Earnings Preview

JPMorgan Chase

biggest bank in the US, ~$4tn+ balance sheet

The largest US bank reports third-quarter results on 13 October after a record second quarter. Management has guided to strong trading and dealmaking again, but its own executives say the cycle feels almost too good.

Global Markets Research · Financials Desk Prepared by **Andra Markets**

opens US bank earnings season

Coverage summary. JPMorgan Chase will publish third-quarter results before the market opens on Tuesday 13 October, opening the reporting season for US banks. The previous quarter was the most profitable in its history: net income rose 41 per cent to $21.2 billion, or $16.9 billion excluding a large gain on Visa shares, as trading revenue jumped 35 per cent and investment banking fees 30 per cent. In September, co-president Doug Petno guided to growth in the mid to high teens for both businesses in the third quarter. Analysts expect earnings per share of about $5.84, up roughly 15 per cent from a year earlier. The shares closed at $329.58 on 7 October, about 10 per cent below their 52-week high. This note reviews the last quarter, the guidance, what to watch on 13 October and the bank's view of the economy and interest rates.

Share price, 7 Oct	Q2 net income	Q3 EPS consensus	P/E, forward
$329.58	**$21.2bn**	**~$5.84**	**13.5x**
market value $876bn	*+41%; $16.9bn ex items*	*vs $5.07 in Q3 2025*	*2.9x tangible book*

Exhibit A. Key figures, second quarter of 2026

Metric	Q2 2026	Change y/y	Note
Managed net revenue ($bn)	58.0	+27%	record
Net interest income ($bn)	25.6	+10%	FY guide ~$105.5bn
Markets revenue ($bn)	12.1	+35%	equities +86%
Investment banking fees ($bn)	3.3	+30%	
Noninterest expense ($bn)	27.3	+15%	FY guide ~$107.5bn
Net income ($bn)	21.2	+41%	$16.9bn ex significant items
EPS ($)	7.70	+47%	$6.14 ex items
ROTCE	29%		23% ex items
CET1 ratio	14.1%		excess capital $40bn+

equities +86%! a monster quarter

the real EPS, without the Visa gain

Company results as reported in July 2026. Significant items: a $4.6bn gain on Visa shares and $1.0bn of gains on equity investments. Colour convention (charts only): green marks growth, red marks decline. Handwritten notes and highlights are Andra Markets commentary.

1.0 Executive Summary

Key takeaways

A tough comparison, but still growth. After a quarter in which trading and dealmaking grew by more than 30 per cent, management has guided both to grow in the mid to high teens in the third quarter, a slowdown but still a strong result, and one that contrasts with Bank of America, which expects its investment banking fees to fall about 10 per cent.

slower growth, but still growth

Dimon: "not clear we've slayed inflation"

Management is cautious about the cycle. Petno said the environment "feels too good" to bankers who have seen many cycles, and chief executive Jamie Dimon has repeated that it is not clear inflation has been defeated, that businesses should prepare for volatile interest rates, and that rising unemployment would be the trigger for credit losses. The bank is earning record profits while warning clients that conditions could turn.

Valuation reflects quality. At about 13.5 times forward earnings and 2.9 times tangible book value, JPMorgan trades at a clear premium to other large banks, justified by returns on tangible equity in the low to mid twenties and a large capital buffer.

quality at a fair price, not cheap

2.0 Business Overview

Four segments

JPMorgan reports four segments. Consumer and Community Banking (CCB) runs Chase, the largest US retail bank by deposits, with branches, mortgages, car loans and the biggest credit card business in the country. The Commercial and Investment Bank (CIB) combines lending to companies with investment banking, which advises on mergers and arranges share and bond issues, and markets, which trades bonds, currencies, commodities and shares for clients. Asset and Wealth Management (AWM) manages $5.1 trillion for institutions and wealthy individuals. Corporate holds the bank's investment portfolio and treasury functions.

