FINANCIAL SERVICES FORUM

The Value and Strength of America's Largest Financial Institutions

January 2019

About the Financial Services Forum

The Financial Services Forum is an economic policy and advocacy organization whose members are the chief executive officers of the eight largest and most diversified financial institutions headquartered in the United States. Forum member institutions are a primary source of lending and investment in the United States and serve millions of consumers, businesses, investors, and communities throughout the country. The Forum promotes policies that support savings and investment, deep and liquid capital markets, a competitive global marketplace, and a sound financial system.

OUR MEMBERS

Bank of America
BNY MELLON
citi

Goldman Sachs
JPMORGAN CHASE & CO.

Morgan Stanley
STATE STREET.
WELLS FARGO

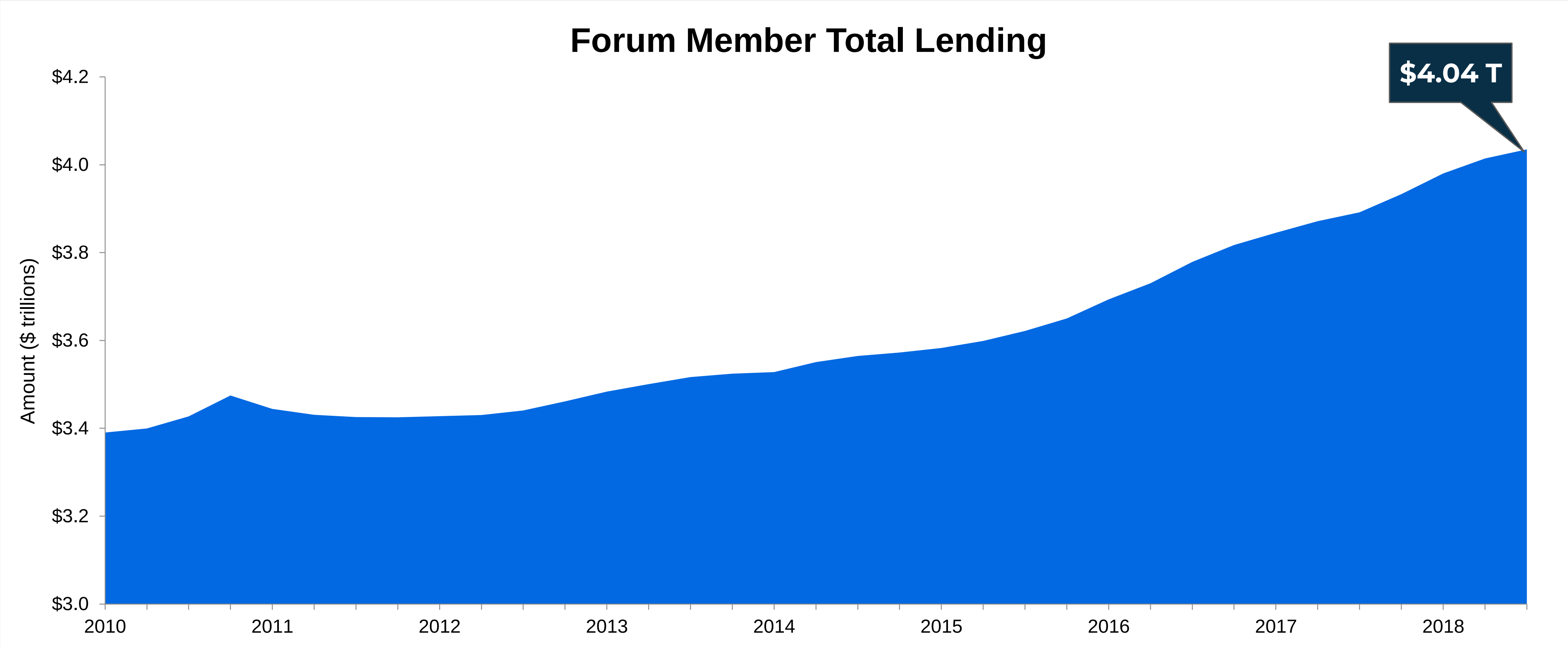
Our value to the economy

- We support economic growth by lending to consumers, businesses, and other financial institutions, and foster deep and liquid capital markets that allow the U.S. government and private institutions to finance public spending and investment

Supporting Savings and Investment Through Lending

Total Lending

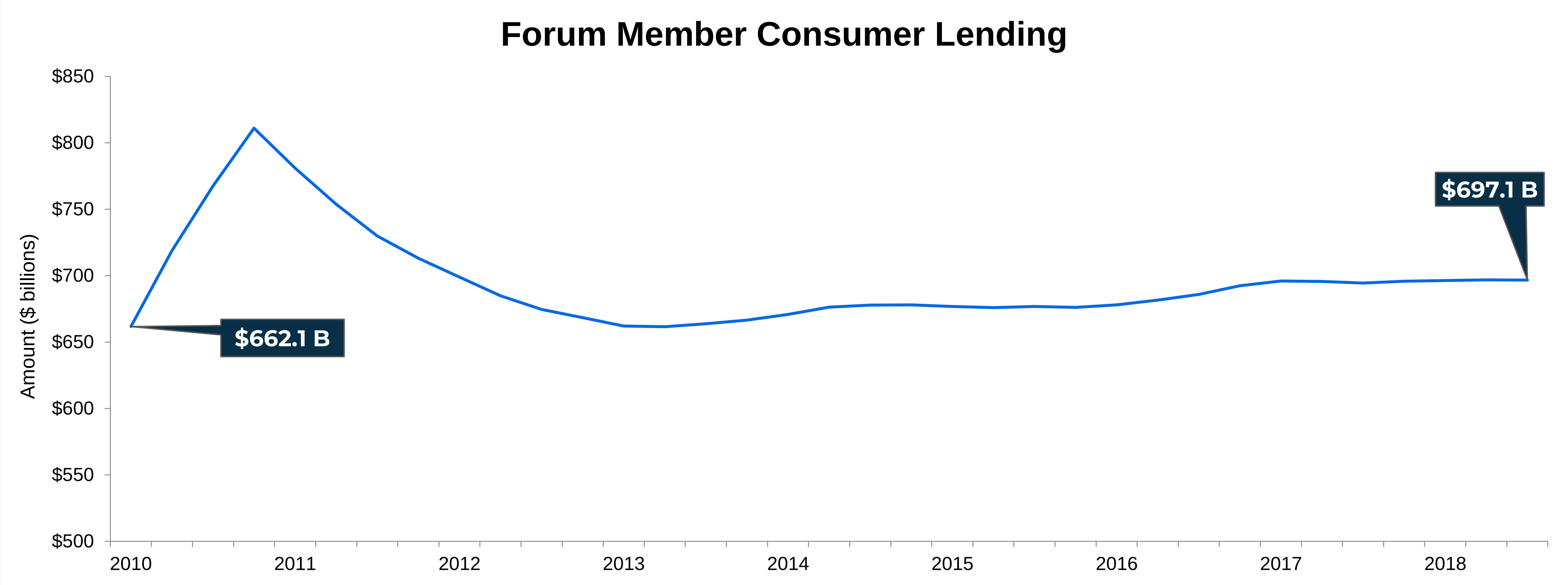
Forum members hold **more than $4 trillion in loans**, accounting for **43 percent of total lending** to businesses and households.



