



# CORPORATE & INVESTMENT BANK

February 25, 2020

FIRM OVERVIEW

▶ CORPORATE & INVESTMENT BANK

CONSUMER & COMMUNITY BANKING

ASSET & WEALTH MANAGEMENT

COMMERCIAL BANKING

JPMORGAN CHASE & Co.

# Agenda

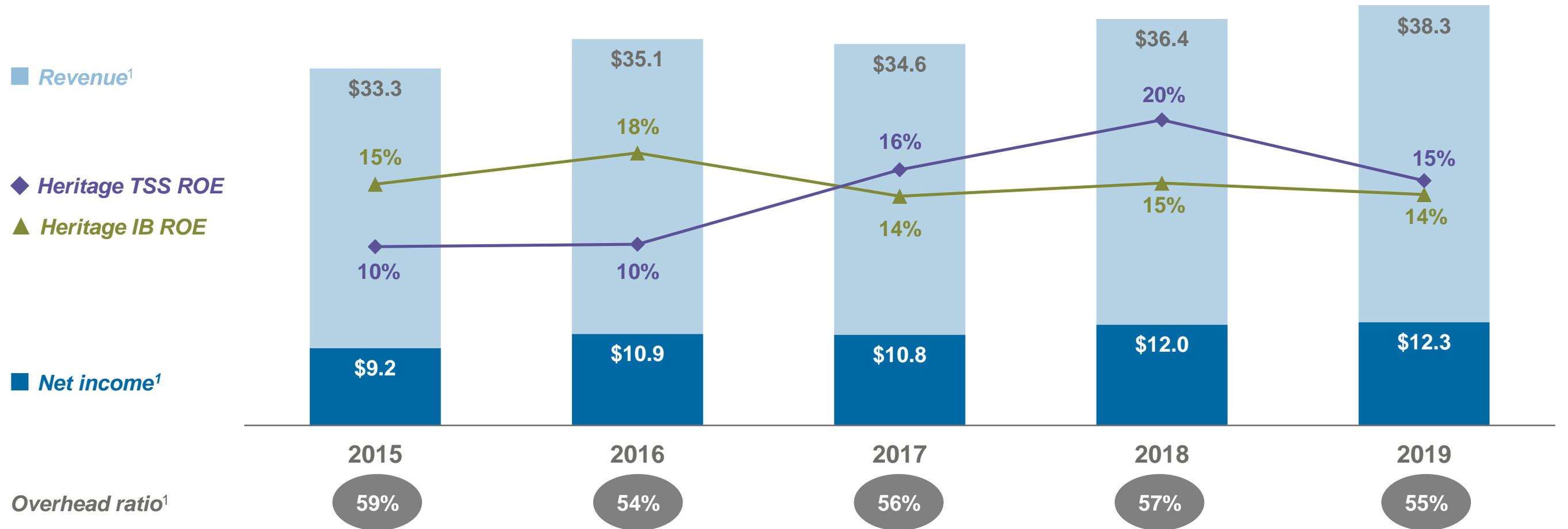
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# We delivered strong results and record revenues in 2019

## Adjusted revenue and net income<sup>1</sup> (\$B)

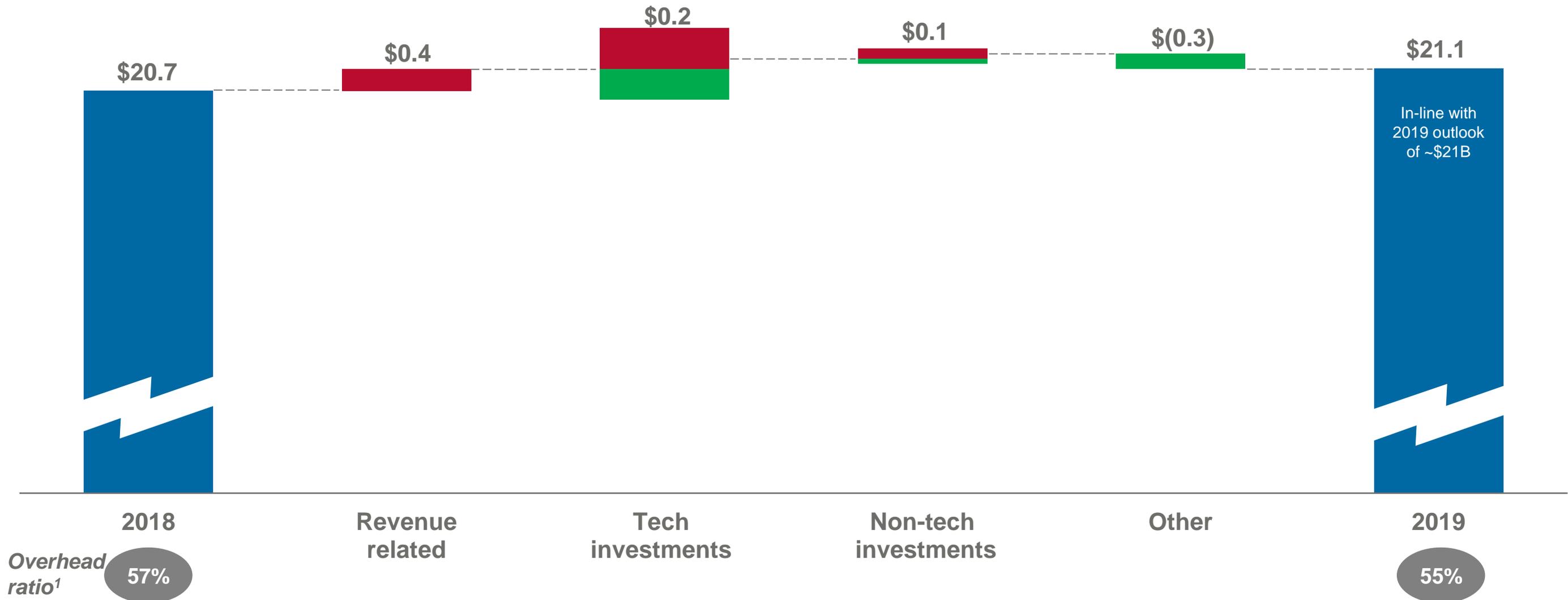
<i>CIB ROE</i> <sup>1</sup>	14%	16%	14%	16%	14%
<i>Capital</i> (\$B)	\$62	\$64	\$70	\$70	\$80



Note: For footnoted information, refer to slide 31  
 Note: This presentation includes certain non-GAAP financial measures, which exclude the impact of past business simplification actions and legal expense. For footnoted information, refer to slide 31 for a reconciliation of reported results to these non-GAAP financial measures

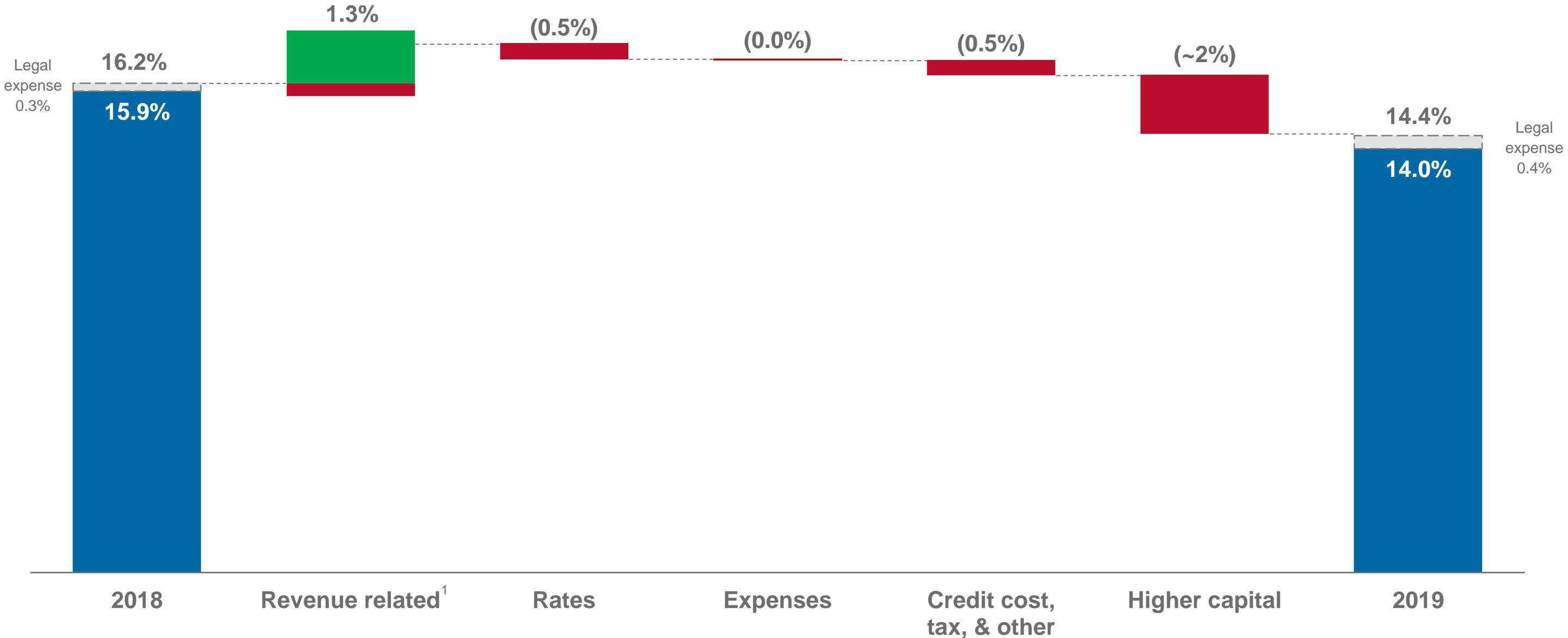
# Expenses increased due to higher revenues and additional investments

2018 to 2019 (\$B)<sup>1</sup>



<sup>1</sup> Expense adjusted for legal expense. For footnoted information, refer to slide 31

ROE decreased from 15.9% in 2018 to 14.0% in 2019, primarily driven by capital



<sup>1</sup> Includes changes in revenues and revenue related expenses

# CIB has a strong track record of gaining market share and establishing leadership globally

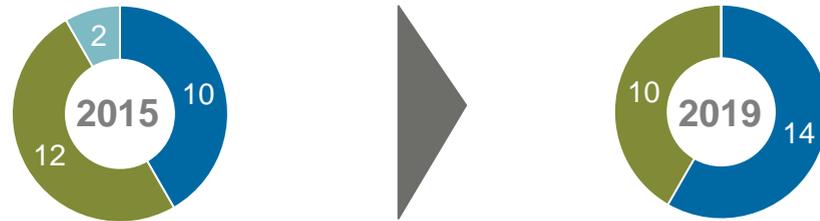
## 2019 global leadership positions compared to peers<sup>1,2,3</sup>

Number of businesses ranked  
 ■ #1 ■ #2-3 ■ #4+



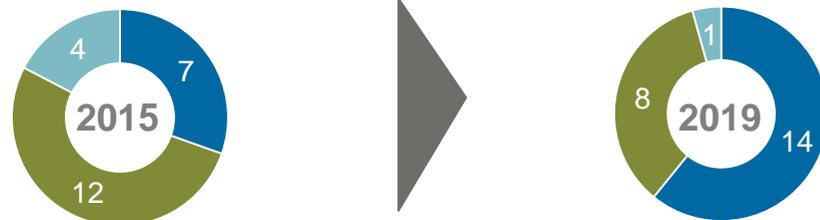
## Since 2015, we have gained share in each region and across businesses<sup>1,4</sup>

