

JPMORGAN CHASE & CO.

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MUR 6850

October 24, 2014

CONFIDENTIAL TREATMENT REQUESTED

Jeff S. Jordan, Esq.
 Assistant General Counsel
 Federal Election Commission
 Office of Complaints Examination
 and Legal Administration
 999 E Street, NW
 Washington, DC 20436

RECEIVED
 FEDERAL ELECTION
 COMMISSION
 2014 OCT 29 PM 12:43
 OFFICE OF GENERAL
 COUNSEL

Re: Complaint by Alliance for a Better Utah

Dear Mr. Jordan:

I write in response to your July 3, 2014 letter regarding a complaint filed with the Federal Election Commission by the Alliance for a Better Utah (the "Complaint"). I am a Vice President in the Legal Department of JPMorgan Chase ("Chase"), and I am authorized to respond on Chase's behalf. The Complaint alleges, in sum and substance, that Chase may have made an unreported campaign contribution to U.S. Senator Michael Lee in violation of the Federal Election Campaign Act ("FECA"), by providing him with more favorable treatment than similarly situated borrowers in connection with a short sale transaction (Complaint, ¶ 14). Chase denies these allegations.

A. Chase Requires Waiver of Short Sale Deficiency Balances for Active, Chase-Owned Mortgage Loans

On March 31, 2011, Chase changed its practices regarding mortgage loan deficiency balances. At that time, Chase began waiving deficiency balances on mortgage loans that are: (i) active (*i.e.*, not charged off); (ii) Chase-owned (as opposed to Chase-serviced); and (iii) approved by Chase for a short sale or deed in lieu of foreclosure ("DIL") transaction. This change from prior practice was the result of a business decision by Chase in connection with its efforts to help struggling homeowners avoid default and foreclosure. Chase's 2012 Corporate Responsibility Report details these efforts, including the following description of short sale transactions: "In

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short sales, we agree to allow homeowners to sell their homes for less than they owe on the loan, effectively forgiving the remaining balance and giving the borrower a fresh start and relief from their debt burden” (Chase 2012 Corporate Responsibility Report at page 44). The Report is attached as Exhibit A for your reference.

Chase communicated its decision regarding deficiency balance waivers to Liquidation Management personnel in an email dated March 31, 2011 from John Rieger (at the time a senior vice president in Chase Foreclosure Alternatives). The relevant portion of Mr. Rieger’s email, (which is attached as Exhibit B for your reference) states: “All Liquidation Management: Communicate immediately that effective NOW (please forward to any new managers, AVP’s, Credit officers if I missed them): ALL DEFICIENCIES WAIVED ON ALL SHORTS AND DILS in Bank-Owned: **All short sale deficiencies and DIL deficiencies are WAIVED. Chase no longer holds a customer on the hook for the deficiency when they do a short sale with us that we approve. Effective NOW.**” (emphasis in original email).

It is Chase’s policy, as reflected in Mr. Rieger’s email, to waive deficiency balances for borrowers with active, Chase-owned mortgage loans approved for short sale and DIL transactions after March 31, 2011. Any failure to waive a deficiency balance for a borrower meeting these criteria (*e.g.*, as a result of human error) would be inconsistent with this policy.

B. Chase Did Not Make An Unreported Campaign Contribution

The term “contribution,” as defined in FECA, includes: “any gift, subscription, loan, advance, or deposit of money or anything of value made by any person *for the purpose of influencing any election for Federal office*” §52 USC 30101 (8)(A) (emphasis added). To the extent that Chase waived a borrower’s short sale deficiency balance after March 31, 2011 (as alleged in paragraph 14 of the Complaint), such waiver would have been consistent with Chase policy. Chase is not aware of any evidence that a short sale deficiency waiver was made “for the purpose of influencing any election for Federal office,” or for any purpose other than complying with the directive in Mr. Rieger’s March 31, 2011 email.

C. Other Allegations

With respect to the remaining allegations in the Complaint: Chase has no information relevant to the allegations in paragraphs 1 through 12 of the Complaint, which do not relate in any way to Chase.

Chase cannot confirm or deny the accuracy of the purported transaction details set forth in paragraphs 13 and 14 (date, property location, parties, sale price, or any deficiency waiver amount). Under the Financial Right to Privacy Act (12 U.S.C. § 3401 et. seq.), Chase cannot

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release information contained in the financial records of any customer to a government authority unless pursuant to the customer's authorization, administrative or judicial subpoena, summons, search warrant, or formal written request for the particular information or financial records.

Chase requests confidential treatment of this letter and all supporting materials pursuant to 2 U.S.C. § 437g (a)(12)(A), and the Freedom of Information Act (FOIA) (5 U.S.C. 552(b)(8)). These documents include commercial information that has not otherwise been disclosed to the public, the disclosure of which could cause harm to Chase, and which is exempt from disclosure pursuant to Exemption 4 of FOIA (5 U.S.C. 552(b)(4)). Please promptly inform me of any request under FOIA or otherwise seeking access to any Chase documents, to enable Chase to substantiate the grounds for confidential treatment, unless the Commission intends to deny such request for access on other grounds.

Please contact me at 212-623-1623 or Grace.Gilligan@Chase.com if you have any questions regarding this response or the enclosed materials.

Very truly yours,



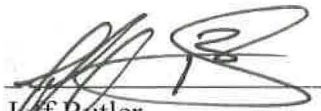
Grace M. Gilligan

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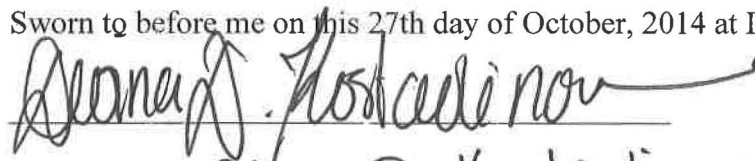
I, Jeff Butler, hereby affirm, under penalty of perjury, that the following is true and correct to the best of my knowledge:

2014 OCT 29 PM 12:43
OFFICE OF GENERAL
COUNSEL

1. I am employed by JPMorgan Chase & Co. ("Chase") as a Vice President and Liquidation Manager in Mortgage Banking. In this role, I manage a team of mortgage liquidation negotiators who analyze borrower eligibility for short sale and deed in lieu of foreclosure ("DIL") transactions, and monitor accounts until approved transactions are completed.
2. On March 31, 2011, Chase changed its practices regarding mortgage loan deficiency balances. At that time, Chase began waiving deficiency balances on mortgage loans that are: (i) active (*i.e.*, not charged off); (ii) Chase-owned (as opposed to Chase-serviced); and (iii) approved by Chase for a short sale or DIL transaction.
3. Chase communicated this change to its Liquidation Management personnel in an email dated March 31, 2011 from John Rieger (at that time a senior vice president in Chase Foreclosure Alternatives). I was one of several liquidation managers who received the March 31, 2011 email, and I directed my team of liquidation negotiators to begin waiving deficiency balances for borrowers with active, Chase-owned mortgage loans that had been approved for short sale and DIL transactions on or after that date.
4. It is my understanding that Chase policy requires waiver of deficiency balances for borrowers with active, Chase-owned mortgage loans approved for short sale and DIL transactions after March 31, 2011. It is also my understanding that any failure to waive a deficiency balance for a borrower meeting these criteria (*e.g.*, as a result of human error) would be inconsistent with this policy.


Jeff Butler

Sworn to before me on this 27th day of October, 2014 at Lewisville, Texas.



Notary Name: Diana D. Kostadinova

My Commission Expires: January 14, 2018



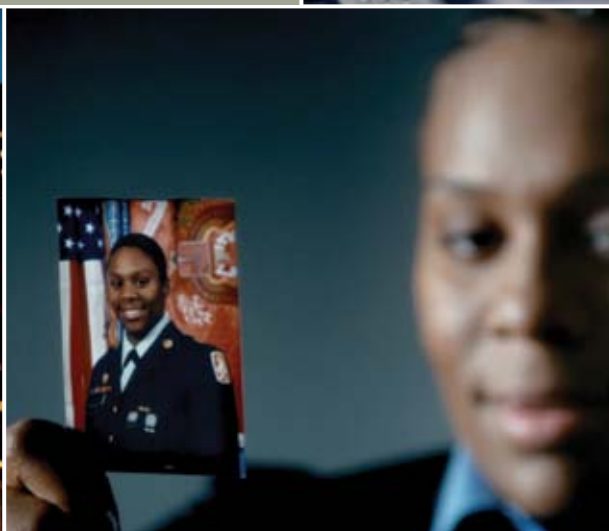
JPMORGAN CHASE & Co.

2012

CORPORATE RESPONSIBILITY REPORT



GLOBAL
STRENGTH,
LOCAL
IMPACT



REPORT CONTENTS

WELCOME

This report is designed to provide our stakeholders with information about our company's corporate responsibility programs and progress. We developed this report using the Global Reporting Initiative G3.1 reporting framework, including the Financial Services Sector Supplement. We are self-declaring at a B application level. See page 78 for more information about this report.



www.jpmorganchase.com

JPMorgan Chase is a global financial services firm with assets of \$2.4 trillion at the end of 2012. We are a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management and private equity (see page 79 for details).



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2012 HIGHLIGHTS

\$1.8t

capital raised and credit
provided globally

\$844b

exceeded our 10-year
community development
commitment

65%

of Chase Liquid®
customers are new
to our company

100,000

spearheading industry-wide
initiative to hire 100,000
veterans by 2020

\$5b

for clean technology

\$190m

in donations and 468,000
hours of volunteering

SERVING CLIENTS IN GOOD TIMES AND BAD

Provided credit and raised capital of over \$1.8 trillion for our clients worldwide. This included continuing to provide billions of dollars in credit and financing to European clients – corporate and sovereign – even as their economies came under increasing strain. J.P. Morgan has been in Europe for more than 150 years and is committed to being a reliable partner in good times and bad to serve countries, clients, nonprofits and communities across the region.



STRENGTHENING COMMUNITIES

Exceeded the 10-year, \$800 billion Public Commitment we made in 2004 to make loans and investments for housing, small businesses and community development in the U.S. By the end of 2012 – one year ahead of schedule – we had lent or invested \$844 billion in mortgages, small business and nonprofit loans and affordable housing, primarily for minority or lower-income borrowers and communities.



BANKING UNDERSERVED CUSTOMERS

Introduced Chase Liquid, a general purpose reloadable card that is a low-cost alternative to traditional checking accounts and designed to bring underserved customers into the traditional banking system.



HONORING MILITARY AND VETERANS

Worked with coalition firms to grow the *100,000 Jobs Mission* to 91 companies that have hired more than 51,000 American veterans in just under two years – well ahead of the goal to hire 100,000 veterans by 2020. JPMorgan Chase alone hired nearly 5,000 veterans by the end of 2012, and we work every day to provide them with the tools to have a meaningful career.



PROMOTING SUSTAINABILITY

Helped deploy over \$5 billion of capital for alternative energy and clean technology companies and projects, including over \$1.6 billion in tax equity for renewable energy. We also do our part to be environmentally responsible in our own operations. Our global headquarters in New York City continues to be the largest LEED™ Platinum-certified renovation in the world.



GIVING AND VOLUNTEERING

Made more than \$190 million in philanthropic donations to nonprofits in 37 countries around the world to support community development, education and workforce development, while our people provided 468,000 hours of volunteer service in local communities around the globe.

IN CONVERSATION WITH JAMIE DIMON

JAMIE DIMON

Jamie Dimon is Chairman and Chief Executive Officer of JPMorgan Chase. In early 2013, Jamie sat down with Mark Tercek of The Nature Conservancy to discuss JPMorgan Chase's approach to corporate responsibility and Jamie's views on the role of the financial industry in society.

MARK TERCEK

Mark Tercek is President and Chief Executive Officer of The Nature Conservancy, a leading conservation organization working around the world to protect ecologically important lands and waters for nature and people. JPMorgan Chase is collaborating with The Nature Conservancy on a variety of efforts, including supporting the Conservancy to help it expand its work on responsible development of shale resources in the U.S.

Q&A



Mark Tercek (left) interviews Jamie Dimon (right)

Q: In the wake of the financial crisis, your industry continues to face high scrutiny and low trust. How is society better off because of what JPMorgan Chase does?

A: I can understand why the financial services industry has lost the confidence of many people. Like all companies, we've made mistakes. What is most important, however, is that we need to learn from them, continually improve and become a stronger company. We also shouldn't let our mistakes distract us from the critical role large banks play in driving economic growth. We have the scale and expertise to lend, invest and raise capital for companies of all sizes – both companies based in the U.S. who use our services internationally to grow their businesses and those companies based around the globe who want to expand into even more markets. Their growth plans require banks that have the global reach and scale with which we operate – which includes arranging \$450 billion of syndicated loans for clients, and processing up to \$10 trillion a day in transactions around the world. If we can help these clients grow, they will in turn generate the jobs, small business growth and other economic activity that builds strong, vibrant communities and generates more sustainable economic growth and prosperity for all.

Q: There is a perception that global financial institutions have gotten too big and too complex to effectively manage or regulate. What can you say to give people confidence that companies like JPMorgan Chase are effectively managing risk?

A: Challenges still exist, and there is always room for improvement, but as we head well into 2013, we're proud of our accomplishments and are optimistic for the future. That said, as we look back at last year, there are some areas where we fell short in our risk management – the "London Whale" is one example but there are others. These problems were our fault and it is our job to fix them. Therefore, we're making our control agenda priority #1 – reprioritizing major projects, deploying massive new resources, and changing our organizational structure to get this right. In my annual letter to shareholders, I describe our approach in detail because I want everyone to know that we're focusing an enormous amount of energy and management time on our risk management, compliance and controls. Our goal is to have a strong, effective control environment across the company. We want the public, our regulators and our shareholders to have confidence that we are *the safest and soundest bank on the planet*. We were a port of safety in the last storm, and will be one in the next storm.

IN CONVERSATION WITH JAMIE DIMON

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If we can help our clients grow around the world, they will in turn generate the jobs, small business growth and other economic activity that builds strong, vibrant communities and generates more sustainable economic growth and prosperity for all.

Jamie Dimon,
Chairman and CEO

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Q: As one of the world's leading banks, JPMorgan Chase is well-positioned to influence the business practices of major companies – including their environmental and social practices. What role do you see for JPMorgan Chase here?

A: We obviously want to invest in and lend to companies that are well-run and successful – that's good business for us. And we believe that how our clients manage environmental and social issues is an important aspect of sound management. We take a serious look at their practices on those issues – and where we don't think they are doing a good job, we give them specific feedback. Sometimes we even require them to improve their operations before we'll do business with them. Those can be tough conversations but, more often than not, they are constructive and our clients feel we provide value by working with them to help improve performance. It's a difficult area to demonstrate impact, however, since much of the work we do is behind the scenes. But that's actually why we're able to have an impact with our advice – we are a trusted partner, with a vested interest in our clients' success.

Q: So do you ever decline business with a company because it has poor environmental or social practices?

A: Yes. Our first step is to engage with companies to encourage them to improve their practices. We think this leads to better social or environmental outcomes than us simply walking away – and those companies getting financing elsewhere, potentially from a bank less concerned with their practices. But there are instances in which we don't feel we can adequately mitigate the environmental or social risks and we decline the business.

Q: Economists and scientists are developing new ways to value nature as an input to business. What is the financial sector's role in encouraging companies to consider the value of nature's services – clean water and air, protection from floods and storms, healthy topsoil and so on – as part of their routine decisions?

A: We spend a lot of time helping clients in the extractive industries operate as sustainably as possible – working with them to think about and address the environmental and social issues that arise in the course of their operations. An example: we are working with our clients to make sure their fracking operations are well-managed, so that we can all reap the benefits of cleaner burning natural gas. We want to make sure we promote the strongest environmental performance possible for this sector.

We are also trying to identify, develop and market new financial products that are designed to facilitate environmental solutions. These models put a dollar value on nature's services and on better environmental outcomes – clean drinking water, expanded access to recreation, abundant sources of food, clean energy and sustainably sourced fiber – and use cash flows from those services to provide a return to investors. JPMorgan Chase cannot do this alone, but I believe we have the commitment and the partnerships necessary to test these models, and potentially scale the most successful ones to raise billions for companies that are improving the environment and earning strong financial returns.

LETTER FROM OUR HEAD OF CORPORATE RESPONSIBILITY

PETER
SCHERHead of Corporate
Responsibility

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Our efforts taken together reflect our responsibility to invest in our communities across the globe – and we are committed to doing more in the years ahead.

”

Five years after the global financial crisis began, 2012 saw the economic tide begin to turn. The U.S. housing market started to stabilize, economies around the world slowly found their footing and unemployment rates inched down.

At JPMorgan Chase, we remain optimistic that better days are ahead, but far too many people are looking for jobs, governments are facing severe fiscal constraints and vital social service providers are stretched thin trying to serve millions struggling to make ends meet.

As the financial crisis in the U.S. and the ongoing challenges in Europe have demonstrated, the world is more complex and our economies more interconnected than at any time in history. Populations are growing rapidly and are migrating to urban areas, creating the need for new jobs and putting pressure on local infrastructure, public services and natural resources. And political instability, fueled in part by lack of economic opportunity, is sending ripples around the globe.

At the core of our values, JPMorgan Chase believes that using our strength and global reach, our expertise and relationships and, of course, our access to capital to support our clients and communities, invest in them and help them navigate a complex global economy is our unique and fundamental corporate responsibility. This is central to how we do business. Because when we are successful, we create the foundation for widely shared growth and long-term prosperity.

2012 Results

There was a lot for us to be proud of during the last year. At a time when job creation is top of mind, we increased our lending to small businesses by 18% over 2011; provided \$6 billion to low- and moderate-income individuals and communities through our community development work; and worked to improve the lives of underserved people around the globe by growing our impact investment portfolio to nearly \$50 million.

We also worked with municipal governments to finance investments in infrastructure, education and economic development that make cities globally competitive – and we leveraged our global footprint to connect economic leaders around the world through our Global Cities Initiative with The Brookings Institution. We advanced environmental stewardship and innovation across our lines of business in close partnership with clients and through careful management of our direct operations. Our company and people donated significant amounts of time and money to help local charities everywhere we operate. And we continued to uphold our duty to support the military men and women who bravely serve the U.S.

Taken together, these efforts reflect our responsibility to invest in our communities across the globe – and we are committed to doing more in the years ahead. We know that to make progress, we need to operate with integrity, acknowledge and fix our mistakes, and continually strive to gain the confidence of all our stakeholders. This is what motivates us every day.

Peter Scher
Head of Corporate Responsibility

CORPORATE RESPONSIBILITY AT JPMORGAN CHASE

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Our global presence and scale enable us to understand what is happening in the world and to use that knowledge and our capabilities to support our clients and communities. This is how JPMorgan Chase does our part – person by person and community by community.

Jamie Dimon,
Chairman and CEO

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CORPORATE RESPONSIBILITY AT JPMORGAN CHASE



Today, the financial industry is at the center of intense public debate about its responsibilities and role in society.

These are fair questions and we understand the scrutiny: Our industry has made mistakes. We know it, and we have owned up to it. As challenging as the recent period has been, at JPMorgan Chase we look at it not only as an opportunity to reshape how banking is done, but also as a call to provide new answers for why it gets done.

Financial firms have always served a vitally important role in the economy by providing individuals and organizations with the capital and credit they need to operate and to grow, provide employment and create the products and services people need. And JPMorgan Chase does this on an enormous scale. But today, doing business as usual is not sufficient. Rather, we believe we have an affirmative responsibility to play an even bigger role in helping solve the economic, social and environmental challenges of the day.

One of the key assets we bring to the search for solutions is our scale: It gives us the capability to connect capital, ideas and people around the globe. It enables us to help businesses access and navigate global markets, bring together funds of sufficient magnitude to address significant societal needs and develop the expertise and broad perspective to be a trusted advisor to our clients.

Equally as important as our global scale are our deep connections at the local level. Our 5,600 branches and long-standing community development, public finance and philanthropic programs in thousands of communities around the world enable us to play a hands-on role helping to address their specific challenges.

In our view, the tension between global finance and community banking is a false one. On the contrary, both are necessary for vibrant, broad-based economic development. And JPMorgan Chase's ability to bring all our assets to bear, at all levels, gives us our unique capability – and a unique responsibility – to help enable and catalyze economic growth and, in the process, improve quality of life around the world.

We do not claim that we have figured it all out – or gotten it all right – but we are embracing our responsibility to be part of the solution.

CORPORATE RESPONSIBILITY AT JPMORGAN CHASE

OUR SCALE & SCOPE:

260,000

employees globally providing support to our clients 24 hours a day, 365 days a year

50m

customers – individuals, companies, governments and nonprofits – we serve every day, in more than 100 markets around the world

\$10t

amount of transactions we can process in a single day, and we lend and raise capital of nearly \$500 billion a quarter

GLOBAL CHALLENGES:
POPULATION GROWTH
AND URBANIZATION**70%¹**

of global population will live in urban areas in 2050 – equal to the world's total population in 2002

UNEMPLOYMENT

600m²

jobs will need to be created globally over the next decade

GLOBAL STRENGTH, LOCAL IMPACT

JPMorgan Chase believes that using our strength and global reach, our expertise and relationships – and of course our access to capital – to support our clients and communities, invest in them and help them navigate a complex global economy, is our unique and fundamental corporate responsibility. That is why, every day, we are working to be part of the solution.

GLOBAL CHALLENGES

ECONOMIC
RECOVERY

While many economies are recovering from the global financial crisis, governments, companies and individuals around the world continue to struggle to access the economic opportunities and resources needed for financial security.

POPULATION
GROWTH AND
URBANIZATION

The population living in urban areas will increase dramatically, putting new pressures on local infrastructure, resources and economies.

