downgrades and stuff like that. It will also be named by name, company by company, name by name, reserve by reserve and so real detailed review of that.

Q - Betsy Graseck {BIO 4799503 <GO>}

So as, as we think through because effectively, I think what we're saying is there is the possibility of the severely adverse case coming which we can look back at prior Fed stress tests to see what you anticipated that to mean for the credit losses and maybe, Jamie, if you get it -- an understanding as to how you're thinking about what your comments are looking for versus prior severely adverse stress cases that you have run on your own bank, is this -- is it fair to look at the severely adverse stress cases on a bank run modeling basis that we have access to. And -- and it's in line with that kind of level or is this something that's even a little bit tougher and specifically around like things like commercial real estate, I get the name by name on the corporate side, that that is obviously extraordinarily granular, and you have access to that, but I'm wondering on the commercial real estate side, is there anything we should be thinking about that's different from perhaps what the Fed stress test might have suggested in the past?

A - Jamie Dimon {BIO 1484062 <GO>}

Like I said [ph], commercial real estate, eventually, it will be loan-by-loan and name by name too. So if you have reason to believe that a loan is bad, you're going to write it down and put a reserve against just like that. This is such a dramatic change of event, so

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there is no model that have done -- dealt with GDP down 40%, unemployment growing that's rapidly and that's one part. We also know models that ever dealt with a government, which is doing a PPP program which might be \$350 billion, it might be \$550 billion, unemployment where it looks like 30% to 40% of ongoing unemployment of higher income than before they went on unemployment. So what does that mean for credit card or something like that. Or that the government is going to make direct payments to people. So this is all in the works right now. The company is in very good shape. We can serve our clients and we're going to give you more detail on this, but it's happening as we speak. And I think, people, we were making too much mistakes going to model it.

When we get to the end of the second quarter, we'll know exactly would have in the second quarter. Like we know, you got to expect your credit card delinquencies and charges will go up that we see very little of it so far, but in the second quarter, you will see more of it. And then we will also know if there is a fourth round of government stimulus, we will know a whole bunch of stuff and we report that out. We hope for the best, which is you have that recovery and plan for the worst. So you can handle it.

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Yeah. And then in terms of planning for the worst, Betsy, maybe it's helpful. The extreme adverse scenario that Jamie referenced in his Chairman's letter had 2020 credit costs of more than \$45 billion. So clearly that is not our central case. But that's the kind of scenario that we are making sure that we're prepared for and then just coincidentally, if you look at our credit costs from the fourth quarter of '08 to the fourth quarter of '09 across those five quarters, we had credit costs of \$47 billion. So --

A - Jamie Dimon {BIO 1484062 <GO>}

Right. I just got the number, where we -- reserves went from like \$7 billion to \$35 billion back to \$14 billion.

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Right.

A - Jamie Dimon {BIO 1484062 <GO>}

Reserving self is -- cap is pro-cyclical and often wrong. And you are required to do it, but it surely doesn't match revenues and expenses and so, we like to be conservative in reserving. But I have to point out the flaws of it.

Operator

Our next question is from Brian Kleinhanzl of KBW.

Q - Brian Kleinhanzl {BIO 15228405 <GO>}

Yeah, thanks, good morning. Just a quick question, again one on CECL maybe to start with. Can you just maybe give a little bit more qualitative disclosure on how this payment

relief factors in, I mean, are you assuming some amount of government programs get used and that's included or is this just payment relief that you're directly giving to consumers and corporates. Just trying to get a sense of how all these government program is going to flow through the model?

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Sure, Brian. So you can think about the government stimulus as being incorporated in the macroeconomic variables and then the team it release those are -- I'm referring to our own programs there. And there we based upon our judgment and experience in the past, we apply some percentage of pull through in the portfolio of people who will get payment relief and then we think about the impact that that could have. Again, I would say both while estimated for the first quarter, we'll know a whole lot more about both of them for the second quarter.

A - Jamie Dimon {BIO 1484062 <GO>}

And Jen, remind me when we do this 10-Q for the quarter, we're going to lay out lots of these various assumptions about CECL and one of the positive CECL is this precisely, we're going to spend all day on CECL which was \$4 billion and it's kind of a drop in the bucket but it's lot of data, so like all the data we did for the last crisis, we give you on level 3 and all these assumption that stuff like that, no one ever looks at anymore.

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

That's right and we thrive --

A - Jamie Dimon {BIO 1484062 <GO>}

And every company does it differently.

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Yes. And we still have obviously several weeks and so -- before the Q, and so we'll be able to give our best view on things then.

Q - Brian Kleinhanzl {BIO 15228405 <GO>}

Okay. And then in the quarter, is there, I mean you gave the mark spread on the bridge loan. But is there a way to frame what the total marks were, I mean since credit spreads tighten kind of dramatically post quarter end. So it seems like there would be a reversal of some of those marks initially?