Americas  
**#1**



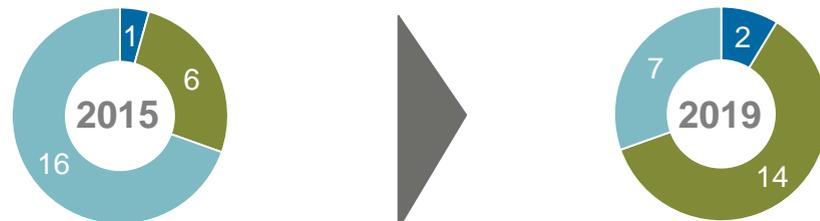
**Expanded leadership in 4 categories**

EMEA  
**#1**



**#1 in 7 additional categories since 2015**

APAC  
**#3**



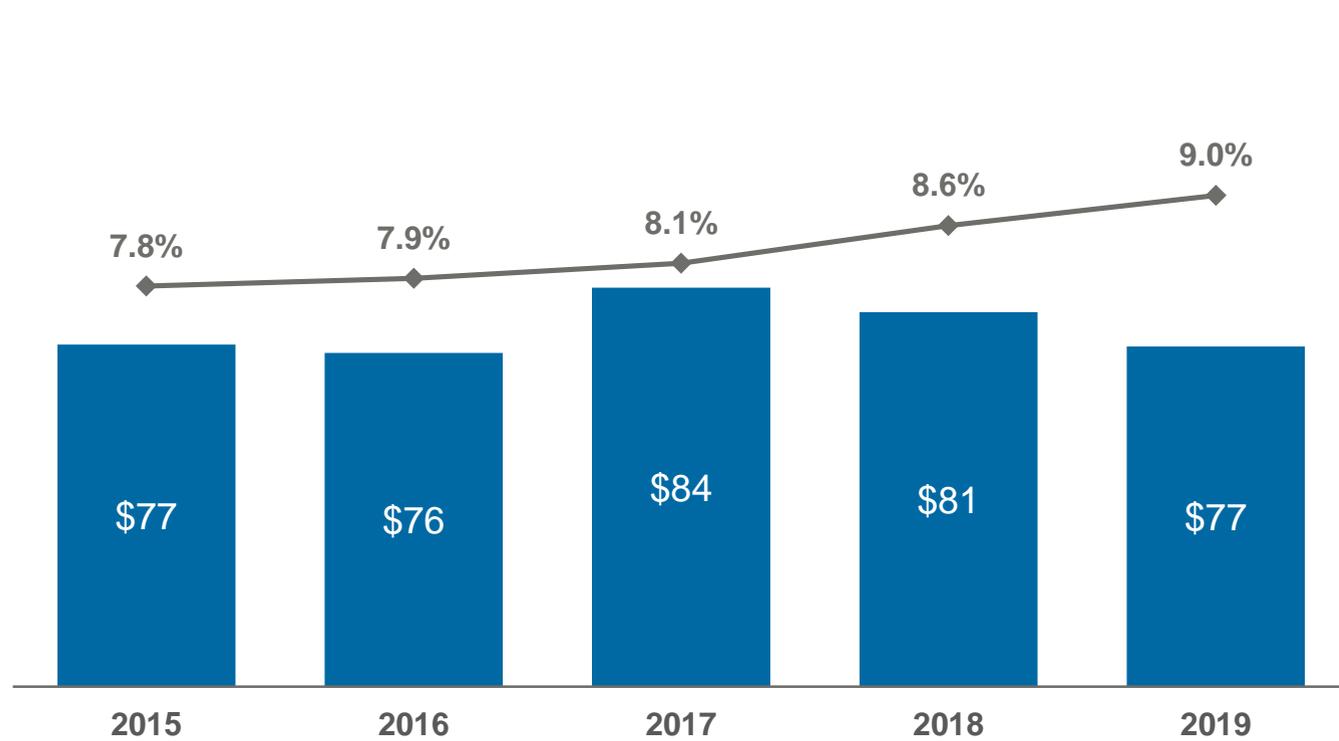
**Closing gaps through investments**

Note: For footnoted information, refer to slide 32

# Global Investment Banking grew market share for 4 consecutive years to 9.0%

## GIB

■ Industry wallet (\$B) ◆ Market share

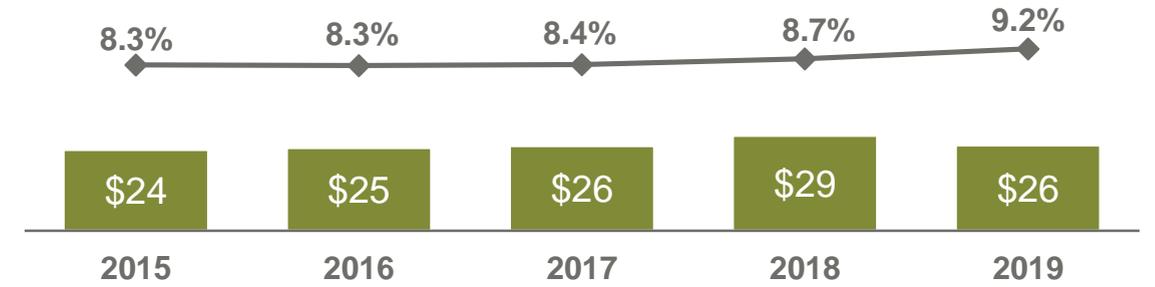


#1 worldwide in Investment Banking fees for 11 consecutive years

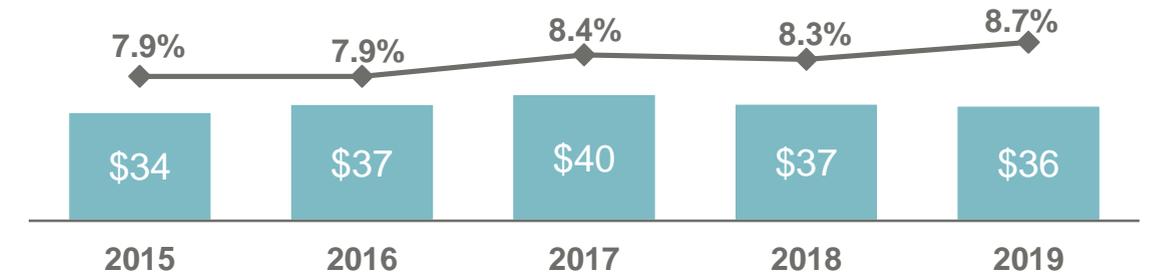
Participated in all top 5 fee paying deals in 2019, and 7 of top 10 fee deals

## M&A

■ Industry wallet (\$B) ◆ Market share



## DCM



## ECM

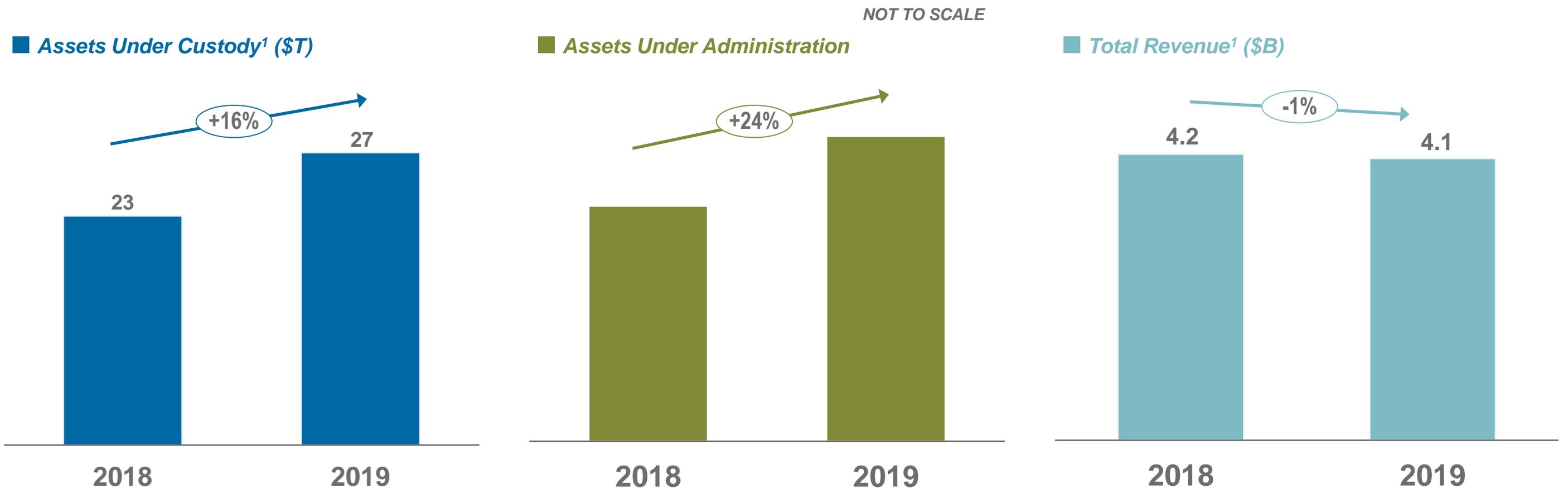


Source: Dealogic as of Jan. 2, 2020; ECM excludes shelf deals. DCM includes all Bonds, Loans, and other debt (i.e., Securitizations and Frequent Borrowers), excluding money market, short-term debt

# Securities Services achieved record mandates and continues to grow fee revenue, offsetting the impact of the challenged rate environment

Expanding business with existing clients and winning new mandates...

...translating to resilient revenue performance



Caliber of our team and consistency of our service delivery has resulted in **record new business wins**

Onboarding **additional administration mandates** from existing custody clients

**Organic revenue growth** partially offsetting impact of challenged rate environment

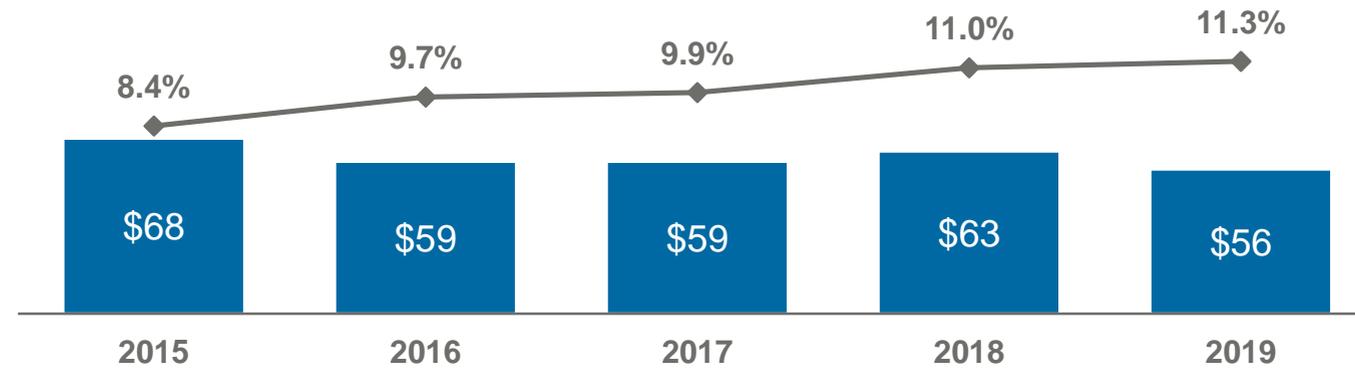
Note: For footnoted information, refer to slide 31

# We have leading positions in our Markets businesses and continue to gain share

## Equities<sup>1</sup>

■ Industry wallet (\$B)

