

CORPORATE & INVESTMENT BANK

Mike Cavanagh, Co-Chief Executive Officer Corporate & Investment Bank

Daniel Pinto, Co-Chief Executive Officer Corporate & Investment Bank

February 26, 2013

The Corporate & Investment Bank (“CIB”) is operating from a position of strength

CIB performance

World class franchise – delivering best-in-class returns with leading market shares
Superior risk discipline and controls
Long-term outlook for capital markets and flow businesses is strong

More leadership positions in banking and markets businesses than any competitor

Banking

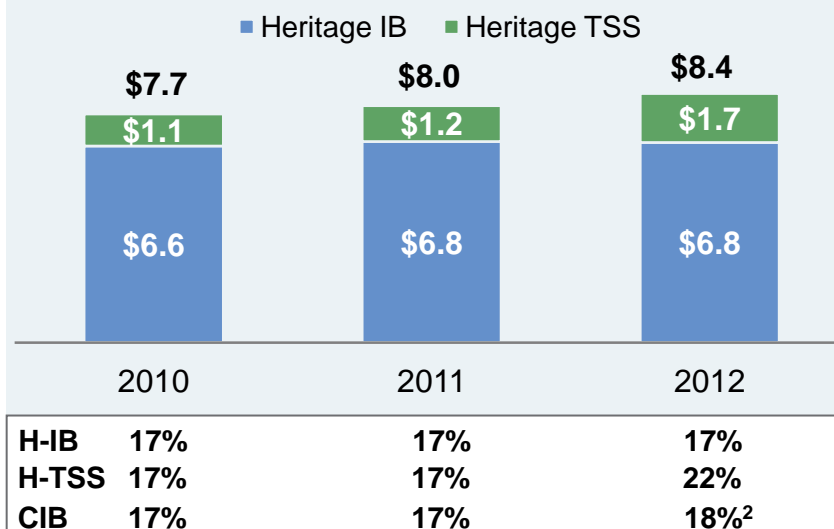
- #1 in IB Fees; widened gap to #2
- IB Fees of \$5.8B; record debt underwriting
- Record Treasury Services revenue of \$4.2B
- Lending revenue of \$1.3B

Markets & Investor Services

- #1 in Fixed Income; revenue of \$15.4B
- #4 in Equities; revenue of \$4.4B
- Securities Services revenue of \$4.0B; record \$19T in Assets under Custody

CIB delivering strong results

- Revenue: \$34.3B (largest in the industry¹)
- Cumulative 3-year earnings of \$24.1B



16% +/- through-the-cycle ROE on increased capital allocation of \$56.5B

¹ Based on CIB/IB segment equivalent revenue, excl. DVA

² 19% CIB ROE excl. DVA, 15% CIB pro forma ROE based on new allocated capital, 16% CIB pro forma ROE on new allocated capital excl. DVA. Throughout this presentation, CIB provides several non-GAAP financial measures which exclude the impact of DVA on: net revenue, net income, overhead ratio, compensation ratio and return on equity. These measures are used by management to assess the underlying performance of the business and for comparability with peers

Agenda

	Page
J.P. Morgan is positioned to maintain leadership in wholesale banking	2
Macro trends support long-term attractiveness of global wholesale banking	24
Management priorities for 2013	32
Wrap-up	44

CIB is positioned to maintain our leadership in wholesale banking

CIB possesses all of the best-in-class and global elements required to serve our clients

- 1 **Client-driven franchise** – CIB organization aligned to best serve the full set of needs of corporate and investor clients
 - 2 **Economies of scale** – Scale and operating efficiency afford us the ability to continue to invest in and expand our platform
 - 3 **Fortress balance sheet** – Being well-capitalized with stable funding sources gives us a durable business model and makes us a preferred and resilient counterparty
 - 4 **Completeness of capabilities and global reach** – Leadership position in each business helps us deliver better solutions to clients
 - 5 **Stable earnings** – Flow-based markets franchise generates very stable, consistent earnings with lower risk
- 6 ***Positioned to generate strong through-the-cycle returns on the stand-alone risk-based capital needs of the business***

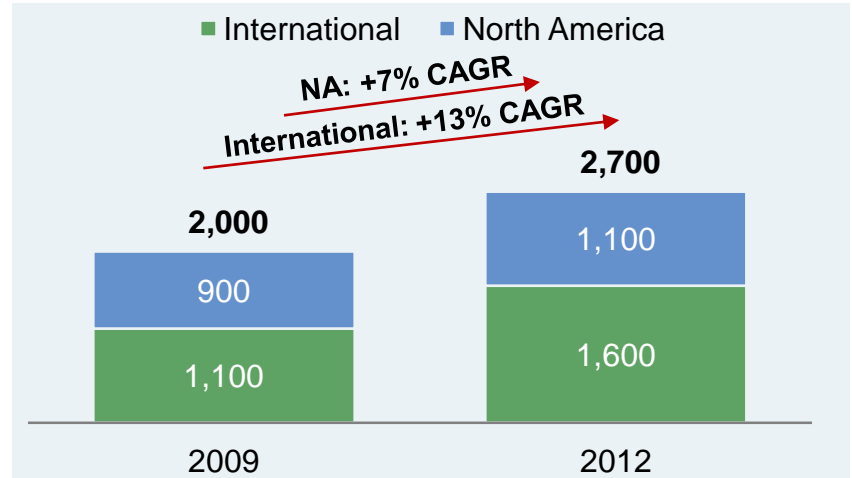
Our client franchise is large and diverse with deepening global relationships

Client-driven franchise

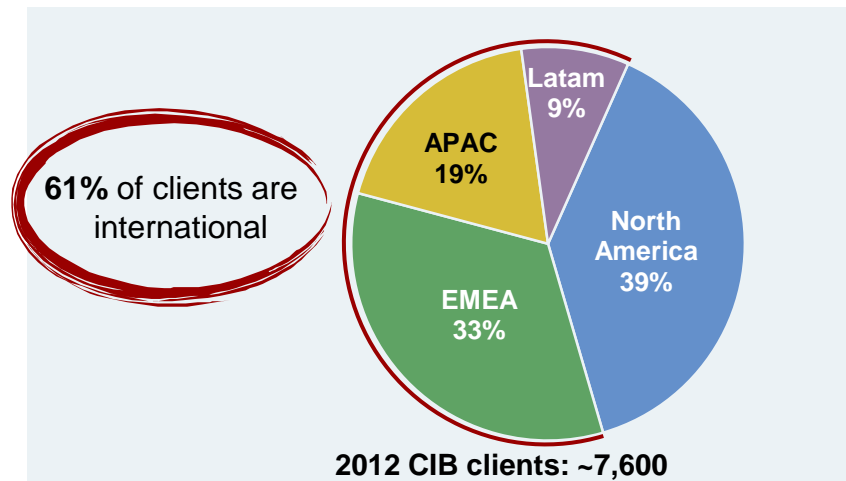
Highlights

- ~7,600 clients generating revenue >\$50K
- ~22,000 accounts
- ~2,700 clients generating >\$1mm in revenue
 - International business growing the fastest
- 61% of our clients are outside the U.S.
- 48% of our revenues are outside the U.S.

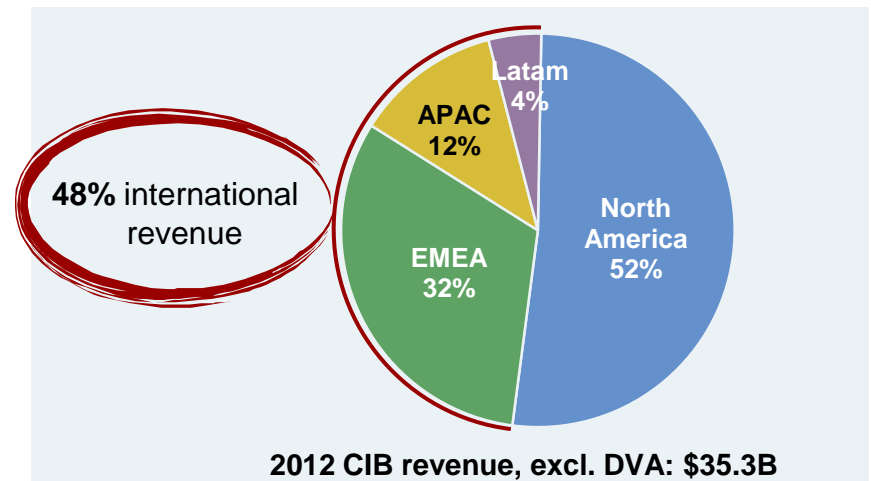
Significant clients (>\$1mm in revenue)



Clients with >\$50K in revenue (2012)



CIB revenue by region (2012)



We are recognized as best-in-class across all businesses

Client-driven franchise

JPM select product rankings (2006-2012)

	2006	2009	2012
Investment Banking¹			
■ IB Fees	2	1	1
■ Advisory	2	3	2
■ Equity underwriting ²	5 ²	1 ²	4 ²
■ Syndicated loans	1	1	1
■ Long-term debt	3	1	1
Treasury Services³			
■ USD clearing	1	1	1
Research⁴			
■ US Equity	6	2	1
■ US Fixed Income	2	2	1
Global Markets⁵			
■ Fixed Income Markets	7	3	1
■ Equity Markets	8	5	4
Securities Services⁶			
■ Assets Under Custody	2	2	2

JPM select international rankings (2012)

2012	Asia	EMEA	LatAm
Investment Banking			
■ IB Fees ¹	4	2	3
1H 2012			
Fixed Income Markets⁷			
■ Rates	2	3	1
■ FX	5	4	1
■ Credit	10	1	2
Equity Markets⁷			
■ Derivatives & Convertibles	1	2	3
■ Institutional Cash Equities	7	6	5

■ Top 3 ■ 2nd Tier ■ 3rd Tier

¹ Dealogic, pro forma for industry mergers. Rankings are volume-based, except for IB Fees; ² Equity underwriting ranking excluding accelerated book builds, as well as block trades: 2006 – #6, 2009 – #1, 2012 – #1; ³ CHIPS & Fedwire report; ⁴ Institutional Investor; ⁵ JPM estimates revenue share using public disclosure of Top 10 competitors, excl. DVA; ⁶ '06 is heritage JPM; ⁷ Coalition as of 1H12; Americas includes North America and Latin America. Coalition competitor set includes BAC, BARC, BNPP, C, CS, DB, GS, MS, SG, and UBS; ⁸ Coalition IndexPlus as of 3Q12 YTD

Industry-leading positions (3Q 2012)⁸

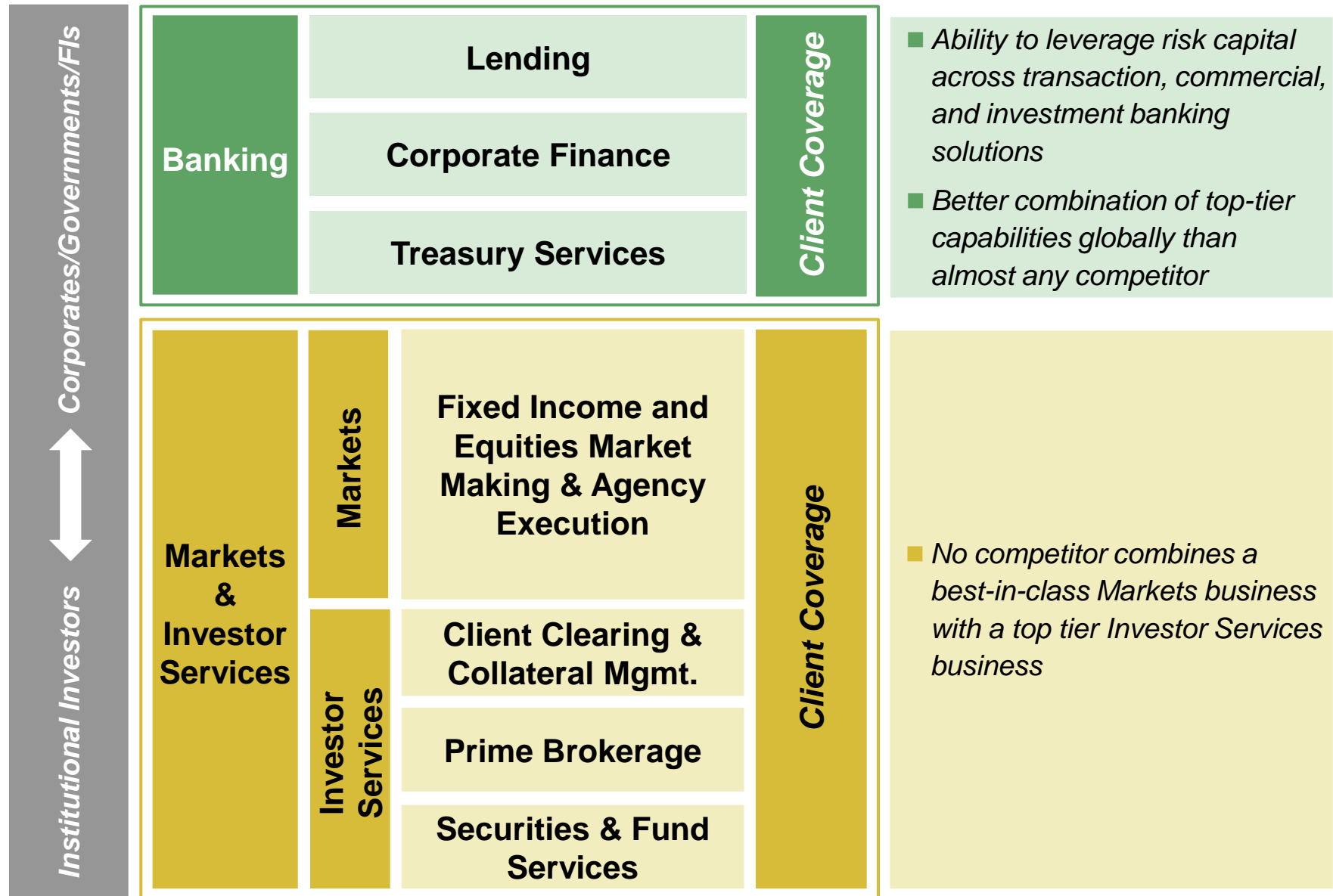
	RBS	UBS	BARC	CS	C	MS	BAC	DB	GS	JPM
Total leadership positions	0	1	2	3	3	4	4	4	7	11
Origination & Advisory										
■ M&A	■	■	■	■	■	■	■	■	■	■
■ ECM	■	■	■	■	■	■	■	■	■	■
■ DCM	■	■	■	■	■	■	■	■	■	■
Equities										
■ Institutional Cash Equities	■	■	■	■	■	■	■	■	■	■
■ Derivatives & Convertibles	■	■	■	■	■	■	■	■	■	■
■ Prime Services	■	■	■	■	■	■	■	■	■	■
■ F&O	■	■	■	■	■	■	■	■	■	■
FICC										
■ G10 Rates	■	■	■	■	■	■	■	■	■	■
■ G10 Credit	■	■	■	■	■	■	■	■	■	■
■ G10 FX	■	■	■	■	■	■	■	■	■	■
■ Securitization	■	■	■	■	■	■	■	■	■	■
■ Emerging Markets	■	■	■	■	■	■	■	■	■	■
■ Commodities	■	■	■	■	■	■	■	■	■	■

■ Top 3 ■ 2nd Tier ■ 3rd Tier

1

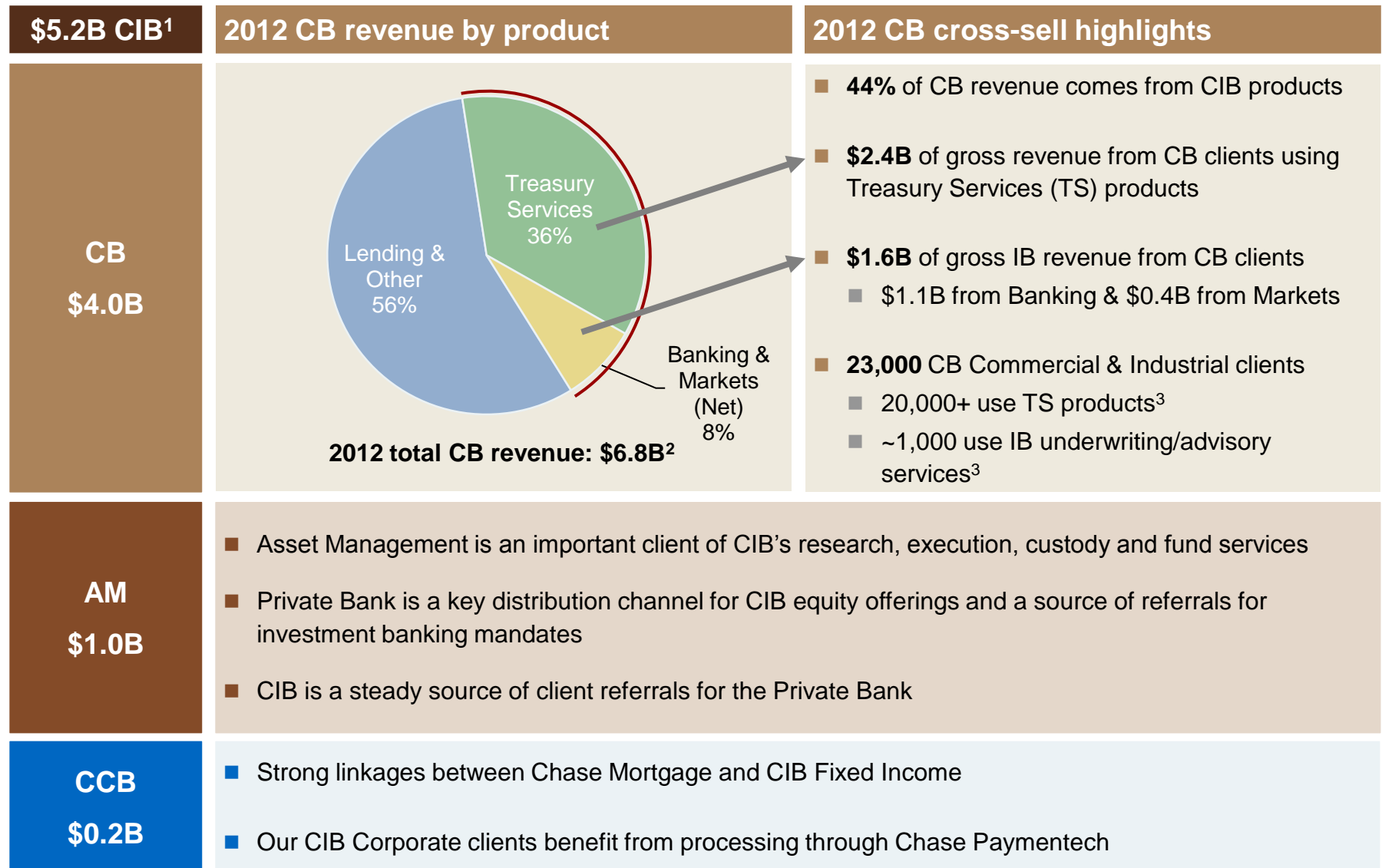
CIB is organized to best serve the full set of needs of corporate and investor clients

