



INVESTOR  
DAY | 2022

# COMMERCIAL BANKING

FIRM OVERVIEW

GLOBAL TECHNOLOGY

CONSUMER & COMMUNITY BANKING

INTERNATIONAL CONSUMER GROWTH INITIATIVES

CORPORATE & INVESTMENT BANK

► COMMERCIAL BANKING

ASSET & WEALTH MANAGEMENT

JPMORGAN CHASE & Co.

# Commercial Banking – executing a proven strategy

---



**Putting clients & communities at the center of everything we do**

- Coverage **strategically aligned** to best serve our clients
- **Local delivery** and decision-making, with **deep sector expertise**



**Investing to capture tremendous market opportunity**

- Adding **talented bankers** focused on adding great clients with deep relationships
- **Expanding industry focus** to drive client value



**Strengthening our business foundation**

- Enhancing **client experience** through innovation and process optimization
- Enabling our teams with **extensive training, data and tools**



**Innovating to extend our competitive advantage**

- Designing **simple, digital solutions** to deliver more value for clients
- Innovating to **add new client solutions** and **incremental revenue streams**



**Maintaining fortress principles**

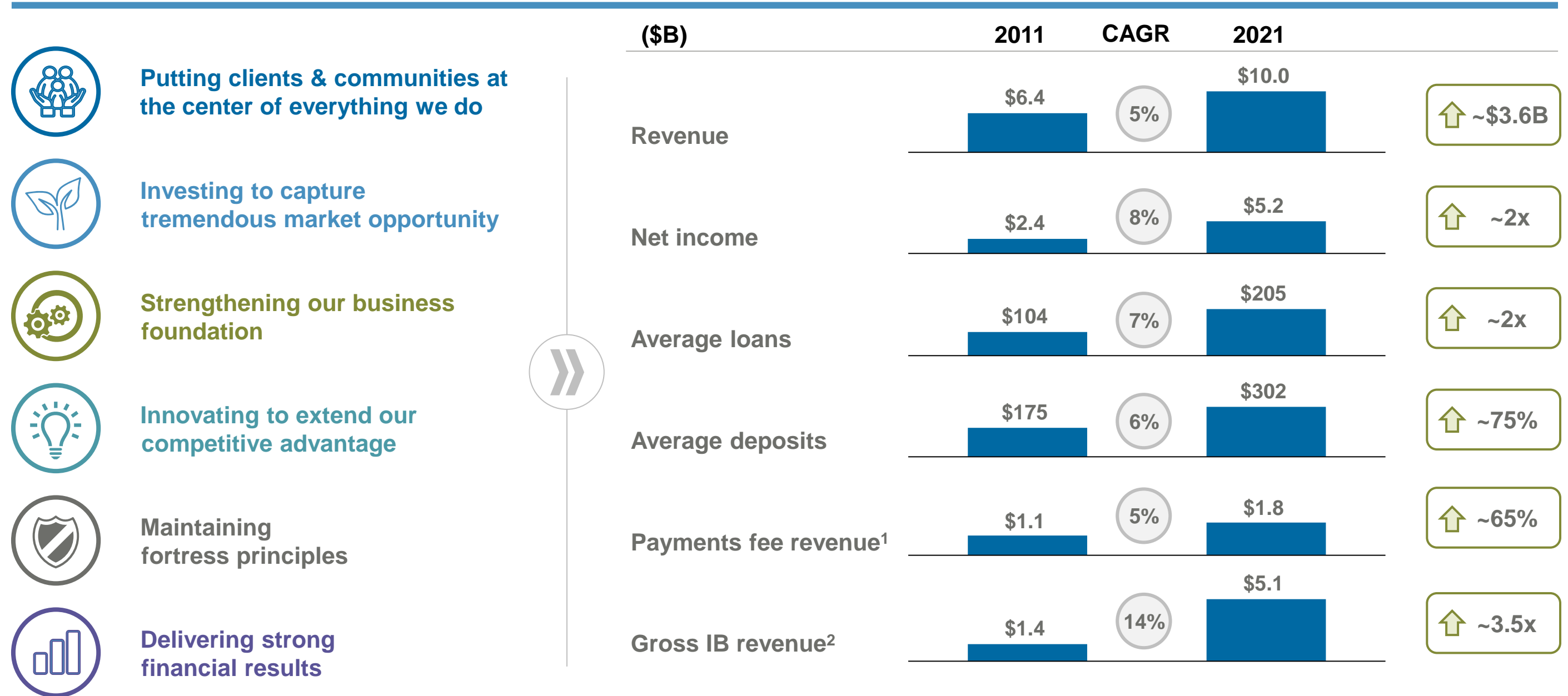
- **Rigorous client selection** with a long-term, **through-the-cycle orientation**
- **Strong credit and control culture** with 2021 **NCOs of 4bps**



**Delivering strong financial results**

- **High quality**, resilient, **diversified earnings**
- Strong returns with **21% ROE** in 2021, while **investing for the long term**

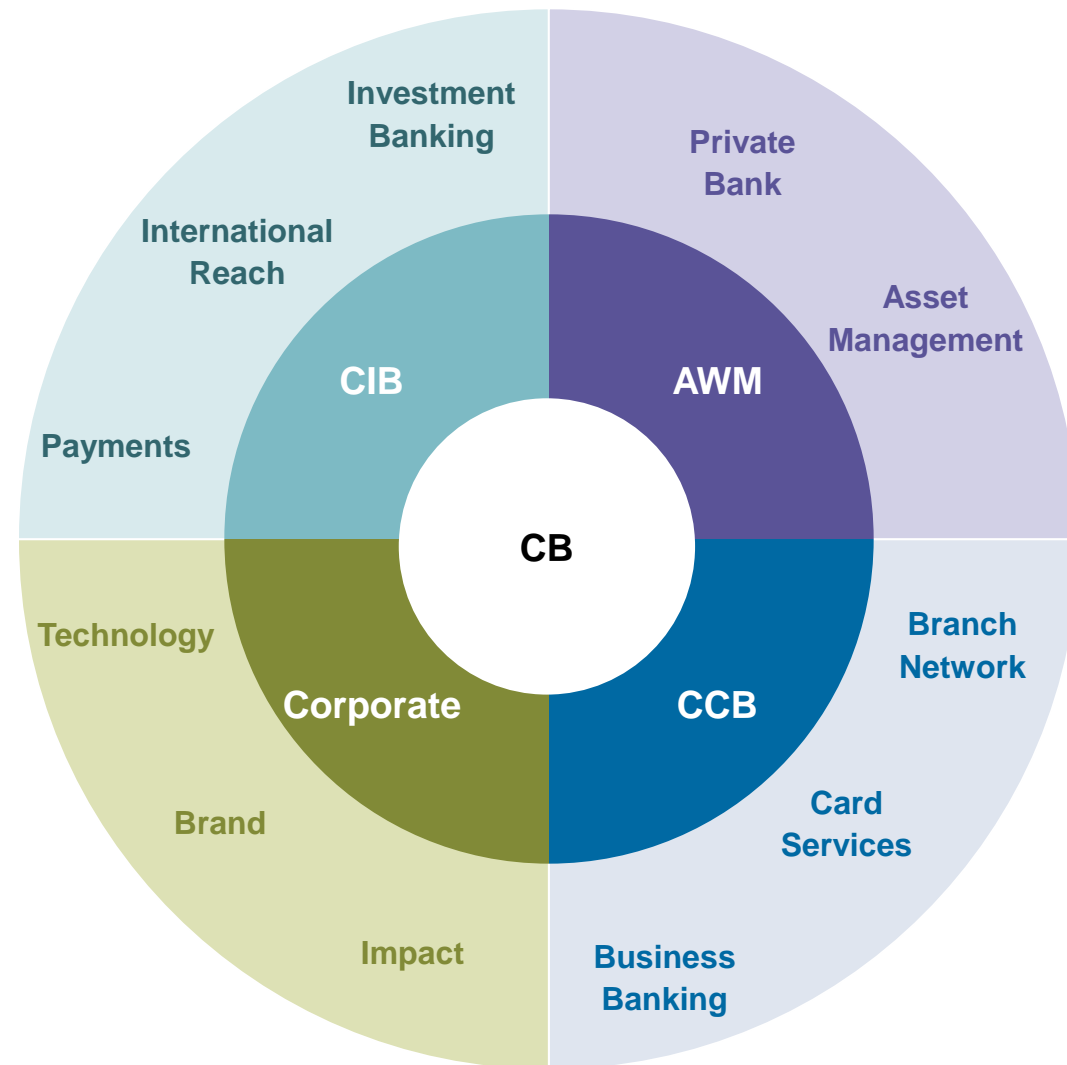
# Long-term, through-the-cycle performance



