

# CONSUMER & COMMUNITY BANKING

February 25, 2020

FIRM OVERVIEW

CORPORATE & INVESTMENT BANK

► CONSUMER & COMMUNITY BANKING

ASSET & WEALTH MANAGEMENT

COMMERCIAL BANKING

JPMORGAN CHASE & Co.

# Agenda

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We remain focused on a consistent set of strategic priorities to drive shareholder value now and in the future

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■ **Acquire, deepen** and retain customer relationships by offering compelling value propositions

■ Drive **engagement** through **omni-channel, customer-centered experiences**

■ Improve productivity, agility, and customer experience through **data, analytics**, and **technology**

■ **Manage expenses** and **simplify our business** while continuing to **invest** for the future

■ Operate a **disciplined risk and control environment**, **protect** the Firm's systems, and **safeguard** customer and employee privacy

■ Attract, develop, and retain the **best talent** for today and the future, harnessing the power of diversity

# We have delivered against our commitments

## We have committed to...

### Acquisition and deepening

### Engagement

### Data, analytics, and technology

### Expenses and simplification

### Risk and controls

## ...and have delivered on those promises

- ✓ #1 in U.S. card sales volume and #1 in credit card outstandings<sup>1</sup>
- ✓ #1 primary bank within Chase footprint<sup>2</sup>
- ✓ Entered 16 new markets and added over 90 branches since 2018

- ✓ Largest and fastest growing mobile active customer base<sup>3</sup>
- ✓ >28mm customer visits, calls and digital logins per day<sup>4</sup>; >60mm payments transactions per day<sup>5</sup>
- ✓ Launched digital solutions to drive customer engagement (e.g., My Chase Loan<sup>SM</sup>, Autosave)

- ✓ Reduced fraud loss rate in Card by ~50% since 2014, aided by machine learning capabilities
- ✓ ~10mm customers eligible for "already approved" offers, based on customers' full Chase relationship<sup>6</sup>

- ✓ Reduced CCB overhead ratio by ~600bps since 2014
- ✓ Reduced CCB headcount by ~14K since 2014<sup>7</sup>

- ✓ Consumer Lending portfolios outperformed, with 30+ day delinquency rates well below industry benchmarks<sup>8</sup>
- ✓ Continue to uplift standards – cybersecurity, infrastructure, KYC, and data – however, this work is never done

**We delivered ROE of 31%, up from 28% in 2018**

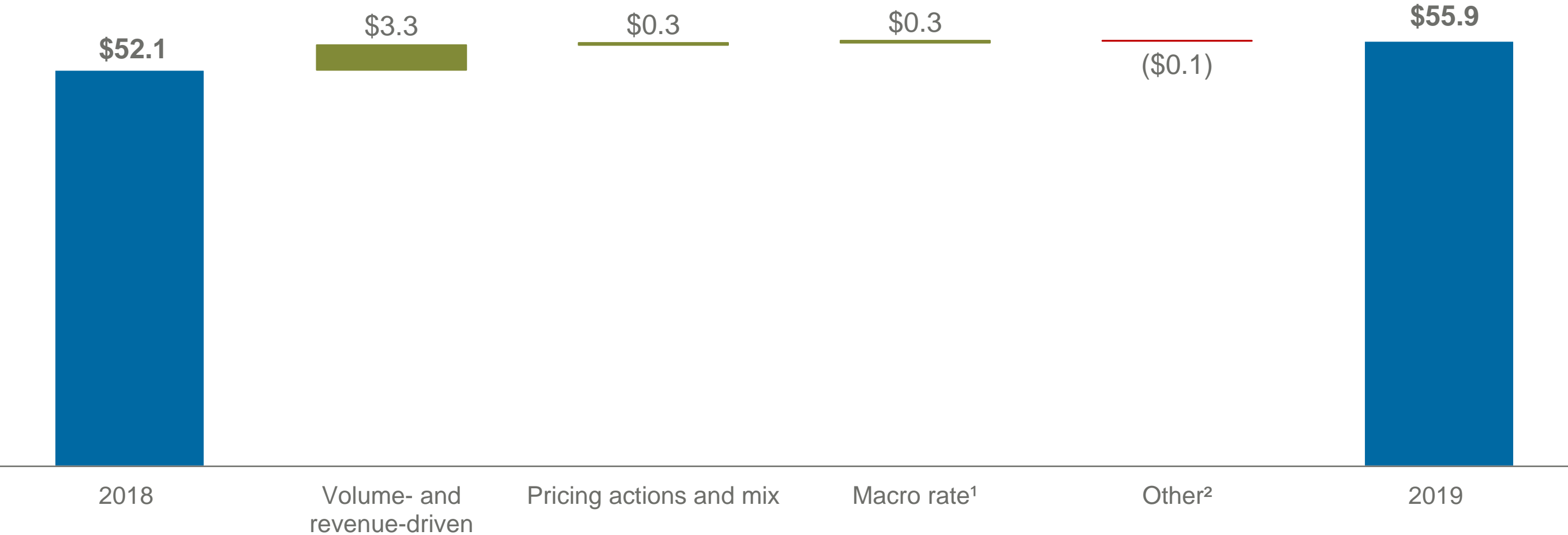
# Key drivers and performance targets

(\$B, except ratios and where otherwise noted)		2018	2019	YoY Δ	Comments and guidance
Consumer & Community Banking	Households (mm)	61.7	62.6	1%	
	Small businesses <sup>1</sup> (mm)	4.0	4.3	8%	
	Active digital customers <sup>2</sup> (mm)	49.3	52.4	6%	
	Active mobile customers <sup>3</sup> (mm)	33.3	37.3	12%	
	Average deposits	\$670	\$694	3%	
	Average loans	\$478	\$464	(3%)	Incl. ~\$43B of loan sales in '18 - '19 <sup>4</sup>
	Expense	\$27.8	\$28.9	4%	
	Overhead ratio	53.4%	51.7%	(170bps)	50%+/- in medium-term
	ROE	28.2%	31.1%	290bps	25%+ in medium-term
Home Lending	Net charge-off / (recovery) rate <sup>5</sup>	(0.02%)	(0.05%)	(3bps)	Remain consistent in 2020
Business Banking	Net charge-off rate <sup>6</sup>	0.49%	0.58%	9bps	Modestly higher in 2020
Auto	Net charge-off rate	0.38%	0.33%	(5bps)	
Credit Card	Net charge-off rate	3.10%	3.10%	0bps	Modestly higher on mix <sup>7</sup> in 2020
	Net revenue rate <sup>8,9</sup>	10.56%	10.62%	6bps	Remain consistent in 2020

Net revenue rate<sup>9</sup> for Card Services (Credit Card + Merchant Services) of 11.50% in 2018 and 11.52% in 2019

Topline growth was volume-driven, and pricing actions offset secular trends

CCB revenue (\$B)



<sup>1</sup> Includes interest rate and prepayment impacts  
<sup>2</sup> Includes gain/loss on sales, geography-related impacts, MSR revenue, and Card rewards liability adjustment in 2018

Generated positive operating leverage as \$1.0B of volume- and revenue-driven expense drove \$3.3B of revenue growth

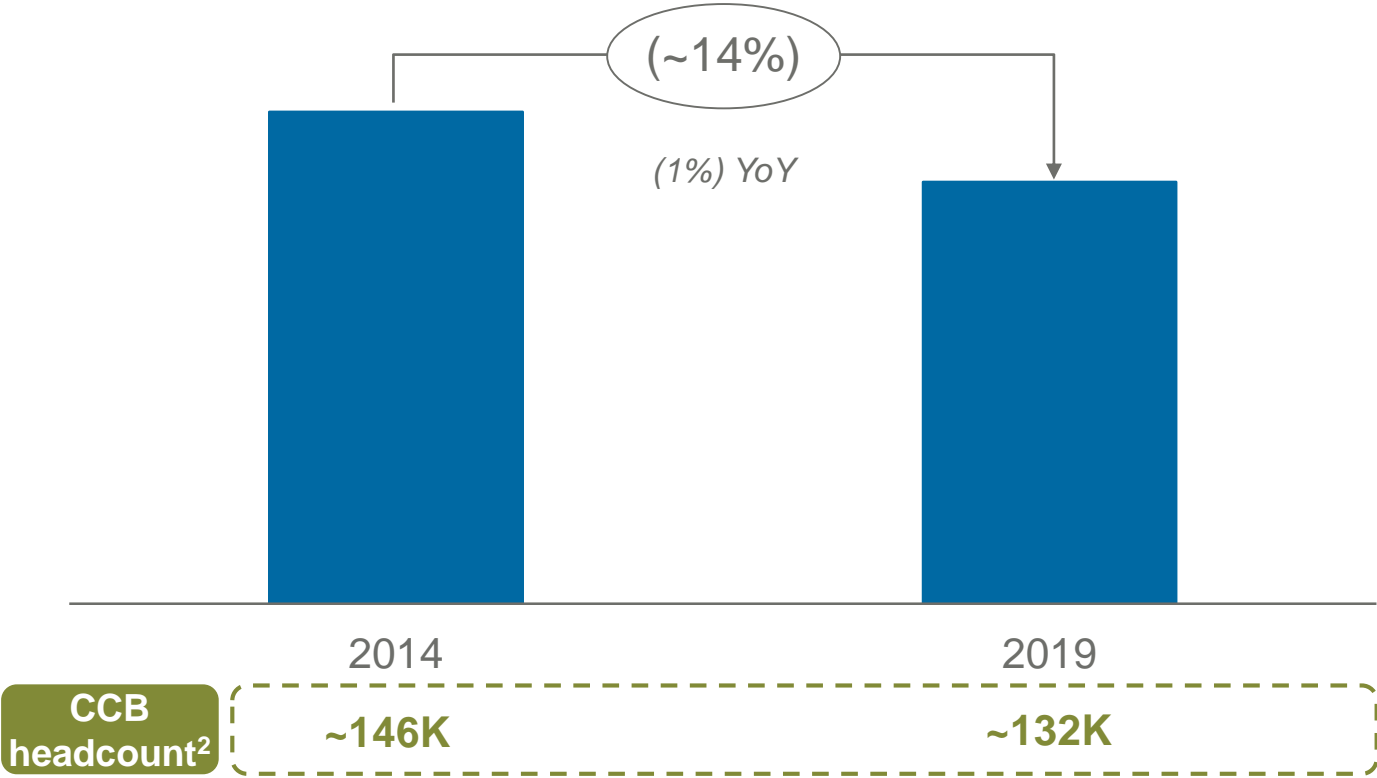
CCB expense (\$B)



<sup>1</sup> Includes FDIC surcharge and geography-related impacts

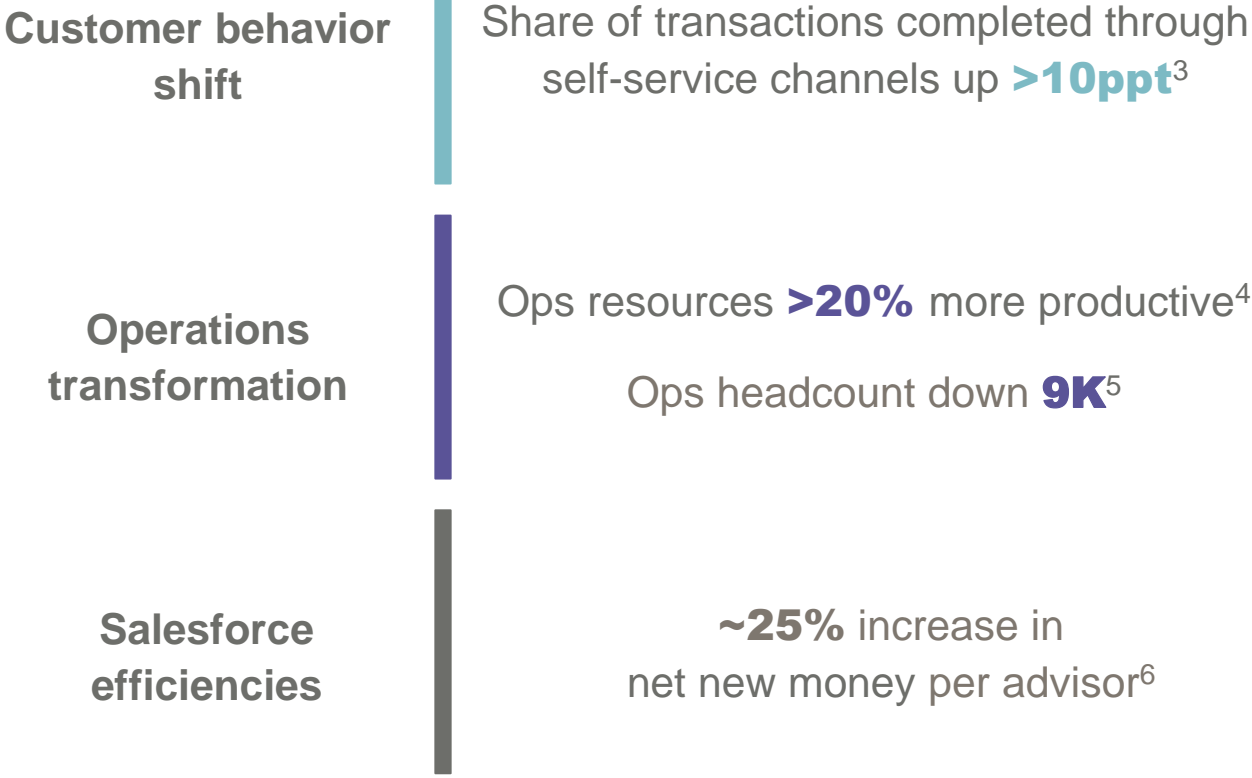
# We continue to generate efficiencies in the underlying cost to run the business

