Good morning, ladies and gentlemen. Welcome to JPMorgan Chase's first quarter 2016 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 stand by. At this time, I would like to turn the call over to JPMorgan Chase's Chairman and CEO, Jamie Dimon and Chief Financial Officer, Marianne Lake. Ms. Lake, please go ahead.

Marianne Lake - Chief Financial Officer & Executive Vice President

Thank you, operator. Good morning, everyone. I'm going to take you through the earnings presentation, which is available on our website. Please refer to the disclaimer regarding forward-looking statements at the back of the presentation.

Starting on page one, the firm reported net income of $5.5 billion, EPS of $1.35, and a return on tangible common equity of 12% on $24 billion of revenue; and despite the general market backdrop and energy, our results this quarter were quite good and pretty straightforward.

Consumers remain on solid footing leading to robust growth in business drivers and strong financial performance. In Consumer we saw double-digit growth in deposits year-on-year, healthy loan growth across products driving 17% core loan growth for the firm, and high single-digit card sales volumes.

The wholesale businesses performed in line or better than expectations expressed at Investor Day and delivered decent financial results in challenging markets with significant volatility and global macro uncertainty.

The firm's results included one significant item, $773 million of wholesale credit costs, of which $529 million related to Oil & Gas reserves and $162 million related to Metals & Mining reserves, which were generally in line with our guidance. But we also experienced some charge-offs this quarter in these sectors totaling $48 million, which were already contemplated in the Investor Day guidance of up to $4.75 billion of charge-offs this year.

While oil prices have improved somewhat in March, they do remain near historically low levels and the market is not expecting the recovery to be strong. Further natural gas, which is a meaningful portion of our portfolio, does remain depressed. We don't feel that current prices are sufficient to spur a meaningful restart of production, and many of the cost reductions and conservation actions that have been taken are not easily and quickly reversed. Therefore, the impact of oil prices is somewhat asymmetric on credit costs.

Reserves are name-specific. They're based on downgrades reflecting the actual financial condition and liquidity position of borrowers. As such, we likely will see some incremental reserve build for the rest of the year, but they will be increasingly situation specific, and our ability to estimate them will improve over time.

However, using reasonable stress assumptions on draws, downgrades and considering spillover effects to closely related companies, those incremental reserves could reach $500 million plus or minus this year, but with a very high degree of variability around that number.

We continue to believe, overall, our client base is relatively well-positioned to weather this downturn, and we will be there to support them whenever feasible. We also monitor for contagion and aside from experiencing a couple of name-specific issues in very closely related companies and observing some general stress in oil regions, we are not seeing anything broad-based and would not expect losses to be significant.

Moving on to page two, pausing on this page for just a moment, a few comments on overall revenue and expense. We told you that the first rate hike together with our strong loan growth would drive 2016 NII higher by $2 billion and the $700 million increase in net interest income year-over-year, that you see here, is in line with that. However, sequentially NII was only up slightly as expected given the absence of certain securities gains that we had in the fourth quarter, as well as day count.

Noninterest revenue was down $1.5 billion year-on-year primarily driven by the market environment in both the Corporate & Investment Bank as well as Asset Management with the biggest drivers being lower IB fees and Fixed Income market's revenue in both case versus a very strong prior year. Adjusted expense of $13.9 billion was down 2% year-on-year on lower performance-based compensation while continuing to self-fund incremental investments and growth.

Turning to page three. The firm's fully phased-in advanced CET1 ratio was 11.7%, with standardized at 11.9%. The improvement to both ratios was driven primarily by net capital generation. Recall that we ended the year with very low levels of inventory and as expected, we did see that reverse with our spot balance sheet up $70 billion quarter-on-quarter, reflecting growth in deposits and an increase in trading assets and secured financing activity. This also drove a slight increase in RWA net of runoff and model calibration. Firm SLR improved to 6.6%, and we returned $3 billion of net capital to shareholders this quarter, including $1.3 billion of net repurchases and common dividends of $0.44 per share.

Lastly, the Fed did not object to a $1.9 billion increase in our capital plan giving incremental capacity for repurchases next quarter.

Moving on to page four in Consumer & Community Banking. You'll notice that we consolidated Consumer into one page, and for your reference we've included the old pages in the appendix. CCB generated $2.5 billion of net income and an ROE of 19% with strength across all lines of business. And TNS just announced that for the fourth consecutive year, we are the number one consumer retail bank reflecting our ability to attract, satisfy and retain customers.

The fundamental business drivers remain strong, with average loans up 12% year-on-year and core loans up 25%, driven by mortgage and auto, but with strength across products. And we saw record deposit growth of $50 billion, up 10%. We added over 1 million households since last year, and our active mobile customer base was up 19%. Revenue of $11.1 billion was up 4% year-on-year and up 1% sequentially if you exclude from last quarter nearly $200 million from the Square IPO and a branch sale.

In Consumer & Business Banking, revenue was up 4% year-on-year, reflecting that record deposit growth I mentioned, as well as higher account and transaction volumes and investment revenue up 4% despite the challenging environment. Mortgage revenue increased 7% on higher MSR risk management and strong loan growth, partially offset by lower servicing revenue. Card, Commerce Solutions & Auto revenue was up 2% on strong auto loan and lease growth, 8% growth in card sales, and 12% in merchant processing volumes, all of which more than offset the impact of card renegotiation.

Expense was down 2% year-on-year with an overhead ratio improving to 55% as we continue to make progress against our commitment, more than offsetting $200 million in incremental marketing and auto lease growth. Finally, credit trends in the consumer businesses continue to be favorable.

Now turning to page five and the Corporate & Investment Bank. CIB reported net income of $2 billion on revenue of $8.1 billion and an ROE of 11%. In Banking, IB revenue was $1.2 billion, down 24% year-on-year, driven by lower equity and debt underwriting fees, but in line with the market which was down 27%. We continue to rank number one in global IB fees and rank number one in three regions, North America, EMEA, and LatAm. It was another strong quarter for advisory, up 8%, versus a wallet that declined 15%. We gained share, ranking number one as we benefited from a number of deals that were announced in 2015 and closed this quarter.

Equity underwriting fees were down 49%, in line with the market, as volatility kept issuers on the sidelines. We maintained our number one rank globally and increased our lead. Debt underwriting fees were down 35%. And while we were down more than the market, it can be explained by a tough comparison, with several large acquisition finance deals in the first quarter of last year, as well as being conflicted out of several large deals this quarter.