Client-driven franchise



Leveraging the broad client franchise of JPMC – Resulting in significant benefits to all businesses

Client-driven franchise



Note: Totals may not sum due to rounding

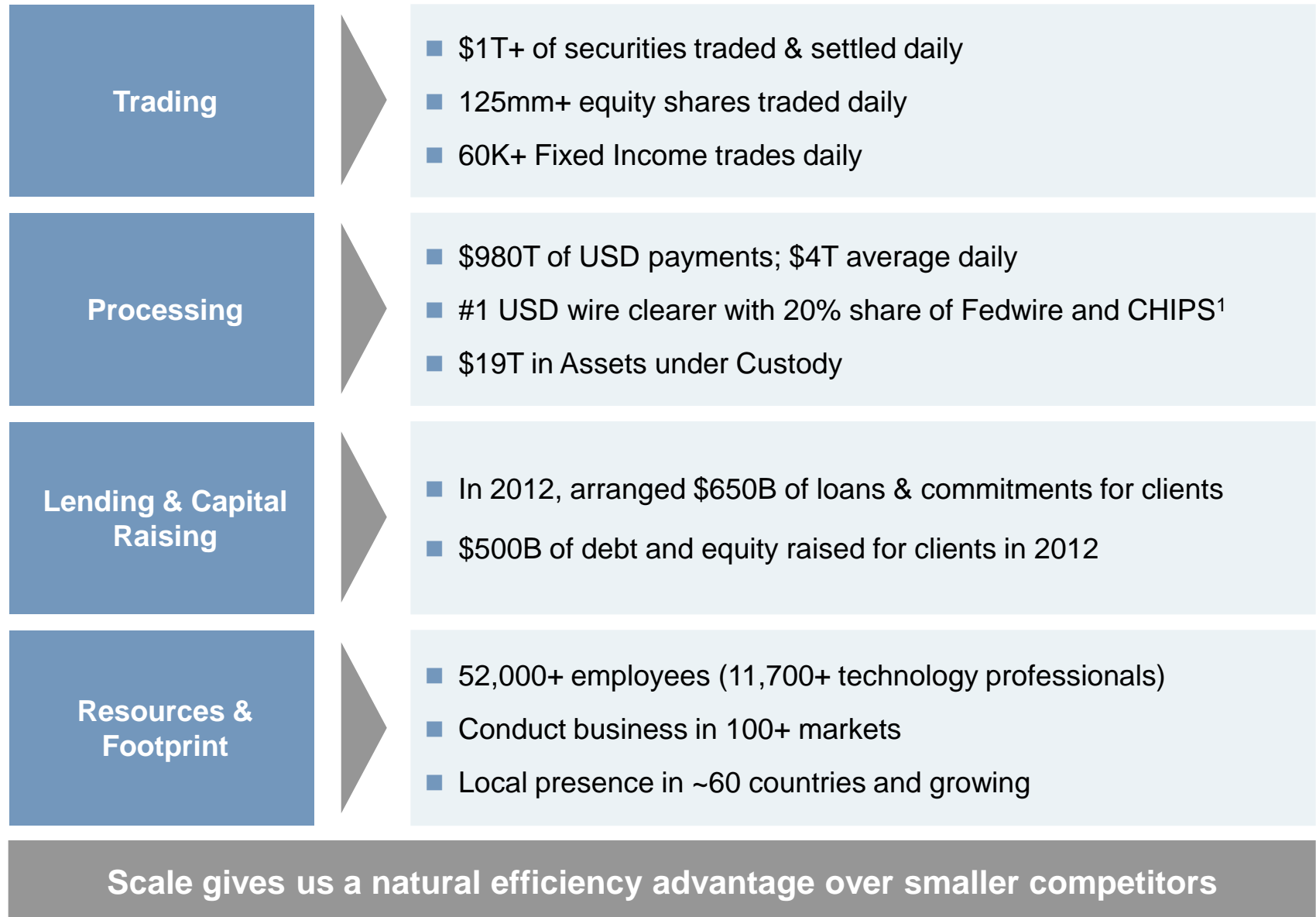
¹ Reflects gross CIB cross-LOB revenue for FY2012

² Treasury Services reflects gross revenue, Banking & Markets reflects net revenue

³ Client count for TS products and IB underwriting/advisory includes CB Commercial & Industrial and select Commercial Real Estate clients that are not included in the 23,000 Commercial & Industrial figure

We have achieved scale that allows for efficiency and ongoing investment

Economies of scale

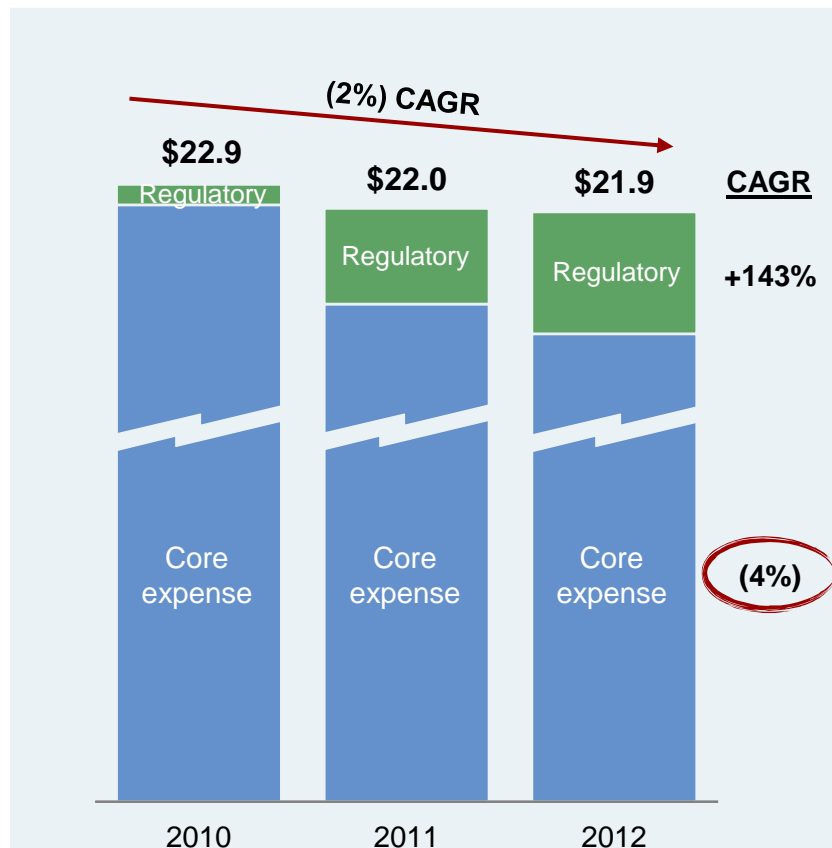


¹ Clearing House Interbank Payments System

2 Our disciplined focus on expenses is ongoing...

Economies of scale

CIB expense trend¹ (\$B)



Revenue growth, excl. DVA

+3% CAGR

Note: Core expense scale broken for illustrative purposes

¹ Regulatory assessments include FDIC, UK Bank levy, FSA and other regulatory fees

CIB comp and non-comp expense (\$B)



Overhead ratio¹ 68%

68%

62%

Comp/Rev¹ 36%

36%

32%

Non-comp/Rev¹ 32%

32%

30%

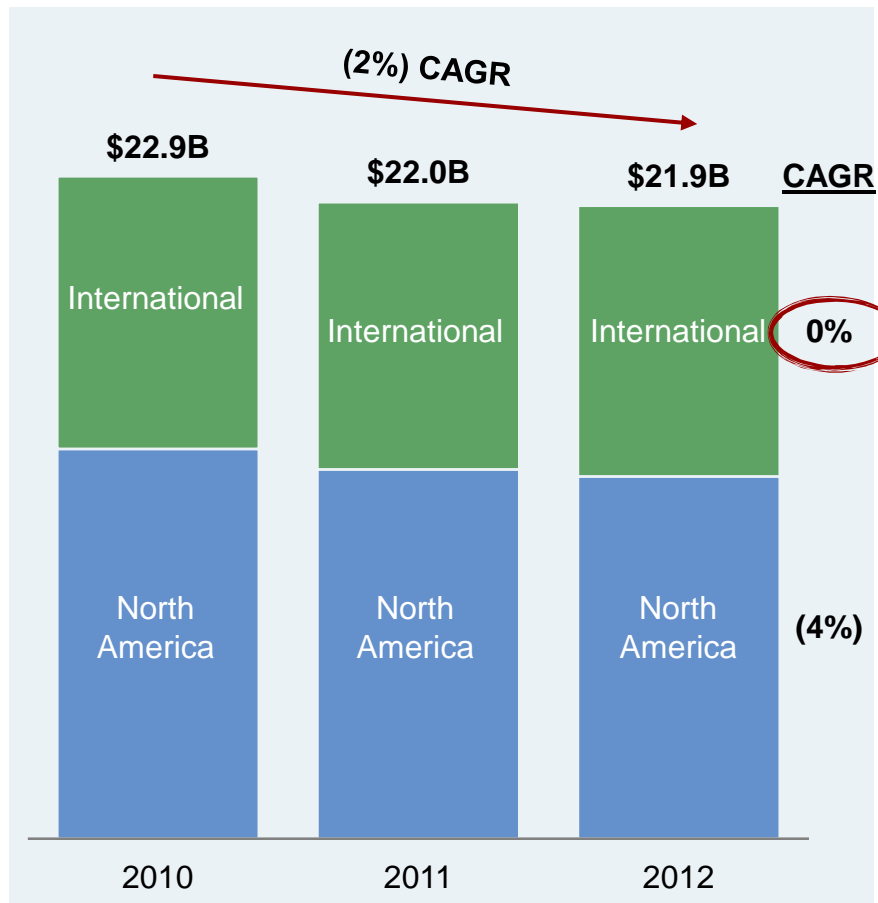
¹ Overhead, comp/revenue and non-comp/revenue ratios exclude DVA impact.

Comp/revenue and overhead ratio in 2010 also excludes impact of UK Bank Payroll Tax

...and allows us to continue to commit resources to building a strong franchise

Economies of scale

Rebalancing expenses towards international opportunities...



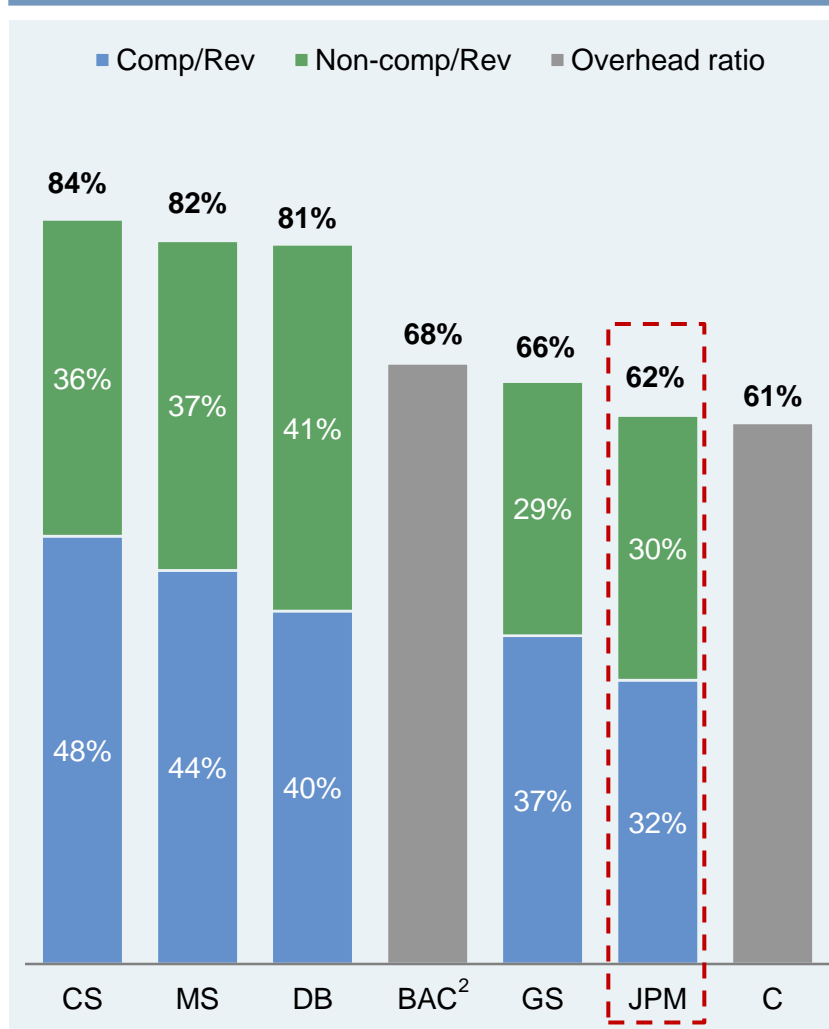
...and other priorities

- Attracting the best talent
- Maintaining pay for performance culture
- Expanding businesses & products globally (e.g., Prime Brokerage, Commodities)
- Building leading electronic trading capabilities
- Funding best-in-class technology
- Investing in robust controls

We expect to continue to be able to deliver market leading margins

Economies of scale

2012 overhead ratio vs. peers¹



¹ Represents CIB/IB equivalent segments of competitors, excluding the impact of DVA

² Global Markets only

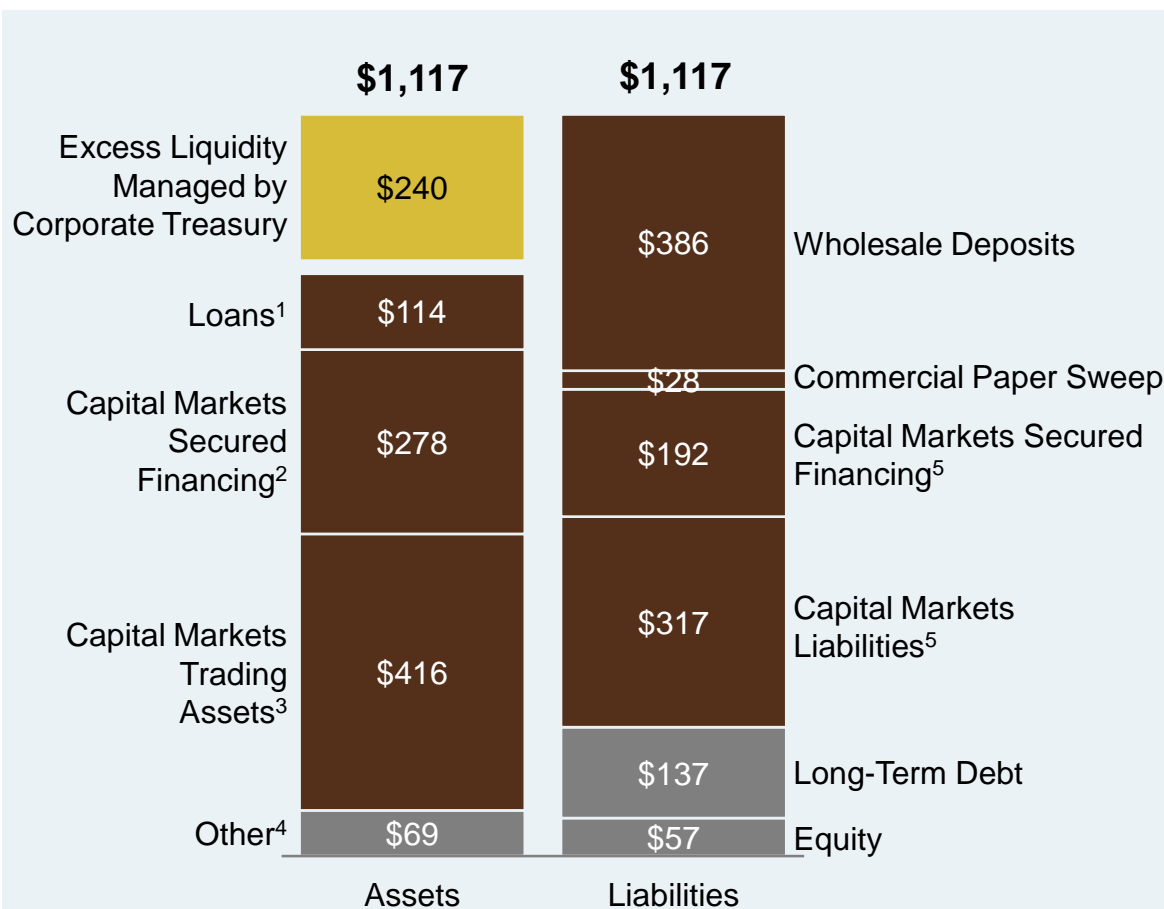
Outlook

- Ample ongoing efficiency opportunities
 - Heritage IB and Heritage TSS efforts (SRP, Value for Scale, WSS expense improvements, etc.)
 - New CIB opportunities (e.g., rationalize technology platforms, streamline coverage teams, improve client on-boarding, extract support area synergies, etc.)
- Continued support of new growth initiatives and investments
- We expect to maintain our compensation philosophy and approach
- Maintain our leading overhead ratio

