

COMMERCIAL BANKING

Doug Petno, Chief Executive Officer Commercial Banking

February 24, 2015

Chase Commercial Banking – a proven business model

Client and community focus

- Coverage segmented and focused on best serving client needs
- Local delivery and decision making
- Deep industry expertise
- Seasoned team with 20 years average experience

Competitive advantages

- Industry-leading, broad-based capabilities
- Operating efficiencies as part of JPMorgan Chase

Through-the-cycle discipline

- Rigorous client selection
- Strong credit and control culture
- Expense discipline
- Long-term, through-the-cycle orientation

Investing for growth

- Building share in high potential markets
- Expanding our relationships in targeted industries
- Selectively growing Commercial Real Estate

Strong financial performance

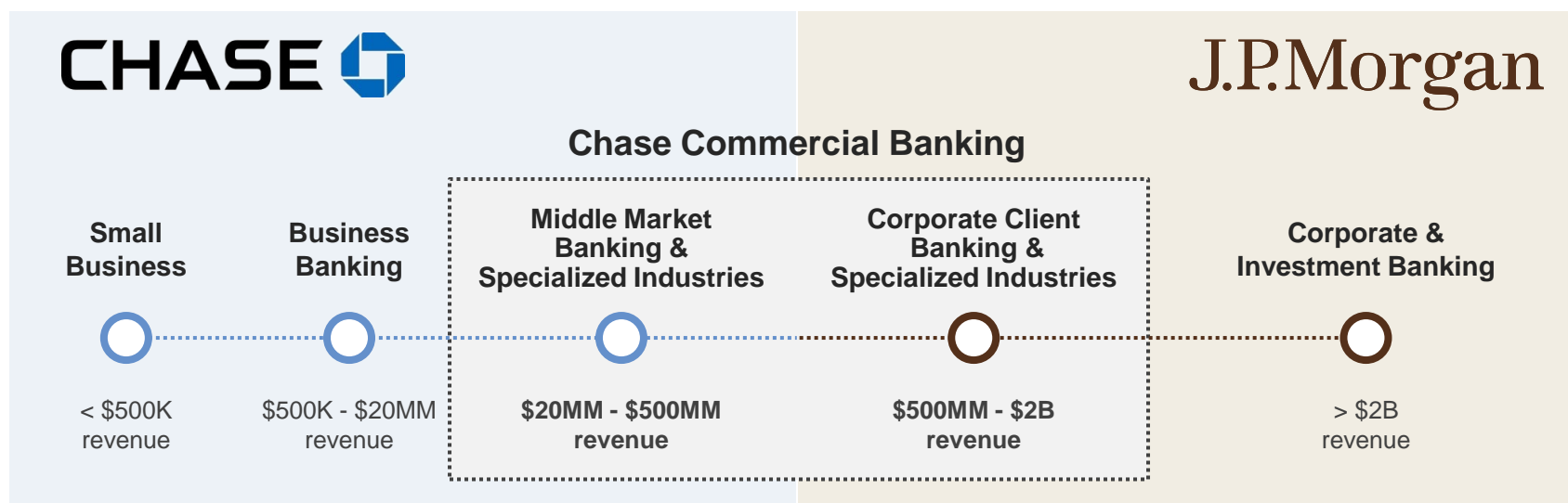
- High quality, resilient earnings
- Excellent returns
- Steadily investing and adapting to regulatory changes

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Commercial & Industrial overview

Client focus through dedicated segment and industry coverage



Middle Market Banking & Specialized Industries (MM)

Corporate Client Banking & Specialized Industries (CCB)

41% CB net revenue	% CB net revenue ¹	28% CB net revenue
~14,600 clients, ~3,000 government clients	Clients	~1,500 corporate clients, ~1,800 FIG clients
~35,000 prospects	Prospects	~1,400 prospects
Mostly private small to mid-sized businesses	Client type	Mostly public companies with complex needs
Local delivery and personalized service	Coverage model	Global coverage and deep expertise

Note: Data as of YE2014 except where noted. CB's Commercial & Industrial (C&I) grouping is internally defined to include certain client segments (MM, which includes Nonprofit clients, and CCB) and will not align with regulatory definitions.

¹ CB revenue excludes 3% categorized as other

Commercial Real Estate overview

	Commercial Term Lending (CTL)	Real Estate Banking (REB)	Community Development Banking (CDB)
			
% CB net revenue ¹	18%	7%	3%
Loans & commitments	\$54B in loans	\$23B in credit commitments	\$4B in credit commitments
Clients	~35,000 investors & owners	~640 clients	~890 clients
Portfolio attributes	Multifamily, stabilized properties	Top tier investors with institutional quality assets	Specialized construction lending for affordable housing

Note: Data as of YE2014 except where noted. CB's Commercial Real Estate (CRE) grouping is internally defined to include certain client segments (Real Estate Banking, Commercial Term Lending and Community Development Banking) and will not align with regulatory definitions

¹ CB revenue excludes 3% categorized as other

We pick the best clients

Our client selection criteria...

Strong
management
track record

Reputable in
local markets

Preferred
industries with
transparent
operations

Shared risk
philosophy

Strategic clients
with complex
needs

...results in higher quality, lower risk...