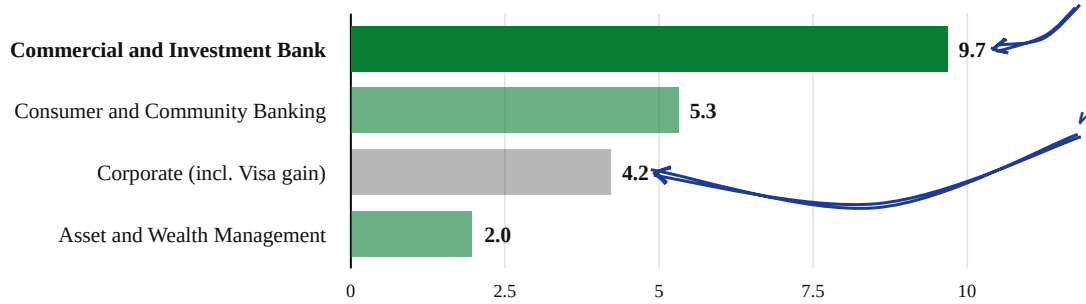
CIB = trading + deals + corporate banking

AWM: $5.1tn under management

Exhibit 1. Net income by segment, Q2 2026 ($bn)

CIB up 46%

mostly one-off



Source: JPMorgan Chase Q2 2026 results. Corporate includes the $4.6bn net gain on Visa shares (grey bar).

3.0 Second-Quarter Review

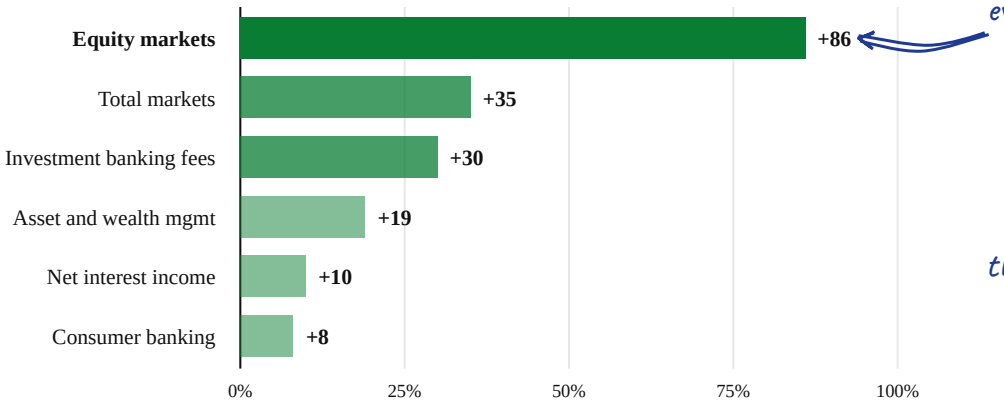
A record quarter

volatile markets = trading boom

Managed revenue rose 27 per cent to $58.0 billion. Net interest income, the difference between what the bank earns on loans and pays on deposits, rose 10 per cent to $25.6 billion, helped by loan growth of 10 per cent and deposit growth of 7 per cent. The standout was markets revenue, which rose 35 per cent to $12.1 billion, with equities up 86 per cent as volatile markets and heavy client activity lifted trading volumes. Investment banking fees rose 30 per cent to $3.3 billion.

Exhibit 2. Year-on-year revenue growth by business line, Q2 2026 (%)

won't repeat every quarter



the steady core

Source: JPMorgan Chase Q2 2026 results. Fixed income markets grew 6 per cent.

card losses lower than feared

Expenses rose 15 per cent, slower than revenue, and the bank returned $10.2 billion to shareholders through dividends and buybacks. Credit quality remained good. Net charge-offs, loans written off as unrecoverable, were $2.4 billion, slightly lower than a year earlier, and the card charge-off rate was 3.34 per cent. The bank added only $149 million to reserves, a sign that it does not yet see a deterioration in borrowers' ability to pay.

4.0 Guidance for 2026

Raised in July

all guidance raised in July

In July JPMorgan raised its full-year guidance for net interest income to about $105.5 billion from $103 billion, and to about $96.5 billion excluding markets. It also raised expected adjusted expenses to about $107.5 billion from $105 billion, reflecting higher revenue-related pay and continued investment in technology, and lowered the expected card charge-off rate to about 3.2 per cent from 3.4 per cent. Higher interest rates help net interest income, because the bank earns more on its loans and securities than it pays on most deposits.