Sources: Federal Reserve data, Assets and Liabilities of Commercial Banks in the United States – H.8, available at https://www.federalreserve.gov/releases/h8/default.htm; FR Y-9C data, available at https://www.ffiec.gov/nicpubweb/nicweb/HCSGreaterThan10B.aspx

Lending to Consumers

We provide nearly half of all consumer loans. Consumer lending supports loans for a variety of household needs, such as the purchase of a car.



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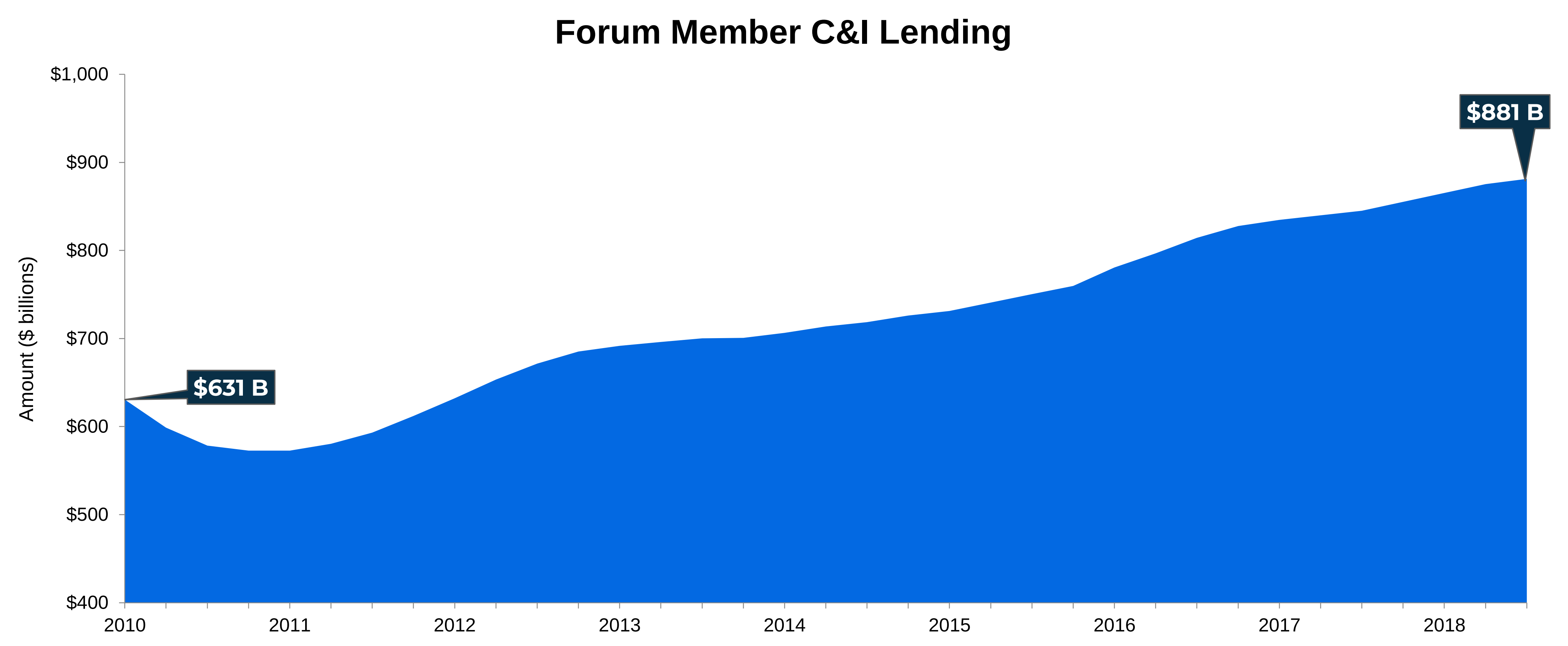
Note: FASB Statements 166 and 167 resulted in the consolidation of large amounts of securitized loan balances back onto banks' balance sheets in the first quarter of 2010. Although the total amount consolidated cannot be precisely quantified, the industry would have reported a decline in loan balances for the quarter absent this change in accounting standards.

Commercial and Industrial (C&I) Lending

We have increased C&I lending in each of the past eight years, accounting for **40 percent of total C&I** lending in the market, helping businesses and grow and contribute to the economy.



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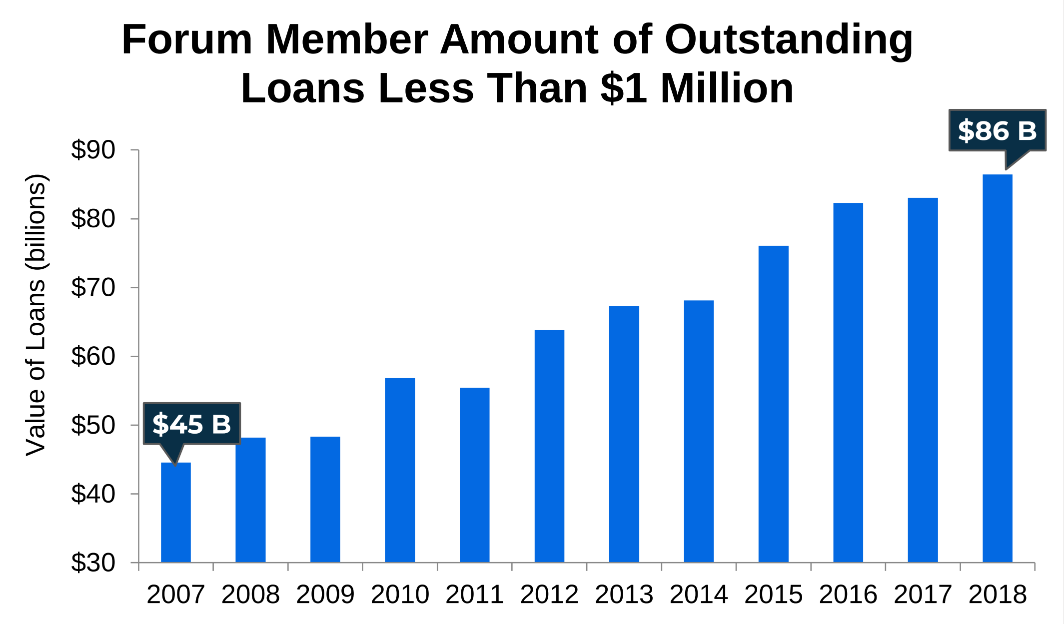
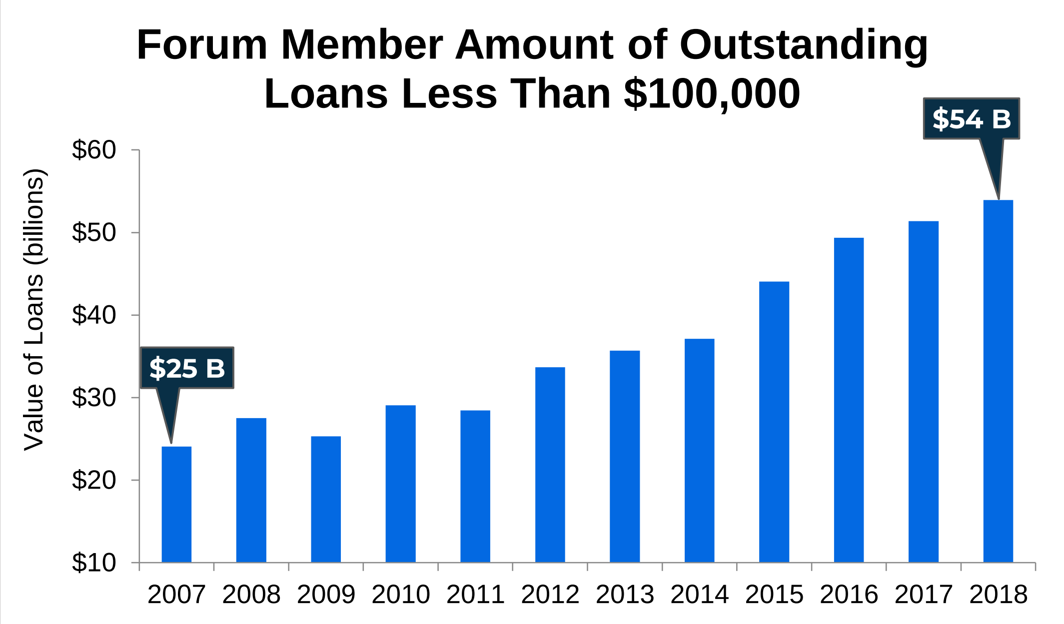
Small Business Lending

