

COMMERCIAL BANKING

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February 25, 2014

Commercial Banking

A proven business model

Franchise strength

- Platform aligned to best serve client needs
- JPMC's leading global capabilities delivered locally – unique competitive advantage
- Seasoned and experienced team deeply rooted in local communities
- High quality customer base through rigorous client selection and focus
- Best-in-class credit performance through the cycle
- Stable and resilient earnings

2013 performance

- Executing on core strategies – expanded and deepened client base
- Adapting to changing regulatory and market environment
- Strong 2013 financial results despite challenging environment:
 - Revenue: \$7.0B
 - Net income: \$2.6B
 - ROE: 19%

Outlook

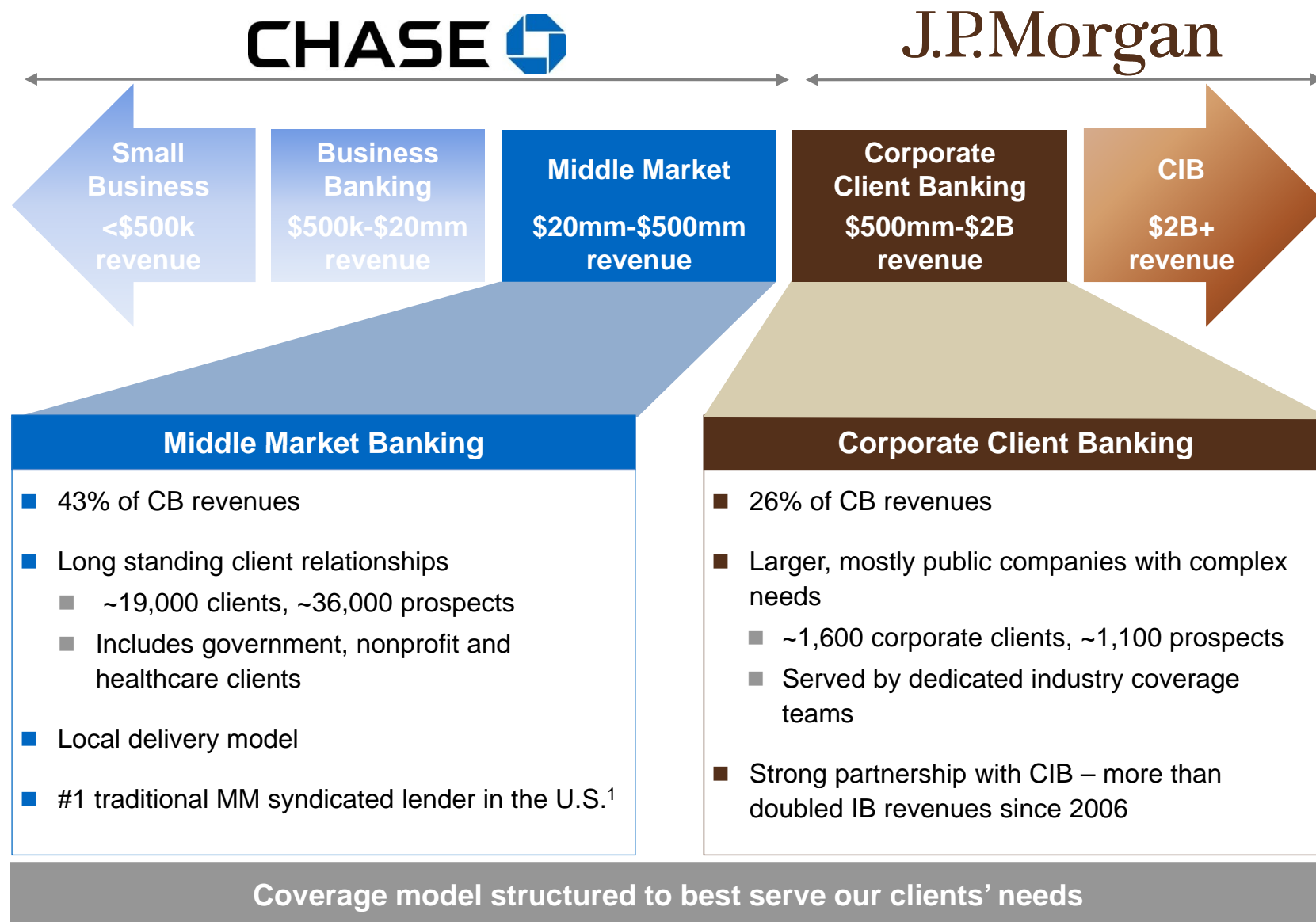
- Challenging environment in 2014 but expected improvement in the medium/long-term
- At 9.5% Basel III capital, we will be able to absorb near-term pressures and continue to generate strong returns
- 2014 priorities: Continue to adapt to higher capital and regulatory requirements, maintain discipline and execute against our growth strategy

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Our business

Commercial & Industrial overview



Note: Data as of YE2013. Dollar ranges beneath segment title represent clients' annual revenue. Middle Market Banking abbreviated as MM. Corporate Client Banking abbreviated as CCB. CB's Commercial & Industrial (C&I) grouping is internally defined to include certain client segments (MM, which includes Government, Nonprofit & Healthcare Clients, and CCB) and will not align with regulatory definitions

¹ Thomson Reuters as of YE2013. Traditional MM is defined as credit facilities of < \$100mm from clients with < \$500mm in revenue

Our business

Commercial Real Estate overview

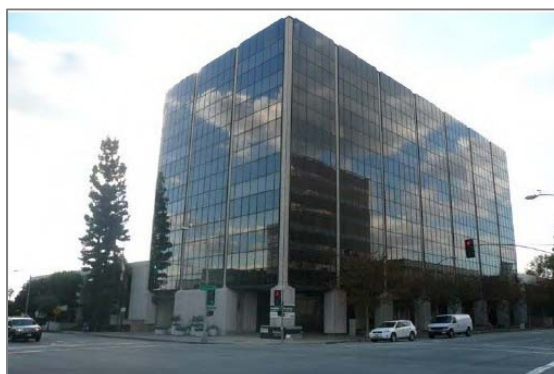
Commercial Term Lending

- 17% of CB revenue
- \$49B in loans
- Stabilized properties
- Acquired with WaMu in 2008
- #1 multifamily lender in U.S.¹



