

## CONSUMER & COMMUNITY BANKING

Gordon Smith, Chief Executive Officer Consumer & Community Banking

February 23, 2016

# Agenda

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CCB
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## We remain focused on a consistent set of strategic priorities

- Deepen relationships with our customers, simplify and improve customer experience
- Execute expense reduction initiatives and rationalize cost structure
- Maintain strong control environment and automate processes
- Ensure highest level of information security standards
- Increase digital engagement by delivering differentiated experiences
- Lead payments innovation by delivering solutions that address merchant and consumer needs

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## Performance targets

### Consumer & Community Banking targets

		2014	2015	Medium term guidance (+/-)	2015 Investor Day Medium term guidance (+/-)
<b>Consumer &amp; Community Banking (CCB)</b>	Card net charge-off rate <sup>1</sup>	2.75%	2.51%	2.50%	3.00%
	Card Services revenue margin	12.03%	12.33%	11.25%	12.00%
	Auto net charge-off rate	0.34%	0.38%	0.45%	0.45%
	Mortgage Banking net charge-off rate <sup>1,2</sup>	0.37%	0.18%	0.15%	0.20%
	Business Banking net charge-off rate	0.94%	0.66%	0.70%	N/A
	CCB ROE	18%	18%	20%	20%

CCB	2015 (\$B)	% of JPMC
Net revenue	\$43.8	45%
Net income	\$9.8	40%

<sup>1</sup> Excludes held-for-sale loans

<sup>2</sup> Excludes the impact of purchased credit-impaired (PCI) loans

## We have continued momentum across key business drivers

Key business drivers			
<i>\$ in billions, except ratios and where otherwise noted, all balances are average</i>		2015	YoY Δ
Consumer & Community Banking	Households (mm)	57.8	1%
	Active mobile users (mm)	22.8	20%
Credit Card	New accounts opened <sup>1</sup> (mm)	8.7	(1%)
	Sales volume <sup>1</sup>	\$496	7%
	Loans	\$126	1%
	Net charge-off rate <sup>2</sup>	2.51%	(24bps)
Commerce Solutions	Merchant processing volume	\$949	12%
Auto Finance	Loan and lease originations	\$32	18%
	Loan and lease portfolio	\$64	9%
Mortgage Banking	Total mortgage originations	\$106	36%
	Third-party mortgage loans serviced	\$715	(9%)
	Loans	\$204	11%
	Mortgage Banking net charge-offs <sup>3</sup>	\$0.3	(41%)
Business Banking	Deposits	\$101	11%
	Loans	\$20	6%
	Loan originations	\$7	3%
Consumer Banking	Deposits	\$414	9%
	Client investment assets (end of period)	\$219	2%

<sup>1</sup> Excludes Commercial Card

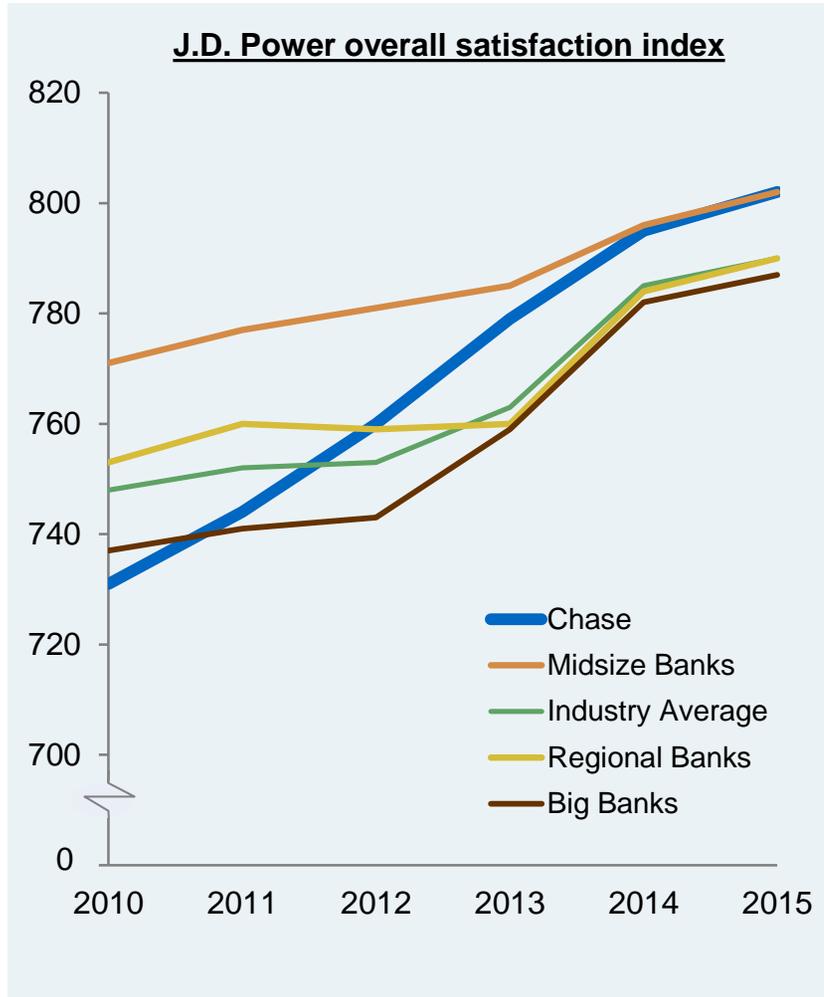
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<sup>3</sup> Excludes write-offs of purchased credit-impaired (PCI) loans

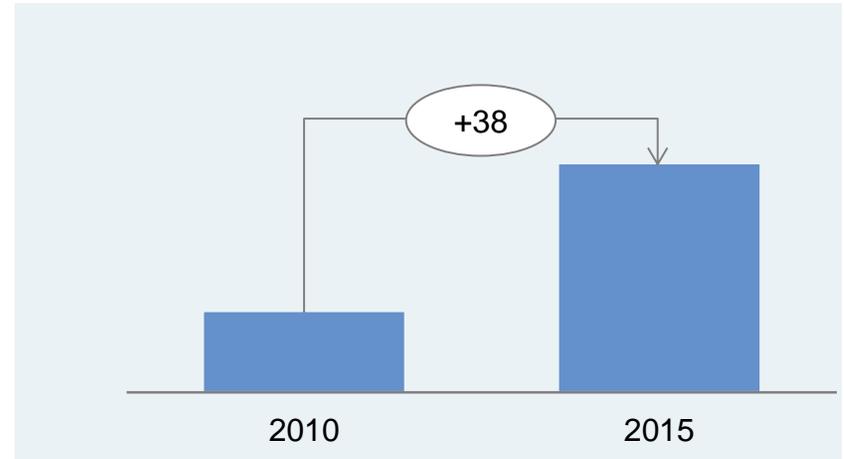
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# We continue to improve our customer experience

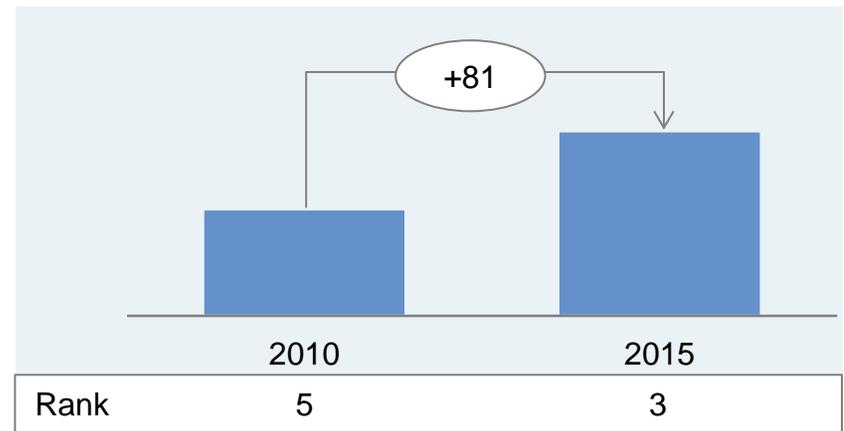
J.D. Power U.S. retail banking satisfaction<sup>1,2</sup>



Mortgage originations net promoter score<sup>3</sup>



J.D. Power U.S. credit card satisfaction<sup>4</sup>



<sup>1</sup> Source: J.D. Power U.S. Retail Banking Satisfaction Study

<sup>2</sup> Big Banks defined as top six U.S. banks

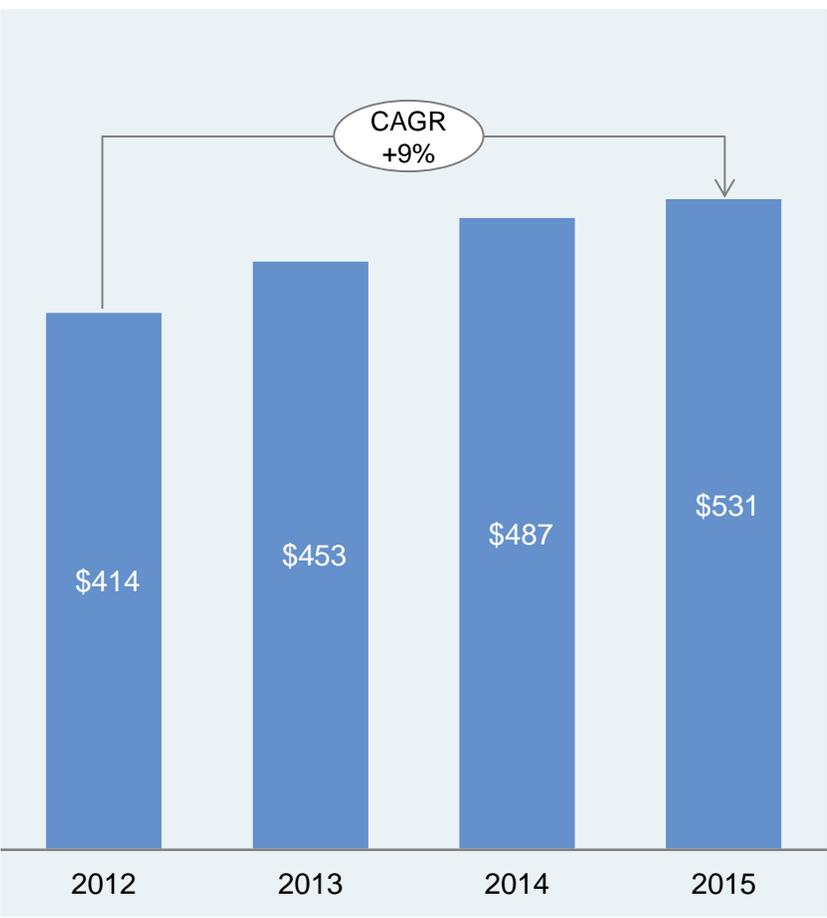
<sup>3</sup> Note: Net promoter score = % promoters minus % detractors

<sup>4</sup> Source: J.D. Power U.S. Credit Card Satisfaction Study 8/20/2015 and 8/19/2010

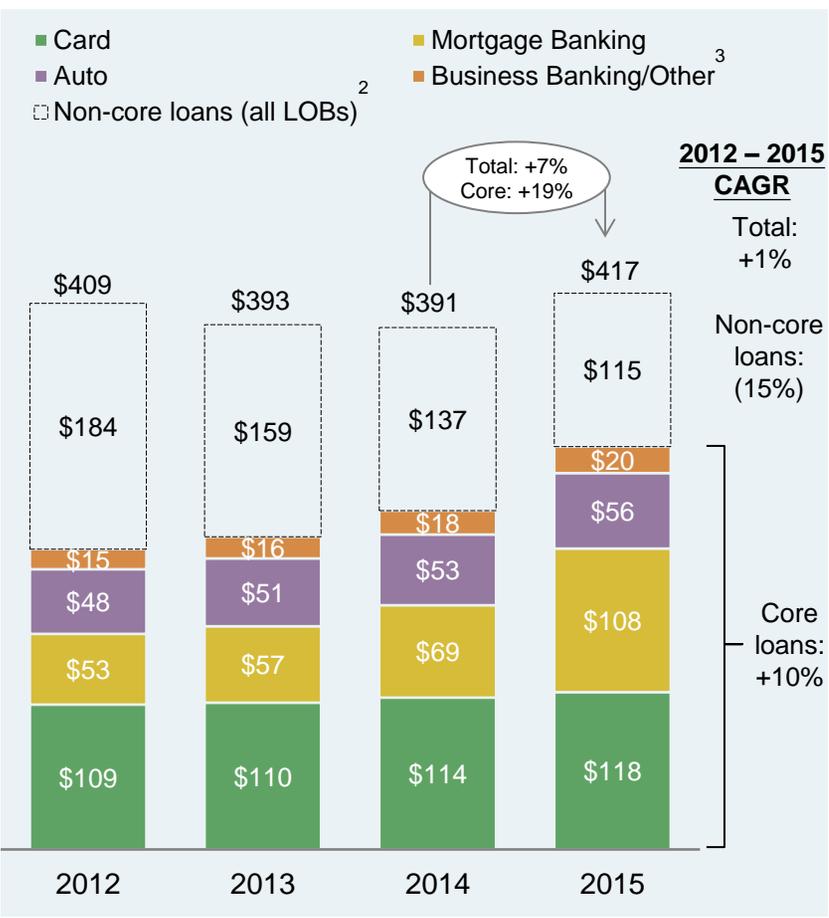
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# We see strong growth in deposits and core loans

Consumer & Community Banking average deposits (\$B)



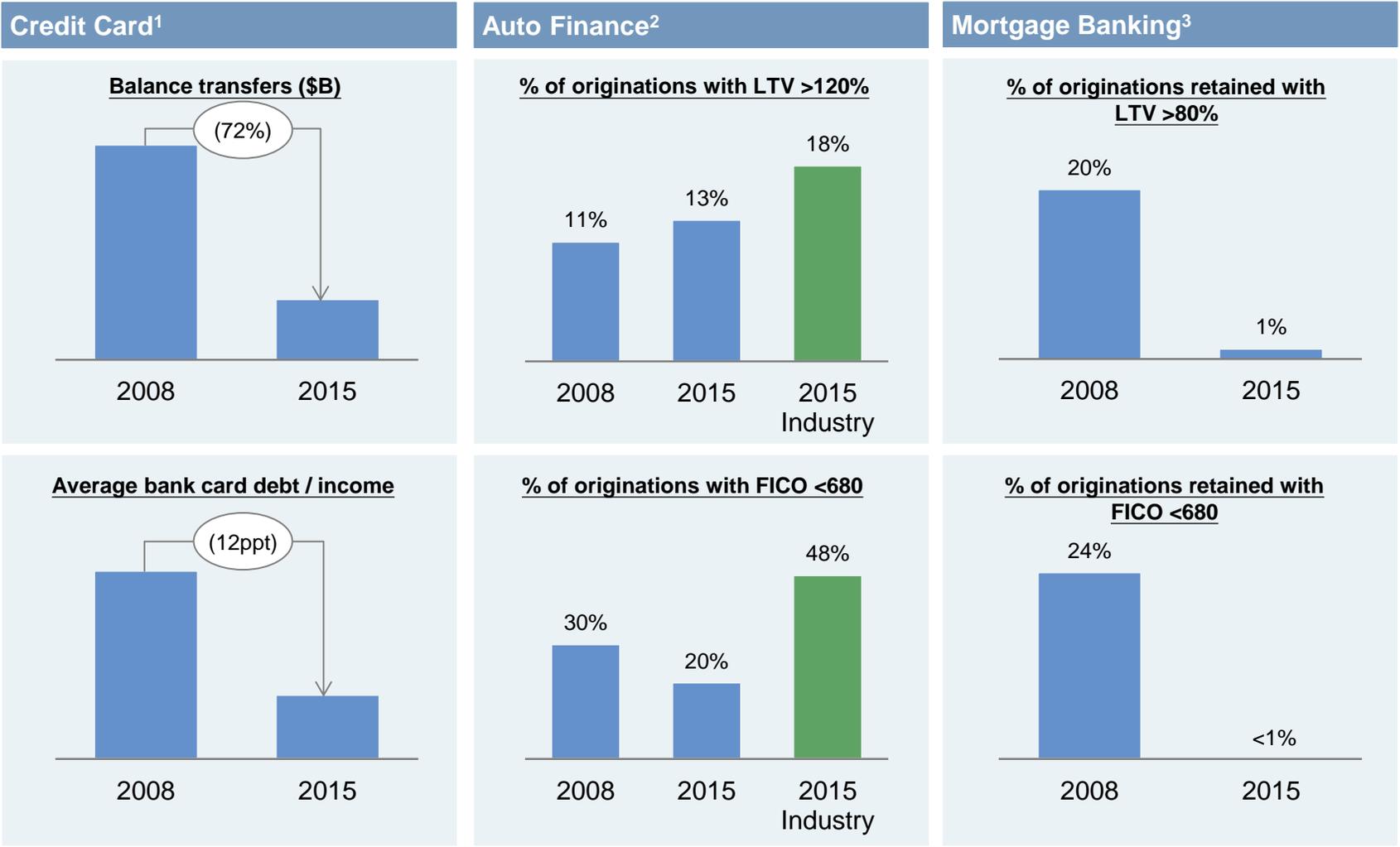
Consumer & Community Banking average loans<sup>1</sup> (\$B)



Note: Numbers may not sum due to rounding  
<sup>1</sup> Includes held-for-sale loans  
<sup>2</sup> Non-core loans include runoff portfolios, discontinued product/products no longer originated, and/or business simplification efforts  
<sup>3</sup> Other includes securities-based lending of \$0.2B in 2013, \$0.8B in 2014 and \$1.4B in 2015

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# We have built high-quality lending portfolios that will be resilient through-the-cycle

