February 8, 2021

Via email: shareholderproposals@sec.gov

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

RE: Stockholder Proposal of the National Center for Public Policy Research, Securities Exchange Act of 1934 – Rule 14a-8

Ladies and Gentlemen,

This correspondence is in response to the letter of Brian V. Breheny on behalf of JP Morgan Chase & Co. (the "Company") dated January 11, 2021, requesting that your office (the "Commission" or "Staff") take no action if the Company omits our Shareholder Proposal (the "Proposal") from its 2021 proxy materials for its 2021 annual shareholder meeting.

RESPONSE TO JP MORGAN CHASE & CO.'S CLAIMS

Our Proposal asks the Board of Directors to prepare a report based on a review of the Business Roundtable (BRT) Statement of the Purpose of a Corporation ("the Statement") to "provide the board's perspective regarding how our Company's governance and management systems can be altered to fully implement the Statement of Purpose, and what our Company should do if the Statement cannot be reconciled with current practices and commitments."[1] That Statement was

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[1] *See* Business Roundtable, STATEMENT ON THE PURPOSE OF A CORPORATION (Aug. 19, 2019), *available at* https://opportunity.businessroundtable.org/ourcommitment/ (last accessed Oct. 26, 2020). In relevant part, the Statement asserts that

> While each of our individual companies serves its own corporate purpose, we share a fundamental commitment to all of our stakeholders. We commit to:

signed by JP Morgan Chase & Co. CEO Jamie Dimon.[2] In our Proposal we made clear that we sought a report that considered and attempted to reconcile current Company behaviors that diverged from the commitments made in the Statement, and that grappled with the possibility that coherent adherence to the Statement, given our Company's divergences from it, might prove impossible, thus requiring our withdrawal from the Statement. We further sought a report that established, if possible, methods and means to ensure that the Company's adoption of the Statement did not, by making nominal commitments to sometimes-orthogonally aligned stakeholders, in effect absolve the Company of accountability to any stakeholders, which would surely have violated the spirit and the letter of the Statement.

The Company seeks to exclude this proposal "pursuant to Rule 14a-8(i)(10) because the Company has substantially implemented the Proposal; and Rule 14a-8(i)(7) because the Proposal deals with matters relating to the Company's ordinary business operations."[3]

The Company's no-action request fails in the face of exactly applicable precedent to the contrary. In *McKesson Corp.* (avail. May 26, 2020), the Staff rejected a request by McKesson to permit omission of a proposal that is functionally indistinguishable from our Proposal. Though the Staff issued no explanation of its decision, the proceedings demonstrate that in that case McKesson showed that it had some policies and programs that were reasonably aligned with the Statement, but failed to conduct or publish the reasonably searching inquiry that the proponents sought, and failed even to investigate the specific instances of non-conformity raised by the proponents or attempt to account for the incongruity between lofty commitments and disparate

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> Delivering value to our customers. We will further the tradition of American companies leading the way in meeting or exceeding customer expectations.
>
> Investing in our employees. This starts with compensating them fairly and providing important benefits. It also includes supporting them through training and education that help develop new skills for a rapidly changing world. We foster diversity and inclusion, dignity and respect.
>
> Dealing fairly and ethically with our suppliers. We are dedicated to serving as good partners to the other companies, large and small, that help us meet our missions.
>
> Supporting the communities in which we work. We respect the people in our communities and protect the environment by embracing sustainable practices across our businesses.
>
> Generating long-term value for shareholders, who provide the capital that allows companies to invest, grow and innovate. We are committed to transparency and effective engagement with shareholders.

Id.

[2] *Id.*

[3] Letter from Brian V. Breheny to Office of the Chief Counsel, Division of Corporation Finance, Securities and Exchange Commission 2 (January 11, 2021) ("No-Action Request").

realities. Circumstances in this proceeding are the same, except that here the Company did not even point to any management systems or programs designed to respond to the interests of all stakeholders and to weigh and reconcile competing stakeholder interests coherently while maintaining fiduciary duties. Rather, it pointed only to airy rhetorical commitments. And because the Company, like McKesson, failed to undertake the requisite, systemic inquiry, its lip-service assertions that it has reached the required conclusions are empty. Meanwhile, its claim that our Proposal impermissibly trenches upon the Company's ordinary business is foreclosed both by precedent and by the statements of CEO Jamie Dimon himself.

Under Rule 14a-8(g), the Company bears the burden of persuading the Staff that it may omit our Proposal. The Company has failed to meet that burden. The Commission has explicitly held that a proposal functionally indistinguishable from ours may not be omitted for the very reasons raised by the Company here. The Company's precedents to the contrary are inapposite for the reasons explained below. Because the only complete, properly contested precedent in this instance establishes that a no-action determination would be inappropriate in this context, we urge the Commission to reject the Company's no-action request.

Analysis

Part I. Rule 14a-8(i)(10) Analysis.

A. ***Rule 14a-8(i)(10)***

Under Rule 14a-8(i)(10), a company may exclude a shareholder proposal if it can meaningfully demonstrate that "the company has already substantially implemented the proposal." Rule 14a-8(i)(10) exclusion is "designed to avoid the possibility of shareholders having to consider matters which already have been *favorably acted upon* by management." *See Exchange Act Release* No. 12598 (regarding predecessor to Rule 14a-8(i)(10)) (emphasis added). A company can be said to have "substantially implemented" a proposal when its "policies, practices and procedures compare favorably with the guidelines of the proposal." *See Texaco, Inc.* (avail. March 8, 1991).

As the proponents in *McKesson* rightly explained,

> [i]n order for a Company to meet its burden of proving substantial implementation pursuant to Rule 14a-8(i)(10), the actions in question must compare favorably with the guidelines and essential purpose of the Proposal. The Staff has noted that a determination that a company has substantially implemented a proposal depends upon whether a company's particular policies, practices, and procedures compare favorably with the guidelines of the proposal. *Texaco, Inc.* (Mar. 28, 1991). Substantial implementation under Rule 14a-8(i)(10) requires a company's actions to have satisfactorily addressed both the proposal's guidelines and its essential objective. *See, e.g., Exelon Corp.* (Feb. 26, 2010). Thus, when a company can demonstrate that it has already taken actions that meet most of the guidelines of a

> proposal and meet the proposal's essential purpose, the Staff has concurred that the proposal has been "substantially implemented." In the current instance, the Company has substantially fulfilled neither the guidelines nor the essential purpose of the Proposal, and therefore the Proposal cannot be excluded under Rule 14a-8(i)(10).

B. ***The Proposal Is Functionally Indistinguishable From the Proposal That the Staff Determined Could Not Be Omitted in the* McKesson *Proceeding.***

The resolution of the shareholder proposal submitted in the *McKesson* proceeding requested that

> our Board review the BRT Statement of the Purpose of a Corporation, signed by our Chairman and Chief Executive Officer, and prepare a report discussing options as to how our Company's governance and management systems can be altered to better align with the Statement of Purpose. The report may include the Board's perspective on benefits and drawbacks of the options considered, as well as the board's recommendations.

Our Proposal is functionally indistinguishable from the proposal that the Staff allowed in *McKesson*. Per the resolution of our Proposal:

> [s]hareholders request our Board prepare a report based on a review of the BRT Statement of the Purpose of a Corporation, signed by our Chief Executive Officer, and provide the board's perspective regarding how our Company's governance and management systems can be altered to fully implement the Statement of Purpose, or, in the alternative, what our Company should do if the Statement cannot be reconciled with current practices and commitments.

Just as the Company does now, McKesson argued that it had already substantially implemented the proposal, per Rule 14a-8(i)(10). As the operative language of our Proposal is functionally the same as that used in the proposal in *McKesson*, consistency dictates that the Staff reject the Company's no-action request on these grounds.[4]

The Company makes a fleeting argument that the *McKesson* proposal is distinguishable from our Proposal because the former asked for a report on "how our Company's governance and management systems can be altered to better align" with the Statement,[5] while ours asked "how our Company's governance and management systems can be altered to fully implement the

[4] Letter from Sanford J. Lewis to Office of the Chief Counsel, Division of Corporation Finance, Securities and Exchange Commission 3 (February 11, 2020) ("*McKesson* No-Action Reply").

[5] No-Action Request, *supra* note 3, at 10.

Statement."[6] We fail to see any even semantic reason – and the Company provides none – why a proposal seeking a report that would look into specific ongoing company practice to discover how management *systems* (not mere rhetorical commitments) can be improved to "better" implement the Statement would be non-excludable, while one seeking the same improvements to achieve fuller and even full implementation, or to consider why full implementation is impossible, would not. This is a distinction without any functional difference at all, which is why the Company supplies none.[7]

C. *As in* McKesson, *the Company Has Mischaracterized the Purpose of Our Proposal in Its Claim Already to Have Substantially Satisfied It.*

In *McKesson*, the proponent's proposal, upon which, as just demonstrated, our Proposal is explicitly modeled, was mischaracterized by McKesson in its assertions that the proposal had been substantially implemented. In that case, McKesson treated that proposal as seeking to determine whether the "[c]ompany has already fulfilled the essential objectives of the Proposal with its disclosures about its existing governance and management systems that demonstrate alignment with the BRT Statement."[8]

The proponents in *McKesson* identified and objected to this mischaracterization. As they explained, McKesson

> [m]ischaracterize[d] the purpose of the Proposal as asking the Company to address the impact of Company decisions on each of the five stakeholder populations, going to great lengths to demonstrate the actions it has already taken to take stakeholder interest into account. However, the purpose of the Proposal is not to merely ensure that [McKesson] has some programs or practices that consider or serve the five categories of stakeholders named in the Statement.[9]

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[6] Free Enterprise Project, NATIONAL CENTER, REPORT ON COMPANY'S INVOLVEMENT WITH BUSINESS ROUNDTABLE "STATEMENT ON THE PURPOSE OF A CORPORATION" (attached) ("Proposal").

[7] The Company also notes that the *McKesson* proposal "acknowledged that the company's existing policies and practices were aligned with the BRT Statement." No-Action Request, at 10. But the failure to include this gratuitous language is not material – and, anyway, it is implied by the fact that we're asking the company, relevantly, for a report on how the company can more *fully* align its governance and management systems with the Statement. We helpfully added, as did the proponent in *McKesson*, examples of behaviors that suggested that that alignment remains incomplete. This makes our Proposal functionally indistinguishable from the one in *McKesson*.

[8] Letter from Alan F. Denenberg to Office of the Chief Counsel, Division of Corporation Finance, Securities and Exchange Commission 3 (March 30, 2020).

[9] *McKesson* No-Action Reply, *supra* note 4, at 2-3.

The Company in this proceeding mischaracterized our Proposal in the same way, and to the same effect. It asserted that "the essential objective of [our Proposal] is to report on the actions the Company must take to implement the BRT's Statement."[10] It then quoted from our Proposal, but ignored the fact that the passage that it quoted is materially different from their representation; it requires that the Board's report review the ways in which the Company "*can*" act to change its governance and management systems to more fully implement the Statement.[11] It also quoted the language that the report should consider what JP Morgan Chase & Co. "should do if the Statement cannot be reconciled with current practices and commitments," while ignoring the passage in the body of our Proposal that makes clear that this requirement addresses concerns that were the Company to do all it can to adjust its governance and management systems to implement the Statement, its efforts would either dissolve into incoherence or violate the spirit of the Statement and its own legal obligations by "reduc[ing] real accountability to shareholders and all other stakeholders generally and in effect result in genuine accountability to none."[12]

The Company then demonstrated that various rhetorical assertions that it has made allude to the five categories of stakeholders identified in the Statement.[13] But this is in no way responsive to, far less a substantial implementation of, our Proposal. The Company, like McKesson, failed properly to divine – or to admit – the true and clear purpose of our Proposal as contained within its four corners. As in *McKesson*,[14] what our Proposal seeks is a searching analysis of how the Company can more fully align itself with the Statement – and, uniquely, how it should respond if it finds that taking those steps would lead it into conceptual, legal or related difficulties. The Company has failed even to attempt that analysis.

D. ***As in* McKesson, *the Company Has Fulfilled Neither the Guidelines nor the Essential Purpose of Our Proposal.***

In *McKesson* and in the instant proceeding, each company responded to the proponents' requests by listing the ways in which its current policies rhetorically support the stakeholder groups explicitly identified in the Statement. Both failed, however, to consider ways in which various company behaviors failed to comport with the Statement, or otherwise to explain how the company's behavior could be altered to conform more fully with the Statement while fulfilling legal obligations, and what to do if the actions that it could take to increase alignment with the Statement would create conceptual, legal or other difficulties.

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[10] No-Action Request, *supra* note 3, at 4.

[11] Proposal, *supra* note 6 (emphasis supplied).

[12] *See id*.

[13] *See* No-Action Request, *supra* note 3, at 6-9.

[14] *See McKesson* No-Action Reply, *supra* note 4, at 3 ("the purpose of the [proposal at issue in *McKesson*] is to spur a review of the Company's management and governance systems documents with an eye toward more fully implementing the Statement across all of its activities and programs.").

In *McKesson*, the failure to fulfill the guidelines and essential purpose arose from a failure to consider explicitly how to respond to demonstrated failures of McKesson to conform its behavior to the Statement's standards.[15] The Company in this proceeding fails the same test in the same way. As we indicated in our Proposal, the "Company has recently been required to pay a nearly $1 billion fine as punishment for its manipulation of commodity markets over many years, injuring the public for unearned private gain."[16] We further noted that the "Company has endangered the lives and health of employees, their families and community members, and undermined health-care resources in many communities, by demanding early return of employees to offices that then experienced outbreaks, and by failing to fully inform employees of infections at their facilities."[17] In the few words allotted to us as proponents we demonstrated that despite the Company's recital of rhetorical assertions that favor some stakeholders in some instances, the Company is still failing to make its lofty aspirations work on the ground for all stakeholders in sometimes very stark circumstances. Our examples were meant to point the Company toward the inquiry into Company governance and management systems, and into the potential conflicts created by fuller implementation of the Statement, that we asked it to undertake. The Company instead wants to do nothing, which is not "substantial implementation."

And as we have already noted, our Proposal asked the Company to establish "clear mechanisms … to implement the" Statement to ensure that the end result was not to leave the Company effectively "accountabl[e] to none" of its stakeholders, which would contravene both the Statement and the Company's legally binding fiduciary obligations to shareholders. In this regard it sought a functionally indistinguishable showing from that sought in *McKesson*, *i.e.,* "how the Company's governance documents will prioritize and reconcile the needs and support of different stakeholder groups henceforth across the Company's activities,"[18] and additionally, in our case, whether such reconciliation is even possible under a stakeholder model divorced from the underlying strictures of shareholder primacy.

In failing to grapple with these examples and other instances of divergence between commitment and real behavior, and in failing to conduct a systemic review of its governance and management systems, the Company has failed to consider how far it diverges from its Statement commitments, and whether or how it can bring itself into line with those goals.

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[15] *See id.* at 4.

[16] Proposal, *supra* note 6, (citing https://www.inquirer.com/business/jpmorgan-chase-bank-gold-silver-prices-fine-futures-spoofing--20200929.html).

[17] *Id.* (https://www.cnbc.com/2020/09/23/jpmorgan-traders-complain-that-bank-doesnt-inform-all-staff-of-coronavirus-cases-at-headquarters.html; https://www.wsj.com/articles/jpmorgan-top-brass-tell-trading-floor-staff-to-come-back-to-the-office-11599757313).

[18] *See McKesson* No-Action Reply, *supra* note 4, at 5.

The Company has also therefore failed to contemplate or respond to the possibility that, upon consideration of the results of the systemic review sought by our Proposal, the Company might conclude that a genuine – as opposed to its current notional – commitment to the Statement could not be achieved with fidelity to current corporate law, to the Company's owners, or to other legal obligations faced by the Company and its leaders. This searching inquiry was contemplated by and included in the resolution and guidelines of our Proposal, but was ignored by the Company entirely.

E. *The Company Alleges That the Board of Directors Has Completed the Requested Review, but Provides No Evidence That It Has Materially – Rather Than Purely Superficially – Done So.*

The Company claims that it has demonstrated that it has substantially implemented our Proposal because the Board of Directors, by its Corporate Governance and Nominating Committee, has asserted that "the Company already was operating in accordance with the principles set forth in the BRT Statement before its publication, and continues to do so."[19]

But this showing, even if we accept *arguendo* that a recital of rhetorical commitments, without more, provides such a showing, is not substantial implementation of our Proposal because it does not demonstrate what our Proposal sought. We sought a report based on a searching consideration of the different ways in which the Company's current governance and management systems can be brought into fuller alignment with the Statement; one that determines whether (and if so, how) those commitments can be reconciled when some obligations conflict with others; and finally what should be done if, upon significant study of the current contrasts between commitments and reality, it were to be determined that such reconciliation is impossible consistent with extant legal duties and obligations.

A mere recital of rhetorical commitments that are not at odds with the Statement and its purposes is not at all responsive to our Proposal, much less a substantial implementation of it.

F. *The* JP Morgan Chase & Co. *and* Apple Inc. *Precedents Upon Which the Company Relies Are Inapposite.*

The Company relies on *JP Morgan Chase & Co.* (avail. Feb. 5, 2020), suggesting that it is on-point precedent.[20] But that reliance is misplaced. First, the *JP Morgan* proceeding is incomplete; the proponent of the proposal therein failed to respond to JP Morgan's no-action request. This failure of response is controlling in this instance, because it would have been in a response to JP Morgan's no-action request that the proponents there would have demonstrated JP

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[19] No-Action Request, *supra* note 3, at 5.

[20] *See id.* at 4-5, 10.

Morgan's nominal actions to be empty, if they were. Here the demonstration has been made, rendering *JP Morgan* inapposite.

Moreover, the incomplete *JP Morgan* precedent was superseded later in the spring by the *McKesson* precedent. JP Morgan and McKesson provided essentially the same response to their proponents. In the later, contested proceeding, the Staff concluded that the response was insufficient to permit preclusion because of the demonstration made by the proponents. We have done the same here.

The Company also mentions *Apple Inc.* (Dec. 2, 2019, recon. denied Jan. 17, 2020) in passing. We presume that the Company did not dwell on *Apple Inc.* because it rightly recognized that the decision does not bear on this proceeding. It did involve a proposal that we submitted on this topic. But in response to the objections raised by Apple to the proposal submitted to it, we modified our Proposal for this proceeding so that the language on which Apple relied to seek exclusion no longer appears in our Proposal. The *Apple Inc*. proposal asked "whether" that company "should" alter its government and management systems in order to more fully align them with the Statement. Our Proposal in this proceeding, by contrast, asks "how" the Company "can" alter these systems to achieve fuller implementation. As a result of these emendations, and the resulting differences between our Proposal here and the *Apple Inc*. proposal, which differences the Company failed to mention or consider, the *Apple Inc.* precedent is not relevant here.

McKesson still controls this case given the text of our Proposal in this proceeding, and requires a finding that our Proposal is not excludable because the Company has done nothing whatever to consider "how" the Company "can" more fully align its governance and management systems with the Statement.

Part II. Rule 14a-8(i)(7) Analysis.

A. *Rule 14a-8(i)(7)*

Rule 14a-8(i)(7) permits a company to exclude a shareholder proposal if the proposal "deals with a matter relating to the company's ordinary business operations." The underlying policy of the ordinary business exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting." *SEC Release* No. 34-40018 (May 21, 1998) (the "1998 Release").

As set out in the 1998 Release, there are two "central considerations" underlying the ordinary business exclusion. One consideration is that "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight." The other consideration is that a proposal should not "seek[] to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment."

A proposal that otherwise concerns ordinary business matters may nonetheless be appropriate for a shareholder vote if the proposal raises a policy issue that is sufficiently significant to transcend day-to-day business matters. 1998 Release. The applicability of the significant policy exception "depends, in part, on the connection between the significant policy issue and the company's business operations." *Staff Legal Bulletin* No. 14I (November 21, 2017).

B. *This Argument Was Raised and Rejected in* McKesson, *Which Controls Here, and Is Clearly Wrong on the Merits.*

As we have demonstrated above, the proposal in *McKesson* is functionally indistinguishable from ours. In that proceeding the Staff determined that that proposal was not excludable on Rule 14a-8(i)(7) grounds. It did not specify whether it rejected McKesson's Rule 14a-8(i)(7) argument because it considers these issues not to constitute or implicate ordinary business operations or because it considers these issues to be sufficiently significant to transcend day-to-day business matters, but whatever it decided applies here just as it applied in *McKesson*. Like the proposal in that proceeding, our Proposal seeks a report about ways in which *governance and management systems* can be more fully aligned with the Statement (and about what should be done if they cannot be more fully aligned consistent with other obligations).[21] Like McKesson, JP Morgan Chase & Co. does not have a "flawless record of consistency" with the Statement.[22] The public interest in issues implicated by the Statement and by our Proposal remains high less than a year later.[23] And the need to either create consistency between the Statement and

[21] *See* Proposal, *supra* note 6.

[22] *See, e.g.* Sarah Al-Arshani, *JP Morgan Agrees to Pay at Least $800,000 in Back Wages to Settle a Lawsuit That Accused the Bank of Underpaying at Least 93 Women,* BUSINESS INSIDER (Nov. 4, 2020) *available at* https://www.businessinsider.com/jp-morgan-pay-800000-back-wages-settle-lawsuit-womens-wages-2020-11 (last accessed Feb. 4, 2021); Tom Schoenberg & Matt Robinson, *JPMorgan Admits Spoofing by 15 Traders, Two Desks in Record Deal,* BLOOMBERG NEWS (Sept. 29, 2020) available at https://www.bloomberg.com/news/articles/2020-09-29/jpmorgan-pays-920-million-admits-misconduct-in-spoofing-probe (last accessed Feb. 4, 2021*); JPMorgan 401(k) Class Action Settlement,* TOP CLASS ACTIONS (Aug. 25, 2020) *available at* https://topclassactions.com/lawsuit-settlements/money/401k/jpmorgan-401k-class-action-settlement/ (last accessed Feb. 4, 2021).

[23] *See, e.g*., Sara E. Murphy, *BofA, BlackRock and State Street CEOs talk stakeholder primacy — and fall short,* GREENBIZ (Dec. 14, 2020), *available at* https://www.greenbiz.com/article/bofa-blackrock-and-state-street-ceos-talk-stakeholder-primacy-and-fall-short (last accessed Jan. 8, 2021); Andrew Stuttaford, *Counting the Shareholder Out: When the Ruling Class Changes the Rules,* NATIONAL REVIEW (Dec. 11, 2020), *available at* https://www.nationalreview.com/2020/12/counting-the-shareholder-out-when-the-ruling-class-changes-the-rules/ (last accessed Feb. 6, 2021); Robert E. Wright, *The Hype Surrounding Environmental, Social, and Governance Investing,* AMERICAN INSTITUTION FOR ECONOMIC RESEARCH (Dec. 3, 2020), *available at* https://www.aier.org/article/hyping-esg-investing/ (last accessed Feb. 6, 2021); Richard Morrison*, Woke Investing and Management Strategies Threaten the Future of American*

Company practice or to grapple with the implications of an inability to do so remains the same as it was last May.

The Company asserts that

> [i]n this instance, the [Nominating and Corporate Governance] Committee evaluated the Proposal and concluded it does not present a significant policy issue to the Company. In particular, at a meeting held on January 7, 2021, the Committee reviewed the Proposal, taking into consideration its own substantial knowledge of the Company, the Company's operations and business environment, and input from management. As it did with respect to the shareholder proposal the Company received on the same topic last year, the Committee again reviewed the BRT Statement, the Business Principles and other Company policies and practices, as described on pages 4 through 10 of this letter, and determined that no additional action or assessment is required, as the Company already adheres to and operates in accordance with the principles set forth in the BRT Statement, with oversight and guidance by the Board. Accordingly, the Committee determined that the BRT Statement does not subject the Company to any new commitments and therefore the Proposal does not present a significant policy issue to the Company and that no further action would be required by the Proposal.[24]

But by its own admission, then, the assurances of the Board's Committee have no bearing on this proceeding because they are not responsive to our Proposal. We asked the Company to determine *how* the Company *can* more fully implement the Statement through changes to governance and management systems, and how it should proceed if those efforts reveal conceptual problems with the Statement or legal or other concerns arising from those attempts at fuller implementation. The Committee's "determin[ation] that no additional action or assessment is required, as the Company already adheres to and operates in accordance with the principles set forth in the BRT Statement" is thus irrelevant, and can bear no weight. The Committee did not undertake a study of how it can more fully implement the Statement, with attention to ways in which it falls below the Statement's standard, and what it should do if fuller implementation raises conceptual, legal or other problems for the Company. That is what our Proposal sought.

In doing what our Proposal actually asks, the Company will undertake analysis that transcends ordinary business concerns. While the Board may, in compiling the report responsive to our Proposal, find it appropriate to investigate some ordinary business operations of the Company to some extent, ordinary business operations are not the focus of our inquiry. Rather, we seek analysis of the governance and management systems of the Company, and whether they can be

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Free Enterprise, THE AMERICAN SPECTATOR (Oct. 31, 2020), *available at* https://spectator.org/esg-woke-investing/ (last accessed Jan. 8, 2021).

[24] No-Action Request, *supra* note 3, at 14-15.

changed or in fact must be changed to more fully conform with the Statement, and concomitantly, whether such change can be made consistent with the Company's legal form and the fiduciary and other obligations that flow from that legal form and from corporate law generally. JP Morgan Chase & Co. is a Delaware corporation.[25] Under Delaware corporate law, while business corporations are permitted to consider certain other stakeholder interests when making decisions, their fiduciary obligations run to their shareholders, whose best interests take primacy.[26] The stakeholder primacy advanced by the Statement potentially requires a different hierarchy of interests, and raises the profound concern that by making managers nominally and equally responsible to all (including orthogonal and competing) interests, it in fact leaves them genuinely responsible to no one at all. Both of these potential consequences of the Statement create significant legal and reputational concerns. We have asked the company to prepare a report systematically considering all of these issues, and reporting with care and transparency about how its *governance and management systems*, not its everyday business operations, can or must be altered to more fully conform with the Statement, and how the Company should proceed if it finds that it cannot make those changes consistent with its legal and other obligations. This is not ordinary business. It is the root and core of the Company as a legal entity.

Additionally, our Proposal raises issues of, focuses Board attention on, and provides vital shareholder information about concerns that are sufficiently significant to transcend the ordinary business operations exception even if it did significantly implicate those operations. Leaders of American corporate life have declared it a vital issue for the future of business.[27] And as CEO Jamie Dimon himself declared when he signed the Statement, its implementation is necessary to protect an "American dream [that] is alive, but fraying."[28] At the same time, Dimon announced, "We commit to deliver value to all of them, for the future success of our companies, our communities and our country."[29]

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[25] *See id.* at 1.

[26] *See, e.g.,* Leo E. Strine, Jr., *"The Dangers of Denial: The Need for a Clear-Eyed Understanding of the Power and Accountability Structure Established by the Delaware General Corporation Law,"* 50 WAKE FOREST L. REV. 761,768 (2015). *See also*, *Shocking Technologies, Inc. v. Michael*, et al., 21-22 C.A. No. 7164-VCN (Del. Ch. Oct. 1, 2012), *available at* https://law.justia.com/cases/delaware/court-of-chancery/2012/ca-7164-vcn-0.html (last accessed Aug. 6, 2020); *Nagy v. Bistricer*, 770 A.2d 43, 49 n.2 (Del. Ch. 2000); *Harris v. Carter,* 582 A.2d 222, 234 (Del. Ch. 1990); *Ivanhoe Partners v. Newmont Mining Corp.*, 535 A.2d 1334, 1345 (Del. 1987); *Harris v. Carter,* 582 A.2d 222, 234 (Del. Ch. 1990).

[27] *See, e.g.*, Sara E. Murphy, *BofA, BlackRock and State Street CEOs talk stakeholder primacy — and fall short,* GREENBIZ (Dec. 14, 2020), *available at* https://www.greenbiz.com/article/bofa-blackrock-and-state-street-ceos-talk-stakeholder-primacy-and-fall-short (last accessed Jan 8, 2021).

[28] *Business Roundtable Redefines the Purpose of a Corporation to Promote 'An Economy That Serves All Americans',* BUSINESS ROUNDTABLE (Aug. 19, 2019), *available at* https://www.businessroundtable.org/business-roundtable-redefines-the-purpose-of-a-corporation-to-promote-an-economy-that-serves-all-americans (last accessed Feb. 4, 2021).

[29] Jena McGregor, *Group of Top CEOs Says Maximizing Shareholder Profits No Longer Can Be the Primary Goal of Corporation,* The Washington Post (Aug. 19, 2019), *available at*

Our own CEO has made it perfectly clear that the issue of more fully integrating stakeholder primacy is vital and needs to be an ongoing concern that *can and should* continue at companies *truly committed* to these goals. He and the Company cannot now argue, in contrast, that the Statement and its commitment to stakeholder primacy is a minor, ordinary business issue that is not of significant concern or that has already been fully completed by some lofty statements. According to our CEO himself, this is an issue of overriding concern, one to which companies can and should be actively trying to become more truly committed. His statements do not suggest that a mere assertion that "we're already completely doing these newly defined things" will suit. Our Proposal simply offers the Company the opportunity to do what our CEO is himself calling for, and to share the findings with shareholders.

The Company does not attempt to demonstrate how it could be true that the *McKesson* proposal did not constitute excludable ordinary business under Rule 14a-8(i)(7) while our Proposal does, nor could it. *McKesson* controls, and requires that our Proposal not be omitted. Independently, as we have demonstrated, our Proposal does not improperly focus on ordinary business operations and is a matter of substantial – indeed defining – importance.

Conclusion

For the above reasons, we urge the Staff to find that our Proposal may not be omitted under Rule 14a-8(i)(10) or under Rule 14a-8(i)(7).

The Company has clearly failed to meet its burden that it may exclude our Proposal under Rule 14a-8(g). Therefore, based upon the analysis set forth above, we respectfully request that the Staff reject JP Morgan Chase & Co.'s request for a no-action letter concerning our Proposal.

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https://www.washingtonpost.com/business/2019/08/19/lobbying-group-powerful-ceos-is-rethinking-how-it-defines-corporations-purpose/ (last accessed Feb. 4, 2021). *See* also Jeff Cunningham, *JPMorgan Chase Chairman Jamie Dimon Shares His Wisdom,* CORPORATE BOARD MEMBER, *available at* https://boardmember.com/jpmorgan-chase-chairman-jamie-dimon-shares-his-wisdom/ (last accessed Feb. 4, 2021).

A copy of this correspondence has been timely provided to the Company. If I can provide additional materials to address any queries the Commission may have with respect to this letter, please do not hesitate to call me at (202) 507-6398 or email me at sshepard@nationalcenter.org.

Sincerely,

Scott Andrew Shepard

cc: Brian V. Breheny, Skadden, Arps (brian.breheny@skadden.com)
Justin Danhof, National Center for Public Policy Research

Report on Company's Involvement with Business Roundtable "Statement on the Purpose of a Corporation"

Whereas, our Company's Chief Executive Officer (CEO) Jamie Dimon signed a Business Roundtable (BRT) "Statement on the Purpose of a Corporation," (Statement) in August 2019, committing our Company to serve all stakeholders – including employees, customers, supply chains, communities where we operate – and shareholders.[30]

Existing governance documents evolved in the still legally mandated system of shareholder primacy, but the Statement articulates a new purpose, moving away from shareholder primacy and including commitment to all stakeholders. The Statement may or may not be beneficial to associate with our brand, but as company policy, it may conflict with existing corporate law unless, and possibly even if, it is integrated into Company governance documents, including bylaws, articles of incorporation, and/or committee charters.

A stakeholder model would shift corporate focus from value creation to concerns generally referred to as Environmental, Social and Governance (ESG) issues. CEO Dimon works hard to indicate Company commitment to such causes, touting the Company's commitments to sustainable climate policies for our companies and others,[31] and to ESG policies such as carbon taxes and surface-characteristic diversity achieved through compensation-based quotas.[32]

For consistency and the avoidance of legal risk, our Company should not endorse positions with which it has not or cannot conform itself. We currently engage in actions that seem to contradict the Statement. Just two examples:

- Our Company has recently been required to pay a nearly $1 billion fine as punishment for its manipulation of commodity markets over many years, injuring the public for unearned private gain.[33]

And

- Our Company has endangered the lives and health of employees, their families and community members, and undermined health-care resources in many communities, by demanding early return of employees to offices that then

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[30] https://opportunity.businessroundtable.org/ourcommitment/

[31] https://www.cnbc.com/video/2020/02/25/jp-morgan-jamie-dimon-esg-sustainability-climate-change-squawk-box.html

[32] https://fundintelligence.global/business-strategy/news/jamie-dimon-shares-views-on-jpmorgans-return-to-work-esg-and-di-efforts/

[33] https://www.inquirer.com/business/jpmorgan-chase-bank-gold-silver-prices-fine-futures-spoofing--20200929.html

experienced outbreaks, and by failing to fully inform employees of infections at their facilities.[34]

And while the Statement implies accountability to stakeholders, without clear mechanisms in place to implement the Purpose, this broadened standard could reduce real accountability to shareholders and all stakeholders generally and in effect, result in genuine accountability to none. This would violate both the letter and the spirit of the Statement.

Resolved: Shareholders request our Board prepare a report based on a review of the BRT Statement of the Purpose of a Corporation, signed by our Chief Executive Officer, and provide the board's perspective regarding how our Company's governance and management systems can be altered to fully implement the Statement of Purpose, or, in the alternative, what our Company should do if the Statement cannot be reconciled with current practices and commitments. The report may include the Board's perspective on benefits and drawbacks of the options considered, as well as the Board's recommendations.

Supporting Statement

Given the Company's inconsistent actions related to the Statement of Purpose, the Board might after full investigation consider the option of rescinding the CEO's signature and Company's name from that document.

[34] https://www.cnbc.com/2020/09/23/jpmorgan-traders-complain-that-bank-doesnt-inform-all-staff-of-coronavirus-cases-at-headquarters.html; https://www.wsj.com/articles/jpmorgan-top-brass-tell-trading-floor-staff-to-come-back-to-the-office-11599757313?mod=e2tw

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TORONTO

January 11, 2021

BY EMAIL (shareholderproposals@sec.gov)

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

Re: Shareholder Proposal Submitted by the National Center for Public Policy Research

Ladies and Gentlemen:

This letter is submitted on behalf of JPMorgan Chase & Co., a Delaware corporation (the "Company"), pursuant to Rule 14a-8(j) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company requests that the staff of the Division of Corporation Finance (the "Staff") of the U.S. Securities and Exchange Commission (the "Commission") not recommend enforcement action if the Company omits from its proxy materials for the Company's 2021 Annual Meeting of Shareholders (the "2021 Annual Meeting") the shareholder proposal and supporting statement (the "Proposal") submitted by the National Center for Public Policy Research (the "Proponent").

This letter provides an explanation of why the Company believes it may exclude the Proposal and includes the attachments required by Rule 14a-8(j). In accordance with Section C of Staff Legal Bulletin 14D (Nov. 7, 2008) ("SLB 14D"), this letter is being submitted by email to shareholderproposals@sec.gov. A copy of this letter also is being sent to the Proponent as notice of the Company's intent to omit the Proposal from the Company's proxy materials for the 2021 Annual Meeting.

Rule 14a-8(k) and Section E of SLB 14D provide that shareholder proponents are required to send companies a copy of any correspondence that the shareholder proponents elect to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to remind the Proponent that if the Proponent submits correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should be furnished concurrently to the Company.

Background

The Company received the Proposal on November 23, 2020, accompanied by a cover letter from the Proponent. On December 2, 2020, after confirming that the Proponent was not a shareholder of record, in accordance with Rule 14a-8(f)(1), the Company sent a letter to the Proponent requesting a written statement verifying that the Proponent owned the requisite number of shares of the Company's common stock for at least one year as of November 23, 2020, the date the Proposal was submitted to the Company (the "Deficiency Letter"). On December 2, 2020, the Company received a letter from UBS Financial Services Inc. verifying the Proponent's stock ownership. Copies of the Proposal, cover letter, Deficiency Letter and related correspondence are attached hereto as Exhibit A.

Summary of the Proposal

The text of the resolution contained in the Proposal follows:

> **Resolved:** Shareholders request our Board prepare a report based on a review of the BRT Statement of the Purpose of a Corporation, signed by our Chief Executive Officer, and provide the board's perspective regarding how our Company's governance and management systems can be altered to fully implement the Statement of Purpose, or, in the alternative, what our Company should do if the Statement cannot be reconciled with current practices and commitments. The report may include the Board's perspective on benefits and drawbacks of the options considered, as well as the Board's recommendations.

Bases for Exclusion

We hereby respectfully request that the Staff concur in the Company's view that it may exclude the Proposal from the 2021 proxy materials pursuant to:

- Rule 14a-8(i)(10) because the Company has substantially implemented the Proposal; and

- Rule 14a-8(i)(7) because the Proposal deals with matters relating to the Company's ordinary business operations.

Analysis

A. The Proposal May Be Excluded Pursuant to Rule 14a-8(i)(10) Because the Company Has Substantially Implemented the Proposal.

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal if the company has already substantially implemented the proposal. The Commission adopted the "substantially implemented" standard in 1983 after determining that the "previous formalistic application" of the rule defeated its purpose, which is to "avoid the possibility of shareholders having to consider matters which already have been favorably acted upon by the management." *See* Exchange Act Release No. 34-20091 (Aug. 16, 1983) (the "1983 Release"); Exchange Act Release No. 34-12598 (July 7, 1976) (the "1976 Release"). In adopting this standard, the Commission made it clear that the actions requested by a proposal need not be "fully effected" provided that they have been "substantially implemented" by the company. *See* 1983 Release.

Applying this standard, the Staff has consistently permitted the exclusion of a proposal when it has determined that the company's policies, practices and procedures or public disclosures compare favorably with the guidelines of the proposal. *See, e.g.*, *Devon Energy Corp.* (Apr. 1, 2020)*; *Johnson & Johnson* (Jan. 31, 2020)*; *Pfizer Inc.* (Jan. 31, 2020)*; *The Allstate Corp.* (Mar. 15, 2019); *Johnson & Johnson* (Feb. 6, 2019); *United Cont'l Holdings, Inc.* (Apr. 13, 2018); *eBay Inc.* (Mar. 29, 2018); *Kewaunee Scientific Corp.* (May 31, 2017); *Wal-Mart Stores, Inc.* (Mar. 16, 2017); *Dominion Resources, Inc.* (Feb. 9, 2016); *Ryder System, Inc.* (Feb. 11, 2015); *Wal-Mart Stores, Inc.* (Mar. 27, 2014).

In addition, the Staff has permitted exclusion under Rule 14a-8(i)(10) where the company already addressed the underlying concerns and satisfied the essential objectives of the proposal, even if the proposal had not been implemented exactly as proposed by the proponent. For example, in *PG&E Corp.* (Mar. 10, 2010), the Staff permitted exclusion under Rule 14a-8(i)(10) of a proposal requesting that the company provide a report disclosing, among other things, the company's standards for choosing the organizations to which the company makes charitable contributions and the "business rationale and purpose for each of the charitable contributions." In arguing that the proposal had been substantially implemented, the company referred to a website where the company had described its policies and guidelines for determining the types of grants that it makes and the types of requests that the company typically does not fund. Although the proposal appeared to contemplate disclosure of each and every charitable contribution, the Staff concluded that the company had substantially implemented the proposal. *See also, e.g.*, *The Wendy's Co.* (Apr. 10, 2019) (permitting exclusion under Rule 14a-8(i)(10) of a proposal

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* Citations marked with an asterisk indicate Staff decisions issued without a letter.

requesting a report assessing human rights risks of the company's operations, including the principles and methodology used to make the assessment, the frequency of assessment and how the company would use the assessment's results, where the company had a code of ethics and a code of conduct for suppliers and disclosed on its website the frequency and methodology of its human rights risk assessments); *MGM Resorts Int'l* (Feb. 28, 2012) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting a report on the company's sustainability policies and performance, including multiple objective statistical indicators, where the company published an annual sustainability report); *Exelon Corp.* (Feb. 26, 2010) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting a report disclosing policies and procedures for political contributions and monetary and non-monetary political contributions where the company had adopted corporate political contributions guidelines).

In particular, the Staff recently permitted the Company to exclude a proposal on the same topic under Rule 14a-8(i)(10) in *JPMorgan Chase & Co.* (Feb. 5, 2020). In that case, the proposal requested that the Company's Board of Directors review the Business Roundtable's "Statement on the Purpose of a Corporation" (the "BRT Statement"), provide oversight and guidance as to how the BRT Statement should alter the Company's governance and management system and publish recommendations regarding implementation of the BRT Statement. The Company argued that it had substantially implemented the proposal because it already operated in accordance with the principles set forth in the BRT Statement, which conclusion was supported by the Company's Corporate Governance & Nominating Committee. In permitting exclusion of the proposal, the Staff stated that "it appears that the [B]oard's actions compare favorably with the guidelines of the [p]roposal and that the Company has, therefore, substantially implemented the [p]roposal," noting in particular the Company's representation that "the Corporate Governance & Nominating Committee of the Board again reviewed the BRT Statement and determined that no additional action or assessment is required, as the Company already operates in accordance with the principles set forth in the BRT Statement with oversight and guidance by the Board of Directors, consistent with the Board's fiduciary duties." *See also Apple Inc.* (Dec. 17, 2020)* (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting a report on whether the company's governance and management systems should be altered to fully implement the BRT Statement, where the company argued it already operated in accordance with the principles in the BRT Statement, which conclusion was supported by an analysis from the company's nominating and corporate governance committee).

In this instance, as was the case in *JPMorgan Chase & Co.* (Feb. 5, 2020), the Company has substantially implemented the Proposal, the essential objective of which is to report on the actions the Company must take to implement the BRT Statement. In this regard, the Proposal requests that the report describe "how [the]

Company's governance and management systems can be altered to fully implement the Statement of Purpose, or, in the alternative, what [the] Company should do if the Statement cannot be reconciled with current practices and commitments."

The BRT Statement, which was published in August 2019 by the Business Roundtable and signed by 181 corporate chief executive officers, including the Company's Chairman and Chief Executive Officer, expresses the companies' commitment to all of their stakeholders.[1] In particular, the BRT Statement expresses companies' commitment to delivering value to customers; investing in employees; dealing fairly and ethically with suppliers; supporting the communities in which the companies work; and generating long-term value for shareholders.

As demonstrated by the Company's public disclosures, and supported by the Staff's determination in *JPMorgan Chase & Co.* (Feb. 5, 2020), the Company already was operating in accordance with the principles set forth in the BRT Statement before its publication, and continues to do so. Specifically, in 2014 the Company published "How We Do Business – The Report" (the "HWDB Report"), which provides an in-depth look at the Company's business practices and standards, including the Company's "Business Principles."[2] Both the HWDB Report and the Business Principles describe, among other things, the Company's commitment to "exceptional client service," a "great team and winning culture" among employees, "strengthen[ing] the communities in which we live and work" and "operational excellence," which includes setting "the highest standards of performance" and demanding "financial rigor and risk discipline." Moreover, the Company's Supplier Code of Conduct, which sets out the Company's basic principles and expectations for suppliers, represents that the Business Principles describe the type of culture the Company expects its suppliers to foster.[3] Notably, the Supplier Code of Conduct states that the Company is "committed to building and maintaining the best and most respected financial services company in the world" and that suppliers, as business

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[1] *See* Business Roundtable, Statement on the Purpose of a Corporation, available at https://s3.amazonaws.com/brt.org/BRT-StatementonthePurposeofaCorporationOctober2020.pdf and attached hereto as Exhibit B.

[2] *See How We Do Business – The Report*, available at https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/How_We_Do_Business.pdf and attached hereto as Exhibit C and *Our Business Principles*, available at https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/our-business-principles.pdf and attached hereto as Exhibit D.

[3] *See JPMorgan Chase & Co. Supplier Code of Conduct*, available at https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/Supplier-Code-of-Conduct.pdf and attached hereto as Exhibit E.

partners of the Company, "likewise have a duty to demonstrate the highest standards of business conduct, integrity and adherence to the law."

In addition, the Company has published a number of other reports and statements that demonstrate how these principles are incorporated into the Company's day-to-day business. For example, the Company's 2019 Environmental Social & Governance Report (the "ESG Report") provides a detailed review of Company's actions with regard to ESG issues, many of which relate to topics addressed in the BRT Statement.[4] Similarly, the Company's recently announced "Path Forward" initiative, which seeks to advance racial equity through a $30 billion commitment over the next five years, provides tangible evidence of the Company's commitment to the principles espoused in the BRT Statement.[5] Further, in his 2019 annual letter to shareholders (the "2019 Letter"), the Company's Chairman and Chief Executive Officer addresses the many ways in which the Company abides by these principles.[6]

As further explained below, there is virtually no difference between the principles espoused in the BRT Statement and those to which the Company already adheres. The following table provides a point-by-point comparison of the principles in the BRT Statement and the principles the Company abides by, including statements and commitments in accordance with these principles.

The BRT Statement	**The Company's Statements and Commitments**
1. Deliver value to customers	• "Exceptional client service" (Business Principles / HWDB Report) • "Focus on the customer" (Business Principles / HWDB Report) • "Be field and client driven and operate at the local level" (Business Principles / HWDB Report) • "Build world-class franchises, investing for the long term, to serve our clients" (Business Principles / HWDB Report) • "Develop affordable, innovative and scalable products to help customers strengthen their financial health" (ESG Report)

4 *See 2019 Environmental Social & Governance Report*, available at https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/jpmc-cr-esg-report-2019.pdf and attached hereto as Exhibit F.

5 *See Our Path Forward*, available at https://www.jpmorganchase.com/impact/path-forward.

6 *See Chairman & CEO Letter to Shareholders,* available at https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/investor-relations/documents/ceo-letter-to-shareholders-2019.pdf and attached hereto as Exhibit G.

The BRT Statement	The Company's Statements and Commitments
	• "Regularly engage with our customers, consumer groups and other stakeholders with a goal of developing products, services and approaches that are responsive to their needs and address the issues that matter most to them." (ESG Report) • "Solicit customers' direct feedback on their experiences and needs through a range of channels" (ESG Report) • "Protect[] the elderly and vulnerable from financial abuse" (ESG Report) • "Safeguard[] customer privacy and data security" (ESG Report) • "Serv[e] low- and moderate-income customers" (ESG Report) • "Over the next five years, the [Company] expects to help one million people open new low-cost checking or savings accounts." (Path Forward) • "Engage and enroll new customers in money management tools that help them reach their financial goals." (Path Forward)
2. Invest in employees by providing fair compensation, important benefits and training and fostering diversity, inclusion, dignity and respect	• "Foster an environment of respect, inclusiveness, humanity and humility" (Business Principles / HWDB Report) • "Hire, train and retain great, diverse employees" (Business Principles / HWDB Report) • "Build teamwork, loyalty and morale" (Business Principles / HWDB Report) • "Invest approximately $200 million a year in tools and training programs to help our employees build their knowledge, skills and experience" (ESG Report) • "Our goal is to attract and retain the best people and be positioned to meet the diverse needs of our clients, customers and communities" (ESG Report) • "Foster a strong culture—based on our core values of respect, integrity and inclusion—where employees feel that they belong and where they want to stay" (ESG Report) • "Seek candidates from a wide range of backgrounds and experiences for positions at all levels" (ESG Report) • "[C]ommitted to supporting our employees, including their physical, emotional and financial well-being" (ESG Report) • "Offer competitive compensation and comprehensive benefits," which include "health care coverage, retirement benefits, life and disability insurance, wellness and employee assistance programs, competitive vacation and

The BRT Statement	The Company's Statements and Commitments
	leave policies, tuition reimbursement programs and more" (ESG Report) • "[C]ommitted to building a more equitable and representative workforce, and supporting workforce solutions and job training to advance racial equity in the workforce" (Path Forward)
3. Deal fairly and ethically with suppliers and dedicate to serving as good partners to other companies	• "As our business partners, Suppliers likewise have a duty to demonstrate the highest standards of business conduct, integrity and adherence to the law." (Supplier Code of Conduct) • "[The Company] works to achieve a competitive advantage through the products and services we offer, not through unethical or illegal business practices or the appearance of such activities" (Supplier Code of Conduct) • "[The Company] believes in a positive, safe and healthy workplace environment which fosters respect and inclusiveness among workforce members" (Supplier Code of Conduct) • "The [Company] encourages and relies upon Suppliers to join us in [the environmental and social] commitment by developing internal programs designed to foster a culture of sustainability" (Supplier Code of Conduct) • "We are fully committed to a fair, equitable and inclusive company for our customers, our employees, our partners and our suppliers. This is part of every manager's job, and they will be held accountable." (2019 Letter)
4. Support the surrounding communities, respect the people in those communities and protect the environment by embracing sustainable practices	• "Help strengthen the communities in which we live and work" (Business Principles / HWDB Report) • "We are investing in our customers, employees and communities around the world to break down barriers to opportunity and create an economy that works for more people." (ESG Report) • "Our firm is combining our business and policy expertise, sustainable business practices, data, capital and global presence to advance solutions aimed at improving people's lives." (ESG Report) • "[The Company] is leveraging our expertise in the financial markets to promote sustainable business practices and help our clients raise the capital they need to invest in projects and initiatives intended to achieve positive environmental and social outcomes." (ESG Report) • "We intend to set a new sustainable development financing target each year—with the goal to keep growing it over time." (ESG Report)

The BRT Statement	The Company's Statements and Commitments
	• "We participate in a variety of initiatives focused on advancing sustainability within our industry and across the corporate sector broadly." (ESG Report) • "Minimizing the environmental impact of our physical operations continues to be an important part of our global sustainability strategy." (ESG Report) • "Promote and expand affordable housing and homeownership for underserved communities" (Path Forward) • "Increase lending and technical assistance to businesses in Black and Latinx communities" (Path Forward) • "Help improve financial health and access to banking in Black and Latinx communities" (Path Forward) • "We make extraordinary efforts to lift up our communities, especially in challenging times." (2019 Letter)
5. Generate long-term value for shareholders and commit to transparency and effective engagement with shareholders	• "We are transparent with our shareholders" (2019 Letter) • "We demand financial rigor and risk discipline; we will always maintain a fortress balance sheet" (Business Principles / HWDB Report) • "We strive for the best internal governance and controls" and "strive to build and maintain the best, most efficient systems and operations" (Business Principles / HWDB Report) • "We interact and communicate with shareholders through . . . quarterly earnings calls, Securities and Exchange Commission filings, Annual Report and Proxy Statement, annual meeting of shareholders, investor conferences, web communications and other forums." (ESG Report) • "Our firm's compensation philosophy is designed to be responsive to and aligned with shareholders' interests and encourages a shared success culture in support of our Business Principles and strategic framework." (ESG Report) • "[The Company] is committed to providing stakeholders with information about our approach to and performance on ESG topics." (ESG Report)

As shown in the table above, the principles set forth in the BRT Statement are the same as the principles that already guide the Company, as publicly disclosed in the HWDB Report and other publications.

We are aware that, in at least one instance, the Staff has declined to grant relief under Rule 14a-8(i)(10) regarding a proposal relating to a company's assessment of the BRT Statement, but we believe that instance to be inapposite. *See McKesson Corp.* (May 26, 2020)*. There, the proposal acknowledged that the company's existing policies and practices were aligned with the BRT Statement and did not seek a report on how governance and management systems "can be altered to fully implement" the BRT Statement. Rather, the proponent in *McKesson* sought a report on how to "better align" those existing systems and the BRT Statement. In this case, by contrast, the Proposal requests a report on how the Company's governance and management systems can be altered to fully implement the BRT Statement, and what should be done if the BRT Statement cannot be reconciled with the Company's current practices and commitments. For that reason, *McKesson Corp.* is not relevant to the instant Proposal.

As explained above, and consistent with the Staff's determination in *JPMorgan Chase & Co.* (Feb. 5, 2020), the Company's existing principles, policies and practices are closely aligned with the principles endorsed in the BRT Statement. For that reason, the Company does not need to take any further action to implement the BRT Statement, nor does it need to address ways in which the Company's policies and practices and the BRT Statement cannot be reconciled. In addition, at a meeting held on January 7, 2021, the Corporate Governance & Nominating Committee (the "Committee") of the Company's Board of Directors (the "Board") reviewed the Proposal. As discussed further below, the Committee determined that no additional action or assessment is required by the Proposal, as the Company already adheres to and operates in accordance with the principles set forth in the BRT Statement, with oversight and guidance by the Board. Accordingly, the Committee concluded that the BRT Statement does not subject the Company to any new commitments and that no actions were necessary as a result of the Company's Chairman and Chief Executive Officer signing the BRT Statement. As such, the Company's policies, practices and procedures compare favorably with the actions requested in the Proposal.

Therefore, the Company has substantially implemented the Proposal and the Proposal may be excluded under Rule 14a-8(i)(10).

B. The Proposal May Be Excluded Pursuant to Rule 14a-8(i)(7) Because the Proposal Deals with Matters Relating to the Company's Ordinary Business Operations.

Under Rule 14a-8(i)(7), a shareholder proposal may be excluded from a company's proxy materials if the proposal "deals with matters relating to the company's ordinary business operations." In Exchange Act Release No. 34-40018 (May 21, 1998) (the "1998 Release"), the Commission stated that the policy underlying the ordinary business exclusion rests on two central considerations. The first recognizes that certain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight. The second consideration relates to the degree to which the proposal seeks to "micro-manage" the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.