PUBLIC SECTOR
CONSTRAINTS

Local and national governments around the world are facing historic fiscal constraints, limiting their ability to provide social services and fulfill other public mandates.

UN-
EMPLOYMENT

Millions of productive people around the world are looking for employment, while job creation has lagged other aspects of the economic recovery.

ENERGY AND
CLIMATE
CHANGE

Demand for energy to fuel economic growth is soaring, while the effects of climate change are increasingly apparent around the world.

OUR INVESTMENT

FINANCIAL CAPITAL

In 2012, JPMorgan Chase raised capital and provided credit of over \$1.8 trillion for businesses, governments, nonprofit organizations and consumers to enable them to operate, grow and invest in the future.

INTELLECTUAL CAPITAL

Our deep expertise and global network of relationships enable us to connect people and ideas and serve as a trusted advisor to our clients.

HUMAN CAPITAL

Our employees around the world work every day to serve our clients and give back to the communities where we operate.

OUR PART OF THE SOLUTION



Global Cities Initiative



Impact Investing



Careers for Veterans



Community Development



Environmental and Social Risk Management



Government and Nonprofit Financing



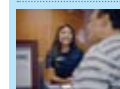
Giving and Volunteering



Small Business Lending



Home Lending



Serving Consumers



Clean Energy Investments

SEE NEXT PAGE FOR MORE ON OUR PART OF THE SOLUTION ↓

1 Source: United Nations

2 Source: International Labour Organization

CORPORATE RESPONSIBILITY AT JPMORGAN CHASE

GLOBAL CHALLENGES:

ECONOMIC RECOVERY

PUBLIC SECTOR
CONSTRAINTSENERGY AND CLIMATE
CHANGEPOPULATION GROWTH AND
URBANIZATION

UNEMPLOYMENT



OUR PART OF THE SOLUTION

GLOBAL CITIES INITIATIVE

Launched a five-year, **\$10 million** initiative, in partnership with The Brookings Institution, to bolster economic growth by strengthening trade and investment ties between cities in the U.S. and across the globe.

IMPACT INVESTING

Grew our Social Finance principal investments to nearly **\$50 million** in commitments for funds focused on helping improve the livelihoods and quality of life of people living in poverty around the world, with a particular focus in emerging markets.

CAREERS FOR VETERANS

Directly hired nearly **5,000** veterans in 2011 and 2012 and worked with coalition firms to grow the *100,000 Jobs Mission* to 91 companies that collectively have hired more than 51,000 American veterans.

COMMUNITY DEVELOPMENT

Provided **\$6 billion** to low- and moderate-income communities in 2012 to finance affordable housing, healthcare clinics, manufacturing capacity, schools and other essentials of strong communities.

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

Assessed the environmental and social risks related to **251** of our business transactions in 2012 and built a risk assessment framework to consistently and comprehensively assess our clients' policies and practices for hydraulic fracturing.

GOVERNMENT AND NONPROFIT FINANCING

Raised capital and provided credit of **\$85 billion** to nearly 1,500 nonprofit and government entities in 2012 to help them fulfill their vital public mandates.

GIVING AND VOLUNTEERING

Donated more than **\$190 million** to nonprofits in 37 countries to support community development, education and workforce development, while our people provided **468,000 hours** of volunteer service in local communities around the globe.

SMALL BUSINESS LENDING

Provided **\$20 billion** in new credit to U.S. small businesses, up 18% over 2011, and ranked #1 Small Business Administration lender by units for the third year in a row.

HOME LENDING

Originated nearly **\$190 billion** in loans for home purchase or refinance in 2012. Since 2009, we have prevented more than 945,000 foreclosures through mortgage modifications, short sales and other means.

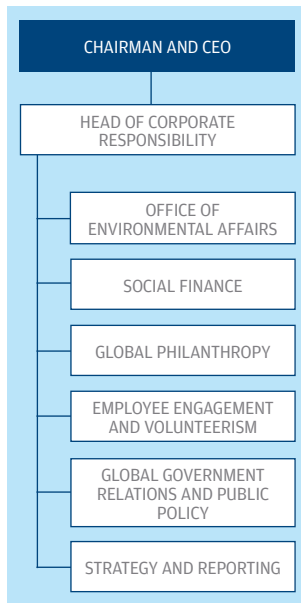
SERVING CONSUMERS

Empowered consumers with clearer, more transparent disclosures, based on the Pew Charitable Trust's Model Disclosure form. We also created products, with input from consumer advocates, to help consumers manage spending and borrowing.

CLEAN ENERGY INVESTMENTS

Helped deploy over **\$5 billion** of capital for alternative energy and clean technology projects in 2012, including over **\$1.6 billion** in tax equity for renewable energy.

CORPORATE RESPONSIBILITY AT JPMORGAN CHASE

CORPORATE
RESPONSIBILITY
MANAGEMENT:

How We Manage Corporate Responsibility

JPMorgan Chase's Head of Corporate Responsibility, who reports to our CEO, is responsible for setting the overall strategic direction and developing specific programs and initiatives related to corporate responsibility (CR). Functions included in our CR group include the Office of Environmental Affairs, Social Finance, Global Philanthropy, Employee Engagement and Volunteerism, Global Government Relations and Public Policy, and Strategy and Reporting.

Because CR issues cut across all aspects of our company, the CR team works with our lines of business and corporate functions to coordinate CR activities. For example, we have a Corporate Responsibility Council, which includes representatives from our CR group, Military and Veterans Affairs, Technology for Social Good, and our Consumer Policy group, among others, that meets weekly to share information and coordinate activities.

The Public Responsibility Committee of the Board of Directors has primary oversight for CR issues, though other committees address aspects of CR as part of their mandates, such as risk management and executive compensation. The Public Responsibility Committee is explicitly charged with reviewing the company's:

- Strategy and budget for charitable contributions
- Community reinvestment activities, including our community development programs
- Mortgage lending activities and compliance with the Home Mortgage Disclosure Act
- Environmental policies and activities
- Approach to consumer practices, which may include issues of disclosures and fees and introduction of major new products
- Policies and practices regarding political contributions, major lobbying priorities and principal trade association memberships
- Significant legislative developments
- Shareholder proposals involving issues of public interest and public responsibility

The company's Head of Corporate Responsibility provides regular updates to the Board's Public Responsibility Committee.

CORPORATE RESPONSIBILITY AT JPMORGAN CHASE

Stakeholder Engagement

JPMorgan Chase has a broad range of stakeholders with whom we engage, including our shareholders, employees, customers, members of the communities where we operate, policymakers, nongovernmental organizations and others. We believe we need to listen to, and understand the needs of, all these different groups – and that if we fail at any one, the whole enterprise suffers.

We have a wide range of mechanisms to engage and communicate with our diverse constituencies. Our goal is to understand their perspectives and the issues that matter to them, and to ensure they understand our strategy and performance. We take stakeholders' points of view seriously, and use their feedback to inform our strategy and how we operate our business. The table below provides an overview of how we engage with our key stakeholder groups.

Stakeholder group	How we engage
Shareholders	<p>We reach out to shareholders in many different ways, including quarterly earnings presentations, U.S. Securities and Exchange Commission filings, web communications and investor meetings. In addition, we engage major institutional shareholders as part of a semiannual outreach program to invite comments on governance matters, executive compensation and shareholder proposals. We meet throughout the year with additional shareholders and organizations interested in our practices.</p> <p>As part of our engagement with shareholders, we routinely meet with investors focused on environmental and social issues to exchange points of view and listen to their concerns and recommendations. We emerge from these conversations with new ideas and a greater appreciation for different perspectives. See our Investor Relations website for more information.</p>
Employees	<p>We have an Open Communication Policy to encourage free and direct communication between employees and managers at all levels. We believe company-wide support for this policy is critical to continually improving our products and services and maintaining a positive work environment. We provide employees with a wide variety of ways to communicate issues and ideas including:</p> <ul style="list-style-type: none"> • Biannual global Employee Opinion Survey, which allows employees to provide feedback on a broad range of issues, and managers use the results of this survey, in combination with other feedback, to continually improve the workplace and employee experience • Regular town hall and small group meetings with employees • Line of business and corporate blogs and a monthly employee newsletter • Online suggestion tools on our corporate and line of business intranets through which we encourage employees to submit ideas on business improvements and other issues • Global telephone hotline, staffed by a live responder 24 hours a day, seven days a week, with translation services available, through which employees can report any known or suspected violation of our Code of Conduct, company policies or laws that govern our business <p>See Supporting Our People section (page 67) and Governance, Ethics and Risk Management (page 62) for more information.</p>

CORPORATE RESPONSIBILITY AT JPMORGAN CHASE

Stakeholder Engagement

Stakeholder group	How we engage
Communities	<p>In the U.S., where we have a retail presence, we have developed regional Community Advisory Boards (CAB) whose members include leaders of nonprofit organizations in our 10 major markets.</p> <p>Chase managers meet with our CABs a minimum of twice a year and consult with them informally throughout the year as needed. CAB members provide key insights on local community development needs, offer valuable feedback, help us identify opportunities to serve communities more effectively, and partner with us on initiatives in their communities. Topics of concern raised by our CAB members in 2012 included access to capital, high unemployment, lack of job training, continued foreclosures, and the need for financial literacy and affordable financial products for underserved populations.</p> <p>In communities where we do not have formal CABs, we consult frequently with a range of community stakeholders to understand their key issues and how we can better serve their needs. We also work closely with a range of other community partners as part of our community development banking efforts. See Strengthening Communities (page 23) for more information.</p>
Retail customers	<p>We have a variety of mechanisms to solicit and respond to customer feedback about our products, services and organization as a whole. Customers can communicate with us in our branches, through the "We're Listening" button on Chase.com, through our Twitter handle @ChaseSupport, as well as by mail and phone. In the past few years, we have taken a variety of steps to dramatically shift and strengthen the way we serve our customers. See Serving Our Customers (page 40) for more information.</p>
Policymakers and regulators	<p>We routinely engage with policymakers, regulators and other government representatives at the national, state and local levels on issues of importance to the financial industry and to our company. We often provide input at the request of government officials who want to draw upon our expertise. We also belong to a number of major trade associations representing the interests of both the financial services industry and the broader business community. See Public Policy Engagement (page 65) for more information.</p>
Nongovernmental organizations	<p>We engage with a range of nongovernmental organizations (NGO) interested in the environmental and social aspects of the financial services industry to better understand their perspectives and concerns and how we can address them. While we have worked with these groups informally for many years, recently we have sought to make our engagements with them more regular and formal. Examples of NGOs with which we communicate regularly include:</p> <ul style="list-style-type: none"> • Organizations interested in how we address environmental and social issues such as climate change, biodiversity and human rights, and steps we are taking to advance the development of sustainable solutions, such as clean energy • Community development nonprofits, coalitions and community development financial institutions with a focus on affordable housing, economic development, and revitalization of low- and moderate-income communities • Public policy and consumer advocacy groups that serve the interests of low- and moderate-income populations

ADDING VALUE

We are using our full suite of resources and capabilities – from our traditional lending and financing activities and community development banking to impact investing and philanthropic giving – to create widely shared economic and social value for our clients and the communities where we operate around the world.

GROWING ECONOMIES



HELPING SMALL BUSINESSES GROW 15

Helping businesses access the capital and resources they need to succeed.



FINANCING GOVERNMENTS AND NONPROFITS 18

Helping public sector clients fulfill their vital public mandates.



INVESTING IN WORKFORCE DEVELOPMENT 20

Supporting job training initiatives to ensure people have the skills they need for employment.

STRENGTHENING COMMUNITIES



BUILDING VIBRANT COMMUNITIES 24

Making loans, grants and other investments to strengthen low- and moderate-income communities.



INVESTING FOR SOCIAL IMPACT 31

Providing capital and expertise to create measurable social impact.



SERVING AMERICA'S MILITARY AND VETERAN COMMUNITIES 33

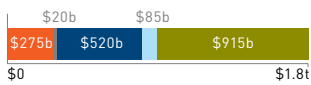
Supporting servicemembers through employment, homeownership and education.



SUPPORTING EDUCATION 37

Helping enable access to education by donating to educational organizations around the world.

GROWING ECONOMIES

CAPITAL RAISED AND
CREDIT PROVIDED
BY JPMORGAN CHASE
IN 2012:

- \$275 billion for consumers
- \$20 billion for U.S. small businesses
- \$520 billion for corporations
- \$85 billion of capital raised and credit provided for nonprofit and government entities
- \$915 billion of capital raised for clients



In 2012, JPMorgan Chase raised capital and provided credit of over \$1.8 trillion for organizations of all sizes. As a financial institution, that is our core business. But we believe that when we do our business responsibly and successfully, we make an essential contribution to society by supporting and enabling economic development.

And every day around the world, JPMorgan Chase is doing that by working with business owners, public officials and chief executives of organizations large and small, raising the capital or making the loans they need to improve their economies, expand their businesses, open new factories and stores, hire new employees and improve the lives of their citizens.

Our financial strength, global scale and dedicated expertise enable us to be a partner to governments, international organizations and multinational corporations. At the same time, our on-the-ground presence in thousands of communities enables us to meet the needs of small businesses, local nonprofits and individual consumers. When we serve our clients well, we keep our company strong - and we help the economy recover and grow.

GROWING ECONOMIES

CONNECTING AND GROWING LOCAL ECONOMIES, WORLDWIDE:
THE GLOBAL CITIES INITIATIVE

As the capacity of national governments has become more constrained, business, government and civic leaders at the local level are stepping forward to create and support innovative ways to strengthen their economies and create jobs.

Launched in early 2012, the Global Cities Initiative (GCI) is a five-year, \$10 million project of the Brookings Institution and JPMorgan Chase that is working to increase trade and investment ties among metropolitan areas around the world. In our view, this is a key opportunity for strengthening regional economies – and for fueling global economic growth. Global Cities is focused on:

- **Research:** Providing insights from the independent research of the Brookings Institution about metropolitan areas' positions and potential in the global economy.
- **Practice:** Equipping leaders with ideas for how to expand the global reach of their local economies, based on the best innovations in policy and practices from around the world.
- **Connect:** Bringing together an international network of leaders from global metro areas to stimulate mutual growth through trade.

Some of the research reports published by Brookings since the launch of GCI look at the role that exports play in growing metropolitan areas in the U.S., the future role that megacities like São Paulo can play in global economic growth, and the ways that international travel hubs indicate where global connections are already strong – and can be made stronger through trade partnerships.

In 2012, Global Cities brought together leaders in Los Angeles, San Diego, Columbus, Miami, Singapore and São Paulo to highlight policy and practice innovations from around the world and to foster a global network of leaders whose metropolitan regions trade, invest and grow together. The outcomes of the research and catalytic forums are tangible, with leaders from Los Angeles, San Diego and Columbus having already begun to develop and implement concrete business plans to support the growth of exports in their regions.

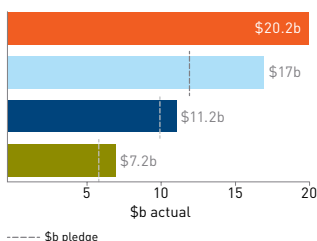
The growing number of JPMorgan Chase clients that are expanding into international markets illustrates the importance of the kinds of trade and investment linkages GCI seeks to foster. A survey of Chase Middle Market Clients, conducted in March 2013, showed that 61% are now active in global markets, an increase of 18% over the past two years. Furthermore, clients expect global revenue and activity to increase steadily over the next five years and are actively seeking ways to further expand globally.

In 2013, the Global Cities Initiative is bringing together leaders in markets including Atlanta, Dallas, Denver, Houston, London, Beijing and Mexico City to focus on those metropolitan areas' opportunities to strengthen their regional economies through trade and investment. Taken together, the work we are doing through GCI to identify global trends, share best practices and forge connections is aimed at helping companies and cities succeed.

HELPING SMALL BUSINESSES GROW

GROWING OUR SMALL
BUSINESS LENDING:

Even during challenging economic times, we have continued to grow our small business lending. From 2009–2011 – during the worst of the recession – we made specific annual pledges to increase our small business lending as a way to contribute to the economic recovery.



- 2012 – \$20.2 billion actual
- 2011 – \$17 billion actual (\$12 billion pledge)
- 2010 – \$11.2 billion actual (\$10 billion pledge)
- 2009 – \$7.2 billion actual (\$6 billion pledge)

80%

increase in lending to
U.S. small businesses
since 2010

HELPING SMALL
BUSINESSES GROW

While we are committed to helping businesses of all sizes grow and succeed, we believe we have a particular responsibility to help small businesses access the capital and other resources they need. Small businesses help local economies flourish, create jobs and promote innovation.

We made \$20.2 billion in new small business loans in 2012, up 18% from 2011 – and 80% from 2010. Over the last three years, we have added more than 1,000 small business bankers to serve this expanding segment of our business.

In 2012, for the third year in a row, we were the largest provider of U.S. Small Business Administration (SBA) loans by units, approving 4,838 SBA loans in the SBA's fiscal year 2012, for a total of \$887 million. We also approved more SBA loans to underserved markets (African-American, Hispanic, Native American, Asian, Women and Veteran-owned companies) than any other lender. The SBA program supports small businesses that may be less able to qualify for conventional financing through access to government-backed loans. We see the program as a vital tool to help local economies grow, and we have been one of the leading proponents of SBA lending in our industry.

Finding Solutions That Work for all Our Customers

One of the reasons we have been a leader in SBA lending – we approve 40% more SBA loans than our nearest competitor – is that we draw on all available tools to identify a financing solution that works for us and for the business owner. Our philosophy is to work to find a way to say “yes” – as opposed to looking for a reason to say “no.” So for businesses that do not qualify under our guidelines for conventional loans, we explore all the available SBA loan solutions.

We are also willing to provide a broader range of loan sizes – including very small loans – because we believe that the size of a business should not determine whether it has the opportunity to grow. Our large scale combined with expert employees in the field enable us to be responsive to even our smallest clients: We have the staff, expertise, procedures and systems in place to work efficiently with small business owners to help them explore, navigate and meet the requirements to access the financing they need.

HELPING SMALL BUSINESSES GROW



J.P. Morgan has done an effective job of reaching small and medium-sized businesses. They're a great partner in ensuring that American exporters have access to the financing they need to grow their companies and succeed in the international market.

Fred P. Hochberg,
Chairman and
President of the Export-
Import Bank of the
United States



Providing Tools for Small Business Owners

While financing is one of the critical services we provide, as part of our mission to help small businesses succeed, we also offer a range of tools, advice and other resources. Running a small business is hard – and we know that small business owners are still facing many challenges from the economic upheaval of the past five years. We see it as our responsibility to listen to the needs of these customers and help arm them with the tools required to build successful businesses.

For example, we offer a variety of training and networking opportunities, including our long-running *Business Insight Seminars* series, free of charge, to help our small business customers learn key skills and gain access to world-class information. In 2012, *Business Insight Seminars* focused on digital and social media and featured Tim Sanders, Net Minds CEO and former Chief Solutions Officer of Yahoo!. We held seminars in 19 cities, with more than 2,500 attendees in person and more than 2,800 via webinar. The goal was to help smaller companies learn how they can leverage digital and social media to build their brands and companies.

We also offer a range of products and services specifically designed to meet the needs of small businesses. For example, Ink[®] is a credit card solution designed for small business owners that enables them to have employee cards that include spending controls and earn points on business-specific purchases. Other programs, such as Chase Mobile[®] for Business, Instant Storefront[™] and JotSM, help business owners seamlessly conduct transactions, receive financial services and keep records, without ever leaving their place of business. These innovative products, along with our strong branch presence, extensive ATM network, and online and mobile banking solutions, enables Chase to help our 4 million small business customers across Chase grow the economy.

Growing Small Businesses through Social Media

In 2012, Chase provided \$3 million in grants to small businesses in the U.S. through our Mission: Small BusinessSM program. The goal of the program, conducted in partnership with LivingSocial and with the support of the U.S. Chamber of Commerce, was to find innovative small businesses and provide them with the solutions and capital they needed to grow. The 12 ultimate winners, selected from nearly 70,000 entrants by millions of consumer votes and a panel of experts, included a range of exciting small businesses, such as:

- EcoScraps, a Salt Lake City, Utah-based provider of sustainable, organic, chemical- and manure-free lawn products.
- Carmin Industries, a Jacksonville, Alabama-based Economically Disadvantaged Woman-Owned and Service Disabled Veteran-Owned Small Business that specializes in parts for the architectural, aerospace, defense and commercial industries.
- RonWear Port-able Clothing[®], a Beachwood, Ohio-based woman-owned business that produces "port friendly" clothing for patients undergoing chemotherapy, dialysis or other infusion therapy.

HELPING SMALL BUSINESSES GROW

The following are two of the approximately four million small business customers Chase serves across the U.S.:

Precision Demolition in Dallas, Texas

In 2009, Ray Rinker and Aaron Smith opened Precision Demolition in Dallas, Texas, hoping to make it in the wake of the economic downturn. They were helping support development in their community while also recycling the concrete, brick, metal and other materials from demolished buildings. When they wanted to move into the Houston market, they found the perfect yard facility and office but not the resources to commit to it until they sought financing from Chase. Three years after that initial financing, their revenue has quadrupled, with Chase continuing to partner and support their expansion.



“

We don't call this our company, we call this our mission.

Robert von Goeben,
Owner, Green Toys

”

Green Toys in San Francisco, California

It is the mission of Green Toys of San Francisco, California to change what goes into the products that kids play with. They use recycled material to create toys that are simple and environmentally friendly. Owner Robert von Goeben, along with his business partner Laurie Hyman, knew it would take capital to purchase the equipment and inventory they needed to become a global company – and that finding the right financing would be critical. As it happened, a Chase banker saw a Green Toy at a child's birthday party and actually sought out the company for its innovative approach and quality products. As a result of financing from Chase, Green Toys was able to purchase the capital equipment they needed to manufacture their toys in the U.S. “We don't call this our company,” said von Goeben, “we call this our mission.”