## Reduction in cost to serve<sup>1</sup> per CCB household



CCB’s overhead ratio has improved ~6ppt from 2014-2019, while the cost to serve efficiency ratio<sup>1</sup> has improved ~11ppt

## Efficiency examples – productivity since 2014



Expect continued efficiencies in the business while experiencing increased expense from volume- and revenue-driven expense

Note: For footnoted information, refer to slide 32



# Our portfolio of investments has yielded strong returns

## Branches and market expansion

- Branch builds are becoming more efficient:
  - Legacy markets: branch builds are **~7 months faster to breakeven** vs. the 2014 average
  - Expansion markets: trending to have better performance than legacy markets
- **All** of our mature branches are currently profitable

## Marketing

- **2.5x ROI** on customer acquisition and deepening investments in 2019, up from 2.0x in 2018<sup>1</sup>
  - **~8mm** new Card accounts, expected to generate ~\$88B in spend and ~\$18B in outstandings<sup>2</sup>
  - **~3mm** new Consumer Banking households and ~\$26B in average deposit & investment balances<sup>2</sup>

## Increased efficiency

- Ongoing investments in technology expected to generate:
  - **~\$1B** in annual run-rate savings, of which approximately half is already reflected in the actual results<sup>3</sup>
  - ROI of **>2x** from expense saves (e.g., operational efficiencies in automation, robotics and workflow optimization)<sup>1</sup>
- Realized **~\$100mm** savings in 2019 through agile and have meaningful upside

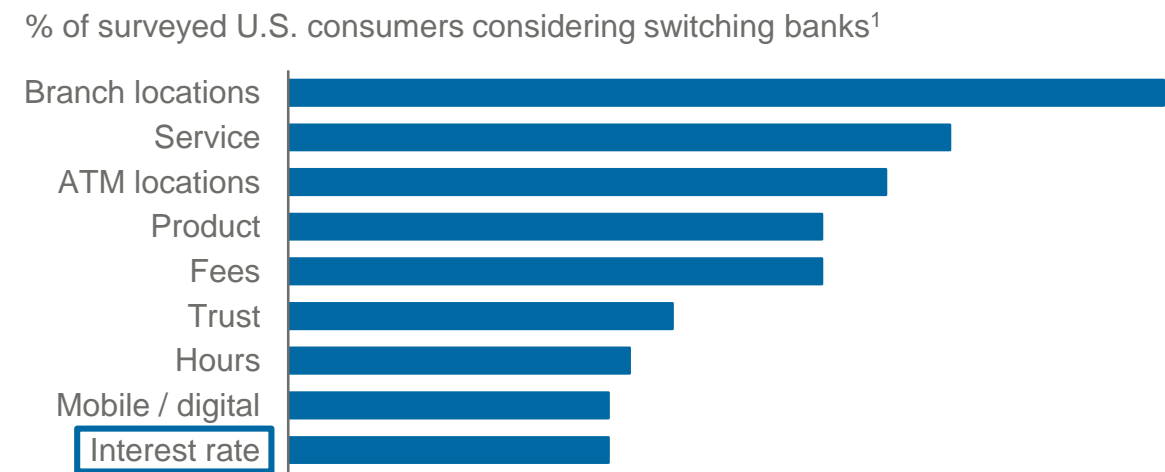
## Digital innovation and customer experience

- New digital experiences rapidly adopted: **~22mm** Credit Journey users, **>160mm** Chase Offers activated
- **All time high** Net Promoter Score<sup>4</sup>

# Investments in our holistic customer value proposition deliver shareholder value through the cycle

## Our customers evaluate us based on a balanced scorecard...

■ Reasons Consumer Bank prospects consider switching banks:



■ Our Consumer loan portfolio has grown at **increasing margins**

## ... and our value proposition drives retention and resiliency

> **95%** retention for primary bank relationships

↓ **20%** decrease in attrition for mature deposit households since 2014<sup>2</sup>

> **95%** Card sales volume retention for mature vintages<sup>3</sup>

↓ **50%** lower peak loss rate from engaged Card customers<sup>4</sup>

Note: For footnoted information, refer to slide 34

# We have strong positions across our businesses, and a franchise that is more valuable than the sum of its parts

## We have unmatched scale and breadth of offerings

<b>#1</b> credit card issuer based on U.S. sales and OS <sup>1</sup>	<b>#1</b> primary bank within Chase footprint <sup>2</sup>	<b>#1</b> business bank based on primary relationships <sup>3</sup>	<b>#2</b> mortgage servicer based on loans serviced <sup>4</sup>	<b>#3</b> bank auto lender based on loans and leases <sup>5</sup>
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## The size of our customer base allows us to scale quickly

**6mm+** existing Chase cardholders  
in branch expansion markets

**4x** higher response rate to Consumer Bank marketing  
from Consumer Lending customers in expansion markets<sup>6</sup>

## Multi-line of business relationships are more valuable

 **One-third** less attrition  
when customers have both Chase bank and card accounts<sup>7</sup>

 **>4x** higher deposit & investment balances  
when affluent customers obtain a mortgage with Chase<sup>8</sup>

Note: For footnoted information, refer to slide 35

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# We have made significant progress against our priorities

## Our priorities are...

## ...and we have made significant progress against them

### Acquisition and deepening

- ✓ Increased Consumer Bank deposit & investment balances by over \$300B since 2014<sup>1,2</sup>
- ✓ Grew Business Bank deposit balances by \$45B since 2014<sup>1</sup>
- ✓ Generated over \$1.5B in deposit & investment balances from market expansion

### Engagement

- ✓ Over 75% of Checking households are primary bank
- ✓ 74% of Consumer Bank customers are digitally active<sup>3</sup>
- ✓ Over 30mm households visited a branch in the last year<sup>4</sup>
- ✓ #1 business bank based on primary relationships<sup>5</sup>

### Expenses and simplification

- ✓ Lowered variable cost per Consumer Bank household by 20% since 2014<sup>6</sup>
- ✓ Reduced everyday branch transactions per customer by 49% since 2014<sup>7</sup>
- ✓ Increased Consumer & Business Banking deposits per branch by 62% since 2014

# We're operating from a position of strength in Consumer & Business Banking

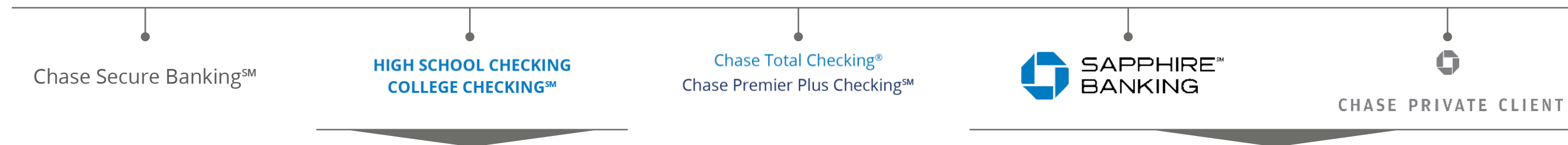
**We're driving strong momentum across key business drivers (\$B, except ratios and where otherwise noted)**

		2019	YoY Δ	2014 - 2019 CAGR
Consumer Banking	Consumer households (mm)	26.1	3%	3%
	Average deposits	\$543	3%	7%
	Client investment assets (EOP)	\$358	27%	11%
Business Banking	Business households (mm)	3.0	6%	5%
	Average deposits	\$136	5%	8%
	Average loans	\$24	1%	5%
Consumer & Business Banking	Revenue	\$26	7%	8%
	Deposit margin (%)	2.49%	11bps	28bps

**Outpaced industry** in deposit<sup>1</sup> & investment<sup>2</sup> growth since 2014

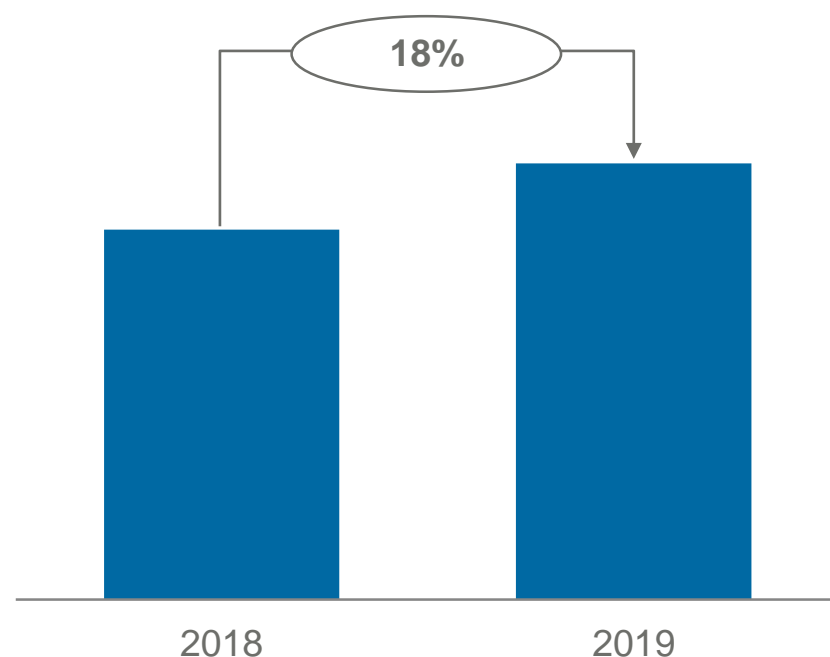
**Up >5ppt** in Consumer & Business Banking customer satisfaction<sup>3</sup>

