Project Demonstrating Excellence

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Comparing Chase Bank and Bank of America

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Introduction

Chapter 1: Project Overview

1.0 Chase's Impact

My mother tried to open my own bank account at HSBC bank, and I was not old enough for my own, hence, we took our business up with Chase bank. They allowed me to have my own bank account, but my mother never had the chance to help me figure out how to utilize banking services online or in person. I never used the bank account until my senior year of high school. A Chase bank financial advisor told me to take advantage of a college account. Thereafter, my customer loyalty has been with Chase bank after receiving a plethora of advantages associated with the Chase college account for students. Chase has made banking convenient and almost entirely mobile for me, therefore I selected Chase bank as my target company for my PDE.

I have chosen Bank of America as my benchmark company not only because of the disparities that make Chase and Bank of America competitors, but also because of the similarities that coin them the two largest banks in the United Sates. I was also encouraged to select Bank of America as my benchmark because my aunt banked there for about five years and she always complained about multiple aspects of the bank she was dissatisfied with. After witnessing the customer and corporation dynamic between my aunt and BOA, I was intrigued by her dislike for Bank of America enough to compare the two banking institutions for my PDE. My aunt eventually stopped banking with Bank of America and started banking with Capital One. She revealed that there were too many hidden charges, the bank was immobile; she had to visit the bank for something she can do n her phone with Capital One. Moreover, she also complained that the overdraft charges were expensive, and Bank of America did not have an efficient banking app that allowed her to do simple things.

1.1 Data Mining

The data presented below has been collected to conduct research between Chase bank and Bank of America. Both primary and secondary information was utilized throughout this research. The quantitative data regarding the financial aspects of both companies Chase and Bank of America has been primarily gathered from the 10-K annual report, which has been retrieved from the U.S. Securities and Exchange Commission website and a minute amount of financial information that was excluded in the 10-K was retrieved from Yahoo Finance. Qualitative information was retrieved respectively from each company's website, reliable and reputable websites suited to access information respective to the specific topic being discussed and from people who has had primary interaction with the corporation.

1.2 Analysis Presentation

The essence of this research consists of collecting, analyzing, evaluating, and grading the financial performance of Chase and Bank of America. The analysis of the research will incorporate both the quantitative (financial) and qualitative areas regarding mostly my target company in comparison to my benchmark company. Quantitative information will be assessing the financial four, (profit/equity/share value management, debt management, cash management and asset management). Qualitative information will incorporate strategic positioning in all aspects including environment, directors, employees, customers, community etc. and the organizational citizenship. Afterwards, I will summarize Chase's long-term term growth, problem and solution and decide whether Chase is stable in my opinion to invest in after analyzing this research.

Chapter 2: Chase's Profile

2.0 Section Introduction

In this section I will discuss the history of Chase and how the company has evolved into the entity it currently is. Furthermore, I will also discuss the type of entity Chase is classified as, I will fiscal year end of 2018 and who their auditor is. To conclude, I will discuss the both the Top Management Team and the Board of Directors.

2.1 The History of Chase

J.P Morgan Chase is a financial institution that plays a significant role in providing financial help and banking services. The bank is one of the oldest and heritage tracing back to 1799. The bank gained a legacy during this year when its first predecessor was chartered in New

York City. The foundation of this bank was built on more than 1200 predecessors. The close heritage firms to this bank were Chase Manhattan, Bank one, First Chicago, and J.P Morgan & Co. Throughout the foundation and growth of this bank, several mergers have contributed to its current position. In 1991, there was a merger between Hanover Corp and Chemical Banking, and it was called Chemical Banking Corp. This entity earned the second largest institution in the U.S.

After four years, First Chicago and NBD Bancorp merged to form the First Chicago NBD. Two years later, Chase Manhattan and Chemical Banking Corp merged to form Chase Manhattan Corp. In the subsequent year, Banc One Corp and First Chicago NBD became one to form Banc One Corp. All the banks formed during this era were leading in the U.S. In the year 2000, Chase Manhattan Corp joined with J.P Morgan & Co to form JPMorgan Chase. Within the next two years, Banc One Corp merged with JPMorgan Chase. In 2008, the bank strengthened its abilities for brokerage by acquiring Bear Stearns Companies.

In the same year, the bank acquired assets, credit, and deposits from Washington mutual operations, and it expanded it branch in Florida and California. At this time, the bank served 42% of the population, and in 2010, the bank acquired complete ownership of the U.K. joint venture.

The logo blue octagon logo was created in 1961 by Chermayeff and Geismar. The logo symbolized water pipes that the Manhattan company laid by nailing wood planks together. Chase bank was named after Chief Justice Salmon P. Chase, although he did not have any connections with the bank. There is a common misconception that J.P. Morgan was a founder of the bank. However, the initial founders of Chase Bank are Aaron Burr and Alexander Hamilton. As an interesting fact, Burr challenged Hamilton to a duel near the Hudson river and Hamilton lost the duel and died.

Since JPMorgan Chase bank plays a significant role in the U.S. economy, The U.S. government will always provide economic stabilization if the bank ever faces an economic issue. For example, Chase was loaned 25 billion dollars under the Emergency Economic Stabilization Act due to the subprime mortgage crisis. Which was a dramatic fluctuation in liquidity in credit markets globally and this decreased the value of mortgage-backed securities severely. This loan of 25 billion dollars was paid off in June 2009.

2.2 Chase's Entity Type

Corporations identify their relative industry through the North American Industry classification system and (NAICS) and the Standard Industrial Classification (SIC). Chase has two NAICS codes, which are 522110 describing "Commercial Banking" and 523120 describing "Securities Brokerages". Chase also has two SIC codes, which are 6021 describing "National commercial banks" and 6211 describing "Security brokers and dealers". It is evident that Chase bank is not only a banking institution but serves as security brokers as well.

2.3 Chase's Fiscal Year end

The JPMorgan Chase 10-k used to extract financial information from, has a reported fiscal year end of December 31, 2019. For the current year (2019) Chase reported net revenue to be $110,042 (in millions). This was a 5.6% increase from the previous year (2018) which net revenue was reported to be $104,158 (in millions).

For the fiscal year end 2018, the share price for Chase was $91.35 which increased to $134.52 at the fiscal year end of 2019. Chase also reported an increase in diluted earnings per share from $9.04 (2018) to $10.72 (2019). Since this information is considered positive and desirable in the eyes of investors, investors should consider doing further research to invest in Chase bank.

2.4 Chase's Auditor

The external auditor of JPMorgan Chase bank is identified as PricewaterhouseCoopers LLP. PwC has been the external auditor for JPMorgan Chase for 11 years. In 2011, Chase was fined for failing to segregate client assets from their own. The reported amount of money withheld was reported to be about 23 billion dollars in client assets. This resulted in PwC receiving a fine as well for failing to correct, notice or report this asset scandal amongst the corporation.

2.5 Chase's Top Management Team

Chase's Top Management Team involves 21 members who are James Dimon, Ashley Bacon, Marc Badrichani, Lori Beer, Thasunda Brown, Mary Callahan, Stacey Friedman, Takis Georgakopoulos, Teresa Heitsenrether, Carlos Hernandez, Marianne Lake, Robin Leopold, Douglas Petno, Jennifer Piepszak, Daniel Pinto, Troy Rohrbaugh, Peter Scher and Gordon Smith. These individuals work collectively to provide the vision statement, mission statement and providing a strategy. This team of individuals are skilled with innovative, imaginative, and creative tactics to execute their duties as a part of the Top Management Team.

James Dimon (COB/CEO) - Since 2005, Dimon has assumed the Chief Executive Officer title, in the following year Dimon became the Chairman of Board. In the previous year, 2004 to 2008, Dimon held the President position while holding the Chief Operating Officer from 2004 to 2005.

Ashley Bacon (CRO) – Bacon has joined the risk management team in 2006 and has assumed the Chief Risk Officer position in 2012. Bacon is responsible for the risk management and compliance organization. Bacon has also worked abroad in several international corporate extensions of JPMorgan Chase bank.

Marc Badrichani (Head of Global Sales & Research) – Badrichani is Head of Global Sales & Research for J.P. Morgan's Corporate and Investment Bank (CIB) and a member for Chase Operating Committee since 2005.

Lori Beer (CIO) - Beer has been the Global Chief Information Officer for JPMorgan Chase since 2014 and she is responsible for Chase's technology systems and infrastructure worldwide.

Thasunda Duckett (CEO) - Duckett is the Chief Executive Officer of Chase Consumer and Banking and is a member of the Operating Committee. Duckett is the executive sponsor of JPMorgan Chase's Advancing Black Pathways program.

Mary Callahan (CEO) – Callahan is the Chief Executive Officer of JPMorgan Chase's Asset and Wealth Management line. Callahan has joined Chase in 2000 and has become CEO in 2009 and has become a member of the Operating Committee as well.

Stacey Friedman (EVP/GC) – Friedman has been the Executive Vice President and General Counsel for JPMorgan Chase since 2012 and she is also a part of the Operating Committee. Friedman's responsibility is to oversee and minimize exposure to legal risk, including litigation and enforcements matters, advising on product and services and to advocate in connection of proposed laws, rules, and regulations.

Takis Georgakopoulos (GHWP) – Georgakopoulos is identified as the Global Head of Wholesale Payments. Georgakopoulos first joined Chase in 2007 as the head of Corporate

Strategy, then spent four years in London building J.P. Morgan's Global Corporate Bank. Georgakopoulos is responsible for overseeing the product, client service/implementations and sales team globally.

Teresa Heitsenrether (GHSS) – Heitsenrether is the Global Head of Securities Services and has been with Chase for 30 years. Throughout her time at Chase, Heitsenrether was the Global Head of Prime Brokerage, European Head of Prime Brokerage, Head of Prime Brokerage Product Development. Heitsenrether is responsible for leading and providing custody, accounting, administration, middle office, collateral and performance management services to investment managers, pensions funds and governments.

Carlos Hernandez (ECICB) – Hernandez is the Executive Chair Investment and Corporate Banking and has the responsibility to oversee the firm's investment banking and corporate banking. Hernandez has been working for Chase since 1986.

Marianne Lake (CEO) – Lake is the Chief Executive Officer of Consumer Lending (card services) and has been with the firm for 20 years. Lake is responsible for Home Leading an Auto Finance. previously, Lake was the Chief Financial Officer from 2013 to 2019.

Robin Leopold (EVP/HR) – Leopold has been with Chase since 2010 and she is the Executive Vice President and Head of Human Resources for Chase.

Douglas Petno (CEO) – Petno is the Chief Executive Officer of Commercial Banking. Petno is responsible for delivering industry leading capabilities and comprehensive financial solutions, including investment banking, treasury services, merchant services and commercial lending.

Jennifer Piepszak (CFO) – Piepszak is the Chief Financial Officer for Chase bank and she has been with the firm for over 25 years. Piepszak was previously CEO of Business Banking and CEO of Card Services.

Daniel Pinto (CP/ COO) – Pinto is Co-President and Chief Operating Officer of JPMorgan Chase.

Troy Rohrbaugh (HGM) – Rohrbaugh is the Head of Global Markets for JPMorgan Chase, largest trading franchise and leader in both Equities and Fixed income. Rohrbaugh joined the firm in 2005 and he began as a managing direct and global head of Foreign Exchange Derivatives.

Peter Scher (HCR/Chairman) – Scher is the Chairman of the Mid-Atlantic region (senior executive) and Head of Corporate Responsibility. Scher oversees commercial banking, asset management, investment banking and consumer banking. Scher also oversees several global corporate functions, including Government Relations, Global Philanthropy, Sustainable Finance, Nonprofit Engagement, the JPMorgan Chase Policy Center and the JPMorgan Chase Institute. Scher also has led the development several Chase's flagship programs.

Gordon Smith (CP/ COO) – Smith was first CEO of Card, the CEO of the Card, Merchant Services and Auto Finance businesses, then currently became the Co-President and Chief Operating Officer in 2018. Smith is also the CEO of Consumer and Community Banking, a leading provider of banking, credit cards, auto finance, payments, mortgages, and investment advice.

Name	Gender Age	Time of affiliation	Compensation (approximately)	Title
James Dimon	Male 64	15 years	$31.6 million (annual)	COB/ CEO
Ashley Bacon	Male 50	14 years	$11 million (annual)	CRO
Marc Badrichani	Male/ N/A	15 years	N/A	HGSR
Lori Beer	Female 52	6 years	$3.2 million (annual)	CIO
Thasunda Duckett	Female 47	4 years	N/A	CEO
Mary Callahan	Female 53	20 years	$20.75 million (annual)	CEO
Stacey Friedman	Female 51	8 years	N/A	EVP/ GC
Takis Georgakopoulos	Male N/A	13 years	N/A	GHWP
Teresa Heitsenrether	Female N/A	33 years	NA	GHSS
Carlos Hernandez	Male 60	34 years	$4.05 million (annual)	ECICB
Marianne Lake	Female 51	20 years	$15.2 million (annual)	CEO
Robin Leopold	Female 55	10 years	N/A	EVP/ HHR
Douglas Petno	Male 54	30+ years	$12.75 million (annual)	CEO
Jennifer Piepszak	Female 51	25+ years	$7.7 million (annual)	CFO
Daniel Pinto	Male 57	2 years	$22 million (annual)	COO/ CP
Troy Rohrbaugh	Male 50	15 years	N/A	
Peter Scher	Male 58	12 years	N/A	HCR/ CMA
Gordon Smith	Male 61	13 years	$22.2 million (annual)	CP/ COO

2.6 Chase's Board of Directors

Below is a chart representing Chase's Board of Directors. In the appendix, there will be a descriptive section for each member of the Board of Directors including the details about other committees.

Name	Gender/ Age	Expertise	Start Year	Compensation	Other Boards	Other Committees
Linda Bammann	Female 64	Risk Management	2013	$405,000 (annual)	0	1
Stephen Burke	Male 62	Communications	2004	$365,000 (annual)	0	2
Todd Combs	Male 49	Investments	2016	$380,000 (annual)	3	3
James Crown	Male 67	Law	2004	$380,000 (annual)	5	2
Jamie Dimon	Male 64	Communication	2006	$31.6 Million (annual)	6	0
Timothy Flynn	Male 63	Global Services	2012	$414,437 (annual)	2	2
Mellody Hobson	Female 51	Media finance	2018	$99,200 (annual)	1	3
Michael Neal	Male 67	Management	2014	$380,000 (annual)	N/A	1
Lee Raymond	Male 80	Experienced BOD (36 years)	2000	$442,500 (annual)	0	2
Virginia Rometty	Female 63	N/A	2020	N/A	1	0

After researching the Board of Directors for Chase Bank, it has been evident that there are multiple positive and negatives characteristics about the board. First, the diversity of the board is intermediate, out of the ten directors, only one of them are African American and the remaining nine are Caucasian. Moreover, there are only two women on the board. As discussed in class, research has shown that women have a positive influence on corporate citizenship. Second, it is also a benefit that most of the directors have expertise in a certain area, in which most of them received their expertise through past professional experience or sitting on past/current boards. Third, the median age of this board is 63. Also discussed in class, research has shown that younger board members are more likely to be proactive members.

Fourth, there are eight members who participate in other committees. This may have a strong influence on the decisions made amongst the board as well. Fifth, JPMorgan Chase bank is amongst the top ten Dow companies, this is an indicator on how large the company is, moreover it is an international firm as well. This makes the number of members (ten) an appropriate amount for this board. This number is not considered to be dysfunctional considering the size of the entity. However, having an even number of board members might pose conflict during the decision-making process. This can be solved by adding an additional member, but there can be a secondary incentive to hire one more female who is younger to also lessen the issue of few women and limited younger members.

Sixth, according to the two charts above, it is evident that the CEO Jamie Dimon of Chase is practicing duality (sitting on both the TMT and BOD). Lastly, six members of this board are interlocking with other boards of noncompetitive corporations. Interlocking may bring about some benefits such as offering specialty knowledge, more qualifications to decipher the conditions of the environment regarding diversification, providing specific expertise about different strategies and tactics.

To conclude, Chase has an exquisite Board of Directors configuration. All members have diverse backgrounds regarding experience with other firms and being on other boards. This has a positive influence on their decision making since they are well versed in different fields. The board also has minimal issues (as stated above) to take into consideration to eventually resolve.

Chapter 3: General Environment Overview

3.0. Section introduction

Throughout this section, the general environment will be inspected. The general environment will be segmented and further inspected through the five general environment factors. These factors consists of sociocultural, demographic, economic, technological, and Political/Legal perspectives. Researching the general environment allows for corporations understand how to globally adjust to each factor depending on the country they operate in. Moreover, these factors will also help corporations understand how they affect/change the communities they serve, vice versa.

3.1 Sociocultural Factors

The sociocultural factors that will be primarily examined are the power distance, uncertainty avoidance, and long-term orientation. The United States has a moderately high rating in the power distance index. This essentially means that there is inequality of income dispersion to the elites within a firm. This can also be observed in the chart in section 2.5 and 2.6. this is not an issue that causes an uproar for attention in the U.S., however this is alarming to the culture and community in United Kingdom and has caused the community to be slightly hostile towards Chase brand. This can be a threat to Chase extensions in the U.K., this should be resolved by assessing what factors can be taken into consideration when determining the compensation packages that these elites receive. Hence, elites are being compensated based off their quality output of work and skills.

The U.K. has scored lower in the uncertainty avoidance index, which means the people in the U.K. are less likely to take the initiative to control their future. This might be problematic to

Chase's asset management and consumer/community banking operating segments. People in the U.K. are less likely to be interested in participating in the wealth management and investments management services that Chase has to offer. Chase can resolve this problem by creating a marketing campaign with the incentives to increase their reach, reinforcing why it beneficial to take advantage of these services and creating incentives for the U.K. population to take advantage of these services.

The U.K. has scored high in the long-term orientation, this indicates that the U.K. community is more susceptible to accept new ideas. This is a strong opportunity for Chase to introduce innovative banking service to this population.

Important note: JPMorgan Chase has branches in over 60 countries worldwide, the United Kingdom was used above because the U.K. offers Chase a substantial amount of business because the U.K. is one of the top most influential countries in the world along side China and the United States.

3.2 Demographic Factors

Demographic factors encompass individuals that identify within demographics such as age, age, religion, language, ethnicity, education level, income status, or sexuality. Chase serves a diverse population of consumers, this includes, homeowners, small businesses, real estate banking customers, college students, and younger consumers who use the Disney program. These specifications do not allow Chase to serve a specific demographic of consumers because anyone of age, religion, ethnicity, income status, race or sexuality can identify in one or more of those specifications.

However, it is important to note that consumers do support businesses who reflect their demographics and respect them. Chase has begun diversity training for employees to provide education and diverse skill sets to better customer relationship between diverse customers and employees. Chase has also made it an incentive to achieve diversification through the employee programs they have launched. These programs are the Veteran Jobs Mission, Advancing Black Leaders, Women on the move and Advancing Black Pathways. Chase also strives to include people who have disabilities and permanent people into their work force as well.

3.3. Economic Factors

Economic factors include inflation/deflation rate, interest rates, unemployment rate and influence on the national economy. This year the globe has been plagued by the Corona virus that has increased the unemployment rate, encourage a down trend in the stock market and has also caused businesses to inflate price of products due to low supply and to encourage consumers from engaging in social activities.

In May 2020, Chase has specified that they are increasing efforts to support employees, customers, and communities. Chase is also creating inclusive recovery to provide economic opportunity to more people. In addition, Chase has responded to customers who have expressed they are struggling economically. Following this event, Chase has announced that they have made it easier to enroll in the payment assistance program and Chase revealed that they have provided assistance to 1.5 million customers accounts. This includes delaying payments, and refunding fees, home lending, credit card, deposit and auto lease and loan accounts. Chase has also stated that they have used capital and liquidity to help their clients. Chase has also made it easy for clients to request more time in delayed payments for clients. Chase has also approved

$45 billion in new credit for clients that reported that they were impacted by the economic downturn of the pandemic. Chase has also loaned $950 million dollars to small business clientele. Chase has also provided $50 million dollars to support nonprofits organizations that have been heavily affected by the pandemic.

Chase is increasing the capital that is circulating in the economy, this essentially contributes to the increase in inflation. However, this stimulation is preventing the economy from entering a recession since the pandemic has put an enormous strain on the economy. To conclude, it evident that Chase bank will always be a large stimulate or depressant of the U.S. economy.

3.4 Technological Factors

It is crucial that Chase is constantly evolving their technical efforts to stay up to date with new technology. Keeping the firm involved in the latest technology advancement helps to keep and attract the younger audience. Chase has been making efforts to digitize everything since 2016 and the firm has spent over $20 billion dollars to achieve this objective.

Chase has realized that people no longer need banks for financial service being that 73% of 18-34-year-old individuals are searching for a tech firm they can utilize their financial products through the internet. Chase executives believed that creating a digital system will help the firm to attract with new clients because the transformation will heavily align with their interests and diverge away from traditional practices within the industry. Chase's push for "Mobile First, Digital Everything" has shown a significant increase to 48 million active digital customers as of the second quarter in 2018. This was shown to be a 12% increase in active users as of the second quarter in 2018. Chase has also created an incentive to start utilizing their new digital system by offering the opportunity to use a free trading platform provided by the firm. In which Chase was the first bank to offer free trading to retail consumers. The Chase mobile banking app currently has an average 4.8 star out 5 on the app store from 2.93 million customer who have rated their experience with the app.

To accommodate these changes, Chase has been making the active effort to attract, train and retain employees who are technologically versed. Following this transformation, Chase is said to be leading in the industry pertaining to digital banking. This makes Chase an innovator and influencer in the industry when it comes to digital banking services.

These technologically advancements give Chase the chance to strengthen their brand loyalty and awareness. These advancements have also attracted consumers who are younger that were seeking digital financial services. Despite these accomplishments, Chase might encounter an issue with older consumers, the older consumer might not adjust well to the new digital advancements. This might force older consumer to engage with another bank who has not advanced technologically and still provides traditional financial services. Chase can deal with this potential threat by still offering traditional services through their physical branches.

3.5 Political/Legal Factors

As an entity of this industry, it is imperative that Chase takes legal and political matters seriously. According the Political Engagement and Public Policy Statement, Chase has disclosed that they have the Public Responsibility Committee that is dedicated to providing oversight to Chase’s practices and positions pertaining to their public responsibility matters. This committee is also dedicated to supervising reputational risks and conduct within the entity. Some of the specific responsibilities include reviewing the community reinvestment activities of the firm, including the firm's progress under community development programs, reviewing management's approach to consumer practices with respect to consumer experience, consumer complaint resolution, and consumer issues related to disclosures, fees or the introduction of major new products, to review strategy and budget with respect to charitable contributions and projects undertaken to improve the communities served by the firm and reviewing the firm's significant policies and practices regarding political contributions, major lobbying priorities and principal trade association memberships that relate to the firm's public policy objectives.

Chase is an entity that is dedicated to making a good impression on the communities they serve, moreover, it is evident that they have a budget dedicated to enforcing morals and ethics. This is seen as a strength of the firm because consumers and investors will be attracted to firms that have ethics and morals are similar to their personal ethics and morals.

Chapter 4: Industry Overview

4.0 Section Introduction

This section will include the discussion an overview of the industry that JPMorgan Chase has been identified in. The industry will be described in detail as well as the primary focus of the industry. Industry trends, challenges and opportunities will be deliberated thoroughly. Lastly, the industry outlook will be examined and how Chase affects the industry outlook and how the future of the industry forces Chase to stay up to date.