Real Estate Banking

- 8% of CB revenue
- \$19B in credit commitments
- Top-tier sponsors
- Institutional quality assets
- Diversified portfolio and products



Community Development Banking

- 3% of CB revenue
- \$4B in credit commitments
- Specialized construction lending for affordable housing



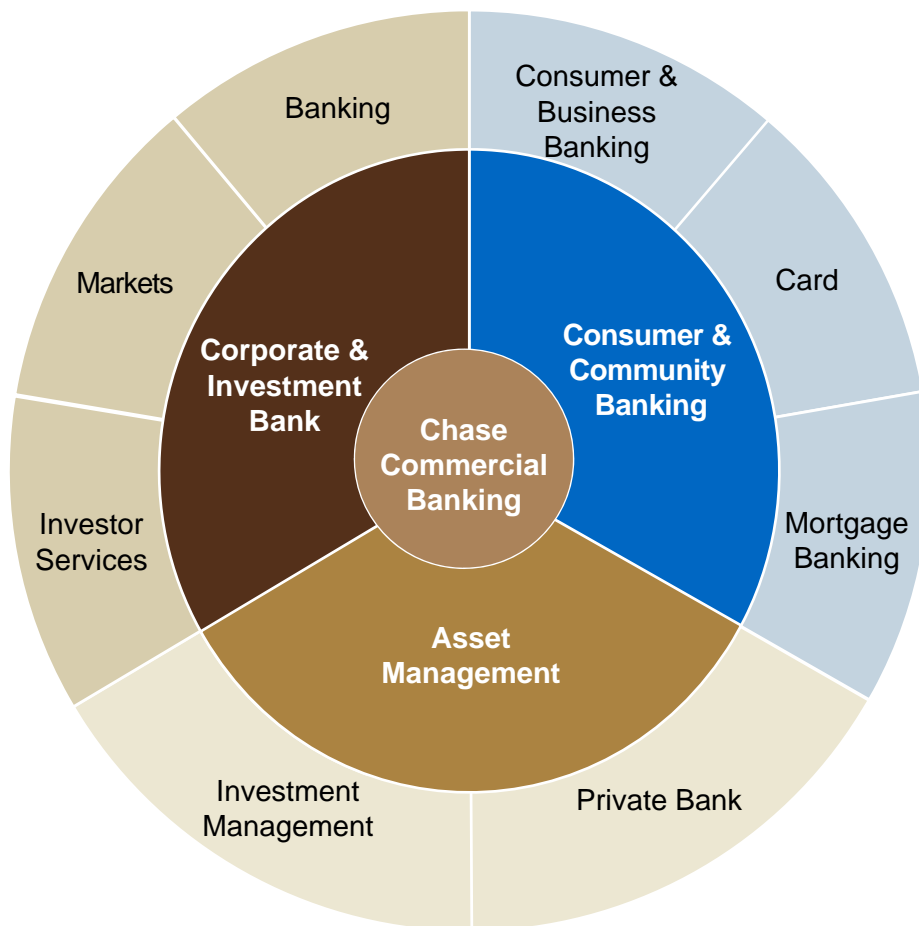
■ Uses Chase brand ■ Uses J.P. Morgan brand

Note: Data as of YE2013 except where noted. Commercial Term Lending abbreviated as CTL. Real Estate Banking abbreviated as REB. Community Development Banking abbreviated as CDB. CB's Commercial Real Estate (CRE) grouping is internally defined to include certain client segments (REB, CTL and CDB) and will not align with regulatory definitions