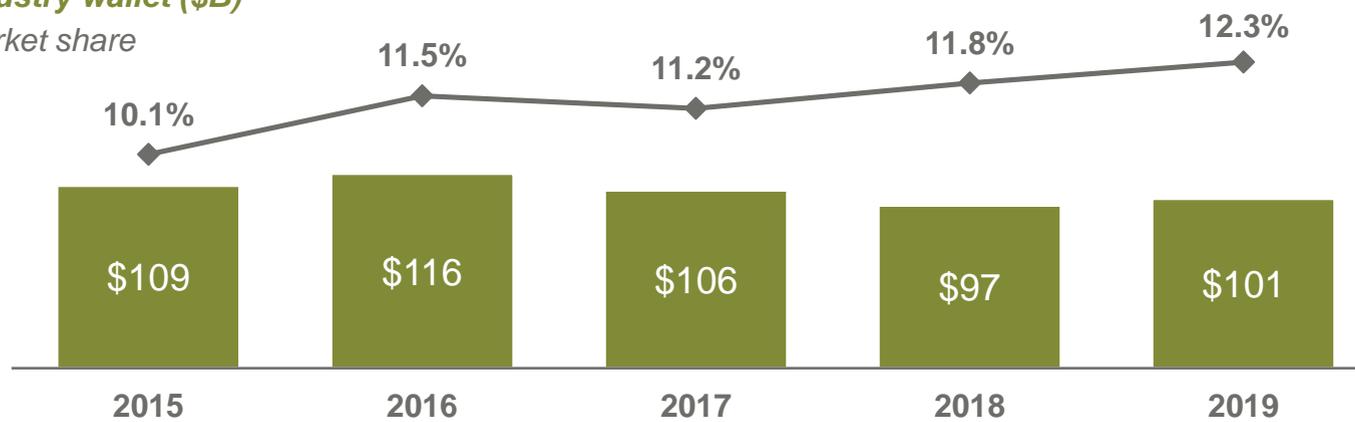
◆ Market share



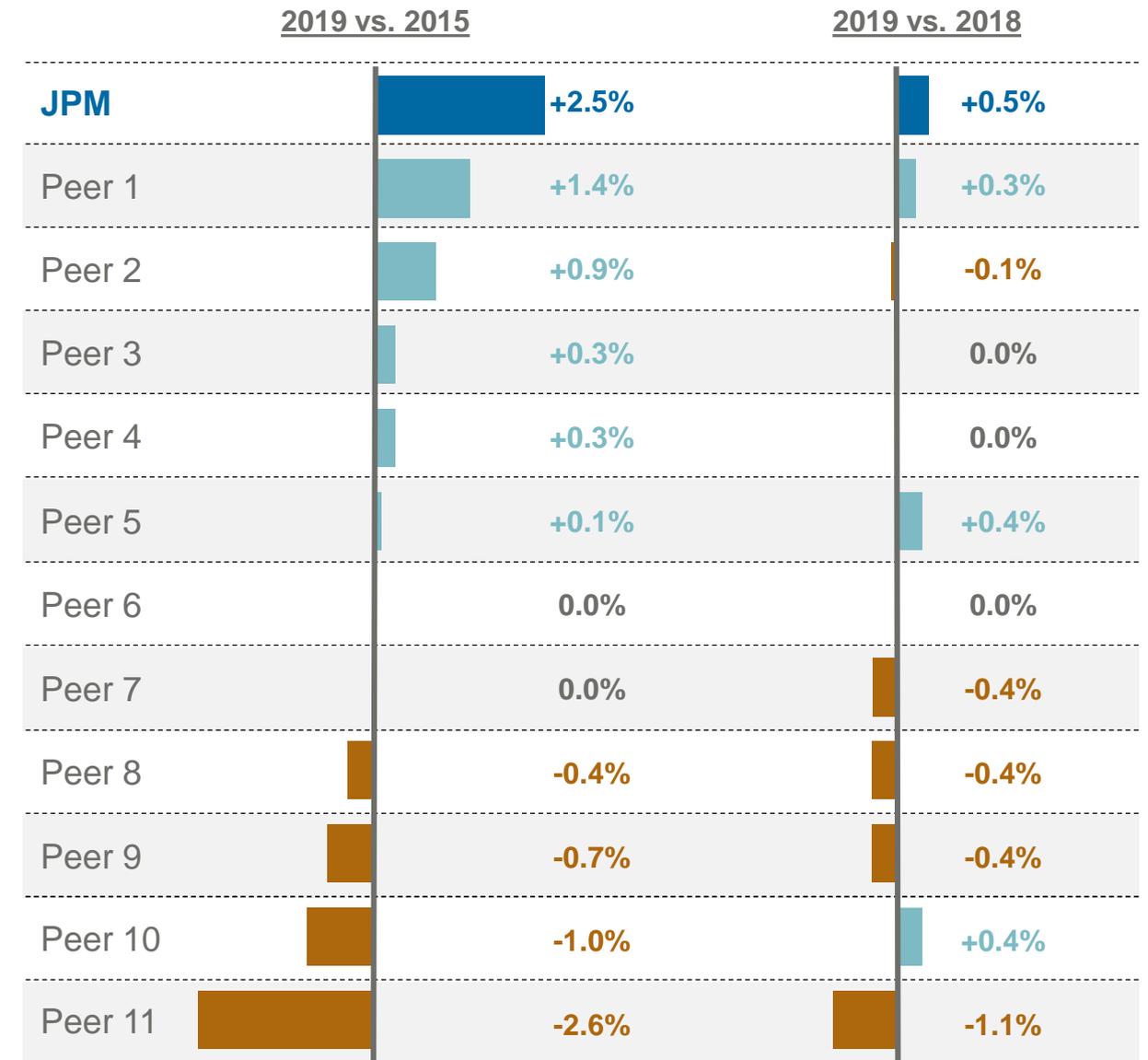
## FICC<sup>1</sup>

■ Industry wallet (\$B)

◆ Market share



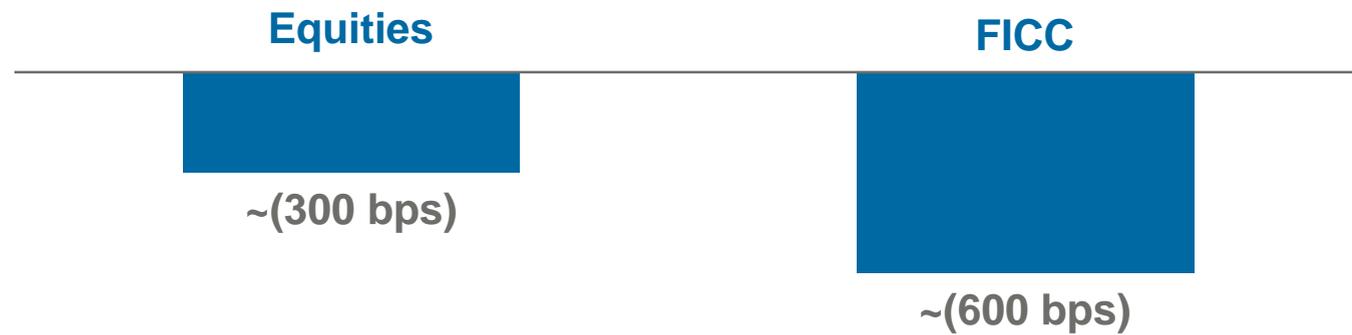
## Global Markets market share (Δ%)<sup>1,2</sup>



Note: For footnoted information, refer to slide 33

# Despite increase in capital in our Markets businesses, we have maintained strong returns

## Impact of capital to ROE, 2015 - 2019

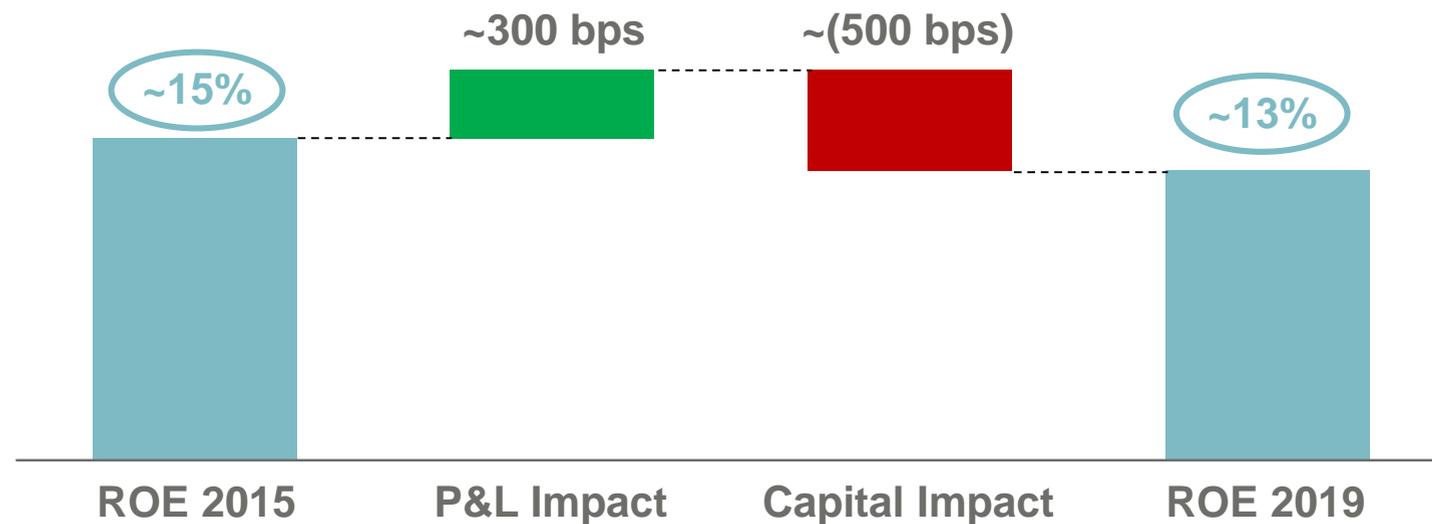


Marginal ROEs above cost of capital across all sub-products



Revenue growth highly accretive

## Markets fully-loaded ROE, 2015 - 2019



Advantages from scale and diversification



Actively managing GSIB challenge

Our unified Wholesale Payments business delivers full suite of solutions to clients across the firm

## Our business...



## Enabling clients to...



Make and accept payments **anytime, anywhere, via any method**



**Reduce complexity and optimize** their payments operating model



Be **safe** and **secure** through strong controls

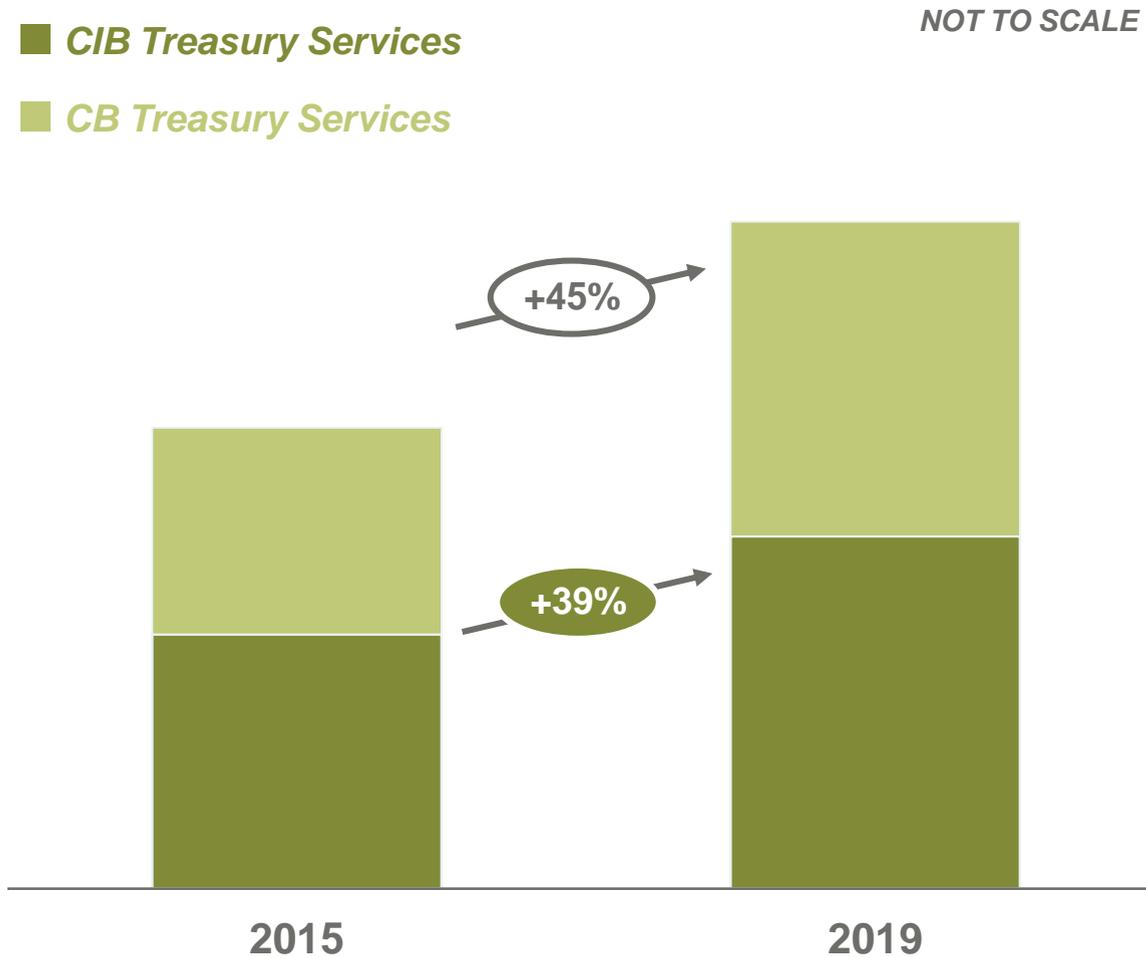
## Supported by...