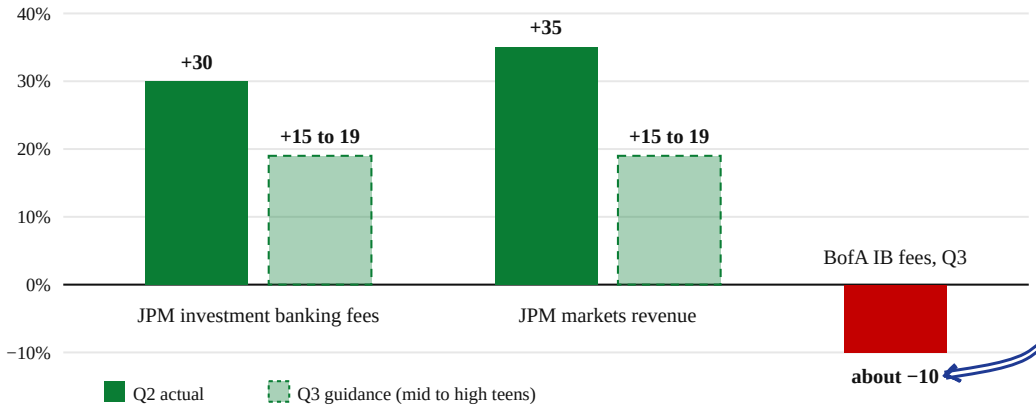
5.0 What to Expect on 13 October

Consensus and guidance

consensus: EPS ~$5.84, revenue ~$51bn

Analysts expect earnings per share of about $5.82 to $5.86 and revenue of about $50.8 to $51.2 billion, against $5.07 and $47.1 billion a year earlier. The second quarter is not a useful comparison, because it included the Visa gain and exceptional trading activity that management has described as partly pulled forward. On 15 September, at a Barclays conference in New York, co-president Doug Petno said investment banking fees and markets revenue should each rise in the mid to high teens in the third quarter, and that the pipeline of mergers is "as high as we've seen in some time". The day before, Bank of America had guided to a fall of about 10 per cent in its own banking fees, which caused a sell-off in bank shares; JPMorgan's shares recovered and closed higher after Petno spoke.

Exhibit 3. Investment banking fees and markets revenue: Q2 actual against Q3 guidance (% y/y)



slower, still strong

BofA: the opposite signal

Source: JPMorgan Chase Q2 2026 results; Doug Petno at the Barclays Global Financial Services Conference, 15 September 2026; Bank of America guidance as reported by Reuters and Benzinga. Guidance range shown as 15 to 19 per cent.

the 4 things that move the stock on the day

Beyond the headline figures, four items will matter most. First, whether the bank raises net interest income guidance again, given that the Federal Reserve raised rates in September. Second, expenses, which have been rising faster than many investors expected. Third, credit: card charge-offs and any increase in reserves would be the first sign that higher rates are hurting borrowers. Fourth, capital: with more than $40 billion of excess capital, investors want to know whether it will be returned through buybacks, used for lending or kept for acquisitions in a downturn, which Petno said would only happen "at the right valuation".

6.0 Management View on the Economy

Strong, but too good?

JPMorgan's leadership describes an economy that is strong but exposed. In July, Dimon said the US economy had shown "notable resiliency", with stronger business investment and hiring, while warning that several risks were "shifting below the surface like tectonic plates". After the Federal Reserve raised rates in September, he said that "it's not clear to me we've slayed inflation", urged businesses to prepare for interest rate volatility, and pointed to the labour market as the decisive variable: "It's when unemployment goes up that you have consumer credit losses, corporate credit losses." In May he had already argued that the world was moving from a savings glut to a shortage of savings, with large government deficits and heavy investment in AI, defence and infrastructure, and that rates could end up much higher than they are today.