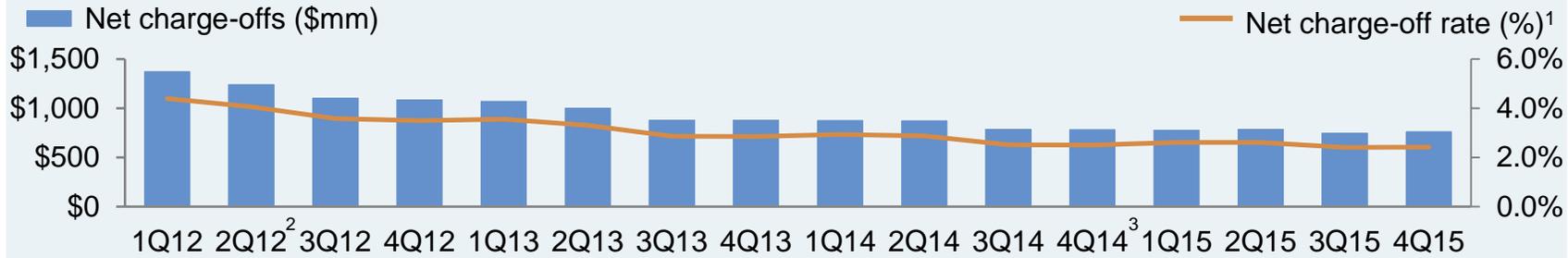


<sup>1</sup> Balance transfers include cash advances. Average bank card debt / self-reported income is for new accounts booked in 2008 and 2015  
<sup>2</sup> Excludes operating leases. Industry LTV data per J.D. Power PIN. Industry FICO data per Experian AutoCount  
<sup>3</sup> Reflects first-lien originations retained on balance sheet. Excludes Home Equity and Private Bank loans

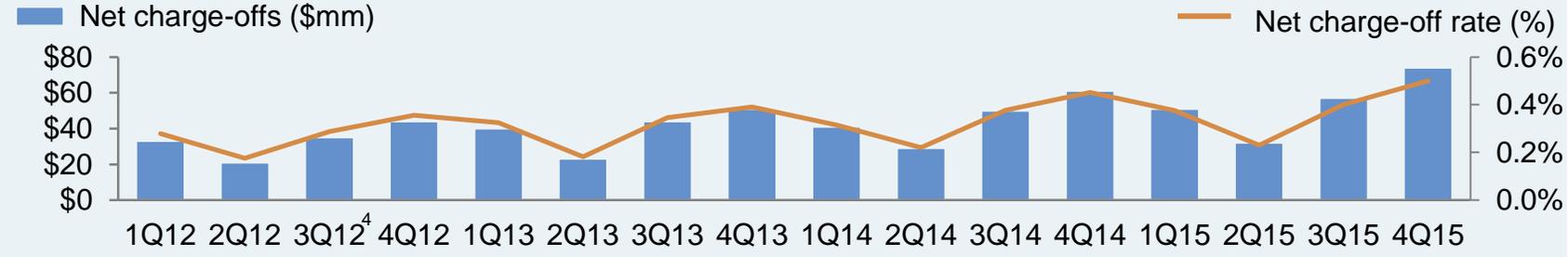
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Credit losses are at low levels, but we rigorously monitor for signs of stress

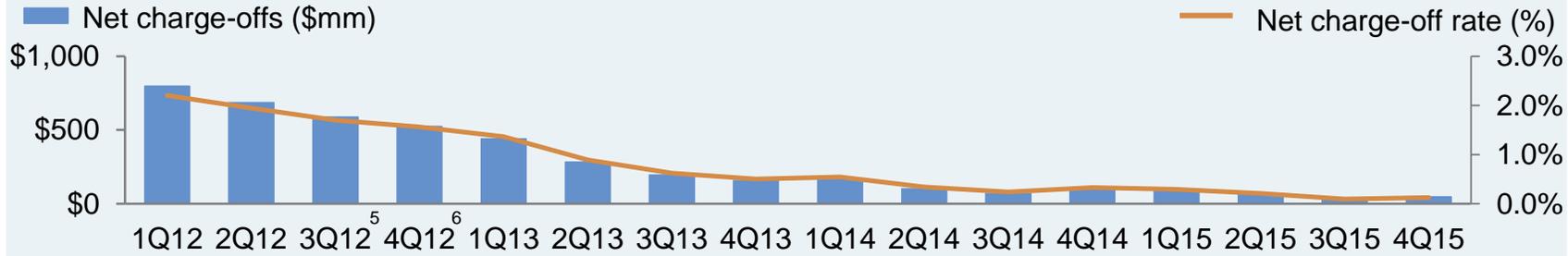
Credit Card net charge-offs



Auto Finance net charge-offs



Mortgage Banking non-credit impaired net charge-offs

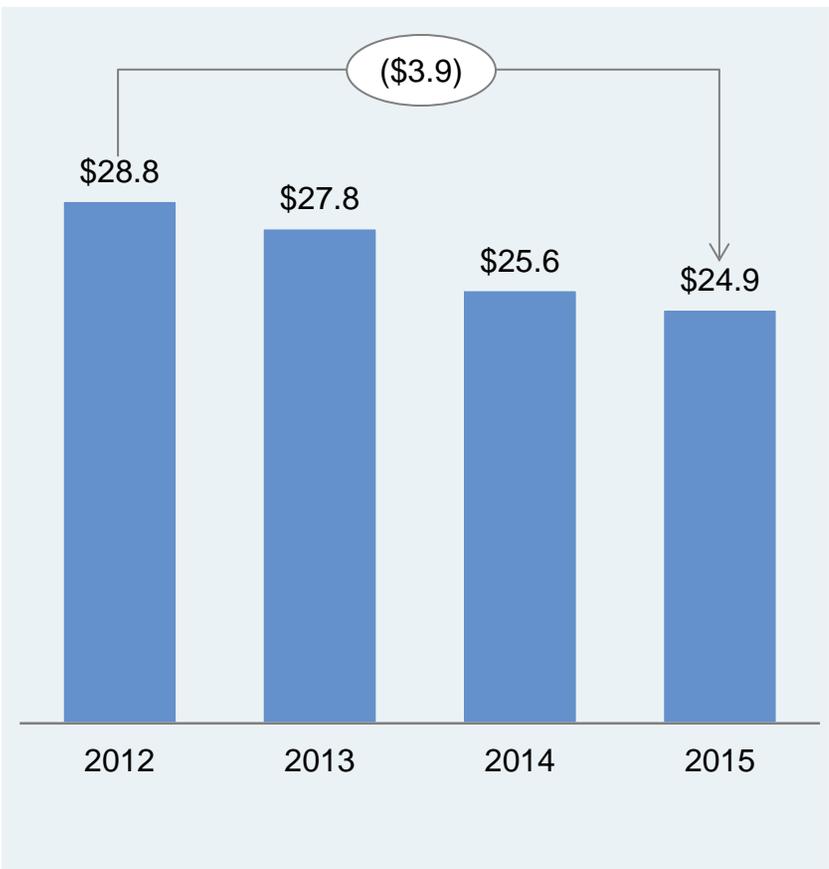


Note: For footnoted information, refer to appendix

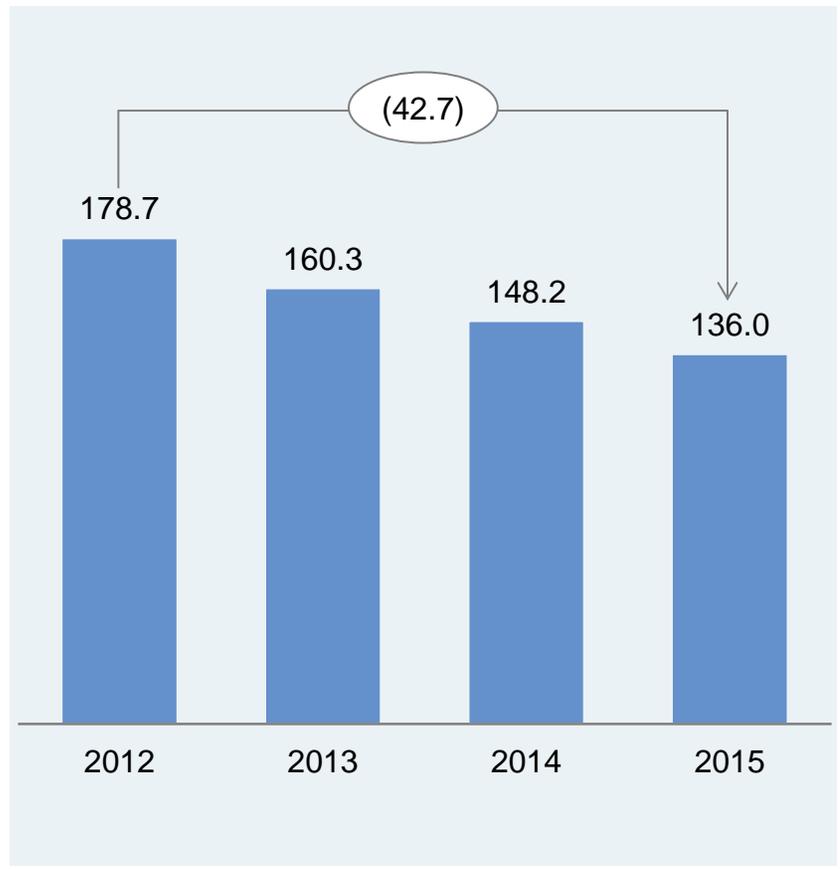
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We have reduced expense by ~\$4B and headcount by ~43K since 2012

CCB expense (\$B)



CCB headcount (K)<sup>1</sup>

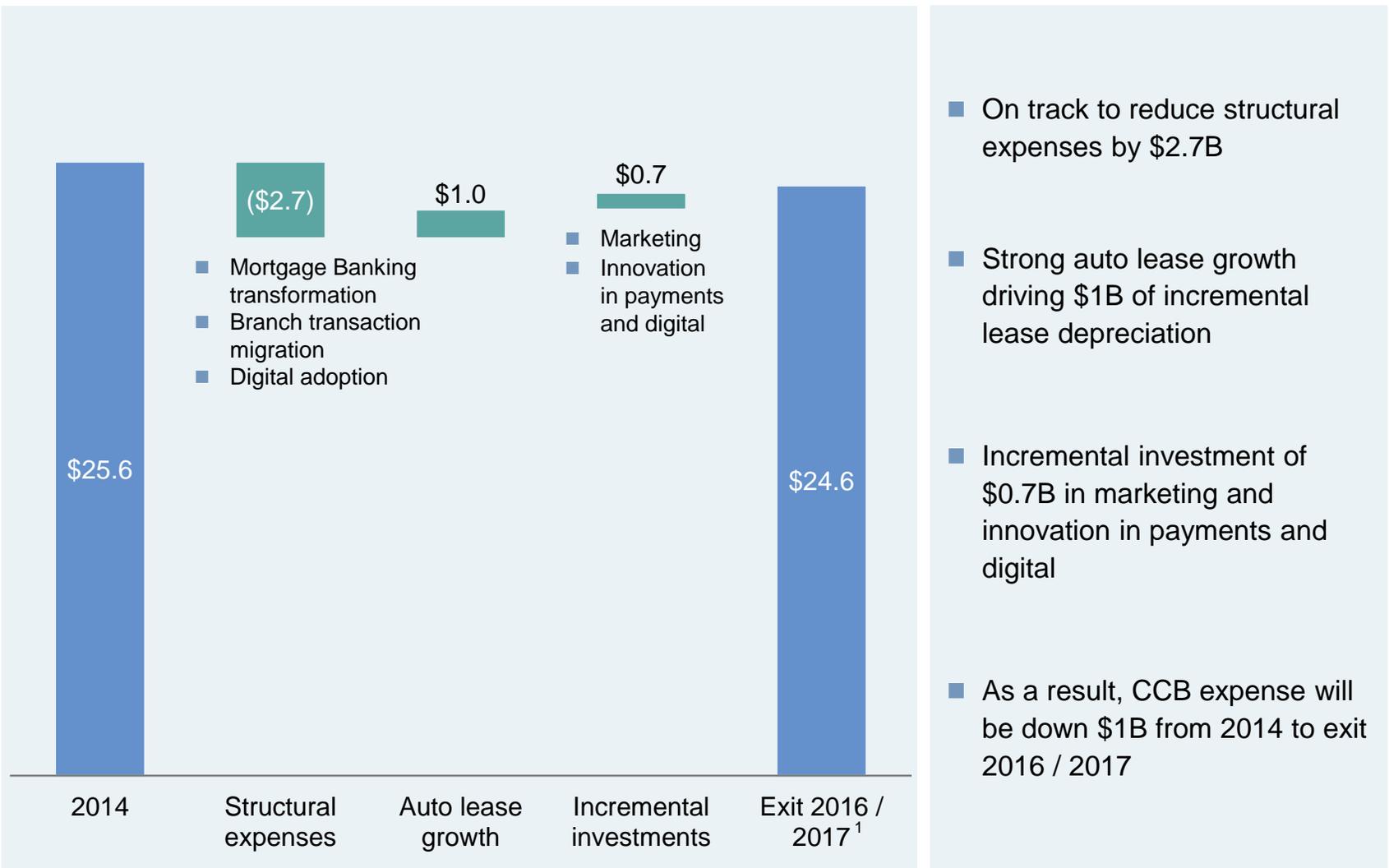


<sup>1</sup> Includes employees and contractors; 2013 headcount adjusted for ~1,250 reduction effective January 1, 2014. The prior period headcount figures have been revised to conform with the current presentation

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Our expense reduction initiatives are on track and we are making additional investments in opportunities that will generate strong returns

CCB expense (\$B)

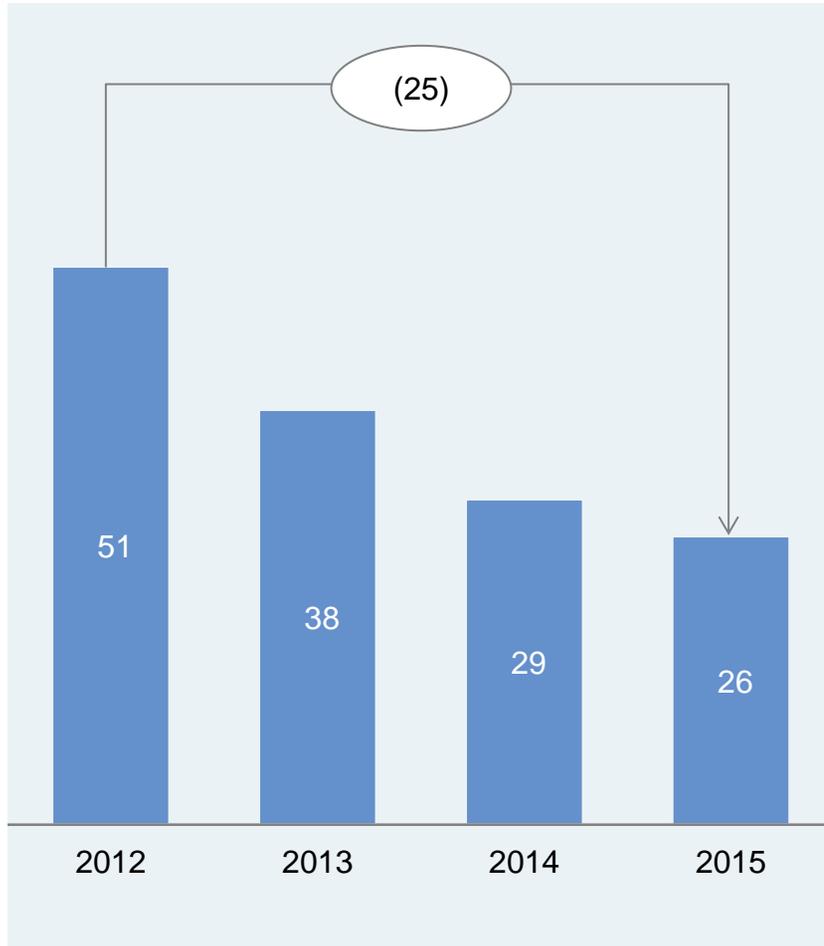


<sup>1</sup> Excludes one-time FDIC charge of ~\$200mm

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# Mortgage Banking transformation

Mortgage Banking headcount (K)<sup>1</sup>



Mortgage Banking transformation progress

- Continue to right-size the business
- Improve quality of servicing portfolio by actively managing down default inventory
- Continued investment in technology to enhance the customer experience and strengthen controls
- Continued simplification of the business

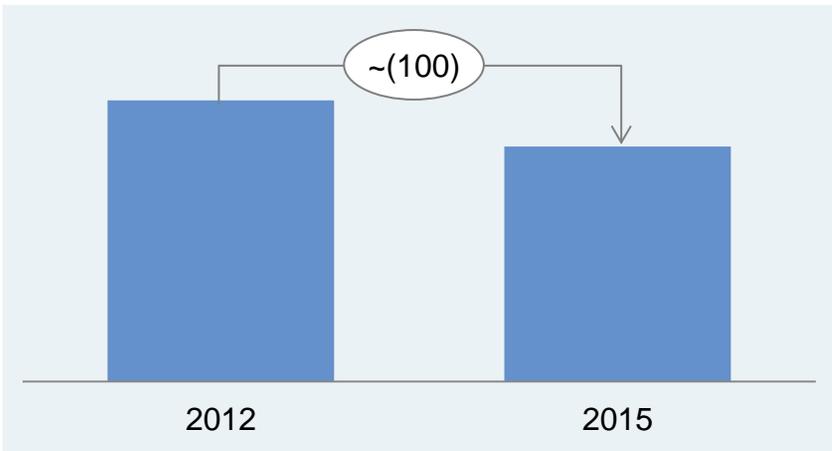
<sup>1</sup> Includes employees and contractors; 2013 headcount adjusted for ~1,250 reduction effective January 1, 2014. The prior period headcount figures have been revised to conform with the current presentation