We are a major source of lending to small businesses, helping the economy grow at both a community and national level. Forum members hold **$86 billion in small business loans**.





- For example, we provide $86 billion in business loans less than $1 million, representing one-quarter of all such loans to small businesses

- We also provide $54 billion in business loans less than $100,000, representing a third of all such loans to small businesses

Sources: Federal Reserve data, Assets and Liabilities of Commercial Banks in the United States – H.8, available at https://www.federalreserve.gov/releases/h8/default.htm; FR Y-9C data, available at https://www.ffiec.gov/nicpubweb/nicweb/HCSGreaterThan10B.aspx

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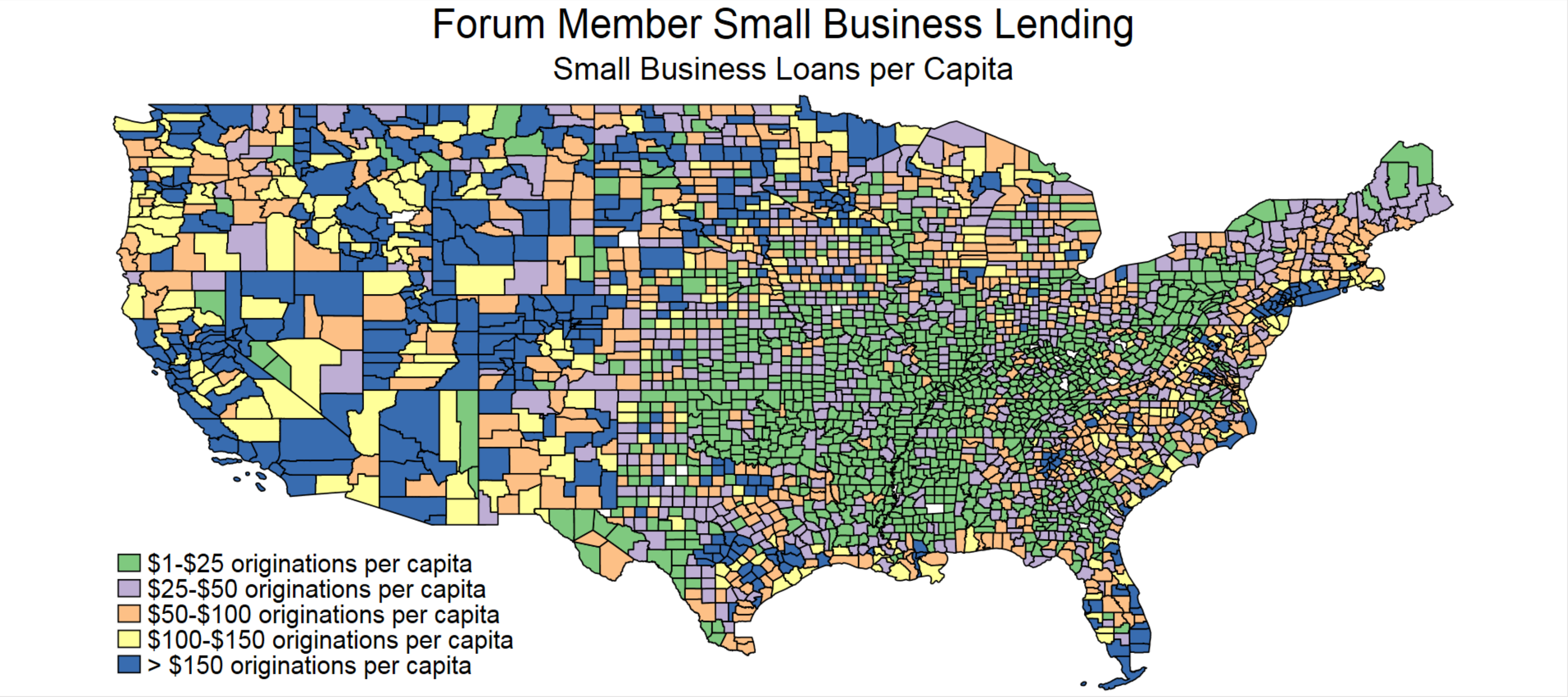
Forum members lend to small businesses across the United States

Forum member small business lending supports entrepreneurship across the nation and in a wide array of communities.