We have a strong balance sheet and natural sources of funding from wholesale deposits

Fortress balance sheet

4Q12 pro forma balance sheet (\$B)



Highlights

- Substantial excess wholesale deposits are used to create a strong liquid asset pool (managed by Corporate)
- Allocated equity supports a 9.5% pro forma Basel III Tier 1 Common ratio

Note: Reflects adjustments to 4Q12 spot balance sheet to reflect CIB capital realignment of \$56.5B. Reported 4Q12 CIB allocated capital is \$47.5B

¹ Net of allowance for loan losses

² Includes resales, securities borrowed and cash and due from banks from CIB

³ Includes CIB trading assets and derivatives receivable

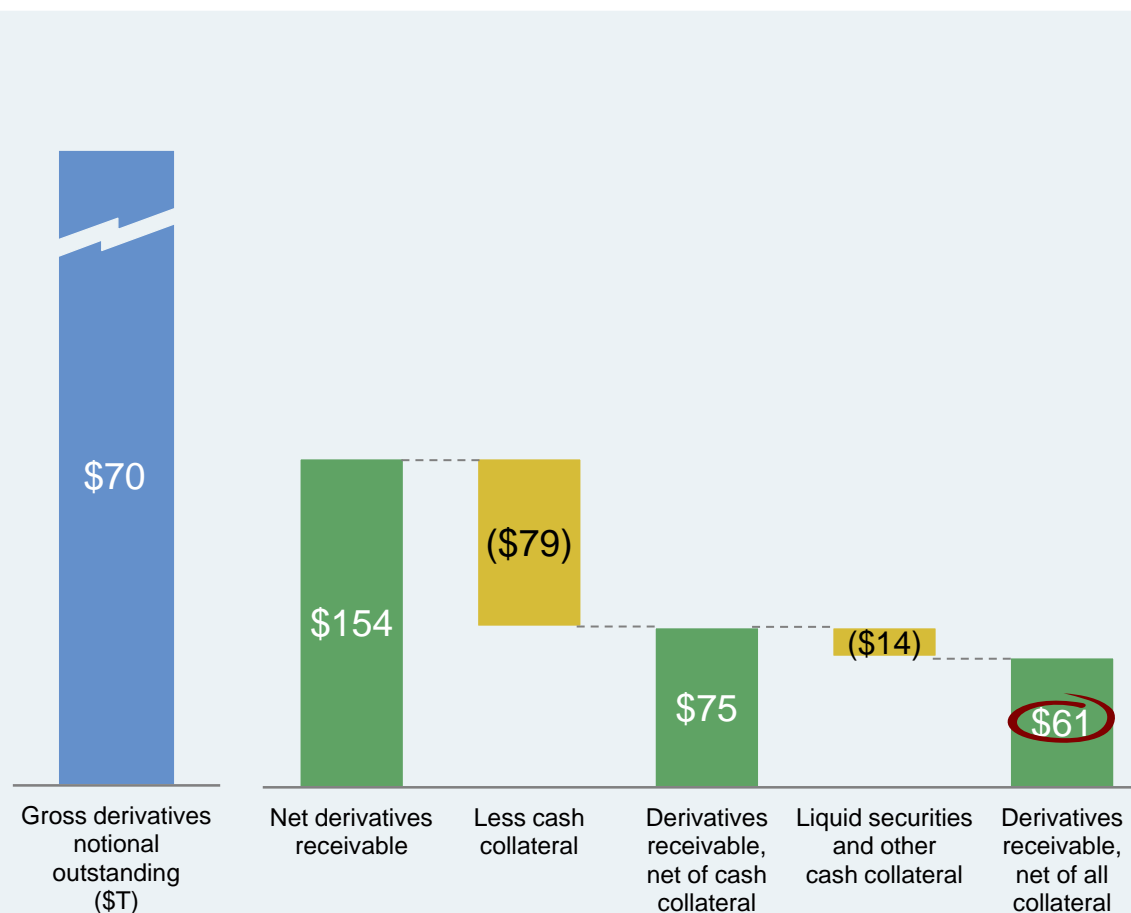
⁴ Includes other assets, other intangible assets, MSR, premises and equipment, accrued interest and accounts receivable and non-CIB trading assets

⁵ Includes trading liabilities, Fed funds purchased and securities loaned or sold under repurchase agreements, VIEs, other borrowed funds and other liabilities all in CIB and derivatives payable

Our derivatives exposure is client-driven and high quality

Fortress balance sheet

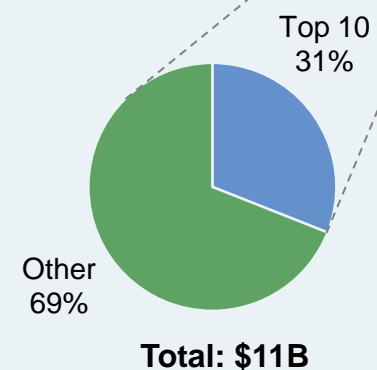
Firmwide derivative receivables, net (4Q12; \$B unless otherwise specified)



Counterparty credit exposure

Maturity (years)	4Q12
Less than 1 year	22%
Between 1 and 5 years	41%
Greater than 5 years	37%

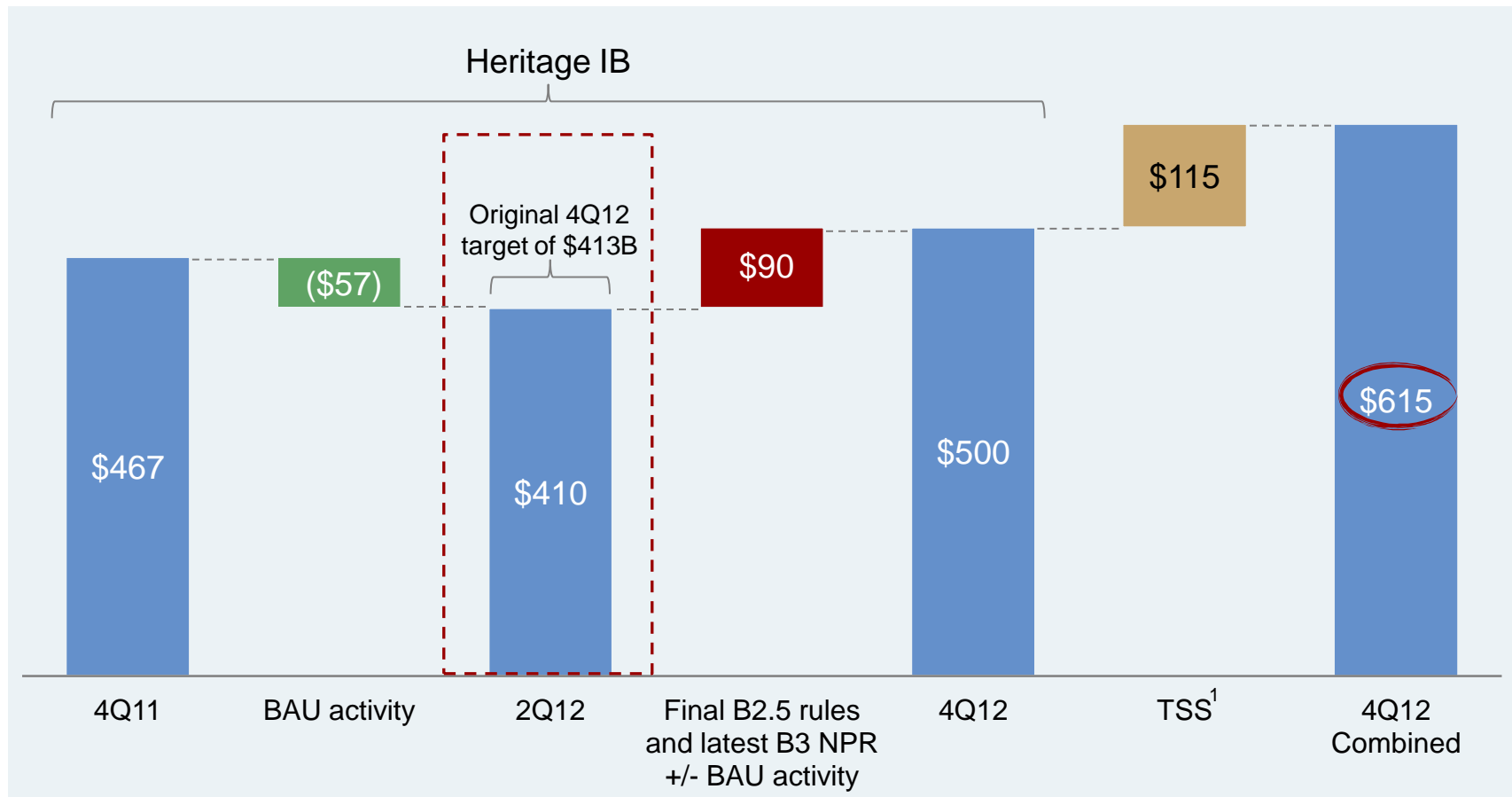
Risk Rating	4Q12
Investment grade	82%
Unrated or Non-investment grade	18%



We achieved our 2012 RWA targets but new rules have now come into effect

Fortress balance sheet

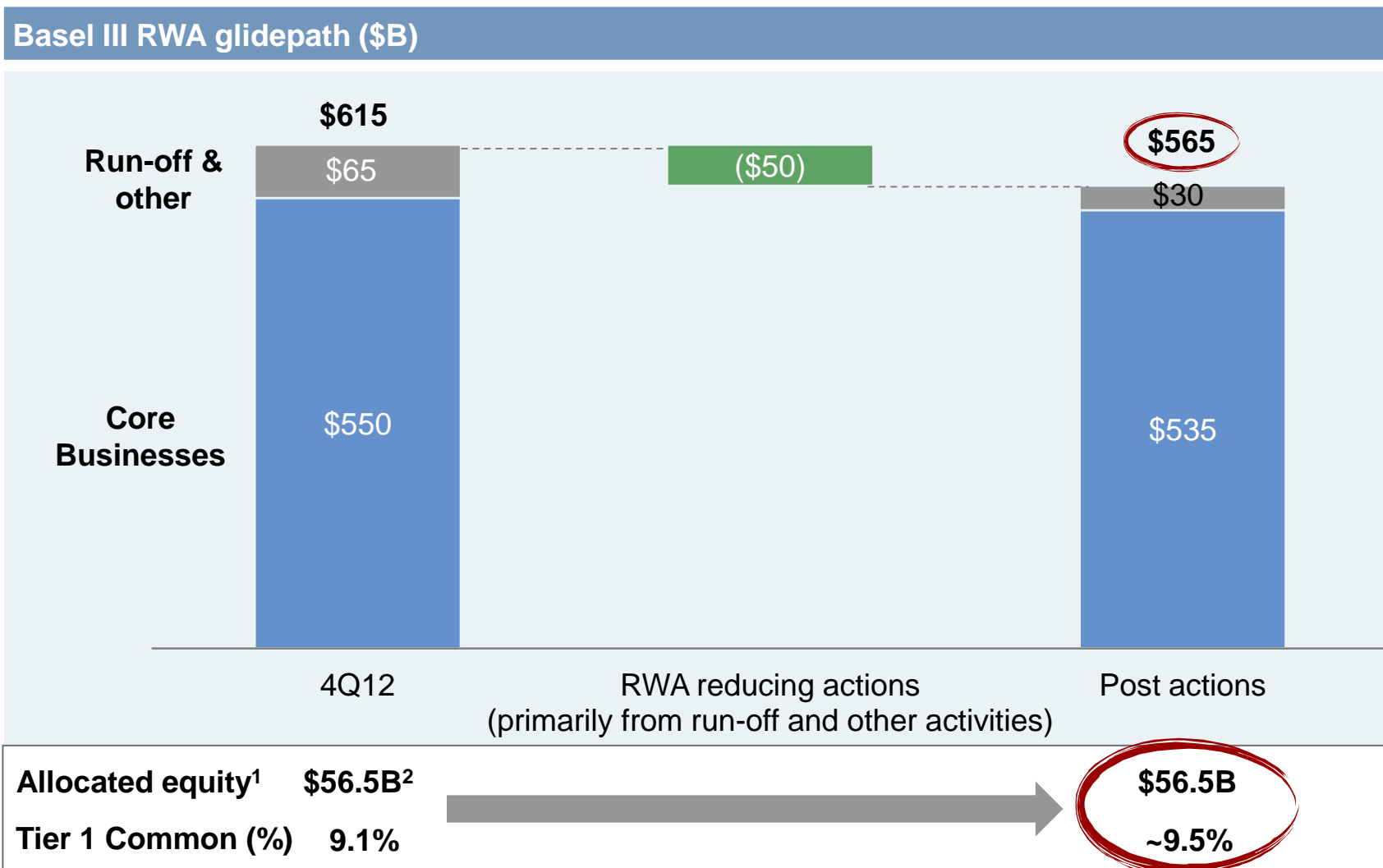
Basel III RWA – 4Q11 to 4Q12 (\$B)



¹ Includes impact of Corporate allocations

We are well-capitalized, targeting ~9.5% Tier 1 common on a stand-alone basis

Fortress balance sheet



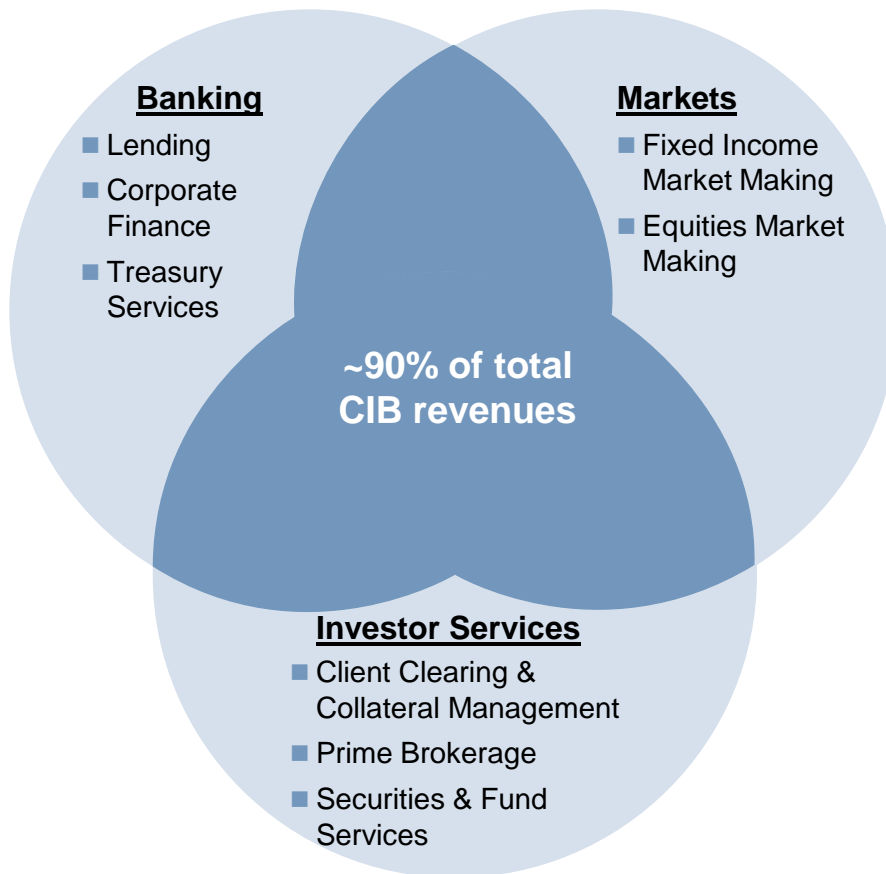
¹ Tier 1 common equity equals allocated equity less \$1B in goodwill

² Reflects attributed common equity effective 1/1/13

Our leadership position in each business helps us deliver better solutions for clients

Completeness of capabilities and global reach

Leadership position in each business...