# Branch transaction migration

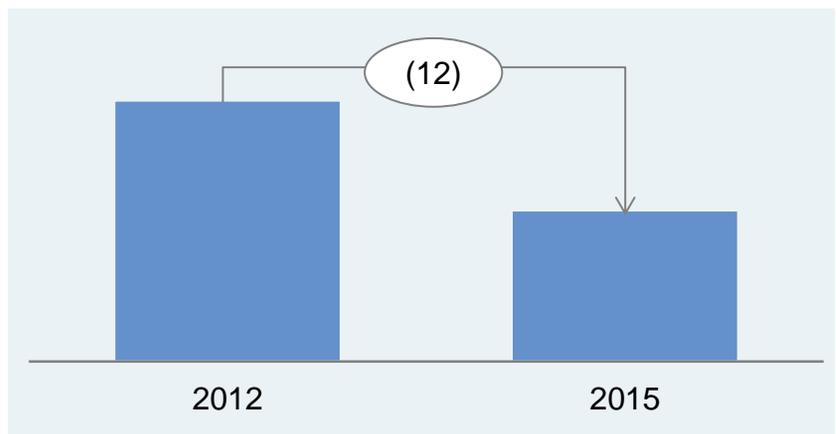
## We are making it easier for customers to self-serve

- Enabling more ATM and mobile transactions
  - New mobile and online functionality launched in 2015
  - ~90% of all teller transactions will be ATM-enabled (up from ~50% historically)
  - Higher funds availability and withdrawal limits at the ATM, higher Chase QuickDeposit<sup>SM</sup> limits
  
- Driving digital adoption at account opening
  - Digital account set up now part of account opening process
  - 65% of new Consumer Banking customers are mobile active after 6 months, up from 53% in 2014<sup>1</sup>

## Annual teller transactions (mm)<sup>2</sup>



## Transactional staff (K)<sup>3</sup>



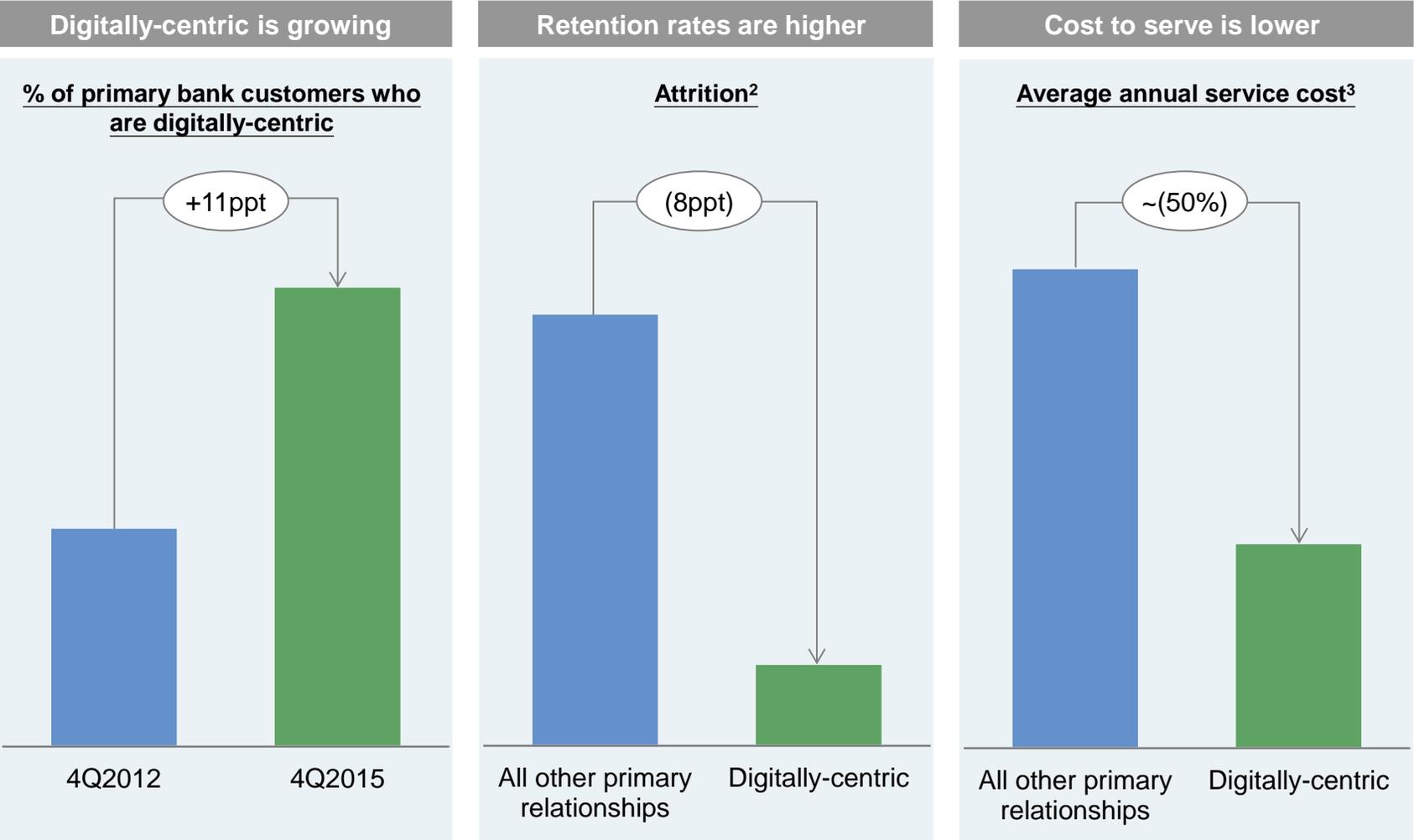
<sup>1</sup> 90-day mobile active activity based on 6 months after account opening in respective vintage

<sup>2</sup> Teller transactions include all open households that transact in the branch for that respective year

<sup>3</sup> Transactional staff includes Tellers, Sales and Service Associates and Assistant Branch Managers

Customer preference for our digital assets enables us to lower cost to serve

Consumer Bank primary bank customers – impact of digitally-centric behavior<sup>1</sup>



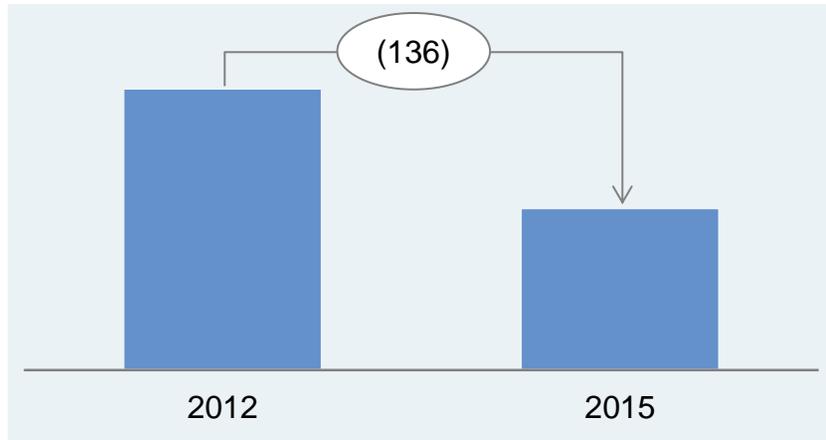
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# Paperless adoption

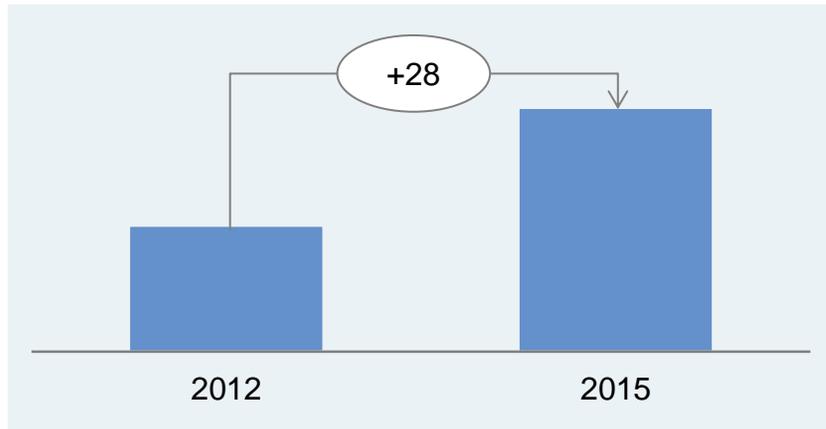
## Driving paperless adoption

- Paper statement delivery costs ~\$0.50, while electronic statement delivery costs ~\$0.01<sup>1</sup>
- To drive paperless adoption, we are focused on:
  - Simplifying the paperless enrollment process for customers
  - Increasing types of documents eligible for paperless delivery
- Over 60% of new checking accounts are paperless within 30 days, up from ~25% two years ago

## Paper statements (mm)



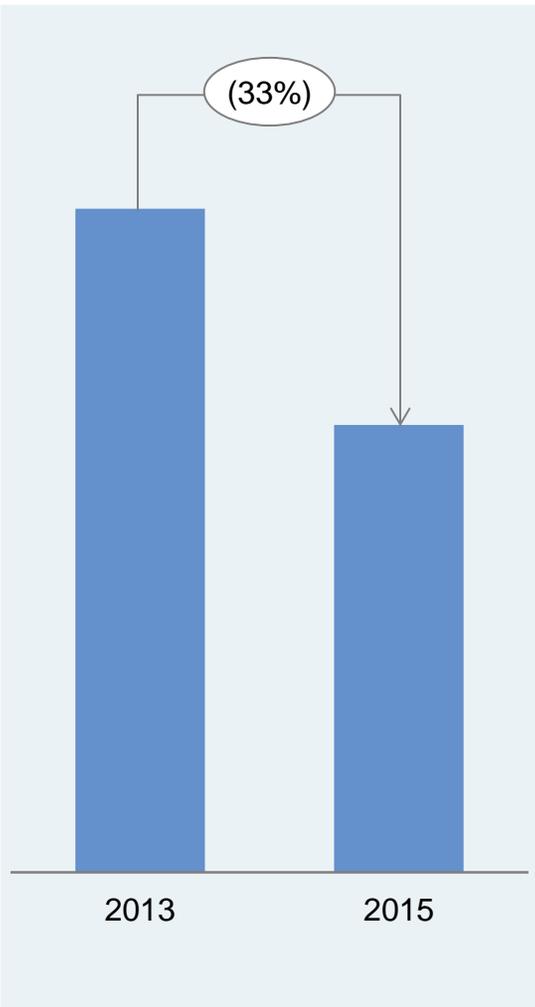
## Paperless account enrollments (mm)



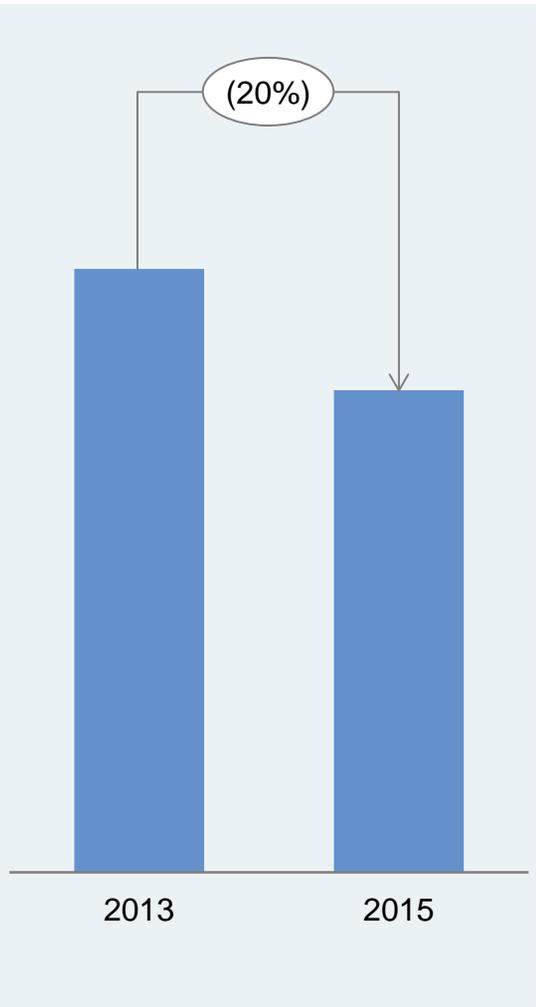
<sup>1</sup> Cost represents average delivery costs across CCB

# Travel & Entertainment, vendor rationalization and real estate strategy

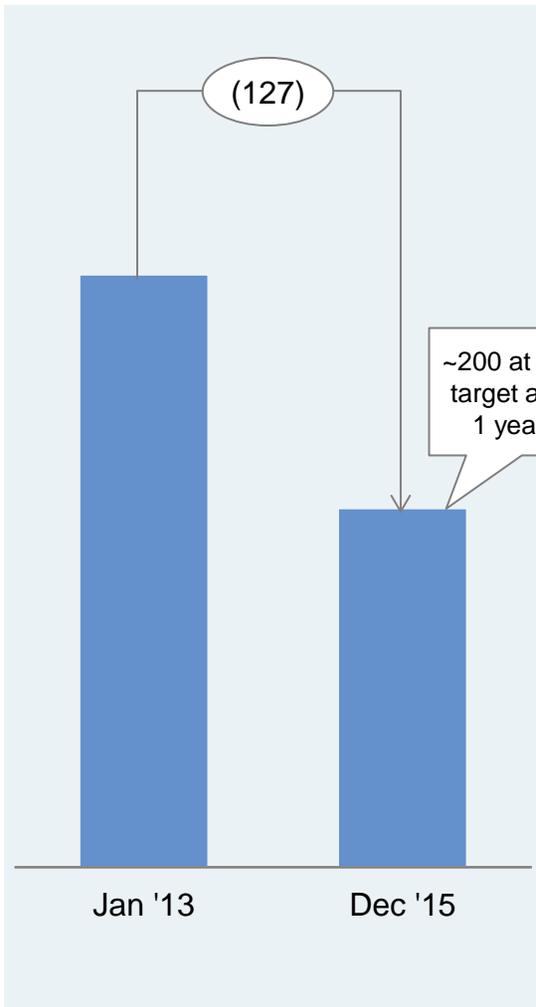
Travel & Entertainment spend



Number of vendors



Non-branch buildings

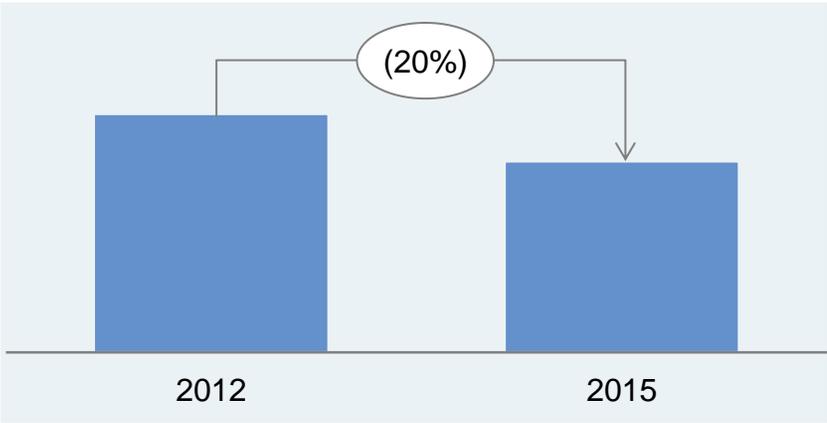


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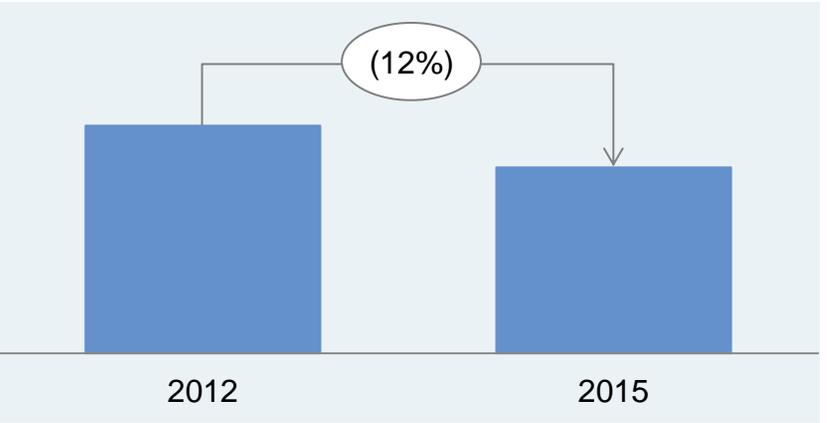
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# Servicing unit costs

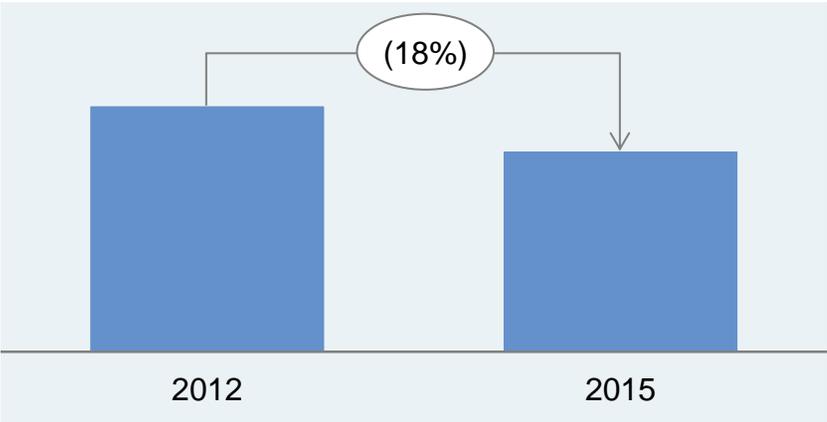
Call center cost per checking account<sup>1</sup>



