

CORPORATE & INVESTMENT BANK

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Topics for discussion

Financial performance

- Best-in-class returns with low revenue volatility
- Leading market share across all major business lines
- World-class franchise: unique scale, completeness, global reach
- Strong long-term prospects

Strategy by business

- No significant change to 2014 strategy
- Good track record of optimizing business under multiple constraints
 - Now executing on plan for G-SIB optimization

Expense update

- Targeting \$2.8B expense reduction to achieve 2017 expenses of \$19B and an overhead ratio of 55-60%
- Significant upside from capturing efficiencies in technology and operations

Conclusions

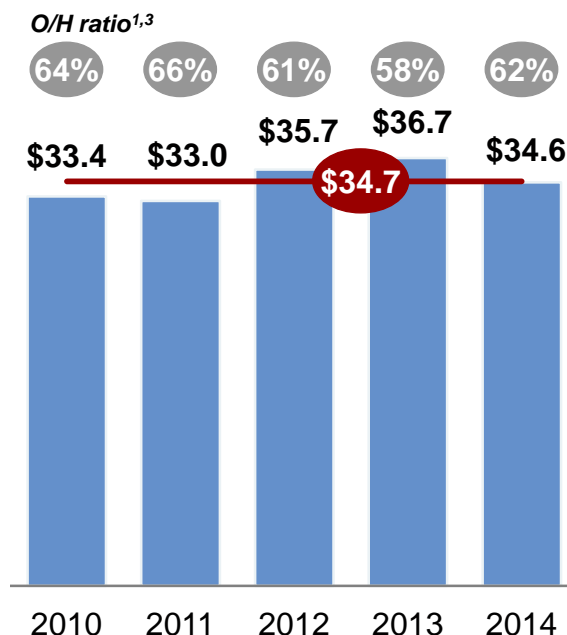
- Updated 13% ROE target at 12.5% CET1
- Additional upside from secular trends and potential market adjustments

Agenda

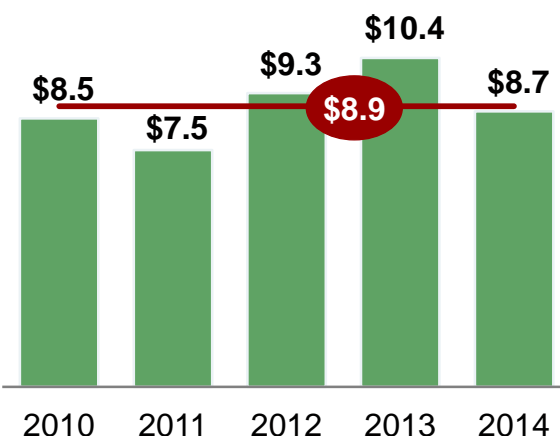
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CIB has a proven track record of strong and stable performance despite recent headwinds

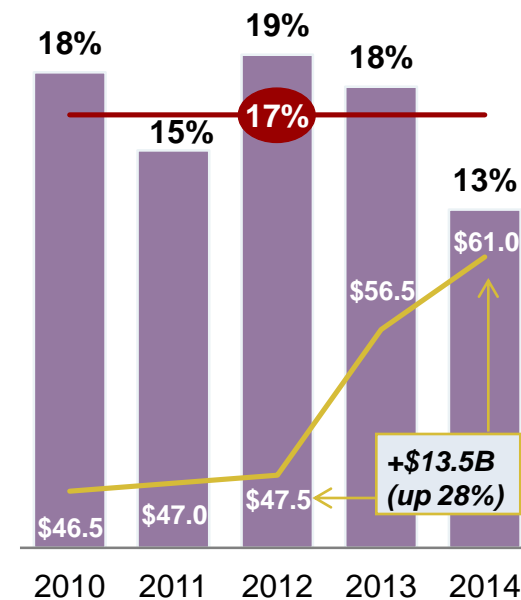
Net revenues and O/H^{1,2} (\$B)



Net income^{1,2,3} (\$B)



ROE^{1,3} (%) and capital (\$B)



Highlights

- Unparalleled client franchise with over 51,000 employees in 60 countries serving 7,200 of the world's most significant corporates and financial institutions, governments and non-profit institutions
- Consistently delivered market leading financial performance – over \$34B in net revenue in 2014, largest in the industry
- #1 Global IB franchise, #1 Markets franchise, leading Research platform, and a top tier Transaction Services business

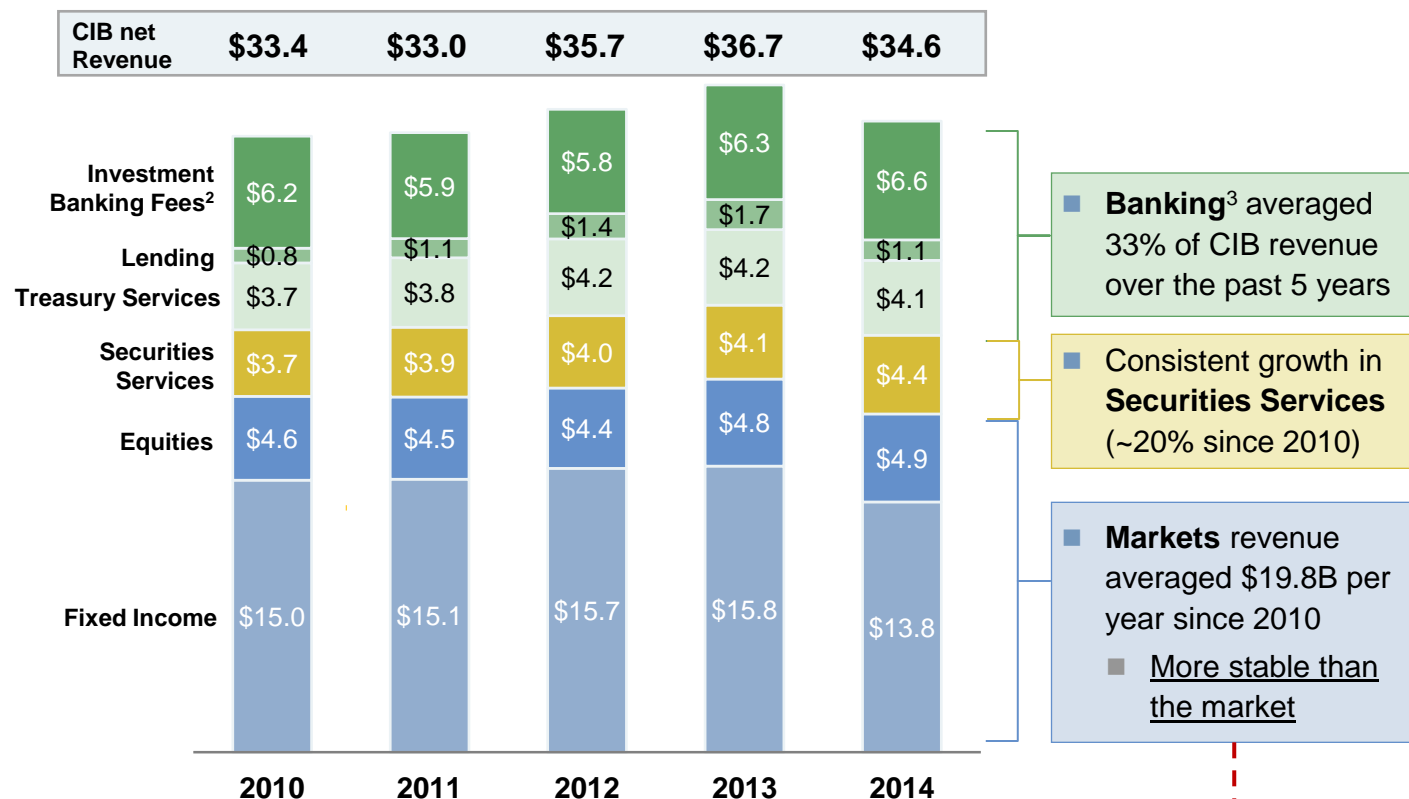
¹ Net revenues, net income, ROE, and overhead ratio excluding FVA (effective 2013) and DVA, are non-GAAP financial measures. Throughout this presentation, CIB provides several non-GAAP financial measures which exclude the impact of FVA (effective 2013) and DVA on: revenues, net income, overhead ratio, comp/revenue ratio, non-comp/revenue ratio and return on equity. These measures are used by management to assess the underlying performance of the business and for comparability with peers. For additional information on non-GAAP measures, please refer to the Notes section of the Firmwide presentation.

² All years are restated for preferred dividends.

³ All years are restated to exclude the impact of legal expense.

Revenue diversification and scale drive stability

CIB Revenue by Line of Business (\$B)¹



Volatility⁴

	CIB	Markets	Fixed Income	Equities
JPM	4%	4%	6%	4%
Top-10 Peers	6%	11%	15%	7%

¹ CIB net revenue excludes FVA/DVA for 2013 and prior years; product splits additionally exclude the remaining impact of Credit Adjustments & Other.

² Investment Banking fees include fees booked in Markets businesses.