# We have built a continuum of solutions to meet customer needs across the wealth spectrum



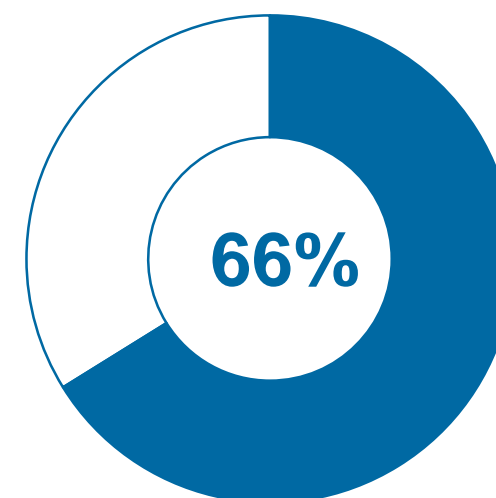
Acquiring new relationships

New checking accounts: Student segment<sup>1</sup>

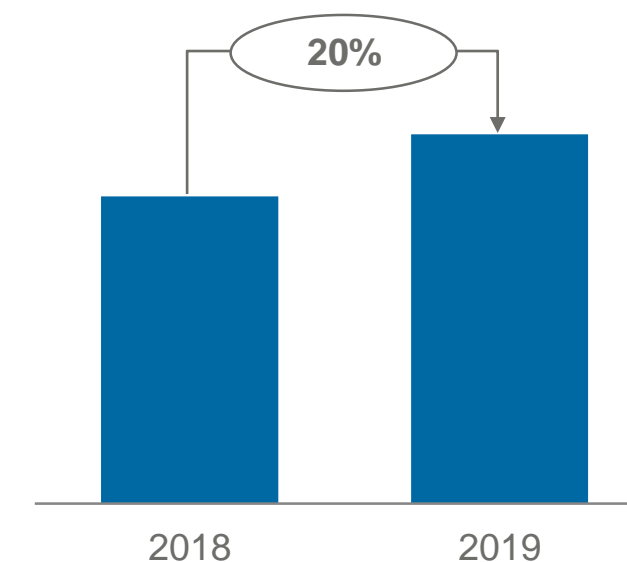


Deepening existing relationships

% of Sapphire and Private Client households with Card



Sapphire and Private Client portfolio deposits & investments

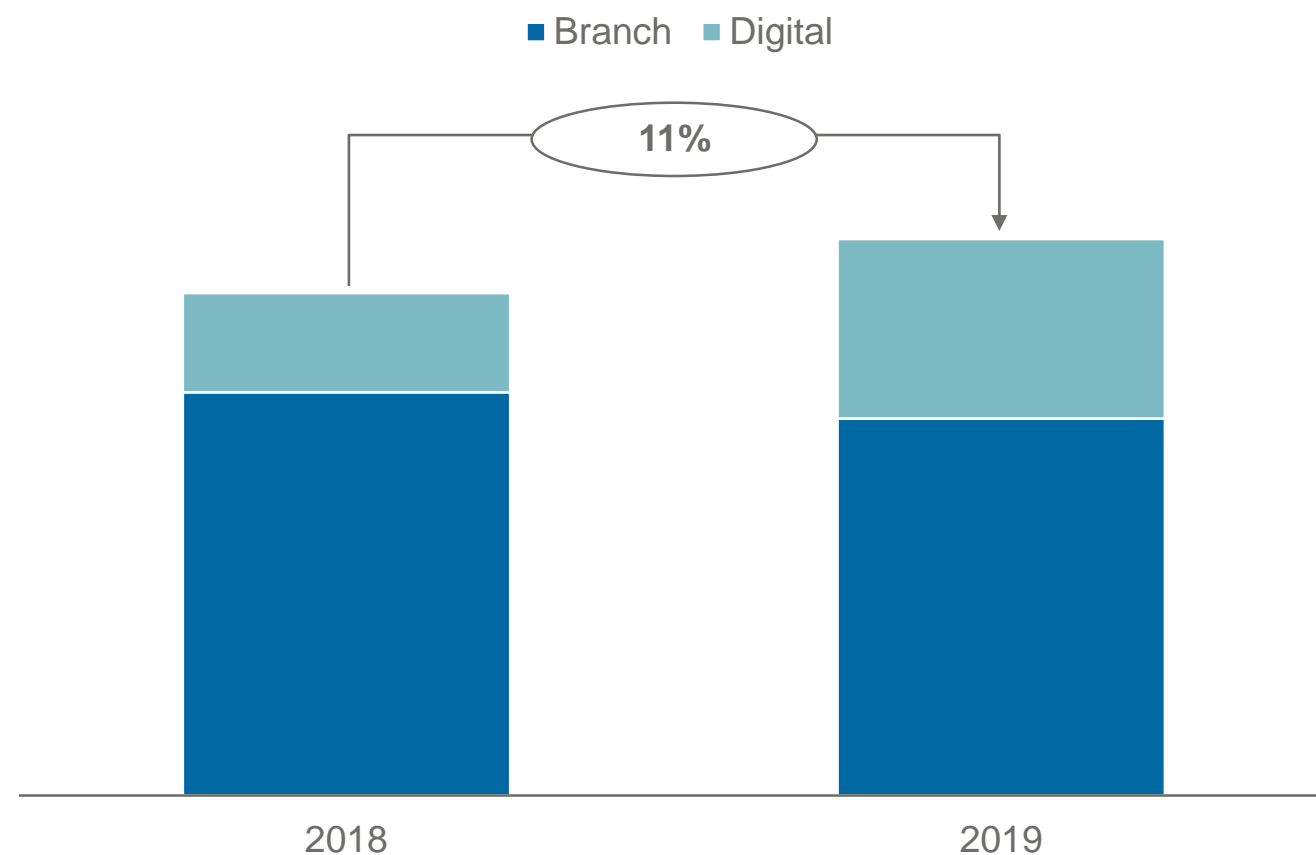


<sup>1</sup> Internal JPMC definition

## We've increased our reach and are building on the strength of our acquisition engine

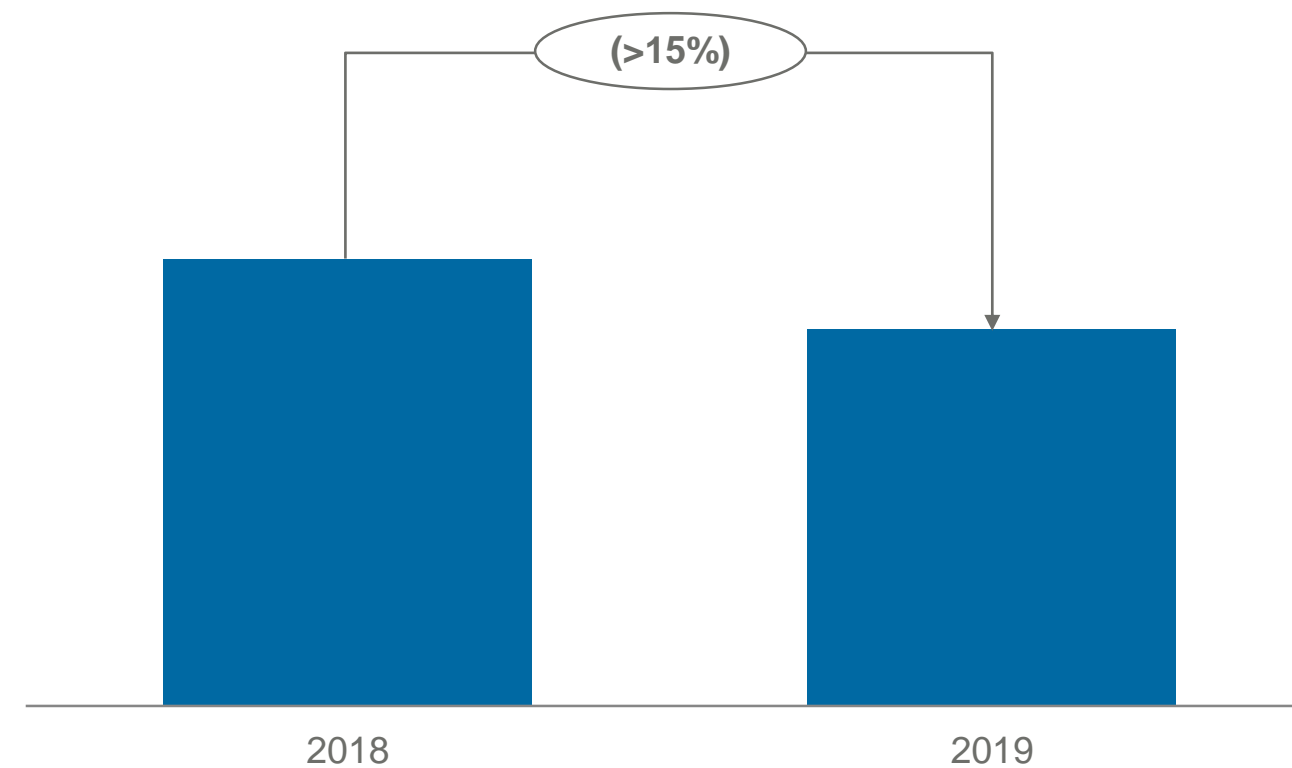
**Digital account opening has helped drive acquisition growth, with >2mm accounts opened in 2019**

New checking and savings accounts by channel acquired



**This shift to digital, combined with improvements to targeting and offers, has helped reduce marketing costs per household**

Marketing costs per household<sup>1</sup>

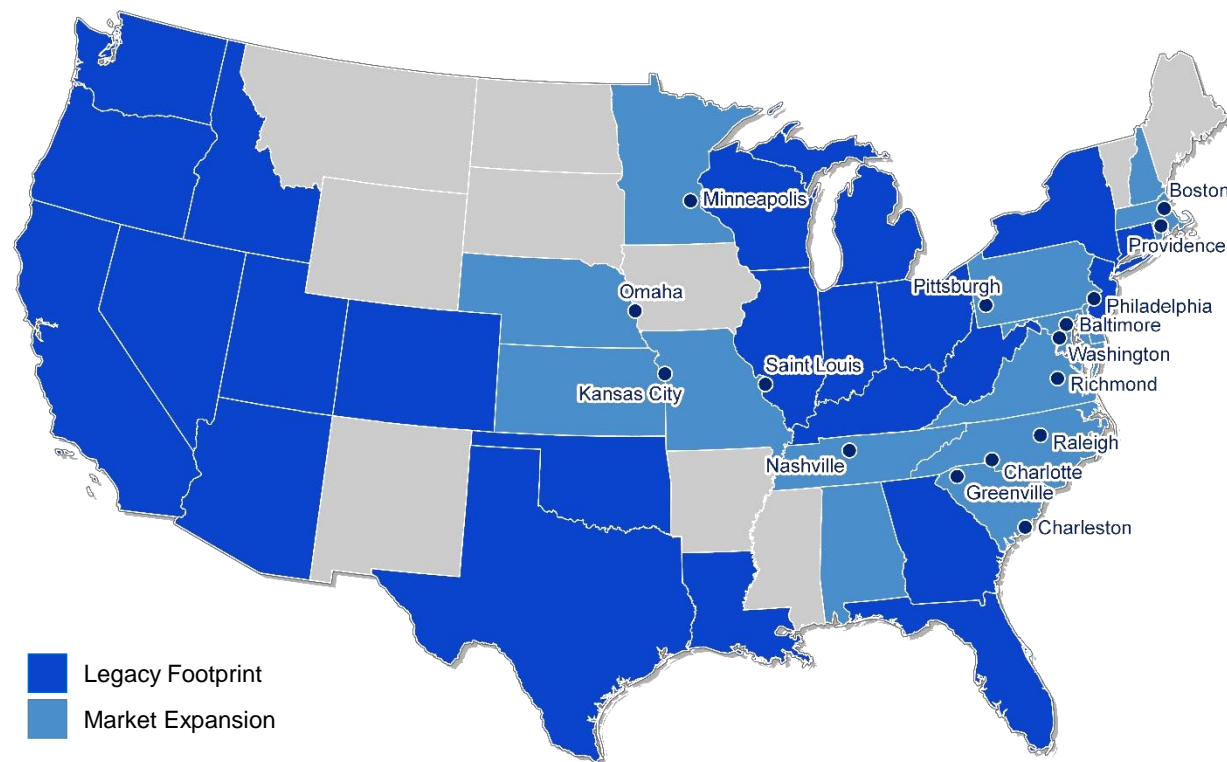


<sup>1</sup> Households include both new and deepened relationships driven by Marketing



## We are well underway with our plans to extend Chase to new markets, with strong early results

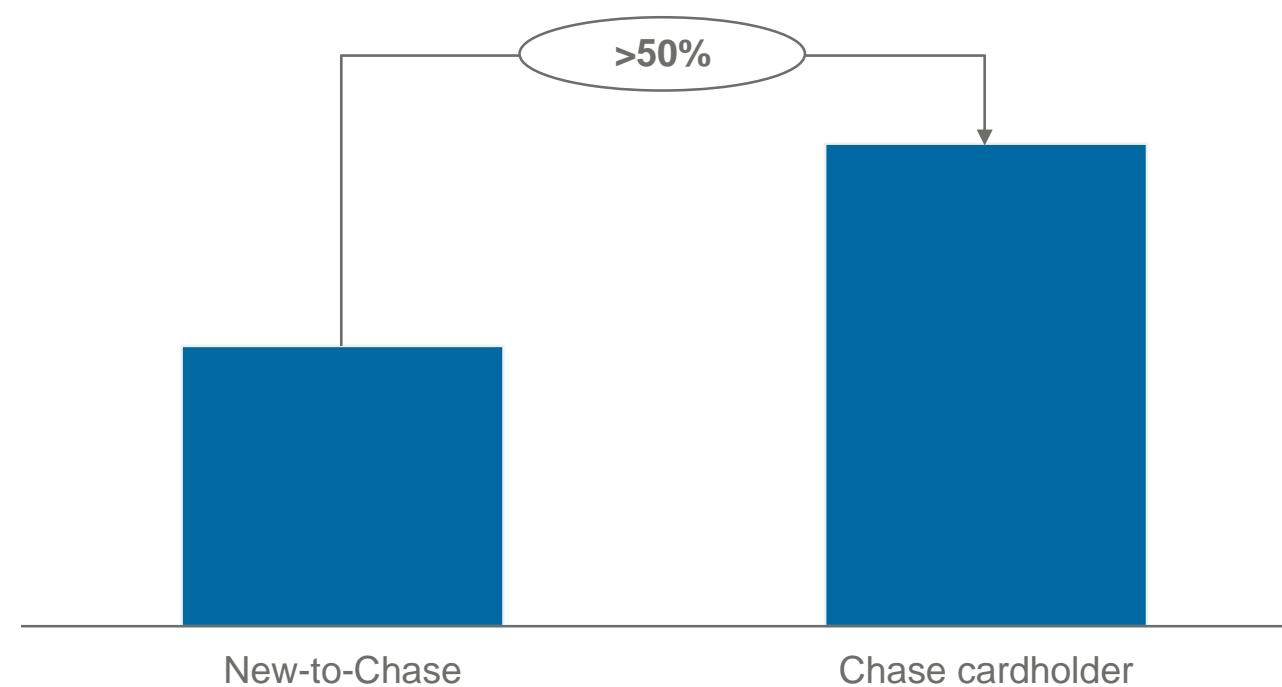
We are continuing to expand our presence into states representing ~95%<sup>1</sup> of the U.S. population...