ACCELERATING SMALL BUSINESS GROWTH IN SOUTH AFRICA



In South Africa, small businesses are key to expanding employment and economic growth, but many lack access to the expertise and services they need to grow. In 2012, we committed to donate more than \$1 million to launch the SME Catalyst for Growth Program, an initiative that provides small and medium-sized enterprises (SME) with access to hard-to-obtain quality business development services such as technical skills training, mentoring, and help in accessing markets and finance. This program will create a framework for assessing the quality and impact of these services, helping both financiers and enterprises invest wisely in the sector, and contributing to South Africa's economic growth.

FINANCING GOVERNMENTS AND NONPROFITS

OUR PUBLIC SECTOR
CLIENTS INCLUDE:

90

national governments on
six continents

100

U.S. federal government
departments, government
organizations and
government-sponsored
enterprises

125

central banks worldwide

59

multilateral institutions on
five continents

27

sovereign wealth funds
that hold more than 90%
of global sovereign wealth
fund assets

110

financial institutions that
support public policy in
over 47 countriesFINANCING GOVERNMENTS
AND NONPROFITS

JPMorgan Chase provides capital and services to a range of public sector clients to help them fulfill their vital mandates, including national and municipal governments, central banks, multilateral agencies, international development organizations, public pension funds, hospitals, universities and more.

We provided and raised \$85 billion in capital and credit for nearly 1,500 nonprofit and government entities in 2012, helping them operate and grow as their budgets faced a difficult year. For example, in 2012, we raised \$733 million toward construction of the largest desalination plant in the Western Hemisphere, to be located in Carlsbad, California.

Additionally, we offered our services to help the state of New Jersey raise \$2.6 billion in debt financing, in the wake of Superstorm Sandy, waiving our fees on the underwriting and guaranteeing that the state's borrowing costs would not exceed a predetermined rate. We were also able to provide a \$5 million emergency line of credit to Federation and Employment Guidance Services (FEGS), after Superstorm Sandy. The line helped FEGS provide direct hurricane disaster services to thousands whose lives and homes were shattered and assured continuity of services to more than 10,000 people each day. FEGS is one of the largest and most diversified nonprofit health and human services organizations in the U.S., meeting the needs of the Jewish and broader community through a diverse network of services.

We help build the infrastructure and support systems that shape the path of economic growth and, in some cases, step in when other banks are unable or unwilling. For example, in 2012, we again made a \$500 million short-term loan to the state of California at only 0.23% to enable the government to meet its near-term financial obligations. This was in addition to being the sole lender on a \$1.5 billion loan provided in 2009 to ensure the state could keep current on its commitments.

FINANCING GOVERNMENTS AND NONPROFITS

TO SERVE OUR
PUBLIC SECTOR
CLIENTS IN 2012:**\$85b**in capital and credit for
nearly 1,500 nonprofit and
government entities**\$137.8b**raised globally for debt
underwriting for public
sector institutions

J.P. Morgan also provided a \$30 million direct purchase bond to help finance a new science building at North Park University in Chicago, Illinois and refund a portion of their existing debt. North Park University began its capital campaign to build a science center, but suspended the project and fundraising efforts in 2008 due to the financial crisis. The university had identified the sciences as an area of importance and high growth in the future and its existing science facilities needed substantial upgrading and technology to provide a competitive education. In 2010, North Park University resumed fundraising for a new science building and is on target to meet its capital campaign goal. The new building will enable the university to provide a cutting-edge science education to North Park students as well as serve the community, as the university plans to use the building to reach out to area high school students.

Working with National and Multilateral Development Banks

In the international arena, J.P. Morgan maintains strong relationships with development banks, export credit and multilateral agencies to further economic development in emerging markets, serving 64 international institutions in 31 countries. We provide financing for industrial and infrastructure projects, support export-import activities and underwrite bonds, among other activities.

For example, in Ghana, working with export credit agencies in the U.S. and the U.K., we provided financing to make electricity available to over one million Ghanaians in rural districts and to construct seven hospitals across the country. In addition, we are a leader in debt underwriting for public sector institutions, helping to raise \$137.8 billion globally in 2012. And, to address the impact of climate change, we helped the International Finance Corporation (IFC) raise \$1 billion with Green Bonds to facilitate the IFC's investments in renewable energy, energy efficiency and other climate-friendly projects in the developing world.

MULTILATERAL AND EXPORT CREDIT AGENCIES WE HAVE PARTNERED
WITH INCLUDE:

- Asian Development Bank
- Coface (France)
- EKN (Sweden)
- European Bank for Reconstruction and Development
- Export Credit Guarantee Department (U.K.)
- Export Development Canada
- Export-Import Bank of the U.S.
- Hermes (Germany)
- Inter-American Development Bank
- International Development Association
- International Finance Corporation
- K-sure – Korea Trade Insurance Corporation
- OPEC Fund for International Development
- Nippon Export and Investment Insurance (Japan)
- SINOSURE – China Export & Credit Insurance Corporation

INVESTING IN WORKFORCE DEVELOPMENT

OUR INVESTMENT
IN WORKFORCE
DEVELOPMENT:**\$15m**in grants to workforce
development partnerships
worldwide in 2012**\$60m**in grants to global
workforce development
programs in the past
five yearsINVESTING IN WORKFORCE
DEVELOPMENT

Ensuring businesses, governments and nonprofits have the capital they need to grow and create jobs is essential for economic development.

It is equally important to ensure that people have the skills they need to compete for the employment opportunities that are generated by successful economic development efforts. That is why our company provides philanthropic support to a range of job training and workforce development initiatives around the world. In 2012, we invested \$15 million in workforce development partnerships and, over the past five years, we made \$60 million in grants to workforce development programs.

Connecting Job Training Programs with Employers in Chicago

In Chicago, Illinois unemployment by neighborhood continues to range between 10% and 25%, while the employment opportunities that do exist are often poorly matched to the skills of the workforce. By connecting workforce investments in key industries with economic development in the city, including small business growth and job creation, we hope to create a pathway to prosperity for low-income Chicagoans. Our work in Chicago in 2012 provides an example of how we are working in one community to support workforce development:

- **Skills for Chicagoland's Future (SCF)** is a public-private partnership that coordinates workforce development training programs to ensure that they provide unemployed job seekers with the specific skills that employers require. Launched in 2012 with help from a two-year, \$600,000 grant from JPMorgan Chase, SCF aims to coordinate the training and hiring of 600–750 unemployed job seekers in its first year of operation and establish training pipelines that will significantly increase these numbers in years to come.

INVESTING IN WORKFORCE DEVELOPMENT

- **Ann & Robert H. Lurie Children's Hospital of Chicago** is one of the nation's top pediatric hospitals. As part of its mission, Lurie Children's Hospital is committed to making a difference in Chicago's most challenged neighborhoods, in part by opening its doors to teens from those communities who are interested in pursuing healthcare careers. Since 2011, JPMorgan Chase has contributed \$400,000 to Lurie Children's Hospital. This includes support of the hospital's "Chase Your Dreams" program, which provides young people with hands-on experience in hospital settings. Through internships, programming and a series of career and shadowing days, the program reached more than 400 Chicago high school students in the 2012–2013 school year. We also provided \$196 million in financing that helped the hospital open its doors in 2012.
- **741 Collaborative** is a unique coalition of seven workforce agencies working in four Chicago communities to achieve a single goal: helping employers recruit and retain qualified employees while advancing the careers and incomes of the residents in all four communities. JPMorgan Chase chose to become the founding supporter of the 741 Collaborative because of its innovative approach to providing a range of employment training, job placement services and support services to residents of these four communities. In 2012, we provided \$835,000 in funding to the 741 Collaborative's member agencies, which were delivering those important services to community residents. Since the 741 Collaborative's launch in 2008, over 3,000 residents have received workforce services and over 1,000 have secured employment.

In addition to these examples, we continued to support the work of numerous other workforce development partners, including groups like **Goodcity NFP**, which specializes in training social entrepreneurs on how to effectively run their own organizations and **The Prairie State College Foundation**, which focuses on preparing chronically unemployed and ex-offenders for careers in the trades.



Adie (Association pour le droit à l'initiative économique), France

Improving Job Prospects across Europe

As economies in Europe have come under increasing strain, JPMorgan Chase has continued to serve our clients across the region by providing them with the credit and financing they need. In addition, we are supporting a range of nonprofits focused on workforce development and entrepreneurship to help improve job prospects for people seeking work across Europe. For example:

- **The Polish Children and Youth Foundation:** Shortly after JPMorgan Chase opened a new office in Warsaw, we made our first grant in Poland by donating \$235,000 to the Polish Children and Youth Foundation (Polska Fundacja Dzieci i Młodzieży) to help the 20-year-old organization develop and implement its Life Skills Program. This new education program works in 10 vocational and technical schools in Warsaw, focusing on social and employability skills for participants. In its first year, the Life Skills Program will directly benefit 1,250 students currently at risk of being excluded from the labor market by improving their educational outcomes and employment opportunities. The program aims to serve as a model that can be rolled out to other vocational and technical schools in Poland.
- **Adie (Association pour le droit à l'initiative économique):** The current economic downturn in Europe has had a disproportionate negative impact on young people as they are seeking to enter the workforce. The unemployment rate among 15–24-year-olds in France has reached nearly 22%, according to the Organisation for Economic Co-operation and Development. In 2012, JPMorgan Chase extended our longstanding relationship with Adie, the largest European microfinance institution, to provide access to credit, particularly to financially excluded, underprivileged communities in France. JPMorgan Chase gave a €180,000 grant to enable Adie to scale its training and microcredit programs and increase the level of business creation among young people in the Paris region. The grant will also help improve the business survival rate among these businesses through a new, targeted Business Development Service. Adie estimates that the grant will enable the growth of at least 100 additional new businesses created by young entrepreneurs and increase the survival rate of these businesses to 75% in the first two years (compared with an average of 69% for Adie participants).

INVESTING IN WORKFORCE DEVELOPMENT



City Gateway, Tower Hamlets,
United Kingdom

Tackling Unemployment in the U.K.

Following the relocation of JPMorgan Chase's U.K. office to London's Canary Wharf in 2012, we expanded our philanthropy to include a focus on our new neighborhood, the Borough of Tower Hamlets. This borough of 250,000 residents is profoundly economically polarized, with some 47% of residents receiving government support. In 2012, we provided more than £400,000 in three focused grants in Tower Hamlets as part of a holistic approach to address a number of poverty's root causes:

- **St. Paul's Way Trust School:** JPMorgan Chase supported the development of a micro-enterprise program for students at this secondary school. The program will develop at least four new micro-enterprises, embed business learning and transferable skills for students at the school, help students network and improve the levels of entrepreneurial activity in the community.
- **Bromley by Bow Centre:** We partnered with this pioneering organization, which supports vulnerable communities in east London, to launch a holistic employment program focused on women living in economically deprived communities in Tower Hamlets and east London. The Women4Work program aims to increase women's ambition and confidence, create positive role models, and empower women with a goal of obtaining employment and improved well-being. The range of interventions put to use by Women4Work combines to create new social networks for women facing acute challenges in their lives.
- **City Gateway:** We are supporting City Gateway to develop and deliver a new Family Support Model aimed at tackling child poverty, while also creating training, apprenticeship and job opportunities for local young people and women. As part of this effort, City Gateway will also develop a childcare social enterprise, Gateway Tots, to provide high-quality childcare for vulnerable families, as well as training and job opportunities for economically excluded parents.



Vocational students at Montfort
Boys Town in Shah Alam,
Selangor, Malaysia

Supporting Unemployed Youth in Southeast Asia

The recent global economic downturn has left more than 36 million young people in Asia unemployed. The challenge has been exacerbated by technological changes that now require increasingly skilled and qualified labor for a limited number of available jobs. In 2012, we provided a \$240,000 grant to the **Education Development Center**. The grant will be used to strengthen the institutional capacity of 24 Technical Vocational Education (TVE) schools to deliver a workforce readiness program based on the current requirements of the labor market and the needs of unemployed young people across the Philippines, Malaysia, Indonesia and Thailand. The program aims to improve the practical career focus of TVE teaching and learning materials, strengthen teacher capacity to prepare work-ready graduates, and help establish partnerships among schools, local businesses and governments to stimulate a more market-driven educational system that will link students with actual jobs.

STRENGTHENING COMMUNITIES

TO HELP STRENGTHEN
COMMUNITIES
IN 2012:

\$6b

provided to low- and moderate-income individuals and communities through our community development lending and investing

\$190m

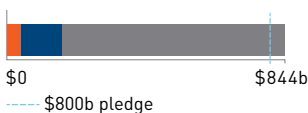
donated to nonprofits in 37 countries

468,000

hours of volunteer service provided by 43,000 employees in communities around the world

**SURPASSING OUR
\$800 BILLION PUBLIC
COMMITMENT ONE
YEAR EARLY**

In 2012 we exceeded our 2004 10-year, \$800 billion Public Commitment to make loans and investments for minority or lower-income borrowers and communities.



- **\$43.3 billion** for community development lending and investing
- **\$124.3 billion** for small business lending
- **\$676.3 billion** for mortgage lending

STRENGTHENING COMMUNITIES



We are a global financial institution, but our global presence is built on a foundation of individual relationships in thousands of local communities. And we are firmly convinced that doing what we can to deepen those relationships and strengthen those communities is the best business we can engage in. That is why we are bringing many of our assets and expertise to bear – from community development investing and social finance to charitable giving and employee volunteerism – to help develop and support the essential bedrocks of strong, vibrant communities.

Our scale, combined with our deep local involvement, gives us a unique ability to leverage resources and maximize impact, especially in low- and moderate-income communities. Our presence can be found across the U.S., from Harlem in New York City to Oakland, California. And in recent years, we have expanded our community investments across the globe, such that our impact is increasingly felt in communities from Gauteng, South Africa to São Paulo, Brazil.

BUILDING VIBRANT COMMUNITIES

PARTNERING
WITH COMMUNITY
DEVELOPMENT
FINANCIAL
INSTITUTIONS (CDFI)

CDFIs are key partners in our efforts. Since 2009, we have provided over \$1 billion in loans, grants and investments to CDFIs and their affiliates.

BUILDING VIBRANT
COMMUNITIES

We have a deep commitment to community development and have been making loans, grants and other investments aimed at strengthening low- and moderate-income (LMI) communities in the U.S. for more than 25 years.

HOW WE INVEST IN COMMUNITY DEVELOPMENT

It is our responsibility to strengthen the communities where we and our customers do business, and where our customers and employees live. To achieve maximum impact in the community, we believe it is necessary to take a comprehensive approach to community and economic development. We deploy a range of resources and engage with partners across the country. Here is how we do it.

OUR RESOURCES

LOANS

\$990m
IN 2012

EQUITY
INVESTMENTS

\$1b
IN 2012

We invest in apartment buildings that qualify for federal Low Income Housing Tax Credits and State Low Income Housing Tax Credits. We also invest in New Markets Tax Credits, which support commercial and nonprofit development projects in LMI communities.

OUR PARTNERS

AFFORDABLE HOUSING
DEVELOPERS

- For profit
- Nonprofit
- Government sponsored

SOCIAL SERVICE
PROVIDERS

For example:

- Charter schools
- Health centers
- Food banks
- YMCA
- Salvation Army

COMMUNITY
DEVELOPMENT
FINANCIAL INSTITUTIONS

That provide:

- Technical assistance to LMI borrowers
- Small business development
- Lending to social service providers

BUSINESSES IN THE
COMMUNITY

For example:

- Kroger
- Whole Foods
- Continental Tire

OUR RESULTS IN LMI COMMUNITIES



AFFORDABLE HOUSING

Financed the construction or preservation of more than **31,000** units of affordable housing for LMI families, seniors and special needs populations in over 200 U.S. cities.



MANUFACTURING CAPACITY

Facilitated the expansion of manufacturing capacity that collectively created approximately **1,600** new jobs in the U.S.



HEALTHCARE

Facilitated the construction of eight healthcare centers that cumulatively will be able to provide more than **250,000** annual patient visits.



EDUCATION

Financed the development or expansion of charter schools and other education facilities that will serve a combined **5,080** students.



HEALTHY FOOD

Financed six projects designed to increase access to healthy food in underserved communities, which will also create close to **700 jobs** in those communities.

BUILDING VIBRANT COMMUNITIES

TO HELP BUILD
VIBRANT
COMMUNITIES:

\$1b

in loans, grants and
investments to CDFIs and
their affiliates since 2009

\$990m

in projects facilitated under
the NMTC program in 2012

\$100m

in NMTC allocations
awarded to Chase in 2012

NEW MARKETS TAX CREDIT "101"

Established by the U.S. Congress in 2000, the New Markets Tax Credit (NMTC) Program is intended to stimulate investment in low-income communities by encouraging private investors to provide longer-term, "patient" capital in exchange for a tax credit against their federal income tax liability. These investments are focused on providing services, jobs and economic development in low-income communities. The credit, which is 39% of the original investment, can then be claimed over the course of seven years.

The key to NMTC is that it encourages investment in areas that typically are not magnets for investment. NMTC investments must go to communities with rates of poverty at or above 20%, or median incomes at or below 80% of the area's median income. Additionally, all projects financed by the NMTC program must meet a "but for" test: But for the NMTC program, could the project be financed? By participating in the NMTC program, JPMorgan Chase has been able to help drive development in some of the most economically distressed communities across the U.S.

Partnering to Increase Impact

The impact of our work depends on the support that comes from collaborating with dedicated partners, including CDFIs and other financial intermediaries, that come together with a common vision of making communities stronger. Our partnerships with CDFIs, for example, help us achieve our goals of supporting LMI communities by leveraging CDFIs' strong community roots to target resources where they can do the most good. Working with CDFIs enables us to provide credit and financial services to businesses and development organizations that would typically have difficulty accessing financing through traditional channels.

In 2012, we lent \$189 million to CDFIs and other financial intermediaries that leveraged our capital to secure financing for additional affordable housing, schools, healthcare clinics and small businesses. We also provided \$19 million in grants to CDFIs in 2012, completing our three-year commitment to donate \$100 million to strengthen CDFIs. Examples of partnerships with CDFIs in 2012 include:

- A \$6 million grant to the **National Development Council (NDC)** for its Grow America Fund (GAF), which will be leveraged to make up to \$24 million in small business loans in New York, New Jersey and Connecticut. The GAF is a CDFI fund that finances small businesses, including manufacturers, service businesses and retailers that create jobs in, and provide goods and services to, underserved communities. The grant will help GAF make an estimated 70 loans during the next four years. In addition to this grant, Chase has been a longtime partner with the NDC. Chase's support over 10 years has included providing more than \$10 million to support small business lending activities, investing \$58 million in several NDC funds focused on affordable housing, and investing \$128 million in 15 projects in the NDC's New Markets Tax Credit Community Development Entity that provides equity and loans for economic development projects in low-income communities nationwide.
- A \$5 million grant to the **Valley Economic Development Center (VEDC)** in California in 2011 allowed the organization to launch a statewide small business lending program. The grant has allowed VEDC to expand its reach beyond Los Angeles to cover the entire state and, through 2012, it had resulted in \$21 million in loans to small businesses across California. In 2012, we increased our support with a \$250,000 grant to help VEDC establish a small-business technical assistance and Capital Access Center in the Boyle Heights neighborhood of Los Angeles. The impacts of our grant to date include 191 loans to support small businesses, more than 1,000 new jobs created and over 2,300 jobs retained.
- In 2012, we continued our work with **NCB Capital Impact**, an innovative organization that is at the forefront of trends in community development. We have partnered with NCB Capital Impact on both the \$375 million commitment to charter schools we made in 2010 and the \$32.5 million we committed to the **California FreshWorks Fund** in 2011. In 2012, these investments began to take shape with the start of construction of a new facility in Los Angeles for Fenton Charter Schools, the oldest charter school in California, and the distribution of the first loans and grants from California FreshWorks to bring new grocery stores and jobs to "food deserts," areas with limited access to healthy, affordable food, across California, from San Diego to West Oakland.

BUILDING VIBRANT COMMUNITIES



Q: What types of community development banking partnerships and resources are most effective in solving the challenges facing low- and moderate-income communities?

A: What we know today is that we can more effectively solve the problems that have plagued generations of families in low-income communities across the country by focusing and coordinating all our community development resources, including capital from the private sector, public sector and charitable organizations. JPMorgan Chase has demonstrated its ability to harness these resources collectively, rather than approach circumstances in low-income communities with a banking approach driven solely by volume and visibility of deals.

**Terry Simonette,
President & CEO,
NCB Capital Impact**

Financing Affordable Housing

Although we seek to support all the institutions that form a community, we believe high-quality, affordable housing is a critical piece of the foundation of broader community development. We finance affordable housing by providing loans for construction projects, as well as investing in the federal tax credits that allow housing developments to remain affordably priced for residents.

