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# 3Q23 FINANCIAL RESULTS

## EARNINGS CALL TRANSCRIPT

October 13, 2023

## QUESTION AND ANSWER SECTION

**Operator:** Thank you. Please stand by. Our first question comes from John McDonald with Autonomous Research. You may proceed.

**John McDonald**

*Analyst, Autonomous Research*

Hi, good morning. Jeremy, I was wondering if you could give us a little more color in what you're seeing so far on deposit repricing and migration. What's been better than expected so far on that front? And how do you see higher-for-longer rates potentially impacting deposit repricing pressure?

**Jeremy Barnum**

*Chief Financial Officer, JPMorgan Chase & Co.*

Sure. Thanks, John. I think the themes are pretty much the same as we've seen in prior quarters. So, as we talked a little bit about on the press call, we've been trying to be a little bit cautious about recognizing that we don't think the current levels are sustainable and we do think that we'll have to reprice in some pockets to some degree, maybe tiering or whatever at some point in the future. And, of course, that hasn't happened yet this year, so that's one factor.

In the meantime, the CD strategy is working well. We're getting – continue to get very good feedback from the field and we're capturing money in motion, and so we're seeing the sort of internal migration and the associated slow increase in deposit rate paid as a result of CD migration. But that's sort of working as we would have hoped and so everything is kind of playing out according to plan, I would say.

In terms of higher-for-longer, I think it just means that there will continue to be upward pressure on deposit pricing both from internal migration and possibly moderate effects. And in the end, as we always say, we're going to price products as a function of the competitive market environment.

**John McDonald**

*Analyst, Autonomous Research*

And just as a follow up, it seems like you've done some securities repositioning the last couple quarters. How are you positioning the balance sheet in terms of cash and the securities portfolio, given your outlook for rates?

**Jeremy Barnum**

*Chief Financial Officer, JPMorgan Chase & Co.*

Yeah. I think I would say that while we're not predicting higher rates, I don't know if Jamie will have something to say here, we believe in being prepared for it and that's been our position for some time and, of course, that's produced good results. And we continue to try to position ourselves so that neither have significantly higher rates nor significant lower rates present a particularly large challenge to the company. So probably at the margin, we're still a little bit biased for slightly higher rates. But, do keep in mind that when modeling the duration of the balance sheet, higher rates do extend the duration or rather shorten the duration on the deposit side, so that can be a factor as well.

**John McDonald**

*Analyst, Autonomous Research*

Okay, thanks.

**Operator:** Thank you. Our next question comes from Steven Chubak with Wolfe Research. You may proceed.

**Steven Chubak**

*Analyst, Wolfe Research LLC*

Hey, good morning.