In terms of the outlook, we expect a sequential decline in M&A to be more than offset by an increase in debt and equity underwriting if the recent market improvements continue.

Treasury Services revenue was down 5%, driven by business simplification. Lending revenue was down 31%, primarily reflecting mark-to-market changes on both hedges of accrual loans and securities received from restructuring.

Moving on to Markets, Markets revenue was $5.2 billion and was down 11% year on year, reflecting decent performance given the environment and especially in light of the strength in the first quarter of 2015, where we saw elevated client wallet and trading, particularly in January last year, particularly around the Swiss franc event. In fact, if you'll indulge me, adjusting for our outperformance year over year, results would have been down by mid-single digits.

Fixed income revenue was down 13%. The first couple of months of this quarter, as you know, were challenging across markets, but some stability returned in March. And overall, I would characterize the quarter as seeing reasonably solid client activity, but given the market backdrop, it was more difficult to monetize flows. We saw better performance in rates and lower performance across other asset classes.

Equity Markets revenue was down 5%. And although flows were steady, idiosyncratic events and sharp moves were tough for our clients both on the way down and back up. Asia equities continued to outperform, driven by market volatility, particularly in Japan.

With respect to the second quarter, the relative stability we saw in March has continued into April so far. However, it's also the case that markets are still quite illiquid in certain parts and will be prone to somewhat abrupt corrections. So while investors have started to deploy cash and capital markets are wide open for well-understood names, there is still remaining caution for more challenging issuers. Although there has been noise in the data globally, there is an emerging belief that it's fundamentally better but we need to continue to see no downside surprises. And as such, we remain somewhat cautious about the second quarter.

Securities Services revenues was $881 million, in line with guidance. Credit Adjustments & Other was a loss of $336 million, mainly driven by CVA on spread widening. Credit costs of $459 million were driven by reserve builds for Oil & Gas and Metals & Mining, as discussed earlier. And finally, expense of $4.8 billion was down 15% year on year, driven by lower performance-based compensation and lower legal expense, with a comp-to-revenue ratio for the quarter of 32%.

Moving on to page six and Commercial Banking, the Commercial Bank generated net income of $500 million on revenue of $1.8 billion and an ROE of 11%. Outside of credit costs for Oil & Gas, the first quarter was very solid performance. Revenue was up 4% year on year, driven by higher loan balances and deposit net interest income, offset by lower IB revenues versus a record last year. Expense of $713 million was up 1% year on year and down 5% quarter-on-quarter, but in line with recent trends if you exclude the impairment taken on leased corporate aircraft last quarter.

We saw strong growth in our loan book, with average loan balances up 13% year on year and 3% quarter-on-quarter and with portfolio spreads relatively flat for a couple of quarters now.

Our Commercial Real Estate business continued to exceed the industry with growth of 18% year on year, reflecting superior execution while maintaining credit discipline. In C&I, loans were up 9% year on year, driven by robust originations in Corporate Client Banking. Finally, on Credit, we added $300 million to reserves, mostly related to Oil & Gas, but we continue to see very low net charge-offs.

Moving on to page seven and Asset Management, Asset Management reported net income of $587 million with a 30% pre-tax margin and 25% ROE. Revenue of $3 billion was down 1% year-on-year, driven by weaker market and lower brokerage revenues.

Excluding the impact of the sale of an asset this quarter, which contributed $150 million to the revenue number, adjusted revenue, AUM and client assets were down each generally in line with lower market. Expense of $2.1 billion was down 5% year-on-year largely driven by lower performance-based compensation.

Despite these lower markets, we saw positive long-term flows of $12 billion this quarter with strength in fixed income, multi-asset and alternative and including the benefit of a large mandate being partially offset by outflows in equity products given volatility. Our long-term investment performance remains strong with 80% of mutual fund AUM ranked in the first or second quartiles over five years. Loan balances of $110 billion were up 7% year-on-year with record mortgage balances up 20% and solid growth in traditional lending.

Before I move on, as you're aware the Department of Labor issued the final fiduciary rule last week. It's a long and complex set of requirements and details will matter. It will take time to fully digest. On first read, there are no significant new provisions from the proposal that would change our position, which is that we've been a fiduciary for over 150 years and based on our current advisory business, we are confident in our ability to adjust and be successful. Perhaps one of the biggest positives is the longer time to implement, which allows us to be even better prepared.

Skipping page eight, as we actually have nothing significant to call out on Corporate, I will move onto the outlook on page nine. We've included our guidance from Investor Day on the page. And it's unchanged, so I won't go through it. So just two new points to highlight. For Asset Management, the first quarter revenues adjusted for the $150 million were a little over $2.8 billion. And assuming relatively constructive markets, we would expect those revenues in the second quarter to be flat to up but to be less than $3 billion. And obviously, expense will also be flat to up in line with those revenues on performance-based compensation.

In the Commercial Bank, we expect revenues will be up modestly on continued loan growth. But we also expect expenses to increase to about $725 million as we add bankers and execute on our technology and product investment strategies. The upshot of which is we expect pre-provision net revenue for the Commercial Bank to be relatively in line with the first quarter.

Before moving to Q&A, I want to make a few comments about the news this morning regarding living wills. Obviously, we were disappointed with the conclusion reached by the joint agencies on our resolution plan. We have taken this planning process very seriously and we believe we've made substantial progress. Having said that, the most important thing is we work with our regulators to understand their feedback fully and in more detail. And we are fully committed to meeting their expectations.

So wrapping up, despite challenging market conditions, we delivered really quite good performance in the quarter with diversification allowing us to perform well in difficult environments and be there for our clients.

Operator, you can open up for Q&A.

Question-and-Answer Session

Operator

Your first question comes from the line of Matthew Burnell. One moment. Please go ahead.

Matthew Hart Burnell - Wells Fargo Securities LLC

Good morning. Thanks for taking my questions. Marianne, maybe a couple of questions on energy. You noted that the provision was slightly above your guidance this quarter relative to what you mentioned you thought it might be in late February. I guess I'm curious in terms of what your expectations are in terms of your guidance relative to potential drawdowns, particularly in the $10 billion of high-yield loans that you have undrawn, and what your ability is to potentially mitigate potential drawdowns based on the financial condition of your borrowers?

Marianne Lake - Chief Financial Officer & Executive Vice President

So, hi, Matt. So the first thing I would say is with respect to Oil & Gas, honestly, I think $529 million is pretty close to $500 million plus or minus, so that was pretty much in line. Where you are seeing it be a little bit higher was on Metals & Mining. We're expecting close to $100 million, and there were a couple of extra downgrades that came through in the quarter, and that kind of timing is going to happen. It doesn't change the overall sort of perspective for us.