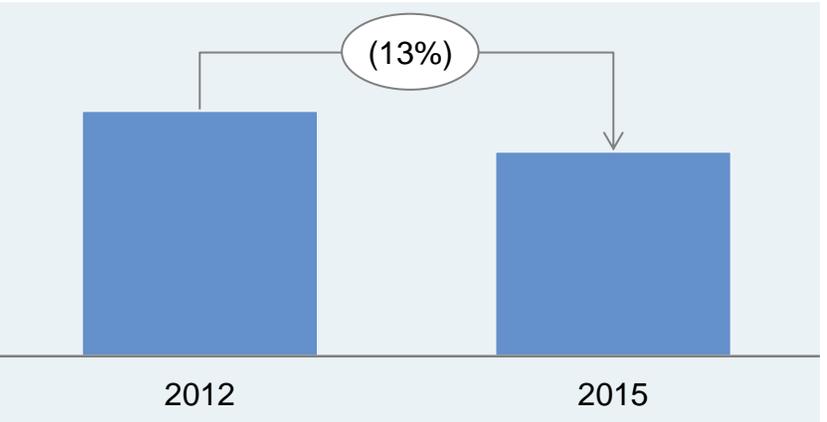
Operating cost per active credit card<sup>2</sup>



Collections cost per average delinquent credit card account<sup>2</sup>



Merchant processing cost per transaction<sup>3</sup>



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<sup>1</sup> Represents Consumer & Business Banking  
<sup>2</sup> Excludes Commercial Card, Canada and certain terminated partners/products  
<sup>3</sup> Excludes network licensing fees for ChaseNet

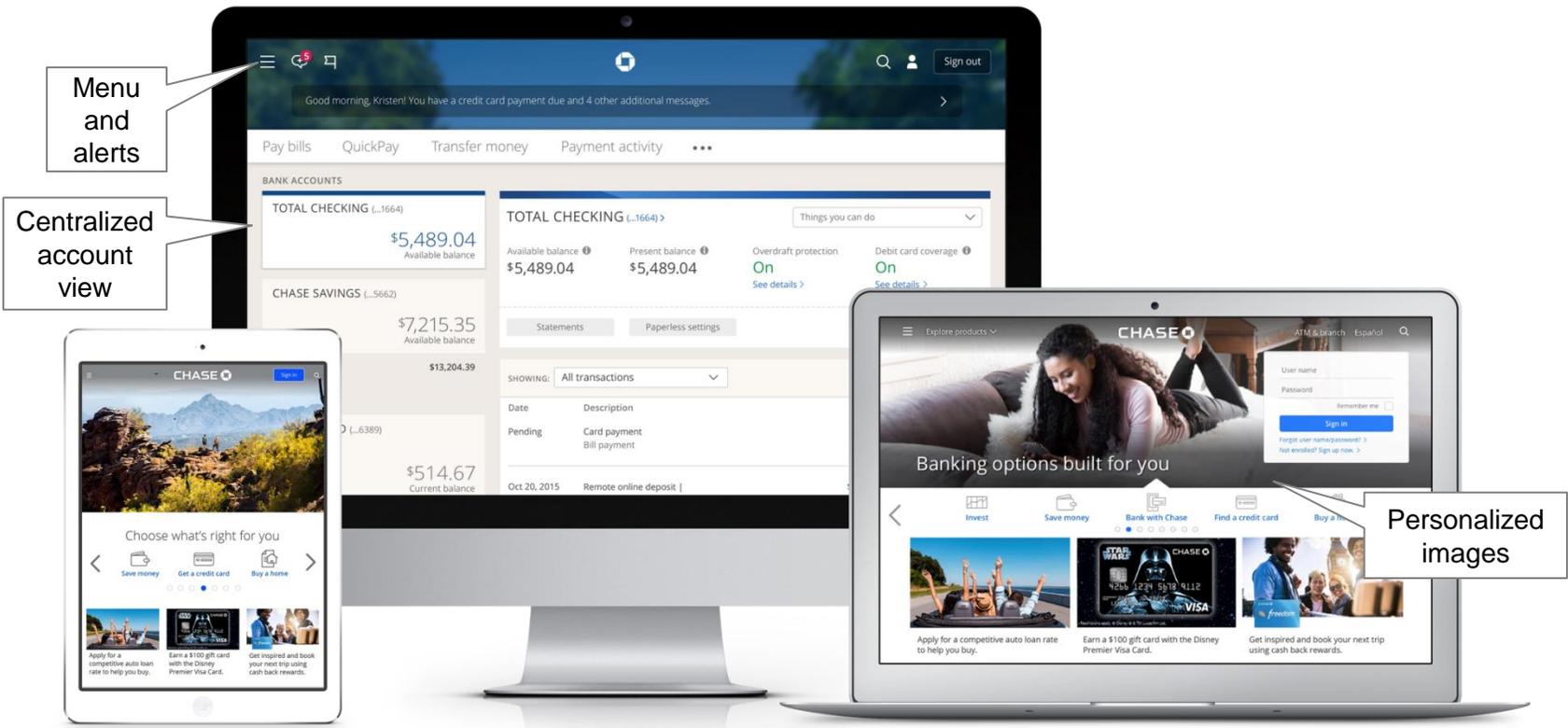
We are accelerating our investment in marketing to take advantage of attractive market opportunities

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	ROE > 20%	\$100mm investment generates on average...
Credit Card marketing	✓	<ul style="list-style-type: none"> <li>~400K new accounts</li> <li>~\$3B annual spend</li> <li>~\$600mm outstandings</li> </ul>
Consumer Banking marketing	✓	<ul style="list-style-type: none"> <li>~300K new households</li> <li>\$2.6B deposits</li> </ul>

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The new Chase.com delivers a simplified and personalized experience for our customers



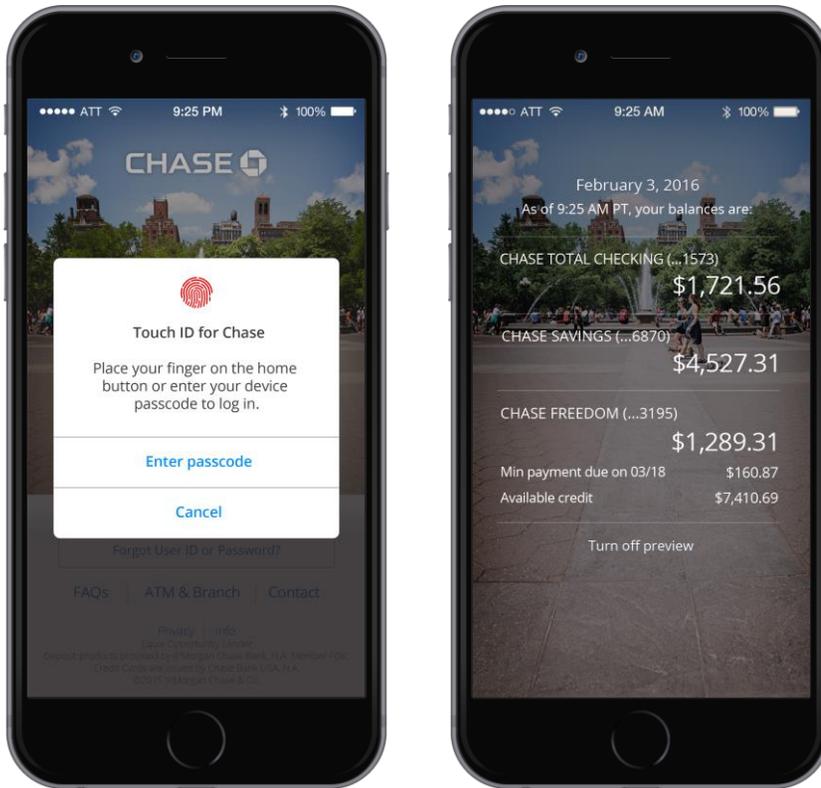
### Chase.com enhancements

- Significant simplification including single dashboard, consolidated profile and simpler navigation
- Consistent experience across digital interfaces (website, tablet, smartphone)
- More personalized experience for customers

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# We continue to enhance our industry-leading mobile app<sup>1</sup>

## Chase Mobile® app



## Mobile banking preferences and enhancements

- Mobile users have ~80% more logins per week on average than online users
- ~60% of consumers rate mobile banking as an important or extremely important factor when switching banks<sup>2</sup>
- Mobile app enhancements
  - Touch ID login for iPhone® mobile device<sup>3</sup>
  - Account preview
  - View checks
  - Paperless enrollment

<sup>1</sup> Rated #1 mobile banking app among large banks; Javelin Research, January 2015

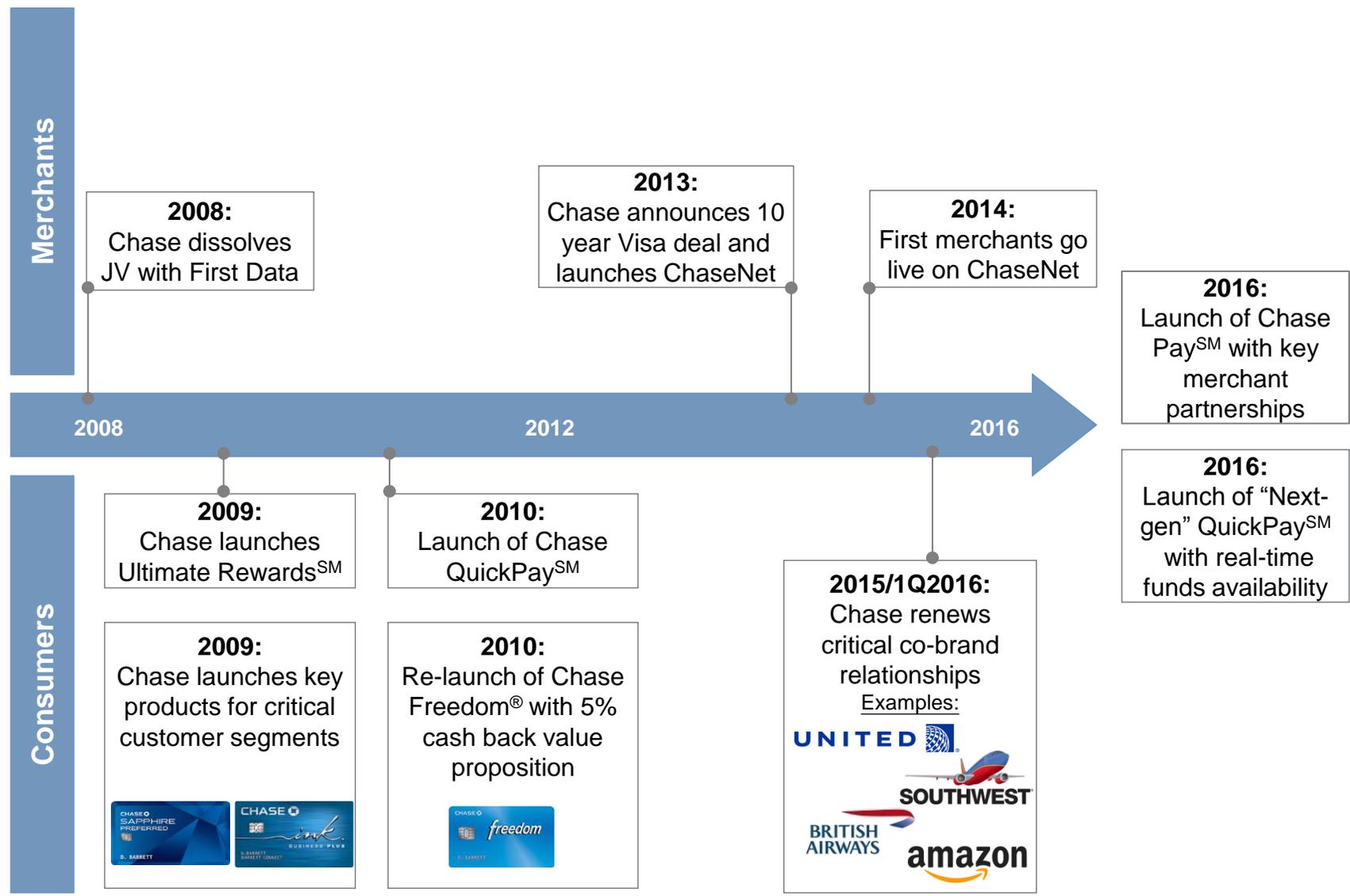
<sup>2</sup> Alix Partners, July 2015. Data represents 4Q15 results of AlixPartners' Mobile Financial Services Tracking Study. Participants were asked "How would you describe the role mobile banking services played in your decision to change primary banks?" Results include any respondents who are tablet/smartphone users and switched primary banks within the last 12 months

<sup>3</sup> iPhone is a registered trademark of Apple Inc.

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We have made strategic decisions and investments over the past 8 years that have led to the creation of a world-class payments franchise



Our payments strategy is designed to address consumer and merchant pain points and needs

## Payments strategy

### Integrated Merchant Experience

- ChaseNet closed loop system
- Integrated merchant loyalty

### Digital Payments – Consumer to Business

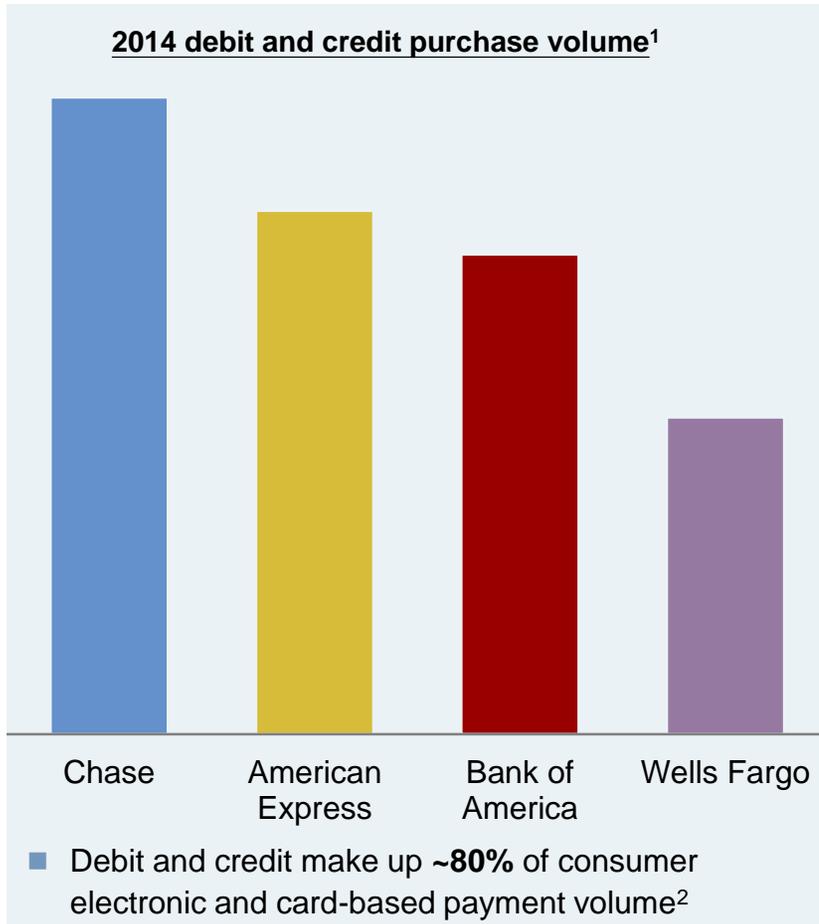
- Ensure Chase cards can be used everywhere our customers shop

### Digital Payments – Person to Person

- Build simplified, real-time person-to-person (P2P) payment solution

## We bring scale to each component of the payments ecosystem

### Chase leads the industry in combined debit and credit volume



### Chase's scale across merchants and consumers is unmatched

#### Consumer reach

- Over **90mm** credit, debit and pre-paid card accounts<sup>3</sup>
- **16mm** digital and mobile logins each day

#### Payments scale

- **\$754B** in total Chase credit and debit sales in 2015<sup>3</sup>
- **36mm** credit and debit card payments each day<sup>3</sup>

#### Merchant reach

- **\$949B** processed in 2015
- Over **525K** active global merchant outlets

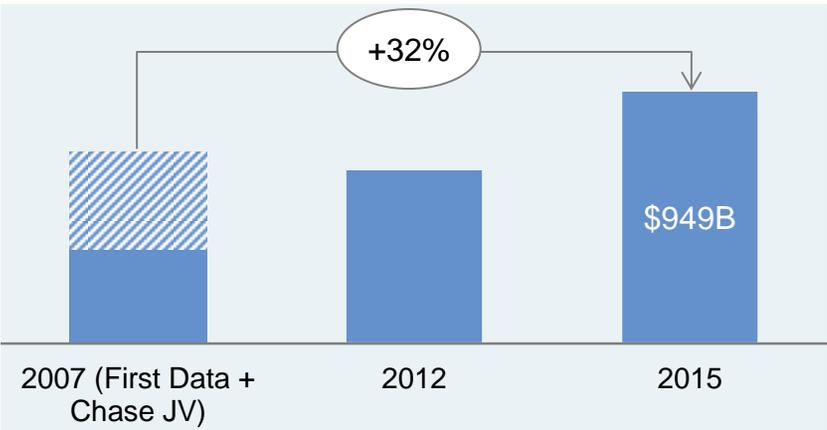
<sup>1</sup> Source: Company filings for credit purchase volume. Chase excludes Commercial Card. American Express includes U.S. card only. Nilson data for full year 2014 for debit purchase volume. Debit purchase volume includes Signature, PIN and prepaid

<sup>2</sup> Source: Nilson, based on volume data for U.S. consumer electronic and card-based methods of payment for the full year 2014. Debit includes prepaid