"tectonic plates" = Dimon's favourite warning

unemployment is the one number to watch for banks

7.0 Valuation

A premium for quality

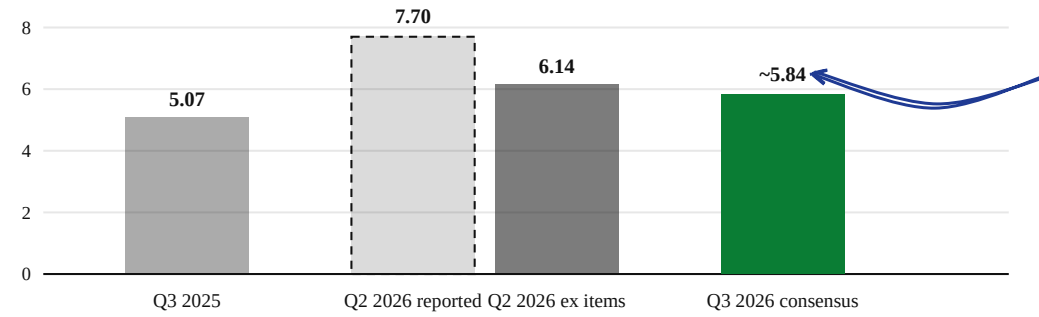
2.9x book: the market pays up for JPM

At $329.58, JPMorgan is worth about $876 billion, roughly 13.5 times forward earnings and 14.1 times trailing earnings, with a dividend yield of 2.0 per cent. On our calculation, the shares trade at about 2.9 times tangible book value of $113.35 a share, a level that only a bank earning returns well above 20 per cent can sustain. The shares are about 10 per cent below their 52-week high of $366.50 and 18 per cent above the low of $279.10. The consensus price target of 24 analysts is $372.81, about 13 per cent above the current price; UBS cut its target to $395 on 5 October, keeping a buy rating, while HSBC raised its target to $377 with a hold.

consensus target $373, ~13% upside

Exhibit 4. Earnings per share: Q3 2025, Q2 2026 and Q3 2026 consensus ($)

dashed bar: inflated by Visa



+15% y/y expected

Source: JPMorgan Chase results; consensus as reported by Hudson Labs and Benzinga (range $5.82 to $5.86). Dashed bar includes the Visa gain.

8.0 Risk Considerations

Where the case could break

trading boom can fade fast

The main near-term risk is that trading and dealmaking, which drove the record second quarter, normalise faster than guided. A sharp correction in equity markets or a slowdown in mergers would hit the most profitable part of the bank. The second risk is credit: with the Federal Reserve tightening and ten-year yields above 5 per cent, consumers and companies face higher borrowing costs, and any rise in unemployment would show up first in card and commercial losses. Finally, expenses keep rising, and regulatory changes to capital rules could alter how much the bank can return.

10y > 5%: good for NII, bad for credit

9.0 Outlook and Monitoring Points

What to watch

13 Oct, 7am ET: results. 8:30: call

The results at 7:00 a.m. New York time on 13 October, followed by the call at 8:30, will set the tone for US bank earnings. Beyond the consensus figures, investors will focus on net interest income guidance for 2026 and the first indications for 2027, expense guidance, card charge-offs and reserves, and how the excess capital will be used. Dimon's comments on inflation, interest rates and the consumer will be read as a verdict on the US economy, as much as on the bank.

listen for Dimon on rates & inflation

verdict: best-in-class bank, priced like it. watch credit, not trading

Methodology and Source Notes

Method. This note previews JPMorgan Chase's third-quarter 2026 results, due on 13 October 2026, based on second-quarter results published in July 2026, management comments at investor conferences and in the media, consensus estimates and market data at the close of 7 October 2026. The price to tangible book multiple, distances from the 52-week range and the upside to the consensus target are Andra Markets calculations. Guidance described as mid to high teens is shown as 15 to 19 per cent in Exhibit 3. Handwritten notes and highlights are informal commentary by the desk. This note is analysis, not investment advice.

Principal sources. JPMorgan Chase, second-quarter 2026 earnings release (Form 8-K, July 2026) and earnings call notice; Reuters via Investing.com and Yahoo Finance, on Doug Petno's remarks (15 September 2026); The Daily Hodl and Yahoo Finance, on Jamie Dimon's remarks (May and September 2026); Hudson Labs and Benzinga, consensus and analyst actions (September and October 2026); StockAnalysis, for market data.

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