Commercial Banking – executing a proven strategy

**Client focus**
- **Clients at the center** of everything we do
- Coverage **strategically aligned** to best serve our clients
- **Local delivery** and decision-making, with **deep sector expertise**

**Strong franchise**
- **Industry-leading**, broad-based capabilities
- Operating efficiencies and **scale advantage** as part of JPMorgan Chase
- **Consultative teams** delivering comprehensive solutions

**Targeted investment**
- Adding **talented bankers** and **expanding local coverage**
- Investing in **integrated solutions** and **digital channels**
- Enhancing **client experience** through innovation and streamlining processes

**Fortress principles**
- **Rigorous client selection** with a long-term, through-the-cycle orientation
- **Strong credit and control culture**, focusing on markets and sectors we know best
- Expense and capital **discipline**

**Strong financial performance**
- **High quality, resilient**, diversified earnings
- Strong returns while **investing for the long-term**
- Disciplined growth with **significant remaining opportunity**
Strong results in 2019 driven by consistent client focus

<table>
<thead>
<tr>
<th>Client focus</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bankers¹</td>
<td>1,766</td>
<td>1,922</td>
<td>2,101</td>
</tr>
<tr>
<td>Client calls (000s)²</td>
<td>236</td>
<td>278</td>
<td>295</td>
</tr>
<tr>
<td>New relationships²</td>
<td>1,062</td>
<td>1,232</td>
<td>1,706</td>
</tr>
<tr>
<td>Average deposits ($B)</td>
<td>$177</td>
<td>$171</td>
<td>$173</td>
</tr>
<tr>
<td>Average loans ($B)</td>
<td>$198</td>
<td>$206</td>
<td>$208</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial performance</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue ($B)</td>
<td>$8.6</td>
<td>$9.1</td>
<td>$9.0</td>
</tr>
<tr>
<td>Net income ($B)</td>
<td>$3.5</td>
<td>$4.2</td>
<td>$3.9</td>
</tr>
<tr>
<td>NCO rate</td>
<td>2 bps</td>
<td>3 bps</td>
<td>8 bps</td>
</tr>
<tr>
<td>Overhead ratio</td>
<td>39%</td>
<td>37%</td>
<td>39%</td>
</tr>
<tr>
<td>ROE³</td>
<td>17%</td>
<td>20%</td>
<td>17%</td>
</tr>
</tbody>
</table>

¹ Based on total revenue-producing employees
² Excludes Commercial Term Lending; prior year figures have been revised to conform to current presentation
³ Allocated capital was $20B in 2017, $20B in 2018 and $22B in 2019
Tremendous opportunity to grow across our C&I franchise

Continuing to expand and invest in our capabilities to **acquire new great clients**...

- **Innovation Economy**
  - Targeting 5,400 prospects across high-growth industries

- **Government**
  - Pursuing 600 government entities across the U.S.

- **International**
  - Focusing on ~1,200 non-U.S. headquartered companies

...while **deepening existing relationships over time** by delivering differentiated solutions and leveraging the power of firm

- **18k** C&I clients
  - Manage liquidity
  - Optimize payments
  - Fund growth
  - Expand internationally

- **39k** C&I prospects

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1 Innovation economy includes Technology & Disruptive Commerce and Life Sciences companies

Note: Commercial and Industrial (C&I) and Commercial Real Estate (CRE) groupings used herein are generally based on client segments and do not align with regulatory definitions
## Executing middle market expansion strategy

### Expansion market revenue ($mm)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue ($mm)</th>
<th>CAGR: 34%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>$53</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>$139</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>$234</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>$298</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>$332</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>$354</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>$412</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>$521</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>$647</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>$723</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$1,000</td>
<td></td>
</tr>
</tbody>
</table>

### Client Information

<table>
<thead>
<tr>
<th>Year</th>
<th>Clients (#)</th>
<th>Loans ($B, avg.)</th>
<th>Deposits (B, avg.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>820</td>
<td>$0.9</td>
<td>$1.3</td>
</tr>
<tr>
<td>2010</td>
<td>1,100</td>
<td>$2.7</td>
<td>$3.0</td>
</tr>
<tr>
<td>2011</td>
<td>1,360</td>
<td>$5.6</td>
<td>$4.7</td>
</tr>
<tr>
<td>2012</td>
<td>1,470</td>
<td>$7.5</td>
<td>$6.1</td>
</tr>
<tr>
<td>2013</td>
<td>1,670</td>
<td>$8.6</td>
<td>$7.9</td>
</tr>
<tr>
<td>2014</td>
<td>1,970</td>
<td>$9.9</td>
<td>$8.3</td>
</tr>
<tr>
<td>2015</td>
<td>2,220</td>
<td>$11.7</td>
<td>$8.2</td>
</tr>
<tr>
<td>2016</td>
<td>2,360</td>
<td>$13.6</td>
<td>$8.8</td>
</tr>
<tr>
<td>2017</td>
<td>2,750</td>
<td>$15.1</td>
<td>$11.2</td>
</tr>
<tr>
<td>2018</td>
<td>3,280</td>
<td>$15.6</td>
<td>$13.1</td>
</tr>
</tbody>
</table>