<sup>1</sup> Represents product revenue excluding deposit net interest income

<sup>2</sup> Represents total JPMorgan Chase revenue from investment banking products provided to CB clients

# JPMorgan Chase platform drives competitive advantage and unmatched value to clients



## Scale advantage as part of JPMorgan Chase

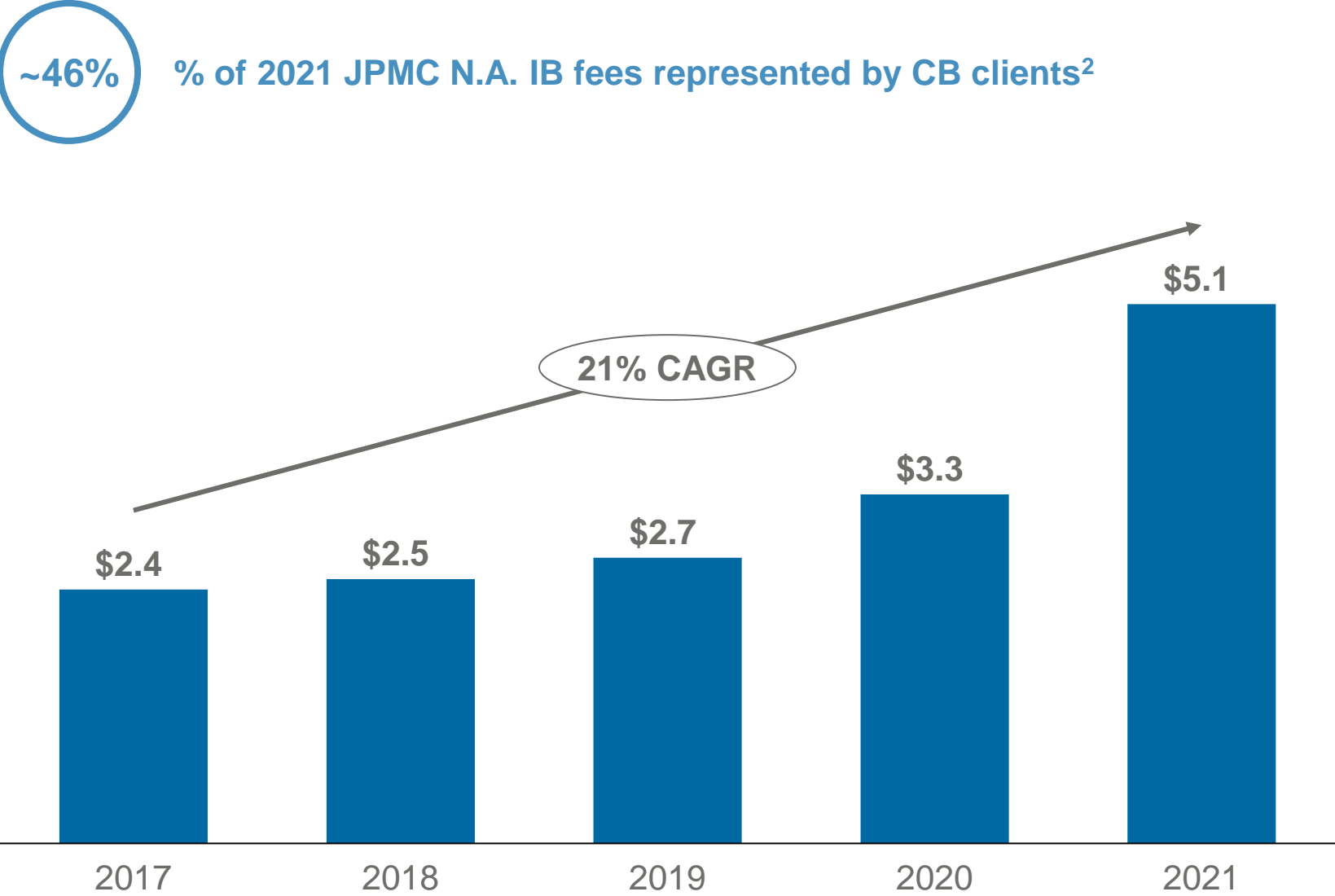
- Global footprint with **local coverage and expertise**
- **Investment capacity** to drive long-term growth and innovation
- **Community** presence and impact
- Strong, **global brand recognition** bringing the best talent
- **Robust technology infrastructure**
- Firmwide utilities provide significant **scale** and **cost benefit**

## Firmwide partnerships deliver unmatched client value

- **CCB**: Extensive **branch network** and **small business** client base
- **PB**: CB bankers **partnering locally** creating powerful client impact
- **AM**: Providing pension services and liquidity solutions to CB clients
- **CIB**: The best **investment bank**, with \$5B revenue from CB clients<sup>1</sup>
- **Broad-based payments** platform across consumer and wholesale

# Delivering the #1 investment bank to CB clients

## Commercial Banking gross investment banking revenue<sup>1</sup> (\$B)



### Targeting key growth areas



Middle Market



Private Capital



International



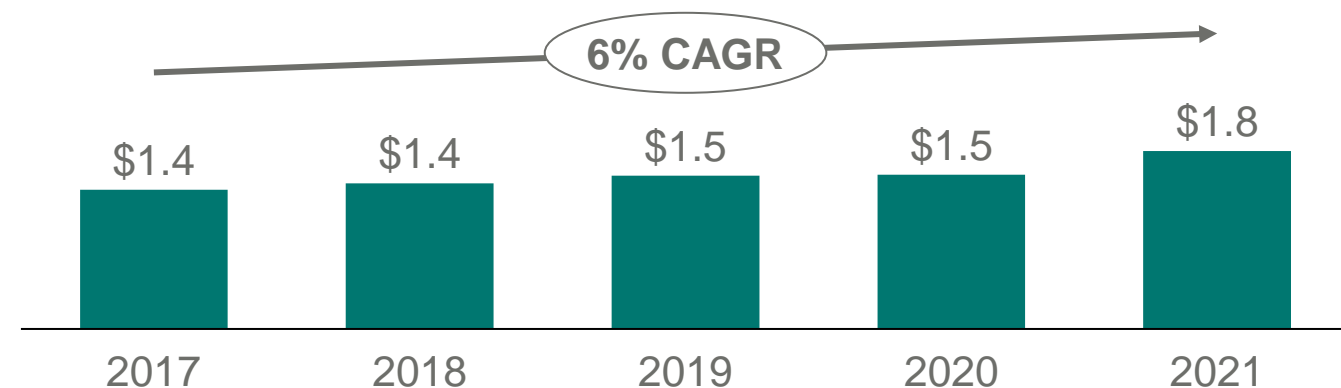
Green Economy

- Adding to **dedicated CB coverage teams**
- Growing **specialized industry and regional IB coverage**
- Expanding **Sponsor M&A group** with dedicated team focused on middle market companies

<sup>1</sup> Represents JPMorgan Chase revenue from investment banking and markets products provided to CB clients  
<sup>2</sup> FY21; represents N.A. deal fees for, DCM, ECM, M&A, and SLF, excluding fees from markets products which are included in Commercial Banking gross investment banking revenue