4.1 Banking Financial Services Industry Overview

The Banking Financial Services industry involves corporations that provide money management, payments, and digital banking technology. This industry also consists of investments, insurance, redistribution of risk, direct saving, and lending.

The financial services industry is segmented into three general types, which are personal, consumer and corporate. First, personal finance is concerned with an individual's budgeting, saving, and spending of monetary resources, such as their income. Second, consumer finance involves the purchasing of houses, cars, paying for college or using any financial service that requires payments/installments that are to be paid over a fixed time period. Examples of these services are mortgage lending, credit card services or loan services. Last, corporate finance includes the of financial activities pertaining to businesses, which are receiving funds for business purposes, capital structure, financial activities that increase the company value and tools to allocate resources.

4.2. Industry Trends, Challenges and Opportunities

Digital advancements and financial technology are rapidly changing, and these changes have a strong influence on how personal, consumer and corporate financial activities operate. Online banking is leading for the trends in this industry. People are looking for their financial institutions to become more accessible through one touch on their phone. Having an app from your bank makes banking activities faster. You can deposit checks, send/receive money, view statements, lock/unlock your debit card, replace your card, report fraudulent activity, etc. all thorough the app that banks provide.

This trend is of demand now more than ever because of the social distancing we are practicing. Many banks have moved in person service to online or over the phone. After the pandemic is over, these trends might continue because people might find these techniques are easier.

Some challenges this industry faces are recognizing and interpreting fraudulent activity. It has become a common practice to open new bank accounts and deposit fake checks then closing the account immediately after the check clears. This is costing banks an enormous amount of capital. ATMs fail to recognize when fake checks are deposited. This take a couple days after the money clears to notice. There is also fraud occurring within the corporate services where people are falsely claiming that they are business owners and they are receiving money that banks designed to help businesses who have been economically impacted by the pandemic.

Another challenge this industry might face is with all the advancements made by tech companies, there are errors that are bound to present themselves because man made products are not perfect and will malfunction. This can be alarming because there is delicate information withheld within these institutions. One mistake and there will absolute mayhem across both the consumers and the company’s end.

Following these challenges this can open a window for new opportunities. This can also motivate the incentive to have increased communication between consumers and their financial institutions. Consumers should be able to fill out review jot forms after an app update is installed. These jot forms should be able to produce consumers with the opportunity to specify what they like and dislike about the update, to make suggestions and to vote for what they would like to be included or excluded in the next app update. This can be an opportunity to create more jobs for employees to focus on identifying security leaks, consumer difficulties, to brainstorm and to be the communication medium between consumers, financial institution and the tech company that modifies the app.

4.3 Industry Outlook

The future of banking financial services industry is being narrated by the dependency on digital accessibility. If corporations of this industry fail to adapt to digital demands, they are expected to suffer 20-60% decline in profit within the next five years. Corporations in the financial and banking services industry are identified as “slow movers” otherwise identified as laggards. This essentially means that corporations in this institution adapt late regarding technological innovations. This information reveals that it is crucial for institutions in this industry must realize that change is needed, and time is of the essence because their financial future is at risk.

Chapter 5: Competitive Environment

5.0 Section Introduction

It is imperative that Chase bank is continuously assessing their competitive environment. Doing so will give Chase the valuable information on how to maintain the competitive advantage over competitors. This will further allow Chase to strategically navigate through the competitive environment. The nine factors of the competitive environment that will be inspected are customers, suppliers, unions, association, new entrants, interest group, substitutes, competitors, and creditors. Recent mergers and acquisitions will be discus as well.

5.1 Customers

Chase customers comprise of the clients from JPMorgan and Chase who are larger corporation, wealthy individuals, institutional investors, domestic/international consumers, and commercial banking businesses. JPMorgan has specified what benefits they are trying to achieve with increasing operational efficiency in client service. JPMorgan has recently implemented “Data Once” which is an online portal that allows clients to experience a more simple, automated and efficient way to onboard entities, accounts and products within the corporation without have to repeatedly submit redundant information. Benefits of this portal is to decrease service time, simplify time spent on onboarding entities, KYC activities, opening accounts and configuring products. Other benefits encompass increased efficiency and transparency.

JPMorgan is making it evident that they are the innovators amongst their competitors, since JPMorgan is the first financial institution to implement a portal that can do what people were required to visit the bank for. This increases brand loyalty because consumers who bank with JPMorgan often feel superior to other consumers who they bank with competitors. These efforts from the firm makes it evident to customers that JPMorgan provides customer experience and satisfaction. It has also been revealed that 99% of survey participants were delighted or satisfied with their client services. Moreover, 96% percent of survey participants have rated their JPMorgan service better than other banks they conduct business with.

5.2 Suppliers

Once again Chase demonstrates that they are dedicated to providing optimal customer satisfaction. Chase stated that they seek to work with those suppliers who provide the best combination of price, quality, and capability to provide what they require. Chase has also stated that they are committed to holding themselves and their supplier community to the highest standards of business conduct and integrity and they have a zero tolerance policy for breaches of ethics and expect their suppliers to adhere to the strict guidelines their Supplier Code of Conduct.

Chase has made it an objective to do business with suppliers who pride themselves in being diverse so they can serve clients, shareholder, communities, and employees more efficiently. The firm is also seeking to develop and increase the usage of obvious underrepresented groups that include companies owned and operated by minorities, women, military veterans, disabled veterans, service-disabled veterans, people with disabilities and members of the LGBTQ+ community.

JPMorgan Chase Global Supplier Diversity's mission is to align their supply base with our consumer base and to develop and engage with certified and qualified diverse businesses in the interest of promoting economic growth in their communities. JPMorgan Chase seeks to become affluent with positive impact of supplier diversity by asking their suppliers (companies that sell directly to our firm) to also do business with diverse companies.

5.3 Unions

After researching unions that are involved with Chase, there are no ongoing issues or important news to report regarding Chase and unions. However, in the 2013 a federation of labor unions were seeking to force Chase's board to consider splitting up the company after the "London Whale" incident. The 2012 incident made national news when a professional trader Bruno Iksil otherwise known as "London Whale" lost $6.2 billion dollars on behalf of Chase.

5.4 Associations

Chase is an active member in the U.S. Chamber Foundation's Business for Good Project. There are three projects that JPMorgan Chase currently participates in which are The Service Corps, New Skills at Work and Global Cities Initiative. The Service Corps project at Chase is a skills-based volunteer program that engages employees from around the world who share their expertise to help Chase's nonprofit partners expand their impact on the community. The New Skills at Chase is a $350 million dollar investment committed to develop, test, and scale innovative efforts that prepare individuals with the skills they need to be successful in a rapidly changing economy. The Global Cities Initiative is a joint project of the Brookings Institution and Chase that aims to equip business, civic, and government leaders with the information, policy ideas and connections they need to help their urban areas thrive in the global economy.

5.5 New Entrants

New Entrants are little to no threat to Chase. Chase is considered to be an innovator and influencer with introducing new ideas as well as advancing existing ideas that constantly. With Chase standing as the largest banking entity in the United States, new entrants are of little threat unless Chase was to become a laggard with adapting to modern demands of their consumers. Also, it is noted that it would be very difficult for new entrants to thrive in the industry. This because existing entities have already built a strong brand identity, it would be a massive project for a new banking entity to build customer loyalty and a brand identity.

5.6 Interest Groups

As reported earlier, Chase has a goal to provide inclusiveness to people of color, the LGBTQ+, veterans, people with disabilities and women not only for clients but for employees as well. Chase is also making efforts to support the racial injustice movement by donating $30 billion dollars to support the Black Lives Matter movement and to end racist socioeconomic redlining. This speaks volumes because Chase is attracting and gaining the respect, attention, and support from the minority interest group.

Chase is also making efforts to establish sustainability. As of October 2020, Chase announced that they will be adopting a financing commitment that is aligned to the goals of the Paris Agreement. As part of their strategy, the firm intends to help clients navigate the challenges and capitalize on the long-term economic and environmental benefits of transitioning to a low-carbon world. Chase is launching the Center for Carbon Transition (CCT) to provide clients in the Corporate & Investment Bank and Commercial Banking with access to sustainability centered financing, research, and advisory solutions. In addition, Chase is planning to expand upon their 100 percent renewable energy target by vowing to become carbon neutral in their operations beginning in 2020. This attracts an interest group that is environmentally active and conscious.

5.7 Substitutes

Unlike new entrants, substitutes can be a substantial threat to Chase. Financial services such as Apple Pay, PayPal and Cashapp have been rapidly growing and increasing their brand identity. These services are third party apps that require people to use their banking institution with. These services turn into a threat when they offer debit cards that are directly provided from the service. This will no longer require people to have bank accounts. Chase has incorporated Zelle into their online banking app, which is a direct substitution of the financial service apps mentioned above. Introducing Zelle has a competitive advantage against the other apps stated above. Zelle offers instant transaction processing without any external, processing, or instant fees. This advantage encourages convenience and accessibility in which consumers like me often will reconsider using Cashapp to avoid waiting or being charged a fee for instant deposit.

5.8 Competitors

When analyzing the competitors of the financial and banking services through Porter's model, it is considered to be the strongest out of the five. Rivalry in this industry is intense mainly because switching cost are low, along with competitors offering monetary incentives for clients to seek financial and banking services from them. However, Chase's approaches to minimize competitor threats are continuously differentiating themselves form competitors, adapting and evolve to technological advances and participating in merger and acquisition activities. JPMorgan Chase has an extensive history with M&A activities, which includes over 1200 ancestor institutions. This increases the size of the corporation and their client base. As discussed in class, Chase can be classified as a larger company that is increasing their potential. This implies that the TMTs are providing imaginative strategic planning, innovative problem-solving strategies and acquiring efficient resources.

5.9 Creditors

Since Chase is a banking institution, it is shown that bank's primary creditors are their clients. Banks rely on the money they make off interest rates, penalty fees, ATM fees, other account related fees and application fees. The U.S government loans the corporation money in time of economic crisis. Also, Chase secondarily uses their own liquid assets to pay for large projects, acquisitions, operations, or facilities expansions.

Performance Analysis

For this portion, quantitative and qualitative performance will be analyzed on Chase in comparison to the competitor benchmark company Bank of America. Both JPMorgan Chase and Bank of America are the two largest banking institutions nationwide. Both companies are excelling quantitatively, however, both companies will be graded (by me) by their change in performance from 2018 to 2019. A Likert scale will used to grade performance of the companies. With "5” being the highest rating, “1” being the lowest and “3” signifying uncertainty. Quantitative grading analysis will be presented first.

Chapter 6: Quantitative Analysis

6.0 Section Introduction

This portion will include my quantitative analysis regarding the financial position and change in position (within a year) of Chase in comparison to Bank of America. The quantitative analysis will include assessing the financial four, which are (1) profit, equity and share value management, (2) debt management, (3) cash management, and (4) asset management. The financial reporting from the 10-Ks were imputed into the PSC and the PSC calculates the difference between both years and common sizes the monetary values into percentages. Common sizing will make it easier to assess and analyze the financial four. The percentages and ratios will reveal if the target or benchmark has regressed, progressed, or has remained stagnant from the previous year.

6.1. Profit, Equity, & Share Value Management

Introduction

The goal of profit, equity and share value management is to continuously expand profitability, increase equity balances and to strengthen the value of traded shares. Profit, equity and share value management is also closely related with the firm's ability to obtain and maintain competitive advantages. Generally, most increasing percentages in change are appealing from an investor's perspective.

1.01 Revenue Productivity (Grade: 5.0)

Revenue productivity is measuring the strength of revenue in producing net earnings for the firm. Chase's revenue productivity in 2018 was calculated to be .312 which increased to .331 in 2019. Bank of America's revenue productivity was calculated to be .321 in 2018 and has decreased to .313 in 2019. Based off the information revealed, my target scored a 5.0. An increasing number is considered to be good. Although Chase had lower strength in 2018 than Bank of America, Chase's revenue productivity increased instead of decreasing in comparison to Bank of America.

1.02 Comprehensive Efficiency (Grade: 5.0)

The comprehensive efficiency ratio represents the correlation between a bank's capital costs plus its operating costs and its net income generating ability. Since an increasing number is deemed to be desirable, my target company has scored a 5.0. Chase's comprehensive ratio has increased from 45.6 in 2018 to 49.5 in 2019. Meanwhile, Bank of America has decreased from 47.2 in 2018 to 45.5. This indicates that Chase has a stronger ability and more efficient when generating income than the benchmark company.

1.03 Operating Efficiency (Grade: 5.0)

The operating efficiency measurement is calculating the company's efficiency, by dividing revenue by operating expenses. This is essentially comparing the expenses of administering a company to the revenues the firm is able to generate. An increase number is desired; therefore, my target has scored a 5.0 in this area because Chase had 1.64 in 2018 which has increased to 1.68 in 2019. Whereas the benchmark company Bank of America, has decreased from 1.65 in 2018 to 1.60 in 2019. Evidently, Chase has a higher operating efficiency in generating revenue than Bank of America.

1.04 Income Tax/Pretax Earnings (Grade 3.5)

Income taxes are required expenses that corporations are expected to pay 21%. Both Chase and Bank of America failed to meet the 21% income tax requirement. However, Chase did pay more taxes in comparison to Bank of America, hence, my target company has received a grade of 3.5. Moreover, higher numbers indicate that more taxes were paid. Both Chase and Bank of America has paid less taxes than the previous year. Chase paid 20.3% in income taxes in 2018 which decreased to 18.2% in 2019. Bank of America paid 18.6% of taxes in 2018 which decreased to 16.3 percent in 2019. It is evident that both my target and the benchmark are not fulfilling their due diligence.

However, it was reported that Chase made a goal (in 2017) to use the excess capital from the tax cuts laws to create 4,000 more jobs and to raise wages of current employees. Although Chase has good intentions to reinvest the capital into employees, Chase is still held accountable to pay 21% income taxes. For Chase to receive a 5.0 in this area, the firm needs to ensure that requirements are met and to avoid paying less than the previous year.

1.05 Return on Equity (Grade: 5.0)

Return on equity is a measurement of profitability which calculates the amount of money (in profit) a company generates alongside the total money in shareholder's equity. In other words, this measurement depicts the rate of earnings for each dollar of owner's investment. This information is crucial to shareholders because investors want to know if they will be making a return based on their investments (equity).

An increasing number is appealing to investors, Hence Chase has scored a 5.0 for this portion. Chase yielded a rate of return of 12.7% in 2018, which has increased to 13.9% in 2019. In contrast, Bank of America yielded a rate of return of 10.6% in 2018 that has decreased to 10.4% in 2019. Although, this might seem to be a minuscule decrease in percentages change, this will not appeal to investors.

1.07 Capital: Earned/Total (Grade: 4.5)

Equity capital is produces by a combination of company profits and shareholder investments. This percentage reports the ownership of that has been accumulated resulting from company profits. Chase had a percentage increase from 62.4% in 2018 to 65.3% in 2019. However, Bank of America had an increase as well, going from 46.8% in 2018 to 56.5% in 2019.

Although Chase has larger percentages in both 2018 and 2019 than Bank of America, Chase only had an increase of 2.9% in comparison to Bank of America that had an increase of 9.7%. Hence, Chase has received a grade of 4.5.

According to the Derivation of Financial Worth chart, Bank of America has increased earned capital and decreased paid-in-capital within 2018-2019. For Chase to earn a 5.0, Chase needs to increase the overall percentage change to gain the competitive advantage in this case.

1.08 Total Equity (Grade: 5.0)

Increasing total equity is desired and increasing equity can indicate that the company has earned profit or/and issued more stock. A decrease can indicate that the company has suffered a loss, the company has paid a liquidating dividend or has purchased a large amount of treasury stock. Chase has received a grade of 5.0 because Chase has increased total equity by 1.9%. on the other hand, Bank of American had a –0.2% which indicates that their total equity has decreased from the previous year 2018.

1.09 Basic Earnings Per Share (Grade: 5.0)

Basic earnings per share is also another sign of profitability. An increasing amount is desirable. Increasing earnings per share, might indicate that there is also an increase in stock price as well. Chase scored a 5.0 because Chase had a basic earnings per share of $9.04 in 2018 which increased to $10.75 in 2019. Whereas Bank of America reported a basic earnings per share of $2.64 in 2018 which increased to $2.77 in 2019.

1.11 Share Price *Market Price* (Grade: 5.0)

The reported share prices are the share prices that match the fiscal year end (day) reported in the respective 10-Ks for each company. Chase's stock price for December 31, 2018 was $91.35 which is an increase from December 31, 2019 where the stock price was $134.52. Bank of America had a stock price of $23.61 as of December 31, 2018 which only increased to $34.51 as of December 31, 2019. Chase deserved a 5.0 because the stock price increased by 44 dollars which is impressive in comparison to the stock price of Bank of America only increasing 11 dollars.

1.12 Price Earnings Ratio (Grade: 2.5)

A high price-earnings ratio may indicate that investors are confident in the firm, however it may also suggest that the stock is expensive, overpriced or has little to no room for the potential to grow. Since the PSC considers a lower ratio as desirable, Chase has been graded a 2.5. Chase's price earnings ratio was 10.1 in 2018 and increased to 12.5 for 2019. Bank of America had a price earnings ratio of 8.9 in 2018 and it increased to 12.5 in 2019.

These numbers suggest that investors have gained confidence in Chase, however investors gained more confidence in Bank of America within 2018 to 2019 because the ratio increased 3.6 points and the ratio for Chase only increased 2.4 points. Chase can score higher if Chase increased investor confidence by trying to make stock prices reflect their approximate worth. The average price earnings ratio for the banking industry is measured to be 9.49. Both my target and benchmark companies are above the median which can be good news depending on how the investors are interpreting the given information.

1.13 Diluted EPS / Basic EPS (Grade: 4.0)

Diluted/basic earnings per share is an indicator that measures the level of investment risk. From an investor's point of view, a larger number is desired because it reveals that there is less risk involved. Chase measured higher than Bank of America in both years, however, Bank of America showed a higher percentage increase in change. Chase had a percentage of 99.6% in 2018 and increased to 99.7%. Bank of America however, increased from 98.9% in 2018 to 99.3% in 2019.

This information can suggest that the risk associated with investing in Bank of America has decreased. This also applies to Chase as well but the risk measurement percentage has only increased by .1% while Bank of America has increased by .4%, thus Chase has been scored a 4.0. If Chase strategically plans to increase their net profit for the next fiscal year, they can achieve a higher percentage increase in this measurement.

1.14 Book Value Per Share (Grade: 4.0)

Chase's book value per share increased from $62.49 in 2018 to $63.66 in 2019. While Bank of America went from $26.44 in 2018 to $29.97 in 2019. Chase deserved a grade of 4.0 because the book value per share is significantly higher in both years in comparison to Bank of America. However, Bank of America demonstrated a higher increase in percentage from 2018 to 2019. A higher book value is appealing to investors and this can suggest that there is less risk involved with the investment.

1.15 Book Value Per Share/Market Value (Grade: 2.5)

First and foremost, larger numbers are preferred by investors, because it can be associated with less risk being involved. However, numbers that are too large can indicate that there has been a loss in confidence in the corporation by investors. Chase's book value-market value decreased from 68.41% in 2018 to 47.32% in 2019. Bank of America has decreased from 116.23% in 2018 to 96.84% in 2019. Chase scored a 2.5 because their percentages were not entirely as large in comparison to Bank of America. However, a deduction in this measurement can indicate that there has been an increase in risk associated with the investment.

On the other hand, this can otherwise indicate that Chase has sold an excess amount of assets that were not contributing effectively enough. Further research was done to accurately investigate why the book-market value has decreased significantly for the target company. After examining the balance sheet, it has been determined that Chase indeed has a deduction in assets. Intangible assets plus good will, cash/cash equivalents, accrued interest and accounts receivables have all presented a decrease in 2019 compared to the previous year 2018. To improve this issue, Chase can acquire more productive assets and increase the efficiency of asset management within the corporation.

1.16 Dividends Per Common Share (Grade: 5.0)

Chase's dividends per common share calculated as an increase from $2.72 in 2018 to $3.40 in 2019. Bank of America has increased from $0.54 in 2018 to $0.66. An increased value can measure how profitable a company has become with the fiscal period. Steady growth in dividend per share can indicate financial stability. A decrease in this value can indicate there has been a decrease in debt or the company has inadequate earnings. An increase in Dividends per share also can indicate that the top management team has confidence in the company's future profits. Nevertheless, Chase has scored a 5.0 for this portion because Chase has yielded a larger increase within the fiscal period in comparison to Bank of America.

1.17 Dividend Payout Ratio (Grade: 4.0)

The dividend payout ratio represents the portion of current profits that have been paid to stockholders, moreover, investors would consider a higher ratio as appealing. Overall, Chase yielded a higher ratio than Bank of America in both 2018 and 2019. Chase had a dividend payout ratio of .301 in 2018 that increased to .316 in 2019. In comparison, Bank of America yielded a dividend ratio of .205 in 2018 which increased to .238 in 2019. Chase has earned a grade of 4.0 for this portion because Bank of America has shown a greater increase between the fiscal year, however Chase still has a higher dividend payout ratio indicating that there was opportunity for improvement without out posing a risk to slow growth.

1.18 Dividend Yield Ratio (Grade: 4.0)

The dividend yield ratio is a percentage of the market price of a share that a company pays yearly to its stockholders in the form of dividends. Chase had a dividend yield ratio of 3.0% in 2018 which has decreased to 2.5% in 2019. Bank of America has decreased as well from 2.3% in 2018 to 1.9% in 2019. Chase earned a grade of 4.0 because once again both measurements were higher for both years, however shareholders seek increasing ratios. Higher numbers suggest that there is more immediate cash within the corporation's assets. It was recognized on the balance sheet that Chase decreased in this measurement because cash/ cash equivalents has gone from $600,381 in 2018 to $512,788 in 2019. To improve in this field, Chase will have to improve asset management and make it a goal to strategically achieve more liquid assets, on other words immediate cash.

1.19 Investment Productivity (Grade: 5.0)

Investment Productivity is said to be a measurement of the return a shareholder earned by investing in the company for the last year reported. Investors seek to find larger numbers because this can demonstrate if there was a return made to shareholders. Chase earned a 5 in this measurement because the investment productivity was measured to be .510 which is larger than the benchmark's investment productivity which was .490.

1.20 Projected Time to Investment Payback (Grade: 1.5)

Projected time to investment payback is considered to be another measurement of risk, therefore a low or decreasing number is appealing to prospective investors. Chase scored s 1.5 because the projected time increased from 7.8 in 2018 to 9.5 in 2019. Bank of America's projected time has also increased from 7.4 in 2018 to 10.1 in 2019. Both the target and benchmark have indicated a higher risk associated with investments. Chase received an additional .5 to the grading because Chase's risk only increased by 1.7, meanwhile Bank of America increased by 2.7.

1.21 Price Potential (Grade: 5.0)

Price potential is a historical based estimate of what a specific share of stock could sell for during a company's oncoming fiscal period. Chase's price potential after 2018 for the fiscal year 2019 was $153.95 while Bank of America's was $38.20. This is desirable for investors;

therefore, Chase received a grade of 5.0 for the significant higher price difference from Bank of America.

1.22 Beta (Grade: 4.5)

Beta is a measurement used to observe the volatility or systematic risk of a security in comparison to the entire market. In other words, beta determines how sensitive a company is to the fluctuation in the market. A beta greater than one indicates that there is higher volatility in within the market. Beta was measured to be 1.4 on Chase's behalf and Bank of America measured to be 1.57. Chase's beta measurement indicates that securities are slightly more reactive and riskier, however Bank of America has a higher beta than Chase. Hence, it is evident that securities associated with Bank of America are more reactive than Chase's securities.

