
2023 INVESTOR DAY – HIGHLIGHTS

TRANSCRIPT

May 22, 2023

MANAGEMENT DISCUSSION SECTION

Daniel Pinto

President & Chief Operating Officer, JPMorgan Chase & Co. and Chief Executive Officer of the Corporate & Investment Bank

Our business model is set up to serve clients as they grow and as their needs evolve. Our people know how to work together and know how not to work in silos. We are proud of our culture that supports partnership across LOB and makes possible to deliver great client experiences to our clients. This integration, experience and institutional knowledge is part of our secret sauce for success.

We have a 9% compound annual growth rate in Tangible Book Value Per Share since 2004. That is 400 basis points ahead of most of our peers.

Jeremy Barnum

Chief Financial Officer, JPMorgan Chase & Co.

Jamie always says that excess capital is just future earnings and I think this is a nice example of that. The conservative positioning of the balance sheet allowed us to do the First Republic transaction and deploy that 40 basis points of excess capital and some of our excess liquidity at extremely attractive returns, not only well above what would be implied by share buybacks, but also significantly better than our 17% through the cycle target. So, if at any point in the future, we choose to build up capital a little bit, just keep that in mind.

Ultimately, the point is simple, the company is resilient, and we believe we are well positioned for a broad range of environments.

We continue to believe in our 17% through the cycle target which is well supported by our recent results. And as we go into a more challenging environment, it's important to remember that some years may be better than 17%, while others will be worse. But through all environments, we will remain focused on the core strategic priorities and operating principles that have served us well over a long period of time.

Lori Beer

Global Chief Information Officer, JPMorgan Chase & Co.

Last year, I laid out our technology strategy across four pillars. We remain committed to this strategy.

Our efforts have already yielded a half a billion dollars in productivity and efficiency gains, and we are on track to deliver against our three-year goal of \$1.5 billion.

In total, 56% of our infrastructure spend is modern. Over the next three years, we have line of sight to have nearly 80% on modern infrastructure.

We continue to lead the industry in data and AI and are ahead of plan on the commitment we made last year to realize \$1 billion in business value.

I am confident we will hit our new target of delivering \$1.5 billion of value by the end of this year.

Our focus on disciplined investment has allowed us to protect our firm and grow our business, while keeping our technology spend relative to revenue consistent at around 10%.

Jennifer Piepszak

Co-CEO of Consumer & Community Banking

Everything starts with the customer. We're focused on our strategy to grow, engage and deepen customer relationships by delivering products and services they love and expanding our distribution.

We remain the number one Consumer Bank, Business Bank and Card franchise in the industry and have extended our leadership positions.

Our true differentiator is how our channels come together to complement each other, to serve customer needs. It's not a binary choice between branch and digital, and most of our banking customers engage with both.

We are the stewards of a franchise with competitive moats that have been cultivated for years.

Within any given year, it's easy to lose the forest through the trees, but it's important to remember we invest for the long term and we see those investments pay off in volume and growth over time.

Marianne Lake

Co-CEO of Consumer & Community Banking

Our investments will always be a function of the market opportunity, and we're disciplined in how we spend every dollar.

On product development, we continue to see significant opportunity to invest across our channels, our products and our platforms with strong business cases and to deliver a better customer experience.

We're confident in our strategies. We believe we're making good decisions and investing in the right things to deliver great outcomes for our customers and strong financial performance through the cycle. And in almost any scenario, the weather would be unlikely to change much about our strategy or what we're doing.

Jenn shared with you our customer growth metrics and the proof of the pudding is in the eating – we've extended our leadership positions across our core businesses over the last decade.

Jennifer Roberts

Chief Executive Officer of Consumer Banking

Our continued focus on customer growth has allowed us to grow Consumer Banking deposits by over \$300 billion in the last three years, more than any other bank.

Looking ahead, we'll continue to strengthen our value proposition to meet the needs of customers across segments... And we are not resting on our laurels. We see so much opportunity across segments. When we get this right, every customer will be able to say, "Chase is the bank for me", which we know is critical and becoming the bank for all.

We are the only major bank with significant investments in new branches, adding more than 650 over the last five years, including delivering on our commitment to build 400 branches in 25 new states.

Looking ahead, our goal remains having the right branches in more communities, serving the financial needs of our customers... Banking is local and we have opportunities to serve more communities. So we are targeting covering 70% of the U.S. population within a 10-minute drive of our branches, up from 60% today.

