JPMORGAN CHASE · Q3 FISCAL 2026

JPMorgan's broad growth survived lower rates, but one corner of markets supplied the flash

The bank expanded across lending, deposits and client activity even as yields eased. Reported profit understates that momentum, while the most dramatic growth was concentrated in equities.

Analysis based on JPMorgan Chase's third-quarter earnings release, 8-K Exhibit 99.2, Form 10-Q and SEC XBRL company facts · Notes at the end

JPMorgan produced a stronger quarter than its bottom line first suggests. Revenue rose about 8% to $50.2 billion, while net income reached $15.3 billion despite a loss from repositioning its securities portfolio. The lending franchise grew through higher balances, consumers kept spending and markets delivered another strong performance. But the sources of growth were uneven: equities trading soared, while fixed income declined.[1]

THE BASICS

JPMorgan Chase is the largest US bank by assets. It earns money from lending to consumers and companies, holding deposits, processing payments, advising on deals, trading securities and managing client wealth. That range matters: weakness in one activity can be offset by strength elsewhere, although trading and investment banking can move sharply from quarter to quarter.

WHY DOES REPORTED PROFIT UNDERSELL THE QUARTER?

The biggest distortion came from JPMorgan's own investment portfolio, not from its customers. The bank recorded a $658 million securities loss after selling mainly US Treasuries, compared with a $105 million gain a year earlier. Excluding the current loss after tax, management's adjusted net income was $15.8 billion.[1]

This was a real cost, but it says little about demand for JPMorgan's services or whether borrowers are paying their bills. Management described the repositioning as discretionary. It therefore belongs outside the clearest reading of how the operating businesses performed, while remaining part of the money shareholders actually earned.

The practical reading is straightforward. Reported profit was held back by a portfolio decision at the same time that the bank's main revenue engines were expanding. The quarter was better than net income alone makes it look, though not every source of that strength is equally durable.

MORE BUSINESS OFFSET LESS FAVORABLE RATES

JPMorgan's interest business grew because the bank had more money working, not because each dollar became more lucrative. Average loans increased 10% from a year earlier and average deposits rose 8%. Interest income after funding costs, excluding Markets, grew 6%.[2]

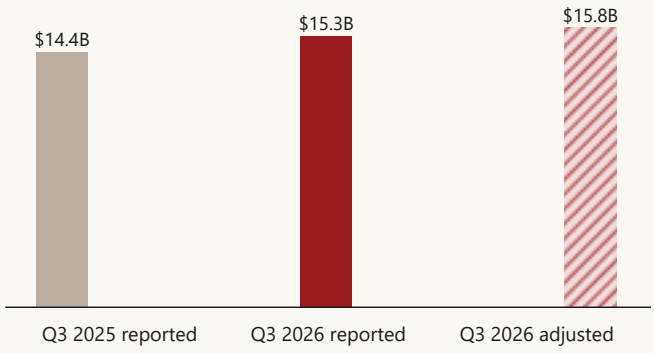
That distinction matters because lower rates were already pressing on what the bank earned from each balance. The yield outside Markets was 3.70%, down 0.03 percentage points from a year earlier. Management nevertheless expects interest income excluding Markets of approximately $25.5 billion in the fourth quarter, suggesting that balance growth remains central to the near-term plan.[2]

ONE KEY IDEA

The interest engine expanded through more loans and deposits even as the economics on each dollar edged lower. Scale, rather than a wider spread, did the work.

Did the securities loss obscure the quarter?

Net income, US dollars in billions



The adjusted figure excludes the after-tax effect of the current-quarter investment-securities loss; no equivalent adjustment is shown for the prior year. Source: JPMorgan Chase third-quarter earnings release and SEC XBRL company facts

What kept interest income growing?

Year-over-year change in percent



Balance growth Interest revenue

The interest-income measure excludes Markets and is presented on JPMorgan's managed basis. Source: JPMorgan Chase third-quarter earnings release

THE TRADING BOOM HAD A NARROW CENTER

Markets had a strong quarter, but the excitement was concentrated in equities. Equity Markets revenue jumped 49% to $5.0 billion, with the bank pointing particularly to prime brokerage and derivatives. Fixed Income Markets revenue fell 4%, showing that this was not a uniform trading surge.[3]

The institutional business was broader than trading alone. Investment-banking fees rose 14%, while advisory fees increased 32% to about $1.2 billion. Companies were again paying JPMorgan to arrange transactions and provide advice, adding a second source of momentum alongside equities.[3]

The mix is the caution. Equities produced the standout result, but a large gain in one market activity can make the whole division look more balanced than it was. Next quarter will show whether other desks and dealmaking can carry more of the growth.