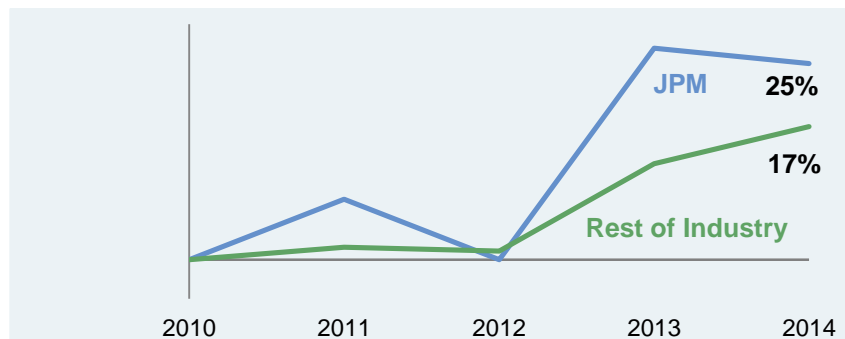
³ Banking includes Investment Banking fees, Treasury Services, and Lending revenue.

⁴ Standard deviation divided by average over 2010-2014 period.

Strong share position and gains over multi-year period

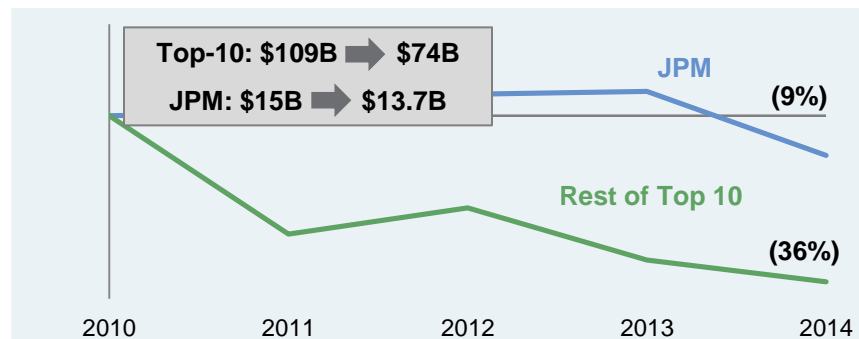
2010 – 2014 Growth in Revenue Pools by Product (charts indexed to 2010)

Global IB Fees – Dealogic¹



JPM share	7.6%	8.1%	7.5%	8.5%	8.1%
JPM rank	#1	#1	#1	#1	#1

Fixed Income Markets²



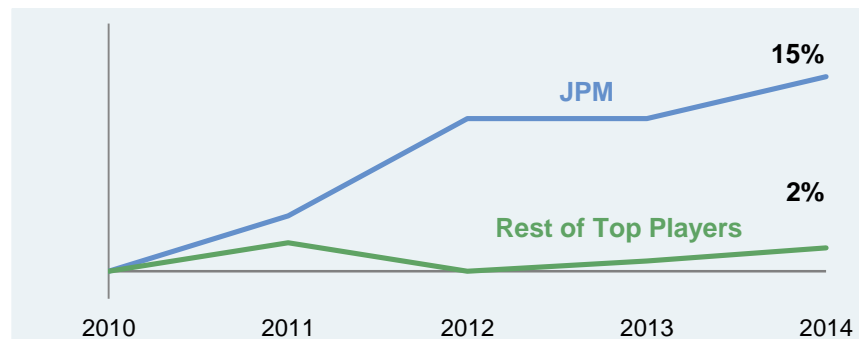
JPM share	13.8%	17.8%	17.2%	19.7%	18.6%
JPM rank	#1	#1	#1	#1	#1

Equity Markets²



JPM share	10.3%	11.2%	12.0%	11.0%	11.5%
JPM rank	#5	#4	#4	#4	#3

Treasury Services + Securities Services^{3,4}



JPM share	10.3%	11.2%	12.0%	11.0%	11.5%
JPM rank	#5	#4	#4	#4	#3

← Treasury Services: Top 2; Sec. Services: Top 3 →

¹ Industry revenue pool; revenue, wallet rank and share per Dealogic.

² Revenues of 10 leading peers (JPM, GS, MS, C, BAC, CS, BARC, UBS, DB, HSBC), excluding FVA/DVA & one-time items and includes JPM preferred restatement; HSBC and BARC as of LTM3Q14; Based on 4Q exchange rates across non-USD reporting peers.

³ TS: Market includes JPM, Citi, BAC, DB, HSBC, BNP and BoNY; JPM/BAC inclusive of firm-wide TS revenue; SS: Market includes JPM, Citi, HSBC, BoNY, STT, NTRS, Soc Gen and BNP; NTRS FY 2014 derived from 3Q YTD run rate.

⁴ FY10 JPM/TS revenue is restated to exclude Commercial Card and Standby Letters of Credit.

We continue to have market-leading positions in most products

■ Top 3 ■ 2nd Tier ■ 3rd Tier

Competitive ranking in 16 product areas

	JPM				Peer 1	Peer 2	Peer 3	Peer 4	Peer 5	Peer 6	Peer 7	Peer 8
	2006	2010	2013	2014	2014							
Total leadership positions	8	12	15	15	7	5	5	7	5	2	0	2
BANKING (FY2014)¹												
Bond underwriting	2	1	1	1	■	■	■	■	■	■	■	■
Loan syndication	1	2	1	1	■	■	■	■	■	■	■	■
ECM	3	2	2	3	■	■	■	■	■	■	■	■
M&A	2	2	2	2	■	■	■	■	■	■	■	■
USD clearing ²	1	1	1	1	--	■	--	■	■	--	■	■
MARKETS (3Q14YTD)³												
Total Fixed Income	7	2	1	1	■	■	■	■	■	■	■	■
G10 rates	2	7	1	1	■	■	■	■	■	■	■	■
Credit	5	1	2	3	■	■	■	■	■	■	■	■
G10 foreign exchange	1	3	2	2	■	■	■	■	■	■	■	■
Securitization	10	1	1	1	■	■	■	■	■	■	■	■
Emerging markets	2	2	3	3	■	■	■	■	■	■	■	■
Commodities	5	4	1	1	■	■	■	■	■	■	■	■
Public finance	5	3	3	3	■	■	■	■	■	■	■	■
Total Equities	8	4	4	3	■	■	■	■	■	■	■	■
Cash equities	8	8	6	6	■	■	■	■	■	■	■	■
Derivatives & converts	5	3	1	1	■	■	■	■	■	■	■	■
INVESTOR SERVICES (3Q14YTD)³												
Prime brokerage	9	5	2	2	■	■	■	■	■	■	■	■
Futures & options	9	2	2	2	■	■	■	■	■	■	■	■

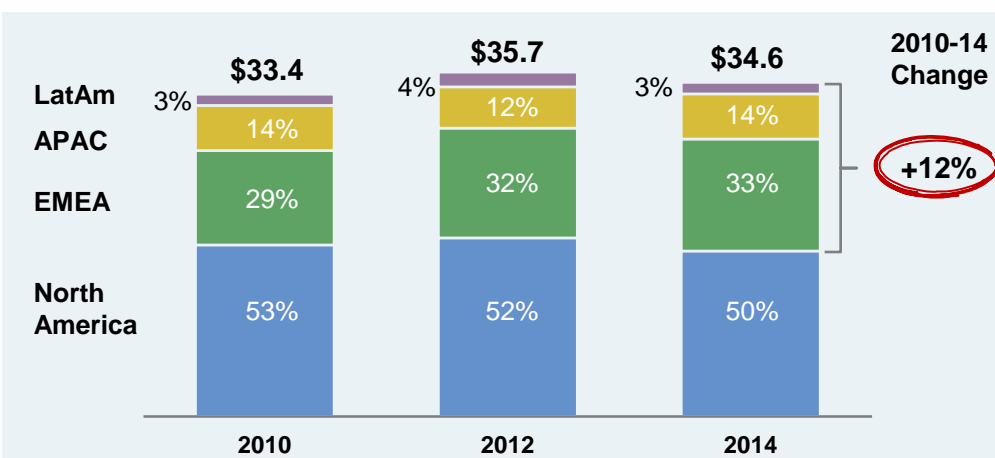
¹ Dealogic wallet rankings.

² CHIPS & Fedwire report.

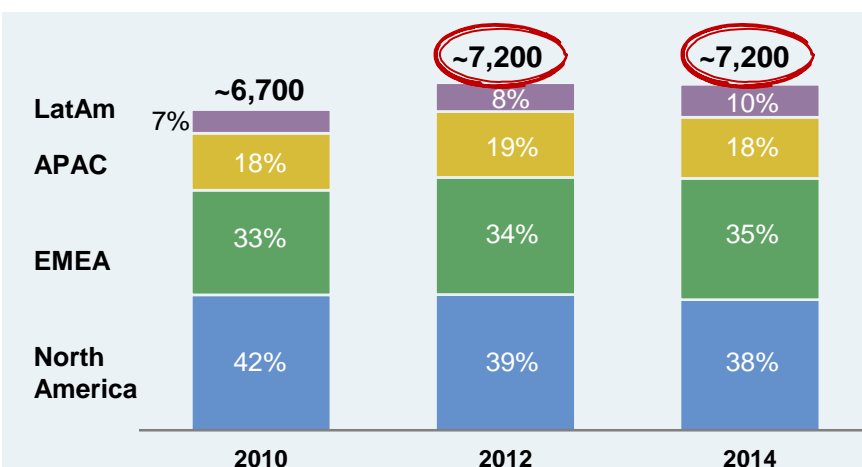
³ 2006 based on JPM internal estimates and JPM excluding Bear Stearns; 2010, 2013 and 3Q14YTD based on Coalition for Markets and Investor Services; Coalition Top 10 banks include: BAML, BARC, BNPP, CITI, CS, DB, GS, JPM, MS, UBS; Coalition outside-in estimates of JPM and competitor revenues; All competitor and JPM estimates have been provided based on JPM's internal structure.