With respect to draws, when I gave some sort of indicative guidance about what you might expect to see potentially in the rest of the year in terms of reserve builds, we do try to take into consideration the likelihood that we will see incremental draws. And clearly, we will work with borrowers to try and help them such that that may not be necessary and in other cases we can reduce our exposure in redetermination cases.

But we will expect to see some draws and that's contemplated in our guidance. And I want to make sure that everyone understood that we tried to be very complete, so this is not just Oil & Gas and Metals & Mining. As the NAIC codes would suggest, we've looked at very closely related companies in shipping and marine transportation and the like. So we're trying to be very complete.

Jamie Dimon - Chairman & Chief Executive Officer

And we've yet to take a loss.

Marianne Lake - Chief Financial Officer & Executive Vice President

We have taken a couple.

Jamie Dimon - Chairman & Chief Executive Officer

(20:00)

Marianne Lake - Chief Financial Officer & Executive Vice President

Yeah. Nothing – not very much.

Jamie Dimon - Chairman & Chief Executive Officer

Yeah.

Marianne Lake - Chief Financial Officer & Executive Vice President

Yeah.

Matthew Hart Burnell - Wells Fargo Securities LLC

Yeah. Fair enough, that makes sense. But that dovetails nicely actually into my follow-up. In terms of the wholesale non-accrual balances, those were up about $1.2 billion quarter-over-quarter. Can you give us a sense as to how much of that was energy and Metals & Mining? And were there other areas of the portfolio that added to that? And what's your outlook for wholesale non-accruals over the course of the next couple of quarters?

Marianne Lake - Chief Financial Officer & Executive Vice President

So of the $1.2 billion, $1 billion was a combination of Oil & Gas and Metals & Mining, so the vast majority. And outside of that, consistent with my comments on contagion, there's not any sort of thematic, other noteworthy thing to mention to you.

And obviously, as we continue to watch the sort of cycle play out over the next several quarters and reevaluate some clients that may be experiencing stress, it's likely that we will see some more NPLs. But I gave you context around what we're expecting to see in terms of reserves, so they will go up, but not to numbers that I would consider to be large in the context of our wholesale portfolio.

Operator

Your next question comes from the line of Glenn Schorr with Evercore ISI.

Glenn Paul Schorr - Evercore ISI

Hi. Just one follow-up. What was the drawn-on energy facilities this quarter? It doesn't seem to be too big. And then related to that, what's the reserve as a percentage of drawn credit right now?

Marianne Lake - Chief Financial Officer & Executive Vice President

The draws were about $1.3 billion in the quarter, so some but not excessive. And after the reserves that we put up in the first quarter, the coverage ratio is 6.3%.

Glenn Paul Schorr - Evercore ISI

6.3%, all right. I also think...

Jamie Dimon - Chairman & Chief Executive Officer

what is the number on balance sheet?

Marianne Lake - Chief Financial Officer & Executive Vice President

That is on the balance sheet.

Glenn Paul Schorr - Evercore ISI

And then maybe a little bit of different question...

Marianne Lake - Chief Financial Officer & Executive Vice President

Sorry, Glenn, just on that 6.3%, that's the firm. If you look in the Commercial Bank, obviously, it's higher. So you've got a sort of different portfolio mix in the Commercial Bank versus the CIB. So for some parts of our portfolio, it's closer to 9% or 10% and in other parts it's lower. Sorry, your second question?

Glenn Paul Schorr - Evercore ISI

I appreciate that and I thank you.

Yeah. The other question is on growth. We've been waiting for a long time, but you've been seeing great growth across a lot of different products. I mean, CRE up 18%, in the Commercial Bank, C&I up 9%. At this stage of the cycle, I appreciate the Consumer has shown a lot of strength, is there any growth where we scratch our heads and said, wow, is that growing too much? It sounds funny for me to be asking for less growth, but just curious to get your thoughts.

Marianne Lake - Chief Financial Officer & Executive Vice President

It's a perfectly reasonable question. And obviously, when we look at growth in CRE or the Commercial Real Estate businesses of 18%, it's an obvious question are you doing something different? And the answer is no, we're not. We haven't changed our geographies. We haven't changed our risk appetite. It just simply indicates that we have a good process, and we are continuing to focus on our sort of core capabilities and our core risk segments. But we've been able to take advantage of the opportunity because our process is better, and to a lesser degree, but nonetheless to a degree, given that the CMBS market has been somewhat disrupted.

Operator

Your next question comes from the line of Betsy Graseck with Morgan Stanley.

Elizabeth Lynn Graseck - Morgan Stanley & Co. LLC

Hi, good morning.

Marianne Lake - Chief Financial Officer & Executive Vice President

Hi. Good morning.

Elizabeth Lynn Graseck - Morgan Stanley & Co. LLC

I have a question on the living wills. The indication today was that there were four areas that you needed to enhance. Liquidity was one of those, and I was a little surprised to see that given the strength of your liquidity book. I guess what I'm wondering is does the living will submission and the changes that you have to make have an impact on your current business at all? In other words, do you need to build liquidity to meet the requirements that the regulators have, or this is in an obviously worst-case scenario you would build at that time?

Marianne Lake - Chief Financial Officer & Executive Vice President

So, Betsy, obviously, with having only received the specific feedback less than 24 hours ago, we still have to get into the analysis phase about what it all means. I would start with your opening comments that considering our liquidity you were surprised, this doesn't appear to be a statement about the adequacy obviously of JPMorgan's liquidity, which is very significant, as you know; but it's really about how we analyze and think about that at the material legal entity level and the inter-affiliate nature of how we fund our entity. So I can't tell you with any clarity exactly what will be required as we get into the analysis. It wouldn't be my core expectation that it would require us to do a meaningful overall new liquidity action, but we have to do the work.

Elizabeth Lynn Graseck - Morgan Stanley & Co. LLC

So as we think about the implications of this morning's announcement, it's around your planning and procedures as opposed to a likely impact on the business operations today and the results that you can generate. Is that a reasonable conclusion?

Marianne Lake - Chief Financial Officer & Executive Vice President

Again, just based on our preliminary read, I think there's going to be significant work to meet the expectations of the regulators and our plan already had us doing a lot of work around actual real simplification of legal entities and other things. So I don't know that there are going to be significant changes. It's not my primary expectation that there would be, but we do need to have a moment to go through the details.