# Comprehensive payments solutions drive deep relationships and core operating deposits

## CB payments fee revenue<sup>1</sup> (\$B)



**Unmatched capabilities** across J.P. Morgan Payments, card, merchant and digital



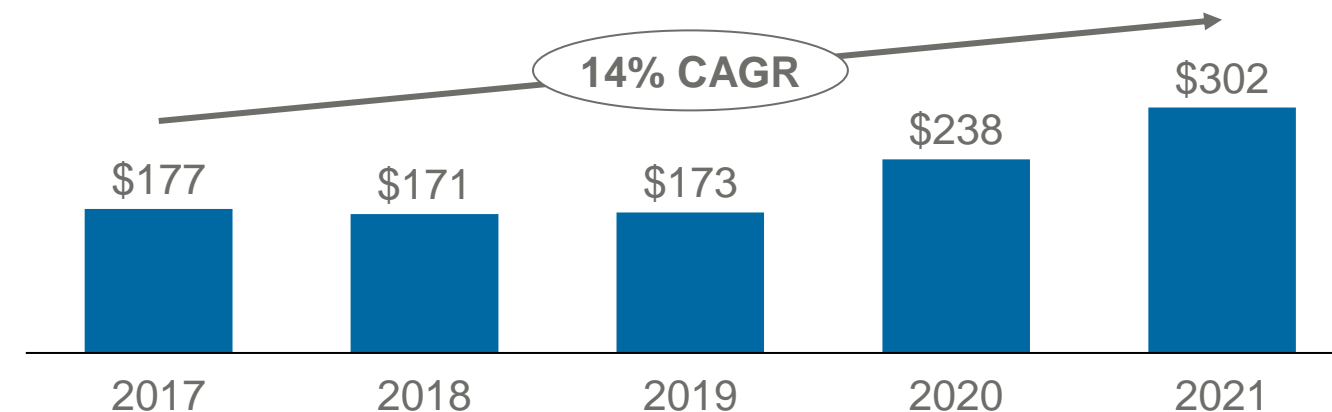
**Integrated solutions** providing simple delivery of payment functionality



**Enhanced digital capabilities** increasing connectivity and improved experience

**Strong momentum in 2022 –  
1Q22 Payments revenue up 19% YoY**

## Average CB deposit balances (\$B)



Deposit growth driven by **elevated market liquidity** and **expansion of CB global client franchise**



**~5,000 new deposit clients** with **\$23B in balances** representing **18% of deposit growth<sup>2</sup>**



**Deposit betas managed dynamically** through-the-cycle for each LOB segment

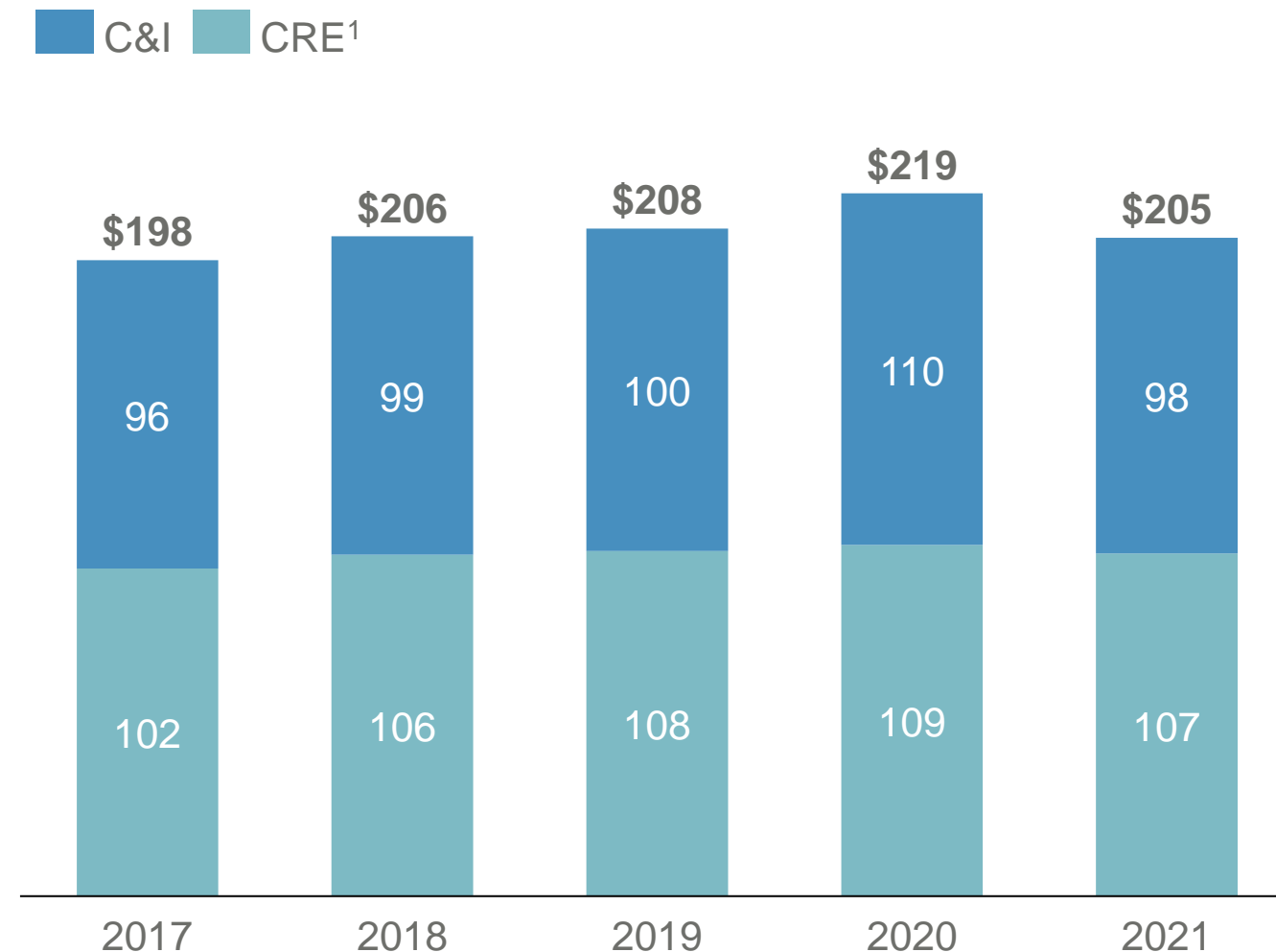
**Significant revenue upside from rising market rates**

<sup>1</sup> Represents product revenue excluding deposit net interest income

<sup>2</sup> Measured as new clients based on deposit balances only from FY19 to FY21; excludes CTL

# Diversified loan portfolio

## Average loans by client segment (\$B)



1Q22 loan growth up 5% YoY (excluding PPP)

### C&I

- **2020 loan** growth driven by **PPP** and **pandemic**
- **Strong growth in 1Q22**, on loan originations and higher revolver utilization
- **Competition remains elevated**, particularly from non-bank lenders

### CRE

- **Low client demand** and **defensive** stance to the pandemic led to **decline in average loans**
- **Strong pipeline across CRE**
- **Expected growth in multifamily** loans given positive market fundamentals (e.g., positive rent growth, lower vacancy rates) driven by strong demand
- Demand for **refinancing will be rate dependent**

# Maintaining risk discipline – C&I

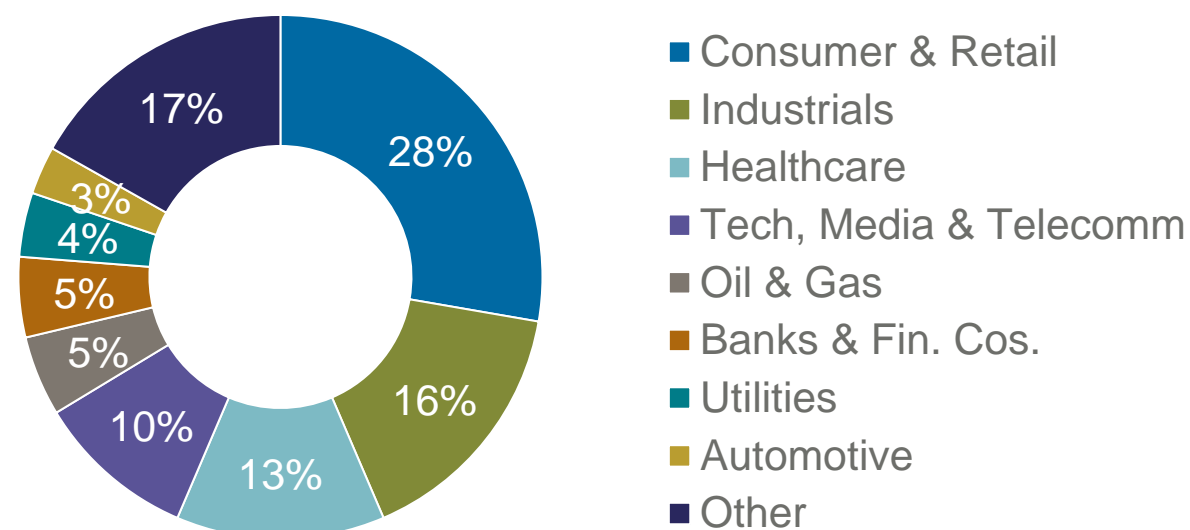
## Portfolio summary

- Credit quality of the portfolio remains strong
- Diversified across industries and regions
- Dedicated underwriters for targeted industries
- 87% of non-investment grade exposure is secured<sup>1</sup>

