DOW JONES

THE WALL STREET JOURNAL.

Want This 6% CD? You Need $5 Million

By Rachel Louise Ensign
447 words
29 September 2023
The Wall Street Journal
J
B1
English

JPMorgan Chase has got a deal for you -- if you have an extra $5 million lying around.

The New York bank, the largest in the U.S., is offering customers of its private bank division a 6% rate on a six-month certificate of deposit if they put $5 million or more into the product.

JPMorgan isn't exactly hurting for deposits. But like other banks, its overall deposits have declined since the Federal Reserve started raising interest rates in early 2022. Special rate offers are a bid to keep wealthy customers happy -- and maybe earn more of their business.

Mass-market customers shouldn't expect the same. JPMorgan is paying 5% to retail banking customers who put in $100,000 or more for the same period, according to its website. Customers who put in less than $100,000 can earn 4%.

The bank's basic interest-bearing checking and savings accounts still pay just 0.01%.

Funds have to come from outside of JPMorgan to qualify for the 6% rate, the bank said. Other banks are advertising six-month CDs paying 5% or more.

The 6% offer has some drawbacks. CDs don't have the same tax advantages that other products like Treasurys can provide. If the Fed starts cutting rates, it may be hard for customers to find a CD with the same yield once the product matures.

For years following the 2008-09 financial crisis, JPMorgan and other megabanks raked in deposits despite paying almost no interest on CDs and other products. Customers resigned themselves to earning nothing in exchange for access to big banks' **technology** and ubiquitous branch networks. After all, rates were pretty low everywhere.

The deposit glut only intensified after the economic stimulus measures during the pandemic. JPMorgan added about $900 billion in deposits in 2020 and 2021.

The Fed's steep rate increases changed that picture. By the start of this year, wealthy customers in particular were moving their extra cash into Treasurys and money-market funds for higher rates.

Over the past year, deposits in JPMorgan's asset- and wealth management unit have fallen 22%, far more than overall deposits. Wealth deposits are also down by double digits at competitors Bank of America and Wells Fargo.

Banks are generally paying between 4% and 5% on new wealth-management deposits compared with around 2.5% to land regular customers' deposits, said Adam Stockton, a managing director at Curinos, a firm that tracks data including deposit rates. He said a 6% rate is very rare.

JPMorgan's CD has a maximum deposit of $100 million. The offer ends Saturday.

Document J000000020230929ej9t0006a

The New York Times

Business/Financial Desk; SECTB
A.I. Revolution Is Coming. Just When Is Hard to Say.

By Steve Lohr
1,365 words
4 September 2023
The New York Times
NYTF
Late Edition - Final
1
English

From steam power to the internet, there has always been a lag between **technology** invention and adoption across industries and the economy.

Lori Beer, the global chief information officer of JPMorgan Chase, talks about the latest artificial intelligence with the enthusiasm of a convert. She refers to A.I. chatbots like ChatGPT, with its ability to produce everything from poetry to computer programs, as "transformative" and a "paradigm shift."

But it's not coming soon to the nation's largest bank. JPMorgan has blocked access to ChatGPT from its computers and told its 300,000 workers not to put any bank information into the chatbot or other generative A.I. tools.

For now, Ms. Beer said, there are too many risks of leaking confidential data, questions about how the data is used and about the accuracy of the A.I.-generated answers. The bank has created a walled-off, private network to allow a few hundred data scientists and engineers to experiment with the **technology**. They are exploring uses like automating and improving tech support and software development.

Across corporate America, the perspective is much the same. Generative A.I., the software engine behind ChatGPT, is seen as an exciting new wave of **technology**. But companies in every industry are mainly trying out the **technology** and thinking through the economics. Widespread use of it at many companies could be years away.

Generative A.I., according to forecasts, could sharply boost productivity and add trillions of dollars to the global economy. Yet the lesson of history, from steam power to the internet, is that there is a lengthy lag between the arrival of major new **technology** and its broad adoption -- which is what transforms industries and helps fuel the economy.

Take the internet. In the 1990s, there were confident predictions that the internet and the web would disrupt the retailing, advertising and media industries. Those predictions proved to be true, but that was more than a decade later, well after the dot-com bubble had burst.

Over that time, the **technology** improved and costs dropped, so bottlenecks fell away. Broadband internet connections eventually became commonplace. Easy-to-use payment systems were developed. Audio and video streaming **technology** became far better.