Operator

Your next...

Jamie Dimon - Chairman & Chief Executive Officer

The liquidity of the company is extraordinary. We have $400 billion in central banks around the world, $300 billion of AA+ short duration securities, just about $300 billion of very short-term secured, really top-quality repo type of stuff like that. The trading book is $300 billion, which is mostly very liquid kind of stuff, so the liquidity of the company is extraordinary.

Marianne Lake - Chief Financial Officer & Executive Vice President

And I would say just, again, we need to do the work and we need to figure out, obviously, what the response to that will be. But it is encouraging that some plans were found to be credible for large systemic financial institutions. And if they have been able to adequately show their preparedness, we're confident we should be able to do the same. We just need to make sure that we understand the details of what it is that we don't have in our plans today that we need to change, and we're committed to doing it.

Operator

Your next question comes from the line of Gerard Cassidy with RBC.

Gerard Cassidy - RBC Capital Markets LLC

Thank you. Good morning. Marianne, can you expand upon your comments in your opening dialogue about the energy exposure? You're not too worried about the contagion risk, but you did say that there are a couple of specific issues relating to some very closely related companies. Can you give us more color on what you're referring to?

Marianne Lake - Chief Financial Officer & Executive Vice President

Yes, absolutely. So I just want to – if you use the industry codes the way that you could if you weren't to expand your thinking to just what is technically considered to be an oil and gas company, you would miss out on, for example, a marine shipping company that all they do is ship oil. And therefore, their financial condition and their performance is going to be directly related to the health of the energy sector. Those companies, we have identified them specifically, they are managed within our energy risk team. They are not managed by a different team. So I was simply saying that some of the companies that we are watching and in one or two small cases that had experienced some stress, are not traditional energy companies but their condition is directly related to oil and gas.

Gerard Cassidy - RBC Capital Markets LLC

Thank you. And then on the loan growth, which is obviously very strong, what are your people on the front lines saying about commercial real estate? Are there any changes in terms of underwriting metrics that your front line people are seeing since we are starting to see in certain markets like multifamily, which you guys have already identified have some weak spots, are there any other underwriting issues that are cropping up now that you didn't see three months ago or six months ago?

Marianne Lake - Chief Financial Officer & Executive Vice President

So, and obviously not for us, I would say that it's competitive. The C&I space is very competitive. Commercial Real Estate is also competitive, but it's not irrational and we aren't seeing, or at least we are not seeing very irrational proposals on structure and risk. Meanwhile, we haven't changed our risk appetite. We haven't changed our underwriting standards. We continue to have lower LTVs and higher debt coverage ratios pretty consistently, consistent geography. So speaking for JPMorgan specifically, there has been no change in our underwriting standards. In fact, if anything since the last crisis, obviously, or the last recession, we've tightened our underwriting standards and we've moved away from some of the riskier types of that business, so homebuilders and a lot of construction loan business.

Operator

Your next question comes from the line of Michael Mayo with CLSA.

Mike Mayo - CLSA Americas LLC

Hi. That was a very serious CEO letter you had in the annual report, but two questions related to that. One would be, you, Jamie, indicate the potential for higher interest rates, and I'm just looking for some more color into why you think that's the case, and if you're preparing the bank for a scenario of higher rates or if you're just trying to just set a tone at the top or perhaps be contrarian. I know you gave some technical factors in the CEO letter.

And then the second thing is just the contrast between what you have in the CEO letter, liquidity, trading governance oversight with the living will letter that came out today. And just to follow up on the earlier question, do you simply have to write a better resolution plan, or might you have to change a little bit the way you do business? And does this make you have a more conservative CCAR ask?

Marianne Lake - Chief Financial Officer & Executive Vice President

Hey, Mike. I'll start and then Jamie can add to it. So on the interest rate point, the comments are pretty consistent with what we said over time, which is we have the belief that the U.S. economy is continuing to move in the right direction, that the consumer is on solid footing and that despite the noise in the data and some of the volatility in the markets, global growth will continue, albeit at a moderate pace. And obviously, stability in the markets in March has continued to help us with that thesis. And so that coupled with the fact that the Fed themselves – while they're dovish in their narrative in the minutes and also their dots are continuing to talk about gradual increases, and the debate around negative rates is quieting.

So we don't particularly run the company with a day-to-day view on what's going to happen with interest rates. We are positioned for rising rates, as you know, and have been, but we also understand what the performance of the company looks like if there are no more rate rises or when we stress our portfolios in lots of different ways. So we are positioned for rising rates. It is our central case that that will happen. The market is pricing less than one hike in this year. The Fed dots say two. Our research says two. We're just going to have to wait and see.

I'll also start and then Jamie can jump in on the living wills thing. We have to take it at face value in discussions with our regulators that we need to meet their requirements, whatever they may be, all of the rules, whether it's capital, whether it's liquidity, whether it's stress testing, whether it's resolution plans. And if we do that and satisfy them, then we can continue to operate the company the way that we think is best for our clients and communities around the world. And so at this point, we need to remediate and address the issues and the feedback they've given us and resubmit a plan for assessments that we hope will be credible. And that's certainly what we will commit to do, and that's what we're focused on.

Mike Mayo - CLSA Americas LLC

Was there anything else from Jamie on that? Because if we compare and contrast the CEO letter to what the regulators just said about you guys, it's not completely consistent.

Jamie Dimon - Chairman & Chief Executive Officer

I don't think it's inconsistent. We're trying to meet all the regulations, all the rules, and all the requirements. We've been doing that now for five years or six years. It is five – it's been six years since Dodd-Frank was passed. They have their job to do and we have to conform to it.

Marianne Lake - Chief Financial Officer & Executive Vice President

And I know it's easy to overlook the first few statements where there's an acknowledgment that progress has been made. And none of the feedback in the letter negates the significant progress across the industry on capital liquidity, stress testing. So it is consistent, but we have more work to do and we'll do it.

Jamie Dimon - Chairman & Chief Executive Officer

And on the interest rate stuff, I wasn't predicting it. I'm simply saying I think there is a chance it will be different than what people expect and it will be a little – as I said, it will be gradual until it's sudden.

Operator

Your next question is from the line of Brian Foran with Autonomous.

Brian D. Foran - Autonomous Research US LP

Hi, good morning.

Marianne Lake - Chief Financial Officer & Executive Vice President

Good morning.