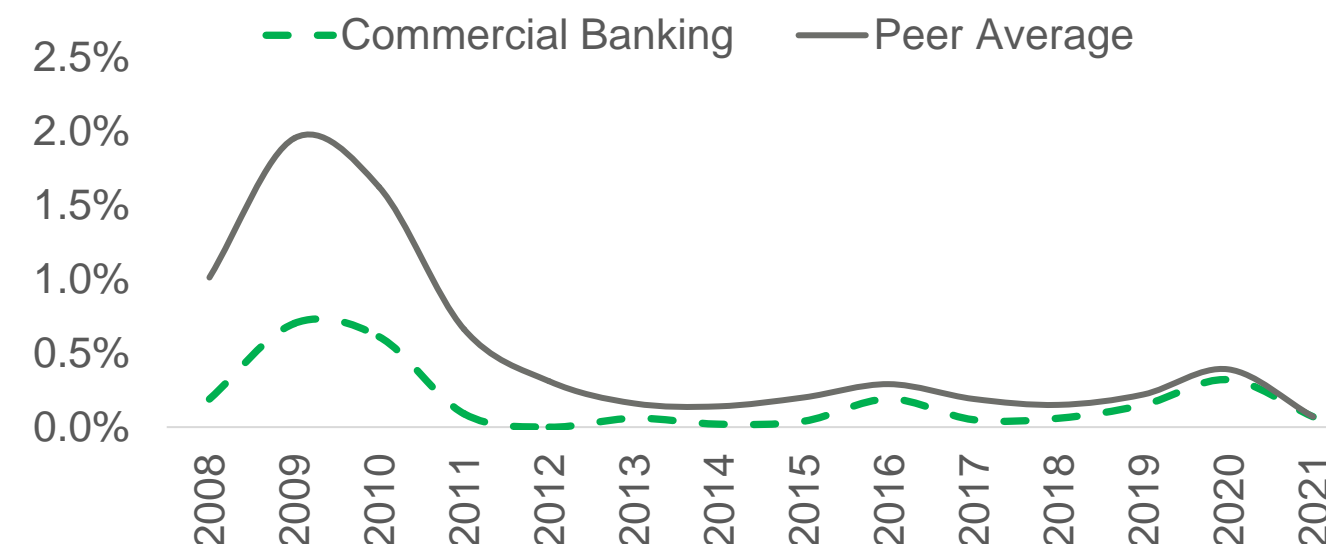
## Market commentary

- Monitoring impact of geopolitical tensions, inflation, supply chain, tight labor markets and interest rates
- Closely watching potentially vulnerable sectors for stress
- Maintaining our strong risk focus and underwriting discipline while pursuing growth across the portfolio

## C&I portfolio by industry<sup>2</sup>



## C&I net charge-off rate (%)<sup>3</sup>



Note: Metrics in charts are as of Dec. 31, 2021, all other metrics are as of March 31, 2022 unless otherwise noted

<sup>1</sup> The Firm considers internal ratings equivalent to BB+/Ba1 or lower as non-investment grade

<sup>2</sup> Portfolios based on sub-LOB are not regulatory definitions; totals may not sum due to rounding

<sup>3</sup> Peer average based on CB-equivalent CRE segments or wholesale portfolios at BAC, CMA, FITB, KEY, PNC, USB, WFC, which may not fully align with CB segmentation

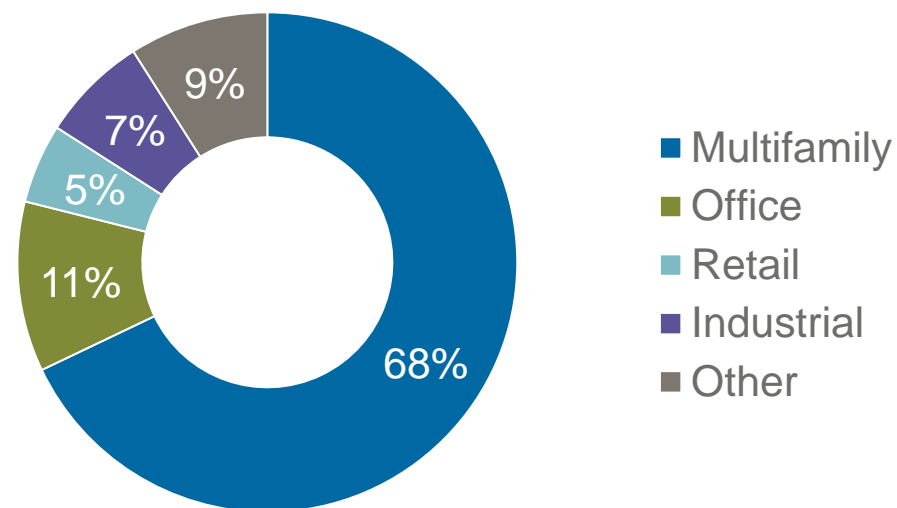


# Maintaining risk discipline – CRE

## Portfolio summary

- Strong credit performance, with NCOs of 2bps YTD
- ~72% of loans in Commercial Term Lending; avg. loan size ~\$2mm
  - New originations remain high quality
  - LTV ratio of ~52%, DSC ratio of 1.56x<sup>1</sup>
- Focused on top-tier clients and lower-volatility asset classes
- <1% of loans in hospitality, homebuilders, condos and land

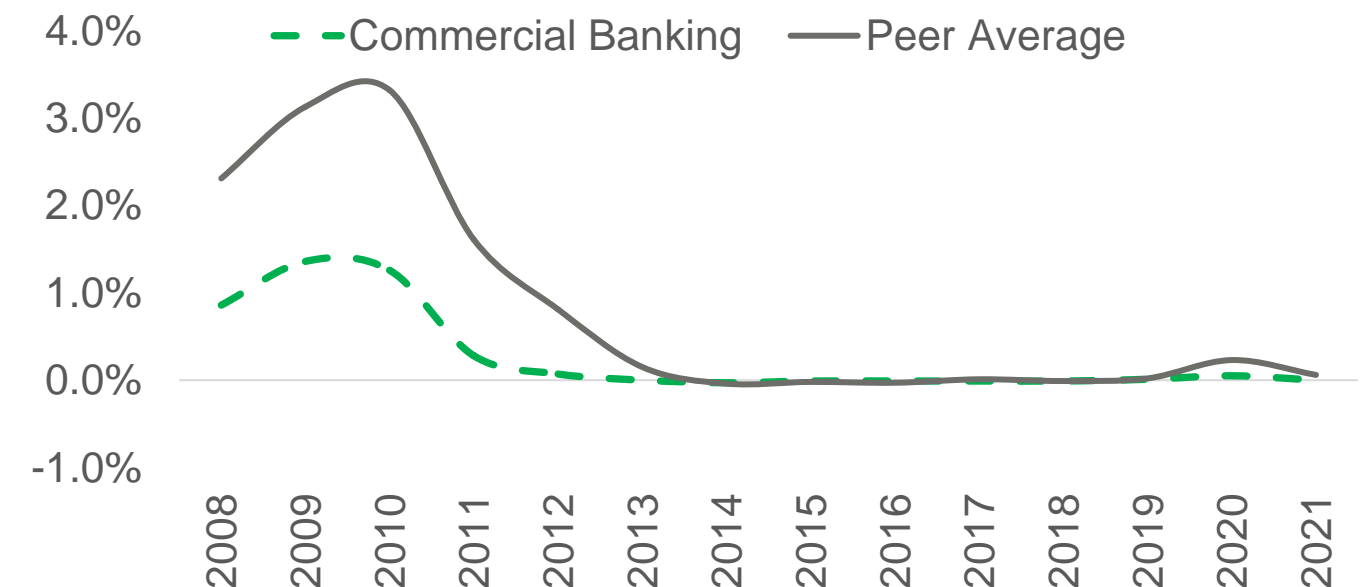
## CRE portfolio by asset class<sup>2</sup>



## Market commentary

- Continue to limit exposure to riskier asset classes
- Monitoring assets in urban dense markets, particularly office and office dependent retail
- Multifamily remains strong with favorable supply/demand dynamics in our focus markets supported by housing affordability dynamics
- Majority of clients have fixed or hybrid rate structures which help mitigate the impacts of a rapid rise in rates