Ben Walter

Chief Executive Officer of Business Banking

In Business Banking, the clients we serve are as diverse as the 40 million and growing small businesses in America. We serve the full range of sizes, industries, geographies and lifecycle stages. We help these businesses start, run and grow, all under one roof.

We're the number one primary bank in the U.S. and we've grown our share of the market by over 300 basis points since 2012.

Even with elevated business formation, we've captured more than our fair share and we grew our client base by 30% from the end of 2019 to the end of 2022 and nearly doubled deposits.

Our product suite is broad and deep, it evolves as our clients' needs change and our capabilities grow and it's designed to drive customer engagement and in turn, bank primacy.

Products customers love, powerful digital tools and trusted expert advice, all delivered one client at a time – that's our superpower, and that's how we support America's small businesses as they grow.

Allison Beer

Chief Executive Officer of Card Services and Connected Commerce

We've launched or refreshed 24 products since 2019, including Ink Business Premier, which launched last year, three new co-brand partners and most recently our new cards with Amazon.

Here's where our two-sided Connected Commerce platform comes into play. We're connecting two of our critical assets. On one side, it's our 63 million digitally active customers, and on the other side, relevant brands that our customers love.

And when you add these together with the scale of our base, the breadth of our solutions and the richness of our data, we're connecting brands and customers in a way that no other company can.

We're a top five leisure travel provider in the U.S., and we have lots of room for growth as one in four leisure travel dollars spent in the U.S. is spent on a Chase card.

For our partners, we're driving far more value than just the ease, safety and security of the payments we provide.

Card brings in roughly 50% of the new-to-Chase customers. And then they quickly learn that Chase is a one stop shop for all their financial needs.

Ultimately, our strategy is simple and compelling. The scale of our relationships, the strength and diversification of our businesses, our operational excellence and our unmatched investment capacity enables us to be a market leader today.

Marianne Lake

Co-CEO of Consumer & Community Banking

As you may imagine, we didn't come into this year with acquisition plans for the business, but given the circumstances we stepped up. And the acquisition of First Republic happened over a weekend. And as prepared as we were, we have learned a lot over the last several weeks, about the many strengths of their model, including their commitment to extraordinary customer service.

Jennifer Piepszak

Co-CEO of Consumer & Community Banking

First Republic's Private Wealth Management business is most similar to the J.P. Morgan Advisors model. And as you can see, adding about 200 advisors and \$200 billion in assets represents a meaningful acceleration of our Wealth Management business in CCB.

Daniel Pinto

President & Chief Operating Officer, JPMorgan Chase & Co. and Chief Executive Officer of the Corporate & Investment Bank

The strength of our franchise is enhanced by our ability to serve clients across businesses.

We're always looking at investment, investing for the future. We are modernizing our technology platform, we are investing in new technologies, we are testing new things all the time for the future.

We have everything we need to succeed. We have great talent, financial resources, product offering that is very, very complete.

Vis Raghavan

Co-Head of Global Investment & Corporate Banking and Chief Executive Officer of Europe, Middle East and Africa

We are not complacent. We know that beneath the headline number one rank, we have clear organic growth opportunities across regions, products, clients, and sectors.

Like our talent, our fortress balance sheet has also consistently stood behind our clients as a dependable source of financial support through good times and bad.

Jim Casey

Co-Head of Global Investment & Corporate Banking

We also have the scale, capabilities and expertise to proactively deliver innovative solutions at the forefront of client needs. We were an early leader in equity private placements with our proprietary platform, capital connect, we're building a marketplace to match providers of liquidity to clients who need it.

Clients value our powerful franchise collaboration model and they reward us for it. This is evidenced by our positive business results. For every dollar that we generate with IB corporate clients, we generate another \$1.40 in additional franchise revenues. This isn't just for a select few corporate clients. This is what we see across the entire franchise. That is a really powerful multiplier.

Takis Georgakopoulos

Global Head of J.P. Morgan Payments

I hope you will agree with me that we build and innovate like a leading tech company, but we do it with the scale and with the controls that you would expect from JPMorgan.

We do business with 80% of the Fortune 500 Companies, including 17 of the largest 20 and 15 of them added more business with us in 2022. And across our broader universe, our mandates with Corporates are up by 90% and our mandates with FIG clients are up by 60% with no sign of slowing down.