Brian D. Foran - Autonomous Research US LP

I wonder on trading. I appreciate that you reported first so you haven't seen the market yet, but two questions around the whole thesis, the last man standing versus restructures. One, do you have any sense of whether your performance overall on really FICC represented market share gains or not this quarter?

And then two, with some of the guidance coming out of the European banks in particular being very poor and some of the restructurings may be accelerating steam, is there any thought around comp and maybe using that as a lever to improve returns over the remainder of the year and into next?

Marianne Lake - Chief Financial Officer & Executive Vice President

So obviously, we're the first to read out. And it's very difficult when you think about performance because you also have to think about the relative performance in the comparable periods and prior years and the like. So I would say that down mid-single digits adjusted for what we would consider to have been outperformance last year is really quite good performance. So I don't know that we gained share, but I certainly think we've protected share. And it may differ across the different product sets, but I think in general, we feel pretty good about our performance, and we don't know anything to the contrary.

Jamie Dimon - Chairman & Chief Executive Officer

And I would just add that $5 billion plus of sales and trading in a quarter like this I'd look at it as good. We're earning decent returns. We have good margins. I'm not quite sure about share, but it was quite – I would look at it as quite a good performance, and trading losses were, what we had was six days you said to me, or...

Marianne Lake - Chief Financial Officer & Executive Vice President

Six days, yeah.

Jamie Dimon - Chairman & Chief Executive Officer

Six days, they...

Marianne Lake - Chief Financial Officer & Executive Vice President

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Jamie Dimon - Chairman & Chief Executive Officer

They were (34:59) like $40,000. So the actual results are just – that's really good. I look at that as a very healthy business.

Marianne Lake - Chief Financial Officer & Executive Vice President

Yeah. And then with respect to the sort of restructuring and whether that presents opportunities for us broadly defined, including in compensation for better performance, we pay for performance and we pay risk-adjusted returns, and we're not looking to try and make changes to what we've been very consistent about over time. And you can see our comp to revenue ratio of 33% (sic) [32%] this quarter is in line with the ratio in the first quarter of last year and in fact the first quarter of the year before. So lower, obviously, on lower revenues, but a fair pay for the performance. And obviously, we intend to ensure that we are competitive, but we're not going to take any direct action as a result of that in terms of the...

Jamie Dimon - Chairman & Chief Executive Officer

We also got some big deals done near the end of the quarter in Western Digital and Numericable, which is part of sales and trading. And we also got a – we did this I thought a very creative Chase. I'll probably call it Chase Trust. It's the first real securitization in a long time in a mortgage business where you do revenue risk-sharing, and I think it's quite good.

Operator

Your next question comes from the line of John McDonald with Bernstein.

John Eamon McDonald - Sanford C. Bernstein & Co. LLC

Hi. Just a question on expenses. First, was there any legal expense in the quarter? And then just a broader question, Marianne, are the incremental expense saves you're getting from your programs falling to the bottom line, or is it – some of it getting reinvesting? Like in CCB, I noticed the head count is up a little bit on page 11 just the last couple of quarters. Does that reflect like reinvestment of the cost saves? And then just on the legal side if you had anything this quarter. Thanks.

Marianne Lake - Chief Financial Officer & Executive Vice President

So on legal, I would – so the number is circa zero pre-tax. It's actually slightly positive after-tax. We did some true-ups so far, assessment on penalties. So actually, net-net about zero this quarter, which I'll take it for the quarter, but it doesn't necessarily predict the future.

In terms of expenses, so we talked at Investor Day, Gordon in particular but also Daniel, that we are continuing to invest in our businesses and across the board, in fact, adding bankers and technology and digital, digitizing, et cetera. So we continue to do that across the businesses. And I mentioned in the CCB page that the net expenses, albeit down includes self-funding $200 million of incremental investments year-over-year and growth. But you did notice the head count in the Consumer Businesses is up slightly and that's a combination of the investments we're making in technology and digital; that's about 500 of the heads, and the other 1,500 is increasing part-time staffing in the branches so that we have flexibility to make sure that we have loading at the right times of day for making sure the customer experience is good. So I would characterize it all as very consistent and yes we continue to invest, and that is in part what you're seeing in the head count in CCB.

Jamie Dimon - Chairman & Chief Executive Officer

And you saw a new credit card, Freedom Unlimited, 1.5% back. We're doing a lot of stuff in Chase Pay. You heard – so, the Starbucks thing, we are part of top digital site – and we continue to win awards in the consumer banks, so we will always be investing there.

Operator

Your next question comes from the line of Erika Najarian with Bank of America.

Erika P. Najarian - Bank of America Merrill Lynch

Yes. Good morning. You're fielding a lot of questions on energy credit quality. But taking a step back, given that the delinquency statistics outside of energy still remain fairly stable, could you give us an outlook for how you think credit quality trends will play out for the rest of the year if the base case is slow growth in the U.S.?

Marianne Lake - Chief Financial Officer & Executive Vice President

So it is our expectation across both the Consumer and the Wholesale businesses outside of energy that the credit trends will remain favorable. Credit will be relatively benign. We're not expecting to see material increases except for the fact that we're growing our loan portfolios. So when we did Investor Day we talked about charge-offs this year will go up year-on-year, and they'll go up to potentially as high as $4.75 billion, but half of that would be on the back of the fact that we're growing our portfolios. And so you will just have natural sort of BAU levels of charge-off from that and then the over half would be on energy. So we're not expecting or seeing at this point anything other than good credit quality the rest of 2016 outside of the obvious.

Erika P. Najarian - Bank of America Merrill Lynch

Great. And just one more follow-up question on the living will, could you help us understand what you think the regulators meant in terms of if the remediation is not met by October 1 of this year that there could be more stringent prudential requirements? Could that possibly mean higher capital or liquidity standards if the expectations aren't met by October? I guess we always thought of the living will as more of a cost issue rather than a further tax on regulatory ratios.

Marianne Lake - Chief Financial Officer & Executive Vice President

So, I will start by saying that as you know our regulators have extraordinary powers over a wide range of requirements for us regardless, and many ways of influencing those, and you're familiar with most of them. It is absolutely the case that as you look at the resolution process that there are provisions that talk about if a remediation is not satisfactory with or cured within a two-year period, there is a possibility that the regulators could jointly decide and may jointly decide to take other actions that could include capital or liquidity or leverage or operating model discussions. So obviously, they do have those powers, October is not that far away. We're going to do our very, very best to make sure that we put our best foot forward and remediate the issues. And then we have another submission in July of 2017.