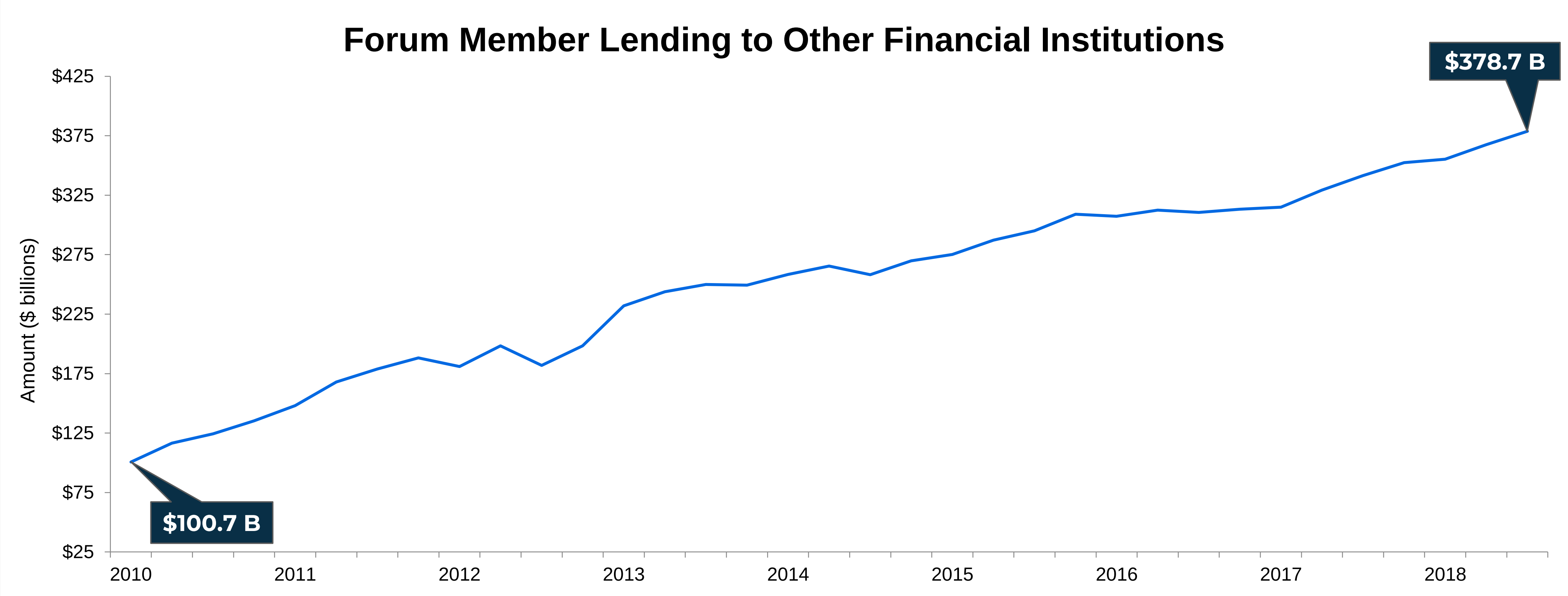


- These data reflect originations of small business loans from 2010-2017 by Forum members
- Small business lending is spread throughout the United States and areas with the highest percentage of small business lending per capita represent a diversity of geographic regions

Sources: FFIEC Community Reinvestment Act, available at https://www.ffiec.gov/cra/default.htm, U.S. Census Bureau County Population Totals, available at https://www.census.gov/data/datasets/2017/demo/popest/counties-total.html

Lending to Other Financial Institutions

We meet three-quarters of the funding needs of other financial institutions. Lending to financial institutions supports the needs of community banks, insurance companies, and mortgage finance companies, which provide important services to businesses and households.

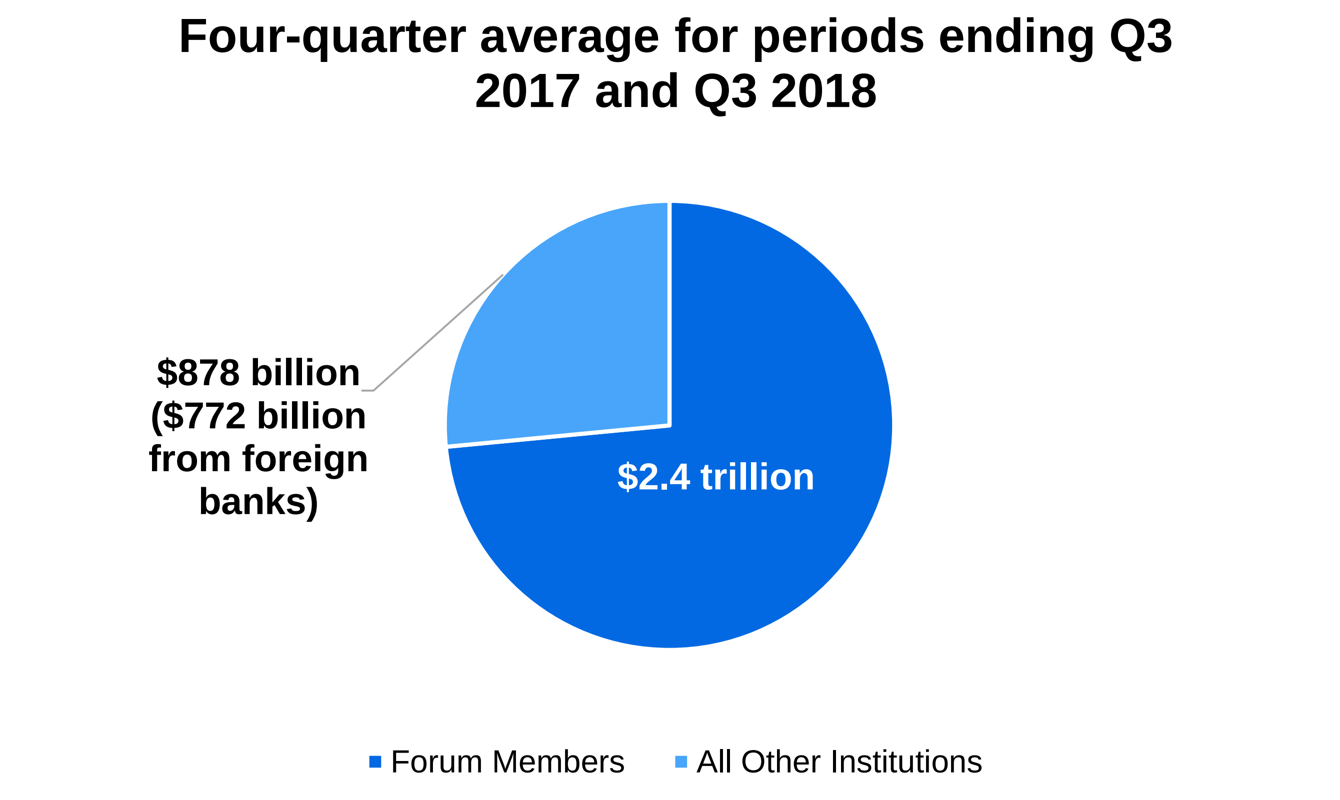


Sources: Federal Reserve data, Assets and Liabilities of Commercial Banks in the United States – H.8, available at https://www.federalreserve.gov/releases/h8/default.htm; FR Y-9C data, available at https://www.ffiec.gov/nicpubweb/nicweb/HCSGreaterThan10B.aspx

Supporting Deep and Liquid Capital Markets

Total Debt and Equity Underwriting Activity

Our members underwrite nearly three-quarters of debt and equity transactions—such as initial public offerings—among large institutions in the U.S., providing a critical service that other U.S. institutions cannot offer on a similar scale.