...helps deliver more complete client solutions

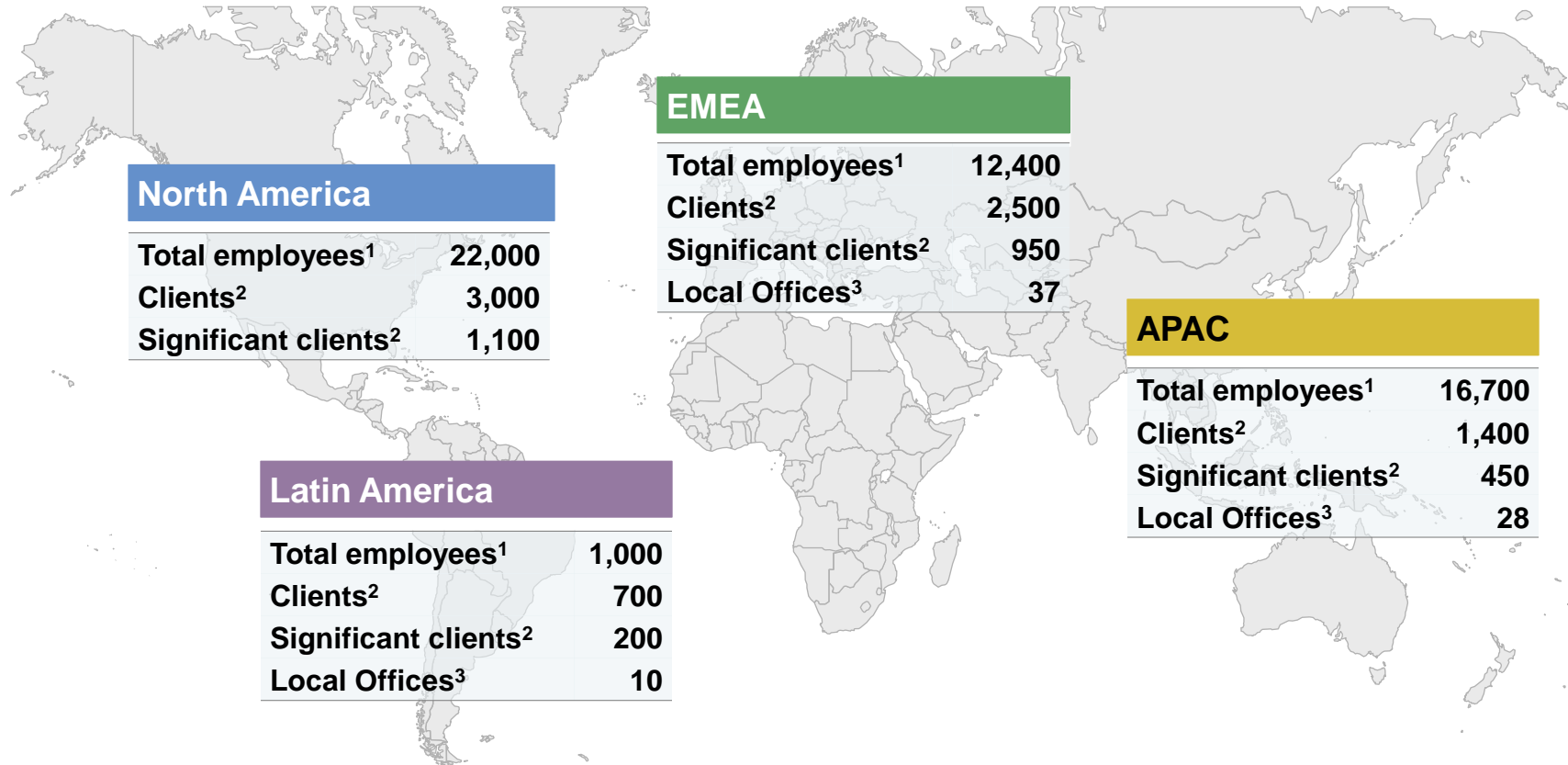
- Insights from best-in-class Markets franchise lead to differentiated credit & advisory solutions
- Leading cross-border capital raising and execution capability allow for more efficient financing solutions for clients
- Deep lending and transaction banking relationships with corporate clients lead to superior capital markets advisory
- Best-in-class financing, clearing and custody drive superior execution for Equity and Fixed Income clients
- Physical and financial commodity hedging offering provide superior trade finance solutions for corporate and government clients

We have a strong global network to support our clients

Completeness of capabilities and global reach

How we serve our clients globally

52,000+ professionals serving ~7,600 clients across the globe



Few institutions have the commitment and resources required to build and maintain a global network

¹ Reflects total number of employees located in the region per MD&A view. APAC includes ~8,800 employees in India, including those in global data and service centers

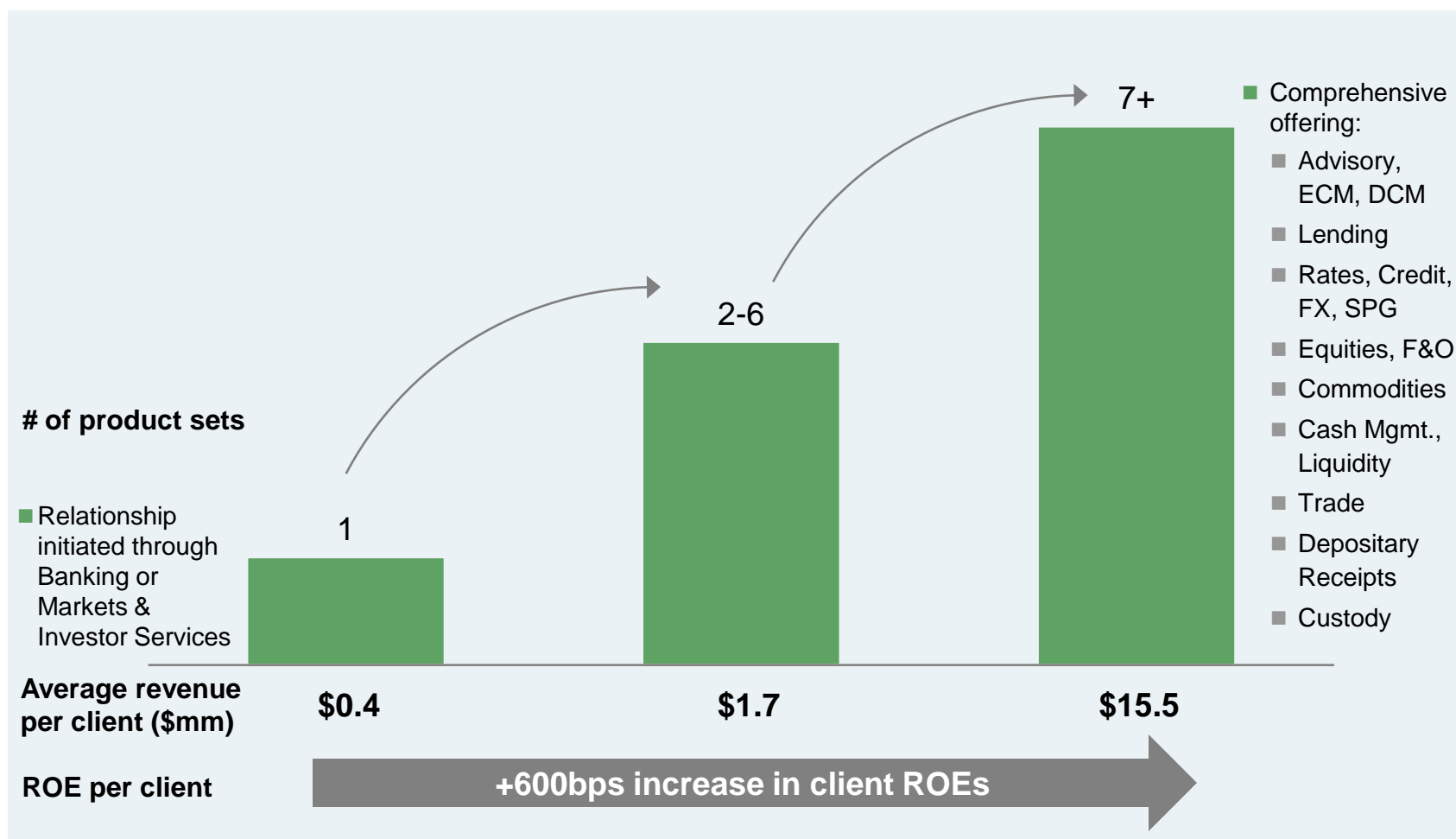
² Clients defined as clients with \$50K+ in revenue; Significant clients defined as clients with \$1mm+ in revenue

³ Represents cities where CIB has client facing activity per the definition of "client facing" utilized in MD&A disclosure

This has helped us significantly deepen our relationships with our clients

Completeness of capabilities and global reach

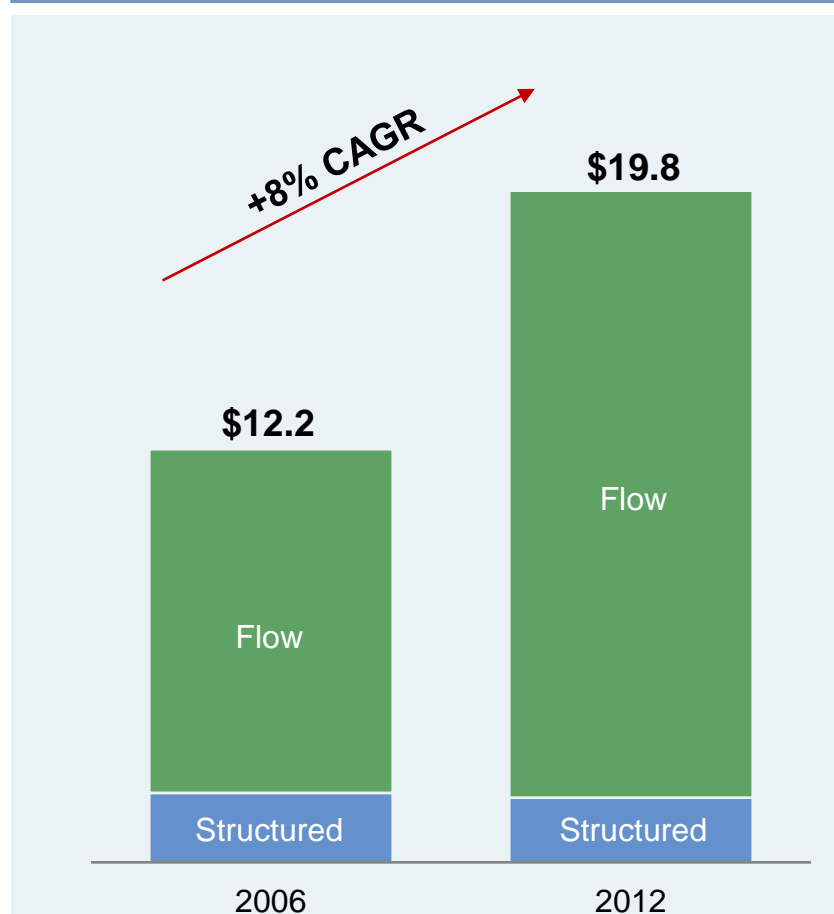
Evolution of product set usage among clients



5 Our Markets business is flow-based and diverse...

Stable earnings

Markets revenue by flow vs. structured

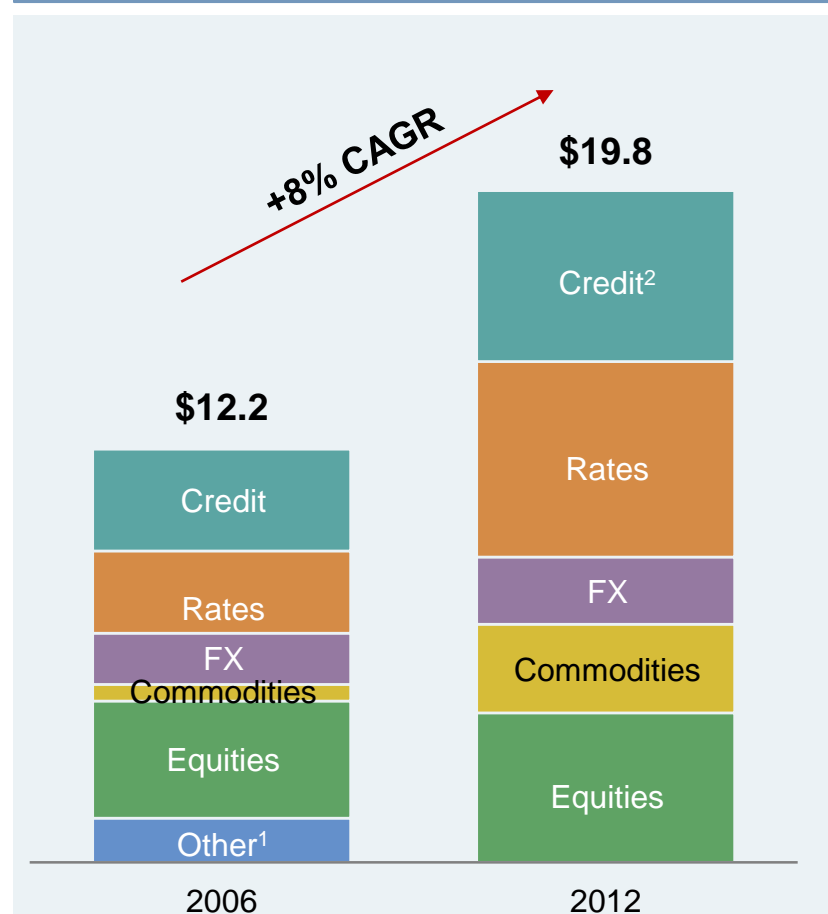


Total Markets revenue wallet¹	\$217B	\$169B²
JPM share (%)	~5%	~11%²

¹ Oliver Wyman industry revenue wallet estimates

² Represents 2011 industry revenue wallet and JPM Markets revenue wallet share; 2012 wallet results are not available

Markets revenue by product



Note: Rates includes Public Finance, Credit includes Securitized Products and Equities includes Prime Services

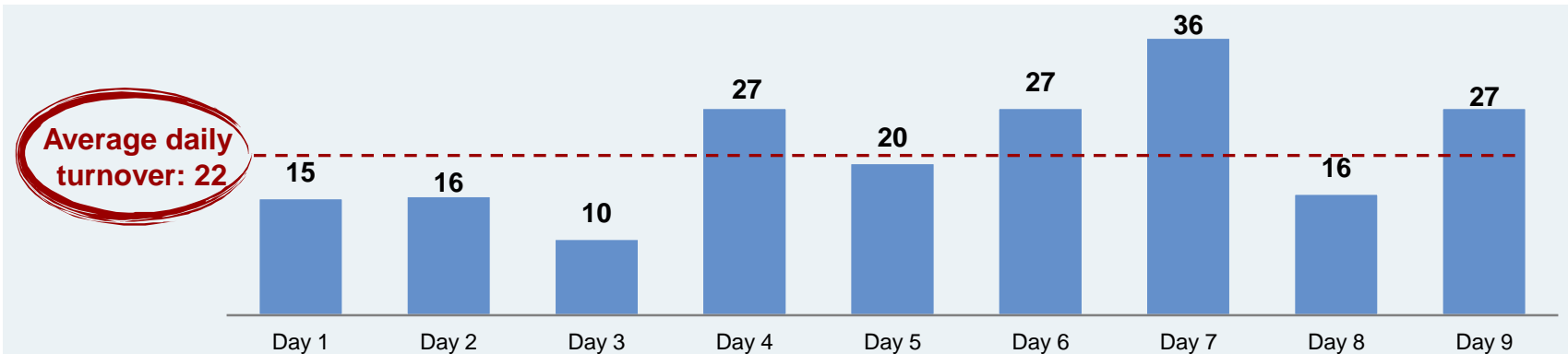
¹ "Other" in 2006 primarily includes results from discontinued activities

² 2012 "Credit" includes impact from Synthetic Credit Portfolio transferred from CIO to CIB on 7/2/12

... and has high daily risk turnover

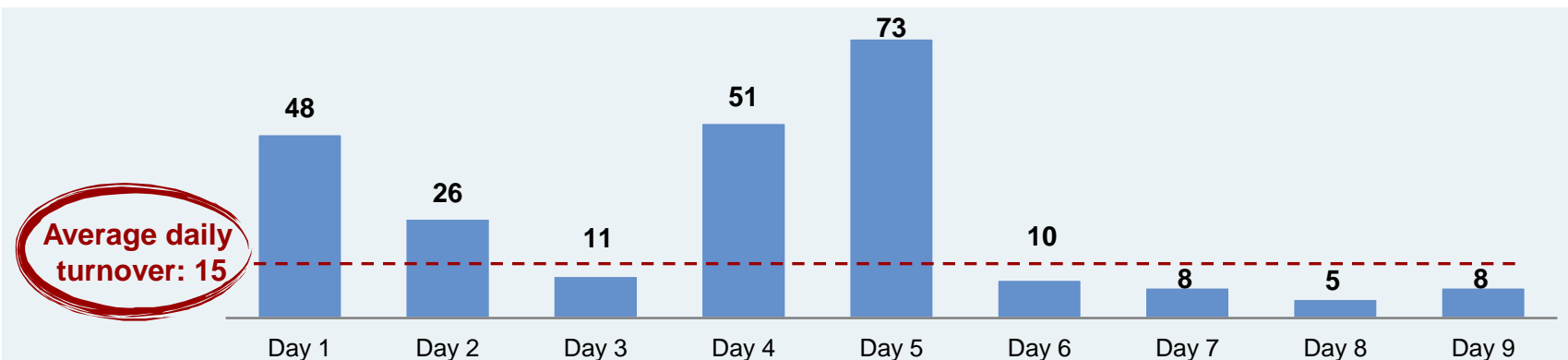
Stable earnings

Case study – North America interest rate swaps daily turnover metrics



Note: Turnover defined as daily DV01 risk traded divided by starting DV01. DV01 is the risk position for a desk (amount of money desk makes or loses on a one-basis-point move in the yield curve); actual two-week period