International business with our core global clients has driven revenue growth

Revenue (\$B)



Number of clients¹



Key international metrics

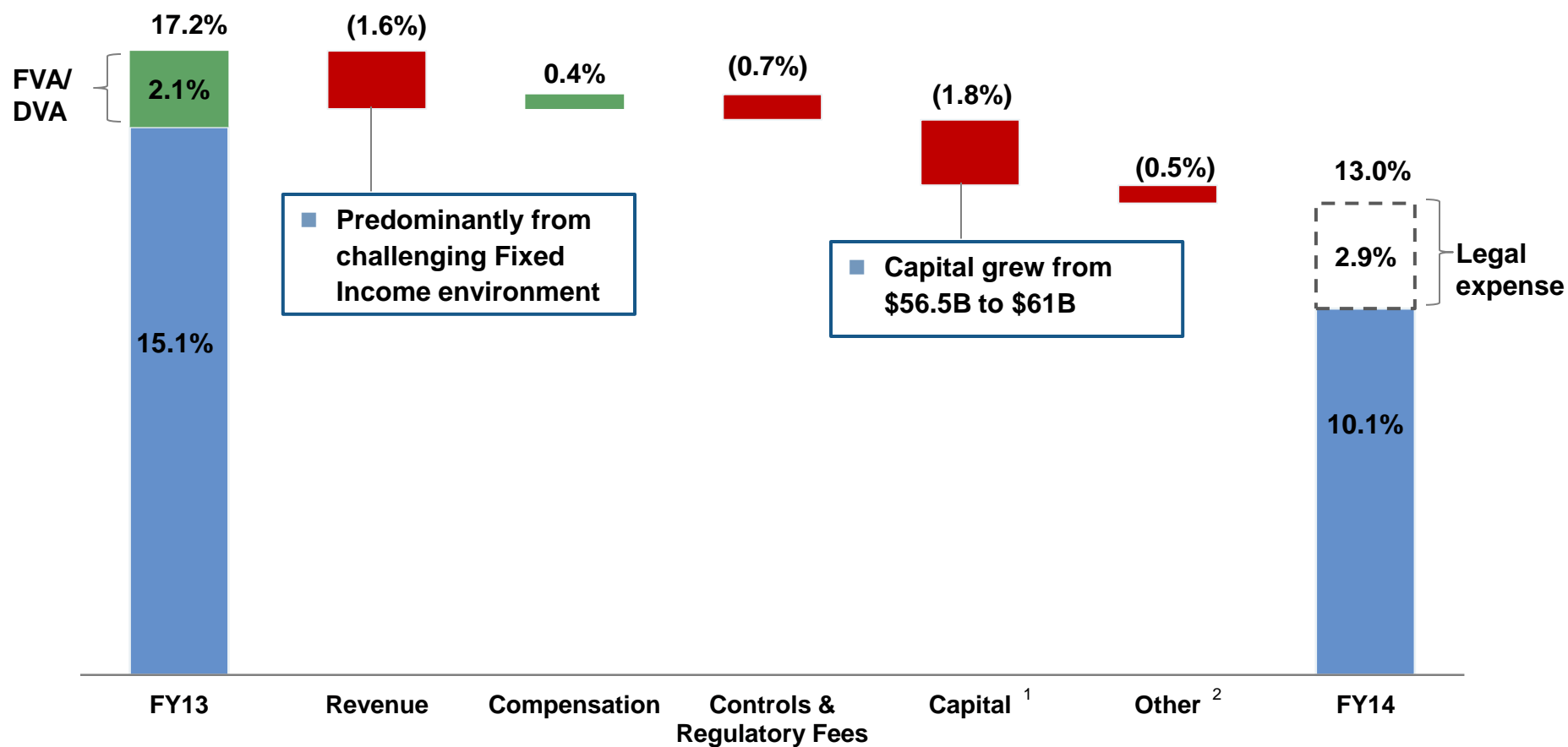
- International growth largely driven by EMEA market share gains
 - In 2014, improved from #2 to #1 in EMEA IB fees, with 7.5% of market share (up from 6.2% in 2012)
- Cross-border revenues with Corporate clients grew 13% between 2011 and 2014
- Assets under custody grew 36% between 2010 and 2014 from \$6.3T to \$8.6T
- Focus on cross-sell to existing clients
 - ~50% of international clients use 5+ products²
 - Single-product clients declined more than 30% between 2011 and 2014²

¹ Clients segmented by region of parent domicile. Only includes clients with \$50K+ in revenue.

² Products included are: Corporate Finance, Securitized Products, TS-Cash, TS-Liquidity, Trade, Credit, Commodities, FX, Rates, Equities, Credit Markets, IS-Custody, IS-Financing, IS-ACCE, AM, and Card.

ROE decline in 2014 driven by lower revenue, higher capital requirements, and higher controls related / legal expenses

CIB Normalized ROE walk – FY 2013 to 2014

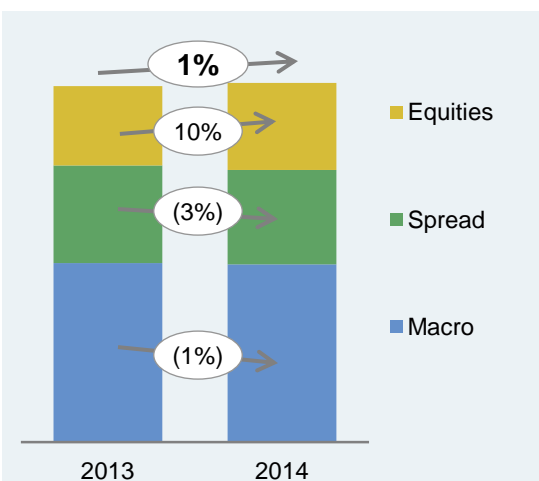


¹ Includes impact of higher preferred stock dividends.

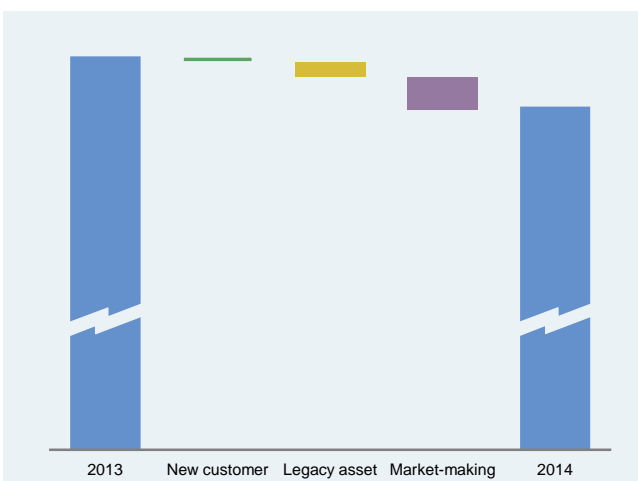
² Other includes the net effect of business simplification, credit costs, and other.

Markets franchise client activity remained stable in 2014, but low volatility challenged monetization

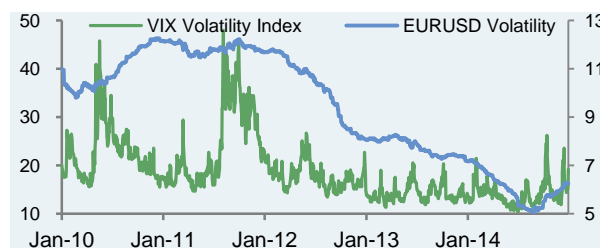
Client volumes were slightly higher, with some volatility across asset classes...



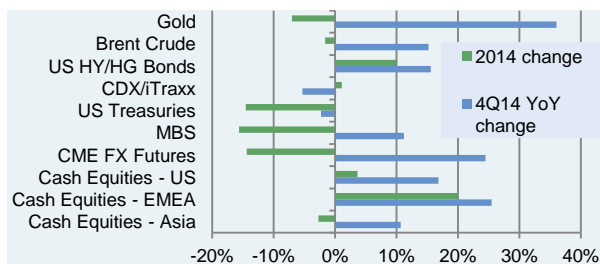
...with overall revenue decline driven primarily by a more challenging market-making environment.



In Q4, volatility finally began to pick up...