Fueling the development were a flood of money and a surge of entrepreneurial trial and error.

"We're going to see a similar gold rush this time," said Vijay Sankaran, chief **technology** officer of Johnson Controls, a large supplier of building equipment, software and services. "We'll see a lot of learning."

The investment frenzy is well underway. In the first half of 2023, funding for generative A.I. start-ups reached $15.3 billion, nearly three times the total for all of last year, according to PitchBook, which tracks start-up investments.

Corporate **technology** managers are sampling generative A.I. software from a host of suppliers and watching to see how the industry shakes out.

In November, when ChatGPT was made available to the public, it was a "Netscape moment" for generative A.I., said Rob Thomas, IBM's chief commercial officer, referring to Netscape's introduction of the browser in 1994. "That brought the internet alive," Mr. Thomas said. But it was just a beginning, opening a door to new business opportunities that took years to exploit.

In a recent report, the McKinsey Global Institute, the research arm of the consulting firm, included a timeline for the widespread adoption of generative A.I. applications. It assumed steady improvement in currently known **technology**, but not future breakthroughs. Its forecast for mainstream adoption was neither short nor precise, a range of eight to 27 years.

The broad range is explained by plugging in different assumptions about economic cycles, government regulation, corporate cultures and management decisions.

"We're not modeling the laws of physics here; we're modeling economics and societies, and people and companies," said Michael Chui, a partner at the McKinsey Global Institute. "What happens is largely the result of human choices."

Technology diffuses across the economy through people, who bring their skills to new industries. A few months ago, Davis Liang left an A.I. group at Meta to join Abridge, a health care start-up that records and summarizes patient visits for physicians. Its generative A.I. software can save doctors from hours of typing up patient notes and billing reports.

Mr. Liang, a 29-year-old computer scientist, has been an author on scientific papers and helped build so-called large language models that animate generative A.I.

His skills are in demand these days. Mr. Liang declined to say, but people with his experience and background at generative A.I. start-ups are typically paid a base salary of more than $200,000, and stock grants can potentially take the total compensation far higher.

The main appeal of Abridge, Mr. Liang said, was applying the "superpowerful tool" of A.I. in health care and "improving the working lives of physicians." He was recruited by Zachary Lipton, a former research scientist in Amazon's A.I. group, who is an assistant professor at Carnegie Mellon University. Mr. Lipton joined Abridge early this year as chief scientific officer.

"We're not working on ads or something like that," Mr. Lipton said. "There is a level of fulfillment when you're getting thank-you letters from physicians every day."

Significant new technologies are flywheels for follow-on innovation, spawning start-ups that build applications to make the underlying **technology** useful and accessible. In its early years, the personal computer was seen as a hobbyist's plaything. But the creation of the spreadsheet program -- the "killer app" of its day -- made the PC an essential tool in business.

Sarah Nagy led a data science team at Citadel, a giant investment firm, in 2020 when she first tinkered with GPT-3. It was more than two years before OpenAI released ChatGPT. But the power of the fundamental **technology** was apparent in 2020.

Ms. Nagy was particularly impressed by the software's ability to generate computer code from text commands. That, she figured, could help democratize data analysis inside companies, making it broadly accessible to businesspeople instead of an elite group.

In 2021, Ms. Nagy founded Seek **AI** to pursue that goal. The New York start-up now has about two dozen customers in the **technology**, retail and finance industries, mostly working on pilot projects.

Using Seek **AI**'s software, a retail manager, for example, could type in questions about product sales, ad campaigns and online versus in-store performance to guide marketing strategy and spending. The software then transforms the words into a computer-coded query, searches the company's storehouse of data, and returns answers in text or retrieves the relevant data.

Businesspeople, Ms. Nagy said, can get answers almost instantly or within a day instead of a couple of weeks, if they have to make a request for something that requires the attention of a member of a data science team.

"At the end of the day, we're trying to reduce the time it takes to get an answer or useful data," Ms. Nagy said.

Saving time and streamlining work inside companies are the prime early targets for generative A.I. in most businesses. New products and services will come later.

This year, JPMorgan trademarked IndexGPT as a possible name for a generative A.I.-driven investment advisory product.

"That's something we will look at and continue to assess over time," said Ms. Beer, the bank's tech leader. "But it's not close to launching yet."