In 2012, we provided more than \$990 million in loans and just over \$1 billion in equity to finance the building or preservation of more than 31,000 units of affordable housing for LMI families in over 200 U.S. cities. Examples of housing developments we helped finance in 2012 include:

- **Highbridge Overlook Apartments – Bronx, New York:** The new construction of Highbridge Overlook Apartments will provide 155 units of affordable housing in this lower-income community. When completed, the project will include 40 units for formerly homeless individuals in need of mental health and social service support. We originated a \$23 million letter of credit to help finance the acquisition of the project from the New York City Housing Authority and fund the construction, as well as invested \$21 million in low-income housing tax credit equity.
- **Williams Apartments – Seattle, Washington:** This 84-unit apartment project will serve chronically homeless adults, with 50% of the units reserved for homeless veterans. To support this project, we originated a new \$9.1 million construction loan for the development, which is located in a low-income neighborhood of Seattle. The developer, Plymouth Housing Group, works to preserve, develop and operate safe, decent, affordable housing in order to eliminate homelessness and provide opportunities for homeless and very low-income people to improve their lives.
- **1501 Canal Apartments – New Orleans, Louisiana:** This project will renovate the historic Texaco office in downtown New Orleans, turning a dilapidated building into 112 units of affordable housing that will primarily accommodate low-income senior citizens. Chase supported this construction by originating an \$18 million loan for the construction and redevelopment of the project. The project includes nearly 2,000 square feet of commercial space on the first floor to be used for a small retailer or café to complement the ongoing revitalization of Canal Street.
- **Pikeville Scholar House – Pikeville, Kentucky:** We originated a \$4.9 million loan to fund the construction of a 45-unit apartment complex for low-income families. The project's Scholar House concept targets single parents seeking to escape the cycle of poverty by continuing their college education. The site is adjacent to the University of Pikeville, and the project includes a 10,200 square foot Early Childhood Education Center and daycare facility.

BUILDING VIBRANT COMMUNITIES



The Lofts at McKinley,
Phoenix, Arizona

Leading the Way on Green and Transit-Oriented Development

In addition to using our resources to expand the housing options available to LMI communities, we have worked to support the growth of innovative new housing developments, including projects that incorporate environmentally sustainable materials and methods, and transit-oriented development models that help residents make use of public transit. In 2012, Chase worked to raise and invest capital for several such developments, including:

- **Paseo Verde Apartments – Northern Philadelphia, Pennsylvania:** Built on a former brownfield site in Northern Philadelphia, Pennsylvania, the Paseo Verde Apartments will include affordable housing construction, commercial development and environmentally friendly design to LEED-certified standards. By combining our resources and expertise, we were able to craft a comprehensive package of both debt and equity to meet the financing needs of the project.
- **The Lofts at McKinley – Phoenix, Arizona:** We provided a \$6 million loan that, along with additional financing from the City of Phoenix, the Arizona Department of Housing and others, enabled the construction of a 60-unit low-income housing development for senior citizens in the historic Phoenix neighborhood of Roosevelt. The Lofts include a number of environmentally friendly features, including solar-powered electricity, highly reflective roofing, recycled concrete and low water-use landscaping.



Continental Tire, aerial view
of construction, Sumter,
South Carolina

Supporting Manufacturing and Creating Jobs

Throughout the economic downturn, we have placed a strong emphasis on supporting projects to create new jobs and expand manufacturing capabilities in communities that have been hard-hit by the recession. We are seeing increased demand from manufacturing and industrial companies to build capacity in the U.S., and the NMTC program provides incentives for these firms to build in LMI communities. In 2012, we structured \$219 million in NMTCs to build manufacturing and industrial capacity in the U.S., which resulted in the creation of nearly 1,600 jobs in communities across the country. Examples include:

- **Continental Tire – Sumter, South Carolina:** We provided financing to help Continental Tire build a new state-of-the-art manufacturing facility in Sumter, South Carolina. The resulting project, financed in part by a \$17.7 million NMTC investment from Chase, is expected to create 1,000 permanent jobs. It is anticipated that the facility will become an economic development stimulus for this rural community.
- **Jack Link's – Alpena, South Dakota and Minong, Wisconsin:** The snack-food manufacturer has long been a client of Chase and, in 2012, we helped the firm expand its operations in two low-income communities. We invested \$10.3 million in a project to expand the company's manufacturing facility in Alpena, South Dakota, a community facing a 20% poverty rate. The project, which will further increase capacity in one of the company's biggest facilities, will create 75 new permanent jobs at the facility. We also invested almost \$3.7 million to help Jack Link's expand and renovate a beef-jerky manufacturing facility in rural Minong, Wisconsin, allowing for the creation of 126 new jobs at the facility – an increase of 25%. These facilities will also add more than 115 new jobs in their local communities.

BUILDING VIBRANT COMMUNITIES



Chicago Family Health Center
architectural rendering,
Chicago, Illinois

Increasing Access to Healthcare

Access to high-quality healthcare is a critical need for every community and is often lacking in LMI communities. Federally Qualified Healthcare Centers help bring federal healthcare dollars to provide much-needed services to LMI communities. In 2012, we facilitated \$79 million in NMTC investments for the construction of eight healthcare centers that collectively will be able to provide more than a quarter-million annual patient visits. Examples of healthcare projects we supported in 2012 include:

- **Chicago Family Health Center – Chicago, Illinois:** Through a \$2.8 million NMTC equity investment from Chase, the Chicago Family Health Center (CFHC) was able to acquire and renovate a 26,000 square foot health clinic located in the underserved neighborhood of Pullman in Chicago. The new, larger facility will allow CFHC to increase the number of annual primary care, specialist and dental visits from 30,000 to 50,000 – and it will be LEED-certified. The project is also seeking to revitalize an entire city block of dilapidated buildings, vacant storefronts and uninhabitable apartments into an accessible, quality community resource that will directly contribute to improving the health and welfare of a vulnerable, low-income and minority population living in the surrounding area.
- **Asian Health Services – Oakland, California:** With the help of a Chase NMTC equity investment of \$3 million, Asian Health Services was able to purchase and renovate a nearly 16,000 square foot commercial building across the street from its existing clinic in Oakland's Chinatown. The new facility employs 63 health professionals, features 20 exam rooms and will accommodate an additional 39,000 visits per year, a 40% increase, primarily to low-income people.



Northgate City Heights Supermarket
grand opening, San Diego, California

Helping Meet Community Needs

We also have a long history of supporting innovative educational projects and increasing access to healthy food in disadvantaged communities. In 2012, we financed the development or expansion of charter schools and other educational facilities that will serve more than 5,000 students in LMI communities across the U.S. We also financed six projects designed to increase access to healthy foods in underserved markets, which will create almost 700 jobs in those communities. Below are two examples of how we used NMTC to do this work in 2012:

- **Education – Erie Elementary Charter School, Chicago, Illinois:** With this project, we provided more than \$4.2 million in equity investment to allow the school to complete accessibility improvements to its existing facility and also to build a 16,000 square foot addition. The expansion will enable the school to increase its capacity from 350 students in grades K-7 to 415 students in grades K-8. As part of the project, the school is also adding administrative space, a parent resource room, a computer lab and an adult education classroom. In addition to expanding educational opportunities in this neighborhood, the school expansion will add 45-48 new full-time jobs.
- **Access to Healthy Food – Northgate City Heights Supermarket, San Diego, California:** In the first transaction closed under the California FreshWorks program, Northgate City Heights Supermarket used a \$2.3 million loan from Chase to rehabilitate a 41,000 square foot, full-service supermarket. This market is the latest in Northgate's more than 30 markets in Southern California located in areas with large concentrations of first- and second-generation Latin American residents and with limited access to fresh foods. The supermarket employs about 100 people, with 75% of the positions filled by people from the surrounding City Heights area.

ADDING VALUE

COMING TO THE AID OF OUR COMMUNITY AFTER SUPERSTORM SANDY



In October 2012, "Superstorm" Sandy slammed into the East Coast of the U.S., causing unprecedented damage in New York City and along the New Jersey and Connecticut coasts. With more than 30,000 employees and 10 million customers affected by the storm, we marshaled our resources to provide immediate relief and assistance to those affected – as well as to lay the groundwork for the long-term economic recovery of the region.

In the wake of the storm, we pledged up to \$5 billion in additional capital for small and medium-sized businesses to help them rebuild and donated \$10 million in aid to disaster relief organizations and individuals. We also immediately offered our services to help the state of New Jersey raise \$2.6 billion in debt financing, waiving our fees on the underwriting and guaranteeing that the state's borrowing costs would not exceed a predetermined rate.

Marshaling Our Resources

Charitable Contributions	Helping the Public	Helping Our Customers	Helping Our Employees
<ul style="list-style-type: none"> Committed up to \$5 million in donations to nonprofit organizations, including up to \$1 million in matched funds for employee donations to the American Red Cross, World Vision and the United Way for immediate relief efforts. Charitable grant recipients included organizations working to distribute food and other supplies, helping microenterprises stay in business, and repairing damaged homes for low-income homeowners. Helped our customers easily make donations to the Red Cross through 14,000 Chase ATMs. In partnership with The Robin Hood Relief Fund, sponsored the 12.12.12 Concert for Sandy Relief, which raised more than \$50 million for storm victims. 	<ul style="list-style-type: none"> Quickly reopened our branches in affected areas, allowing anyone to come in and charge their electronic devices. Dispatched mobile ATMs to hard-hit areas, providing access to cash for people without power. Provided JPMorgan Chase-owned office space in Brooklyn to temporarily displaced small businesses. Helped launch the Economic Recovery Task Force with Nassau County, New York, to help small businesses navigate options for recovery, including SBA disaster loans. More than 700 JPMorgan Chase employees contributed more than 2,300 hours of volunteer service in affected communities. 	<ul style="list-style-type: none"> Pledged to make \$5 billion in lending available to small and medium-sized businesses, at favorable terms. Allowed any business impacted to apply for expedited credit, with special pricing and terms, for three months after the storm. Waived all fees for consumers and small business customers for nearly two weeks after the storm in 10 states and Washington, D.C. Waived all mortgage-related fees for customers in the impacted areas and automatically placed Sandy customers seeking assistance on a payment moratorium for up to 180 days. Paid for all customer costs associated with home purchase and refinance closings that were delayed by the storm, and ensured that all home equity lines of credit remained open for customers impacted. 	<ul style="list-style-type: none"> Established a "hardship hotline," allowing any employee to access up to \$1,500 in emergency funds from a new corporate assistance program. Through our employee-to-employee giving program, matched 100% of contributions up to \$1 million to a disaster relief fund for employees affected by the storm. Helped employees who lost vehicles in the storm obtain new cars with favorable loan rates. Created an employee shift-share program to bring in employees from locations across the U.S. to fill in at branches in the Northeast, providing relief for employees who were affected by the storm or worked long hours during the recovery.

ADDING VALUE

COMBINING OUR RESOURCES TO HELP A STRUGGLING COMMUNITY IN MIAMI



One of JPMorgan Chase's strengths is our ability to bring together a range of resources – including community development banking, retail banking and our philanthropy – to address the needs of communities. By combining our efforts, we are able to greatly expand our impact. JPMorgan Chase's work in the North Miami, Florida neighborhood of Liberty City illustrates this approach.

Liberty City is a neighborhood of about 23,000 people with a nearly 40% unemployment rate and an average household income of \$12,667 per year. The neighborhood struggles with issues that plague many low-income communities, including high unemployment and academic underachievement.

Since 2010, JPMorgan Chase has helped **Carrfour Supportive Housing** to provide much-needed housing in Liberty City. We provided pre-development funding to support the construction of 250 new units of affordable housing in three different communities: Dr. Barbara Carey Shuler Manor, which was completed in 2011 and includes the build-out of ground-floor commercial space that will house South Florida Workforce; Parkview Gardens, completed in 2012 (pictured above); and Osprey, which is currently in pre-development. This initiative also will provide 600 new construction jobs to residents in Liberty City by the end of 2013.

We have supported or participated in a range of other efforts to help meet the needs of the Liberty City community. After **Habitat for Humanity of Greater Miami** received funds through the U.S. government's Neighborhood Stabilization Program, JPMorgan Chase made a \$500,000 multi-year philanthropic investment in the nonprofit's Liberty City Shine campaign, which aims to build or rehabilitate more than 250 homes in Liberty City. We contributed an additional \$150,000 in 2012 and served as the site sponsor of the group's 2011 and 2012 "Blitz Build" events.

In 2011, we provided a \$150,000 grant to **Goodwill Industries of South Florida Inc.** to help expand its Apparel and Flag Manufacturing Division, creating 125 new jobs for low-income job seekers. And in 2011, we committed \$1 million over three years to support an innovative partnership between **Florida International University** and **Miami Dade Public Schools**. The partnership, which is focused on Miami Northwestern Senior High, has helped to increase the graduation rate from 64% to 76%, promote a college-going culture by tripling the number of college credit courses available to students and quadrupling the number of students participating in college credit courses, and empower 119 students with comprehensive skills in finance and investment through a customized financial literacy program.

INVESTING FOR SOCIAL IMPACT

IMPACT OF
J.P. MORGAN'S
SOCIAL FINANCE
INVESTMENTS:

14m

people's livelihoods had
been improved by the end
of 2012

INVESTING FOR SOCIAL IMPACT



JPMorgan Chase's development efforts are global – investing in communities and impacting people across the U.S. and around the world. Through our Social Finance unit, launched in 2007, we are supporting and enabling development by providing capital and expertise to innovative businesses that are working to improve the livelihoods and quality of life of underserved populations in communities around the world.

These impact investments are unique in that, while they are expected to create a financial return, they are also expressly focused on generating measurable social impact. In addition, they are intended to be scalable and sustainable, setting the stage for long-term future growth of the businesses and markets they target.

In 2012, the Social Finance principal investment portfolio grew to nearly \$50 million in commitments. Our portfolio consists of funds that profitably improve livelihoods for low-income and excluded populations. These funds span sectors such as healthcare, agriculture, financial services and housing. By the end of 2012, the livelihoods of 14 million people had been improved through our impact investments.

J.P. Morgan Social Finance Investment Portfolio

Investment Fund ¹	MicroVest II	Leapfrog	IGNIA	Bridges Social Entrepreneurs Fund	African Agricultural Capital
J.P. Morgan Investment	\$10 million	\$10 million	\$5 million	£3 million	\$8 million
Fund size	\$60 million	\$135 million	\$77 million	£12 million	\$25 million
Investment Thesis	Provide equity capital to low-income financial institutions and help build capital markets serving low-income individuals.	Invest in companies that distribute micro-insurance and related products and services for low-income and financially excluded people.	Invest in entrepreneurs with scalable businesses that deliver high-value products and services to low-income populations in Mexico.	Support scalable, high-impact social enterprises with a focus on serving the most deprived 25% of the population in the U.K.	Invest in small and medium-sized agriculture-related businesses in East Africa directly benefiting smallholder farmers.

¹ Reflects all publicly disclosed information to date.

INVESTING FOR SOCIAL IMPACT

FINDINGS FROM
THE 2012 IMPACT
INVESTOR SURVEY
CONDUCTED BY
J.P. MORGAN AND
THE GLOBAL IMPACT
INVESTING NETWORK:

\$8b

amount respondents
committed to impact
investments in 2012, with
plans to commit \$9 billion
in 2013

65%

of respondents target
market-rate financial
returns from their impact
investments, and most say
their portfolios' financial
and impact performance
are in line with or
exceeding expectations

96%

of respondents measure
their social and/or
environmental impact

Source: [Perspectives on Progress,
The Impact Investor Survey](#)

Helping Grow the Field of Impact Investing

In addition to making principal investments, our impact investing strategy includes helping to shape and grow the field of impact investing by providing client advisory services and rigorous, data-driven thought leadership. In 2010, we published *Impact Investments: an Emerging Asset Class*, the first report to rigorously define the size and potential opportunities in impact investing.

In 2012, we published *A Portfolio Approach to Impact Investment*, which outlined an approach to managing impact investments using traditional portfolio management theory and provided guidance on how investors can incorporate impact investments into their portfolios. In early 2013, we also published the results of our third annual *investor survey*, conducted in partnership with the Global Impact Investing Network. The results of this survey showed not only how much the field of impact investing has grown – up to an expected \$9 billion in 2013 from \$8 billion in 2012 – but also that 98% of organizations managing impact investments said their investments met or exceeded their expectations.

2012 Investment Highlights

Through our Social Finance investment portfolio, we support investments in self-sustaining businesses that are working to create positive social impact in their communities. Examples of investments we supported in 2012 include:

Supporting Smallholder Farmers in Kenya

Our investment in the **African Agricultural Capital Fund (AACF)** supported a \$600,000 investment in Wilmar Flowers, a Kenyan exporter of smallholder-supplied flowers, working to meet the demand for fresh flowers in the U.S. and the European Union. Wilmar currently purchases flowers provided by 3,000 smallholder farmers from across Kenya; with the fund's investment, the company expects to engage an additional 5,000 farmers by 2016. AACF's investment will not only allow Wilmar to increase its flower supply and improve profitability, but it will also grant these new suppliers access to international markets and greatly increased income from sales.

In investing in AACF, we joined with the United States Agency for International Development (USAID) and the Bill & Melinda Gates, Gatsby and Rockefeller foundations to make substantial, long-term improvements in the lives of at least 250,000 smallholder farm households across the agricultural value chain of East Africa.

Expanding Access to Telecommunications and Banking in Mexico

In 2012, our investment in **IGNIA**, Latin America's oldest and largest impact investment fund, supported a \$3.1 million investment in Barared, a low-cost telecommunications and correspondent banking company in Mexico.

Barared provides its services to Mexico's low-income populations through public telephone booths located in neighborhood retail outlets, such as convenience stores and pharmacies. These phone booths, which also offer cell phone top-ups and payment and collection services, serve as a fast-expanding network of internet-connected access points deeply inserted into low-income communities. This network enables Barared to act as a transaction platform to efficiently link low-income neighborhoods with the goods and services of mainstream society, and vice versa. The populations that Barared serves have severely limited access to reliable banking, and the booths themselves are often the single most important revenue stream available to micro-business owners.

With the help of our investment, Barared will be able to expand these micro-businesses and develop other products and services that are economically and socially beneficial to Mexico's low-income populations.

SERVING AMERICA'S MILITARY AND VETERAN COMMUNITIES

TO SUPPORT VETERANS,
SERVICEMEMBERS AND
THEIR FAMILIES:

5,000

veterans hired by
JPMorgan Chase
since 2011

\$7.7m

in grants and sponsorships
for organizations and
programs focused on
the military and veteran
communities in 2012

386

mortgage-free homes
provided to veterans and
their families by the end
of 2012

SERVING AMERICA'S MILITARY AND VETERAN COMMUNITIES



At JPMorgan Chase, we are committed to using our resources to help meet the needs of our nation's servicemembers, veterans and their families.

We owe them more than our gratitude, and we have developed programs across our entire company that address some of the most challenging issues facing the military community today. We have focused on three specific areas: employment, homeownership and education. In addition, we have developed financial services that help meet the unique needs of military and veteran families.

Our Office of Military and Veterans Affairs, established in 2011, works to implement a coordinated and strategic approach to meeting the needs of U.S. military veterans, active-duty servicemembers, and members of the Guard and Reserve and their families across all of JPMorgan Chase's operations.

To maximize the impact of our efforts and share best practices, we are also partnering with a range of external stakeholders and organizations that provide guidance on where our help is most needed. For example, JPMorgan Chase formed a Military and Veterans Affairs Advisory Council composed of members of the military community who understand firsthand the emotional, financial and physical hardships military veterans and families undergo, as well as the challenges they face as they transition back to civilian life. The Council meets three times a year to review our projects and progress and offer critical review.

We also work closely with Syracuse University's Institute for Veterans and Military Families, which we co-founded in 2011, to improve the employment situation of veterans. The Institute is the first national center in higher education focused on the social, economic, education and policy issues affecting veterans and their families post-service.

SERVING AMERICA'S MILITARY AND VETERAN COMMUNITIES



Q: What should private sector companies do to help veterans make the transition from military to civilian life?

A: The private sector has a critical role to play when it comes to supporting a successful post-service transition for the nation's veterans. Supporting our veterans is not just the right thing to do, but it also makes smart business sense to empower men and women who are dedicated, loyal, and highly skilled, making American industry more dynamic and competitive.

**Mike Haynie, Ph.D.,
Executive Director,
Institute for Veterans
and Military Families,
Syracuse University**

Jobs for Veterans

One of the key challenges facing military servicemembers as they transition from active duty to civilian life is finding meaningful employment. The unemployment rate of post-9/11 veterans has remained consistently higher than the national average for several years, which is why JPMorgan Chase has made veteran employment a major priority. We have spearheaded several efforts to match veterans with jobs – including leading the *100,000 Jobs Mission* and hiring veterans to the company.

100,000 Jobs Mission Update

In 2011, JPMorgan Chase joined with 10 other companies to launch the *100,000 Jobs Mission*, with the goal to collectively hire 100,000 veterans by 2020. At the time we launched the effort, it felt like a highly ambitious goal. By the end of 2012, the coalition had expanded to 91 companies, and had already hired more than 51,000 veterans. JPMorgan Chase alone hired nearly 5,000 veterans since 2011, including more than 2,100 in 2012.

As we continue toward our original goal, we are also working to further galvanize the private sector to answer the call for jobs from the nearly 1 million servicemembers who are projected to leave the military by 2016. Going forward, we hope to be able to enlist more small and medium-sized businesses in this mission, since they will be critical sources of employment for transitioning servicemembers.

To help JPMorgan Chase achieve its veteran hiring goals, we have created a centralized Military Recruiting Team to identify and recruit talented veterans to work at our company. In addition to conducting hiring events at military bases, we have a policy of providing a recruiter call-back to every military applicant within five business days of receiving their applications. We also launched Military 101, a program that gives hiring managers an overview of the structure and culture of the U.S. military and insight into the skills that servicemembers bring to the table.

Training, Developing and Supporting Veterans in Our Workforce

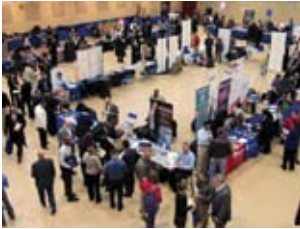
We recognize that it is not enough to simply recruit and hire veterans – we need to give them the skills they need to be successful. As a result, our employment initiatives are also focused on providing training and development opportunities for our employees who are veterans and servicemembers, as well as benefits and other support to meet their unique needs.