Our underwriting activities:

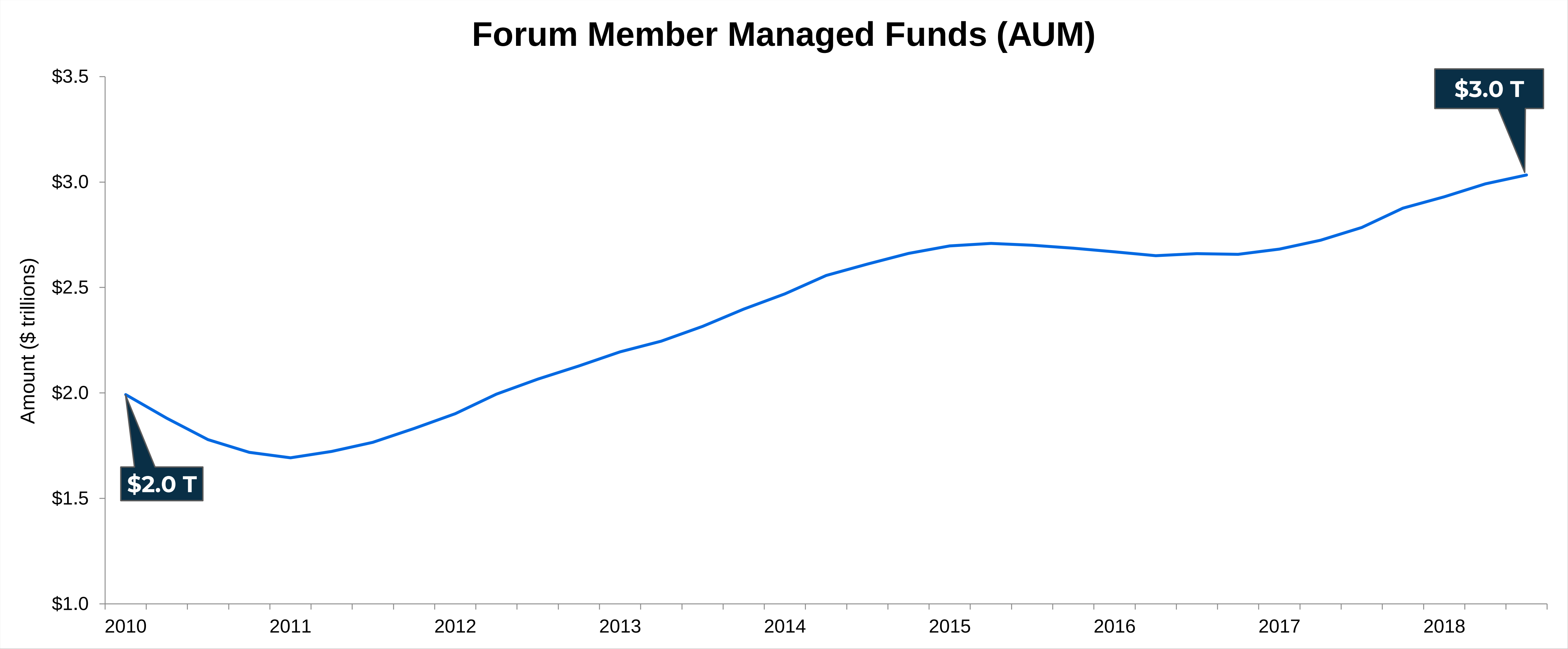
- foster deep and liquid capital markets
- support corporate investment in the real economy

Source: FR Y-15 data, available at https://www.ffiec.gov/nicpubweb/nicweb/HCSGreaterThan10B.aspx

Note: The data cover debt and equity underwriting for all holding companies with total consolidated assets in excess of $50 billion

Managed Funds

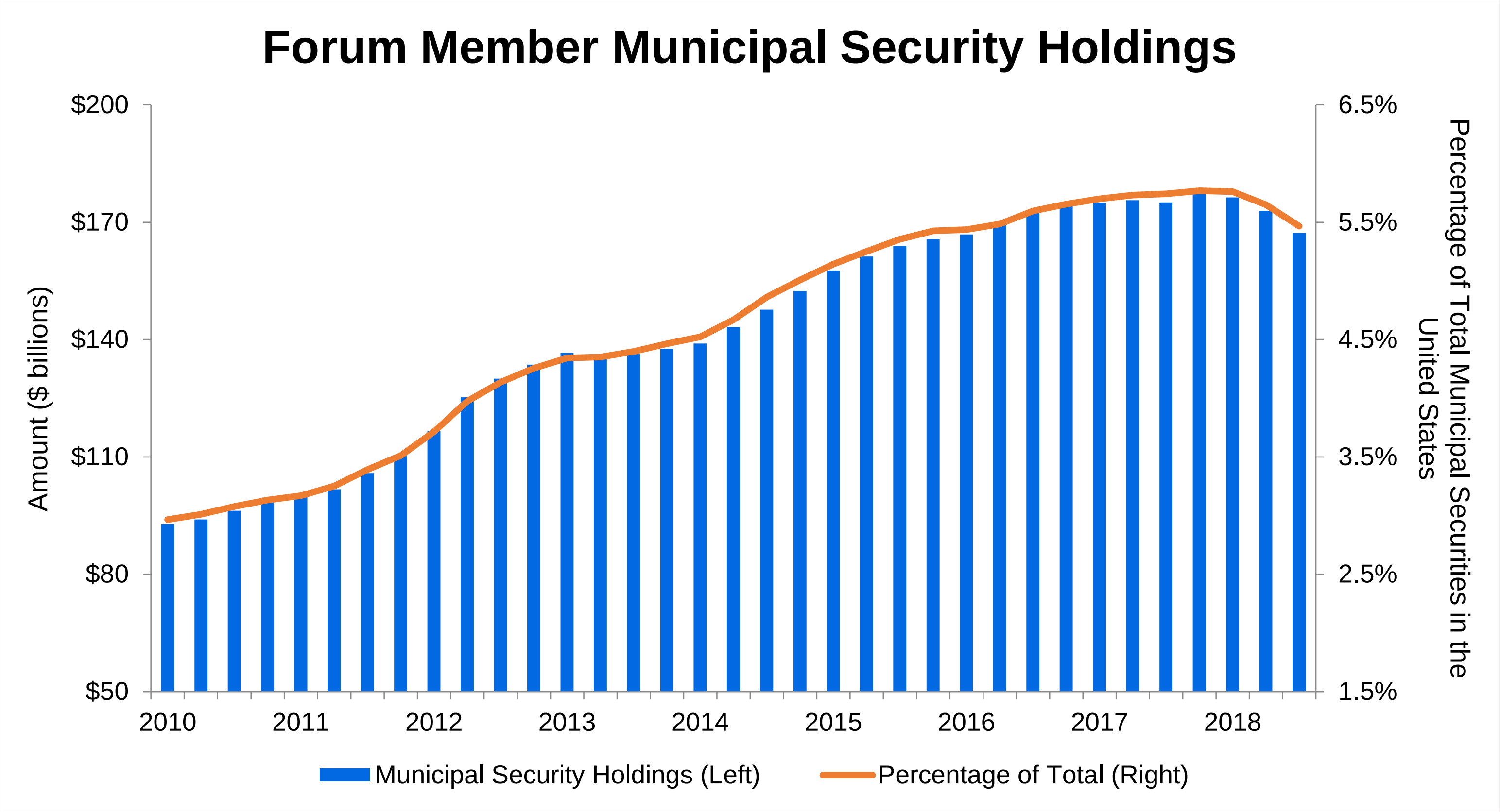
With nearly **$3.1 trillion of assets under management**, we support retirement and other saving needs.