6.2 Debt Management

Introduction

For this portion, the ratios computed by the PSC will assess Chase's performance regarding their debt management. Debt is equivalent to having financial leverage. Financial leverage can maximize financial performance. It is also crucial for debt levels to be sufficient to satisfy current financial requirements, amplify shareholders return and to facilitate corporate growth. However, excessive levels of debt can lead to a shift in corporate decision making from the top management team to creditors.

2.23 Current Debt to Total Debt (Grade: 5.0)

Current debt to total debt can potentially be an access point the top management team's debt strategy. A decreasing or a ratio that is consistent with the benchmark is desirable. In 2018, Chase's current debt-total debt slightly decreased from 88.1% to 88.0% in 2019. Bank of America has barely decreased as well going from 89.0% in 2018 to 88.9 in 2019. Chase has scored a 5.0 because this ratio demonstrated a slight decrease, in addition to the fact that both the target and benchmark company were consist with the change in ratio and the numbers are almost identical.

2.25 Total Debt to Total Assets (Grade: 2.0)

Financial leverage is an alternative way of evaluating a firm's borrowing strategy. The larger the percentage, the larger the reliance on creditors to support the firm. An increasing number also allows the creditors influence to increase consequently. Large increases are undesirable. Chase scored a 2.0 for the measurement because Chase's overall dependency on creditor is higher in both years compared to Bank of America. Chase has gone from 90.2% in 2018 to 90.3% in 2019. However, Bank of America has an increased dependency from 88.7% in 2018 to 89.1% in 2019. Chase did increase their dependency on creditors, however, the increase in change was less than Bank of America.

2.26 Current Asset to Total Assets (Grade: 3.5)

Current assets to total assets is a measurement of the distribution of asset investments by a company. Current assets are assets that are dedicated to allowing the company to capitalize on current opportunities and enable the firm to pay off current obligations. Chase's current assets to total assets ratio was measured out to be 55.7% in 2018 and it increased to 57.1% in 2019. Whereas Bank of America current assets to total assets ratio was 96.4% in 2018 and it slightly decreased to 96.2% in 2019. Chase has earned a 3.5 because in both years, Bank of America had a significantly higher ratio than Chase. However, instead of decreasing like Bank of America, Chase increased instead. To improve this grade, chase would need to consider management revision.

2.28 Earnings to imputed Interest Expense (Grade: 5.0)

Earnings to imputed interest expense is a measurement of a company's ability to cover its debt load carrying costs by measuring the number of times it is exceeded by earnings. Investors are seeking for this number to increase between fiscal periods. Chase's earnings to imputed interest expense ratio was 2.8 in 2018 and it increased to 2.9 in 2019. Bank of America's earnings to imputed interest expense ratio was measured to be 2.7 in 2018 and it decreased to 2.6 in 2019. Since Chase's earnings to imputed interest expense ratio increased instead of decreasing like Bank of America, Chase earned a grade of 5.0.

2.29 Current Cash Coverage Ratio (Grade: 1.0)

This computes the ability of a company to generate enough cash from operations to cover current debts. Investors seek companies that have increased in this area. Chase had a current cash coverage ratio of -0.7% in 2018 and it increased to -0.3% in 2019. Meanwhile, Bank of America has a current cash coverage ratio of 2.1% in 2018 and it increased to 3.2%. Although Chase has increased from 2019 to 2018, the ratios calculated are still negative. Negative numbers signify that Chase is using cash rather than producing cash from its operations.

This phenomenon is due to Chase’s cash flow in operating activities. The percent increase was because Chase reported less “used in” operating activities. Chase had a reporting of -$14,187 in 2018 (in millions) that increased to -$6,046 (in millions) in 2019. Hence, Chase was scored a 1.0 for this measurement. Chase can improve this percentage by increasing “provided by” operating activities or using less immediate cash. It is also to note that it is not entirely awful that Chase is using more cash, this can suggest that Chase wanted to use more cash because cash is the least productive asset.

2.32 Total Debt to Equity (Grade: 2.0)

The current cash coverage ratio measures financial leverage and estimates the potential control creditors have over a firm’s strategies and decision making. The larger the number represents greater leverage and potential loss of control by management. Investors seek to avoid companies that have significant increase or large numbers. Both Chase and Bank of America have incredibly large percentages for total debt to equity which have both increased from 2018 to 2019. Chase scored a 2.0 because the percentage increase was not that significant as Bank of America. Chase had a total debt to equity measurement of 922.4% in 2018 and 928.3% in 2018. Bank of America had a total debt to equity measurement of 787.4% in 2018 and 819.2% in 2019. Chase only increased by 5.9% meanwhile Bank of American increased by 31.8%, Thus earning Chase a 2.0.

6.3 Cash Management

Introduction

In this section, the cash management of Chase will be assessed through a multitude of measurements. Some things that will be examined are if Chase is accumulating excessive funds or if they have inadequate funds. Inadequate funds can progress to lost purchasing discounts, missed business opportunities, and alienation of suppliers. Excessive funds can initiate a lack of financial productivity or increased risk of hostile takeover bids. It is also important to note that cash is the least productive out of all assets.

For this segment, the assets management of Chase will be investigated. Excellent asset management suggests that a firm has the appropriate amount investments in the right type assets. However, too much or too little invested in non-current assets is highly unproductive. Possessing outdated assets or receiving slow payments from clients are also considered unproductive assets.

3.34 Working Capital/ Total Revenue (Grade: 4.0)

Working capital-total revenue is a measurement of the level of net liquid assets available to management as a percentage of revenue. Increasing percentages is desirable against the benchmark. Chase had a working capital-total revenue percentage of -598.0% in 2018 which increased to -545.1% in 2019. However, Bank of America increased from 462.2% in 2018 to 475.7% in 2019. Chase had an increase of 52.9% while Bank of America only increased by 13.5 percentage. Therefore, Chase has received a 4.0.

3.35 Current Ratio (Grade: 4.0)

Current Ratio is used to interpret a company's ability to pay its upcoming bills. The PSC considers this statistic undesirable when determined to be less than one. However, increasing current ratio is preferred. Thus, Chase has scored a 4.0 because the current ratio for 2018 was 0.701 which increased in 2019 to 0.719. Although the ratio is under one, in comparison to the benchmark, this is good because Bank of America has shown a decrease in 2018 from 1.218 to 1.216.

3.36 Quick Ratio (Grade: 4.0)

Quick ratio, otherwise known as the acid test ratio, is a measurement that closely examines liquidity more than the current ratio. This is computed with certain current assets and inventory excluded from the equation. An increasing percentage is preferred in comparison to the benchmark company; thus, Chase has scored a 4.0. Chase had a computed quick ratio of .7 in 2018 which remained stagnant for 2019 at .7 once again. Bank of America had a quick ratio of .7 in 2018 which decreased to .6 in 2019

3.37 Cash Flow Op Act to Revenue (Grade: 2.0)

Cash flow from operating activities to revenue is a measurement of the relationship between a company's revenue and the cash it generates from regular business activities. It is extremely undesirable to have a negative percentage because that suggests that the company is consuming rather than producing cash from regular business activities. Chase had a percentage of -14% in 2018 that increased to -5% in 2019. Bank of America had a percentage of 45% in 2018 that increased to 70% in 2018.

Chase reported less "used in" operating activities. Chase had a reporting of -$14,187 in 2018 (in millions) that increased to -$6,046 (in millions) in 2019. This is the reason for Chase having a negative number that increased for the fiscal period. Therefore, Chase has been graded a 2.0.

3.38 Cash Emphasis (Grade: 4.0)

Cash emphasis is used to measure the amount of influence the top management team has on has on cash. Chase's cash emphasis was determined to be 22.9% in 2018 that decreased to 19.1% in 2019. Whereas Bank of America's cash emphasis was 7.5% in 2018 and decreased to 6.6% in 2019. Chase received a 4.0 because the percentage change has indicated that the top management team had less influence on cash than the previous year. However, Chase had higher percentages for both years than Bank of America. This earned Chase a 4.0 because this indicated that top management team in more involved with cash and this is also because Chase experienced an increase in total assets from the previous fiscal year.

6.4 Asset Management

Introduction

For this segment, the assets management of Chase will be investigated. Excellent asset management suggests that a firm has the appropriate amount investments in the right type assets. However, too much or too little invested in non-current assets is highly unproductive. Possessing outdated assets or receiving slow payments from clients are also considered unproductive assets.

4.39 Revenue/ Total Assets (Grade: 3.5)

This measures the number of revenue dollars generated for each dollar of assets committed to the business. This is showing the productivity of assets. Chase had a revenue-total assets ratio of .040 for 2018 which slightly increased to .041 in 2019. Hence, Chase received a 3.5 because an increasing number is desired but there was not a significant difference to note in this measurement. This indicates that Chase did have slight greater productivity of assets in comparison to the previous year. However, Bank of America decreased from .037 in 2018 to .036 in 2019. Which also shows that Chase did better than the benchmark company being that productivity was increased and both years were overall higher than Bank of America.

4.40 Net Income to Total Assets (ROA) (Grade 4.5)

Finally, net income to total assets is a measurement of profitability and asset productivity, however this is a measurement between how many dollars of profits are produced for each dollar of assets invested in the business. Chase earned a grade of 4.5 because the greater the number, the more effective the use of the assets in generating profits. Chase had a 1.2% in 2018 and this percent increased to 1.4% in 2019. In contrast, Bank of America decreased from 1.2% in 2018 to 1.1% in 2018. Chase did not receive a grade of 5.0 because the increase was not significant.

Chapter 7: Qualitative Analysis

7.0 Section Introduction

For the duration of the portion, the non-quantitative performance of Chase will be examined, analyzed, and graded. Cultural understanding is a resource, and it strengthens qualitative performance, and it consists of two domains. The domains are organizational citizenship and strategic positioning, which both will be discussed in depth.

7.1 Organizational Citizenship

Organizational citizenship encompasses behaviors, actions, relationships, value-sets, cultural sensitivities and unbiases. Essentially, organizational citizenship represents a firm's core personality and character. Organizational citizenship also represents a company's "people sensitivity" and is a window revealing how a company relates and views the communities that support them, and they serve. Organizational citizenship features 11 aspects that are employees, customers, competitors, directors, government, community, stockholders, communication, persona, and vendors. Each area of focus will be further discussed in detail.

5.29 Employee (Grade: 4.5)

Employees are the base of company; employees are the people who withhold structure to a firm. It is proven that firms must prioritize employees to receive positive feedback from customers and positive increases in profit. Chase has specified on the company website that striving for diversity is essential for their employees, customers, suppliers etc. According to reviews on Glassdoor and Indeed, Chase received an average rating of 4.0 stars out of 5.

According to Indeed, out of 8,571 reviews, 3k people rated working at Chase a 5. 2.8k people rated Chase a 4 out of 5 and 934 people rated Chase a 2 or 1. Repeatedly, people said that working at Chase was fun and the management cared about the wellbeing and comfortability of their employees. Most of the reviews that were a 4, complained that working at Chase was stressful and encompasses too many policies and procedures to adhere to, however, coworkers made the environment fun. Reviews that were a 3,2 or 1 often complained that management was poor.

Important note: review screenshot will be included in the appendix.

Although Chase received a rating of 3.9 from employees, Chase was graded a 4.5 because it was stated that Chase is seeking and encouraging diversity, not only for customers, but in the work environment as well for employees. As stated, before Chase has launched programs (Veteran Jobs Mission, Advancing Black Leaders, Women on the move and Advancing Black

Pathways) to achieve inclusiveness for employees. Chase also strives to include people who have disabilities and permanent people into their work force as well.

5.30 Customers (Grade: 5.0)

Chase Bank serves almost half United States households with a range of financial services that include personal banking, credit cards, mortgages, auto financing, investment advice, small business loans and payment processing. Their mission is to create and maintain the longevity of the relationship between the entity and the clients. Chase also prides themselves in having 5,100 branches with 16,000 ATMs across the United States. This signifies that they are striving to be more accessible and conveniently located for clients to use.

According to customer reviews from Wallethub, Chase earned a review of 3.8 out of 5 stars. However, Chase has earned a 5.0 for this category because Chase demonstrates that they are dedicated to hearing what customer’s need and furthermore, interpret how should they satisfy customer needs. As stated earlier, Chase has responded to the request for help from their clients during the pandemic. Chase also has implemented diversity training for their employees to initiate a better customer employees dynamic. Customer service is also sublime comparing to other banking competitors. Chase has been recognized for being number one in the banking industry for customer service.

Important note: review screenshot will be included in the appendix.

5.31 Competitors (Grade: 5.0)

Chase has earned a 5.0 in this area because Chase maintains a professional image through advertisements. Chase has not marketed any advertisements to downgrade any competitors to uplift their company brand by showing why they are better than competitors. Chase confidently knows that it is the leading, largest, and most used banking firm in the industry. Therefore, Chase only amplifies the benefits related to banking with Chase through their advertisements and marketing campaign. Chase is very prideful in maintaining a professional image to the community that it serves.

Important note: The appendix will include a screen shot of the generated results when “Chase ads” was searched on google. Throughout the screenshot it is observed that none of the related images do not depict competitor bashing, only benefits are depicted through the images.

5.32 Directors (Grade: 4.0)

Chase has displayed minimal amount of diversity through the board of Directors however, Chase will not be discredited for that because, the effort to diversify the board is present. Chase has one minority member on the board of directors with the other nine being a part of the majority population. In addition, there are only three women sitting on the board, recent efforts to diversify the board can be observed through the dates started of the women and the minority member.

Moreover, Chase scored a 4.0 because there is not any published content that reveals and negative news of information about Board of Directors. However, there is not any positive news or awards or ratings either. However, Chase’s Board of directors does have a great relation with its external directors.

5.33 Government (Grade: 2.5)

Chase has scored a 2.0 for this segment because Chase has been exposed for failing to separate client assets from their own. The amount of money withheld was reported to be about 23 billion dollars in client assets. Recently in September 2020, Chase is also said to pay $1 billion to resolve government investigations regarding manipulations of metal and Treasury markets. Moving Forward, Chase's auditor, top management team and Board of Directors will need to increase overseeing each other to identify such issues and to prevent future issues. Chase's Board of directors will have to engage more proactively to mitigate situations as such.

5.34 Environment (Grade: 4.0)

As stated in section 5.6, In October 2020, Chase did announce plans to help clients navigate through the long-term economic and environmental benefits of transitioning to a low-carbon environment. Chase is currently launching the Center for Carbon Transition (CCT) to provide clients in the Corporate & Investment Bank and Commercial Banking with access to sustainability centered financing, research, and advisory solutions. In addition, Chase is planning to expand upon their 100 percent renewable energy target by vowing to become carbon neutral in their operations beginning in 2020.

Chase has received a 4.0 for this category because environmental concerns have been a hot issue for the past 15 years. For environmental concerns just beginning to be addressed by the firm is revealing that Chase was not concerned for the environment prior. Additionally, Chase has not received any awards or recognition for environment.

5.35 Community (Grade: 5.0)

Chase has been recognized for reducing barriers for woman owned business by the Women's Business Enterprise National Council (WBENC). Chase has been included on the 20th annual list of America's top corporations for Women's Business Enterprises. Chase has also been recognized by Hispanic IT Executive Council (HITEC). Recently in 2020, HITEC has named two Chase employees on the HITEC 100. Which is a list of the top 100 most influential Hispanic leaders in technology. Moreover, three employees have been recognized in the HITEC 50, which is a list of the top 50 most influential technology professionals in Latin America. Chase has also been recognized by the United Kingdom's National Autistic Society. The firm shares lessons learned with British delegates in the U.S. at the same time it is being honored for its work by the National Autistic Society in the UK.

Chase has also been recognized and awarded by 11 other organizations and titles. Thus, Chase has been rated a 5.0 for Community.

5.36 Stockholder (Grade: 5.0)

Essentially, stockholders want a substantial return on investment and Chase evidently is fulfilling the desires of stockholder in those regards. From 2018 to 2019 Chase's market price for December 31, 2018 was $91.35 which is an increase from December 31, 2019 where the stock price was $134.52. Chase achieves this through its increased earnings and well managed financials. Also, Chase had a dividend payout ratio of .301 in 2018 that increased to .316 in 2019. Chase has a higher dividend payout ratio indicating that there was opportunity for improvement without out posing a risk to slow growth. This is appealing to investor because they want to know the company's willingness to increase dividend payout to its shareholders to ensure a return on their investments. Therefore, Chase has received a grade 5.0.

5.37 Communication (Grade: 3.5)

Chase is well disciplines for transparency pertaining to futures plans, good news, implementation of new or revised practices and displaying goals for diversity. However, Chase does not reveal statements regarding bad news. Chase was quiet when the accounting incident happened regards the failure to separate client assets from their own. Chase has also failed to reveal any information regarding allegations of tampering with metal and Treasury markets and for that reason Chase has earned a 3.5 in this section

5.38 Persona (Grade: 4.5)

Chase has a very reputable public image. Chase has implemented many plans to gain the overall liking of the public. As previously stated, Chase has created multiple employee programs for people of color, with disabilities, women, and veterans. Chase also has been recognized on Indeed and Glassdoor for having great employee benefits. Chase has also kept a positive public image by not engaging in marketing or advertising wars with competitors.

Chase also makes it a priority to always display why banking with Chase is beneficial for prospective clients. In addition, Chase exaggerates that withholding all business relations to an ethical standard is a priority for the entity as well. Moreover, Chase has expressed that it does not tolerate conducting business with suppliers or potential acquisitions with a soiled reputation or one that does not align with theirs ethical or moral values.

Chase further is continuing to be recognized by multiple committees and councils. Therefore, Chase's persona is positive and has been graded a 4.5. Chase would receive a 5.0 if there were not any current allegations or past issues with auditing.

5.39 Vendor (Grade: 5.0)

Previously stated in section 5.2, Chase stated that they look to work with those suppliers who provide optimal price, quality, and capability to provide what they require. Chase is also committed to holding themselves and their supplier community to the highest standards of business conduct and integrity and they have a zero tolerance policy for breaches of ethics and expect their suppliers to adhere to the strict guidelines their Supplier Code of Conduct.

Hence, supplies/ vendors who wish to conduct business with Chase is required to self-assess if they are diverse, ethically, and morally fit enough to gain Chase as a business partner. Therefore, Chase has earned a grade of 5.0

7.2 Strategic Positioning

Strategic positioning is the domain of qualitative performance that refers to Chase's creating, implementation and management of strategic plans. For this portion, Vision and mission statements, competitive advantage, general environment, innovation, and plans and progress will be examined. Strategic planning represents a firm's ability to anticipate and prepare for the future. Here, Chase will be assessed on strategic positioning.

5.40 Vision and Mission (Grade: 2.0)

Chase received a grade of 2.0 because it was difficult to locate the both the vision and mission state on the company website. However, through a secondary source, I located the mission and vision statement. The mission statement for Chase as of 2020 is "**to be the best financial services company in the world**". This statement implies that Chase is striving to hold the number one banking firm title within the industry against competitors.

The vision statement is "**aspire to be the best; execute superbly; build a great team and a winning culture**". Chase aspires to maintain their reputation as the best and to create winning culture.

Both the mission and vision statement are vague and not detail enough on how both the mission and vision statement is going to be achieved. These statements are also centered only on Chase being the best. For that reason, Chase has scored a 2.0 for this category.

6.41 Competitive Advantage (Grade: 4.5)

With Chase being the largest banking corporation in the United States, it is evident that Chase has acquired a growingly large customer base and is used by almost 50% of American households. Customers have high loyalty because Chase has built rapport with their clients by providing excellent service, offering sublime benefits, maintain a great public image by supporting current social issues and implementing inclusiveness through diversity within the entire firm.

Chase also has a strong competitive advantage due to the growing number of merger and acquisition activities. This allows for Chase to engulf or add the customer base from the merging or acquired firms. However, there are low switching cost associated with switching to banking competitors. Thus, Chase is given a 4.5.

6.42 General Environment (Grade: 4.5)

Chase does an excellent job by observing current social issues such as the recent racial tension arising after the George Floyd incident, economic ties to the pandemic and the recent concerns over global warming. Chase has received a 4.5 for this portion because Chase has mentioned plans and their actions to be proactive in regard to these social issues. However, Chase does react in a slow manner to these events, nevertheless, Chase is proactive with contributing to the community it serves.

6.43 Innovation (Grade: 5.0)

As discussed previously, Chase has the leading banking app available to clients. The Chase mobile banking app currently has an average 4.8 star out 5 on the app store from 2.93 million customer who have rated their experience with the app. Through this app you have the ability to deposit checks, send/receive money, view statements, lock/unlock your debit card, replace your card, report fraudulent activity, etc. Chase is considered the innovator and influencer within the banking industry because Chase is often, the first bank to add revolutionary and modern features to its banking app. This indicates that Chase is very vigilant of the technologically advancements, in which makes them adaptable to the developing needs and wants of their clients and the younger generation in general. Thus, Chase has earned a rating of 5.0 for innovation.

6.44 Plans and Progress (Grade: 5.0)

Chase has announced that the company has an extensive history of over 1200 predecessor institutions. Chase has successfully completed three merger and acquisition activities within the last 20 years. Which are, Chase Manhattan Corp joined with J.P Morgan & Co to form JPMorgan Chase in the year 2000. In 2002, Banc One Corp merged with JPMorgan Chase. In 2008, the bank strengthened its abilities for brokerage and securities by acquiring Bear Stearns Companies. This is the reason Chase has two NAICS and SIC codes describing “Commercial Banking” and “Securities Brokerages”. Before all of these successful M&A activities, Chase did announce what they were planning to do, and have executed plans successfully. Which has directed Chase to earn a 5.0 for plans and progress.

Conclusion

Chapter 8: Debrief

8.0 Company Profile

JPMorgan Chase & Co. is one of the largest banking institutions in the United States. The bank has several branches and subsidiaries worldwide. Although JPMorgan Chase & Co. has faced several financial crises, more so during the 2008 global financial crisis. The bank continues to thrive in the highly competitive US banking sector and boasts a market capitalization of about $429.91 billion as of 2019. This indicates a tremendous increase in the company's market capitalization from about $165 billion in 2010. The company's continuous engagement in investment banking and financial services in the US market and other parts of the world is highly credited for its enormous success in the financial sector over the last decade.

8.1 General Environment

The environment in which a company operates determines the success or failure of that company. During the 2007/2008 global financial crisis, most financial institutions, including JPMorgan were severely affected by the market externalities. As such, a company must plan its operations in relation to the prevailing technological, demographic, economic, political, social, and legal environment in the markets that the company operates. Otherwise, the company is likely to fail due to extreme pressure from its external environment that continuously impose threats that the company cannot overcome through its internal strengths. Currently, JPMorgan can be said to have adapted well to the environments in which the company operates, as reflected in its revenue growth and increased market capitalization over the last decade.

8.2 Industry Overview

The US banking industry is arguably one of the most technologically advanced and highly competitive banking sectors in the world. As of 2018, had a staggering asset value of about $17.9 trillion and recorded a net profit of more than $260 billion. JPMorgan Chase & CO. finds itself in this highly competitive environment and has to implement the best marketing, growth, and expansion strategies to ensure that it utilizes its resource capabilities to create and maintain a sustainable competitive advantage over other rival banking institutions. The most significant competition comes from banks like the Bank of America, Wells Fargo, and Citigroup. All these institutions have a unique consumer focus and provide a variety of highly differentiated products to attract and retain their customers.