1. The Proposal deals with the Company's ordinary business operations.

As discussed above, the BRT Statement expresses companies' commitment to delivering value to customers, investing in employees, dealing fairly and ethically with suppliers, supporting the communities in which the companies work and generating long-term value for shareholders. Each of the concerns raised in the BRT Statement, and thus by the Proposal, however, has been specifically recognized by the Staff as ordinary business matters upon which a proposal may be excluded pursuant to Rule 14a-8(i)(7).

i. Relationship with customers.

In accordance with the policy considerations underlying the ordinary business exclusion, the Staff has permitted exclusion of proposals that relate to a company's relationships with its customers. *See, e.g.*, *JPMorgan Chase & Co.* (Feb. 21, 2019) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested the board complete a report on the impact to customers of the company's overdraft policies); *AT&T Inc.* (Dec. 28, 2016) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested the company provide free tools to customers to block robocalls); *Ford Motor Co.* (Feb. 13. 2013) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested removal of dealers that provided poor customer service, noting that "[p]roposals concerning customer relations are generally excludable under rule 14a-8(i)(7)"); *The Coca-Cola Co.* (Jan. 21, 2009, *recon. denied* Apr. 21, 2009) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested a report on how the company could provide information to customers regarding the company's products, noting that the proposal "relat[ed] to Coca-Cola's ordinary business operations (i.e., marketing and consumer relations)").

ii. Management of the workforce.

The Staff also has permitted exclusion of proposals that relate to management of a company's workforce. *See* 1998 Release (excludable matters "include the management of the workforce, such as the hiring, promotion, and termination of employees"); *see also, e.g.*, *Walmart, Inc.* (Apr. 8, 2019) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested the company's board prepare a report evaluating discrimination risk from the company's policies and practices for hourly workers taking medical leave, noting that the proposal "relates generally to the [c]ompany's management of its workforce"); *Yum! Brands, Inc.* (Mar. 6, 2019) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that sought to prohibit the company from engaging in certain employment practices, noting that "the [p]roposal relates generally to the [c]ompany's policies concerning its employees"). Similarly, the Staff has permitted exclusion of shareholder proposals under Rule 14a-8(i)(7) that relate to general employee compensation. *See, e.g.*, *CVS Health Corp.* (Mar. 1, 2017) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that urged the company's board to adopt principles for minimum wage reform, noting that "the proposal relates to general compensation matters"); *Best Buy Co., Inc.* (Mar. 8, 2016) (same); *The Goldman Sachs Group, Inc.* (Mar. 12, 2010) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that sought to introduce a policy limiting the amount available for payment of employee compensation and benefits each year, noting that "[p]roposals that concern general employee compensation matters are generally excludable under rule 14a-8(i)(7)").

iii. Relationships with suppliers.

In addition, the Staff has permitted exclusion under Rule 14a-8(i)(7) of shareholder proposals that relate to a company's relationships with its suppliers. *See, e.g.*, *Walmart Inc.* (Mar. 8, 2018) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested a report outlining the requirements suppliers must follow regarding engineering ownership and liability); *Foot Locker, Inc.* (Mar. 3, 2017) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested a report outlining the steps the company was taking, or could take, to monitor the use of subcontractors by the company's overseas apparel suppliers, noting that "the proposal relates broadly to the manner in which the company monitors the conduct of its suppliers and their subcontractors."); *Kraft Foods Inc.* (Feb. 23, 2012) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested a report detailing the ways the company would assess risk to its supply chain and mitigate the impact of such risk, noting that the proposal concerned "decisions relating to supplier relationships [which] are generally excludable under rule 14a-8(i)(7)"); *Dean Foods Co.* (Mar. 9, 2007) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested an independent committee review the company's standards for organic dairy product suppliers, noting that the proposal related to the company's "decisions relating to supplier relationships").

iv. Community relations.

Further, the Staff has permitted exclusion under Rule 14a-8(i)(7) of proposals relating to the community impacts of a company's operations. *See, e.g.*, *Amazon.com, Inc.* (Mar. 28, 2019) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested an analysis of the community impacts of the company's operations, noting that "the [p]roposal relates generally to 'the community impacts' of the [c]ompany's operations and does not appear to focus on an issue that transcends ordinary business matters"); *Amazon.com, Inc.* (Mar. 16, 2018) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested a report on risks relating to the societal impact of the company's growth).

v. Enhancing shareholder value.

Finally, the Staff has permitted the exclusion of proposals relating to the determination and implementation of a company's strategies for enhancing shareholder value. *See, e.g.*, *Bimini Capital Management* (Mar. 28, 2018) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting that the company's board take measures to close the gap between the book value of the company's common shares and their market price); *Ford Motor Co.* (Feb. 24, 2007) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting that the company's chairman "honor his commitments to shareholders to increase stock performance," noting that the proposal appeared to relate to the company's "ordinary business operations (i.e., strategies for enhancing shareholder value)"). Similarly, the Staff has permitted companies to exclude proposals that relate generally to the company's relations with its stockholders. *See, e.g.*, *Con-way Inc.* (Jan. 22, 2009) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested the company's board take steps to ensure future annual stockholder meetings be distributed via webcast, as "relating to [the company's] ordinary business operations (i.e., shareholder relations and the conduct of annual meetings)").

The Commission has stated that a proposal requesting the dissemination of a report is excludable under Rule 14a-8(i)(7) if the substance of the proposal involves a matter of ordinary business of the company. *See* 1983 Release ("[T]he staff will consider whether the subject matter of the special report or the committee involves a matter of ordinary business; where it does, the proposal will be excludable under Rule 14a-8(c)(7)."); *see also Netflix, Inc.* (Mar. 14, 2016) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested a report describing how company management identifies, analyzes and oversees reputational risks related to offensive and inaccurate portrayals of Native Americans, American Indians and other indigenous peoples, how it mitigates these risks and how the company incorporates these risk assessment results into company policies and decision-making, noting that the proposal related to the ordinary business matter of the "nature, presentation and content of programming and film production"). In this case, the Proposal clearly relates to the Company's ordinary business matters because it requests a report on how the Company's governance and management systems can be altered to address its responsibilities to customers, employees, suppliers, communities and shareholders, all of which have been deemed quintessential ordinary business matters under Rule 14a-8(i)(7). Accordingly, consistent with the precedent described above, the Proposal may be excluded under Rule 14a-8(i)(7).

2. *The Company's Corporate Governance & Nominating Committee determined that the Proposal is not sufficiently significant in relation to the Company.*

We are aware that a proposal may not be excluded under Rule 14a-8(i)(7) if it is determined to focus on a significant policy issue. The fact that a proposal may touch upon a significant policy issue, however, does not preclude exclusion under Rule 14a-8(i)(7). As stated in Staff Legal Bulletin No. 14I (Nov. 1, 2017) ("SLB 14I"), "whether the significant policy exception applies depends, in part, on the connection between the significant policy issue and the company's business operations." According to the Staff, a "well-developed discussion of the board's analysis" of whether a particular issue is sufficiently significant – because the matter transcends ordinary business and would be appropriate for a shareholder vote – may assist the Staff in its review of no-action requests under Rule 14a-8(i)(7). *See* SLB 14I. In Staff Legal Bulletin No. 14J (Oct. 23, 2018) ("SLB 14J"), the Staff provided a non-exclusive list of factors a board might consider in arriving at its conclusion that an issue is not sufficiently significant in relation to the company. In addition, the Staff stated that a company's request for exclusion should "include a discussion that reflects the board's analysis of the proposal's significance to the company" and should detail "the specific processes employed by the board to ensure that its conclusions are well-informed and well-reasoned." *See* SLB 14I; *see also Apple Inc.* (Dec. 2, 2019 *recon. denied* Jan. 17, 2020) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting a report on risks associated with omitting certain terms from its equal employment opportunity policy, where the board's nominating and corporate governance committee analyzed the proposal and concluded that it did not present a significant policy issue for the company). In addition, in Staff Legal Bulletin No. 14K (Oct. 16, 2019) ("SLB 14K") the Staff reiterated its view of the utility of a board analysis and provided further guidance on certain factors in such analysis.

We are also aware that in the past the Staff has declined to permit exclusion under Rule 14a-8(i)(7) of proposals similar to the Proposal when companies have not provided a board analysis of whether the particular policy issued raised by the proposal was sufficiently significant in relation to the company. *See, e.g.*, *Citigroup Inc.*(Feb. 25, 2020)*; *BlackRock Inc.* (Feb. 25, 2020)*; *Bank of America Corp*. (Feb. 12, 2020)*; *The Goldman Sachs Group, Inc.* (Dec. 30, 2019)*.

In this instance, the Committee evaluated the Proposal and concluded it does not present a significant policy issue to the Company. In particular, at a meeting held on January 7, 2021, the Committee reviewed the Proposal, taking into consideration its own substantial knowledge of the Company, the Company's operations and business environment, and input from management. As it did with respect to the shareholder proposal the Company received on the same topic last year, the Committee again reviewed the BRT Statement, the Business Principles and other Company policies and practices, as described on pages 4 through 10 of this letter, and determined that no additional action or assessment is required, as the Company already adheres to and operates in accordance with the principles set forth in the BRT Statement, with oversight and guidance by the Board. Accordingly, the Committee determined that the BRT Statement does not subject the Company to any new commitments and therefore the Proposal does not present a significant policy issue to the Company and that no further action would be required by the Proposal. In reaching this conclusion, the Committee reviewed the following factors, as described in SLB 14J and 14K, and made the following determinations.

i. The Company already has implemented the principles in the BRT Statement and any differences between the Proposal's specific request and the Company's actions are insignificant.

As described in SLB 14K, the Committee considered "[w]hether the company has already addressed the issue in some manner, including the differences – or the delta – between the proposal's specific request and the actions the company has already taken, and an analysis of whether the delta presents a significant policy issue for the company." In accordance with the discussion on pages 4 through 10 of this letter, the Committee determined that the principles espoused in the BRT Statement are substantially similar to the principles that the Company already adheres to by virtue of the Business Principles and other existing policies and practices described above, such that any differences are sufficiently minor as to be insignificant. As a result, the Committee determined that any differences between the Proposal's goal and the Company's actions do not present a significant policy issue to the Company. In this regard, the Committee also determined that to the extent the Proposal requests a reconciliation of the Company's current practices and commitments that do not align with the BRT Statement, such request similarly does not present a significant issue because there effectively are no differences between the Company's policies and practices and the BRT Statement.

ii. The Proposal has no bearing on the Company's core business activities and financial statements.

Further, because the Company already adheres to the Business Principles and takes other actions in line with the principles embodied in the BRT Statement, no further action is required to implement the BRT Statement, and the Proposal would not have a clear impact on the Company's core business activities and financial statements.

iii. Shareholders have not demonstrated significant interest in the issue presented by the Proposal.

Shareholder interest on matters relating to the Proposal has not been significant. Other than one shareholder proponent who submitted a proposal on the same topic for the 2020 annual meeting and who also submitted a proposal relating to converting the Company to a Delaware public benefit corporation this year, the Company is not aware of any other shareholders or stakeholders who have requested the type of the report sought by the Proposal or submitted a shareholder proposal to the Company regarding a similar topic.

iv. The issue presented by the Proposal has never been voted on.

The Proposal has not been previously voted on by shareholders, although the Company was able to exclude a proposal on the same topic that was submitted for its 2020 annual meeting pursuant to Rule 14a-8(i)(10).

After determining that the Proposal's request does not subject the Company or the Board to any new commitments, the Committee determined that no actions are required by the Proposal and that the Proposal was not significant to the Company.

Accordingly, consistent with the precedent described above, the Proposal may be excluded under Rule 14a-8(i)(7) as relating to the Company's ordinary business operations.

<u>Conclusion</u>

On the basis of the foregoing, the Company respectfully requests the concurrence of the Staff that the Proposal may be excluded from the Company's proxy materials for the 2021 Annual Meeting. If you have any questions or would like any additional information regarding the foregoing, please do not hesitate to contact me at (202) 371-7180. Thank you for your prompt attention to this matter.

Very truly yours,

Brian V. Breheny

Enclosures

cc: Molly Carpenter
Corporate Secretary
JPMorgan Chase & Co.

Justin Danhof
General Counsel
The National Center for Public Policy Research

EXHIBIT A

(see attached)

NATIONAL CENTER
FOR PUBLIC POLICY RESEARCH

November 18, 2020

<u>Via FedEx to</u>

Molly Carpenter
JP Morgan Chase & Co.
Office of the Secretary
4 New York Plaza
New York, NY 10004-2413

Dear Ms. Carpenter,

I hereby submit the enclosed shareholder proposal ("Proposal") for inclusion in the JP Morgan Chase & Co. (the "Company") proxy statement to be circulated to Company shareholders in conjunction with the next annual meeting of shareholders. The Proposal is submitted under Rule 14(a)-8 (Proposals of Security Holders) of the United States Securities and Exchange Commission's proxy regulations.

I submit the Proposal as the Deputy Director of the Free Enterprise Project of the National Center for Public Policy Research, which has continuously owned Company stock with a value exceeding $2,000 for a year prior to and including the date of this Proposal and which intends to hold these shares through the date of the Company's 2021 annual meeting of shareholders. A Proof of Ownership letter is forthcoming and will be delivered to the Company.

Copies of correspondence or a request for a "no-action" letter should be forwarded to Justin Danhof, Esq, General Counsel, National Center for Public Policy Research, 20 F Street, NW, Suite 700, Washington, DC 20001 and emailed to JDanhof@nationalcenter.org.

Sincerely,

Scott Shepard

Enclosure: Shareholder Proposal

Report on Company's Involvement with Business Roundtable "Statement on the Purpose of a Corporation"

Whereas, our Company's Chief Executive Officer (CEO) Jamie Dimon signed a Business Roundtable (BRT) "Statement on the Purpose of a Corporation," (Statement) in August 2019, committing our Company to serve all stakeholders – including employees, customers, supply chains, communities where we operate – and shareholders.[1]

Existing governance documents evolved in the still legally mandated system of shareholder primacy, but the Statement articulates a new purpose, moving away from shareholder primacy and including commitment to all stakeholders. The Statement may or may not be beneficial to associate with our brand, but as company policy, it may conflict with existing corporate law unless, and possibly even if, it is integrated into Company governance documents, including bylaws, articles of incorporation, and/or committee charters.

A stakeholder model would shift corporate focus from value creation to concerns generally referred to as Environmental, Social and Governance (ESG) issues. CEO Dimon works hard to indicate Company commitment to such causes, touting the Company's commitments to sustainable climate policies for our companies and others,[2] and to ESG policies such as carbon taxes and surface-characteristic diversity achieved through compensation-based quotas.[3]

For consistency and the avoidance of legal risk, our Company should not endorse positions with which it has not or cannot conform itself. We currently engage in actions that seem to contradict the Statement. Just two examples:

- Our Company has recently been required to pay a nearly $1 billion fine as punishment for its manipulation of commodity markets over many years, injuring the public for unearned private gain.[4]

And

- Our Company has endangered the lives and health of employees, their families and community members, and undermined health-care resources in many communities, by demanding early return of employees to offices that then experienced outbreaks, and by failing to fully inform employees of infections at their facilities.[5]

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[1] https://opportunity.businessroundtable.org/ourcommitment/
[2] https://www.cnbc.com/video/2020/02/25/jp-morgan-jamie-dimon-esg-sustainability-climate-change-squawk-box.html
[3] https://fundintelligence.global/business-strategy/news/jamie-dimon-shares-views-on-jpmorgans-return-to-work-esg-and-di-efforts/
[4] https://www.inquirer.com/business/jpmorgan-chase-bank-gold-silver-prices-fine-futures-spoofing--20200929.html
[5] https://www.cnbc.com/2020/09/23/jpmorgan-traders-complain-that-bank-doesnt-inform-all-staff-of-coronavirus-cases-at-headquarters.html; https://www.wsj.com/articles/jpmorgan-top-brass-tell-trading-floor-staff-to-come-back-to-the-office-11599757313?mod=e2tw

And while the Statement implies accountability to stakeholders, without clear mechanisms in place to implement the Purpose, this broadened standard could reduce real accountability to shareholders and all stakeholders generally and in effect, result in genuine accountability to none. This would violate both the letter and the spirit of the Statement.

Resolved: Shareholders request our Board prepare a report based on a review of the BRT Statement of the Purpose of a Corporation, signed by our Chief Executive Officer, and provide the board's perspective regarding how our Company's governance and management systems can be altered to fully implement the Statement of Purpose, or, in the alternative, what our Company should do if the Statement cannot be reconciled with current practices and commitments. The report may include the Board's perspective on benefits and drawbacks of the options considered, as well as the Board's recommendations.

Supporting Statement

Given the Company's inconsistent actions related to the Statement of Purpose, the Board might after full investigation consider the option of rescinding the CEO's signature and Company's name from that document.

JPMORGAN CHASE & CO.

Molly Carpenter
Corporate Secretary
Office of the Secretary

December 2, 2020

VIA EMAIL

Juston Danhof, Esq
General Counsel
National Center for Public Policy Research
20 F Street, NW, Suite 700
Washington DC 20001

Dear Mr. Danhof:

I am writing to acknowledge receipt of the letter from the National Center for Public Policy Research (the "Proponent") to JPMorgan Chase & Co. ("JPMC") on November 23, 2020, submitting a shareholder proposal (the "Proposal") pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended, for consideration at JPMC's 2021 Annual Meeting of Shareholders.

We believe the Proposal contains a procedural deficiency, as set forth below, which Securities and Exchange Commission ("SEC") regulations require us to bring to your attention.

Ownership Verification

To demonstrate eligibility to submit a proposal, Rule 14a-8(b) provides that a shareholder must submit sufficient proof that it has continuously held at least $2,000 in market value, or 1%, of a company's shares entitled to vote on the proposal for at least one year preceding and including the date the proposal was submitted.

JPMC's stock records do not indicate that the Proponent is the record owner of sufficient shares to satisfy this requirement. In addition, we have not received proof that the Proponent has satisfied the applicable ownership requirements as of November 23, 2020, the date the Proposal was submitted to JPMC. Accordingly, the Proponent has not demonstrated its eligibility to submit the Proposal.

To remedy this defect, the Proponent must submit sufficient proof of ownership of JPMC common stock. Please provide a written statement from the record holder of the Proponent's shares of JPMC common stock (usually a broker or a bank) and a participant in the Depository Trust Company ("DTC"), or an affiliate of the DTC participant, verifying that the Proponent beneficially held the requisite number of shares of JPMC common stock continuously for at least one year preceding and including November 23, 2020.

In order to determine if the bank or broker holding the Proponent's shares is a DTC participant, you may check the DTC's participant list at http://www.dtcc.com/client-center/dtc-directories. If the bank or broker holding the Proponent's shares is not a DTC participant or an affiliate of a DTC participant, the Proponent also will need to obtain proof of ownership from the DTC participant or affiliate of the DTC participant through which the shares are held. The Proponent should be able to identify the DTC participant or affiliate of the DTC participant by asking its broker or bank. If the DTC participant or affiliate of the DTC participant knows the Proponent's broker or bank's holdings, but does not know the Proponent's holdings, the Proponent may satisfy the proof of ownership requirement by obtaining and submitting two proof of ownership statements verifying that, preceding and including the date the Proponent submitted the Proposal, the required amount of shares were continuously held for at least one year - with one statement from the broker or bank confirming the Proponent's ownership, and the other statement from the DTC participant or affiliate of the DTC participant confirming the broker or bank's ownership.

For additional information regarding the acceptable methods of proving ownership of JPMC common stock, please see the enclosed copy of Rule 14a-8 and copies of the SEC Division of Corporation Finance Staff Legal Bulletin Nos. 14F and 14G.

For the Proposal to be eligible for inclusion in JPMC's proxy materials for JPMC's 2021 Annual Meeting of Shareholders, the rules of the SEC require that a response to this letter, correcting all procedural deficiencies described in this letter, be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter. Please address any response via email to corporate.secretary@jpmchase.com.

If you have any questions with respect to the foregoing, please contact me.

Sincerely,

Enclosures:
Rule 14a-8 under the Securities Exchange Act of 1934
Division of Corporation Finance Staff Bulletin Nos. 14F and 14G

4 New York Plaza, New York, New York 10004
Telephone: 212-270-7122 Email: molly.carpenter@jpmchase.com
JPMorgan Chase & Co.

NATIONAL CENTER
FOR PUBLIC POLICY RESEARCH

Via FedEx

December 2, 2020

Molly Carpenter
JP Morgan Chase & Co.
Office of the Secretary
4 New York Plaza
New York, New York 10004-2413

Dear Ms. Carpenter,

Enclosed please find a Proof of Ownership letter from UBS Financial Services Inc. in connection with the shareholder proposal submitted under Rule 14(a)-8 (Proposals of Security Holders) of the United States Securities and Exchange Commission's proxy regulations by the National Center for Public Policy Research to JP Morgan Chase & Co. on November 18, 2020.

Copies of correspondence or a request for a "no-action" letter should be forwarded to Justin Danhof, Esq, General Counsel, National Center for Public Policy Research, 20 F Street, NW, Suite 700, Washington, DC 20001 and emailed to JDanhof@nationalcenter.org.

Sincerely,

Justin Danhof, Esq.

20 F Street, NW Suite 700
Washington, DC 20001
Tel. (202)507-6398
www.nationalcenter.org

UBS

UBS Financial Services Inc.
1000 Harbor Boulevard
Weehawken, NJ 07086
Tel. 877-827-7870
FAX 877-785-8404

UBS Wealth Advice Center

www.ubs.com

Molly Carpenter
JP Morgan Chase & Co. Office of the Secretary
4 New York Plaza
New York, New York 10004-2413

December 2, 2020

Confirmation: Information regarding the account of The National Center for Public Policy Research

Dear Ms. Carpenter,

The following client has requested UBS Financial Services Inc. to provide you with a letter of reference to confirm its banking relationship with our firm.

The National Center for Public Policy Research has been a valued client of ours since October 2002 and as of the close of business on 11/18/2020, the National Center for Public Research held, and has held continuously for at least one year 37 shares of JPMorgan Chase and Co. common stock. UBS continues to hold the said stock.

Please be aware this account is a securities account not a "bank" account. Securities, mutual funds, and other non-deposit investment products are not FDIC-insured or bank guaranteed and are subject to market fluctuation.

Questions
If you have any questions about this information, please contact Reese Bickham at (844) 964-0333.

UBS Financial Services is a member firm of the Securities Investor Protection Corporation (SIPC).

Sincerely

Catherine R Bickham

Catherine Reese Bickham
Financial Advisor
UBS Financial Services Inc.

<u>EXHIBIT B</u>

(see attached)

Business Roundtable

Statement on the Purpose of a Corporation

Americans deserve an economy that allows each person to succeed through hard work and creativity and to lead a life of meaning and dignity. We believe the free-market system is the best means of generating good jobs, a strong and sustainable economy, innovation, a healthy environment and economic opportunity for all.

Businesses play a vital role in the economy by creating jobs, fostering innovation and providing essential goods and services. Businesses make and sell consumer products; manufacture equipment and vehicles; support the national defense; grow and produce food; provide health care; generate and deliver energy; and offer financial, communications and other services that underpin economic growth.

While each of our individual companies serves its own corporate purpose, we share a fundamental commitment to <u>all</u> of our stakeholders. We commit to:

- Delivering value to our customers. We will further the tradition of American companies leading the way in meeting or exceeding customer expectations.

- Investing in our employees. This starts with compensating them fairly and providing important benefits. It also includes supporting them through training and education that help develop new skills for a rapidly changing world. We foster diversity and inclusion, dignity and respect.

- Dealing fairly and ethically with our suppliers. We are dedicated to serving as good partners to the other companies, large and small, that help us meet our missions.

- Supporting the communities in which we work. We respect the people in our communities and protect the environment by embracing sustainable practices across our businesses.

- Generating long-term value for shareholders, who provide the capital that allows companies to invest, grow and innovate. We are committed to transparency and effective engagement with shareholders.

Each of our stakeholders is essential. We commit to deliver value to all of them, for the future success of our companies, our communities and our country.

Released: August 19, 2019
Signatures Updated: September 2019, December 2019, February 2020, April 2020, June 2020, August 2020, September 2020 and October 2020.

Kevin J. Wheeler
President & Chief Executive Officer
A. O. Smith Corporation

Daniel P. Amos
Chairman and CEO
Aflac

Nicholas K. Akins
Chairman, President and CEO
American Electric Power

Robert Ford
President and Chief Executive Officer
Abbott

Roger K. Newport
Chief Executive Officer
AK Steel Corporation

Stephen J. Squeri
Chairman and CEO
American Express

Julie Sweet
Chief Executive Officer Designate
Accenture

John O. Larsen
Chairman, President & CEO
Alliant Energy

Thomas Bartlett
President and Chief Executive Officer
American Tower Corporation

Carlos Rodriguez
President and CEO
ADP

Lee Styslinger, III
Chairman & CEO
Altec, Inc.

James M. Cracchiolo
Chairman and Chief Executive Officer
Ameriprise Financial

Mike Burke
Chairman and CEO
AECOM

Jeffrey P. Bezos
Founder and Chief Executive Officer
Amazon

Gail Koziara Boudreaux
President and CEO
Anthem, Inc.

Andrés Gluski
President and CEO
The AES Corporation

Doug Parker
Chairman & CEO
American Airlines

Greg Case
CEO
Aon

Tim Cook
CEO
Apple

Brian Moynihan
Chairman and CEO
Bank of America

Todd Gibbons
Chief Executive Officer
BNY Mellon

Eric Foss
Chairman, President & CEO
Aramark

José (Joe) E. Almeida
Chairman, President and Chief
Executive Officer
Baxter International Inc.

Frédéric B. Lissalde
President and Chief
Executive Officer
BorgWarner Inc.

Alan B. Colberg
President and CEO
Assurant

Philip Blake
President Bayer USA
Bayer USA

Rich Lesser
CEO
Boston Consulting Group

Randall Stephenson
Chairman and Chief
Executive Officer
AT&T Inc.

Brendan P. Bechtel
Chairman & CEO
Bechtel Group, Inc.

Robert Dudley
Group CEO
BP plc

John Stankey
Chief Executive Officer
AT&T Inc.

Corie Barry
Chief Executive Officer
Best Buy Co., Inc.

Bernard Looney
Chief Executive Officer
BP

John A. Hayes
Chairman, President
and CEO
Ball Corporation

Laurence D. Fink
Chairman and Chief
Executive Officer
BlackRock, Inc.

Giovanni Caforio
Chairman and Chief
Executive Officer
Bristol Myers Squibb

Bob Biesterfeld
President and Chief
Executive Officer
C.H. Robinson Worldwide

Maurice R. Greenberg
Chairman and CEO
C.V. Starr & Co., Inc.

Kewsong Lee
Co-Chief Executive Officer
The Carlyle Group

David Gitlin
President and Chief
Executive Officer
Carrier Global Corporation

D. James Umpleby III
Chairman and Chief
Executive Officer
Caterpillar, Inc.

Robert E. Sulentic
President & CEO
CBRE Group, Inc.

Michael F. Neidorff
Chairman, President, and CEO
Centene Corporation

W. Anthony Will
President & Chief
Executive Officer
CF Industries

Michael K. Wirth
Chairman and Chief Executive
Officer
Chevron Corporation

Brian Niccol
Chairman and Chief Executive
Officer
Chipotle Mexican Grill

Evan G. Greenberg
Chairman & CEO
Chubb

David M. Cordani
President and Chief
Executive Officer
Cigna

Chuck Robbins
Chairman and CEO
Cisco Systems, Inc.

Michael L. Corbat
Chief Executive Officer
Citigroup, Inc.

Lourenco Goncalves
Chairman, President and Chief
Executive Officer
Cleveland-Cliffs, Inc.

Hubertus M. Mühlhäuser
Chief Executive Officer
CNH Industrial

James Quincey
Chairman and Chief
Executive Officer
The Coca-Cola Company

Brian Humphries
Chief Executive Officer
Cognizant

Brian L. Roberts
Chairman & CEO
Comcast Corporation

Larry Merlo
President & CEO
CVS Health

Bob Chapek
Chief Executive Officer
The Walt Disney Company

Ryan M. Lance
Chairman & CEO
ConocoPhillips Company

Hal Yoh
Chair and CEO
Day & Zimmermann

Jim Fitterling
Chief Executive Officer
Dow

Wendell P. Weeks
Chairman, Chief Executive Officer & President
Corning Incorporated

John May
Chief Executive Officer
Deere & Company

Lynn Good
Chairman, President & CEO
Duke Energy

James C. Collins, Jr.
Chief Executive Officer
Corteva Agriscience

Michael S. Dell
Chairman and CEO
Dell Technologies

Ed Breen
Executive Chair of the Board & CEO
DuPont de Nemours, Inc.

Tom Linebarger
Chairman and CEO
Cummins Inc.

Punit Renjen
Global CEO
Deloitte

JM Lawrie
Chairman, President, and CEO
DXC Technology

Brett White
Executive Chairman & CEO
Cushman & Wakefield

Ed Bastian
Chief Executive Officer
Delta Air Lines, Inc.

Mike Salvino
President and Chief Executive Officer
DXC Technology

Mark J. Costa
Chairman and CEO
Eastman Chemical Company

Carmine Di Sibio
Global Chairman & CEO
EY

James “Jim” D. Farley, Jr.
President and Chief Executive Officer
Ford Motor Company

Craig Arnold
Chairman and CEO
EATON

Frederick W. Smith
Chairman & CEO
FedEx Corporation

Lachlan K. Murdoch
Executive Chairman & CEO
Fox Corporation

Pedro J. Pizarro
President & CEO
Edison International

Gary Norcross
Chairman, President & CEO
FIS

Richard C. Adkerson
Vice Chairman, President and Chief Executive Officer
Freeport-McMoRan Inc.

David A. Ricks
Chairman and Chief Executive Officer
Eli Lilly and Company

Revathi Advaithi
Chief Executive Officer
Flex

Sonia Syngal
Chief Executive Officer
Gap Inc.

Christopher M. Crane
President and Chief Executive Officer
Exelon Corporation

Carlos M. Hernandez
Chief Executive Officer
Fluor Corporation

Phebe Novakovic
Chairman and CEO
General Dynamics Corporation

Darren W. Woods
Chairman and CEO
Exxon Mobil Corporation

James P. Hackett
President and CEO
Ford Motor Company

Mary Barra
Chairman & CEO
General Motors Company

David M. Solomon
Chairman and Chief Executive Officer
The Goldman Sachs Group, Inc

Steven R. Swartz
President and CEO
HEARST Corporation

Ginni Rometty
Chairman, President, and Chief Executive Officer
IBM Corporation

Bradley J. Preber
Interim CEO
Grant Thornton LLP

Craig Menear
Chairman, CEO and President
The Home Depot

Arvind Krishna
Chief Executive Officer
IBM Corporation

Deanna M. Mulligan
President and CEO
Guardian Life Insurance Company of America

Darius Adamczyk
Chairman and CEO
Honeywell

Charles Phillips
Chief Executive Officer
Infor

Gerald W. Evans
CEO
Hanesbrands Inc.

Enrique Lores
President and CEO
HP Inc.

Robert H. Swan
Chief Executive Officer
Intel Corporation

Stephen B. Bratspies
Chief Executive Officer
Hanesbrands Inc.

Bruce Broussard
President and CEO
Humana Inc.

Mark S. Sutton
Chairman and CEO
International Paper Co.

Dinesh C. Paliwal
President and Chief Executive Officer
HARMAN International

Mike Petters
President and Chief Executive Officer
Huntington Ingalls Industries

Michael I. Roth
Chairman and Chief Executive Officer
Interpublic Group

Linda H. Apsey
President & CEO
ITC Holdings Corp.

Beth E. Mooney
Chairman & CEO
KeyCorp

William M. Brown
Chairman & Chief
Executive Officer
L3Harris Technologies, Inc.

Steve Demetriou
Chair and CEO
Jacobs

Christopher M. Gorman
Chairman, Chief Executive
Officer, and President
KeyCorp

Beth E. Ford
President and CEO
Land O'Lakes, Inc.

Samuel R. Allen
Chairman and CEO
John Deere

Bruce E. Grewcock
CEO and Chairman of the
Board
Kiewit Corporation

Roger A. Krone
Chairman and Chief
Executive Officer
Leidos

Alex Gorsky
Chairman of the Board
and Chief Executive
Officer
Johnson & Johnson

Michael Hsu
Chairman of the Board and
Chief Executive Officer
Kimberly-Clark

Stuart Miller
Executive Chairman
Lennar Corporation

George R. Oliver
Chairman and CEO
Johnson Controls

Bill Thomas
Global Chairman and CEO
KPMG LLP

James D. Taiclet
President and Chief Executive
Officer
Lockheed Martin Corporation

Jamie Dimon
Chairman and CEO
JPMorgan Chase & Co.

Lynne M. Doughtie
Chairman and CEO
KPMG LLP

Marillyn A. Hewson
Chairman, President and CEO
Lockheed Martin Corporation

Bhavesh V. (Bob) Patel
Chief Executive Officer
LyondellBasell Industries

Arne M. Sorenson
President and Chief
Executive Officer
Marriott International, Inc.

Kevin Sneader
Global Managing Partner
McKinsey & Company

Jeff Gennette
Chairman & Chief
Executive Officer
Macy's, Inc.

Roger W. Crandall
Chairman, President & Chief
Executive Officer
MassMutual

Geoffery S. Martha
Chief Executive Officer
Medtronic, Inc.

Mark Trudeau
President and CEO
Mallinckrodt Pharmaceuticals

Ajay Banga
President & CEO
Mastercard

Omar Ishrak
Chairman & CEO
Medtronic plc

Lee M. Tillman
Chairman, President and CEO
Marathon Oil Corporation

Ynon Kreiz
Chairman and Chief
Executive Officer
Mattel, Inc.

Michel Khalaf
President & Chief
Executive Officer
MetLife

Gary R. Heminger
Chairman and CEO
Marathon Petroleum
Corporation

Lawrence E. Kurzius
Chairman, President and CEO
McCormick and Company,
Inc.

Sanjay Mehrotra
President & CEO
Micron Technology

Michael Hennigan
President and CEO
Marathon Petrolem
Corporation

Brian Tyler
Chief Executive Officer
McKesson Corporation

Satya Nadella
Chief Executive Officer
Microsoft Corporation

Ken Moelis
Chairman & CEO
Moelis & Company

Raymond McDaniel Jr.
President and Chief Executive Officer
Moody's

James P. Gorman
Chairman & CEO
Morgan Stanley

Greg Brown
Chairman & CEO
Motorola Solutions

Adena T. Friedman
President and CEO
Nasdaq

Thomas C. Nelson
Chairman, President & CEO
National Gypsum Company

Ted Mathas
Chairman, President and CEO
New York Life Insurance Co.

David L. Stover
Chairman and CEO
Noble Energy, Inc.

Kathy Warden
Chairman, Chief Executive Officer and President
Northrop Grumman Corporatior

Steve Fisher
President & CEO
Novelis

Mauricio Gutierrez
President & CEO
NRG Energy, Inc.

Safra Catz
CEO
Oracle

Brian Chambers
President and Chief Executive Officer
Owens Corning

Dan Shulman
President and Chief Executive Officer
PayPal, Inc.

Ramon Laguarta
Chairman and CEO
PepsiCo

Dr. Albert Bourla
Chief Executive Officer
Pfizer Inc.

Greg C. Garland
Chairman and CEO
Phillips 66

Marc B. Lautenbach
President and Chief Executive Officer
Pitney Bowes

Daniel J. Houston
Chairman, President
and CEO
Principal

Gregory J. Hayes
Chief Executive Officer
Raytheon Technologies
Corporation

Christian Klein
Chief Executive Officer
SAP

David S. Taylor
Chairman of the Board,
President and Chief
Executive Officer
The Procter & Gamble
Company

Thomas A. Kennedy
Chairman & CEO
Raytheon Company

Bill McDermott
Chief Executive Officer
SAP

Tricia Griffith
President & CEO
Progressive Corporation

Blake D. Moret
Chairman and Chief
Executive Officer
Rockwell Automation

Jim Goodnight
CEO
SAS Institute

Bob Moritz
Chairman
PwC

Douglas L. Peterson
President and CEO
S&P Global

Tamara L. Lundgren
President and Chief Executive
Officer
Schnitzer Steel Industries, Inc.

Steve Mollenkopf
Chief Executive Officer
Qualcomm Incorporated

Marc Benioff
Chair & Chief Executive
Officer
Salesforce

Jeffrey W. Martin
Chairman & CEO
Sempra Energy

Earl C. Austin, Jr.
President and Chief
Executive Officer
Quanta Services

Keith Block
Co-CEO
Salesforce

Lisa Davis
CEO
Siemens Corporation USA

Egon Durban
Silver Lake

Kevin Lobo
Chairman & CEO
Stryker

Richard K. Templeton
Chairman, President and
Chief Executive Officer
Texas Instruments
Incorporated

Stewart Butterfield
Co-Founder and Chief
Executive Officer
Slack Technologies, Inc.

John F. Fish
Chairman & CEO
Suffolk

Marc N. Casper
Thermo Fisher Scientific
Chairman, President and Chief
Executive Officer

Thomas A. Fanning
Chairman, President
and CEO
Southern Company

Margaret M. Keane
Chief Executive Officer and
Member of the Board of
Directors
Synchrony

Rob Speyer
President & CEO
Tishman Speyer

James M. Loree
President & Chief
Executive Officer
Stanley Black & Decker

Brian Cornell
Chairman & CEO
Target

Hal Lawton
President and Chief Executive
Officer
Tractor Supply Company

Michael L. Tipsord
Chairman, President &
Chief Executive Officer
State Farm

Russell K. Girling
President and Chief
Executive Officer
TC Energy

Alan D. Schnitzer
Chairman and Chief
Executive Officer
The Travelers Companies Inc.

James P. Keane
President and CEO
Steelcase Inc.

LeRoy T. Carlson, Jr.
CEO
Telephone & Data Systems, Inc.

M. Troy Woods
Chairman, President & CEO
TSYS

Peter J. Davoren
President & CEO
Turner Construction Co.

David Abney
Chairman and Chief Executive Officer
UPS

Robert F. Smith
Founder, Chairman and CEO
Vista Equity Partners

Lance M. Fritz
Chairman, President & CEO
Union Pacific

Stuart Parker
CEO
USAA

Curt Morgan
President & CEO
Vistra Energy

Scott Kirby
Chief Executive Officer
United Airlines

Wayne Peacock
President and Chief Executive Officer
USAA

Stefano Pessina
Executive Vice Chairman and CEO
Walgreens Boots Alliance

Oscar Munoz
Chief Executive Officer
United Airlines

Mortimer J. Buckley
Chairman & CEO
Vanguard

Doug McMillon
President and CEO
Walmart, Inc.

Gregory J. Hayes
Chairman & CEO
United Technologies Corporation

Scott G. Stephenson
Chairman, President and Chief Executive Officer
Verisk Analytics

Charles W. Scharf
Chief Executive Officer and President
Wells Fargo

Carol Tomé
Chief Executive Officer
UPS

Alfred F. Kelly, Jr.
Chairman and Chief Executive Officer
Visa Inc.

John J. Engel
Chairman, President and CEO
WESCO International, Inc.

Hikmet Ersek
Chief Executive Officer
Western Union

Michael J. Kasbar
Chairman, President and CEO
World Fuel Services
Corporation

Michael Roman
Chairman of the Board and
Chief Executive Officer
3M

John F. Barrett
Chairman, President & CEO
Western & Southern
Financial Group

Jim Kavanaugh
CEO
World Wide Technology

Marc Bitzer
Chairman and Chief
Executive Officer
Whirlpool Corporation

John Visentin
Vice Chairman and Chief
Executive Officer
Xerox Corporation

Alan S. Armstrong
President and Chief
Executive Officer
The Williams Companies,
Inc.

Patrick Decker
President and CEO
Xylem Inc.

Abidali Z. Neemuchwala
CEO & Managing Director
Wipro Limited

Anders Gustafsson
Chief Executive Officer
Zebra Technologies
Corporation

Aneel Bhusri
Co-Founder & CEO
Workday, Inc.

Kristin Peck
Chief Executive Officer
Zoetis Inc.

EXHIBIT C

(see attached)

HOW WE DO BUSINESS — THE REPORT

JPMorgan Chase & Co.

JPMORGAN CHASE — WHO WE ARE AT A GLANCE

JPMorgan Chase & Co., a financial holding company, is a leading global financial services company and one of the largest banking institutions in the United States. The company has operations worldwide and is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing and asset management. Under the J.P. Morgan and Chase brands, the company serves millions of customers in the United States and many of the world's most prominent corporate, institutional and government clients.

JPMorgan Chase's activities are organized, for management reporting purposes, into a Corporate segment and four major reportable business segments, which we refer to as the lines of business.

Consumer & Community Banking has a relationship with about 53 million households — almost half of the households in the United States. We serve people, families and businesses across multiple channels — more than 5,600 branches and 20,500 ATMs, the #1 ranked mobile app and chase.com. We help people bank, save, invest, make purchases with credit cards, and finance homes and cars. As of September 30, 2014, Consumer & Community Banking had 139,000 employees.

The **Corporate & Investment Bank** offers a suite of investment banking, market-making, prime brokerage, and treasury and securities products and services to a global client base. In general, the Corporate & Investment Bank's clients can be categorized as: multinationals, corporations, governmental entities, central banks and asset managers (e.g., pension and hedge funds, family offices). There were 52,000 employees in the Corporate & Investment Bank as of September 30, 2014.

Commercial Banking provides credit, banking and treasury services to approximately 59,000 clients in the United States across 119 cities in the United States and 13 major international cities. Its clients include mid-sized businesses, corporations, municipalities, financial institutions, nonprofit entities, and real estate owners and investors. Commercial Banking had 7,000 employees on September 30, 2014.

Asset Management serves both individuals and institutions, including more than 3,000 financial intermediaries, 60% of the largest pension and sovereign funds, and many of the world's wealthiest individuals and families. By managing money for clients, we help individuals retire more comfortably, pension funds meet their obligations, universities reinvest in research and facilities, and wealthy families ensure lasting legacies. On September 30, 2014, there were 19,000 employees in Asset Management.

We are pleased to share "How We Do Business — The Report," which describes how we do business, actions we've taken to address recent challenges and what we're doing to improve. This report was initiated in response to a request by a shareholder group led by The Sisters of Charity of Saint Elizabeth.

The report details the many large-scale efforts and investments we've made to strengthen our control environment through enhancements of our infrastructure, technology, operating standards and governance. It also describes our commitment to our customers, as well as our relationships with regulators, shareholders and the communities in which we live and work. Perhaps most important, we talk about our people and our culture. We describe how we've re-articulated and re-emphasized our corporate standards and what we're doing to help ensure that our employees internalize these values and focus on them every day. In that sense, the report is a companion piece to our Business Principles, which were published earlier this year (and are summarized in this report). Those Business Principles focus on exceptional client service; operational excellence; a commitment to integrity, fairness and responsibility; and cultivation of a great team and winning culture. They emphasize the importance of being a good corporate citizen and always trying to do the right thing.

While we're proud of what we do to serve our clients, contribute to our communities and earn a fair return for shareholders, we also know that we always can do better. Every company makes mistakes (and we've made a number of them), but the hallmark of a great company is what it does in response. We are steadfast in our commitment to learn from the past and to emerge as an even better company. I encourage you to read this report to learn more about the kind of company we are and how we're working hard to be better each day.

Jamie

Jamie Dimon
Chairman and Chief Executive Officer

December 19, 2014

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I. INTRODUCTION

INTRODUCTION

JPMorgan Chase has served its customers, shareholders and communities for more than 200 years. Since we were founded, our company has been guided by a simple mission that perhaps was best articulated by J. Pierpont Morgan, Jr., in 1933, when he said: "I should state that at all times the idea of doing only first-class business, and that in a first-class way, has been before our minds."

The purpose of this report is to offer our shareholders and other interested parties a view into how we are striving to meet that mission both for today and for the future. Specifically, we summarize on the following pages:

- Ways we have sought to strengthen *our corporate culture*, including improving our employees' understanding of and adherence to our corporate standards and steps we have taken to enhance our corporate structure so that our company's leadership is better positioned to uphold, exemplify and enforce those standards across the enterprise
- Our *control environment*, which starts with our businesses and is supported by our control functions and Internal Audit, and the investments we have made in people, policies and technology to enhance it
- Ways in which we are strengthening *our customer commitment*, including offering the products and services our customers need, better coordinating and streamlining our channels, and making it easier for people to do business with us
- Enhancement of *our relationships with regulators, shareholders and communities* through, among other measures, increased transparency and more regular engagement

ACKNOWLEDGING OUR MISTAKES AND MOVING FORWARD

During the past several years, we have faced a series of legal and regulatory issues. Some of these issues arose from mistakes uniquely our own, some relate to actions taken at firms we acquired during the financial crisis and others concern industry-wide practices. These include mortgage foreclosure processes, mortgage-backed securities matters, Anti-Money Laundering Act compliance, the Madoff matter and losses in our Chief Investment Office (CIO) (often referred to as the London Whale incident), as well as Asia hiring practices, LIBOR (London Interbank Offered Rate) and foreign exchange matters.

The first step in moving forward is acknowledging our mistakes. We have done that. In some cases, our controls fell short, and in others, we simply weren't meeting the standards we had set for ourselves. We know we can do better and are committed to doing so.

In pursuing this course of action, we are recommitting to the company's culture — not reinventing it. Much of what we are doing is a continuation and strengthening of programs already in place. The changes we are undertaking are part of a necessary evolution and will continue as we maintain our long-standing pledge to serve our customers, shareholders and communities in both good times and bad.

WHAT WE ARE DOING TO IMPROVE

Given the scale of change and the number of challenges our company has faced in the past several years, we believe it is useful to provide a view of how we do business and what we have done and continue to do to improve.*

Our actions have been far-reaching, drawing on what we have learned from our missteps. Self-examination is very much a part of the fabric of our company, and our commitment to integrity, fairness and responsibility gives us the fortitude to stay the course in addressing our challenges.

We have taken great care to re-articulate and re-emphasize our cultural values and corporate standards consistently and clearly so they can be internalized by employees and result in the kinds of observable, ethical behaviors that we expect. High standards, strong values and a commitment to doing first-class business in a first-class way must remain ingrained in our company's DNA. We do this by setting the tone from the top; hiring and retaining great, diverse employees; training our people at each stage of their career; disciplining employees for doing the wrong thing; building teamwork and morale; communicating honestly, clearly and consistently; and striving to be good leaders.

We also have invested an extraordinary amount of money, technology and focus on our control agenda to provide the necessary infrastructure and support. We have hired thousands of personnel, invested hundreds of millions of dollars in new technology, and implemented training and education programs that have touched every single one of our roughly 240,000 people working in more than 60 countries and 2,100 U.S. cities.

As with everything we do, one of the most important goals for us throughout has been to enhance the customer experience. We have sought to step back, review our practices and take a fresh perspective on how we are serving our customers. In doing so, each of our businesses has identified areas in which we could be doing better and has taken steps to improve.

The service we provide our customers is only part of the value our company seeks to create. As a global financial institution, we have the opportunity and obligation to contribute to a well-functioning global financial system, deliver a fair return to our shareholders, and make a positive contribution to the people and institutions that we serve. Over the past several years, we have been diligently working to build a deeper and sustained engagement with these parties, including our regulators, shareholders and communities.

Overall, the scale of the efforts described in this report is commensurate with the size and breadth of our company, which allows us to achieve important things for our customers and communities. In 2013 alone, we were able to provide credit and raise capital of more than $2.1 trillion for our clients, provide $19 billion of credit to small businesses, launch a $250 million workforce development initiative and donate over $210 million to our communities. Our employees — including the more than 7,700 veterans and service members we have hired since 2011 — have been at the center of these efforts, working side by side with customers and participating in over 540,000 hours of volunteer work sponsored and/or tracked by the company in 2013.

* This report was initiated in response to a request from a shareholder group led by The Sisters of Charity of Saint Elizabeth, a member of the Interfaith Center on Corporate Responsibility. The Sisters of Charity asked us for "comprehensive transparency regarding the challenges faced by the bank and controls put in place to address them." The interest of The Sisters of Charity reflects their understanding that large financial institutions have the capacity to affect the lives and livelihood of many people globally. The report was prepared under the direction of our Operating Committee and the Board of Directors' Corporate Governance & Nominating Committee. See the Appendix on page 96 for a listing of members

II. OUR CORPORATE CULTURE

OUR CORPORATE CULTURE

Corporate culture, while often discussed, is difficult to define. To us, culture is the intersection of our corporate standards and our employees' actions. Through our Business Principles, Code of Conduct and Code of Ethics for Finance Professionals, we have formalized corporate standards for which all of our people are held accountable. But it is not enough to have well-articulated standards. They must be embedded in the values of each and every employee through continued training and reinforcement and must guide and be evident in our actions.

Over the past few years, we have undertaken a significant effort to examine how we can more rigorously and consistently adhere to the high ethical standards our shareholders, regulators and others expect of us and that we have for ourselves. That includes setting and clearly articulating business principles, ensuring sound governance and the right tone from the top, having in place strong leadership and management processes, and providing a management development and compensation framework that properly incentivizes appropriate behaviors. Taken together, these efforts represent our recommitment to the company's culture and reflect the long-term approach we are taking to enhance it.

As we continue our work, we have focused our attention on three central objectives:

- Clearly communicating and enforcing our corporate standards to our entire employee base
- Enhancing our Board and management structures so our company's leadership is better positioned to uphold and exemplify those standards across the enterprise
- Embedding our standards into the employee life cycle, starting with recruiting and hiring and extending to training, compensating, promoting and disciplining our employees

While we recently have redoubled and reinvigorated our work around corporate culture, we know this can't be, and certainly don't think of it as, a one-time effort. We recognize that a sound corporate culture requires constant vigilance and steadfast commitment.

COMMUNICATING OUR CORPORATE STANDARDS

Effective corporate standards must be clearly articulated and fully understood by every person at the company. The Board and senior management have been deeply involved in communicating our corporate standards: making sure that all of our employees around the world — from bank tellers to investment bankers — are provided with clear and consistent presentations of our corporate standards and that employees have regular opportunities and requirements to refresh their familiarity with these standards.

Infusing and maintaining consistent corporate standards in a large, diverse global organization is challenging, but we believe the challenge can be met by processes we use to communicate our business objectives, starting with clear and repeated communication of key messages delivered by firmwide management and reinforced by line of business, functional and regional management. To be fully effective, messages also must be coupled with actions that demonstrate our commitment to our corporate standards — our Business Principles, Code of Conduct and Code of Ethics for Finance Professionals — and we describe these further below.

Our Business Principles

The company's Operating Committee launched a project in the fall of 2013 under the leadership of our Chairman and Chief Executive Officer (CEO) and a group of our senior executives to re-examine, renew our commitment to and communicate our core business principles.

The initial phase of the project was led by a pair of senior executives, both well-recognized within the company as culture carriers. They interviewed other members of senior management for their views on the company's culture and possible steps to reinforce it. They also led the development of case studies of issues we have faced, including mistakes made and lessons learned through our experiences with foreign correspondent banking; payday lending overdrafts; client selection and associated regulatory and reputation risk; the importance of balancing rapid business growth with strong controls; and policies and procedures designed to achieve compliance with the Servicemembers Civil Relief Act.

The case studies were shared and discussed during our 2014 annual senior leaders' meeting, which is hosted by our CEO and attended by approximately 200 of our senior-most employees, and were followed by firmwide discussions led by our CEO and these senior leaders. The senior leaders' meeting and follow-up sessions throughout the company also stressed the importance of company leaders carrying these messages to their teams so employees throughout the company would understand their importance.

The project's second phase was the re-articulation of 20 core principles — our Business Principles — representing four central corporate tenets:

1. Exceptional client service
2. Operational excellence
3. A commitment to integrity, fairness and responsibility
4. A great team and winning culture

See the full set of Business Principles on the next page and in the Appendix starting on page 89.

These principles then were published as a booklet titled "How We Do Business" and distributed to every employee across the company, as well as posted prominently on the company's intranet and Internet sites.

We believe that the Business Principles are central to our success as a company, and we have embedded them into all stages of our talent process: recruiting, onboarding, training and performance management. In disseminating the booklet, care was taken to emphasize that these principles must guide our company and each employee as we strive to be the company that we, our customers and our shareholders expect us to be.

The JPMorgan Chase Business Principles

Exceptional client service

1. Focus on the customer
2. Be field and client driven and operate at the local level
3. Build world-class franchises, investing for the long term, to serve our clients

Operational excellence

4. Set the highest standards of performance
5. Demand financial rigor and risk discipline: We will always maintain a fortress balance sheet
6. Strive for the best internal governance and controls
7. Act and think like owners and partners
8. Strive to build and maintain the best, most efficient systems and operations
9. Be disciplined in everything we do
10. Execute with both skill and urgency

A commitment to integrity, fairness and responsibility

11. Do not compromise our integrity
12. Face facts
13. Have fortitude
14. Foster an environment of respect, inclusiveness, humanity and humility
15. Help strengthen the communities in which we live and work

A great team and winning culture

16. Hire, train and retain great, diverse employees
17. Build teamwork, loyalty and morale
18. Maintain an open, entrepreneurial meritocracy for all
19. Communicate honestly, clearly and consistently
20. Strive to be good leaders

A more detailed description of our Business Principles can be found in the Appendix starting on page 89.