Case study – EMEA Credit Trading daily turnover metrics



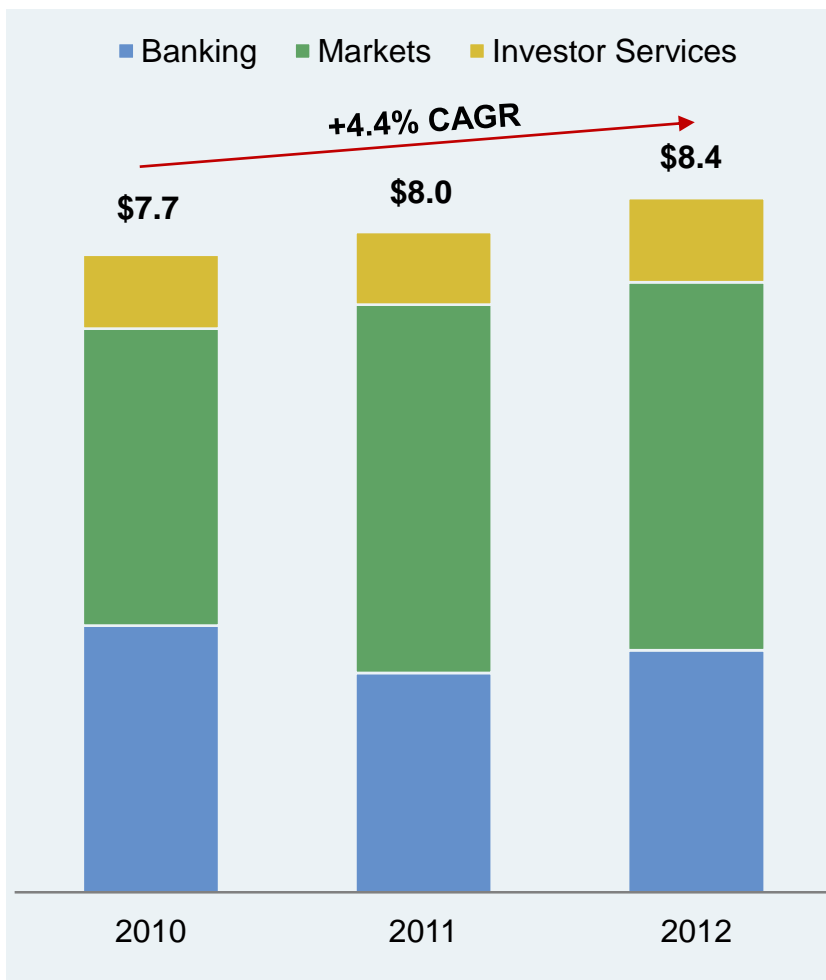
Note: Turnover defined as daily CR01 risk traded divided by starting CR01. CR01 is the risk position for a desk (amount of money desk makes or loses on a one-basis-point move in the credit spreads); actual two-week period

Inventory turns over multiple times a day from client transactions

This helps us deliver quality earnings...

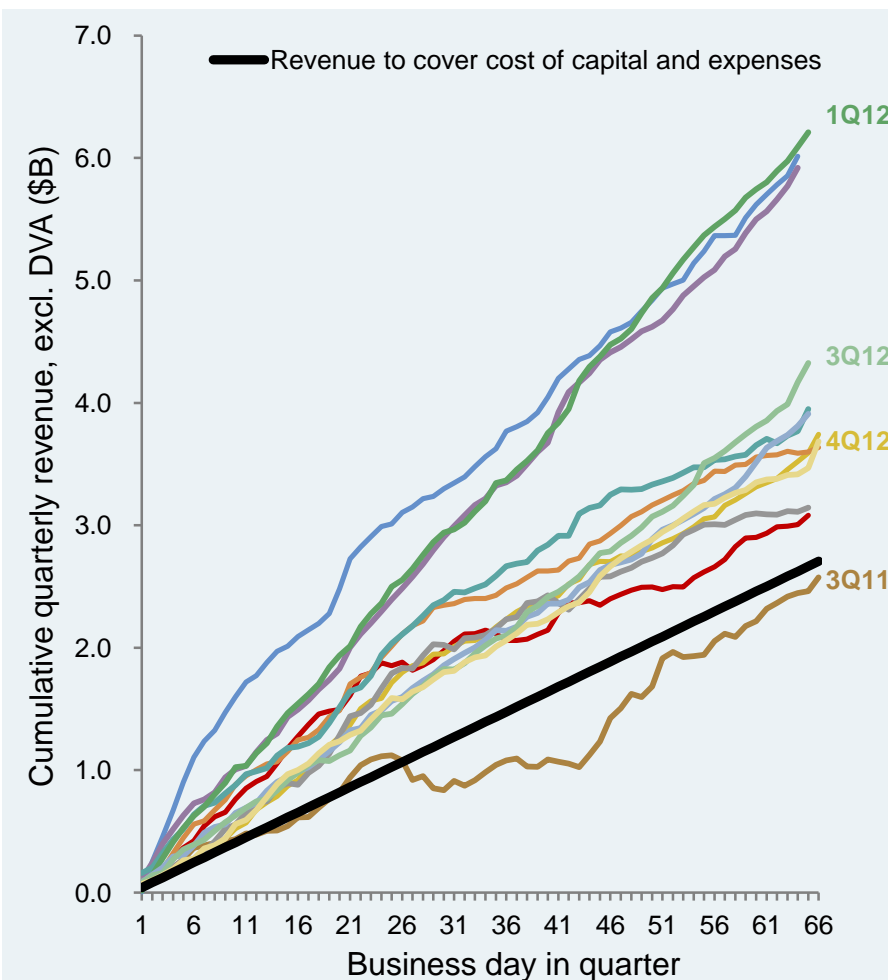
Stable earnings

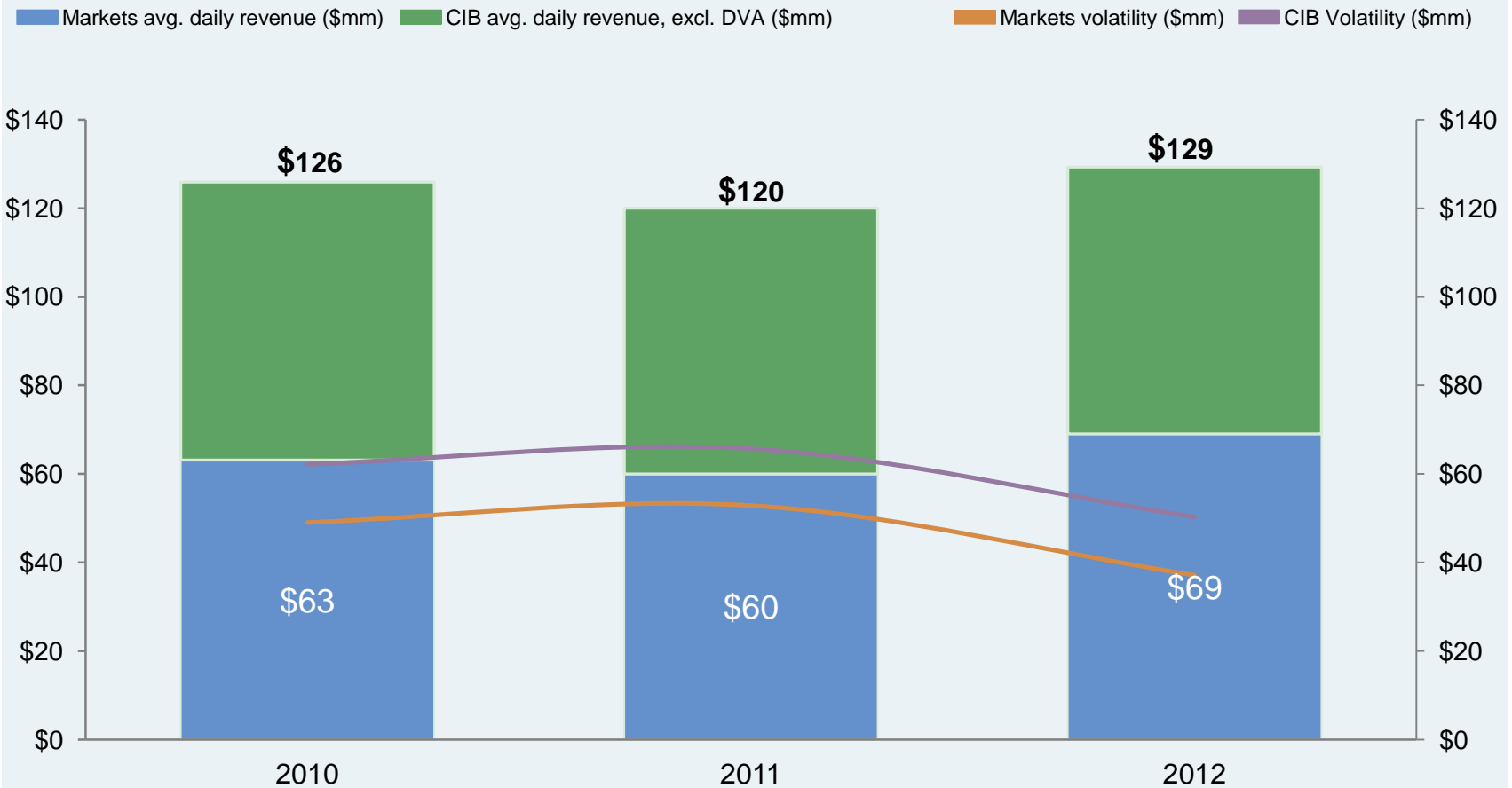
CIB earnings (\$B)



Note: Discontinued businesses and management netted from operating businesses

Cumulative quarterly Markets revenue by business day (last 12 quarters)



*Stable earnings***Markets and CIB average daily revenue (excl. DVA) and volatility (\$mm)****# of trading day losses¹****8****26****7 / 4³****CIB VaR (\$mm)²****\$99****\$76****\$84**

Note: Volatility equals standard deviation

¹ Heritage IB businesses trading loss days only² EOP total CIB trading and credit portfolio VaR. 2012 includes VaR related to synthetic credit portfolio ("SCP") transferred from CIO to CIB on 7/2/12³ Reflects trading loss days excl. DVA and excl. SCP

Each of our businesses will continue to deliver best-in-class shareholder returns

Best-in-class returns

Through-the-cycle (“TTC”) RWA, Capital and Returns (\$B)					
Business	TTC RWA	TTC Capital ¹	2012 pro forma ROE	TTC ROE	Outlook for achieving returns
Banking	\$150	\$14.4	20%	18% +/-	<ul style="list-style-type: none"> Improved interest rate environment Growth initiatives – international expansion Normalized credit costs High RWA rule certainty
Markets	\$320	\$31.8	19%	16% +/-	<ul style="list-style-type: none"> Leading businesses, flow & scale model, strong client franchise Regulatory impact RWA rule uncertainty
Investor Services	\$65	\$6.2	16%	20% +/-	<ul style="list-style-type: none"> Improved interest rate environment Ongoing efficiency improvements Market Structure changes create opportunities (e.g. Collateral Management) High RWA rule certainty
Run-off & Other	\$30	\$4.1	N/A	N/A	N/A
CIB	\$565	\$56.5	15%	16% +/-	

¹ Represents allocated equity

Agenda

	Page
J.P. Morgan is positioned to maintain leadership in wholesale banking	2
Macro trends support long-term attractiveness of global wholesale banking	24
Management priorities for 2013	32
Wrap-up	44

Macro trends support the long-term attractiveness of global wholesale banking

Macro trends affecting wholesale banking

- 1 **Regulation** – Global industry regulation will lead to increased operating expenses; scaled players better positioned
- 2 **Bank deleveraging, primarily in Europe** – Resulting in increased reliance on capital markets and opportunities for capital markets leaders
- 3 **Financial market deepening** – Continued deepening in financial markets, particularly in emerging markets
- 4 **Global commerce growth** – Renewed growth in global commerce post-crisis, resulting in growing cross-border opportunities
- 5 **Changing client demand** – Shift away from structured products; clients focused on less complex solutions

JPM is uniquely positioned to navigate these market forces

- **Client focus**
- **Scale**
- **Global reach**
- **Investment capacity**

We are well positioned to adapt to changing regulations

Regulation

	Regulations	Market-wide impact	JPM position
Market structure ¹	<ul style="list-style-type: none"> ■ Dodd Frank-Title VII ■ EMIR ■ MiFID II 	<ul style="list-style-type: none"> ■ Reduced importance of counterparty strength ■ Increased importance of e-trading capabilities ■ Blocks and less liquid instruments harder to trade ■ Constrained client leverage 	<ul style="list-style-type: none"> ■ Depth and breadth of franchise provides sufficient ability to absorb changes
Bank structure	<ul style="list-style-type: none"> ■ Volcker ■ Vickers ■ Liikanen ■ Dodd Frank-Section 716 ■ Recovery/Resolution 	<ul style="list-style-type: none"> ■ Potential changes in legal entity structure ■ Could hurt liquidity ■ Cost to implement changes 	<ul style="list-style-type: none"> ■ Our business model is client-driven ■ Strong culture of control, compliance and treating customers fairly
Customer protection	<ul style="list-style-type: none"> ■ Dodd Frank-Title VII External Business Conduct ■ MiFID II 	<ul style="list-style-type: none"> ■ Additional compliance effort ■ Major client re-documentation program ■ Technology investment required 	<ul style="list-style-type: none"> ■ Able to absorb necessary spend ■ Aggressively expanding into new business areas

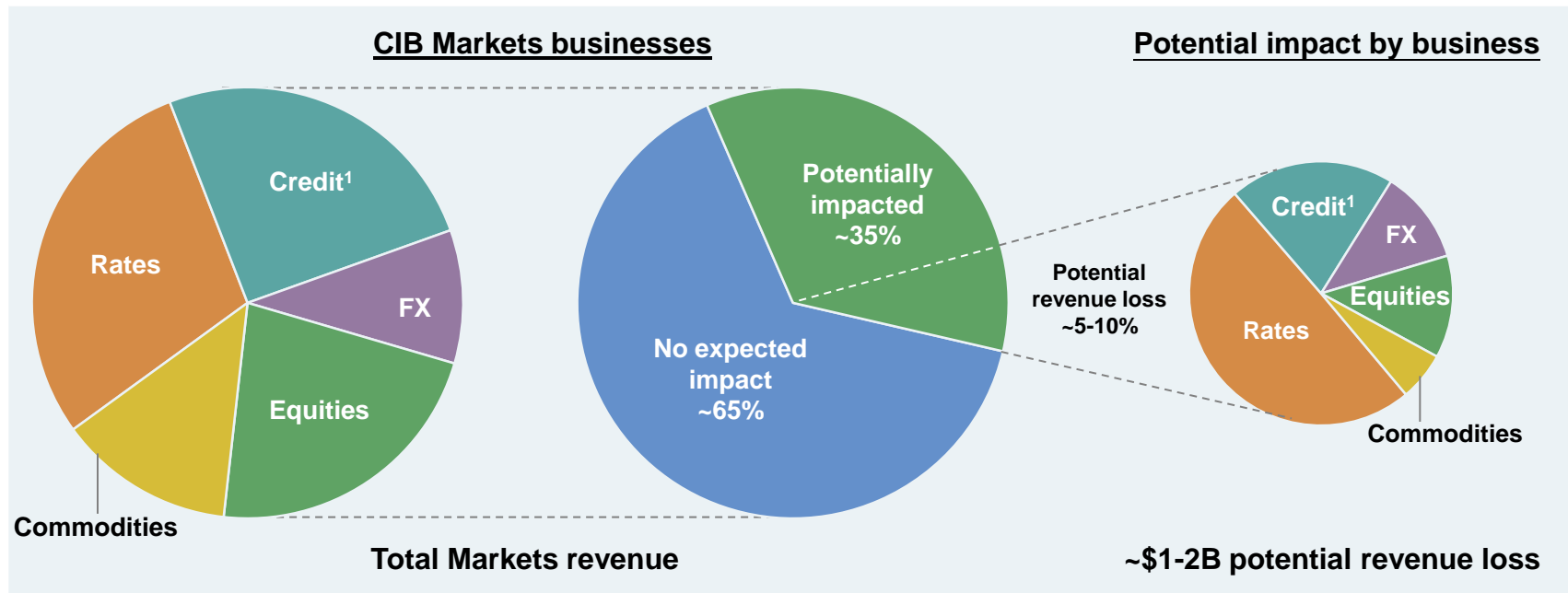
Our scale, franchise strength, large client base, operational excellence and ability to invest in new technology positions us well in changing regulatory environment

¹ Includes central clearing, trading on Swap Execution Facilities or similar platforms, post-trade transparency and additional margin for OTC derivatives

Depth and breadth of franchise provides sufficient ability to absorb regulatory impact

Regulation

CIB Markets business: Range of potential revenue impact from market structure regulations



