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JPMorgan Chase plans new branches in Philly and beyond

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Jamie Dimon

by **Joseph N. DiStefano**, Staff Writer

JPMorgan Chase & Co. is looking at opening branches in a dozen states, including three sites near its existing back offices in the Philadelphia area.

Those proposed branch locations include 17th and JFK Boulevard, and 18th and Market Sts., in Center City Philadelphia, near the company's current Private Banking Office at One Liberty Place; and at Second and Market in Wilmington, where the company bases part of its consumer-lending business. Branches at its existing employment centers would enable the bank to serve its nearly 10,000 staff in the region, while offering more products to the bank's existing mortgage, credit card, student loan, and investment clients here.

The proposals were reported in regulatory filings at the U.S. Department of the Treasury's Office of the Comptroller of the Currency, which regulates banks. Spokeswoman Elizabeth Seymour said the bank isn't ready to comment on its branching plans. S&P Market Intelligence reported the planned branches in February after an initial OCC report.

JPMorgan chief Jamie Dimon has called for adding 400 U.S. branches in a bid to put his company's large and rising profits to work finding new customers, following the windfall of last year's federal income tax cuts passed by Congress and signed by President Trump. Banks have shut branches as more customers access their accounts online, but JPMorgan says branches can still bring in new business, particularly in markets a company hasn't yet penetrated.

The move resists a recent trend toward closing branch locations. U.S. bank branches totaled less than 90,000 last year, down from 100,000 in the late 2000s, according to FDIC data.

Bank consolidation and online banking have pushed many lenders to prune locations, says John Boyd, head of the Boyd Co., a South Jersey-based North American corporate site selection firm whose clients have included JPMorgan in the past. "But, banks have been making a lot of money, and there's bright skies ahead under the current administration, so they have some tail winds pushing new projects and new initiatives," he added. Besides cutting corporate taxes, the Trump administration and congressional leaders have sought to ease strict bank capital and reporting requirements enacted after the banking-industry failures of the late 2000s.

New York-based JPMorgan rivals Bank of America, which already has a branch network in the Philadelphia area, as the two largest U.S. banks. Wells Fargo & Co., TD Bank, PNC, and Citizens are currently the region's dominant deposit banks and lenders, having acquired assets of the former Philadelphia-based banks in the 1900s and 2000s.

JPMorgan employs nearly 10,000 people in the Philadelphia area, mostly at its credit card, consumer lending, information technology, tax shelter, and other offices in northern Delaware. The company already has specialized local offices servicing wealthy clients, home, student, business, and consumer loans like its Philadelphia private-banking office, but has not built an area retail branch network up until now. JPMorgan's predecessor, Chemical Bank, which adopted the Morgan and Chase names after buying those rival institutions, sold most of its former South and Central Jersey branches to PNC in the 1990s.

The JPMorgan Chase Philly push follows an abortive effort to enter the Philly region by Citibank, JPMorgan's New York rival, in the 2000s. After spending millions building 11 branches, at sites including the former Doc's Leisure Time sex aids and pornography shop near the Convention Center and in King of Prussia, North Wilmington, and other neighborhoods, Citi pulled the plug and shut its Philly-area branches in 2013, citing the region's slow growth compared with Boston and other rising markets.

Republic Bank of Philadelphia, chaired by Vernon Hill, is among the few U.S. banks opening new branches in the region in recent years. Hill, a Moorestown real estate and retail entrepreneur

who founded the former Commerce Bancorp (now part of TD), is also adding branches at his newly profitable MetroBank Plc in England. Hill sees efficiently run bank branches as billboards drawing in new customers, including those who will ultimately bank mostly by smartphone.