Again, special attention was given to communicating with managers at all levels of the company so they would understand the principles and communicate them to and reinforce them with their employees. To assist in that effort, our principles were rolled out across the globe: Senior management ran town halls in our key locations, TV monitors in common areas and our internal newspaper frequently include the principles, copies of the principles are in our waiting rooms and lobbies, and a toolkit was developed to enable executives to engage their employees in conversations and follow-up teach-ins on how we do business, culture, conduct and controls.

We now are in a third phase of the project. In this phase, we piloted a culture and conduct risk program in the Europe, Middle East and Africa (EMEA) region, which we then launched for the Corporate & Investment Bank (CIB) globally. The program focuses on key drivers of behavior beyond just controls and ways we actively manage our culture. This effort has involved hearing from focus groups what we do well and what we could do better. We recognize that sometimes there can be gaps between what senior management thinks and what others in an organization think about their company's culture. As part of this process, we also asked some of our more junior employees for their input. This effort will involve an assessment of conduct risks, mitigation plans across those risks, metrics and training.

To have a globally consistent framework and ensure that our corporate standards are broadly and deeply integrated within and across businesses and geographies, we are working toward establishing and implementing a firmwide approach to culture and conduct. This global effort will leverage what we have learned from the EMEA and CIB pilots and adapt the firmwide approach to each line of business. We also are reviewing other line of business culture and conduct initiatives and will use some of their best practices to enhance the firmwide approach.

Code of Conduct

If our Business Principles provide the road map for how all employees at JPMorgan Chase are expected to behave in their work, our Code of Conduct (the Code) is designed to provide the direction for essential elements of that map. As such, our Code is our core conduct policy document.

We have undertaken a major effort over the past several years to make each employee familiar with and able to apply the Code to his or her work. All new hires must complete Code training shortly after their start date. All employees are required to complete additional Code training and provide a new affirmation of their compliance with the Code annually.

We substantially redesigned the Code in 2012 to make it more accessible to employees, including a renewed focus on plain language and a more inviting format. We grouped provisions of the Code, which is available on our website, into five major themes:

- Our heritage
- Our customers and the marketplace
- Our company and shareholders
- Each other
- Our neighborhoods and communities

To emphasize the importance of compliance with the Code, we also have undertaken systems enhancements that are designed to maximize awareness and understanding of the Code, along with tools to enable responsible whistleblowing.

Today, Code specialists are assigned to every one of our lines of business, corporate functions and regions to assist employees with any question on the Code or related policies.

In addition, we have undertaken a number of steps to empower employees to police adherence to our Code. We have made it easier for employees to report any known or suspected violations of the Code via the Code Reporting Hotline by phone, web, email, mail or fax. The hotline is anonymous, except in certain non-U.S. jurisdictions where laws prohibit anonymous reporting, and is available 24/7 globally, with translation services. It is maintained by an outside service provider to enhance employee confidentiality.

In support of the Code, we maintain country-specific whistleblower policies as appropriate, as well as firmwide human resources policies affording protection for the good faith reporting of concerns raised by employees. We also provide training to employees in our Human Resources, Global Investigations and Legal departments regarding the review and treatment of employee-initiated complaints, including the proper escalation of suspected or known violations of the Code, other company policy or the law.

Code of Ethics for Finance Professionals

We also have a Code of Ethics for Finance Professionals that applies to the CEO, Chief Financial Officer, Controller and all other professionals of the company worldwide serving in a finance, accounting, corporate treasury, tax or investor relations role. The purpose of our Code of Ethics is to promote honest and ethical conduct and compliance with the law in connection with the maintenance of the company's financial books and records and the preparation of our financial statements. Employees to whom the Code of Ethics applies must affirm their compliance with the Code of Ethics for Finance Professionals annually when they affirm compliance with the Code of Conduct.

Measuring success

It is our goal to even more deeply embed our corporate standards in our daily lives. One of the ways we intend to do this is through the introduction of metrics to measure our performance. These may include:

- *Client satisfaction:* Research clearly shows that employees who feel part of a strong work culture "go the extra mile" for clients. As such, we expect improvements in our employee culture to lead to more satisfied clients.
- *Employee survey results:* For years, we have conducted employee surveys that include questions about ethics and compliance. With this year's survey, we began benchmarking results on these topics so we can develop action plans to address opportunities to strengthen culture where the need arises.
- *Code of Conduct issues:* We increasingly track issues found through our control processes raised by employees to their managers or others or reported through our Code of Conduct hotline or other means.
- *Regulatory actions:* Our company's progress to enhance our culture will be measured against the goal of reducing adverse regulatory events so that those events that do happen will be recognized as non-systemic breaches within an overall strong control environment.

We will continue to reinforce the company's culture and will do so for the benefit of our clients, shareholders and communities.

Case study: Integrity First

Our Integrity First intranet page is easily accessible to all employees from a link on the home page of our internal website. It provides a wealth of information on how to protect the firm and its reputation, including policies, whistleblowing and reporting of hotline contacts, and descriptions of our control functions.

Integrity First – Protect the Firm and its Reputation

Have a question about our policies?
Want to report a possible violation or concern?

JPMorgan Chase has earned a reputation as an institution that maintains high standards of transparency and accountability. Building and protecting that reputation requires commitment from everyone to make our firm the best it can be.

We each have a responsibility to conduct the firm's business honestly, fairly and ethically. We are required to follow the JPMorgan Chase Code of Conduct, all other Company policies and procedures and applicable laws and regulations. We also have a duty to speak up whenever we see or suspect illegal or unethical activity.

To learn more about our policies or to report a possible violation or concern, select the links below.

If you have any questions, please contact your **Code Specialist** or **Human Resources**.

Code of Conduct

The **Code of Conduct** lays out the firm's expectations for each employee and provides information and resources we need to conduct business ethically. As an employee, it is your responsibility to know and abide by the Code.

Code Specialists

Your **Code Specialist** is your main resource for helping you understand the Code of Conduct. You can contact your Code Specialist with any questions or concerns relating to the Code.

The Code Reporting Hotline

The **Code Reporting Hotline** is one way for you to inform the firm of known or suspected violations (of the Code, any other firm policy, or any law or regulation relating to our business), as required by the Code of Conduct. Translation services are available. You may report anonymously in most jurisdictions, and retaliation for good faith reporting is strictly prohibited everywhere.

FIRMWIDE POLICY PORTAL

The **Firmwide Policy Portal** provides access for employees to the firm's policies across all lines of business and functions globally.

Global Compliance

Global Compliance establishes and implements the **Compliance Risk Management program**, with the Board and senior management, to guide consistent execution of compliance activities and prevent, detect and resolve compliance issues.

Oversight & Control

Oversight & Control ensures a strong and consistent control environment across the organization, regardless of line of business or functional area. You can contact **LOB/Functional Control Officers** with any control related question or concern.

REPUTATION RISK

Reputation Risk is the risk that an action, situation, transaction or investment will reduce trust in our firm's integrity or competence. Reputation Risk works to ensure we stand by the firm's core values and continue to deliver excellence.

LEADERSHIP AND GOVERNANCE

Broadly speaking, our senior management team develops the company's strategic direction and oversees its execution, while the Board is charged with providing effective oversight of management's responsibilities. Equally important, the Board and the senior management team are responsible for communicating and enforcing the company's commitment to doing business in accordance with our corporate standards.

To fulfill this core responsibility, it is imperative that our Board and management team be structured and operate in a manner that is fully aligned with these standards. Since the financial crisis, we have identified a number of opportunities to strengthen those structures, and we have done so.

Board of Directors

A deeply engaged Board of Directors is vital to our company's success, and our directors bring a strong combination of experience and expertise to their role. Over the past several years, our company has looked at ways to build upon our strong foundation and enhance the Board's ability to help lead our company forward.

Board composition

Board independence is essential to effective governance. An independent Board serves the interests of shareholders — and, in the case of companies like ours, the stability of the financial services system — by effectively carrying out the fundamental obligation of oversight of management. The Board must assess and assist management by asking tough questions, making or guiding difficult decisions and providing an effective challenge to management on an ongoing basis.

Our governance policies provide that a substantial majority of our Board will be independent, and, currently, 10 of our 11 Board members are independent under the standards established by the New York Stock Exchange, as well as our own internal standards.

In furtherance of the independence of our Board, in 2013, we established the Lead Independent Director role. Our Lead Independent Director is appointed annually by the independent directors, and the position includes the authority and responsibility to, among other things, call a Board meeting at any time, approve Board meeting agendas, preside over executive sessions of independent directors, and guide the annual performance evaluation of the Chairman and CEO.

Our Board also has taken steps aimed at addressing important concerns raised at our annual shareholder meeting in 2013. Specifically, a number of shareholders expressed a desire for the nomination of additional directors with experience in risk management and in the financial services industry and for enhancements to our corporate governance practices. Taking into account that constructive feedback, the Board added, and in May 2014 shareholders elected, two new Board members with experience in risk management and the financial services industry.

Practices and engagement

In addition to the changes described above underscoring the independence and strength of the Board, the Board continues to consider and implement enhancements to its oversight of management and engagement with regulators and shareholders. It has formalized a number of improved governance practices through changes to the Board's Corporate Governance Principles, including holding executive sessions without company management at every regularly scheduled Board meeting and making directors available, when appropriate, for consultation with major shareholders and other constituencies. The Board also has endorsed the Shareholder-

Director Exchange Protocol as a guide for effective, mutually beneficial engagement between shareholders and directors (see page 78 for more information about the protocol).

In addition, the Board has taken meaningful steps to see that regulatory obligations are met. This includes establishing Specific Purpose committees to provide required oversight in connection with certain regulatory orders issued by the Federal Reserve and the Office of the Comptroller of the Currency:

- Bank Secrecy Act/Anti-Money Laundering Compliance Committee
- Mortgage Compliance Committee
- Trading Compliance Committee
- Sworn Documents Compliance Committee
- Foreign Exchange Compliance Committee

Each of these Specific Purpose committees has between two and four independent directors. They meet regularly to provide oversight of progress against issues identified under the applicable regulatory order.

In addition to these committees, in 2012, the Board established a Review Committee to oversee an investigation by the company's Task Force and to conduct its own review of risk management oversight relating to the trading losses in our Chief Investment Office. In January 2013, the Review Committee produced its own report, published by the Board, that included its findings and recommendations intended to strengthen the company's overall risk management function and Board oversight of that function.

Recommendations included, among other things, improving the presentation of information to the Board of Directors' Risk Policy Committee, clarifying the respective roles of that committee and the Audit Committee, enhancing the continued independence of the Chief Risk Officer, and making clear to senior management that the performance management process tied to compensation should include an assessment of employees' adherence to applicable control standards and promotion of company standards. The company has implemented and continues to implement the committee's recommendations (copies of the Task Force Report and the Review Committee Report are available on our website).

The Board also understands the critical role it plays with respect to the company's culture. The Board has been engaged with management on the importance of strong corporate standards, working with management to emphasize the company's commitment to doing things the right way and to establishing a clear and common vocabulary for communicating this commitment.

Our directors engage frequently on the topic of culture in Board and Board committee meetings, including in the Specific Purpose committees, in their oversight of progress addressing regulatory order issues. Engagement work also includes the Audit Committee's oversight of the Code of Conduct program, as well as the Compensation & Management Development Committee's review and approval of the company's compensation and performance management process. Directors also highlight the importance of our corporate standards through participation in less formal settings, such as town hall and other meetings held by the lines of business and other functions for employees and/or leadership teams, annual meetings with the company's senior leaders, and regularly scheduled informal sessions with members of the Operating Committee and other senior leaders.

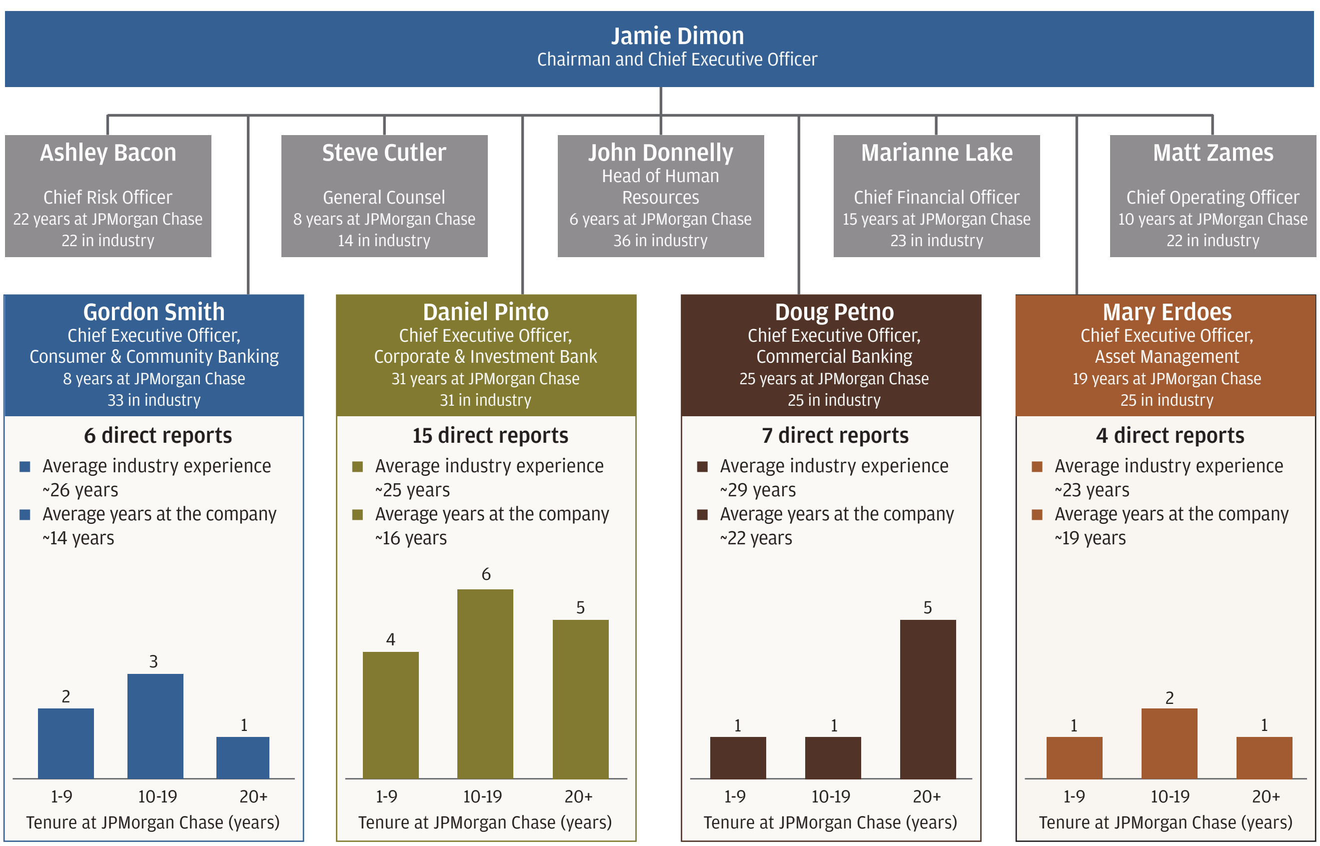
Management

Our management structure is designed to enhance our ability to lead the company effectively as a whole, as well as each of our businesses, in a manner that promotes a strong corporate culture and is consistent with our corporate standards. We have found that the most effective approach is to manage on a line of business basis, coupled with strong corporate functions and appropriate governance of the company's subsidiaries.

JPMorgan Chase is organized into four primary lines of business: Consumer & Community Banking, Corporate & Investment Bank, Commercial Banking and Asset Management. In addition, the Corporate segment is the focal point for setting and implementing standards for financial management, capital allocation, liquidity, resolution planning, risk management, controls, regulatory matters, human resources matters, technology, and legal and compliance.

The management structure of each line of business mirrors that of the company as a whole. Each is led by a CEO and has a Chief Financial Officer, Chief Risk Officer, Chief Compliance Officer, Chief Control Officer, General Counsel, Human Resources Executive and Chief Auditor. Each line of business also has a Management Committee, a Risk Committee and a Control Committee.

Operating Committee structure



Note: Not all direct reports to Jamie Dimon are shown; direct reports to line of business CEOs include business and regional heads only

The line of business CEOs sit on the company's Operating Committee, the company's most senior management body, which also includes our Chairman and CEO, Chief Operating Officer, Chief Financial Officer, Chief Risk Officer, General Counsel and head of Human Resources. The Operating Committee is responsible for the overall management of the company, including developing and implementing corporate strategy and managing the company's operations.

The previous page includes a schematic reflecting the Operating Committee structure.

Each line of business has full responsibility for all aspects of its business, including formulation of strategy, management of allocated capital, financial reporting, human resources, risk, control and adherence to corporate standards. The line of business CEOs review their respective businesses with the Board of Directors, establish priorities for each year, and report periodically on business results, risk matters and control issues.

In addition to our lines of business governance structures, each of our legal entities has a Board of Directors and a management team, generally drawn from the lines of business or corporate functions principally responsible for such entity. For example, some of our national bank subsidiaries, including JPMorgan Chase Bank, N.A., have their own separate Board and Operating Committee.

Furthermore, in September 2014, the Office of the Comptroller of the Currency finalized Heightened Standards for national banks, which set minimum standards for the design and implementation of a risk governance framework that is overseen by a bank's Board of directors. We are utilizing the firmwide business, risk and control frameworks to the extent possible to meet these standards, while recognizing our distinct responsibility to maintain the safety and soundness of JPMorgan Chase Bank, N.A., and the sanctity of its charter.

OUR EMPLOYEE LIFE CYCLE

Our employees are the living, breathing embodiment of our culture. Accordingly, we seek to align all phases of the employee life cycle — recruiting, onboarding, career development and training, performance evaluations, compensation and promotion — with our corporate standards. Over the last several years, we have focused particular attention on recruitment and training at all levels within the company, enhancing our efforts to develop our future leaders, developing succession plans to enable our company to continue operating in accordance with its standards and principles over the long term, and instituting performance management and compensation practices that better align compensation with our commitment to doing business the right way.

Recruitment

We hire thousands of employees each year across all our global businesses, and we train them to understand our culture, products, regulatory requirements, services and customers, as well as on what they need to know to do their jobs well. The hiring of the highest-quality people is essential to the ongoing success of the company. It also is important that we have a broadly diverse team at all levels of the company. Toward that end, we have designed a Blueprint for Managers on Diversity that encourages managers at all levels to make diversity a business priority, expand their scope in sourcing and attracting talent, create a more inclusive work environment to empower employees, and foster a workplace that is respectful and inclusive of differences.

In 2013, globally, 48% of our new hires were women, and in the United States, 55% of our hires were racially or ethnically diverse.

Our hiring practices are based on the following set of standards that help us maintain high levels of integrity during the process and base employment decisions on merit and alignment with our Business Principles:

- We explore multiple sources of talent, both within and outside the company.
- We focus on hiring talented and diverse individuals, at all levels of the company, who embody the company's culture and values.
- We seek to consistently and rigorously assess candidates to put the right people in the right jobs.

Given the scope and geographic diversity of our businesses, it is important that we maintain processes that evaluate candidates consistently using objective criteria that weigh only appropriate considerations. That consistency is vital because we believe that the hiring process is the first step to cultivating a sound corporate culture.

Training

Once employees join the company, it's our responsibility to help them build their knowledge, skills and experience. A more engaged and better trained workforce not only increases employee satisfaction, it contributes to a better customer experience and helps drive the company's long-term success. The company spends an estimated $300 million per year globally on formal training programs at all levels. Programs range from entry-level training to leadership and management courses and are tailored to individual functions, lines of business or geographic regions. We have comprehensive programs focused on our regulatory control and compliance objectives.

Since a significant amount of entry-level hiring is done at the analyst and associate levels, we spend a significant amount of time training these employees on how we do business and helping them build the technical expertise they will need for their jobs. To put this in context, last year:

- The Corporate & Investment Bank hired and trained more than 500 full-time analysts and associates and over 800 summer analysts and associates.
- The Corporate Development program for Technology, Operations, Finance and Human Resources hired and trained over 700 full-time analysts.
- Asset Management hired and trained more than 650 analysts, associates and summer analysts.
- Commercial Banking hired and trained 180 full-time and summer analysts.
- Consumer & Community Banking hired and trained more than 160 full-time and summer analysts and associates.

It also is important to develop a strong team of dedicated, talented and committed leaders throughout all levels of management. At the top of our organization, we work to develop a pipeline of qualified leaders through expansive training and development programs, bolstered by a disciplined process of talent reviews focused on thorough assessments, executive development programs and rotations of top executives to prepare them for greater responsibility. We have a number of levels of management training designed to prepare employees for management roles and leadership responsibilities. Among them:

- *CEO Bootcamp* trains our senior leaders on both internal challenges and external pressures that face a CEO or head of a large business unit function.
- *Leaders Morgan Chase* is another senior leader program that is designed to develop certain leadership objectives, including developing strategies and perspectives from all businesses and taking a firmwide perspective in decision making.
- *Leading Across the Franchise* is a training program for the next level of leaders that is modeled after, and teaches similar topics to, Leaders Morgan Chase.
- *Training the Next 40,000 Managers* is a global effort currently underway to develop a firmwide approach to training the next set of more than 40,000 managers. Our leadership and development executives from around the world are bringing together their best practices to develop a state-of-the-art program that is founded on our Business Principles and leadership attributes.

Through all of our management training programs, we aim to build a strong culture of doing the right thing and doing first-class business in a first-class way.

Performance management and promotion

Regular feedback is critical to our employees' success. Our guiding principles for performance management are:

- Assessments of what the employee has achieved and how the employee has achieved it, including quantitative (results) and qualitative (behavioral) performance indicators
- Direct and useful feedback
- Clear expectations
- Risk and control considerations

Our annual performance management process seeks to take a comprehensive and balanced view of our employees' performance by assessing employees in four key areas:

- People management and leadership
- Risk and control focus
- Customer focus
- Business performance

Our process looks at performance holistically, soliciting input from multiple sources, including peers, subordinates, and risk and control functions. We reinforce our conduct and controls culture with common expectations and assessment tools. For our more senior employees, we have a standard, firmwide 360 degree-type survey tool to collect feedback from peers and subordinates on behaviors they demonstrate day to day. The first question in that survey asks whether the employee exemplifies the highest standard of ethics and integrity. This information is a very important input into the manager's overall evaluation of the employee.

We also recognize the importance of a performance review process that encourages senior management to take responsibility, ownership and accountability for risk and control issues. We have enhanced our review process for our material risk takers to drive heightened expectations across the organization with standard checklists and consistent evaluation of risk and controls. In addition, we solicit direct feedback from the relevant risk and control leads on our most material risk takers and controllers.

The evaluation of a potential promotion includes a review of the scope, responsibilities, performance and other key leadership attributes associated with the role. Promotions are based on the individual's strong performance (over a sustained period) and skills needed to meet the demands of the business or function.

Risk and control considerations are an important part of our promotion process. Further, for more senior-level promotions, we have implemented an enhanced review process, including background and performance history checks.

The company does not tolerate misconduct. Where performance reviews or other circumstances show that an individual is not meeting expectations or acts contrary to our corporate standards, the company will undertake a series of measures that may include changes in job responsibility, additional training, further formal reviews or disciplinary action, including termination for misconduct. Performance assessments, promotion reviews and compensation act together to reinforce the behaviors that reflect our Business Principles.

Compensation

Compensation is a critical tool to attract and retain top talent that acts with integrity. The principal underpinnings of our compensation system are strong governance, an acute focus on performance, shareholder alignment, sensitivity to the relevant marketplace and a long-term orientation, as illustrated in the following principles adopted by our Board:

- Independent Board oversight of the company's compensation practices and principles and their implementation should ensure proper governance and regulatory compliance.
- Competitive and reasonable compensation should help attract and retain the best talent necessary to grow and sustain our business.
- An emphasis on teamwork and a "shared success" culture should be encouraged and rewarded.
- A focus on multi-year, long-term, risk-adjusted performance and rewarding behavior that generates sustained value for the company through business cycles means compensation should not be overly rigid, formulaic or short-term oriented.
- A significant stock component (with deferred vesting) should create a meaningful ownership stake in the company, shareholder alignment and retention of top talent.
- Disciplined risk management, compensation recovery and repayment policies should be robust enough to deter excessive risk taking and strike a balance in making compensation-related decisions.
- Strict limits and prohibitions eliminate the use of executive perquisites, special executive retirement benefits, special severance plans and golden parachutes.

We design our compensation programs to be supportive of our company goals and strategic imperatives and to drive shareholder value. To achieve that end, we have undertaken a number of actions with the aim of integrating risk management with compensation processes, reinforcing strong governance practices and tying pay to performance.

First and foremost, we operate under a pay-for-performance framework. Accordingly, our variable incentive awards reflect business unit and individual performance over a multi-year time frame; account for risk and control outcomes; and assess achievement toward short- and long-term objectives. We care not only about what results are but also how they are achieved. This enables us to reward actions and outcomes that may not increase revenue but serve the company's interests in other respects — e.g., developing a promising business or even arranging for the prudent disposition of assets or business or deciding not to enter a particular business.

To achieve a balanced, holistic approach, we utilize the following pay practices:

- *Pay at risk.* A meaningful amount of variable compensation (a majority for our Operating Committee members) is "at risk" and contingent on achievement of business goals that are integrally linked to shareholder value and safety and soundness. We measure the performance of our Operating Committee members over a multi-year horizon across four broad categories (people management and leadership, risk and control focus, customer focus and business performance) in order to appropriately balance short-, medium- and long-term goals that drive sustained shareholder value while accounting for risk and control outcomes.

- *Pay for sustained performance.* For more than 30,000 of our employees, a meaningful amount of variable compensation (and a majority of variable compensation for our Operating Committee members) is in restricted stock units that are mandatorily deferred for three years, with final payout levels based on our stock price when awards vest (i.e., if our stock price goes down, award values go down and vice versa). In addition, deferred stock awards are subject to forfeiture in the event of separation from service and, for our Operating Committee members and material risk takers, a substantial portion is subject to cancellation if performance thresholds are not met.

- *Impact of risk events.* We consider material risk and control issues at the company, line of business and individual levels and make adjustments to compensation, when appropriate, for relevant employees.

- *Strong share ownership guidelines and holding requirements.* Operating Committee members now are required to own a minimum of 200,000 to 400,000 shares of our common stock, and the CEO must own a minimum of 1,000,000 shares. The policy was updated in 2013, allowing Operating Committee members up to six years to comply. In addition, Operating Committee members must hold (for as long as they are on the Operating Committee) 50% of net shares that vest as part of our equity compensation program, which serves to align their short- and long-term interests with those of shareholders.

- *Strong clawback policy.* Comprehensive recovery provisions enable us, where legally permissible, to cancel or reduce unvested awards or require repayment of cash or equity compensation already paid in certain situations, including a material financial restatement, employee misconduct, failure to achieve minimum financial thresholds and other risk-related events. We also retain the right to reduce current-year incentives to redress any prior imbalance that we subsequently determine may have existed. These provisions hold executives accountable, when appropriate, for significant actions or items that negatively affect business performance in current or future years. For the CIO incident, for example, the company clawed back or canceled more than $100 million of compensation through these mechanisms.

- *Hedging/pledging policy.* All employees are prohibited from the hedging of unvested restricted stock units, and unexercised options or stock appreciation rights, and, for Operating Committee members, the hedging of any shares owned outright or through deferred compensation also is prohibited.

- *Competitive benchmarking.* To make fully informed decisions on pay levels and pay practices, we benchmark ourselves against peer groups designated by our Board. We believe external market data is an important component of setting pay levels to attract and retain top talent while driving shareholder value.

- *Shareholder outreach.* Each year, we solicit investor feedback on our compensation programs and practices, including through the annual shareholder advisory vote on executive compensation (“say on pay”), and consider such feedback in determining future pay practices.

Over the course of 2013, and continuing in 2014, we took a number of steps to enhance our risk and control practices as they relate to compensation, including:

- *Enhanced risk review process.* We implemented an enhanced risk review process across the company that further strengthens the connection among risk, controls and compensation. The process identifies and evaluates relevant risk and control issues that surface in various forums (including Risk committees and the line of business Control committees) and, when appropriate, initiates human resources-related remedial actions, such as reduction of variable compensation or separation of employment.

- *Focused compensation pool reviews.* We restructured our variable compensation pool review process. Business performance, including the impact of risk and control items, is considered prior to developing preliminary incentive pool guidance. We then take into account other qualitative factors, including progress against strategic priorities, risk and control outcomes, staffing changes, people management priorities and competitive market trends.
- *Broadened share retention/ownership guidelines.* We broadened our share retention guidelines for Operating Committee members, as outlined above, to include a share ownership requirement that must be met within six years.
- *Enhanced disclosure.* The April 2014 proxy statement includes a new Compensation Discussion & Analysis presentation to respond to shareholder feedback and to improve clarity and transparency.

Succession planning

Maintaining our corporate standards and strong financial performance for the long term requires a pipeline of superior talent, augmented from time to time by external hires, to provide continuity of succession for our Operating Committee, including the CEO position, and senior positions below the Operating Committee. Building on our disciplined approach to management development, the company regularly reviews candidates to assess whether they currently are ready for a next-level role, as well as future potential successors to each member of the Operating Committee and to each member's direct reports. Similar succession planning processes focused on present and future leaders occur in each of the company's lines of business and functions.

Our independent directors are deeply involved in succession planning. Succession planning is required to be discussed at least annually by the independent directors with the CEO. Our Lead Independent Director guides the full Board consideration of CEO succession.

The Compensation & Management Development Committee of the Board reviews the succession plans for the CEO and Operating Committee. The committee advises the Board on talent development, diversity and succession planning for key executives. Board members frequently interact with senior executives as part of Board and committee meetings and in other, less formal settings. This exposure allows Board members to observe the leadership potential and style of the senior executives on a more personal basis.

The CEO also conducts formal talent review discussions on an annual basis with each Operating Committee member. During these meetings, potential successors and direct reports to the Operating Committee members are discussed. Action items developed for succession plans are tracked and assessed throughout the year.

Outstanding people, strong leadership and effective governance are the foundation of our success. The company has set high corporate standards, and under the leadership of our Board and management, we are committed to creating an environment in which all our people operate with integrity, fairness and accountability. We will continue to review and analyze our people practices, leadership structure and governance models to ensure that they reflect and support our adherence to our corporate standards and that we are well-positioned to serve our customers, shareholders and communities today and in the future.

III. OUR CONTROL ENVIRONMENT

OUR CONTROL ENVIRONMENT

Over the past several years, our control agenda has been a top priority. This commitment is evidenced by fundamental changes that have been implemented across the company to enhance governance and oversight of our control environment and to simplify and appropriately de-risk our operations, as well as by the substantial additional investments in financial and human capital dedicated to the efforts.

Our control environment can be thought of in terms of the businesses, the control functions and Internal Audit:

- *First line of defense.* The lines of business each are responsible for developing and maintaining effective internal controls for their respective business lines. They also are accountable for identifying and addressing the risks presented by their respective businesses and for operating within a sound control environment. The first line of defense also includes Oversight & Control, which is designed to ensure a strong and consistent control environment across the organization.
- *Control functions.* In addition to Oversight & Control, our control functions include Risk, Finance Compliance and Legal. They each have their own set of responsibilities but work together to provide oversight of the businesses and set firmwide control policies.
- *Internal Audit.* The Internal Audit function operates independently from other parts of the company, providing testing and evaluation of processes and controls across the entire enterprise. The Internal Audit team assesses the effectiveness of our governance, risk management and internal controls; evaluates our compliance with laws and regulations; and identifies opportunities for improvement. Through this structure, we seek to subject business decisions and actions to rigorous consideration, testing and review for compliance with relevant laws and regulations, as well as consistency with our Business Principles.

We have taken numerous steps and spent considerable time and money enhancing our control environment. To provide context for the breadth of this effort, three data points are worth noting:

- More than 16,000 employees will have been added since the beginning of 2012 through the end of 2014 to support our regulatory, compliance and control efforts across the entire company, and during 2013, our employees completed more than 1 million hours of training related to risk, control and compliance.
- $2 billion more will have been spent in 2014 than was spent in 2012 for additional expenses on regulatory and control issues.
- In 2014, more than $1.7 billion will have been spent on technology focused on our regulatory, control and control-related agenda across the firm.

On the next pages, we provide further detail on how we have enhanced our control environment.

Each line of business owns the risks inherent in its operations and is accountable for maintaining effective internal controls to safeguard the company.

ENHANCING GOVERNANCE

To help strengthen the governance of our control environment, we created several new governance committees at a firmwide, line of business, control function and region level.

Firmwide committees enable us to better understand and address issues by serving as central forums for discussing and resolving issues that affect the company as a whole or one or more lines of business. Equally important, these committees give us the opportunity to share best practices and lessons learned across the company. Some of the committees we have created during the past few years are:

- **Firmwide Risk Committee** (established in 2012): Co-chaired by the company's CEO and Chief Risk Officer, this is our highest management-level Risk committee. It serves as an escalation point for risk topics and issues raised by its members, the line of business Risk committees, and other subordinate committees, such as the Firmwide Control Committee, Firmwide Fiduciary Risk Committee, Reputation Risk committees and regional Risk committees. The committee escalates significant issues to the Board of Directors, as appropriate.
- **Firmwide Control Committee** (established in 2013): Co-chaired by the company's Chief Control Officer and the head of Firmwide Operational Risk Governance/Model Risk and Development, this committee provides a monthly forum for reviewing and discussing firmwide operational risk, including existing and emerging issues, metrics and management, and reviews execution against the operational risk management framework (discussed on the next page). It serves as an escalation point for the line of business, functional and regional Control committees and further escalates significant issues to the Firmwide Risk Committee, as appropriate.
- **Firmwide Fiduciary Risk Committee** (established in 2013): This committee provides a forum for risk matters related to the company's fiduciary activities and oversees the firmwide fiduciary risk governance framework, which supports the consistent identification and escalation of fiduciary risk matters by the relevant lines of business or corporate functions responsible for managing fiduciary activities. The committee escalates significant issues to the Firmwide Risk Committee, the Board of Directors' Risk Policy Committee and Audit Committee, and any other committee considered appropriate.

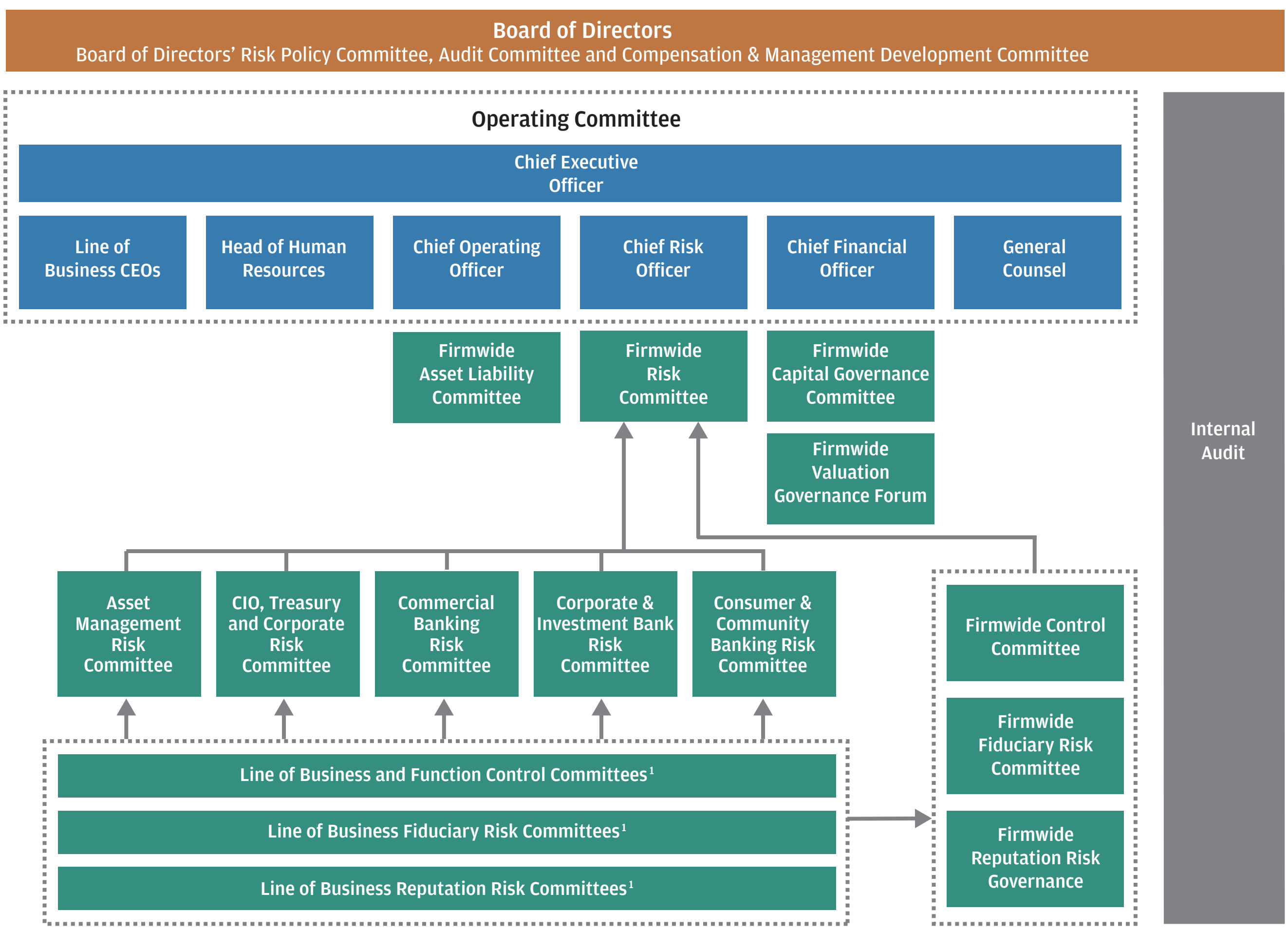
We also have a Firmwide Reputation Risk Governance group that seeks to promote consistent management of reputational risk across the company. Its objectives are to increase visibility of reputation risk governance; promote and maintain a globally consistent governance model for reputation risk across lines of business; promote early self-identification of potential reputation risks to the company; and provide thought leadership on cross-line of business reputation risk issues. Recently, the group helped improve reputation risk management through the adoption of one firmwide policy and the implementation of appropriately consistent governance within the lines of business.

As part of our governance structure, we also have Risk and Control committees for our lines of business, corporate functions and regions:

- *Risk committees* oversee the inherent risks in the respective line of business, function or region, including the review, assessment and decision making relating to specific risks, risk strategy, policy and controls. These committees escalate issues to the Firmwide Risk Committee, as appropriate.
- *Control committees* oversee the operational risks and control environment of the respective line of business, function or region. These committees escalate operational risk issues to their respective line of business, function or regional Risk committee and also escalate significant risk issues (and/or risk issues with potential firmwide impact) to the Firmwide Control Committee.

In addition to these committees, there are other management committees and forums at the company, line of business and regional levels, where risk-related topics and a broad range of other topics, such as capital and strategy, are discussed.

Governance structure



1 As applicable CEO = Chief Executive Officer CIO = Chief Investment Office

FIRST LINE OF DEFENSE

Our lines of business are responsible for developing and maintaining an effective control environment for their respective businesses. As the first line of defense, the lines of business help facilitate early identification and escalation of issues. This enables us to find potential issues before they become larger problems and bring in the appropriate resources to address these issues quickly.

Oversight & Control also is part of the first line of defense. It is designed to ensure a strong and consistent control environment across the organization. Oversight & Control Officers (Control Officers) are embedded in the businesses (and, similarly, in the corporate functions and regions) to help drive the control agenda across a common firmwide framework.

In this capacity, the Control Officers serve as part of the first line of defense to help maintain an effective control environment. Control Officers report directly to the line of business, with an additional reporting line to the company's Chief Control Officer.

The steps we are taking to improve the first line of defense are related to five common areas:

- Enhancing our control practices in the lines of business
- Investing in technology
- Simplifying and de-risking our business
- Building and strengthening Oversight & Control
- Implementing risk and control self-assessments

Enhancing our control practices in the lines of business

Across our company, we have enhanced our control practices with the objective that each business will operate in a way that embodies our corporate standards. Below are several initiatives that demonstrate the breadth and depth of these efforts.

Enterprise-wide programs

A series of enterprise-wide programs has been a primary focus. These programs, which are driven by the Operating Committee and reported to our Board, address significant, complex, control-related matters that are often cross-line of business and cross-geographies. They are matters we believe should be examined on an enterprise-wide basis and, in some instances, are driven by regulatory requirements. Our goal is to appropriately and consistently manage the associated risks and build sustainable and consistent solutions. We continue to make progress on these programs, including:

- Enhanced processes for reviewing new business initiatives to properly assess and understand the risks to the company and our clients/customers before we introduce new products, services or related activities
- Improved oversight of our vendors across our front and back offices to manage these relationships and their associated risks to a common set of highly developed standards
- Oversight of the company's implementation of the Federal Reserve Board's Comprehensive Capital and Analysis Review and Dodd-Frank Act Stress Testing capital requirements, as well as the coordination of the company's implementation of the Basel Committee on Banking Supervision's principles for effective risk data aggregation and risk reporting

As program work transitions to the normal course of business, we leverage our existing governance (Risk and Control committees and risk and control self-assessments) to achieve ongoing sustainability.

Anti-Money Laundering and Know Your Customer

The company devotes specialized attention to compliance with the laws and regulations governing anti-money laundering (AML) and terrorist financing, economic sanctions and anti-corruption efforts. Working closely with the Global Financial Crimes Compliance (GFCC) group (discussed on page 51), the businesses have made a number of enhancements to Know Your Customer (KYC) and AML processes, including the development of more stringent standards that require capturing and fully documenting detailed client information before an account is opened. Examples of specific improvements include:

- Increasing AML/KYC staff across all lines of business
- For each line of business, establishing a centralized AML/KYC operating model with regional AML/KYC support teams that align to sub-lines of business. This includes adding KYC Officers who partner closely with bankers to ensure timely and thorough completion of client documentation
- Naming senior executives to lead AML and KYC program management and creating teams of subject matter experts that sit within the businesses
- Enhancing the standards and processes for documenting client information and refining client onboarding technology to automate previously manual processes
- Undertaking KYC remediation of certain high-risk clients
- Developing and implementing new metrics that enable us to better monitor AML/KYC activities
- Enhancing performance review capabilities of business staff in order to increase accountability
- Developing and implementing a comprehensive AML/KYC training program for front office and operations personnel

Conflicts of interest

Due to the breadth of our businesses, potential conflicts of interest may arise in a number of ways and forms. We have an obligation to treat all clients fairly. The company's policies and procedures are designed to ensure that the company pays due regard to the interests of each client and manages any potential conflict of interest appropriately and consistently with our Code of Conduct and Business Principles.

Since conflicts may differ considerably across lines of business, in addition to our policies and procedures, multiple complementary control groups, including a Conflicts Office, Oversight & Control, Compliance and Legal, work closely with our business executives to identify and manage the conflicts that arise, both real and perceived.

In general, prior to seeking or accepting new financial advisory engagements, underwriting engagements (debt and equity), arranging bank financing or making new private equity investments, as well as engaging in certain other transactions, such as unusual or large equity derivative transactions, the Conflicts Office reviews and clears the proposed activity in consultation with the appropriate managers and, where appropriate, other control functions. Clearance from the Conflicts Office also is required for any undertakings or agreements with clients that restrict the company's ability to engage in activities for other clients, whether those are financing activities, advisory activities or otherwise. In addition, for financing and advisory activities, the Conflicts Office evaluates proposed deal team staffing to help ensure that confidential client information is appropriately safeguarded.

Across our businesses, we continue to refine and strengthen our conflicts management practices. For example, Asset Management has recently created an enhanced conflicts of interest framework that provides a disciplined and structured approach to conflicts, including identification of potential conflicts present in a business unit's processes and a self-assessment to determine whether controls are operating as expected. Each conflict is assessed using four pillars: policies and procedures, governance and oversight, disclosures and validation. The pillar framework provides minimum standards to drive global consistency while allowing for appropriate regional differences. The business has trained more than 700 key personnel on conflicts management, the control framework and the steps to conduct an assessment. Through the enhancement and implementation of the conflicts framework, employees have been further educated on the identification and management of potential conflicts. We now are implementing a similar framework for conflicts management across the company.

Managing environmental and social risk in transactions

Our front-line staff also is trained to identify and evaluate potential environmental and social risks associated with certain transactions involving corporate lending, debt and equity underwriting, and advisory services. The company provides financial services to clients in industries that are critical enablers of economic growth and social development, such as oil and gas, mining and electric power – but that also have the potential to create a range of adverse environmental and social impacts.

Through our conflicts of interest process, we apply specific criteria to transactions with both new and existing clients to determine whether an environmental and social risk review is needed and to establish what level of due diligence is required. These criteria are described in our Environmental and Social Policy framework and include:

- The sector and location(s) where a client is operating, as well as the proposed use of proceeds from the transaction
- Specific types of commercial activity, such as palm oil production and unconventional oil and gas development, including hydraulic fracturing, and exploration and development in the Arctic
- Transactions that meet requirements under the Equator Principles, which apply to the following financial products: project finance, project-related corporate loans and bridge loans
- Prohibited activities, such as those where there is evidence of forced or child labor

All transactions that require review are escalated to the Global Environmental and Social Risk Management team and are categorized based on whether the perceived level of environmental and social risk is high, medium or low. Recent enhancements include:

- External publication of our Environmental and Social Policy framework
- Implementation of a portfolio review of environmental impact management for onshore North American clients engaged in shale oil and gas operations
- Training of approximately 9,500 front-line staff in 2013; training has continued in 2014

Sales and trading practices

In the first quarter of 2014, the CIB launched a comprehensive review to analyze and make improvements to our sales and trading practices and related communications. We expect our sales and trading personnel not only to treat customers fairly but to act in a manner that supports well-functioning, transparent markets.

We recognized that enhancing market conduct would require using multiple preventive and detective levers in a coordinated way. For example, the review took into consideration various means to establish information barriers; conduct communications and transaction surveillance; adopt policies; implement training; and incorporate enhanced supervision, compensation and disclosure practices.

In the first phase of the review, the business enhanced information barriers by implementing new policies around electronic chat and launched an effort to increase and improve communications guidelines and surveillance of chat and email. In the second phase, we are carrying out a review of information flows in the Markets businesses, further refining electronic chat guidelines, continuing enhancement of surveillance and prioritizing other issues for review.

The project seeks to identify certain per se prohibited communications and set forth principles governing permitted communications — including information to be shared on a need-to-know basis and only for legitimate business purposes, such as trade execution or clarification of operational details. Our efforts over the past year include:

- Establishing a Steering Committee to develop a global governance framework. The committee is charged with setting policy and standards and creating an operating model to support a global communications surveillance program. The committee also is integrating current pilot projects and identifying technology options that support enhancements and a target-state vision
- Expanding current electronic surveillance. The CIB has added Compliance surveillance employees globally through the second and third quarters of 2014
- Moving to a more sophisticated predictive technology for surveillance by participating in a pilot assessment expected to be completed by mid-2015
- Continuing to engage in discussions with existing vendors around current and future availability of enhanced tools to monitor chat room participation

Additionally, in December 2013, the CIB implemented a policy that prohibits staff from participating in electronic chats or instant messaging groups with two or more other banks/dealers. The prohibition applies to communications with third-party trading desks that are competitors or market-makers, as well as brokers or inter-dealer brokers.

Case study: Cybersecurity

Defending the information of our customers, employees and the company's cyber assets is of paramount importance. Recent events, both at the company and at other large corporations, demonstrate the increasing impact and risk from external and internal threats. Importantly, to date, cyber attacks on JPMorgan Chase by malicious actors have not resulted in material harm to our customers and have not had a material adverse effect on our results or operations.

We have established a cyber defense strategy and firmwide cybersecurity program built on five key principles:

- Establishing a fortress technology foundation
- Proactively detecting and responding to malicious cyber activity
- Ensuring the security of our data
- Driving cybersecurity efforts guided by business risks
- Strengthening strategic partnerships with the government and throughout the cyberspace ecosystem

We devote significant resources to the firmwide cybersecurity program to protect the company's computer systems, software, networks and other technology assets against attempts by third parties to obtain unauthorized access to confidential company and customer information, destroy data, disrupt or degrade service, sabotage systems or cause other damage. By the end of 2014, the company will have spent more than $250 million annually and will have about 1,000 people focused on cybersecurity. We plan to grow these efforts over the coming years.

Foundational initiatives within the program include: protecting the customer; protecting the company's core systems; encryption; identity and access management; asset management; and building a security culture. Our Protecting the Company's Core Systems initiative is a central component of our long-term efforts. We have established an assessment framework to identify critical business services with high sensitivity to cyber threats, identify risks and assess enhancement opportunities, and execute remediation.

In addition to our long-term efforts, we are taking other steps to improve our cybersecurity capabilities, including:

- Creating a robust governance structure to provide oversight and guidance to our cybersecurity program through weekly updates with the company's Chief Operating Officer and the creation of a Cybersecurity Executive Council, which meets on a monthly basis and is comprised of business, control and technology leaders
- Establishing state-of-the-art Cybersecurity Operations Centers in our regional headquarters in Asia, Europe and the United States, providing points of coordination for identifying threats, executing response procedures and coordinating our global Cybersecurity operations
- Launching an 18-month Cyber Attack Remediation initiative to help us enhance our security practices, with a particular focus on multifactor authentication, secure server builds, access self-attestation, perimeter lockdown, vulnerability remediation and information technology risk exception
- Integrating cybersecurity into our risk and control self-assessment processes within the businesses

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We recognize that cybersecurity needs to be an ongoing effort and believe our multifaceted approach of both short- and long-term programs will enable us to protect the company today and be flexible to address evolving threats in the future.

Suitability

In Asset Management's Global Wealth Management business, an important consideration when advising clients is the suitability and appropriateness of recommended investments. That is why our advisors perform and document a client suitability assessment that determines if our brokerage, advisory and investment management services are suitable for that particular client. The business' suitability framework has been enhanced during the past several years and includes:

- A revised client risk methodology that captures the client's risk tolerance (e.g., the client's personal comfort level in taking risks), as well as risk capacity (e.g., the client's financial ability to bear a loss)
- An enhanced account product risk methodology that includes evaluating the complexity of the product and its level of risk
- A stronger trade execution control to provide an additional level of checks and balances

Investing in technology

Technology is a critical tool in enhancing our control efforts, enabling us to automate previously manual processes and controls to reduce complexity and improve accuracy. In addition to investments made by control functions, each line of business has invested significantly in improving control-related technology. Specifically, the lines of business are implementing significant technology improvements related to AML and KYC programs, including:

- Implementing new KYC due diligence systems for all clients, tailored to the specific characteristics, risk profiles, information requirements and evaluation criteria of different client types. The new KYC systems also include account and product due diligence for riskier product types and an Office of Foreign Assets Control onboarding questionnaire
- Enhancing our workflows to include customer and activity-specific triggers to escalate certain situations to KYC and GFCC experts for further review as needed. This also includes channels allowing our front-line employees to route information regarding potentially suspicious activity to our Investigations team
- Upgrading our currency transaction reporting systems to enhance compliance with our regulatory reporting obligations
- Consolidating systems in key areas, such as transaction monitoring and sanctions screening. For example, instead of having multiple separate sanctions screening solutions, the lines of business will use the firmwide sanctions screening utility, which brings consistency and increased transparency to sanctions screening

To facilitate better monitoring and management of the company's control environment, Oversight & Control has established a technology-enabled Controls Room at our corporate headquarters. The Controls Room maintains a repository of firmwide control-related information and enables rapid access to relevant data, reporting capabilities and sophisticated analytics. It has a central team of data scientists and reporting analysts.

Simplifying and de-risking our business

Our lines of business have undertaken an aggressive program to simplify and de-risk our business. Specifically, our businesses looked to eliminate products and services that are not essential to serving our customers or promoting our businesses and to discontinue certain business with select clients. This enables our businesses to focus on the most important activities for our core clients and better manage our operational, regulatory and legal risks.

To determine how to simplify and de-risk our business, each line of business conducted due diligence on its portfolio to review a variety of factors, including:

- Customers who are not core to our business and customers for which money laundering risk is too high
- Products and services with outsized operational risk or for which value to our customers does not meet costs, including compliance and risk management costs

Examples of de-risking through the elimination of products and services that are not core to our customers or that have outsized operational risk include:

- One Equity Partners investment portfolio
- Global Special Opportunities Group
- Certain physical commodities businesses
- Student lending originations
- Canadian money orders
- Co-branded business debit cards and gift cards
- Certain products in mortgage banking
- Identity theft protection
- Credit insurance

Examples of de-risking through client selection and discontinuation of certain business with select clients include:

- All business with pure check cashing businesses
- Clearing services to approximately 500 foreign banks
- Checking accounts for certain foreign-domiciled clients
- Checking accounts for certain foreign politically exposed persons

Importantly, we do not believe these changes will adversely affect our core franchises. While developing and piloting new products, services and business lines is a critical part of what we do, so, too, is the process of regularly and carefully pruning those items that have not met our expectations or that do not fit with our control environment or business strategy.

Case study: Enhanced controls for payday lending

JPMorgan Chase does not engage in the business of payday lending. However, some of our customers do rely on payday loans — small, short-term loans that usually carry a high interest rate — from third-party lenders to manage day-to-day expenses and emergency financial needs.

Unfortunately, some of these third-party lenders use unfair and abusive collection practices that can cause our customers financial hardship. For example, lenders may submit potentially unauthorized transactions to a customers' primary bank and/or debit funds from a bank account multiple times in a day, which can result in multiple returned item fees.