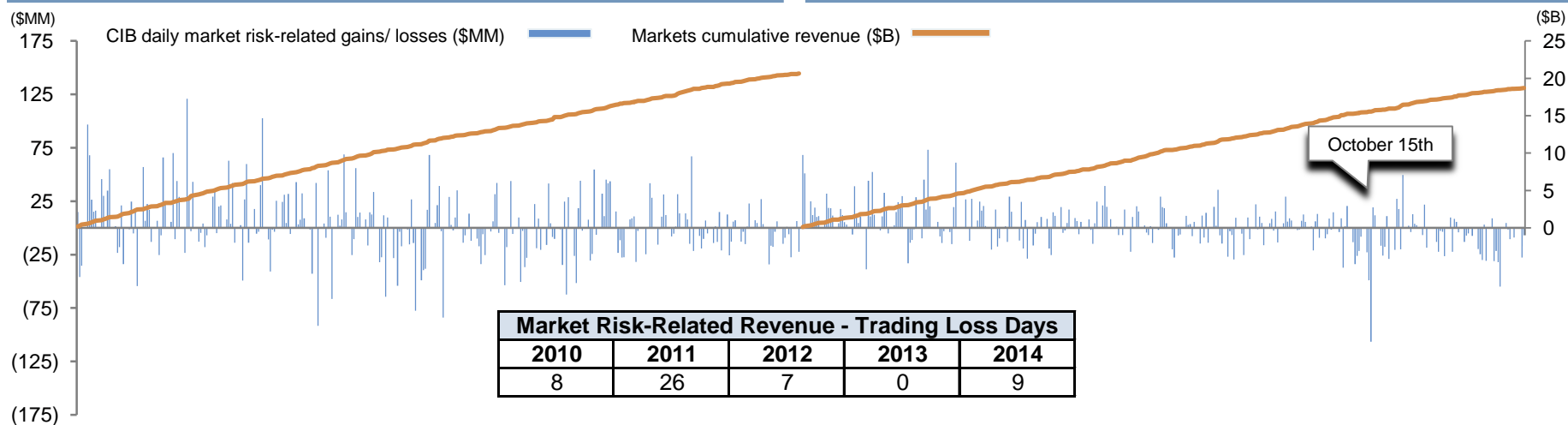


...as did market volumes.



2013 CIB daily market risk-related gains & losses on covered positions and Markets cumulative revenue¹

2014 CIB daily market risk-related gains & losses on covered positions and Markets cumulative revenue¹



¹ From "Regulatory Capital Disclosure – Market Risk Pillar 3 Report", December 31, 2013 and December 31, 2014. Market risk-related gains and losses are defined as profits and losses on covered positions, excluding fees, commissions, certain valuation adjustments (e.g., liquidity and DVA), net interest income, and gains and losses arising from intraday trading. 2013 disclosure includes full year net losses on certain market risk hedges of CVA, which are no longer considered covered positions following the final Basel III rules (effective Jan 1, 2014).

We have successfully completed a number of business exits and simplification initiatives

Business exits completed

- ✓ Global Special Opportunities Group (GSOG)
- ✓ Physical Commodities
- Prepaid Cards
 - ✓ HSA Card (Health Savings Accounts)
 - Corporate Prepaid Card (*exit ongoing*)
 - Public Sector Prepaid Card (*exit ongoing*)
- ✓ Commercial Paper Issuing and Paying Agent¹

Business simplification

- Client rationalization
 - ✓ Select Foreign Correspondent Banks
 - ✓ Tail and inactive accounts
 - ✓ Majority of Broker Dealer Services (BDS) business

We are focused on a set of core businesses that are most relevant to our clients
We have exited and will continue to exit businesses and products that are non-core or no longer fit our risk profile

¹ Business within Investor Services that provides operational and payment services associated with 3rd party issuance of commercial paper.

Agenda

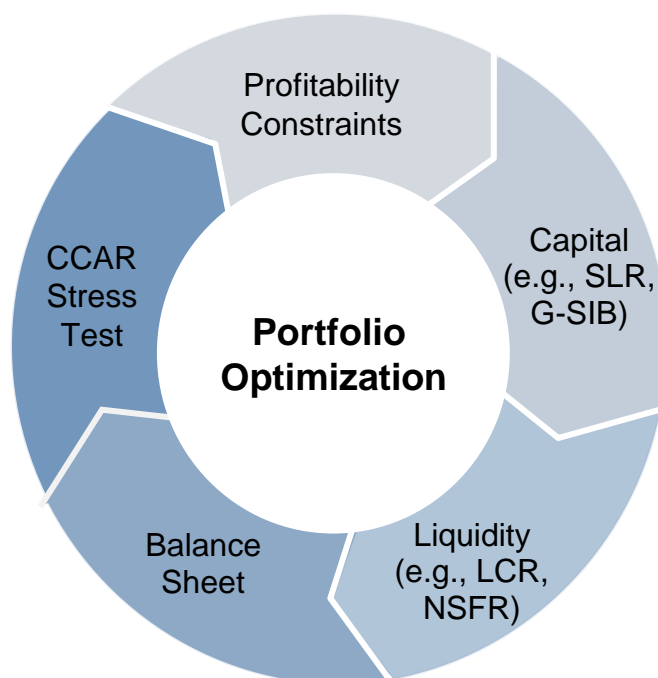
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Strategy Overview

Strategy from last year

- CIB **scale, completeness** and **global network** facilitates an integrated client coverage model, leading to best-in-class ROEs
- **Optimize** business mix while **investing** in core growth opportunities
- **Adapt** to evolving regulatory landscape and market structure changes
- Maintain **expense discipline** while absorbing increased regulatory and controls costs

New constraints need to be considered

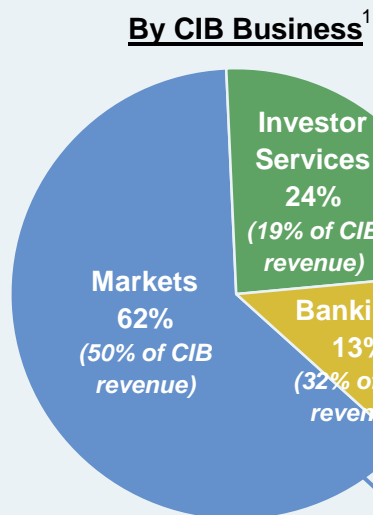
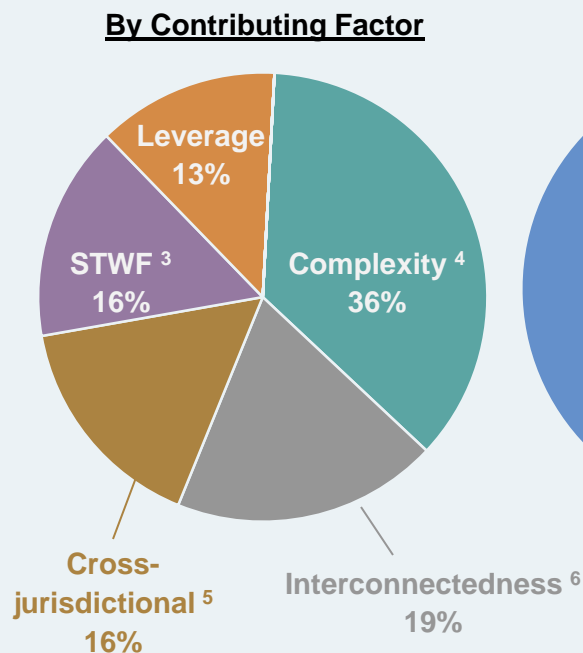


Going forward

- **The core elements of our strategy are still valid**
- **Need to continue to optimize our strategy – including G-SIB**
- **CIB taking action to achieve and maintain firmwide 4.0-4.5% G-SIB target**

Major drivers of G-SIB impact in the CIB

CIB G-SIB impact



Key G-SIB activities

- OTC clearing
- Intermediation
- Non-operating deposits
- Prime Brokerage

- Non-operating deposits
- Lending & commitments (incl. Trade Finance)

- OTC derivatives notional
- Level 3 assets
- Trading assets & securities financing

Comments

Banking & Investor Services

- Most products are not meaningfully G-SIB sensitive (e.g., IB Fees)
- Fine-tuning required in select areas (e.g., Prime Brokerage). We believe that can be achieved with limited financial impact
- A few stand-alone businesses as currently operating could be significantly impacted (e.g., OTC client clearing, derivatives intermediation); Non-operating deposits are heavily impacted as well
- Will work with clients to find the best solution in each area

Markets

- Almost all businesses contribute to G-SIB score, but many of the most significant reduction levers are low cost (e.g., OTC notionals)

¹ CIB by business split as per internal hierarchy.

² Banking includes Investment Banking fees, Treasury Services, and Lending.

³ Short-term wholesale funding.

⁴ OTC Derivatives; Level 3 assets; Trading book/AFS securities.

⁵ Cross-jurisdictional assets and liabilities.

⁶ Intra-financial assets and liabilities; Marketable securities.