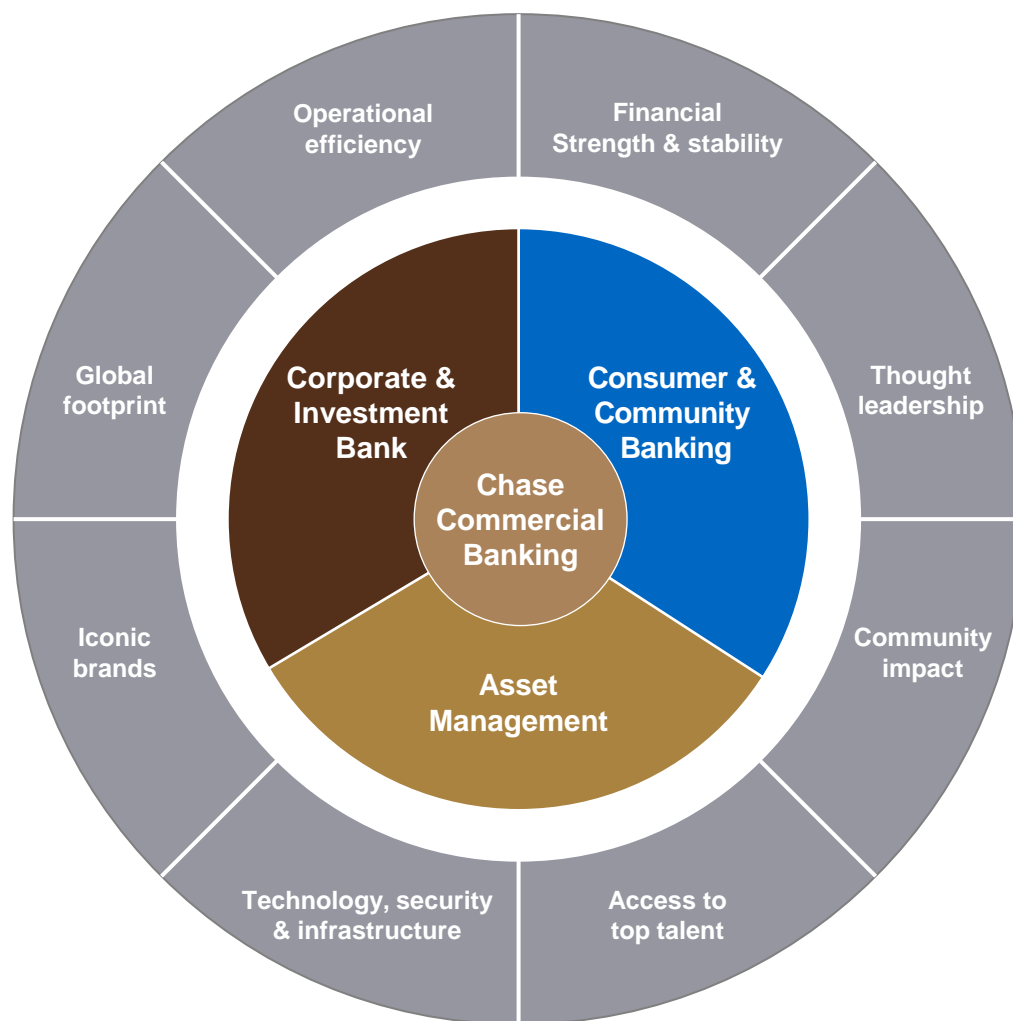
- High growth, broad-based relationships
- Strong management and business fundamentals
- Deeper, long-term relationships – average of ~9 products/client
- Well-diversified portfolio
- Lower credit, operational and reputational risk

...and more valuable clients

- Higher revenue per client
- Lower credit costs through the cycle
- Lower cost-to-serve (e.g. credit, compliance, on-boarding, monitoring)
- Greater earnings resiliency

Client selection leads to superior through-the-cycle returns

Leveraging the entire JPMorgan Chase platform



Corporate & Investment Bank

- International presence in more than 60 countries with capabilities to serve CB clients abroad
- Joint IB coverage provides CB clients access to market-leading investment banking coverage
- CB clients represent 35% of North America IB fees¹
- Collaboration with Treasury Services to meet the unique needs of CB client segments
- #1 cash management portal in North America²

Consumer & Community Banking

- Access to top issuer of U.S. Commercial Cards³
- Market-leading payments capabilities for CB clients
- Convenience of ~5,600 branches for CB clients
- Small business partnership with Business Banking

Asset Management

- ~\$120B in AUM from CB clients
- Client referrals to and from Private Bank

Note: Data as of YE2014

¹ Calculated based on gross domestic IB revenue for SLF, M&A, Equity Underwriting and Bond Underwriting

² Greenwich Associates: Greenwich 2014 Online Survey

³ 2014 Nilson Report: Ranked by purchase volume in 2013

Delivering our broad-based, global capabilities locally



- Presence in 118 U.S. cities, 46 of the top 50 MSAs and 14 major international cities
- ~1,370 bankers¹; average 20+ years of industry experience
- Bankers rooted and active in their communities
- De-centralized operating model with local client coverage, underwriting and service

¹ Based on total count of revenue-producing employees

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2014 results – strong underlying business performance

	(\$B, except where noted)	2013	2014	YoY (%)
Record results	Loan balance (EOP)	137	149	8%
	Client deposits & other third-party liabilities (avg.)	198	204	3%
	Investment Banking revenue ¹	1.7	2.0	18%
	Card Services revenue ^{1,2} (\$MM)	469	490	4%
	International revenue ^{2,3} (\$MM)	264	304	15%
Steady investment	Expansion market revenue (\$MM)	297	327	10%
	New offices opened	4	4	
	Headcount	6,848	7,262	6%
Risk discipline	Net charge-offs (%)	0.03%	0.00%	
	Non-performing loans (%)	0.37%	0.22%	
Achieving target returns	Revenue	7.1	6.9	(3%)
	Net income	2.6	2.6	(0%)
	Overhead ratio (%)	37%	39%	
	Allocated capital	13.5	14.0	4%
	Return on equity (%)	19%	18%	

¹ Investment Banking and Card Services revenue represent gross revenue generated by CB clients. Investment Banking includes Banking and Markets revenue. Card Services includes Commercial Card and Paymentech revenue

² Prior year revenue for Card Services and International Revenue were restated to conform to current presentation

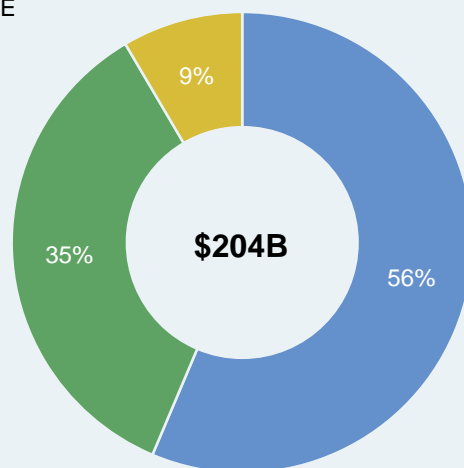
³ Denotes overseas revenue from U.S. multinational clients