## CRE net charge-offs (%)<sup>3</sup>



Note: Metrics in charts are as of Dec. 31, 2021, all other metrics are as of March 31, 2022 unless otherwise noted

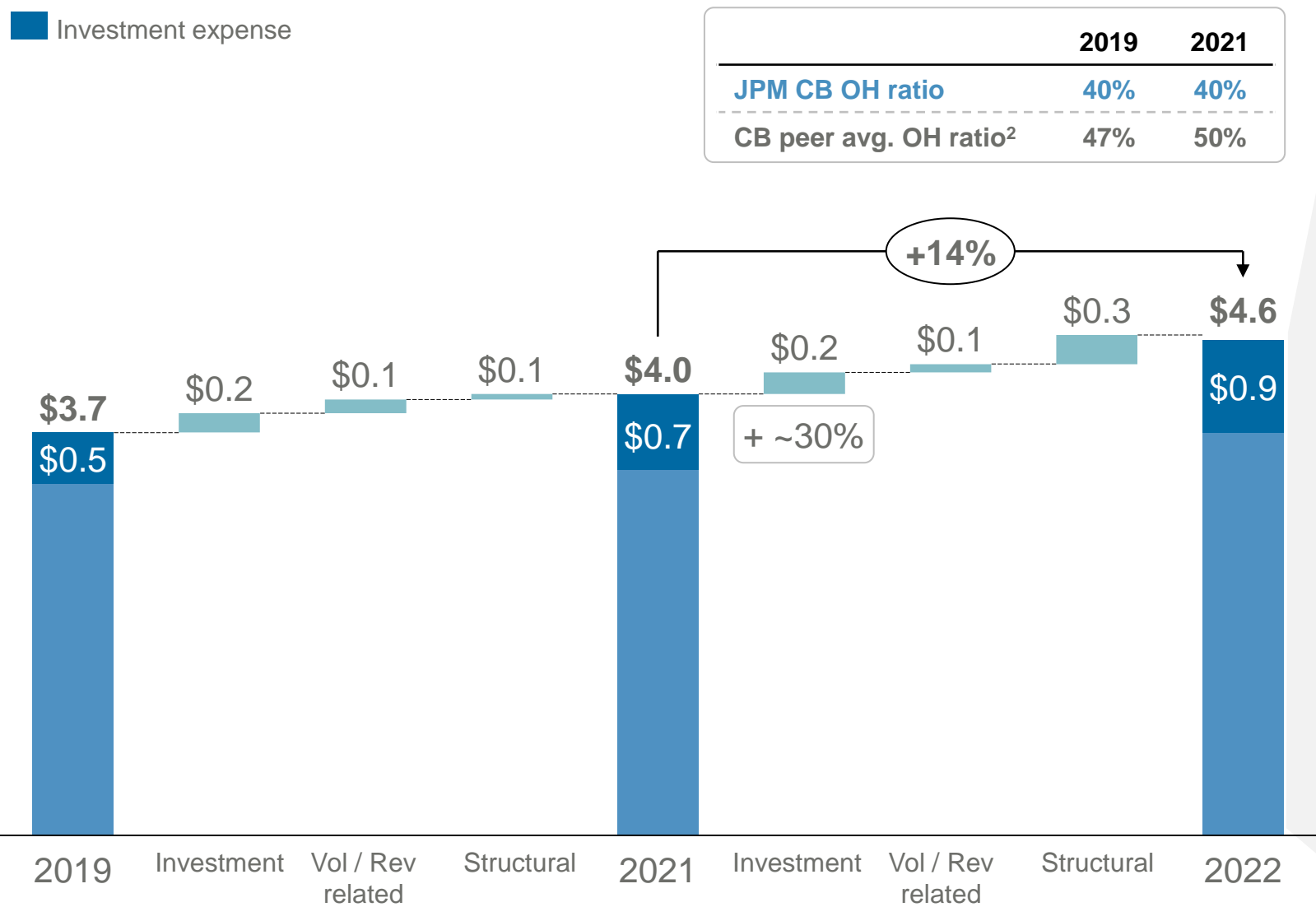
<sup>1</sup> Loan to value (LTV) and debt service coverage (DSC) are weighted average calculations of new origination in CTL YTD

<sup>2</sup> Portfolios based on sub-LOB are not regulatory definitions; totals may not sum due to rounding

<sup>3</sup> Peer average based on CB-equivalent CRE segments or wholesale portfolios at BAC, CMA, FITB, KEY, PNC, USB, WFC, which may not fully align with CB segmentation

# Significant investment in the franchise while maintaining strong expense discipline

## CB adjusted expense (\$B)<sup>1</sup>



### Investments:

Banker hiring

1

Client coverage

### Investments:

Technology,  
product, data &  
analytics

2

Sales enablement

3

Data-driven business

4

Client solutions

5

Client experience

### Volume- / revenue-related

- Performance-driven comp
- Growth-driven middle office

### Structural

- Front office (2+ year tenure)
- Payments
- Middle/back office
- Technology (Run the bank)
- Support functions (e.g., risk)

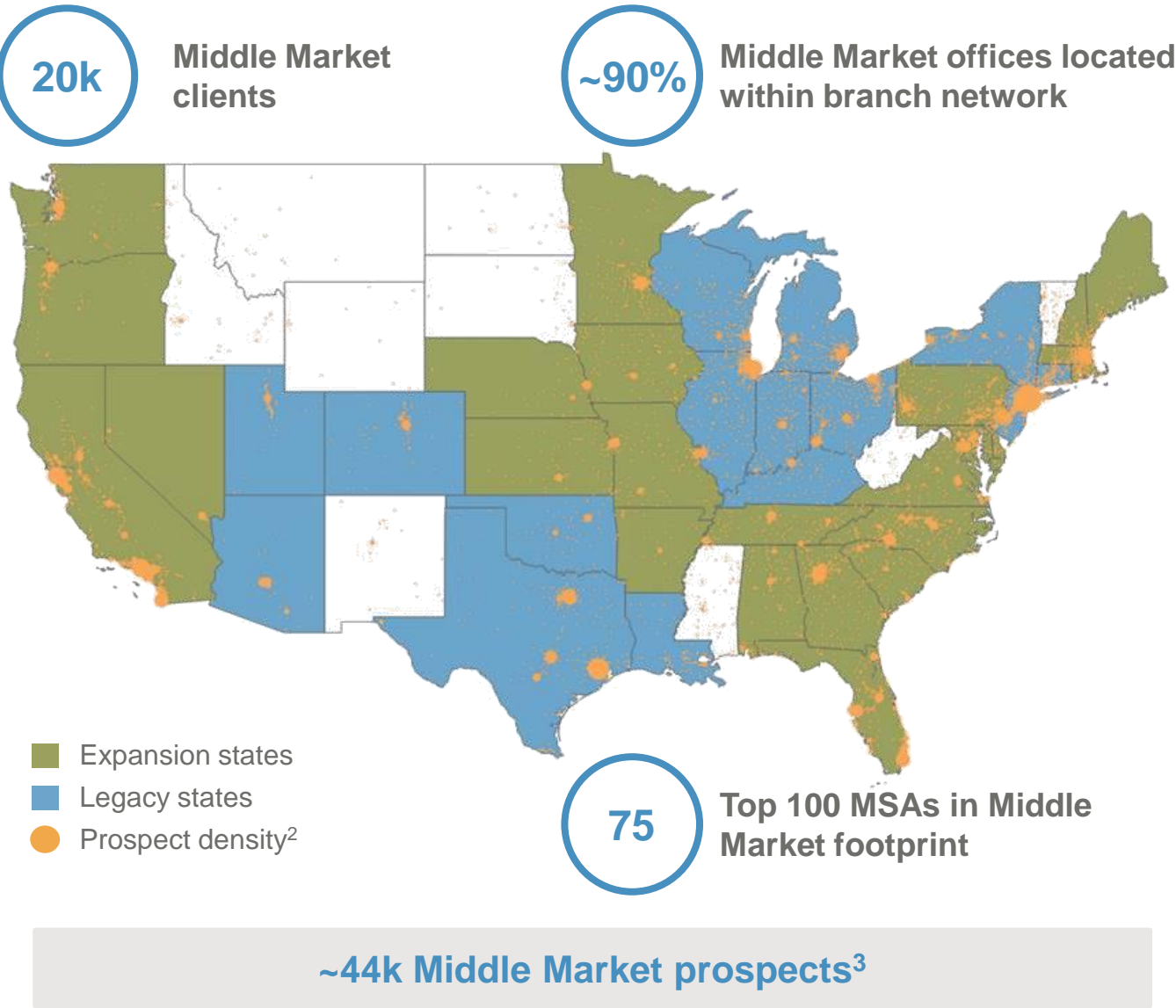
Note: Numbers may not sum due to rounding  
<sup>1</sup> Adjusted expense excludes CB legal expense and is a non-GAAP financial measure. Management believes this information helps investors understand the effect of certain items on reported results and provides an alternate presentation of the Firm's performance  
<sup>2</sup> Peer group consists of: Bank of America, Fifth Third, KeyCorp, PNC, Truist, US Bancorp, Wells Fargo