Sources: Federal Reserve data, Assets and Liabilities of Commercial Banks in the United States – H.8, available at https://www.federalreserve.gov/releases/h8/default.htm; FR Y-9C data, available at https://www.ffiec.gov/nicpubweb/nicweb/HCSGreaterThan10B.aspx

Municipal Securities Holdings

With roughly $152 billion in municipal securities holdings, we finance a significant portion of state and local government expenditures, such as hospitals, roads, bridges, and schools.

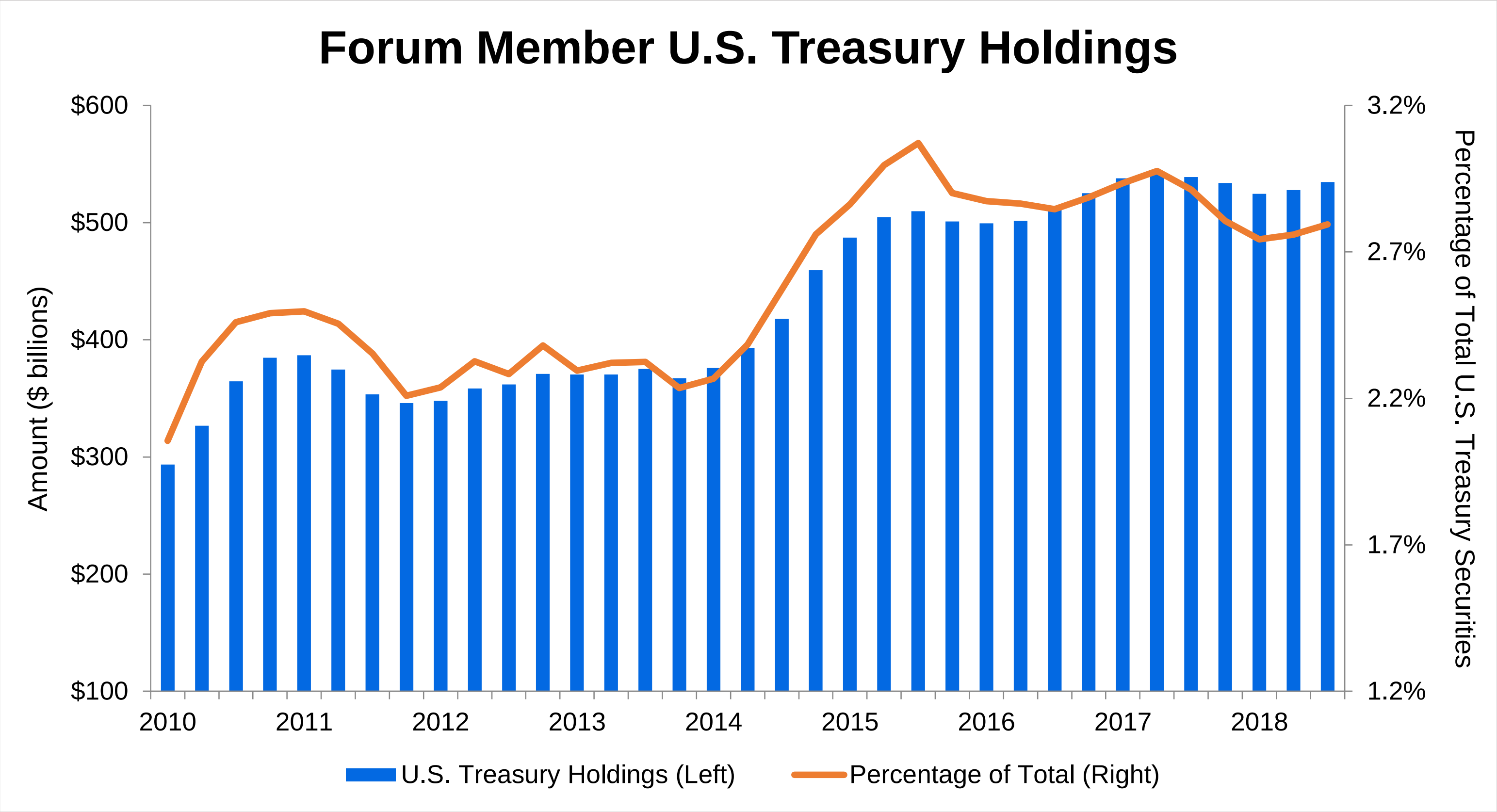


- Our holdings of municipal securities also foster liquid secondary markets, thus improving the ease and cost with which state and local governments can access capital markets and finance public spending and investment

Sources: Federal Reserve data, Assets and Liabilities of Commercial Banks in the United States – H.8, available at https://www.federalreserve.gov/releases/h8/default.htm; FR Y-9C data, available at https://www.ffiec.gov/nicpubweb/nicweb/HCSGreaterThan10B.aspx

U.S. Treasury Securities

With nearly $550 billion in U.S. Treasury securities holdings, we also finance a significant portion of federal government expenditures.



- Our holdings of U.S. Treasury securities also foster liquid secondary markets, thus improving the ease and cost with which the U.S. government can access capital markets and finance public spending and investment

Sources: Federal Reserve data, Financial Accounts of the United States - Z.1, available at https://www.federalreserve.gov/releases/Z1/current/default.htm; FR Y-9C data, available at https://www.ffiec.gov/nicpubweb/nicweb/HCSGreaterThan10B.aspx

Improvements in resiliency, resolvability, and supervision

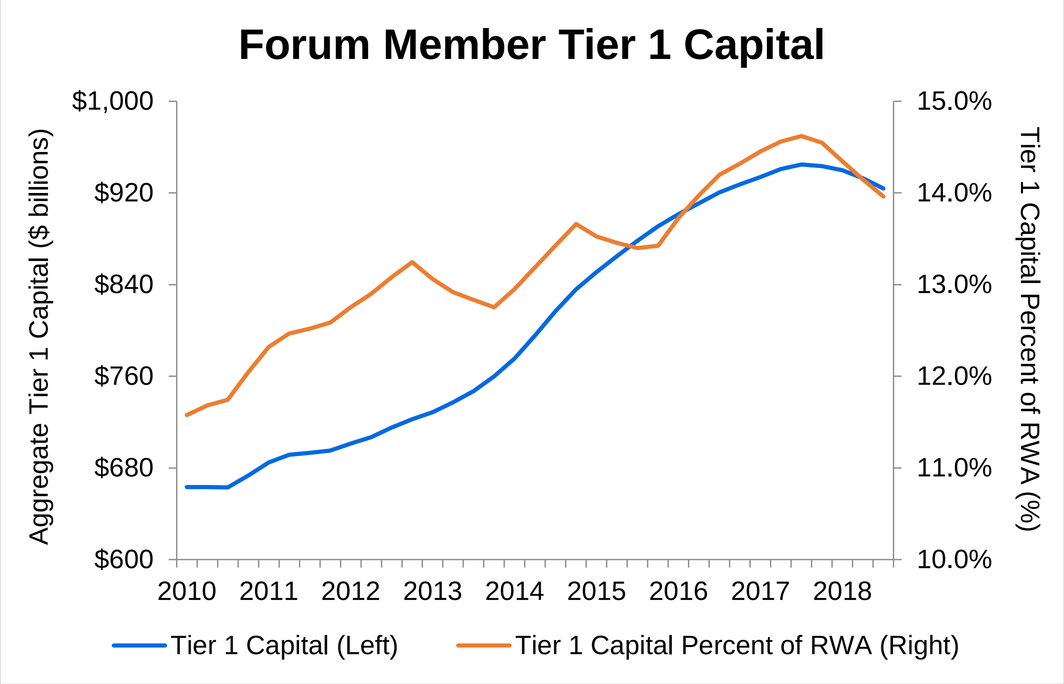
- We have substantially improved our capital and liquidity positions in the past several years