Stable and diversified deposit base

Excellent
deposit
gathering
franchise

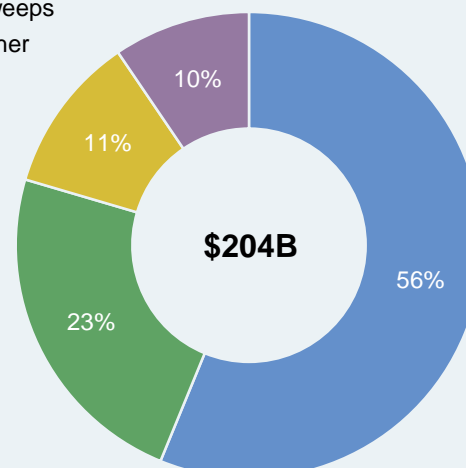
Average 2014 deposits by segment¹ (\$B)

■ MM
■ CCB
■ CRE



Average 2014 deposits by type¹ (\$B)

■ DDA
■ Savings
■ Sweeps
■ Other



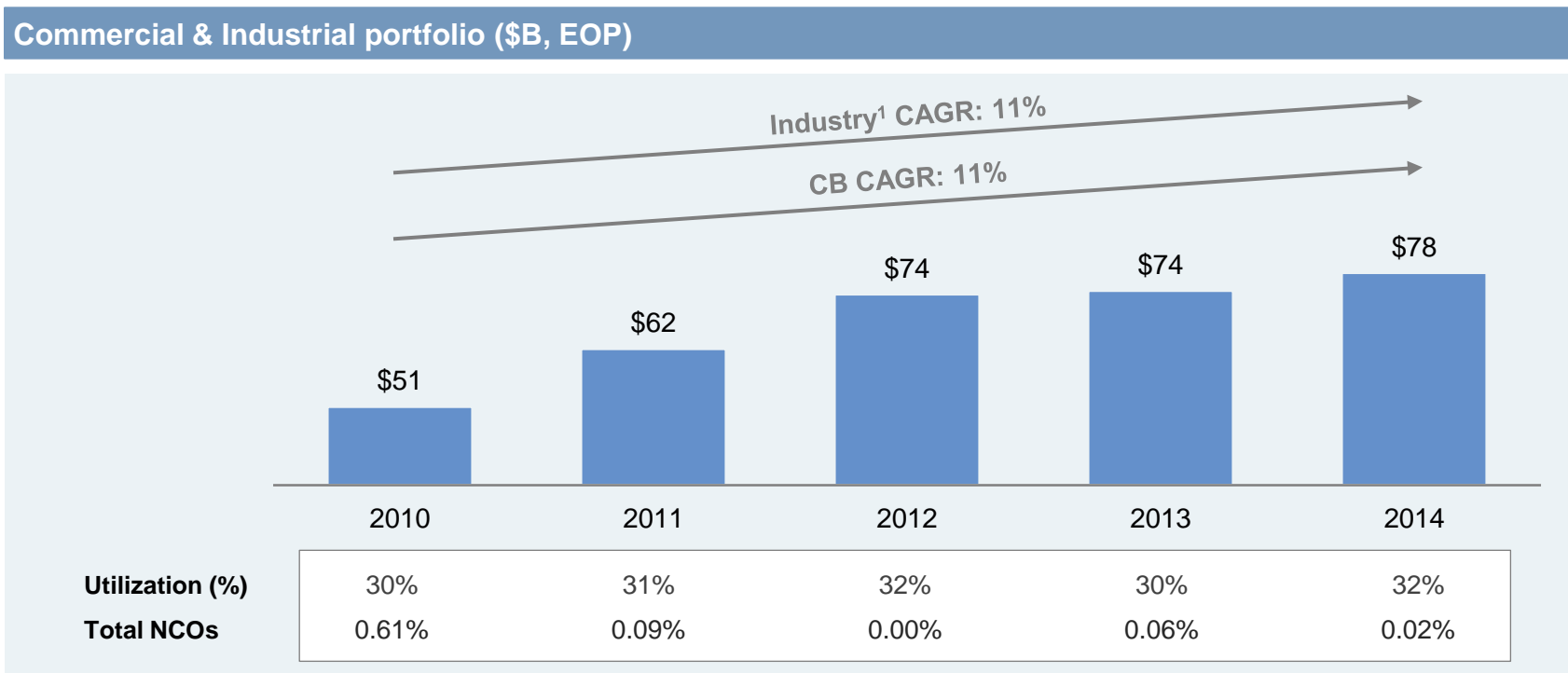
Managing
deposits
closely

- Deposit base built through selective new client acquisition and deep, broad-based relationships
- Anticipate reduction in deposits over time – clients will deploy cash as economy strengthens
- Despite adjustments and impact of regulation, our portfolio possesses tremendous future value
- Continuing to monitor market in anticipation of changes in rate environment

Commercial Banking is well positioned for rising rates

¹ Deposit balance includes client deposits and other third party liabilities

Commercial & Industrial loan portfolio – steady, disciplined growth



2014 industry observations

- Competition for quality assets continues to be strong
 - Seeing higher hold levels, longer tenors and some covenant light deals
 - Continued loan spread compression
- Loan utilization and early 2015 indicators show soft volume

CB performance summary

- Diversified loan growth across C&I business
 - Fifth consecutive year of EOP loan growth in MM with expansion market loan growth up 7% YoY
 - CCB loans up 8% with increased utilization from industrials, energy, consumer goods & tech clients
 - ABL² up 28% YoY with \$4B in originations
- Limited exposure to private equity