CONSUMERS ARE ACTIVE, WHILE CREDIT STILL NEEDS WATCHING

US consumers continued to spend rather than retreat. Card sales excluding commercial cards reached $376 billion, up 9%, and revenue from cards and auto lending increased 15%. That combination points to both healthy transaction activity and greater earnings from card balances.[3]

CLIENT MONEY PROVIDES A QUIETER GROWTH ENGINE

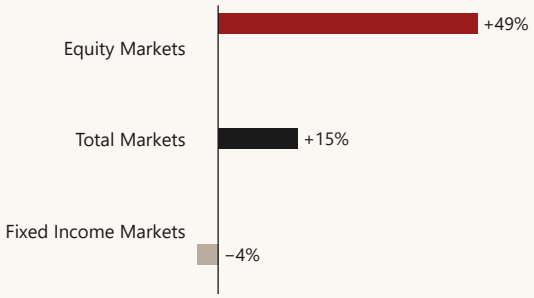
JPMorgan is also gathering more of its clients' wealth, giving it a source of fees beyond lending and trading. Client assets in Asset & Wealth Management reached $7.9 trillion, up 15%, and clients added a net $263 billion during the quarter. That means growth was not simply the result of rising markets.[3]

Credit quality was more reassuring than the spending growth might imply. JPMorgan's provision for expected credit losses fell from $3.4 billion to $2.7 billion, while total nonperforming exposure declined 8%. The bank is not seeing broad deterioration across its loan book.[3]

There is still pressure beneath the favorable comparison. JPMorgan absorbed $2.2 billion of loans that it no longer expects to collect and also added to reserves. The Card Services loss rate was 2.91%, while management still expects approximately 3.2% for the full year. Consumer credit is manageable, but it has not stopped normalizing.[2]

Was the markets surge broad?

Year-over-year revenue change in percent



Equities Markets overall Fixed income

Markets revenue is presented on JPMorgan's managed basis. Source: JPMorgan Chase third-quarter earnings release

The uncomfortable signal is that investment-product performance softened even as assets grew. The share of JPMorgan mutual fund and exchange-traded fund assets carrying top Morningstar or equivalent ratings fell to 56% from 65% a year earlier. The inflows are powerful, but maintaining them will also depend on investment results.[4]

WHAT IT ALL MEANS · EARNINGS EXPLAINED INTERPRETATION

JPMorgan's quarter was stronger than reported profit suggests, but the strength came from several very different engines.

THE HEADLINE UNDERSTATES OPERATIONS

A discretionary securities loss reduced reported profit even as the main businesses expanded.

MARKETS WERE STRONG BUT UNEVEN

Equities delivered the exceptional result; fixed income did not share the boom.

SCALE BEAT LOWER YIELDS

More loans and deposits kept the interest engine growing despite slightly weaker economics on each dollar.

THE RISK IS VISIBLE, NOT ALARMING

Consumers kept spending and broad credit indicators held up, while card losses and reserve additions still require attention.

Three questions for next quarter

1 Can loan and deposit growth keep offsetting lower yields?

That balance will determine whether the core interest engine can continue expanding as rates change.

2 Does markets growth broaden beyond equities?

A stronger contribution from fixed income and dealmaking would make the institutional result less dependent on one trading activity.

3 Can card spending remain healthy as credit losses rise?

The consumer franchise is growing, but higher losses could absorb more of the revenue it produces.

1 JPMorgan Chase Reports Third-Quarter 2026 Net Income of $15.3 Billion, SEC XBRL company facts and Form 10-Q. Reported figures follow US GAAP. The company's adjusted net income excludes the after-tax effect of investment-securities losses.

2 JPMorgan Chase third-quarter earnings release and Form 10-Q. Interest income excluding Markets is a managed-basis measure. Card loss guidance covers the full 2026 fiscal year, while the reported card loss rate covers the third quarter.

3 JPMorgan Chase third-quarter earnings release and 8-K Exhibit 99.2 financial supplement. Markets, investment-banking and selected business-line revenue figures are presented on the company's managed basis.

4 Form 10-Q. Fund ratings cover eligible JPMorgan mutual fund and exchange-traded fund assets and use Morningstar or equivalent regional rating sources, with company-specified exclusions.