In 2012, we launched several training programs intended to help veterans thrive at JPMorgan Chase. For example, Body Armor to Business Suits is designed to ease the transition from being in the military to working at our company. We also launched a new Branch Manager Training Program specifically for military veterans. Through the program, we have already recruited, hired and trained 17 veterans to be branch managers in New York, Dallas, Columbus and Tampa. The 12-month program is designed to help candidates develop branch banking skills that complement the skills they gained in the military. It combines classroom, online and on-the-job instruction, and upon completion of the program, participants will be placed in a branch manager position.

In addition to our internal training programs, we provide support to Syracuse University's School of Information Studies, which offers a tuition-free Veterans and Technology Program. The program is a non-credit certificate program offered four times a year that gives post-9/11 veterans and military personnel the chance to pursue certificates in four areas, including Career Skills for Global Enterprises and Microsoft Office Fundamentals. By the end of 2012, more than 350 students had enrolled, and 17% of those had completed three of the programs.

Within JPMorgan Chase, we have also created a business resource group specifically for veterans. Our VETS (Voices for Employees That Served) group now has 19 chapters in the U.S. and two overseas – one in England and one in India – all dedicated to providing peer support, networking opportunities, and other resources to help veterans make a smooth organizational transition.

SERVING AMERICA'S MILITARY AND VETERAN COMMUNITIES



100,000 Jobs Mission Hiring Event,
Bethesda, Maryland

For our employee veterans who serve in the National Guard and Reserve and are called to active duty, JPMorgan Chase provides their full salary for their entire active-duty period, as well as 401(k) savings plan and retirement plan benefits, vacation and sick-day accrual, and life insurance.

To gauge the effectiveness of our military and veterans employment efforts, in 2012, we surveyed recently hired veterans, as well as their managers, to assess the new hires' overall experience and identify areas for improvement.

Military and Veteran Homeownership

Another key area of focus for JPMorgan Chase is our commitment to helping military families own and stay in their homes. Through our nonprofit partners, we have provided almost 400 mortgage-free homes to veterans and their families since 2011, including 298 in 2012.

Over the past three years, Chase has implemented a series of programs to help military families get new mortgages or modify existing ones. We have nine Chase Homeownership Centers near military bases, staffed by veterans, military family members and dedicated employees who understand the needs of military personnel and are specifically trained to serve the needs of servicemembers and their families.

For homebuyers, our Military Mortgage Program provides a number of benefits to servicemembers. For example, we offer lower fees that can save a homebuyer as much as \$495 on closing costs; a 1% Mortgage Cash Back program for qualified customers; and VA loan benefits that need no down payment and no mortgage insurance. We have also created a team of certified military mortgage consultants for servicing military mortgages.

For homeowners, Chase offers an enhanced mortgage modification program for all post-9/11 servicemembers and veterans who are behind on, or having trouble making, their mortgage payments. Chase does not foreclose on homes of any active duty servicemembers during their deployment. We also reduce the effective mortgage interest rates for Servicemembers Civil Relief Act (SCRA)-eligible military members to 4% while on active duty and for a year afterward – lower than the government's required rate of 6%.

Financial Products to Meet the Needs of Servicemembers

In addition to the mortgage services we offer military personnel, we have developed a range of other banking products and services to meet their unique needs, including a dedicated military services team available around the clock to assist military members. We also have a Chase Military Banking program for active duty servicemembers, veterans and those serving in the Guard and Reserve. As part of the program, we upgraded more than 600,000 military customers by the end of 2012 to Chase Premier Plus CheckingSM, the same checking account available to our employees, which provides enhanced benefits, no minimum balance requirement or monthly service fee, and fewer other fees, particularly for those overseas. For example, we waive the first four non-Chase ATM fees each statement period for all military servicemembers and veterans – and all such fees for military members on active duty or in the Guard and Reserve.

We also offer servicemembers and veterans who own businesses a range of business banking benefits, including no monthly service fee on Chase BusinessSelect CheckingSM accounts and waived fees when military customers link a Chase Premier Plus Checking account to a Chase BusinessSelect Checking account and direct deposit their active or reserve base pay into Chase Premier Plus Checking account. Qualifying servicemembers, reservists and veterans can also get up to \$500 in fee savings on Small Business Association loan programs, as well as discounts on conventional loan origination fees or annual fee waivers on lines of credit.

In addition, we offer Chase Military Credit Cards, tailored for several branches of the military, which feature no annual fees, no foreign transaction fees, refunds on all interest and fees incurred during deployments, as well as up to 2% unlimited cash-back rewards for on-installation purchases at Morale, Welfare and Recreation & Services Merchants, the Exchange & Commissary and 1% cash back on all other purchases.

SERVING AMERICA'S MILITARY AND VETERAN COMMUNITIES



Home award recipients

Volunteering and Donating to Support Military Servicemembers and Veterans

In 2012, we gave more than \$7.7 million in grants and sponsorships for organizations and programs focused on the military and veteran communities. We have also committed to award 1,000 mortgage-free homes to veterans and their families by 2016 through our nonprofit partners, including Building Homes for Heroes, Homes for Our Troops, the Military Warriors Support Foundation and Operation Homefront. We give charitable grants to these partners to allow them to provide financial counseling and case management for the new homeowners. Our goal is to develop relationships with the families and sustain long-term homeownership. Examples of other organizations and programs we supported in 2012 include:

- **Community Solutions, Inc.**, in support of its efforts to expedite the housing placement of 12,000 homeless veterans
- **The National Organization on Disability**, for its efforts to provide intensive career services to severely injured Iraq and Afghanistan Army veterans through the Wounded Warrior Career Demonstration program
- **CredAbility**, for its financial literacy support programs for veterans
- **The Mission Continues and Student Veterans of America**, to help place 18 fellows at universities with large veteran student populations to expand and improve the effectiveness of campus-level programs for veterans and military families

We were also proud to sponsor the nation's largest Veterans Day Parade, in New York City. We also sponsored the Veterans Day parade in Houston, Texas, and participated in another 11 parades across the country.

In June 2012, JPMorgan Chase hosted a day-long summit for female veterans as part of our ongoing mission to support former servicemembers. The event included a speech by New York City Mayor Michael Bloomberg and provided participants with information on a range of topics to help them transition to civilian life, such as managing finances and writing résumés. The event was coordinated by NYC Service, a municipal office that connects individuals with volunteer opportunities, and the Mayor's Office of Veteran Affairs.

RECOGNITION FOR OUR MILITARY AND VETERANS EFFORTS:

As a result of our work to hire and retain veterans and servicemembers, JPMorgan Chase has been regularly recognized as one of the nation's best companies for which to work. In 2012:

- We earned a sixth-place ranking, with more than 1,000 companies surveyed, in the *Military Times* EDGE Best for VETS Employer
- We made the GI Jobs 2013 Top 100 Military Friendly Employers for the second year in a row
- We earned a place on the 2012 CivilianJobs.com Most Valuable Employers for Military list
- We received the 2012 Work Life Legacy Military Award from the Family and Work Institute
- We were saluted by the National Organization on Disability for our military initiatives

SUPPORTING EDUCATION

OUR INVESTMENT
IN EDUCATION:**\$61.7m**donated to education
organizations in 2012

SUPPORTING EDUCATION



Enabling access to high-quality education is an important piece of our effort to strengthen communities. In 2012, we donated \$61.7 million to educational organizations around the world.

Strengthening Schools in Harlem

In the New York City neighborhood of Harlem, the lack of access to early childhood education, under-resourced schools, diminished learning opportunities and limited family engagement has made it difficult and sometimes impossible for students to reach their full potential. Traditional public schools in Harlem continue to underperform compared with the rest of the New York City public school system. Below are some of the ways we worked to support education in Harlem in 2012:

- **Columbia University Teachers College** created the Partnership Schools Consortium, an initiative to bring the best practices and programs of Columbia University, as well as community organizations, to more than 2,600 children in Harlem public schools in a coherent and coordinated way. In 2012, JPMorgan Chase donated \$1 million to launch and support the project at seven pre-kindergarten-through-12th-grade schools over the next three years. The program has three goals: build administrative and teaching capacity to improve science, technology, engineering and mathematics instruction and literacy programs; increase students' access to high-quality education in those programs; and provide more resources to help teachers, students and school staff improve students' health, well-being and family support.
- **Turnaround for Children** works to dramatically improve chronically low-performing, high-poverty schools in Central Harlem. In 2012, JPMorgan Chase committed \$2.5 million to support Turnaround's work for the next three years. The organization has partnered with low-performing schools to help them overcome recurring barriers to learning that stem from poverty. The program targets the gaps in teacher and leader preparation and reorganizes schools to sustain academic achievement gains despite those obstacles. We believe the Turnaround model is a replicable and scalable solution that enables high-poverty schools and school districts to directly counter the effects of poverty on school culture and student performance.

SUPPORTING EDUCATION

Our grant helped Turnaround to fully implement its model in two middle schools. At Countee Cullen Middle School, for example, after one year of investment, progress report grades improved from a "D" to a "B," math proficiency rates increased by 13.3% and average NYC Learning Environment Survey ratings rose by 3 points (compared with average city-wide increases of 0.2 to 0.3 on a 10-point scale). Our grant also supports the implementation of Turnaround's model in four elementary and middle schools in Brooklyn and Queens, in collaboration with the New York City Department of Education's Office of New Schools.

- **The Mayor's Fund to Advance New York City/Center for Economic Opportunity** has created a number of programs to advance education and, in 2012, JPMorgan Chase donated \$1 million over three years to its WorkAdvance and Project Rise programs, which focus on low-income residents of Harlem. WorkAdvance seeks to reduce poverty and boost the employment earnings of unemployed and low-wage working adults by helping them prepare for and enter high-quality jobs with opportunities for career growth. Project Rise seeks to increase long-term economic opportunities for youth who lack a high school diploma or GED by pairing education with a paid internship.



The School Capacity & Innovation Program hopes to catalyze systemic and sustainable change in the quality of education in South Africa

Investing in South African Education

South Africa spends a bigger share of its gross domestic product on education than any other country on the continent, according to *The Economist*, yet the country's educational outcomes fall short of comparable nations and have not improved significantly since the end of Apartheid.

In 2012, JPMorgan Chase helped launch the **School Capacity & Innovation Program (SCIP)**, a \$7.5-million public-private partnership with the USAID and the ELMA Foundation, developed in partnership with South Africa's Department of Basic Education. Through this project, we are supporting efforts to improve the quality of education in South Africa by boosting teacher effectiveness and strengthening classroom and school management.

SCIP identifies and invests in South African organizations that are taking innovative approaches to improving student reading achievement in the country. It aims to help build their capacity so they can implement their innovations at scale. JPMorgan Chase is contributing \$1.5 million to the project over three years, specifically targeting the expansion, refinement and evaluation of the organizations' interventions.

In the first three years of its five-year implementation phase, the program aims to reach approximately 2 million students (nearly 30% of the country's entire primary school population) and about 70,000 teachers (approximately one-third of the teaching corps) across South Africa. By building the capacity of local organizations, SCIP hopes to catalyze systemic and sustainable change in the quality of education in South Africa.

Creating a Global Education Network

In a multinational effort aimed at improving educational systems worldwide, JPMorgan Chase provided a total of \$350,000 in seed funding to create the **Asia Society's Global Cities Education Network** in 2011 and 2012. This group of urban educators and school system decision-makers in Asia and North America are collectively assessing how to transform learning and achieve equity in their districts. Our support helped the Network hold its first Global Cities Education Network Symposium, an event that took place in Hong Kong in May 2012 and included educational leaders from cities around the globe. As a result of the gathering, participants are collaborating on research papers, case studies and further networking, with the goal of providing practical research and experience insight to enhance the effectiveness of city school systems worldwide.

OPERATING RESPONSIBLY

The foundation for corporate responsibility at JPMorgan Chase is how we manage and operate our business. It means operating with integrity, supporting and respecting our employees, being transparent with our customers and treating them fairly, effectively managing environmental and social risks in our business activities, and managing our own operations efficiently and sustainably.

OPERATING RESPONSIBLY



SERVING OUR CUSTOMERS **40**

Raising the bar on customer service.



MORTGAGES AND HOMEBUYER ASSISTANCE PROGRAMS **44**

Helping struggling homeowners.



SUSTAINABILITY IN OUR BUSINESS **49**

Managing social and environmental risk and accelerating sustainable solutions.



SUSTAINABLE OPERATIONS **56**

Improving the efficiency and sustainability of our own operations.



GOVERNANCE, ETHICS AND RISK MANAGEMENT **62**

Upholding the highest standards and strengthening our risk management.



PUBLIC POLICY ENGAGEMENT **65**

Engaging in the political process on issues of importance to our company.



SUPPORTING OUR PEOPLE **67**

Supporting and developing our employees.



SERVING OUR CUSTOMERS


Q: How can banks advance financial capability among underserved consumers?

A: For banks to be a genuine part of the solution, they need to be more than just charitable sponsors of financial literacy programs. Rather, banks need to align their business interests with the needs of underserved consumers by creating products and delivery channels that foster long-term relationships. Liquid seems to strike that balance. With low barriers to entry and targeted, culturally relevant outreach, Chase has been able to reach Hispanic customers that previously had been skeptical or intimidated by mainstream banks.

Janis Bowdler, Economic Policy Director, National Council of La Raza

SERVING OUR CUSTOMERS



In the last few years, we have taken a variety of steps to dramatically improve and strengthen the way we serve our customers, from how we listen and communicate with them, to how we develop products and services to meet their unique needs.

Consumer banking is core to our business: under our Chase brand, we provide financial services – including retail banking, credit cards, auto financing and home mortgages – to more than 50 million households, more than any other financial institution in the U.S. This means we have a relationship with nearly half of all consumer households in the country.

As part of our effort to raise the bar on customer service, we have taken our retail banking, credit, auto finance and mortgage businesses – which were previously run separately – and unified them into one consumer business and one brand. This enables us to deliver a more consistent and integrated customer experience and product offering.

We have also made a concerted shift in how we think about product and service development. Instead of a one-size-fits-all model, we are working to create a wider range of products specifically designed to meet the unique needs of our customers. The successful launch of our Chase Liquid® reloadable prepaid card is the first of this new class of products (see page 43). In addition, we have continued our efforts to provide simple and clear information about our products and services to our customers.

How We Raised the Bar on Customer Service

In 2011, as we looked at our position in the marketplace, it was clear that after significant growth in our franchise, we were not demonstrating the world-class leadership in customer service that we knew we could. When we fix shortcomings, we make our company better. We provide better customer experiences, which lead to stronger and longer-lasting customer relationships. In the last three years, JPMorgan Chase has made a major improvement in its customer satisfaction rankings. How we achieved this exemplifies our commitment to customer service in every branch and every line of business.

SERVING OUR CUSTOMERS

RAISING THE BAR ON
CUSTOMER SERVICE:

700

improvements made as a
result of customer service
feedback between mid-
2011 and early 2013

#1

ranked large retail bank
in the 2012 American
Customer Satisfaction
Index survey

#4

ranked major bank in
the 2013 J.D. Power and
Associates U.S. Retail
Banking Satisfaction Study

Our turnaround plan began by hearing the bad news, literally: Our team read through more than 10,000 customer complaints, and listened to recordings of complaints that customers filed over the phone. The management team then took these complaints on the road to seek and share solutions. We convened a meeting with all 500 of our district managers to replay those customer complaints and have an open discussion about how to address these issues. After that, our management team embarked on a road trip and met face-to-face with more than 5,000 branch managers in the U.S., learning from their experiences and working to identify solutions to improve our customers' experiences.

In addition, in September 2011, we formed the Customer Experience Council, composed of our senior leaders from across our retail businesses, which meets regularly to coordinate activities so that customers, regardless of the Chase services they use, have a high-quality, consistent experience where their complete relationship is recognized in a seamless manner. The Council facilitates transparency and open communication across Chase-branded businesses about customer satisfaction, complaints, trends and employee feedback, and helps us drive industry-leading enhancements to the customer experience.

These efforts were part of our comprehensive project to implement a culture change around customer service at every level of the organization, and that painstaking process helped us identify a variety of problems that were within our power to fix. Between mid-2011 and early 2013, we made more than 700 improvements to benefit our customers as a result of customer service feedback.

Our customers have noticed our efforts to further embed a culture of service, as evidenced by our rankings in customer satisfaction surveys. In 2012, Chase was named the #1 large retail bank in the 2012 American Customer Satisfaction Index survey and the #1 major bank in customer satisfaction by Harris Interactive. And Chase climbed in every single 2012 banking survey conducted by J.D. Power and Associates. We improved – in some cases dramatically – across the 2012 J.D. Power Satisfaction Surveys in mortgage origination, mortgage servicing, retail banking, small business banking and credit card. And, in the 2013 J.D. Power U.S. Retail Banking Satisfaction Study, we are now #4 in the nation among the 23 largest banks. Compared with the same group of banks, that's up from 11th place in 2012. We had the biggest two-year increase in satisfaction scores compared with any of our peers – up 35 points.

We are proud of the progress we have made, but certainly not content to rest. We view customer service as a process of continual improvement.

Listening to Our Customers

As part of our efforts to improve customer service, we have undertaken a concerted effort to do a better job of listening to – and learning from – customer complaints, and addressing them at every level of the business.

One of the key steps we have taken is to expand the number of channels for customers to provide us with feedback. In the past, customers could only stop by a branch, make a phone call, or physically mail us comments – which meant we heard only from the most positively and negatively motivated customers. Now, however, our customers have an array of options for communicating with us, including by email, directly through the "We're Listening" button on Chase.com and through our Twitter handle, [@ChaseSupport](https://twitter.com/ChaseSupport). We also proactively solicit feedback through the 2.8 million customer surveys we send out each year, measuring customers' satisfaction and identifying any issues we need to address.

In 2012, one area where we focused our efforts was enhancing and improving our telephone customer service offerings. Based on feedback we received from our customers, we made a number of changes to our systems, including making it easier to reach a Telephone Banking Specialist, enhancing access to phone customer service for our hearing-impaired customers, and implementing a tool to allow our customer service representatives to more easily assist customers by simultaneously sharing their Chase.com screens.

SERVING OUR CUSTOMERS

**What can we
do better?****WE'RE LISTENING ▶**

In 2011, we developed and rolled out a common set of principles, called "The Five Keys to a Great Customer Experience" based on what our customers and employees said was most important to the customer experience. The Five Keys includes things like "do the right thing" and "own customer issues from start to finish." The principles set an overall goal of exceeding customers' expectations in every interaction and identified the ways we can help our employees achieve that goal.

Our @ChaseSupport Twitter handle has been a useful tool for our customers. We have a dedicated team to respond to our almost 14,000 followers. Our work on social media gives us a great opportunity to hear what consumers think about our products and customer service – good and bad alike – and to respond quickly to customers' needs. And our social media team can answer customers' questions about their accounts or any of Chase's consumer products.

Finally, we have created a number of tools across all of our lines of business to make it easy for our employees to share the customer feedback and concerns that they hear in their work. The tools are available through our corporate intranet and serve to capture in real-time our employees' customer service interactions, while also keeping senior management in touch with pressing issues. Through our online suggestion tool, employees have submitted thousands of ideas that have led to substantial improvements in services available at our ATM kiosks, our mortgage statement design and other aspects of our businesses.

Giving Customers Budget Tools

We are committed to helping our customers manage their monthly budgets and plan for the future. One example of that commitment is Chase Blueprint®, a set of tools that helps our credit card customers manage their spending and borrowing through features that enable them to avoid interest on common purchases, create a plan to pay off large purchases, pay down certain balances faster, and track purchases to see the big picture on their spending. In 2012, 91% of Blueprint customers paid more than the required minimum payment on their credit cards, compared with 40% of U.S. credit card holders who revolve a balance. And Chase customers who used Blueprint, paid down credit card balances twice as fast as non-Blueprint customers, allowing our customers to get on the path to saving much more quickly.

Engaging with Consumer Advocates

The feedback we get from consumer advocacy organizations has helped us shape and improve our disclosures and product offerings. Most recently, products that have benefited from our work with advocates include our improved disclosure forms for our checking and credit card products, Chase Blueprint and Chase Liquid®.

Before we launched Chase Liquid, we met with leading consumer groups and policy experts to solicit their feedback. We believe their input helped to make Chase Liquid a better product. JPMorgan Chase is committed to offering products that empower consumers – in this case, individuals who have too often been underserved by the banking system – to take charge of their finances. It is a model we intend to follow as we develop and refine products to help meet the needs of our current and potential customers.

In early 2013, we convened a Consumer Advisory Panel consisting of representatives of some of the leading consumer policy groups in the U.S. with expertise on financial services issues. The goal was to provide a more formal mechanism for us to gain insight into the key challenges and needs of low- and moderate-income consumers and how Chase can better serve them. Going forward, we plan to hold similar discussions to solicit input from subject matter experts on a range of different topics.

SERVING OUR CUSTOMERS



The "Five Keys to a Great Customer Experience" help us achieve our goal of exceeding customers' expectations in every interaction

Protecting Consumers from Repetitive Fees

When our customers receive cash advances from payday lenders, they often are not aware of the aggressive practices often used to collect payments. These practices can include multiple attempts for payments that can result in significant overdraft fees on consumers' accounts. In early 2013, Chase became the first large bank to implement policy changes to help our customers when payday lenders and other billers aggressively and unfairly seek payments. The new approach includes charging customers only one returned item fee per month per merchant, making it easier for customers to close their accounts to prevent abusive collection efforts, and working with the national association that oversees many electronic bank payments to identify and prevent these excessive collection attempts. This follows a number of changes we have made over the past two years to simplify and reduce many deposit account fees and fees associated with overdraft.