¹ SNL Financial based on FDIC data as of 3Q13

Our platform

A unique competitive advantage as a part of JPMC



Corporate & Investment Bank

- Treasury Services revenue of \$2.4B
- Record IB revenues of \$1.7B

Consumer & Community Banking

- Card Services revenue of \$438mm
- ~18mm branch transactions in 2013

Asset Management

- Investment Management revenue of ~\$500mm
- ~\$100B of AuM

Scale and stability

Iconic brands

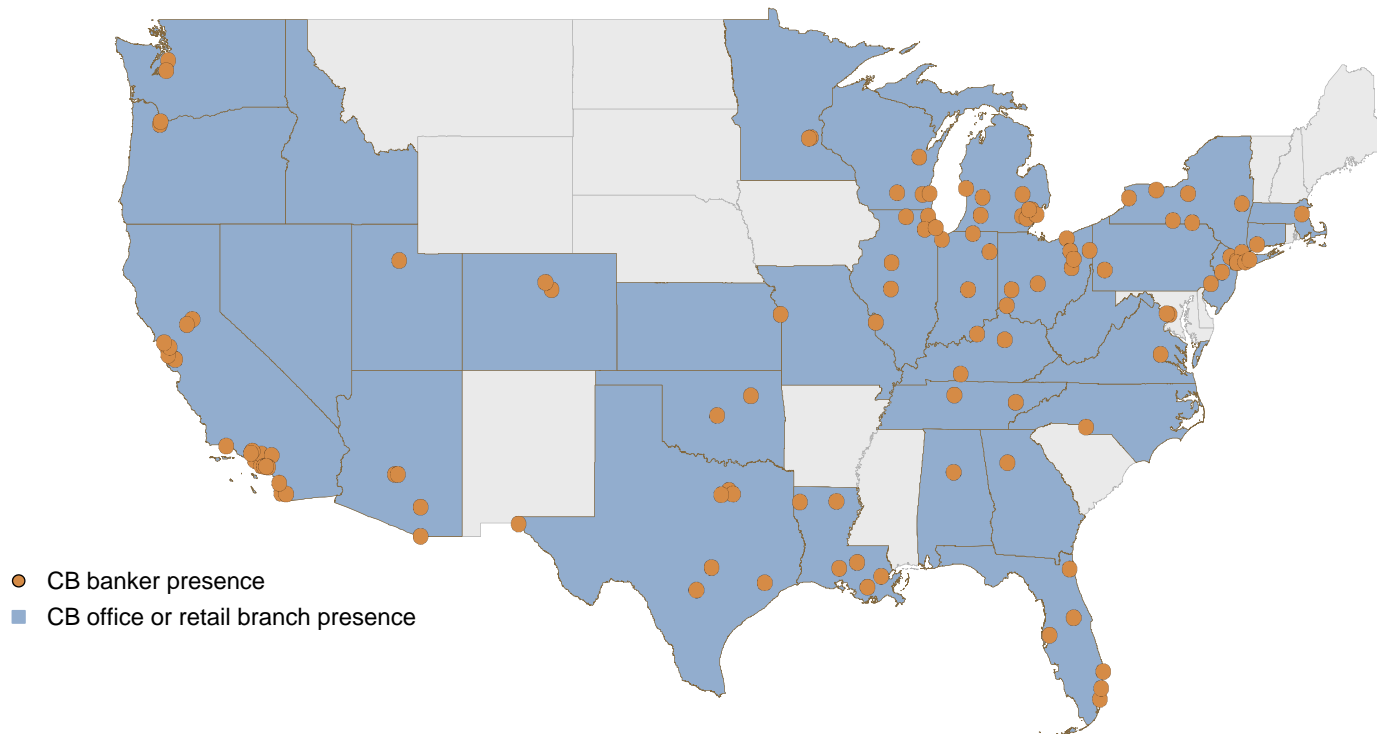
Access to talent

Broad product capability

Note: Data as of YE2013. All cross-sell information represents gross revenue, transactions or assets generated by CB clients. Investment Banking (IB) includes Banking and Markets revenue. Card Services includes Commercial Card and Paymentech revenue

Our people and presence

Global JPMC capabilities delivered locally



- Presence in 119 U.S. cities, 40+ of the top 50 MSAs and 13 major international cities
- Leverages Chase's extensive branch network and CIB's presence in 60 countries
- ~1,300 bankers¹; average 20+ years of industry experience

Single point of contact

Local decision making

Rooted in local communities

¹ Based on total number of revenue producing employees

Our clients

Rigorous client selection

Our client selection criteria

- Strategic clients with broad and complex needs
- Strong management track record
- Reputable in local markets
- Share our risk philosophy
- Preferred industries
- Transparent operations

Results in a high quality client base...

- Long-term, deep relationships: average of ~9 products/client
- Well-diversified portfolio of clients in our target segments
- Lower credit, operating and reputational risk
- We know our clients

...and a positive impact on economics

- Higher revenue per client given broad product needs
- Lower cost-to-serve (e.g., capital requirements, on-boarding, monitoring)
- Greater earnings resiliency
- Stronger returns

Our credit culture and discipline

Through-the-cycle credit costs below our target of 50bps

Portfolio quality driven by...

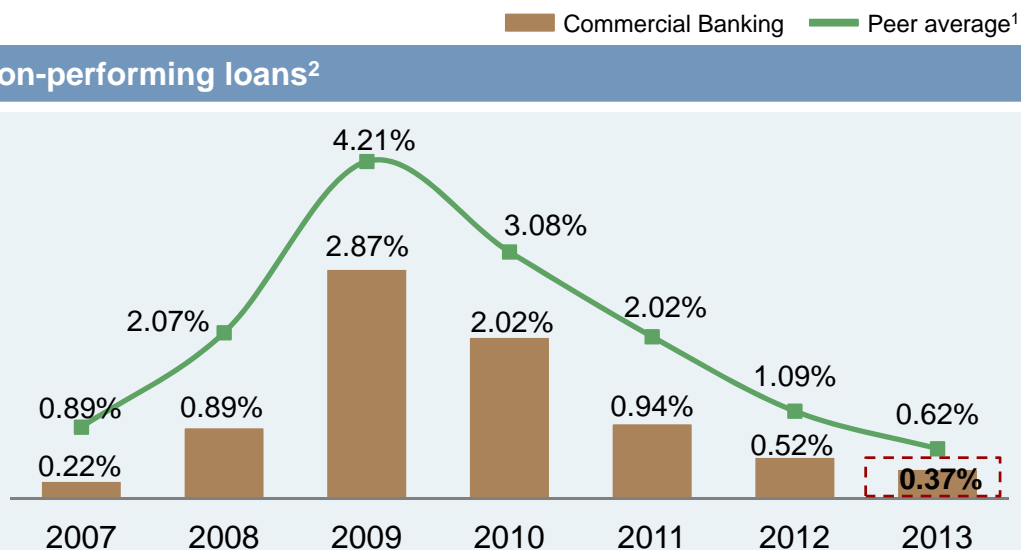
Strong credit culture

- Discipline over growth
- Joint ownership between banking and risk teams
- Experienced credit and risk teams in market
- Deep local knowledge

Risk discipline

- Granular, high quality portfolio
- Prudent with private equity sponsors
- Sound structures
- Cyclical risks managed
- New originations carefully monitored

Non-performing loans²



Net charge-offs



¹ Peer averages include CB-equivalent segments or wholesale portfolios at BAC, CMA, FITB, KEY, PNC, USB, WFC