8.3 Quantitative Analysis

The quantitative analysis of Chase's financial performance focused on the four financial: Profit, Equity, and Share Value Management, Debt Management, Cash Management, and Asset Management. Each section was further discussed in the matter of financial ratios, percentages and changes that compared Chase to the benchmark company, Bank of America. Chase had an average grade of 4.20 for the quantitative portion from and a 4.22 from the PSC.

Profit, Equity, &Share Value Management

The profit, equity, & share value management are related to the company's ability to obtain competitive advantage. These aspects are correlate and is reactive to TMT's strategy. Chase had a Profit, Equity, and Share value management average of 4.45 from and an average of 4.71 from the PSC. With the highest grade being 5.0 Chase does have space for improvement. The Top Management Team can increase this by strategically creating a plan to increase book value. Overall, Chase has present significantly positive statistics for profit, equity, & share value management

Debt Management

Debt management is important to Chase's long-term health. This section of the quantitative analysis encompasses addressing financial needs of the company, while considering the long-term effects of current decision made by the Top Management Team. The essential goal of debt management is to obtain and maintain a healthy amount of financial leverage. Chase received an average of 4.26 from me and an average of 3.75 from the PSC.

Cash Management

Inadequate funds can progress to lost purchasing discounts, missed business opportunities, and alienation of suppliers. Excessive funds can initiate a lack of financial productivity or increased risk of hostile takeover bids. Cash is the least productive out of all assets, therefore too much cash is unhealthy. Not having enough cash can cause a hostile takeover as well. Chase received an average of 3.67 from me and has received an average of 3.76 from the PSC. Chase can improve this average by strategically taking an approach to increase working capital and strive to get it to a positive percentage, as well as planning to increase current ratio over 1.

Asset Management

Excellent asset management suggests that a firm has the appropriate amount investments in the right type assets. However, too much or too little invested in non-current assets is highly unproductive. Possessing outdated assets or receiving slow payments from clients are also considered unproductive assets. Chase received an average of 3.64 from me and has received an average of 3.57 from the PSC. Chase improve assets management by planning to increase their effective use in profit generating assets and by increasing asset productivity and utilization.

8.4 Qualitative Performance

Cultural understanding is a considered to be a resource, and it increased qualitative performance, and it consists of two domains. The domains are organizational citizenship and strategic positioning, which were both discussed in depth

Organizational Citizenship

Organizational citizenship represents a firm's core personality and character. Organizational citizenship also is a representation a company's "people sensitivity" or skills and is said reveal how a company relates and views the communities that support them, and the communities they serve. Chase has high expectations of moral, ethical and diversification. Chase has demonstrated cultural understanding and diversity through a multitude of ways. Chase had an overall average of organizational citizenship of 4.32. Chase can improve this number becoming more transparent with the media and to clients, regarding any political issue they might be involved in.

Strategic Positioning

Strategic Positioning is a qualitative measure of performance that is focused upon the Top Management Team's preparation for the future. Strategic positioning involves mission and vision statement, competitive advantage, general environment, innovation, and plans and progress. Chase received an average of strategic positioning of 4.20. it is crucial that Chase should improve in this segment by being more transparent with their vision and mission statement. These important items were not found on the Chase's company website.

8.5. Long-term Growth Perspective

As repeated multiple times, Chase is the leading and largest Bank in the United States. Chase can only continue to grow from here if the Top Management Team strategically continues to notice and analyze trends, competitive threats, and opportunities. After observing Chase's extensive history of M&A activities, it is evident that the firm will continue these activities, to continue their growth in the United Sates. Furthermore, Chase is conducting business in 60 other countries, which suggest that Chase will also continue to grow internationally and potentially earn the name of the largest and leading bank in those countries as well.

8.6. Problems & Solutions

After analyzing the qualitative and quantitative performance of Chase. There were many areas that demonstrated strength, however, Chase can improve of a couple of elements. Chase has an issue of having an even number of Board of Directors. Chase needs to consider gaining one more person on the board. Further, it is in my opinion that the Board of Directors seems to be slightly passive. Chase can improve this issue by focusing to gain a younger member on the board as well offering a higher compensation package for the member to have an incentive to become more proactive. If Chase fails to do so, more problems can eventually arise. This was the most concerning problem for me because if this goes unresolved, in the long run this can lead Chase to becoming more involved with scandals and more fraudulent behaviors.

Moreover, there are many other issues that have been suggested a solution in the sections discussed above. However, these problems do not pose any alarming negative affects to arrive in the future.

Chapter 9: Final Opinion

After finishing this tedious and in-depth analysis, I have arrived at the conclusion that Chase is a great company to invest in. Although Chase being the largest and leading bank in the United States is shallow information, but having those titles suggest that an investor should take a deeper look into Chase for potential investment purposes. Chase presented impressive financials from 2018 and 2019, with multiple areas that presented a substantial amount of growth. Chase is in the process of strengthening their international brand loyalty and identity in the 60 countries they operate in. Furthermore, Chase has shown financial effort to increase shareholder's equity, which is in the best interest of shareholders.

Moreover, Chase displays high expectations and actions of moral, ethical and diversification in which has the potential to align with the ethics and morals of potential investors. Chase is an entity that demonstrates cultural understanding and diversity; therefore, Chase is a company that strives to represent the community they serve and the clients who supports the company.

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Appendix: Part 1-PSC Template

Performance Scorecard (PSC)			Do *NOT PRINT* this page!!	
' Company" Page The Control Center	Insert data	Insert data	Insert data	Insert data
Easy Research Sites (Click)	*Target*	*Company*	*Benchmark*	*Company*
Company Name..	JPM	JPM	BAC	BAC
Year of analysis..	2019	2018	2019	2018
Basic EPS..	$10.75	$9.04	$2.77	$2.64
Diluted EPS..	$10.72	$9.00	$2.75	$2.61
Share Price..	$134.52	$91.35	$34.51	$23.61
Dividends Per Share.................................	$3.40	$2.72	$0.66	$0.54
Beta..	1.14		1.57	
Number of Employees...............................	256981		137072	
		Target	Benchmark	
Insert Data in files below		Millions	Millions	
Target Income Statement				

JPM	*2019*	*2018*			Target
Income Statement (target firm)	Curr Yr	Prev Yr	Curr	Prev	Chng
INTEREST INCOME *(Total)*	84040	76100	76.4%	73.1%	10.4%
Interest Expense *(Total)*	26795	21041	24.3%	20.2%	27.3%
(NET) Interest Income	57,245	55,059	52.0%	52.9%	4.0%
Provisions for Loan Loses	5585	4871	5.1%	4.7%	14.7%
(NET) Interest Income *(AFTER)* Provisions	51,660	50,188	46.9%	48.2%	2.9%
NONINTEREST INCOME *(Total)*	58382	53970	53.1%	51.8%	8.2%
(NET) Revenues	110,042	104,158	100.0%	100.0%	5.6%
Noninterest & Operating Expenses: List below					
compensation expense	34155	33117	31.0%	31.8%	3.1%
occupany expense	4322	3952	3.9%	3.8%	9.4%
technology, communications, and equipment expense	9821	8802	8.9%	8.5%	11.6%
professional and outside services	8533	8502	7.8%	8.2%	0.4%
marketing	3579	3290	3.3%	3.2%	8.8%
other expenses	5087	5731	4.6%	5.5%	-11.2%
			0.0%	0.0%	0.0%
Total Noninterest & Operating Expenses	65497	63394	59.5%	60.9%	3.3%
Operating Income	44545	40764	40.5%	39.1%	9.3%
Other expenses (or losses)			0.0%	0.0%	0.0%
Other expenses (or losses)			0.0%	0.0%	0.0%
Other expenses (or losses)			0.0%	0.0%	0.0%
Other expenses (or losses)			0.0%	0.0%	0.0%
Other INCOME or GAINS			0.0%	0.0%	0.0%
Other INCOME or GAINS			0.0%	0.0%	0.0%
Net Income Before Taxes	44545	40764	40.5%	39.1%	9.3%
Minority Interests			0.0%	0.0%	0.0%
Income Taxes	8114	8290	7.4%	8.0%	-2.1%
UNALLOCATED expenses & income	0	0			
Net Income	36431	32474	33.1%	31.2%	12.2%
Imputed DL Costs	23047	22477			
Minus signs may be necessary in Cash Flow					
Cash Flow from Operating Activities	-6046	-14187			
Cash Flow from Investing Activities	-54013	-197993			
Cash Flow from Financing Activities	32987	34158			

User Name: 3456kayy

User ID: A9A9-4DC58E

JPM	2019	2018		Target	
Hold the cursor on red triangle ----------------->					
Balance Sheet (target firm)	Curr Yr	Prev Yr	Curr	Prev	Chng
Assets					
Current Assets					
Cash/Cash Equivalents	512788	600381	19.1%	22.9%	-14.6%
Short-term investments	949100	787537	35.3%	30.0%	20.5%
accured interest and accounts receiveable	72861	73200	2.7%	2.8%	-0.5%
			0.0%	0.0%	0.0%
			0.0%	0.0%	0.0%
			0.0%	0.0%	0.0%
Total Current Assets	1534749	1461118	57.1%	55.7%	5.0%
Non-current Assets					
Premises and Equipment "NET"	972459	986043	36.2%	37.6%	-1.4%
Intangible Assets ***PLUS* Goodwill**	53341	54349	2.0%	2.1%	-1.9%
other assets	126830	121022	4.7%	4.6%	4.8%
			0.0%	0.0%	0.0%
			0.0%	0.0%	0.0%
			0.0%	0.0%	0.0%
			0.0%	0.0%	0.0%
UNALLOCATED assets	0	0			
Total Long-Term Assets	1152630	1161414	42.9%	44.3%	-0.8%
Total Assets	2687379	2622532	100.0%	100.0%	2.5%
Liabilities					
Current Liabilities					
Total Deposits	1562431	1470666	58.1%	56.1%	6.2%
federal funds purchased & securities loaned or sold under repurchased agreements	183675	182320	6.8%	7.0%	0.7%
short-term borrowings	40920	69276	1.5%	2.6%	-40.9%
trading liabilities	119277	144773	4.4%	5.5%	-17.6%
accounts payable and other liabilities	210407	196710	7.8%	7.5%	7.0%
benficial interests issued by consolidated variable interest entities (VIEs)	17841	20241	0.7%	0.8%	-11.9%
			0.0%	0.0%	0.0%
Total Current Liabilities	2134551	2083986	79.4%	79.5%	2.4%
Non-current Liabilities					

A	B	C	D	E	F
Total Deposits	1562431	1470666	58.1%	56.1%	6.2%
federal funds purchased & securities loaned or sold under repurchased agreements	183675	182320	6.8%	7.0%	0.7%
short-term borrowings	40920	69276	1.5%	2.6%	-40.9%
trading liabilities	119277	144773	4.4%	5.5%	-17.6%
accounts payable and other liabilities	210407	196710	7.8%	7.5%	7.0%
benficial interests issued by consolidated variable interest entities (VIEs)	17841	20241	0.7%	0.8%	-11.9%
			0.0%	0.0%	0.0%
Total Current Liabilities	2134551	2083986	79.4%	79.5%	2.4%
Non-current Liabilities					
long-term	291498	282031	10.8%	10.8%	3.4%
			0.0%	0.0%	0.0%
			0.0%	0.0%	0.0%
			0.0%	0.0%	0.0%
			0.0%	0.0%	0.0%
UNALLOCATED liabilities	0	0			
Total Long-Term Liabilities	291498	282031	10.8%	10.8%	3.4%
Total Liabilities	2426049	2366017	90.3%	90.2%	2.5%
Equity					
Stockholders' Equity					
Common Stock	4105	4105	0.2%	0.2%	0.0%
Additional Paid-In Capital	88522	89162	3.3%	3.4%	-0.7%
Preferred Stock	26993	26068	1.0%	1.0%	3.5%
Other Comprehensive ***INCOME***	1569		0.1%	0.0%	0.0%
Other equity ***Additions***			0.0%	0.0%	0.0%
Other Comprehensive ***LOSS***		1507	0.0%	0.1%	-100.0%
Other equity ***Deductions***	21	21	0.0%	0.0%	0.0%
Treasury Stock	83049	60494	3.1%	2.3%	37.3%
Minority Interest			0.0%	0.0%	0.0%
Retained Earnings	223211	199202	8.3%	7.6%	12.1%
Total Equity	261330	256515	9.7%	9.8%	1.9%
Total Liabilities/Equity	2687379	2622532	100.0%	100.0%	2.5%
Common Shares Outstanding	4105	4105			
A DOUBLE CHECK -- Does this book value look correct?	$63.66	$62.49			

B	C	D	E	F	G
BAC	*2019*	*2018*			Benchmark
Income Statement (benchmark)	**Curr Yr**	**Prev Yr**	**Curr**	**Prev**	**Chng**
INTEREST INCOME (Total)	71236	66769	**81.3%**	**76.1%**	**6.7%**
Interest Expense (Total)	22345	18607	**25.5%**	**21.2%**	**20.1%**
(NET) Interest Income	**48,891**	**48,162**	**55.8%**	**54.9%**	**1.5%**
Provisions for Loan Losses	3590	3282	**4.1%**	**3.7%**	**9.4%**
(NET) Interest Income (AFTER) Provisions	**45,301**	**44,880**	**51.7%**	**51.2%**	**0.9%**
NONINTEREST INCOME (Total)	42353	42858	**48.3%**	**48.8%**	**-1.2%**
(NET) Revenues	**87,654**	**87,738**	**100.0%**	**100.0%**	**-0.1%**
Noninterest & Operating Expenses: List					
compensation & benefits	31977	31880	**36.5%**	**36.3%**	**0.3%**
occupancy and equipment	6588	6380	**7.5%**	**7.3%**	**3.3%**
information processing & communications	4646	4555	**5.3%**	**5.2%**	**2.0%**
product delivery & transaction related	2762	2857	**3.2%**	**3.3%**	**-3.3%**
marketing	1934	1674	**2.2%**	**1.9%**	**15.5%**
professional fees	1597	1699	**1.8%**	**1.9%**	**-6.0%**
other genral operating	5396	4109	**6.2%**	**4.7%**	**31.3%**
Total Operating Expenses	**54900**	**53154**	**62.6%**	**60.6%**	**3.3%**
Operating Income	**32754**	**34584**	**37.4%**	**39.4%**	**-5.3%**
Other Expense or Loss			**0.0%**	**0.0%**	**0.0%**
Other Expense or Loss			**0.0%**	**0.0%**	**0.0%**
Other Expense or Loss			**0.0%**	**0.0%**	**0.0%**
Other Expense or Loss			**0.0%**	**0.0%**	**0.0%**
Other INCOME or GAIN			**0.0%**	**0.0%**	**0.0%**
Other INCOME or GAIN			**0.0%**	**0.0%**	**0.0%**
Net Income Before Taxes	**32754**	**34584**	**37.4%**	**39.4%**	**-5.3%**
Minority Interests			**0.0%**	**0.0%**	**0.0%**
Income Taxes	5324	6437	**6.1%**	**7.3%**	**-17.3%**
UNALLOCATED expenses & income	**0**	**0**			
Net Income	27430	28147	**31.3%**	**32.1%**	**-2.5%**

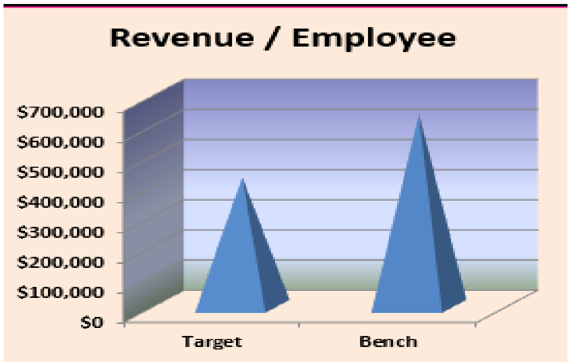
B	C	D	E	F	G
(NET) Interest Income (AFTER) Provisions	45,301	44,880	51.7%	51.2%	0.9%
NONINTEREST INCOME (Total)	42353	42858	48.3%	48.8%	-1.2%
(NET) Revenues	87,654	87,738	100.0%	100.0%	-0.1%
Noninterest & Operating Expenses: List					
compensation & benefits	31977	31880	36.5%	36.3%	0.3%
occupancy and equipment	6588	6380	7.5%	7.3%	3.3%
information processing & communications	4646	4555	5.3%	5.2%	2.0%
product delivery & transaction related	2762	2857	3.2%	3.3%	-3.3%
marketing	1934	1674	2.2%	1.9%	15.5%
professional fees	1597	1699	1.8%	1.9%	-6.0%
other genral operating	5396	4109	6.2%	4.7%	31.3%
Total Operating Expenses	54900	53154	62.6%	60.6%	3.3%
Operating Income	32754	34584	37.4%	39.4%	-5.3%
Other Expense or Loss			0.0%	0.0%	0.0%
Other Expense or Loss			0.0%	0.0%	0.0%
Other Expense or Loss			0.0%	0.0%	0.0%
Other Expense or Loss			0.0%	0.0%	0.0%
Other INCOME or GAIN			0.0%	0.0%	0.0%
Other INCOME or GAIN			0.0%	0.0%	0.0%
Net Income Before Taxes	32754	34584	37.4%	39.4%	-5.3%
Minority Interests			0.0%	0.0%	0.0%
Income Taxes	5324	6437	6.1%	7.3%	-17.3%
UNALLOCATED expenses & income	0	0			
Net Income	27430	28147			
Imputed DL Costs	20608	19847			
Minus signs may be necessary in Cash Flow					
Cash Flow from Operating Activities	61777	39520			
Cash Flow from Investing Activities	-80630	-71468			
Cash Flow from Financing Activities	3377	53118			

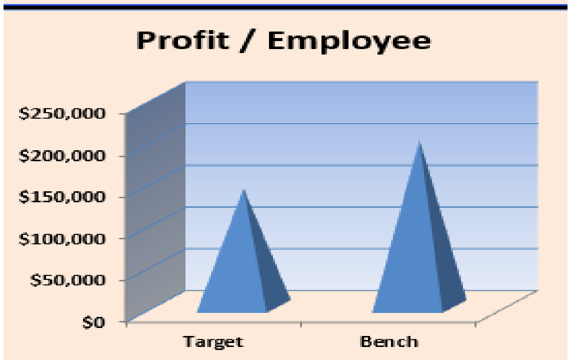
Insert number with a r
the company is reporti

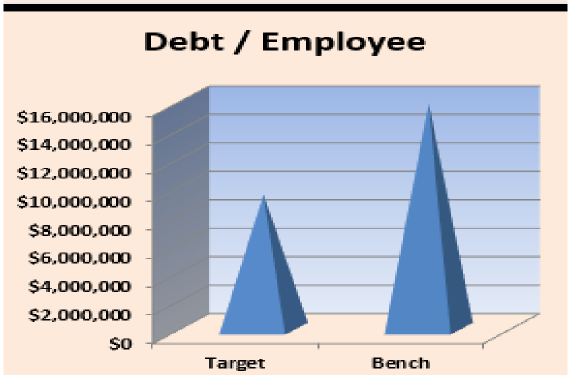
BAC	2019	2018		Benchmark	
Hold cursor on red triangle -------------------->					
Balance Sheet (benchmark)	Curr Yr	Prev Yr	Curr%	Prev%	Chng
Assets					
Current Assets					
Cash/Cash Equivalents	161560	177404	6.6%	7.5%	-8.9%
Short-term investments	552015	526698	22.7%	22.4%	4.8%
customer & other recievables	55937	65814	2.3%	2.8%	-15.0%
total debt securites	472197	441753	19.4%	18.8%	6.9%
loans and leases, net allowance	974010	937294	40.0%	39.8%	3.9%
other assets	129690	116320	5.3%	4.9%	11.5%
Total Current Assets	2345409	2265283	96.4%	96.2%	3.5%
Non-current Assets					
Premises & Equipment "NET"	10561	9906	0.4%	0.4%	6.6%
Intangible Assets *PLUS* GOODWILL	68951	68951	2.8%	2.9%	0.0%
loans held for sale	9158	10367	0.4%	0.4%	-11.7%
			0.0%	0.0%	0.0%
			0.0%	0.0%	0.0%
			0.0%	0.0%	0.0%
			0.0%	0.0%	0.0%
UNALLOCATED assets	0	0			
Total Long-Term Assets	88670	89224	3.6%	3.8%	-0.6%
Total Assets	2434079	2354507	100.0%	100.0%	3.4%
Liabilities					
Current Liabilities					
Total Deposits	1434803	1381476	58.9%	58.7%	3.9%
fed funds purchased&securities loaned/sold under agreement to repurch	165109	186988	6.8%	7.9%	-11.7%
trading account liabilites	83270	68220	3.4%	2.9%	22.1%
			0.0%	0.0%	0.0%
short- term borrowings	24204	20189	1.0%	0.9%	19.9%
other liabilities	221027	202917	9.1%	8.6%	8.9%
			0.0%	0.0%	0.0%
Total Current Liabilities	1928413	1859790	79.2%	79.0%	3.7%

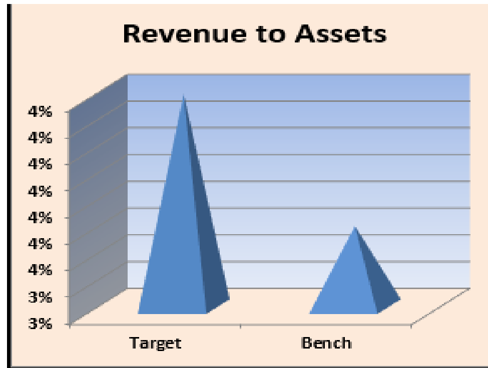
Re
Co

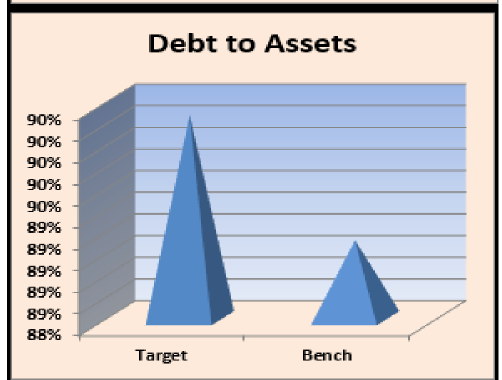
A	B	C	D	E	F
other liabilities	221027	202917	**9.1%**	**8.6%**	**8.9%**
			0.0%	**0.0%**	**0.0%**
Total Current Liabilities	**1928413**	**1859790**	**79.2%**	**79.0%**	**3.7%**
Non-current Liabilities					
long term debt	240856	229392	**9.9%**	**9.7%**	**5.0%**
			0.0%	**0.0%**	**0.0%**
			0.0%	**0.0%**	**0.0%**
			0.0%	**0.0%**	**0.0%**
			0.0%	**0.0%**	**0.0%**
UNALLOCATED liabilities	**0**	**0**			
Total Long-Term Liabilities	**240856**	**229392**	**9.9%**	**9.7%**	**5.0%**
Total Liabilities	**2169269**	**2089182**	**89.1%**	**88.7%**	**3.8%**
Equity					
Stockholders' Equity					
Common Stock	91723	118896	**3.8%**	**5.0%**	**-22.9%**
Additional Paid-In Capital			**0.0%**	**0.0%**	**0.0%**
Preferred Stock	23401	22326	**1.0%**	**0.9%**	**4.8%**
Other Comprehensive ***INCOME***			**0.0%**	**0.0%**	**0.0%**
Other equity ***ADDITIONS***			**0.0%**	**0.0%**	**0.0%**
Other Comprehensive ***LOSS***	6633	12211	**0.3%**	**0.5%**	**-45.7%**
Other equity ***DEDUCTIONS***			**0.0%**	**0.0%**	**0.0%**
Treasury Stock			**0.0%**	**0.0%**	**0.0%**
Minority Interest			**0.0%**	**0.0%**	**0.0%**
Retained Earnings	156319	136314	**6.4%**	**5.8%**	**14.7%**
Total Equity	**264810**	**265325**	**10.9%**	**11.3%**	**-0.2%**
Total Liabilities + Equity	**2434079**	**2354507**	**100.0%**	**100.0%**	**3.4%**
Common Shares Outstanding	8836	9669			
A DOUBLE CHECK -- Does this book value look correct?	$29.97	$27.44			