Banks came under criticism from regulators and consumer advocacy groups for not limiting some payday lenders' collection practices. As a result, we reviewed our policies, systems and processes to decrease financial burdens on our customers and hinder payday lenders' ability to engage in predatory collection practices. Some of the improvements we have made are discussed below.

Eliminating multiple returned item fees

In the past, when payday lenders attempted to debit funds from an account multiple times in one day, an account was charged a maximum of three returned item fees per day. We revised our policies and systems so that accounts would be charged a returned item fee only once per month for the same payment request. This has resulted in a 34% decrease in total returned item fees for our customers.

Enhanced policy training and systems for stop payment requests

Our review revealed that some customers found it difficult to initiate stop payment requests and that payday lenders could avoid being subject to a stop payment by submitting transactions of varying amounts. As a result, we made it easier for customers to initiate stop payments and improved our systems by:

- Enhancing training and communications to bankers on existing policies for taking and processing stop payment requests
- Changing our systems so that transactions sent by a merchant subject to a stop payment request would be rejected even where the transaction amounts varied

Since these changes, stop payment requests have increased by approximately 30%, and the number of automated clearing house debit transactions that were returned due to a stop payment rose by approximately 150%.

Account closure with a pending transaction and/or a negative balance

Under our prior policy, a customer was not able to close his or her account if, for example, the account had a pending transaction or a negative balance. As a result, payday lenders could continue to submit payment requests to an account a customer was trying to close, which led to additional returned item fees and the customer's continued inability to close an account.

To make it easier for customers to close an account, our systems and policies were revised so that accounts can be closed even if there is an open or pending charge or if an account has a negative balance. After these changes, approximately 15% to 20% of the accounts closed each month have a pending transaction or a negative balance at the time a customer requests closing an account.

NACHA initiatives

We are working closely with the National Automated Clearing House Association (NACHA) to develop new standards to address concerns relating to payday lender practices. Enhancements in which we have been involved include:

- Establishing or reducing return rate thresholds that will allow NACHA to initiate an inquiry process into originators that have excessive returns
- Introducing a fee in 2016 that will be charged to entities that have unauthorized automated clearing house debit transactions returned

We are opposed to unfair, abusive or illegal activity by payday lenders. Not all payday lenders engage in these predatory activities, but for those that do, we are committed to help protect our customers.

Building and strengthening Oversight & Control

Oversight & Control was established in 2012 to bring greater focus and discipline to our control efforts both within and across our lines of business, corporate functions and regions. The company has devoted substantial resources to formalizing the Oversight & Control function. The function will have more than 2,400 employees by the end of 2014 through a combination of the redeployment of existing staff doing this type of work and new hires.

The Chief Control Officer reports to the Chief Operating Officer of the company and partners closely with the Chief Compliance Officer, Chief Risk Officer, General Counsel and business heads, among others. Line of business and corporate function Control Officers dually report into their line of business or corporate function and the Chief Control Officer. Oversight & Control also includes several central teams reporting to the Chief Control Officer, including the Controls Room team, the Supervisory Regulatory Strategy team and the Process & Control Oversight team.

Areas of focus for Oversight & Control include:

- **End-to-end oversight of issue management** — Identification, measurement, monitoring and management of risks and strengthening of controls and self-identification processes
- **Standardized reporting and analysis of issues for trends and potential impact to other businesses and functions** — Regular reporting and escalation of control-related issues in the lines of business, functions and regions and consideration of potential applicability to other relevant areas
- **Sustainable remediation (including regulatory issues)** — Development of a consistent approach to (i) resolve control issues in a timely manner, (ii) address root causes (not symptoms), and (iii) ensure actions taken are sustainable over the long term
- **Major control programs** — Implementation of risk and control self-assessments (described below), as well as either direct ownership or program oversight of the company's enterprise-wide programs (described on page 30), such as our New Business Initiative Approval process and third-party oversight, among others
- **Control governance model** — Execution of this model within the lines of business, functions and regions

Implementing Risk and Control Self-Assessments

Control Officers have implemented a common risk and control self-assessment process, which was designed by Risk as part of a broader operational risk management framework. The Controls Room within Oversight & Control facilitates consistent implementation of risk and control self-assessments by Control Officers. The program provides common standards for all lines of business and functions to:

- Identify the key risks inherent in their business
- Assess the design and effectiveness of controls in place to mitigate key risks
- Identify gaps or weaknesses that could lead to losses, operational failures, regulatory impact or internal policy violations
- Create corrective action plans to address weaknesses, with specific accountability and responsibility assigned for timely resolution
- Determine residual risk and evaluate control improvement priorities

The assessment of risks and controls is an ongoing process that requires formal review at least annually.

CONTROL FUNCTIONS

Across the company, we have made substantial investments and transformative changes aimed at strengthening our control functions. Our end-to-end control agenda focuses on early issue identification, swift escalation and sustainable remediation. In addition to Oversight & Control, the following four functions are part of our control framework:

- Risk
- Finance
- Compliance
- Legal

Oversight & Control is described on previous pages in this section. Consistent with its work as part of the businesses, Oversight & Control has Control Officers embedded in each of the functions. They report directly to their respective function and have an additional reporting line to the company's Chief Control Officer.

The following pages describe actions we have taken to enhance Risk, Finance, Compliance and Legal.

Risk

Risk is an inherent part of our company's business activities. When we extend a consumer or commercial loan, advise customers on their investment decisions, make markets in securities, or conduct any number of other services or activities, we take on some degree of risk. We aim to manage and balance risk in a manner that serves the interests of our clients, customers and shareholders, as well as the health of the financial system.

The company's approach to risk management covers a broad spectrum of risk areas, such as credit, market, liquidity, model, structural interest rate, principal, country, operational, fiduciary and reputation.

We believe that effective risk management requires acceptance of responsibility by all individuals within the company, ownership of risk management within each line of business and firmwide structures for risk governance. The company's risk management framework is intended to create a culture of transparency, awareness and personal responsibility through reporting, collaboration, discussion, escalation and sharing of information.

Organization

The Risk organization is managed on a firmwide basis. It operates independently from the revenue-generating businesses, which enables it to provide credible challenge to them. Our Chief Risk Officer (CRO) is the head of the Risk organization and is responsible for the overall direction of Risk oversight.

The CRO is supported by individuals and organizations that align to lines of business and functions, as well as others that align to specific risk types. The aim of this structure is to assign ownership and accountability within the business areas while disseminating best practices through deep subject matter expertise. Over the past few years, we have made a number of enhancements to our organizational structure and staffing, including:

- Significantly increasing staffing for the central firmwide Risk functions and within the line of business Risk areas. Examples include:
  - Appointing executives to oversee market risk, model risk and fiduciary risk across the company
  - Creating or expanding roles within the line of business Risk areas, such as the appointment of an Operational Risk Officer in each line of business and the appointment of designated individuals to oversee fiduciary risk in each line of business

- Adding and expanding senior management roles for the Risk functions. Examples include:
  - Appointing a Control Officer to provide oversight of the control environment within the Risk organization
  - Creating Chief Financial Officer and Chief Information Officer roles that span Risk, Finance and Technology in order to strengthen the strategic business support, infrastructure and control framework across Risk, Finance and Technology
  - Appointing a firmwide Chief Data Officer, as well as a Data Officer for each line of business to drive firmwide policy, consistent procedures and common standards for data management

Governance

The independent stature of the Risk organization is supported by a governance structure that provides for escalation of risk issues up to senior management and the Board. We have taken significant steps to strengthen our risk governance practices and structure, including:

- Improving the form and content of the materials shared with the Board of Directors' Risk Policy Committee and enhancing engagement with the members of the committee. Members of the Risk organization meet with the Board of Directors' Risk Policy Committee often to provide updates on key risk issues. In their role as part of the first line of defense, each line of business CEO also participates during this update to provide a business perspective
- Creating a Firmwide Risk Committee (in 2012). This committee is the highest management-level Risk committee within the company and is co-chaired by the company's CEO and CRO. It serves as an escalation point for risk topics and issues raised by its members, the line of business Risk committees, and other subordinate committees like the Firmwide Control Committee, Firmwide Fiduciary Risk Committee, Reputation Risk committees and regional Risk committees
- Changing reporting lines so that the CRO now reports to the CEO and to the Board of Directors' Risk Policy Committee (see page 28)

Additional information about improvements to risk governance is available beginning on page 28. The schematic on page 29 reflects the company's risk governance structure and certain key management-level committees that are primarily responsible for key risk-related functions. There are additional committees not represented in the chart (e.g., some functional forums that comprise our risk governance framework) that also are responsible for management and oversight of risk.

Risk appetite

The risk appetite framework is a tool to measure the company's capacity to take risk against its stated guidelines. The company's overall risk appetite is established by management in accordance with the Board of Directors' Risk Appetite policy, taking into consideration the company's capital and liquidity positions, earnings power and diversified business model.

Various initiatives have been underway to improve the company's risk appetite framework, including:

- Enhancing risk appetite metrics
- Leveraging capital adequacy and stress testing processes to inform decisions on setting the risk appetite
- Enhancing firmwide communications and training about risk appetite

Risk management approach by risk area

In its role as an organization independent of the revenue-generating businesses, the Risk organization designs and oversees a risk management framework across the company. The following pages describe how we have enhanced our ability to manage risk.

Credit risk

The company provides credit to a variety of customers, ranging from large corporate and institutional clients to individual consumers and small businesses. Credit risk is the risk of loss arising from the default of a customer, client or counterparty. The Credit Risk Management function identifies, measures, limits, manages and monitors credit risk across our businesses.

Recent wholesale credit risk developments include:

- Establishing consistent policies, procedures, controls and limits across all lines of business in order to foster best practices
- Enhancing our stress testing
- Improving our ratings methodologies, limits frameworks and allowance process

Recent consumer credit risk developments include:

- Developing and enhancing credit risk models for financial forecasting, including improved information technology and data infrastructure
- Enhancing credit risk decisioning
- Continuing to build out the risk appetite framework with enhanced metrics and monitoring
- Further aligning certain Consumer & Community Banking businesses' (e.g., Business Banking, Dealer Commercial Services) policies and practices with Commercial Banking

Market risk

Market risk is the potential for adverse changes in the value of the company's assets and liabilities resulting from changes in market variables. The Market Risk function seeks to control risk, facilitate efficient risk/return decisions, reduce volatility in operating performance and provide transparency into the company's market risk profile. We have made various enhancements to the market risk framework, including:

- Establishing a Firmwide Market Risk team to promote consistency across the company's line of business Market Risk teams
- Enhancing our market risk policies and procedures to include additional escalation of aged or significant limit breaches
- Introducing more granular market risk limits across the company

Liquidity risk

Liquidity risk management is intended to ensure that the company has the appropriate amount, composition and tenor of funding and liquidity in support of its assets. The primary objectives of effective liquidity management are to ensure that the company's core businesses can meet contractual and contingent obligations through normal economic cycles and market stress events. Recent improvements include:

- Integrating a new independent Liquidity Risk Oversight function into the Risk organization, which provides independent assessment, monitoring, control and transparency of liquidity risks across the company

- Improving the company's liquidity risk framework, including enhancing stress testing assumptions, strengthening the control and governance model, and improving identification of liquidity risks
- Investing in and building a robust technology platform (liquidity risk infrastructure) to materially enhance the automation of liquidity and stress testing functionality

Model risk

The company employs models to value and manage financial products, assess portfolio risk and compute risk-weighted assets, inform decisions about extensions of credit, and support or automate trading and investment decisions, among other purposes. For example, valuation models are employed by the company to value certain financial instruments that otherwise cannot be valued using quoted prices. These valuation models also may be employed as inputs to risk management models, including Value-at-Risk (VaR) and economic stress models.

Our Model Risk and Development unit provides oversight of the firmwide Model Risk policy, provides guidance with respect to the appropriate usage of our models and conducts independent reviews of models. We are continuing to strengthen the team and its practices, including through:

- Recruiting highly skilled and experienced personnel into Model Review and Governance functions
- Strengthening independent model validation practices
- Revising and implementing our Model Risk policy to establish firmwide standards for model risk management

Structural interest rate risk

The company manages interest rate risk (i.e., exposure related to changes in interest rates as they affect our assets and liabilities) on a consolidated, firmwide basis. Business units effectively transfer their interest rate risk to the Treasury and Chief Investment Office to be managed centrally. The company manages the interest rate risk primarily through the investment securities portfolio and other market-based instruments. Structural interest rate risk is subject to tolerances set by the independent Structural Interest Rate Risk function. Our recent enhancements to strengthen the function include:

- Hiring more employees to support a sustainable governance model and instill thoughtful best practices with market-based discipline
- Establishing an Interest Rate Risk Management policy as a Board-level policy
- Investing in our technology infrastructure to materially enhance the automation of interest rate risk measurement, model development, reporting and data integration

Principal risk

Principal investments generally are intended to be held over extended investment periods, and, accordingly, the company has no expectation for short-term gain with respect to these investments. Such investing activities include private equity investments, mezzanine financing and tax-oriented investments. A number of principal investing businesses are being repositioned or exited, consistent with the company's strategic focus and business simplification programs, ongoing capital and balance sheet liquidity priorities, and regulatory developments.

Country risk

Country risk is the risk that a sovereign event or action alters the value or terms of contractual obligations of obligors, counterparties and issuers or adversely affects markets related to a particular country. The company has a comprehensive country risk management framework for assessing country risks, determining risk tolerance, and measuring and monitoring direct country exposures in the company. Our recent enhancements to strengthen the governance and management of country risk include:

- Implementing a granular limit construct
- Enhancing the stress framework to apply to each country a robust set of market shocks on assets
- Improving our risk tolerance assessment to rely on capital measures
- Increasing firmwide communications and training

Operational risk

Operational risk is inherent in each of the company's lines of business and corporate functions. Operational risk can manifest itself in various ways, including errors, fraudulent acts, business interruptions, inappropriate behavior of employees, failure to comply with applicable laws and regulations or failure of vendors to perform in accordance with their arrangements. To monitor and control operational risk, the company has developed an operational risk management framework (ORMF) that consists of four components: oversight and governance, capital measurement, risk self-assessment, and reporting and monitoring.

Operational risk governance defines and maintains the ORMF through the development of policies and standards applicable to all lines of business and corporate functions, including Risk, Finance, Compliance, Technology and Human Resources. Lines of business and corporate functions are responsible for execution against the ORMF. Operational risk governance may independently challenge the execution of the ORMF across the company. Various initiatives underway to improve the ORMF include:

- Deploying common technologies
- Improving our stress testing processes to inform decisions, as well as operational risk appetite
- Implementing independent oversight of risk assessments
- Enhancing operational risk metrics and reporting

Fiduciary risk

Fiduciary risk is the risk of a failure to exercise the applicable high standard of care, to act in the best interests of clients or to treat clients fairly, as required under applicable law or regulation. We have enhanced several aspects of our governance of fiduciary risk, including:

- Implementing a new Firmwide Fiduciary Risk policy
- Adopting a new risk governance framework that outlines roles and responsibilities across businesses
- Creating a Firmwide Risk Governance Committee that provides oversight of the inherent risks in the firm's fiduciary activities

Reputation risk

Maintaining the company's reputation is the responsibility of each individual employee of the company. The company's Reputation Risk policy explicitly vests each employee with the responsibility to consider the reputation of the company when engaging in any activity. Over the past several years, the company has taken steps to promote the consistent management of reputation risk firmwide, including:

- Establishing a Firmwide Reputation Risk Governance group
- Completing assessments of each line of business' reputation risk governance framework against benchmark criteria
- Adopting one Firmwide Reputation Risk policy, which each line of business has implemented in guidelines reflective of its business model

Finance

The Finance group plays an essential role in the day-to-day management of the company and is a critical component of the end-to-end control environment.

Finance is accountable for the accuracy, integrity and timeliness of the company's books and records and external reports and filings in accordance with applicable accounting principles and regulatory requirements. The Finance function acts as a steward on behalf of shareholders through the promotion of appropriate accounting practices, fortress balance sheet principles and capital management.

In addition, Finance facilitates the development and execution of business strategy through business management and planning and analysis, which support management's decision-making process. The company's overall strategic and financial objectives are measured through a series of financial and regulatory targets and ratios, both at the firmwide and line of business level.

Organization

Overall responsibility for Finance lies with the company's Chief Financial Officer, a member of the Operating Committee who reports to the CEO of the company. The company's nearly 8,100 Finance professionals are organized into corporate functions and line of business-aligned functions, with the line of business-aligned functions having matrixed reporting lines to the Chief Financial Officer. In this way, each line of business is accountable for managing its finance-related activities, with overall responsibility for the function in totality remaining with the Chief Financial Officer.

Over the past several years, we have made notable changes within the Finance organization to better align the function with how we manage our business and to incorporate new regulatory requirements. Important examples include investing significant additional resources in key firmwide control functions, including regulatory capital management, valuation control, quality assurance, and dedicated controllership functions for Risk, Tax, Capital and JPMorgan Chase Bank, N.A.

As part of our goal to improve consistency across the company, we also expanded the Valuation Control group to be a firmwide function. The Valuation Control group is accountable for independently verifying the valuation of assets and liabilities recorded on the company's balance sheet at fair value. As part of the expansion of the group's responsibilities, we also made significant investments in infrastructure, increased skill levels and the number of resources dedicated to this effort, and revalidated the group's policies and procedures.

Governance

The financial performance of the company and key Finance-related issues are regularly scheduled agenda items for the Board of Directors. Below are several important examples of the Board of Directors' oversight:

- The Finance control environment is reviewed at least annually by the Audit Committee of the Board of Directors
- Recovery and Resolution, Comprehensive Capital Analysis and Review, and the Basel capital program are periodically reviewed with the Board of Directors' Risk Policy Committee and Audit Committee and the full Board of Directors

Over the past several years, we also reviewed and strengthened our governance practices to ensure we have the appropriate senior management oversight of critical processes and sustainable remediation of issues that arise. We created and enhanced a number of Finance governance forums, including:

- The Global Finance Control Committee, established in March 2013, which reviews, assesses and provides oversight of risk and control issues across global Finance
- The Firmwide Capital Governance Committee, also established in March 2013, which oversees the capital adequacy assessment process and is responsible for reviewing the company's Capital Management policy and the principles underlying issuance and distribution alternatives and decisions
- The Firmwide Valuation Governance Forum, established in the fourth quarter of 2012, which oversees the management of all risks arising from the company's balance sheet valuation activities
- The JPMorgan Chase Bank, N.A., Operating Committee, created in January 2014, which governs the lead bank's activities in compliance with regulatory Heightened Standards

The Finance & Risk Road Map

The company's CFO and the Finance management team analyzed the stability of the end-to-end Finance processes and launched a multi-year improvement program, called the Finance & Risk Road Map. This program is designed to enhance data quality, management and control at the point of transaction origination to simplify and integrate the technology infrastructure across Risk, Finance and Treasury, as well as to implement a robust operating model designed to ensure a more efficient and effective organization with significantly lower defect rates. In order to facilitate the success of this program, key senior-level hires have been made, including a Chief Financial Officer who works for both Risk and Finance and who also serves as the program's senior sponsor; a Chief Information Officer across Risk and Finance; a Chief Data Officer for the company; and Chief Data Officers for each of our businesses and functions. This effort is recognized and supported by the Operating Committee as a key strategic initiative for the company.

Regulatory initiatives

Firmwide programs also were launched to address key regulatory initiatives, most notably Recovery and Resolution and Comprehensive Capital Analysis and Review. Through these programs, we have made fundamental enhancements to our capital planning and stress testing frameworks, as well as legal entity and critical operations reporting. These improvements include adopting product-centric forecasting methodologies, building new or enhanced statistical models to facilitate more granular forecasting, centralizing governance of macroeconomic variables, automating and producing timely legal entity-related information, and achieving resolution and recovery capabilities. These programs involve hundreds of resources and span the organization across businesses, geographies and legal entities. They involve policy setting; governance; operating model; and end-to-end control design and development, model and technology development, and documented procedures.

Improved controls

In addition to the organizational changes, governance committees and regulatory initiatives described above, we have made a number of enhancements to our core Finance control programs in recent years. Among them:

- We have enhanced the company's Sarbanes-Oxley Compliance program and General Ledger Reconciliation and Substantiation program. Both are cornerstones to ensuring the integrity of our books and records. For these programs, scoping was reviewed, revised and accelerated; testing has been enhanced with more granular milestones; training has been updated; and reporting has been enhanced
- Consistent with the company's Operational Risk Management policy, Finance reviewed and enhanced its risk and control self-assessments, revalidating the function's inherent risks, undertaking detailed process mapping, identifying and reviewing the design of key financial controls, and, ultimately, testing the effectiveness of these controls. This is a critical ongoing strategic initiative involving continuous efforts to improve
- Over the course of the last year, Finance designed a Quality Assurance program, which initially focused on the accuracy of regulatory filings, then broadened in order to validate data integrity across the firm and provide results to the function's Chief Data Officer

Reporting transparency

We are committed to timely, transparent and appropriate reporting and disclosures in order to furnish external constituents with appropriate and sufficient information to assess the risks and performance of the company, as well as to comply with accounting and regulatory requirements. The company's CFO and Finance management team regularly review and enhance the quality of our external disclosures, particularly those in the quarterly earnings presentation and the 10-K and 10-Q reports.

Compliance

The company's global Compliance department is a core component of the company's control efforts.

While each line of business is accountable for managing its compliance risk, our Compliance teams work closely with the Operating Committee and senior management to provide independent review and oversight of our lines of business operations, with a focus on compliance with applicable global, regional and local laws and regulations.

In particular, the role of Compliance is to identify, measure, monitor, report on and provide oversight regarding compliance risks arising from business operations and provide guidance on how the company can mitigate these risks.

Organization and governance

To meet its responsibilities, Compliance operates independently from the lines of business. The firmwide Chief Compliance Officer (CCO) reports to the company's Chief Operating Officer and leads the more than 3,000-person Compliance department (excluding Technology and Operations employees who support Compliance). The firmwide CCO is supported by a CCO for each business, as well as regional CCOs in the Europe, Middle East and Africa, Asia Pacific and Latin America regions. Regional CCOs have authority across lines of business in their respective regions except in situations where this structure conflicts with local regulatory obligations.

Until early 2013, Compliance was part of a joint Legal & Compliance group. The company separated the functions to provide each group with dedicated leadership, resources and support. This move emphasized the importance and stature of Compliance, as well as the company's commitment to maintaining a culture of compliance and control.

To execute our Compliance program, we must have employees with relevant functional, business and regulatory expertise. We have taken several steps to accomplish this, including adding more than 1,200 Compliance professionals during 2012 and 2013. We expect to bring on about 470 additional people by the end of 2014, at which time our Compliance headcount will be approximately 3,150, an increase of 117% since the beginning of 2012.

The following pages summarize key actions we have taken to enhance Compliance.

Global Compliance program

In 2012, the company established an enhanced and more centralized global Compliance program to provide:

- Oversight and coordination of compliance coverage across businesses and regions
- Compliance policies, procedures, standards and protocols to address regulatory guidance across the core practices

The program is designed around seven core practices that function together as an integrated risk management framework (e.g., risk assessments inform testing and training plans, and regulatory management affects policies and procedures). This framework allows for continuous enhancements in each cycle of the program to accommodate business and regulatory changes. The core practices are:

1. Governance and oversight

Providing independent governance and oversight of business activities is one of Compliance's primary responsibilities. As such, we have enhanced Compliance's independent oversight in several respects, including through:

- Introducing annual compliance plans for each business and region using business activities, risk assessment results and other data to help prioritize Compliance activities and to deploy resources
- Implementing quality assurance processes to assess whether the lines of business and regions have effectively implemented the standards and protocols for the Compliance program
- Establishing more frequent updates to the Board of Directors' Audit Committee on Compliance program developments and significant or emerging compliance risks
- Implementing enhancements to standard compliance considerations in line of business and regional New Business Initiative Approval process and post-implementation reviews

2. Regulatory management

The company implements controls to manage compliance risks based on relevant regulatory obligations. We continue to make improvements in our ability to evaluate developments regarding these obligations and adjust controls as necessary. We also have enhanced our approach to regulatory interactions, including examinations, to achieve better consistency in these interactions. Enhancements include:

- More consistent reviews of compliance risks across businesses and functions
- Improved compliance-focused regulatory exam management through the creation of firmwide protocols intended to increase the consistency of preparation, coordination and execution of compliance-focused regulatory exams

3. Policies and procedures

The policy management framework is used by Compliance to design, implement and maintain policies and procedures that support compliance with regulatory obligations. The framework has been enhanced over time and used to broaden the company's policies and procedures. For example, the model now includes specific requirements for governance, format and technology, which drive consistency and increase control and usability.

4. Training and awareness

Training on and awareness of Compliance-related policies and procedures reinforce our culture of compliance and help implement required controls. To that end, we have:

- Implemented enhanced standards and processes, including the development of a line of business Compliance training-needs analysis
- Incorporated an annual training/awareness plan in the line of business and regional Compliance plans
- Increased training requirements and developed case study training for Compliance professionals
- Developed cross-control function training sessions, including a speaker series focused on delivering relevant training to employees in Oversight & Control, Risk, Compliance and Legal

5. Monitoring and testing

Compliance independently monitors and tests business activities using a risk-based approach to evaluate the adequacy and effectiveness of critical control processes. The company has strengthened this oversight in several ways:

- Published enhanced global Compliance testing procedures and inaugural global Compliance monitoring procedures

- Created cross-line of business and regional testing criteria for key risks
- Enhanced Compliance testing reporting to incorporate root causes of issues and launched global Compliance Testing Fundamentals Workshops. The workshops include deep-dive testing, training and practical applications of the current monitoring and testing standards

6. Issue management

Issue management is a multi-step process that includes identifying issues, finding their source and implementing solutions to resolve the issues. Compliance has enhanced its issue management practices in several respects:

- Established a Compliance Control Committee to provide oversight of operational risks and the control environment for the Compliance department. This committee reports and escalates issues to the Firmwide Control Committee
- Strengthened our root cause analysis of compliance issues
- Focused on rapid implementation of interim compensating controls of newly identified risk issues until longer-term action plans are completed

7. Compliance risk assessment and reporting

Compliance risk assessments identify, measure, assess and report compliance risks using a consistent approach and methodology to enable firmwide aggregation of compliance risks. We analyze compliance risk based upon category and then use the assessment results to prioritize Compliance activities, including risk-based monitoring and testing, as well as training plans. The following improvements have helped strengthen these practices:

- Development of a more robust Risk Assessment program that includes a survey tool that assesses compliance risk to enhance consistency, documentation and comprehensiveness
- Revision of a compliance risk scoring matrix to better reflect (in residual risk ratings) the impact of ineffective controls, regardless of the rating of the inherent risk at issue
- Enhancement of our enterprise-wide anti-money laundering risk assessment to include more robust methodologies to quantify risk exposure at various levels of the company

Technology

Effective use of technology is essential to every component of the Compliance program. We have bolstered our Compliance technology and management reporting through continued investments in systems, operating platforms and people, including by:

- Investing $282 million during 2012 and 2013 in our Compliance technology and operations platforms and personnel. In 2014, we will spend over $450 million in these areas
- Adding approximately 1,750 technology and operations employees supporting Compliance during 2012 and 2013. In 2014, we plan on adding an additional 720 employees in these areas

Global Financial Crimes Compliance program

The Global Financial Crimes Compliance (GFCC) group, created in 2012, is a sub-function of Compliance focused on compliance with the laws and regulations governing the Bank Secrecy Act (BSA) and anti-money laundering laws (AML, and, collectively with BSA, BSA/AML), terrorist financing, economic sanctions and anti-corruption. The group implements and provides oversight of all aspects of the company's GFCC program, including the BSA/AML and Know Your Customer programs.

We continue to invest in hiring the right people, improving our technology capabilities and enhancing GFCC programs globally. The pages that follow describe how some of these resources have been allocated.

Board actions

Historically, the Audit Committee has reviewed compliance and regulatory matters affecting the company and GFCC, including the BSA/AML program and AML policy. In early 2012, the company established a Board-level AML Enhancement Committee to oversee the company's efforts to improve its BSA/AML program.

Following the entry into regulatory orders regarding BSA/AML in 2013, the Board established a BSA/AML Compliance Committee consisting of three independent directors. This new committee oversees firmwide GFCC matters and related responsibilities, as well as the following additional responsibilities:

- Overseeing, along with senior management, the management and mitigation of identified BSA/AML compliance risks
- Receiving regular briefings on GFCC program effectiveness
- Monitoring the implementation of, and compliance with, the regulatory orders of the Federal Reserve and the Office of the Comptroller of the Currency regarding BSA/AML

Management actions

Management and the GFCC group are working to enhance our BSA/AML program by increasing our ability to manage related risk, improving customer onboarding and due diligence, and heightening our suspicious transaction monitoring. A key part of these efforts has been the hiring and training of talent. By the end of 2014, we will have hired more than 9,500 full-time equivalent employees across multiple disciplines focused on financial crime-related matters — more than a 300% increase since 2012. Our leadership team in this area represents a wide range of varied professional backgrounds from the public and private sectors, including federal law enforcement officials, federal regulators, attorneys and financial services-related professionals.

AML, sanctions and anti-corruption risk assessment

We conduct AML, sanctions and anti-corruption risk assessments. The 2013 assessments used an enhanced methodology to quantify each business' potential exposure to money laundering, terrorist financing, sanctions and anti-corruption risk and to evaluate the quality of the current controls in place to mitigate those risks. This analysis utilized country-level data and risk assessment reports for the lines of business and sub-lines of business.

Anti-corruption

JPMorgan Chase is subject to anti-corruption laws (e.g., the Foreign Corrupt Practices Act) that make it illegal for us to bribe foreign officials to obtain or retain business. Over the last several years, we have undertaken efforts to strengthen our efforts to identify and mitigate corruption risks, including:

- Implementing new controls globally across the lines of business, including enhancing oversight over gifts and entertainment and third-party vendors
- Expanding monitoring to include corporate events, sports and entertainment

- Implementing new standards for conducting due diligence on third-party vendors
- Conducting targeted training for employees engaging in transactions
- Enhancing our referral hiring controls

Customer due diligence and client risk scoring

We have implemented a risk-based approach to collecting, documenting and maintaining customer, product and/or transactional due diligence information. The company maintains its due diligence information through ongoing contact with clients and periodic reviews of clients and accounts. Some of our improvements include:

- Enhancing Know Your Customer program guidance documents, including risk tolerance guidelines, compliance review guidelines, periodic review and account activity review methodology, holistic view/extended relationship requirements criteria, Know Your Customer approval guidelines and high-risk trigger rules by customer type
- Creating firmwide extended customer relationship criteria that include, as applicable, a customer's owners, principals, signers, subsidiaries, affiliates, and parties that manage and/or control the account or client
- Enhancing existing customer due diligence policies and procedures by customer type to drive firmwide consistency
- Improving our customer risk scoring models, which will drive the need for enhanced due diligence, more frequent periodic reviews, greater number of senior approvals and in-depth transaction monitoring

Transaction monitoring

As part of our compliance efforts, we review transactions for potential suspicious activity and report these activities to the government. We have undertaken significant efforts to enhance our ability to monitor transactions for potential suspicious activity, including:

- Developing improved policies and procedures designed to ensure timely and appropriate review and disposition of alerts
- Creating strategic case management technology requirements for AML investigations in the Europe, Middle East and Africa and Asia Pacific regions to standardize and automate the process worldwide and provide a global feedback loop into investigations
- Enhancing our transaction monitoring programs to maintain data integrity, globally consistent platforms, customer surveillance scenarios and a continuous improvement process
- Providing increased staffing, standard processes and quality control processes to review and investigate suspicious activity

Our transaction monitoring enhancements cover both domestic and cross-border transactions. We have deployed teams to focus on numerous types of activities, including correspondent banking, human trafficking and terrorist financing.

Sanctions and client screening programs

We also screen customers and transactions (involving individuals and entities that are subject to sanctions and embargoes) involved in negative media references or who are politically exposed persons. We have taken several actions to enhance our screening capabilities, including:

- Implementing a new operating model for sanctions screening
- Migrating almost all eligible transaction screenings to a new central screening utility
- Strengthening the Global Sanctions Compliance team by increasing staff within our central screening utility and for international sanctions compliance
- Developing a globally consistent policy to cover Office of Foreign Assets Control and sanctions compliance
- Developing a plan to migrate from multiple screening platforms to a new screening platform that will be part of a centralized list repository

Suspicious Activity Reports

A Suspicious Activity Report (SAR) generally is a report that a financial institution sends to a regulator (e.g., in the United States, the Financial Crimes Enforcement Network) regarding activities or transactions that are suspicious. This helps government agencies identify individuals or organizations that are involved in criminal activity, including fraud, terrorist financing and money laundering.

We continue to review our SAR practices, both in the United States and globally, to identify areas of improvement and to strengthen our practices in order to report suspicious activity and to escalate concerns more quickly internally and with the appropriate regulators.

For example, we are:

- Adding new leadership in the Global Investigations and Financial Intelligence units
- Developing a feedback loop process to enhance the quality of our identification, review and reporting of potentially suspicious activity
- Improving the escalation process for significant SARs
- Strengthening our SAR-sharing cross-border process to permit the exchange of SAR-related information from other countries to the United States where permitted by local regulation

Case study: Foreign correspondent banking

Our foreign correspondent banking activities involve sending and/or receiving U.S. dollar-denominated payments or handling other U.S.-based financial transactions on behalf of a non-U.S. financial institution. These activities have come under significant scrutiny by regulators, industry-wide, because of certain inherent risks in the business.

As a result, we reviewed our controls around this business, including our internal policies, processes and technology, to understand where we need to improve. We reviewed the technology we use to monitor transactions and the processes for performing due diligence on our clients. We also reviewed our risk tolerance across selected countries, regions and products for our correspondent banking business. This analysis led us to conclude that we needed to upgrade our control environment and systems and to dedicate more resources to KYC, transaction monitoring and escalation in order to continue to serve our clients while managing our risk profile.

One of the consequences of our review was the decision to exit many relationships with foreign correspondent banks, in some cases, until our controls are better able to manage these relationships. These decisions were driven by two considerations:

1. Risk-related concerns
2. Business simplification, which allows us to streamline our portfolio and focus due diligence on less risky clients

Prior to exiting a client relationship, we work to help the client find a replacement U.S. dollar provider, if possible; discuss potential market risks with the relevant regulators; and ensure the decision is communicated in a coordinated and consistent way across all parts of the company.

We remain committed to the foreign correspondent banking business. For those clients with whom we continue to work, we are conducting enhanced due diligence and review with each one the types of activities we will continue to support.

In order to implement these steps, we:

- Established a dedicated Project Management Office to coordinate foreign correspondent banking de-risking activities
- Created a joint compliance-business clearing house to support the foreign correspondent banking de-risking effort through cross-line of business reviews and communications of client risk and simplification decisions

Along with the relationship exits, we have taken several steps to improve our controls for foreign correspondent banking activities, including:

- Enhancing our technology infrastructure to better monitor U.S. dollar-denominated correspondent banking transactions of foreign correspondent banks. This included implementing 10 new transaction monitoring rules to track millions of transactions each day
- Establishing AML Operating committees, consisting of both Compliance and business executives, to review our client portfolio lists and assess and manage any risks presented by particular clients
- Creating a Correspondent Banking Operating Committee to govern policies and approve new business opportunities

Legal

Legal serves a variety of functions, many of which are control related. Our lawyers provide legal advice to our Board, our lines of business and our corporate functions and assist Oversight & Control, Risk, Finance, Compliance and Internal Audit in their efforts to ensure compliance with all applicable laws and regulations and our corporate standards for doing business. Legal also works to protect the reputation of the company beyond any particular legal requirements. Finally, our lawyers perform a significant defense and advocacy role, working with outside counsel to assess and, as appropriate, defend the company against claims and potential claims and, when needed, to pursue claims against others also.

In each aspect of its role, Legal has one client: the company. In the wake of the financial crisis, the number and complexity of regulatory requirements affecting the company have increased dramatically; their enforcement has become stricter; the number of international, federal, state and local agencies enforcing them has increased; and the penalties for violations have risen substantially. Thus, making the company fully aware of its legal obligations has become more important than ever.

Organization and governance

The company's General Counsel reports to the CEO and is a member of the Operating Committee, the Firmwide Risk Committee and the Firmwide Control Committee. His leadership team includes a General Counsel for each line of business, the head of the Litigation, Corporate & Regulatory and Global Financial Crimes Compliance functions, as well as a Chief Operating Officer and the company's Corporate Secretary. Each region (e.g., Latin America, Asia Pacific) has a General Counsel who is responsible for managing legal risk across all lines of business and functions in the region.

We have increased staffing in an effort to ensure we have enough quality lawyers advising our businesses so that, over time, we may achieve our goal of reducing the incidence of regulatory and litigation matters. The increased staffing also provides resources to defend the company and to reduce the cost that comes with use of outside counsel.

The size of Legal has grown from around 850 lawyers in 2012 to more than 1,000 in 2013, with a projection of approximately 1,200 at the end of 2014. Including paralegals and other support staff, the total staff size by the end of 2014 is expected to be approximately 1,950.

Technology and training

Legal is investing in technology and training, with a focus on giving our people the tools to do their job well. Investment in technology for Legal has increased more than fivefold since 2012. Technology and training initiatives include:

- Enhancing the function's document management system to store legal working papers centrally, with the ability to tie documents to legal matters and share and collaborate on documents across teams
- Establishing data repositories to house information on our intellectual property and global regulations on data privacy and security
- Working with Compliance to leverage technology to offer training to employees worldwide so they remain conversant with existing and new regulatory obligations

Legal processes

A key responsibility of our company's lawyers is to conduct certain legal processes, such as handling of legal papers served, subpoena compliance, legal entity tracking and regulatory reporting, and estimation of legal reserves. We are significantly increasing resources devoted to these functions. This has meant bringing in process experts and building teams to implement new structures for getting this work done.

One of our more significant operational issues has been the execution of sworn documents used in litigation proceedings, particularly in our consumer business collection efforts. In simplest terms, a sworn document is written testimony. In our case, it would be a statement by a company representative under oath, which is submitted to a court, governmental agency or self-regulatory agency. We execute around 90,000 sworn documents monthly across all lines of business and corporate functions. We have made a number of enhancements to improve sworn document execution, including:

- Establishing a number of oversight bodies to provide proper supervision of sworn documents activities at the company
- Developing a robust set of procedures, templates, controls and training to support the proper execution of sworn documents
- Investing in a firmwide sworn documents technology solution that will provide several key functions, including tracking, inventory and quality assurance

Legal priorities

Legal has established a series of priorities that represent the manner in which the Legal function seeks to support the company's efforts to ensure that the business it does is in compliance with all applicable laws and regulations and meets our corporate standards for doing business. They include:

- *Executing.* It is important to drive issues to completion and to do so with a sense of urgency. This includes asking for help if needed. It also means not assuming that someone else is handling a problem
- *Serving the client.* Serving the client means safeguarding the company's reputation. That requires serving as a trusted advisor and knowing when to say "no." In all circumstances, it requires careful analysis, clear-headed thinking and robust communication — and, of course, dedication and professionalism
- *Making sure we don't repeat our mistakes.* We must learn and teach lessons that are embedded in examinations, regulatory orders and settlements
- *Collaborating*. Our lawyers need to collaborate within the function, among the control functions and across the lines of business
- *Escalating.* Escalating a problem not only adds a second perspective but often a broader perspective. It is a core obligation of any lawyer at the company to escalate problems and not handle significant problems alone. Getting the right people involved is crucial
- *Enhancing dialogue with our regulators*. Our communications with regulators must be timely and accurate. That means acknowledging when one doesn't know the facts and following up quickly when those facts are established. While part of a lawyer's job is to advocate, he or she must do so honestly and respectfully and without sacrificing credibility

INTERNAL AUDIT

The Internal Audit group provides the Board of Directors' Audit Committee, senior management and our regulators with an independent assessment of the company's ability to manage and control risk based on an evaluation of the company's internal control structure and compliance with applicable laws and regulations. At its core, the group helps the company accomplish its objectives by bringing a systematic, disciplined approach to evaluate risk management and control and governance processes and, thereby, contribute to their improvement.

Internal Audit is an independent function within the company and is led by the company's General Auditor. Independence is fundamental to the audit process and essential to its effectiveness. Independence is achieved through the organizational structure — the General Auditor functionally reports directly to the Board of Directors' Audit Committee and administratively to the CEO — and by the application of intellectual honesty and objectivity in drawing conclusions without bias or outside influence.

Organization

The Internal Audit group has made major enhancements to its organization. A focus on more granular and more frequent audit coverage, and increased regulatory requirements and/or expected work, continue to drive resource growth. Our core Internal Audit headcount grew significantly in 2013 — up 15% from the 2012 level — and will increase by an additional 15% by year-end 2014. Other enhancements include:

- Adding new senior management roles and teams to improve our organization's effectiveness, including creating a new Chief Auditor of Risk role and developing core risk auditor teams that partner with line of business audit teams with the objective of ensuring that the coverage of risk is complete and comprehensive
- Creating a new team focused on cross-business issues with the aim of identifying risks across lines of business and further enhancing a cross-business mindset within Internal Audit
- Adding a dedicated Quality Assurance team and establishing a new role, Director of Training, to drive a strategic training agenda across the function

Practices and processes

We continually assess and improve audit policies and processes in response to internal quality assurance results, industry guidance and best practices, and regulatory expectations. We have made a number of changes to our practices to better position Internal Audit to provide appropriate coverage of key risks. We have made improvements in the following areas, including, among others:

- **Bank Secrecy Act/Anti-Money Laundering laws and Office of Foreign Assets Control.** In June 2013, we rolled out a formal program to articulate the approach and framework for conducting audit activities for the company's Bank Secrecy Act/Anti-Money Laundering laws and Office of Foreign Assets Control/Sanctions firmwide programs.
- **Risk and control self-assessment.** We revised the audit testing approach related to a risk and control self-assessment. Elements tested include key governance and oversight components; inherent risk composition and ratings; control effectiveness composition, substantiation and design; and residual risk.
- **Policy improvements.** In October 2014, we enhanced policies related to audit coverage of the firmwide New Business Initiative Approval program and Third-Party Oversight program to foster consistency across audit teams in risk assessment, audit testing and continuous monitoring activities.

- **Subject Matter Expert program.** We solidified our approach to subject matter expertise by developing a formal Subject Matter Expert program in June 2013. The purpose of the program is to enable more comprehensive and consistent audit coverage of certain topics, develop and maintain expertise in certain subject areas, and identify cross-business issues and trends and then to communicate those findings across audit teams to effect changes to planned coverage.
- **Enhanced Quality Assurance program.** Also in June 2013, we expanded our Quality Assurance program and approach to facilitate an assessment of overall audit coverage. The approach encompasses all activities of an audit team, including audit plan administration, audits, executive management reporting, issue closure validation, continuous auditing activities and change events (i.e., any activity that has significant impact on the control environment, including, for example, new products and new accounting pronouncements). The Quality Assurance team described above administers the program.
- **Training strategy.** We recently launched a more comprehensive training strategy focused on development of professional skills, technical skills and product knowledge.

Taken together, the company's efforts to simplify and de-risk our business, along with our investments and improvements across the businesses, Oversight & Control, Risk, Finance, Compliance, Legal and Internal Audit represent one of the largest undertakings in our history. The result is an infrastructure and firmwide focus on effective controls beyond what we have done before. These far-reaching steps are the right thing to do for our company. We know we have more work to do, and we recognize the need for continued vigilance to assess and ensure the effectiveness of our controls over time.

IV. OUR CUSTOMER COMMITMENT

OUR CUSTOMER COMMITMENT

We operate through four distinct lines of business with one common goal: serving our customers. Collectively, we work hand in hand with millions of consumers and small businesses, as well as many of the world's most prominent corporate, institutional and government clients, to meet the full breadth of their financial needs. Our work includes:

- Helping individuals and families manage their daily finances and save and invest for the future, from purchasing a new home to funding a college education or retirement
- Supporting the growth and development of small and mid-size businesses, spurring job creation in local markets and building vibrant communities
- Working with corporations to explore strategic options and strengthen their capital position, enabling them to reinvest in their businesses and meet their long-term goals
- Serving institutional investors as they put their capital to work, from local governments investing in infrastructure to pension funds generating returns for their beneficiaries

Each of our businesses focuses on ways to improve the customer experience by offering the products and services customers want and by making it easier for them to do business with us. In this section, we describe some of the specific steps our lines of business have taken.

CONSUMER & COMMUNITY BANKING

Across the company, we believe that when we treat people well, they will want to do more business with us. That is why Consumer & Community Banking (CCB) has focused on defining the keys to a great customer experience. We teach these principles through employee training, we measure our success through customer feedback, and we make sure our products and services keep up with changing customer needs.

The Customer Experience

In 2011, regional and district leaders from our branches came together from across the country to develop a common set of customer service principles, called the Five Keys to a Great Customer Experience. The Five Keys are:

1. Always be courteous and professional
2. Do the right thing
3. Build lasting relationships
4. Own customer issues start to finish
5. Exceed expectations

Our 139,000 employees across CCB — from customer-facing bankers and call center specialists to operations colleagues — embrace these Five Keys to a Great Customer Experience and use them daily in interactions with customers.

Since we introduced the Five Keys, we have become #1 in customer satisfaction among the largest U.S. banks, according to the American Customer Satisfaction Index. We also have substantially improved our J.D. Power customer satisfaction rankings:

- ***In Small Business Banking, we rank #1 in two U.S. regions and #2 in the other two, up from #22 in 2010***
- ***In Mortgage Servicing, we are #2, up from #13 in 2010***
- ***In Credit Card, we are #3 overall***

Implementing front-line employees' advice

We also are seeking more advice from our front-line employees. They interact directly with our customers and know the little and big things we can do to improve the customer's experience. Altogether, employee feedback has generated more than 1,100 improvements to customer service over the past two years, including:

- **Connect and introduce.** When telephone banking specialists need to transfer a call to a colleague better equipped to handle the issue, they drop off the line only after introducing the client, summarizing the issue and asking the customer if he or she is comfortable with the transfer
- **Ask today, see today.** Customers can see updated information, such as a fee refund or a new address, on Chase Online within minutes of requesting changes for checking and savings accounts
- **Get to a human.** Customers calling on the telephone can quickly speak with a banking specialist rather than having to push several buttons

Treating customers fairly

As we work to deliver products and services that offer a consistent and exceptional customer experience, we also recognize that fairness must be the foundation of our relationship with every customer. Indeed, treating customers fairly is a core principle in our Business Principles.

To make sure we live up to this standard, we have laid out principles and procedures to ensure fair treatment of customers; worked to simplify our disclosures, products and services, and operations; and enhanced our efforts to listen and respond to customer feedback.

These efforts have been bolstered by the establishment of a distinct internal Consumer & Community Practices group to advocate for customers and drive simplicity and clarity into our business model. We also have initiated a Customer Communications Council to review servicing letters across CCB and to ensure that both the format and language explain simply, clearly and concisely what the customer needs to know and do.

CCB leadership works to ensure that we adhere to these principles through various forums, including through (1) a complaint forum where CCB leaders review customer complaints and recommend changes and (2) remediation working groups that review technology incidents and product and marketing changes that may have adversely affected customers.

Evolving to serve our customers' changing needs

We want to serve customers in the channels in which they want to be served. Increasingly, that means digital and mobile. Nearly 36 million customers use chase.com regularly, and 18 million people use Chase Mobile. Today, Chase customers make more than half their deposits at an ATM or with a picture of a check taken with a smartphone.

That has changed how customers use our branches — so we have changed how we design and staff them. We have added more ATMs to let customers serve themselves quickly and more bankers to help customers get a mortgage for their home, save for college and retirement or run their small business. To make those conversations more private, we have added additional conference and meeting rooms.

We also continue to upgrade our online and mobile services, providing more information more easily and quickly, as well as tapping into the latest technology, such as Apple Pay. Ultimately, consumers will choose how they want to bank — in person, via online, through their phone or smartphone, or a combination of these options — and with whom. In CCB, we will continue to aim to treat customers well in every interaction we have with them so they will want to do more business with us.

Case study: Mortgage servicing improvements

As one of the United States' largest mortgage lenders, we must have robust policies, processes and procedures relating to foreclosures. Unfortunately, like many in our industry, our practices were not designed to handle the unprecedented increase in volume that occurred as a result of the financial crisis. Looking back, we recognize there were a number of areas that needed enhancement — from sworn document execution (to prevent so-called robo-signing) to governance processes and quality control.

Much of our work has focused on improving our operating model in this area, training our employees, improving our customer communications, enhancing our technology platforms, ensuring sustainability of our programs, and deepening our relationships with our customers, third-party vendors and other key stakeholders. Our goal is to deliver affordable, sustainable and meaningful home preservation assistance by:

- Focusing on earlier intervention to help keep customers in their homes
- Pursuing foreclosure prevention options that provide significant and meaningful relief
- Emphasizing affordable and sustainable outcomes
- Delivering fair assistance across geographic regions and income levels and among protected classes

Foreclosure prevention

- ***Helped prevent nearly 1.1 million foreclosures since 2009***
- ***Completed approximately 623,000 modifications since 2009***

Operating model changes

One of the most important changes we have made is adopting a new operating model that assigns a single point of contact — a Customer Assistance Specialist — to each customer with the key benefit of staying connected to customers when they are having difficulty making their payments. In this way, we can help customers pursue a loan modification program at an early stage of delinquency to avoid foreclosure. Other improvements include:

- Introducing an engagement team to support the Customer Assistance Specialist so team members are able to re-engage customers for faster resolution
- Assigning Customer Assistance Specialists who are specifically focused on Servicemembers Civil Relief Act and bankruptcy customers to provide the degree of specialized knowledge necessary to best support customers facing a financial hardship

Employee training

While an improved operating model is an important first step, we also sought to train our employees better on how to support customers who are having difficulty making payments. We have made great progress in those efforts, including:

- Training more than 33,000 employees who work with customers having difficulty making payments. Nearly 100% of our mortgage banking employees who serve customers facing potential foreclosure have taken part in such a training program
- Adding job-specific courses that are matched to particular customer issues in order to create a high level of expertise by job function
- Centralizing our training function to ensure consistent support across operating divisions
- Creating and enforcing knowledge assessments for all job functions

- Improving processes to ensure Compliance approval of all training materials
- Centralizing training repository and employee learning records storage
- Establishing approximately 30 learning paths for core functional roles, including a manager learning path and semiannual learning path reviews to ensure that training content remains relevant

Customer communications

We also have been enhancing our communications with customers to provide better counseling and more clarity for customers about their options. To improve communications for customers considering ways to prevent foreclosure, we have:

- Improved customer information and education by letting customers know at the outset the options and benefits that may be available to them
- Simplified a forms/documents checklist specific to each customer
- Enhanced customer outreach until application documents are completed
- Established early notification of missing or incomplete documents and frequent status updates

Customer service

With a focus on serving our customers, we have measurably improved our customers' experience. In 2014, we were ranked #2 by J.D. Power in Mortgage Servicing, up from #13 in 2010, and #3 in Mortgage Originations, up from #12 in 2010.

Fairness to customers

We are committed to providing the same fair treatment and quality service through the foreclosure process across geographic regions and income levels. As we have worked through this period of elevated customer payment difficulty, we have worked closely with our Corporate Fair Lending partners to help ensure that the assistance we are offering to customers is fair and equitable. As part of this work, we continue to refine and expand our Fair Lending program to ensure that new policies, procedures and processes are effectively implemented and are in full compliance with fair lending laws. We also track customer outcomes closely to make sure that foreclosure prevention actions are consistent for the overall population.

Technology

As we have discussed throughout this report, one area we are consistently focused on improving is technology. That also is true in our Mortgage business. We have invested more than 220,000 hours of our technology employees' time to improve our Mortgage business, including:

- Deploying a Customer Assistance Specialist model
- Enhancing our loan modification application
- Improving systems that track and manage customer complaints and responses
- Implementing more than a dozen additional technology enhancement projects ranging from data quality, data management and automated exception tracking

These enhancements directly support the new business model, enabling customers to have direct contact with a single point of contact and tailoring communications to present only those foreclosure prevention options that we can offer directly to a customer.

CORPORATE & INVESTMENT BANK

We formed the Corporate & Investment Bank (CIB) in 2012 by combining what previously had been two distinct groups, the Investment Bank and Treasury & Securities Services, to streamline our service to our clients, increase efficiency and better enable client-facing executives to present coordinated, innovative solutions to the world's most prominent corporations, governments and institutions.

Our mission is to help our clients succeed — however they define it, whether they are a growing corporation looking to raise capital or a fund manager seeking to outperform an investment benchmark. With that in mind, we are actively working to elevate our standards and more closely weave together our businesses with a goal of improving our clients' overall experience with us.

Throughout the CIB, many initiatives are underway to provide additional education and training to our 52,000 employees. We have reorganized ourselves to promote increased focus on escalation of issues to enhance our clients' end-to-end experience, while simplifying our business model and investing in technology.

Coordinating better to support clients

In Banking, which unites Corporate Bankers, Treasury Services professionals and Investment Bankers under one umbrella, clients are benefiting from closer connections between the professionals who are in daily contact with them and our Investment Bankers who specialize in strategic advisory services and capital raising. Improving the coordination among these teams helps us gain a more holistic view of our clients' needs and challenges and then draw upon our many products and services to create the right solutions for them. For example, we are providing one multinational industrial company with financing products and services from 14 different groups in support of its business activities in 29 countries around the world.