1. Prior year deposit and revenue figures have been revised to conform to current presentation.
2. Based on year-end Middle Market Banking & Specialized Industries (MMBSI) banker presence; number of MSAs is for U.S. only.
3. Based on total revenue-producing employees.
Substantial, visible opportunity across new markets

**Los Angeles – new market**

- 2nd Largest MSA
- 9 Years in market
- 3k Clients & prospects

**Chicago – legacy market**

- 3rd Largest MSA
- 150+ Years in market
- 3k Clients & prospects

Strong performance to date in Los Angeles, with significant market opportunity

![Graphs showing performance metrics](image)

**Revenue**
- CAGR: 35%
- 2015-2019: 3x growth

**Average deposits**
- CAGR: 27%
- 2015-2019: 4x growth

**Average loans**
- CAGR: 20%
- 2015-2019: 3x growth

Note: Excludes specialized industries
Well positioned to build upon our strong middle market franchise

Middle Market Banking & Specialized Industries market opportunity

- Prospective MMBSI clients: 36k+
- MMBSI locations: 125
- Top 100 MSAs in Middle Market footprint: 75
- MMBSI offices located within branch network: 86%

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1 Includes Canadian presence
2 Based on branch count as of January 2020
3 Circles indicate number of prospects in a given city
Replicating our proven strategy internationally

<table>
<thead>
<tr>
<th>Targeting non-U.S. headquartered global companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Foreign companies focused on global growth, driving demand for international banking solutions</td>
</tr>
<tr>
<td>■ Providing differentiated value for multi-national companies with cross-border needs</td>
</tr>
<tr>
<td>■ Focusing on established companies with a presence in the U.S. and other geographies</td>
</tr>
</tbody>
</table>

Starting from a position of strength

- **Brand recognition and local presence**
  - Well-established Private Bank and CIB coverage in 50+ global markets

- **Extensive global solutions**
  - Comprehensive investment banking, treasury services, trade and liquidity capabilities

- **Disciplined risk management**
  - Maintaining fortress principles and leveraging deep local market knowledge

<table>
<thead>
<tr>
<th>Building with discipline</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ <strong>Established new teams</strong> across 10 countries in EMEA, APAC and LATAM</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Countries in scope¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Targeted prospects</th>
</tr>
</thead>
<tbody>
<tr>
<td>~1,200</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CCBSI international bankers²</th>
</tr>
</thead>
<tbody>
<tr>
<td>78</td>
</tr>
</tbody>
</table>

¹ As of year-end December 31, 2019: Bankers located in 11 international countries (including Canada) with ability to support clients in an additional seven countries (Ireland, Portugal, Austria, Belgium, Luxembourg, Switzerland and New Zealand)

² Based on total revenue-producing employees
Specialized industries model drives superior value and risk management

- Prudent industry and client selection
- Deep industry expertise in underwriting
- Sector-specific advice and content to support clients
- Industry-tailored client solutions

Diverse range of covered industries

- Agribusiness
- Apparel
- Beverage
- Energy
- Financial Institutions
- Franchise
- Government
- Healthcare
- Heavy Equipment
- Higher Education
- Life Sciences
- Media and Entertainment
- Multinational Corporations
- Nonprofit
- Real Estate
- Technology
- Technology & Disruptive Commerce

1 Reflects coverage of CCBSI clients in the Real Estate industry
2 Technology & Disruptive Commerce group covers MMBSI technology and high-growth consumer companies
Substantial opportunity to address the needs of the healthcare ecosystem

Well-positioned to capture the large and growing opportunity

~$4T healthcare expenditure in the U.S.¹ Growing faster than U.S. GDP¹ On pace to represent ~20% of U.S. GDP¹

Dedicated healthcare bankers and specialists across the CB to capture growing opportunity

Healthcare providers Healthcare systems Healthcare services Health insurers

800 Clients 1k Prospects

Understanding the specific needs of the segment…

*Heavily regulated*
*Largely paper-based*
*Complex transactions*
*Unique payments needs*

…and investing in capabilities and solutions

**Foundational capabilities**
Enhancing healthcare core cash management platform

**Enhanced product offerings**
Further integrating platforms to streamline offerings

**Beyond banking solutions**
Leveraging InstaMed solutions to deepen relationships

¹ Source: Centers for Medicare & Medicaid Services, Office of the Actuary; U.S. Department of Commerce, Bureau of Economic Analysis; and U.S. Bureau of the Census
Differentiated treasury capabilities provide substantial value to clients

Leveraging benefits of scale and breadth of market leading solutions...