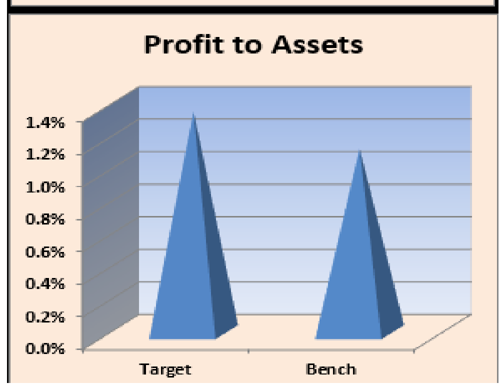

Revenue / Employee
$700,000
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$0
Target
Bench

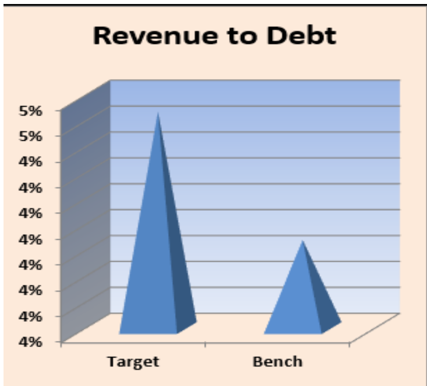

Profit / Employee
$250,000
$200,000
$150,000
$100,000
$50,000
$0
Target
Bench

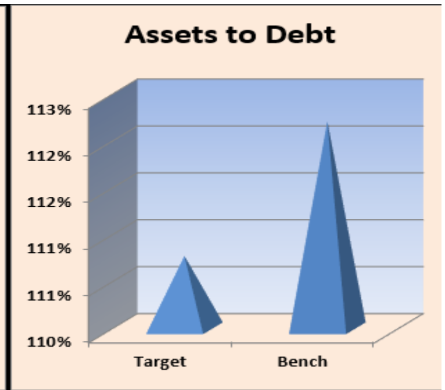

Debt / Employee
$16,000,000
$14,000,000
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$0
Target
Bench

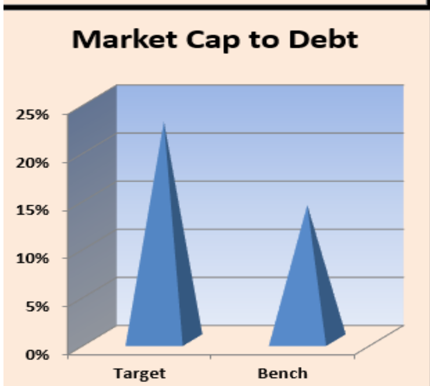

Revenue to Assets
4%
4%
4%
4%
4%
4%
4%
3%
3%
Target
Bench

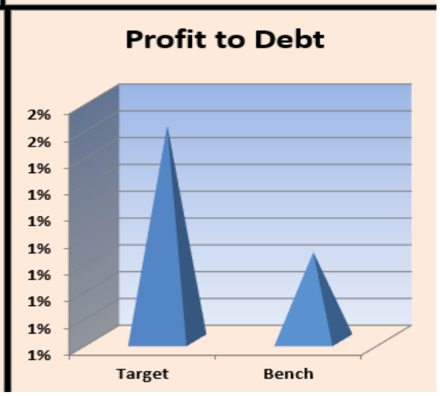

Debt to Assets
90%
90%
90%
90%
90%
89%
89%
89%
89%
89%
88%
Target
Bench

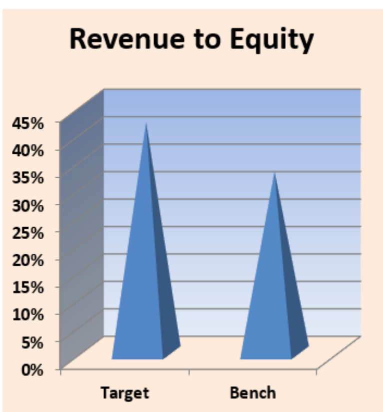

Profit to Assets
1.4%
1.2%
1.0%
0.8%
0.6%
0.4%
0.2%
0.0%
Target
Bench

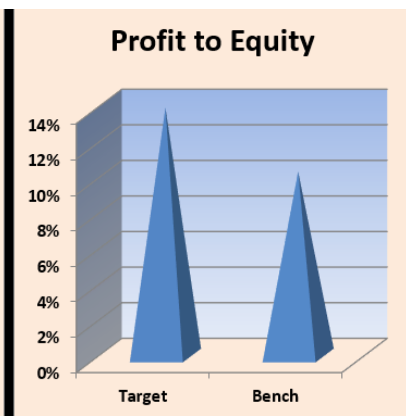

Revenue to Debt
5%
5%
4%
4%
4%
4%
4%
4%
4%
4%
Target
Bench

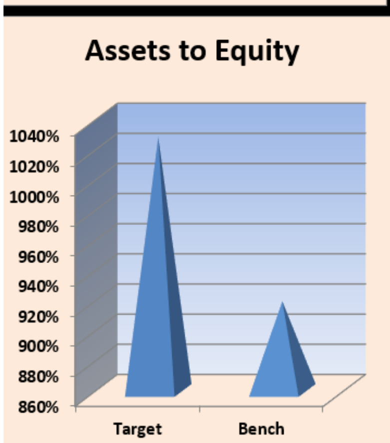

Assets to Debt
113%
112%
112%
111%
111%
110%
Target
Bench

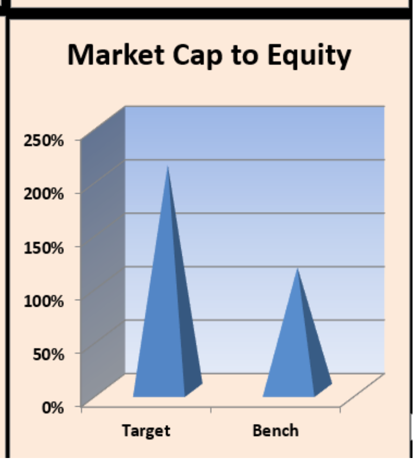

Market Cap to Debt
25%
20%
15%
10%
5%
0%
Target
Bench

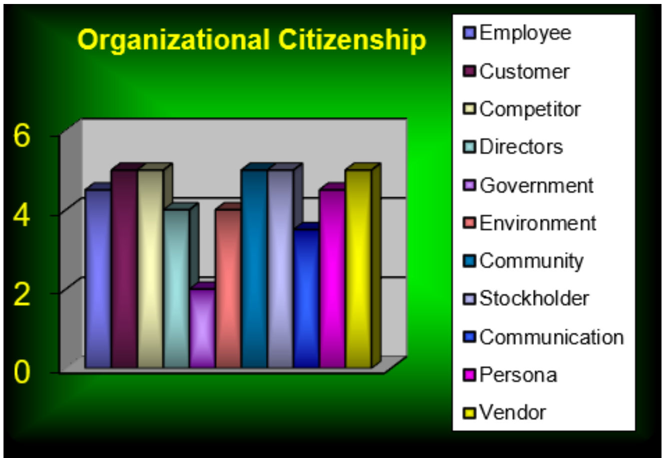

Profit to Debt
2%
2%
1%
1%
1%
1%
1%
1%
1%
1%
Target
Bench

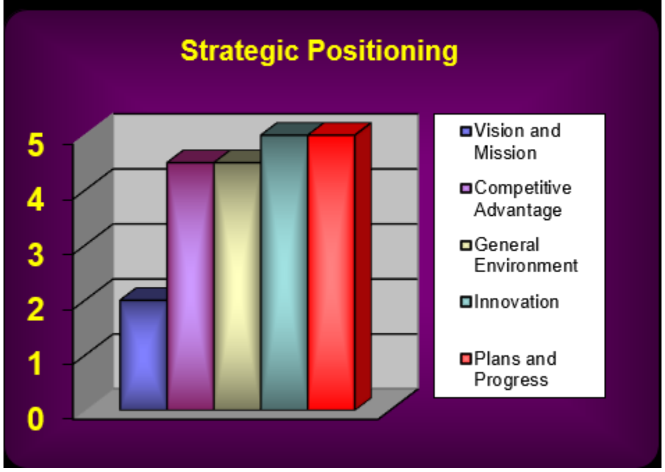

Revenue to Equity
45%
40%
35%
30%
25%
20%
15%
10%
5%
0%
Target
Bench

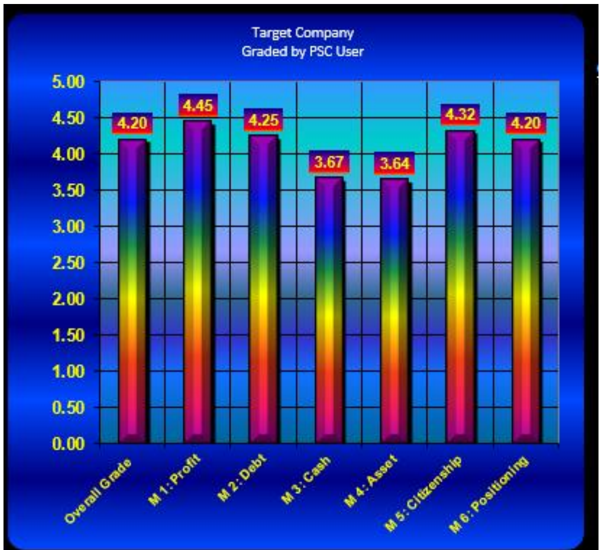

Profit to Equity
14%
12%
10%
8%
6%
4%
2%
0%
Target
Bench

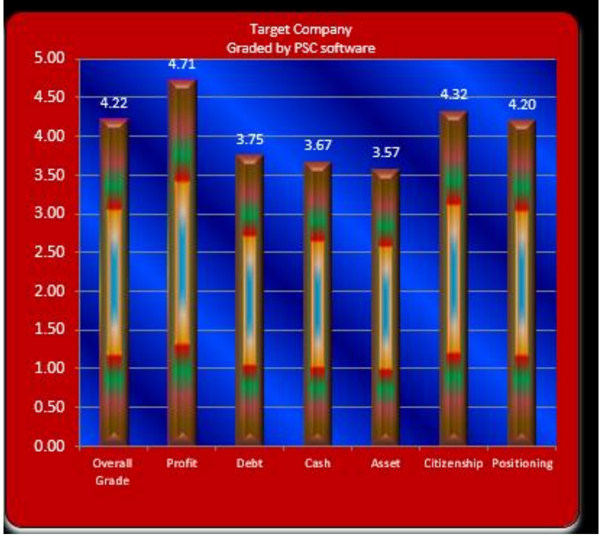

Assets to Equity
1040%
1020%
1000%
980%
960%
940%
920%
900%
880%
860%
Target
Bench

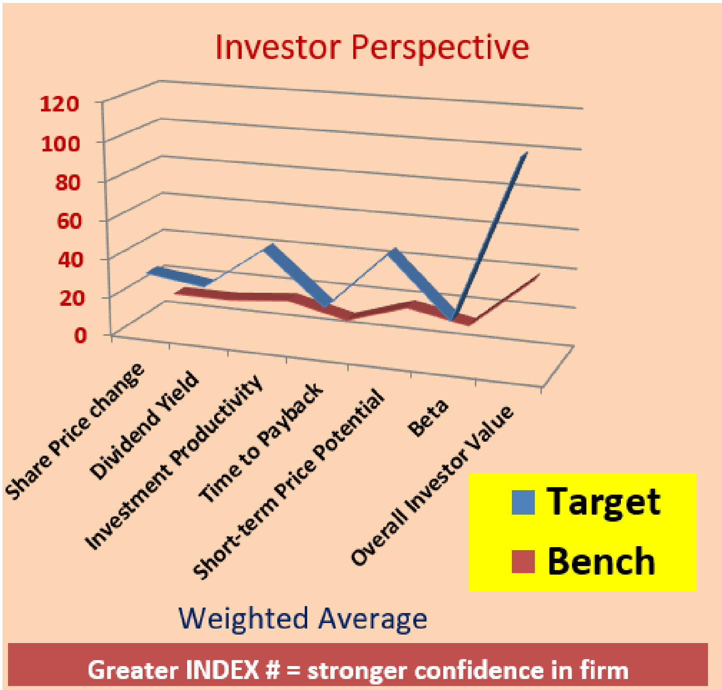

Market Cap to Equity
250%
200%
150%
100%
50%
0%
Target
Bench

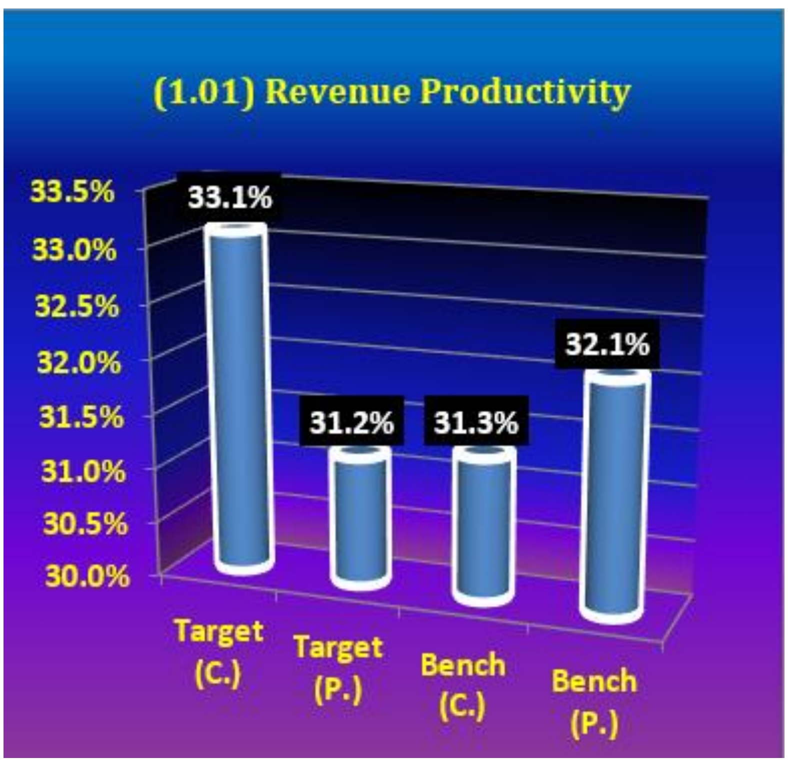

Organizational Citizenship
6
4
2
0
Employee
Customer
Competitor
Directors
Government
Environment
Community
Stockholder
Communication
Persona
Vendor

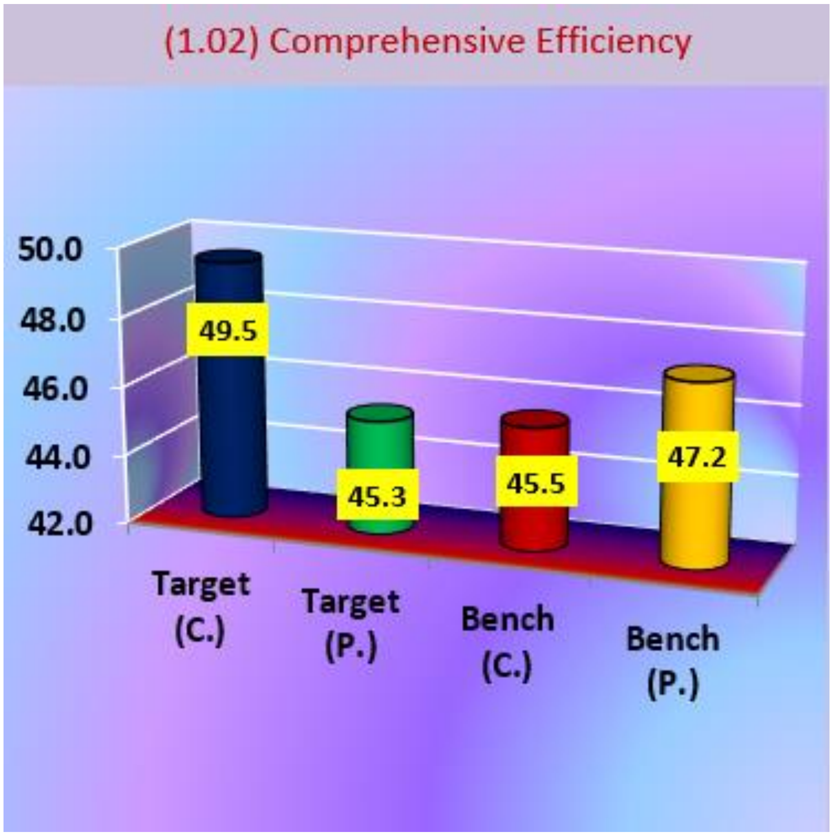

Strategic Positioning
5
4
3
2
1
0
Vision and Mission
Competitive Advantage
General Environment
Innovation
Plans and Progress

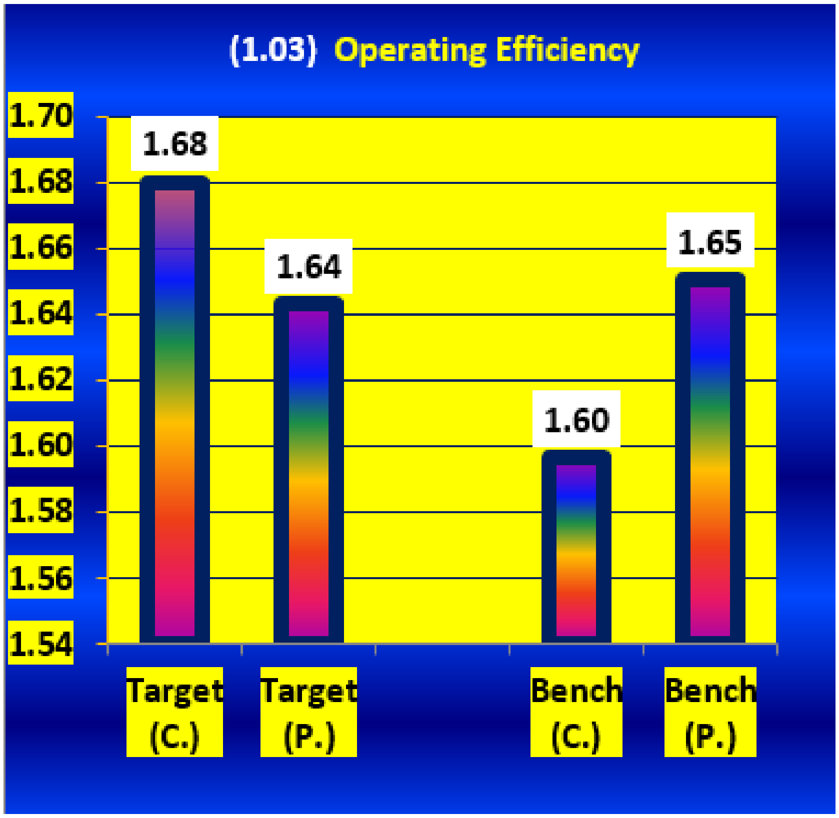

Target Company
Graded by PSC User
5.00
4.50
4.00
3.50
3.00
2.50
2.00
1.50
1.00
0.50
0.00
4.20
4.45
4.25
3.67
3.64
4.32
4.20
Overall Grade
M 1: Profit
M 2: Debt
M 3: Cash
M 4: Asset
M 5: Citizenship
M 6: Positioning

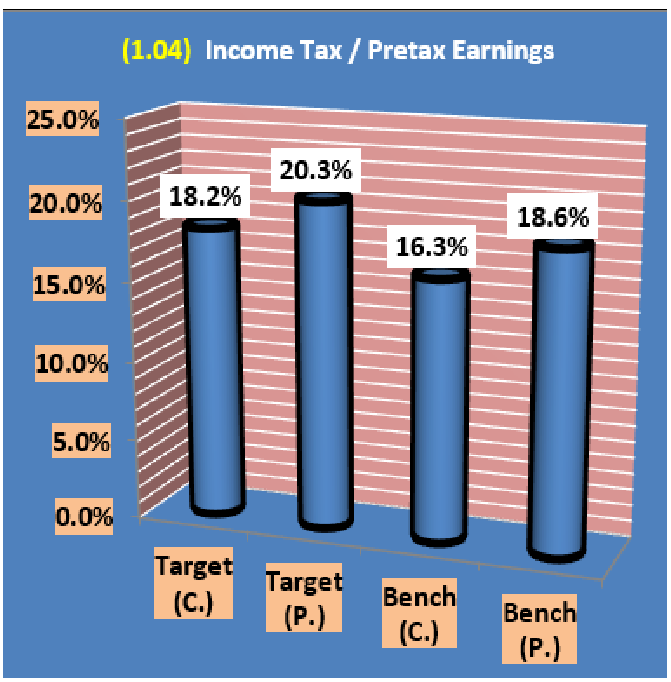

Target Company
Graded by PSC software
5.00
4.50
4.00
3.50
3.00
2.50
2.00
1.50
1.00
0.50
0.00
4.22
4.71
3.75
3.67
3.57
4.32
4.20
Overall Grade
Profit
Debt
Cash
Asset
Citizenship
Positioning

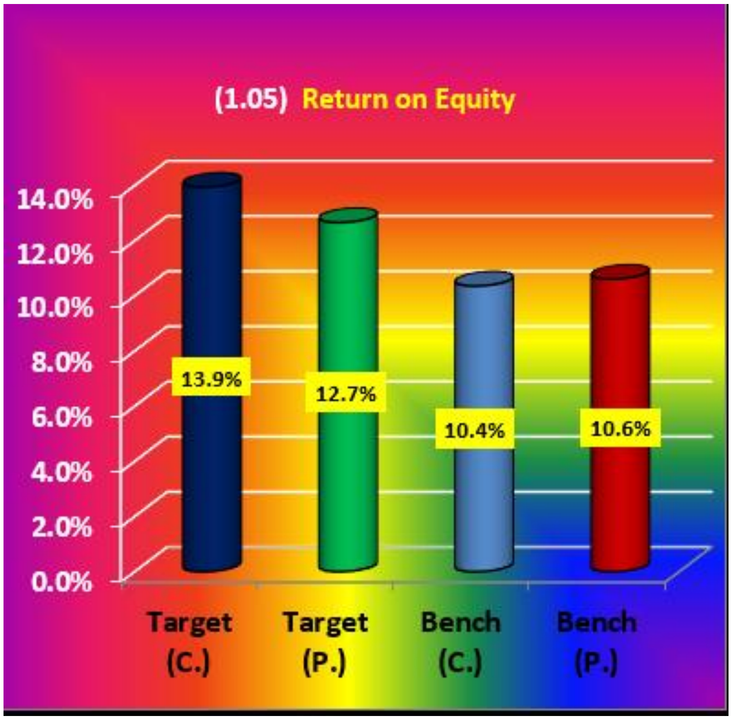

Investor Perspective
120
100
80
60
40
20
0
Share Price change
Dividend Yield
Investment Productivity
Time to Payback
Short-term Price Potential
Beta
Overall Investor Value
Target
Bench
Weighted Average
Greater INDEX # = stronger confidence in firm

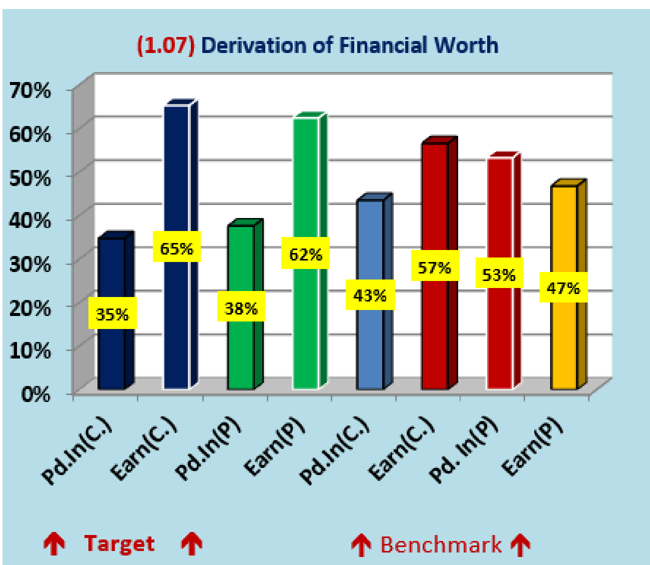

(1.01) Revenue Productivity
33.5%
33.0%
32.5%
32.0%
31.5%
31.0%
30.5%
30.0%
33.1%
31.2%
31.3%
32.1%
Target (C.)
Target (P.)
Bench (C.)
Bench (P.)