...a shared infrastructure:

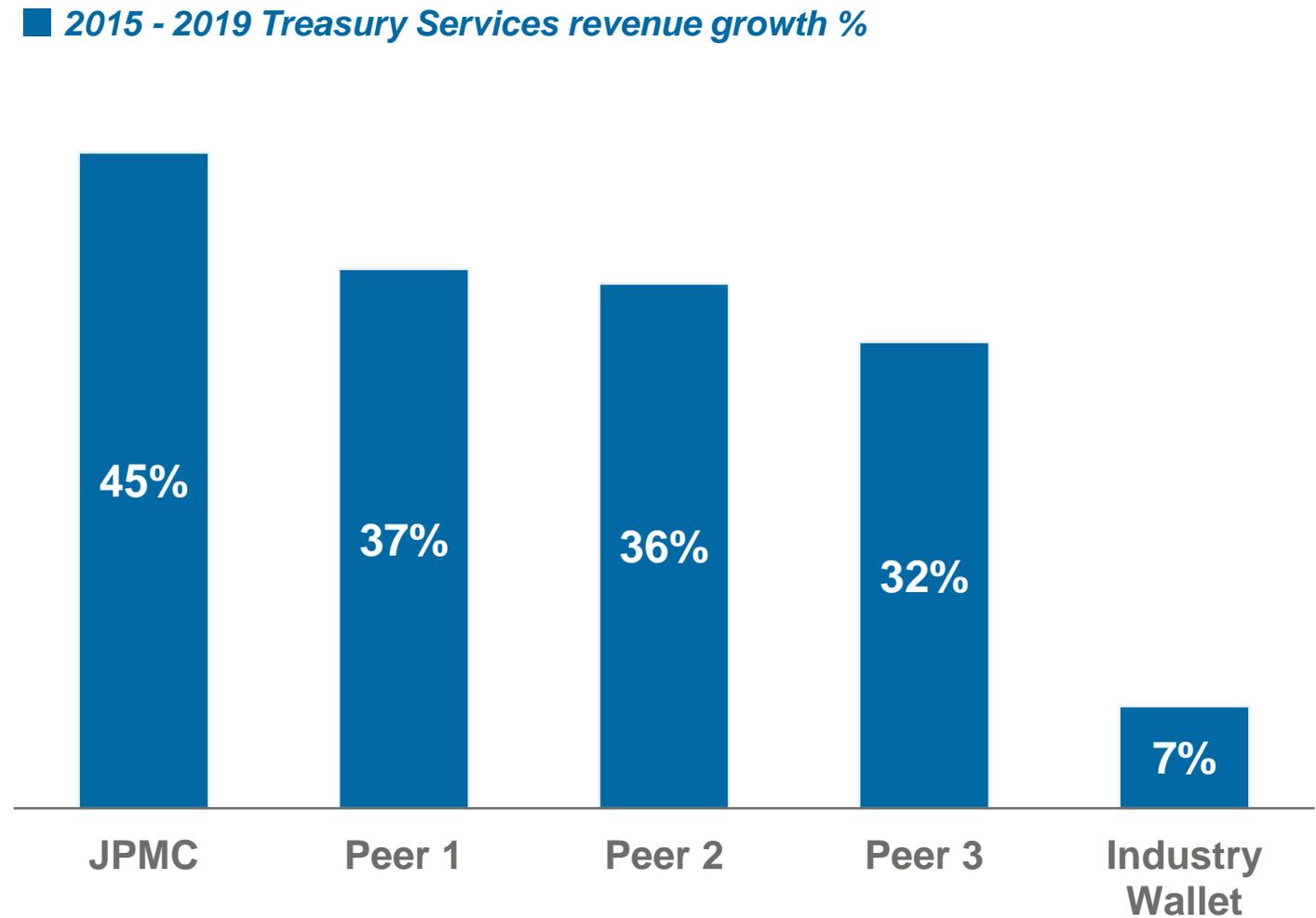
- »»» Core technology platforms
- »»» Client connectivity (platforms, APIs, ERP/TMS)
- »»» Onboarding and servicing
- »»» Data lake for analytics & ML
- »»» Product inter-operability

# Treasury Services has experienced significant revenue growth despite rates headwinds

Firmwide Treasury Services revenue growth<sup>1</sup>



Firmwide Treasury Services revenue growth relative to peers<sup>1,2,3</sup>



Note: For footnoted information, refer to slide 34

# Wholesale Payments business is well positioned to capture growth opportunities



## SMBs

### Core advantages

- Partnership with Business Banking
- WePay



## U.S. Healthcare

- InstaMed
- Payments and acquiring capabilities
- Strong banking relationships



## Corporates

- Global footprint and capabilities
- Leading innovations
- Best in class service
- Strong banking relationships



## E-Commerce

- Unique end-to-end platform solution
- Leading innovations



## Financial Institutions

- USD clearing and controls
- Redefining correspondent banking leveraging strength of our network

### Product opportunities

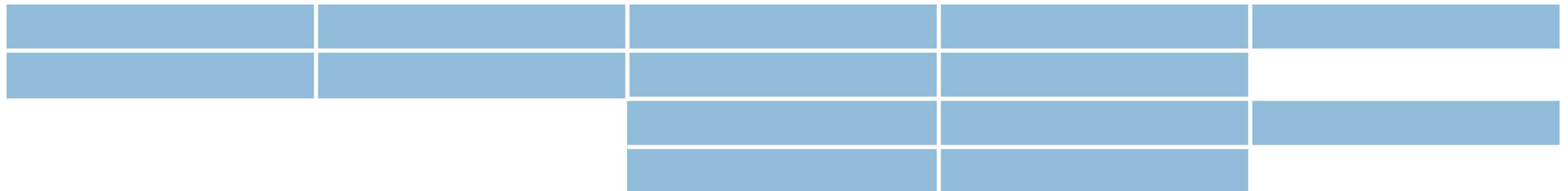
■ Growth opportunity

Treasury Services

Merchant Services

Global Trade

Foreign Exchange



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## Select topics for Banking

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**Multi-year performance**



**Continuity in coverage**

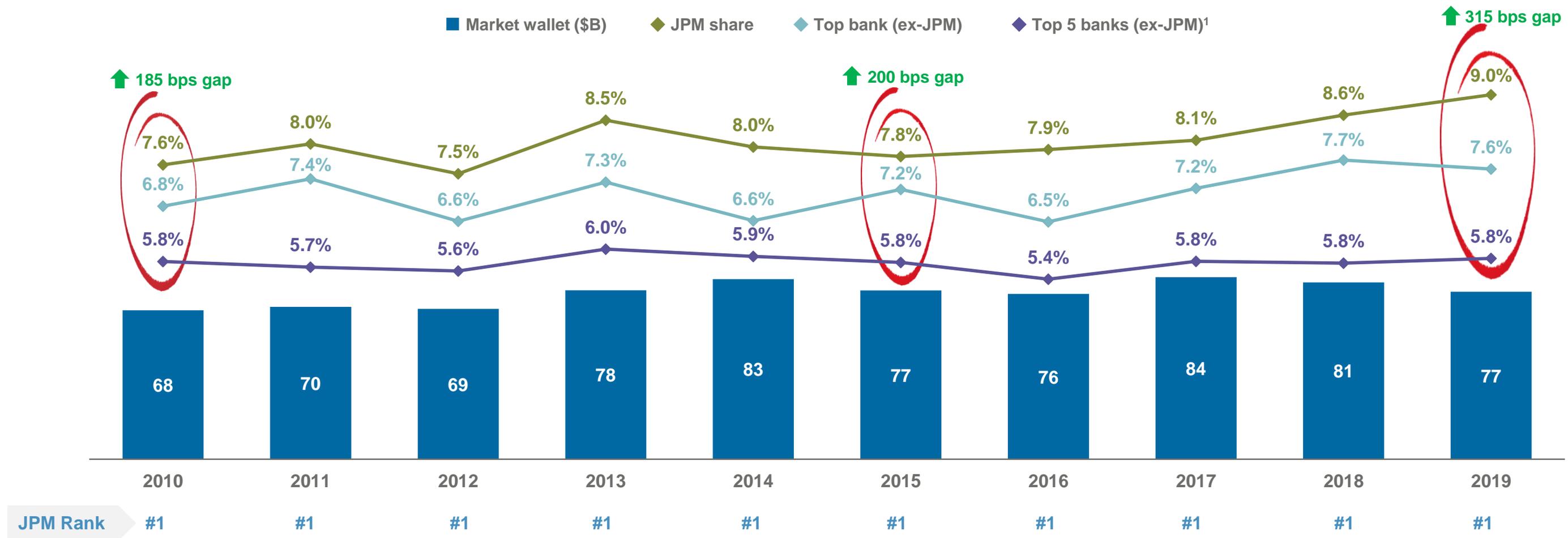


**Completeness of coverage**



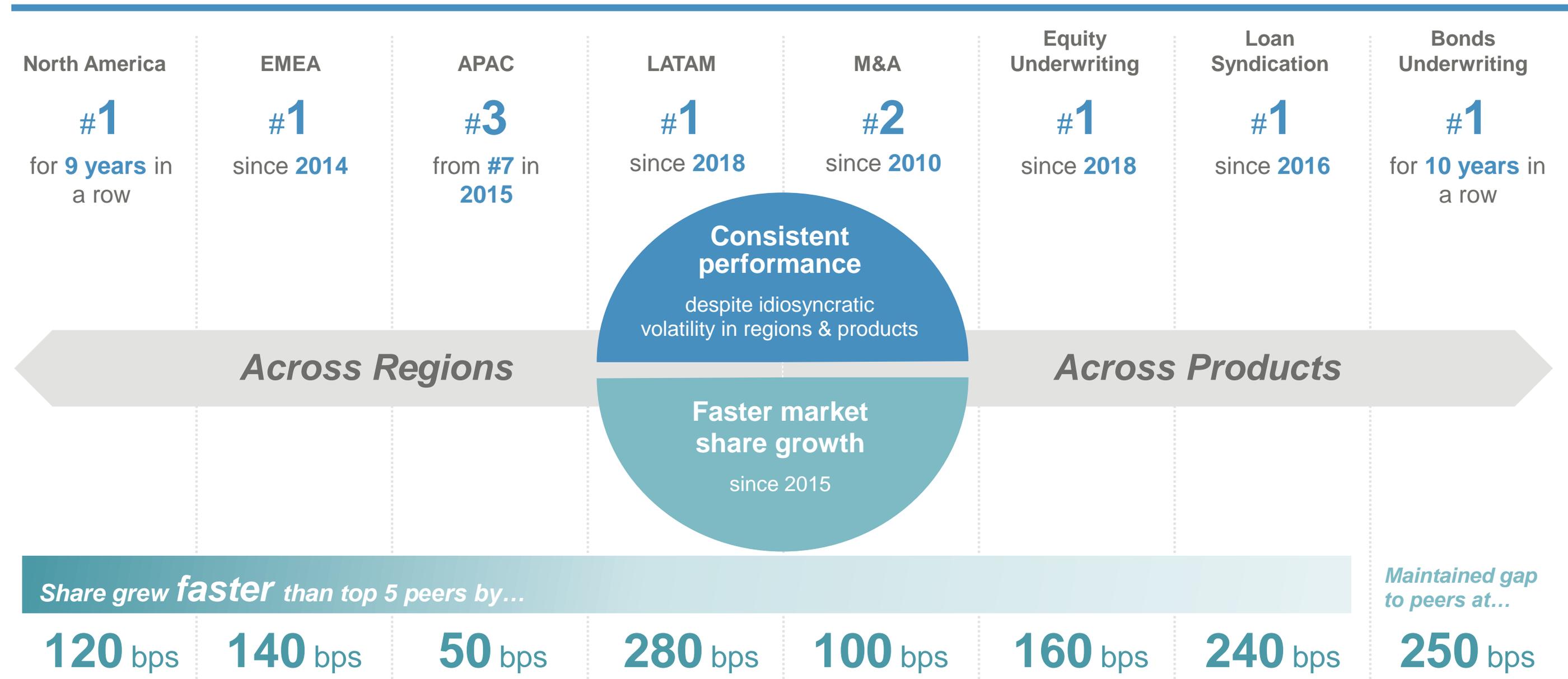
**Growth opportunities**

# We maintained #1 rank in Global Investment Banking fees and achieved 9.0% market share in 2019 - the highest share in a decade



Source: Dealogic as of Jan. 2, 2020; ECM excludes shelf deals. DCM includes all Bonds, Loans, and other debt (i.e., Securitizations and Frequent Borrowers), excluding money market, short-term debt  
<sup>1</sup> Average share of top 5 banks ex-JPM

We have consistently grown market share faster than peers across regions and products, improving our leadership position