To help improve the experience of our large institutional investor clients, we have reorganized the way our teams work together to foster greater continuity and accountability — from sales to onboarding, to client service, to operations and technology. Reducing silos, increasing accountability and improving information flow across teams are resulting in fewer errors, greater efficiency and more positive client interactions.

Better coordination among our teams this year helped us provide a prime custody solution for a large alternatives fund run by a global asset manager. Working in close partnership, the team successfully migrated the fund to our platform with minimal disruption despite the complexity of the fund's product suite and the multiple functions and regions involved.

Strengthening our client-centered culture

Clients always have been at the center of our business, and reinforcing a strong, client-centered culture is a top priority for us. Identifying issues early and appropriately escalating concerns keep smaller problems from becoming big ones and also results in better client service.

As mentioned on page 33, as part of our effort to ensure a robust dialogue with employees and make sure they understand the letter and spirit of what is expected of them, the leadership of Legal, Sales and Trading developed a program this year to promote enhanced information sharing and trading practices for Sales and Trading personnel. This mandatory program provided specific guidelines around general information flow, trading information and chats, as well as increased awareness around potential areas of concern.

Furthermore, we have expanded a Culture and Conduct program to include all of our CIB businesses globally. This effort involves an assessment of conduct risks, mitigation plans across those risks, metrics and training. Senior leaders in each line of business have hosted focus groups about our culture, including what we do well and what we can improve, as well as controls and key drivers of behavior. Importantly, we included more junior employees in this program to bridge the gap that can exist between senior and junior team members.

Conflicts management is a cornerstone of our client-centered approach to business, and we consider it part of everyone's job to help identify and mitigate potential conflicts of interest. We start with robust policies and procedures, which we adapt over time to address developments as our businesses grow and evolve. Because conflicts differ considerably across the lines of businesses, multiple complementary control groups, including our Conflicts Office, Legal and Compliance, as well as Oversight & Control, work closely with our business executives to identify and manage the conflicts that arise, both real and perceived.

The CIB provided credit and raised capital for clients of more than $1.5 trillion in 2013. Of that, $65 billion was raised on behalf of states, local governments, school districts and nonprofits, providing them with necessary funds to build schools, roads and college facilities and to support other infrastructure projects.

Streamlining with technology

Technology is the backbone of our business, and in the last five years, our company has spent roughly 8%-9% of total revenue on improving our capabilities. In the CIB, the investments we are making are designed not only to improve our security, performance and efficiency but to make it easier for clients to do business with us. As part of our effort to create a more modular business and technology architecture, we have implemented front-to-back architecture and operating model reviews across select businesses to improve client service, optimize process flows, integrate infrastructure and simplify how we operate. This year alone, we are on track to decommission more than 200 different applications and over 5,000 servers.

These investments also are creating tangible benefits for clients. In early 2013, our Markets & Investor Services businesses rolled out our new client-facing platform, J.P. Morgan Markets. Since then, we have consolidated nearly 50 different applications, including research, pre-trade analytics, trade execution, trade status and limits, portfolio reporting and margins, and collateral management functions on the new platform. More than 100,000 institutional client users now are using this enhanced platform, reducing the need for multiple log-ins and benefiting from a more consistent experience across different businesses and functions.

In addition, we have placed a priority on the controls around our electronic trading technology, resulting in a review of high-priority controls and implementation of additional protections.

Simplifying businesses and increasing transparency

Within the CIB, we have taken a multi-faceted approach to simplifying our business and increasing transparency to help clients better understand what we do and make more informed decisions. In some cases, we have streamlined, rationalized or exited businesses in order to focus on the core activities that are most important to our clients. This includes scaling back relationships and tightening controls in correspondent banking, exiting much of our physical commodities business and selling the Global Special Opportunities Group portfolio (our dedicated principal investment arm). At the same time, we are investing in technology and infrastructure in support of core businesses like prime brokerage, custody, and electronic trading for equities and fixed income.

At a more granular level, we have taken a number of steps to help our clients better understand the structure, pricing and behavior of different products. Specifically, for certain structured products, we have implemented more stringent quality standards and have upgraded our models and analytics to improve our clients' ability to understand how these instruments perform under different conditions. We also have enhanced the consistency and transparency of disclosure around the pricing of certain structured products and increased transparency of quotations for various over-the-counter derivatives, enabling clients to make more informed decisions.

Our top priority within the CIB remains helping our clients achieve their objectives by providing the best possible advice and products. With the continued energy and commitment of our employees, we continually strive to earn our clients' business and set new standards for their success.

COMMERCIAL BANKING

Like all of our businesses, Commercial Banking is continually asking how we can be better and how we can make the experience of banking with us more rewarding for our clients. This helps us maintain a long-term relationship with our clients. A number of key improvements we have made over the past years are helping us drive toward these goals.

Partnership drives more comprehensive client solutions

Commercial Banking's many natural touch points with the company's other lines of business enable us to deliver more complete solutions to clients. Our efforts to work together across businesses are especially evident when looking at the level of business partnership and volume of clients that engage with multiple businesses:

- Working alongside the Corporate & Investment Bank, last year Commercial Banking participated in 833 financing transactions, including 31 initial public offerings, and advised clients on 67 merger and acquisition transactions.
- More than 80% of Commercial Banking clients use Treasury Services products to help manage their business more efficiently.
- Commercial Banking clients used Chase branches nearly 18 million times last year. Increasingly, clients use our commercial cards and merchant processing service, and we see an opportunity to bring specialized payments solutions to even more clients.

Providing customized solutions through dedicated, local experts

During the last several years, we have increased our focus on finding the right solutions for clients by using our broad-based product set. Whether our clients need to raise capital, purchase new equipment or open a line of credit to manage day-to-day operations, we have the resources to help:

- We have a large team of business professionals who specialize in investment banking, asset-based lending, syndicated finance, equipment finance, treasury services, enterprise value/cash flow lending and Employee Stock Ownership Plan transactions. They partner with our local bankers to bring customized, comprehensive and appropriate solutions to the marketplace.
- We have been building industry groups across Commercial Banking so clients can benefit from the specialty knowledge of our industry experts while continuing to receive local delivery and service. These groups include technology, oil and gas, food and beverage, and media and entertainment, among others.
- We continue to expand into new markets and add bankers and credit and treasury professionals to provide more local delivery. Since 2006, we have successfully entered 16 major new markets across the country.

Commercial Banking was recognized with Greenwich Associates' 2013 Excellence Awards in:

- ***Middle Market — Online Services, International Service and Treasury Management***
- ***Mid-Corporate Banking — Investment Banking and International Service***

Listening to our clients' feedback

We regularly survey our Commercial Banking clients to give them an opportunity to provide feedback on what we are doing well and where we can improve. Areas covered include our coverage model, expertise, products, client service and implementations. The results are shared directly with senior managers who use the feedback to make changes to improve the overall client experience. We recently made the following changes based on client feedback:

- Enhancement of our client portal to give real-time information on the status of wire transfers
- Development of an online dashboard that clients can access to monitor system performance, including planned system outages
- Tracking of employee interactions with clients to see that we are treating clients the right way and with professionalism. As a result, we have seen significant improvements in our client satisfaction scores during the last two years

Improving the client experience through technology and training

We have added more than 1,500 employees across the business over the past three years and invested hundreds of millions of dollars in technology to improve our clients' experience. We also have created new support teams to allow bankers and client service professionals to spend more direct time with clients. For example, over the past several years, we have:

- Added employees to focus on improving the client experience when implementing a new product or service
- Invested and upgraded our automated origination, processing, underwriting, closing and documentation system that supports our industry-leading multi-family lending business
- Assembled a firmwide team to simplify the documentation we ask of our clients that have relationships with multiple lines of business
- Established an initiative to improve our client communications materials to be clearer and simpler
- Created new Senior Project Manager positions to support our clients' complex implementations
- Added dedicated employees to help clients navigate our onboarding process, especially given the significant increase in required due diligence
- Provided additional training and communications to improve our employees' awareness and understanding of the risk and control environment, as well as the importance of protecting client information

ASSET MANAGEMENT

Managing money for clients is the core of the Asset Management business. In addition to delivering strong investment performance, we recognize that effective money management requires a focus on client education, as well as specialized expertise and solutions in the areas that are most important to our clients.

Educating clients and sharing our insights

A key part of our advisors' jobs is keeping clients well-informed — whether they are individuals, institutions or financial advisors. Our advisors start each week with a Monday morning meeting to discuss worldwide events in markets, economies and governments and the resulting implications for clients and their portfolios.

One of Asset Management's leading educational publications is *Eye on the Market*, which features insights and commentary from Asset Management's Chairman of Market & Investment Strategy on news and trends shaping the markets and economy. Initially created for private clients, during the past three years we developed a version customized for institutional clients as well. Today, approximately 55,000 clients and prospective clients across our Investment and Global Wealth Management businesses receive each edition of *Eye on the Market*.

In addition, we developed a Market Insights program to keep our financial intermediary clients — and their clients — informed about market developments (e.g., through the *Guide to the Markets* publication). We have worked to tailor our insights to different regions and client segments, with the goal of helping all our clients better understand markets and investing — opportunities and risks — in order to help clients achieve the best possible outcomes.

The program's *Guide to the Markets* publication, which began in the United States a decade ago and was issued quarterly, expanded over the last two years to Asia, Europe and Latin America and now is being updated monthly.

Planning for important life events

One of the primary life events investors save for is retirement. In fact, retirement is the #1 savings and investing goal of Americans. In Asset Management, we are dedicated to partnering with plan sponsors, advisors and individuals to help them focus on improving retirement outcomes. To this end, we leverage the best thinking across the company to inform the development of insights, solutions and tools that we share with clients:

At year-end 2013, 241 of our mutual funds were ranked four or five stars by Morningstar, and 80% of all our assets were in the first or second performance quartile over the 10-year period.

- *Guide to Retirement* is an educational program created in 2009 to help financial advisors simplify the retirement planning conversations they have with clients. It focuses on three key retirement planning topics — saving, spending and investing — with concepts illustrated by colorful, easy-to-understand charts and graphs. This year, we distributed over 50,000 printed books through more than 12,000 financial advisors. We continually have enhanced the program over the years, deepening content, developing discussion guides for advisors to use with clients, creating a digital interactive version, adding quarterly client webcasts and, more recently, offering an iPad app version.
- For our SmartRetirement target date funds, we developed a glide path incorporating extensive research from actual participant behavior. One of our major initiatives last year focused on helping the marketplace better understand the role of target date funds within retirement plans and how we manage risk along the target date glide path. In addition, we have taken this model overseas and expanded into the United Kingdom to meet client demand.
- Target Date Compass was the first tool of its kind to use a standardized, systematic process for evaluating and selecting target date funds for a retirement plan's investment lineup. Since its launch in 2009, the tool has been used by plan sponsors and financial advisors to make informed investment decisions and help satisfy their fiduciary responsibilities. Earlier this year, we launched version 2.0, featuring enhanced functionality and analytics and enabling thousands of our clients to generate more than 5,500 reports.

Extending credit to support clients

We recognize that, for many clients, lending solutions are just as important as investment ideas. Credit can help a family purchase a new home or an entrepreneur invest in a business venture, which, in turn, supports the local economy. Over the past several years, Asset Management's Global Wealth Management business has renewed its focus on advising clients on both sides of their balance sheets to provide more complete solutions:

- Our more than 100 capital advisors in 12 countries sit side by side with our bankers and investors to advise clients on using credit effectively. Advice has evolved to include areas of particular importance in a low-rate environment, such as mitigating interest rate risk and right-sizing leverage use.
- In mortgages, this year we decreased the average time it takes to go from completing an application to being cleared to close by 15% (through October 2014). We also have expanded our menu of investment property mortgage offerings to all amortizing products, made them available in all U.S. states and simplified their pricing structure.
- We have expanded our financing focus to respond to specific market demands, including lending onshore in Brazil and in the Asia and U.K. high-net-worth segments.
- We offered clients increased borrowing clarity with the introduction of a Global Lending Value Engine that uses market data to generate lending values for equity, fixed income, mutual funds and structured products.

Strengthening the fiduciary framework

In Asset Management, we act as a fiduciary in a number of ways: as a trustee for individuals and families, as a discretionary investment advisor for individuals, as an investment advisor to mutual funds and as a trustee of commingled funds. That comes with a responsibility to treat clients fairly, manage conflicts of interest, act prudently and provide transparency in our disclosures.

To share a few examples of how we've strengthened our commitment to these responsibilities, we have:

- Added staff members in several areas, including our trusts and estates business, who have specific fiduciary expertise and experience
- Separated responsibilities among team members to provide increased checks and balances
- Updated our systems to automate account reviews as appropriate

Given the fiduciary nature of many of its businesses, Asset Management has played a lead role in strengthening the company's fiduciary framework. These efforts include broadening the scope of how we look at fiduciary activities across the company and establishing more consistent governance standards for our businesses.

Specifically, in December 2013, the company created a Firmwide Fiduciary Risk Committee that provides a forum for discussing issues, risks and developments related to fiduciary activities. The committee provides a forum for risk matters related to the company's fiduciary activities and oversees the firmwide fiduciary risk governance framework, which supports the consistent identification and escalation of fiduciary risk matters by the relevant lines of business or corporate functions responsible for managing fiduciary activities. The committee escalates significant issues to the Firmwide Risk Committee, the Board of Directors' Risk Policy Committee and Audit Committee, and any other committee considered appropriate.

V. OUR RELATIONSHIPS WITH REGULATORS, SHAREHOLDERS AND COMMUNITIES

OUR RELATIONSHIPS WITH REGULATORS, SHAREHOLDERS AND COMMUNITIES

The service we provide our customers is only part of the value our company seeks to create. As a global financial institution, we have the opportunity and obligation to contribute to a well-functioning global financial system, deliver a fair return to our shareholders, and make a positive contribution to the people and institutions that are affected by our businesses.

Making these contributions requires deep and sustained engagement with many parties, particularly our regulators, shareholders and nonprofit partners. Over the past several years, we have been diligently working to enhance our relationships with these parties. This section describes some of the actions we have taken.

REGULATORS

We are committed to being transparent and responsive in our extensive interactions with our regulators. That means consistently providing them with complete, accurate and timely information and maintaining an open, ongoing dialogue.

We seek to achieve this goal in three ways:

- Integrating a regulatory mindset into our business, as demonstrated by our control agenda
- Expanding the engagement of our senior leaders with our regulators
- Increasing the frequency and quality of our interactions with regulators across the enterprise

A regulatory mindset

Satisfying the letter and spirit of the law requires that we understand all legal and regulatory requirements and have a culture and infrastructure that emphasizes compliance and issue escalation and remediation. This underpins the efforts described throughout this report to take proactive steps to meet or exceed our regulators' expectations.

Our lines of business are the first line of defense. By making effective controls an integral part of our routine business practices and then also having effective checks and balances in place, we can address many issues before they become larger problems. We also can engage regulators in constructive dialogue as we design appropriate adjustments and remediation plans.

Our regulatory mindset includes the following guiding principles:

- Instilling across our company a culture of transparency with our regulators
- Investing in our risk and control agenda technology to enable us to have the proper data capabilities to proactively identify problems in the early stages

- Monitoring our culture, operations, infrastructure, processes, policies and procedures so that they result in businesses that fully comply with the spirit and letter of regulatory requirements, in line with our own and our regulators' expectations
- Escalating issues as they arise and working with our regulators in addressing these issues
- Automating manual processes and reducing complexity
- Delivering messages from the top of our company that compliance with our regulators' requests and requirements is our priority

The Operating Committee regularly reinforces our regulatory mindset to our employees. A recent memo to all employees, signed by every member of the Operating Committee, set forth the company's expectations around regulatory engagement, including the following:

- "If a regulator asks for information, it is incumbent upon each of us to respond in a timely fashion and to follow established protocols."
- "When providing information to our regulators, we must ensure the information we're providing is accurate. This means checking — and rechecking — reports before sending. [...] If we are unclear about a request, or feel there may be additional or alternative information which may be pertinent to what the regulator is asking for, we should engage our regulators in a discussion to address [the request] proactively."
- "Escalate problems early so we can bring more resources to bear on solving them, including engaging our regulators as appropriate."
- "Don't assume someone else is taking care of fixing a problem. [...] And if the problem might be an issue in another line of business, make sure the right people are informed."

Leadership engagement

Our senior leaders committed an even more significant amount of their time to meeting with our regulators in 2013 and 2014. Such frequent interaction helps us hear firsthand what regulators are focused on and gives us a forum for keeping them well-informed on what is happening in our businesses. We discuss key regulatory matters and business updates in a number of forums:

- **Board of Directors engagement.** Our primary U.S. regulators meet with various Board committees, regularly receive meeting materials and minutes, and meet with individual Board members to discuss regulators' expectations on effective Board oversight. During 2013-2014, our independent Board members met with our primary U.S. regulators, the Board of Governors of the Federal Reserve System (the Federal Reserve), the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC), as well as the U.S. Securities and Exchange Commission (SEC) and the Consumer Financial Protection Bureau (CFPB). Certain Board members also met with international regulators, including the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA) in the United Kingdom; the Federal Financial Supervisory Authority in Germany; the Hong Kong Monetary Authority (HKMA); the China Banking Regulatory Commission in Beijing; and the Monetary Authority of Singapore (MAS).

- **Chairman and CEO engagement.** Our Chairman and CEO holds a monthly meeting with senior examiners from the OCC, the Federal Reserve and the FDIC and also meets frequently with the CFPB, among others. In 2013-2014, our Chairman and CEO met with regulators from all regions in which the company operates, including Asia Pacific (APAC), Europe, Middle East and Africa (EMEA) and Latin America (LatAm). International regulatory meetings have occurred regularly since 2013, including meetings with representatives from the PRA and FCA, HKMA, European Commission, French Treasury, Japanese Ministry of Finance and Australian Treasury.

- **Senior management engagement.** From the beginning of 2013 through the third quarter of 2014, members of our Operating Committee and their direct reports have had more than 1,300 meetings with regulators. Our line of business CEOs, Chief Administrative Officer, Chief Financial Officer, Chief Risk Officer and General Counsel meet with domestic and international regulators, such as the OCC, Federal Reserve, FDIC, PRA, CFPB and SEC (among others), often in standing monthly, quarterly or semi-annual meetings. For example, our Chief Operating Officer meets with regulators from the OCC, Federal Reserve and FDIC monthly to ensure that they have access to the information they need. In addition, in 2013-2014, our Chief Operating Officer met with regulators from the APAC, EMEA and LatAm regions. International regulatory meetings occur regularly among senior management, including meetings with representatives from the Japanese Financial Services Agency, HKMA, MAS, PRA and U.K. Treasury.

Enhanced communications

Across the enterprise, our businesses and control functions engage with our regulators in multiple ways: through exams and continuous monitoring, regular meetings and ad hoc requests. We share regular reports with regulators, give them access to our systems and our people, and proactively seek feedback as to whether or not they are getting the right level and frequency of information.

To put the level of engagement with our regulators in context:

- We have more than 250 banking, securities and commodities regulators overseeing our business globally.
- We have approximately 150 permanent on-site individual examiners from our primary U.S. regulators.
- More than 380 regulatory exams were initiated globally in 2013.
- On an annual basis, more than 1,000 unique reports are regularly provided to one or more of our regulators around the globe.
- In an average month, more than 1,000 documents are delivered to the OCC and the Federal Reserve through a dedicated portal — including the key reports we use to manage our businesses.
- More than 800 employees regularly interact with our regulators around the globe.

As described above and in our regulatory filings, in recent years the company has entered into several regulatory orders with its banking regulators, a Deferred Prosecution Agreement with the U.S. Attorney's Office for the Southern District of New York and settlements of enforcement actions with various governmental agencies. In addition, ongoing regulatory examinations have resulted in regulatory direction to address issues. We are not only obligated to address such issues but are committed to doing so. The actions we have described in this report are steps in that process.

SHAREHOLDERS

Our shareholders are diverse in every respect — large and small; institutions and individuals; active traders and long-term holders; stock pickers and indexed investors; U.S. and international. Some of our shareholders invest with a focus on social responsibility, while others are concerned solely with investment returns. As a company, it is our responsibility to adhere to our core principles by treating all our shareholders equally and balancing their diverse interests and expectations.

Toward that end, over the past years, we have focused on improving our engagement with our shareholders on a number of fronts: enhanced communications, improved responsiveness to shareholder feedback, clearer disclosure documents and increased shareholder-director engagement.

Leadership engagement

In 2014, the Board endorsed the Shareholder-Director Exchange (SDX) Protocol as a guide for effective, mutually beneficial engagement between shareholders and directors. The SDX Protocol was created by a group of leading independent directors along with representatives from a number of institutional investors.

Central to the SDX Protocol is the belief that all parties must enter discussions willing to listen and to take action in response to valid concerns or explain why no action is being taken. The SDX Protocol focuses on long-term value creation and is intended to supplement existing Investor Relations efforts.

In addition, after each of our company's quarterly earnings calls, we provide investor feedback to the Board so it is aware of topics of particular interest to the company's shareholders, along with any shareholder recommendations or requests.

Enhanced communications

Engagement and transparency with our shareholders help the company gain useful feedback to better tailor the public information we provide to address the interests and inquiries of our shareholders.

We interact and communicate with shareholders through a number of forums, including our quarterly earnings presentations, SEC filings, Annual Report and proxy statement, annual meeting, investor conferences and web communications. In 2013, we launched an expanded shareholder outreach program, with the goal of covering a wider array of topics with a broader group of shareholders. We conduct a formal shareholder outreach program twice a year, with fall meetings focused on corporate governance and spring discussions focused on issues related to the proxy statement. After each of these outreach programs, we provide investor feedback to the Board. Our recent outreach efforts consisted of the following:

- We hosted approximately 90 shareholder outreach meetings and calls in 2014, an increase of more than 50% from 2012.
- We met with shareholders representing approximately 40% of our outstanding stock during the fall of 2014 alone compared with approximately 20% in the fall of 2012.
- Members of senior management presented at 14 investor conferences in 2014, doubling participation compared with 2012.
- We held six investor trips in 2014, including international investor trips to Asia, Europe and Latin America.

Responsiveness to shareholder feedback

Feedback is effective only if you consider it thoughtfully and seriously and are willing to act on it if appropriate. Many of the steps we have taken to improve our governance and controls that have been discussed earlier in this report are consistent with shareholder input. For example, in response to shareholder feedback, the Board:

- Added two directors with experience in risk management and the financial services industry
- Adopted changes to its Corporate Governance Principles to codify the independence of our Board's leadership

Shareholder feedback also has led us to create more opportunities for a broader shareholder base to interact with our senior management. At the company's 2014 investor conferences, in addition to hearing from the company's CEO, shareholders heard business updates from the CEOs of Consumer & Community Banking, the Corporate & Investment Bank, Commercial Banking and Asset Management, the Chief Financial Officer of Consumer & Community Banking and the company's Chief Information Officer. And, as noted in the introduction, this report is itself a response to feedback from one of our valued shareholder groups.

All these changes reflect our commitment to taking seriously the feedback we receive. The most recent feedback from our shareholders tells us that we are moving in the right direction. In a survey of Investor Day attendees, nearly 90% of participants reported that they found Investor Day either "valuable" or "extremely valuable." More than half of the survey participants indicated that the event changed their perception of the company's future prospects for the better.

Expanded accessibility of shareholder disclosures

One area in which we have worked hard to improve is making our public documents more user friendly, easier to understand and more accessible to the company's entire range of shareholders. We have found that seemingly minor changes, such as presenting information in a graphic rather than in a purely textual format, have a major impact on our shareholders' ability to effectively use the information we provide. For example, we modified the structure and content of our proxy statement in 2014 to simplify it and more clearly present the issues, actions being called for and available options. One such modification involved adding a Compensation Disclosure & Analysis Road Map to the compensation discussion to assist shareholders in understanding and assessing the alignment between our company's performance and our pay practices.

COMMUNITIES

We believe our company has a responsibility to be part of the solution to the most pressing economic, environmental and social challenges — not only because it is the right thing to do but because our own long-term success depends on the success of our communities and the people, companies and institutions we serve. We can help make a difference by leveraging the skills, technology, data and expertise we use to drive our own business to meet these global challenges. But we know we are only one part of the solution. The challenges are complex, and finding solutions requires tapping into the expertise of individuals and organizations with a range of different perspectives, skills and capabilities. Strong partnerships and robust engagement among the public, private and nonprofit sectors are essential.

Core to our approach is our work with civic and nonprofit leaders who have a deep history in and knowledge of their communities, as well as with groups that have substantive expertise on a range of economic, environmental and social issues. These partnerships strengthen our relationships with our communities and make our company stronger and better informed. They also help us develop products, services and policies that are responsive to the needs of our communities. We need to both understand our communities' perspectives and clearly communicate with them about our strategy, practices and performance.

Our company works to strengthen our communities through our core lending activities, as well as through unique initiatives that we have designed to meet the central economic challenges of our communities, from preparing a workforce to thrive in the global economy to expanding private capital investment in conservation.

Growing small businesses

When we help our clients succeed, they, in turn, generate the jobs, small business growth and other economic activity upon which our economy depends. While we are committed to serving all our business clients, one area of particular focus is the work we do to help small businesses acquire the capital, expertise and other resources needed in order to grow. Small businesses are the cornerstone of local communities, creating jobs and spurring innovation.

We also are working to help bolster the support systems that small businesses need in order to thrive. In 2014, we launched Small Business Forward, a $30 million, five-year grant program to connect small businesses and entrepreneurs with critical resources to help their companies grow, create jobs and strengthen communities. Through this initiative, our company is funding nonprofit organizations that work with small businesses concentrated in a single sector — such as health, clean technology, interactive media or advanced manufacturing — and help them access capital, management training, skilled workers, supply chains, facilities and new markets.

We provided $19 billion in new credit to U.S. small businesses during 2013 and have been the nation's #1 Small Business Administration lender to women- and minority-owned businesses three years in a row.

Financing governments and promoting global competitiveness

The world's governments, central banks, sovereign investors, multilateral institutions, public pension funds, national development banks and other public institutions place their confidence in us to manage their financial assets or liabilities, raise capital, hedge financial risks, or capture efficiencies in making payments or collecting revenue. We work with more than 550 public sector entities in 130 countries worldwide, helping them to fulfill vital public mandates every day through the effective management of their financial affairs. In the United States, state and local governments place their confidence in our expertise on issues ranging from planning and development to tax processing, utilities, finance, procurement, public safety and disaster relief. In 2013, we raised capital and provided credit totaling $79 billion for nonprofit and government entities, including states, municipalities, hospitals and universities. Through the third quarter of 2014, this number reached $59 billion of credit and capital.

We also work to equip metropolitan and city leaders with the practical knowledge, policy ideas and networks that can be used to make their regions more competitive in the global marketplace. The Global Cities Initiative, a joint project of JPMorgan Chase and the Brookings Institution, aims to help metropolitan areas use global trade and engagement to grow their economies and create jobs.

In 2013, in an effort to transform knowledge about global trade and investment into local action, the Global Cities Initiative launched the Global Cities Exchange. The exchange is guiding a network of economic development practitioners in cities around the world to develop and implement actionable strategies to enhance global trade and forge partnerships among global metropolitan areas.

Strengthening workforce readiness and closing the skills gap

While unemployment rates remain high in communities around the world, many employers are having trouble finding workers who are trained for the jobs that are available. This shortage of workers with the skills that employers are demanding is due, in part, to a lack of alignment between workforce training programs and the needs of local employers.

New Skills at Work is a $250 million, five-year program to inform and accelerate efforts to train people for the skilled jobs of the 21st century. Through New Skills at Work, we are conducting research aimed at identifying the skills gaps that exist in markets across the United States and in select countries in Europe. We also are funding best-in-class nonprofit programs with demonstrated success in training workers for high-demand jobs. And we are convening leaders from across sectors to discuss ways to strengthen workforce readiness systems, based on the best evidence and learnings.

Investing in Detroit

The city of Detroit faces serious challenges, but the seeds of a remarkable turnaround are underway. Our company has been doing business in Detroit for more than 80 years, and we are committed to the city's economic recovery. In 2014, we made a $100 million, five-year commitment to accelerate the city's efforts to regain its economic strength with a comprehensive strategy focused on revitalizing Detroit's neighborhoods, investing in the infrastructure that supports economic growth, reducing blight, strengthening the city's workforce, and growing small businesses.

This effort was developed based on extensive consultations with Detroit's government and community leaders and provides not only long-term financial support but also the expertise of our employees in supporting the organizations that are working to address the city's most pressing challenges.

Promoting financial capability

Across the United States and around the world, many people lack the tools and resources to manage their daily financial lives, whether for unexpected emergencies or to plan for the future. The Financial Solutions Lab (the Lab), which we helped create with a $30 million grant to the Center for Financial Services Innovation, is designed to uncover and share research-driven insights to identify the most pressing financial challenges faced by low- and moderate-income consumers. In 2015, the Lab will launch a competition for social entrepreneurs to identify technology-enabled innovations that help people increase savings, improve credit and build assets. The Lab also will provide seed funding for potential breakthrough tools and services to help families better manage household finances.

Advancing investment in conservation

There is a growing need to maximize the pace, scale and effectiveness of efforts to protect natural ecosystems — along with the cities and communities that rely on them. JPMorgan Chase and The Nature Conservancy designed NatureVest to create new opportunities for private sector investment of capital in conservation projects. NatureVest will foster ways to advance investment in conservation by convening investors; developing and executing innovative financial transactions; and building an investment pipeline across multiple sectors, including agriculture, fisheries and environmental markets.

Engaging employees to strengthen communities

We have a tremendous opportunity to harness our employees' passion for giving back to the communities where they live and work. Each year, we strive to provide our employees with meaningful and needed volunteer opportunities that help the nonprofits whose vitality strengthens our communities. In 2013, more than 47,000 employee volunteers provided over 540,000 hours of volunteer service and organized close to 2,200 volunteer events globally.

We also know that the expertise of our employees around the world is our most valuable resource. To help build the capacity of our nonprofit partners and provide our employees with a broader menu of service opportunities that develop leadership skills, we are expanding our skills-based volunteer programs, where we match the skills of our people with the specific needs of local nonprofits. In November 2014, we deployed a dozen of our employees to work in Detroit full time for several weeks on specific projects identified as priorities by four of our nonprofit partners.

Organizational improvements

In 2013, to improve the efficiency and impact of our work, we conducted an extensive evaluation of our approach to working with nonprofits at the local, regional and national levels. As a result of our findings, we established a new Office of Nonprofit Engagement (ONE) to coordinate partnerships across all our lines of business, strengthen our relationships with current nonprofit partners, identify new partnership opportunities and serve as a single point of contact for community development nonprofits seeking to engage the company.

Through ONE, we increased the number of regional community relations managers, based throughout the United States. Their role is to work closely with nonprofits and think creatively about the value we can build through new and expanded partnerships. We also are expanding our work with national nonprofit organizations focused on low- and moderate-income community development.

Our deep and sustained engagement with those we serve allows us to develop the strategies, programs and policies that help us toward making a difference every single day. Over the past years, we have greatly enhanced that engagement, which has yielded significant improvements in how we serve and support our clients, customers and the communities in which we operate. Going forward, we intend to build on that foundation, recognizing that there always is more we can do to deliver a positive impact.

VI. A CONTINUING EFFORT

A CONTINUING EFFORT

The actions described in this report reflect a company that is committed to improving. These efforts have been as much about looking to the future as they have been about reflecting on the past. As such, our examination has given us insights that will both help us do business the right way today and prepare for challenges that may lie ahead.

The lessons we have learned over the past several years reinforce the importance of having outstanding people and a strong culture. Our senior management team, with support and engagement from the Board of Directors, has focused on setting the right tone from the top by clearly communicating our corporate standards to our employees. Through our Business Principles, that tone echoes through everything we do and is delivered to our people at each stage of the employee life cycle — from new hire training to how we reward employees for doing the right thing. This helps our people internalize the company's values, show up at work each day committed to living our mission and adhering to our Business Principles.

Our employees are our front line in serving our customers, and they also are our front line in protecting the company. We recognize that they must be supported by a well-functioning control environment. The enhancements we have made around governance and policies and our investments in people and technology have been unprecedented in our company's history. While these efforts are ongoing, we believe their scale and breadth demonstrate our commitment to getting it right.

With outstanding people and well-functioning controls, our businesses can focus on what they do best: serving customers. Each of our businesses continues to enhance its customer experience by offering new products and solutions, expanding into new geographies, and improving existing capabilities and processes.

We hope that, through the open information sharing embodied throughout this report, our shareholders and others will see what our people see each day: Our company is working hard to meet the needs of our customers; live up to the expectations of our regulators, shareholders and the communities we serve; and continue the steps that will enable the company to stand the test of time.

We have changed a lot and learned even more as a result of the efforts described in this report. We are dedicated to making this process of self-examination and improvement a part of our business-as-usual operations to support our goal to live up to our guiding principle — to do "only first-class business and that in a first-class way."

VII. APPENDIX

OUR BUSINESS PRINCIPLES:

EXCEPTIONAL CLIENT SERVICE

1. We focus on the customer

We must remember that we are in business for one reason: to serve our clients. Our job is to always do right by them and consistently strive not only to meet their needs but also to exceed their expectations and continually make it easy for clients to do business with us. JPMorgan Chase builds for the long term, and we are not a fair weather friend. Clients, communities and countries want to know we are going to be there for them in good times and, more important, when times are tough. Europe is an example of where we have applied this philosophy. When Greece, Ireland, Italy, Portugal and Spain got into trouble over the past few years, we made the decision to stay the course (even though under terrible scenarios, we could have lost $5 billion or more). But we have been doing business with clients in those countries, in some cases, for more than a hundred years. We needed to help them in their time of trouble — and we did — and we'll do so again in the future if the need arises. We hope to be doing business in that part of the world for decades to come.

2. We are field and client driven; we operate at the local level

True customer orientation means acting in the customer's best interest — not once in a while but all the time. This means offering outstanding products and services and being helpful, courteous and quick to follow up. It also requires adopting an outward — not an inward — focus and responding to the competition. We need to be keenly aware of the competitive landscape and be swift to act. The field — where our employees are closest to the customer — should drive this process with the ample resources and authority to be the best at serving customers. Our strength resides in the field.

3. We build world-class franchises, investing for the long term, to serve our clients

A mark of an exceptional company is its ability to serve its clients and outperform its competitors over a sustained period of time, regardless of economic conditions. Any company can improve earnings in the short run by taking on additional risk or cutting back on investments. But it may be the kind of growth one comes to regret. At JPMorgan Chase, our obligation is to build a company that can thrive in any environment. To achieve these results, we must provide our customers with a broad, complete and high-quality set of products and services while leveraging the benefits and efficiency that come with scale. In addition, we must demonstrate our ability to grow both from within (e.g., new products, market share gains) and by acquisition. Finally, we must demonstrate that the whole is greater than the sum of the parts. Each business fuels and complements the others, providing substantial competitive advantages and great global brands.

OPERATIONAL EXCELLENCE

4. We set the highest standards of performance

It is up to each company, each leadership team and each individual to set their own standards of performance. Ours will be the highest. We will never shy away from comparing ourselves with the best companies, knowing that we may come up short. Striving to be the best is what motivates us to seek continual improvement. In addition, we will remember that individual performance isn't always easy to judge. Managers responsible for a business must evaluate individuals along a spectrum of factors. Did these leaders act with integrity? Did these managers hire and train good people? Did these managers build the systems and products that will strengthen the company, not just during the current year but for future years? Did these managers develop real management teams? In essence, are managers building something with sustainable, long-term value? Making these determinations requires courage and judgment.

5. We demand financial rigor and risk discipline; we will always maintain a fortress balance sheet

Financial discipline is the bedrock of a healthy and growing company, particularly a financial institution. Sound accounting standards, transparent public reporting and excellent management information systems all lead to high-quality earnings that are recurring and predictable in nature, yield high returns on capital, produce good margins and provide reasonable risk relative to the capital deployed. Financial discipline must be matched with superior — not just average — risk management. If we properly manage risk, we should get a good return through the cycle, not just during the good times. We must consider walking away from business where we cannot see a fair return over the cycle. This may slow short-term growth, but it underscores our commitment to grow in a sustainable way. It is a tradeoff we always will be prepared to make. An unquestionably strong — or fortress — balance sheet is critical to managing our businesses. Having appropriate reserves, strong capital ratios and high credit ratings allows us to withstand difficult events. It gives us the flexibility to deploy our capital as we see fit — such as increasing our dividends, buying back stock, investing in our businesses, making acquisitions or simply conserving our capital. We will deploy our capital wisely and will keep in mind our shareholders' best interests. This is one of our most important goals. And to maintain our fortress balance sheet, we must thoroughly understand all our assets and liabilities; make sure that someone is accountable for them; use sound, economically appropriate accounting; and have strong controls.

6. We strive for the best internal governance and controls

Good internal governance is essential to effective management. It ties together all our businesses worldwide with a common set of rules, expectations and oversight activities. These help safeguard our reputation, which we believe is one of our most important assets, and align the company's performance with the best interests of our shareholders. We are committed to having controls that are second to none. We continually work to build a culture that encourages and rewards sound risk management, with a transparent framework that penetrates every aspect of our business at every level. We want the public, the regulators and our shareholders to have confidence that we are the safest and soundest bank on the planet.

7. We act and think like owners and partners

We want our employees to think and act like owners by having a stake in our financial performance and by participating in a compensation structure that is fair and performance based. Big companies need entrepreneurs and innovators — and people need to know that it is acceptable to try even if they don't succeed. Bureaucracy, silos and politics are the bane of large corporations and must be combated vigorously and continually. While appropriate rules and procedures are critically important to the control and discipline of an organization, unnecessary rules create bureaucracy. By destroying initiative, stifling creativity and undermining accountability, bureaucracy makes it hard for people to do a good job and for managers to manage well.

8. We strive to build and maintain the best, most efficient systems and operations

Profitable companies consistently build the best infrastructure. They strive to create the best systems and operations so they can meet their customers' needs and exceed service expectations. To that end, we must be a lean and efficient producer. It is not just about cutting costs. Great performance requires spending more and getting more from every dollar we allocate. It is irresponsible to waste our valuable resources on expenditures that have nothing to do with better serving our clients. We believe technology and efficient operations are critical in the financial services business. We must relentlessly focus on integrating and upgrading technology and on aggressively consolidating, streamlining and standardizing our operations, all of which help to push decision making and authority to the field. We need to continually strive to give our customers more — better, faster and cheaper.

9. We are disciplined in everything we do

Without discipline, mediocrity rules. Exhibiting discipline includes meeting all our commitments. This means holding regular business reviews, talent evaluations and team meetings and constantly striving for improvement — from having a strong work ethic to making lists and doing real, detailed follow-up. Disciplined leadership is like exercise; the regimen has to be sustained for it to do any good.

10. We execute with both skill and urgency

Throughout the company, we must set high standards of performance all the time, at a detailed level and with a real sense of urgency. Large institutions have a tendency toward slowing things down, which demands that leaders push forward continuously. As important as strategy is, strong execution is key in every single contact we have with each of our clients and customers. To execute superbly, we must act in a disciplined way with great speed. Bureaucracy can slow us down so it must be continually identified and eradicated. Fast and lean are the antidotes to creeping bureaucracy.

A COMMITMENT TO INTEGRITY, FAIRNESS AND RESPONSIBILITY

11. We will not compromise our integrity

There is no piece of business, no deal, no revenue stream that is more important than our obligation to act with responsibility, with ethics and within the law. We follow not only the letter but also the spirit of the rules and regulations that govern our industry. There is no room for compromise. In business, as in every other arena, ethical behavior does not just happen. It has to be cultivated and repeatedly affirmed throughout the organization. Maintaining the highest standards of integrity involves being honest and doing the right thing for our customers, our fellow employees, our shareholders and all our partners. To paraphrase J.P. Morgan, Jr., we will conduct first-class business in a first-class way.

12. We face facts

We must build a culture based on truth, knowledge, constructive debate, a passion to succeed, and the courage to face and fix mistakes. We must be brutally honest with ourselves. From experience, we know people will tell you the truth about what needs to be done — if you ask them. We want to be a company that promotes this kind of constructive exchange. Then — and we believe this is the hardest part of leadership — we must have the fortitude and courage to take action and do the right thing, however difficult. Leadership is an honor and a privilege and comes with a responsibility to set the right example. All our people must be engaged in challenging the system and solving problems. The keys are never to stop learning, to share ideas, and to always acknowledge and learn from mistakes. Our commitment is to create a self-sustaining culture that strives for continual improvement, which will ensure the health of this company for decades to come. In a cold-blooded, honest way, leaders emphasize the negatives at management meetings and focus on what can be improved (of course, it's okay to celebrate the successes, too). All reporting must be accurate, and all relevant facts must be reported and fully disclosed using one set of books.

13. We have fortitude

Fortitude often is missing in leaders: They need to have a fierce resolve to act. It means driving change, fighting bureaucracy and politics, and taking ownership and responsibility.

14. We foster an environment of respect, inclusiveness, humanity and humility

The best leaders treat all people properly and respectfully, from clerks to CEOs. We need to help each other because our collective purpose is to serve clients. When strong leaders consider promotions, they pick people who are respected. And leaders also should ask themselves: Would I want to work for him? Would I want my son or daughter to report to her? Leaders need to acknowledge those who served before them and helped shape the enterprise — it's not one leader's own doing. There's a lot of luck involved in anyone's success, and humility and gratitude are important.

15. We help strengthen the communities in which we live and work

We believe that building a strong, vibrant company — one that stands the test of time — eventually will benefit not only our shareholders but also everyone we touch. It is what enables us to give back to our communities. In one sense, we view ourselves as a small business. If we were the neighborhood store, we would create summer jobs, sponsor local sports teams and support nearby organizations. We operate this way in many of our communities around the world, committed to adding value by focusing on issues that are universally important, including education and community development. Our greatest source of pride, however, is our employees who contribute tremendous amounts of time and talent to worthwhile causes around the globe. Our long tradition of volunteerism continues with thousands of employees participating in hundreds of volunteer efforts.

A GREAT TEAM AND WINNING CULTURE

16. We hire, train and retain great, diverse employees

We need to remind ourselves that the most important thing we can do for employees is to build a healthy, vibrant company that treats people with respect and creates opportunities. Every person counts, and we all support one another. We must do what is right for the company and for the customer even if we have to make unpopular decisions or forgo near-term rewards. We strive to build an inclusive work environment that draws on and develops the best talent. We want individuals of any race, faith, nationality, gender, sexual orientation or physical ability to have the opportunity to excel based on their performance and contribution to the company. Building a diverse and inclusive work environment requires effort and perseverance, which is why we will make inclusiveness and diversity an integral part of how we manage the company.

17. We build teamwork, loyalty and morale

We need to continually hire and train a pool of diverse managers and strong leaders. Great managers drive for superior performance, building teamwork within and across business lines. Successful leaders demonstrate a passion to win by acting quickly on tough issues, relentlessly striving to improve performance and developing people.

We know that loyalty and mutual respect are a two-way street. Loyalty should be to the principles for which someone stands and to the institution. When misused, loyalty to an individual is another form of cronyism. Similarly, loyalty to employees does not mean that managers owe any person a particular job. It means building a healthy, vibrant company by telling employees the truth and giving them meaningful work, training and opportunities. If employees fall down, then we should get them the help they need. Meritocracy and teamwork are critical, but they also frequently are misunderstood. Meritocracy means putting the best person in the job, which promotes a sense of justice in the organization rather than the appearance of cynicism: “Here they go again, taking care of their friends.”

High morale is developed through fixing problems, dealing directly and honestly with issues, earning respect and winning. It does not come from overpaying people or delivering sweet talk, which avoids hard decision making and fosters passive-aggressive behavior. Finally, while teamwork is important and often code for “getting along,” equally important is an individual’s ability to have the courage to stand alone and do the right thing when needed.

18. We maintain an open, entrepreneurial meritocracy for all

We need to make innovation part of our DNA. This does not mean spending hundreds of millions of dollars on failed ideas. It does mean, however, that we will take calculated risks, knowing that some will fail. It requires that we build forward-looking ideas into every conversation, every analysis and every new strategy we consider.

19. We communicate honestly, clearly and consistently

Sharing information all the time is vital — we should debate the issues and alternative approaches, not the facts. The best leaders kill bureaucracy and watch for telltale signs of politics, such as sidebar meetings after the other meetings because people didn't speak their mind at the right time. It's equally important for leaders to get out of the office regularly to stay focused on what's happening in the field. Anyone in a meeting should feel free to speak his or her mind without fear of offending anyone else. Someone once described the importance of having "at least one truth-teller at the table." Well, if there is just one truth-teller at the table, a business is in trouble — everyone should be a truth-teller.

20. We strive to be good leaders

True leaders must set the highest standards of integrity. Such standards demand that we treat customers and employees the way we would want to be treated ourselves or the way we would want our own mother to be treated. Without the capacity to innovate, respond to new and rapidly changing markets, and anticipate enormous challenges, large companies like ours would cease to exist. The people who help us achieve these objectives are as critical to the ongoing growth of our organization as they would be to the launch of a successful startup company. Good people want to work for good leaders. But bad leaders are corrosive to an organization and can drive out almost anyone who's good. It often is a challenge to find the bad leaders and root them out since many are manipulative and deceptive. Most leaders I know are working to build something of which they can be proud. They usually work hard — not because they must but because they want to do so. They set high standards because if they are going to do something, they want to do it to the best of their ability. They believe in things larger than themselves, and the highest obligation is to the team or the organization. Leaders demand loyalty, not to themselves but to the cause for which they stand. At our company and at many of the best companies throughout history, the continual creation of good leaders is what has enabled the organization to stand the true test of greatness — the test of time.

LINKS TO JPMORGAN CHASE INFORMATION

BUSINESS PRACTICES

- Business Principles (http://www.jpmorganchase.com/corporate/About-JPMC/document/20140711_Website_PDF_FINAL.pdf)
- Code of Conduct (http://www.jpmorganchase.com/corporate/About-JPMC/document/FINAL-2014CodeofConduct.pdf)
- Code of Ethics (http://www.jpmorganchase.com/corporate/About-JPMC/code-of-ethics.htm)
- Supplier Policies (http://www.jpmorganchase.com/corporate/About-JPMC/supplier-relations.htm)
- Supplier Code of Conduct (http://www.jpmorganchase.com/corporate/About-JPMC/document/Supplier-Code-of-Conduct.pdf)
- Political Activity Statement (http://www.jpmorganchase.com/corporate/About-JPMC/political-activities.htm)
- JPMorgan Chase Human Rights Statement (http://www.jpmorganchase.com/corporate/About-JPMC/human-rights.htm)
- Diversity and Inclusion Initiatives (http://www.jpmorganchase.com/corporate/About-JPMC/diversity.htm)
- Global Resiliency and Crisis Management (http://www.jpmorganchase.com/corporate/About-JPMC/global_business_resiliency.htm)
- Community Development Banking (https://www.chase.com/commercial-bank/finance/community-development)

CORPORATE RESPONSIBILITY

- Corporate Responsibility Site (http://www.jpmorganchase.com/corporate/Corporate-Responsibility/corporate-responsibility.htm)
- Corporate Responsibility Report (http://www.jpmorganchase.com/corporate/Corporate-Responsibility/document/JPMC_2013_CR_Report.pdf)
- GRI Index (http://www.jpmorganchase.com/corporate/Corporate-Responsibility/document/JPMC_2013_GRI_Index.pdf)
- Environmental Sustainability (http://www.jpmorganchase.com/corporate/Corporate-Responsibility/environment.htm)
- Environmental and Social Policy Framework (http://www.jpmorganchase.com/corporate/Corporate-Responsibility/document/JPMC_Environmental_and_Social_Policy_Framework_MAY_FINAL_ada.pdf)
- Social Finance (http://www.jpmorganchase.com/corporate/Corporate-Responsibility/social-finance)
- Global Philanthropy (http://www.jpmorganchase.com/corporate/Corporate-Responsibility/global-philanthropy.htm)
- JPMorgan Chase Foundation's reported charitable donations Form 990-PF
- Equator Principles Report (http://www.jpmorganchase.com/corporate/Corporate-Responsibility/equator-principles-report.htm)

CIO TASK FORCE DOCUMENTS

- CIO Reports (http://investor.shareholder.com/jpmorganchase/events-files.cfm)

CORPORATE GOVERNANCE AND SHAREHOLDER-RELATED ITEMS

- Annual Report (http://investor.shareholder.com/jpmorganchase/annual.cfm)
- Chairman & CEO Letter to Shareholders (http://investor.shareholder.com/jpmorganchase/annual.cfm)
- Proxy Statement (http://investor.shareholder.com/jpmorganchase/annual.cfm)
- Corporate Governance Principles of the Board (http://www.jpmorganchase.com/corporate/About-JPMC/corporate-governance-principles.htm)
- Board of Directors (http://www.jpmorganchase.com/corporate/About-JPMC/board-of-directors.htm)
- By-laws (http://www.jpmorganchase.com/corporate/About-JPMC/document/235721_2013-09-17_By-Laws_ada.pdf)
- Operating Committee and Corporate Officers (http://www.jpmorganchase.com/corporate/About-JPMC/operating-committee.htm)

REPORT GOVERNANCE AND PROJECT TEAM

CORPORATE GOVERNANCE & NOMINATING COMMITTEE

- Stephen Burke — Director
- Lee Raymond — Lead Independent Director
- William Weldon — Director (Committee Chairman)

OPERATING COMMITTEE

- Jamie Dimon — Chairman and Chief Executive Officer
- Ashley Bacon — Chief Risk Officer
- Steve Cutler — General Counsel (Project Sponsor)
- John Donnelly — Head of Human Resources
- Mary Erdoes — CEO of Asset Management
- Marianne Lake — Chief Financial Officer
- Doug Petno — CEO of Commercial Banking
- Daniel Pinto — CEO of Corporate & Investment Bank
- Gordon Smith — CEO of Consumer & Community Banking
- Matt Zames — Chief Operating Officer

EXECUTIVE REVIEWERS

- Sally Dewar — EMEA Head of Regulatory Affairs
- Joe Evangelisti — Head of Corporate Communications
- Carlos Hernandez — Co-head of Global Banking
- Rob Holmes — Head of Corporate Client Banking
- Anthony Horan — Corporate Secretary
- Michael Kushner — Chief Financial Officer for Risk and Finance
- Kristin Lemkau — Chief Marketing Officer
- Stephanie Mudick — Head of Supervisory Regulatory Strategy
- Max Neukirchen — Head of Corporate Strategy
- Lou Rauchenberger — Head of Compliance
- Peter Scher — Head of Corporate Responsibility
- Lauren Tyler — General Auditor
- Shannon Warren — Chief Control Officer
- Sarah Youngwood — Head of Investor Relations

PROJECT TEAM

- Greg Baer — Office of Regulatory Affairs
- Jeremy Bell — Compliance
- Jill Blickstein — Corporate Responsibility
- Rob Carosella — Asset Management Communications
- Jon Edwards — Corporate Strategy
- Gerben Hooykaas — Corporate Communications
- Chris Hurlebaus — Treating Customers Fairly
- Kamy Kasap — Legal
- Jaya Kothari — Risk Management
- Bei Ling — Compensation & Benefits
- Mary McCullough — Legal
- Gina Palmisano — Compensation & Benefits
- Linda Scott — Office of the Secretary
- Jean-Philippe Syed — Corporate Strategy
- Robert Vincent — Office of the Secretary
- Tekla White — Supervisory Regulatory Strategy

This report was issued on December 19, 2014. All information is correct at time of printing but is subject to change. JPMorgan Chase & Co. does not undertake to update any forward-looking statements contained in this report to reflect the impact of circumstances or events that may arise after the date of the forward-looking statements.

EXHIBIT D

(see attached)

OUR BUSINESS PRINCIPLES

EXCEPTIONAL CLIENT SERVICE

1. We focus on the customer
2. We are field and client driven; we operate at the local level
3. We build world-class franchises, investing for the long term, to serve our clients

OPERATIONAL EXCELLENCE

4. We set the highest standards of performance
5. We demand financial rigor and risk discipline; we will always maintain a fortress balance sheet
6. We strive for the best internal governance and controls
7. We act and think like owners and partners
8. We strive to build and maintain the best, most efficient systems and operations
9. We are disciplined in everything we do
10. We execute with both skill and urgency

A COMMITMENT TO INTEGRITY, FAIRNESS AND RESPONSIBILITY

11. We will not compromise our integrity
12. We face facts
13. We have fortitude
14. We foster an environment of respect, inclusiveness, humanity and humility
15. We help strengthen the communities in which we live and work

A GREAT TEAM AND WINNING CULTURE

16. We hire, train and retain great, diverse employees
17. We build teamwork, loyalty and morale
18. We maintain an open, entrepreneurial meritocracy for all
19. We communicate honestly, clearly and consistently
20. We strive to be good leaders

<u>EXHIBIT E</u>

(see attached)

JPMorgan Chase & Co. Supplier Code of Conduct

1. Summary

JPMorgan Chase & Co. and its subsidiaries (collectively referred to as JPMorgan Chase or the firm) are committed to building and maintaining the best and most respected financial services company in the world. As our business partners, Suppliers likewise have a duty to demonstrate the highest standards of business conduct, integrity and adherence to the law.

The Supplier Code of Conduct (Supplier Code) sets out the basic firm principles and expectations for Suppliers. It is the responsibility of Suppliers to know the requirements of the Supplier Code and operate in accordance with its principles. Suppliers must be aware of the Supplier Code's provisions and stay informed of any changes. The most current version is available online and effective when posted.