Continuing Efforts toward Plainer Talk

As we continue to work with consumer advocates to help ensure that our products work for our customers, one of the best paths to success is to make our disclosures clear, concise and transparent. By empowering our customers to understand the products we offer, we can ensure the best experience for all of our customers. In December 2011, we became the first large bank to adopt the Pew Charitable Trust's model checking account disclosure form, using plain language in a consumer-friendly format for our product guides. We first used the model disclosure form for our most popular product, Chase Total CheckingSM. In 2012, we applied the same principles to improve our other checking account disclosures and product materials for Chase Liquid. Chase Liquid customers receive a clear and simple one-page disclosure, allowing them to plainly see a description of fees and the date when their deposits are available.

Chase Liquid: A Revolutionary New Product to Meet the Needs of Low- and Moderate-Income Customers

Chase Liquid is a breakthrough product in terms of pricing transparency, convenience and simplicity.

Consumer advocacy groups have long emphasized the negative impacts and lack of transparency of check-cashing services and prepaid cards, which generally charge high fees on each transaction and often fail to adequately disclose those fees. These businesses have gained market share among low- and moderate-income consumers, who often do not have traditional bank accounts – and who can least afford to pay high fees.

We realized there was an opportunity to better serve this market, so we launched Chase Liquid in 2012. Chase Liquid is a reloadable card with clear and simple terms designed for consumers who want financial control and flexibility, along with the security and convenience of being a Chase customer. Chase Liquid works like many prepaid cards, but without confusing or hidden fees, and funds loaded to a Chase Liquid card are Federal Deposit Insurance Corporation-insured. It offers customers access to all Chase ATMs and bank branches, as well as a number of ways to load funds onto a Chase Liquid card at no charge: direct deposits, cash or check deposits at Chase branches or ATMs, and even remote check deposits with a mobile device. And it is available for a single, flat monthly fee of \$4.95.

Chase Liquid customers receive, free of charge, most of the same services that our traditional checking customers do – including opening the account, replacing lost cards, viewing account balances and receiving account alerts, and contacting customer service by phone or in a branch – services that most prepaid cards and check-cashing facilities charge extra for, if they offer them at all. Many of the customers who have embraced Chase Liquid would not have qualified for a traditional Chase checking account, and we designed Chase Liquid to allow consumers to establish a relationship with Chase that could enable them eventually to open a traditional checking account, should they desire to do so.

We piloted Chase Liquid in April 2012 in 200 locations across the U.S. and rolled it out nationwide in July. We are already seeing promising results. Strikingly, 65% of Chase Liquid customers are new to the company, and we hope they will continue and expand their relationship with us.

MORTGAGES AND HOMEBUYER ASSISTANCE PROGRAMS

SINCE 2009,
JPMORGAN CHASE
HAS WORKED HARD
TO HELP STRUGGLING
HOMEOWNERS:

1.4m

mortgage home
modifications offered,
and approximately
610,000 completed

250,000

short sale and deed-in-lieu
transactions completed

\$10.8b

of principal forgiven for
Chase-owned mortgages,
and \$2 billion reduced
from borrowers'
interest payments

MORTGAGES AND HOMEBUYER ASSISTANCE PROGRAMS



Five years after the financial crisis, the U.S. housing market is still in the rebuilding process, with many homeowners owing more on their mortgages than their homes are worth and millions of individuals and families continuing to struggle to stay in their homes. During that time, JPMorgan Chase and others in our industry have worked with policymakers, community leaders, consumers and other stakeholders to improve industry practices to mitigate the risk of a future crisis.

The ongoing challenges facing American homeowners and the housing market broadly stem from many causes: a low-interest-rate environment, rising home values, easy credit and policies that encouraged homeownership led people to take on mortgages they could not afford. With the benefit of hindsight, we realize that many of us made mistakes – including the banking industry, policymakers and borrowers.

As JPMorgan Chase works to help speed the recovery of the housing market in the U.S., we are, first and foremost, working to help struggling homeowners. This is the right thing to do, both because it is consistent with our company's values and because it sets the stage for a recovery in the housing market. But helping with short sales and modifications – and conducting foreclosures only as a last resort – is only half the equation. For home values to rise, we need more people in a position to buy homes. And for that to happen, banks need to commit to the business of providing mortgages – which is exactly what we are doing, as the second largest originator of mortgages in the U.S.

MORTGAGES AND HOMEBUYER ASSISTANCE PROGRAMS

SINCE 2009,
JPMORGAN CHASE
HAS WORKED HARD
TO HELP STRUGGLING
HOMEOWNERS:

945,000

foreclosures prevented –
more than twice as many
as have been completed

30%

performed modifications
or short-sales on nearly
30% of our owned
mortgage portfolio

Applying Our Principles to Help Struggling Homeowners

At JPMorgan Chase, we hold ourselves accountable to a range of stakeholders, including our customers, communities, shareholders and employees. In order to fulfill these commitments in the context of the housing crisis, we have sought to operate according to the following basic set of principles:

Principle #1: Make it right

If we treated a homeowner improperly, we should make it right. If we made a mistake, including during the modification process, we will fix the situation promptly. In 2012, we made commitments under the terms of two legal settlements to take a variety of actions to provide borrower relief (see page 47).

Principle #2: If they can, they should

If a homeowner can afford to pay the mortgage – whether or not the borrower owes more on his or her mortgage than the home is worth – the mortgage should be paid. As is true of any loan, we believe there is a fundamental obligation to repay provided the borrower has the means to do so. Most homeowners whose mortgage exceeds the value of their home faithfully make their mortgage payments. It seems unfair to those borrowers who are continuing to make their payments, and often making sacrifices to do so, when other borrowers choose to walk away from an obligation they can still afford.

Principle #3: Modify the loan

If a homeowner cannot afford the mortgage but can afford a reduced payment, we try to modify the loan, both under a government initiative called Home Affordable Modification Program (HAMP) and through our Chase Home Affordable Modification Program (CHAMP), where we can be more flexible. We also have mortgage modification and other homeownership assistance programs specifically designed for active duty military servicemembers and veterans (see page 35).

Foreclosure is always a last resort. We go to great lengths to avoid foreclosures any way we can, and we have a number of programs aimed at doing so, including modifications (such as lower interest rates, longer duration of payment, or principal forgiveness), forbearance and deeds-in-lieu. We have also introduced proactive modification programs targeting borrowers who are current on their payments but at a high risk of default and, under the terms of the National Mortgage Settlement, we have provided refinancing opportunities to thousands of borrowers. We go through a rigorous process to work with each customer individually to determine which solution is the right one for his or her situation.

As a matter of principle, we try to modify for all borrowers, even those who were speculative investors or misrepresented the facts on their mortgage applications. We do this because we believe it is better for neighborhoods and the housing market to work through this inventory. However, we do offer more modification alternatives to homeowners who have fallen behind due to the tough economy or other reasons out of their control but are working to honor their commitments.

Since the beginning of 2009, we have offered nearly 1.4 million mortgage modifications, and of these completed approximately 610,000, for both loans we own and those we service for others, including 158,000 in 2012 alone.

Principle #4: Underwrite as if we own it

Whether we own the mortgage or sell it to investors, we underwrite it with the same credit standards as one that would go on our balance sheet. Our investors are our customers, too, and we honor our obligations to sell them products that we would own ourselves.

MORTGAGES AND HOMEBUYER ASSISTANCE PROGRAMS

Principle #5: Foreclosure is always the last resort

If a homeowner cannot afford the home even with a modification, we still try to avoid foreclosure by attempting a short sale or deed-in-lieu. In short sales, we agree to allow homeowners to sell their homes for less than they owe on the loan, effectively forgiving the remaining balance and giving the borrower a fresh start and relief from their debt burden. For deeds-in-lieu, homeowners agree to sell the house, or let us sell it, in exchange for cancellation of the debt.

Since 2009, we have completed 83,000 short sale and deed-in-lieu transactions for Chase-owned loans, and another 165,000 for Chase-serviced loans. All told, since the beginning of the crisis, we have performed modifications or short sales on nearly 30% of our owned mortgage portfolio – and have prevented more than 945,000 foreclosures, more than twice as many as have been completed. Our Borrower Assistance employees have met with more than 340,000 struggling homeowners in our branches, dedicated Chase Homeownership Centers, borrower outreach events and other venues. And we have effectively forgiven more than \$10 billion of principal and reduced borrowers' interest payments by approximately \$2 billion through modifications and short sales of Chase-owned mortgages.

Principle #6: If foreclosure is unavoidable, conduct it with the highest standards

Ultimately, some foreclosures cannot be prevented. In those instances, we strive to adhere to the highest standards and ensure those who undergo foreclosure are treated fairly. For some homeowners, we make a hundred or more attempts at outreach before foreclosure, and all affidavits are reviewed and signed by individuals with personal knowledge of the situation. Since 2009, we have completed more than 390,000 foreclosures of Chase-owned and serviced mortgages.

920,000

mortgages Chase originated in 2012, representing \$190 billion in loans for home purchase and refinance

Growing and Improving Our Mortgage Business

As challenging as the last several years have been – JPMorgan Chase has experienced almost \$26 billion in mortgage losses since the housing crisis began, and we expect that total to reach more than \$33 billion by the end of 2015 – we have never considered minimizing or eliminating our involvement in the mortgage business. On the contrary, we are continuing to invest in this business by growing our sales force and introducing technology applications to improve the customer experience.

Over the last two years, we have added 1,600 mortgage bankers, bringing our total to 4,700. In 2012, JPMorgan Chase also acquired the mortgage servicing portfolio from MetLife, which added more than 350,000 loans to the Chase serviced portfolio. These loans grew the scale of our servicing business, while providing a full range of banking products to customers. At the end of 2012, JPMorgan Chase owned or serviced 5.7 million mortgages. During 2012, we originated more than 920,000 mortgages, representing nearly \$190 billion in loans for home purchase or refinance, making us the second largest originator in the U.S.

In addition to expanding our mortgage business, we have also greatly improved our customer satisfaction scores and reduced customer complaints. We know we are not perfect and still have work to do, but we believe we have come a long way, scoring better than the industry average and showing the greatest improvement among our peer group in recent surveys. For example, between 2011 and 2012, we jumped from #11 to #4 in the J.D. Power and Associates 2012 U.S. Primary Mortgage Servicer Satisfaction Study. In 2012, we also ranked #4 in J.D. Power's U.S. Primary Mortgage Origination Satisfaction Study.

Overall customer satisfaction (based on internal surveys of customers rating Chase a 9 or 10 on a 10-point scale) has improved to 67% from 57%, a value we are still striving to improve. We have also seen customer complaints fall approximately 70% from March 2011 to December 2012. We also launched Chase MyHomeSM in 2012, a new mobile application that enables customers to see listing details for homes nationwide, estimate monthly mortgage payments, and use the app to contact a Chase mortgage banker.

MORTGAGES AND HOMEBUYER ASSISTANCE PROGRAMS

MORTGAGE-RELATED LEGAL SETTLEMENTS

Under the terms of two legal settlements, JPMorgan Chase has committed to a variety of actions designed to allow us to move forward with helping homeowners recover from the financial crisis.

Under the terms of the National Mortgage Settlement, reached in 2012, Chase has committed to:

- Make cash payments of approximately \$1.1 billion, a portion of which will be set aside for payments to borrowers (payment was made on April 13, 2012)
- Provide approximately \$500 million of refinancing relief to certain “underwater” borrowers whose loans are owned and serviced by the firm (we have completed approximately 12,000 refinancings as of December 31, 2012, substantially meeting our obligation)
- Provide approximately \$3.7 billion of additional relief for certain borrowers, including reductions of principal on first and second liens, payments to assist with short sales, deficiency balance waivers on past foreclosures and short sales, and forbearance assistance for unemployed homeowners

These types of borrower relief programs existed prior to the National Mortgage Settlement, and these programs will continue after our obligations under the settlement have been satisfied, because we believe it is the right thing to do.

In early 2013, an agreement between 10 mortgage servicers, including JPMorgan Chase, and federal bank regulators was reached that will end the Independent Foreclosure Review (IFR) program. Terms of the IFR settlement include:

- \$3.3 billion in payments will be made to eligible borrowers, of which \$753 million is Chase’s portion
- \$5.2 billion directed to homeowners in danger of losing their homes after falling behind on their monthly payments, in the form of loan modifications, short sales and other assistance to prevent foreclosure, of which \$1.2 billion is Chase’s portion
- Compensation ranging from hundreds of dollars up to \$125,000, depending on the type of servicer error, for eligible borrowers
- Credit toward the National Mortgage Settlement will not be counted toward any assistance offered as part of the IFR agreement
- Payment agent to be appointed by the regulators to administer payments to borrowers on behalf of the servicers

4,300

homes sold at a discount or donated to nonprofits since 2009, with property donation values and discounts totaling more than \$150 million

Stabilizing and Revitalizing Neighborhoods

In addition to working to reduce foreclosures, helping to stabilize and revitalize neighborhoods impacted by foreclosures is key to rebuilding the housing market. Through the Chase Community Revitalization Program, we partner with local nonprofits and municipalities that are focused on stabilizing neighborhoods and increasing housing opportunities for low- and moderate-income families.

As part of the effort, we participate in the Real Estate Owned (REO) First Look program in which we sell at a discount or simply donate Chase REO properties to approved agencies. Chase has been engaged with the National Community Stabilization Trust (NCST) since 2009 and participates in its First Look program to ensure its community buyers have access to our REO portfolio. Since the First Look program was created in 2009, we have completed more than 4,300 transactions with our community partners, with property donation values and discounts from sale activity totaling more than \$150 million. Properties sold or donated through the program are often used to create affordable housing or for nonprofit services, while also creating local jobs through the restoration and renovation process.

MORTGAGES AND HOMEBUYER ASSISTANCE PROGRAMS



Employees volunteer at the Mendez Learning Center in Boyle Heights, Los Angeles, California

The following are two examples of how we are helping to stabilize and revitalize neighborhoods in California:

Helping to TRANS4M Boyle Heights

In 2012, Chase and will.i.am, of the hip-hop musical group The Black Eyed Peas, launched a collaboration aimed at revitalizing Boyle Heights, an underserved community in East Los Angeles, California. The effort is focused on homeownership as well as education, jobs and job training, health, and green space.

The TRANS4M Boyle Heights collaboration is built upon a \$1 million grant from Chase to the i.am angel foundation, a charity established by will.i.am. In addition, Chase has committed to provide at least \$7 million over the next three years to the effort.

Chase has millions of customers and thousands of employees in the Los Angeles area, and we have a vested interest in helping rebuild communities like Boyle Heights that are struggling. The TRANS4M Boyle Heights collaboration is unique because we are working to increase our impact and effect positive change by leveraging both our philanthropic resources and programs in our core business.

As part of the collaboration, we opened a Chase Homeownership Center in the neighborhood, one of many centers we have across the country that are designed to be a one-stop-shop for struggling homeowners. At the Boyle Heights Center, customers can meet one-on-one with a bilingual mortgage specialist to help them understand their loan modification and other options to enable them to avoid foreclosure. In partnership with the nonprofit East LA Community Corporation (ELACC), the Boyle Heights Center will also offer home-buying and financial literacy education for both Chase and non-Chase customers.

As part of our commitment to TRANS4M Boyle Heights, in 2012 we announced two additional grants: \$200,000 to ELACC for financial counseling, free income tax preparation, affordable housing development and resident-led community planning, along with \$250,000 to Valley Economic Center to establish a small business technical assistance and Capital Access Center in Boyle Heights, which will focus on linking local retail development with city revitalization.



Community HousingWorks partnering with the Chula Vista Sustainable Energy project, Chula Vista, California

Community Revitalization and Green Energy

In the San Diego, California region, Chase has partnered with Community HousingWorks (CHW) to complete 39 donation or discounted sale transactions since 2009. For example, in 2012, the City of Chula Vista, California, in collaboration with CHW, purchased a distressed property at a substantial discount through the Chase Community Revitalization Program. The property was one of two homes used in the Chula Vista Sustainable Energy project. The program trained unemployed and underemployed contractors and green energy program graduates to install energy-efficient lighting, insulation, air sealing, water heating and heating, ventilation and air conditioning systems. After more than \$70,000 in renovations, the home was resold to a single mother of two through the Chula Vista First-Time Homebuyer Assistance Program. The new homeowner – who reports that her energy bills rarely exceed \$20 a month – continues to work with local utility companies interested in tracking the home's efficiency over time.

SUSTAINABILITY IN OUR BUSINESS



Q: What is the role of the financial services industry in addressing climate change?

A: 2012 was a year of extreme storms and drought that reminded us of the scale and urgency of climate change. Addressing this challenge requires a fundamental shift in our energy economy. That is why, in 2013, an environmentally responsible bank must do more to address its largest climate impacts: the footprint of the activities it funds.

**Amanda Starbuck,
Energy & Finance
Program Director,
Rainforest
Action Network**

SUSTAINABILITY IN OUR BUSINESS



In a world characterized by rapid population growth, looming water scarcities, a changing climate and a myriad of other resource-related challenges, long-term economic growth depends on meeting society's energy, infrastructure, food and other needs in ever more sustainable ways.

These global challenges present a range of environmental and social risks and opportunities for our clients and our company. JPMorgan Chase's scale and expertise provides us with a strong position from which to be a thoughtful financial partner and to help raise the bar on the environmental and social performance of companies working across multiple sectors and geographies. The business case for us is clear: When our clients are successful, our company is successful. And today, the success of our clients increasingly depends on their capacity to meet the world's most pressing global challenges.

We help our clients reduce risks and respond to sustainability opportunities in several ways. We have a formal policy, process and team responsible for reviewing environmental and social risks in our business activities. We are also conducting portfolio-level assessments to evaluate key sustainability challenges and opportunities in certain industries, and are engaging proactively with our clients to help develop solutions and meet industry best practices. In addition, our scale and expertise can help to accelerate the deployment of cleaner, more efficient technologies.

SUSTAINABILITY IN OUR BUSINESS

GLOBAL
ENVIRONMENTAL
AND SOCIAL RISK
MANAGEMENT
GOVERNANCE:

The Public Responsibility Committee of the Board of Directors reviews the firm's environmental-related policies, among other duties.

Environmental and Social Risk Management

As a global provider of financial advisory and lending services for clients in different sectors and geographies around the world, we recognize that the decisions we make as to who and what we finance have the potential to impact surrounding communities and the environment. We view the need to effectively manage the environmental and social risks in our business activities as a fundamental aspect of sound risk management and a core part of corporate responsibility.

Environmental and Social Risk Management Policy and Process

Our Environmental and Social Risk Management Policy provides the framework for integrating an analysis of potential environmental and social impacts into our decision-making involving corporate lending, advisory and capital markets transactions. The policy defines the types of transactions that are subject to an enhanced diligence review, as well as certain transactions that are prohibited. When determining whether to conduct an enhanced review, we take into consideration both a client's location(s) of operation and the use of proceeds from transactions. We typically focus on transactions involving industries that have the potential to create significant environmental and social impacts such as mining or oil and gas, or where the use of proceeds may impact sensitive locations such as protected areas and/or those with endangered species.

When conducting an enhanced review, we evaluate a client's commitment to environmental and social issues, its capacity to effectively manage these issues and its track record of performance. In addition to considering how a client prevents, manages and reports on high-profile events such as a major oil spill, we assess a client's capacity to manage day-to-day operational issues such as obtaining timely environmental permits or negotiating with workforce unions regarding pay and working conditions.

Our Global Environmental and Social Risk Management (GESRM) team is responsible for reviewing transactions, and works closely with the firm's Office of Environmental Affairs (OEA) in this process (see chart above). In 2012, the GESRM team reviewed 251 transactions, the majority of which were in the mining and metals, oil and gas, electric power and chemical sectors (see tables on page 51).

THE EQUATOR PRINCIPLES

The Equator Principles are an internationally recognized framework for assessing and managing environmental and social risks in project finance transactions. These are transactions that typically involve off-balance sheet loan structures that rely primarily on project cash flows for repayment, with project assets held as collateral. Historically, JPMorgan Chase has been an associate member of the Equator Principles, as we have participated in a very limited number of project finance transactions. However, the framework of the Equator Principles, as well as the International Finance Corporation Performance Standards, have informed the development of our Environmental and Social Risk Management Policy, which we apply to general corporate lending, advisory or capital markets transactions that involve an activity with a potentially significant and adverse environmental or social impact.

In 2012, we were not involved in any project finance transactions that reached financial close. In 2013, JPMorgan Chase will become a full member of the Equator Principles, the new version of which will extend to project-related corporate loans and bridge loans.

SUSTAINABILITY IN OUR BUSINESS

251

transactions reviewed for environmental and social risks by the GESRM team in 2012

THE CARBON PRINCIPLES

In 2008, JPMorgan Chase adopted the Carbon Principles, in partnership with Citigroup, Morgan Stanley, seven electric utilities and three environmental organizations. The Carbon Principles outline a process for analyzing the risks associated with greenhouse gas emissions (GHG) in the power industry, and for integrating that analysis into lending and underwriting decisions. The Principles require adopting banks to apply an Enhanced Diligence Process to transactions involving financing for coal-fired power plants owned by investor-owned utilities, and public power and electric cooperatives.

In 2012, JPMorgan Chase applied the Enhanced Diligence Process to general corporate-purpose bond issues for four clients. We did not participate in any municipal bond or project financing of Carbon Principles eligible facilities in 2012.

Transaction Review Process

1. Screen and categorize	2. Review transaction	3. Escalate (if required)	4. Issue decision
<ul style="list-style-type: none"> After a potential transaction is brought to the GESRM team, an initial screen is conducted to determine the level of potential environmental and social risk and the appropriate level of due diligence required. 	<ul style="list-style-type: none"> The type of review conducted will depend upon the use of proceeds for a transaction. A corporate-level assessment typically considers a client's commitment, capacity and approach for managing Environmental Health and Safety issues, whereas a project-focused review will consider performance and factors pertaining to a specific asset. Transactions determined to be high-risk may require a site visit by the GESRM team or third-party consultant. 	<ul style="list-style-type: none"> Transactions with material environmental and social risks may be escalated to the firm's Risk Committees for review. 	<ul style="list-style-type: none"> Depending on the nature of the risks identified, JPMorgan Chase will either approve the transaction, decline to proceed, or approve the transaction subject to certain conditions or recommendations.