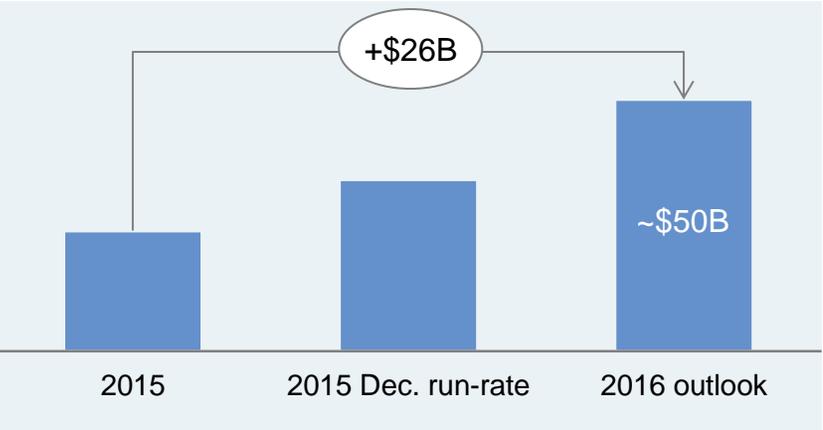
<sup>3</sup> Excludes Commercial Card

# ChaseNet, our proprietary network, continues to expand

## Commerce Solutions total processing volume



## ChaseNet volumes



## ChaseNet's unique value proposition

- **Streamlined rules** (e.g., removed signature requirement for transactions less than \$1K)
- **Simplified pricing structure** delivering improved economics
- **Enhance** data sharing to improve authorization rates and reduce fraud

## Sample ChaseNet merchants



Chase Pay, our proprietary digital payment solution, connects merchants and consumers and drives value for both



### Merchants

- Lower cost of payment
- Enable loyalty programs
- Fraud liability protection



### Consumers

- Simple checkout
- Loyalty rewards
- Protects my information

MCX's digital wallet pilot in Columbus, Ohio is providing customer learnings related to digital wallet usage across merchant verticals

MCX merchants in CurrentC pilot



We have signed a payments agreement with Starbucks which will drive Chase Pay adoption

Starbucks has high frequency, habitual customer spend to help drive Chase Pay adoption

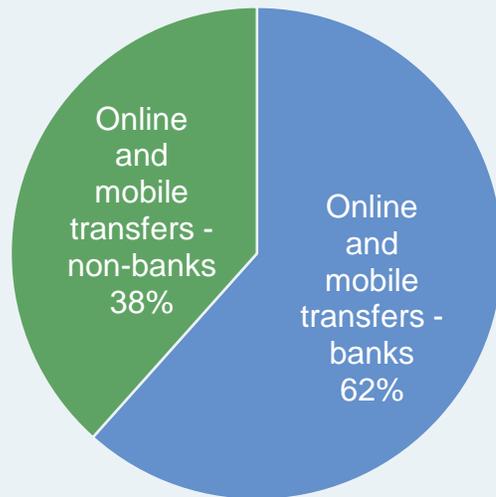


- Chase Pay mobile app can be used at more than 7,500 company operated Starbucks locations in the U.S.
- Chase Pay can also be used to reload a Starbucks Card within the Starbucks mobile app and on Starbucks.com

In conjunction with six partner banks, we are launching a P2P solution with real-time funds availability

Banks have majority share of the ~\$200B online and mobile P2P market<sup>1</sup>

**U.S. online and mobile P2P market<sup>1</sup>**



Market size: ~\$200B

**New bank P2P solution**

- ✓ Secure
- ✓ Real-time funds availability
- ✓ Single consumer-facing brand

■ Partner banks represent **60% of all U.S. consumers with mobile banking apps<sup>2</sup>**

<sup>1</sup> Source: Javelin Strategy & Research, *P2P Payments in 2015: Market Sizing and Evaluation of P2P, 2015*. Excludes wire transfers via banks and money transfer services

<sup>2</sup> Source: Nilson, December 2015. Represents U.S. consumers with mobile banking apps

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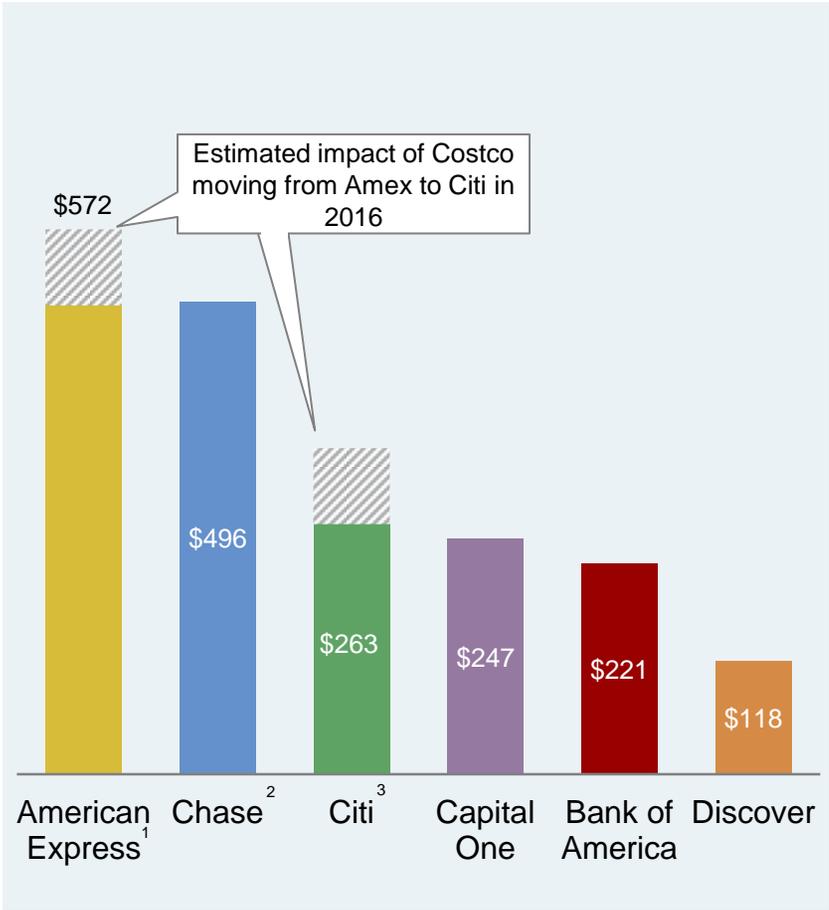
At the foundation of our payments platform is a strong credit card issuing business

Our unique assets	
<b>Scale</b>	■ 21% of credit card sales market share <sup>1</sup>
<b>Distribution</b>	■ Wide branch network and strong partnerships
<b>Products</b>	■ Broad range of offerings relevant to multiple customer segments
<b>Engaged consumers</b>	■ Investments in customer experience and digital
<b>Efficiency</b>	■ Competitive overhead ratio (39%) to enable investment

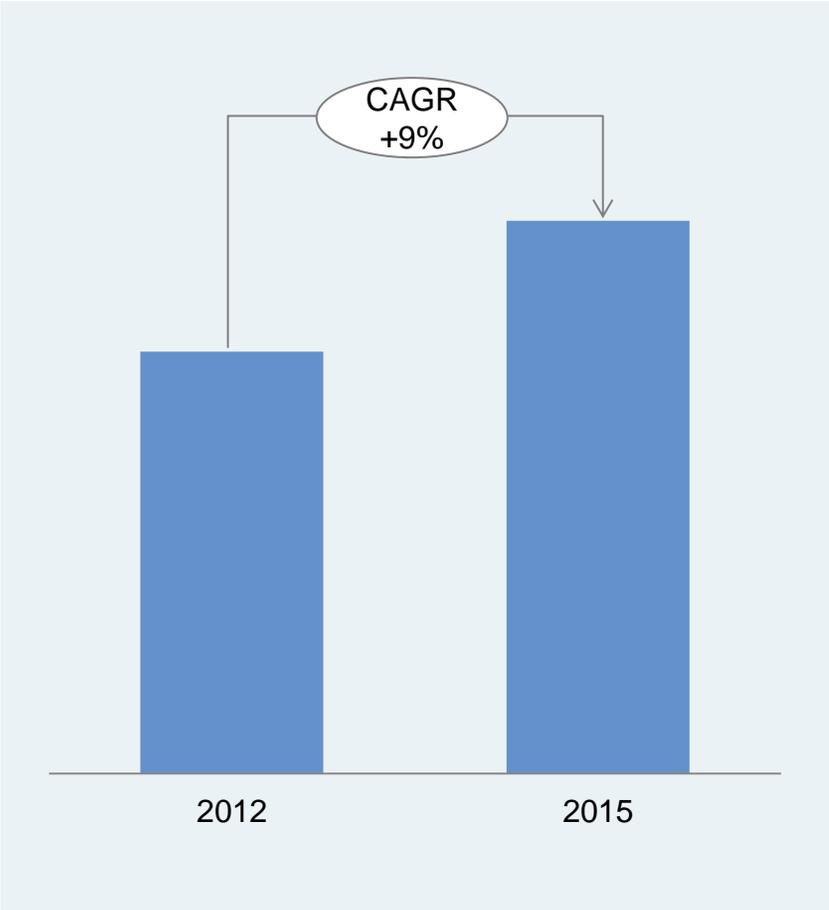
<sup>1</sup> Represents share of General Purpose Credit Card (GPCC) spend which excludes private label and commercial card; based on earnings releases and Chase internal estimates

# Our industry-leading card issuing business continues to experience robust growth

2015 credit card sales volume (\$B)



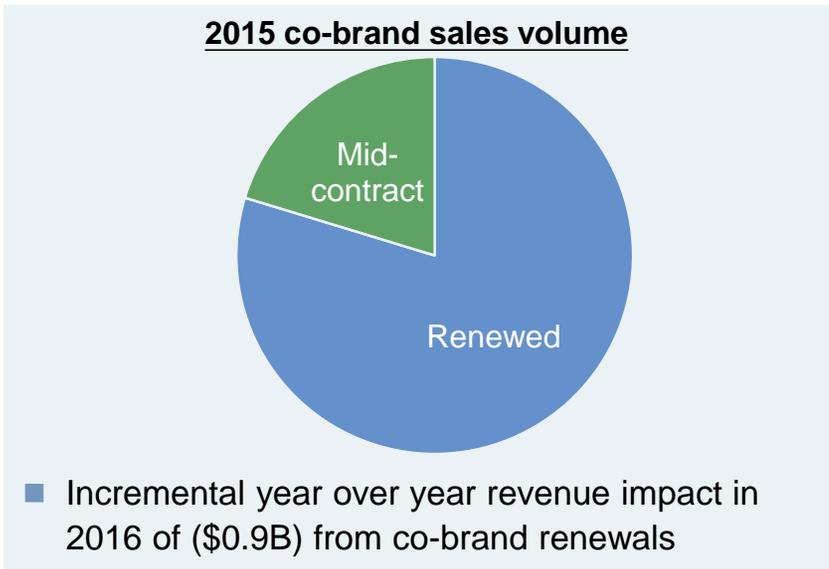
Chase credit card sales volume (\$B)<sup>4</sup>



Source: Earnings releases and Chase internal estimates  
<sup>1</sup> American Express U.S. Card  
<sup>2</sup> Excludes Commercial Card  
<sup>3</sup> Includes both branded and retail partner cards  
<sup>4</sup> Represents General Purpose Credit Card (GPCC) which excludes private label and commercial card

Successful renewal of key co-brand partnerships will reduce revenue margin to 11.25%+/- in the medium term

**We renewed much of our co-brand business<sup>1</sup>**

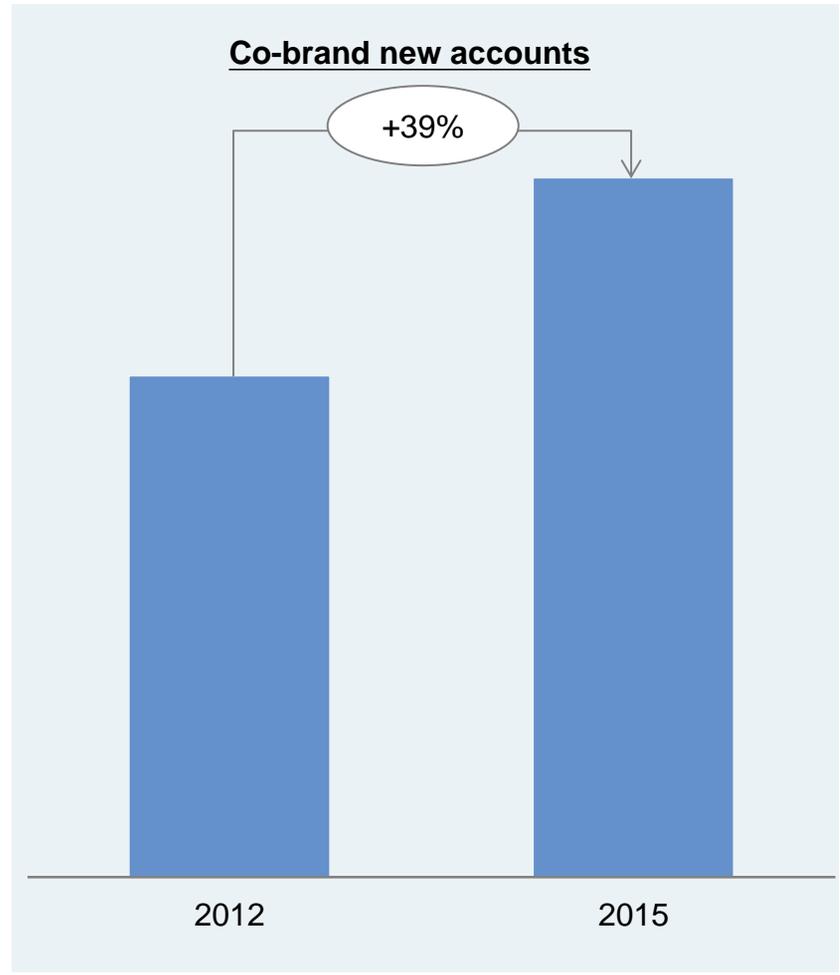


**Recent renewal examples**



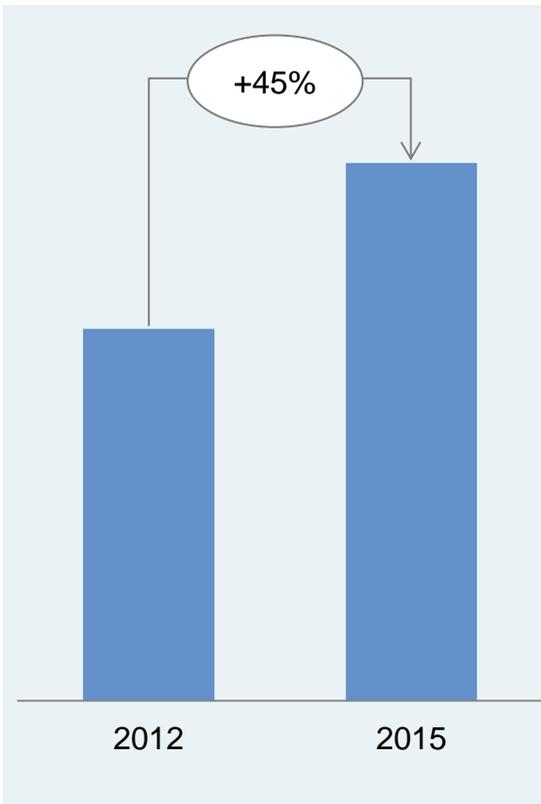
<sup>1</sup> Excludes certain runoff and terminated partner portfolios

**Co-brand acquisitions continue to grow<sup>1</sup>**



We have a strong branded card business and are continuing to enhance our value propositions to remain competitive

**Chase-branded in-year sales by vintage**



**Our branded products fill key positions in our overall portfolio**

**Consumer branded products**



- Product recently refreshed; strong engagement and growth



- Leading cash back portfolio



- Award-winning travel card

**Business branded products**



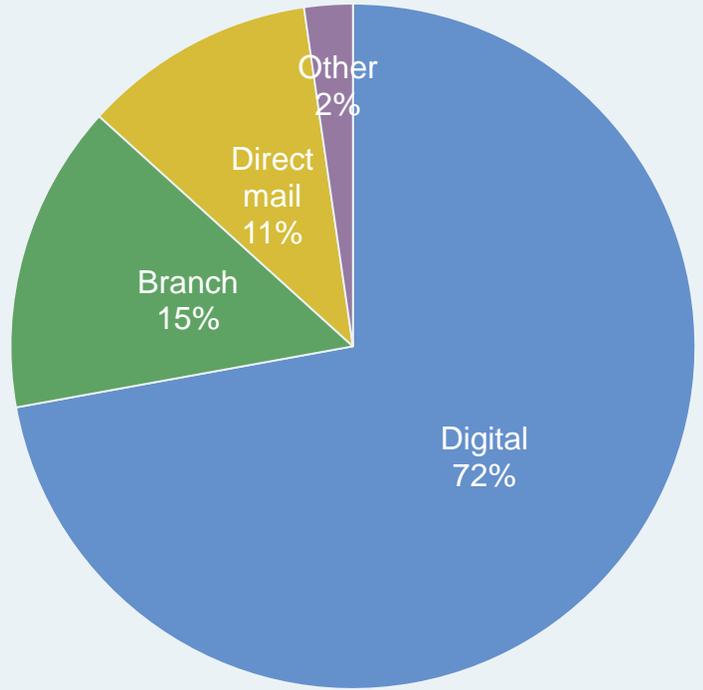
- Benefits and capabilities designed for small businesses

**Our Ultimate Rewards loyalty program provides value for our branded, rewards products**

We are leveraging diverse acquisition channels and driving digital engagement with our customers