**Integrated payments**
Payment capabilities to realize efficiency and drive economic value

**Liquidity management**
Sophisticated tools to manage liquidity across the globe

**Merchant services**
End-to-end solutions through the #1 wholly-owned merchant acquirer

**Cross-border solutions**
Broad set of foreign exchange and trade finance solutions

...with client-centered delivery to optimize the way clients do business

- Solution-oriented team
- Reporting & insights
- Digital delivery
- Fraud protection

- ✔ Improving working capital
- ✔ Reducing operating costs
- ✔ Providing insights to drive results
- ✔ Streamlining payment channels
- ✔ Safeguarding the business
Delivering the best investment bank to CB clients

Commercial Banking gross investment banking revenue\(^1\) ($B)

JPMC N.A. IB fees represented by CB clients\(^2\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue ($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$1.0</td>
</tr>
<tr>
<td>2009</td>
<td>$1.2</td>
</tr>
<tr>
<td>2010</td>
<td>$1.3</td>
</tr>
<tr>
<td>2011</td>
<td>$1.4</td>
</tr>
<tr>
<td>2012</td>
<td>$1.6</td>
</tr>
<tr>
<td>2013</td>
<td>$1.7</td>
</tr>
<tr>
<td>2014</td>
<td>$2.0</td>
</tr>
<tr>
<td>2015</td>
<td>$2.2</td>
</tr>
<tr>
<td>2016</td>
<td>$2.3</td>
</tr>
<tr>
<td>2017</td>
<td>$2.4</td>
</tr>
<tr>
<td>2018</td>
<td>$2.5</td>
</tr>
<tr>
<td>2019</td>
<td>$2.7</td>
</tr>
<tr>
<td>LT Target</td>
<td>$3.0</td>
</tr>
</tbody>
</table>

\(^1\) Represents total JPMorgan Chase revenue from investment banking products provided to CB clients

\(^2\) Represents the percentage of CIB's North America IB fees generated by Commercial Banking clients in 2019, excluding fees from fixed income and equity markets which are included in Commercial Banking gross investment banking revenue
Positioned for continued long-term success in CRE

Community Development Banking
- ~600 clients
- Capital to support affordable housing development projects
- Commitment to improve communities through lending and investment
- Building long-term relationships and community partnerships

Real Estate Banking
- ~600 clients
- Banking top-tier clients in major markets across the U.S.
- Targeted markets with focus on lower volatility assets
- Deep, broad-based client relationships built over time

Commercial Term Lending
- ~33,000 clients
- Term financing on stabilized properties in supply-constrained markets
- Industry-leading loan process delivered with speed and certainty of execution
- Targeted investment in digital lending

#1 Multifamily lender in the U.S.\(^1\)
300+ High-skilled bankers across CRE segments
>80% CTL originations on apartments with rents deemed affordable\(^2\)
$2B Financing to Affordable housing projects in 2019

\(^1\) Based on S&P Global Market Intelligence, as of year-end December 31, 2019
\(^2\) Based on 2019 average underwritten nonrestricted rents
Strong risk focus and smart growth across our portfolio

**Rigorous client selection**
Limiting exposure to riskier industries and asset classes across C&I and CRE

**Market and industry expertise**
Benefiting from market knowledge and specialized industry coverage

**Underwriting built on experience and analytics**
Continuing to invest in people, processes, technology and analytics

**Through-the-cycle discipline**
Independent, experienced underwriting team with proven track record

**Downturn preparedness**
Maintaining readiness across the organization using enhanced tools and data assets

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**Average loans by client segment ($B)**

<table>
<thead>
<tr>
<th>Year</th>
<th>C&amp;I</th>
<th>CRE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$96</td>
<td>$102</td>
</tr>
<tr>
<td>2018</td>
<td>$99</td>
<td>$106</td>
</tr>
<tr>
<td>2019</td>
<td>$100</td>
<td>$108</td>
</tr>
</tbody>
</table>

1 Includes CCBSI Real Estate

Note: Commercial and Industrial (C&I) and Commercial Real Estate (CRE) groupings used herein are generally based on client segments and do not align with regulatory definitions; totals may not sum due to rounding.
Maintaining risk discipline – C&I

**Portfolio summary**

- Strong credit performance through the cycle
- 87% of non-investment grade exposure is secured\(^1\)
- Diversified across industries and regions
- Dedicated underwriters for select industries

**Portfolio by industry**

![Pie chart showing industry distribution](Image)