The Supplier Code does not constitute an employment contract and nothing contained herein is intended to convey any rights, actions, or remedies to Suppliers, or to create an employment relationship between Supplier or Supplier's employees and the firm.

2. Scope

A ***Supplier*** is any third party, firm or individual that provides a product or service to JPMorgan Chase. The following persons, entities and organizations (collectively referred to as Suppliers) are covered by the Supplier Code and thereby subject to its provisions:

- Suppliers, vendors, consultants, agents, contractors, temporary workers, and third parties working on behalf of the firm; and
- The owners, officers, directors, employees, consultants, affiliates, contractors and subcontractors of these organizations and entities.

3. JPMorgan Chase Business Principles

The firm believes certain Business Principles are fundamental to success. These principles include a commitment to exceptional client service, operational excellence, integrity, fairness, responsibility, and a winning culture. They describe how the firm conducts business and the type of culture we expect our Suppliers to foster.

4. Complying with the Law and Raising Concerns

The Supplier Code must be read in conjunction with applicable local law and the contractual arrangements with Suppliers. Suppliers must comply with applicable international and local legal and regulatory requirements in the countries where the Supplier operates. If compliance with any provision of the Supplier Code would result in a legal or regulatory violation, Suppliers must follow the law or rule. Where the Supplier Code and a Supplier agreement conflict, the Supplier agreement prevails.

For more information on the applicable firm policies and procedures referenced herein, Suppliers should contact their JPMorgan Chase ***Relationship Manager***.

4.1. Maintaining Policies to Ensure Compliance

Suppliers must conduct their operations in accordance with the Supplier Code. Suppliers must have policies and procedures designed to ensure compliance with all of the Supplier Code obligations identified hereunder, including but not limited to appropriate non-discrimination and non-retaliation policies. Suppliers must also make reasonable efforts to monitor and ensure their supply chain is compliant with the Supplier Code.

4.2. Reporting Requirements, Escalating Concerns, and Non-Retaliation

Suppliers must promptly notify the firm, if permitted by law, regarding the receipt of any subpoenas, regulatory requests, media inquiries, or other third party requests concerning JPMorgan Chase.

Suppliers must also promptly report any concerns or suspected violations of any law or regulation related to firm business or a violation of the Supplier Code or any other firm policy, including fraud, dishonesty, unfair or unethical conduct related to financial services, whether it is by Supplier's team, a firm employee, or another third party supplier by contacting their Relationship Manager or using the Code Reporting Hotline (1-855-JPMCODE (1-855-576-2633)). Suppliers can also file a report online at www.tnwgrc.com/jpmc. Where permitted by law, Suppliers may report anonymously. Nothing in this Section or the Supplier Code is intended to require reporting in violation of applicable local law or regulation.

The firm strictly prohibits intimidation or retaliation against anyone who makes a good faith report about a known or suspected violation of the Supplier Code, supporting policies, any law or regulation.

5. Regulatory and Legal Requirements

5.1. Handling Information Properly

JPMorgan Chase is part of a highly regulated industry and our customers and employees rely upon us to safeguard their information. Suppliers must understand and comply with the requirements and restrictions related to non-public information. The following provisions regarding the use, access to and processing of information survive the termination of Supplier's provision of services to the firm and Supplier remains liable for any unauthorized use, access, or disclosure of information belonging to the firm.

5.1.1. Confidentiality

Suppliers have a duty to protect ***confidential information*** and to take precautions before sharing with anyone. Suppliers are expected to comply with all applicable laws and regulations governing the protection, use, and disclosure of firm proprietary, confidential and ***personal information***. Suppliers may only use confidential firm information to perform work on behalf of JPMorgan Chase and may not disclose such information unless such disclosure is required by law. Suppliers must safeguard the confidential information of third parties, including anything that Suppliers learn or create while providing services to the firm and its customers and employees.

5.1.2. Privacy

Suppliers must be aware of and follow the applicable local laws and regulations regarding the protection of an individual's personal information, including the firm's customers and employees. Personal information should never be used in a manner inconsistent with the terms of Supplier's agreement with the firm, accessed by Supplier or its employees without appropriate authorization, or disclosed to anyone outside of the firm except as required by a legal or regulatory process and as permitted by Supplier's agreement.

Where a privacy incident occurs or is suspected (i.e. the unauthorized access to or misuse of any personal information of a firm customer or employee, including unauthorized or suspicious intrusion into systems storing such personal information), Suppliers must immediately report such incident to their Relationship Manager.

5.1.3. Material Non-Public Information

Material Non-Public Information (MNPI), also known as inside information, is information not known by the public but if it were, would likely affect the market price of the securities issued by a company (ours or any other) or be considered important to a reasonable investor in deciding to buy or sell those securities.

Buying or selling securities while in possession of MNPI that is acquired by virtue of Supplier's relationship with the firm is strictly prohibited, as is the communication of that information to others, whether expressly or by making a recommendation for the purchase or sale of securities based upon that information.

MNPI must be safeguarded and should only be shared with those who have a business need for knowing the information. Need-to-know is where such information is necessary to carry out one's job responsibilities and the sharing is in connection with fulfilling those responsibilities to the firm.

5.2. Doing Business Properly

JPMorgan Chase works to achieve a competitive advantage through the products and services we offer, not through unethical or illegal business practices or the appearance of such activities.

5.2.1. Bribery and Anti-Corruption

The firm does not tolerate bribery or corruption in any form. Suppliers and those acting on their behalf may not directly or indirectly offer, promise, authorize/recommend, give or receive anything of value, if it is intended, or could reasonably appear as intended to influence improper action or to obtain or retain an improper advantage for the firm, the Supplier, or a third party.

- Anything of value may include ***gifts*** (including cash and cash equivalents), business hospitality (including travel and related expenses, meals, entertainment), training and conferences, contributions to a charitable or political organization on behalf of another, honoraria and speaker fees, visa letters, offers of employment or other work experience whether paid or unpaid, sponsorships, perks, or discounts.

Suppliers and those acting on behalf of Suppliers are prohibited from providing a facilitating or expediting payment, usually a small amount of currency or other item or instrument of value, to any government official for his or her personal benefit to cause the official to perform, or to expedite performance of a routine duty or function that the official is required to perform (e.g., a payment to get through customs quickly).

Suppliers are also responsible for knowing and complying with the anti-corruption and bribery laws in the jurisdictions where the Supplier operates. Suppliers must promptly report any violations or suspected violations that relate to the firm through either the Code Reporting Hotline or to their Relationship Manager.

5.2.2. Gifts

The provision of ***gifts*** can be misinterpreted or suggest the appearance of an improper exchange. Gifts given for the benefit of employees, family members, close associates, and business partners are therefore discouraged and only permissible under the following circumstances:

- Meals, refreshments, and entertainment offered during the course of a meeting as long as the purpose is business-related, attendance relates to the employee's work, Supplier is in attendance, the cost is reasonable and customary, and it is an infrequent occasion.
- Advertising and promotional materials of de minimis value.
- Discounts and rebates offered to the general public or negotiated with the firm.

Tickets provided for personal use are strictly prohibited, even where payment is offered. Certain gifts are never permissible including cash, gift cards, lines of credit, instruments of ownership, or anything redeemable for cash.

5.2.3. Conflicts of Interest

Conflicts of interest affect objectivity and impair proper decision-making. The existence of potential and actual conflicts may also undermine credibility and good judgment.

A conflict of interest may exist when a Supplier is involved in an activity that affects – or could appear to affect – objectivity. Personal or business relationships, outside business activities and personal investments can all pose potential conflicts. In order to identify and manage such conflicts, Suppliers must disclose all actual or potential conflicts of interest with JPMorgan Chase due to either

- Personal or business relationships with firm customers, suppliers, business associates, and employees with whom they work and/or support
- Outside activities related to Supplier's role and responsibilities at JPMorgan Chase

All potential conflicts of interest must be reported to Supplier's Relationship Manager at the firm or escalated to the Supplier manager responsible for reporting to the firm.

5.2.4. Political Activities and Lobbying

Suppliers must not make ***political contributions*** or provide ***gifts*** to any candidate for public office, elected officials, political parties or committees on behalf of or as a representative of the firm. Suppliers must not represent their political views as those of the firm. Suppliers must not ***lobby*** on behalf of the firm or use firm resources for political activity without prior written approval.

5.2.5. Antitrust and Competition Laws

Antitrust and competition regulations prohibit anticompetitive or collusive agreements among competitors including price-fixing, bid rigging, allocation agreements, and group boycotts. These regulations also prohibit predatory and exclusionary conduct by firms that have market power or a dominant position that is intended to lessen competition.

Suppliers are required to be aware of and comply with these antitrust and competition regulations when conducting business with or on behalf of the firm. Suppliers must also refuse to participate in any potentially anticompetitive behavior or inappropriate discussions with competitors such as those relating to pricing, bids, or bidding strategies and report any such activity related to the firm to their Relationship Manager or through the Code Reporting Hotline.

5.2.6. Taxes

JPMorgan Chase is committed to complying with both the letter and the spirit of applicable tax laws wherever we operate and ensuring accuracy in the tax-related records we produce and the tax information we are required to report. Suppliers must not facilitate any activities by clients or other parties associated with the firm that are intended to breach applicable tax laws, which may include engaging in activities that would assist in evading the payment of taxes that are due and payable or concealing information from tax authorities.

Suppliers should adopt reasonable prevention procedures and be alert to all unusual or suspicious activities that may have as their purpose or apparent purpose hiding income or assets from tax authorities or evading the application of tax reporting requirements. Suppliers must promptly report any violations or suspected violations that relate to the firm through either the Code Reporting Hotline or to their Relationship Manager.

5.3. Workplace Environment

JPMorgan Chase believes in a positive, safe and healthy workplace environment which fosters respect and inclusiveness among workforce members.

5.3.1. Non-Discrimination, Non-Retaliation and Diversity

The firm encourages an inclusive and supportive working environment free from harassment and intimidation, where all workforce members are valued and empowered to succeed. Suppliers must comply with all applicable laws relating to discrimination in hiring, employment practices, harassment and retaliation, including those that may apply as a result of the firm’s contracts with government entities.

The firm actively encourages Suppliers to embrace diversity in their own business practices by documenting a diversity and inclusion approach that includes ways to identify, measure and improve inclusion and embedding accessibility standards that go beyond minimum compliance.

5.3.2. Working Conditions, Health and Safety

Suppliers must comply with all applicable safety and health laws and regulations in the jurisdictions where Supplier operates. Suppliers must comply with all labor laws and employ only workers who meet applicable minimum age requirements in the jurisdiction. Suppliers must also comply with all applicable wage and hour labor laws and regulations governing employee compensation, reimbursements, taxes and working hours.

Suppliers must provide a non-violent, safe work environment, free of threats or intimidation or physical harm that also supports accident prevention and minimizes exposure to health risks.

6. JPMorgan Chase Rights

JPMorgan Chase reserves the following rights to properly monitor and address Supplier activity to ensure that the firm is meeting all of its legal and regulatory requirements and obligations.

6.1. Firm Monitoring and Right to Audit

The firm reserves the right to monitor, record, review, access and disclose all data and communications created, sent, received, stored or downloaded using firm resources as it deems appropriate, subject to applicable laws and regulations.

The firm also retains the right to audit Supplier compliance with the Supplier Code and other firm policies at any time. This includes technical, legal, regulatory, financial and operational audit of Supplier policies and procedures, including subcontractors if necessary, and in some cases may require an on-site inspection of Supplier's books, records, systems, controls, processes and procedures related to the JPMorgan Chase engagement for adherence to the Supplier Code.

6.2. Termination and Indemnification

The firm may take all necessary actions to enforce the Supplier Code, including the termination of Supplier relationship and applicable agreements. Violations of this policy may also constitute violations of law, which may expose the firm to criminal or civil penalties. The firm may require reimbursement for any costs associated with a violation of the Supplier Code.

7. Supplier Obligations to JPMorgan Chase

Suppliers must follow the obligations and requirements set forth below. By doing so, Suppliers will help the firm meet its legal and regulatory requirements, protect firm assets, and ensure that all communications are accurate and appropriate.

7.1. Communications about or on behalf of JPMorgan Chase

Suppliers must not communicate publicly about firm business unless specifically authorized to do so. Suppliers may not make public announcements on the provision of goods or services to the firm, share information regarding firm assignments, or circulate pictures or descriptions of firm facilities or external work events. Suppliers may not share information regarding firm customers or employees unless it is in connection with the services being provided as set forth in Supplier's agreement.

Suppliers must not post, share or like anything that could be viewed as a violation of the Supplier Code, including items that are malicious, disparaging, bullying, or that could jeopardize the safety of another individual including but not limited to firm employees, clients, or other Suppliers.

Suppliers should not disclose confidential information or conduct surveys of or post or seek recommendations or referrals by firm employees, customers or service providers unless approved. Exercise caution when discussing any of the firm's brands, products, services, or programs on social media. Suppliers are not encouraged or required to promote JPMorgan Chase.

7.2. Protecting IP and other Firm Assets

Suppliers must properly safeguard and protect ***firm assets*** from theft, waste, cyber-related attack, or other type of loss. Technology assets, office equipment and supplies, email systems, information assets such as intellectual property, and firm brand and customer relationships are the property of the firm and should be used for firm-related business purposes only. Unless otherwise agreed to by the firm, any invention, discovery, development, concept, idea, process or work related to the firm's business belongs to the firm and is considered work made for hire or ***company invention***.

Suppliers must have programs in place that meet or exceed the firm's Minimum Control Requirements designed to protect firm information. Never forward firm information to an external email address for any non-business purpose or to Supplier or Supplier employees' personal email accounts for any reason.

7.3. Accurate Records

Suppliers are responsible for maintaining accurate and complete books and records and complying with all required controls and procedures for records created as a result of business activities conducted on behalf of the firm. Suppliers must be aware of and comply with the legal and regulatory retention requirements that relate to the services being provided to the firm.

7.4. Knowing your Workforce Members

Suppliers are required to screen their workforce members (employees and contingent workers) who provide services to the firm in accordance with firm requirements before and during the engagement with JPMorgan Chase.

8. Environmental and Social Sustainability, Human Rights

JPMorgan Chase recognizes that our business decisions have the potential to impact surrounding communities and the environment. Balancing environmental and human rights issues with our business is fundamental.

8.1. Environmental and Social Sustainability

The environmental and social commitment at JPMorgan Chase is integral to good business practices. The firm encourages and relies upon Suppliers to join us in that commitment by developing internal programs designed to foster a culture of sustainability. That includes setting environmental and social targets, reducing impacts and reporting on progress.

Suppliers must comply with all applicable environmental laws and regulations in the countries where Supplier operates. Suppliers should conduct operations in a manner that protects the environment by making reasonable efforts to meet industry best practices and standards with respect to the reduction of energy use, greenhouse gas emissions, waste and water use. Suppliers must also ensure that potential impacts to community health, safety and security – such as accidents, impacts on natural resources, exposure to pollution or other community issues – that may arise from business operations are appropriately mitigated and managed.

As JPMorgan Chase refines its understanding of how sustainability impacts business, the firm is relying upon Suppliers to promote environmental and social stewardship and highlight opportunities to improve our understanding and management.

8.2. Human Rights

JPMorgan Chase is dedicated to upholding and protecting human rights around the world. It is the firm's responsibility to promote respect for human rights through actions and the firm expects the same of Suppliers. The firm is guided in this effort by the principles set forth in the United Nations Universal Declaration of Human Rights.

The firm expects Suppliers to promote and respect human rights by working to prevent child and/or forced labor and human trafficking in their operations and supply chains, and by instituting practices and operations that are consistent with the framework provided by the Guiding Principles on Business and Human Rights.

9. Defined Terms

Company Invention	Any Invention, discovery, development, concept, idea, process, or work, whether or not it can be considered a trade secret, patented, trademarked or copyrighted, that is directly or indirectly related to JPMorgan Chase business which Supplier develops during the period that Supplier works for JPMorgan Chase. This includes any invention unrelated to JPMorgan Chase business that is developed on firm time or with the use of firm equipment, supplies, or facilities.
Confidential Information	Information the firm has or acquires that is kept private and not made available to the public. It includes personal information about firm employees, customers and non-public information about clients and partners and their business. Any information that is not readily available from a public source or is shared between parties in confidence should be treated as confidential.
Conflicts of Interest	Supplier's personal and/or outside business interests may create potential or actual conflicts with the firm. This includes personal relationships or business opportunities with firm clients and potential clients, employees, and other suppliers. **Personal relationships** include family members such as a partner or spouse, children, siblings, parents or grandparents. **Business opportunities** include affiliation with (as director, officer, board member, etc.) or ownership in another business.
Firm Assets	Anything owned, created, obtained, or compiled by or on behalf of the firm, including physical property, technology (hardware, software, and information systems), financial assets (such as cash, bank accounts, and credit standing), and information assets (such as customer lists, financial information, intellectual property and other data).
Gift	A gift is anything of value for which a person does not pay retail, usual or customary cost. It is broadly defined and includes but is not limited to cash or cash equivalents, business hospitality (including travel and related expenses, meals, entertainment), training and conferences, honoraria and speakers fees, visa letters, an offer of employment or other work experience whether paid or unpaid, products, services, tickets, use of a residence, raffle prize, preferential rates, perks and discounts, charitable or political contributions made on behalf of another, or the use of firm resources. It may include providing anything of value indirectly through a family member, close associate, or business partner.

Relationship Manager	Firm contact/s or employee/s responsible for managing Supplier relationship.
Lobby	Communicate with government officials in an attempt to influence official action.
Material Non Public Information (MNPI)	Material non-public information, also known as inside information, is information not known by the public, but if it were, would likely affect the market price of the securities issued by a company (ours or any other) or be considered important to a reasonable investor in deciding to buy or sell those securities.
Personal Information	Information that identifies, is identifiable to, or can be used to identify an individual alone or in combination with other information in the Firm's possession.
Political Contribution	Direct or indirect contributions to candidates, campaigns, political parties or committees. This includes in-kind contributions such as the use of firm resources.
Supplier	Any third party, firm or individual that provides a product or service to the firm, including suppliers, vendors, consultants, agents, contractors, temporary workers, third parties working on behalf of the firm as well as the owners officers, directors, employees, consultants, affiliates, contractors and subcontractors of these organizations and entities.

EXHIBIT F

(see attached)

Environmental Social & Governance Report

2019

JPMorgan Chase & Co.

Message from Our Chairman & CEO

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As the world contends with the human and economic impacts of the COVID-19 pandemic, JPMorgan Chase is bringing the full force of our firm to lift up those we serve around the world.

No matter the challenge, we manage our company consistently with principles that have stood the test of time. These include maintaining robust risk, financial and operating controls; having an unwavering devotion to our customers and communities; investing in and supporting our employees; creating a culture that reinforces integrity, fairness and responsibility; and advancing sustainability in our business and operations.

The current crisis underscores why these principles are so critical. Our ongoing focus on environmental, social and governance matters has made our firm stronger and more resilient, which allows us to do even more to take care of our clients, customers, employees and communities during this difficult time.

The impact of COVID-19 will no doubt provide lessons about what everyone could have done better to prepare to face an emergency of this scale. At the same time, I am hopeful it will demonstrate what can be achieved when business, government and civil society mobilize to tackle pressing global challenges.

Climate change is one such issue that has the potential to have profound consequences for people and our economy. That is why our firm is growing our capabilities to finance sustainable development and climate action, as well as calling for coordinated policy solutions that can help all of us effectively confront this threat.

Diversity and inclusion is another priority for our firm, and we are taking steps to strengthen our culture and ensure these issues are top-of-mind when we develop products and services, serve customers, help employees and support communities. Our firm has long recognized that a diverse and inclusive company is a stronger and more successful company. We are committed to doing the ongoing work required to create and maintain the culture to which we aspire.

In the face of today's unprecedented challenges, JPMorgan Chase is doing what we always have, even in the most difficult of times: We put our business to work for the good of all our stakeholders. In this report, I invite you to learn more about how we do that.

Jamie Dimon
Chairman & CEO, JPMorgan Chase & Co.

Introduction

Environmental, social and governance (ESG) considerations are integrated into the policies and principles that govern our business. This includes having robust governance systems, risk management and controls; striving to serve our customers exceptionally and transparently; investing in our employees and cultivating a diverse and inclusive work environment; working to strengthen the communities in which we live and work; and advancing sustainable solutions for our clients and within our operations. JPMorgan Chase's long-standing emphasis on running our business in this manner has made our firm strong, resilient and well positioned to support our clients, customers, employees and communities across the globe, even in times of crisis such as the current COVID-19 pandemic.

About This Report

JPMorgan Chase & Co. (JPMorgan Chase) is committed to communicating regularly and transparently about how we manage and conduct our business. We share information about our ESG performance through a number of channels—including various reports and presentations, regulatory filings, press releases and conversations with stakeholders. We maintain a dedicated ESG page on our website to facilitate access to the wide range of information and resources that we publish on ESG topics. This annual ESG Report is designed to summarize our work on key topics that we and our stakeholders view as important to our business, and to guide readers to where they can access more detailed information about specific topics of interest. All data in this report are as of December 31, 2019, unless otherwise noted.

This ESG Report is intended to be a companion to our 2019 Annual Report and 2020 Proxy Statement. It also includes updates to our 2019 climate report, "Understanding Our Climate-Related Risks and Opportunities," which was informed by the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). The TCFD is an industry-led effort to establish a voluntary and consistent approach to disclosing climate-related financial risks.

This ESG Report has also been informed by other reporting standards and guidance, including the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). Two separate indices, available on our website, map our firm's disclosures related to these frameworks' indicators and recommendations.

Company at a Glance

JPMorgan Chase is a leading global financial services company with assets of $2.7 trillion as of December 31, 2019. The firm is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing and asset management. A component of the Dow Jones Industrial Average, JPMorgan Chase serves millions of consumers in the U.S. as well as many of the world's most prominent corporate, institutional and government clients, under its J.P. Morgan and Chase brands.

JPMorgan Chase's activities are organized, for management reporting purposes, into four major reportable business segments, as well as a Corporate segment. The business segments are referred to as lines of business. For further information on our business segments, refer to Business Segment Results on pages 60-78 of our Annual Report on Form 10-K for the year ended December 31, 2019.

Consumer & Community Banking (CCB)

Consumer & Community Banking serves consumers and businesses through bank branches, ATMs and digital (including mobile and online) and telephone banking. Consumer & Community Banking offers home and auto loans, deposit and investment products, cash management and payment solutions, and issues credit cards to consumers and small businesses.

Corporate & Investment Bank (CIB)

The CIB offers a broad suite of investment banking, market-making, prime brokerage, treasury and securities products and services to a global client base of corporations, investors, financial institutions and government and municipal entities.

Commercial Banking (CB)

Commercial Banking provides comprehensive financial solutions including lending, wholesale payments, investment banking and asset management products across three primary client segments: Middle Market Banking, Corporate Client Banking and Commercial Real Estate Banking.

Asset & Wealth Management (AWM)

Asset & Wealth Management serves institutions and individuals, including pension and sovereign wealth funds, central banks, retail investors and many of the world's wealthiest individuals and families. Asset & Wealth Management offers investment management across most major asset classes, as well as brokerage and banking services. The majority of AWM's client assets are in actively managed portfolios.

For information about the firm's financial performance, please refer to the firm's quarterly earnings materials as well as quarterly and annual reports on Form 10-Q and Form 10-K, respectively.

Our Key Environmental, Social and Governance Topics

As a global financial services company, JPMorgan Chase manages a broad range of ESG matters. This report is designed to focus on those we have identified as among the most relevant to our business and of the greatest interest to our stakeholders. Our firm has an ongoing process to reassess the topics covered in our ESG Report and identify new ones for inclusion. This process includes discussions with subject matter experts from across our businesses and analysis of the feedback we receive and insights we gain through our regular engagement with stakeholders (see p. 6). We also monitor ESG trends, standards and practices related to our industry and ESG reporting and disclosure guidance.

We have reaffirmed that the broad categories we had identified remain relevant for our firm. In this year's report, we have added more discussion of our approach to managing climate-related risks and opportunities, as part of our firm's sustainability strategy.

The following topics are discussed in this report:

Promoting Sound Governance	‣ Board leadership and management processes ‣ Ethical culture ‣ Control environment ‣ Cybersecurity ‣ Political engagement and public policy
Serving Our Customers	‣ Engagement with retail customers and consumer organizations ‣ Fair and transparent marketing and advertising ‣ Data security ‣ Products and services for a diverse retail customer base ‣ Promotion of consumer financial health globally
Investing in Our Employees	‣ Talent attraction, retention and development ‣ Compensation and benefits for our employees ‣ Diverse and inclusive culture
Supporting Our Communities	‣ Use of investment and philanthropic capital to expand access to economic opportunity in the communities where we do business
Advancing Sustainability	‣ Integration of environmental and social issues into due diligence and analysis ‣ Assessment of climate-related risks and opportunities ‣ Financial solutions that generate positive environmental and social impacts ‣ Partnerships with organizations to advance sustainable development ‣ Management of the environmental impacts of our buildings and branches, including energy use, greenhouse gas emissions, water and waste

More information about how these topics align with the GRI Standards reporting framework, including how we define topic boundaries and the GRI topics and disclosures we report, can be found in our Global Reporting Initiative Index.

Stakeholder Engagement

Our firm has a broad range of stakeholders, including shareholders, employees, regulators and policymakers, customers and clients, research analysts and communities. Ongoing and proactive engagement with these groups makes our company stronger and better informed. It helps us gain valuable insight into our stakeholders' perspectives and the topics that matter to them. It better enables us to develop products, services and programs that are responsive to their needs. This engagement also allows us to share information about our firm's strategy, practices and performance.

Responsibility for engaging with stakeholder groups is widely shared across our firm's lines of business and corporate functions, and we engage through numerous channels. For example:

Shareholders

We interact and communicate with shareholders through our Investor Day, quarterly earnings calls, Securities and Exchange Commission filings, Annual Report and Proxy Statement, annual meeting of shareholders, investor conferences, web communications and other forums. We conduct a formal shareholder outreach program focused on topics including corporate governance, the firm's strategy and performance and matters related to the Proxy Statement. In these meetings, we solicit shareholders' perspectives and share information about our management of a range of matters, including ESG topics. For example, the main areas of focus of our fall 2019 meetings were executive compensation, corporate governance and climate change strategy. After each of these outreach programs, we share feedback from our investors with our Board. In 2019 we reached out to our top 100 and select other shareholders, together representing over 50% of our outstanding common stock, and received feedback from shareholders representing approximately 45% of the firm's outstanding common stock across more than 60 engagements.

We also engage in dialogue outside of these more formal channels. These engagements provide us with useful feedback, which we consider when developing the strategic direction for the firm.

Employees

We share information with our employees and gather their input through our global Employee Opinion Surveys, regular town hall and small group meetings, blogs and newsletters, online suggestion tools via our intranet and other forums. We also have a variety of mechanisms through which employees can fulfill their obligation to report any known or suspected violation of our Code of Conduct, company policies or laws that govern our business. This includes our toll-free Code Reporting Hotline, which is operated by an independent third party and offers translation services. Employees can contact the hotline to report concerns 24 hours a day, seven days a week.

Regulators and Policymakers

We strive to maintain an open, ongoing dialogue with our global supervisory regulators and a broad array of other policymakers. Our senior leaders and Directors commit a significant amount of their time to meeting with our regulators and policymakers, providing opportunities for us to hear firsthand about their priorities and to keep them informed about developments in our businesses. In addition, our businesses and control functions engage with regulators—for example, through exams and continuous monitoring, regular meetings and ad hoc requests. We share reports with regulators on a range of matters. We also seek feedback about whether they are getting the right level, quality and frequency of information.

Customers and Clients

We use multiple channels to solicit and respond to our consumer banking customers' feedback about our products, services and organization as a whole. Customers may communicate with us directly in our branches, via surveys, through our website and our various social media channels, and by phone or mail. We also regularly engage with and solicit feedback from our corporate, institutional, public sector and other clients through multiple channels, including individual meetings, conferences and other forums.

Research Analysts

We provide a wide range of information to members of the investment community, including financial and ESG analysts and researchers, through reports, presentations, regulatory filings, conferences and publications on our website, as well as by responding to surveys and specific information requests. We also engage with analysts and researchers through calls and meetings.

Communities

Within our communities, we engage with nonprofit organizations on matters that are important to consumers and our business. For example, through the Chase Advisory Panel program, our senior executives engage with national consumer policy groups to discuss issues related to the firm's products, policies, customer-facing practices and communications and public policy issues. In addition, through the JPMorgan Chase *Policy*Center we develop and advance policies at the federal, state and local levels designed to drive inclusive economic growth and strengthen communities (see p. 24). We also have philanthropic relationships with nonprofit organizations focused on making a positive impact in local communities and cities around the world.

Additional Online Resources

The ESG page on our website provides links to numerous JPMorgan Chase publications, documents, policies and other sources of information about various ESG topics, including:

- Annual Report
- Business Principles
- Code of Conduct
- Code of Ethics for Finance Professionals
- Corporate Governance Principles
- Diversity and Inclusion
- Environmental and Social Policy Framework
- Equal Opportunity, Anti-Discrimination and Anti-Harassment Statement
- How We Do Business—The Report
- Human Rights Statement
- JPMorgan Chase *Policy*Center
- Our Impact
- Political Engagement and Public Policy Statement
- Proxy Statement
- Supplier Information
- TCFD Climate Report
- U.K. Modern Slavery Act Transparency Statement

For additional information, please visit www.jpmorganchase.com/ESG.

Promoting Sound Governance

Our firm has robust structures, processes and controls designed to support and promote accountability, transparency and ethical behavior—and we continually evaluate and enhance them to help us operate to the highest standards of performance in everything we do. Equally critical, we seek to create and reinforce a strong and healthy culture in which employees feel respected and empowered to do what is right for all of our stakeholders.

Leadership and Governance

Outstanding people, strong leadership and effective governance and controls are the foundation of our success. Our senior management team develops the company's strategic direction and oversees its execution, while our Board of Directors provides oversight of management's performance. In addition, senior management and the Board are charged with demonstrating, communicating and reinforcing the company's commitment to doing business in accordance with our corporate standards and Business Principles.

Board of Directors

Our Directors are a diverse group who bring a strong combination of executive experience and skills aligned with our business and strategy. Apart from our CEO, all of our Directors are independent, under the standards established by the New York Stock Exchange and the firm's Corporate Governance Principles. We have a Lead Independent Director who is appointed annually by the independent Directors and facilitates independent Board oversight of management. At our 2019 annual meeting, our shareholders elected to our Board 11 Directors, including two women Directors and two black Directors. In 2020, two of our Directors decided to retire when their terms expire and one new Director has been nominated for election. Of the 10 individuals nominated at our 2020 annual meeting on May 19, 2020, three are women and one is black.

The firm's Corporate Governance Principles and the charters of the Board's five principal standing committees establish a framework for the governance of the Board and oversight of the firm. Among their responsibilities, the committees oversee a range of matters pertaining to ESG topics. For example:

- The Compensation & Management Development Committee (CMDC) reviews and approves the firm's compensation and benefit programs and oversees the firm's culture, which includes reviewing feedback from employees and cultural initiatives and updates from management regarding significant conduct issues and related employee actions. As part of its oversight responsibilities, the committee also reviews the relationship among risk, risk management and compensation in light of the firm's objectives, including the avoidance of practices that would encourage excessive or unnecessary risk-taking.
- The Corporate Governance & Nominating Committee provides oversight of the governance of the Board of Directors, including evaluation and recommendation of Director candidates. JPMorgan Chase seeks Director candidates who uphold the highest standards, are committed to the firm's values and are strong, independent stewards of the long-term interests of shareholders, employees, customers, suppliers and the communities in which we work. In addition to considering candidates who have the combined professional skills, experience, personal qualities, balance of tenure and collegiality needed for an effective and engaged Board, the Board looks for individuals who will contribute diverse viewpoints and perspectives to enhance its independent oversight.
- The Risk Committee provides oversight of management's responsibility to implement an effective global risk management framework reasonably designed to identify, assess and manage the firm's risks. The committee approves applicable risk policies and reviews certain associated frameworks, analysis and reporting established by management.

- The Audit Committee assists the Board in its oversight of management's responsibilities to ensure that there is an effective system of controls reasonably designed to safeguard the assets and income of the firm and maintain compliance with the firm's ethical standards, policies, plans and procedures, and with laws and regulations.
- The Public Responsibility Committee provides oversight of the firm's positions and practices on matters such as community investment, fair lending, sustainability, consumer practices and other issues that reflect the firm's values and impact its reputation.

Our annual Proxy Statement includes details about the membership and responsibilities of these committees.

Management

The design of our management structure is intended to encourage effective leadership that is consistent with our corporate standards and promotes a strong corporate culture. We manage our firm on a line-of-business basis, while also maintaining strong corporate functions and appropriate governance of our subsidiaries. Within each line of business, the management structure mirrors that of the firm as a whole.

Our firm's most senior management body is the Operating Committee, which is responsible for developing and implementing corporate strategy and managing operations. As of December 31, 2019, women held 50% of the seats on the Operating Committee.

Executive Compensation

Our firm's compensation philosophy is designed to be responsive to and aligned with shareholders' interests and encourages a shared success culture in support of our Business Principles and strategic framework. Our approach is driven by our recognition that the long-term success of our firm depends in large measure on the talents of our employees and alignment of their compensation with performance, business strategy and sustained shareholder value.

The CMDC of the Board maintains independent oversight of our compensation programs, including executive compensation. In determining compensation for Operating Committee members, the CMDC uses a balanced and discretionary approach to assess performance against four broad dimensions over a sustained period of time: (i) Business Results; (ii) Risk, Controls & Conduct, including feedback received from the firm's risk and control professionals; (iii) Client/Customer/Stakeholder, including our engagement in communities; and (iv) Teamwork & Leadership, including creating a diverse, inclusive and respectful environment and developing employees, managers and leaders. These performance dimensions consider short-, medium- and long-term priorities that drive sustained shareholder value, while accounting for risk, controls and conduct objectives.

The intent of our compensation program is to incentivize long-term, sustainable decision making and to hold individuals accountable, when appropriate, for meaningful actions or issues that negatively impact business performance or the firm's reputation. We maintain policies and procedures that enable us to take prompt and proportionate actions with respect to accountable individuals, including (i) reduction or elimination of annual incentive compensation; (ii) cancellation of unvested awards; (iii) clawback of previously paid compensation; and (iv) other employment-related actions, including termination of employment.

We regularly review our compensation program and actively seek out and consider feedback in making potential changes. In 2019, 72% of our shareholders voted in favor of our annual advisory resolution to approve executive compensation. In response to shareholder feedback, the CMDC made enhancements to certain features of the long-term equity awards made to the Operating Committee for 2019, including revising the payout calculation methodology, setting appropriately rigorous absolute payout thresholds and updating the relative payout scale. The CMDC also made several enhancements to our executive compensation disclosures. Our Proxy Statement has a Compensation Discussion and Analysis section that includes further details of our executive pay program.

Our Corporate Culture

Having clear and consistent policies and processes is essential to sound governance, but creating a corporate culture that reinforces and rewards adherence to them is equally vital. Our efforts focus on fostering an environment where all employees uphold the highest ethical standards and our Business Principles in all of their engagements. We reinforce these expectations through various channels and by encouraging our senior leaders to communicate clearly and frequently with employees.

Our efforts are also focused on promoting a culture of respect that allows every employee to feel safe and empowered at work. This includes having in place employee training and protocols for preventing, reporting and addressing behavior that is not in line with our Business Principles and standards. The firm prohibits retaliation against any individual who reports a concern or assists with an inquiry or investigation.

At the Board level, the CMDC provides oversight of the governance framework of our firmwide culture, including receiving updates from management regarding significant conduct issues. In addition, the CMDC holds a periodic joint session with the Risk Committee in which Directors are briefed on culture- and conduct-related matters.

Our Control Environment

Our control agenda is a top priority for the firm, and we devote significant resources to adhering and adapting to the substantial number of regulatory expectations and reporting requirements that guide our industry. We have a culture and infrastructure that emphasize compliance and issue escalation and remediation, as well as checks and balances designed to prevent issues and address those identified before they become problems. We regularly engage regulators in dialogue as we develop appropriate remediation plans.

The firm's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of its clients, customers and investors and protects the safety and soundness of the firm. Risks are generally categorized in the following risk types:

- Strategic risk is the risk to earnings, capital, liquidity or reputation associated with poorly designed or failed business plans or inadequate response to changes in the operating environment.
- Credit and investment risk is the risk associated with the default or change in credit profile of a client, counterparty or customer; or loss of principal or a reduction in expected returns on investments, including consumer credit risk, wholesale credit risk and investment portfolio risk.
- Market risk is the risk associated with the effect of changes in market factors, such as interest and foreign exchange rates, equity and commodity prices, credit spreads or implied volatilities, on the value of assets and liabilities held for both the short and long term.
- Operational risk is the risk associated with an adverse outcome resulting from inadequate or failed internal processes or systems; human factors; or external events impacting the firm's processes or systems; it includes compliance, conduct, legal and estimations and model risk.

Our firm continuously seeks ways to strengthen our control environment and to simplify and appropriately mitigate risk in our operations. We dedicate significant financial and human resources to managing these efforts across the company.

Our control environment, which is supported by other functions, including Finance, Human Resources and Legal, is structured as follows, and additional details are available in our Annual Report.

Lines of Business

Our firm's lines of business are each responsible for identifying and addressing risks within their respective businesses and operating within a sound control environment. The Control Management function, which consists of control managers within each of the lines of business and corporate functions, provides dedicated support to business leaders. Control managers, jointly accountable with business executives, are charged with enhancing the firm's control environment by promoting early operational risk identification and assessment, effectively designing and evaluating controls and developing solutions to mitigate risk. This structure is designed to enable the firm to detect control problems quickly, escalate issues promptly and engage other stakeholders to understand common themes and interdependencies among the various parts of the firm.

Conduct Risk Management

Conduct risk is the risk that any action or inaction by an employee or employees could lead to unfair client or customer outcomes, impact the integrity of the markets in which the firm operates or compromise the firm's reputation. Our firm has an established policy framework for the governance, identification, measurement, monitoring and testing, management and reporting of conduct risk within the firm, as well as mechanisms to provide oversight of the firm's conduct initiatives and to escalate systemic conduct risk issues when appropriate. Each line of business and corporate function is accountable for identifying and managing conduct risk within its operations, and multiple Board committees share oversight of conduct risk.

Our Code of Conduct (Code) sets forth the firm's expectations for all of our employees when it comes to maintaining a safe, productive, diverse, professional, collegial and secure work environment in which all individuals are treated with respect and dignity. All new hires are assigned Code training and all employees are required to affirm their compliance with the Code periodically. Each member of the Board also periodically affirms his or her compliance with the Code.

Independent Risk Management

Independent Risk Management, which consists of the Risk Management and Compliance organizations, sets and oversees the risk management structure for the firm, including the definition of policies and standards. These organizations operate independently from the lines of business.

Internal Audit

Internal Audit, a function independent of the lines of business and Risk Management and Compliance, tests and evaluates the firm's risk governance and management, as well as its internal control processes. This function brings a systematic and disciplined approach to evaluating and improving the effectiveness of the firm's governance, risk management and internal control processes.

Cybersecurity

Cybersecurity is one of the biggest threats facing the global financial system, and it continues to be a top priority for the firm. Our strategy is designed to securely enable new business and technology initiatives while maintaining a relentless focus on protecting the firm, our clients and customers and our third-party partners and vendors. We devote significant resources to protecting and continuously improving the security of our systems, and we partner with leading technology companies to identify solutions to meet the fast-evolving threat landscape.

Global Financial Crimes Compliance

Global financial crime has significant adverse societal impacts and undermines confidence in the financial system, which is why our firm dedicates significant resources to fighting it. JPMorgan Chase is committed to participating in international efforts to combat money laundering and the funding of terrorist activities. The firm operates a risk-based global Anti-Money Laundering (AML) Compliance Program designed to comply with all applicable laws and regulations relating to the prevention of money laundering and terrorist financing in the U.S. and the other jurisdictions in which the firm operates.

JPMorgan Chase is a founding member of the financial industry's leading forum on financial crimes risk, the Wolfsberg Group, and we are proud to work with our fellow group members to continually develop principles and industry standards to combat money laundering and terrorist financing.

In addition, our firm operates a Global Sanctions Compliance Program that consists of (i) procedures, systems and internal controls designed to comply with applicable sanctions; (ii) a designated person responsible for the day-to-day implementation and operation of the program; (iii) independent testing; (iv) an ongoing training program; and (v) reporting and record keeping.

Political Engagement and Public Policy

JPMorgan Chase believes that responsible corporate citizenship demands a strong commitment to a healthy and informed democracy through civic and community involvement. Our business is subject to extensive laws and regulations, and changes to such laws can significantly affect how we operate, our revenues and the costs we incur. Because of the impact public policy can have on our businesses, employees, communities and customers, we engage with policymakers on a range of issues—including banking, financial services, cybersecurity, workforce development, small business, tax, trade and inclusive economic growth, among others—to advance and protect the long-term interests of the firm. In addition, in 2019 we launched the JPMorgan Chase *Policy*Center to develop and advance sustainable, evidence-based policy solutions that drive inclusive economic growth in the U.S. and around the world. The *Policy*Center's first focus is removing barriers to employment for people with a criminal background.

The firm belongs to a number of trade associations that advocate on major public policy issues of importance to the firm and the communities we serve. The firm's participation as a member of these associations comes with the understanding that we may not always agree with all the positions of an association or its other members, and that we are committed to voicing our concerns as appropriate. The Public Responsibility Committee provides oversight of our positions and practices on public responsibility matters, including significant policies and practices regarding political contributions, major lobbying priorities and principal trade association memberships.

We aim to operate with the highest standards of public transparency in political spending. Our efforts have been recognized by the 2019 CPA-Zicklin Index of Corporate Political Disclosure and Accountability, which credited our firm as a Trendsetter in its 2019 report. In addition, in early 2019 we made enhancements to our disclosures, which are available on our website.

The JPMorgan Chase cybersecurity team consists of professionals across all lines of business and geographies where the firm has operations and works 24 hours a day, seven days a week to detect, analyze, track and mitigate external threats. We also educate, train and test all employees on cybersecurity vigilance because we view every employee as our first line of defense.

We understand cybersecurity's potential to impact global financial stability and we are focused on the firm's role in building and maintaining systemic resiliency. We are a leader in the Financial Services Information Sharing & Analysis Center, which is an intelligence-sharing cooperative for the financial services sector. Its nearly 7,000 members share intelligence, best practices and exercises to better secure the sector for the benefit of the public and the resiliency and integrity of financial institutions. Our firm also helped drive the creation of the Financial Systemic Analysis and Resilience Center, which is an industry-funded nonprofit whose mission is to increase the resilience of the systems that underpin the U.S. financial services sector.

Collaborating and cooperating with government agencies and regulators is vital to effective cybersecurity. We maintain open lines of communication with government representatives and law enforcement agencies to share relevant information. In addition, JPMorgan Chase is a leading voice on a global industry workstream on regulatory harmonization, seeking to streamline the fragmented cybersecurity regulatory environment that is currently a patchwork of different standards, frameworks and requirements from over 150 global regulators. Our goal is to enable more efficient and effective cybersecurity supervisory oversight, while also helping to increase security and resiliency.

Additional Online Resources

- Annual Report
- Board Committees
- Business Principles
- Code of Conduct
- Code of Ethics for Finance Professionals
- Corporate Governance Principles
- Diversity and Inclusion
- Environmental and Social Policy Framework
- Global Financial Crimes Compliance
- How We Do Business—The Report
- Human Rights Statement
- Political Engagement and Public Policy
- Proxy Statement
- Suppliers Information
- U.K. Modern Slavery Act Group Statement

For additional information, please visit www.jpmorganchase.com/ESG.

Serving Our Customers

Through our four lines of business, JPMorgan Chase serves millions of consumers and small businesses in the U.S., as well as corporations, local and national governments, investors, nonprofit organizations and a range of other institutions around the world. We strive to provide our clients and customers with exceptional service in everything we do.

Who We Serve:

- 63 million households
- 4 million small business customers
- 52 million active digital users, including 37 million active on mobile

2019–At a Glance:

- Originated $105 billion in mortgages
- Opened 8 million credit card accounts
- Received 35% of all check deposits through mobile phones
- Processed an average of $3 billion in credit and debit payments every day

This section focuses principally on our CCB business, which serves consumers and small businesses across the U.S. under the Chase brand. We help our customers manage their money, purchase homes and vehicles, save and invest for the future, start and grow businesses and achieve their financial goals. We do so by using our expertise to help our customers make the most of their money and by continually innovating and developing products and services to enable them to bank however they choose—from their mobile phone, on their computer, at an ATM or at a Chase branch.

Since 2018, our firm has entered 16 new markets and opened more than 90 of the 400 new Chase branches we are planning across the U.S. as part of a nationwide market expansion effort. The new branches give us a presence in 38 states and Washington, D.C., as of year-end 2019.

Helping Customers Make the Most of Their Money

Serving 63 million households, we have a deep understanding of the financial lives of consumers. We are using that insight to develop affordable, innovative and scalable products to help customers strengthen their financial health.

One way we do this is by offering products designed to make it easier for our customers to save and invest. For example, in early 2019, we introduced our low-fee Chase Secure Banking℠ account (see p. 17), as well as Autosave, which lets customers set up automatic transfers to their savings accounts and monitor progress through a savings dashboard. A total of 1.4 million customers used Autosave in 2019, transferring $1.5 billion to their savings accounts. Also in 2019, we launched My Chase Loan, which gives customers a hassle-free way to use the available credit on their credit cards at a lower Annual Percentage Rate (APR) and with fewer fees than a typical personal loan or cash advance. In addition, we empower all types of investors to build their savings and grow their wealth through our You Invest℠ digital investment platform. Approximately 90% of You Invest℠ clients are first-time investors with Chase.

We also created Credit Journey℠, a free, online tool to help consumers track and manage their credit scores. All consumers, whether or not they are Chase customers, can check their credit score at any time and receive alerts about changes, as well as learn what affects their score and find advice on how to improve it. By year-end 2019, 22 million people had enrolled in Credit Journey℠.

Supporting Small Businesses

Small businesses are vital engines of economic growth and opportunity, and our firm has been a longtime leader in small business banking. During 2019, we originated over 1.1 million small business loans for a total of $18.4 billion in the states where we have a branch presence, an increase of 19% in capital extended from the year before.

We know that minority, women, veteran and other underserved entrepreneurs face distinct barriers to starting and growing their businesses, so we have a number of efforts designed to help them get access to the capital, expertise and networks crucial for success. For example, through our Women on the Move global initiative, we are helping women start and grow businesses (see p. 21), including a goal to provide $10 billion in credit to women business owners through 2021. By the end of 2019, we had extended approximately $4 billion toward this goal, putting us ahead of pace.

In addition, we have committed $150 million in philanthropic capital to help underserved entrepreneurs build and grow their businesses. Through the Entrepreneurs of Color Fund (see p. 25), we support community lending organizations that provide minority entrepreneurs with access to capital, education and other resources.

We are also using our global purchasing power to support diverse suppliers, spending more than $2 billion annually with companies owned and operated by historically underrepresented groups, many of which are small businesses. Our firm is proud to be a member of The Billion Dollar Roundtable—a nonprofit that recognizes corporations that spend at least $1 billion with minority and woman-owned suppliers—for our commitment to supplier diversity.

Helping Our Small Business Customers Weather the Crisis

We know how important small businesses are to their communities—and how much they rely on cash flow and access to capital. So, when the COVID-19 crisis hit, we quickly took steps to support our small business customers, including allowing them to defer payments on loans, lines of credit and business credit cards. We are also providing much-needed capital by accelerating access to funding and extending new loans for our small business customers. We are working to help as many of our customers as possible receive loans through the Small Business Administration's Paycheck Protection Program. In addition, we immediately began deploying philanthropic capital to support vulnerable and underserved small businesses around the world.

Engaging with Customers

We regularly engage with our customers, consumer groups and other stakeholders with a goal of developing products, services and approaches that are responsive to their needs and address the issues that matter most to them. We have established forums, known as Chase Advisory Panels, for local, regional and national stakeholders to share with our senior executives their perspectives on community development needs, public policy and regulatory issues. In addition, we conduct hundreds of meetings annually with community-based organizations.

We solicit customers' direct feedback on their experiences and needs through a range of channels, including in person at our branches, through our website, via social media and customer satisfaction surveys. In addition, we collect customer feedback through external media and ratings agencies. We take this feedback seriously and use it to improve our approach and offerings.

Treating Customers Fairly

In order to earn and maintain the trust of our customers, we must treat them fairly and be clear and transparent in how we communicate and engage with them. We work to do this by having policies and procedures aimed at simplifying our disclosures, products and services and operations; aligning our sales practices with our customers' interests; and taking rigorous measures to safeguard the privacy of customers' information.

We regularly review and look for ways to make it easier for customers to navigate our full range of products and services available across our branch network. In addition, we are reevaluating the qualification requirements for new product features and benefits and taking steps aimed at ensuring the exercise of employee discretion in product accessibility works as intended.

Providing Fair and Transparent Marketing

We want our customers to make informed choices about their finances and banking options, and we empower them to do so by working to provide clear, concise and transparent information about our products and services. To deliver on this objective, in 2019 we established the Disclosure Center of Excellence, a control team driving the consistent use of disclosures across our CCB and AWM businesses. The team is responsible for ensuring that these businesses have access to up-to-date disclosure language that meets regulatory requirements and firmwide guidelines so they can best serve their clients and customers.

Aligning Employees' Incentives with Customers' Interests

Our objective is to provide our customers with the right products and services to meet their financial needs, and we train, assess and reward our employees accordingly. Every year, we train our bankers on our customer-centered policies, procedures and controls, and we evaluate their performance on these metrics, alongside revenue and profitability.

We reward bankers for providing customers with a positive overall experience and products and services they need and use. We also review our sales practices, including culture, incentive plans, controls assessments and feedback received from customers and employees through various channels, including our employee Code Reporting Hotline. By merging all of this feedback, we help safeguard our reputation and align employee performance with the best interests of our customers.

Protecting the Elderly and Vulnerable from Financial Abuse

We continue our work to increase awareness about potential financial abuse affecting elderly and vulnerable populations. To better protect our customers, we look for innovative solutions in data analytics and machine learning, while also concentrating on ongoing training and communication with our frontline employees. We are also working with nonprofit organizations, advocacy groups, regulators, law enforcement and others to explore strategies and best practices for combating exploitation of elderly and vulnerable customers.

Safeguarding Customer Privacy and Data Security

Protecting our customers' personal and financial information is a priority for our firm. We have robust internal policies and security measures aimed at keeping our customers' personal and financial information safe, and we hold our suppliers and vendors to high standards for data security.

Consumers want to know our firm is safeguarding their personal information and to understand how it is used. We strive to provide customers with clear, user-friendly explanations of our privacy policies that explain how we collect, share, use and protect their information, and outline steps they can take to limit the sharing of personal information. We protect customer information through a wide range of technological, procedural and physical security measures. In addition, our Code of Conduct and related policies for ethical business conduct include specific guidelines about how employees should safeguard customers' confidential information.

We are investing in enhanced data privacy and security solutions to safeguard information shared via our suite of online and mobile banking tools. For example, in 2019 we announced an agreement with leading data aggregator Envestnet I Yodlee, which gives Chase customers more visibility and control of their data. With the new agreement, Envestnet I Yodlee will send 100% of its requests for Chase customer data through our firm's secure Application Programming Interface (API). This will give customers control over what is shared and with whom, including enabling them to monitor every financial app that retrieves their data and see all linked accounts and which information they are sharing.

We also continue to expand our usage of machine learning and intelligent strategies to improve detection and mitigation of fraud across our products and services. This technology allows us to more accurately detect potentially fraudulent activity for our customers and approve more legitimate transactions. Each year, we anticipate these systems will help prevent nearly one million more fraudulent credit card transactions that may have previously been approved, while simultaneously approving nearly one million additional legitimate transactions that would have been incorrectly declined. These machine learning capabilities, along with other initiatives, have also enabled us to reduce our credit card fraud loss rate by approximately 50% since 2014.

Serving Low- and Moderate-Income Customers

We are committed to developing products and services that meet the needs of all segments of our customer base, including those specifically designed to serve low- and moderate-income customers. This includes taking steps to make homeownership more accessible; expanding our branch presence in low- and moderate-income neighborhoods; offering resources in our branches such as financial coaching; developing products that provide safe, high-quality and affordable ways to access banking services; and more.

Expanding Homeownership

In 2018, our firm made a five-year commitment to finance $50 billion of mortgages in low- and moderate-income communities. By the end of 2019, we had financed $22 billion of those mortgages, or 44% of the five-year goal.

We continue to serve more low- and moderate-income customers with our DreaMaker™ mortgage, which allows buyers to make a down payment of as little as 3% and offers an affordable monthly payment. In 2019, DreaMaker™ accounted for 21% of our home-purchase mortgages. With DreaMaker™, buyers can earn a $500 grant by completing a financial educational program to prepare them for homeownership. To reduce the cash required for closing costs and a down payment, we also offer a Chase Homebuyer Grant of $2,500 to customers purchasing a home in low- or moderate-income census tracts across the U.S. More than 8,900 homebuyers benefited from this program in 2019. These products and programs complement the suite of other affordable loan products and programs we have long offered, including Federal Housing Administration and U.S. Department of Veterans Affairs mortgages.