- In addition, a number of regulatory and supervisory changes have led to further improvements in our resiliency and resolvability

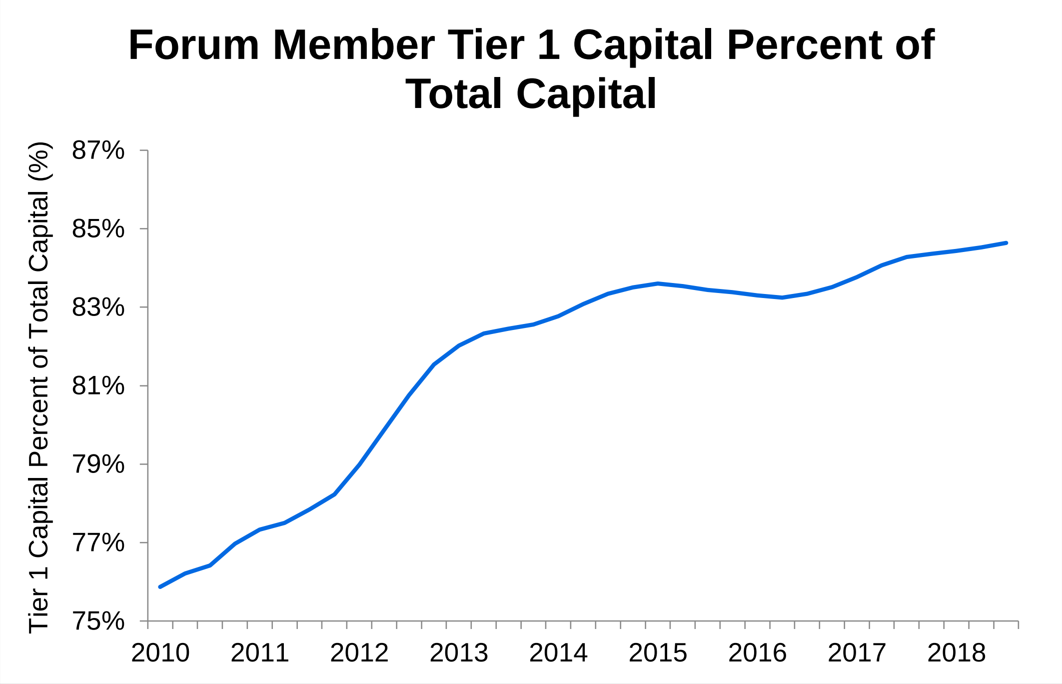
Improvements in Capital and Liquidity

Improvements in Tier 1 Capital and Resiliency

We have significantly enhanced the quality and quantity of our capital over the past nine years. Since 2010, **Tier 1 capital has increased by nearly 40 percent** and has grown as a share of risk-weighted assets and total capital. Our members currently maintain **$920 billion of Tier 1 capital.**



- Both dollar amounts of capital and capital ratios have improved markedly since 2010

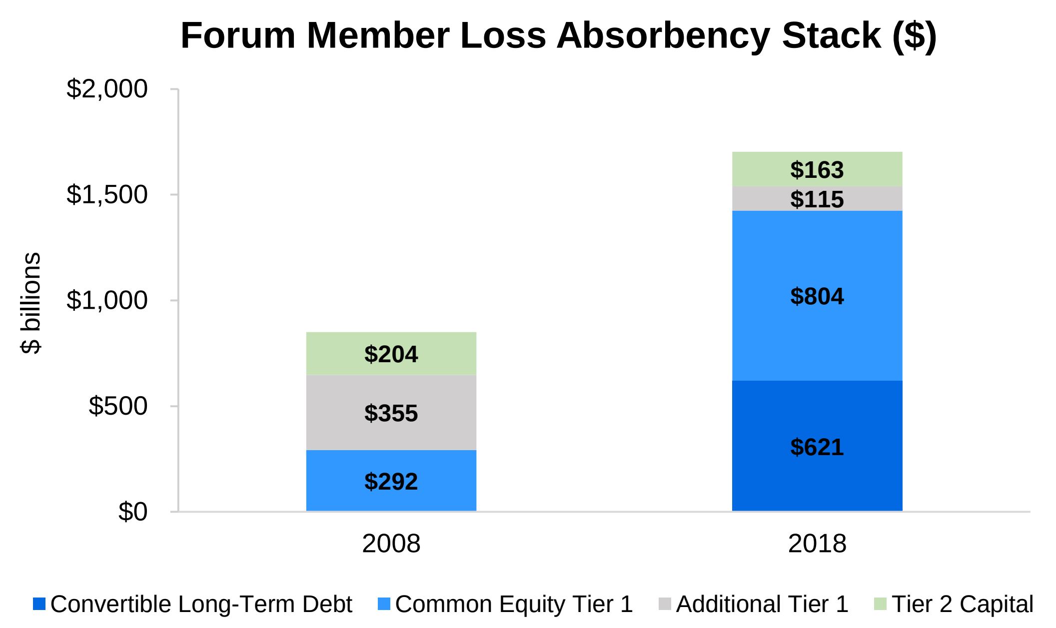


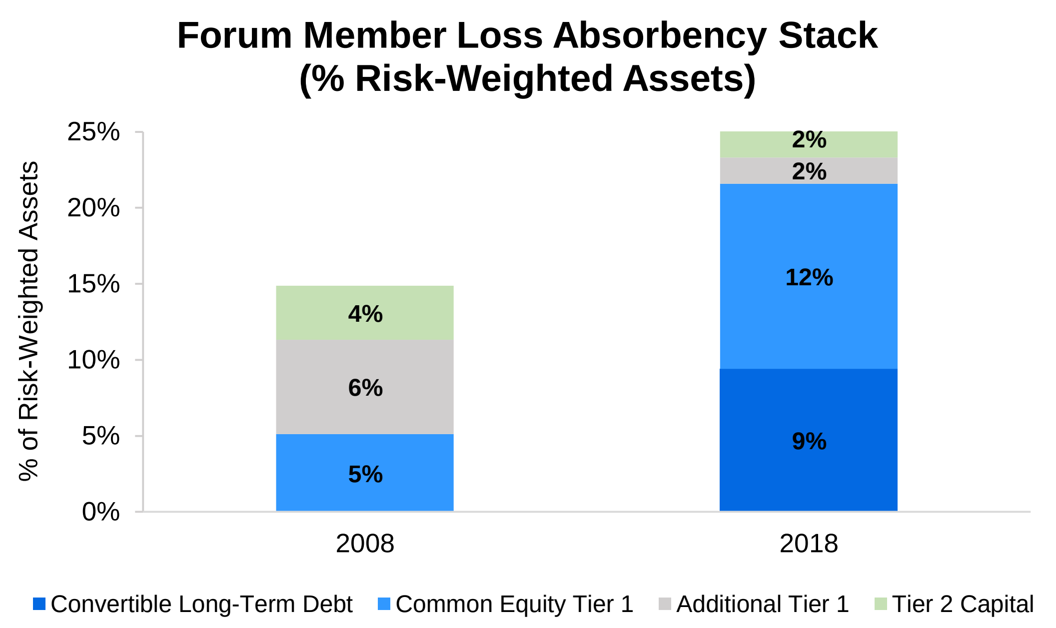
- The share of capital accounted for by high-quality and loss absorbing Tier 1 capital has improved markedly