- Expansion markets growing **15% faster** than entire industry<sup>2</sup>
- Entering with **smarter footprint**, enabled by **data and analytics**

...and are seeing strong early results with over \$1.5B in deposits & investments

Average balances by customer relationship source in expansion markets



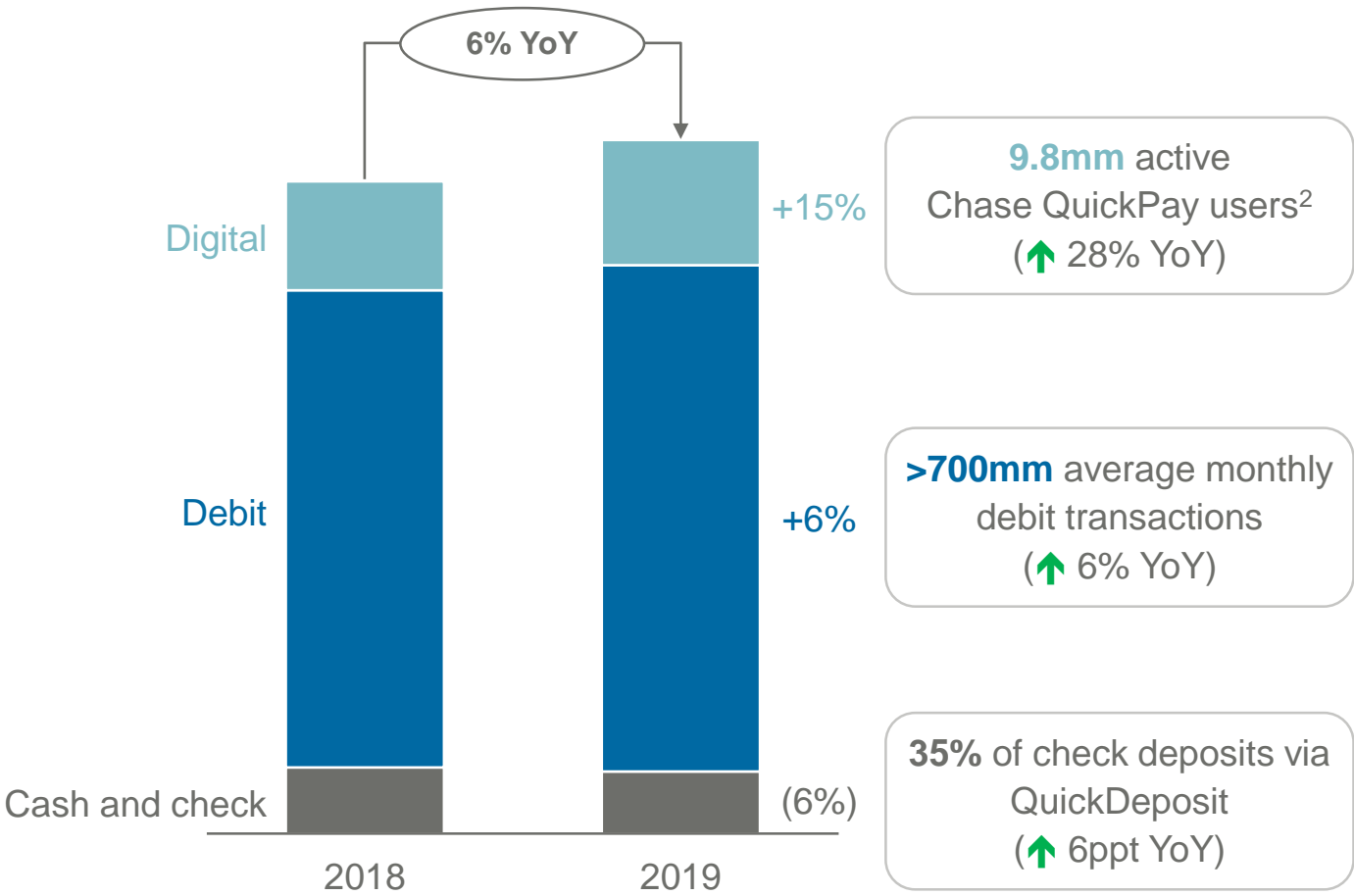
- **6mm+** Chase cardholders in our expansion markets
- Chase cardholders represent **40%** of new-to-Consumer Bank relationships<sup>3</sup>

Our customers are engaging with our payments and digital capabilities more often, driving continued growth in valuable primary bank relationships

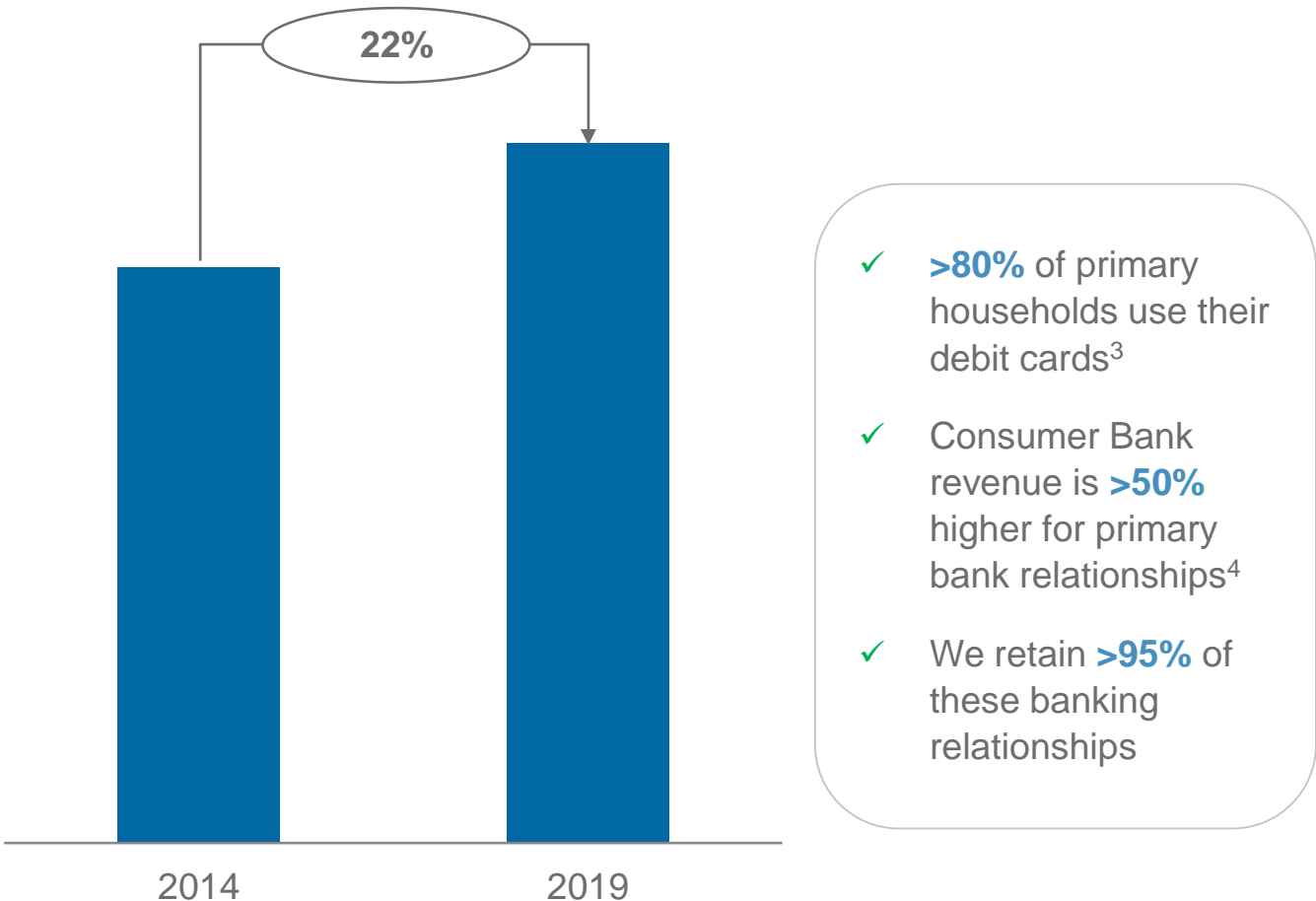
We are driving increased payments and digital engagement as cash and check decline and lower cost digital payments continue to scale...

...and are well positioned to continue meeting customer needs and growing primary bank relationships

Transactions by method of payment<sup>1</sup>



Primary checking households

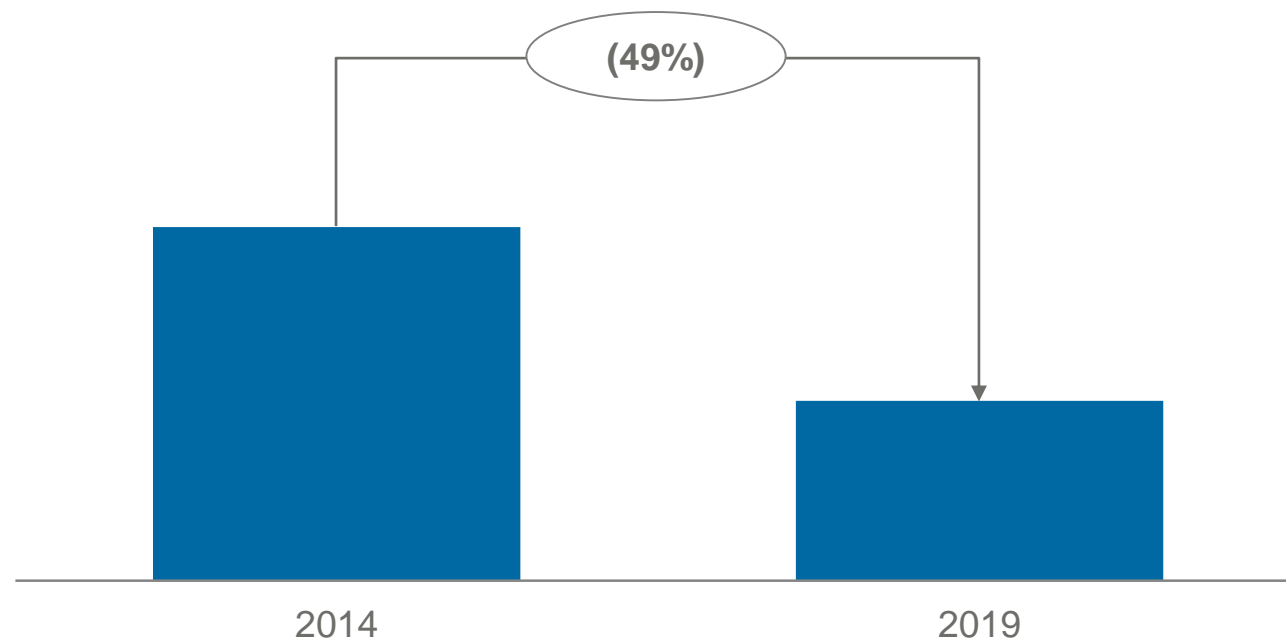


<sup>1</sup> Inclusive of payments made by Consumer Bank households. Payments defined as debits, excluding internal transfers  
<sup>2</sup> Reflects Consumer Banking 90-day active users  
<sup>3</sup> Limited to customer-initiated withdrawals in Consumer Banking. Includes ATM transactions, debit payment transactions, and card purchases  
<sup>4</sup> Matched pairs analysis comparing Consumer Bank revenue for primary bank customers and non-primary bank customers in 2017 - 2018

## We continue to reduce cost to serve, while optimizing our branch network

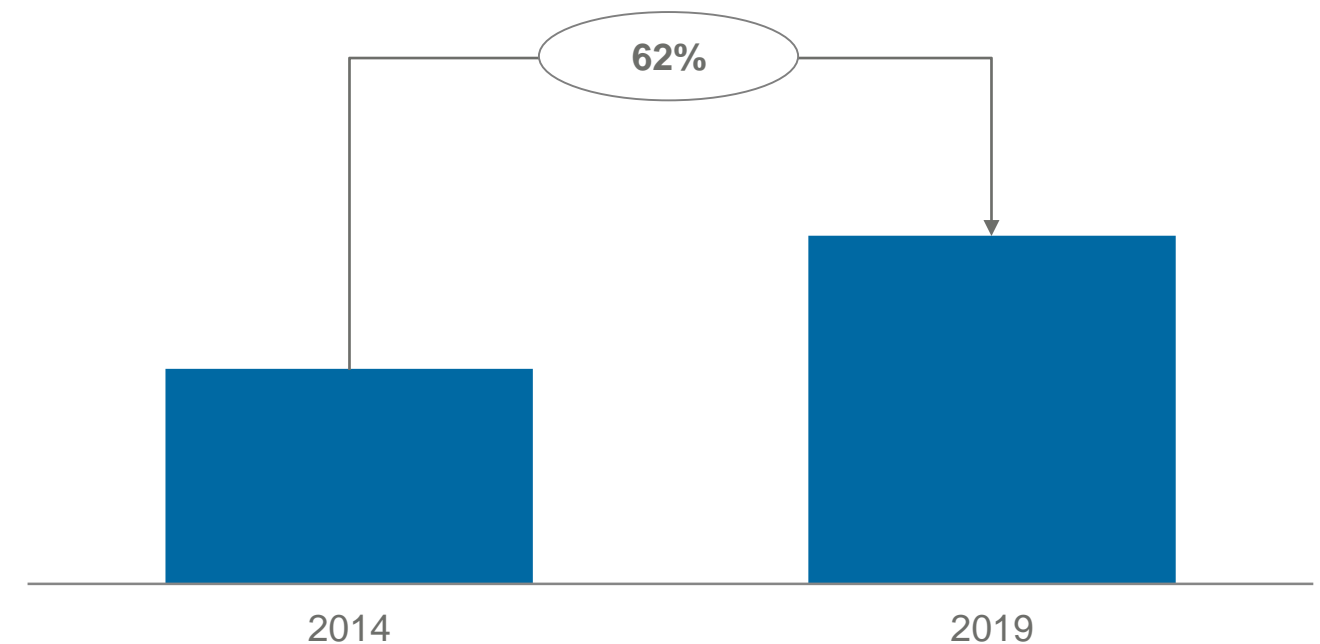
The continued shift to self-service channels has helped reduce ~200mm everyday branch transactions since 2014...