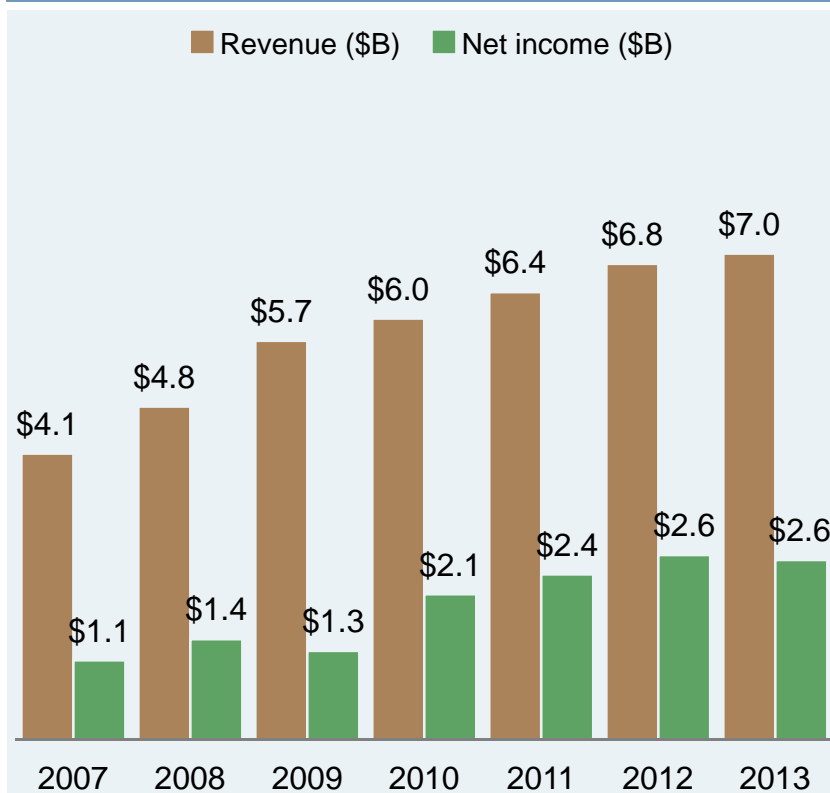
² Based on end of period loans

³ Through-the-cycle, 2007-2013 average

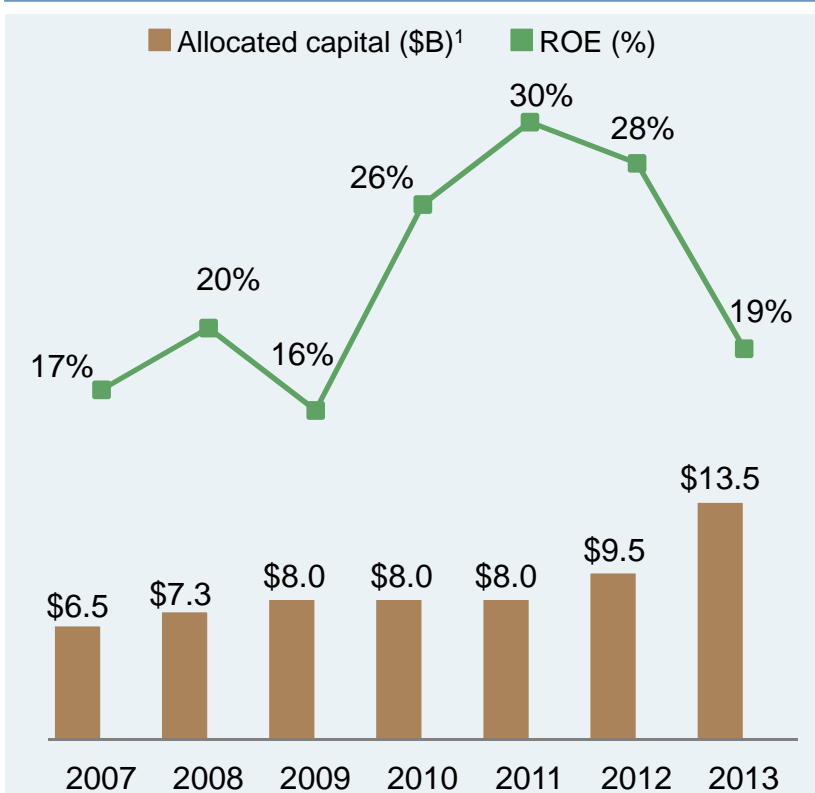
Our through-the-cycle performance

Resilient, high quality earnings

Resilient earnings



Strong ROE despite higher capital and continued investment in the business



High quality clients

Credit & expense discipline

Broad product capability

Capital efficiency

¹ Average allocated common equity for the period

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2013 results

Strong underlying business performance

2013 PERFORMANCE

Delivered strong performance	<ul style="list-style-type: none"> ■ Disciplined loan growth ■ Higher deposits, particularly DDA¹ ■ Strong credit performance ■ Expense discipline
Deepened client relationships	<ul style="list-style-type: none"> ■ Footprint expansion ■ Record IB revenues ■ Strong growth across key products
Adapted to regulatory changes	<ul style="list-style-type: none"> ■ Higher capital due to Basel III ■ Higher compliance and control expenses

			Record
(\$B, except where noted)	2012	2013	YoY (%)
Total loan balance (EOP)	128	137	7%
Net charge-offs (%)	0.03%	0.03%	
Non-performing loans (%)	0.52%	0.37%	
Total deposits (avg.)	196	198	1%
Overhead ratio (%)	35%	37%	
Return on equity (%)	28%	19%	
Investment Banking revenue ²	1.6	1.7	5%
Card Services revenue ² (\$mm)	381	438	15%
International revenue ³ (\$mm)	238	261	10%
Allocated capital	9.5	13.5	42%
Dedicated regulatory FTEs ⁴	64	215	236%