# Focused, strategic investments to capture organic growth and deepen client relationships

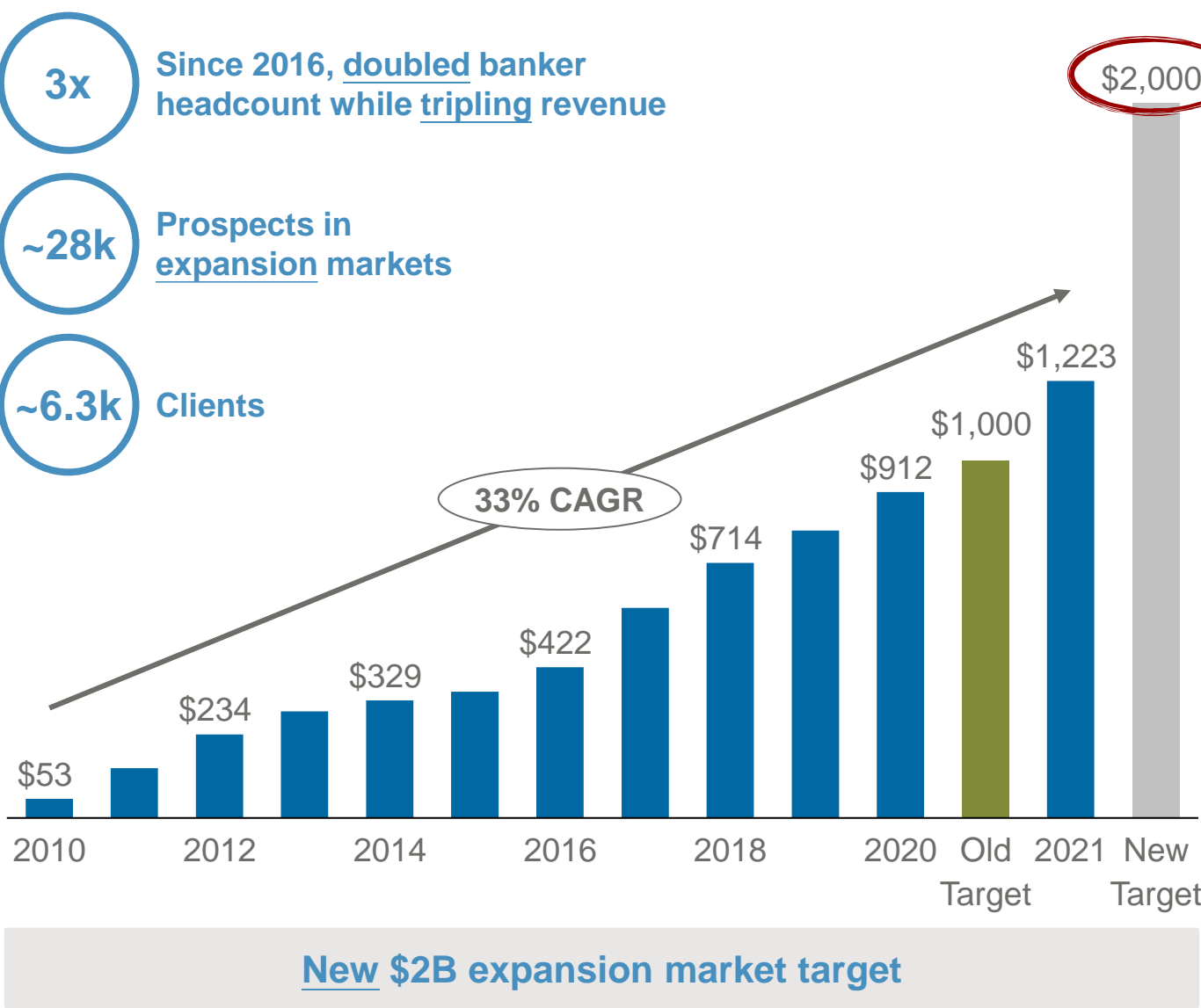


# Organic expansion in Middle Market Banking

## National Middle Market coverage



## Expansion market revenue growth (\$mm)<sup>1</sup>



<sup>1</sup> Prior year revenue figures have been revised to conform to current presentation  
<sup>2</sup> Circles indicate number of prospects in a given city  
<sup>3</sup> Includes Canadian presence

# Replicating our proven strategy internationally

Market opportunity

\$5T cumulative foreign direct investment in the U.S.<sup>1</sup>

\$148T annual wholesale cross-border payments value<sup>2</sup>

\$780B annual wholesale payments revenue outside of N.A.<sup>3</sup>

## Competing from a position of strength



### Client focus

Targeting non-U.S. headquartered, global companies with cross-border needs



### JPMC platform and capabilities

Well-established Private Bank and CIB coverage in our target markets



### Differentiated value

Comprehensive investment banking, wholesale payments, FX, trade and liquidity capabilities



### Long-term, patient and disciplined

Building for long-term franchise value, focusing on strong client selection

## International expansion coverage<sup>4</sup>

EUROPE



12 Countries

59 Bankers

~1,000 Prospects

APAC



6 Countries

46 Bankers

~1,000 Prospects

AMERICAS



2 Countries

12 Bankers

~100 Prospects

GLOBAL



20 Countries

117 Bankers

2,000+ Prospects

<sup>1</sup> Bureau of Economic Analysis, 2021 publication data of 2020  
<sup>2</sup> EY, How new entrants are redefining cross-border payments, 2021; wholesale defined as C2B, B2C and B2B  
<sup>3</sup> The 2021 McKinsey Global Payments Report, data as of 2020  
<sup>4</sup> Bankers based on total revenue-producing employees as of Feb 2022

# Specialized industries model drives superior client value and risk management



















✓ Prudent industry and client selection

✓ Sector-specific advice and content to support clients

✓ Industry-tailored client solutions

✓ Deep industry expertise in underwriting

## 18 focus industries

 Agribusiness	 Apparel	 Life Sciences
 Energy	 Financial Institutions	 Technology & Disruptive Commerce <sup>1</sup>
 Government	 Healthcare	 Beverage
 Heavy Equipment	 Higher Education	 Green Economy
 Media and Entertainment	 Multinational Corporations	 Franchise
 Real Estate <sup>2</sup>	 Technology	 Nonprofit

Innovation Economy

■ **Dedicated bankers** across Life Sciences and Technology & Disruptive Commerce

■ Strong connectivity across the **Venture Capital ecosystem**

~5,000

Prospects

Green Economy *(launched Apr 2021)*

■ **Dedicated sector coverage** to meet the unique needs of companies focused on addressing climate change

■ Focused on **renewable** energy, energy **efficiency**, **sustainable** finance and **agriculture / food** technology

~500

Prospects

14

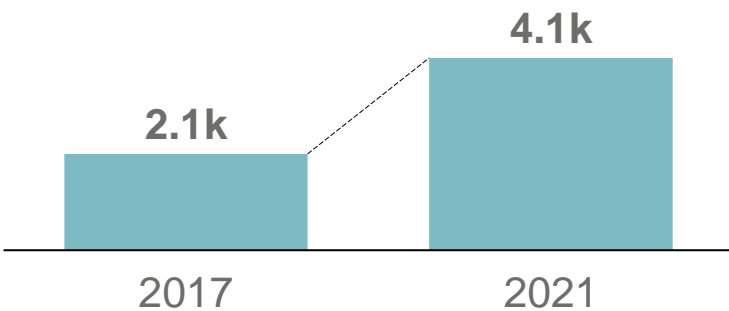
JPMORGAN CHASE & CO.