Average everyday branch transactions per customer<sup>1</sup>



...enabling us to optimize our network and increase banker capacity to grow relationships

CBB deposits per branch



## We continue to evolve our network to meet customer needs and drive engagement

### Points of convenience

Deploying companion branches and standalone ATMs to **serve customers more efficiently**

### Banker effectiveness

Time spent serving customers **increased 7% YoY**

### Network flexibility

**~75%** of our branches could be **exited in 5 years**

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## We are executing on a clear set of priorities for our Consumer Lending franchise

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■ **Acquire, deepen** and retain customer relationships by offering compelling value propositions

■ Drive **engagement** through **omni-channel, customer-centered experiences**

■ Improve productivity, agility, and customer experience through **data, analytics**, and **technology**

■ **Manage expenses** and **simplify our business** while continuing to **invest** for the future

■ Operate a **disciplined risk and control environment**, **protect** the Firm's systems, and **safeguard** customer and employee privacy

■ Attract, develop, and retain the **best talent** for today and the future, harnessing the power of diversity

## Consumer Lending is an important driver of acquisition and deepening across the franchise

### Consumer Lending is a powerful acquisition engine and...

**>50%** of new-to-Chase households<sup>1</sup> came through our Consumer Lending franchise

**33%** of multi-product households started with a Consumer Lending relationship<sup>2</sup>

**3x** higher response rate to Consumer Bank marketing from Consumer Lending customers – and 4x in our expansion markets<sup>3</sup>

### ...helps us grow and protect our deposit franchise

**>50%** of net deposit growth contributed by households with a Consumer Lending relationship<sup>4</sup>

**33%** less attrition when customers have both Chase bank and card accounts<sup>5</sup>

**>4x** higher deposit & investment balances when affluent customers obtain a mortgage with Chase<sup>6</sup>

# Our data assets enable a simplified digital-underwriting experience and drive efficiencies

## The scale of our data is unparalleled

- ~63mm** households with a Chase product
- ~15mm** consumer households with multi-product relationships
- ~42mm** customers for whom we have current income data<sup>1</sup>
- ~10B** annual credit card transactions across 43mm active accounts<sup>2</sup>

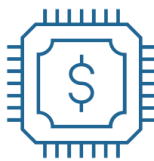
## Our data and capabilities are helping us across multiple use cases



### “Already approved” offers

*1-click digital offers using existing customer data*

- ✓ **~10mm** customers eligible<sup>3</sup>
- ✓ Up to **~20%** higher conversion rate<sup>4</sup>



### Digital Income Verification

*Income inferred digitally using existing data assets (e.g., direct deposit)*

- ✓ **~15%** recent mortgage applications underwritten<sup>5</sup>
- ✓ **~5 days** faster cycle time and **8ppt** lift in pull-through<sup>6</sup>



### Credit line increases

*Targeted credit line increase offers using digital income capture*

- ✓ **6%** higher spend<sup>7</sup>
- ✓ **18%** higher outstandings<sup>7</sup>




### Fraud detection and prevention

*Machine learning model to approve more valid and decline more fraud transactions*

- ✓ **~50%** reduction in credit card fraud loss rate since 2014 – **24%** YoY
- ✓ **~\$260mm** annualized benefit due to lower fraud loss rate vs. 2014<sup>8</sup>


Note: For footnoted information, refer to slide 40

We are bringing together digital experiences to better engage our customers

 **Manage my finances**  
via Goals Based Savings and Account Aggregation

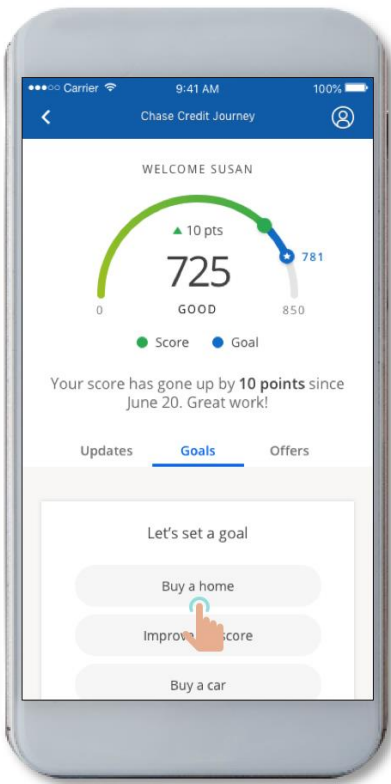
 **Understand my credit**  
via Credit Journey

 **Manage major assets**  
via Chase MyHome & MyCar

 **Save on purchases**  
via Chase Offers and Card benefits

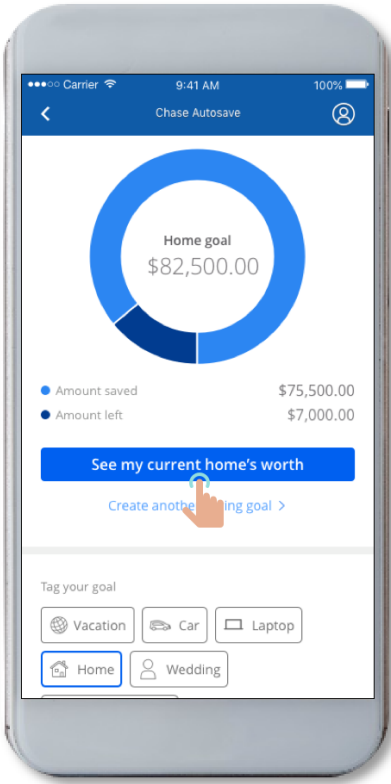
 **Earn rewards for loyalty**  
via Ultimate Rewards®

Customer visits **Credit Journey** to understand borrowing ability...



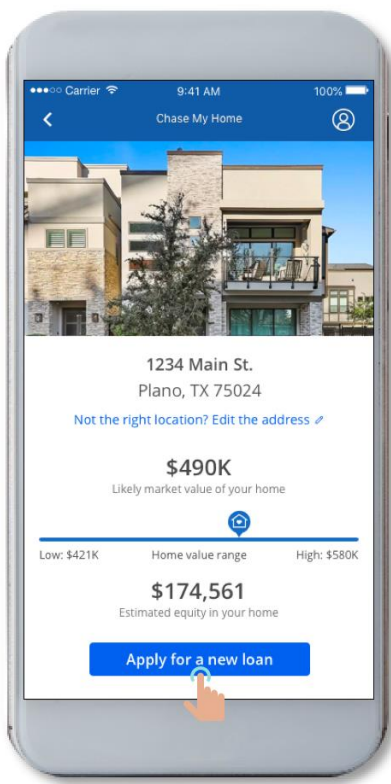
~22mm Credit Journey enrollees as of December 2019

...sets a goal to save for down payment for a bigger home...



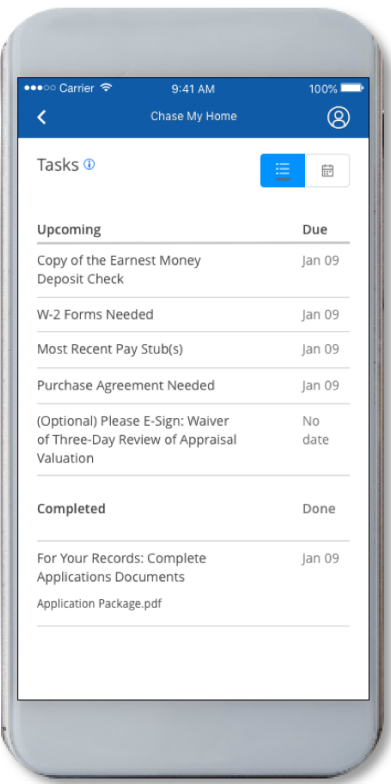
~1.4mm Autosave users since January 2019

...gets home value information on **MyHome** and...



>1mm visits on Chase MyHome since April 2019

...tracks progress through a **simplified mortgage** experience



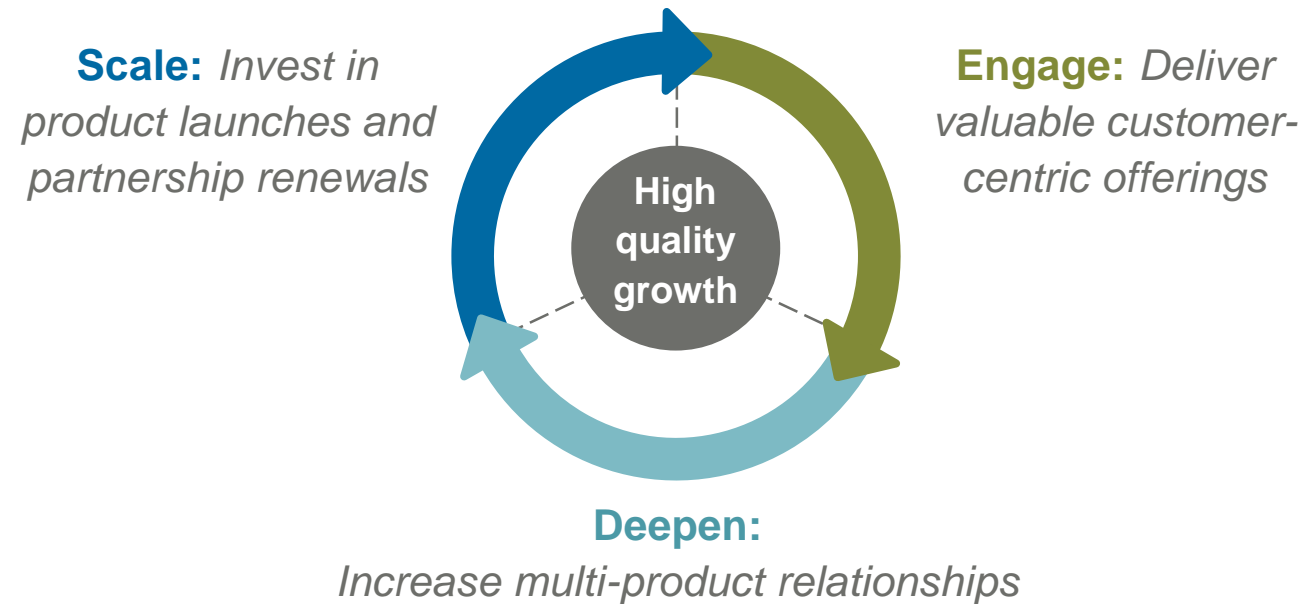
~80%<sup>1</sup> of customers used Chase MyHome in 4Q19

Note: Customer journey shows illustrative customer experience  
<sup>1</sup> Reflects percentage of Consumer originations that used Chase MyHome for loan fulfillment in 4Q19



# Our Card franchise has an industry leading position in sales and outstanding balances

## Our strategy is to scale, engage, and deepen



## We are growing faster than the industry in digital and physical payments

**13%**

YoY growth in credit card not present sales, +3ppt vs. credit card industry<sup>1</sup>

**4%**

YoY growth in credit card present sales, +2ppt vs. credit card industry<sup>1</sup>

## Our products and payments capabilities continue to drive strong performance

### Active accounts

2014 - 2019 CAGR: 6%

**+6%**



2018

2019

### Sales volume<sup>2</sup>

2014 - 2019 CAGR: 10%

**+10%**



2018

2019

### Average outstandings

2014 - 2019 CAGR: 5%

**+7%**



2018

2019

### Net revenue<sup>3</sup>

2014 - 2019 CAGR: 4%

**+8%**



2018

2019

Note: For footnoted information, refer to slide 41

# Our top of wallet success is fueled by unique assets and continued innovation

## We have a set of core assets that are unique in the industry...

- ✓ **Unmatched scale:** #1 in credit card sales volume (23% share)<sup>1</sup> and #1 in outstandings (17% share)<sup>2</sup> and growing
- ✓ **Industry-leading top of wallet share:** 6ppt higher spend-based top of wallet share than the industry<sup>3</sup>
- ✓ **Key partners:** 13 co-brand cards launched or refreshed since the beginning of 2018<sup>4</sup>
- ✓ **Best in class branded cards:** 3 branded cards launched or refreshed since the beginning of 2018<sup>4</sup>
- ✓ **Highly valued loyalty program:** flexible rewards currency tied for #1 in assessed value<sup>5</sup>

## ...and we continue to innovate



Digital  
payments

- Streamlined payments into single interface, making it easier to pay bills and people
- Simplified adding Chase cards into digital wallets and managing cards on file with merchants
- Connected customers to various digital merchants through Chase Offers