¹ Demand Deposit Accounts

² 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

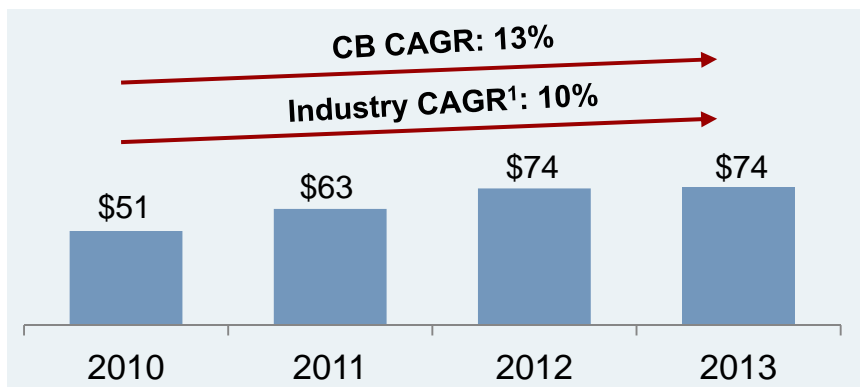
³ Denotes overseas revenue from U.S. multinational clients

⁴ Full-time equivalents

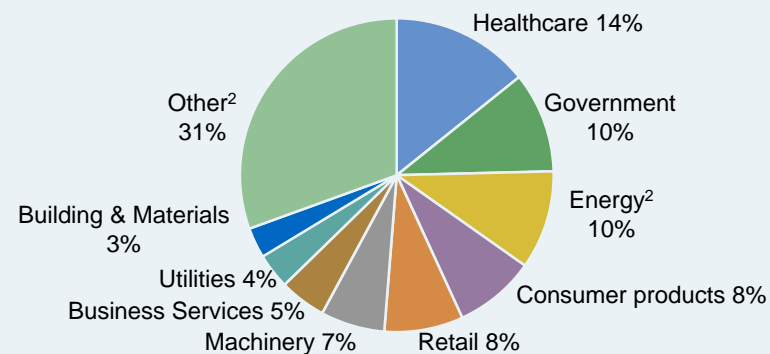
C&I loan growth

Maintaining discipline even when the industry is easing

CB C&I loans (\$B, EOP)



Diversified portfolio (2013 C&I loans, EOP)



2013 industry observations

- Demand slowed versus initial years of economic recovery in 2010-2012
 - Less pure interest rate driven demand
 - Clients remained cautious and held onto cash
 - Record leveraged finance activity from institutions, replacing bank loans for larger corporate clients
- Fierce competition from traditional competitors and new non-bank lenders
- Easing of credit standards³ and very aggressive pricing

CB performance summary

- Outperformed industry in both growth and credit quality since onset of recovery
- Growth lagged industry in 2013
 - Passed on deals that didn't meet our credit standards or economic hurdle rates
 - Competitors refinanced lower quality loans from portfolio
 - Maintained focus on core industries with selective exposure to private equity transactions
- Revolver utilization of 30% remains low

Proven track record and well-positioned for an economic expansion

Note: CB's C&I grouping is internally defined to include certain client segments (MM, which includes Government, Nonprofit & Healthcare Clients, and CCB) 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)

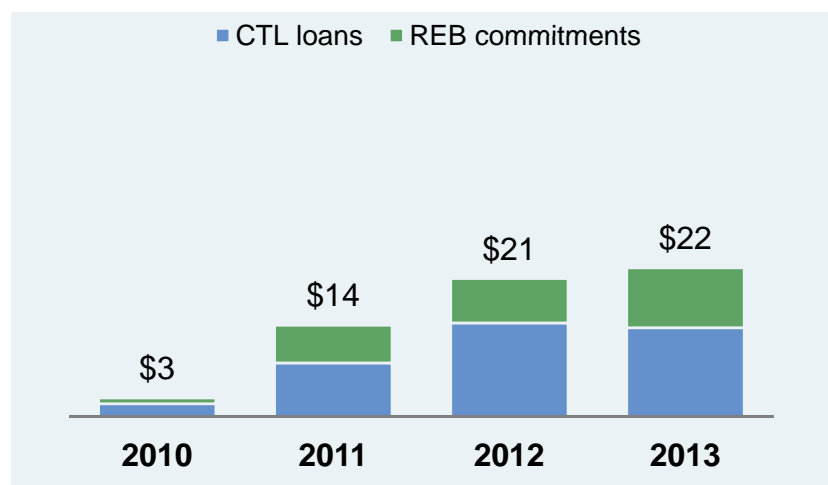
² "Energy" includes Oil & Gas and Metals & Mining. "Other" includes nine additional industry groups

³ Based on FRB Senior Loan Officer Opinion Survey on Bank Lending Practices – released 2/3/2014

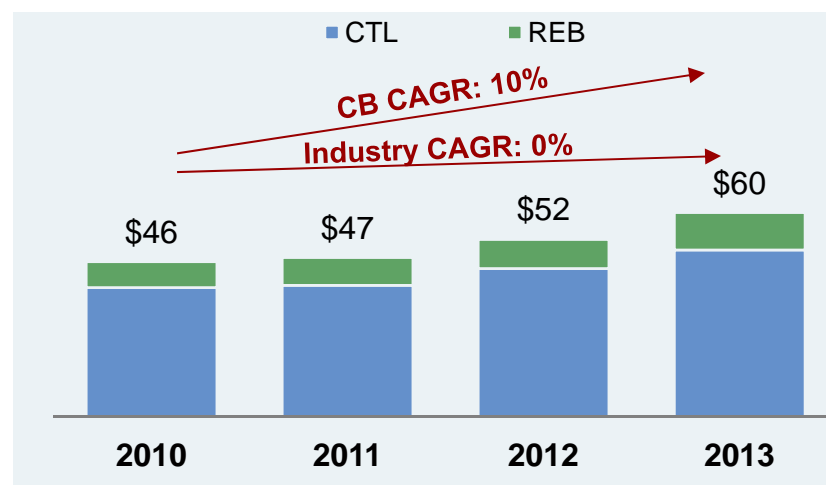
CRE loan growth

Capturing market opportunity

Credit originations (\$B)¹



Loan balances (\$B, EOP)¹



Sector fundamentals remain strong

- Strong multifamily fundamentals
- Modest commercial construction aiding stability
- 33% of \$3.1T CRE debt maturing between 2014-2016²
- Sound credit structures