Source: FR Y-9C data, available at https://www.ffiec.gov/nicpubweb/nicweb/HCSGreaterThan10B.aspx

Forum Member Total Loss Absorbency

Since 2008, **Forum member's total loss absorbency**—measured by convertible long-term debt, Tier 2 capital, common equity Tier 1 and additional Tier 1 capital—**has grown by over $850 billion, a 200 percent increase that substantially improves Forum members' ability to withstand losses.**





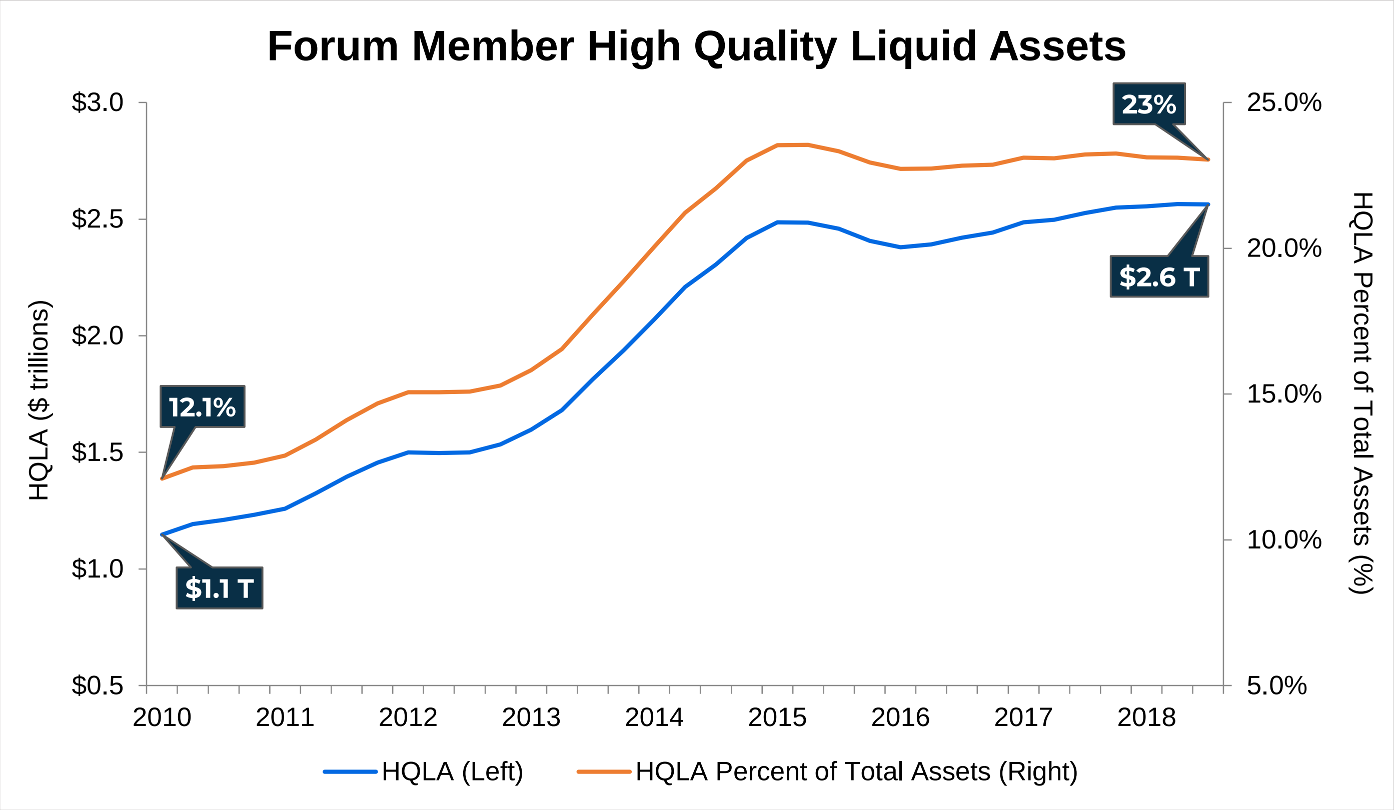
- Common equity Tier 1, the most loss absorbing form of capital, has grown more than $515 billion since 2008, and has increased as a percent of total Tier 1 capital, from 45 percent to 87 percent.

- Estimated convertible long-term debt, debt that may be converted into equity to absorb losses, will be required and in place by January 1, 2019.

Sources: FR Y-9C data, available at https://www.ffiec.gov/nicpubweb/nicweb/HCSGreaterThan10B.aspx; Federal Reserve Board "The Supervisory Capital Assessment Program: Overview of Results, available at https://www.federalreserve.gov/newsevents/files/bcreg20090507a1.pdf

Improvements to Liquidity Profile

We have also greatly increased our liquidity profiles and now hold **more than $2.5 trillion in high-quality liquid assets** (HQLA). Since 2010, HQLA has doubled.



- Increased liquidity complements increased capital and improves resiliency to adverse shocks
- We have substantially increased HQLA, both in dollar amount and relative to total assets

Source: FR Y-9C data, available at https://www.ffiec.gov/nicpubweb/nicweb/HCSGreaterThan10B.aspx

Note: HQLA is reported according to Basel III at the Bank Holding Company level

Improvements in Regulation and Supervision

Additional Regulatory and Supervisory Developments

In conjunction with significantly higher levels of capital and liquidity, several post-crisis regulatory and supervisory reforms have greatly increased the resiliency of the U.S. financial system.

1	**Enhanced Supervision**	**Increased supervision at member institutions further promotes safety and soundness**
2	**Title II – OLA**	**A new legal and structural framework for resolving large banks lowers the cost of resolving a member institution**
3	**Living Wills**	**Members have undertaken an extensive review and planning process designed to improve their resolvability under bankruptcy**
4	**Total Loss-Absorbing Capacity and Long-Term Debt Requirements**	**New requirements to issue long-term debt and equity support the Title II resolution process**
5	**Derivative Reforms**	**Mandates for central clearing, margin, and recognition of stays reduce systemic risks from derivatives**