<sup>1</sup> Technology & Disruptive Commerce group covers MMBSI technology and high-growth consumer companies  
<sup>2</sup> Reflects coverage of CCBSI clients in the Real Estate industry

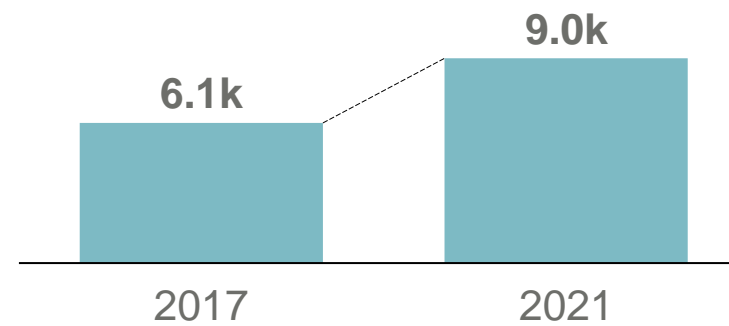
Disciplined, focused Private Equity coverage

Tremendous potential in Middle Market<sup>1</sup>

# U.S. MM M&A deals

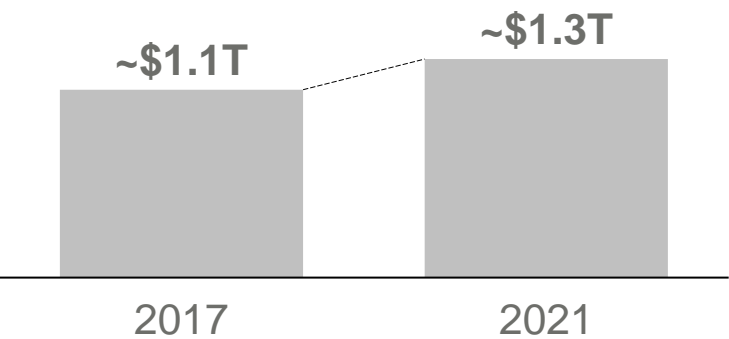


U.S. PE MM company inventory by deal year

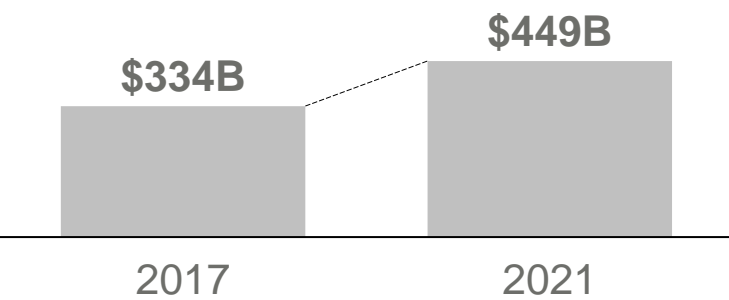


Private Equity industry with record dry powder<sup>1</sup>

Global PE dry powder



U.S. sponsor MM dry powder



Executing a comprehensive strategy

- » **Focused coverage team** for Middle Market financial sponsors
- » **Regional investment banking** coverage for sponsors and portfolio companies
- » Established **sponsor M&A group** with dedicated team on middle market sponsors
- » Adding banking, DCM and markets resources to deliver **unitranche credit solutions**
- » **Maintaining risk discipline** through specialized risk and structuring teams

<sup>1</sup> PitchBook Data, Inc.



# Focused, strategic investments to capture organic growth and deepen client relationships





# Building an unmatched client coverage team with data-driven tools, insights and training

Equipping our bankers with access to the best training and sales enablement tools to drive value for clients

Timely **client & industry insights** to identify opportunities and **increase proactivity**



Enabling **solutions-oriented coverage teams** through **targeted training sessions**



**Market information and analysis** to drive client insights and optimize operations



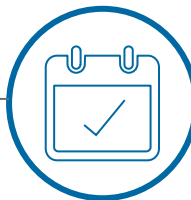
**Pricing analytics tools** to optimize revenue opportunities



**Digital, mobile, interactive marketing tools** and collateral to improve client interactions



**Workflow optimization** through cross-functional collaboration and connectivity



**~16%**

Middle Market coverage banker productivity has increased ~16% per year since 2019<sup>1</sup>

**24 months**

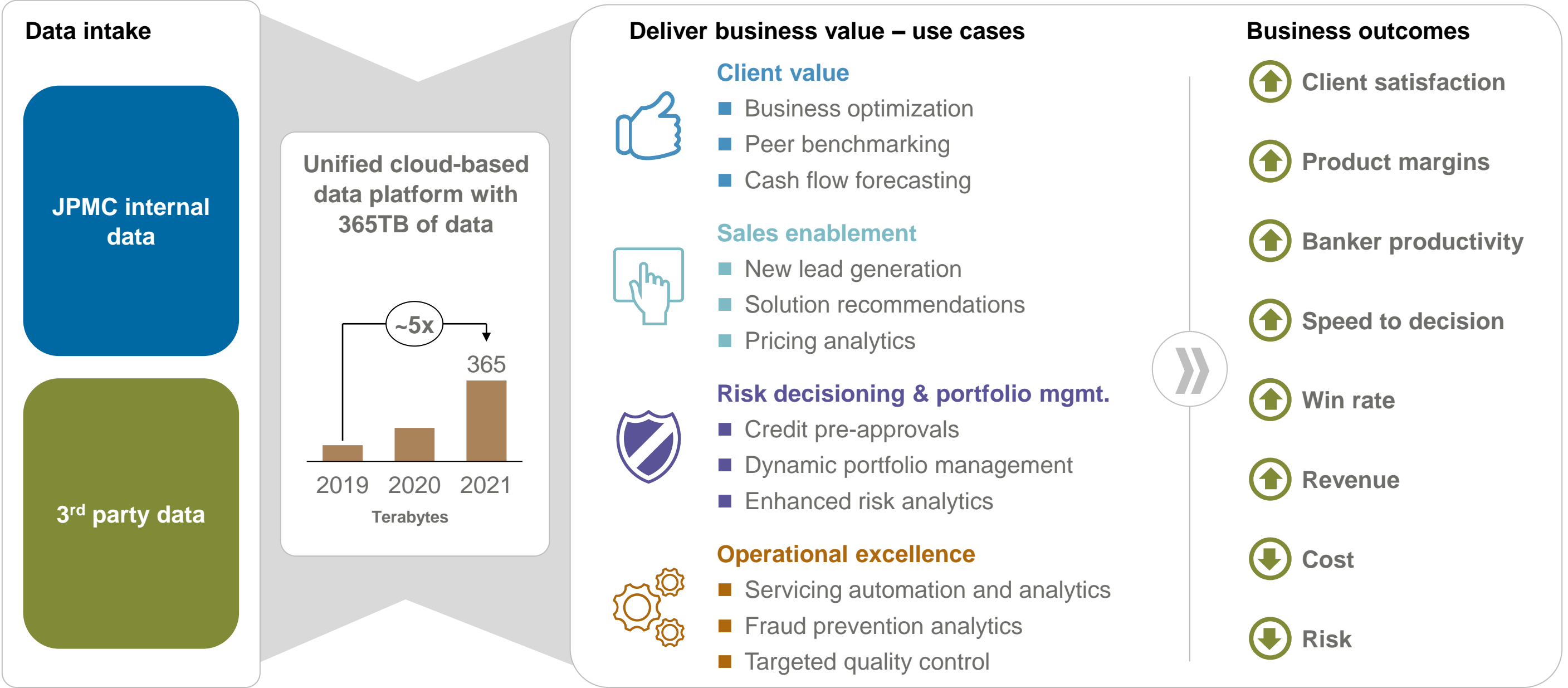
On average, Middle Market bankers break even within 24 months<sup>2</sup>

**~10,000+**

10k+ active Commercial Banking employees using CB data tools (up ~65% YoY)

<sup>1</sup> Middle Market coverage bankers defined as VPs and EDs working in Sales, and estimated productivity based on internal estimates  
<sup>2</sup> Bankers defined as Middle Market coverage VPs and EDs working in Sales. Estimated revenue and expenses based on internal estimates. Breakeven is measured as the point at which projected total revenues exceed total estimated banker-related expenses

# Capturing tremendous value from our cloud-based, client-focused data platform



Investing to enhance our offerings and adapt to emerging and unmet client needs

A design-led, client-focused organization...