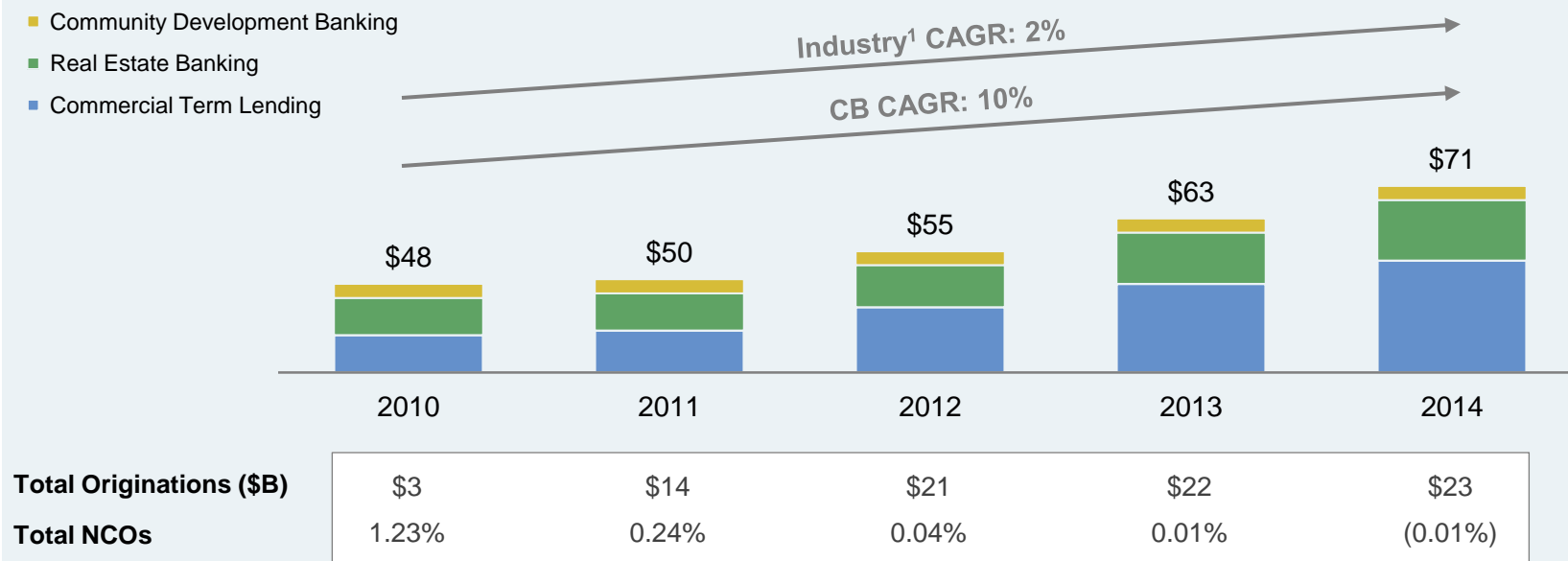
Note: CB's Commercial & Industrial (C&I) grouping is internally defined to include certain client segments (MM, which includes Nonprofit clients, and CCB) and will not align with regulatory definitions.

¹ Industry data sources from FRB H.8 Assets and Liabilities of Commercial Banks in the United States (not seasonally adjusted)

² Asset Based Lending

Commercial Real Estate – industry-leading loan growth

CRE loan portfolio (\$B, EOP)



2014 industry observations

- Continued strong fundamentals across property types and markets, particularly in multifamily
- Demand for U.S. commercial real estate remains strong
 - Transaction volume continues to increase
 - Equity inflows help maintain LTV and LTC ratios
- Pressure on spreads, but credit structures remain sound
- Expect 2015 to look like 2014

CB performance summary

- Strong, double digit loan growth in CTL and REB
 - CRE loan balances have increased for 28 consecutive months with record originations in 2014
 - New originations' credit metrics in line with portfolio
- CTL portfolio grew \$5B with \$13B in originations
 - 63% of 2014 CTL originations from new financings
 - Remained the #1 multifamily lender in the U.S.²
- REB portfolio grew \$2.3B with \$10.3B in originations

Note: CB's CRE grouping is internally defined to include certain client segments (REB, CTL and CDB) and will not align with regulatory definitions

¹ Industry data sourced from FRB H.8 Assets and Liabilities of Commercial Banks in the United States (not seasonally adjusted)

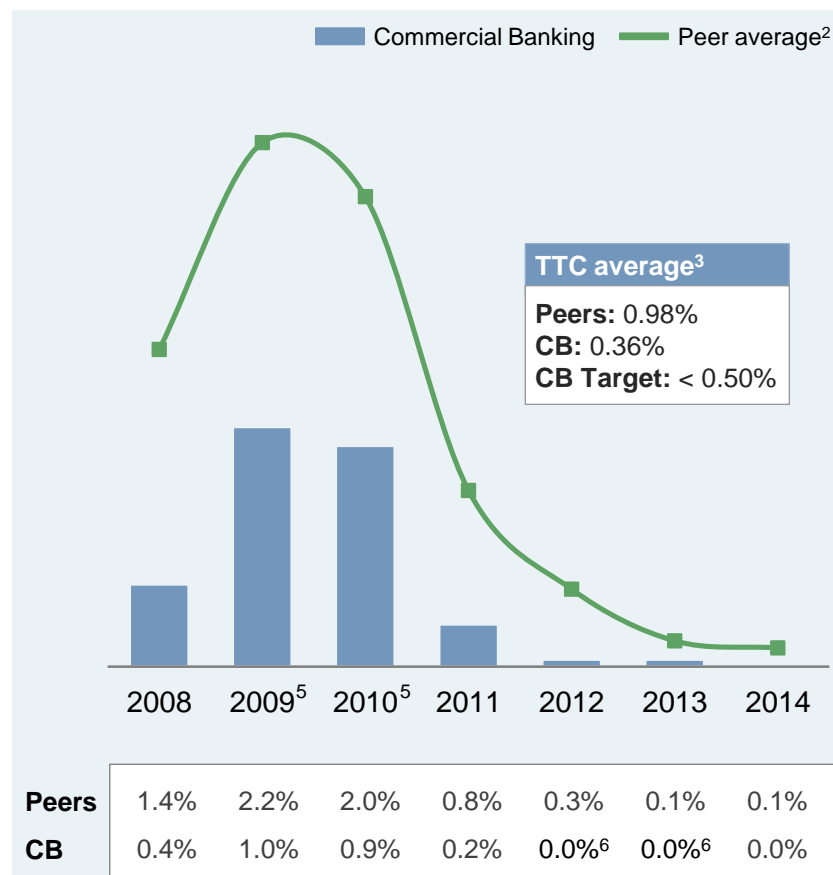
² SNL Financial based on FDIC data as of 3Q14

Continued strong credit performance

Non-performing loans¹



Net charge-offs



Client selection and through-the-cycle discipline drive superior credit performance

¹ Based on end of period loans

² Peer averages include CB-equivalent segments or wholesale portfolios at BAC, CMA, FITB, KEY, PNC, USB, WFC