**Acquisitions are moving to lower cost channels**

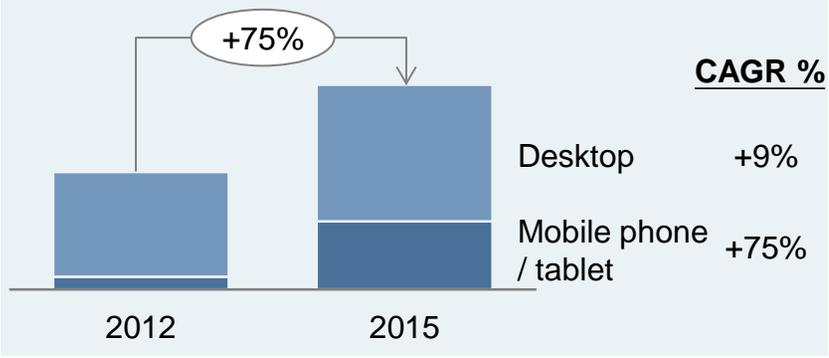
**Distribution of 2015 new credit card accounts by channel<sup>1</sup>**



**33% of 2015 acquisitions had an existing Consumer Banking relationship at booking**

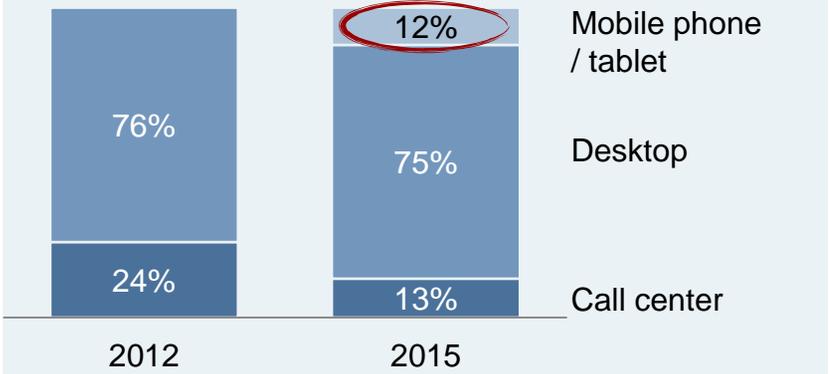
**Increased digital acquisitions across devices**

**New credit card applications sourced through digital channels<sup>2</sup>**



**Digital engagement**

**Rewards redemption (Ultimate Rewards) by channel**

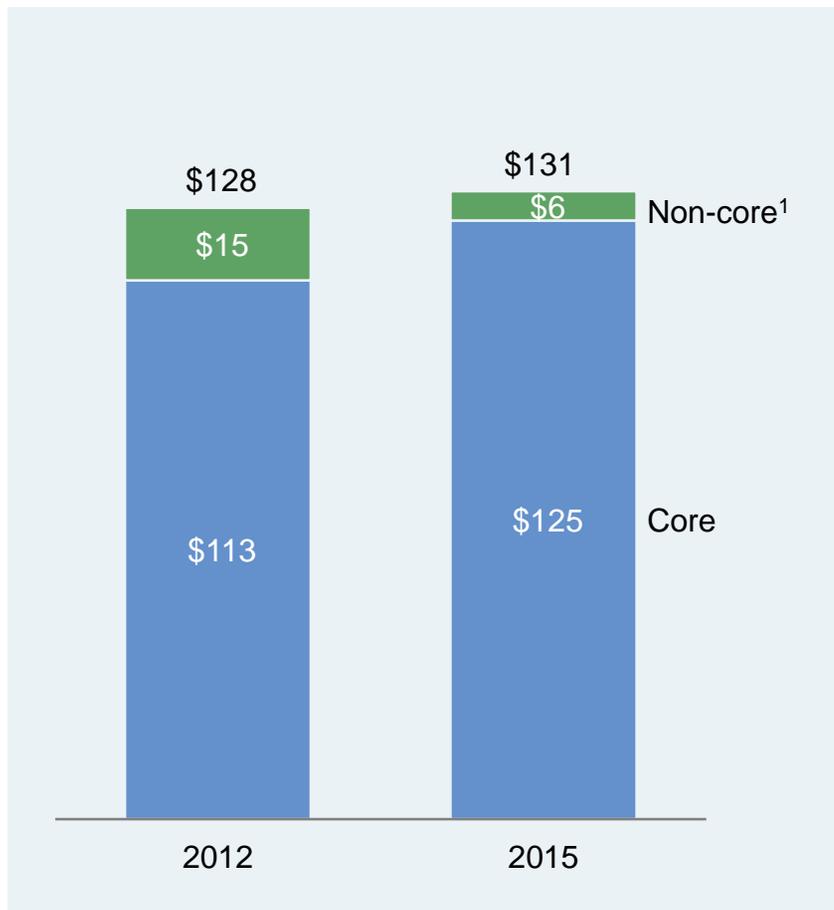


<sup>1</sup> Excludes Canada

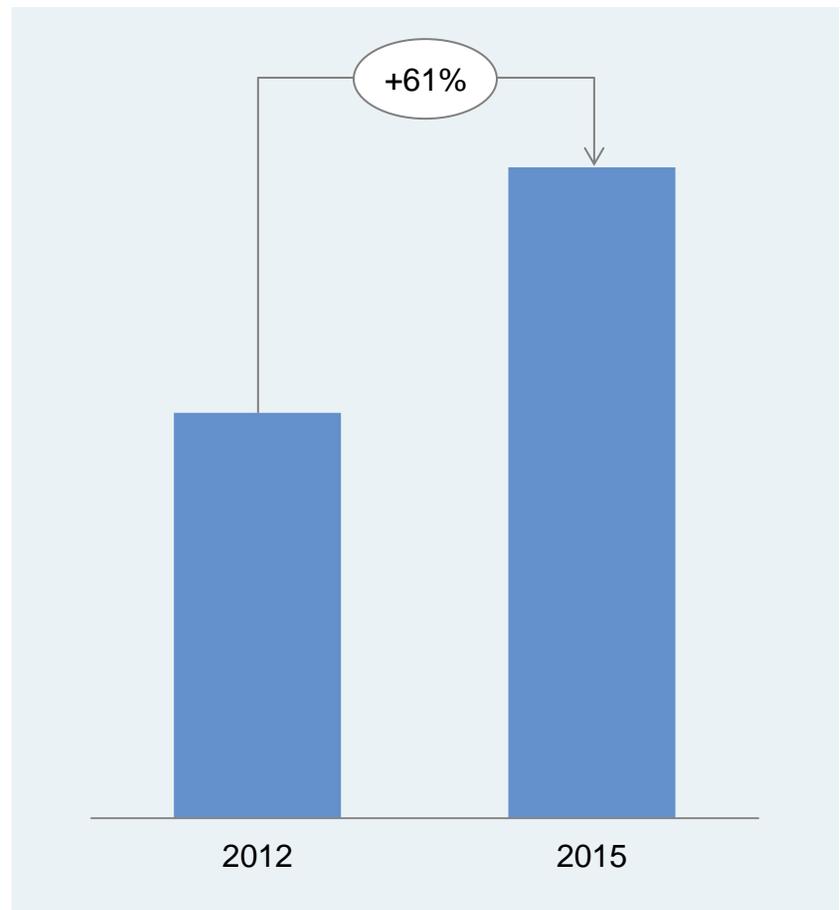
<sup>2</sup> Represents applications from Chase hosted digital channels, excludes applications hosted on partner sites

We have grown core outstandings by 11% since 2012

Credit card EOP outstandings (\$B)



In-year outstandings by vintage<sup>2</sup>



<sup>1</sup> Non-core loans include runoff portfolios, discontinued product(s) no longer originated, and/or business simplification efforts  
<sup>2</sup> Excludes Commercial Card and certain terminated partner portfolios

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## We continue to build a higher quality and less volatile mortgage business

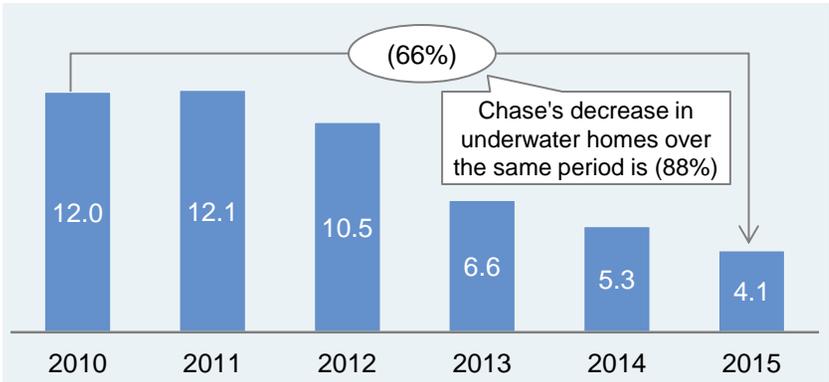
	2014 / 2015 Investor Day plans	Progress
<b>Deliver a great customer experience</b>	<ul style="list-style-type: none"> <li>Simplify our product set and invest in new technology</li> </ul>	<ul style="list-style-type: none"> <li>✓ Reduced our product set from 37 to 15</li> <li>✓ New originations platform launched in 2015</li> </ul>
<b>Maximize our share of high-quality originations</b>	<ul style="list-style-type: none"> <li>Leverage our balance sheet</li> <li>Price to reflect higher servicing risks and expense</li> </ul>	<ul style="list-style-type: none"> <li>✓ Increased loans originated and retained on balance sheet (~65% in 2015, up from ~10% in 2013)</li> <li>✓ Increased our share of jumbo originations from ~6% in 3Q13 to 12% in 3Q15</li> <li>✓ Further differentiated pricing based on risk</li> </ul>
<b>Improve quality of servicing portfolio</b>	<ul style="list-style-type: none"> <li>Actively manage down our default inventory</li> <li>Maintain higher quality servicing book</li> </ul>	<ul style="list-style-type: none"> <li>✓ Foreclosure inventory down from ~170K in 2013 to ~75K in 2015</li> <li>✓ Improvement in delinquency rates: from 7.6% in 4Q13 to 5.4%<sup>1</sup> in 4Q15</li> </ul>
<b>Drive efficiencies</b>	<ul style="list-style-type: none"> <li>Continue to invest in technology to improve operations</li> </ul>	<ul style="list-style-type: none"> <li>✓ Investments to improve efficiency in production and servicing</li> <li>✓ Reduced headcount by ~25K since 2012<sup>2</sup></li> </ul>

<sup>1</sup> Based on total mortgage and home equity loans serviced, as reported to Inside Mortgage Finance as of December 2015

<sup>2</sup> Includes employees and contractors; 2013 headcount adjusted for ~1,250 reduction effective January 1, 2014. The prior period headcount figures have been revised to conform with the current presentation

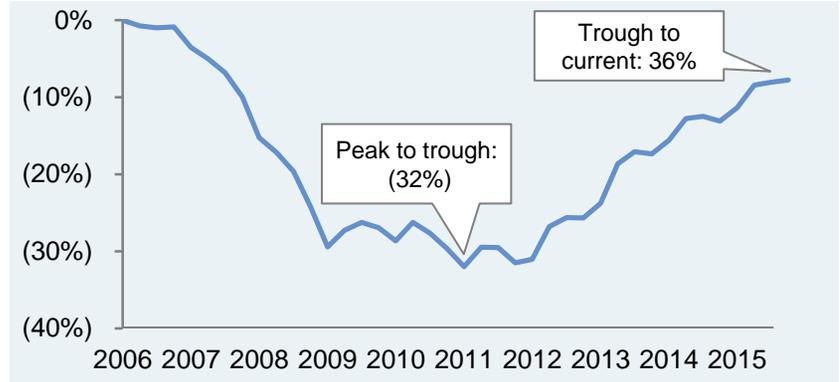
# Housing market fundamentals continue to improve

## Number of underwater homes in the U.S. (mm)



Source: CoreLogic as of 3Q15

## Home price index (HPI) – peak to November 2015



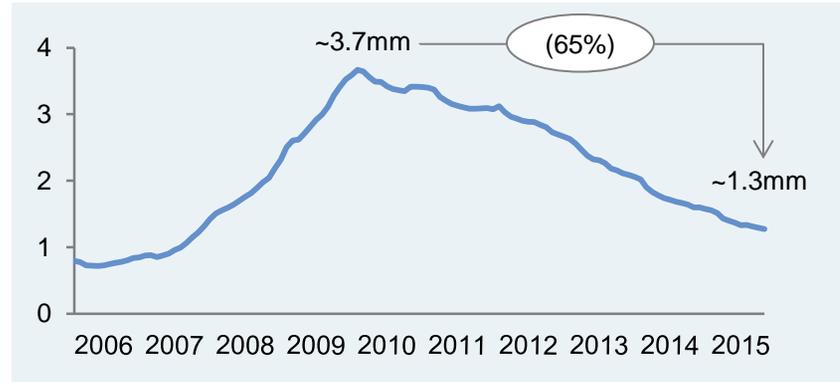
Source: CoreLogic as of November 2015

## Months of inventory



Source: National Association of Realtors (NAR) as of 4Q15

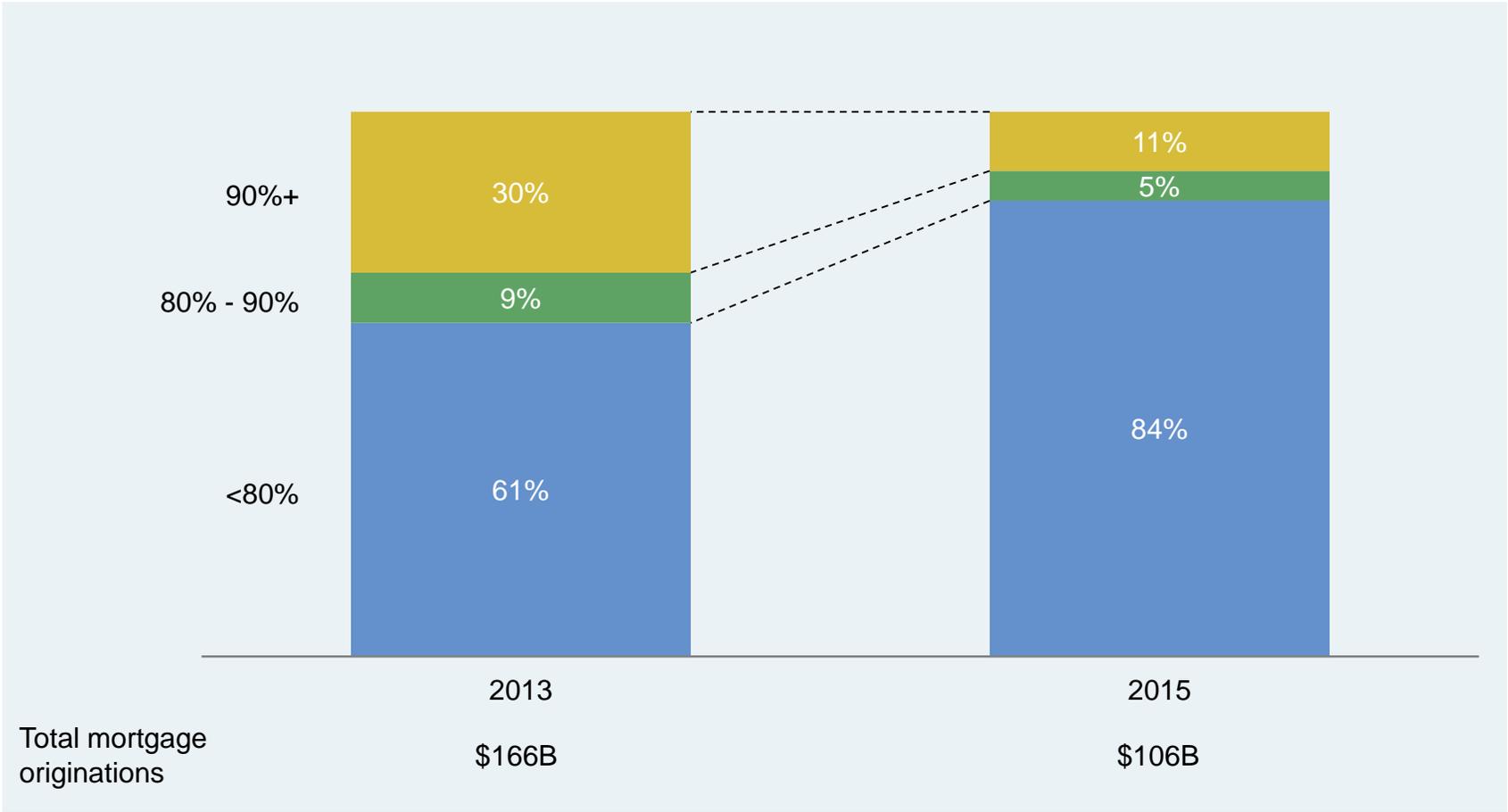
## 90+ day delinquent units (mm)