We expect our organic growth to continue to accelerate from that \$600-plus-million of 2022. As we are hoping that we will monetize our investments in merchant services and continue to grow our treasury services and monetize our multiparty e-commerce capabilities and in a normalized environment with balance growth resuming we believe that that number can reach a \$1 billion per year. So overall a lot more upside and a lot more opportunities in this business.

Finally, just to summarize, the Payments business, record revenue growth, great client momentum and the expectation of continued growth going forward.

Doug Petno

Chief Executive Officer of Commercial Banking

Recognizing that innovation is a critical economic growth driver, we have been steadily building upon our innovation economy Commercial Banking business.

Looking forward, as strong as our franchise is, we are not standing still. We're making the long-term strategic investments to best serve our clients and compete in the future.

I want to highlight that we don't grow loans just to grow loans. We deploy capital strategically to support our clients.

We're harnessing our tremendous data assets, empowering and enabling our teams. And we're driving organic growth.

Achieving a top three share in each of our markets is a multibillion-dollar opportunity for us.

The globalization of financial services across our client franchise is a powerful secular trend and has been accelerated by digital payments, increased cross-border investment, and growth in global trade.

We've been very intentional about lending against assets and in markets that have strong through-the-cycle performance.

Mary Callahan Erdoes

Chief Executive Officer of Asset & Wealth Management

We have a very healthy and market-leading 25% ROE and 25% margin. Not all of our competitors have both. And the basis of every single thing we do is that last number on the left side, which is that we deliver alpha, each and every day. And the 90% of what we do has outperformed our peer competitors and that's a result of decades of continuous investment in this business.

Together, those are 8,000 advisors. Those 8,000 advisors' asset and wealth management powers all of the investments and opportunities that they invest in. And you know what that has delivered already? Each and every day there are 500 new people in the branches who start to invest with JPMorgan Chase. And every single day, the Private Bank brings in \$1 billion in net new money into the investment space.

Banking is not a commodity... it is not a commodity. It is part of everything we do, the holistic advice that we give to clients, and it's the most important basis of what we talk about.

Jamie Dimon

Chairman & Chief Executive Officer, JPMorgan Chase & Co.

I also loved the chart that Jeremy put up and I don't know if you really paid attention to it. But you should go back to it... But we can even with the severely adverse, we would probably earn quite a bit of money and be proud of the results. We always look at that. That we can – we're here in good times and bad. We're not running in and out of businesses. We're not – we have long-tenured people. And I mean, that's how you build a business. Just all the time, not stopping and starting.

We are doing really well. We have for a long period of time. I am comfortable that will be true going in the future. I do think we've got tough competition and we showed you a lot of number ones. I think one of the things I like when you – when people talk about our weaknesses. We didn't build Square. We didn't build Stripe. We have markets where we're not doing particularly well. We have plenty of growth areas. We're going to focus on what we have at hand. We think we can – we have a lot of things to build, a lot of things to succeed. And we have new competitors. So, we have our hands full, but we're comfortable we can deal with that.

And I think everyone should be prepared for rates going higher from here. If 5% is not enough from Fed Funds, if I – and I've been advising this to clients and banks, you should be prepared for 6%, 7%. I would be prepared for higher rates if I were someone. Whether it happens or not we don't know, but you should be prepared for it.

Right now we have a – we talked about a 50 basis point buffer... And so, we have plenty of capital. Like, we're retaining capital today. Our target is 13.5%. Even after sucking up 40 basis points with First Republic, we're still going to be over the 13.5% this quarter... And you've heard me talk about stress tests. It's very – I mean, I blame the banks for what happened. But this having one test, I do think lulled a lot of people into a false sense of security that things are going to be okay on interest rates. And that was a mistake too.

I think all the JPMorgan people here know how much gratitude I do feel for the job they do for this company, for their clients, their communities, for our countries around the world. It is extraordinary. And they do know that. They do know I'd break my back for them, that I do the best I can. That I adore them. And I just look at these sessions here and I'm kind of beaming half the time, just watching our people in action talking about what they do and how they do it. And they're getting better, folks. And I just think that's a wonderful thing. So, my gratitude to all of the JPMorgan people here. Thank you very much. And to long-term shareholders, thank you. We'll see you – see you all soon. Thank you.

Disclaimer

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