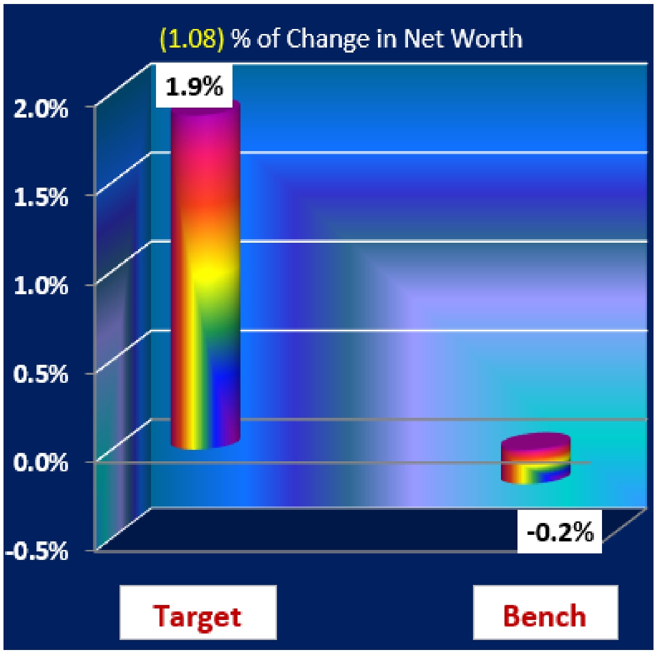

(1.02) Comprehensive Efficiency
50.0
48.0
46.0
44.0
42.0
49.5
45.3
45.5
47.2
Target (C.)
Target (P.)
Bench (C.)
Bench (P.)

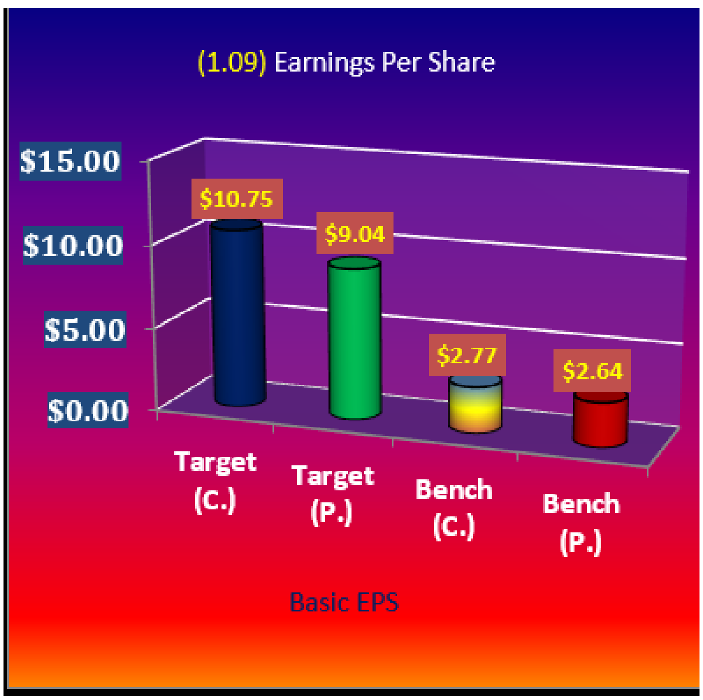

(1.03) Operating Efficiency
1.70
1.68
1.66
1.64
1.62
1.60
1.58
1.56
1.54
1.68
1.64
1.60
1.65
Target (C.)
Target (P.)
Bench (C.)
Bench (P.)

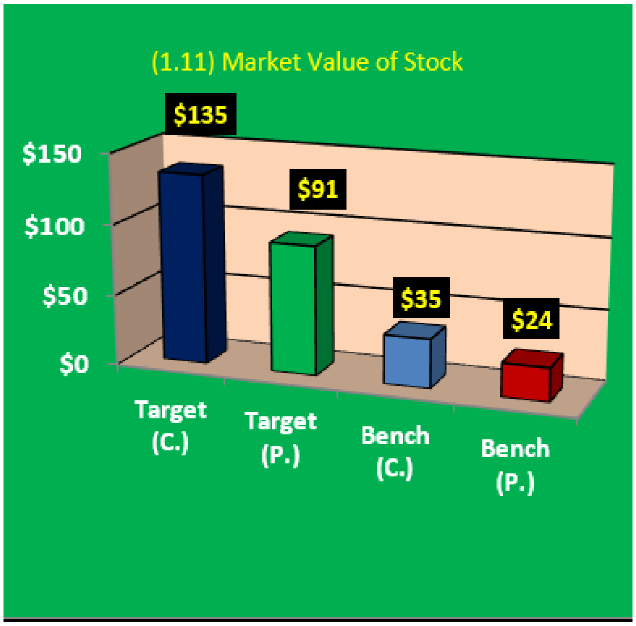

(1.04) Income Tax / Pretax Earnings
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
18.2%
20.3%
16.3%
18.6%
Target (C.)
Target (P.)
Bench (C.)
Bench (P.)

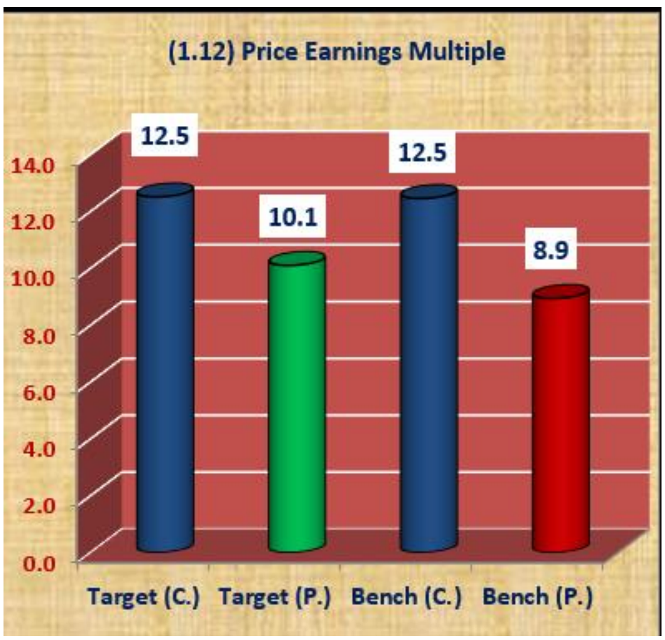

(1.05) Return on Equity
14.0%
12.0%
10.0%
8.0%
6.0%
4.0%
2.0%
0.0%
13.9%
12.7%
10.4%
10.6%
Target (C.)
Target (P.)
Bench (C.)
Bench (P.)

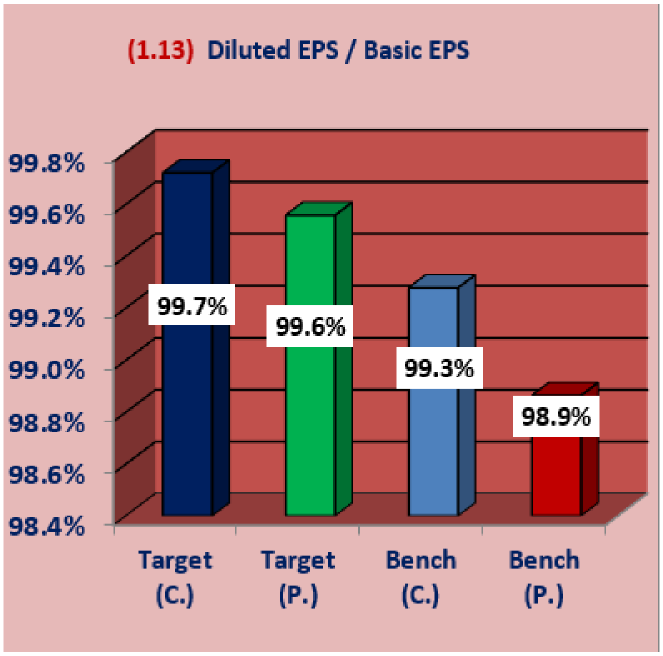

(1.07) Derivation of Financial Worth
70%
60%
50%
40%
30%
20%
10%
0%
35%
65%
38%
62%
43%
57%
53%
47%
Pd.In(C.)
Earn(C.)
Pd.In(P)
Earn(P)
Pd.In(C.)
Earn(C.)
Pd. In(P)
Earn(P)
Target
Benchmark

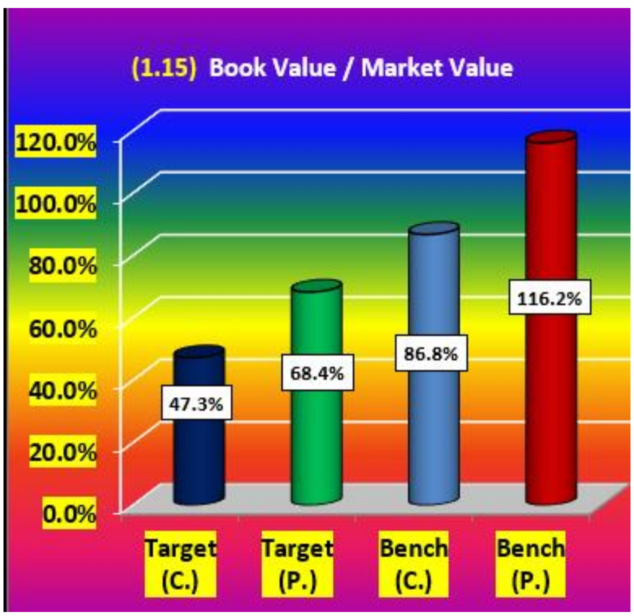

(1.08) % of Change in Net Worth
1.9%
-0.2%
2.0%
1.5%
1.0%
0.5%
0.0%
-0.5%
Target
Bench


(1.09) Earnings Per Share
$15.00
$10.00
$5.00
$0.00
$10.75
$9.04
$2.77
$2.64
Target (C.)
Target (P.)
Bench (C.)
Bench (P.)
Basic EPS

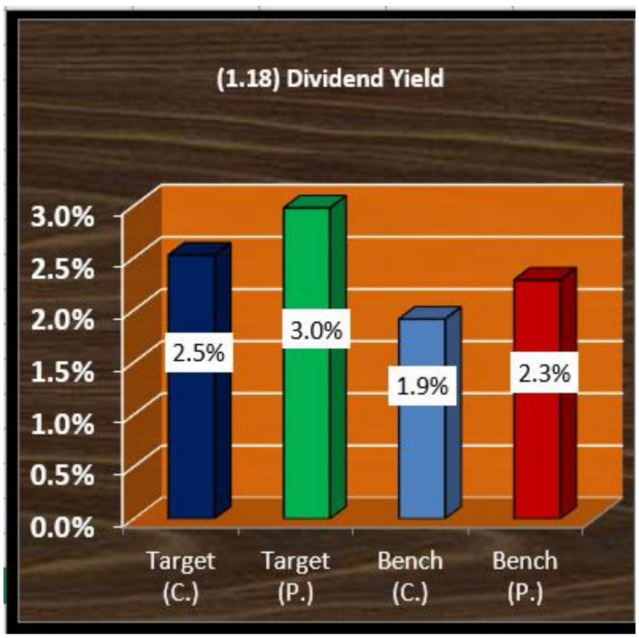

(1.11) Market Value of Stock
$135
$91
$35
$24
$150
$100
$50
$0
Target (C.)
Target (P.)
Bench (C.)
Bench (P.)

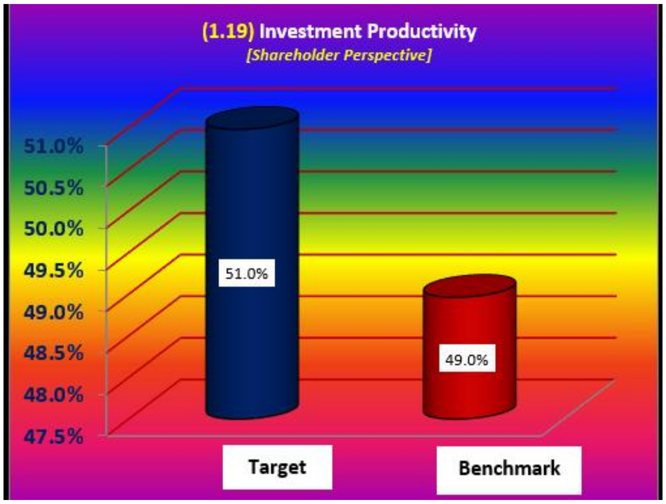

(1.12) Price Earnings Multiple
12.5
10.1
12.5
8.9
14.0
12.0
10.0
8.0
6.0
4.0
2.0
0.0
Target (C.)
Target (P.)
Bench (C.)
Bench (P.)

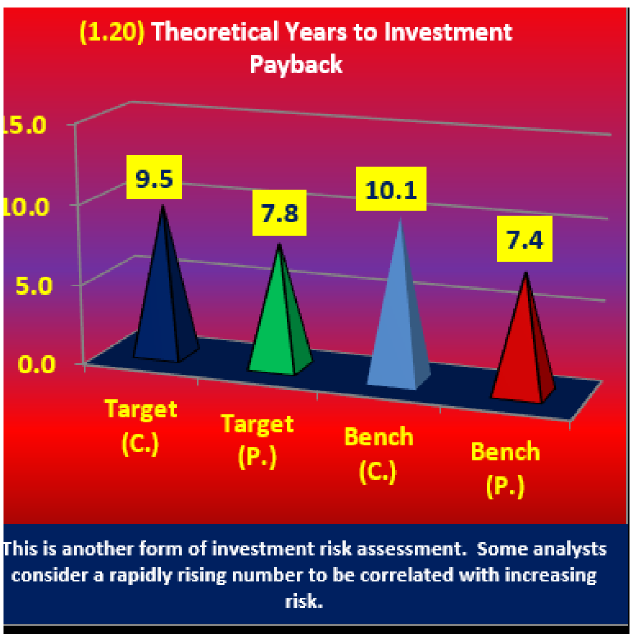

(1.13) Diluted EPS / Basic EPS
99.8%
99.6%
99.4%
99.2%
99.0%
98.8%
98.6%
98.4%
99.7%
99.6%
99.3%
98.9%
Target (C.)
Target (P.)
Bench (C.)
Bench (P.)


(1.15) Book Value / Market Value
120.0%
100.0%
80.0%
60.0%
40.0%
20.0%
0.0%
47.3%
68.4%
86.8%
116.2%
Target (C.)
Target (P.)
Bench (C.)
Bench (P.)

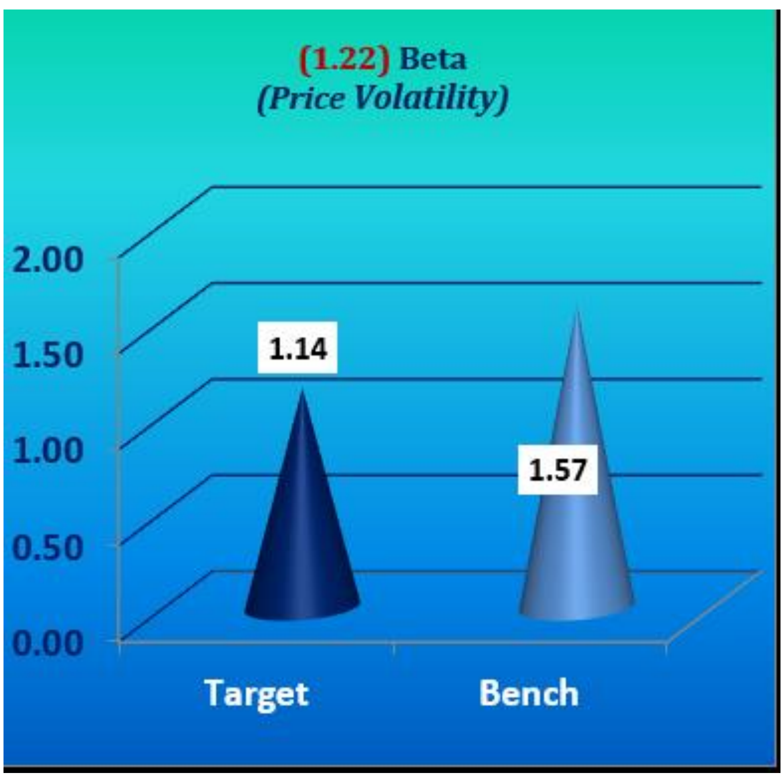

(1.17) Dividend Payout Ratio
35%
30%
25%
20%
15%
10%
5%
0%
32%
30%
24%
20%
Target (C)
Target (P.)
Bench (C.)
Bench (P.)

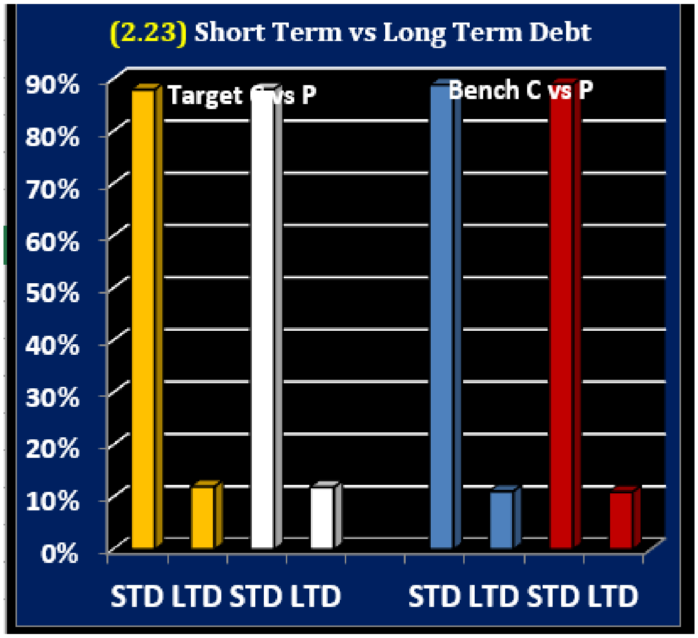

(1.18) Dividend Yield
3.0%
2.5%
2.0%
1.5%
1.0%
0.5%
0.0%
2.5%
3.0%
1.9%
2.3%
Target (C.)
Target (P.)
Bench (C.)
Bench (P.)

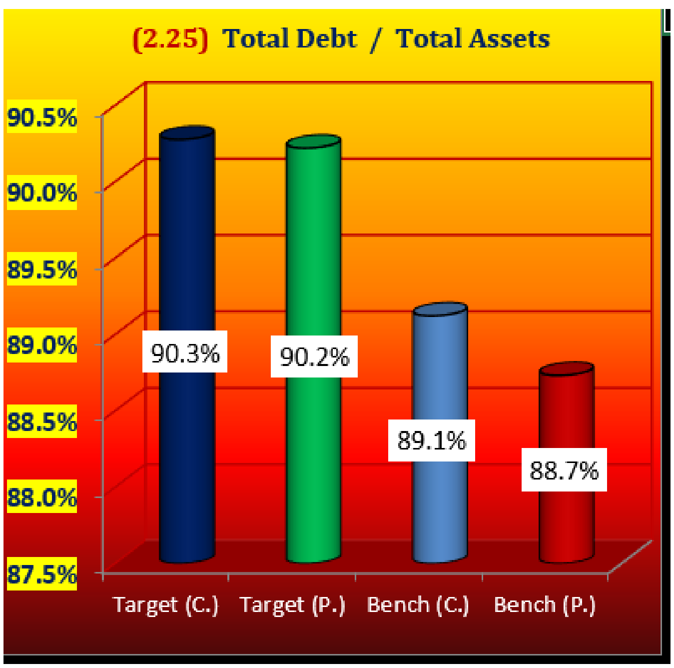

(1.19) Investment Productivity
[Shareholder Perspective]
51.0%
50.5%
50.0%
49.5%
49.0%
48.5%
48.0%
47.5%
51.0%
49.0%
Target
Benchmark

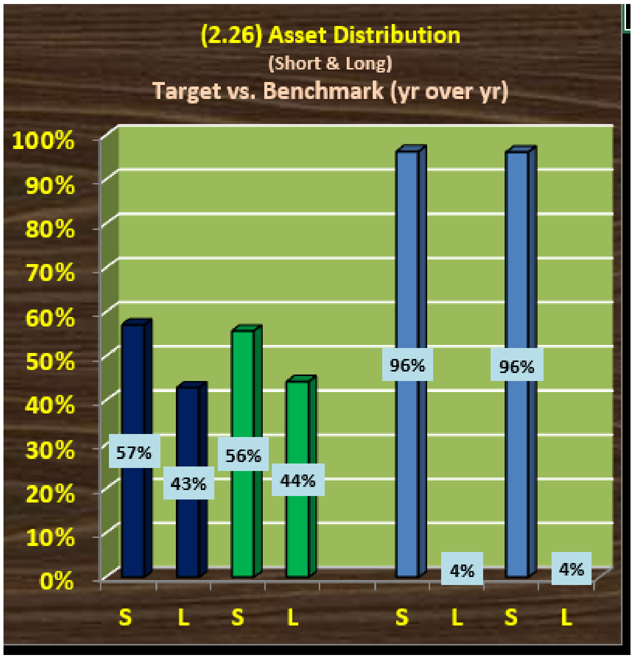

(1.20) Theoretical Years to Investment Payback
15.0
10.0
5.0
0.0
9.5
7.8
10.1
7.4
Target (C.)
Target (P.)
Bench (C.)
Bench (P.)
This is another form of investment risk assessment. Some analysts consider a rapidly rising number to be correlated with increasing risk.