Transactions Assessed by Region, Category and Sector (2012)

Sector	Total
Agriculture	12
Chemicals	23
Infrastructure	6
Manufacturing	16
Mining and metals	84
Oil and gas	68
Power	27
Shipping and storage	6
Other	9
Total	251

Category	Asia Pacific	Europe, Middle East and Africa	Latin America	North America	Total
A	9	10	1	11	31
B	59	54	25	30	168
C	13	16	11	12	52
Total	81	80	37	53	251

SUSTAINABILITY IN OUR BUSINESS



Strengthening risk management
standards for hydraulic fracturing

Engaging with Our Clients

In the process of assessing transactions, the GESRM and OEA teams may engage with clients to help identify and implement measures to reduce environmental and social risks and impacts, and enhance their operational performance. Through the engagement process, the teams work with a client to develop tailored solutions or action plans that aim to address specific issues, as well as meet relevant international or industry environmental and social standards.

For example, when JPMorgan Chase was approached to act as a joint bookrunner on a bond issuance for a hydropower company that we considered to present potential environmental and social risks, we engaged a third-party consultant to perform an independent review of the company's approach, capacity and track record of managing such risks. Based on the findings of the review, our team engaged with the company's senior management and, ultimately, the company agreed to work toward implementing practices that meet recognized international protocols for the hydropower sector. As a result, the hydropower company has become a Sustainability Partner of the International Hydropower Association, and is working to ensure that all future hydropower developments will be aligned with accepted industry practices.

Employee Training and Capacity Building

Training and capacity building are a critical part of our efforts to ensure that banking teams are knowledgeable about the potential environmental and social risks associated with client activities, and that they understand the firm's policy and process for managing these issues.

Environmental and social issues are currently captured in an online risk training module, which helps to increase awareness and understanding of environmental and social risks associated with capital markets underwriting and lending activities. Additionally, in 2012, we began an effort to develop a dedicated Environmental and Social Risk Management (ESRM) online training module, which covers human rights issues. As a result, no employees took the dedicated ESRM training during the course of 2012 as it had not yet been made available. The dedicated ESRM training module will be implemented in 2013. We will also provide a supplemental training on the new requirements of the Equator Principles, which take effect in 2013. We will conduct this training for employees who have day-to-day involvement in relevant Equator Principles transactions.

Expanding Focus to Portfolio-Level Reviews

In addition to focusing on specific transactions, more recently, we have expanded our risk management approach to include portfolio-level reviews of companies engaged in certain industries or particular activities that may present an increased level of environmental and social risks. These reviews are intended to help us gain greater insight into how our clients manage environmental and social challenges, and to improve our decision-making during transaction reviews. For example, based on risks identified through a review of the environmental and social impacts of hydraulic fracturing in the oil and gas sector, we defined an appropriate risk framework and process to better understand our clients' environmental and community management approaches (see case study on page 53).

In addition, the portfolio reviews provide a mechanism for proactive engagement with our clients, outside of the transaction review process, to better understand their environmental and social risks and help identify solutions. This has been well-received by clients who appreciate our investment in understanding both their operational challenges and good practice approaches.

SUSTAINABILITY IN OUR BUSINESS



Q: What role can financial institutions play in ensuring that hydraulic fracturing is conducted responsibly?

A: We should all want to see the banks systematically reviewing the shale energy operations they finance to better understand potential impacts from poor management of environmental and social risks. Truly robust risk management would send a clear message to the market that they need to operate to the highest standards.

**Richard A. Liroff, Ph.D.,
Executive Director,
Investor Environmental
Health Network**

RAISING THE BAR FOR HYDRAULIC FRACTURING

Recent years have brought a boom in natural gas and oil production, enabled by technological advances in horizontal drilling and hydraulic fracturing techniques (commonly known as fracking). This practice has reshaped energy markets and played a significant role in helping to reduce greenhouse gas emissions in the U.S. power sector by displacing more carbon-intensive coal with cleaner natural gas. We believe the industry's ability to unlock unconventional resources has the potential to bring a host of economic and environmental benefits – but we also know that realizing those benefits depends on getting fracking right.

As one of the largest financiers of the oil and gas sector, we saw both a need to thoroughly understand the environmental and community risks associated with hydraulic fracturing, and an opportunity to identify best practices and raise the performance bar across the sector more broadly. As a result, in 2012, we launched a major effort to consult with our clients, academic and technical experts, nongovernmental organizations, local and national government agencies, investors and a range of other stakeholders to conduct an in-depth assessment of environmental and social risks associated with hydraulic fracturing.

As part of the effort, we worked closely with several of our clients involved in hydraulic fracturing, as well as organizations including the Environmental Defense Fund and The Nature Conservancy, to identify a core set of best practices to mitigate risk and enhance operational reliability. Key publications we consulted – and encourage others to review – include an [Investor Guide](#) published by the Investor Environmental Health Network and Interfaith Center for Corporate Responsibility, a [report](#) from the Society of Petroleum Engineers by George E. King, and the International Energy Agency's [Golden Rules report](#).

We subsequently developed a detailed risk assessment framework – covering well design, water sources, wastewater, air emissions, community impacts and regulatory compliance – to enable us to consistently assess our clients' policies and practices. We have shared our risk assessment framework with other financial institutions to help facilitate a robust, consistent approach to identifying and managing risk across the sector, and are continuing to engage in dialogue with organizations working to promote best practices in hydraulic fracturing.

SUSTAINABILITY IN OUR BUSINESS

\$5b

capital deployed for
alternative energy and
clean technology in 2012

Financing Sustainable Solutions

We believe there is tremendous potential for energy efficiency, renewable energy and other clean technologies to help address a range of sustainability challenges, including the need to address climate change. We provide a full suite of global financial advisory services and lending capabilities for our clients who are working to advance solutions to meet critical sustainability needs. In 2012, JPMorgan Chase was ranked #3 in *Bloomberg Markets* magazine's third annual ranking of the world's greenest banks, which evaluates the efforts of financial institutions to invest in clean energy and reduce their own waste and carbon footprint.

Clean Energy and Technology Banking

We are using our expertise as a premier corporate and investment bank to provide a full suite of global financial services and capabilities for our alternative energy and clean technology clients. In 2012, JPMorgan Chase helped deploy over \$5 billion of capital for alternative energy and clean technology companies and projects.

JPMorgan Chase provides mergers and acquisitions advisory, equity private placement, capital markets execution and commercial banking services for global clients involved in renewable energy, waste-to-energy, smart grid, electric vehicles, building and home area networking, and energy storage technologies. In 2012, we participated in several leading capital markets transactions. J.P. Morgan Cazenove served as the sole financial advisor to Melrose PLC on its \$2.3 billion acquisition of Elster Group SE, a leading engineering company and one of the world's largest providers of gas, electricity and water meters, gas utilization products and related communications, networking and software solutions. J.P. Morgan also acted as the exclusive financial advisor to Comverge, Inc., a leading supplier of demand response products and solutions, on its sale to affiliates of H.I.G. Capital, LLC, for \$52 million.

J.P. Morgan is also the market leader in structuring and closing innovative transactions utilizing the Production Tax Credit and Investment Tax Credit, which have played a significant role in driving the development of renewable energy projects in the U.S. such as wind, solar and geothermal. In 2012, we committed and arranged over \$1.6 billion of tax equity for renewable energy projects, with over \$1.5 billion for wind energy – allowing us to lead Bloomberg New Energy Finance's tax equity league tables for the second year in a row. Since 2003, we have raised tax equity totaling over \$9.6 billion, including over \$4.5 billion of our own capital.

Our Global Commodities Group also offers a range of commodity services, including long-term structured trades, hedging, pre-payment structures, project financing, and off-take and intermediation arrangements covering renewable power generation, natural gas, biofuels and related commodities.

Greening Our Global Real Assets Office Building Portfolio

As part of J.P. Morgan's Asset Management business, we have a Global Real Assets (GRA) team that manages a portfolio of real assets. Over the past several years, the GRA team has taken a variety of steps to "green" the office, industrial, multifamily, hotel and retail properties in its U.S. portfolio. In 2008, GRA issued guidelines, which are aligned with the U.S. Green Building Council's LEED (Leadership in Energy and Environmental Design) standards, addressing energy conservation, water conservation, green cleaning, purchasing, solid waste management and indoor air quality.

We know these efforts provide environmental benefits – and we also think they are in the best interest of investors. Integrating green building principles means more efficient use of resources – including financial ones. Green buildings tend to be more attractive to a range of tenants who are increasingly focused on sustainability as well as energy efficiency.



Century Plaza Towers and 2000 Avenue of the Stars in Los Angeles, California are three LEED buildings in our GRA portfolio

SUSTAINABILITY IN OUR BUSINESS

“

By phasing out heavy heating oils, we are closer to achieving our ambitious sustainability goals for the cleanest air of any major U.S. city. We wouldn't be able to meet that target without groundbreaking partnerships with the private sector – from the banks to energy providers to non-profits. We're grateful for this participation and for the shared commitment to saving lives and improving the quality of life for all New Yorkers.

Michael Bloomberg,
Mayor, New York City

”

To ensure that we have the in-house understanding needed to value and implement green building strategies, more than 80 GRA employees – from analysts to asset managers to managing directors – have participated in LEED training.

As of year-end 2012, over 26 million square feet of GRA's office portfolio has achieved LEED certification designations for either New Construction or Existing Buildings Operations and Maintenance. For example, Los Angeles' Century Plaza Towers and 2000 Avenue of the Stars, are buildings that are 100% owned by institutional investors advised by J.P. Morgan Asset Management. 2000 Avenue of the Stars achieved LEED Silver designation in 2011. Century Plaza Towers followed with LEED Gold Certification in 2012.

Additionally, within GRA's portfolio, 43 million square feet of office buildings are tracking their energy consumption through the U.S. Environmental Protection Agency's Energy Star program, which benchmarks energy efficiency of buildings. Nearly 60% of GRA's office portfolio has received recognition as top performers among its competitive set by earning the Energy Star label in 2012.

Advancing Energy Efficiency

In 2012, Chase Commercial Banking provided approximately \$282 million to public sector clients, such as local governments, universities and hospitals, to make their buildings more efficient and reduce greenhouse gas emissions.

In addition, in 2012, we launched an initiative, in partnership with the New York State Energy Research and Development Authority, to educate our home equity line of credit (HELOC) customers on ways to improve home energy efficiency. According to government statistics, New York State has the fourth highest residential energy consumption in the U.S. – and New York City area electricity and natural gas prices are 50% and 21% higher, respectively, than the national average. As a result, we are working to raise awareness among our customers about the environmental and economic benefits that stem from improving the efficiency of their homes.

As part of the program, selected Chase HELOC customers received information on ways to make their homes more energy-efficient. In addition to reducing the home's carbon footprint, the measures may lower utility and energy bills – and could make the homeowners eligible for a tax credit for their clean-energy enhancing renovations.

FINANCING CLEAN HEAT

When New York City passed regulations to phase out the use of heavy heating oils in homes and apartment buildings, we stepped in to help residents of low-income communities transition to less-polluting fuels such as cleaner-burning natural gas. We have made available \$10 million in loan financing to the owners of multifamily apartment buildings to implement these conversions, which will significantly improve local air quality.

Chase developed a unique financing structure for the program that could serve as a model for other lenders – or for other cities that want to follow New York's lead. The pilot project is a great example of how government and the private sector can work together to help improve air quality in these neighborhoods by making it easier for buildings in low-income communities to switch to cleaner fuels at no upfront cost and with no increase in rents to families. The project will result in significant reductions of soot pollution in the city, as the heating oils used in just 1% of New York City buildings create more soot pollution than all the cars and trucks in the city combined.

SUSTAINABLE OPERATIONS

2012
ENVIRONMENTAL
PERFORMANCE
HIGHLIGHTS:

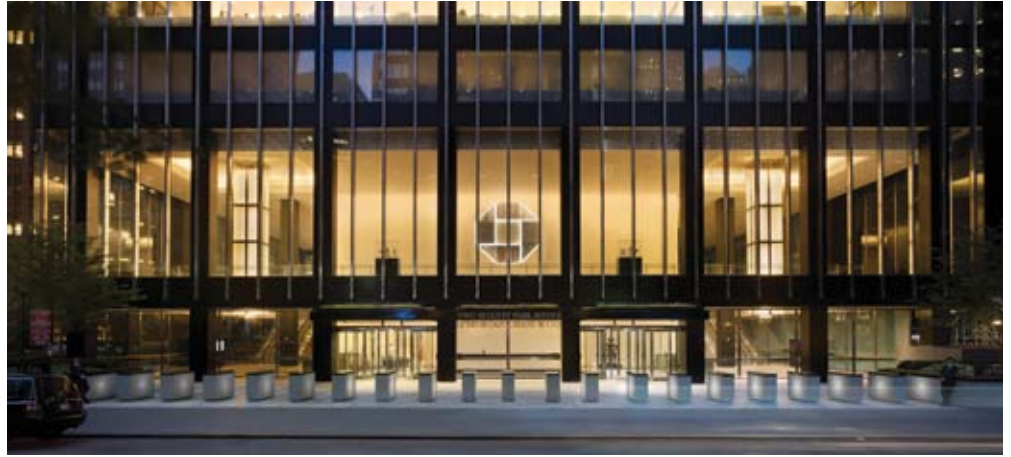
26%

reduction in our GHG emissions, thereby exceeding our goal to reduce our net GHG emissions by 20% below 2005 levels

97%

of the paper purchased in the U.S. and Canada contained sustainably certified fiber

SUSTAINABLE OPERATIONS



We strive to manage our operations in an efficient and sustainable manner. We continually look for opportunities to improve our performance, find innovative solutions to environmental challenges and engage our employees in these efforts.

Key Environmental Impacts

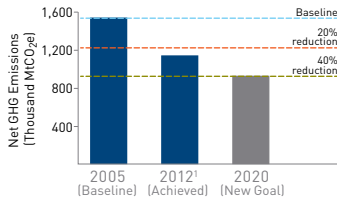
As a financial services institution, our direct environmental impacts stem primarily from the operation of our corporate real estate, including office buildings, bank branches, data centers and other specialty use buildings. JPMorgan Chase's physical footprint covers nearly 80 million square feet across more than 6,000 separate buildings. The majority of these facilities are located in the U.S., but we also maintain offices and infrastructure to serve our clients throughout Europe, Latin America, Asia Pacific, the Middle East and Africa.

Our most significant environmental impact is the greenhouse gases we emit indirectly through electricity purchased to power our facilities, and directly through energy sources consumed onsite to heat and cool our buildings. We take a range of actions to minimize this impact by consuming energy as efficiently as possible. Many of these efforts are also specifically designed to avoid, minimize or offset our corporate greenhouse gas emissions.

In addition to working to reduce energy use and greenhouse gas emissions from our global real estate, we strive to use paper efficiently, and make efforts to purchase certified paper and maximize recycling. We also aim to manage water and non-paper waste as efficiently as possible, and ensure that environmental factors are considered in key purchasing decisions.

JPMorgan Chase's OEA coordinates and oversees our operational environmental programs, helping to identify our areas of greatest opportunity and catalyzing action throughout the organization. The OEA team partners with a number of internal corporate and business groups on these activities, including Global Real Estate, which is responsible for managing and implementing our energy efficiency and recycling programs, and our Sourcing and Technology groups, which have responsibility for other aspects including paper, office products and information technology.

SUSTAINABLE OPERATIONS

CORPORATE GHG
REDUCTION TARGETS:Scope 1 and 2
emissions (net)

1 Includes reductions from energy use and the purchase of renewable energy certificates.

Greenhouse Gas Emissions and Energy Consumption

In 2012, we met our goal, established in 2008, to reduce greenhouse gas (GHG) emissions by 20% below 2005 levels by the end of 2012. In 2012, we reduced our GHG emissions by 26% and we have now expanded our goal to reduce emissions by 40% below our 2005 baseline by the end of 2020.

In 2012 alone, we reduced our greenhouse gas emissions by almost 4%, compared with 2011. Most of this improvement resulted from reducing energy use in our facilities. We also used our own renewable energy generating capacity, and purchased Renewable Energy Credits to support green power generation. In addition, we offset our greenhouse gas emissions associated with employee air travel by purchasing Verified Emissions Reduction credits.

We calculate our operational greenhouse gas footprint using the Greenhouse Gas Protocol, the leading international accounting framework, and disclose these data annually through the Carbon Disclosure Project. Since 2010, our corporate greenhouse gas data have been verified by an independent third party.

INSTALLING RENEWABLE ENERGY CAPACITY

While many of our efforts are focused on using existing energy more efficiently, we are also experimenting with the incorporation of renewable energy and other advanced technology systems at some of our facilities. For example, we have installed solar photovoltaic arrays totaling over 1 megawatt of generating capacity at two of our data centers and six retail bank branches in the U.S. We are also exploring installation of onsite solar energy, thermal hot water and wind turbines at several facilities across the country to save energy and enhance the resilience of our business operations. The cost of these systems has been declining and, with available incentives, has become competitive with grid-supplied electricity in some regions. These pilot projects will continue to yield long-term cost savings and they are helping us to test and evaluate a range of options to reduce energy demand and mitigate carbon emissions throughout our operations.



610kw solar array installed at JPMorgan Chase Delaware facility

Greening Our Buildings

Corporate real estate facilities and the Chase network of consumer bank branches represent our most significant source of environmental impact from operations. Our approach to property management at these facilities is focused on the efficient use of energy, water and materials, and the application of green building practices.

From 2011 to 2012, we reduced energy use per square foot and resulting greenhouse gas emissions by 6% in our corporate facilities, and by 3% in the Chase branch network. We expect this trend will continue as we proceed with installation of more efficient lighting, automated building management systems and refurbishment of our most energy-intensive sites in the U.S. and abroad. For example, in 2012, we transitioned 520 sites from outmoded fluorescent lighting to high efficiency lighting, and we will retrofit another 500 in 2013. We are also installing automated and remote system controls at many of these locations, which allow us to adjust temperature and lighting conditions to reduce energy use in buildings overnight and when unoccupied on weekends and holidays.

We have also taken steps to improve how we use and integrate the large amount of energy and greenhouse gas emissions data we track across our global real estate portfolio. We recently implemented an energy dashboard system, which gives us a clearer understanding of the current status and trends in energy consumption and other sustainability metrics for our operations.

SUSTAINABLE OPERATIONS

242

metric tons of food waste
composted in select
locations in the U.S. and
U.K. in 2012

In 2011, we achieved LEED Platinum certification for the renovation of our global corporate headquarters in New York City (see below). We are using the experience and lessons learned from this project as we explore opportunities to pursue green building projects across our real estate portfolio.

We believe that third-party certifications help to set a meaningful bar for improving the sustainability of our operations. Through pilot efforts in recent years, we have also achieved LEED certification at six of our Chase bank branches and we have received the stringent U.S. Department of Energy Star label for over 4 million square feet of our building portfolio. Focusing on components of these systems that relate to our goals, we continue to develop and evolve our own green building standards for construction and renovation work. We will proceed with further application of third-party certification at sites where these programs leverage our ability to reduce energy consumption and related greenhouse gas emissions.

Along with our energy efficiency efforts, we are installing water- and waste-saving technologies where we can integrate them with major building renovations or new-build projects. For example, we are changing bathroom faucets in many corporate locations to a hands-free design (which can cut water use in half) and are changing bathroom towels from folded to roll (which can reduce consumption by up to 30%).

As we become more aware of the specific impacts of climate change on the regions where we operate, we are also developing systems to help individual sites anticipate and respond. For example, where the prospect of storm surge and flooding presents risks to maintaining business operations through a natural disaster, we are experimenting with the integration of small-scale fuel cell and natural gas backup for onsite power generation. Similarly, in drought prone areas, we are investigating opportunities to minimize the impact of irrigation through rainwater harvesting and landscape design with indigenous plantings.

LEED CERTIFICATION OF OUR HEADQUARTERS

In 2011, we completed the renovation of our world headquarters at 270 Park Avenue in Manhattan and achieved LEED Platinum certification from the U.S. Green Building Council. It is the largest LEED Platinum renovation of an existing office building in the world. We also occupy LEED-certified offices at Chase Tower in Houston and in several of our Chase retail branches. The results of these accomplishments can now be measured in the operation and maintenance of a more healthy, efficient and productive work environment. In 2012, for example, over 800 tons of waste was diverted from landfill through recycling and composting efforts at 270 Park Avenue. A similar program at our adjacent property, 383 Madison Avenue, diverted over 700 tons, representing almost 80% of all waste generated in these buildings. From heating, ventilation and air conditioning system upgrades to the replacement of inefficient lighting, the lessons learned at our headquarters are being applied throughout our global corporate sites and across the national network of Chase consumer banking branches.

35,220

metric tons of paper
shredded and recycled
globally in 2012

Sustainable Paper Use

We use paper across our business for everything from internal document printing and copying to customer-facing statements and marketing materials. Our approach to paper sourcing and waste management is based on three principles:

- **Purchase certified paper:** If managed sustainably, forests can provide many significant long-term benefits for the environment and local communities, including timber for paper and other wood products, ecosystem services such as clean air and water, habitat for wildlife and biodiversity, and recreation opportunities. As a result, our goal is to maximize our purchase of certified paper. In 2012, almost 97% of the paper we purchased in the U.S. and Canada was certified, an increase from 92% in 2011.
- **Use paper efficiently:** We strive to use paper efficiently to reduce waste and meet our customers' needs. For example, our efforts to expand paperless billing options for customers and implement smart-printing methods for employees help reduce costs and improve information security.