³ Through-the-cycle, 2008-2014 average

⁴ Excluding pre-acquisition WaMu originations, Chase represented 1.67% in 2009 and 1.02% in 2010

⁵ Excluding pre-acquisition WaMu originations, Chase represented 0.93% in 2009 and 0.74% in 2010

⁶ Commercial Banking net charge-offs for 2012 and 2013 were 0.03%

Closely monitoring market fundamentals

Key watch areas

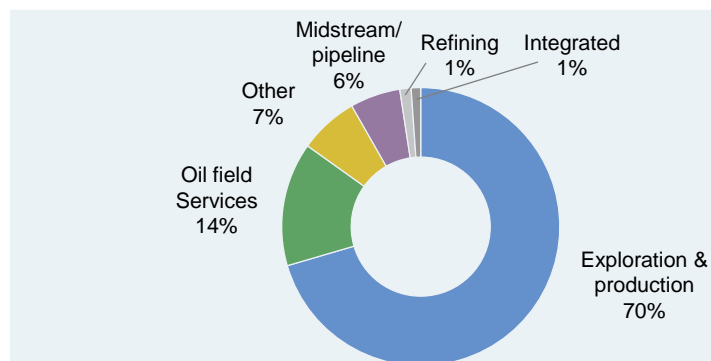
Oil & gas

- Total portfolio of \$6.0B in outstandings and \$15.0B in exposure
 - 4% of overall CB outstandings
 - 5% of overall CB exposure
- Well structured portfolio with strong asset coverage
 - 94% of E&P outstandings secured by reserves
- Deep industry experience through cycles
 - 24 years average experience¹
- Limited secondary impact on portfolio
 - Texas economy remains strong
 - Limited real estate exposure

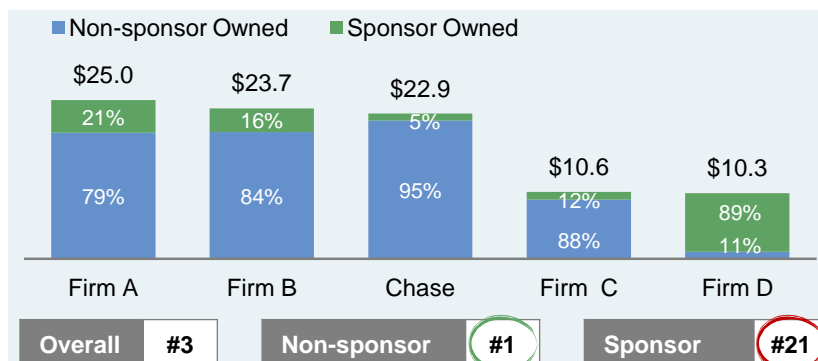
Leveraged lending

- Monitoring regulatory and competitive environment closely
- Limited sponsor-backed exposure representing only 1.3% of CB exposure
- Maintained credit discipline on structure
- Focus on long-term clients
- #1 in non-sponsor owned middle market loan syndications vs. #21 in sponsor owned²

CB Oil & gas total outstandings (\$6.0B)



2014 Middle Market loan syndication league table² (\$B)



¹ Average for senior bankers, underwriters, engineers and credit management

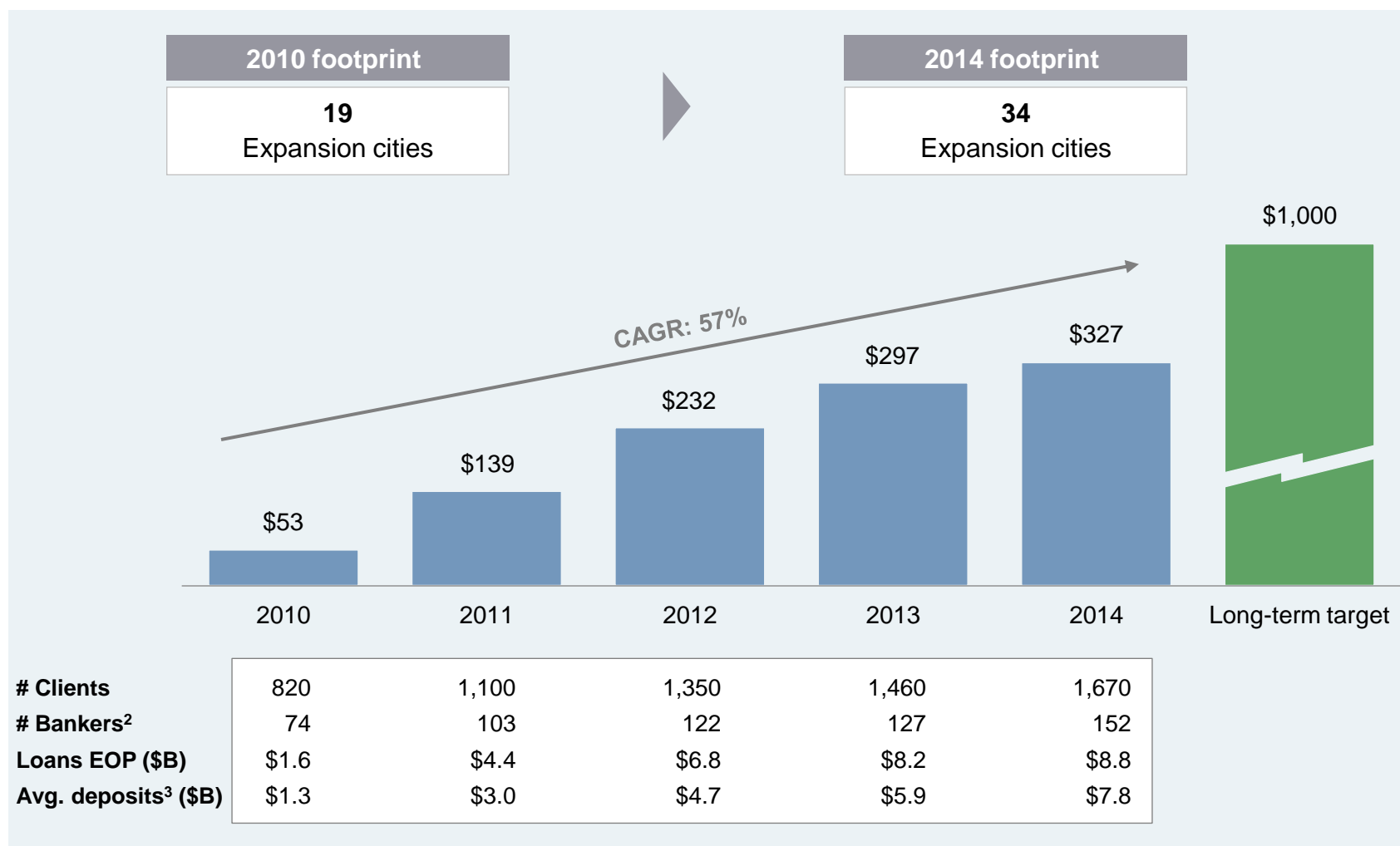
² Source: Thomson Reuters; Sponsor volume includes deals for sponsor owned borrowers per Thomson Reuters league table data; Middle Market defined as sales size ≤\$500MM; Deal size ≤\$500MM