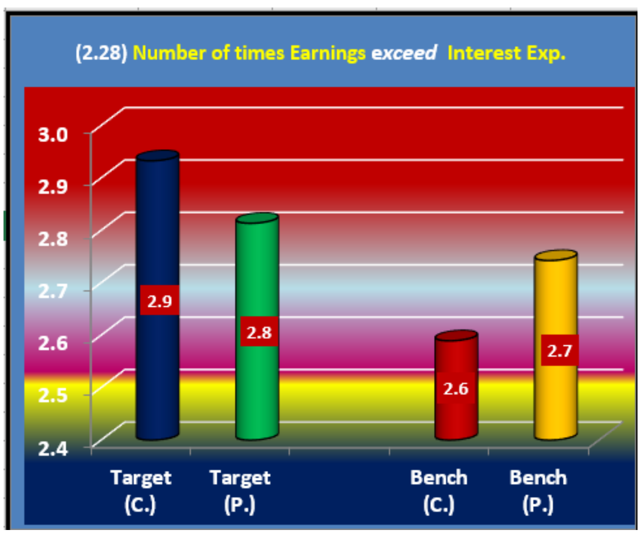

Price Potential
$200
$150
$100
$50
$0
$154
$38
Target
Bench

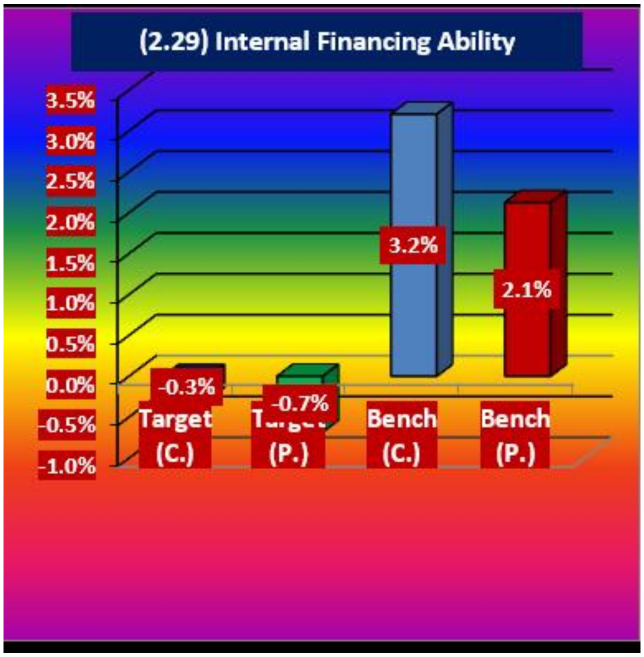

(1.22) Beta
(Price Volatility)
2.00
1.50
1.00
0.50
0.00
1.14
1.57
Target
Bench

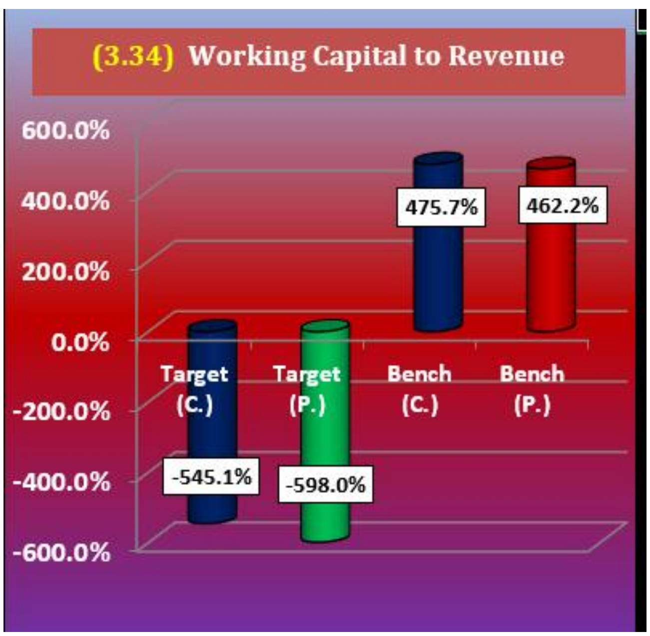

(2.23) Short Term vs Long Term Debt
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Target
vs P
Bench C vs P
STD LTD STD LTD
STD LTD STD LTD

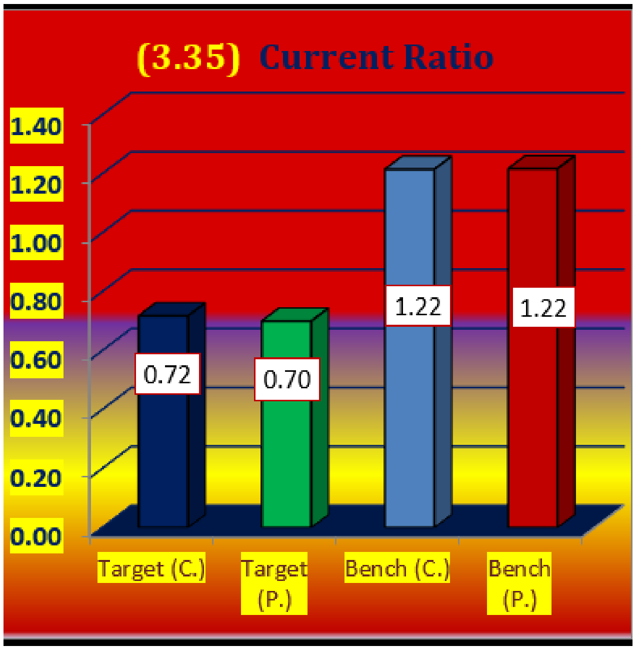

(2.25) Total Debt / Total Assets
90.5%
90.0%
89.5%
89.0%
88.5%
88.0%
87.5%
90.3%
90.2%
89.1%
88.7%
Target (C.)
Target (P.)
Bench (C.)
Bench (P.)

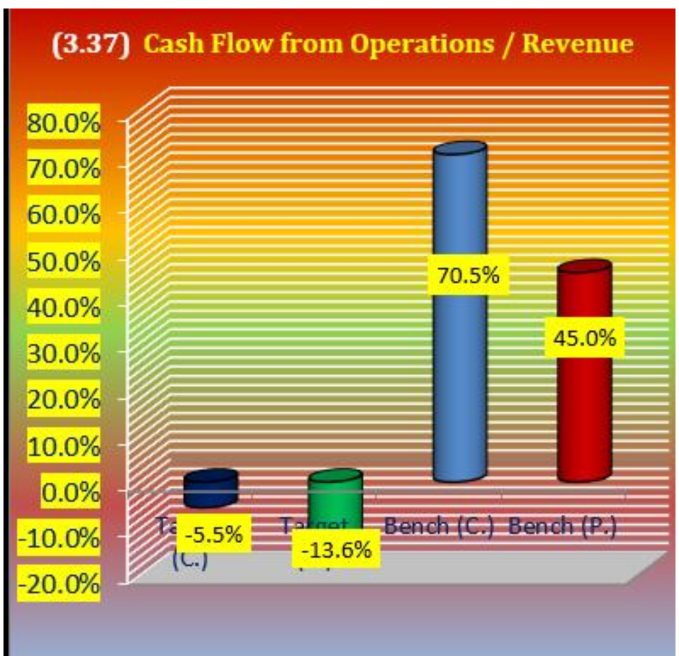

(2.26) Asset Distribution
(Short & Long)
Target vs. Benchmark (yr over yr)
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
57%
43%
56%
44%
96%
4%
96%
4%
S
L
S
L
S
L
S
L

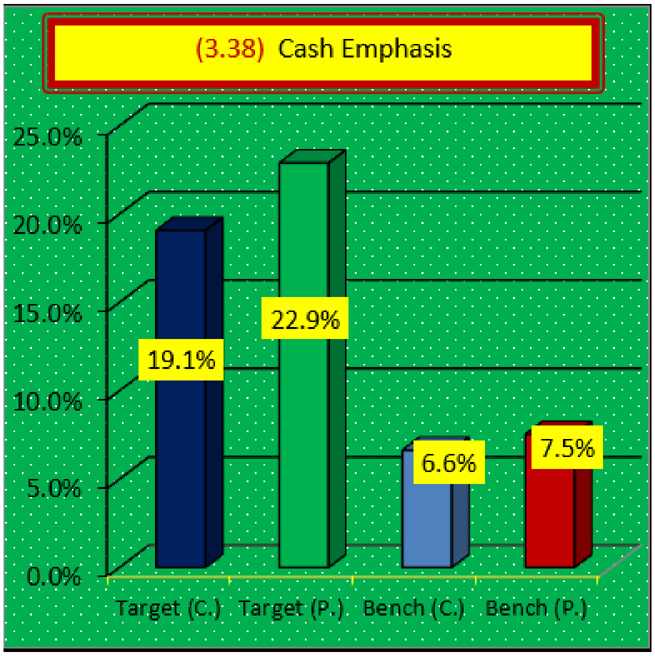

(2.28) Number of times Earnings *exceed* Interest Exp.
3.0
2.9
2.8
2.7
2.6
2.5
2.4
2.9
2.8
2.6
2.7
Target (C.)
Target (P.)
Bench (C.)
Bench (P.)

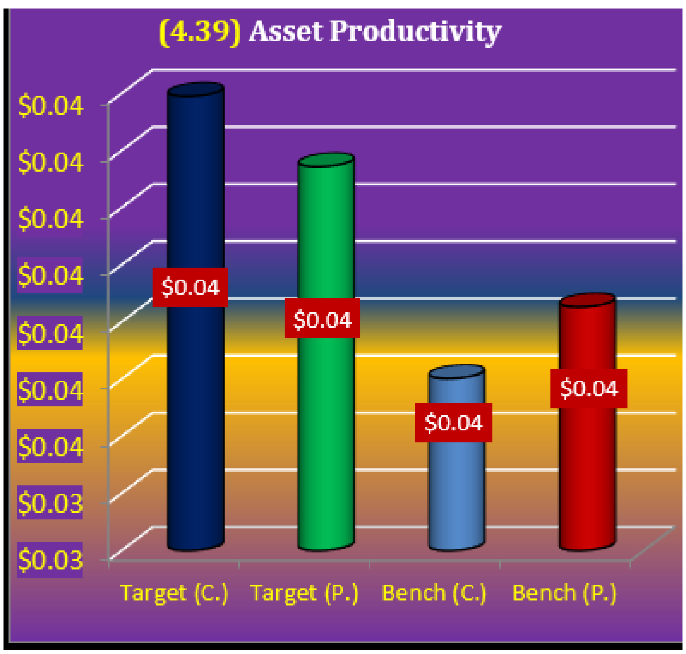

(2.29) Internal Financing Ability
3.5%
3.0%
2.5%
2.0%
1.5%
1.0%
0.5%
0.0%
-0.5%
-1.0%
-0.3%
-0.7%
3.2%
2.1%
Target (C.)
Bench (C.)
Bench (P.)
(P.)

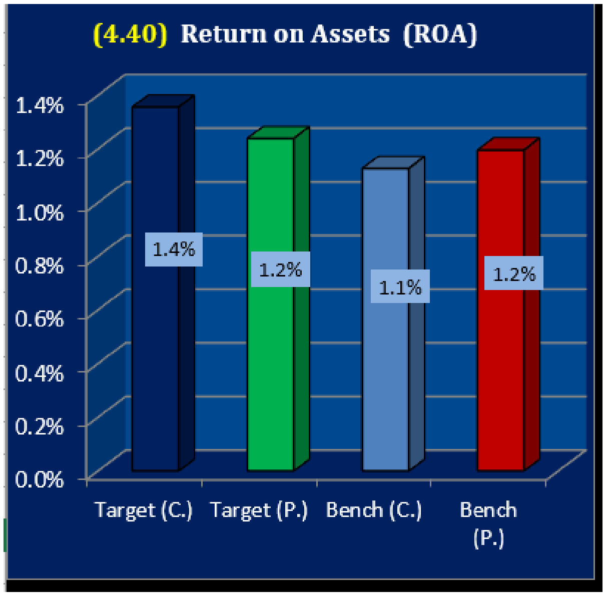

(3.34) Working Capital to Revenue
600.0%
400.0%
200.0%
0.0%
-200.0%
-400.0%
-600.0%
475.7%
462.2%
-545.1%
-598.0%
Target (C.)
Target (P.)
Bench (C.)
Bench (P.)


(3.35) Current Ratio
1.40
1.20
1.00
0.80
0.60
0.40
0.20
0.00
0.72
0.70
1.22
1.22
Target (C.)
Target (P.)
Bench (C.)
Bench (P.)


(3.37) Cash Flow from Operations / Revenue
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
-10.0%
-20.0%
70.5%
45.0%
-5.5%
-13.6%
Bench (C.)
Bench (P.)


(3.38) Cash Emphasis
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
19.1%
22.9%
6.6%
7.5%
Target (C.)
Target (P.)
Bench (C.)
Bench (P.)


(4.39) Asset Productivity
$0.04
$0.04
$0.04
$0.04
$0.04
$0.04
$0.04
$0.03
$0.03
$0.04
$0.04
$0.04
$0.04
Target (C.)
Target (P.)
Bench (C.)
Bench (P.)



Appendix: Part 2- PSC Support Documentation

Consolidated Statements of Income - USD ($) shares in Millions, $ in Millions		12 Months Ended		
		Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017
Revenue				
Investment banking fees		$ 7,501	$ 7,550	$ 7,412
Principal transactions		14,018	12,059	11,347
Lending- and deposit-related fees		6,369	6,052	5,933
Asset management, administration and commissions		17,165	17,118	16,287
Investment securities gains/(losses)		258	(395)	(66)
Mortgage fees and related income		2,036	1,254	1,616
Card income		5,304	4,989	4,433
Other income		5,731	5,343	3,646
Noninterest revenue		58,382	53,970	50,608
Interest income	[1]	84,040	76,100	63,971
Interest expense	[1]	26,795	21,041	13,874
Net interest income		57,245	55,059	50,097
Total net revenue		115,627	109,029	100,705
Provision for credit losses		5,585	4,871	5,290
Noninterest expense				
Compensation expense		34,155	33,117	31,208
Occupancy expense		4,322	3,952	3,723
Technology, communications and equipment expense		9,821	8,802	7,715
Professional and outside services		8,533	8,502	7,890
Marketing		3,579	3,290	2,900
Other expense		5,087	5,731	6,079
Total noninterest expense		65,497	63,394	59,515
Income before income tax expense		44,545	40,764	35,900
Income tax expense		8,114	8,290	11,459
Net income		36,431	32,474	24,441
Net income applicable to common stockholders		$ 34,642	$ 30,709	$ 22,567
Net income per common share data				
Basic earnings per share (in dollars per share)		$ 10.75	$ 9.04	$ 6.35
Diluted earnings per share (in dollars per share)		$ 10.72	$ 9.00	$ 6.31
Weighted-average basic shares (in shares)		3,221.5	3,396.4	3,551.6
Weighted-average diluted shares (in shares)		3,230.4	3,414.0	3,576.8

[1] In the second quarter of 2019, the Firm implemented certain presentation changes that impacted interest income and interest expense, but had no effect on net interest income. These changes were applied retrospectively and, accordingly, prior period amounts were revised to conform with the current presentation. Refer to Note 7 for additional information.

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Consolidated Balance Sheets - USD ($) $ in Millions		Dec. 31, 2019	Dec. 31, 2018
Assets			
Cash and due from banks		$ 21,704	$ 22,324
Deposits with banks		241,927	256,469
Federal funds sold and securities purchased under resale agreements (included $14,561 and $13,235 at fair value)		249,157	321,588
Securities borrowed (included $6,237 and $5,105 at fair value)		139,758	111,995
Trading assets (included assets pledged of $111,522 and $89,073)		411,103	413,714
Investment securities (included $350,699 and $230,394 at fair value and assets pledged of $10,325 and $11,432)		398,239	261,828
Loans (included $7,104 and $3,151 at fair value)		959,769	984,554
Allowance for loan losses		(13,123)	(13,445)
Loans, net of allowance for loan losses		946,646	971,109
Accrued interest and accounts receivable		72,861	73,200
Premises and equipment		25,813	14,934
Goodwill, MSRs and other intangible assets		53,341	54,349
Other assets (included $9,111 and $9,630 at fair value and assets pledged of $3,349 and $3,457)		126,830	121,022
Total assets	[1]	2,687,379	2,622,532
Liabilities			
Deposits (included $28,589 and $23,217 at fair value)		1,562,431	1,470,666
Federal funds purchased and securities loaned or sold under repurchase agreements (included $549 and $935 at fair value)		183,675	182,320
Short-term borrowings (included $5,920 and $7,130 at fair value)		40,920	69,276
Trading liabilities		119,277	144,773
Accounts payable and other liabilities (included $3,728 and $3,269 at fair value)		210,407	196,710
Beneficial interests issued by consolidated VIEs (included $36 and $28 at fair value)		17,841	20,241
Long-term debt (included $75,745 and $54,886 at fair value)		291,498	282,031
Total liabilities	[1]	2,426,049	2,366,017
Commitments and contingencies (refer to Notes 28, 29 and 30)			
Stockholders' equity			
Preferred stock ($1 par value; authorized 200,000,000 shares: issued 2,699,250 and 2,606,750 shares)		26,993	26,068

Stockholders' equity			
Preferred stock ($1 par value; authorized 200,000,000 shares: issued 2,699,250 and 2,606,750 shares)		26,993	26,068
Common stock ($1 par value; authorized 9,000,000,000 shares; issued 4,104,933,895 shares)		4,105	4,105
Additional paid-in capital		88,522	89,162
Retained earnings		223,211	199,202
Accumulated other comprehensive income/loss		1,569	(1,507)
Shares held in restricted stock units ("RSU") trust, at cost (472,953 shares)		(21)	(21)
Treasury stock, at cost (1,020,912,567 and 829,167,674 shares)		(83,049)	(60,494)
Total stockholders' equity		261,330	256,515
Total liabilities and stockholders' equity		2,687,379	2,622,532
VIEs consolidated by the Firm			
Assets			
Trading assets (included assets pledged of $111,522 and $89,073)		2,633	1,966
Loans (included $7,104 and $3,151 at fair value)		42,931	59,456
Other assets (included $9,111 and $9,630 at fair value and assets pledged of $3,349 and $3,457)		881	1,013
Total assets		46,445	62,435
Liabilities			
Beneficial interests issued by consolidated VIEs (included $36 and $28 at fair value)		17,841	20,241
All other liabilities		447	312
Total liabilities		$ 18,288	$ 20,553

[1] The following table presents information on assets and liabilities related to VIEs that are consolidated by the Firm at December 31, 2019 and 2018. The assets of the consolidated VIEs are used to settle the liabilities of those entities. The holders of the beneficial interests do not have recourse to the general credit of JPMorgan Chase. The assets and liabilities in the table below include third-party assets and liabilities of consolidated VIEs and exclude intercompany balances that eliminate in consolidation. Refer to Note 14 for a further discussion.

December 31, (in millions)		2019		2018
Assets				
Trading assets	$	**2,633**	$	1,966
Loans		**42,931**		59,456
All other assets		**881**		1,013
Total assets	$	**46,445**	$	62,435
Liabilities				
Beneficial interests issued by consolidated VIEs	$	**17,841**	$	20,241
All other liabilities		**447**		312
Total liabilities	$	**18,288**	$	20,553

Consolidated Statements of Cash Flows - USD ($) $ in Millions	12 Months Ended		
	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017
Operating activities			
Net income	$ 36,431	$ 32,474	$ 24,441
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:			
Provision for credit losses	5,585	4,871	5,290
Depreciation and amortization	8,368	7,791	6,179
Deferred tax expense	949	1,721	2,312
Other	1,996	2,717	2,136
Originations and purchases of loans held-for-sale	(70,980)	(102,141)	(94,628)
Proceeds from sales, securitizations and paydowns of loans held-for-sale	79,182	93,453	93,270
Net change in:			
Trading assets	(652)	(38,371)	5,673
Securities borrowed	(27,631)	(6,861)	(8,653)
Accrued interest and accounts receivable	(78)	(5,849)	(15,868)
Other assets	(17,949)	(8,833)	3,982
Trading liabilities	(14,516)	18,290	(26,256)
Accounts payable and other liabilities	(352)	14,630	(16,508)
Other operating adjustments	5,693	295	7,803
Net cash provided by/(used in) operating activities	6,046	14,187	(10,827)
Net change in:			
Federal funds sold and securities purchased under resale agreements	72,396	(123,201)	31,448
Held-to-maturity securities:			
Proceeds from paydowns and maturities	3,423	2,945	4,563
Purchases	(13,427)	(9,368)	(2,349)
Available-for-sale securities:			
Proceeds from paydowns and maturities	52,200	37,401	56,117
Proceeds from sales	70,181	46,067	90,201
Purchases	(242,149)	(95,091)	(105,309)
Proceeds from sales and securitizations of loans held-for-investment	62,095	29,826	15,791
Other changes in loans, net	(53,697)	(81,586)	(61,650)
All other investing activities, net	(5,035)	(4,986)	(563)
Net cash provided by/(used in) investing activities	(54,013)	(197,993)	28,249
Net change in:			
Deposits	101,002	26,728	57,022
Federal funds purchased and securities loaned or sold under repurchase agreements	1,347	23,415	(6,739)
Short-term borrowings	(28,561)		
Short-term borrowings		18,476	16,540
Beneficial interests issued by consolidated VIEs	4,289	1,712	(1,377)
Proceeds from long-term borrowings	61,085	71,662	56,271

Available-for-sale securities:			
Proceeds from paydowns and maturities	52,200	37,401	56,117
Proceeds from sales	70,181	46,067	90,201
Purchases	(242,149)	(95,091)	(105,309)
Proceeds from sales and securitizations of loans held-for-investment	62,095	29,826	15,791
Other changes in loans, net	(53,697)	(81,586)	(61,650)
All other investing activities, net	(5,035)	(4,986)	(563)
Net cash provided by/(used in) investing activities	(54,013)	(197,993)	28,249
Net change in:			
Deposits	101,002	26,728	57,022
Federal funds purchased and securities loaned or sold under repurchase agreements	1,347	23,415	(6,739)
Short-term borrowings	(28,561)		
Short-term borrowings		18,476	16,540
Beneficial interests issued by consolidated VIEs	4,289	1,712	(1,377)
Proceeds from long-term borrowings	61,085	71,662	56,271
Payments of long-term borrowings	(69,610)	(76,313)	(83,079)
Proceeds from issuance of preferred stock	5,000	1,696	1,258
Redemption of preferred stock	(4,075)	(1,696)	(1,258)
Treasury stock repurchased	(24,001)	(19,983)	(15,410)
Dividends paid	(12,343)	(10,109)	(8,993)
All other financing activities, net	(1,146)	(1,430)	407
Net cash provided by financing activities	32,987	34,158	14,642
Effect of exchange rate changes on cash and due from banks and deposits with banks	(182)	(2,863)	8,086
Net increase/(decrease) in cash and due from banks and deposits with banks	(15,162)	(152,511)	40,150
Cash and due from banks and deposits with banks at the beginning of the period	278,793	431,304	391,154
Cash and due from banks and deposits with banks at the end of the period	263,631	278,793	431,304
Cash interest paid	29,918	21,152	14,153
Cash income taxes paid, net	$ 5,624	$ 3,542	$ 4,325