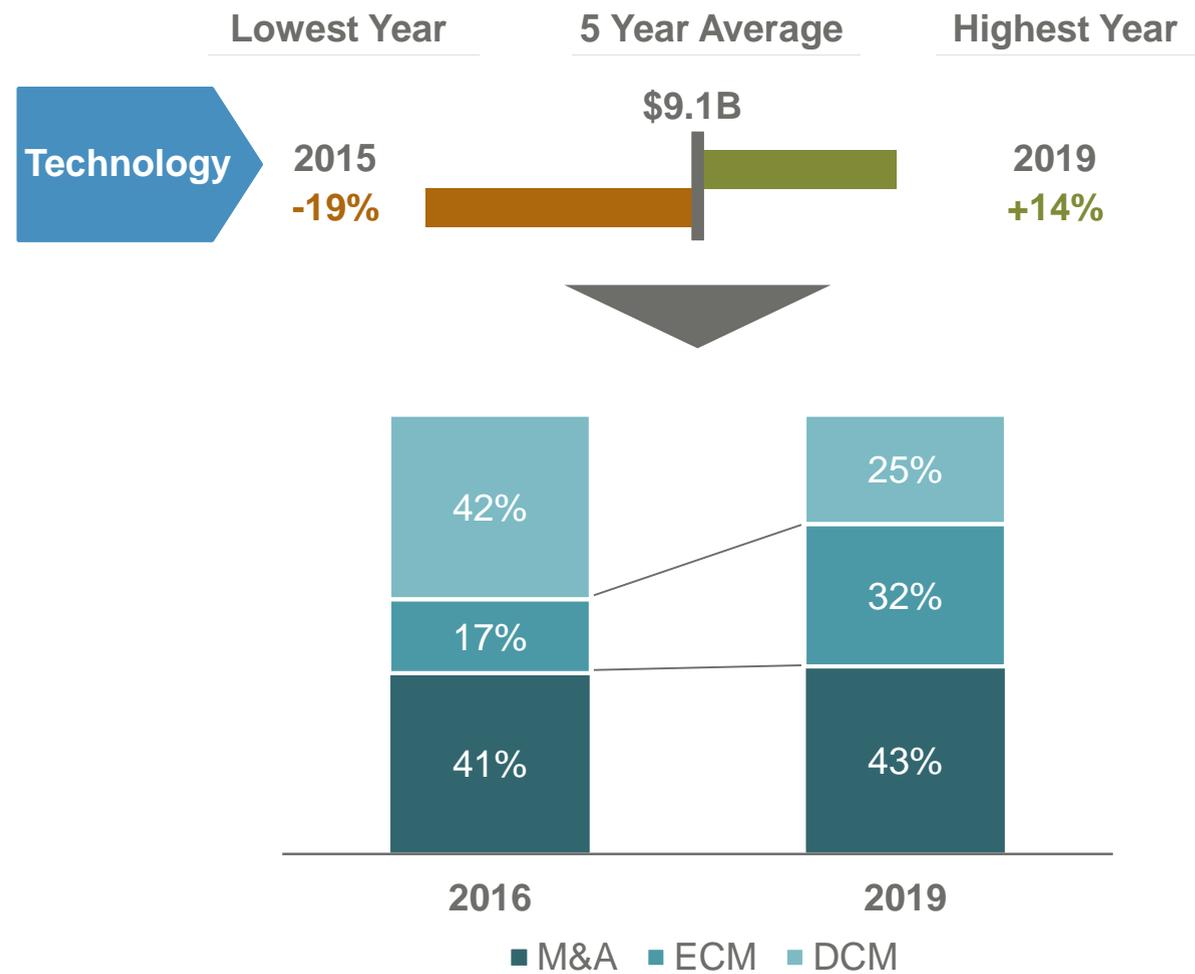


Source: Dealogic as of Jan. 2, 2020; ECM excludes shelf deals. DCM includes all Bonds, Loans, and other debt (i.e., Securitizations and Frequent Borrowers), excluding money market, short-term debt

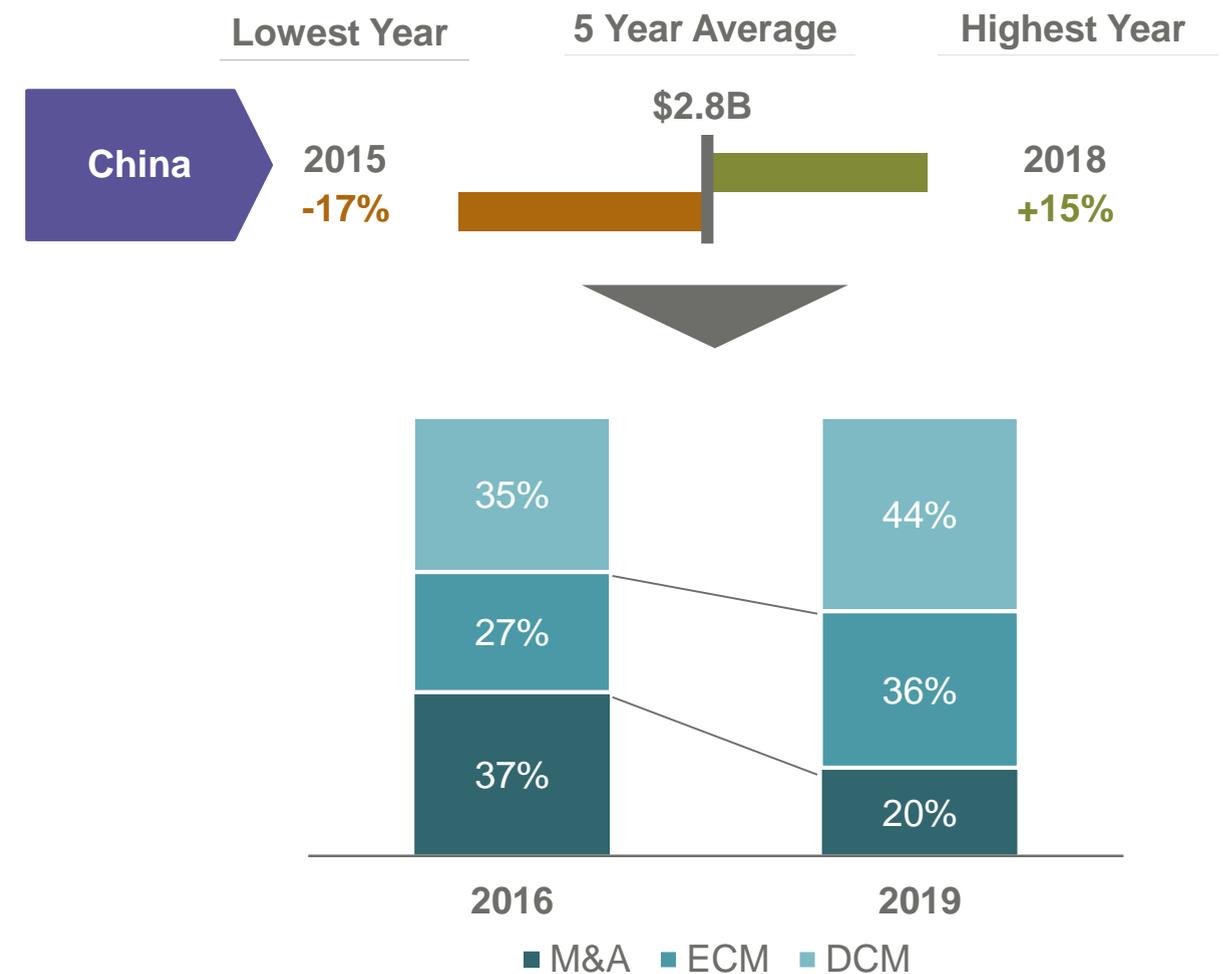
Continuity and completeness in coverage allows us to capture opportunity across sectors, regions, and products

**There is large variation in sector, region, and product wallets year over year**

**Sectors wallet (2015 - 2019)**



**Regional wallet (2015 - 2019)**

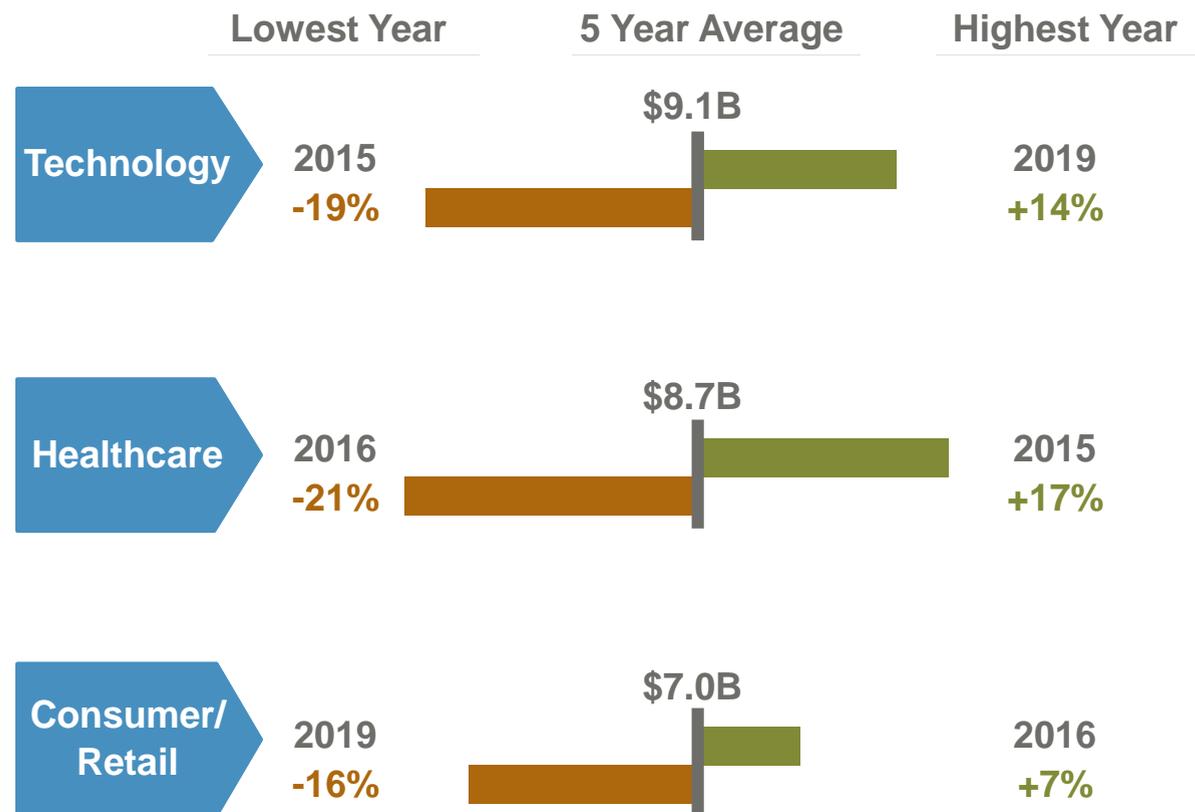


Source: Dealogic as of Jan. 2, 2020; ECM excludes shelf deals. DCM includes all Bonds, Loans, and other debt (i.e., Securitizations and Frequent Borrowers), excluding money market, short-term debt

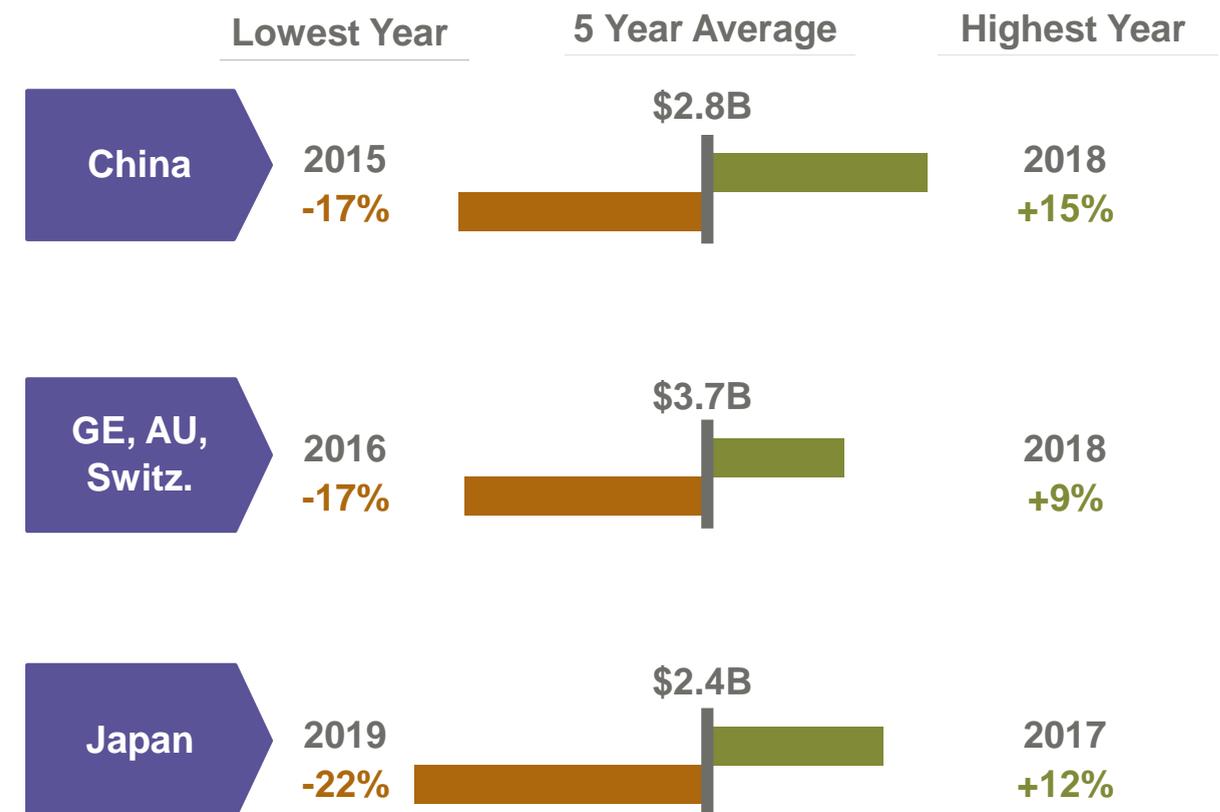
Continuity and completeness in coverage allows us to capture opportunity across sectors, regions, and products