Scale advantage

Client and asset selection

Rigorous underwriting standards

Market conditions closely monitored

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

¹ Excludes CDB

² Source: Trepp, LLC and FRB Flow of Funds Data, Balance Sheets, and Integrated Macroeconomic Accounts, as of 3Q13

Deposit growth

Stable and diversified deposit base

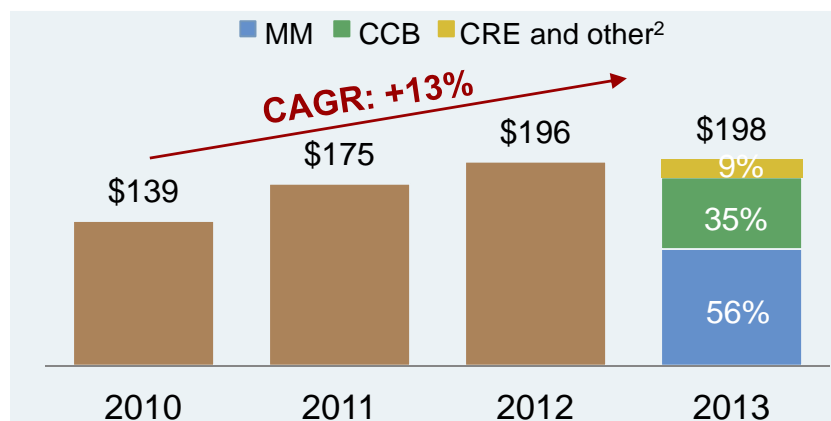
Excellent deposit gathering franchise

- 17,000+ depository clients
- Complete set of cash management products to attract valuable operating deposits
- 54% of deposit base comprised of DDA, with strong growth over 2012
- Stable spreads in 2013
- \$2.4B revenue generated from deposits and product fees

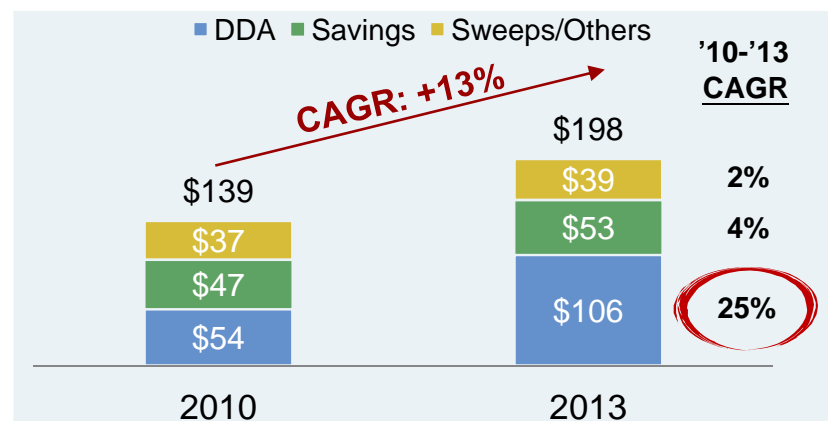
Managing deposits closely

- Regulatory changes will impact the value of certain types of deposits, but we are actively managing through pricing
- Expect non-operating deposits to decline as economy improves¹
- Well-positioned for a rising rate environment

Average deposits (\$B)



Deposit mix by type (\$B)



Our deposits will be very valuable as interest rates rise

Note: Deposits represent client deposits and other third party liabilities. DDA = Demand Deposit Account

¹ Non-operating deposits include deposits in excess of what a client requires to fund their transactional/operating needs

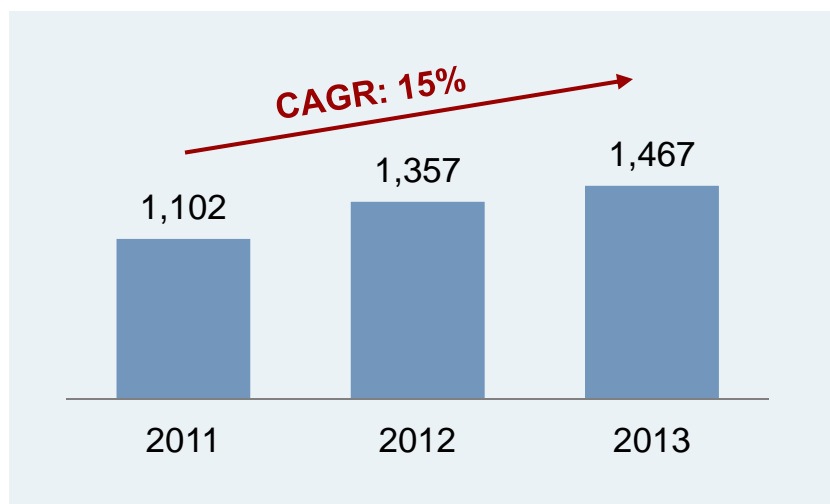
² Includes REB, CDB and CTL

Expanding our client base

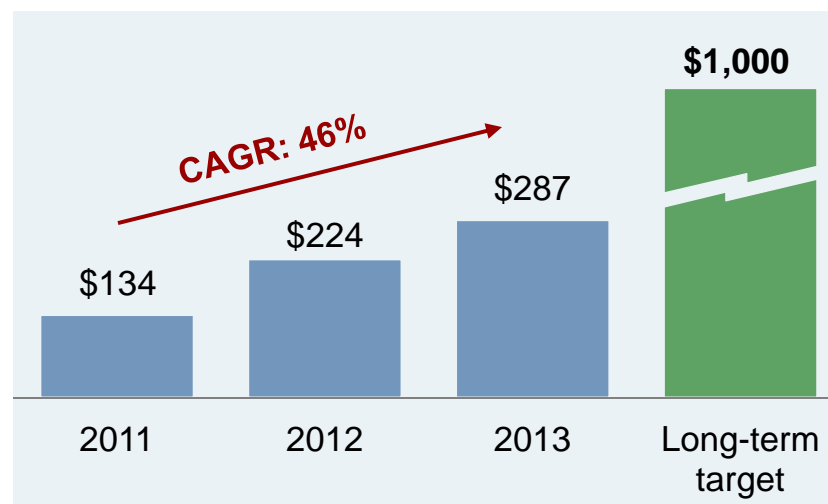
Growth in high potential markets

- Expanded into 5 of the top 15 MSAs
- Huge growth opportunity – ~16,500 prospects in expansion markets
- Delivered differentiated model into new markets (well-received by clients)
- Positive return contribution as we reach scale