Physical  
payments

- Leading industry issuance of tap-to-pay cards<sup>6</sup>
- Customers with tap-to-pay credit cards tapped 2x more than they used digital wallets at POS terminals<sup>7</sup>
- 16% lift in credit card spend for customers who tap-to-pay<sup>8</sup>

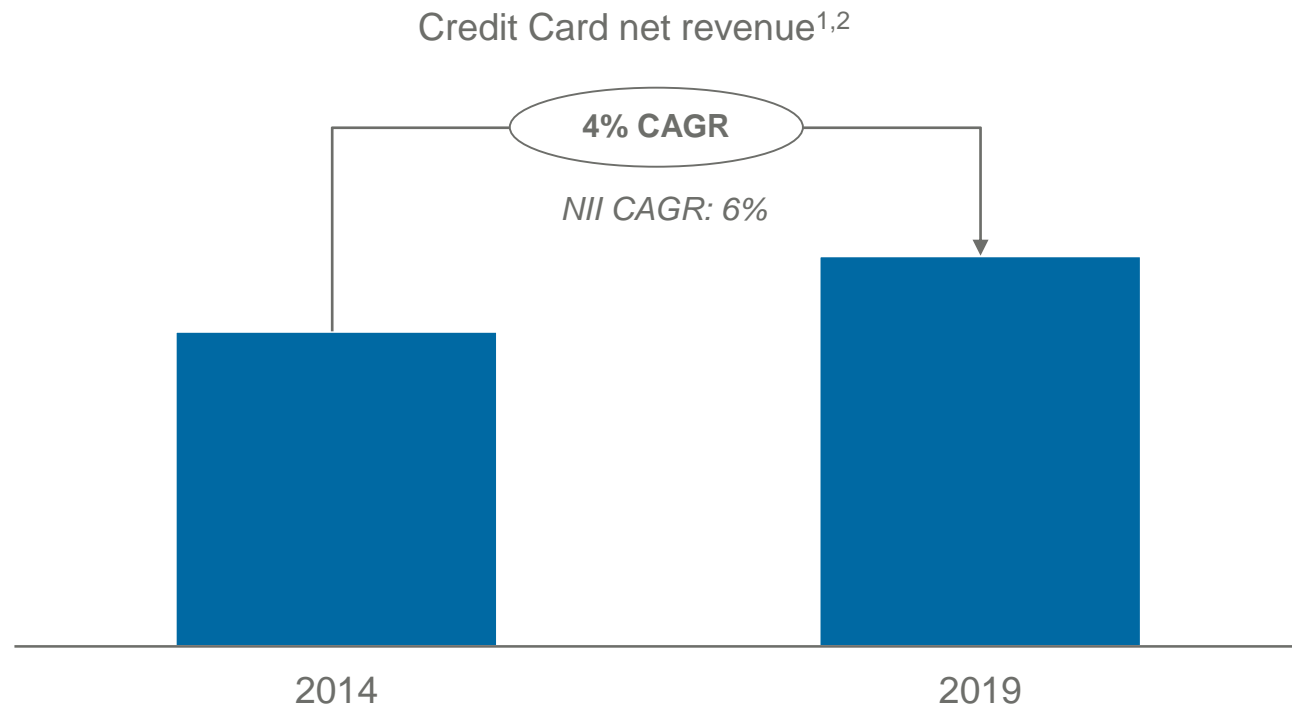
↑ ~50bps higher top of wallet share YoY<sup>3</sup>

↑ ~45bps higher sales share YoY<sup>1</sup>

↑ ~55bps higher outstandings share YoY<sup>2</sup>

# We continue to see strong revenue trends driven by lending innovation and growth

## Card revenue growth is increasingly driven by lending



## Opportunity to generate greater share of lending wallet with customers

**~\$100B**

Off-us balances within our risk appetite held by existing Chase card customers<sup>3</sup>

## We are innovating to meet our customers' borrowing needs

### New products and pricing

- Branded and co-branded product launches and refreshes
- Targeted rate promotion offers and credit line increases
- Increased granularity of risk-based pricing

### New lending offerings

- My Chase Loan<sup>SM</sup>
- My Chase Plan<sup>4</sup>
- Co-brand financing at point of sale

### Enhanced capabilities

- Expanded and simplified income capture for line management
- On-us data usage
- Targeted business underwriting

<sup>1</sup> Excludes rewards liability adjustments

<sup>2</sup> Excludes FAS91

<sup>3</sup> Unsecured balances held by Chase customers (excluding small business) within our risk appetite. Includes interest bearing, non-interest bearing and promo rate financing balances

<sup>4</sup> To be launched 2Q20

# We have a high-quality, customer-centric Home Lending business

We are delivering a great customer experience and generating consistent returns

Deliver a great experience to win with primary bank customers

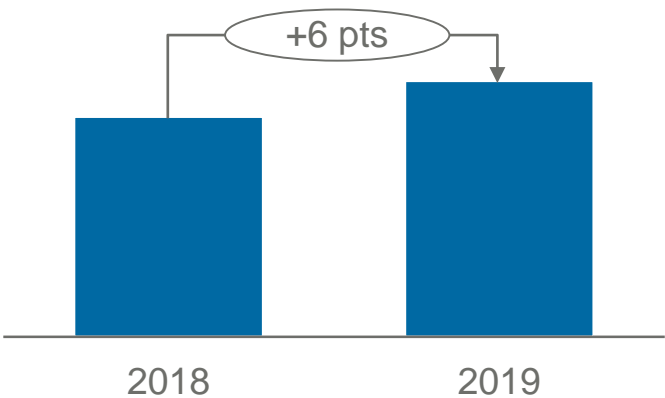
Drive productivity while reducing origination costs

Improve quality of servicing portfolio by de-risking the book

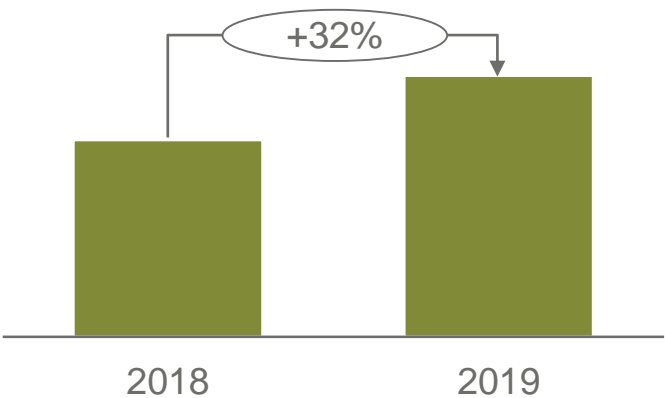
Maintain excellent credit quality and optimize the balance sheet

We have had strong performance over the last year

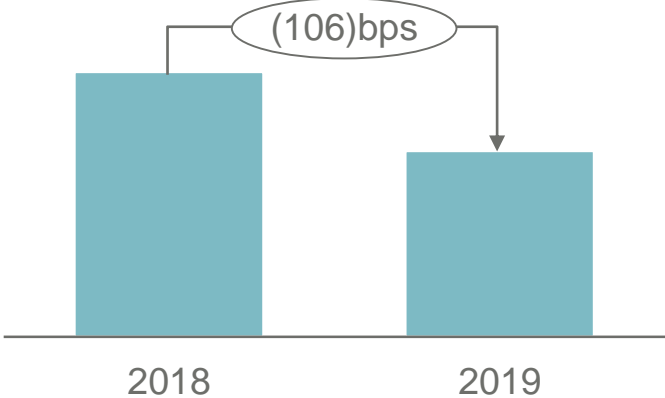
Net Promoter Score (NPS)<sup>1</sup>



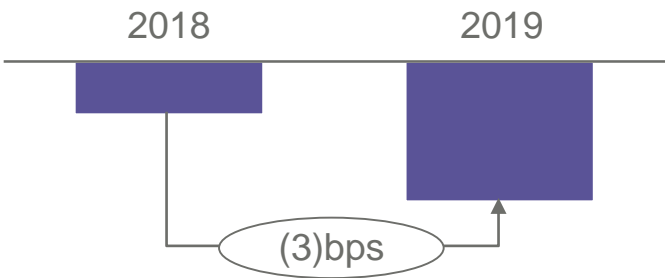
Origination volume



30+ servicing delinquency rate<sup>2</sup>



Net charge-offs / (recovery) rate<sup>3</sup>




<sup>1</sup> Based on Chase internal market research. NPS growth reflected from EOP August 2018 - EOP July 2019. Sampling methodology for NPS survey changed in August 2019 so later survey results are not comparable

<sup>2</sup> Based on number of loans serviced. Includes foreclosures and second liens and excludes real estate owned ("REO") inventory

<sup>3</sup> Excludes the impact of purchase credit-impaired ("PCI") loans and reperforming and non-performing loan sales


# We are investing in our capabilities to win with our core households

## We have launched digital features across our customers' home buying and refinancing journeys




Find my dream home

- ✓ **Buying power assessment tool** (4Q19 pilot) in Chase MyHome
- ✓ **Chase Home Rewards** (2Q19 pilot), helping customers save ~\$1,100 on average<sup>1</sup>




Start my application

- ✓ **Digital pre-filled application** (3Q19) in Chase MyHome, with rapid growth in adoption
- ✓ **Product and pricing selection tool** (4Q19 pilot) in Chase MyHome



Track my progress


- ✓ **Digital fulfillment capability** (Chase MyHome) (3Q18) with ~80%<sup>2</sup> adoption as of 4Q19
- ✓ **Appraisal waivers** with >25% of refinance customers receiving a waiver in 4Q19
- ✓ **Digital Income Verification** (2Q19) with ~15% of recent applications underwritten



Manage my asset


- ✓ **Next Gen servicing and advice platform** (2Q19) with over 1mm visits since launch
- ✓ **Rate reduction offering** (4Q19 pilot), completed digitally in minutes

## We are acquiring and retaining more core<sup>3</sup> households




**>10ppt**

higher pull-through rate for Chase MyHome vs. paper<sup>4</sup>




**5 day**

faster refinance cycle time for Chase MyHome vs. paper<sup>5</sup>



**15%**

growth in purchase loans from primary bank households YoY<sup>6</sup>



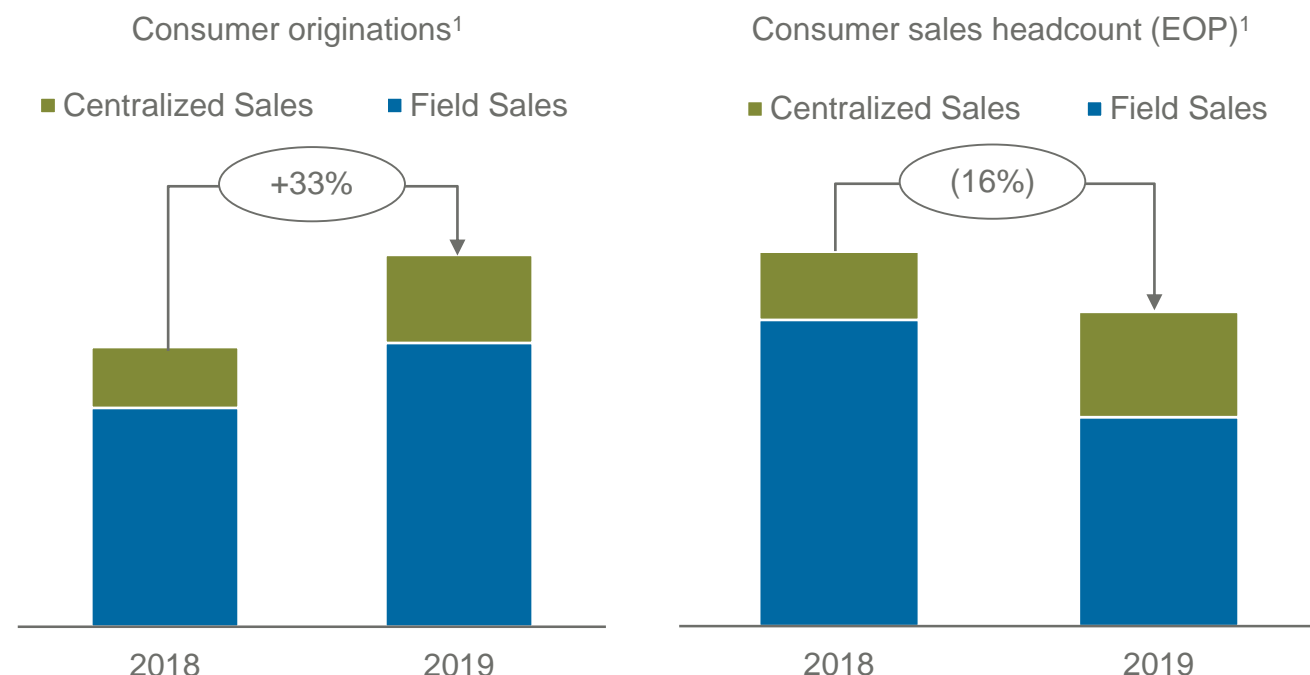
**~15ppt**

growth in retention for primary bank loans held on balance sheet YoY<sup>7</sup>

Note: For footnoted information, refer to slide 43

## We are taking a targeted approach to improve productivity and reduce costs

**We are focused on reducing our origination costs and have seen promising results over the past year**



- ✓ **Focusing Home Lending Field Sales coverage in areas of high opportunity<sup>2</sup>** for mortgages and deposit & investment acquisition
- ✓ **Further expanding Centralized Sales**
- ✓ **Reduced cost per loan by ~18%<sup>3</sup> YoY** including ~40%<sup>4</sup> improvement in Home Lending salesforce productivity