Impact of implemented and proposed capital rules on the cost of OTC client clearing

JPM OTC Client Clearing strategy prior to G-SIB and SLR

- Focused on building a leadership position to help our clients clear
- Build expenses have preceded revenue; however, we expected attractive returns at scale and maturity
- Our business case was not built on halo revenues or synergies with other business lines

Impact of capital rules on clearing economics

- The cost of OTC clearing has changed for all clearing members that are G-SIB or SLR constrained
 - Illustrative analysis suggests a 10% market share equates to 3–6x of additional capital for a constrained institution

G-SIB Impact	10% of industry	Market share	Weighting	Factor
Size	\$10.9B	0.01%	20%	0.5
Cross jurisdictional	\$1.3B	0.01%	10%	0.1
Interconnectedness	\$8.4B	0.08%	6.7%	1.1
Complexity	\$3.6T	0.41%	6.7%	5.4
Total G-SIB factor				7.1
Additional capital		3x – 6x		

SLR Impact	10% of Industry
Segregated cash	\$2.5B
PFE add on	\$8.4B
Total leverage asset	\$10.9B
Additional capital	5x – 6x

Potential outcomes for the industry

- Current market economics are incompatible with capital rules in their current form for many of the leading clearing providers
 - Whether bound by SLR or G-SIB, capital requirements increase by a significant multiple
- Non-bank affiliated clearers unlikely to have the size, scale and liquidity required to support material market share
- Possible outcomes for the OTC derivatives clearing market:
 - Pricing increases to a multiple of its current level
 - Capital rules align more closely to economic risk
 - OTC clearing providers that are G-SIB or SLR constrained exit the market

Our G-SIB strategy will involve optimizing across clients, products, and G-SIB factors

G-SIB activities by select client segments

		Hedge Funds	Long only Asset Managers	Corporates	Banks
Investor Services	OTC clearing	✓	✓		✓
	Intermediation	✓			
	Non-operating deposits	✓	✓		
	Prime Brokerage	✓			
Banking	Non-operating deposits	✓		✓	✓
	Lending & commitments (including trade finance)		✓	✓	✓
Markets	OTC derivatives notional	✓	✓		✓
	Level 3 assets	✓	✓	✓	✓
	Trading assets & secured financing	✓	✓		✓

✓ = Significant client usage

Comments

- We are a client-oriented franchise and must optimize with our clients' needs in mind
- We are taking aggressive action now which will reduce our G-SIB score while minimizing franchise impact
- Prepared to take further action to deliver on firmwide targeted operating range
- Time and regulatory clarity will be key dimensions in our execution

Global Investment Banking

Strategy

- Invest in industries, products and regions (e.g., Emerging Markets) where JPM has gaps, to benefit from cyclical and secular upswings
- Deliver the entire suite of capabilities and capture synergies across CIB
- Continue to penetrate U.S. mid-cap clients with our Commercial Bank

Capital / G-SIB optimization

- Client prioritization and balance sheet usage optimization
- Pricing discipline on commitments and lending

Expenses

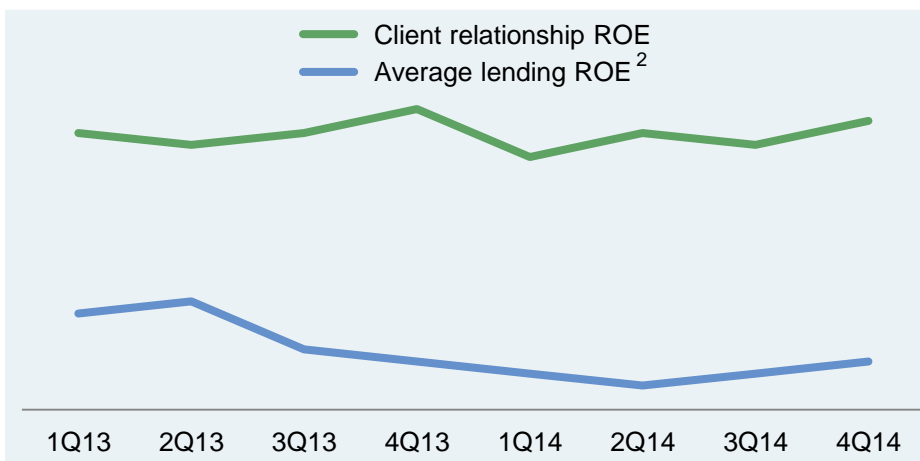
- Continue to focus on cost discipline
- Optimize client coverage

Addressing our areas of weakness

■ Top 3 ■ 2nd Tier ■ 3rd Tier

FY2014 rankings ¹	Global	NA	EMEA	LatAm	Asia
M&A	2	2	1	7	8
ECM	3	2	1	3	8
Bond underwriting	1	2	2	4	7
Loan syndication	1	1	2	8	17
Overall IB fees	1	1	1	5	8
Total wallet	\$80B	52%	28%	2%	18%

Delivering the entire suite of CIB products leads to strong client ROE despite low lending returns



¹ Dealogic wallet rankings and market share.

² Average lending ROE normalized for one-off P&L items and credit costs.

Treasury Services

Strategy

- Reposition business towards global multinational corporates
- Capture cross-border payments and FX associated with increasing global trade flows
- Grow operating deposits – capture liquidity value in a rising rate environment

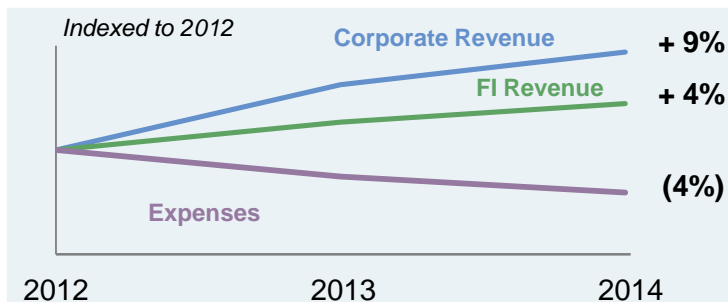
Capital / G-SIB optimization

- Reduce non-operating balances
- Pricing discipline across liquidity and fees

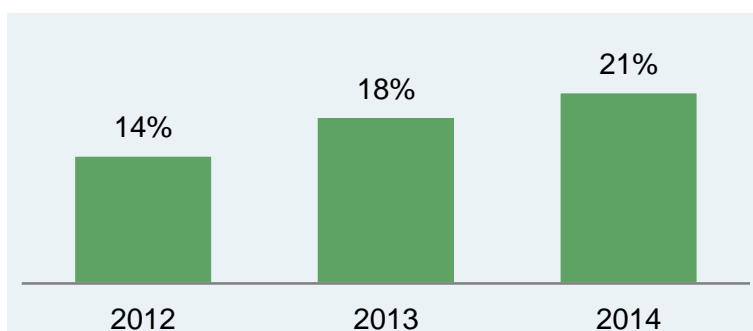
Expenses

- Migrate clients to electronic solutions
- Technology platform efficiencies
- Business simplification

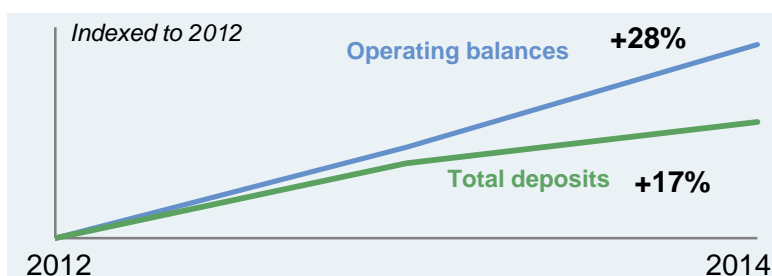
Revenue / Expense Growth Trend (Index)



% of Corporate Clients Using FX



Deposit Balance Trend¹ (Index)



¹ 2014 operating balances based on current definitions. Prior years based on internal estimates.

Markets

Strategy

- Maintain FICC leadership
- Ensure readiness for new market structure – invest in e-trading to prepare for all outcomes
- Close the gap in Cash Equities
 - Growth in low touch
 - Drive further revenue synergies with Prime Brokerage
- Use scale for staying power, cross sell and fixed cost mitigation

Capital / G-SIB optimization

- Aggressive reduction of OTC notionals
- Tight control of Level 3 assets
- Continued balance sheet discipline in repo
- RWA roll-off of legacy derivatives

Expenses

- Complete roll-out of strategic technology
- Compensation expense to reflect high capital and lower ROE environment over time
- Adjust staffing model for market structure

Maintain FICC leadership

2014 rankings ¹	Global	Americas	EMEA	APAC
G10 Rates	1↑	1	3	3
G10 Foreign Exchange	2↑	1	2	3
Emerging Markets	3↓	2	3	2
Commodities	1↑	3	1	1
Credit	3↓	4	2	5
Securitization	1	2	2	N/A
Public Finance	3	3	N/A	N/A