So not to suggest that we won't fully remediate to the very best of our ability, but the living will process I expect to continue to be somewhat iterative over the next several cycles, and we will continue to push ourselves to raise the bar, and I'm certain that the bar will continue to be raised on us as it should.

Operator

Your next question comes from the line of Matt O'Connor with Deutsche Bank.

Matthew Derek O'Connor - Deutsche Bank Securities, Inc.

Good morning.

Marianne Lake - Chief Financial Officer & Executive Vice President

Good morning, Matt.

Matthew Derek O'Connor - Deutsche Bank Securities, Inc.

If I look at the first quarter net interest income, which was at least better than what I had, good NIM and think about your full-year outlook, if I take it literally, it implies flattish net interest income dollars from here. And I'm just wondering if that's too literal of interpretation or if maybe there are some offsets to the loan growth we say over the long-term rates as we think about the rest of the year.

Marianne Lake - Chief Financial Officer & Executive Vice President

Okay. So we talked about the fact that if there's no change in rates and if we continue to grow our loans we'd expect our NII to go up by $2 billion. And so you're right, if you look at the run rate right now that would be relatively flat from here.

I think in our favor because of the easing that's still going on around the rest of the world and the sort of dovish Fed comments there has been a lower re-price just in the industry generally, so that's in our favor but – and you know we're much more sensitive to the front-ended rate. So while we're not suggesting that the long end of the curve has no impact, it's relatively modest, so $2 billion may be a little more, the biggest driver of significantly higher NII above that guidance would be if we had another hike earlier than December.

Matthew Derek O'Connor - Deutsche Bank Securities, Inc.

And then just separately, any comments on the Treasury's ruling on inversion as you think about M&A kind of broadly speaking for the industry and for you guys specifically and if you can frame how much that's driven your M&A revenues in the past or the industry. Any color around that would be helpful.

Marianne Lake - Chief Financial Officer & Executive Vice President

So, I'm not going to talk specifically about the Treasury's actions other than saying that we would support fair tax reform in general.

With respect to the impact on our business, either historically or going forward, it wouldn't be zero and it wouldn't be significant.

Operator

Your next question comes from the line of Jim Mitchell with Buckingham Research.

James F. Mitchell - The Buckingham Research Group, Inc.

Hey, good morning. Maybe we could talk a little bit about CCAR. I've had some investors express concern about the Fed's inclusion of negative rates. Have you found that to be difficult in terms of modeling?

And overall I guess given the improvement in – on the flip side given the improvement in your capital ratios, do you think that there's – you should be able to see some improvement or increase in CCAR into – now that you've looked at it for a few months?

Marianne Lake - Chief Financial Officer & Executive Vice President

Okay. So obviously, I'm not going to be able to talk specifically about our plans that we've submitted because we just submitted them and we haven't had any feedback and they're confidential. But I will tell you that, obviously, negative rates. It was the first time this has been in the scenario. It is not the first time we have talked about it and it's not the first time that we've experienced it, at least in other parts of the world, in Europe, Japan, and elsewhere.

So we have had continued discussions. We understand broadly what we think we would do and what would happen to our balance sheet. We can model it and we can effect it. So in that sense now, I mean, obviously, we'll continue to work that process through if it continues to be a feature of CCAR.

You're absolutely right that year-over-year our launch point is a higher level of capital. And our balance sheet and our credit quality continues to improve, and our risk levels have not materially changed. So as a general matter, we would hope and we've also added prefs. So as a general matter, we would hope to have incremental capacity, but nothing inconsistent with what we have said externally, which is that the board would like over time to continue to have the capacity to potentially increase dividends, and that we would likely take capacity to within a reasonable range, repurchase our stock and that's the framework that we have used to submit our plan.

Operator

Your next question is from the line of Steven Chubak with Nomura.

Steven J. Chubak - Nomura Securities International, Inc.

Hi, good morning.

Marianne Lake - Chief Financial Officer & Executive Vice President

Good morning.

Steven J. Chubak - Nomura Securities International, Inc.

So, Marianne, within the Asset Management segment, you noted that the revenues were down in line with the market. But if we isolate the fee income components to exclude some of the IB (46:03) gains you highlighted as well as other income, the revenues declined by double-digit both quarter-on-quarter and year-on-year, which is a bit more pronounced than what we had expected. And I was hoping you could speak to maybe some of the factors outside of the market declines that are maybe impacting revenues in that business, specifically what you're seeing in terms of retail engagement and maybe whether you've seen any improvement in sentiment now that the markets have recovered pretty nicely off the February trough.

Marianne Lake - Chief Financial Officer & Executive Vice President

So if I do the sort of – I don't want to use the word core. If I adjust for the full impact of the asset sale that was in the quarter, not just the $150 million in this quarter, but also the revenues that were present with respect to that in the first quarter of last year, my adjusted revenues are down about 4% to a market that on average, while I appreciate that it recovered in March, but the market on average for the quarter was down around 5%. So we would characterize that as generally in line.

And similarly, if you do adjustments on the balance sheet side, the assets under management and client assets. So certainly, you can speak to Jason afterwards and reconcile our numbers so that we're not confusing each other. I'm sorry, what was the second part of your question?

Steven J. Chubak - Nomura Securities International, Inc.

The retail engagement.

Marianne Lake - Chief Financial Officer & Executive Vice President

Retail engagement, so retail engagement picked up in March, as you would expect. We saw positive flows. We obviously saw a negative flow for the quarter in equities, that's not surprising. And then we saw positive flows, particularly in multi-asset, so we did see some reasonably healthy retail flows in the quarter, but primarily in March and somewhat offset by outflows in equities.

Steven J. Chubak - Nomura Securities International, Inc.

Excellent, thank you.

Marianne Lake - Chief Financial Officer & Executive Vice President

Thank you.

Operator

Your next question is from the line of Brennan Hawken with UBS.

Brennan McHugh Hawken - UBS Securities LLC

Good morning, Marianne, a quick question on NIM here. Can you talk about how sustainable you think the NIM expansion might be and whether or not there's anything one-time in the numbers we should adjust for?

Marianne Lake - Chief Financial Officer & Executive Vice President

As luck would have it, in this quarter there is nothing one-time that you need to adjust for. Last quarter there obviously was, and so we would expect that our NIM should be stable to improving over the course of 2016, the extent to which it would improve obviously depending upon what happens in terms of gradually rising rates.