**We have a proven track record in reducing our servicing expenses**

↓ ~60%

Reduction in servicing EOP headcount since 2014

↓ ~55%

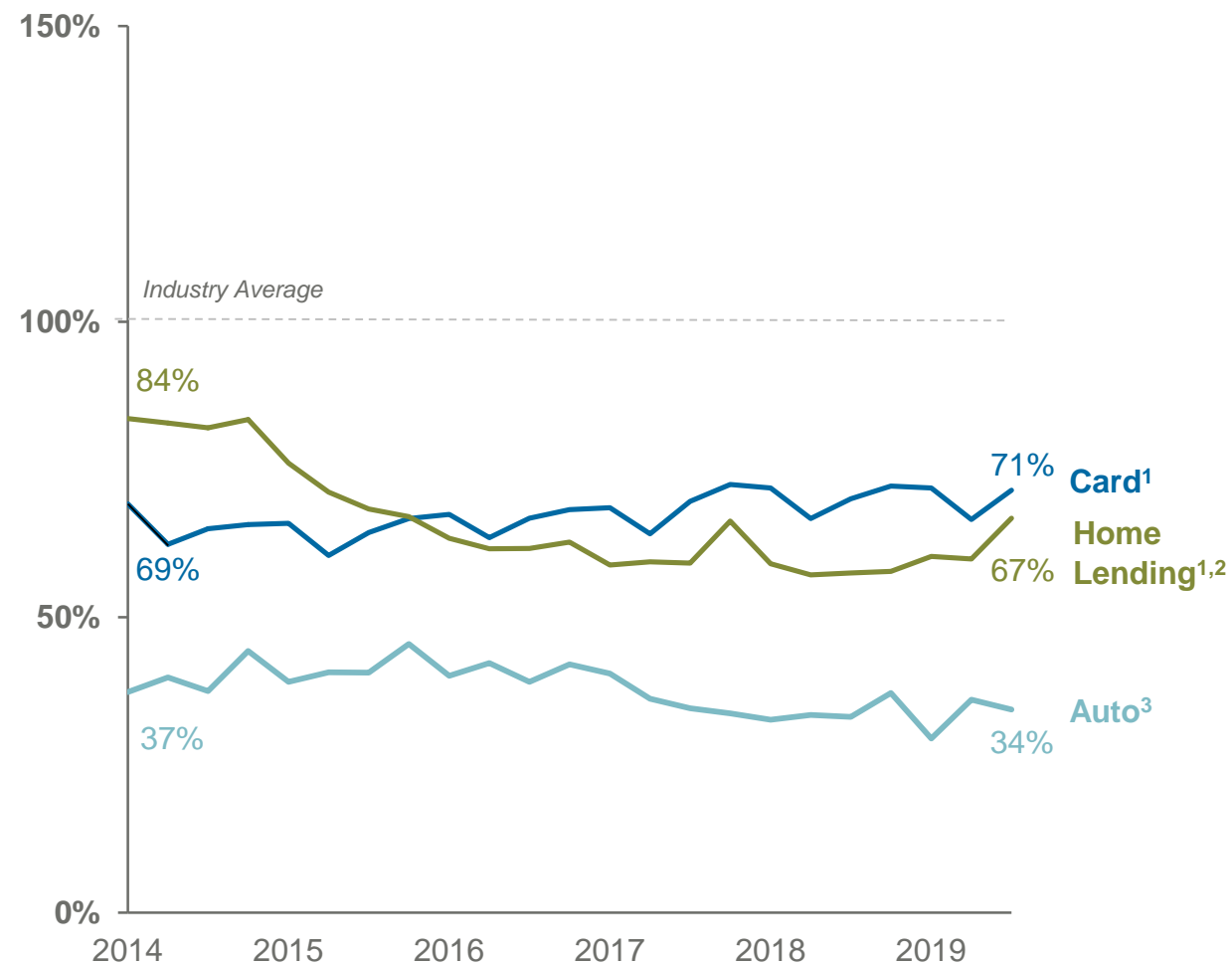
Reduction in total servicing expenses since 2014<sup>5</sup>

- ✓ **Reduced exposure to higher-cost non-performing loans**
- ✓ **Operational efficiencies** through automation and process improvement

# We continue to make our business more resilient through prudent risk and balance sheet management

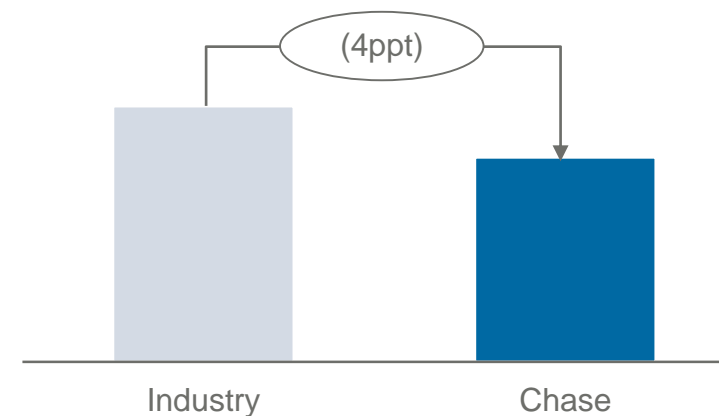
## Our credit risk profile is lower than the industry

Ratio of Chase to Industry 30+ Day Delinquency Rates

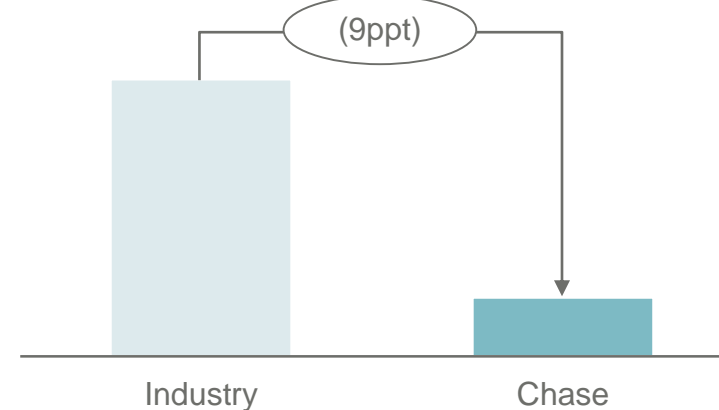


## We carefully manage credit risk and optimize firmwide capital and liquidity in balance sheet decisions

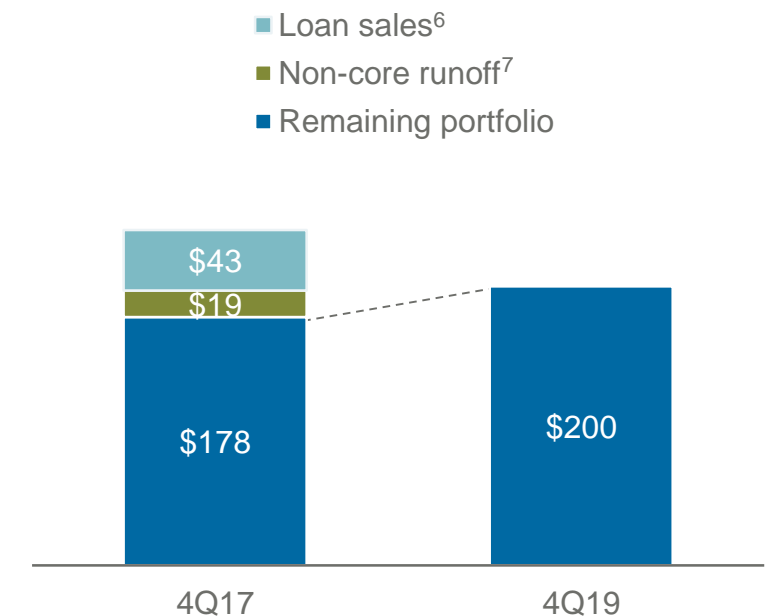
Chase vs. Industry Share of **Card** Outstandings with FICO < 660<sup>4</sup>



Chase vs. industry % of **Auto** Originations with LTV > 120% and Term > 72 months<sup>5</sup>



Total **Home Lending** Loan Balances (EOP, \$B)



- ✓ **Optimizing firmwide capital and liquidity** through ~\$43B<sup>6</sup> in loan sales
- ✓ **Adding high-quality loans** with significantly better margins

# Our strategy has produced a strong and successful Consumer Lending business

## Key business drivers (\$B, except ratios and where otherwise noted)

		2019	YoY Δ	2014 - 2019 CAGR
Credit Card	Active accounts (mm)	43	6%	6%
	Sales volume <sup>1</sup>	\$763	10%	10%
	Average outstandings	\$156	7%	5%
	Net charge-off / (recovery) rate	3.10%	0bps	35bps <sup>3</sup>
	Net revenue rate <sup>2</sup>	10.6%	6bps	(47bps) <sup>3</sup>
Home Lending	Origination volume	\$105	32%	6%
	Total loans serviced (end of period)	\$761	(4%)	(4%)
	30+ day servicing delinquency rate (end of period) <sup>4</sup>	2.5%	(106bps)	(373bps) <sup>3</sup>
	Loans (end of period)	\$200	(17%)	2%
	Net charge-off / (recovery) rate <sup>5</sup>	(0.05%)	(3bps)	(55bps) <sup>3</sup>
Auto	Loan and lease originations	\$34	7%	4%
	Loan and leased assets (end of period)	\$84	0%	7%
	Net charge-off / (recovery) rate	0.33%	(5bps)	(1bps) <sup>3</sup>

Note: For footnoted information, refer to slide 46



# Agenda

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## We have a leading franchise across our businesses and opportunity for further growth

---

■ **Strong performance** and **customer satisfaction** across businesses

■ **Long-term investment strategy** focused on data, digital, and marketing

■ Omni-channel strategy with **leading digital capabilities** and **expanded presence in important new markets**

■ **Success at deepening relationships** with opportunity to accelerate

■ **Risk and expense discipline** across businesses

# Agenda

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## Notes on slide 2 – We have delivered against our commitments

---

1. Based on 2019 sales volume and loans outstanding disclosures by peers (C, BAC, COF, AXP, DFS) and JPMorgan Chase estimates. Sales volume excludes private label and Commercial Card. AXP reflects the U.S. Consumer segment and JPMorgan Chase estimates for AXP's U.S. small business sales. Loans outstanding exclude private label, AXP Charge Card, and Citi Retail Cards
2. Kantar 2019 Retail Banking Monitor (~3K surveys per quarter or ~12K per rolling 4 quarters). Data is based on Chase footprint, excluding recent expansion markets. Calculations derived from the following questions: "Which banks do you have a relationship with?" and "Which is your primary bank?"
3. Based on 4Q19 peer disclosure for JPM's Consumer & Community Banking, BAC's Consumer Banking, WFC's Community Banking and Citi's North America Global Consumer Banking segments. #1 growth in terms of incremental number of mobile users from 2018 - 2019
4. Based on the sum of the following 4Q19 daily averages: digital direct logins for 90-day active customers, unique branch visits, unique ATM visits, and call center volumes
5. Inclusive of payments made by Card and Consumer Bank households. Payments defined as debits, excluding internal transfers
6. Customers are eligible for already approved offers based on a combination of debt and income data based on the full Chase relationship, whereas "pre-approved" offers require customers to fill out additional info prior to being approved
7. Includes employees and contractors. 2014 excludes Commercial Card headcount. During 3Q18, ~1,200 employees transferred from CCB to CIB as part of the reorganization of the Commercial Card business
8. Consumer Lending portfolio consists of Card, Home Lending and Auto. Card and Home Lending industry benchmarks based on Federal Reserve Economic Data – 1Q14 - 3Q19. Chase Home Lending delinquencies include impact of PCI loans – 1Q14 - 3Q19. Auto industry delinquency rates sourced from Experian – 1Q14 - 3Q19. Both Chase and industry rates include partial write-downs

## Notes on slide 3 – Key drivers and performance targets

---

1. Includes Business Banking (deposit and loan/line of credit) and Ink (card; excludes partner and commercial) households. As a result of a change in household methodology in 2019, ~200K partner cards are no longer included
2. Users of all web and/or mobile platforms who have logged in within the past 90 days
3. Users of all mobile platforms who have logged in within the past 90 days
4. Loan sales for FY18 and FY19. Reflects unpaid balances (UPB) at the time of sale
5. Excludes the impact of purchased credit-impaired (“PCI”) loans and reperforming and non-performing loan sales
6. Excludes the impact of retail overdraft losses. CBB’s reported NCO rate, including retail overdraft losses, was 1.11% in 2019
7. In Card, expect modestly higher loss rates on mix as newer vintages season and become a larger part of the portfolio
8. Net revenue rate reflects the Credit Card business only. Effective in the first quarter of 2020, the Merchant Services business was realigned from CCB to CIB as part of the Firm’s Wholesale Payments business. The revenue and expenses of the Merchant Services business will be reported across CCB, CIB and CB based primarily on client relationship
9. Excludes Card rewards liability adjustment in 2018