Consolidated Statement of Income - USD ($) shares in Millions, $ in Millions	12 Months Ended		
	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017
Net interest income			
Interest income	$ 71,236	$ 66,769	$ 57,579
Interest expense	22,345	18,607	12,340
Net interest income	48,891	48,162	45,239
Noninterest income			
Fees and commissions	33,015	33,078	33,341
Market making and similar activities	9,034	9,008	7,102
Other income	304	772	1,444
Total noninterest income	42,353	42,858	41,887
Total revenue, net of interest expense	91,244	91,020	87,126
Provision for credit losses	3,590	3,282	3,396
Noninterest expense			
Compensation and benefits	31,977	31,880	31,931
Occupancy and equipment	6,588	6,380	6,264
Information processing and communications	4,646	4,555	4,530
Product delivery and transaction related	2,762	2,857	3,041
Marketing	1,934	1,674	1,746
Professional fees	1,597	1,699	1,888
Other general operating	5,396	4,109	5,117
Total noninterest expense	54,900	53,154	54,517
Income before income taxes	32,754	34,584	29,213
Income tax expense	5,324	6,437	10,981
Net income	27,430	28,147	18,232
Preferred stock dividends	1,432	1,451	1,614
Net income applicable to common shareholders	$ 25,998	$ 26,696	$ 16,618
Per common share information			
Earnings (in dollars per share)	$ 2.77	$ 2.64	$ 1.63
Diluted earnings (in dollars per share)	$ 2.75	$ 2.61	$ 1.56
Average common shares issued and outstanding (in shares)	9,390.5	10,096.5	10,195.6
Average diluted common shares issued and outstanding (in shares)	9,442.9	10,236.9	10,778.4

Consolidated Balance Sheet - USD ($) $ in Millions	Dec. 31, 2019	Dec. 31, 2018
Assets		
Cash and due from banks	$ 30,152	$ 29,063
Interest-bearing deposits with the Federal Reserve, non-U.S. central banks and other banks	131,408	148,341
Cash and cash equivalents	161,560	177,404
Time deposits placed and other short-term investments	7,107	7,494
Federal funds sold and securities borrowed or purchased under agreements to resell (includes $50,364 and $56,399 measured at fair value)	274,597	261,131
Trading account assets (includes $90,946 and $119,363 pledged as collateral)	229,826	214,348
Derivative assets	40,485	43,725
Debt securities:		
Carried at fair value	256,467	238,101
Held-to-maturity, at cost (fair value – $219,821 and $200,435)	215,730	203,652
Total debt securities	472,197	441,753
Loans and leases (includes $8,335 and $4,349 measured at fair value)	983,426	946,895
Allowance for loan and lease losses	(9,416)	(9,601)
Loans and leases, net of allowance	974,010	937,294
Premises and equipment, net	10,561	9,906
Goodwill	68,951	68,951
Loans held-for-sale (includes $3,709 and $2,942 measured at fair value)	9,158	10,367
Customer and other receivables	55,937	65,814
Other assets (includes $15,518 and $19,739 measured at fair value)	129,690	116,320
Total assets	2,434,079	2,354,507
Deposits in U.S. offices:		
Noninterest-bearing	403,305	412,587
Interest-bearing (includes $508 and $492 measured at fair value)	940,731	891,636
Deposits in non-U.S. offices:		
Noninterest-bearing	13,719	14,060
Interest-bearing	77,048	63,193
Total deposits	1,434,803	1,381,476
Federal funds purchased and securities loaned or sold under agreements to repurchase (includes $16,008 and $28,875 measured at fair value)	165,109	186,988
Trading account liabilities	83,270	68,220
Derivative liabilities	38,229	37,891
Short-term borrowings (includes $3,941 and $1,648 measured at fair value)	24,204	20,189
Accrued expenses and other liabilities (includes $15,434 and $20,075 measured at fair value and $813 and $797 of	182,798	165,026

Federal funds purchased and securities loaned or sold under agreements to repurchase (includes $16,008 and $28,875 measured at fair value)	165,109	186,988
Trading account liabilities	83,270	68,220
Derivative liabilities	38,229	37,891
Short-term borrowings (includes $3,941 and $1,648 measured at fair value)	24,204	20,189
Accrued expenses and other liabilities (includes $15,434 and $20,075 measured at fair value and $813 and $797 of reserve for unfunded lending commitments)	182,798	165,026
Long-term debt (includes $34,975 and $27,689 measured at fair value)	240,856	229,392
Total liabilities	2,169,269	2,089,182
Commitments and contingencies (Note 7 – Securitizations and Other Variable Interest Entities and Note 13 – Commitments and Contingencies)		
Shareholders' equity		
Preferred stock, $0.01 par value; authorized – 100,000,000 shares; issued and outstanding – 3,887,440 and 3,843,140 shares	23,401	22,326
Common stock and additional paid-in capital, $0.01 par value; authorized – 12,800,000,000 shares; issued and outstanding – 8,836,148,954 and 9,669,286,370 shares	91,723	118,896
Retained earnings	156,319	136,314
Accumulated other comprehensive income (loss)	(6,633)	(12,211)
Total shareholders' equity	264,810	265,325
Total liabilities and shareholders' equity	2,434,079	2,354,507
Consolidated VIEs		
Assets		
Trading account assets (includes $90,946 and $119,363 pledged as collateral)	5,811	5,798
Debt securities:		
Loans and leases (includes $8,335 and $4,349 measured at fair value)	38,837	43,850
Allowance for loan and lease losses	(807)	(912)
Loans and leases, net of allowance	38,030	42,938
Other assets (includes $15,518 and $19,739 measured at fair value)	540	337
Total assets	44,381	49,073
Deposits in non-U.S. offices:		
Short-term borrowings (includes $3,941 and $1,648 measured at fair value)	2,175	742
Long-term debt (includes $34,975 and $27,689 measured at fair value)	8,718	10,944
All other liabilities (includes $19 and $27 of non-recourse liabilities)	22	30
Total liabilities	$ 10,915	$ 11,716

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All other liabilities (includes $19 and $27 of non-recourse liabilities)	22	30
Total liabilities	$ 10,915	$ 11,716

Purchases	(37,115)	(35,980)	(25,088)
Loans and leases:			
Proceeds from sales of loans originally classified as held for investment and instruments from related securitization activities	12,201	21,365	11,996
Purchases	(5,963)	(4,629)	(6,846)
Other changes in loans and leases, net	(46,808)	(31,292)	(41,104)
Other investing activities, net	(2,974)	(1,986)	8,411
Net cash used in investing activities	(80,630)	(71,468)	(51,541)
Net change in:			
Deposits	53,327	71,931	48,611
Federal funds purchased and securities loaned or sold under agreements to repurchase	(21,879)	10,070	7,024
Short-term borrowings	4,004	(12,478)	8,538
Long-term debt:			
Proceeds from issuance	52,420	64,278	53,486
Retirement	(50,794)	(53,046)	(49,480)
Preferred stock:			
Proceeds from issuance	3,643	4,515	0
Redemption	(2,568)	(4,512)	0
Common stock repurchased	(28,144)	(20,094)	(12,814)
Cash dividends paid	(5,934)	(6,895)	(5,700)
Other financing activities, net	(698)	(651)	(397)
Net cash provided by financing activities	3,377	53,118	49,268
Effect of exchange rate changes on cash and cash equivalents	(368)	(1,200)	2,105
Net increase (decrease) in cash and cash equivalents	(15,844)	19,970	9,696
Cash and cash equivalents at January 1	177,404	157,434	147,738
Cash and cash equivalents at December 31	161,560	177,404	157,434
Supplemental Cash Flow Information [Abstract]			
Interest paid	22,196	19,087	12,852
Income taxes paid, net	$ 4,359	$ 2,470	$ 3,235

Appendix: Part 3 Board of Directors and Support Information

Principal Standing Committees

Risk Committee

Linda B. Bammann was Deputy Head of Risk Management at JPMorgan Chase from 2004 until her retirement in 2005. Previously she was Executive Vice President and Chief Risk Management Officer at Bank One Corporation ("Bank One") from 2001 to 2004 and, before then, Senior Managing Director of Banc One Capital Markets, Inc. She was also a member of Bank One's executive planning group. From 1992 to 2000 she was a Managing Director with UBS Warburg LLC and predecessor firms.

Ms. Bammann served as a director of The Federal Home Mortgage Corporation ("Freddie Mac") from 2008 until 2013, during which time she was a member of its Compensation Committee. She served as a member of Freddie Mac's Audit Committee from 2008 until 2010 and as Chair of its Business and Risk Committee from 2010 until 2013. Ms. Bammann also served as a director of Manulife Financial Corporation from 2009 until 2012. Ms. Bammann was formerly a board member of the Risk Management Association and Chair of the Loan Syndications and Trading Association.

Ms. Bammann graduated from Stanford University and received an M.A. degree in public policy from the University of Michigan.

Principal Standing Committees

Compensation & Management Development Committee | Corporate Governance & Nominating Committee

Stephen B. Burke has been Chairman of NBCUniversal, LLC and NBCUniversal Media, LLC since 2020, and a senior executive of Comcast Corporation, one of the U.S.'s leading providers of entertainment, information and communication products and services, since 2011. He was Chief Executive Officer and President of NBCUniversal LLC and NBCUniversal Media, LLC from 2011 to 2019, Chief Operating Officer of Comcast Corporation from 2004 until 2011, and President of Comcast Cable Communications, Inc. from 1998 until 2010.

Before joining Comcast, Mr. Burke served with The Walt Disney Company as President of ABC Broadcasting. He joined The Walt Disney Company in 1986, and helped develop and found The Disney Store and lead a comprehensive restructuring of Euro Disney S.A.

Mr. Burke has been a director of Berkshire Hathaway Inc. since 2009.

Mr. Burke graduated from Colgate University and received an M.B.A. from Harvard Business School.

Principal Standing Committees

Audit Committe | Compensation & Management Development Committee | Corporate Governance & Nominating Committee

Todd A. Combs is an investment officer at Berkshire Hathaway Inc., a holding company whose subsidiaries engage in a number of diverse business activities including finance, insurance and reinsurance, utilities and energy, freight rail transportation, manufacturing, retailing and services. He is also President and Chief Executive Officer of GEICO.

Prior to joining Berkshire Hathaway in 2010, Mr. Combs was Chief Executive Officer and Managing Member of Castle Point Capital Management, an investment partnership he founded in 2005 to manage capital for endowments, family foundations and institutions.

Before forming Castle Point, Mr. Combs held various positions at Copper Arch Capital, Progressive Insurance and the State of Florida Banking, Securities and Finance Division.

Mr. Combs has served as a director of Berkshire Hathaway subsidiaries Precision Castparts Corp. since 2016, Charter Brokerage LLC since 2014 and Duracell Inc. since 2016.

Principal Standing Committees

Public Responsibility Committee | Risk Committee

James S. Crown joined Henry Crown and Company, a privately owned investment company that invests in public and private securities, real estate and operating companies, in 1985. He has been Chairman and Chief Executive Officer of Henry Crown and Company since 2018; he had been President from 2002 to 2017. Before joining Henry Crown and Company, Mr. Crown was a Vice President of Salomon Brothers Inc. Capital Markets Service Group.

Mr. Crown has been a director of General Dynamics Corporation since 1987 and has served as its Lead Director since 2010. Mr. Crown served as a director of Sara Lee Corporation from 1998 to 2012.

Mr. Crown is Chairman of the Board of Trustees of the Aspen Institute, a Trustee of the Museum of Science and Industry and of the University of Chicago. He is also a member of the American Academy of Arts and Sciences and was formerly a member of the President's Intelligence Advisory Board.

Mr. Crown graduated from Hampshire College and received a law degree from Stanford University Law School.

James Dimon became Chairman of the Board on December 31, 2006, and has been Chief Executive Officer since December 31, 2005. He had been President from 2004 until 2018 and Chief Operating Officer from 2004 until 2005 following JPMorgan Chase's merger with Bank One Corporation. At Bank One he was Chairman and Chief Executive Officer from March 2000 to July 2004. Before joining Bank One, Mr. Dimon held a wide range of executive roles at Citigroup Inc., the Travelers Group, Commercial Credit Company and American Express Company.

Mr. Dimon is on the Board of Directors of Harvard Business School and Catalyst; Board Member of the Business Roundtable; and a member of The Business Council. He is also on the Board of Trustees of New York University School of Medicine. Mr. Dimon does not serve on the board of any publicly traded company other than JPMorgan Chase.

Principal Standing Committees

Audit Committee | Public Responsibility Committee

Timothy P. Flynn was Chairman of KPMG International, a global professional services organization providing audit, tax and advisory services, from 2007 until his retirement in 2011. From 2005 until 2010, he served as Chairman and from 2005 to 2008 as Chief Executive Officer of KPMG LLP in the U.S., the largest individual member firm of KPMG International. Before serving as Chairman and CEO of KPMG LLP in the U.S., Mr. Flynn was Vice Chairman, Audit and Risk Advisory Services, with operating responsibility for the Audit, Risk Advisory and Financial Advisory Services practices.

Mr. Flynn has been a director of United Healthcare since 2017, Alcoa Corporation since 2016, and of Wal-Mart Stores, Inc. since 2012. He was a director of the Chubb Corporation from 2013 until its acquisition in 2016. He previously served as a Trustee of the Financial Accounting Standards Board, a member of the World Economic Forum's International Business Council and a director of the International Integrated Reporting Council.

Mr. Flynn graduated from The University of St. Thomas, St. Paul, Minnesota, and is a member of the school's Board of Trustees.

Principal Standing Committees

Public Responsibility Committee | Risk Committee

Mellody Hobson has been the Co-CEO of Ariel Investments, LLC, an investment management firm, since 2019 and President and Director since 2000. She has also served as Chair of the Board of Trustees of the Ariel Investment Trust, a registered investment company advised by Ariel Investments, since 2006.

Ms. Hobson has been a director of Starbucks Corporation since 2005 and has served as its Vice Chair since 2018. She served as a director of The Estée Lauder Companies Inc. from 2005 to 2018 and as a director of DreamWorks Animation SKG, Inc. from 2004 to 2016.

Ms. Hobson works with a number of civic, non-profit and professional organizations, acting as a Director of the Chicago Public Education Fund; Chair of After School Matters, which provides Chicago teens with high quality out-of-school time programs; a member of the Executive Committee of the Investment Company Institute's Board of Governors; Board member of the George Lucas Education Foundation; Vice Chair of World Business Chicago, and many other organizations. She is also a former Chair of the Economic Club of Chicago.

Ms. Hobson graduated from the Woodrow Wilson School of International Relations and Public Policy at Princeton University.

Principal Standing Committees

Audit Committee

Michael A. Neal was Vice Chairman of General Electric Company, a global industrial and financial services company, until his retirement in 2013 and was Chairman and Chief Executive Officer of GE Capital from 2007 until 2013. During his career at General Electric, Mr. Neal held several senior operating positions, including President and Chief Operating Officer of GE Capital and Chief Executive Officer of GE Commercial Finance prior to being appointed Chairman and Chief Executive Officer of GE Capital.

Mr. Neal is a trustee of Georgia Institute of Technology's GT Foundation.

Mr. Neal graduated from the Georgia Institute of Technology

Principal Standing Committees

Compensation & Management Development Committee | Corporate Governance & Nominating Committee

Lee R. Raymond was Chairman of the Board and Chief Executive Officer of ExxonMobil, the world's largest publicly traded international oil and gas company, from 1999 until he retired in 2005. He was Chairman of the Board and Chief Executive Officer of Exxon Corporation from 1993 until its merger with Mobil Oil Corporation in 1999 and was a director of Exxon and Exxon Mobil Corporation from 1984 to 2005. Mr. Raymond began his career in 1963 at Exxon.

Mr. Raymond is a member of the Council on Foreign Relations, an emeritus Trustee of the Mayo Clinic, a member of the National Academy of Engineering and a member and past Chairman of the National Petroleum Council.

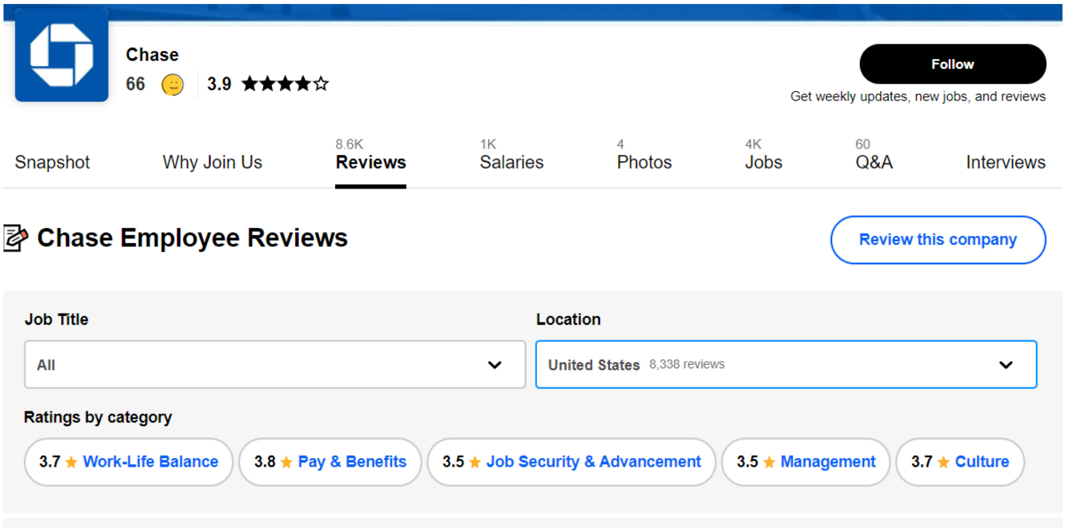
Mr. Raymond graduated from the University of Wisconsin and received a Ph.D. in Chemical Engineering from the University of Minnesota.

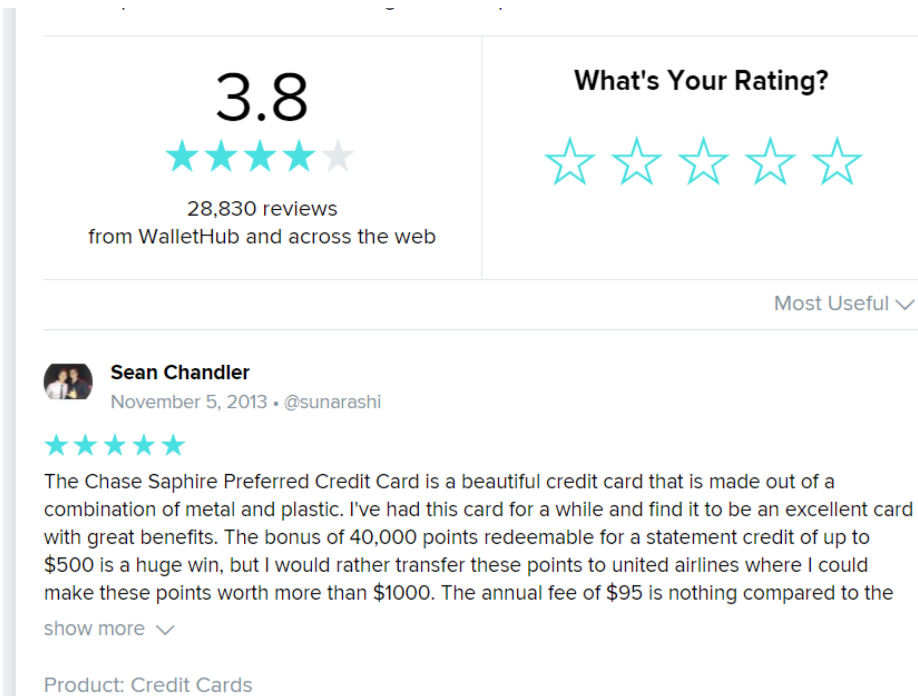
Virginia M. Rometty has been the Executive Chairman of International Business Machines Corporation (IBM) since April 2020. She had been the Chairman, President and Chief Executive Officer of IBM since 2012.

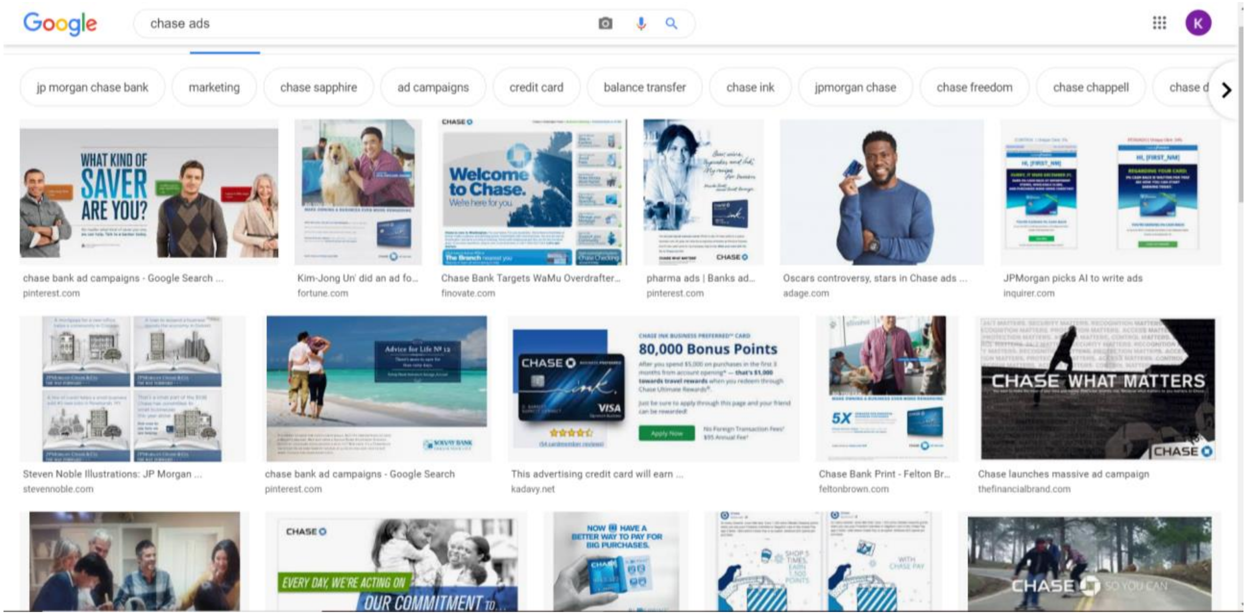
Mrs. Rometty is a member of the Business Roundtable, Council on Foreign Relations, Peterson Institute for International Economics. She is also a Trustee of Northwestern University and on the Board of Overseers and Managers of the Memorial Sloan-Kettering Cancer Center. She is also a former member of the President's Export Council.

Mrs. Rometty graduated from Northwestern University.

Appendix: Part 4 Other Supporting Information







Google
chase ads
jp morgan chase bank
marketing
chase sapphire
ad campaigns
credit card
balance transfer
chase ink
jpmorgan chase
chase freedom
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Kim-Jong Un' did an ad fo...
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Chase Bank Targets WaMu Overdrafter...
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pharma ads | Banks ad...
pinterest.com
Oscars controversy, stars in Chase ads ...
adage.com
JPMorgan picks AI to write ads
inquirer.com
80,000 Bonus Points
CHASE WHAT MATTERS
Steven Noble Illustrations: JP Morgan ...
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chase bank ad campaigns - Google Search
pinterest.com
This advertising credit card will earn ...
kadavy.net
Chase Bank Print - Felton Br...
feltonbrown.com
Chase launches massive ad campaign
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EVERY DAY, WE'RE ACTING ON OUR COMMITMENT TO
NOW WE HAVE A BETTER WAY TO PAY FOR BIG PURCHASES.
CHASE SO YOU CAN