Total expansion clients



Total expansion revenue (\$mm)



Right people

Patience

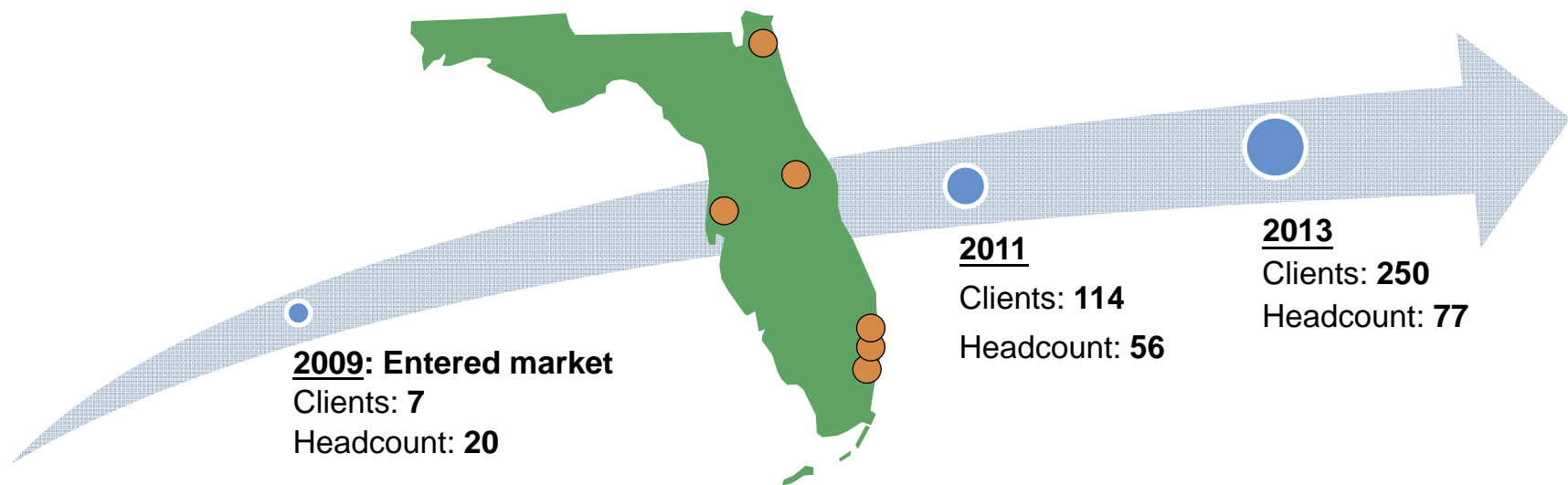
Discipline

LOB partnerships

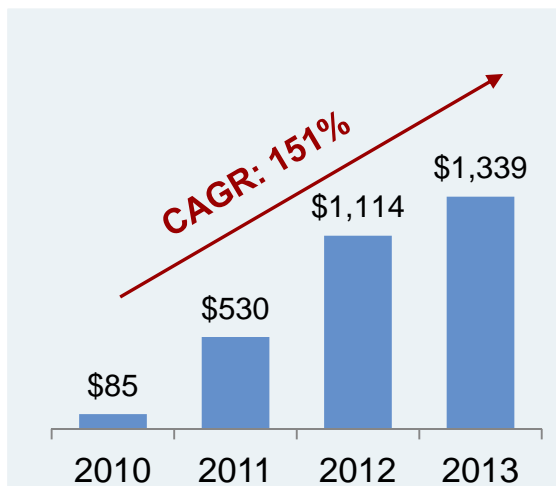
Note: Reflects MM expansion. Defined as heritage Washington Mutual locations plus locations out-of-footprint of retail branch presence

Middle Market expansion success story

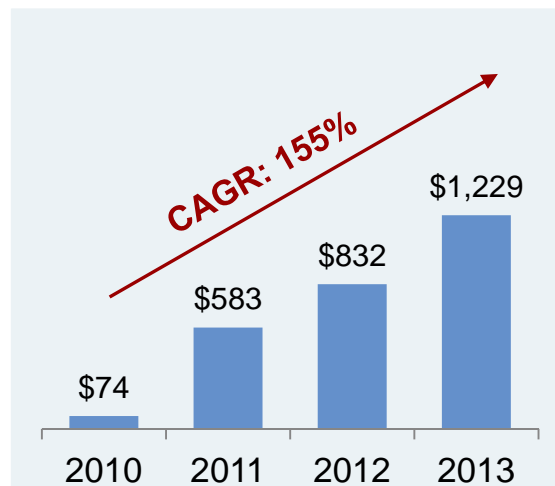
Florida



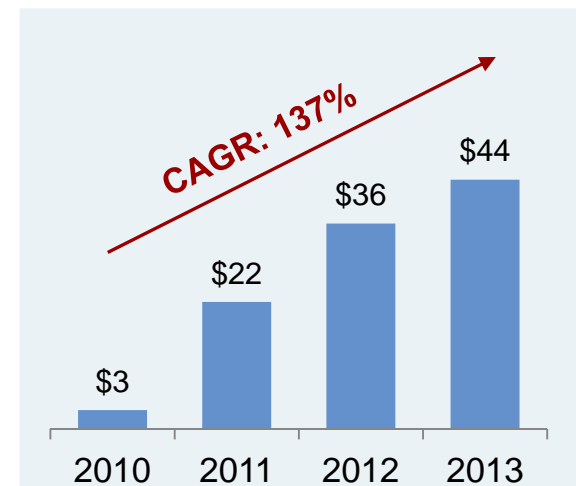
Loans (\$mm, average)