...allows us to develop innovative client solutions

-  Client-focused, solutions-driven organization
-  Design Center of Excellence
-  CB Client Experience
-  New Business Ventures

Dedicated team includes design, data, digital and payments expertise focused on CB clients

Enhancing solutions to deliver more value



Digitizing experiences with **Chase Connect**  
*Over 30k active users, up ~20% YoY*



Integrating **InstaMed** into **JPM Healthcare Payments**  
*Launched new B2B receivables offering*

Adding new solutions to drive client value and revenue growth

**Integrated payables**

**Optimizing payments** with **intelligent routing**  
*Strong client demand for this differentiated solution*

**CRE payments**

Delivering **CRE-focused payments** solutions  
*Expanding solutions to support our clients*

New solutions help deepen existing relations and drive new client acquisition

# Investing to deliver powerful solutions to our CRE client franchise

## Market-leading real estate lender

~28,000

Multifamily lending clients  
#1 Multifamily lender in the U.S.<sup>1</sup>

~600

Affordable Housing clients  
#3 Affordable Housing lender in the U.S.<sup>2</sup>

~500

Real Estate Banking clients



## Tremendous market opportunity

~390k

Apartment properties (5+ units)<sup>3</sup>

~50%

Non-digital rent payments<sup>4</sup>

\$500B

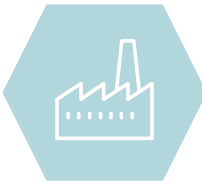
Annual rental payments<sup>5</sup>

## Developing comprehensive payments solutions for our real estate clients

### Sector-specific payments capability



C2B Rent Collection



B2B Rent Collection



Vendor Payments



Security Deposits

### Building simple, digital experiences designed for CRE operators

#### Digital functionality

- Real-time 24/7 online access
- Digital tenant notifications

#### Fraud protection

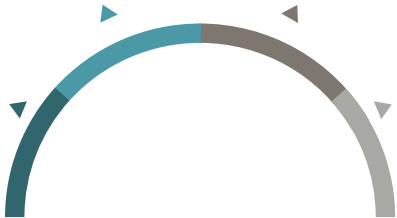
- Limited manual processes
- Reduced need for 3<sup>rd</sup> parties

#### Comprehensive features

- Multiple payment channels
- Autopay optionality

#### Market knowledge

- Access to market data



<sup>1</sup> Based on S&P Global Market Intelligence, Dec 31, 2021

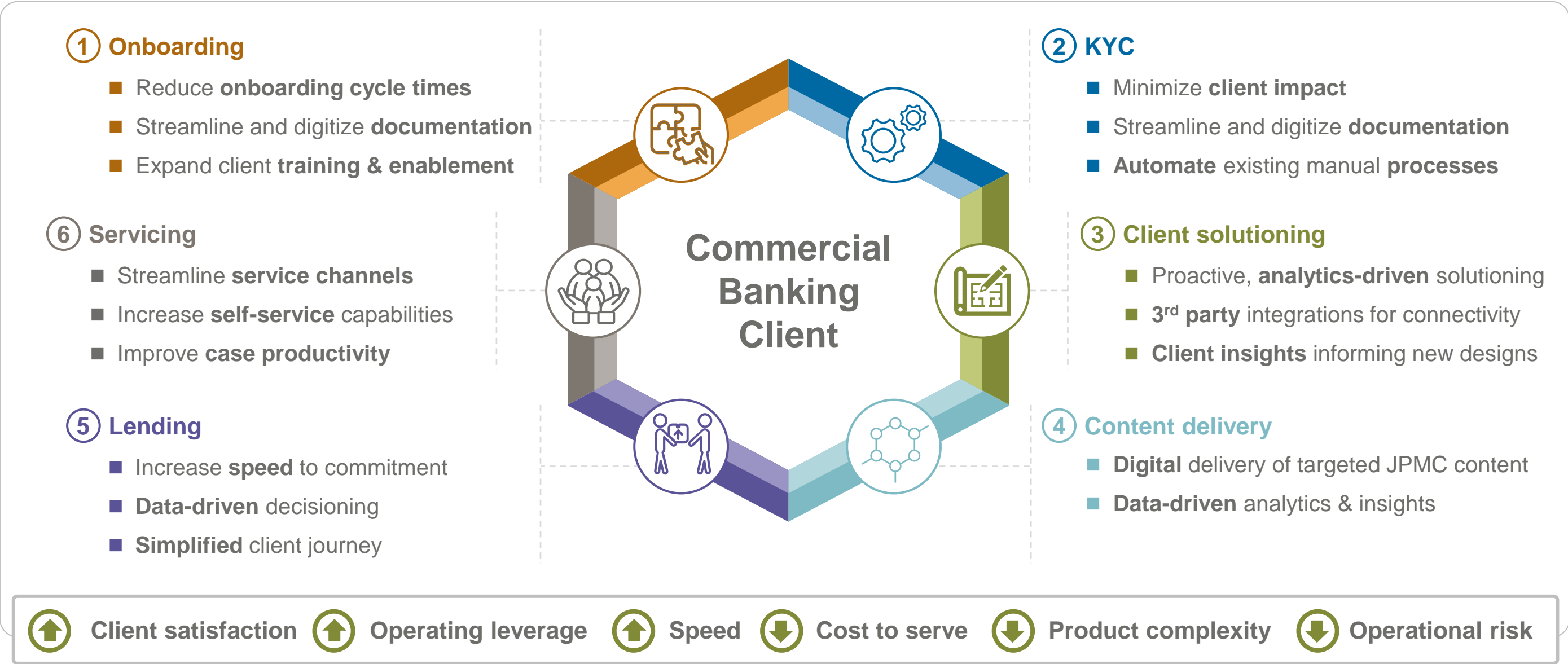
<sup>2</sup> Affordable Housing Finance survey, 2021

<sup>3</sup> CoStar, data as of Apr 2022

<sup>4</sup> Boston Fed, Consumer Payment Choice for Bill Payments, data as of 2017

<sup>5</sup> Zillow, U.S. housing rent paid in 2019

Relentless focus on client experience and operational excellence



# Setting new targets to continue driving strong, consistent returns for shareholders

					Record <span></span>
		2017	2021	2017-2021	Target
Execute growth initiatives (longer-term revenue targets)	Investment banking <sup>1</sup>	\$2.4B	\$5.1B	21% CAGR	\$4.0B
	Payments fee <sup>2</sup>	\$1.4B	\$1.8B	6% CAGR	NEW \$3.0B
	Middle Market expansion	\$0.6B	\$1.2B	20% CAGR	NEW \$2.0B
	CB International <sup>3</sup>	\$386mm	\$540mm	9% CAGR	\$1.0B
Maintain expense discipline	Overhead ratio	40%	40%	40% avg.	40%+/-
Optimize returns	Return on equity	17%	21%	17% avg.	18%+/-

<sup>1</sup> Represents JPMorgan Chase revenue from investment banking products provided to CB clients  
<sup>2</sup> Represents product revenue excluding deposit net interest income  
<sup>3</sup> Denotes non-U.S. revenue from U.S. multinational clients and CCBSI expansion efforts to serve non-U.S. headquartered companies internationally

## CB is positioned for continued success over the near, medium & long term

---



### Putting clients & communities at the center of everything we do

Tremendous client franchise with **~23k C&I clients** across **170+ locations**; competitive **advantage of JPMC**, providing unmatched ability to our clients and communities



### Investing to capture tremendous market opportunity

Increasing **investments ~30% YoY**, with **2k+ bankers and growing**, focusing on high-growth areas (e.g., Middle Market, PE, international, Green Economy) with **~47k C&I prospects**



### Strengthening our business foundation

Equipping bankers with access to the best **training** and **sales enablement tools**; capturing tremendous value from our cloud-based, **client focused data platform** (365TB)



### Innovating to extend our competitive advantage

Designing **simple, digital solutions** to deliver more **value for clients**; innovating to **add new revenue streams** (e.g., Chase Connect, InstaMed, CRE payments)



### Maintaining fortress principles

**Rigorous underwriting and client selection** (87% non-investment grade exposure secured, CRE LTV ratio of ~52%); **strong credit and control culture** with 10-year avg. NCOs of 6bps



### Delivering strong financial results

Setting **long-term targets** to **drive growth** (\$4B IB, \$3B payments, \$2B Middle Market expansion, \$1B CB international) and **consistent returns** (18%+/- ROE; 40%+/- OH ratio)