Considerations

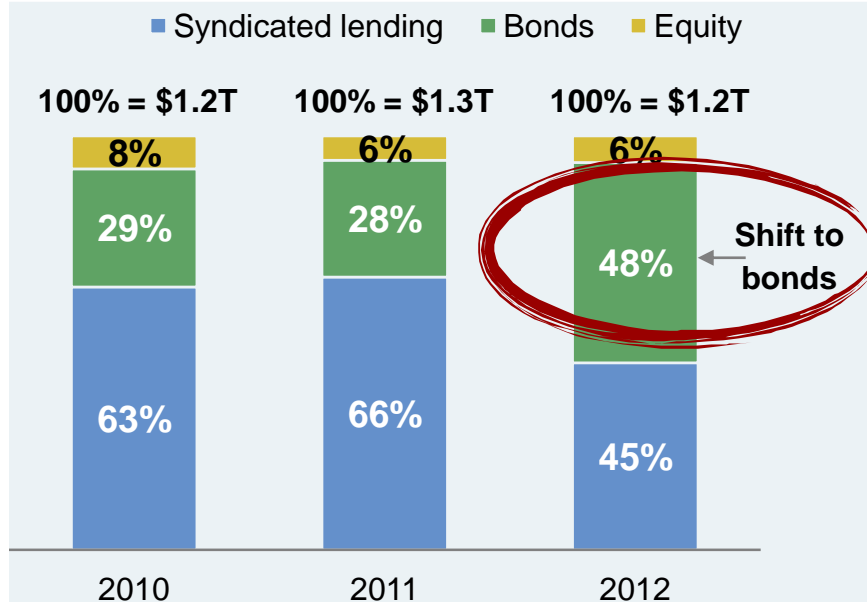
- Considers impact of post-trade transparency, mandatory clearing, SEF trading, new margin rules, and extraterritoriality: \$1-2B potential revenue impact
- Does not take into consideration new revenue opportunities in OTC Clearing & Collateral Management: \$0.3-0.5B potential revenue benefit
- Impact of Volcker not included above – will only see true effect 2-3 years post implementation – our well-established, flow-driven, client-focused franchise is a source of strength

¹ Credit includes Securitized Products

Bank deleveraging, especially in Europe, creates new capital markets opportunities

Bank deleveraging

Shift from syndicated lending to bonds – Western European example



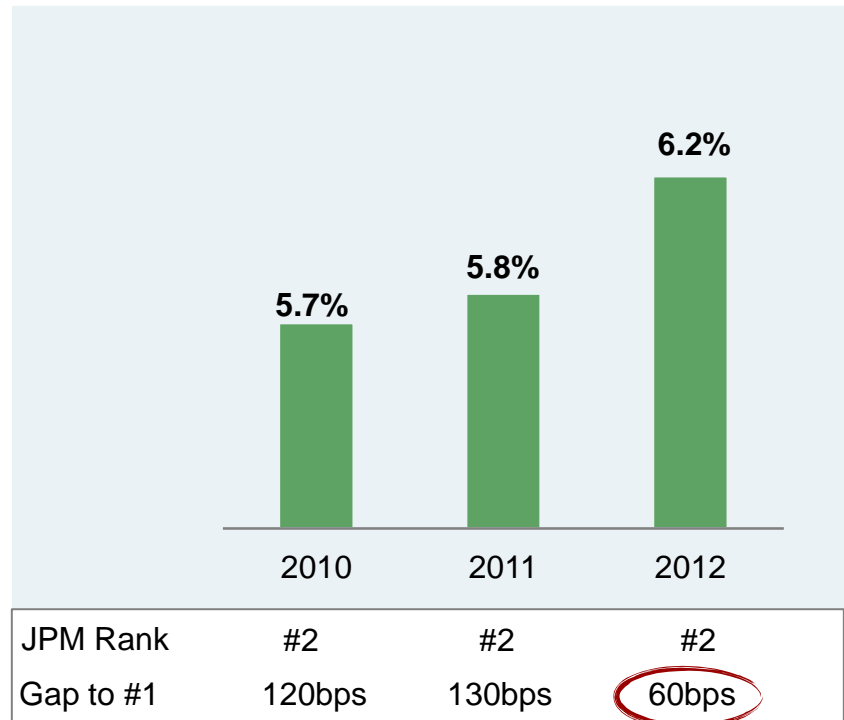
Source: Dealogic; new issuance volumes for Western European headquartered corporates

Driven by bank deleveraging

- **Tighter regulatory capital requirements forcing European & U.S. banks to reduce RWA by ~\$1T¹**
 - Banks scaling back/selling assets
 - Clients will need new sources of funding, primarily in Europe
 - Shift from lending to capital markets

¹ Source: McKinsey

JPM EMEA corporate finance fee share



Source: Dealogic

JPM DCM franchise – fee rankings

	2010	2011	2012
Global	#1	#1	#1
Yankee ¹	#1	#1	#1
EMEA	#5	#4	#3

Source: Dealogic

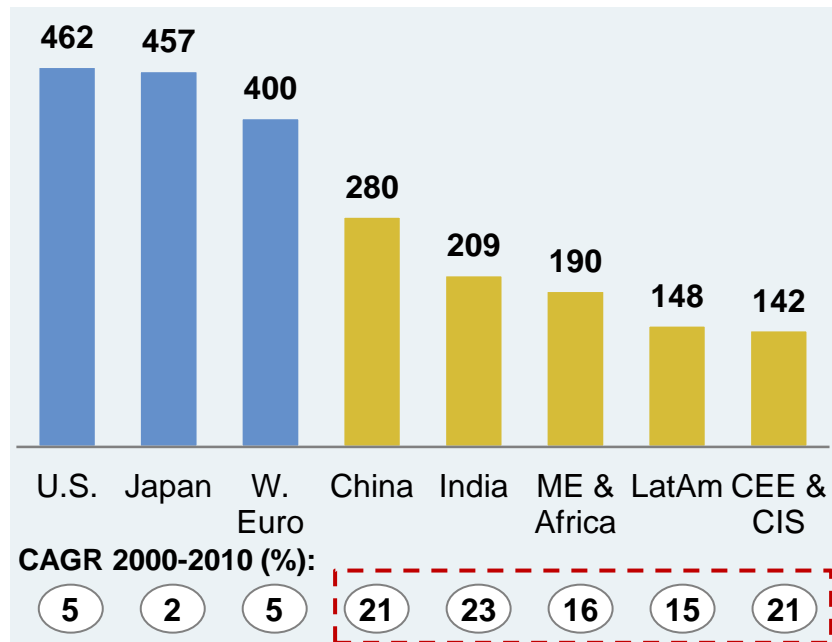
¹Yankee bonds defined as U.S. denominated bonds issued in the U.S. by a foreign issuer

JPMORGAN CHASE & CO.

Financial market deepening is driving increased capital markets opportunities

Financial market deepening

Financial market depth as % of GDP



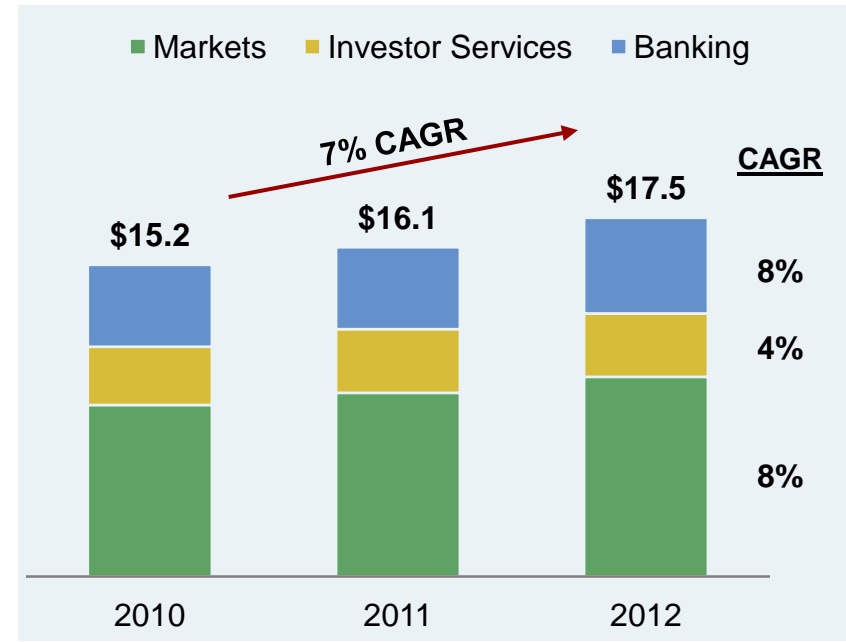
Source: McKinsey Global Institute

Positive long-term industry outlook

- Credit is expected to double from \$109T in 2009 to \$213T by 2020, driven by emerging markets (12% CAGR)
- Corporate need for equity will double over the next 10 years, triple in emerging markets

Source: World Economic Forum, McKinsey Global Institute

JPM international revenue by segment (\$B)



Note: Excl. DVA and certain discontinued / run-off businesses

JPM is increasingly international

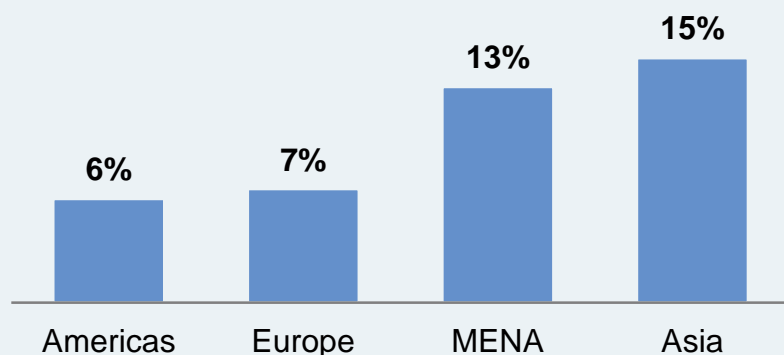
- Built a strong global capital markets franchise over the past several years
- Strong on-shore trading & execution capabilities in all major markets and continue to expand into new local markets

Significant growth in global commerce and flows will benefit global banks

Global commerce growth

Growth in transaction banking revenues

2011-2020E CAGR

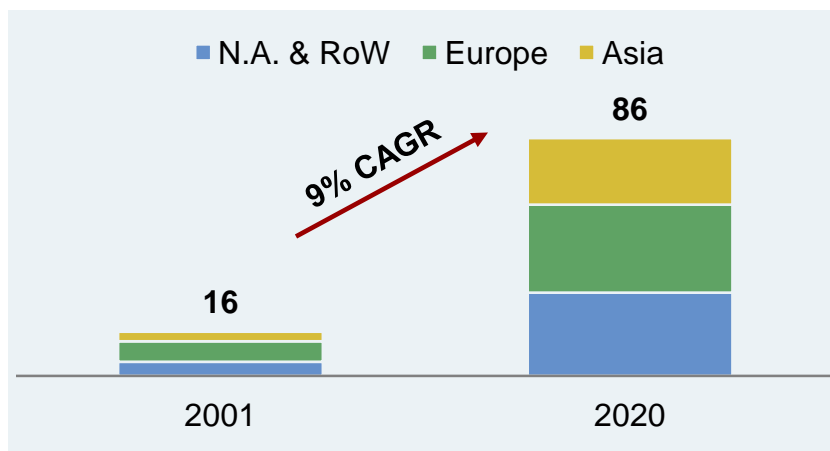


Source: Boston Consulting Group
Note: Represents wholesale

JPM Transaction Services revenue & CAGR

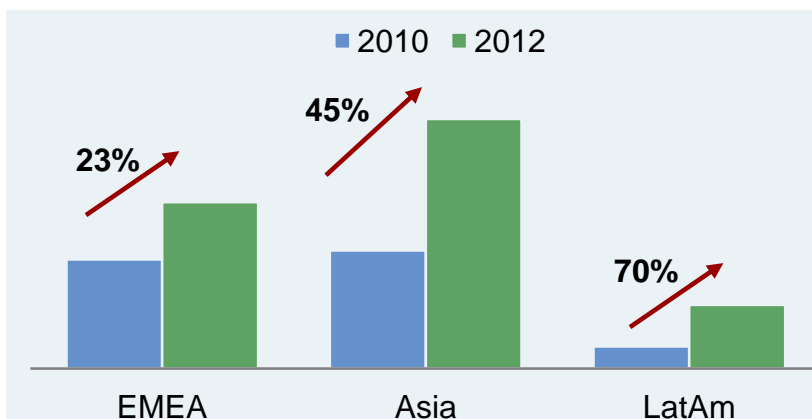


Growth in cross-border trade flows (\$T)



Source: Boston Consulting Group

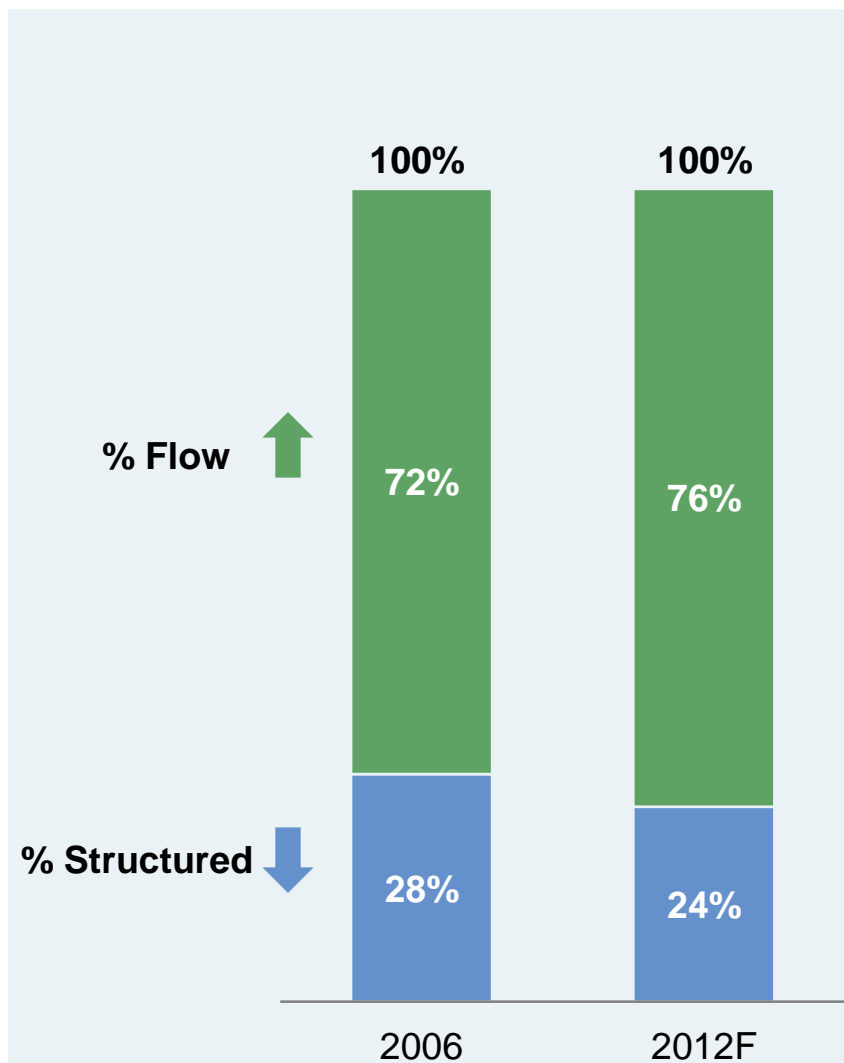
JPM Trade Finance revenue & CAGR



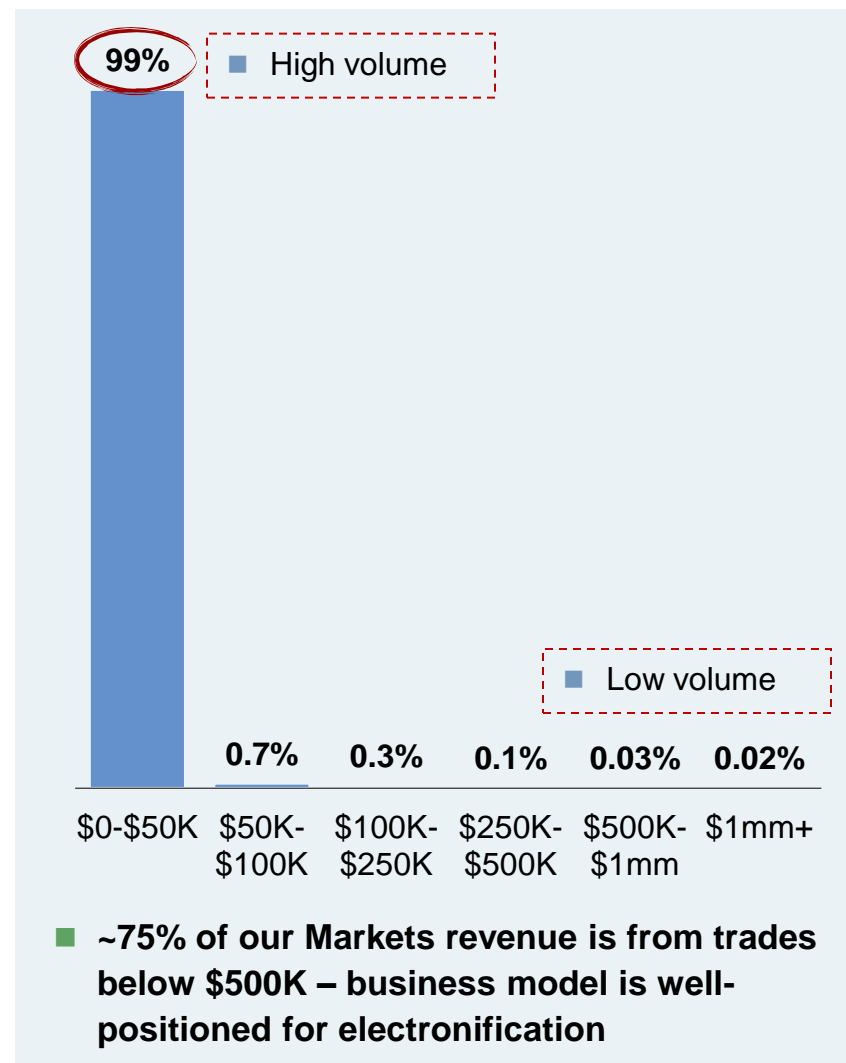
Clients have shifted to flow solutions; our model is already flow and scale driven