Close the gap in Cash Equities

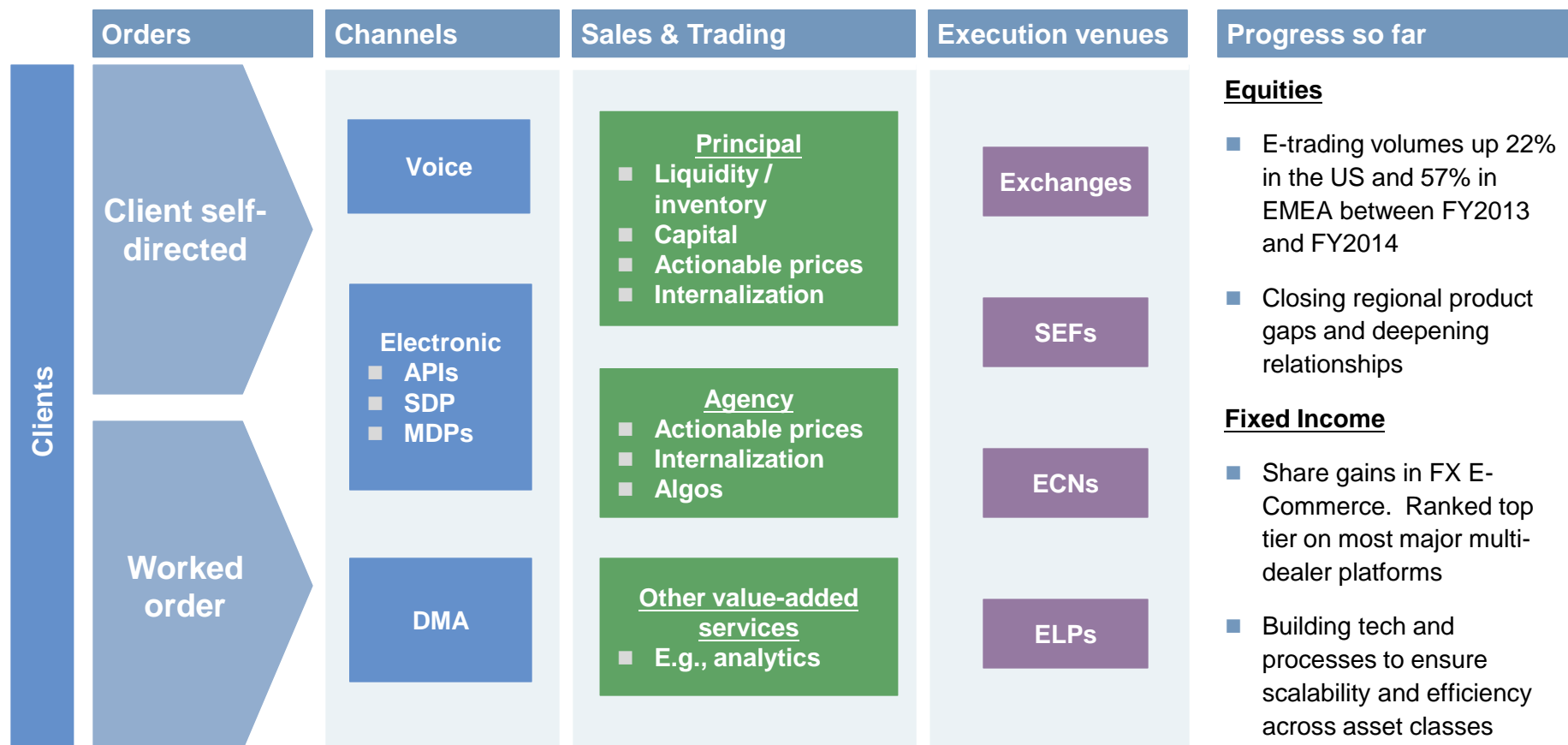
2014 rankings ¹	Global	Americas	EMEA	APAC
Cash Equities	6↑	4	4	8
Equity Derivatives & Converts	1↑	3	2	3
Equity Research	1	1	2	7

■ Top 3 ■ 2nd Tier ■ 3rd Tier

↑↓ Improved / worsened vs. 2010

¹ Global rankings as of 3Q14YTD. Regional rankings as of 1H14. JPM ranks based on Coalition's outside-in view of JPM positioning within Coalition top 10 banks which includes: BAML, BARC, BNPP, CITI, CS, DB, GS, JPM, MS, UBS. Coalition outside-in estimates of JPM and competitor revenues; All competitor and JPM estimates have been provided based on JPM's internal structure Equity Research ranking based on Institutional Investor.

We are preparing for a more complex future in our Markets businesses



- **Fixed Income:** future more complex with uncertain trajectory for market structure evolution
- **Equities:** clients demand increased control over execution in an electronic agency world
- **We will be operationally prepared to capture client flow in whatever form it comes**

Businesses that are currently below ROE targets will generate value for shareholders through the cycle as we become more efficient and markets improve

Example: Through-the-cycle ROE for Rates

Challenging 2014 environment

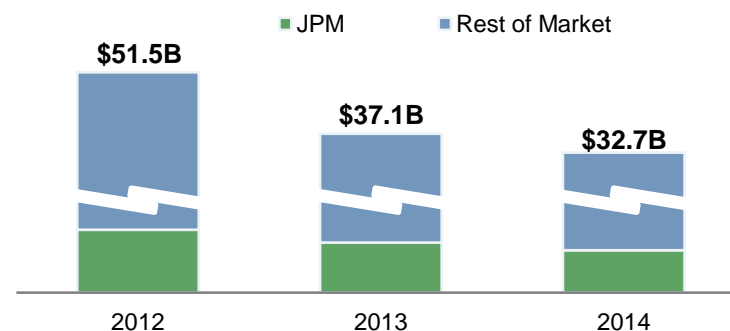
Below target ROE for Global Rates in 2014

- Lower client volume due to lack of volatility coupled with the low rate environment
- Drag from increased capital cost of legacy uncollateralized transactions
- Despite 2014 revenue headwinds, core business close to TTC ROE target

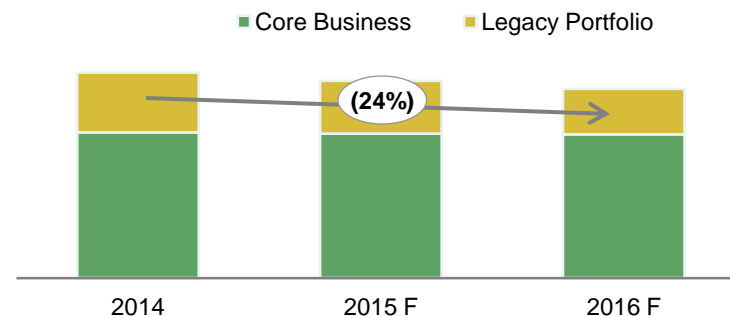
Through-the-cycle outlook

- Normalized absolute level of rates will drive greater volatility
- More harmonized global regulation on trading protocols and capital rules
- Taking actions to address G-SIB implications with manageable revenue implications
- Burden from legacy uncollateralized portfolio to diminish over time from roll off or restructure
- Additional benefit to the rest of the franchise in both revenue and fixed cost synergies

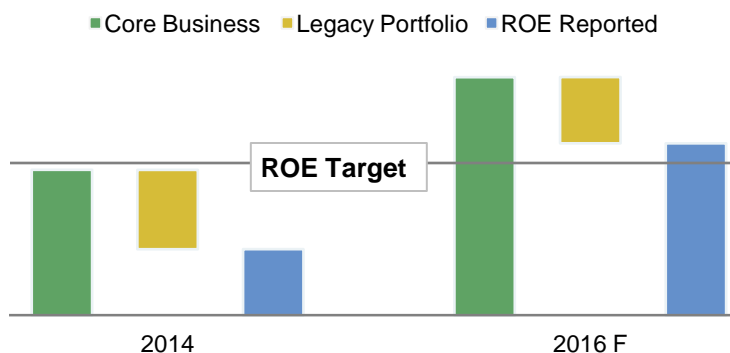
JPM Global G-10 Rates Revenue ranked #1 in 2014¹



Rates RWA projection



Through-the-cycle ROE for Rates



¹ Based on Coalition.

Custody and Fund Services

Strategy

- Drive scalable solutions for the most complex clients and globalize offering across the client base
- Leverage current cross product client coverage organization and deep market expertise to optimize relationships with large global asset managers and owners

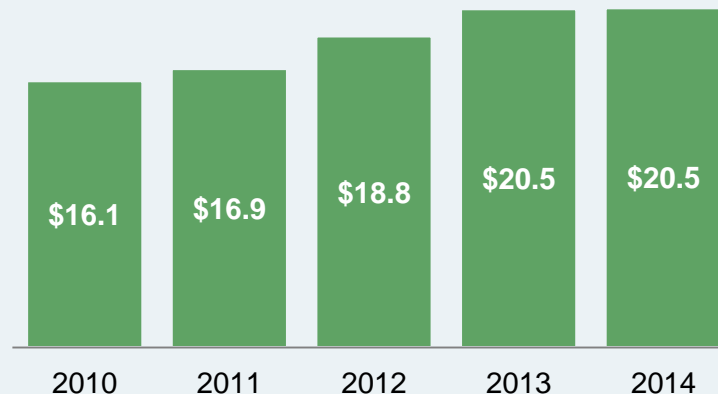
Capital / G-SIB optimization

- Optimize deposit balances
- Invest in functionality and connectivity to leverage alternative cash management products for clients