Recognizing that homeownership is not possible or desirable for some consumers, JPMorgan Chase is dedicated to creating and preserving affordable rental housing for low-income communities across the country. In 2018, we committed to lend $7 billion over five years to commercial and nonprofit housing partners to help maintain, rehabilitate and build affordable units. By the end of 2019, we had already lent $5.6 billion toward that commitment, including more than $3.3 billion in 2019 alone.

Growing Our Branch Presence

Our retail bank branches are an important way that we serve our customers and provide access to banking services. We plan to open 30% of the 400 new branches in our market expansion program in low- and moderate-income communities. We have a higher proportion of our branches and ATMs in low- and moderate-income communities across the country than the industry overall.

We are also expanding resources available at our branches, such as financial coaching and advice. For example, we are piloting a new branch model aimed at making our branches community centers. We opened the first one in the Harlem neighborhood of New York City in 2019. The branch offers unique programming in money management and financial planning; digital coaching on job, small business and computer skills; a pop-up space for local small businesses; and a hub for us to showcase and test new retail banking technology before it rolls out nationwide.

Broadening Access to Banking Services

Another crucial way we support low- and moderate-income communities is by striving to create products that provide safe, high-quality and affordable ways to access banking services. For example, in early 2019, we launched Chase Secure Banking℠, a Bank On certified checking account.[1] For a flat monthly fee, customers get all the benefits of banking with Chase without check-cashing fees, minimum balances to open an account or overdraft fees.

We know that small businesses also play an essential role in creating jobs and generating economic opportunity, especially in low- and moderate-income areas. In 2019, we made more than 265,000 small business loans—totaling more than $4.5 billion—in low- and moderate-income communities. That is approximately 19% of our total small business lending.

In addition, we support technology-based innovations to improve the financial lives of low- and moderate-income Americans through the Financial Solutions Lab (see p. 26), managed by the Financial Health Network in collaboration with founding partner, JPMorgan Chase.

Additional Online Resources

- Accessibility at Chase
- Annual Report
- Business Principles
- Chase Privacy Policy
- COVID-19 Response
- Financial Health
- JPMorgan Chase Institute
- Proxy Statement
- Small Business Expansion

For additional information, please visit www.jpmorganchase.com/ESG.

[1]Bank On is Cities for Financial Empowerment Fund's standard for safe, affordable and appropriate accounts that meet the needs of low-income consumers.

Investing in Our Employees

The success of our firm is a direct reflection of the talent of our people. To attract and retain the diverse, high-performing workforce we need, we make substantial investments in our employees and provide them with opportunities to learn, develop and advance their careers. We seek to foster a strong culture—based on our core values of respect, integrity and inclusion—where employees feel that they belong and where they want to stay.

As technological and other changes in our economy alter traditional career paths and business needs, one focus of our human capital strategy is building a future-ready workforce that is prepared to adapt to the trends that are transforming jobs at our firm. This includes cultivating a culture that supports self-driven learning and giving our employees access to tools and training to build business-critical skills that will be in demand at our firm in the future.

Advancing Diversity and Inclusion across Our Firm

JPMorgan Chase knows that having a diverse workforce consistent with the global clients, customers and communities we serve is essential to our ability to deliver the best solutions and be successful in the long term. Fostering diversity and inclusion has long been a focus for our firm, and we are proud of the progress we have made.

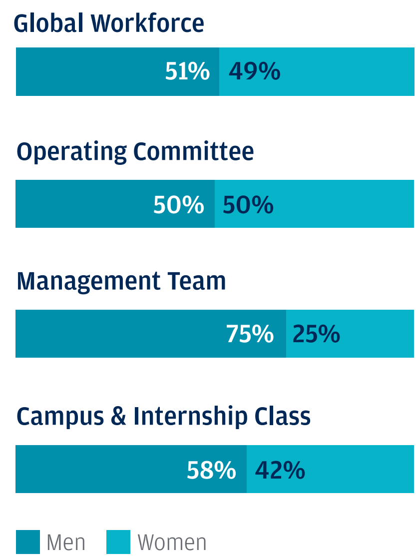
We recognize, however, that we have more work to do. After the media reported on alleged discrimination in our firm last year, we undertook a major effort to evaluate our policies, procedures and programs to ensure they are fair for all employees and customers. We found opportunities to increase awareness about the firm's Diversity and Inclusion strategy, and we identified a need to expand our diversity recruitment efforts to hire more diverse talent and to implement mandatory firmwide training. We are also taking steps to strengthen how we serve our customers by reviewing our full spectrum of consumer offerings to enhance access to our products and services, as well as increasing the diversity of the businesses with which we partner. We know that these and other efforts we have underway to strengthen our culture demand ongoing work and sustained commitment.

To drive performance and enhance transparency, we are expanding the workforce composition data we report and providing more information on our strategy on the Diversity and Inclusion section of our website.

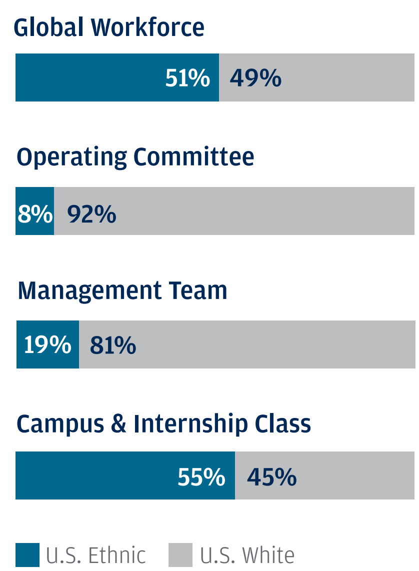
Who We Are: Key 2019 Statistics

We have nearly 257,000 employees working in 62 countries worldwide, approximately two-thirds of whom are based in the U.S.

Gender Demographics



Ethnic Demographics[2]



[2]Numbers reflect U.S. workforce only.

Hiring Great People

To deliver exceptional service to our clients, customers and communities, we aim to hire the best people. Diversity is a priority throughout our hiring process, and we seek candidates from a wide range of backgrounds and experiences for positions at all levels. We look to hire people who have the skills and expertise we need, using standard processes for assessing and selecting candidates.

Building a Strong and Diverse Talent Pipeline

We have a number of efforts aimed at hiring diverse talent, including initiatives focused on women, underrepresented ethnic groups, people with disabilities, veterans and others.

We know that strengthening our pipeline of diverse future leaders is essential, so we have campus recruiting programs that help us connect with diverse candidates for internships and post-graduation roles as part of our Emerging Talent Program (ETP), which complements existing recruiting efforts. The ETP team oversees a range of employment opportunities for cognitively, experientially and traditionally diverse individuals who are often underrepresented in typical talent pipelines. To support our recruitment efforts, we also have structured partnerships with key diversity organizations, and we have long-standing relationships with Historically Black Colleges and Universities (HBCUs). In 2019, our firm was the top overall employer at three HBCUs: Howard University, Morehouse College and Spelman College.

In 2019, we continued to maintain best-in-class diversity hiring for our 2020 intern class, which was 47% female globally and in the U.S., 13% black and 16% Hispanic. This included efforts as part of our Advancing Black Pathways (ABP) initiative (see p. 21).

We are equally focused on diversity in our experienced hiring, which is delivering results. In 2019, for example, more than 55% of the Managing Directors we hired were diverse—defined by groups of ethnicity and race, as outlined by the U.S. Census Bureau, and inclusive of women globally—an increase of nearly 15% compared to 2018.

Creating More Inclusive Inroads to Careers at Our Firm

Our emphasis is on hiring people with the skills we need, not particular degrees. In fact, in 2019 more than 75% of the jobs posted by JPMorgan Chase in the U.S. did not require a bachelor's degree. While our firm continues to value four-year college and advanced degrees, we are also increasingly turning to new and more diverse sources to recruit the talent we need. One way we are doing this is by partnering with community colleges and recruiting those with associate degrees. We are also looking to apprenticeship programs, bootcamps and other partners to create more inroads to careers at our firm. For example, through our ETP portfolio we offer a range of apprenticeships and other entry-level skill development opportunities.

Through our Second Chance initiative, we launched an effort to expand opportunities for individuals with criminal backgrounds to pursue careers at JPMorgan Chase (see p. 21). This means qualified applicants with criminal histories receive the same consideration as any other applicant, and in 2019 it resulted in approximately 3,000 people with criminal backgrounds hired—roughly 10% of our new hires. We also launched a pilot program to further build our pipeline for hiring people with criminal histories.

Training and Career Development

Supporting our employees' professional development is a core focus of our human capital strategy. We invest approximately $200 million a year in tools and training programs to help our employees build their knowledge, skills and experience. And, in 2019, we delivered nearly 10 million hours of training to employees across the globe on topics including business processes and products, leadership and professional development, risk and compliance and technology, among others. In addition to our internal training efforts, we provide tuition assistance to employees who are seeking to further build their skills.

We also support employees by facilitating career advancement and mobility within the firm. In 2019, we filled 42% of all positions and 67% of our most senior-level roles with internal candidates.

Delivering Best-in-Class Leadership Training

Leadership Edge is our firmwide initiative to enable leaders at all levels to grow and succeed throughout their careers. The program, which has been recognized as a best-in-class leadership development platform, offers in-person training focused on core leadership skills, people management and further embedding our Business Principles into our culture. By the end of 2019, 74% of our 40,000 managers had attended one or more programs since the introduction of Leadership Edge in 2015.

Investing in New Skilling

We are creating more paths for career mobility and preparing our employees to adapt to the trends that are transforming jobs at our firm through a concerted focus on new skilling. The employees in the roles that will be most affected by technological changes—such as our operations and entry-level positions—are a highly diverse employee population. Providing these individuals with opportunities to build skills that facilitate career mobility and improve retention is, therefore, a key part of our strategy to advance diversity and inclusion within our firm.

We are committed to providing employees with opportunities for ongoing development and career advancement. In 2019, through our Lifelong Learning program, we launched New Skills at Work to address talent needs across the firm. We have proactively defined business-critical future skills—such as data and tech literacy, analytical thinking and project management—and we are developing and expanding access to opportunities for our people to build the identified skills. The New Skills at Work program will support employees as they navigate changes and compete for emerging jobs at JPMorgan Chase. The goal is to expand the program in phases to all of our employees.

In addition, through our Skills of the Future online curriculum, we are helping employees increase their digital fluency. In 2019, nearly 20,000 unique users took part in one of our Data and Tech Literacy course offerings. And through our Power-Up Learning Journey, our firm trained over 10,000 of our tellers, facilitating their career progression and graduation to Associate Bankers.

Skills-Based Volunteering

Our firm leverages the talent of our people to maximize the impact of our philanthropic programs. In 2019, 325 employees from 14 countries contributed nearly 20,000 hours working with about 70 nonprofits through the JPMorgan Chase Service Corps, our signature skills-based program through which employees volunteer their skills and expertise to help our nonprofit partners build capacity. And, through our Force for Good program, 1,300 employee volunteers gave nearly 60,000 hours of their time to develop sustainable tech solutions for 200 nonprofit organizations.

In addition to these programs, we provide a range of other opportunities for our employees to volunteer their expertise to support the communities we serve. In 2019, many employees around the world lent their knowledge and time helping drive more inclusive growth, from advising women-led businesses and mission-driven fintech entrepreneurs to mentoring young people from disadvantaged backgrounds.

A Workplace for Everyone

We want to be an employer of choice for people from all backgrounds and experiences, and a place where all employees feel like they belong. By striving to create an inclusive work environment that supports all heritages, cultures, abilities, work styles and lifestyles, our goal is to attract and retain the best people and be positioned to meet the diverse needs of our clients, customers and communities.

We continually work to promote a culture of respect that allows every employee to feel safe and empowered at work. Our Equal Opportunity, Anti-Discrimination and Anti-Harassment Statement—which we made publicly available on our website in early 2020—sets forth our policies and expectations for our employees, and all employees are required to take anti-harassment awareness training. Additionally, we have implemented a framework for unconscious bias and inclusion training for managers, called Journey to Inclusive Teams, which provides training as well as other internal resources, such as decision-making tools and guides.

Our Business Resource Groups (BRGs) are an essential part of how we cultivate an inclusive work environment. These are groups of employees who volunteer to advance the firm's position in the global marketplace and diversity and inclusion strategies by leveraging the unique perspectives of their members. Our firm has ten BRGs globally focused on ethnic communities and other groups, including Hispanic and Latino, black, Asian and Pacific Islander, military and veterans, LGBT+ employees, women, people with disabilities, early career employees, administrative professionals and working families. Approximately 43% of our employees were members of at least one BRG in 2019.

We also have a variety of executive forums designed to support and advance diversity and inclusion within our firm. For example, the Hispanic Executive Forum serves as a senior collective voice for the Hispanic and Latino community and supports the Adelante BRG and other Hispanic leadership forums across the firm's lines of business; engages with external organizations; and supports the firm's campus hiring, new employee on-boarding and retention and development efforts among the Hispanic and Latino community. The Asian Executive Forum similarly partners with the AsPIRE BRG and supports the firm's commitment to the Asian American and Pacific Islander community through recruitment, development, advancement and external engagement.

Here are some other examples of how our firm is taking a deliberate approach to supporting and investing in the success of particular communities:

Championing Women

In recent years, we have significantly expanded our Women on the Move initiative, which we originally launched in 2013 to provide women at all levels of our firm with a platform to exchange ideas and support their career development. Today, the program focuses not only on women inside our firm but also on clients and customers through three strategic pillars: expanding women-run businesses, improving women's financial health and empowering women's career growth (see p. 14). We also continue to support women's advancement within the firm. As of the end of 2019, women made up 50% of our Operating Committee. In addition, we are expanding our efforts to support working parents and families (see p. 23).

Investing in the Black Community

In 2019, we marked the third anniversary of our firm's Advancing Black Leaders (ABL) strategy to increase representation of black talent across all of our businesses. While we have much more to do, this strategy is delivering tangible results, especially at senior levels of the firm. We expanded the ABL strategy to our Europe, Middle East and Africa region, which resulted in our doubling the number of black Managing Directors in those regions between 2018 and 2019.

We also launched ABP in 2019, which builds on the success of our internal ABL strategy and extends our commitment to helping black Americans achieve economic success in our communities. This initiative combines the firm's business and philanthropic resources to accelerate economic opportunity for black Americans by strengthening education and job training, growing careers and building wealth. As part of this program, we committed to hiring more than 4,000 black students over the next five years into apprenticeships, internships and post-graduation roles. In 2019—our first year working toward this commitment—we achieved 25% of the target.

Providing Opportunities to People with Disabilities

The global Office of Disability Inclusion (ODI) provides consistent standards and processes to better accommodate employees and strategic direction to the firm with a focus on recruiting, hiring and advancing individuals with disabilities. As part of the firm's disability inclusion and well-being strategy, we are also working to reduce stigmas and dispel myths around mental illness in the workplace. This is Me™, the firm's ongoing mental health awareness campaign, does just that through events, videos, toolkits and other resources. Nearly 100 employees have shared stories about their mental health journeys on our corporate intranet. Additionally, about 80,000 employees leverage meQuilibrium, the firm's stress and resilience program. Our goal is to make JPMorgan Chase the employer of choice for people with disabilities—both visible and hidden—by removing barriers and providing the right level of support when they need it.

Hiring and Supporting Veterans

Our firm's Office of Military and Veterans Affairs drives our firmwide strategy to support veterans through employment, entrepreneurship and private-sector leadership on veteran talent. Since 2011, JPMorgan Chase has hired more than 15,000 U.S. veterans—including over 1,200 in 2019 alone—with more than 65% coming from diverse backgrounds. We offer internship and rotational entry programs to support the transition of military personnel and veterans into the financial services industry. We support our veteran employees through mentorship programs, acclimation and development initiatives, recognition events and other programs to help bridge the gap between military and corporate cultures. Additionally, we offer paid military leave for all types of military service.

Supporting Our Employees

Our firm is committed to supporting our employees, including their physical, emotional and financial well-being.

When the COVID-19 pandemic struck, we put this commitment into action by taking steps to protect and support our employees and their families. We implemented alternative work arrangements and reinforced both personal and office hygiene measures to keep our employees and clients safe by modifying business operations, staggering shifts, changing seating, closing buildings to nonessential visitors and providing additional equipment where possible.

We are continuing to pay branch employees for their regularly scheduled hours, even if their hours are reduced or their branch is temporarily closed. We are encouraging employees to stay home when appropriate by providing 14 days of full pay for precautionary situations. In addition, for employees who felt they were higher risk and could not work, we provided an extended leave through May 2, 2020. And we provided five additional paid days off for all employees to help them manage personal issues, such as dependent care, childcare or other needs. In addition, to help meet challenges related to issues like childcare and transportation, we are making a special payment of up to $1,000 to full- and part-time employees whose jobs require them to continue working on-site and generally have annual cash compensation of less than $60,000.

Supporting the LGBT+ Community in Our Workplace and Beyond

Our global PRIDE BRG, which focuses on the community who identify as LGBT+ and allies, had nearly 24,000 members in 2019, up 35% from the year prior. In 2019, we also created our LGBT+ Executive Forum, a group of Out LGBT+ Managing Directors and Executive Directors across 13 countries, to drive increased engagement and visibility of our LGBT+ senior leaders and advance topics important to our LGBT+ community. In recent years, our firm has taken a number of steps to better meet the needs of this employee population. For example, we have improved family planning benefits and transgender medical benefits for LGBT+ employees, as well as rolled out same-sex partner benefits and gender reassignment surgery coverage in certain geographies. In recognition of our workplace practices, JPMorgan Chase has received a 100% score on the Human Rights Campaign Corporate Equality Index every year since its inception 18 years ago.

Our firm's efforts to advance equality and acceptance for those who identify as LGBT+ do not stop with our own workforce; we are also lending our voice to efforts in our communities. In 2019, for example, we signed public statements in support of marriage equality in Japan and Hong Kong, as well as a U.S. Supreme Court amicus brief in support of LGBT+ workers seeking to be protected from discrimination under existing federal civil rights laws. We also engage with and support external LGBT+ organizations around the world.

Employee Compensation and Benefits

We offer competitive compensation and comprehensive benefits. We have governance mechanisms, systems and controls in place that are intended to provide our employees equitable pay for the work that they do, regardless of who they are. In recent years we increased wages for U.S. employees at the lower end of our pay scale by 10% on average, ranging from between $15 and $18 per hour.

Our benefits package includes health care coverage, retirement benefits, life and disability insurance, wellness and employee assistance programs, competitive vacation and leave policies, tuition reimbursement programs and more. We consciously direct our benefit spend toward lower-wage earners and provide those employees with higher insurance subsidies and lower deductibles.

Supporting Working Parents and Family Building

We offer parental and adoption leave programs with a minimum of 16 weeks of fully paid parental leave for employees who are primary caregivers. In 2019, we increased the amount of paid leave we provide to nonprimary caregivers following the birth or adoption placement of a child to a minimum of six weeks, up from two weeks.

We also help our employees build families through our medical benefits program, which includes coverage for infertility, as well as through policies such as adoption assistance and surrogacy benefits. In 2019, we expanded fertility benefits to individuals without a medical diagnosis of infertility and we increased financial support for surrogacy.

We have flexible work options to support parents and others who need alternative work schedules, and we provide backup childcare in select markets and other assistance to working parents. In 2019, we increased our support for nursing mothers by launching a new lactation consulting program and breast milk shipping options for our employees who are traveling. Since 2013, we have recruited talent through the ReEntry Program, which is a competitive fellowship for individuals who are returning to the workforce after having taken a career break for at least two years for personal reasons, including, but not limited to, caring for family members who are young, ill or elderly.

Encouraging Health and Wellness

We offer a comprehensive wellness program that includes a range of resources to empower and inspire our employees to manage and improve their health. Globally, we have 34 on-site health and wellness centers, and more than half of our U.S. employees have access to these centers. We offer all benefits-eligible employees and their covered spouses/domestic partners access to annual wellness assessments and screenings to help our employees identify potential or existing health risks. In 2019, 82% of enrolled employees and 71% of spouses/domestic partners completed both a wellness assessment and screening.

During the year, we continued to expand our programs to raise awareness and reduce stigmas around mental illness and provide relevant support to employees. All employees have access to our Employee Assistance Program (EAP), which provides confidential counseling and support as well as manager consultations—either through on-site counselors or our extended provider network. In the U.S., we have 13 on-site clinical providers focusing on mental health and in 2019 we launched on-site EAP support and counseling in London. We also launched new resources including videos, a Manager and Employee Toolkit and a resource library on the disease of addiction.

Assessing Pay Equity

We conduct periodic pay equity reviews at all levels. In 2019, in aggregate, women globally were paid 99% of what men were paid and U.S. minorities were paid more than 99% of what nonminorities were paid, taking into account factors such as an employee's role, tenure, seniority and geography. We are proud of the overall diversity of our workforce. However, we also know that women and minorities still are not represented in as many senior management positions as men and nonminorities. Despite the significant progress we have made, we are taking a variety of actions focused on hiring, retaining, developing and advancing women and minorities, especially at more senior levels.

Additional Online Resources

- Annual Report
- Awards and Recognition
- Business Principles
- Careers at JPMorgan Chase
- Compensation & Management Development Committee
- COVID-19 Response
- Diversity and Inclusion
- Equal Opportunity, Anti-Discrimination and Anti-Harassment Statement
- How We Do Business—The Report
- People and Culture
- Proxy Statement

For additional information, please visit www.jpmorganchase.com/ESG.

Supporting Our Communities

Companies like ours have a responsibility to step up and help solve pressing challenges. When communities do well, our firm does well. This conviction is reflected in how JPMorgan Chase endeavors to do business every day. We are investing in our customers, employees and communities around the world to break down barriers to opportunity and create an economy that works for more people.

In response to COVID-19, and in addition to efforts across the firm to support our customers and employees in need, we made an initial $200 million commitment to assist those most affected by humanitarian challenges, as well as create sustainable and innovative solutions to help communities recover when the crisis subsides. This commitment included $150 million in low-cost capital to help underserved small businesses and nonprofits access funding through community partners and a $50 million philanthropic investment to help address immediate and long-term impacts of COVID-19. We will continue to focus on areas where we can leverage our core business, philanthropy and policy expertise to help the most vulnerable in the short and long term.

Our Approach

Our firm is combining our business and policy expertise, sustainable business practices, data, capital and global presence to advance solutions aimed at improving people's lives. Our approach is strategic and data driven, and we have developed, tested and continuously refine it on the ground in communities around the world.

Advancing Policy Solutions

Public policy is a critical tool to scale the most innovative and impactful approaches that bring about lasting change. In 2019, we launched the JPMorgan Chase *Policy*Center to develop and advance sustainable, evidence-based policy solutions designed to drive inclusive economic growth in the U.S. and around the world.

The first focus area for the *Policy*Center is advancing federal and state policy changes to remove barriers to employment for people with criminal backgrounds, such as "banning the box" on job applications and increasing access to education through Pell grants—which provide financial aid to low-income students—for people in prison. One in three Americans has a criminal record, which constitutes a significant barrier to employment for many people. Providing education, skills training and employment opportunities to people with arrest or conviction histories can have a huge impact. It enables them to support their families, save money and secure stable housing. It also helps reduce recidivism, increase public safety, build stronger communities and strengthen the economy.

Another area of focus for the *Policy*Center is advancing local policy solutions that will enable more young people—particularly those who lack opportunity—to access high-quality career readiness programs that pave the way to well-paying jobs. And the *Policy*Center will play an integral role as we respond to and recover from the impacts of COVID-19.

Harnessing the Power of Data

Sound public policy is informed by timely, granular data. The JPMorgan Chase Institute is dedicated to delivering data-rich analyses and expert insights for the public good. Our firm serves 63 million households through our consumer banking business, and by leveraging the unique assets and proprietary data of the firm, the Institute provides policymakers, businesses and nonprofit leaders with timely data and thoughtful analyses to help address critical issues and advance global prosperity.

Our data allow us to better understand and answer important questions about the financial health and resilience of U.S. consumers, businesses and communities, as well as study labor and financial markets. In 2019, the Institute shared valuable insights across a range of areas, including how student loan payments affect the financial lives of 4.6 million families, how Miami's small businesses turn a profit yet have limited cash buffers and how families are weathering financial volatility on a monthly basis.

Our Focus Areas

Our firm is focused on advancing inclusive growth where we have the ability to make a real and lasting impact. As the world faces the health and economic consequences of COVID-19, we will lean into our core areas of expertise to support vulnerable individuals, small businesses and communities as they face financial hardship and uncertain work opportunities, a shifting business landscape and increased pressure to access or maintain affordable housing.

Preparing Workers for the Future of Work

Technological change continues to transform the world of work. By 2030, more than 30% of American workers and 375 million workers globally will need to change jobs or upgrade their skills significantly to advance within the workforce.

In 2019, JPMorgan Chase announced a $350 million investment over five years to equip young people and adults with the skills to succeed in a rapidly changing economy. We are working to create greater economic mobility and career pathways for workers inside our firm (see p. 20), as well as in our communities. This new commitment includes $75 million to enable more young people to get education and real-world work experiences. Our first investment as part of this commitment was $7 million to support Denver, Colorado's nationally recognized youth apprenticeship program and scale it to connect more underserved students to degrees and credentials aligned with in-demand careers.

These investments build on our firm's long-standing efforts to support education, skills training and policy solutions that connect job seekers to high-quality jobs in a changing economy. Over the past six years, we have helped more than 150,000 people across 37 countries develop in-demand job skills.

Supporting Small Businesses

Through our investments in communities around the world, we have seen firsthand how underserved, minority entrepreneurs have the power to lift up communities. Yet these populations often face unique barriers that inhibit their success. This is why our efforts focus on unleashing their power as drivers of opportunity.

Through the Entrepreneurs of Color Fund, we have provided minority entrepreneurs in Detroit, Chicago, the South Bronx, the Bay Area and the Greater Washington region with access to capital, education and other resources. Through 2019, we committed over $17 million through the Entrepreneurs of Color Fund, resulting in more than 475 loans that created or retained over 3,000 jobs.

Cultivating Thriving Neighborhoods

Housing that individuals and families can afford, in proximity to economic opportunity and basic services, is the cornerstone of vibrant and resilient neighborhoods. Producing, preserving and protecting affordable housing is essential to our strategy for creating thriving neighborhoods. For example, as part of a $75 million commitment to the Bay Area our firm announced in early 2020 through our *Advancing*Cities effort, we are investing $27 million to develop and preserve affordable housing in San Francisco and Oakland. This investment, which combines long-term, low-cost loans and philanthropic capital, will provide more affordable housing and protect local residents from being displaced.

In addition, we have hosted six Partnerships for Raising Opportunity in Neighborhoods (PRO Neighborhoods) competitions, awarding more than $131 million to over 95 community development financial institutions across the U.S. As of 2019, the winners have raised over $870 million in outside capital and made over 35,000 loans worth over $475 million dedicated to low- and moderate-income communities. In 2020, the PRO Neighborhoods Competition merged with our *Advancing*Cities Challenge to continue to source innovative and sustainable solutions and address persistent problems facing communities (see p. 27).

Strengthening Financial Health

Sound financial health is the foundation on which strong and resilient households, communities and economies are built. We are using our data, expertise and capital to improve the financial health of customers, employees and communities. In 2019, JPMorgan Chase made a $25 million commitment to the Financial Solutions Lab, which supports technology-based innovations that address the needs of underserved consumers. This investment builds on our five-year collaboration with the Financial Solutions Lab, which has supported nearly 40 innovative fintech startups that have raised over $500 million in capital since joining the program, helping U.S. residents save more than $1 billion.

Through the Financial Inclusion Lab, JPMorgan Chase—in collaboration with the Indian Institute of Management Ahmedabad's Centre for Innovation Incubation and Entrepreneurship and MicroSave Consulting—is supporting innovative, technology-enabled solutions to address the financial health of people in India. Through 2019, the Financial Inclusion Lab has supported 18 fintech startups that have expanded their services to reach more than 900,000 people in underserved communities in India. Additionally, together with U.K. aid, we committed $15 million to Catalyst Fund to advance financial inclusion in emerging markets.

Leveraging the Talent and Commitment of Our Employees

We leverage the considerable talent and commitment of our employees by connecting them with opportunities to support inclusive growth in the communities where we live, work and operate. In 2019, we implemented a new firmwide policy that provides up to eight hours of paid time off annually for volunteering and community engagement activities. And, during the year, nearly 73,000 employees volunteered 467,000 hours, which includes JPMorgan Chase Service Corps activities (see p. 20). In addition, more than 400 employees contributed to the Board Match program, which doubles the impact of eligible employees' donations to nonprofits on whose boards they serve and resulted in the firm matching more than $1.6 million to those organizations.

Expanding Opportunity through *Advancing*Cities

Cities offer tremendous potential as engines of inclusive economic growth. *Advancing*Cities is our firm's $500 million, five-year effort to expand economic opportunity in the world's cities through low-cost, long-term loans and philanthropic investments.

A key component of the initiative is an annual *Advancing*Cities Challenge, which is designed to spark creative, collaborative and sustainable solutions that address cross-cutting challenges and help make the economy work for more people. In 2019, we announced the inaugural *Advancing*Cities Challenge winners, awarding a total of $15 million to Chicago, Ill.; Louisville, Ky.; Miami, Fla.; San Diego, Calif.; and Syracuse, N.Y. During the year, we also committed $41 million in long-term, low-cost loans to drive inclusive growth in low-income communities. Other highlights of our impact through 2019 include:

Detroit

Six years into our $200 million commitment:

- **14,728** people participated in workforce training programs
- **2,002** units of affordable housing were created or preserved
- **17,255** people received services to improve their financial health
- **3,855** jobs were created or retained
- **7,718** small businesses received capital or technical assistance

Chicago South and West sides

Two years into our $40 million commitment:

- **6,362** people participated in workforce training programs
- **48** units of affordable housing were created or preserved
- **49,314** people received services to improve their financial health
- **2,323** jobs were created or retained
- **3,305** small businesses received capital or technical assistance

Greater Washington region

Two years into our $25 million commitment:

- **224** people participated in workforce training programs
- **955** units of affordable housing were created or preserved
- **1,120** jobs were created or retained
- **2,092** small businesses received capital or technical assistance

Greater Paris

First year of our $30 million commitment:

- **4,000** people participated in career readiness programs
- **12** small businesses received capital or technical assistance

Additional Online Resources

- Annual Report
- COVID-19 Response
- JPMorgan Chase Institute
- JPMorgan Chase *Policy*Center
- Our Impact

For additional information, please visit www.jpmorganchase.com/ESG.

Advancing Sustainability

Our firm has operations around the world and works with clients in nearly every sector of the economy, including corporations, development finance institutions, governments and investors. Across our business, we see the imperative to create a lower-carbon, more sustainable economy as more pressing than ever. Climate change, in particular, is driving a growing set of risks for business and communities around the world. At the same time, there are new opportunities to advance solutions that protect the environment, support sustainable development and grow the economy.

JPMorgan Chase is leveraging our expertise in the financial markets to promote sustainable business practices and help our clients raise the capital they need to invest in projects and initiatives intended to achieve positive environmental and social outcomes. Our firm is aiming to facilitate $200 billion in financing in 2020 to drive action on climate change and advance the objectives of the United Nations Sustainable Development Goals (SDGs). This new target—which we announced in early 2020 and builds on our previous clean financing goal—represents a significant expansion of our commitment to creating a more sustainable future for clients, customers, employees and communities we serve.

We are focusing this financing on green initiatives, as well on social objectives and economic development, including increasing access to housing, education and health care and advancing infrastructure, innovation and growth. As the world faces the health and economic consequences of COVID-19, the need for investment in sustainable development will be even more pressing. At the same time, the crisis has underscored the interconnected nature of our world, highlighting the need to take collective action to address other global challenges such as climate change. While this new target is for 2020 alone, we recognize that the issues we are tackling are significant and require sustained commitment and resources over the long term. We intend to set a new sustainable development financing target each year—with the goal to keep growing it over time.

Our Firmwide Sustainability Strategy

Business Opportunities

Financing transactions that support climate action and advance the United Nations Sustainable Development Goals

Risk Management

Managing environmental and social risks that may impact our business, including risks driven by climate change

Policy Engagement

Supporting market-based policy solutions to address climate change, drive clean energy innovation and protect underserved communities

Transparency & Reporting

Reporting on our approach to and performance on ESG matters

Operational Sustainability

Working to source renewable energy for 100% of our global power needs by the end of 2020

Employee Engagement

Leveraging the skills and passion of our employees to advance sustainability in our business and communities

Business Opportunities

JPMorgan Chase's objective is to support our clients that are thinking strategically about the transition to a lower-carbon economy and positioning themselves to adapt to and capitalize on opportunities to advance sustainable solutions. We leverage our deep insight into financial markets and the expertise of our bankers, risk managers, industry experts and others to help our clients achieve their goals.

Corporate & Investment Bank and Commercial Banking

One way we help our clients meet their sustainability efforts is through our financing activities. Our goal to facilitate $200 billion in 2020 to advance the SDGs builds on and expands the previous target we set in 2017, which was to facilitate $200 billion by 2025 in clean financing. This new 2020 goal includes approximately $50 billion toward green initiatives that will also fulfill our 2017 clean financing target.

We established a new goal in 2020 because we were already nearly three-quarters of the way toward our 2025 clean financing target —and because the environmental, social and economic needs the world is facing require us to think bigger. Effectively tackling critical global challenges like climate change requires addressing the full spectrum of development needs, as reflected in the SDGs.

This financing activity is principally led by our CIB and CB businesses, which collectively provide strategic advice, raise capital, extend loans and offer risk management solutions for large- and medium-sized corporations, governments and institutions. Our capabilities include:

- **Underwriting debt with a sustainable use of proceeds.** In 2019, JPMorgan Chase underwrote $14.6 billion in green bonds and bonds with a sustainable use of proceeds. For example, we served as joint bookrunner on ReNew Power's $525 million Restricted Group green bond issuance. ReNew Power is India's largest renewable energy independent power producer, with more than 8 gigawatts (GW) of wind and solar capacity commissioned and under construction. The proceeds from the issue were used to refinance some of ReNew's existing debt and finance investments in new green power projects.
- **Financing and risk management.** JPMorgan Chase provides financing and risk management solutions to support clients' renewable energy projects and to facilitate new energy, technology, transportation, waste management and water treatment innovations. For example, since 2003, JPMorgan Chase has committed or arranged over $24 billion in tax equity financing for wind, solar and geothermal energy projects in the U.S., including $3 billion for wind and solar projects in 2019.
- **Providing advisory services.** JPMorgan Chase advises clients on strategic transactions, such as mergers and acquisitions, initial public offerings and capital raising. In 2019, the firm acted as a bookrunner on the initial public offering for Sunnova Energy International, Inc. [NYSE: NOVA], a residential solar and energy service provider that serves over 78,000 customers in more than 20 U.S. states and territories.
- **Advancing sustainability through research.** We leverage our research capabilities to advance sustainability and ESG investment strategies. In 2019, our firm published approximately 115 reports assessing the macro- and sector-level impact of climate change and outlining different approaches to integrating ESG into investment strategies. In addition, through J.P. Morgan ESG (JESG)—a suite of indices we launched in 2018 that integrate ESG factors into a composite benchmark—we provide scoring coverage for over 4,500 global corporate issuers across 14 sectors and nearly 300 sovereigns and quasi-sovereigns. The ESGQ quantitative metric for stock selection helps investors pick stocks that prioritize ESG factors and covers a universe of 5,124 stocks globally. In 2020, J.P. Morgan expanded its dedicated ESG research capabilities, adding ESG specialists in both our Equity Research and Global Index Research groups.

Expanding Our Firm's Capacity and Capabilities

To support JPMorgan Chase's commitment to advance the SDGs and meet growing client demand, we are expanding our firm's capacity and capabilities in emerging markets. In 2020, we launched the J.P. Morgan Development Finance Institution (JPM DFI), which is focused on scaling up financing for developing countries. In consultation with leading development institutions, JPM DFI has created a methodology intended to identify and qualify business activities and opportunities that generate both financial and developmental returns.

Our CIB business has established an ESG Solutions group to advise our clients on a variety of ESG and climate-related topics. By bringing together specialists in sustainability and financial markets, this group will serve as a center of expertise to help our clients navigate the energy transition and respond to increased interest in ESG investing. The group will also lead the development of our sustainable product offerings, enabling our clients to improve their sustainability credentials and access ESG-focused capital. In addition, we have assembled a new Energy Transition Team to provide strategic and financial advice to corporate clients on mergers and acquisitions that support carbon optimization objectives.

Finally, we have also established a Client Engagement team focused on driving high-impact conversations on corporate responsibility and ESG-related topics with clients across our lines of business.

Asset & Wealth Management

Sustainable investing is a priority within our AWM business, which has $2.4 trillion in assets under management (AUM) and works with institutional, wholesale and professional clients around the world to invest capital to achieve their financial goals.

Our Asset Management business believes that incorporation of material ESG issues into the investment process can help to deliver enhanced risk-adjusted returns over the long term and it has committed to integrate ESG factors across all eligible strategies. Building on ESG integration, we also provide a range of dedicated sustainable investing products that aim to deliver financial returns, align portfolios with client values and help meet a diverse set of goals. As of year-end 2019, our Asset Management business had more than $1.3 trillion of AUM in ESG-integrated strategies and $2.4 billion in our suite of 11 dedicated sustainable investing products.

As a fiduciary of our clients' assets, we are committed to making sure that the companies in which we invest focus on responsible allocation of capital and long-term value creation with an investment-led, expert-driven investment stewardship approach. Our Asset Management business supports and participates in industry advocacy efforts aimed at addressing climate change, such as the TCFD and the United Nations-supported Principles for Responsible Investment (PRI) initiative. And, in 2020, Asset Management joined the Climate Action 100+ investor initiative to enhance its engagement with companies on climate-related risks and opportunities.

Our Wealth Management business is also working to expand and enhance how we help clients who want to pursue sustainable investing within their portfolios. Through white papers and other resources, we support our clients' interests and share insights on sustainability topics such as sustainable agriculture, circular economy, electric vehicles and clean energy.

Across equities, fixed income, alternatives and multi-asset portfolios, Wealth Management has 80 investment strategies globally geared toward sustainable investing, with $7.3 billion in AUM as of year-end 2019. These strategies span multiple approaches, including ESG integration, exclusionary screening, thematic investing and impact investing. We continue to develop tools to help clients achieve their sustainable investing goals and new opportunities for our clients to participate in impact investing funds. For example, in 2019 we offered a new investment opportunity to Wealth Management clients through RRG Capital Management, which is an impact-focused fund manager that—in partnership with The Nature Conservancy as a technical advisor—raised a fund that aims to invest across multiple synergistic themes such as water, farm acquisition and development, habitat conservation and renewable energy and storage.

Managing Risk

Assessing our clients' approach to, and performance on, environmental and social matters is an important component of the firm's risk management process. It helps us make more informed decisions and safeguards our reputation. It also enables us to offer our clients information and guidance on best practices when they are seeking to access capital markets, provide disclosures or improve sustainability practices.

The firm's publicly available Environmental and Social Policy Framework (Framework) provides an overview of our approach to evaluating risks posed by environmental and social matters, including certain activities that we will not finance, and sectors and activities subject to environmental and social due diligence. In 2020, we updated our Framework to expand restrictions on financing for coal mining and coal-fired power and to prohibit project financing for new oil and gas development in the Arctic.

Our due diligence efforts are led by a dedicated environmental and social risk management group. In 2019, approximately 2,100 transactions were referred to this team for review because a potential environmental or social risk was identified. These included loans, debt underwriting, equity underwriting and advisory services. Detailed due diligence was undertaken on roughly one-third of the referred transactions.

JPMorgan Chase participates in or has adopted various internationally recognized principles that help guide our efforts on environmental and social risk management, including the Equator Principles. Further information about our implementation of the Equator Principles and other principles is available in our Framework.

Expanding Our Focus on Climate Change

In 2019, we published our first climate report that was guided by recommendations of the TCFD. Our firm has served as a member of TCFD since it was established. Our report discusses our approach toward managing climate-related risks and how we are capitalizing on the opportunities that arise through a transition to a lower-carbon economy. Since our report was published, we have taken a number of steps to integrate climate factors into our firmwide processes for identifying, assessing and managing risks. For example:

- We created a dedicated risk team focused on climate.
- We integrated climate-related risks into the processes the firm uses to identify, assess and review the most material risks to our business.
- We are evaluating stress testing approaches to deepen our understanding of the relationship between climate change and financial impact to our firm.
- We continue to engage on policy through industry forums, such as the Climate Financial Risk Forum—established by the Financial Conduct Authority (FCA) and the Prudential Regulatory Authority (PRA) of the Bank of England—as a member of the Scenario Analysis working group.

Policy Engagement

Addressing complex global challenges, including climate change, requires collaboration and collective action. We participate in a variety of initiatives focused on advancing sustainability within our industry and across the corporate sector broadly. As part of this, we share our expertise on issues at the nexus of finance and sustainability, and learn from other companies and organizations.

In early 2020, for example, JPMorgan Chase joined the Climate Leadership Council (CLC), a think tank that is promoting a bipartisan roadmap for a revenue-neutral carbon tax and dividend framework for the U.S. Institutions like JPMorgan Chase play an important role financing the energy transition necessary to address climate change, and we believe the CLC's roadmap is a step toward advancing a bipartisan conversation about concrete policy solutions.

Transparency and Reporting

JPMorgan Chase is committed to providing stakeholders with information about our approach to and performance on ESG topics. This annual ESG Report, which summarizes our work on key issues, is one of the primary ways we do that. For the first time, this ESG Report is informed by SASB and includes a separate index, available on our website, which maps our firm's disclosures against the SASB indicators relevant to the sectors in which our firm operates. Our ESG Report also continues to be informed by GRI.

Strengthening Community Resilience to Climate Change

Around the world, communities are struggling to manage the impacts of natural disasters, such as severe weather and wildfires, many of which could be exacerbated by climate change. These events are expected to grow over time—and to disproportionately impact the most vulnerable populations. While our firm has a robust operational resilience program and a long track record of supporting customers and communities after disaster strikes, we are taking an increasingly coordinated approach to helping communities prepare to withstand these threats.

In 2019, we launched community resilience pilots in South Florida and Northern California. Informed by community input about the main challenges in responding to disasters, our firm committed nearly $3 million in philanthropic capital to help these communities develop new informational tools, models of engagement and research that will help prepare them to be more resilient in the face of the next disaster. Going forward, we are applying insights from these pilots to enhance our support. This includes working to expand our efforts to more communities that are vulnerable, as well as better aligning our community resilience strategy with immediate disaster relief efforts.

Operational Sustainability

Minimizing the environmental impact of our physical operations continues to be an important part of our global sustainability strategy. It also helps us to reduce costs and strengthen the firm's resilience. Given the nature of our business, our direct environmental impacts stem primarily from the operation of more than 5,400 corporate buildings, retail bank branches and data centers, including the electricity needed to power those sites.

Increasing Renewable Energy

Increasing our support for renewable energy is a core part of our operational sustainability strategy. In addition to reducing energy consumption by implementing energy-efficient lighting and other technologies, we are undertaking a range of actions, including:

- **Installing on-site renewable energy** at retail branches and commercial buildings;
- **Executing Power Purchase Agreements (PPAs) and green power supply contracts** to support the development of new renewable energy projects on grids from which we purchase energy; and
- **Purchasing Renewable Energy Certificates (RECs)** to green our electricity supply.

We will meet our 100% renewable energy commitment in 2020 by generating and purchasing energy and corresponding RECs in an amount equivalent to the total megawatt (MW) hours of electricity that JPMorgan Chase consumes globally over the year. The RECs we purchase will be sourced in accordance with RE100—an initiative of The Climate Group and CDP to accelerate the world's transition to renewables—of which JPMorgan Chase is a member. Over time, our goal is to meet our commitment on an annual basis in a way that maximizes impact by bringing more renewable energy onto the grid.

Highlights of our progress in 2019 include:

- Completing LED lighting retrofits at 4,300 branches and 50 commercial offices, which will result in up to 50% reduction in lighting energy consumption for each building;
- Installing energy-efficient building management systems at 2,600 branches;
- Purchasing the equivalent of more than 10% of our global annual electricity consumption from a 100.5 MW wind farm in Texas and over 15% of the electricity we consume annually in India through a solar PPA in Bangalore;
- Completing on-site solar installations at commercial offices, including the construction of a 3.6 MW rooftop and carport system in Arizona and a 2.8 MW rooftop system at our Polaris campus in Ohio, which is one of the world's largest commercial installations of bifacial solar modules; and
- Constructing rooftop solar systems at approximately 200 branches in Arizona, Michigan and Nevada, which are on track to be completed in 2020.

Offsetting Emissions from Employee Travel

In 2019, we offset 100% of the greenhouse gas (GHG) emissions from employee air and rail travel.[3] We achieved this by purchasing 189,327 Verified Emission Reduction (VER) credits from forest management projects in the U.S., such as Hawk Mountain Sanctuary in Pennsylvania. This project is part of Working Woodlands, a program designed by Bluesource and The Nature Conservancy to protect and sustainably manage forested lands for the benefit of the environment and local communities. In addition to sequestering an estimated 47,000 tonnes of carbon dioxide equivalent (tCO2e) each year, Hawk Mountain Sanctuary includes 2,500 protected acres and provides habitat for more than 16 species of large birds of prey, including bald eagles, peregrine falcons and ospreys.

Key Memberships and Commitments

JPMorgan Chase participates in, is a member of or has committed to various initiatives and principles that address business and sustainability matters, including:

- Asian Corporate Governance Association (ACGA)
- Business and Sustainable Development Commission
- CDP (Investor Signatory)
- Center for Climate and Energy Solutions (C2ES) Business Environmental Leadership Council
- Ceres
- Climate Action 100+
- Climate Leadership Council
- Corporate Eco Forum
- Equator Principles
- Extractives Industry Transparency Initiative
- Global Impact Investing Network
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change
- RE100
- Soft Commodities Compact
- U.N. Principles for Responsible Investment
- World Green Building Council

Additional Online Resources

- Annual Report
- Asset Management—Sustainable Investing
- COVID-19 Response
- Environmental and Social Policy Framework
- Equator Principles Report
- J.P. Morgan Development Finance Institution
- Sustainability
- Sustainability Announcement Press Release
- TCFD Climate Report
- Wealth Management—Sustainable Investing

For additional information, please visit www.jpmorganchase.com/ESG.

[3]Includes client air and rail travel paid for by JPMorgan Chase.

Environmental Data

		2019	2018	2017
Employee headcount		256,981	256,105	252,539
Square footage[a]		57,205,977	57,584,466	58,140,356

Greenhouse Gas (GHG) Emissions[b]	UNIT	2019	2018	2017
Scope 1 emissions[c]	MtCO_2e	81,655	83,101	78,229
Scope 2 emissions—Location-based	MtCO_2e	692,299	739,458	770,704
Scope 2 emissions—Market-based	MtCO_2e	556,142	572,067	596,843
Total Scope 1 and Scope 2—Market-based	**MtCO_2e**	**637,798**	**655,167**	**675,073**
Reduction over 2005 baseline[d]	%	54	53	52
GHG Emissions per sq. ft.	MtCO_2e/sq. ft.	0.01115	0.01138	0.01161
Scope 3 emissions from employee air and rail travel[e]	MtCO_2e	181,004	176,356	187,020
Verified Emission Reduction (VER) credits purchased	MtCO_2e	189,327	184,769	175,155

Renewable Power	UNIT	2019	2018	2017
Electricity production (on-site solar and fuel cells)	MWh	7,743	13,290	6,472
Contractual instruments[f]	MWh	380,901	375,280	370,801
Proportion of power use from renewable sources (production and instruments)	%	22	22	21

Energy Consumption	UNIT	2019	2018	2017
Electricity	MWh	1,759,170	1,787,344	1,823,121
Steam	MWh	25,071	36,911	30,423
Chilled water (indirect emissions)	MWh	246	232	222
Natural gas	MWh	254,794	256,623	224,119
Propane	MWh	1,314	1,281	1,081
Fuel oil	MWh	9,849	13,248	12,283
Jet fuel	MWh	31,833	32,172	33,447
Total	**MWh**	**2,082,277**	**2,127,812**	**2,124,697**
Reduction over 2005 baseline (net)	%	34	33	31

Water Consumption	UNIT	2019	2018	2017
U.S. operations[b]	m^3	5,091,865	5,731,976	5,611,797

a JPMorgan Chase utilizes an operational control approach to establish boundaries for our GHG inventory. This includes owned and leased facilities for which we control the energy usage and pay the energy/utility bills directly to the respective utility.
b Scope 1, 2 and 3 emissions were verified for 2016, 2017, 2018 and 2019. Water consumption in 2018 and 2019 has been verified.
c Scope 1 emissions include emissions from corporate air travel.
d Emission reduction calculations over the 2005 baseline use the market-based method.
e Includes client air and rail travel paid for by JPMorgan Chase.
f Contractual instruments include renewable energy credits (RECs) from the Buckthorn wind farm PPA and a hydroelectric project on BeBee Island, Renewable Energy Guarantees of Origin (REGOs) and a solar and wind tariff.

JPMorgan Chase Business Principles

Exceptional client service

1. Focus on the customer
2. Be field and client driven and operate at the local level
3. Build world-class franchises, investing for the long term, to serve our clients

Operational excellence

4. Set the highest standards of performance
5. Demand financial rigor and risk discipline: We will always maintain a fortress balance sheet
6. Strive for the best internal governance and controls
7. Act and think like owners and partners
8. Strive to build and maintain the best, most efficient systems and operations
9. Be disciplined in everything we do
10. Execute with both skill and urgency

A commitment to integrity, fairness and responsibility

11. Do not compromise our integrity
12. Face facts
13. Have fortitude
14. Foster an environment of respect, inclusiveness, humanity and humility
15. Help strengthen the communities in which we live and work

A great team and winning culture

16. Hire, train and retain great, diverse employees
17. Build teamwork, loyalty and morale
18. Maintain an open, entrepreneurial meritocracy for all
19. Communicate honestly, clearly and consistently
20. Strive to be good leaders

Contact Us

To contact Corporate Responsibility, email corporate.responsibility@jpmchase.com.
To contact Investor Relations, email JPMCinvestorrelations@jpmchase.com.

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of $2.7 trillion and operations worldwide. The firm is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing and asset management. A component of the Dow Jones Industrial Average, JPMorgan Chase & Co. serves millions of customers in the United States and many of the world's most prominent corporate, institutional and government clients under its J.P. Morgan and Chase brands.

Information about J.P. Morgan's capabilities can be found at jpmorgan.com and about Chase's capabilities at chase.com. Information about JPMorgan Chase & Co. is available at jpmorganchase.com.

JPMorgan Chase & Co.

EXHIBIT G

(see attached)

Dear Fellow Shareholders,

Jamie Dimon,
Chairman and
Chief Executive Officer

As we prepare this year's annual letter to shareholders, the world is confronting one of the greatest health threats of a generation, one that profoundly impacts the global economy and all of its citizens. Our thoughts remain with the communities and individuals, including healthcare workers and first responders, most deeply hit by the COVID-19 crisis.

Throughout our history, JPMorgan Chase has built its reputation on being there for clients, customers and communities in the most critical times. This unprecedented environment is no different. Our actions during this global crisis are essential to keeping the global economy going and will be remembered for years to come.

In these annual letters, I usually cover a range of topics, including a review of JPMorgan Chase's principles, priorities and performance, as well as the broader geopolitical issues facing our company and the most critical public policy issues affecting our country. When the time is right and the future is clearer, I will provide a more complete and current view on how this crisis might change our strategies around how we run the company, work with our clients and governments, and develop public policy solutions. However, right now, as we deal with the spiraling effects of this pandemic, I want to focus on what we as a bank can do to remain strong, resilient and well-positioned to support our colleagues, clients, customers and communities across the globe.

Looking back on the last two decades — starting from my time as CEO of Bank One in 2000 — the firm has weathered some unprecedented challenges, as we will with this current pandemic, but they did not stop us from accomplishing some extraordinary things. Once again, you should know how grateful and proud I am of our more than 200,000 employees around the world. I also want to thank Daniel Pinto, Gordon Smith, our Operating Committee, our Board of Directors and our senior leaders for the exceptional leadership they have shown under the most difficult of circumstances.