There is large variation in sector, region, and product wallets year over year

### Sectors wallet (2015 - 2019)



### Regional wallet (2015 - 2019)



Delivering consistent financial performance requires consistent coverage across sectors, regions, and products, through the cycle

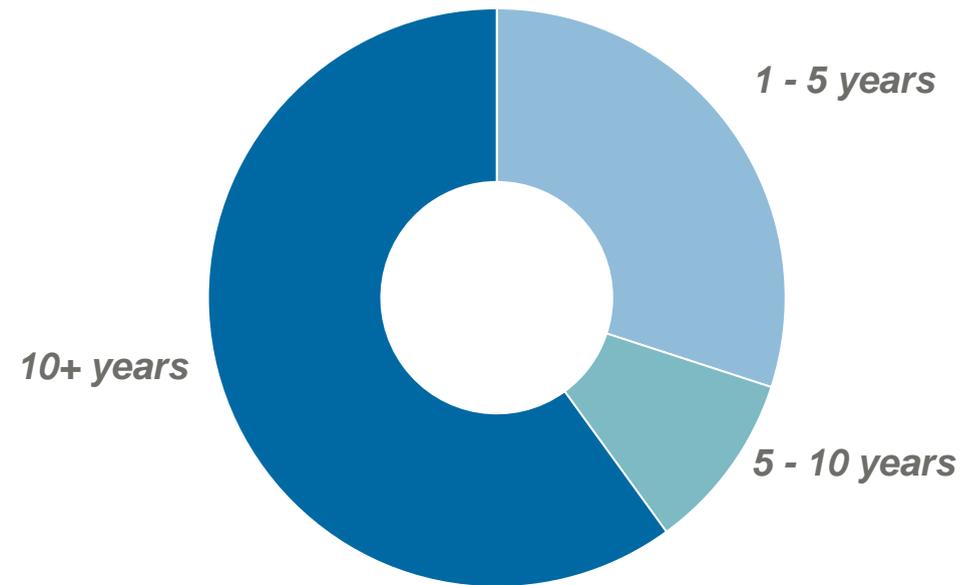
JPMC scale and diversity allows us to capture wallet across sectors, regions, and products through large fluctuations

Source: Dealogic as of Jan. 2, 2020; ECM excludes shelf deals. DCM includes all Bonds, Loans, and other debt (i.e., Securitizations and Frequent Borrowers), excluding money market, short-term debt

# Continuity and completeness in coverage across client segments

## Large episodic transactions frequency for clients (2015 - 2019)

% of clients that had a large episodic transaction every

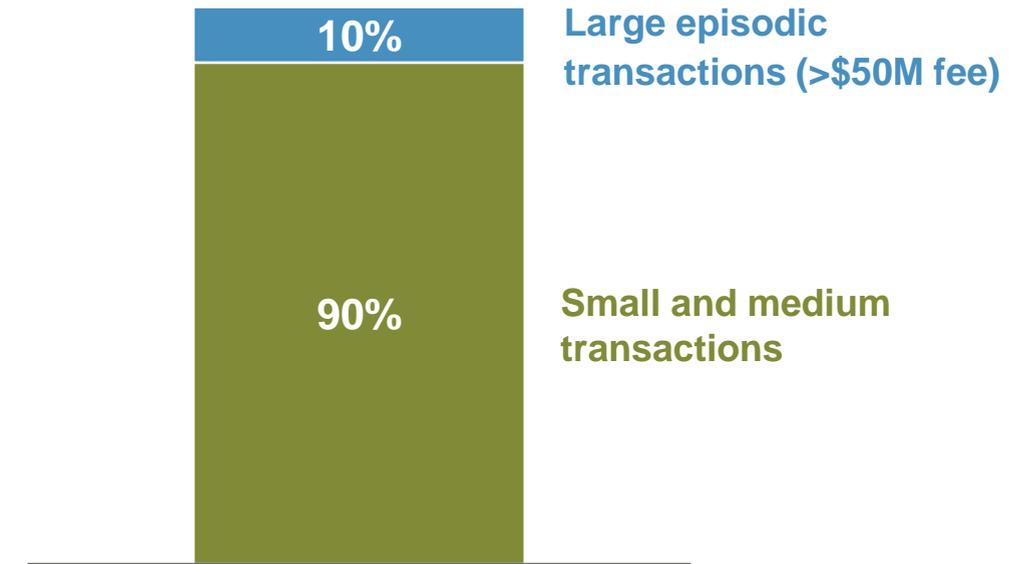


**7 Years** Average frequency that clients execute large episodic transactions (>\$50M fees)

**Our continuity and long term client relationships allow us to capture these large episodic transactions**

## Wallet composition across fee size (2015 - 2019)

% of annual wallet



**90%** of overall industry wallet is generated from small and medium transactions

**Our completeness allows us to capture wallet opportunities across client segments**

# We are targeted with our investments and have gained share selectively

## 2015 Sectors

25+ sectors



### Targeted investment

- Targeted 10 sectors...
- 6 sectors with **wallet \$4.5B+**
- 4 sectors with **rank 3 or below** and **wallet \$2.5B+**



## 2019 Outcomes

- **Improved rank** in 5 sectors
- Maintained **#1 in 4 sectors**

## 2015 Countries / Regions

25+ countries / regions



### Targeted investment

- Targeted 6 countries / regions with **wallet \$1.5B+**



## 2019 Outcomes

- **Improved rank** in 3 countries / regions
- Became **#1 in 2 countries / regions**

# We see significant opportunities for growth in a changing industry landscape

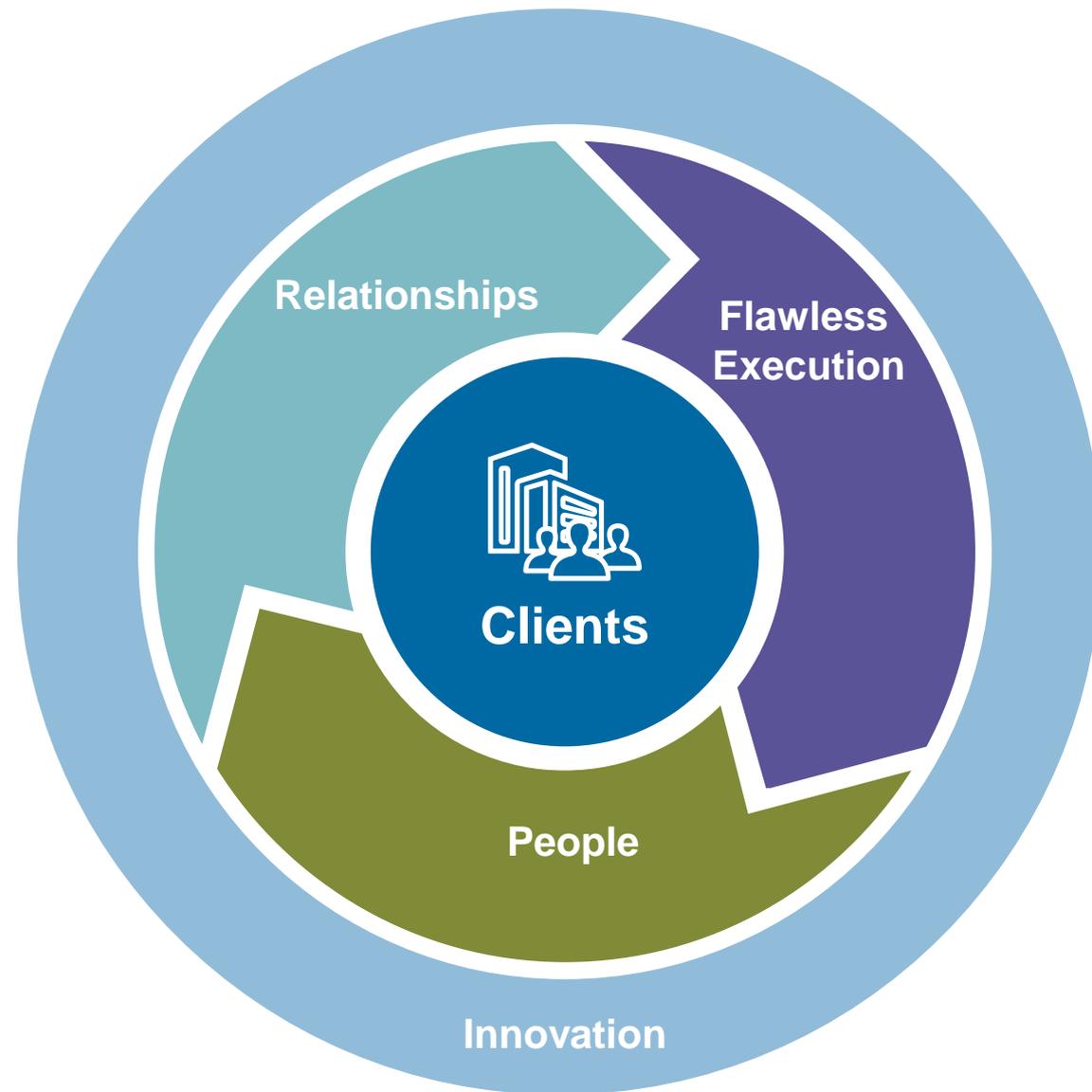


<sup>1</sup> Source: PitchBook Data, Inc.

<sup>2</sup> Source: Dealogic (\$62B)

<sup>3</sup> Source: McKinsey Global Private Markets Review 2019

We are investing in relationships, people, and execution, while innovating to better serve our clients and fuel our growth



### Relationships

#### Expanding and optimizing our coverage universe

- Leverage AI/ML to expand capacity
- Continuously review priorities
- Collaborate across all lines of business



### Flawless Execution

#### Evolving existing products and processes

- Best-in-class solutions for private companies
- Redesign IPO offering



### People

#### Hiring and retaining the best, diverse talent

- Leverage tech to grow workforce of the future
- Empower bankers



### Innovation

#### Investing in cutting-edge tech, analytics and delivery

- Provide data driven insights to clients
- Leverage data and tools to improve operating model
- Address pain points of workflow

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## Select topics for Securities Services

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**Our growth and performance**



**Perspectives on an evolving industry**



**Positioning our clients and our business for the future**

# Securities Services is a key strategic business for the CIB

## Our clients...



100% of our top 200 clients overlap with Markets and Banking<sup>1</sup>

## Our businesses...



## By the numbers...

**\$4.1B** revenue<sup>2</sup> in 2019

**#2** Custodian<sup>3</sup> with **~\$27T** in AUC<sup>2</sup>

**98** markets

**>20,000** daily NAVs<sup>4</sup>

<sup>1</sup> Based on analysis of CIB's client base using internal sales systems

<sup>2</sup> Refer to slide 31

<sup>3</sup> Source: Company filings

<sup>4</sup> Based on internal analysis using Fund Accounting systems

# Driving growth through new business wins, expansion of existing relationships, and investments in new capabilities and markets

## Growth Areas

### ■ Winning industry's biggest mandates

- Successfully completed largest transition in the history of our industry

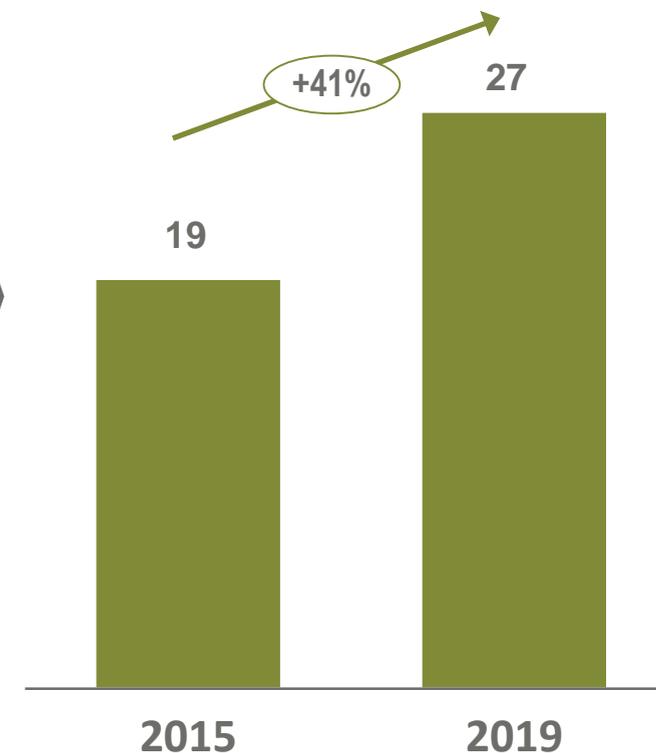
### ■ Retaining and growing with existing clients