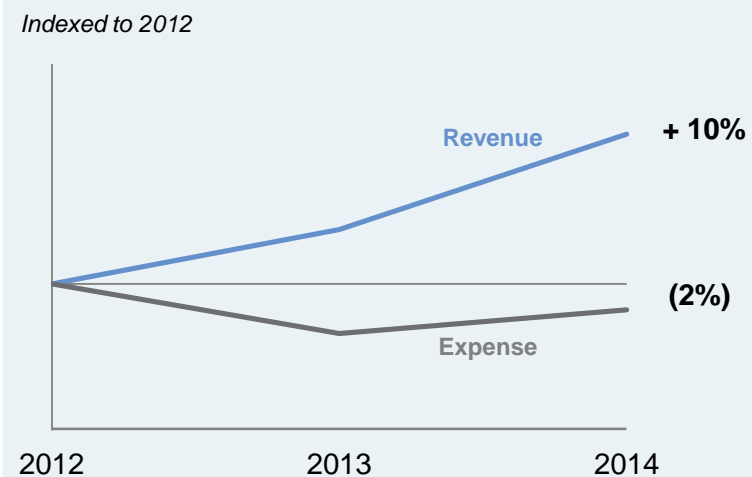
Expenses

- Upgrade core platforms and increase automation
- Standardize global operating models to enhance client experience

Period-end Assets Under Custody (\$T)



Revenue / Expense Growth Trend (Index)



Prime Brokerage & Financing

Strategy

- Complete international prime brokerage capabilities with the final pieces of Asia product set
- Continue to partner with Equities to optimize returns across the hedge fund client base
- Financing in the new regulatory framework provides strategic upside as the market rebalances

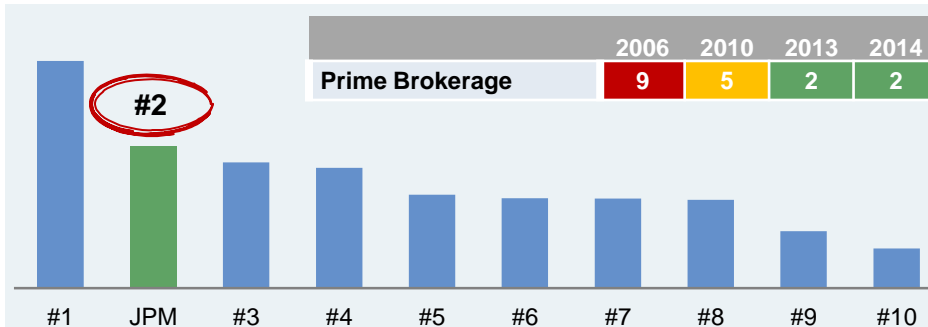
Capital / G-SIB optimization

- Ongoing re-pricing of below-hurdle-rate client activity
- Continued balance sheet discipline under G-SIB, liquidity and leverage constraints

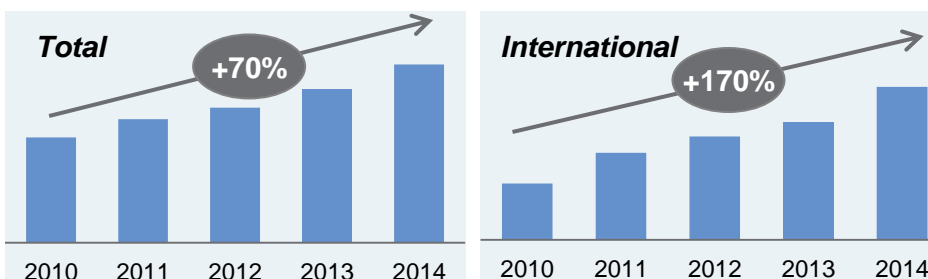
Expenses

- International investment spend declining as international prime brokerage build-out nears completion
- Driving operational scalability and process automation to deliver internal efficiencies

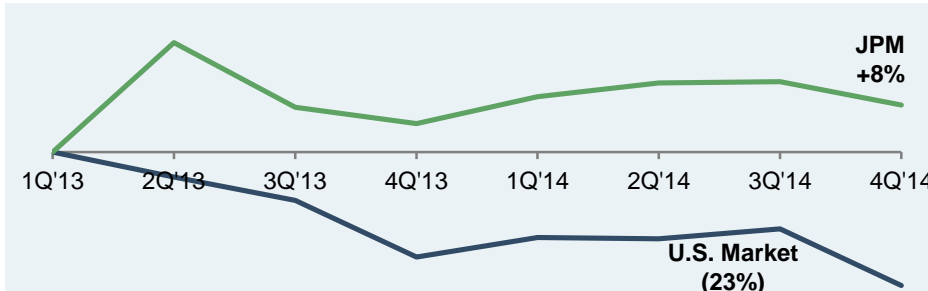
Global Prime Brokerage Ranking¹



Balance Growth



U.S. Securities Financing Gross Balance Sheet Market Trend²



¹ 2006 based on JPM internal estimates and JPM excluding Bear Stearns; 2010, 2013 and 3Q14YTD based on Coalition for Markets and Investor Services; Coalition Top 10 banks include: BAML, BARC, BNPP, CITI, CS, DB, GS, JPM, MS, UBS; Coalition outside-in estimates of JPM and competitor revenues; All competitor and JPM estimates have been provided based on JPM's internal structure. Rankings exclude Broker Dealer Services business for JPM and market competitors.

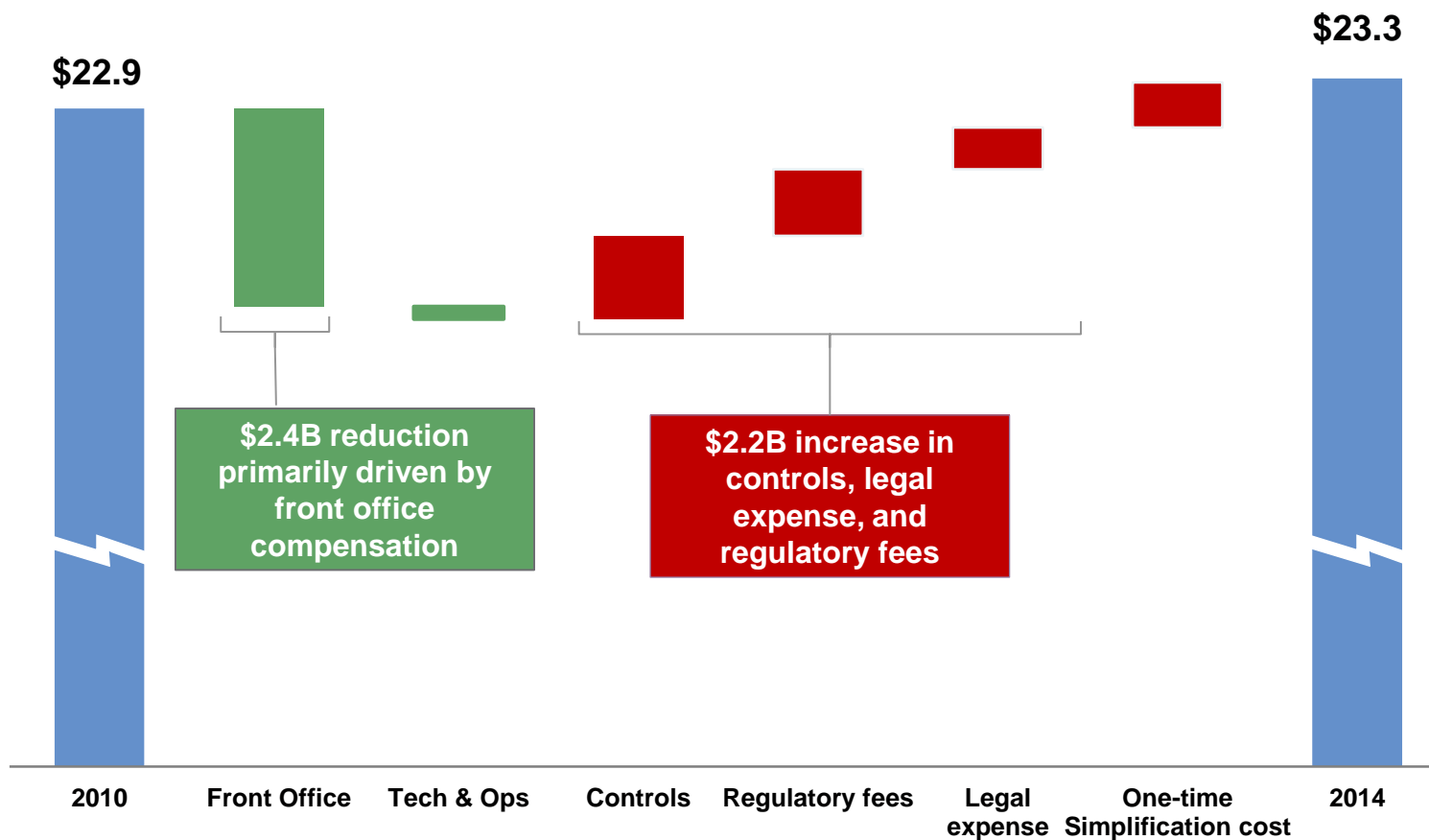
² Market data sourced from FRBNY primary dealer reverse repo and repo activity; JPM data based on JPMS LLC gross reverse repo and repo activity.