Source: CoreLogic as of October 2015

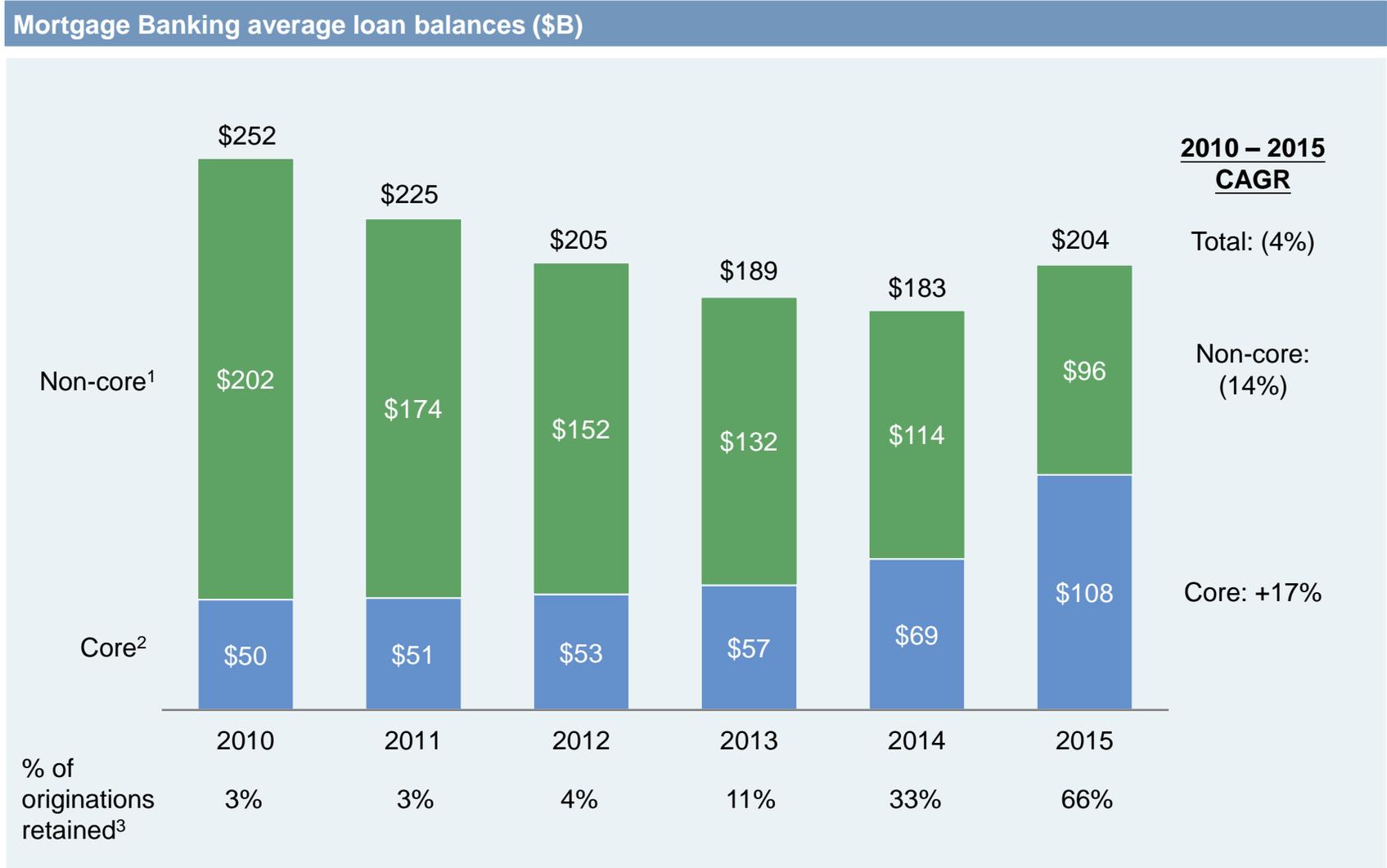
We have repositioned our Mortgage business to focus on high-quality new originations

**Chase LTV distribution of originations<sup>1</sup>**



<sup>1</sup> Based on dollars; Excludes Correspondent Negotiated Transactions (CNTs), Private Bank and Home Equity

# We are seeing strong core loan growth



<sup>1</sup> Non-core loans include runoff portfolios, which are predominantly discontinued products no longer originated and purchase credit-impaired loans

<sup>2</sup> Core loans primarily include loans held in Real Estate Portfolios, as well as loans residing in Production and Servicing, which are predominantly prime mortgage loans repurchased from Government National Mortgage Association (“Ginnie Mae”) pools, which are insured by U.S. government agencies

<sup>3</sup> Excludes Home Equity and Private Bank loans

We are actively repositioning the servicing book via high-quality new originations, acquired servicing and sales of low-quality units

**2015 Chase servicing book activity**

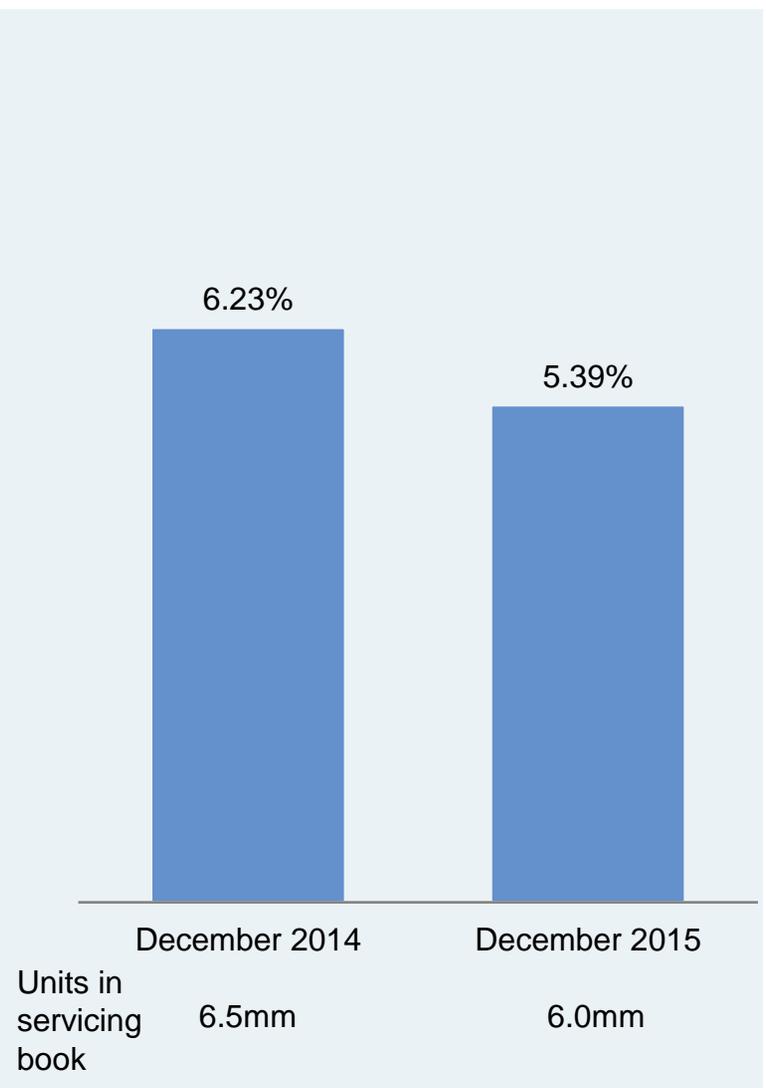
**“Coming In” in 2015**

	Units	30+ delinquency rate
New originations	~385K	0.01%
Acquired servicing	~235K	0.27%
<b>Total “inflows”</b>	<b>~620K</b>	<b>0.11%</b>

**“Going Out” in 2015**

	Units	30+ delinquency rate
Run-off	~860K	8.66%
Sales	~240K	18.10%
<b>Total “outflows”</b>	<b>~1,100K</b>	<b>10.71%</b>

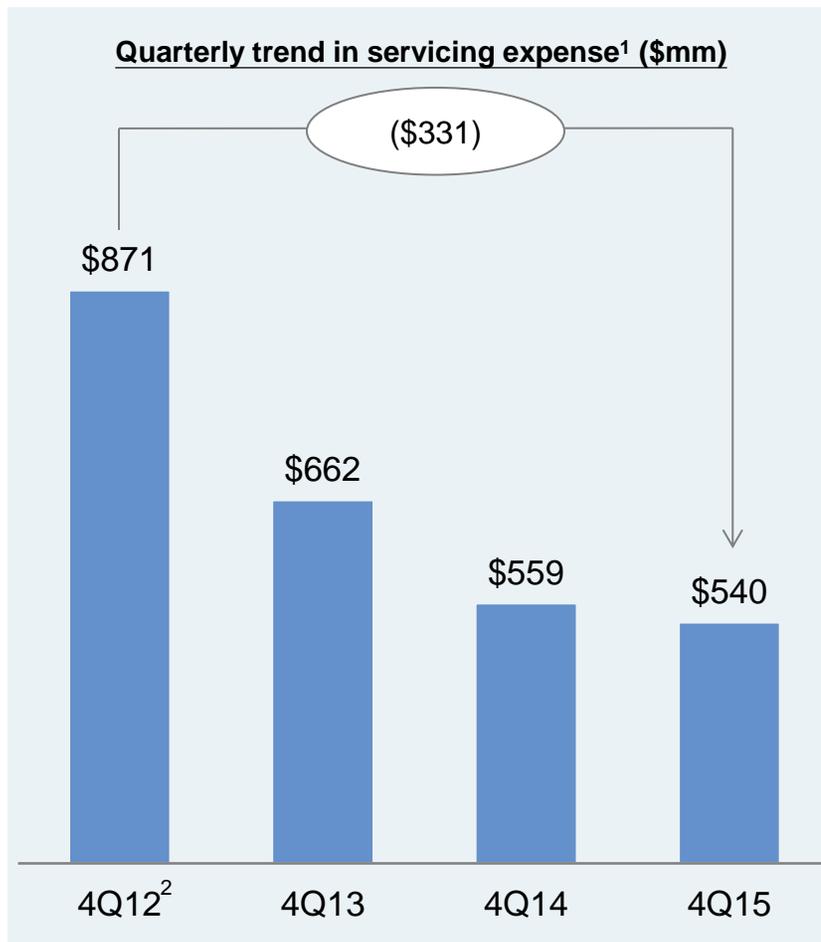
**30+ delinquency rate<sup>1</sup> for Chase servicing book**



<sup>1</sup> Based on number of loans serviced; includes foreclosures and 2<sup>nd</sup> Liens and excludes REO inventory

## We continue to reduce servicing expense

### Servicing expense has been declining...



<sup>1</sup> Credit costs excluded from all time periods

<sup>2</sup> Excludes ~\$700mm of expense related to Independent Foreclosure Review settlement

### ...and will continue to trend downward

- Quality of servicing book continues to improve
- Servicing cost per loan is decreasing
- Continuing to invest in technology to improve operating efficiency

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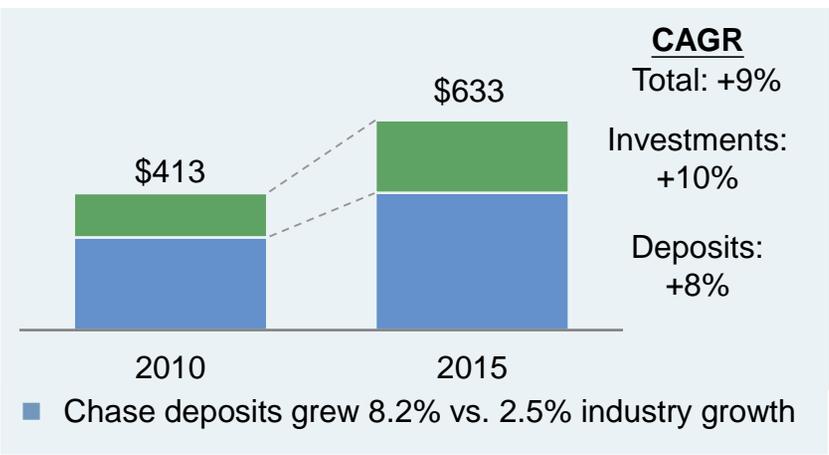
# Consumer Banking strategic priorities

	Strategic priorities	Progress
<b>Acquire and deepen relationships</b>	<ul style="list-style-type: none"> <li>Acquire high-quality relationships and become our customers' primary bank</li> <li>Improve the customer experience and deepen relationships</li> </ul>	<ul style="list-style-type: none"> <li>Grew deposits &amp; investments at 9% CAGR since 2010</li> <li>Acquired 3.7mm new checking accounts in 2015</li> <li>Primary bank for 70%+ of our deposit customers</li> </ul>
<b>Enable digital engagement</b>	<ul style="list-style-type: none"> <li>Develop new innovative capabilities to enhance our leading digital platform</li> <li>Leverage frequent touch points with customers to drive deeper engagement</li> </ul>	<ul style="list-style-type: none"> <li>Began rolling out next generation of ATMs and new software to further enhance ATM functionality</li> <li>Increased ATM withdrawal and Chase QuickDeposit limits</li> <li>Nearly doubled mobile users since 2012<sup>1</sup></li> </ul>
<b>Drive down expenses</b>	<ul style="list-style-type: none"> <li>Capture efficiencies as transactions migrate to digital</li> <li>Optimize our branch footprint to support evolving customer needs</li> </ul>	<ul style="list-style-type: none"> <li>Reduced teller transactions by ~100mm since 2012</li> <li>Decreased transactional staff by ~12K since 2012</li> </ul>

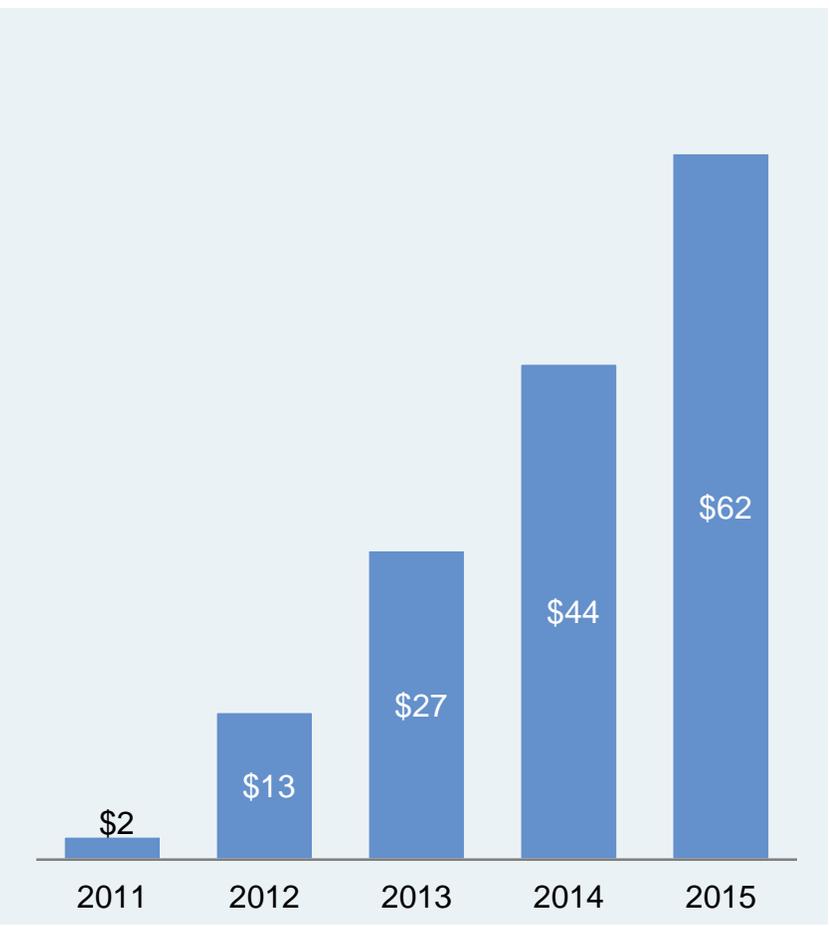
<sup>1</sup> Users defined as those that had at least one mobile log in in a given year

We lead the industry in balance growth while Chase Private Client<sup>SM</sup> continues to deepen relationships with affluent clients

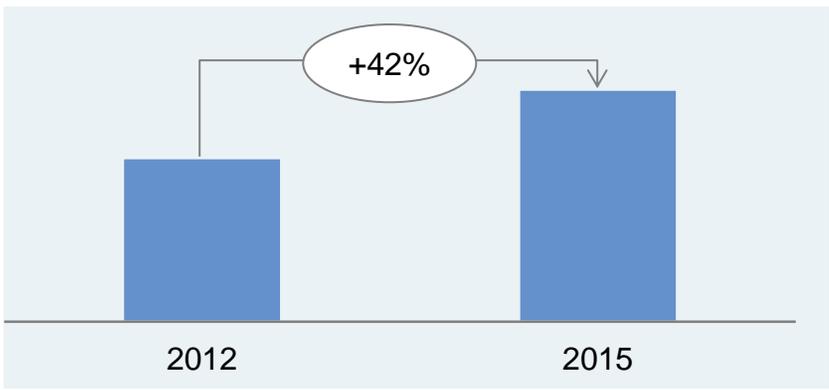
**Consumer Banking deposits and investments (\$B)<sup>1</sup>**



**Chase Private Client net new money (\$B)<sup>3</sup>**



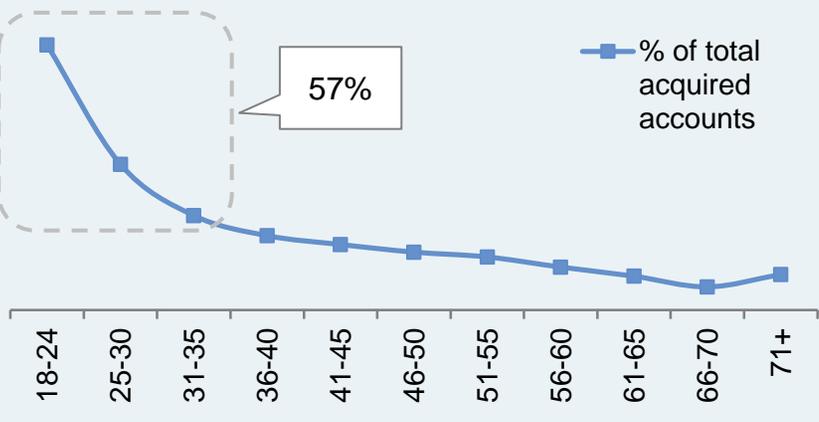
**Checking balances per new checking account<sup>2</sup>**