Changing client demand

Industry client revenue – flow vs. structured



JPM client revenue per trade



Source: Coalition. Flow includes Cash and Flow Equity Derivatives, F&O, Flow Credit, Flow Rates, U.S. Munis, Repo/STIR, FX Spots, Forwards, & Options. Structured includes Structured EQD, Exotic & Structured Credit, and Exotic & Structured Rates. Excludes Commodities, Prime Services, Securitized Products, Emerging Markets, O&A, Risk/Prop revenues

Agenda

	Page
J.P. Morgan is positioned to maintain leadership in wholesale banking	2
Macro trends support long-term attractiveness of global wholesale banking	24
Management priorities for 2013	32
Wrap-up	44

Management priorities for 2013

2013 CIB priorities

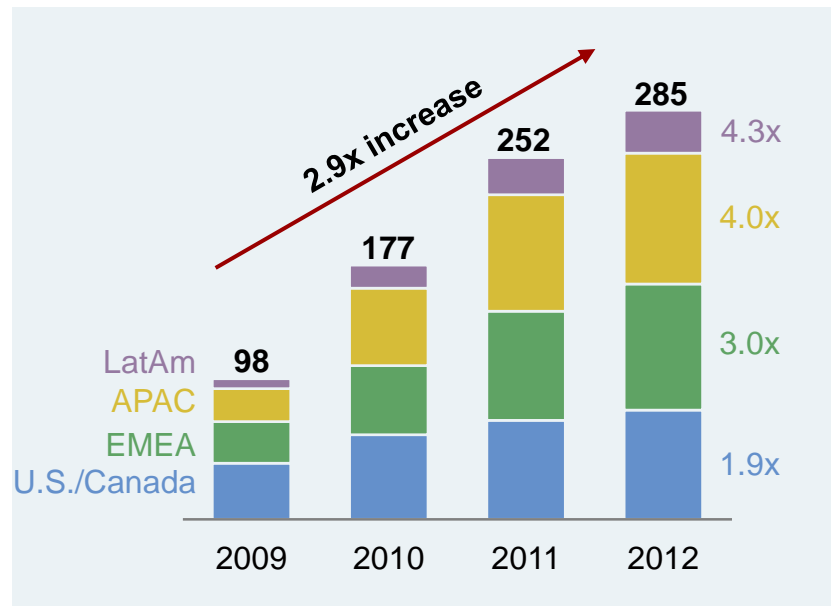
- 1 **International expansion** – Deepen Global Corporate Bank and Treasury Services solutions around the world, ensuring full integration of FX and Payments
- 2 **Prime Brokerage, Clearing & Collateral Management** – Continue Global Prime Brokerage build-out, expand OTC clearing platform, and build cutting-edge collateral management solutions
- 3 **Electronic trading** – Close the gap with leaders in Equities electronic trading and invest in Fixed Income capabilities to prepare for the future
- 4 **Technology efficiency & innovation** – Complete Strategic Reengineering Program and execute on Value for Scale efforts while continuing to invest and innovate
- 5 **Continued business optimization** – Optimize businesses across the CIB to effectively and efficiently service clients

Continued focus on strong risk management and controls, talent management and investment discipline

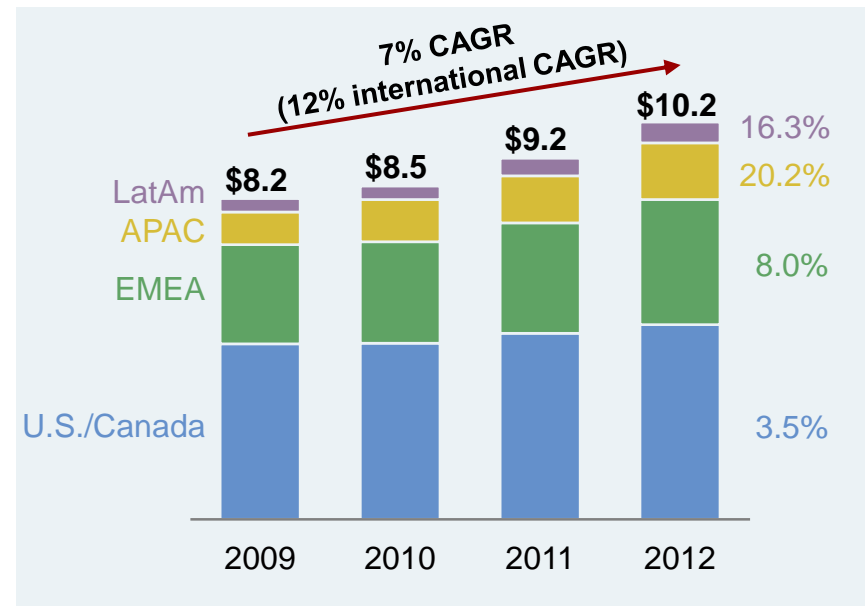
The firm has invested heavily in international coverage and product capabilities

International expansion

Global Corporate Bank banker growth (2009-2012)



Global Corporate Bank associated revenue (\$B) (2009-2012)



Priorities

- **Continue to deepen capabilities across key international locations:**
 - ~\$800mm spent since 2010 on product investments (including local products and lending capabilities and global platform build)
 - Deep, differentiated capabilities in key emerging markets (India, China, Brazil, Mexico, Saudi Arabia)
 - Completing a competitive offering in ASEAN, Emerging EMEA (Russia, South Africa, UAE, Turkey) and Latin America (Argentina, Chile and Colombia)
 - Building innovative solutions in developed markets – Western Europe (e.g. SEPA payments), Japan, Australia
- **We expect the majority of these investments to be at or close to completion by the end of 2013**

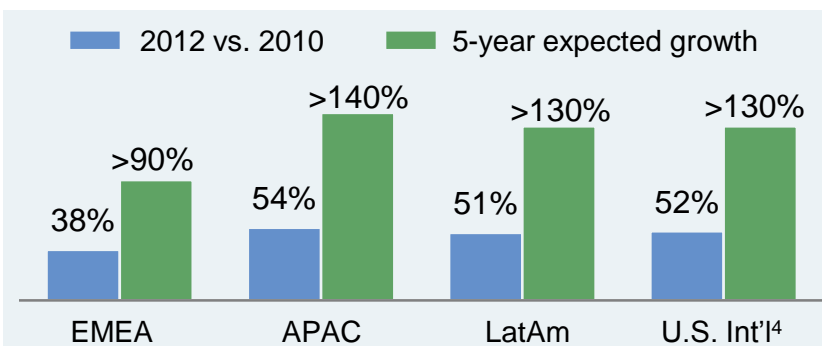
We are making significant progress across all products and countries

International expansion

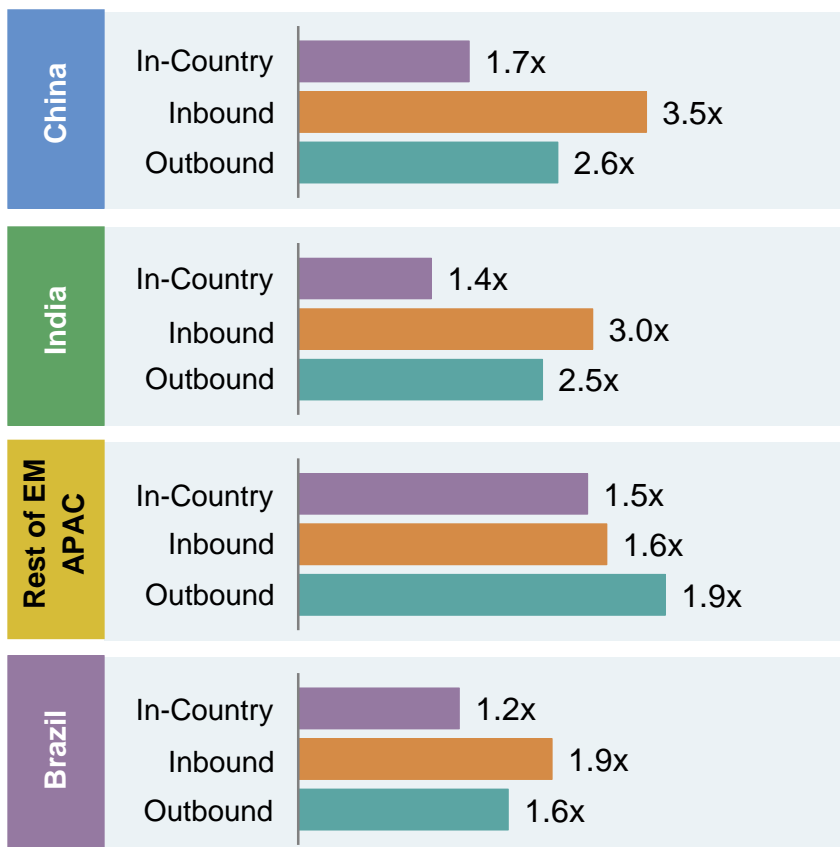
International revenue product growth with Corporate clients



International revenue growth by region³ with Corporate clients



Revenue growth in key emerging markets – 2012 vs. 2010²



Revenue growth ahead of plan; ~30% of pre-tax target achieved

¹ IB products include derivatives (mainly Commodities, FX, and Rates) and DCM (Debt Underwriting and Loan Syndication fees)

² Inbound refers to revenue with subsidiaries of foreign multinationals in the country (e.g. Wal-Mart in China). Outbound refers to revenue from subsidiaries of companies headquartered in these countries (e.g. Reliance revenue in Indonesia)

³ Represents global revenue from companies headquartered in each respective region

⁴ U.S. International includes revenue from subsidiaries of U.S. headquartered companies and FX revenue globally

2 Continued global Prime Brokerage build-out

Prime Brokerage

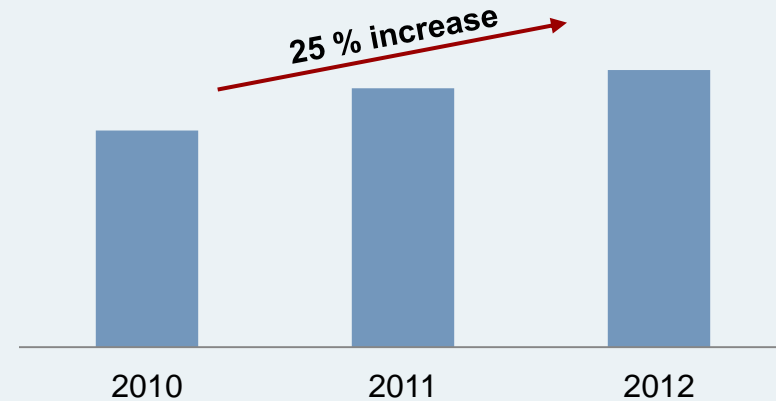
International Prime Brokerage

- JPM Prime Brokerage has historically been a leading U.S. focused business
- Prime Brokerage clients need round-the-world coverage to finance and execute global trading strategies
- Goal is to be a top-tier player in EMEA and Asia

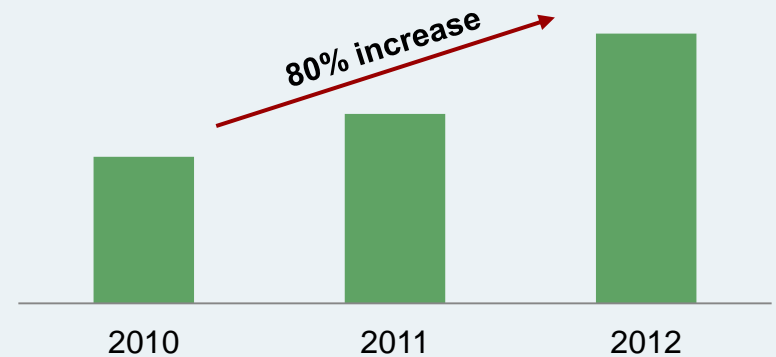
Status of build-out

- **In EMEA**
 - Executed key hires
 - Launched International Prime Brokerage in June 2011
 - Onboarding of new clients significantly ahead of expectations
- **In Asia**
 - Executed key hires
 - Developed regional strategy
 - Enhancing region-specific capabilities in 2013

JPM Prime Brokerage balances increase



JPM Int'l. Prime Brokerage balances increase



- Significant growth from a small starting base
- International revenue expected to approach ~\$600mm in steady state (~2015), excluding future benefits to Equities

We are launching innovative solutions to help clients navigate the changing collateral management landscape

Collateral Management

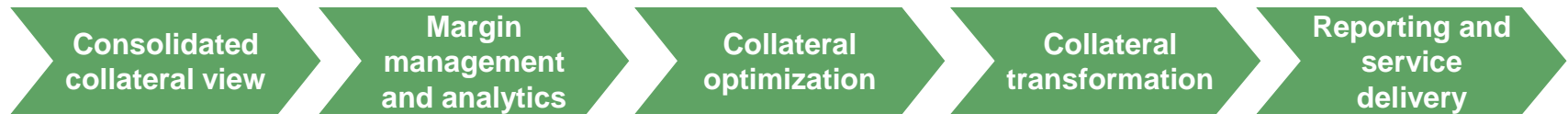
Significant new client needs

- New regulations creating additional clearing and collateral requirements, most starting in 2013
- Wide ranging industry estimates on the need for additional collateral: ~\$500B-\$5T

JPM is uniquely positioned

- **Strong existing product capability:** leveraging existing collateral management products and platform
- **Entrenched client relationships:** deep relationships with all target clients across Custody, Financing, Clearing, and Execution

We will offer end-to-end solutions...



...that will deliver significant value to clients

■ **Economic**

- Optimal collateral posting mix
- Reduce financing costs
- Enhance yield on excess cash/securities

■ **Risk mitigation**

- Manage counterparty credit exposure
- Verify margin requirements
- Support dispute resolution

■ **Operational efficiency**

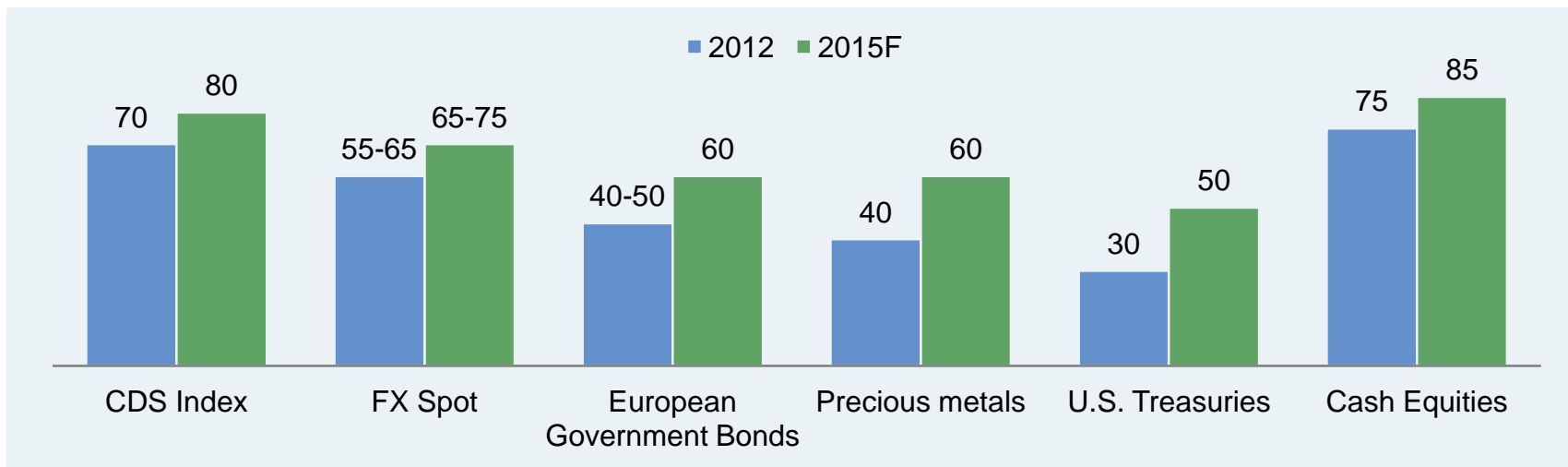
- Access to robust & scalable infrastructure
- Transparent, efficient & cost effective collateral posting

Expected to generate incremental direct and ancillary revenue of ~\$300-500mm from OTC Clearing & Collateral Management

Growth of electronic trading will continue to drive higher flow volumes at tighter spreads; players with best-in-class electronic capabilities will have a competitive advantage