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Extending our proven business model to new, high potential markets

Total expansion market revenue¹ (\$MM)



Patient, disciplined franchise expansion

¹ Prior year revenue is restated to conform to current presentation

² Based on total count of revenue-producing employees

³ Includes client deposits and other third party liabilities

Industry-focused to better serve our clients and manage risks

Specialized industries



Healthcare

~7% of GDP



Governments

~4% of GDP



**Agribusiness
& food**

~3% of GDP



**Media &
entertainment**

~4% of GDP



Oil & gas

~6% of GDP



Technology

~6% of GDP



**Power
& utility**

~2% of GDP



**Financial
services**

~7% of GDP



**Heavy
equipment**

~1% of GDP



Beverage

~1% of GDP



Apparel

~1% of GDP



**Foreign
multinational**

N/A

Aligning to client industry needs...

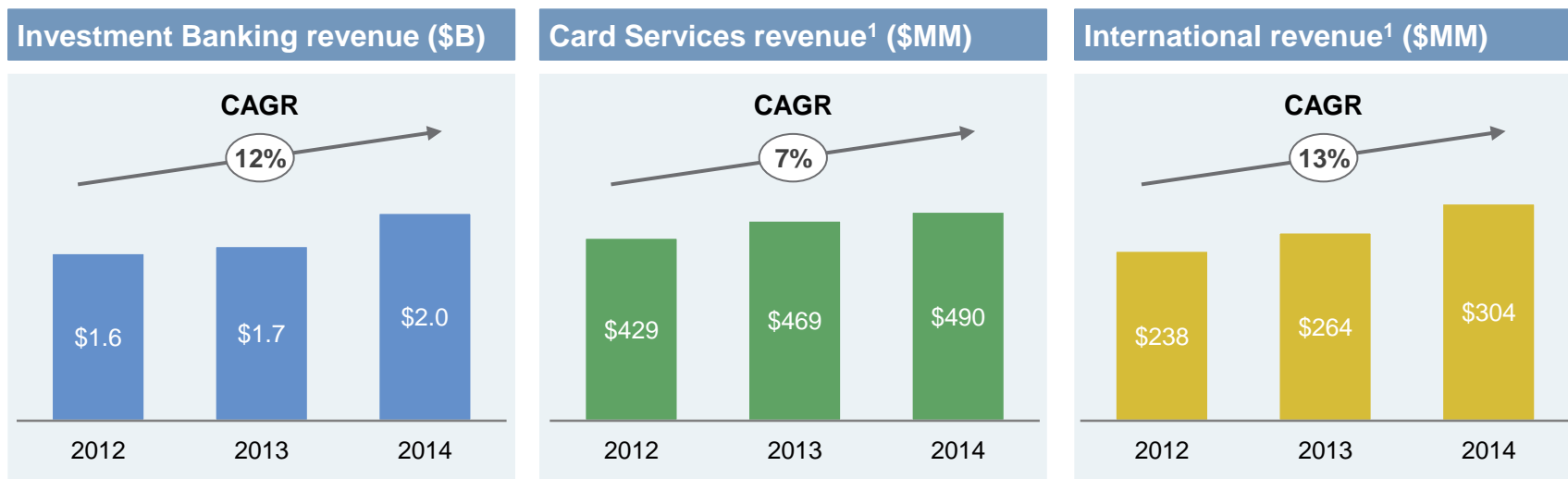
- Clients expect fluency in their industry and the issues/ opportunities they face
- Ability to deliver client-tailored solutions

... while best managing industry risks

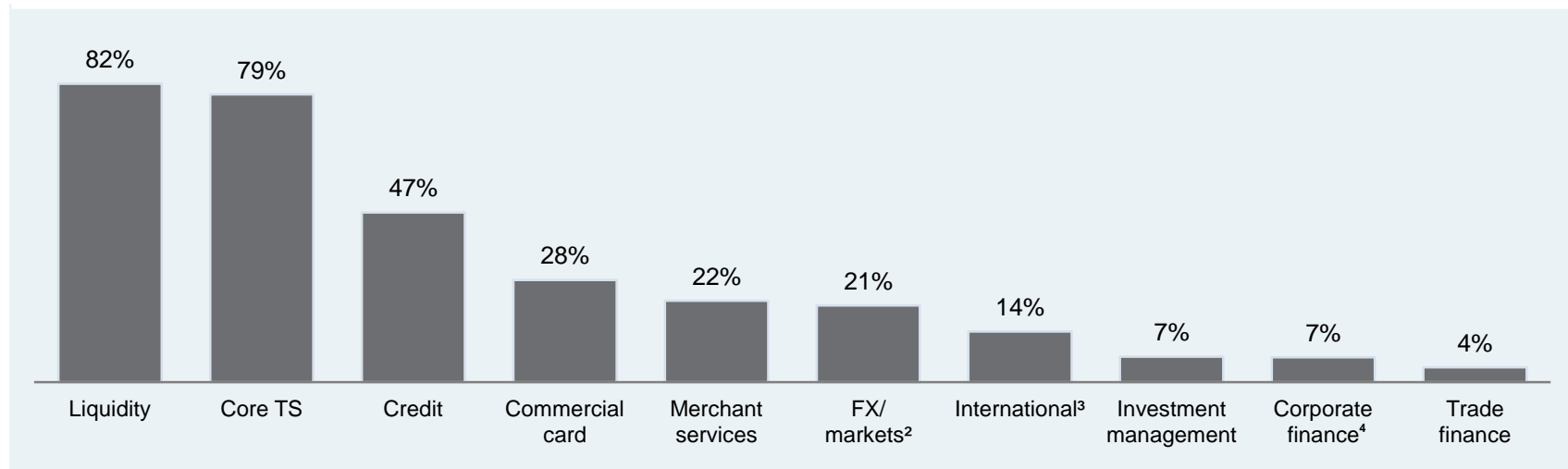
- Industry-specific risk management parameters
- Credit specialists aligned with industries
- Demonstrate continuity through the industry and company lifecycle