Brennan McHugh Hawken - UBS Securities LLC

Okay, great. Thank you. And then on the energy exposures in the loan book, can you comment on maybe whether or not some of the equity capital raising that we've seen in the energy space has perhaps taken some of the tail risk away from that book? And then is it possible also to update us on the criticized exposures in oil and gas? I believe in the 10-K it was somewhere around $4.5 billion at year end.

Marianne Lake - Chief Financial Officer & Executive Vice President

Okay, so with respect to equity capital raises, obviously to a degree that would be true, although those companies that were able to access the equity capital markets are not those that are experiencing the most stress. So obviously all other things equal, it's a positive, but I'm not necessarily thinking it's going to take significant steam or the pressure off. With respect to the second part of your question? I'm so sorry.

Jamie Dimon - Chairman & Chief Executive Officer

C&C.

Marianne Lake - Chief Financial Officer & Executive Vice President

Jason will get back to you. I'm sorry, I don't have the answer.

Brennan McHugh Hawken - UBS Securities LLC

No problem, thanks so much.

Operator

Okay. Your next question comes from the line of Eric Wasserstrom with Guggenheim Securities.

Eric Wasserstrom - Guggenheim Securities LLC

Thanks. Marianne, can you comment on what competitive conditions are like in the credit card market currently and if there has been any change around the intensity of competition for co-brand and rewards? And I think, Jamie, you alluded to the launch of a new product. I'd love to get an update on your initial thoughts about how that's going.

Marianne Lake - Chief Financial Officer & Executive Vice President

Okay. So no, nothing has changed in the card competitive landscape, including in co-brand. It's still very competitive, albeit that we are – we saw a little bit of deceleration in sales growth year over year last year and we've seen that trend back positively for us this year. So we feel good about that and we've been increasing our marketing spend. And as Jamie just said, we launched Freedom Unlimited quite recently. And it has been quite recent, but early feedback is very positive with respect to Freedom. We're seeing 50% increases in activity and interest. There's going to be a degree of cannibalization of other products. We would expect that, but so far so good. And we just like to give our customers choices, and it's been favorably received.

Eric Wasserstrom - Guggenheim Securities LLC

Great, thank you. And auto has been a big area of focus, and you touched on it certainly during your Investor Day. But in the mid-cycle range, is there anything going on, on a macro level that would suggest some significant likelihood of credit quality deterioration?

Marianne Lake - Chief Financial Officer & Executive Vice President

So, the Manheim is down slightly. We continue to believe and expect that it will continue to trend downwards. And so losses per unit will continue to trend upwards just given where it is today and also the amount of leased inventory that will ultimately go into the used car space over the course of the next several years. However, the fundamentals are still good. The market is still solid. We had pulled back on subprime a while ago. It's a small part of our originations. And so other than seeing some delinquencies pick up as expected in some of the energy-related space but not very significantly, there's nothing at the moment that's on the burner.

Jamie Dimon - Chairman & Chief Executive Officer

For us.

Marianne Lake - Chief Financial Officer & Executive Vice President

For us.

Jamie Dimon - Chairman & Chief Executive Officer

I do think you'll see issues in the market, though.

Operator

Your next question comes to line of Paul Miller with FBR.

Paul J. Miller - FBR Capital Markets & Co.

Hey, thank you very much. In the Mortgage Banking segment, you wrote down the MSR by almost $0.9 billion. Were there any hedging gains? I couldn't find them in the documents. Any hedging gains to offset that?

Marianne Lake - Chief Financial Officer & Executive Vice President

So the MSR P&L for the quarter was a positive $124 million, and they're a combination of BAU immaterial factors that added up to that. And probably about half of it was a combination of hedged performance in the market.

Paul J. Miller - FBR Capital Markets & Co.

Okay. And then on the Mortgage Banking side, have you been seeing – you saw the MBA today release that purchase applications are the highest since 2010 or something on that order. Are you seeing the spring buying season, especially on the purchase side, starting to pick up?

Marianne Lake - Chief Financial Officer & Executive Vice President

Yes, so our purchase applications are up 30% I think year on year. We're continuing to see positive momentum in that space, and we are seeing spring activity continuing to be robust as expected.

Operator

Your next question comes from the line of Ken Usdin with Jefferies.

Ken Usdin - Jefferies LLC

Hi, thanks. Good morning, just two quick follow-ups on the fee side. Understanding that market dependence is built into the outlook to get to $50 billion of fees for the year, I'm just wondering. Have we now run-rated the combination of the business repositioning, the card revenue run rate, and the toughness of this first quarter? I guess the question is really what are the things that you expect to get better from the first quarter on the fee side outside of normal seasonality?

Marianne Lake - Chief Financial Officer & Executive Vice President

Okay. So in terms of run-rated, the two biggest drivers of the walk that we gave at Investor Day were the card co-brand renegotiations and the Mortgage Banking non-interest revenue. I would just point out that while we are seeing some of the incremental impact of card renegotiations, that will play out over the course of the year.

But on the positive side – and on the positive side, Mortgage Banking just given where rates were over the quarter has sort of been positive relative to the central expectations when we did Investor Day.

So those two things are worth noting, but we are seeing really quite good drivers in noninterest revenue drivers across the Consumer space generally in debit, investments, in fees and accounts in the sort of 4%-5% range and sometimes in the range higher than that. So we're continuing to see exactly what we expected which is the majority of our businesses will continue to deliver mid to high single-digit growth and they seem set to do that. The Card impact will be what it will be and Mortgage NIR will end up down year-over-year, whether it's $700 million or $600 million, we'll see. And so the biggest driver of what the end result will be is going to be Markets.

Ken Usdin - Jefferies LLC

Yes, okay. And I know it's a smaller line item, but just noticing the guide for security services to be flat from here. There's always some seasonality in there too, but I'm just wondering if you can just give a comment about what you're seeing in that business and are there any incremental challenges that leave you kind of with a flat outlook.

Marianne Lake - Chief Financial Officer & Executive Vice President

Yeah. I mean, look, the business is not immune to markets either. So obviously, as you look at their performance for the quarter, our fees have been impacted by lower asset levels, and we also have got the tail impact of some business simplification just getting the tail of that out of their performance.

We are also seeing the benefit of higher rates, so I would characterize the majority of those negatives on lower fees and simplification as being behind us, so the trajectory if rates continue to rise would be upwards, but that's why we said market-dependent. We were not expecting our performance to go down from here, flat to up but depending on rates.

Operator

Your next question comes from the line of Christopher Wheeler with Atlantic Equities.