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We have been disciplined in cutting expenses since 2010, primarily in the front office

CIB expense trend – 2010 to 2014 (\$B)



Overhead ratio (excl DVA/FVA)	68%	67%
Comp/Rev	37%	30%

We have conducted a comprehensive efficiency review and identified several areas of opportunity

Business unit-specific

- Front-to-back efficiency review focused on business levers that impact cost base (e.g., client and front office behavior)
- Optimizing execution channels; driving to low cost electronic channels while enhancing client service
- Optimizing client service functions with the help of analytics and workflow tools

Operating model

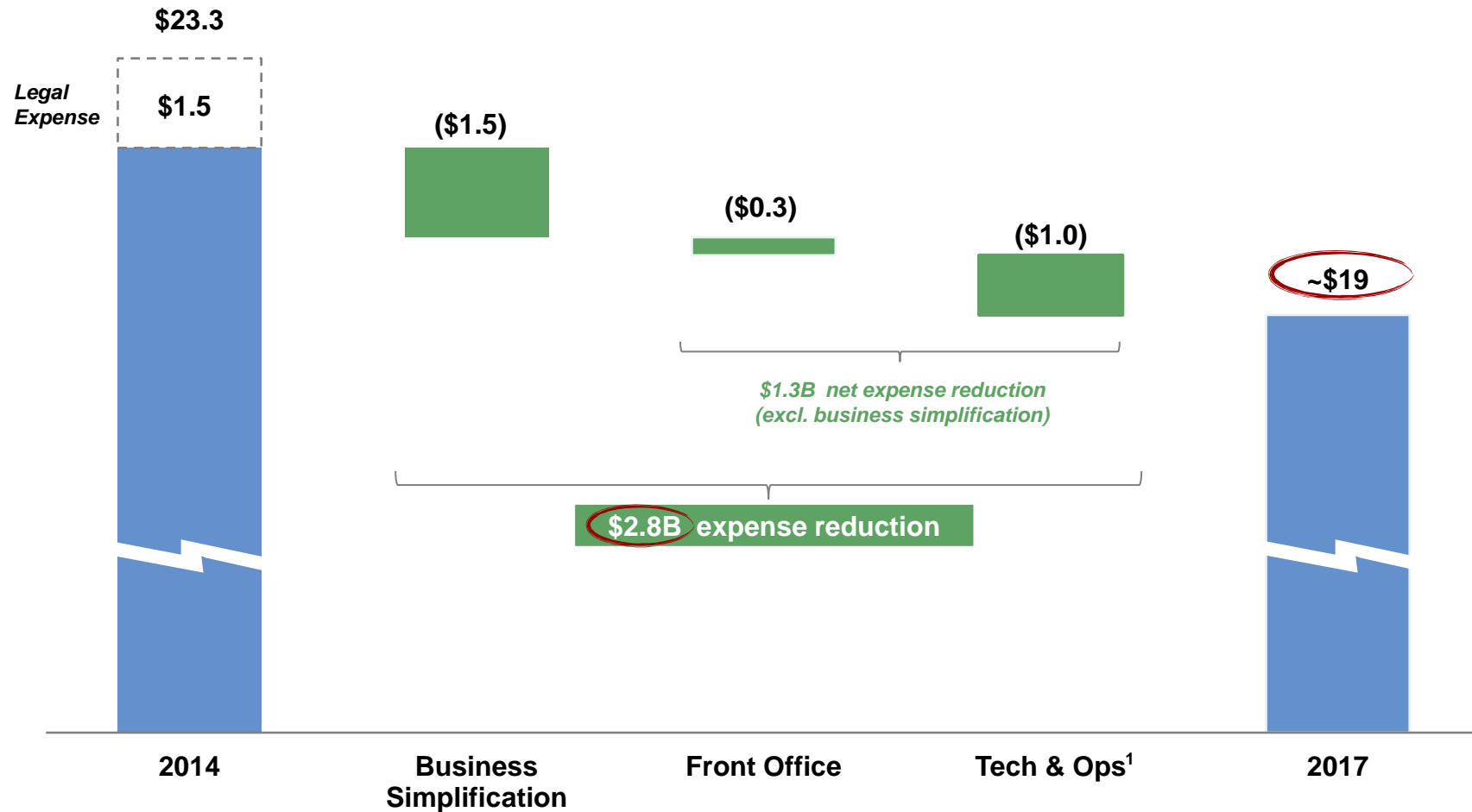
- End-to-end process reengineering to streamline operations and optimize cost per trade
- Simplification of operating model; standardizing and consolidating key activities and functions across business units
- Deepen & enrich industry utilities to perform standard non-proprietary functions at higher scale for the whole industry
- Optimize location footprint and cost

Technology infrastructure

- Optimize infrastructure utilization (e.g., mainframe and server capacity, storage)
- Completion of multi-year investments in strategic technology
- Retirement of legacy systems and killing the long tail of non-strategic applications

We are aggressively pursuing cost opportunities to deliver \$2.8B of expense saves

CIB expense trend – 2014 to 2017 (\$B)



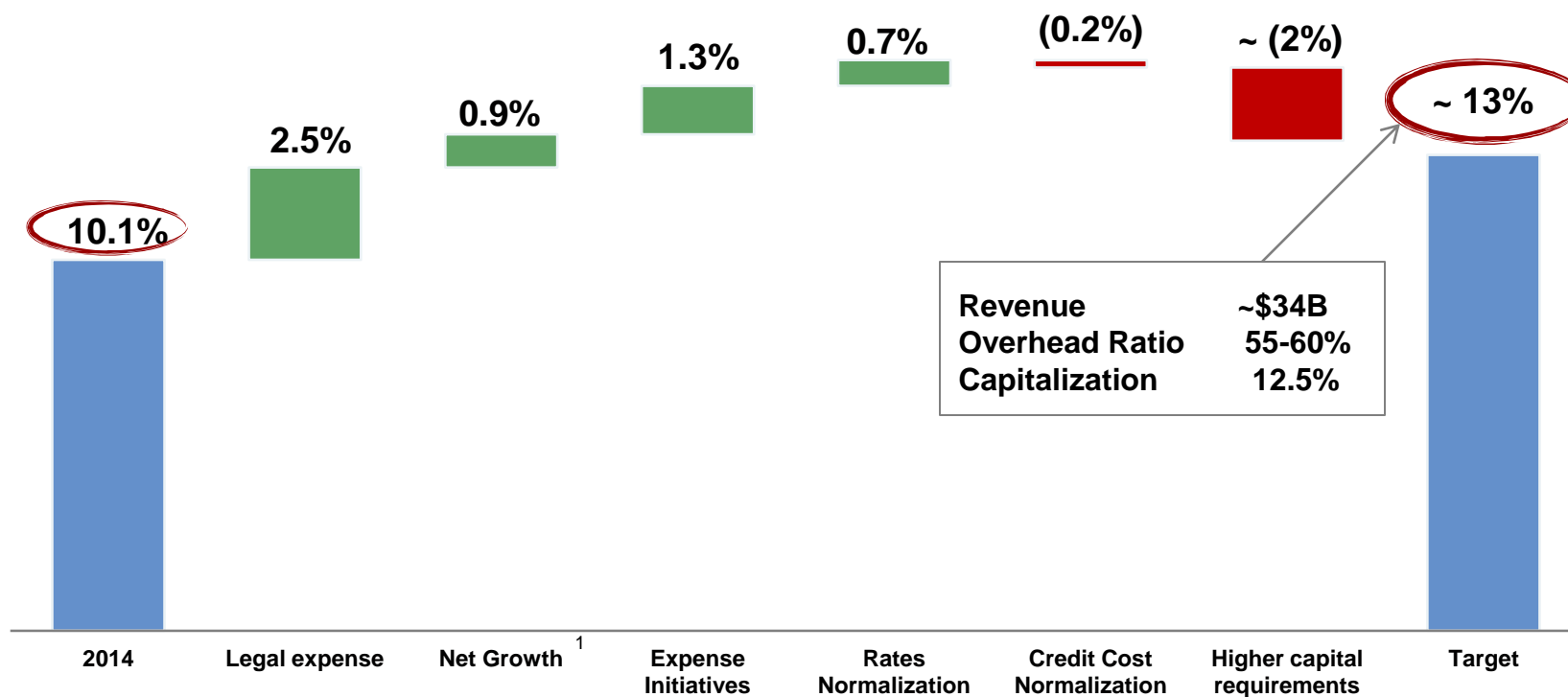
¹ Includes reduction in Tech & Ops and other.

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ROE walk forward

ROE walk (%)



Possible +/-

- Wallet growth/contraction – cyclical and secular (e.g., emerging markets, European capital markets)
- Market re-pricing
- Interest rate moves beyond what is priced in the market
- Competitive dynamics (e.g., market share changes from competitor actions)
- Regulatory uncertainty

¹ Includes revenue and expense impact of business simplification; no meaningful ROE impact.

Conclusion

Reinforcing a culture focused on doing the right thing for our clients and stakeholders and protecting the integrity of the global markets is essential to effectively managing our conduct risk and protecting the Firm

- **Unparalleled global franchise:** unique scale, completeness, global reach
- **Outstanding management team** with stability and low level of attrition
- **Market leaders in product areas** that are important to our clients
- **Embracing change** to adapt to market structure and the regulatory environment
- **Good returns allow us to continue investing in areas of weakness** to better serve our clients and benefit from cyclical and secular upswings
- **Optimizing the size and mix of our businesses** under the expanded set of constraints including G-SIB, with a sense of urgency
- **Relentlessly focusing on making the franchise more efficient** – while continuing to invest for the future
- **Continuing to deliver best-in-class returns**