Sarah Nagy left the investment firm Citadel to found the artificial intelligence start-up Seek . ''We're trying to reduce the time it takes to get an answer or useful data,'' she said. Davis Liang, right, left the A.I. group at Meta to join Abridge, a health care start-up that is trying to help doctors with their paperwork. (PHOTOGRAPHS BY EVELYN FREJA FOR THE NEW YORK TIMES; GELOY CONCEPCION FOR THE NEW YORK TIMES) (B3) This article appeared in print on page B1, B3.

Document NYTF000020230904ej9400047

THE WALL STREET JOURNAL.

One Equity Is Probed On Investor Contacts

By Laura Cooper and Dave Michaels
343 words
19 July 2023
The Wall Street Journal
J
B1
English

The Securities and Exchange Commission is investigating whether private-equity firm One Equity Partners' communications with investors about its past and future performance violated rules.

One Equity, which was once JPMorgan Chase's buyout arm, has recently been in settlement talks with the SEC, people familiar with the matter said. Regulators have sought a fine of as much as $5 million, although One Equity hasn't agreed to that amount and the penalty could be lower, one of the people said.

The SEC's multiyear investigation has looked at communications Dick Cashin, the firm's president, had with investors about fund performance and whether he conveyed confidential information other parties could have traded on. Regulators didn't find insider trading or misuse of the firm's information, the person said.

Cashin didn't respond to requests for comment.

"OEP has been fully cooperating with an SEC inquiry," the firm said. "We believe that the resolution of this matter will not materially impact ongoing operations or any of the funds. We continue to work diligently to ensure that best-in-class compliance policies and procedures are adhered to by all employees." An SEC spokesman declined to comment.

The SEC tightly regulates how investment advisers and money managers handle material nonpublic information and advertise their past and future performance. Firms generally need to follow policies they have established when they promote or advertise their performance to investors.

Even when regulators don't find substantive wrongdoing such as insider trading or mismarking investments, they can fault financial firms for lesser offenses such as faulty compliance programs or poor adherence to those policies.

The SEC has previously investigated how other investment advisers safeguard material nonpublic information. That can be a concern for private-equity managers with employees on the boards of companies they own.

New York-based One Equity focuses on midmarket investments in the **technology**, healthcare and industrial sectors in North America and Europe. It has about $10 billion in assets under management.

Document J000000020230719ej7j0001n

Search Summary

Text	(technology OR "AI" OR fintech OR "digital banking" OR "cloud computing" OR blockchain OR cybersecurity OR "machine learning" OR "data analytics" OR "big data" OR "predictive analytics" OR "cloud migration" OR "edge computing" OR "5G banking" OR "API banking" OR "open banking" OR "data governance" OR "data monetization" OR "digital transformation" OR "quantum computing" OR "AI-driven banking" OR "AI in compliance" OR "AI-powered fraud detection" OR "AI in customer service" OR "AI in investment banking" OR "conversational AI" OR "generative AI" OR "robo-advisors" OR "natural language processing" OR "algorithmic trading" OR "automated risk assessment" OR "AI regulatory challenges" OR "embedded finance" OR neobanks OR "Banking as a Service" OR "BaaS" OR regtech OR suptech OR "decentralized finance" OR DeFi OR "cryptocurrency adoption" OR "Central Bank Digital Currencies" OR CBDCs OR tokenization OR "real-time payments" OR "Buy Now Pay Later" OR BNPL OR "cyber resilience" OR "Zero Trust security" OR "identity verification" OR "fraud detection" OR "insider threats" OR "AI-driven cybersecurity" OR "financial data breaches" OR "data privacy laws" OR GDPR OR CCPA OR "operational risk

	management" OR "regulatory compliance technology" OR KYC OR "Know Your Customer" OR AML OR "Anti-Money Laundering" OR "hyper-personalization in banking" OR "customer-centric banking" OR "omnichannel banking" OR "digital wallets" OR "contactless payments" OR "voice banking" OR "biometric authentication" OR "wearable banking" OR "banking UX/UI innovations" OR "financial inclusion technology")
Date	07/01/2023 to 09/30/2023
Source	The New York Times Or The Wall Street Journal Or The Economist Or Forbes
Author	All Authors
Company	JPMorgan Chase & Co.
Subject	All Subjects
Industry	All Industries
Region	All Regions
Language	English
Results Found	3
Timestamp	7 March 2025 4:38 AM GMT

