1Q24 FINANCIAL RESULTS

EARNINGS CALL TRANSCRIPT

April 12, 2024

JPMORGAN CHASE & CO.

Finally, you may have noticed that our effective tax rate has increased this quarter and it will likely stay around 23% this year absent discrete items, which can vary quite a bit. The driver of this change is the firm's adoption of the proportional amortization method for certain tax equity investments. Our managed rate is unchanged and it should average about 3.5% above the effective tax rate. This is a smaller gap than we previously observed and we expect this approximate relationship to persist going forward although the difference will continue to fluctuate as it has in the past.

For the avoidance of doubt, these changes have no meaningful impact on expected annual net income; we're just mentioning this to help with your models.

So, to wrap up, we're pleased with another quarter of strong operating results even as the journey towards NII normalization begins. While we remain confident in our ability to produce strong returns and manage risk across a range of scenarios, the economic, geopolitical and regulatory uncertainties that we have been talking about for some time remain prominent and we are focused on being prepared to navigate those challenges as well as any others that may come our way.

And with that, let's open up the line for Q&A.

QUESTION AND ANSWER SECTION

Operator: The first question is coming from the line of Betsy Graseck from Morgan Stanley. You may proceed.

Betsy L. Graseck
Analyst, Morgan Stanley & Co. LLC

Q

Hi. Good morning.

Jamie Dimon
Chairman & Chief Executive Officer, JPMorgan Chase & Co.

A

Morning.

Betsy L. Graseck
Analyst, Morgan Stanley & Co. LLC

Q

So, a couple of questions here. Just, one, Jamie, could you talk through the decision to raise the dividend kind of mid-cycle, it felt like, pre-CCAR? And also, help us understand how you're thinking about where that payout ratio, that dividend payout ratio, range should be. Because over the past several years, it's been somewhere between 24% and 32%. And so, is this suggesting we could be towards the higher-end of that range or even expanding above that?

And then I also just wanted to understand the buyback and the keeping of the CET1 at 15% here. The minimum is 11.9%. I know it's – we have to wait for Basel III Endgame re-proposal to come through and all that, but should we be expecting that, hey, we're going to hold 15% CET1 until we know all these rules? Thanks.

Jamie Dimon
Chairman & Chief Executive Officer, JPMorgan Chase & Co.

A

Yeah. So, Betsy, before I answer the question, I want to say something on behalf of all of us at JPMorgan and, me personally, thrilled to have you on this call. For those that don't know, Betsy has been through a terrible medical episode and it's a reminder to all of us how lucky we are to be here. But, Betsy, in particular, the amount of respect we have, not just in your work, but in your character over the last 20 plus years has been exceptional. So, on behalf of all of us, I just want to welcome you back and thrilled to have you here.

And so, you're asking a pertinent question. So, we're earning a lot of money. Our capital cup runneth over, and that's why we've increased the dividend. And if you're asking me what we'd like to do is to pay out something like a third, a third of normalized earnings. Of course, it's hard to calculate always what normalized earnings are, but we don't mind being a little bit ahead of that sometimes, a little bit behind that sometimes. If I could give people kind of consistent dividend guidance, et cetera, I think the far more important question is the 15%. So, look at the 15%, I'm going to oversimplify it, that basically will prepare us for the total Basel Endgame today, roughly. The specifics don't matter that much.