Source: Bureau of Economic Analysis, GDP estimates for full-year 2014 by industry calculated to best mirror scope of each specialized industry

Deepening client relationships through unique capabilities



CB C&I client usage rates by product¹ (%)



Note: C&I client defined as any active relationship with banker assignment at 12/31/2014

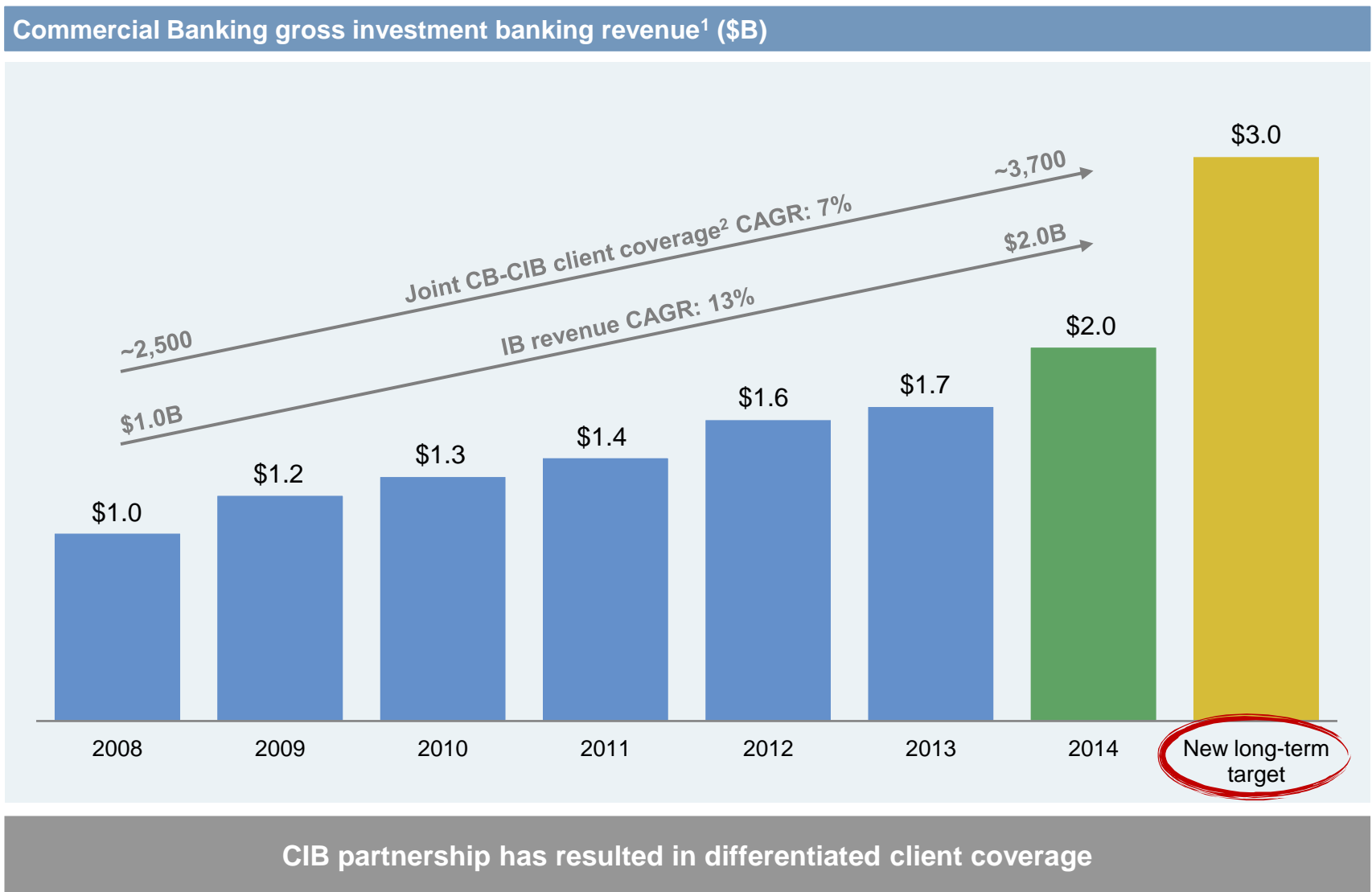
¹ Prior year revenue for Card Services and International Revenue were restated to conform to current presentation

² FX/markets represents number of clients with total FX/market related fees paid to JPMC exceeding \$10,000 in 2014

³ International represents total unique holding companies utilizing any international product or service, including liquidity, core TS, credit, FX/markets or trade finance

⁴ Corporate finance represents number of clients paying investment banking related fees exceeding \$100,000 in any one of the last three years as a ratio to 2014 clients