Chris Wheeler - Atlantic Equities LLP

Yes. Good morning. The question is really on the compensation ratio. You've obviously done a fantastic job on the cost base, but one of the issues that strikes me is clearly with the reduced revenues, particularly in the capital markets business, your comp down about $400 million compared to the first quarter or the quarter of last year. And obviously, what we've experienced generally is you holding the ratio reasonably steady for the second to third quarter and then truing up with a lower ratio in the fourth quarter. If I'm looking at the estimates we have for revenues on a well-known provider of data, we've got pretty flat revenues being forecast by people like me whether we're right or wrong. Should we be thinking about how you're going to build a bonus pool against this background and whether we should be looking at thinking or thinking that you're going to have to retain the comp ratio at a pretty similar level through the year if indeed we don't see any uptick in revenues and they remain reasonably flat?

Marianne Lake - Chief Financial Officer & Executive Vice President

So the comp...

Jamie Dimon - Chairman & Chief Executive Officer

I'd just use 32%.

Marianne Lake - Chief Financial Officer & Executive Vice President

Yeah. Well, we've given the range 30% to 35%. We've been at the lower end of that range when we performed very strongly. We could drift up if we performed less strongly. We pay for performance, and I think we did a good job in the first quarter.

Chris Wheeler - Atlantic Equities LLP

Okay, thanks.

Jamie Dimon - Chairman & Chief Executive Officer

We have among the lowest ratios and we're paying our people properly as well.

Marianne Lake - Chief Financial Officer & Executive Vice President

Yeah. And consistently.

Chris Wheeler - Atlantic Equities LLP

Yeah. But I'm by no means arguing about the quality of the ratio. I'm just intrigued because clearly what we're seeing on most leaders and indeed in Europe is the difficulty of building a pool when you've been so used to having a very strong first quarter, obviously, makes it quite difficult.

Marianne Lake - Chief Financial Officer & Executive Vice President

Yeah, but...

Chris Wheeler - Atlantic Equities LLP

Maybe just as a follow-up, which is vaguely related, could I just ask, what you talked earlier about where there's a question earlier about competition and picking up market share which indeed you clearly have. But one of the questions I perhaps just wanted to ask is an area you've been pushing hard on is equity, cash equities in particular. My sense is that actually a lot of the players including the Europeans who were doing massive restructurings are putting more capital into equities on the back of the fact that it's a lower capital business. And therefore they think they can get higher returns and just maybe that's why Nomura pulled out of European equities yesterday. What are you seeing in the equity space in particular because I don't – I'm not seeing as much sort of withdrawal as we have done in the fixed space?

Marianne Lake - Chief Financial Officer & Executive Vice President

Well, that's very fair and we've talked about it pretty often that people when they restructure, they restructure out of the things that they were less strong at, less profitable at and in many cases they double down where they continue to have strength and we are seeing that and that's what we mean when we say there's always someone less to fiercely compete in every part of our business and equities is no exception, it's not the poster child for that. However, the equities business here at JPMorgan, we've rebuilt our technology platform. We have rebuilt the prime – when we built the prime brokerage international capabilities. The two of those work hand in glove, and we have every opportunity to continue to gain share and win.

Jamie Dimon - Chairman & Chief Executive Officer

And we've done very well gaining share in electronic trading and the prime broker has been built in Asia and Europe where we had some weaknesses. So you've seen our share go up and we intend to win it. We have top-notch research, which obviously helps drive the equity business, too.

Operator

Your next question comes from the line of Gerard Cassidy with RBC.

Gerard Cassidy - RBC Capital Markets LLC

Thank you. Marianne, just as a follow-up, I just want to make sure I understood you correctly on the $500 million of incremental reserve build for energy for the remainder of the year, that's for the total of the following nine months. Is that correct?

Marianne Lake - Chief Financial Officer & Executive Vice President

That's correct.

Gerard Cassidy - RBC Capital Markets LLC

I mean, give or take?

Marianne Lake - Chief Financial Officer & Executive Vice President

Give or take. And – that's right. Obviously, there's a high degree of variability around it. If we had complete ability to understand it, we would lean into those reserves, but there's a – it's name-specific. It's situation-specific. It would evolve over time. We just wanted to give you an indication that there's likely to be some more costs. It could be plus or minus quite a bit from that, because we've had to make some stress assumptions in there, but $500 million for nine months, yes.

Gerard Cassidy - RBC Capital Markets LLC

Okay. Thank you and then I know there was the energy-specific Shared National Credit exam that the first quarter results for the industry will reflect similar to your own. But we also have the traditional Shared National Credit exam that's been done for 20-plus years. Any color on how that's going, the normal Shared National Credit exam?

Marianne Lake - Chief Financial Officer & Executive Vice President

Yeah. No, Gerard, I'm not going to make any comments about SNC, except to say that everything that we know about SNC is reflected in our results.

Operator

Your next question comes from the line of John McDonald with Bernstein.

John Eamon McDonald - Sanford C. Bernstein & Co. LLC

Hi. Two quick follow-ups, Marianne. I'm getting a couple of questions about just the math on the energy reserve ratio. I think you mentioned 6.3%. Just to be clear, is that the reserve for loans, over-funded loans, and then there's an additional reserve for unfunded commitments?

Marianne Lake - Chief Financial Officer & Executive Vice President

Correct, yes.

John Eamon McDonald - Sanford C. Bernstein & Co. LLC

Okay, got it. And then could you tell us the size of your energy commitments and whether they've changed at all this quarter?

Marianne Lake - Chief Financial Officer & Executive Vice President

They changed by a couple of billion dollars on a single name that we like. Up.

Operator

And there are no further questions at this time.

Marianne Lake - Chief Financial Officer & Executive Vice President

Thanks very much.

Jamie Dimon - Chairman & Chief Executive Officer

No, wait. Before you all go...

Marianne Lake - Chief Financial Officer & Executive Vice President

Oh, yes. Yes.

Jamie Dimon - Chairman & Chief Executive Officer

We should say good-bye to Sarah Youngwood, who goes on to a bigger and brighter job as CFO of the Consumer Bank. And she did an outstanding job, and she's being succeeded by Jason, who's going to say hi right now.

Jason Scott - Head-Investor Relations

Hello, hi.

Jamie Dimon - Chairman & Chief Executive Officer

Yeah. So congratulations. Really, you guys have done an outstanding job.

Marianne Lake - Chief Financial Officer & Executive Vice President

Ditto that. Thank you, everyone. I nearly forgot. Thank you.