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Yes, there could be, but that's only where we are at this point in the quarter. And so it will, it will obviously all depend on the market from now to the end of the quarter. But right now, the market is -- is performing a bit better and spreads have come in as you mentioned.

A - Jamie Dimon {BIO 1484062 <GO>}

A couple of gill [ph] may be syndicated -- but hopefully might be syndicated by the end of the second or third quarter.

Operator

Our next question is from Chris Kotowski of Oppenheimer.

Q - Chris Kotowski {BIO 1507062 <GO>}

Yeah, good morning. Thank you. At Investor Day, Jamie you said, that the real earnings are

(technical difficulty)

A - Jamie Dimon {BIO 1484062 <GO>}

I don't know about you guys, but I can't -- we can't understand a word you are saying.

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Yes, Chris, this is unfortunately part of our, all of our new reality as we operate remotely, we couldn't hear you.

Q - Chris Kotowski {BIO 1507062 <GO>}

Sorry, is this better?

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Yes.

Q - Chris Kotowski {BIO 1507062 <GO>}

Okay. So my apologies. At Investor Day, Jamie you said something like that the real economic earnings are pre-provision earnings minus net charge-offs, and so which I agree with. And so if you push aside all the CECL reserving noise, I'm curious, does the customer relief that the 90-day grace period, does that change the -- alter the historic charge-off assumptions, like for example, I mean, credit cards was always pretty cookie cutter 180 days after delinquency, it's charged off and maybe with auto or so will those customer relief periods push back the charge-off curve as well?

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

It may because as long as a customer is performing under the forbearance program, they are not -- they're not delinquent. But of course it will all depend on whether these programs ultimately are able to bridge people back to employment.

Q - Chris Kotowski {BIO 1507062 <GO>}

Okay so but if...

A - Jamie Dimon {BIO 1484062 <GO>}

We are putting lot more 90 days -- we are putting a lot more 90 days about how this affected -- what we would have expected.

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Yeah. And will be, and to Jamie's point, what we may learn over the next 90 days is of course whether programs have been effective or whether they just delayed losses and of course with CECL being life of loan, if it's just delayed losses, you can expect that that would -- we would be reserving for that.

Q - Chris Kotowski {BIO 1507062 <GO>}

Okay. But in terms of charge-offs, if (technical difficulty) 180 days (technical difficulty) 210 will be, am I getting that right?

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

It may be -- it may be, but again, it's going to just completely depend on whether people are able to remain performing under a payment relief or a forbearance program. But we don't really think about it that way, we think about what the ultimate losses will be and we reserve for that, but, and then, importantly, in the first quarter, the chart, as you're seeing, which is why I was clear to say it was consistent with prior expectations because the charge-offs in the first quarter of course don't at all reflect the ultimate impact of COVID-19 and we're just normal BAU, I would say.

Operator

Our next question is from Andrew Lim of SocGen.

Q - Andrew Lim {BIO 15232581 <GO>}

Hi, good morning. Thanks for taking my questions. So firstly, on government guaranteed things. These are 0% risk-weighted, and I'm wondering to what extent you're using them to refinance existing loans on your portfolios and if you are to what extent, risk weighted assets have gone there through as you do this?

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Yes. So I'm not sure specifically what program, you're referring to, I would just say broadly speaking on the Fed facilities, they're obviously very large programs rolled out very quickly and just an extraordinary response to unprecedented market conditions. Here, we are happy to leverage the facilities to intermediate these programs for our clients, but we are only using them where it makes sense to ensure that credit and liquidity is flowing to where it's needed.

Q - Andrew Lim {BIO 15232581 <GO>}

So, I mean just to maybe elaborate on that, is there maybe some part which where there is a bit of a capital uplift, if you use government guaranteed loans to represent risk weighting --

A - Jamie Dimon {BIO 1484062 <GO>}

What uplift?

Q - Andrew Lim {BIO 15232581 <GO>}

A capital uplift, so your risk-weighted assets go down say for some core loans and now got government guaranteed --

A - Jamie Dimon {BIO 1484062 <GO>}

We will incorporate all of that into how we run the company, trying to serve the client et cetera and there are various things like the PPT, if you put in your balance sheet is zero RWA, but it does affect a lot of other things like SLR and G-SIBs and stuff like that, whereas if you sell it to the government, those it all goes away, and look, we will manage through that as the, as we learn with this -- how these firms working and we want to do.

Operator

And we have no further questions at this time.

A - Jennifer A. Piepszak {BIO 19013293 <GO>}

Thanks, everyone.

A - Jamie Dimon {BIO 1484062 <GO>}

Thank you for spending time with us.

Operator

Thank you for participating in today's call. You may now disconnect.

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