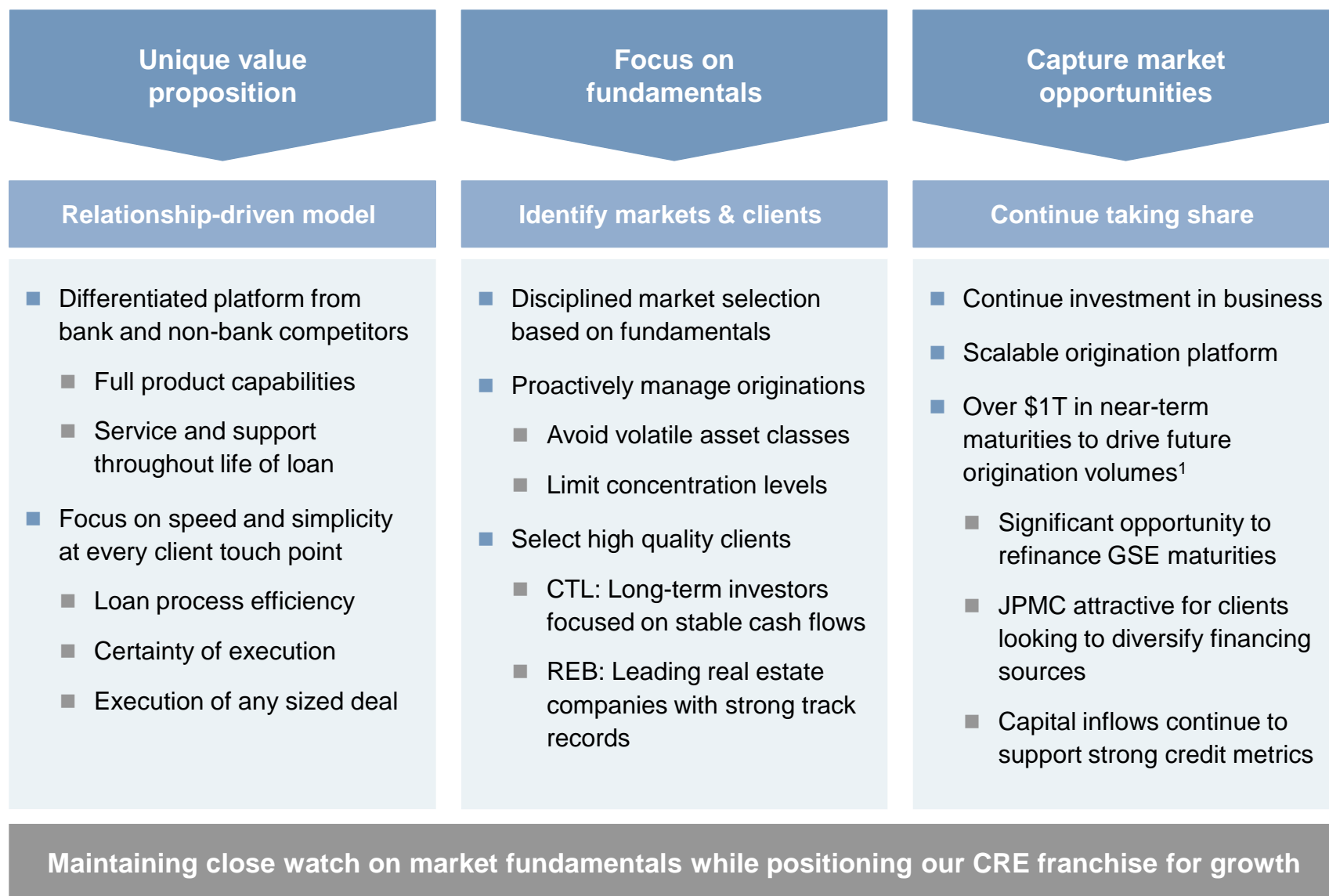
Continuing build-out of Investment Banking capabilities – new \$3B revenue target



¹ Represents the total revenue related to investment banking products sold to CB clients

² Commercial Banking clients and prospects jointly covered by CIB

Opportunity to continue capturing market share in Commercial Real Estate



¹ Trepp LLC, data as of 9/30/2014

We remain confident in our ability to produce superior returns through the cycle

Proven business model



Revenue

Deeper relationships through unmatched capabilities

- Premier investment banking
- Leading treasury services platform
- Top issuer of commercial cards¹
- Proprietary merchant services
- Foreign exchange
- Interest rate risk management
- International banking
- Investment management



Deposits

- Lower loan-to-deposit ratio vs. peer average² (69% vs. 121%)
- Significant value from deposits
- Firm-wide funding advantage from being part of JPMorgan Chase



Expenses

- Relentless expense management
- 600bps lower overhead ratio vs. peer average³ for 2014 (39% vs. 45%)



Credit costs

62bps lower through-the-cycle NCOs vs. peer average⁴ (36bps vs. 98bps)



Superior returns

Our **proven business model** allows us to **absorb incremental capital and continue to invest** while **producing superior results** through the cycle

Note: Data as of YE2014 except where noted through-the-cycle (TTC); TTC represents average of last seven years

¹ 2014 Nilson Report: Ranked by purchase volume in 2013

² Loan-to-deposit ratio peer average includes CB-equivalent segments at BAC, CMA, KEY, PNC, USB, WFC

³ Overhead ratio peer average includes CB-equivalent segments at CMA, FITB, KEY, PNC, USB, WFC

⁴ NCO ratio peer average includes CB-equivalent segments or wholesale portfolios at BAC, CMA, FITB, KEY, PNC, USB, WFC

Executing our proven strategy

Financial targets

		Long-term target	2014 actual	2010-2014 growth
Execute growth initiatives	Market expansion	\$1.0B	\$327MM	57% CAGR
	Investment banking ¹	\$3.0B	\$2.0B	10% CAGR
	International ²	\$500MM	\$304MM	22% CAGR
Maintain expense & credit discipline	TTC overhead ratio	35%	39%	36% avg.
	TTC net charge-offs	< 0.50%	0.00%	0.24% avg.
Optimize returns	TTC return on equity	18% +/-	18%	24% avg.

Note: TTC = through-the-cycle

¹ Investment banking revenue represents gross investment banking revenue generated by CB clients – including Banking and Markets revenue

² Denotes overseas revenue from U.S. multinational clients

Delivering for our clients

Chase Commercial Banking priorities

Fortress controls and compliance

- Safeguard our clients and our business
- Continue to enhance critical capabilities

Optimize returns

- Execute our disciplined growth strategy
- Adapt to new regulatory framework
- Deploy capital efficiently

Be the easiest bank to do business with

- Deliver proactive, best-in-class customer service
- Improve speed to respond

Invest in our team

- Our people are our competitive advantage
- Have the best people in our markets

Help our clients succeed

- Bring to bear capital, advice and ideas
- Deliver industry insight and solutions
- Stand by our clients

Our commitment is to build the best commercial bank by helping our clients succeed and making a positive difference in our communities