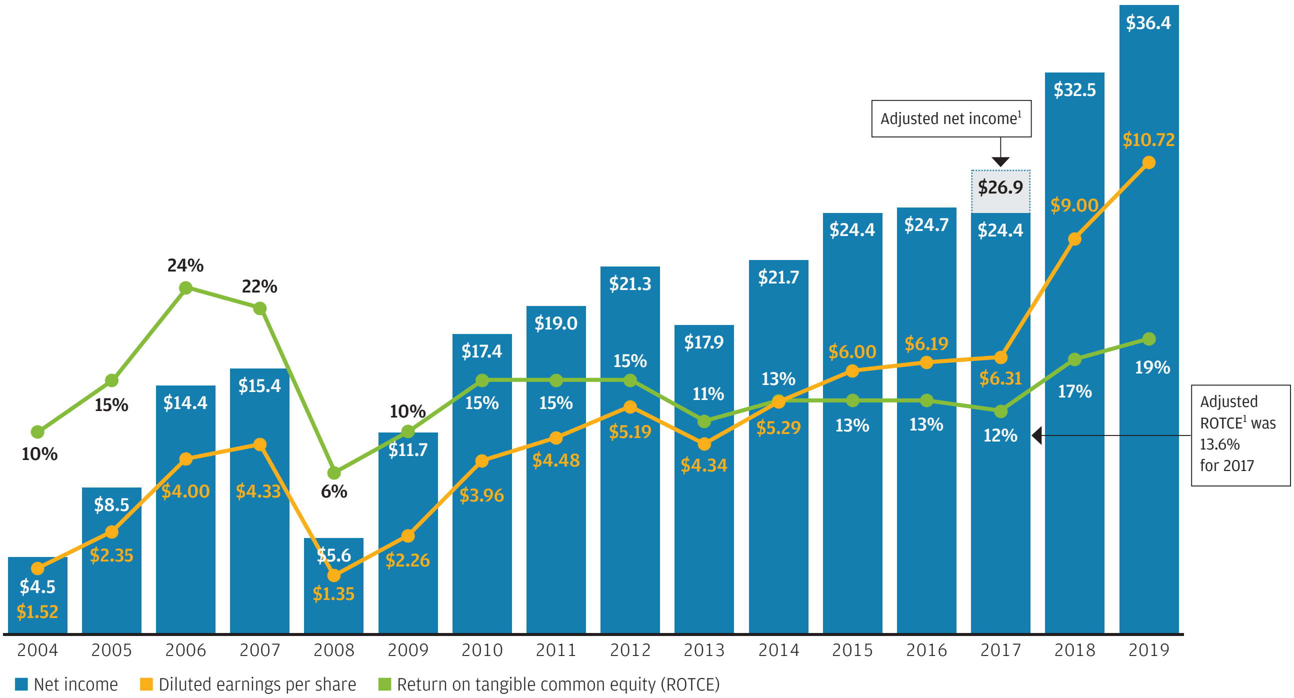
We entered this crisis in a position of strength. 2019 was another strong year for JPMorgan Chase, with the firm generating record revenue and net income, as well as setting numerous other records across our lines of business. We earned $36.4 billion in net income on revenue[1] of $118.7 billion, reflecting strong underlying performance across our businesses. We now have delivered record results in nine of the last 10 years[2] and are confident we will continue to do so in the future, though it should be expected that our earnings will be down meaningfully in 2020. Our largest businesses grew revenue and net income for the year, while the firm continued to make significant investments in products, people and technology. We grew core loans by 2%, increased deposits overall by 5% and generally broadened market share across our businesses, all while maintaining credit discipline and a fortress balance sheet. In total, we extended credit and raised capital of $2.3 trillion for businesses, institutional clients and U.S. customers.

[1] Represents managed revenue.

[2] Adjusted net income, a non-GAAP financial measure, excludes $2.4 billion from net income in 2017 as a result of the enactment of the Tax Cuts and Jobs Act.

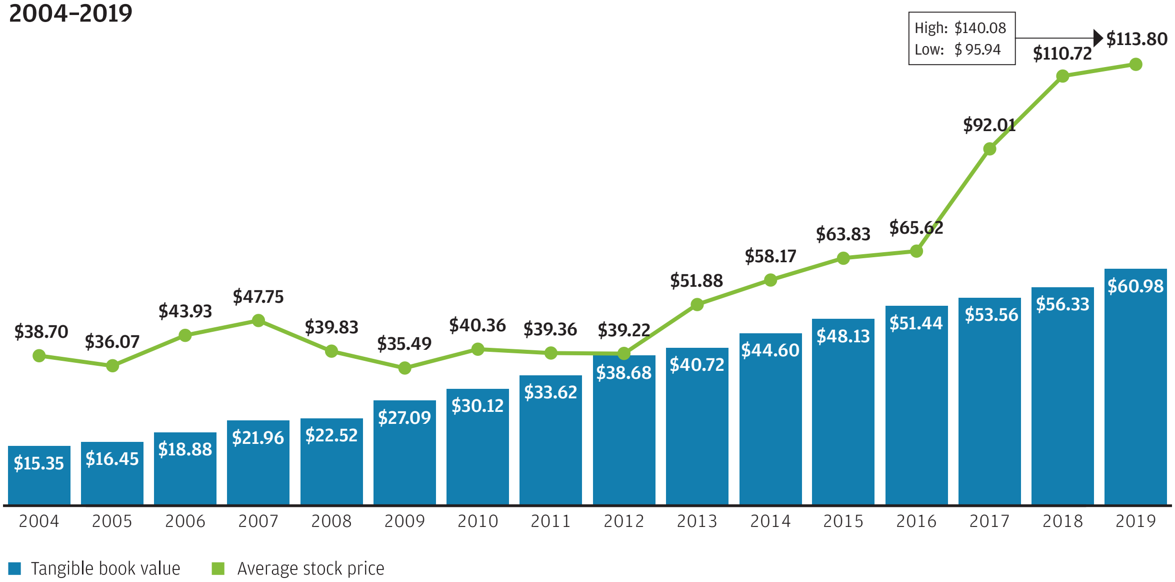
Earnings, Diluted Earnings per Share and Return on Tangible Common Equity 2004–2019

($ in billions, except per share and ratio data)



[1] Adjusted net income, a non-GAAP financial measure, excludes $2.4 billion from net income in 2017 as a result of the enactment of the Tax Cuts and Jobs Act.

Tangible Book Value and Average Stock Price per Share 2004–2019



JPMorgan Chase stock is owned by large institutions, pension plans, mutual funds and directly by individual investors. However, it is important to remember that in almost all cases, the ultimate beneficiaries are individuals in our communities. Approximately 100 million people in the United States own stock, and a large percentage of these individuals, in one way or another, own JPMorgan Chase stock. Many of these people are veterans, teachers, police officers, firefighters, retirees, or those saving for a home, school or retirement. Your management team goes to work every day recognizing the enormous responsibility that we have to perform for our shareholders.

While we don't run the company worrying about the stock price in the short run, in the **long run** our stock price is a measure of the progress we have made over the years. This progress is a function of *continual* investments, in good and bad times, to build our capabilities — our people, systems and products. These important investments drive the future prospects of our company and position it to grow and prosper for decades. Whether looking back over five years, 10 years or since the JPMorgan Chase and Bank One merger (15 years ago), our stock has significantly outperformed the Standard & Poor's 500 Index and the Standard & Poor's Financials Index.

Bank One/JPMorgan Chase & Co. tangible book value per share performance vs. S&P 500 Index

	Bank One (A)	S&P 500 Index (B)	Relative Results (A) — (B)
Performance since becoming CEO of Bank One (3/27/2000–12/31/2019)[1]			
Compounded annual gain	11.5%	5.9%	5.6%
Overall gain	688.3%	210.8%	477.5%

	JPMorgan Chase & Co. (A)	S&P 500 Index (B)	Relative Results (A) — (B)
Performance since the Bank One and JPMorgan Chase & Co. merger (7/1/2004–12/31/2019)			
Compounded annual gain	12.2%	9.2%	3.0%
Overall gain	499.2%	290.2%	209.0%

Tangible book value over time captures the company's use of capital, balance sheet and profitability. In this chart, we are looking at heritage Bank One shareholders and JPMorgan Chase & Co. shareholders. The chart shows the increase in tangible book value per share; it is an after-tax number that assumes all dividends were retained vs. the Standard & Poor's 500 Index (S&P 500 Index), which is a pretax number that includes reinvested dividends.

[1] On March 27, 2000, Jamie Dimon was hired as CEO of Bank One.

Stock total return analysis

	Bank One	S&P 500 Index	S&P Financials Index
Performance since becoming CEO of Bank One (3/27/2000–12/31/2019)[1]			
Compounded annual gain	12.8%	5.9%	4.4%
Overall gain	988.2%	210.8%	132.9%

	JPMorgan Chase & Co.	S&P 500 Index	S&P Financials Index
Performance since the Bank One and JPMorgan Chase & Co. merger (7/1/2004–12/31/2019)			
Compounded annual gain	11.5%	9.2%	4.1%
Overall gain	441.9%	290.2%	85.6%
Performance for the period ended December 31, 2019			
Compounded annual gain			
One year	47.3%	31.5%	32.1%
Five years	20.5%	11.7%	11.1%
Ten years	15.6%	13.6%	12.2%

These charts show actual returns of the stock, with dividends reinvested, for heritage shareholders of Bank One and JPMorgan Chase & Co. vs. the Standard & Poor's 500 Index (S&P 500 Index) and the Standard & Poor's Financials Index (S&P Financials Index).

[1] On March 27, 2000, Jamie Dimon was hired as CEO of Bank One.

The results shown above use our stock price as of December 31, 2019. If you compare that with our stock price as of March 31, 2020, you would see a dramatic change. For example, the overall stock price gain from the date of the JPMorgan Chase and Bank One merger was 442% at the end of last year, but it dropped to 252% three months later. While that's still far better than many companies' performance, it illustrates the volatility of returns.

Unlike past letters, the placement of charts about the performance of our lines of business and our fortress balance sheet is different — they can be found in an appendix following this letter to peruse at your leisure. Instead, I am going to focus my comments in the rest of this letter on issues that relate to our current crisis. And while I enjoy sharing my opinion on many other matters, I will avoid doing so this year.

Within this letter, I discuss the following:

Dealing With an Extraordinary Crisis

1. We go to extraordinary lengths to help our customers — consumers, small businesses, midsize companies, large corporations, and state and local governments.
2. We take excellent care of our employees.
3. We make extraordinary efforts to lift up our communities, especially in challenging times.
4. We are transparent with our shareholders: What they should expect regarding our financial and operating performance in 2020.
5. We are working closely with all levels of government during this crisis — and while we will participate in government programs to address the severe economic challenges, we will not request any regulatory relief for ourselves.
6. We need a plan to get safely back to work.
7. We need to come together: My fervent hope for America.

A corporation – essentially any institution – is a living, breathing organism made up of people, technology, institutional knowledge and relationships and is generally organized around mission and purpose. Entering into a crisis is not the time to figure out what you want to be. You must already be a well-functioning organization prepared to rapidly mobilize your resources, take your losses and survive another day for the good of all your stakeholders.

No matter the challenge, we manage our company consistently with principles that have stood the test of time. I have written about these inviolable principles often – the need for extremely talented and motivated employees; a fortress balance sheet that allows us to invest in good times and in bad times; clear, comprehensive and accurate financial, risk and operating reporting to let us make quick and accurate decisions; a devotion to our customers and communities; and continuous investing in technology to better serve both our employees and our customers. (These principles also underlie an organization's preparedness for tough competition – I was going to write this year that the ***competition is back*** in all of its facets. There'll be more to come on that next year.)

We are there for our customers, employees and communities in good and bad times – we are a port in the storm. It is in the toughest of times that we need to use our capital and liquidity to help clients – large and small. COVID-19 is one of those extraordinary times. Below are some of the things we are doing to help our company and our customers during this global crisis.

1. We go to extraordinary lengths to help our customers — consumers, small businesses, midsize companies, large corporations, and state and local governments.

First and foremost, we have to be prepared to operate under extremely adverse circumstances.

The significant economic fallout from this crisis reinforces the critical need to keep the global financial system fully functioning – and we recognize that our firm is an important part of the global economy. Therefore, we incorporate plans for resilience in everything we do – resilience for hurricanes, data center failures, cyber attacks and other issues. And while we had not envisioned the effects of a pandemic like this one, all of this preparation has paid off – and we have been able to accomplish far more and far more quickly than we originally thought possible. It is absolutely essential that we be up and functioning for all of our customers ***each and every day***.

How else would we process $6 trillion in payments or buy and sell approximately $2 trillion in securities and foreign exchange transactions for our clients on a daily basis? And how else would we raise more than $2 trillion of credit and capital for our clients each year? Our branches, collectively, have 1 million customer visits each day, and our combined credit card and debit card transaction volume totals $1.1 trillion a year.

During this crisis, we have been utilizing our disaster recovery sites and implementing alternative work arrangements globally. We now have more than 180,000 employees working from home (and quite effectively), including traders, bankers, portfolio managers, and operations and call center teams across the globe. We are ensuring they continue to operate at the highest standards with the proper technological tools and access so they can serve their clients safely and seamlessly. Over the past few weeks, we have had nearly 150,000 concurrent virtual sessions – nearly five times our pre-pandemic average – and we have capacity in reserve to support significantly more demand if necessary.

We're taking significant steps to help our consumer customers.

After Superstorm Sandy, Hurricane Harvey and other devastating natural disasters around the globe, after wildfires ravaged California towns and after a number of other tragic events, we stepped up for our customers. Today, we are doing the same ***across the country*** as we work individually with customers facing COVID-19-related hardships.

We have been helping our customers, who tell us about their financial struggles as a result of the crisis, and are offering relief measures such as:

- Providing a 90-day grace period for mortgage and auto loan/lease payments and waiving any associated late fees.
- Removing minimum payment requirements on credit cards and waiving associated late fees.
- Not reporting payment deferrals such as late payments to credit bureaus for up-to-date clients.
- Continuing to responsibly lend to qualified consumers.
- Waiving or refunding some fees, including early withdrawal fees on certificates of deposit.

You can learn more about our customer response at: **www.chase.com/stayconnected**.

Of our approximately 5,000 Chase branches, we have managed to keep three-quarters of them open – and safe – for our customers who need our services. In every one of our markets, almost all of our 2,300 branches with drive-up windows have remained open for business, allowing people to maintain a safe distance. Our 17,000 bankers have continued to take appointments and proactively reach out to customers – helping them manage their finances and use our digital tools – often letting customers stay home. In addition, the vast majority of our 16,850 ATMs are well-stocked and still functioning to provide needed cash to our customers. Our call centers have not fared as well; many of them have been effectively shut down by local restrictions. As the volume of calls has increased from customers seeking assistance, hold times have also increased. We have mobilized quickly to address this issue, reminding customers that our digital self-service capabilities are always available for them to check balances, deposit checks or make payments. Additionally, we have built new tools – digital and electronic – to allow customers to request relief without waiting for a specialist. And we are making it possible for our displaced phone specialists to work from home.

We are also taking significant action to support businesses — small, midsize and large — and state and local governments.

Clearly, some clients may be much more vulnerable than others – for example, transportation companies, hospitality enterprises, hospitals, utilities and, in particular, small businesses that do not have enough capital to withstand sudden and sustained downturns in income. JPMorgan Chase Institute research reveals that 50% of small businesses have less than 15 cash buffer days, reinforcing why small businesses are being heavily disrupted by the current crisis and will feel the effects for a significant period of time – even as more capital from the recent federal stimulus program reaches them.

To support businesses during this current crisis, we are doing the following:

- Prudently extending credit to businesses of all sizes for working capital and general corporate purposes. For example, in the past 60 days alone, we have extended $950 million in new loans to small businesses.
- Waiving and refunding fees for those businesses in need and finding ways to help more small businesses through resources available at the Small Business Administration.
- Servicing clients with additional credit through revolving facilities, when appropriate, and stepping in to try to help with credit when others can't or won't.
- Continuing in the ordinary course of business to sustain consumers, businesses and communities with about $500 billion of credit and capital raised ***every quarter.***
- Continuing to maintain undrawn revolving commitments in our wholesale businesses, which totaled approximately $295 billion as of the close of business on March 31, 2020. Companies have ***already drawn down more than $50 billion*** of their revolvers to prepare themselves for the crisis (this already dramatically exceeds what happened in the global financial crisis). Many others have requested additional credit, which we have been offering judiciously – ***more than $25 billion of new credit extensions*** were approved in the month of March alone.
- Continuing the issuance of bonds for highly rated companies ($85 billion) – it may surprise you that the first quarter of 2020 will be ***our largest quarter for investment grade issuance,*** led by J.P. Morgan.
- Continuing to support vital institutions to keep our communities strong: Increased funding in March included, for example, $1.9 billion for hospitals and healthcare companies, $270 million for educational institutions, $360 million for nonprofits, and $240 million for state and local governments.
- Continuing to fund construction projects essential to our communities (affordable housing, food banks and grocery stores) through our $5 billion commitment.

Recognizing the extraordinary extension of new credit, mentioned above, and knowing there will be a major recession mean that we are exposing ourselves to billions of dollars of additional credit losses as we help both consumer and business customers through these difficult times. (We will provide more detail on these actions later in this letter.) Of course, we are in continual contact with our regulators about our actions and efforts.

We stand ready to assist the government in implementing stimulus package benefits to support the economy.

We applaud the speed with which the federal government and the Federal Reserve (the Fed), as well as other central banks around the world, put together a stimulus package and other funding benefits to help individuals, businesses, and state and local entities across the United States and beyond. Much remains to be done to assure these resources can be quickly and effectively rolled out. We hope to be at the forefront of using this assistance ***to help our customers*** get through what is certain to be a difficult next few months. We will not use this relief funding for ourselves.

2. We take excellent care of our employees.

Times like these reinforce that our employees are our most important asset – they are fundamental to the vibrancy and success of our company. Excellence in everything we do – from operations and technology to service and reputation – depends upon the abilities and character of our employees. Our vast and diverse team of people serves our customers and communities, builds the technology, makes the strategic decisions, manages the risks, determines our investments and drives innovation. Setting aside differing views of our complex world and the risks and opportunities ahead, it is inarguable that having such an extraordinary team – people with guts, brains and enormous capabilities who can navigate whatever circumstances bring – is what ensures our future prosperity.

In last year's letter, I wrote about the many ways we take excellent care of our employees: competitive wages and compensation, 401(k) retirement benefits, health benefits and wellness programs, extensive training programs, volunteer and employee engagement opportunities, generous parental leave policies and much more.

During this pandemic, we have also taken extensive steps to protect and support our employees and their families. For example:

- We continue to pay employees who are at home because they have had potential exposure to the virus or whose health is higher risk. Additionally, we provide paid medical leave to employees who are unwell.
- We have clinical staff internally to support our employees through this difficult time, whether it is fielding general inquiries related to COVID-19 or locating testing or other medical facilities.
- All employees are receiving five additional paid days off to help manage personal needs, which may include dependent care, child care or other issues.
- A special payment of up to $1,000 has been granted to full- and part-time employees whose job requires them to continue working on-site and generally whose annual cash compensation is less than $60,000.
- All branch employees are being paid for their regularly scheduled hours even if those hours are reduced or their branch is temporarily closed.
- For those who must go to work on-site, we are reinforcing both basic and enhanced personal and office hygiene measures to keep them, their colleagues and their clients safe. We have modified business operations, staggered shifts, changed seating arrangements, closed buildings to nonessential visitors and provided additional equipment where possible. We have also intensified nightly and daily cleaning of all offices and branches worldwide that remain open.

It's amazing how quickly we have mobilized and implemented work-from-home and other resiliency measures – in weeks instead of months or years. There are great lessons to be learned from this experience.

While conditions may sometimes be unusual and difficult, we are functioning smoothly. In fact, over the last month in certain parts of our company, we've had the highest volume and transaction totals we have ever seen.

Needless to say, this success would be impossible without our exceptional employees, and we recognize our responsibility to support both their professional and personal lives now more than ever.

A DIVERSE AND INCLUSIVE COMPANY IS A STRONGER COMPANY

While the health crisis we are facing supersedes all other topics in this year's letter, the subject of diversity and inclusion is such an important one that I feel compelled to include it. As a firm, we have an unwavering commitment to integrity, fairness and responsibility. That's why any instances of racist behavior and discrimination are so deeply unsettling.

Recently, Daniel Pinto and Gordon Smith, our Co-Presidents and Chief Operating Officers, sent a note to employees about steps we're taking to ensure our values reach all corners of our company.

Dear colleagues,

We are managing through uncertain times right now and recognize many of you are focusing much of your day on responding to the ongoing spread of the COVID-19 coronavirus. While this is a top priority for all of us, we want to make sure you know we haven't lost sight of our commitment to keeping you informed about our ongoing efforts to strengthen our culture. Now, more than ever, we need the best of everyone because only together will we get through these unprecedented times.

As you know, after the media reported on alleged discrimination in our firm last year, Jamie asked Gordon to lead an internal team to take a hard look at how we do business so that we could gain a deeper understanding of what more we can do to root out racism and discrimination anywhere it exists.

Challenging our people to be clear-eyed and open to change, we tasked many of our senior leaders from across the firm, from multiple lines of business and control functions, to evaluate our policies, procedures and programs firmwide, to ensure they are fair for all employees and customers. To be clear, we are looking across the whole firm and at everything we do.

As a result, we've identified a number of areas that, with enhanced, scaled or new programming or processes, would serve to improve our culture in important ways. For example, we focused on employee and customer complaints — examining common themes, where they originated and where opportunity exists to improve.

We also looked at how employee discretion may affect product accessibility across lines of business. We found opportunities to increase awareness about the firm's Diversity & Inclusion strategy, and we identified a need to expand our diversity recruitment efforts to help us hire more diverse talent, and to implement mandatory firmwide training.

While this work is ongoing, here are five initial areas where work is now underway, including:

Enhancing our employee feedback process

We are looking hard at how we treat an employee complaint when it comes in. We are already working to simplify escalation channels so employees are clear on where to submit complaints, in addition to further building out our capabilities across complaints to better understand the full scope of the individual's experience. Feedback suggests that employees are not always clear on where to submit complaints, so we are working to identify where improvements are needed.

Employees are encouraged to use existing channels to report inappropriate conduct or discrimination. We will continue to strengthen these "listening posts" and reporting channels in an effort to make sure every one of us feels safe and confident identifying and reporting inappropriate behavior.

Making it easier for customers to access products and services

We regularly review the products and services we offer to customers, and we are looking for ways to boost customer connectivity across our full spectrum of consumer products. To start, we are focusing on:

- Enhancing ease of navigating and guiding customers through our full range of products and services available across our entire branch network; and
- Re-evaluating the qualification requirements for new product features and benefits.

We will improve product parameters and strengthen monitoring tools to ensure the exercise of discretion works as intended.

Bolstering our hiring systems to build a more robust pipeline of diverse talent

Attracting the best talent can only be achieved through a dedicated focus on inclusive recruiting, so we are recommitting ourselves to this effort. We have made progress in this area, with programs such as Advancing Black Leaders, a program focused specifically on increased hiring, retention and development of talent from within the black community. Over the past four years, we have increased the number of black professionals in our most senior ranks, with the number of black managing directors and executive directors up by more than 50 percent.

In addition, we are expanding our specialized team dedicated to conducting more targeted outreach to recruit diverse talent. We will expand on our program to hold hiring managers and recruiters at the highest levels of the company accountable for hiring a diverse group of professionals.

Instituting required firmwide Diversity & Inclusion Training

In order to drive more diverse and inclusive behaviors amongst our leaders, managers, employees and customers, we are requiring diversity and inclusion training for all employees at various points throughout an employee lifecycle, including at the time of hire, and periodically thereafter. We expect all employees to fulfill these requirements.

Because the role of the manager is arguably the most critical role in promoting our culture deep into the organization, we will make additional manager training mandatory at the time of promotion to a people-manager role, and at the time of promotion to a senior leader role, in addition to other developmental moments for managers. We already have training in many parts of the organization, including programs like "Journey to Inclusive Teams" and the required unconscious bias training for branch managers. We will continue to enhance and embed this required training throughout the manager's career.

We know that it is essential for managers to be inclusive leaders and we will focus on helping them recognize ways they can be intentional about inclusion as they recruit, hire, retain and develop diverse talent.

Increasing the diversity of the businesses we partner with firmwide

We are fully committed to a fair, equitable and inclusive company for our customers, our employees, our partners and our suppliers. This is part of every manager's job, and they will be held accountable.

The diversity of the businesses we partner with across the firm is just as important as our employee diversity – from the small businesses to which we provide access to capital, to our asset managers, to our suppliers and to the companies we assist in bringing public.

We intend to increase diverse representation through structural process improvements in how we select partners and build our pipeline.

The firm will also continue to use data and research to further inform the development of products, services, employee programs and community investments that help address racial disparities in wealth building.

This all goes to say our work described above is representative of our deep commitment and is ongoing. It is not a "one and done" event. We will remain steadfast, continue to work now and in the future, and remain ever-vigilant in our effort to maintain a culture where racism cannot live or thrive. Over the next 30 days, each business will review their current strategies and contribute a plan to bring this to life and each business will be held accountable.

Let us say again, we are all the keepers of our culture and we are committed to ensuring that ours is one where all employees and customers are treated equally and fairly, and where all of us receive the opportunity and mutual respect we deserve.

I can assure ***you***, it did not take one particular story to make us realize that a diverse and inclusive culture is important.

We know that too many people are being left behind – particularly in the black community. ***The Civil War ended more than 150 years ago, and we still have not come even close to parity.*** We need to do more as a nation, and we have more to do as a firm.

3. We make extraordinary efforts to lift up our communities, especially in challenging times.

I believe that our shareholders know we make extraordinary efforts to lift up our communities, both at a local level – supporting schools and work skills training, for example – and at the national level, helping to formulate policies that are good for countries. These policies affect healthcare, infrastructure, education and employment, including initiatives such as those that help people with a criminal background get a second chance.

We know that crises like COVID-19 create further inequities in society so it is even more important that we be present for those communities hit hard by the pandemic. JPMorgan Chase made a $50 million commitment to help address the immediate humanitarian crisis, as well as the long-term economic challenges people face. Funding will be deployed over time with particular focus on the most vulnerable people and communities, including:

- Immediate healthcare, food and other humanitarian relief globally;
- Help for existing nonprofit partners around the world that are responding to the crisis in their communities;
- Assistance to small businesses vulnerable to significant economic hardships in the United States, China and Europe.

There is a tremendous amount we do day to day – in addition to traditional banking – to help the communities in which we operate, including the following, some of which you might be surprised to know:

- We finance more than $5.5 billion in affordable housing each year (including residential and commercial lending and mortgages in low- and moderate-income communities).
- We provide small business loans in low- and moderate-income neighborhoods.
- We design products and services to promote the financial health of lower-income individuals.
- We support a number of employee- and community-based initiatives and philanthropic activities, including:
  - ***Office of Military and Veterans Affairs***, which sponsors mentorship, development and recognition programs to support the military and veterans working at the firm;
  - ***Women on the Move***, our global firmwide effort that empowers female employees, clients and consumers;
  - ***The Service Corps***, which mobilizes employee volunteers to help nonprofit organizations around the world;
  - ***Advancing Black Pathways***, a comprehensive program focused on providing more opportunities for black people and black-owned businesses because we know that opportunity is not always created equally;
  - ***Entrepreneurs of Color Fund***, which is expanding and provides minority entrepreneurs with access to capital, education and other resources.
- We expect to finance more than $100 billion in transactions aimed at supporting development in emerging market countries – in infrastructure, education, healthcare, agribusiness and industry, among other investments – to promote the United Nations' Sustainable Development Goals.

- We are huge supporters of regional and community banks, which are critical to many cities and small towns around the country. We bank approximately 500 of America's 5,000 regional and community banks. In 2019, we lent or raised a total of $2.6 billion in capital for them. In addition, we provide payment-processing services for them, we finance some of their mortgage activities, we advise on acquisitions, and we buy and sell securities for these banks. We also supply interest rate swaps and foreign exchange both for themselves – to help them hedge some of their exposures – and for their clients. For example, while many community banks were seeking more liquidity to serve their local communities amidst COVID-19 fears, we were able to help approximately 100 community banks secure $775 million in increased cash availability over a three-week period in March, delivering $1.9 billion of cash to support their branches and ATMs. This is not only a win for our clients but also for the communities in which they operate.

4. We are transparent with our shareholders: What they should expect regarding our financial and operating performance in 2020.

Of course, we do not know how this crisis will ultimately end, including how long it will last, how much economic damage it will do, or how fast or slow the recovery will be. We have always been serious about stress testing and run an enormous number of tests per week so that we are prepared for most crises. But as is often the case, this "actual new crisis" – while it shares attributes with what is being stress tested – is dramatically different from the expected.

We stopped buying back our stock: We have always held the position that the highest and best use of our equity is to reinvest it in our own business and, of course, to be able to withstand tough times. Halting buybacks was simply a very prudent action – we don't know exactly what the future will hold – but at a minimum, we assume that it will include a bad recession combined with some kind of financial stress similar to the global financial crisis of 2008. Our bank ***cannot be immune*** to the effects of this kind of stress.

We will share in detail our latest thinking on the impact this crisis will have on our financials in our first quarter earnings release in mid-April; however, to put it in context, here is how our shareholders can think broadly about a reasonable range of outcomes.

Our 2019 pretax earnings were $48 billion[1] – a huge and powerful earnings stream that enables us to absorb the loss of revenues and the higher credit costs that inevitably follow a crisis. For comparison, the Comprehensive Capital Analysis and Review (CCAR) results for 2020 that we submitted to the Federal Reserve in 2019 (which assumed outcomes like U.S. unemployment peaking at 10% and the stock market falling 50%) showed a decline in revenue of almost 20% and credit costs of approximately $20 billion more than what we experienced in 2019. We believe we would perform better than this if the Fed's scenario were to actually occur. But even in the Fed's scenario, we would be profitable in every quarter.[2] These stress test results also show that following such a meaningful reduction in our revenue (and assuming we continue to pay dividends), our common equity Tier 1 (CET1) ratio would likely hold at a very strong 10%, and we would have in excess of $500 billion of liquid assets.

Additionally, we have run an ***extremely adverse scenario*** that assumes an even deeper contraction of gross domestic product, down as much as 35% in the second quarter and lasting through the end

[1] Represents managed pretax income.

[2] We are adjusting these CCAR results for the global market shock trading losses and operational losses – and there have been none in this crisis.

of the year, and with U.S. unemployment continuing to increase, peaking at 14% in the fourth quarter. Even under this scenario, the company would still end the year with strong liquidity and a CET1 ratio of approximately 9.5% (common equity Tier 1 capital would still total $170 billion). This scenario is quite severe and, we hope, unlikely. If it were to play out, the Board would likely consider suspending the dividend even though it is a rather small claim on our equity capital base. If the Board suspended the dividend, it would be out of extreme prudence and based upon continued uncertainty over what the next few years will bring.

It is also important to be aware that in both our central case scenario for 2020 results and in our extremely adverse scenario, we are lending – currently or plan to do so – an additional $150 billion for our clients' needs. Despite this, our capital resources and liquidity are very strong in both models. We have over $500 billion in total liquid assets and an incremental $300+ billion borrowing capacity at the Federal Reserve and Federal Home Loan Banks, if needed, to support these loans, as well as meet our liquidity requirements (these numbers do not include the potential use of some of the Fed's newly created facilities). We could, of course, make our capital and liquidity buffer better by restricting our activities, but we do not intend to do that – our clients need us.

I would like to point out that, as we get closer to the extremely adverse scenario, current regulatory constraints will limit additional actions we can take to help clients – in spite of the extraordinary amount of capital and liquidity we could deploy.

5. We are working closely with all levels of government during this crisis — and while we will participate in government programs to address the severe economic challenges, we will not request any regulatory relief for ourselves.

We are just beginning to analyze and work with the government on all of their various programs. For the most part, these initiatives will need the deep involvement of the private sector to be properly executed. We intend to do everything we can – and as soon as possible – to ensure that government support is reaching the people who need it most.

We applaud and support the recent actions the U.S. Department of the Treasury and the Federal Reserve have taken to try to mitigate the economic impact of the COVID-19 turmoil. The Fed's overwhelming actions have already dramatically reduced the financial stress in the system, and there is still more they could do if they need to. For example, balance sheet expansion, additional lending facilities, and changes to capital and liquidity requirements are steps designed to ensure that more capital will flow through the system, which will ultimately allow us to help more families and small businesses. These actions would bolster the U.S. economy with no impact on safety, soundness or regulatory oversight. We are working with the government to make sure such crisis-relief measures are structured to work effectively – there are a significant number of details that need to be resolved, which I will not go into here.

While we will aggressively help our customers take advantage of these new programs (though we must take action to protect ourselves from ongoing – and, more important, future – litigation risk), we want our shareholders to know that we have not requested any regulatory relief for ourselves. Saying that we will not ask for regulatory relief does not mean the government shouldn't change some rules and regulations, however. For example, some rules can improperly prevent healthy, well-capitalized banks from lending freely in times of stress. This can hurt customers as the crisis deepens. Leaving high-quality, available liquidity undeployed in times of need is an opportunity forever lost.

I have written in detail in past letters that the regulatory system is in need of both reform and recalibration – not because we want it to happen but because it would be good for a deepening and widening of the financial system – something that would benefit all Americans. While a lot of the rules were constructive and made the financial system stronger, we are now seeing the impact of poorly coordinated, poorly calibrated and poorly organized rulemaking.

After the crisis subsides (and it will), our country should thoroughly review all aspects of our preparedness and response. And we should use the opportunity to closely review the economic response and determine whether any additional regulatory changes are warranted to improve our financial and economic system. There will be a time and place for that – but not now.

6. We need a plan to get safely back to work.

It is hoped that the number of new COVID-19 cases will decrease soon and – coupled with greatly enhanced medical capabilities (more beds, proper equipment where it is needed, adequate testing) – the healthcare system is equipped to take care of all Americans, both minimizing their suffering and maximizing their chance of living. Once this occurs, people can carefully start going back to work, of course with proper social distancing, vigilant hygiene, proper testing and other precautions. There are many jobs that can be safely done; however, employees in certain companies should return to business as usual only if the Centers for Disease Control and Prevention (CDC) and other government entities deem it safe to do so.

In addition, this "return to work" process could be accelerated if federal, state and local governments make tests widely available that allow people to certify that they have contracted and recovered from the disease, have the necessary antibodies to prevent them from getting sick again and are not infectious to anyone. Initially, we need a buffer period of days or weeks for people to be tested, and then for those who test negative for the virus, we need to discover whether virus antibodies appear through serology testing. Both the CDC and private companies are scrambling to produce such tests: The U.K. has ordered 3.5 million of them, Germany will use them to issue immunity certificates to COVID-19 survivors, and China and Singapore already are using tests to determine how extensively the virus spread in large populations in order to measure the true infection rate. In the United States, the Food and Drug Administration is allowing doctors to use these serology tests to identify recovered patients whose antibodies could treat emergency cases of the disease.

The country was not adequately prepared for this pandemic – however, we can and should be more prepared for what comes next. Done right, a disciplined transition would maximize the health of Americans and minimize the time, extent and suffering caused by the economic downturn.

7. We need to come together: My fervent hope for America.

Sometimes extraordinary events in history can cause a change in the body politic. As a nation, we were clearly not equipped for this global pandemic, and the consequences have been devastating. But it is forcing us to work together, and it is improving civility and reminding us that we all live on one planet. *E Pluribus Unum.*

I am hoping that civility, humanity, empathy and the goal of improving America will break through.

We have the resources to emerge from this crisis as a stronger country. America is still the most prosperous nation the world has ever seen. We are blessed with the natural gifts of land; all the food, water and energy we need; the Atlantic and Pacific oceans as natural borders; and wonderful neighbors in Canada and Mexico. And we are blessed with the extraordinary gifts from our Founding Fathers, which are still unequaled: freedom of speech, freedom of religion, freedom of enterprise, and the promise of equality and opportunity. These gifts have led to the most dynamic economy the world has ever seen – one that nurtures vibrant businesses large and small, exceptional universities, and a welcoming environment for innovation, science and technology. America was an idea borne on principles, not based upon historical relationships and tribal politics. It has and will continue to be a beacon of hope for the world and a magnet for the world's best and brightest.

Of course, America has always had its flaws. The current pandemic is only one example of the bad planning and management that have hurt our country: Our inner city schools don't graduate half of their students and don't give our children an education that leads to a livelihood; our healthcare system is increasingly costly with many of our citizens lacking any access; and nutrition and personal health aren't even being taught at many schools. Obesity has become a national scourge. We have a litigation and regulatory system that cripples small businesses with red tape and bureaucracy; ineffective infrastructure planning and investment; and huge waste and inefficiency at both the state and federal levels. We have failed to put proper immigration policies in place; our social safety nets are poorly designed; and the share of wages for the bottom 30% of Americans has effectively been going down. We need to ***acknowledge*** these problems and the damage they have done if we are ever going to fix them.

There should have been a pandemic playbook. Likewise, every problem I noted above should have detailed and nonpartisan solutions. As we have seen in past crises of this magnitude, there will come a time when we will look back and it will be clear how we – at all levels of society, government, business, healthcare systems, and civic and humanitarian organizations – could have been and will be better prepared to face emergencies of this scale. While the inclination of some will be to finger-point and look for blame, I hope we can avoid that. I also hope we can avoid people using times of crisis to argue for what they already believe. We need to demand more of ourselves and our leaders if we want to prevent or mitigate these disasters. This can be a moment when we all come together and recognize our shared responsibility, acting in a way that reflects the best of all of us. As President Kennedy historically said, "Ask not what your country can do for you – ask what you can do for your country."

My fervent hope is that America rolls up its sleeves and starts to attack these problems. Fixing them would better prepare us for future catastrophes, create better economic outcomes for everyone (with policies that aim to maximize economic growth, driving the best potential outcomes), improve income inequality, protect the most vulnerable and foster economic growth that is more resilient, which would also strengthen America's role in the world. We must never forget that America's economic prosperity is a necessary foundation for our military capability, which keeps us free and strong and is essential to world peace. These issues could all be tackled while preserving the freedoms ascribed by our Founding Fathers: life, liberty and the pursuit of happiness, freedom of speech, freedom of religion and freedom of enterprise, which means the free movement of capital and labor (meaning you can work where you want and for whom you want). At the end of the day, the pursuit of happiness, our freedoms and free enterprise are inseparable.

If we acknowledge our problems and work together, we can lift up those who need help and society as a whole. Business and government collaborating together can conquer our biggest challenges.

IN CLOSING

While I have a deep and abiding faith in the United States of America and its extraordinary resiliency and capabilities, we do not have a divine right to success. Our challenges are significant, and we should not assume they will take care of themselves. Let us all do what we can to strengthen our exceptional union.

I would like to express my deep gratitude and appreciation for the employees of JPMorgan Chase, and I'd also like to thank all of you who shared your good wishes with me while I was recuperating from my recent heart surgery. From this letter, I hope shareholders and all readers gain an appreciation for the tremendous character and capabilities of our people and how they have helped communities around the world. They have faced these times of adversity with grace and fortitude. I hope you are as proud of them as I am. Finally, the countries and citizens of the global community will get through this unprecedented situation, undoubtedly stronger for it. Together, we will rise to the challenge.

Jamie Dimon
Chairman and Chief Executive Officer

April 6, 2020

APPENDIX

Client Franchises Built Over the Long Term

		2006	2018	2019
Consumer & Community Banking	Deposits market share[1]	3.6%	9.3%	9.3%
	# of top 50 Chase markets where we are #1 (top 3)	11 (25)	14 (40)	13 (40)
	Average deposits growth rate	8%	5%	3%
	Active mobile customers growth rate	NM	11%	12%
	Credit card sales market share[2]	16%	22%	23%
	Merchant processing volume[3] ($B)	$661	$1,366	$1,512
	# of branches	3,079	5,036	4,976
	Client investment assets ($B)	~$80	$282	$358
	Business Banking primary market share[4]	5.1%	8.8%	9.4%
Corporate & Investment Bank	Global investment banking fees[13]	#2	#1	#1
	Market share[13]	8.7%	8.6%	9.0%
	Total Markets revenue[14]	#8	#1	#1
	Market share[14]	6.3%	11.5%	12.0%
	FICC[14]	#7	#1	#1
	Market share[14]	7.0%	11.8%	12.3%
	Equities[14]	#8	co-#1	co-#1
	Market share[14]	5.0%	11.0%	11.3%
	Assets under custody ($T)	$13.9	$23.2	$26.8
Commercial Banking	# of top 50 MSAs with dedicated teams	26	50	50
	Bankers	1,203	1,922	2,101
	New relationships (gross)	NA	1,232	1,706
	Average loans ($B)	$53.6	$205.5	$207.9
	Average deposits ($B)	$73.6	$170.9	$172.7
	Gross investment banking revenue ($B)[18]	$0.7	$2.5	$2.7
	Multifamily lending[19]	#28	#1	#1
Asset & Wealth Management	Ranking of 5-year cumulative net client asset flows[21]	NA	#2	#2
	U.S. Private Bank *(Euromoney)*	#1	#1	#1
	Client assets ($T)	$1.3	$2.7	$3.2
	Active AUM market share[22]	1.8%	2.4%	2.5%
	North America Private Bank client assets market share[23]	3%	4%	4%
	Average loans ($B)	$26.5	$138.6	$149.7
	# of Wealth Management client advisors	1,506	2,865	2,890

Consumer & Community Banking

- Serve ~63 million U.S. households, including 4.3 million small businesses[5]
- 52 million active digital customers[6], including 37 million active mobile customers[7]
- #1 primary bank within Chase footprint[8]
- #1 U.S. credit card issuer based on sales and outstandings[9]
- #2 mortgage servicer[10]
- #3 bank auto lender[11]
- All-time high Net Promoter Score[12]

Corporate & Investment Bank

- >80% of Fortune 500 companies do business with us
- Presence in over 100 markets globally
- #1 in 16 businesses – compared with 8 in 2014[15]
- #1 in global investment banking fees for the 11th consecutive year[13]
- Consistently ranked #1 in Markets revenue since 2012[14]
- #1 in USD payments volume[16]
- #2 custodian globally[17]

Commercial Banking

- 142 locations across the U.S. and 30 international locations
- Credit, banking, and treasury services to ~18K Commercial & Industrial clients and ~34K real estate owners and investors
- 17 specialized industry coverage teams
- #1 traditional Middle Market Bookrunner in the U.S.[20]
- 26,000 affordable housing units financed in 2019

Asset & Wealth Management

- Serve clients across the entire wealth spectrum
- Clients include 59% of the world's largest pension funds, sovereign wealth funds and central banks
- Serves as a fiduciary across all asset classes
- 88% of Asset Management's 10-year long-term mutual fund AUM performed above peer median[25]
- Revenue and long-term AUM grew more than 90% since 2006

Refer to the 2020 Investor Day presentations for footnoted information, which is available on JPMorgan Chase & Co.'s website under the heading Investor Relations, Events & Presentations, JPMorgan Chase 2020 Investor Day (www.jpmorganchase.com/corporate/investor-relations/event-calendar.htm), and on Form 8-K as furnished to the U.S. Securities and Exchange Commission (SEC) on February 25, 2020, which is available on the SEC's website (www.sec.gov), as follows: Refer to Firm Overview slide 3 for footnotes 1, 5, 9, 16, 17, 18, 22 and 25; refer to Consumer & Community Banking slides 22, 3, 3, 2, 9, 9 and 7 for footnotes 2, 6, 7, 8, 10, 11 and 12, respectively; refer to Corporate & Investment Bank slides 5 and 4 for footnotes 13 and 15, respectively; and refer to Asset & Wealth Management slide 3 for footnote 22.

Note: 2018 deposits market share and # of top 50 Chase markets where we are #1 (top 3) have been revised to conform with the 2019 methodology.

[3] 2006 reflects First Data joint venture.

[4] Barlow Research Associates, Primary Bank Market Share Database as of 4Q19. Rolling 8-quarter average of small businesses with revenues of $100,000 - <$25 million.

[14] Coalition, preliminary 2019 rank and market share analysis reflects JPMorgan Chase's share of the global industry revenue pool and is based on JPMorgan Chase's business structure. 2006 rank analysis is based on JPMorgan Chase analysis.

[19] S&P Global Market Intelligence as of December 31, 2019.

[20] Refinitiv LPC, 2019.

[21] Source: Company filings and JPMorgan Chase estimates. Rankings reflect financial information publically reported by the following peers: Allianz Group, Bank of America Corporation, Bank of New York Mellon Corporation, BlackRock, Inc., Credit Suisse Group AG, DWS Group, Franklin Resources, Inc., The Goldman Sachs Group, Inc., Invesco Ltd., Morgan Stanley, State Street Corporation, T. Rowe Price Group, Inc. and UBS Group AG. JPMorgan Chase's ranking reflects AWM client assets, Chase Wealth Management investments and new-to-the-firm Chase Private Client deposits.

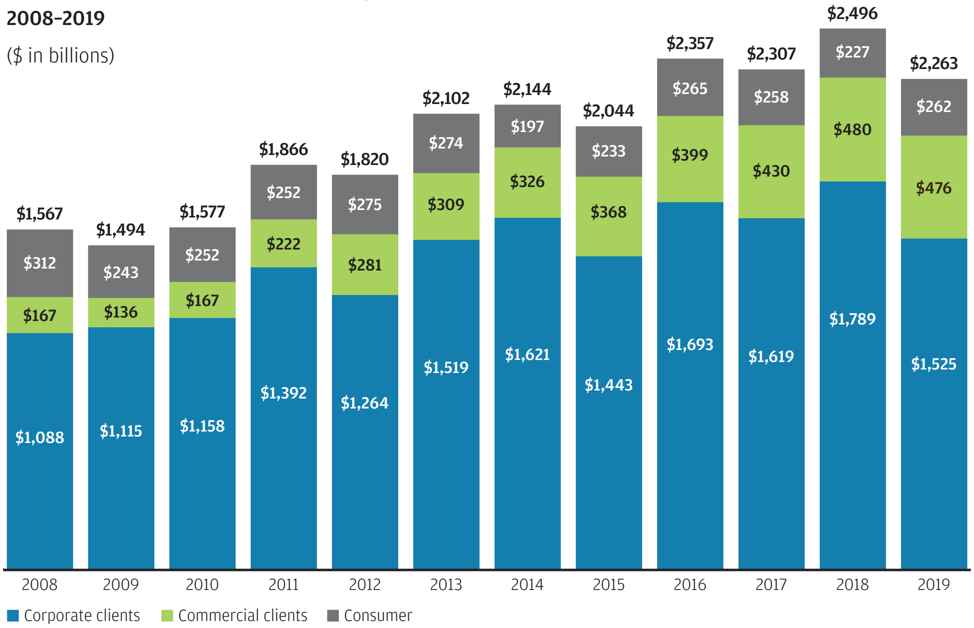
[23] Source: Capgemini World Wealth Report 2019. Market share estimated based on 2018 data (latest available).

NM = Not meaningful
NA = Not available
FICC = Fixed Income, Currencies and Commodities
MSAs = Metropolitan statistical areas
AUM = Assets under management
USD = U.S. dollar

B = Billions
T = Trillions
K = Thousands

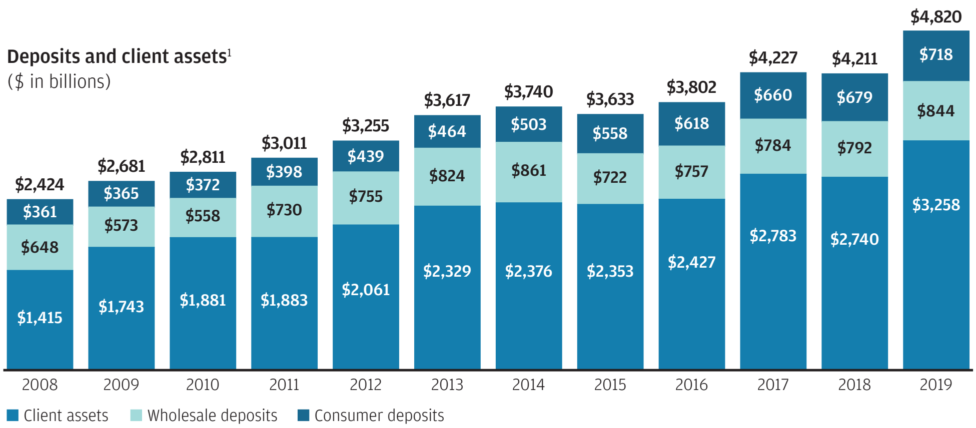
New and Renewed Credit and Capital for Our Clients
2008–2019

($ in billions)

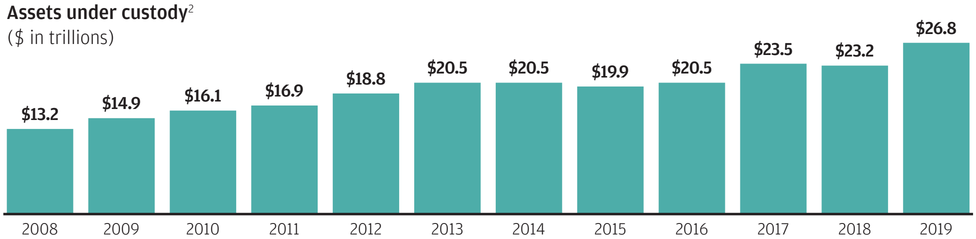


Assets Entrusted to Us by Our Clients
at December 31,

Deposits and client assets[1]
($ in billions)



Assets under custody[2]
($ in trillions)

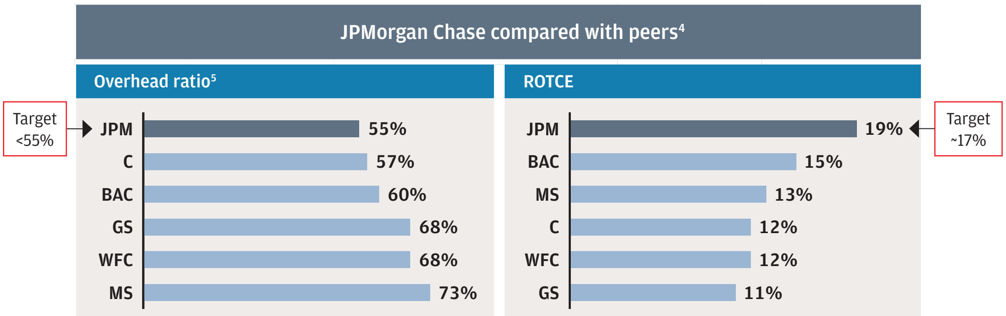


[1] Represents assets under management, as well as custody, brokerage, administration and deposit accounts.
[2] Represents activities associated with the safekeeping and servicing of assets.

While we never expect to be best in class every year in every business, we normally compare well with our best-in-class peers. The chart below shows our performance generally, by business, versus our competitors in terms of efficiency and returns.

JPMorgan Chase Is in Line with Best-in-Class Peers in Both Efficiency and Returns

	Efficiency			Returns		
	JPM 2019 overhead ratio	Best-in-class peer overhead ratio[1]	JPM medium-term target overhead ratio	JPM 2019 ROTCE	Best-in-class peer ROTCE[2, 3]	JPM medium-term target ROTCE
Consumer & Community Banking	52%	46% BAC-CB	50%+/-	31%	35% BAC-CB	25%+
Corporate & Investment Bank	56%	54% BAC-GB & GM	54%+/-	14%	15% BAC-GB & GM	~16%
Commercial Banking	39%	43% USB-C & CB	40%+/-	17%	17% FITB	~18%
Asset & Wealth Management	73%	56% CS-PB & GS-AM	<75%	26%	37% MS-WM & MS-IM	25%+



Achievement of medium-term targets may take time and require more normalized GDP, unemployment and interest rates.

[1] Best-in-class peer overhead ratio represents the comparable business segments of JPMorgan Chase (JPM) peers: Bank of America Consumer Banking (BAC-CB), Bank of America Global Banking and Global Markets (BAC-GB & GM), US Bancorp Corporate and Commercial Banking (USB-C & CB), Credit Suisse Private Banking (CS-PB) and Goldman Sachs Asset Management (GS-AM).

[2] Best-in-class peer ROTCE represents implied net income minus preferred stock dividends of the comparable business segments of JPM peers when available or of JPM peers on a firmwide basis when there is no comparable business segment: BAC-CB, BAC-GB & GM, Fifth Third Bancorp (FITB), Morgan Stanley Wealth Management (MS-WM) and Morgan Stanley Investment Management (MS-IM).

[3] Comparisons are at the applicable business segment level, when available; the allocation methodologies of peers may not be consistent with JPM's.

[4] Bank of America Corporation (BAC), Citigroup Inc. (C), The Goldman Sachs Group, Inc. (GS), Morgan Stanley (MS), Wells Fargo & Company (WFC).

[5] Managed overhead ratio = total noninterest expense/managed revenue; revenue for GS and MS is reflected on a reported basis.

ROTCE = Return on tangible common equity

GDP = Gross domestic product

Our Fortress Balance Sheet

at December 31,

	2008		2019	
CET1	7.0%[1]	+540 bps	12.4%[2]	2019 Basel III Advanced is 13.4%, or 18.6%, excluding $389B of operational risk RWA[3]
Tangible common equity	$84B	+$104B	$188B	
Total assets	$2.2T	+$0.5T	$2.7T	
RWA	$1.2T[1]	+$0.3T	$1.5T[2]	2019 Basel III Advanced is $1.4T, including $389B of operational risk RWA[3]
Liquidity	~$300B	+~$560B	$860B	Reported HQLA is $545B[4]

[1] CET1 reflects the Tier 1 common ratio under the Basel I measure.

[2] Reflects the Basel III Standardized measure, which is the firm's current binding constraint.

[3] Operational risk RWA is a component of RWA under the Basel III Advanced measure.

[4] Represents quarterly average HQLA included in the liquidity coverage ratio. Refer to Liquidity Coverage Ratio on page 94 for additional information.

B = Billions
T = Trillions
bps = basis points

CET1 = Common equity Tier 1 ratio. Refer to Regulatory capital on pages 86-90 for additional information
RWA = Risk-weighted assets
Liquidity = HQLA plus unencumbered marketable securities, which includes excess liquidity at JPMorgan Chase Bank, N.A.
HQLA = High quality liquid assets include cash on deposit at central banks and highly liquid securities (predominantly U.S. Treasuries, U.S. government-sponsored enterprises and U.S. government agency mortgage-backed securities, and sovereign bonds)
LCR = Liquidity coverage ratio