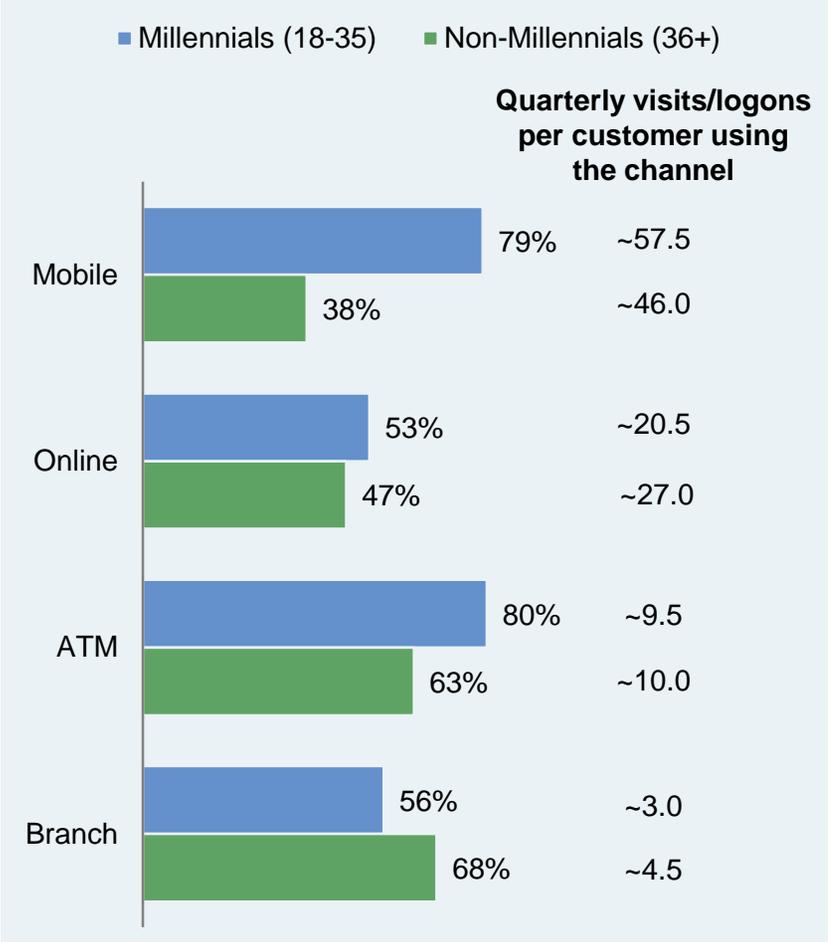
<sup>1</sup> Average deposits and end-of-period investments balances  
<sup>2</sup> Data represents average checking balance per new checking account on the last day of the month the account was opened  
<sup>3</sup> Represents cumulative new deposits and investments. New money prior to Chase Private Client launch included in cumulative calculation

We are also deepening relationships with Millennials, who make up the majority of our new customers

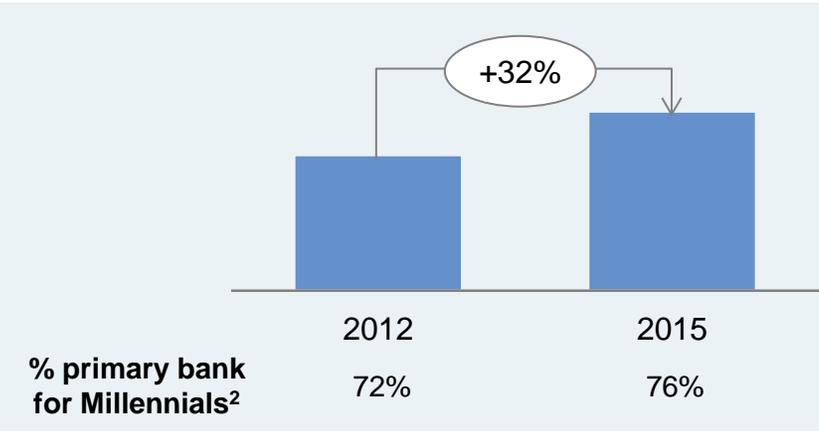
Checking account acquisitions by age<sup>1</sup>



% of Consumer Banking customers using each channel 4Q15<sup>3</sup>



Deposits & Investments per Millennial household

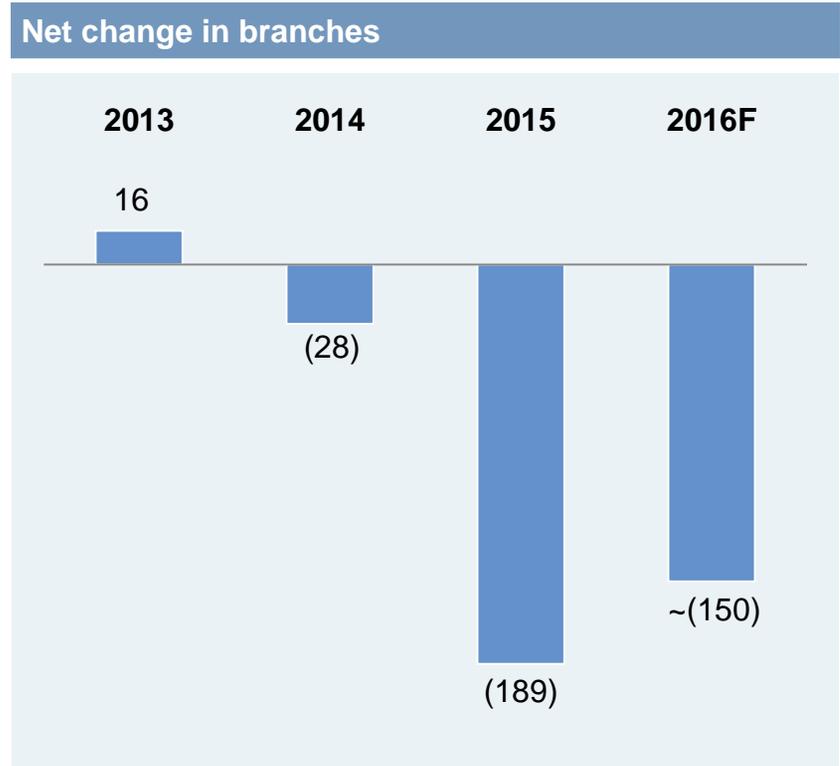


<sup>1</sup> Includes new to bank and existing customer checking account openings in 2015; excludes accounts of customers under 18 years of age  
<sup>2</sup> Primary relationship based on internal Chase definition  
<sup>3</sup> Based on Consumer Banking customers that use the channel in 4Q15

We will continue to optimize the size of our branch network to meet the needs of our customers

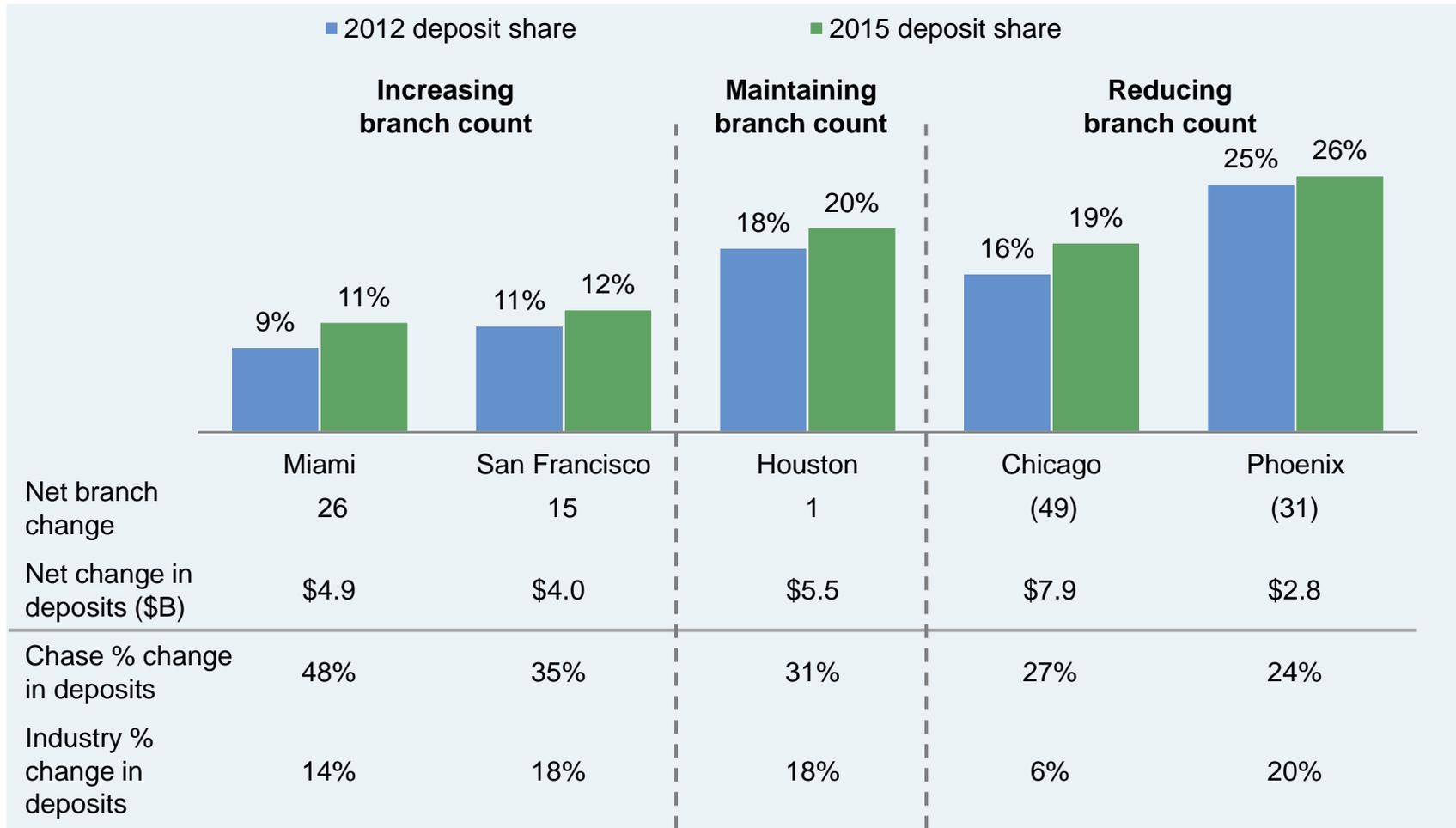
Network activity			
	2013	2014	2015
Beginning branch count	5,614	5,630	5,602
New builds <sup>1</sup>	132	71	20
Consolidations <sup>1</sup>	(116)	(99)	(209)
Net change in branches	16	(28)	(189)
Ending branch count	5,630	5,602	5,413

<sup>1</sup> Excludes relocations



We are optimizing our branch network to support evolving customer needs while growing market share faster than the industry

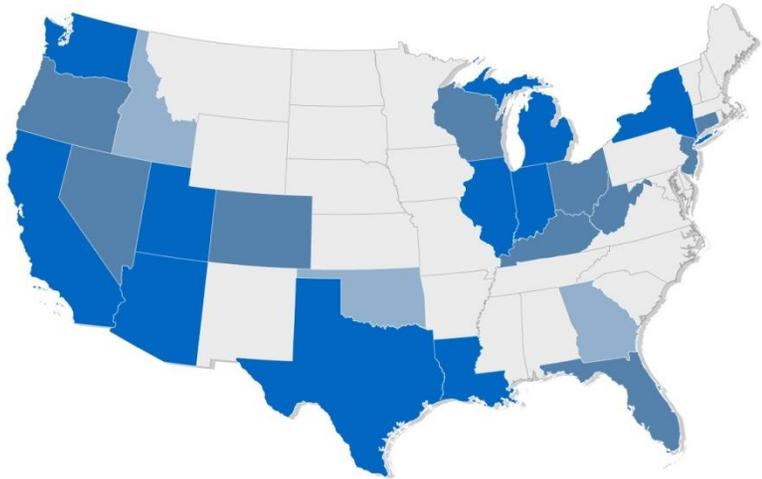
### Chase deposit share<sup>1</sup>



<sup>1</sup> Source: FDIC 2015 Summary of Deposit survey per SNL Financial; excludes all branches with \$500mm+ in deposits in the last two years (excluded branches are assumed to include a significant level of commercial deposits or are headquarter branches for direct banks); includes all commercial banks, credit unions, savings banks, and savings institutions as defined by the FDIC

We have an attractive footprint with strong positioning across the U.S.

**Chase footprint advantages**



Deposit Market Share

- Greater than 10% (AZ, CA, IL, IN, LA, MI, NY, TX, UT, WA)
- Between 5% and 10% (CO, CT, FL, KY, NJ, NV, OH, OR, WI, WV)
- All others (GA, ID, OK)

	Top 10 Chase deposit markets	Chase deposit rank <sup>1</sup>	Chase branch rank <sup>1</sup>
1	New York, NY	1	1
2	Los Angeles, CA	2	1
3	Chicago, IL	1	1
4	Houston, TX	1	1
5	Dallas-Fort Worth, TX	1	1
6	Miami, FL	3	3
7	San Francisco, CA	3	2
8	Phoenix, AZ	1	1
9	Detroit, MI	2	2
10	San Diego, CA	2	2

**Branches serve all JPMC lines of business**

<sup>1</sup> Source: FDIC 2015 Summary of Deposit survey per SNL Financial; excludes all branches with \$500mm+ in deposits in the last two years (excluded branches are assumed to include a significant level of commercial deposits or are headquarter branches for direct banks); includes all commercial banks, credit unions, savings banks, and savings institutions as defined by the FDIC

# Chase Consumer & Community Banking is a strong franchise with leadership positions across its businesses

<b>Powerful customer franchise</b>	<ul style="list-style-type: none"> <li>■ Consumer relationships with almost half of U.S. households</li> <li>■ #1 in primary bank relationships within Chase footprint<sup>1</sup></li> </ul>
<b>Firmwide capabilities to meet customer needs</b>	<ul style="list-style-type: none"> <li>■ Access to J.P. Morgan investment expertise, advice, and market perspectives</li> <li>■ Business Banking access to Treasury Services cash management solutions</li> </ul>
<b>Attractive footprint</b>	<ul style="list-style-type: none"> <li>■ Branch network concentrated in the highest growth U.S. markets<sup>2</sup></li> <li>■ Over 50% of affluent U.S. households live within 2 miles of a Chase branch or ATM</li> </ul>
<b>Leading position in digital banking</b>	<ul style="list-style-type: none"> <li>■ #1 most visited banking portal in the U.S.<sup>3</sup></li> <li>■ #1 rated mobile banking app<sup>4</sup></li> </ul>
<b>World-class payments franchise</b>	<ul style="list-style-type: none"> <li>■ #1 in total U.S. credit and debit payments volume<sup>5</sup></li> <li>■ #1 wholly-owned merchant acquirer<sup>5</sup></li> </ul>
<b>National, scale lending businesses</b>	<ul style="list-style-type: none"> <li>■ #1 credit card issuer in the U.S. based on loans outstanding<sup>6</sup> and #1 U.S. co-brand credit card issuer<sup>7</sup></li> <li>■ #2 mortgage originator and servicer<sup>8</sup></li> <li>■ #3 bank auto lender<sup>9</sup></li> </ul>

Note: For footnoted information, refer to appendix

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## Notes on slide 8 – Credit losses are at low levels, but we rigorously monitor for signs of stress

1. Credit card net charge-off rate excludes held-for-sale loans
2. 2Q12 adjusted net charge-offs for Card Services were \$1,254mm or 4.05%; excluding the effect of a change in charge-off policy for troubled debt restructurings, 2Q12 reported net charge-offs were \$1,345mm or 4.35%
3. 4Q14 adjusted net charge-offs for Card Services were \$797mm or 2.48% excluding losses from portfolio exits; 4Q14 reported net charge-offs were \$858mm or 2.69%
4. 3Q12 adjusted net charge-offs for Auto Finance exclude the effect of an incremental \$55mm of net charge-offs based on regulatory guidance
5. 3Q12 adjusted net charge-offs for Mortgage Banking exclude the effect of an incremental \$825mm of net charge-offs based on regulatory guidance
6. 4Q12 adjusted net charge-offs for Mortgage Banking reflects a full quarter of normalized Chapter 7 Bankruptcy discharge activity, which exclude one-time adjustments related to the adoption of Chapter 7 Bankruptcy discharge regulatory guidance

## Notes on slide 13 – Customer preference for our digital assets enables us to lower cost to serve

1. Primary bank digitally-centric is defined as primary bank households conducting at least three digital transactions (excluding logins, including Chase QuickDeposit, transfers, Bill Pays, wires, etc.) per quarter and visiting the branch or speaking to a live rep no more than once per quarter.
2. Attrition includes households that close all Chase accounts; average of annualized monthly attrition rates over 12 months for 2015
3. Average annual service cost includes transaction expense (e.g., teller visits, personal banker visits, ATM transactions, etc.), account expenses (e.g., check ordering, debit re-issue, etc.) and overdraft losses

## Notes on slide 50 – Chase Consumer & Community Banking is a strong franchise with leadership positions across all its businesses

1. TNS 3Q15 Retail Banking Monitor; based on total U.S. (~5K surveys per quarter) and Chase footprint (~2.8K surveys per quarter); TNS survey questions used to determine primary bank: “With which banks do you currently do business? Which do you consider to be your main or primary bank?”
2. Highest growth U.S. markets refers to top 30 core based statistical areas by deposit balance growth from 2011 to 2015, per SNL Financial
3. Per compete.com as of January 2016
4. Based on Javelin Research mobile banking app ratings as of January 2015; ranking is among large banks
5. Nilson data for full year 2014
6. Based on disclosures by peers (Citi, Bank of America, Capital One, American Express, Discover)
7. Based on Phoenix Credit Card Monitor for 12-month period ending September 2015; based on card accounts and revolving balance dollars
8. Based on Inside Mortgage Finance as of 4Q15 for Servicer and Originator rankings
9. Per Experian AutoCount data for December 2015 YTD; bank auto lenders are non-captive auto lenders

## Forward-looking statements

*This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the current beliefs and expectations of JPMorgan Chase & Co.'s management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. Factors that could cause JPMorgan Chase & Co.'s actual results to differ materially from those described in the forward-looking statements can be found in JPMorgan Chase & Co.'s Annual Report on Form 10-K for the year ended December 31, 2015, filed with the Securities and Exchange Commission and available on JPMorgan Chase & Co.'s website <https://www.jpmorganchase.com/corporate/investor-relations/investor-relations> and on the Securities and Exchange Commission's website ([www.sec.gov](http://www.sec.gov)). JPMorgan Chase & Co. does not undertake to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of the forward-looking statements.*