Electronic trading

Industry Fixed Income & Equities e-trading volumes (%) by asset class



Source: McKinsey, Oliver Wyman, Greyspark

Evolution of Fixed Income e-trading landscape

- **Introduction of Swap Execution Facilities likely to accelerate trading electronification of Interest Rates and Credit default swaps**
 - Extent of electronification will depend on final regulation but likely to result in increased price transparency and automated execution and clearing capabilities
 - Non-standard end-user swaps likely to remain voice-traded for now
- **Emerging crossing networks for bonds are complementary to traditional dealer services**
 - Expect dealers will continue to provide inventory and liquidity and bring new issuance into the markets

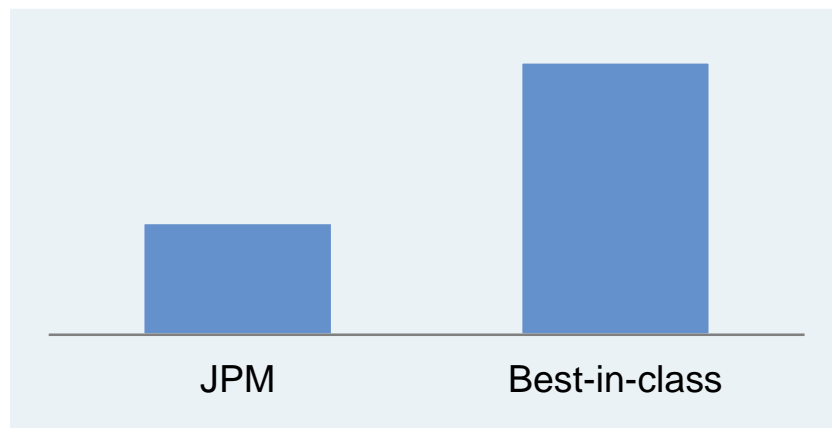
We are aggressively building best-in-class electronic trading capabilities

Electronic trading

Continue to close the gap in Equities

- Algorithms and trading infrastructure now on par with market leaders
- Driving full integration of electronic and voice-based sales and trading
- Full integration across cash, derivatives, and prime brokerage offerings

Equities low touch revenue (2012)



Source: Coalition, JPM internal estimates

Preparing for the future in Fixed Income

- Building flexible platform that allows us to be ready to trade on any new format (e.g., RFQ, CLOB)
- Launched J.P. Morgan Markets – aggregating all research, execution, analytics and post-trade services across Fixed Income
- Scale FX, Rates, and Commodities e-trading capabilities to reach additional products and clients
- Continuing to invest in cross-asset infrastructure and venue connectivity

Potential to add ~\$300-400mm in revenue as we build a leadership position; significant investments to ensure robust controls across the board

Multi-year technology investments are beginning to pay off – will deliver savings of \$650mm+ in steady-state

Technology efficiency & innovation

Investments to drive efficiency...

Strategic Reengineering Program (SRP)

- 80% complete; on track for 2013 completion
- Cumulative spend of ~\$700mm out of 4-year plan of ~\$775mm; cumulative savings of \$400mm+
- Annual savings achieved to date ~\$215mm vs. \$300mm+ (target at the end of 2013)
- 40 major applications decommissioned

Value for Scale

- Combining IB and TSS Technology & Operations components with focus on rationalizing:
 - Processing & Operating units – e.g., securities, derivatives, client on-boarding, reference data
 - International branches
- ~\$150mm estimated spend to be incurred over-time
- \$365mm+ in incremental annual savings by 2015

...and enhanced client experience

Investor clients

- Launched **J.P. Morgan Markets (JPMM)**, new web and mobile platform, as single client facing platform
 - 50,000 external users
 - 37 systems consolidated
- Merging Securities Services Portal with JPMM
- Integrated approach to client on-boarding process and tools, increasing transparency, quality and control and reducing duplication

Corporate clients

- Launched Cash Management portal – **J.P. Morgan ACCESS Next Generation**; will service 25,000 global clients and 180,000 users
- Launching **Global Payments Hub** - will provide leading payments capabilities globally

Continuing to differentiate through innovation – Athena, Mobile research and trading applications, Big Data, etc.

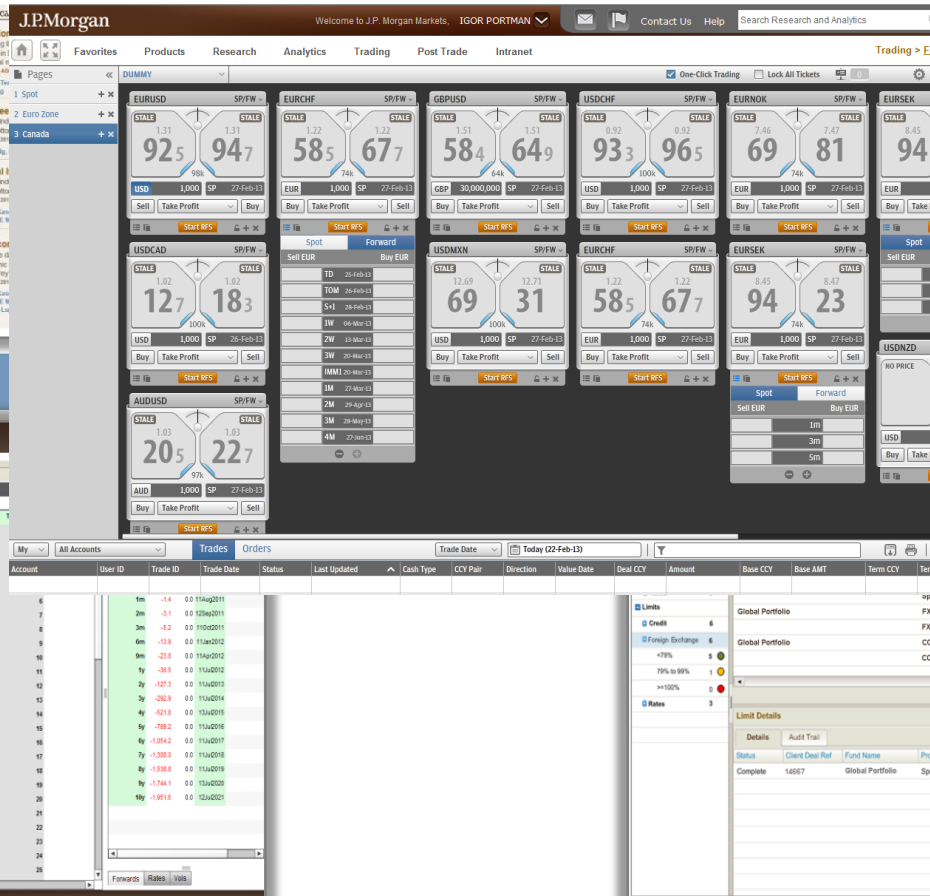
J.P. Morgan Markets: A single global platform offering clients access to advanced tools across the trade lifecycle

Technology efficiency & innovation

Research



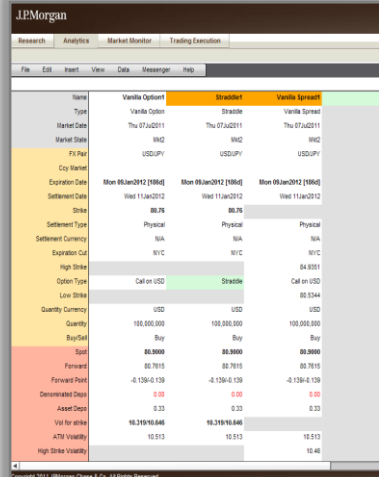
Trade Execution



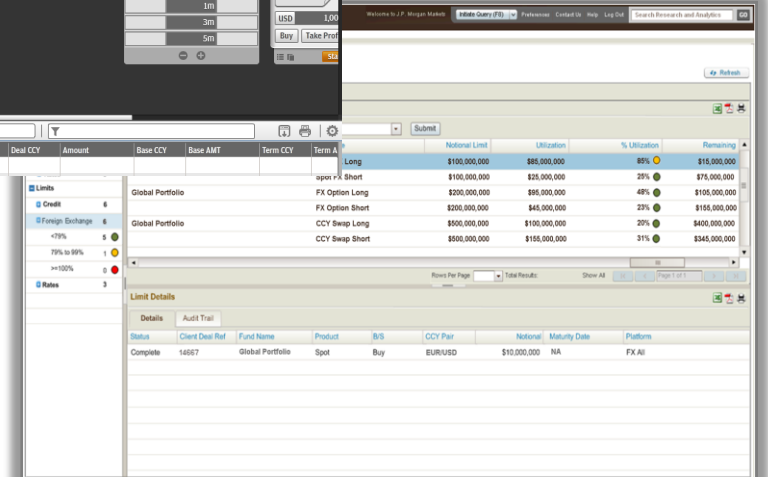
Analytics



Structuring



Post-trade



Athena is a next generation pricing, risk management, analysis and trade management platform that spans many asset classes

Technology efficiency & innovation

Product Structuring and Pricing

Athena Structuring Tool (6284) - NYC_ratesderiv_dev

File Edit Insert View Data Book Debug Window Help

Untitled-1*

Flows

Name: Vanilla Option1 BasisSwap_531.MaturityDate()Basis Swap1

Type: Vanilla Option Basis Swap

Market Date: 22Feb2013 22Feb2013

Market State: Mkt2 Mkt1

Leg

Denominated

Notional

FX Pair

Option Type

Settlement Date

Strike

Settlement Type

Start Date

Settlement Currency

Expiration Cut

Same Start Date

Unadj Expiration Date

Expiration Date

Settings

FX Spot

FX Publisher

Reset Spot

Fixed Rate(%)

Payment Frequency

Rate Tenor

Compounding Method

First Roll Date

Last Roll Date

Roll Convention

Day Count

Business Day Convention

Days to Spot

Initial Exchange

Final Exchange

Index

Spread(%)

Leverage

Flows

Market Mkt1

JPY

sn 0.053 Cash act/360

1w 0.042 Cash act/360

2w 0.047 Cash act/360

Risk Reporting and Analytics

Environment

- Directory
- Base.Swap.AUD.BBSW,3m
 - Base.Swap.AUD.BBSW,6m
 - Base.Swap.CAD.CDOR,3m
 - Base.Swap.CHF.LIBOR,1m
 - Base.Swap.CHF.LIBOR,1y
 - Base.Swap.CHF.LIBOR,3m
 - Base.Swap.CHF.LIBOR,3m,opt
 - Base.Swap.CHF.LIBOR,6m
 - Base.Swap.CHF.TOIS,1d
 - Base.Swap.DKK.CIBOR,1m
 - Base.Swap.DKK.CIBOR,1y
 - Base.Swap.DKK.CIBOR,3m
 - Base.Swap.DKK.CIBOR,3m,opt
 - Base.Swap.DKK.CIBOR,6m
 - Base.Swap.EUR.EURIBOR,1m
 - Base.Swap.EUR.EURIBOR,1y
 - Base.Swap.EUR.EURIBOR,3m
 - Base.Swap.EUR.EURIBOR,3m,c
 - Base.Swap.EUR.EURIBOR,6m
 - Base.Swap.GBP.LIBOR,1m
 - Base.Swap.GBP.LIBOR,1y
 - Base.Swap.GBP.LIBOR,3m
 - Base.Swap.GBP.LIBOR,3m,opt
 - Base.Swap.GBP.LIBOR,6m

Base.Swap.EUR.EURIBOR,3m

Shift

0.000

Values

Trader Desktop

Athena Trader Desktop - Securities

New Edit View Options Help About

Summary

22:45:07

Country

bookId

2631-AC1

3521-PERI

4812-TOK2

4920

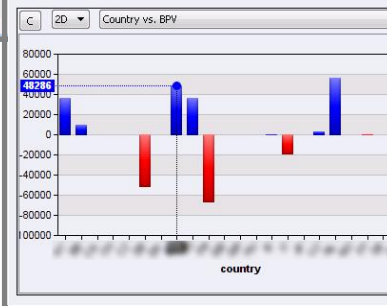
7107-SM

7120-CTSL1

7138-BOND

Country vs BPV

FI FR GB GR HU IE IT JP LU



Trade Operations

Athena Trade Operations - Securities

File Edit View Books Trade Window Shortcuts Debug Help

Live EOD Add filter Greece Short End Futures

Rules NYC Securities ALGO

Books:

TRM Status:

OSCC Status:

Feed Status:

Workflow Status:

Lifecycle Status:

Instrument Type:

Reset Load Auto None

Summary

Entry Time Deal Name Description Instrument ID Quantity Buy Sell Price Price Decimal Yield Account Principal Total Money Y Source Y Entered By Y Executed By Y Trading Book

2013-02-22 16:14:23 DEX-RVY OK CBOTUS27YrnsFutures Mar13 TH03 411 Buy

2013-02-22 16:14:23 DEX-RVY OK CBOTUS27YrnsFutures Mar13 TH03 411 Sell

2013-02-22 16:14:02 DEX-RVY OK T 8 1/4 01/15/15 91282804 100m Sell

2013-02-22 16:14:02 DEX-RVY OK T 8 1/4 01/15/15 91282804 100m Buy

2013-02-22 16:14:02 DEX-RVY OK T 2 02/15/23 91282808 1m Buy

2013-02-22 16:14:02 DEX-RVY OK CBOTUS27YrnsFutures Mar13 TH03 4 Sell

2013-02-22 15:41:56 DEX-RVY OK T 3 1/8 02/15/43 912810224 2m Sell

2013-02-22 15:41:56 DEX-RVY OK T 3 1/8 02/15/43 912810224 1m Sell

2013-02-22 15:41:56 DEX-RVY OK T 3 1/8 02/15/43 912810224 3m Sell

2013-02-22 15:41:56 DEX-RVY OK T 3 1/8 02/15/43 912810224 12m Buy

2013-02-22 15:41:56 DEX-RVY OK T 3 1/8 02/15/43 912810224 13m Buy

2013-02-22 15:41:56 DEX-RVY OK T 3 1/8 02/15/43 912810224 13m Sell

2013-02-22 15:41:56 DEX-RVY OK T 3 1/8 02/15/43 912810224 13m Buy

2013-02-22 15:41:56 DEX-RVY OK T 3 1/8 02/15/43 912810224 7m Buy

2013-02-22 15:41:56 DEX-RVY OK T 3 1/8 02/15/43 912810224 8m Buy

2013-02-22 15:41:56 DEX-RVY OK CBOTUS27YrnsFutures Mar13 TH03 508 Sell

2013-02-22 15:41:56 DEX-RVY OK T 1 3/8 01/15/20 91282802 74m Sell

2013-02-22 15:41:56 DEX-RVY OK T 1 3/8 01/15/20 91282802 10m Sell

2013-02-22 15:41:56 DEX-RVY OK T 1 3/8 01/15/20 91282802 74m Buy

2013-02-22 15:41:56 DEX-RVY OK T 1 3/8 01/15/20 91282802 5m Sell

2013-02-22 15:41:56 DEX-RVY OK T 1 3/8 01/15/20 91282802 5m Buy

2013-02-22 15:41:56 DEX-RVY OK T 1 3/8 01/15/20 91282802 3m Sell

2013-02-22 15:41:56 DEX-RVY OK T 1 3/8 01/15/20 91282802 3m Buy

2013-02-22 15:41:56 DEX-RVY OK T 1 3/8 01/15/20 91282802 4m Buy

2013-02-22 15:41:56 DEX-RVY OK T 1 3/8 01/15/20 91282802 2m Buy

2013-02-22 15:41:56 DEX-RVY OK T 1 3/8 01/15/20 91282802 1m Sell

2013-02-22 15:41:56 DEX-RVY OK T 1 3/8 01/15/20 91282802 3m Sell

Deal Quick Entry Summary

Deal ID: Bond ID: Price Type: Price: Shift:

Buy Forward

Quantity: Settlement Date: Account: Clean Price: New Bond

1 22Feb2013

Comments: Checked By: Book New Deal

Reset Fields

Optimize businesses across CIB to effectively & efficiently serve clients

Continued business optimization (select examples)

Equities

■ ***Investing to be a top-tier Equities business***

- Strategic foundation in place – diverse client base, talent, integrated platform
- Integrating cash & derivatives sales and trading resources, optimizing equity research, driving productivity
- Accelerating electronification of our execution services business model to drive incremental client commission revenue and internal efficiencies

Commodities

■ ***Optimizing business for new regulation and improving efficiency***

- Top 3 player with full product capabilities across Financial and Physical
- Strong and diverse client driven franchise; we have 2,000+ clients
- Significant efficiencies expected as old technology platforms and related infrastructure are retired

Client coverage

■ ***Aligning client coverage models to create better client experience***

- Integrated Banking Coverage teams regionally – bringing together best-in-class solutions for clients
- Established regional Markets & Investor Service sales forces – delivering full suite of products across and within all regions


Continual identification & execution of new areas for optimization and integration

Agenda

	Page
J.P. Morgan is positioned to maintain leadership in wholesale banking	2
Macro trends support long-term attractiveness of global wholesale banking	24
Management priorities for 2013	32
Wrap-up	44

In summary...

- Leadership position across Banking, Markets and Investor Services, with room for growth
- Strong client franchise
- Scale & completeness of offerings
- Financial strength
- Capacity to continue to invest in future growth
- Strong track record of performance through challenging markets
- Regulatory headwinds, but long-term outlook for wholesale banking is strong



Significant earnings & return potential with a 16% +/- through-the-cycle ROE