- Record AUC and AUA growth
- Multi-trillion AUA growth realized in Fund Services, with additional multi-trillion of mandates being on-boarded

### ■ Investing in new growth potential areas

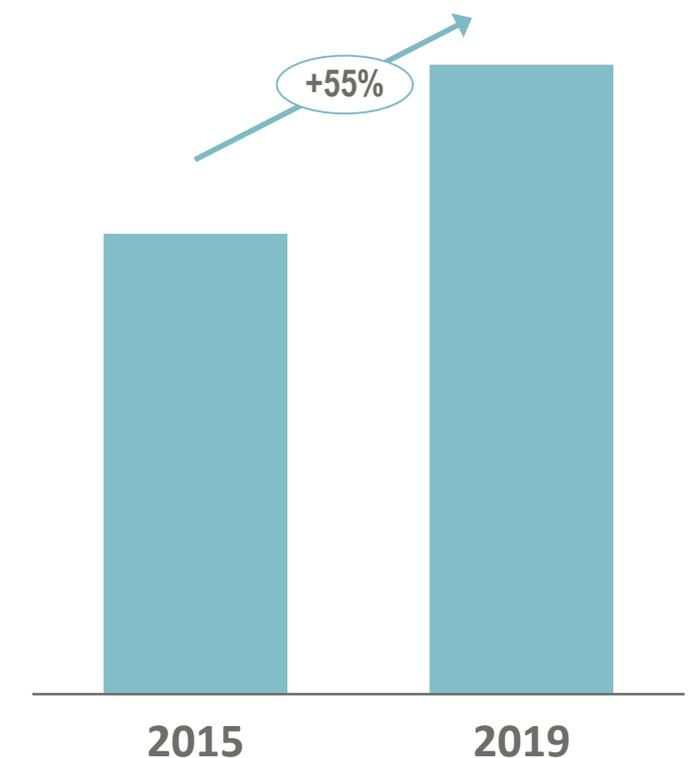
- New and enhanced product capabilities, including Alternatives, Analytics, Collateral Management, ETF servicing, Middle Office
- Expanded market capabilities, including China, Saudi Arabia

## Assets Under Custody<sup>1</sup> (\$T)



## Assets Under Administration

NOT TO SCALE



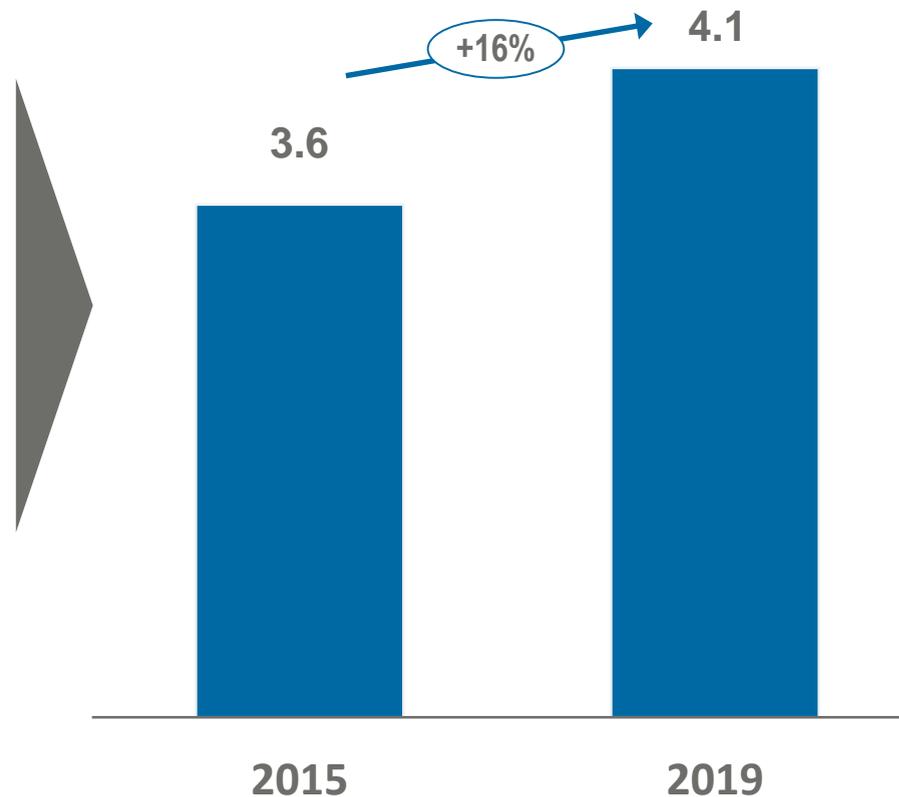
Note: For footnoted information, refer to slide 31

# Securities Services has delivered strong performance, despite headwinds

## Strong Performance

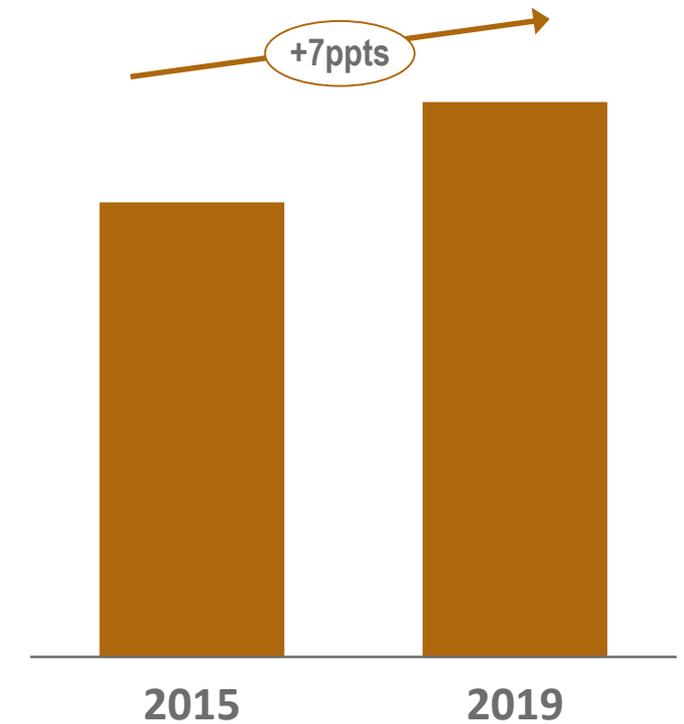
- **Growing revenue in a challenged environment**
  - Rate compression offset by fee and deposit growth
  - Record fee revenue, up +4% YoY
- **Investments driving scale and efficiency**
  - Investing through the cycle
  - Efficiency and scale improvements
  - Transparent engagement with clients on their cost drivers
  - Disciplined expense management

## Revenue<sup>1</sup> (\$B)



## Operating Margin<sup>1</sup>

NOT TO SCALE



Note: For footnoted information, refer to slide 31

# A changing industry landscape

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## Industry trends....

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**Margin compression**



**Increased complexity**



**Need for accurate,  
timely, integrated data**

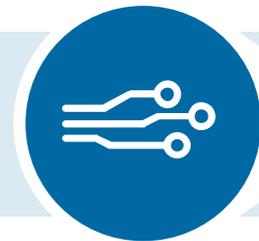
## ... are driving client needs for

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- Reduced costs
- Greater efficiencies
  
- Expertise and scale to support wider range of asset classes, markets, and investment styles
  
- Shared data environments
- Data and analytics

# Securities Services is uniquely positioned to help our clients achieve their goals

## Our strategy is centered around three key pillars



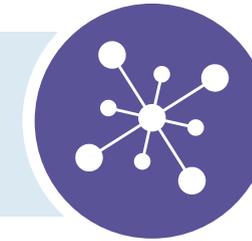
### Investing in technology with data at the core

- **'Data backbone'** provides a cohesive foundation across our platform
- Enables core services to connect **seamlessly**
- **Single channel connectivity** across products, regions and asset classes



### Leveraging the power of the Corporate & Investment Bank

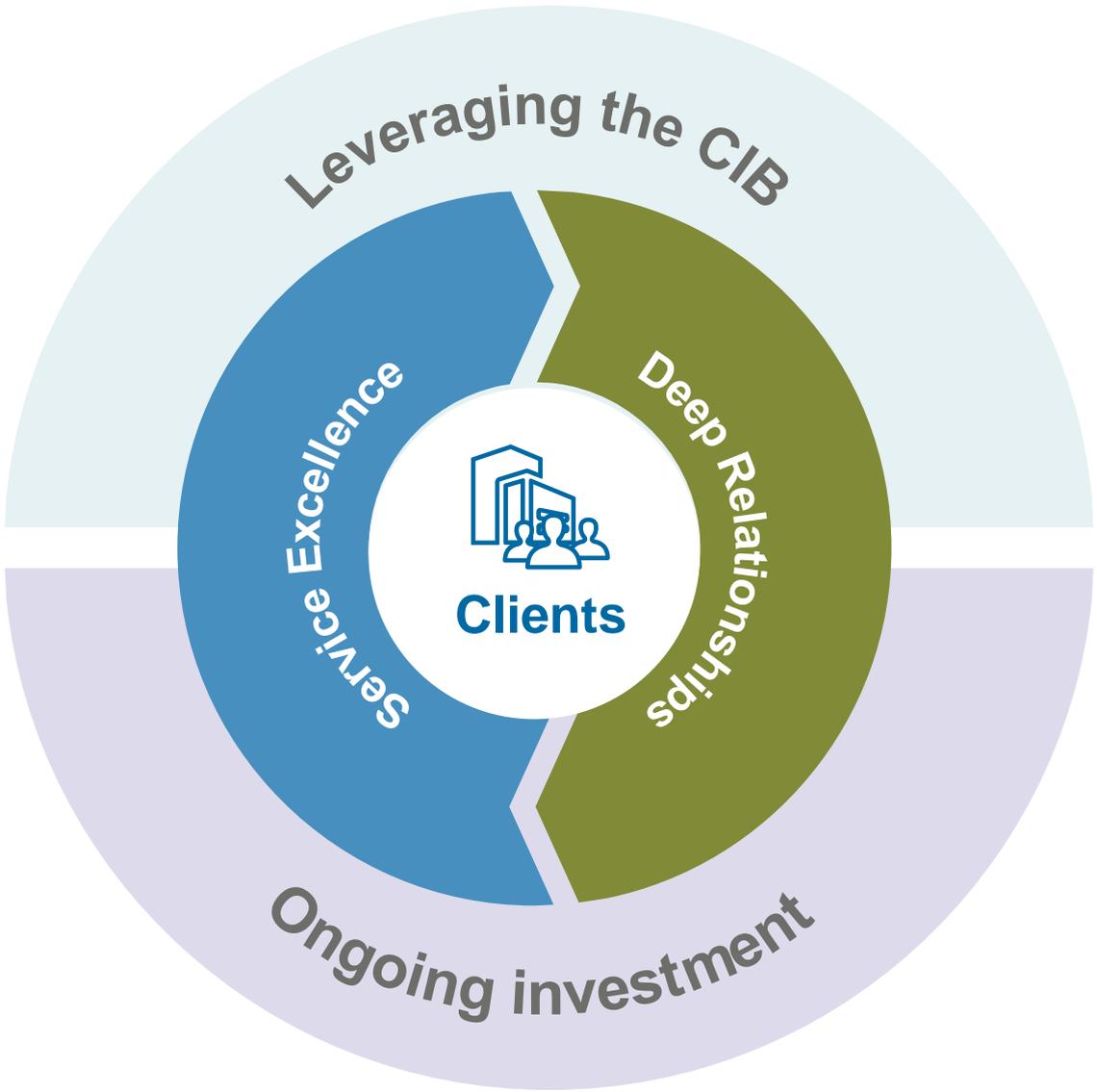
- **Leverage Corporate & Investment Bank (CIB) technology** investments in derivatives and investment analytics
- **Seamless integration** of derivatives to 'cross product data backbone'
- **Operational expertise** and **scale** in derivatives processing