Deposits (\$mm, average)



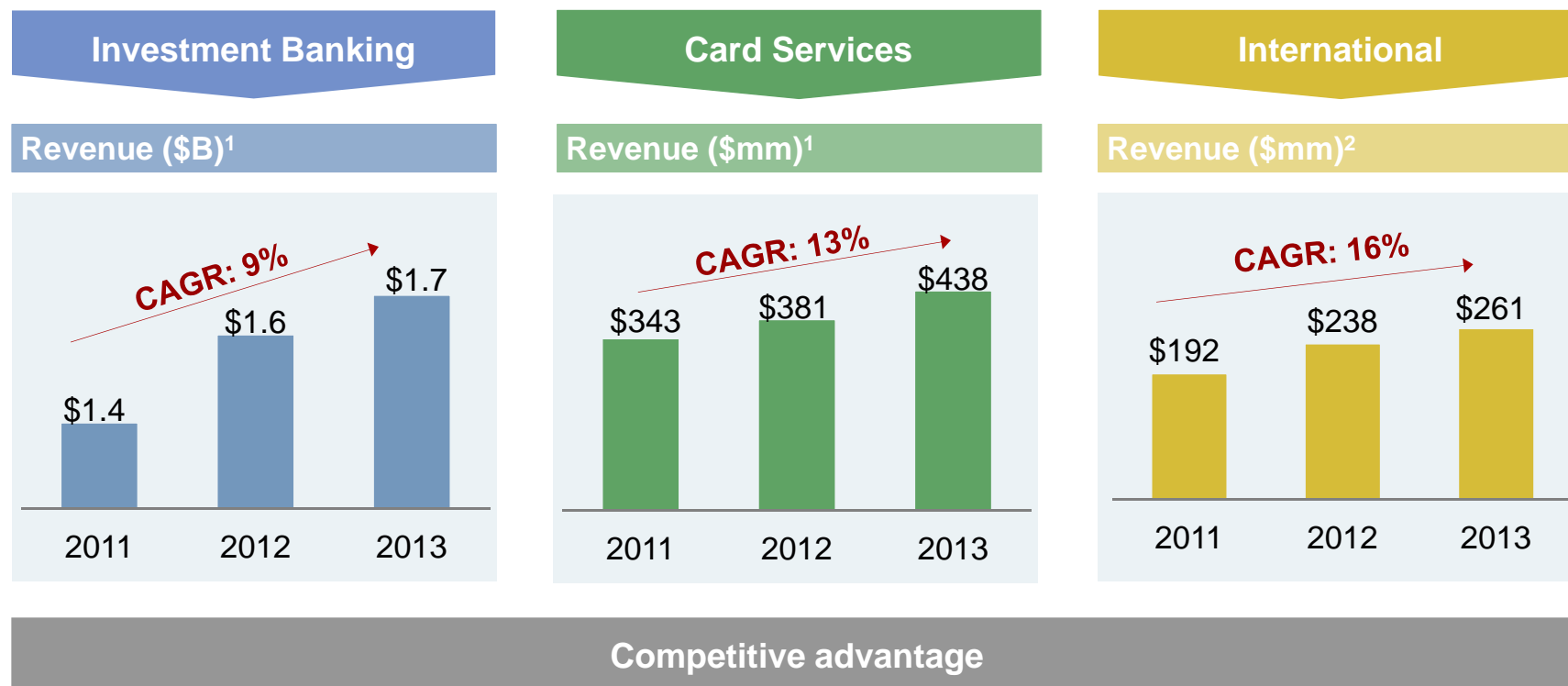
Revenues (\$mm)



Deepening client relationships

Strong cross-sell through our differentiated capabilities

- Unique capabilities delivered locally
- High margin products that enhance returns
- Record revenue in 2013
- Dedicated teams
- Substantial room to grow



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 Denotes overseas revenue from U.S. multinational clients

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Market outlook

Well-positioned to absorb near-term challenges and benefit from market opportunities

Near-term, we face some challenges...

- Regulatory changes
- Low deposit spreads
- Intense competition
- Slow economic recovery

...but are best positioned against these challenges...

- Strong credit portfolio
- Regulatory and compliance infrastructure
- Investing for the future
- Power of JPMorgan Chase platform

...and will benefit as the U.S. economy recovers

- Rising deposit spreads
- Increased business borrowing
- Greater M&A and capital markets activity
- Increase in international activity

Business targets

Strong through-the-cycle returns

		2013 result	Long-term target	
Key revenue growth initiatives	Middle Market expansion	\$287mm	\$1.0B	Making strong progress towards our long-term revenue targets
	Investment Banking ¹	\$1.7B	\$2.0B+	
	International ²	\$261mm	\$500mm	
			TTC target	
Overhead & credit costs	Overhead ratio	37%	35%	Maintaining expense and risk discipline while investing in the business
	Net charge-offs	0.03%	0.50%	
Returns	Return on equity	19%	18% +/-	Strong TTC ROE despite higher capital

Note: TTC = through-the-cycle

¹ Investment Banking revenue represents gross revenue generated by CB clients. Includes Banking and Markets revenue

² Denotes overseas revenue from U.S. multinational clients

2014 priorities

Continue to deliver for our clients

- ☒ **Ensure a fortress compliance and control environment**
- ☒ **Fully adapt to regulatory capital, liquidity and leverage requirements**
- ☒ **Maintain risk discipline – monitor market conditions**
- ☒ **Execute our growth strategy**
- ☒ **Invest in our people and platform**

Deliver for our clients