- Consumer & Retail: 25%
- Industrials: 15%
- Healthcare: 17%
- TMT: 4%
- Oil & Gas: 6%
- Financials: 5%
- Governments: 7%
- Utilities: 11%
- Other: 5%

**Market commentary**

- Credit quality remains strong, with no material, broad-based signs of deterioration in the market
- Continue to closely watch certain sectors and monitor new originations
- Revolver utilization generally flat
- Loan spreads in the market have stabilized

**Net charge-off performance**

![Graph showing net charge-off performance](Image)

\(^1\) The Firm considers internal ratings equivalent to BB+/Ba1 or lower as non-investment grade

\(^2\) Peer average based on CB-equivalent C&I 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

- $80B of loans in Commercial Term Lending, with $2mm average loan size
  - LTV ratio of 51%, DSC ratio of 1.5x for 2019 originations
- $16B of loans in Real Estate Banking
  - Focus on least volatile asset classes; highly-selective construction portfolio
- $6B of loans in Community Development Banking
  - Financing the creation and rehabilitation of affordable properties

Market commentary

- Competition remains elevated with late-cycle characteristics, particularly from non-bank lenders
- Maintaining underwriting discipline and limiting exposure to riskier asset classes
- Spreads increased in 2019 but expect stabilization in 2020

Net charge-off performance

1. Loan to value (LTV) and debt service coverage (DSC) are weighted average calculations
2. Includes ~$3B of loans from consolidated equity investments
3. 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

Note: Portfolios based on sub-LOB are not regulatory definitions; totals may not sum due to rounding
Driving efficiency while continuing to invest in the franchise

**Growth**

- **Market expansion**
  - Entering new markets domestically and internationally

- **People**
  - Investing in talent through hiring, training and development

- **Empowering front office**
  - Implemented new CRM\(^1\) system; onboarded 3k+ users

**Client value**

- **Digital platforms**
  - Enhanced digital client solutions; 9k+ active Chase Connect clients

- **Data & analytics**
  - Leveraging new tools to provide specialized client insights

- **Treasury solutions**
  - Expanding breadth, functionality and connectivity to deepen relationships

**Efficiency**

- **Modernizing workplace**
  - Enhancing employee experience and efficiency through technology

- **Middle office transformation**
  - Improving end-to-end processes; reduced U.S. account opening time ~25%

- **Credit underwriting**
  - Developing systems and processes to enhance precision, efficiency and delivery

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\(^1\) Customer relationship management (CRM)
## Financial targets

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2014-2019</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Execute growth initiatives</strong> (long-term revenue targets)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Middle Market expansion</td>
<td>$723mm</td>
<td>17% CAGR</td>
<td>$1.0B</td>
</tr>
<tr>
<td>Investment banking(^1)</td>
<td>$2.7B</td>
<td>7% CAGR</td>
<td>$3.0B</td>
</tr>
<tr>
<td>International(^2)</td>
<td>$465mm</td>
<td>8% CAGR</td>
<td>$1.0B</td>
</tr>
<tr>
<td><strong>Maintain expense discipline</strong> (medium-term)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overhead ratio</td>
<td>39%</td>
<td>39% avg.</td>
<td>40% +/-</td>
</tr>
<tr>
<td><strong>Optimize returns</strong> (medium-term)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return on equity</td>
<td>17%</td>
<td>17% avg.</td>
<td>~18%</td>
</tr>
</tbody>
</table>

\(^1\) Represents total JPMorgan Chase revenue from investment banking products provided to CB clients

\(^2\) Denotes non-U.S. revenue from U.S. multinational clients and CCBSI expansion efforts to serve non-U.S. headquartered companies internationally
Positioned for continued success over the long-term

Complete, global & diversified

- **Unmatched ability** to support clients’ needs as they grow
- **Local delivery and expertise** across domestic and international locations
- **Differentiated platform**, delivering the Investment Bank and Asset & Wealth Management to our clients

Investment capacity to drive growth & innovation

- **Scale advantage** of JPMorgan Chase, enabling **strategic long-term investments**
- **Technical expertise** to improve processes and deliver advanced banking solutions
- Leveraging **advanced data and analytics** to drive value for clients and our business

Risk & control discipline

- **Rigorous underwriting** and client selection
- **Strong credit discipline**, with NCOs under 10 bps for the last eight years
- **Robust compliance and control culture** with end-to-end management focus

People

- **Consultative, solutions-oriented** client coverage teams
- Strong focus on **growing top-tier talent** through focused hiring and training
- **Actively shaping workforce** to build even greater technology, digital and data expertise

Strong financial results & organic growth potential

- Well-positioned to succeed **through-the-cycle**, with high-quality, diversified revenue streams
- Business model built to optimize **efficiency, operating leverage and earnings potential**
- Significant **organic growth opportunity** across the entire business