### Delivering efficiencies to our clients through integrated front-to-back solutions

- Extended enterprise workflow to **increase end-to-end automation**
- **Strategic and scalable middle office solutions**
- **Front office solutions** leveraging CIB and third party tools

Combined with the power of the franchise, Securities Services is well positioned for the future



- 

**Deep Relationships**

  - Deep front-to-back client relationships
  - Insights into end-to-end client needs
  - Trusted expertise
  
- 

**Service Excellence**

  - Unwavering focus on delivery
  - Seamless execution at scale
  - Continuous improvements in efficiency
  
- 

**Leveraging the CIB**

  - Leveraging the capabilities of the CIB to benefit our clients
  - World class tools and capabilities
  - In-house expertise and scale
  
- 

**Ongoing investment**

  - Continued investment through the cycle
  - Scale and strength to maintain investments
  - Innovation to drive new opportunities

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# Foundational technology improvements designed to enhance productivity and quality of services



## Deepen and improve investment governance

- Continue to optimize our ~\$12B tech spend
- Reinvest efficiencies and roll-offs into infrastructure and workforce
- Drive higher portion of investment towards target state



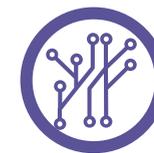
## Modernize our apps & infrastructure

- Migrate to fewer, more efficient data centers
- Increase speed of delivery through multi-cloud strategy
- Improve resiliency and scalability and drive greater reuse of components and services



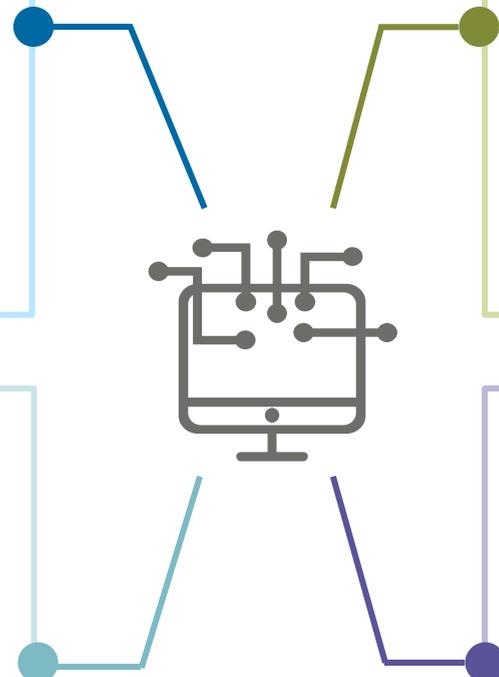
## Standardize and improve our software engineering practices

- Realize meaningful efficiency with common frameworks and training
- Improve speed to market through automated software delivery
- Empower engineers with tools to support continuous improvement

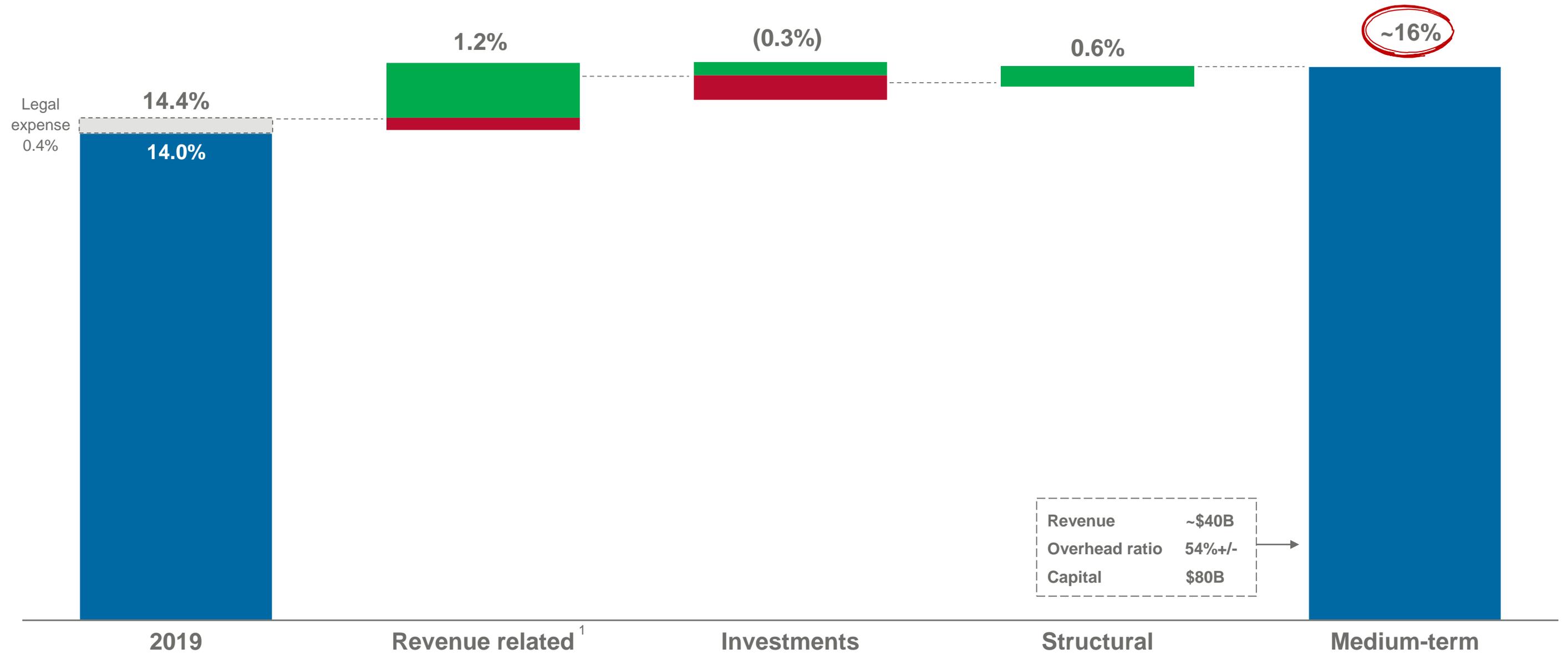


## Embrace and leverage new technologies

- Continue investment in upskilling talent
- Embed intelligence into business via AI and ML
- Create client value through deeper real time insights, new products and services, and enhanced control environment



# ROE walk: 2019 actuals to medium-term target



<sup>1</sup> Includes changes in revenues and revenue related expenses  
 Note: Excludes the impact of the Merchant Services business realignment, which will not materially impact CIB medium-term target

We are global, complete, and operate at scale; positioning us well to target growth opportunities

### Maintaining day-to-day discipline



Relentless focus on **client experience** and **ease of doing business**



**Best-in-class execution** and delivery of our strategic priorities



Unflinching risk, credit, capital, liquidity and expense **discipline**

### Optimizing our current model



Close **addressable gaps** in our wallet  ~\$3.5-5.5B



Accelerating **organic growth**



**Fortifying** our businesses to perform through the cycle

### Transforming for the future

Increased client breadth and depth

Omni-channel client connectivity

Best-in-class products and services

Integrated infrastructure



Invest in **new and emerging tech** to develop a future-proof infrastructure



**Reshaping our approach to data** to unlock the true power of ML & AI



Develop **new business opportunities** and create an unparalleled client experience

**Growth opportunity from both share gain and wallet expansion**

**ESG principles embedded in day-to-day operations and long-term strategy**

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# Notes on non-GAAP financial measures

1. The CIB provides certain non-GAAP financial measures, which exclude the impact of past business simplification and exit actions, and legal expense on revenue, expense, net income, return on equity ("ROE"), overhead ("OH") ratio, and Securities Services' revenue and assets under custody ("AUC"). Management believes this information helps investors assess the underlying performance of the business as well compare the CIB's and Securities Services' performance over the periods presented. These measures should be viewed in addition to, and not as a substitute for, the CIB's reported results. The tables below provide a reconciliation of reported results to these non-GAAP financial measures.

## Reconciliation of reported to adjusted results

Year ended December 31, (in millions, except where otherwise noted)		CIB				
		2015	2016	2017	2018	2019
(1) Revenue	Reported	\$ 33,671	\$ 35,340	\$ 34,657	\$ 36,448	\$ 38,298
	Adjustments:					
	Business Simplification	(353)	(220)	(86)	(47)	(27)
	<b>Adjusted</b>	<b>\$33,318</b>	<b>\$35,120</b>	<b>\$34,571</b>	<b>\$36,401</b>	<b>\$38,271</b>
(2) Expense	Reported	\$ 21,490	\$ 19,116	\$ 19,407	\$ 20,918	\$ 21,519
	Adjustments:					
	Business Simplification	(402)	(243)	(139)	(103)	(44)
	Legal Expenses	(1,505)	(32)	18	(205)	(381)
	<b>Adjusted</b>	<b>\$ 19,583</b>	<b>\$ 18,842</b>	<b>\$ 19,287</b>	<b>\$ 20,611</b>	<b>\$ 21,094</b>
(3) Net Income	Reported	\$ 8,090	\$ 10,815	\$ 10,813	\$ 11,773	\$ 11,922
	Adjustments:					
	Business Simplification	7	14	33	42	12
	Legal Expenses	1,100	58	(17)	184	347
	<b>Adjusted</b>	<b>\$ 9,197</b>	<b>\$ 10,887</b>	<b>\$ 10,829</b>	<b>\$ 11,999</b>	<b>\$ 12,281</b>
(4) ROE	Reported	12%	16%	14%	16%	14%
	<b>Adjusted</b>	<b>14%</b>	<b>16%</b>	<b>14%</b>	<b>16%</b>	<b>14%</b>
(5) OH Ratio	Reported	64%	54%	56%	57%	56%
	<b>Adjusted</b>	<b>59%</b>	<b>54%</b>	<b>56%</b>	<b>57%</b>	<b>55%</b>

As of or for the year ended December 31, (in millions, except where otherwise noted)		Securities Services		
		2015	2018	2019
(6) Revenue	Reported	\$ 3,777	\$ 4,245	\$ 4,154
	Adjustments:			
	Business exit	(191)	(48)	(12)
	<b>Adjusted</b>	<b>\$3,586</b>	<b>\$4,197</b>	<b>\$4,142</b>
(7) AUC (period-end) (in billions)	Reported	\$ 19,942	\$ 23,217	\$ 26,831
	Adjustments:			
	Business exit	(1,025)	(250)	(192)
	<b>Adjusted</b>	<b>\$18,917</b>	<b>\$22,967</b>	<b>\$26,639</b>

# Notes on slide 4 – CIB has strong track record of gaining market share and establishing leadership globally

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1. Competitor analytics reflects JPMorgan Chase's share of the global industry revenue pool and is based on JPMorgan Chase's business structure. Includes co-ranked positions
  - Source: Dealogic as of Jan. 2, 2020 for GIB, ECM, DCM, and M&A rank analysis
  - Source: Coalition Competitor Analytics for Markets, TS, SS, and Banking (GIB + Treasury Services +Trade Finance) based on following peer-sets
    - Markets (BAC, BARC, BNPP, CITI, CS, DB, GS, HSBC, JPM, MS, SG and UBS)
    - Treasury Services (BAC, BNPP, CITI, DB, HSBC, JPM, SG, SCB and WFC)
    - Securities Services (BAC, BBH, BNY, CITI, CACEIS, DB, HSBC, JPM, NT, RBC, SCB, SS, and SG)
  - The 24 businesses include CIB, Banking (GIB + Treasury Services +Trade Finance), GIB, M&A, ECM, DCM, Treasury Services, Trade Finance, Securities Services, Markets, FICC, G10 Rates, G10 FX, EM Macro, Commodities, Credit, SPG, Public Finance, G10 Financing, Equities, Cash Equities, Equity Derivatives, Prime Brokerage, F&O
2. Analysis reflects top 5 peers within peer-set
3. Peer numbering may be different across slides
4. EMEA and APAC do not include Public Finance

## Notes on slide 7 – We have leading positions in our markets businesses, and continue to gain share

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1. Source: Coalition, preliminary 2019 market share analysis reflects JPMorgan Chase's share of the global industry revenue pool and is based on JPMorgan Chase's business structure. FY19 analysis is based on preliminary results and peer-set BAC, BARC, BNPP, CITI, CS, DB, GS, HSBC, JPM, MS, SG and UBS
2. Peer numbering may be different across slides

## Notes on slide 10 – Treasury Services has experienced significant revenue growth despite rates headwinds

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1. Source: Coalition, preliminary 2019 Competitor analysis reflects JPMorgan Chase's share of the global industry revenue pool and is based on JPMorgan Chase's business structure. FY19 analysis is based on preliminary results and peer-set BAC, BNPP, CITI, DB, HSBC, JPM, SG, SCB and WFC
2. Analysis reflects top 3 peers within peer-set
3. Peer numbering may be different across slides