## Notes on slide 6 – We continue to generate efficiencies in the underlying cost to run the business

---

1. Cost to serve defined as total CCB expense less investments, auto lease depreciation, legal losses, FDIC surcharge, and geography-related impacts. Cost to serve efficiency ratio reflects cost to serve expense divided by revenue net of auto lease depreciation. For purposes of cost to serve efficiency, auto lease income is considered on an economic basis
2. Includes employees and contractors. 2014 excludes Commercial Card headcount. During 3Q18, ~1,200 employees transferred from CCB to CIB as part of the reorganization of the Commercial Card business
3. Reflects transactions within Consumer Banking. Represents change between 2014 - 2019
4. Productivity defined as number of units (Card active accounts, Consumer & Business Banking accounts, and Home Lending and Auto loans serviced) per operations FTE. Represents change between 2014 - 2019
5. Reduction in operations headcount between 2014 - 2019
6. Defined as net new money (excluding You Invest flows) divided by average advisor headcount. Represents change between 2014 - 2019

## Notes on slide 7 – Our portfolio of investments has yielded strong returns

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1. ROI defined as 5 year NPV of investment divided by after tax investment. Marketing ROI includes terminal value. ROI of 0 represents a breakeven opportunity
2. Reflects steady-state year 3 performance for Card and year 1 performance for Consumer Banking
3. Reflects projected 2022 results for technology programs with active development in 2019
4. Based on Chase internal market research

## Notes on slide 8 – Investments in our holistic customer value proposition deliver shareholder value through the cycle

---

1. Novantas 2019 US Shopper Survey. Calculation derived from responses from 5,580 prospective switchers to the following questions: “If you had to find a new financial institution for your primary checking account, which of the following would you be most likely to consider?” and “Which of the following reasons best describes why you would consider opening a checking account with each of the following banks you just selected?” Respondents selected from the following reasons: "convenient branch locations" (branch locations), "convenient ATM locations" (ATM locations), "products and services that meet my needs" (product), "friendly and helpful" (service), "convenient branch hours" (hours), "leading online / mobile banking" (mobile / digital), "good interest rates" (interest rate), "simple or low fees" (fees), "looks out for its customers" (trust). Results shown represent the weighted average for all bank types
2. Percentage change in attrition rate between 2014 - 2019 for Consumer Bank deposit households with deposit tenure greater than 2 years
3. Retention based on mature attrition. Mature book reflects vintages acquired 2 years prior and earlier
4. An engaged Card customer is defined as an account with payment rate >15% in the last 6 months



## Notes on slide 9 – We have strong positions across our businesses, and a franchise that is more valuable than the sum of its parts

---

1. Based on 2019 sales volume and loans outstanding disclosures by peers (C, BAC, COF, AXP, DFS) and JPMorgan Chase estimates. Sales volume excludes private label and Commercial Card. AXP reflects the U.S. Consumer segment and JPMorgan Chase estimates for AXP's U.S. small business sales. Loans outstanding exclude private label, AXP Charge Card, and Citi Retail Cards
2. Kantar 2019 Retail Banking Monitor (~3K surveys per quarter or ~12K per rolling 4 quarters). Data is based on Chase footprint, excluding recent expansion markets. Calculations derived from the following questions: "Which banks do you have a relationship with?" and "Which is your primary bank?"
3. Barlow Research Associates, Primary Bank Market Share Database as of 4Q19. Rolling 8-quarter average of small businesses with revenues of \$100K - <\$25mm
4. Inside Mortgage Finance as of 4Q19
5. Experian AutoCount data for 4Q19. Reflects financing market share for new and used loan and lease units at franchised and independent dealers
6. Compares response to Consumer Bank marketing offers from existing Chase lending customers to response from pure prospects in expansion markets. Based on a campaign that ran from September 2019 through December 2019. Comparable response rate in all markets is 3x, as seen on slide 18
7. Matched pairs analysis comparing average product attrition rates of customers with one product (Card-only or Consumer Bank-only) or two (both Card and Consumer Bank) in 2017 - 2018
8. Matched pairs analysis of deposit & investment (D&I) balance performance in 2018 for affluent customers who got a Chase vs. a competitor mortgage. Only includes customers who have at least \$250K in their D&I wallet

## Notes on slide 10 – We have made significant progress against our priorities

---

1. Represents average deposit balances
2. Represents end of period investment balances
3. Consumer Bank users of all web and/or mobile platforms who have logged in within the past 90 days
4. Includes households across the firm's businesses who visited a branch at least once during 2019
5. Barlow Research Associates, Primary Bank Market Share Database as of 4Q19. Rolling 8-quarter average of small businesses with revenues of ~\$100k - <\$25mm
6. Decrease in annual variable cost per Consumer Bank households from 2014 - 2019. Includes variable everyday branch transaction cost (includes cost of FTE), cost of other transactions, variable account servicing costs, and variable risk and compliance costs
7. Consumer Bank customers. Represents 4Q14 and 4Q19

## Notes on slide 11 – We're operating from a position of strength in Consumer & Business Banking

---

1. FDIC 2019 Summary of Deposits survey per S&P Global Market Intelligence. Includes a \$500mm 10-year exclusion for growth (excluded branches are assumed to include a significant level of commercial deposits or are headquarter branches for direct banks). Includes all commercial banks, savings banks, and savings institutions as defined by the FDIC
2. 2019 McKinsey Wealth Management Survey. Includes private banks, brokers, and direct / discount brokers. Inclusive of market performance and net flows
3. Overall satisfaction ("OSAT") is measured on a scale of 1 to 10. Score calculated as share of "9" and "10" responses as a % of total responses. Consumer Banking metric based on customer surveys conducted after a visit to a Chase branch each year. Customers rate satisfaction with their branch interaction. Business Banking OSAT metric based on customer surveys where respondents answered how satisfied they were with Chase overall

## Notes on slide 14 – We are well underway with our plans to extend Chase to new markets, with strong early results

---

1. 2019 U.S. population sourced from U.S. Census Bureau. Sum of population of states in which Chase currently has or will have a branch presence post-market expansion
2. FDIC 2019 Summary of Deposits survey per S&P Global Market Intelligence. Includes a \$500mm 2-year exclusion for growth (excluded branches are assumed to include a significant level of commercial deposits or are headquarter branches for direct banks). Includes all commercial banks, savings banks, and savings institutions as defined by the FDIC
3. Based on new-to-deposit accounts

## Notes on slide 18 – Consumer Lending is an important driver of acquisition and deepening across the franchise

---

1. Customers that had no previous relationship with Chase in prior month. Reflects FY 2019
2. As of December 2019
3. Compares response to Consumer Bank marketing offers from existing Chase Consumer Lending customers to response from pure prospects. Based on a campaign that ran from September 2019 through December 2019
4. Represents YoY net deposit growth from December 2018 - December 2019
5. Matched pairs analysis comparing product attrition of customers with one product (Card-only or Consumer Bank-only) vs. customers who obtained a second product (have both Card and Consumer Bank). Difference in attrition measured in December 2018, at the end of the post-treatment window (May 2017 - December 2018)
6. Matched pairs analysis of deposit & investment (D&I) balance performance in 2018 for affluent customers who got a Chase vs. a competitor mortgage. Only includes customers who have at least \$250K in their D&I wallet

## Notes on slide 19 – Our data assets enable a simplified digital-underwriting experience and drive efficiencies

---

1. Reflects customers for whom we have income data from October 2018 - September 2019
2. Transaction total reflects full year 2019
3. Customers are eligible for already approved offers based on a combination of debt and income data based on the full Chase relationship, whereas “pre-approved” offers require customers to fill out additional info prior to being approved
4. Conversion rate lift to card offers measured from February 2019 through February 8th 2020
5. Reflects January 2020
6. Metric compares performance for refinance loans originated through the Consumer channel that received Digital Income Verification (“DIV”) to similar loans that did not receive DIV. Pull-through defined as percentage of mortgage applications that fund (up to 120 days after application date) and is calculated through 3Q19
7. Matched pairs analysis comparing lift in spend and balances of customers who got a credit line increase (treatment) in 2018 vs. customers who did not get a credit line increase
8. Calculated by applying the 2014 and 2019 fraud loss rate difference to 2019 net sales volumes

## Notes on slide 21 – Our Card franchise has an industry leading position in sales and outstanding balances

---

1. Reflects 3Q19 vs. 3Q18. Chase figures and industry benchmark based on Argus data. Data excludes: small business, private label, secured and charge cards as well as select co-brand portfolios. Industry benchmark reflects top 6 peers
2. Excludes Commercial Card
3. Excludes rewards liability adjustments

## Notes on slide 22 – Our top of wallet success is fueled by unique assets and continued innovation

---

1. Represents 2019 share of general purpose credit card (“GPCC”) spend, which excludes private label and Commercial Card. Based on company filings and JPMorgan Chase estimates
2. Represents 2019 share of loans outstandings, which excludes private label, AXP Charge Card, and Citi Retail Cards. Based on company filings and JPMorgan Chase estimates
3. Represents 3Q19 share for spend-based top of wallet. Chase figures and Industry benchmark based on Argus data. Data excludes: small business, private label, secured and charge cards as well as the Chase Disney co-brand portfolio. Industry benchmark reflects top 6 peers
4. As of January 2020
5. Based on The Points Guy monthly valuation as of January 2020. Tied for #1 among large bank issuers with AXP. Additional issuers included are Citi, U.S. Bank, Wells Fargo, Capital One, Bank of America, Barclays, Discover
6. Based on Visa data, Chase Credit Contactless Issuance compared to top 5 Visa credit issuers
7. Based on customers with tap-to-pay credit cards, analysis based on transactions from October 2019 - December 2019
8. Matched pairs analysis based on customers who received a tap-to-pay credit card in 1H19. Increase in spend observed from July 2019 - December 2019 for customers who tapped at least once in 3 separate months during that period vs. customers who did not tap at all in that period



## Notes on slide 25 – We are investing in our capabilities to win with our core households

---

1. Chase Home Rewards is a real estate rewards program that matches customers with a real estate agent through the VAST network. Cost savings provided to customers by VAST
2. Metric reflects percentage of Consumer originations that used Chase MyHome for loan fulfillment
3. Core Home Lending households include households with an existing Chase mortgage, Chase primary bank households with a competitor mortgage and Chase primary bank households that are potential first-time home buyers
4. Pull-through improvement calculated for 1Q19 - 3Q19 as pull-through is typically calculated over 120 days
5. Metric compares performance for refinance loans originated through the Consumer channel that used Chase MyHome for fulfillment vs. paper in 4Q19
6. YTD November 2018 vs. YTD November 2019 originations
7. Reflects change from 2Q18 - 2Q19. Retention rates includes recapture of jumbo loans from purchase, refinance, modification, and HELOC

## Notes on slide 26 – We are taking a targeted approach to improve productivity and reduce costs

---

1. Field sales formerly referred to as “Retail.” Centralized sales formerly referred to as “Consumer Direct”
2. Field sales coverage includes low to moderate income areas
3. Cost per loan includes all Consumer origination costs
4. Home Lending salesforce productivity covers Field and Centralized and is calculated as the change in dollars funded between 2018 - 2019 divided by the change in Consumer sales average headcount between 2018 - 2019
5. Majority driven by non-performing volume reduction and operational efficiencies

## Notes on slide 27 – We continue to make our business more resilient through prudent risk and balance sheet management

---

1. Industry benchmark based on Federal Reserve Economic Data – 1Q14 - 3Q19
2. Chase Home Lending delinquencies include impact of PCI loans – 1Q14 - 3Q19
3. Industry delinquency rates sourced from Experian – 1Q14 - 3Q19. Both Chase and industry rates include partial write-downs
4. “U.S. Cards: Credit Check,” Autonomous sell-side research report, 11/13/2019. Based on 10Q disclosures. Industry includes Chase
5. Industry data from J.D. Power PIN. Data as of 4Q19
6. Loan sales for FY18 and FY19. Reflects unpaid balances (UPB) at the time of sale
7. Non-core loans include runoff portfolios, which are predominantly discontinued products and PCI loans

## Notes on slide 28 – Our strategy has produced a strong and successful Consumer Lending business

---

1. Excludes Commercial Card
2. Excludes rewards liability adjustments. Net revenue rate for Card Services (Credit Card + Merchant Services) of 11.5% in 2019
3. Reflects absolute change from 2014 - 2019
4. Based on number of loans serviced. Includes foreclosures and second liens and excludes real estate owned (“REO”) inventory
5. Excludes the impact of PCI loans and reperforming and non-performing loan sales