SUSTAINABLE OPERATIONS



Bournemouth, U.K. Green Team hosts farmer's market for local charity

- **Recycle aggressively:** We dispose of all paper business documents from JPMorgan Chase locations around the world through a secure shred program. In 2012, over 35,000 metric tons of paper were collected, shredded and recycled globally.

In addition to our efforts to recycle paper, JPMorgan Chase works to recycle non-paper waste throughout our buildings where recycling services are available and economically feasible. In 2012, we launched a new effort to identify opportunities to optimize existing recycling services, including expanding services to new locations.

Information Technology

JPMorgan Chase also working to reduce impacts associated with our information technology (IT) hardware, such as computers and servers. IT hardware has a range of potential social and environmental impacts across its lifecycle, ranging from production to eventual disposal. We aim to maximize the lifespan of technology by finding opportunities to refurbish and redeploy assets internally whenever feasible. When we cannot reuse equipment internally, we seek to trade in technology or donate it to nonprofit organizations. This has the dual benefit of minimizing environmental impacts, while providing value to the recipient organizations.

In 2012, our Tech Warehouse program, managed by JPMorgan Chase's Technology for Social Good team, donated \$500,000 worth of computer hardware to the KIPP public charter school network in New York. Tech Warehouse seeks to harness the technology strengths and skill of our company and our partners for social initiatives across the globe.

In 2012, we expanded and formalized our donation efforts through Tech Warehouse's partnership with Good360, a nonprofit organization that distributes corporate product donations to qualified nonprofits. Through the program, JPMorgan Chase makes used computers available to Good360's global network of qualified charities. The technology is refurbished and equipped with basic peripherals and operating system software, and then made available to nonprofits through an online product donation marketplace. The program also requires recipients to properly recycle the computers when they reach their end of life. In 2012, JPMorgan Chase donated almost 1,300 laptops, desktops and monitors to nonprofit organizations through our partnership with Good360, and has donated several hundred more in the first quarter of 2013.



Beach clean-up with the Hong Kong Green Team

Engaging Employees in Environmental Efforts

In addition to our formal governance structures for managing environmental impacts, we have more informal, volunteer groups called Green Teams at many of our locations. The focus of Green Team activities varies based on locally important issues and the interests of Green Team members. In general, the teams work to raise awareness of environmental issues and encourage employee participation in environmental initiatives, such as efforts to reduce the footprint of our facilities, and local conservation projects and volunteer opportunities. We currently have 17 Green Teams operating around the world.

For example, the Hong Kong Green Team has focused its efforts on cultivating and promoting environmental awareness and action both in the community and within the JPMorgan Chase organization. As part of these efforts, the team worked with The Hong Kong Polytechnic University to organize the third annual RecycleBANK Fun Fair 2012, which promoted green living and recycling to the wider local community, and attracted more than 200 participants and volunteers. In 2012, the office received the Hong Kong Awards for Environmental Excellence gold award in the financial, legal and business consulting services sector, after having received a certificate of merit from the same organization in 2011.

ENVIRONMENTAL DATA

ENVIRONMENTAL DATA

	Unit	2010	2011	2012
Employee headcount		239,831	260,157	258,965
Square footage ¹		65,085,474	63,668,793	64,793,004

Greenhouse Gas Emissions ²				
Scope 1 direct emissions	MtCO ₂ e	91,999	92,413	83,343
Scope 2 indirect emissions	MtCO ₂ e	1,227,396	1,231,178	1,219,748
Total	MtCO₂e	1,319,395	1,323,591	1,303,091
Renewable energy credits (RECs) purchased	MWh	230,000	215,000	210,000
Reductions from RECs	MtCO ₂ e	152,720	142,760	164,011
Scope 1 and 2 emissions (net)	MtCO₂e	1,166,675	1,180,831	1,139,080
Reduction over 2005 baseline (net)				26.3%

Scope 3 emissions – employee air travel				
Emissions from employee air travel	MtCO ₂ e	137,804	151,640	150,115
Verified emission reduction (VER) credits purchased	MtCO ₂ e	140,000	177,000	165,000

Energy Consumption				
Electricity	MWh	2,122,766	2,114,362	2,085,431
Steam	MWh	107,777	96,551	87,697
Chilled water (indirect emissions)	MWh	4,374	3,795	3,189
Natural gas	MWh	273,646	269,001	230,819
Propane	MWh	715	1,141	5,291
Fuel oil	MWh	16,863	17,398	18,257
Chiller plants (fugitive emissions)	MWh	57,215	56,980	56,196
Jet fuel	MWh	34,750	38,663	30,173
Total	MWh	2,618,106	2,597,891	2,517,053
Reduction over 2005 baseline (net)				20.5%

MtCO₂e – Metric Tons of Carbon Dioxide Equivalent
MWh – Megawatt Hours
Mt – Metric Tons

1 JPMorgan Chase utilizes an operational control approach to establish the boundaries of our greenhouse gas inventory. This includes owned and leased facilities for which JPMorgan Chase controls the energy usage and pays the energy/utility bills. We do not currently include sites where we do not pay the utility bill directly to the respective utility, but where we lease, own or otherwise occupy the space.

2 Reported emissions data for 2012 are subject to verification for the Carbon Disclosure Project.

ENVIRONMENTAL DATA

	Unit	2010	2011	2012
Water Consumption				
U.S. operations	m ³	5,899,069	6,045,716	6,524,620

Paper Purchased				
Total paper purchased (U.S. and Canada)	Mt	114,234	147,182	83,300
Percentage with recycled content	%	41%	46%	43%
Percentage with certified content	%	87%	92%	97%
Total paper purchased (Asia Pacific)	Mt	779	887	802
Total paper purchased (Europe, Middle East and Africa)	Mt	711	835	472
Total	Mt	115,724	148,904	84,574

m³ – Cubic Meters
Mt – Metric Tons

GOVERNANCE, ETHICS AND RISK MANAGEMENT

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When it comes to complying with the rules and regulations that govern our industry and our company, there is no room for compromise... There is no piece of business, no deal, no revenue stream that is more important than our obligation to act responsibly, ethically and within the rules.

Excerpt from March 2013 message to all employees from the firm's Operating Committee

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GOVERNANCE, ETHICS AND RISK MANAGEMENT



Upholding strong corporate governance, adhering to the highest ethical standards and effectively managing risk are essential to being an accountable, transparent and well-managed company. At JPMorgan Chase, this is the foundation for corporate responsibility.

Upholding Strong Corporate Governance Standards

Corporate governance is a continuing focus at JPMorgan Chase, starting with the Board of Directors and extending throughout the entire company. Our [Corporate Governance Principles](#), available on our website, outline our policies and processes for the functions, composition and other operations of the Board of Directors. In our annual [proxy statement](#), we also provide detailed information on our key governance practices, including leadership and committee structure, committee membership, director independence, the Board's role in risk oversight, shareholder outreach and other topics. In addition, we include an in-depth discussion of our approach to director and executive compensation.

Board Composition and Independence

Our Board is composed of a total of 11 directors, 10 of whom are independent. Two of the directors are women, and one of the directors is African-American. All 10 non-management directors are independent for the purpose of New York Stock Exchange corporate governance listing standards and within the meaning of the regulations of the U.S. Securities and Exchange Commission.

GOVERNANCE, ETHICS AND RISK MANAGEMENT

COMMITTEE
STRUCTURE:

Our Board has five principal committees, the charters of which are available on the [JPMorgan Chase website](#). The committees are:

- Audit Committee
- Compensation & Management Development Committee
- Corporate Governance & Nominating Committee
- Public Responsibility Committee
- Risk Policy Committee

At the Board level, the Public Responsibility Committee has primary oversight of corporate responsibility issues (see [How We Manage Corporate Responsibility](#), page 9).

Adhering to the Highest Ethical Standards

The JPMorgan Chase Code of Conduct, which is updated regularly and available publicly on our website, is a set of rules and policy statements intended to assist employees and directors in making decisions about their conduct in relation to the company's operations. The Code is based on our fundamental belief that no one should ever sacrifice integrity – or give the impression of doing so – even if that person believes it would help the company's business.

The Code covers a range of topics, including diversity, fair dealing, respect for human rights, privacy, bribery and foreign corrupt practices, money laundering, and political activities and contributions. We have translated the Code into nine languages in addition to English, and have made a summary version available in four other languages.

Before starting work, new employees must provide an affirmation that they have read, understand and will comply with the Code. New hires are also required to complete Code of Conduct training. All active employees are required to complete Code training, and to provide a reaffirmation that they have read, understand, and are in compliance with the Code, every year, and our goal is to achieve 100% completion.

The Code requires employees to report known or suspected violations of the Code, other company policies, or laws and regulations that apply to our business. We provide a variety of channels through which employees can report violations or concerns regarding the Code, including a global telephone Hotline (with translation services available). The Hotline also offers website, email, fax and regular mail reporting options. Employees who have concerns regarding accounting, internal controls, auditing matters or financial reporting practices can also bring those concerns directly to the attention of the Audit Committee of the Board of Directors. We strictly prohibit retaliation against employees who report their concerns in good faith.

Code of Ethics for Finance Professionals

We also have a Code of Ethics for Finance Professionals that focuses specifically on promoting honest and ethical conduct and compliance with the law as related to the maintenance of the company's financial books and records and the preparation of its financial statements. The Code applies to the Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, and to all other professionals of the company worldwide serving in a finance, accounting, corporate treasury, tax or investor relations role.

Supplier Code of Conduct

We also have a Supplier Code of Conduct, available publicly on our website, which sets forth policies and standards for suppliers providing products and services to JPMorgan Chase. It addresses key requirements, including those pertaining to conflicts of interest, bribery and corruption, as well as human rights and work conditions, health and safety, discrimination and diversity, and environmental concerns and sustainability objectives.

Strengthening Our Approach to Risk Management

Risk is an inherent part of JPMorgan Chase's business activities, and having effective policies and processes for identifying, reporting and managing that risk is essential. We have identified nine major risk types inherent in our business activities, including: liquidity, credit, market, interest rate, country, private equity, operational, legal and fiduciary, and reputation risk.

Our risk management framework and governance structure are intended to provide comprehensive controls and ongoing management of the major risks we face. They are also intended to create a culture of risk awareness and personal responsibility throughout the company where collaboration, discussion, escalation and sharing of information are encouraged. Our risk governance structure is embedded within each line of business, as well as at the corporate and Board levels.

GOVERNANCE, ETHICS AND RISK MANAGEMENT



Understanding our clients' environmental and social performance is an important element of how we view risk and is an integral part of enabling JPMorgan Chase to do first-class business in a first-class way.

André Abadie, Head of Global Environmental and Social Risk Management, J.P. Morgan



In 2012, driven by a loss in our Chief Investment Office (see below), we conducted a comprehensive self-assessment of the company's entire risk organization and, as a result, we have implemented a series of improvements both company-wide and within our lines of business. For example, we are working to improve our risk management model development, review, approval and monitoring. We also implemented a series of changes to the risk function's governance, organizational structure and interaction with the Board. Detailed information about our risk management framework and governance can be found in our 2013 [proxy statement](#).

Managing Environmental and Social Risk

Effectively managing environmental and social risks in our financial services and lending activities is a fundamental aspect of sound risk management – and a core part of corporate responsibility. Our [Environmental and Social Risk Management Policy](#) provides the framework for assessing the environmental and social performance of our clients in our decision-making processes (see Environmental and Social Risk Management section, page 50). We also have a [Human Rights Statement](#) which reflects our concern for the protection of human rights and is guided by the principles set forth in the United Nations Universal Declaration of Human Rights.

CHIEF INVESTMENT OFFICE LOSSES: WHAT HAPPENED AND WHAT WE'VE DONE IN RESPONSE

JPMorgan Chase's businesses take in more in deposits than they make in loans and, as a result, the firm has excess cash that must be invested to meet future liquidity needs and provide a reasonable return. The primary responsibility of the Chief Investment Office (CIO), working with JPMorgan Chase's Treasury, is to manage this excess cash. CIO invests the bulk of JPMorgan Chase's excess cash in high credit quality, fixed-income securities. Beginning in 2007, CIO also managed a separate portfolio known as the Synthetic Credit Portfolio, which was generally intended to protect the firm against adverse credit scenarios and provide protection against structural risks inherent in the firm's and the CIO's long credit profile.

In early 2012, the CIO pursued a complicated trading strategy that led to billions of dollars of unanticipated losses. In May 2012, the firm formed a Management Task Force to investigate the cause of the losses. After a lengthy investigation, the Management Task Force publicly released its Task Force Report on January 16, 2013. In addition, an independent Board Review Committee, which conducted its own investigation and also oversaw the Task Force's work, released a report at the same time. We have taken a number of steps aimed at holding those involved accountable; revamped the governance, mandate, and reporting and control processes of the CIO; and implemented numerous other changes to strengthen CIO risk management. We have also used the learning from the CIO losses to strengthen and enhance risk management across the company more broadly.

In January 2013, JPMorgan Chase entered into Consent Orders with the Board of Governors of the Federal Reserve System and the Office of the Comptroller of the Currency relating to the CIO matter. Many of the actions required by the Consent Orders are consistent with those recommended by the Management Task Force and Board Review Committee, and, as such, a number of them have been, or are in the process of being, implemented. We are committed to the full remediation of issues identified in the Consent Orders, and we continue to cooperate in the various other regulatory investigations that have been initiated as a result of this matter.

We know that risks are inherent in our business, but, nonetheless, we view the CIO losses as a serious mistake by our company. We also believe that one of the marks of a successful company is how it addresses its mistakes, learns from them and implements meaningful remedial actions. We are confident that we have done that in this case and that JPMorgan Chase has emerged a stronger and better company.

To read our CIO Reports, please visit our [website](#).

PUBLIC POLICY ENGAGEMENT

OUR PUBLIC POLICY
PRIORITIES

As part of our ongoing efforts to help spur economic growth and strengthen our communities, we track a broad array of legislation, regulations and policy issues in the U.S. and globally that have an impact on the way we do business. Our areas of focus include the following:

Economic Growth and Competitiveness

- Access to Capital for Job Creation, Public Investment and Community Development
- Small Business Lending
- Federal and State Fiscal Issues
- Corporate Tax Issues
- Energy and Environmental Sustainability
- Trade and Market Access
- Cybersecurity and Data Breach
- Military and Veterans Initiatives

Efficient and Robust Capital Markets

- Global Regulatory Reform
- Capital and Liquidity Requirements
- International Coordination
- Asset Management
- Bank Structure
- Retirement Issues

Consumer Issues

- Federal and State Housing
- Consumer-Focused Product Innovation
- Interchange and Payments
- Consumer Financial Empowerment
- Transparency and Disclosures

PUBLIC POLICY ENGAGEMENT



At JPMorgan Chase, we see it as our responsibility to participate in the political process to provide input, share our expertise and advance positions on policy issues that affect our company, employees, customers and the communities where we operate.

In addition to working to advance our own public policy goals, we often provide input at the request of government officials who want to tap our expertise.

Robust governance and transparency are the cornerstones of our approach to public policy engagement. Our [Political Activities Statement](#), available on our website, describes our approach and disclosures concerning political contributions and legislative lobbying, as well as the compliance procedures and oversight we have in place.

Trade Associations

To help us achieve our public policy objectives, we belong to major trade associations representing the interests of both the financial services industry and the broader business community. These organizations work to bring about industry consensus and advocate on major policy issues. Our participation in trade associations comes with the understanding that we may not always agree with all the positions of the organizations or their members. We provide a list of the principal organizations to which we belong on our [website](#).

We restrict these associations from using the funds we provide in membership fees and dues for any election-related activity at the federal, state or local level. This includes contributions or expenditures in support of, or opposition to, any candidate for office, ballot initiative, political party committee or political action committee (PAC).

PUBLIC POLICY ENGAGEMENT

CONTRIBUTION
DISCLOSURES
AVAILABLE ON:[www.jpmorganchase.com/
politicalactivities](http://www.jpmorganchase.com/politicalactivities):

- PAC activity
- 527 organizations
- State ballot initiatives
- 501(c)4 organizations

Political Contributions

JPMorgan Chase makes no contributions with corporate funds to candidates, political party committees and political action committees, or to groups organized under Section 527 of the Internal Revenue Code.

The company's political action committees (PAC), which are supported entirely by voluntary contributions made by employees, make contributions to support candidates, parties or committees whose views on specific issues are consistent with the company's priorities. The PACs also make contributions (primarily membership dues) to 527 organizations. However, the PACs do not make contributions to 527 groups to support the election of any specific candidate or for the express purpose of advocacy. JPMorgan Chase also occasionally uses corporate or PAC funds to support or oppose state ballot initiatives that affect our business. Additionally, we occasionally support groups organized under Section 501(c)4 of the Internal Revenue Code on public policy matters, but not for electoral purposes.

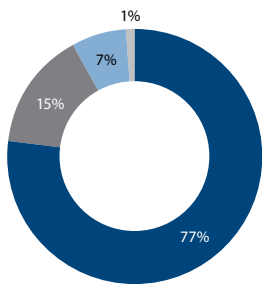
We disclose information about PAC contributions as required by law, and also publish a summary of these disclosures on our website. In addition, even where we are not required to disclose contributions to 527 organizations, state ballot initiatives, or 501(c)4 organizations, we voluntarily provide that information on our [website](#).

We do not use corporate funds to make independent political expenditures, including electioneering communications, notwithstanding the U.S. Supreme Court's decision in *Citizens United* that corporations may make such expenditures.

Compliance and Oversight

All political activities conducted by or on behalf of JPMorgan Chase are managed by our Global Government Relations Department, which reports to the Head of Corporate Responsibility. The Head of Corporate Responsibility is responsible for the department's policies, activities and legal compliance, upon advice of the firm's legal counsel and Compliance Department and subject to oversight by the Public Responsibility Committee of the Board of Directors. Government Relations reports not less than annually to the Public Responsibility Committee on our significant policies and practices regarding political contributions, major lobbying priorities and principal trade association memberships that relate to our public policy objectives. This organization and leadership helps us focus our efforts on those public policy issues most relevant to the long-term interests of the enterprise overall and to our clients and shareholders.

SUPPORTING OUR PEOPLE

REGIONAL
BREAKDOWN OF
OUR EMPLOYEES:

- 77% in North America
- 15% in Asia Pacific
- 7% in Europe, Middle East and Africa
- 1% in Latin America

SUPPORTING OUR PEOPLE



JPMorgan Chase's nearly 260,000 employees are the foundation of our company. Supporting and developing these employees are responsibilities we take very seriously.

We take a holistic approach that considers the entire employee experience, both in the workplace – from the hiring and orientation process to career development and mobility to promoting a diverse workplace – and outside the workplace, through health and wellness programs, childcare support and other work-life services.

We have employees located in 60 countries (see chart for regional breakdown). Like all global companies, while our standards, values and culture are consistent around the world, we tailor our employee programs to meet the unique needs and conditions of each operating environment. Wherever we operate, our objective is to provide comprehensive benefits and development opportunities that help our employees build skills, be healthy, and balance their work and personal lives.

In our 2012 global employee survey, 76% of our employees said they are satisfied with the company, and 83% said they are committed to staying with us – statistics that we believe provide strong validation of our efforts to support our people.

Supporting Employees in the Workplace

We strive to create a work environment that is rewarding for all our employees, and that supports and encourages employee diversity. We listen to employee feedback and ideas, and make improvements accordingly. We also work hard to support employees' career development through a range of tools and resources, including training and promotion, as well as by taking on new roles and challenges.

Helping New Employees Make the Transition

New employees have to take in a lot of information and make many critical decisions in their first days on the job. We try to make this process easier with *My Welcome* – an online tool designed to help new employees learn about the company, our policies, programs and benefits, even before their first day at the office. Currently available to employees in the U.S. and Hong Kong, in 2013, *My Welcome* will be expanded to employees in the U.K., India and the Philippines, and we plan to expand it across the entire company.

SUPPORTING OUR PEOPLE

SELECTED RESULTS
OF EMPLOYEE
OPINION SURVEY:

76%

of employees said they are
satisfied with the company

85%

said they are proud of
the company

82%

said they would
recommend the company's
products and services

83%

said they are committed
to remaining with
the company

Listening and Responding to Our Employees

We know that understanding and fostering employees' satisfaction is critical to their individual success – and to the success of the overall organization. We use a range of mechanisms to engage with our employees on a regular basis, such as online feedback tools. We also undertake a comprehensive, company-wide employee opinion survey every other year.

A record 88% of employees participated in our 2012 employee opinion survey, and 76% of respondents said they are satisfied with the company. The results also revealed areas where we have opportunities to improve.

One of the ways we are responding to employee feedback is to enhance JobConnect, our system for listing job openings, to make it easier for people to identify opportunities within the company and to advance their careers. We are also providing more training to employees in the field and to managers at different stages of their careers.

Providing Career Development and Mobility

Helping employees build their skills and advance within the company is central to employee satisfaction and to our success as a company. Fostering internal mobility helps employees develop a more complete understanding of the company, see the connection points between our different businesses and regions, and develop new ideas and approaches for business operations and client services.

We offer a range of resources and tools to help employees navigate their careers and realize opportunities across lines of business. This includes a consistent set of leadership and management training at all levels of the company, as well as online training on a variety of topics. In mid-2012, we began offering the Harvard ManageMentor (HMM) web-based training tool to all our employees globally. Developed by Harvard Business School Publishing, HMM provides leadership and management training resources, as well as a consistent curriculum across all geographies and businesses. More than 40,000 employees have taken advantage of the training since we launched it.

We continually work to improve the training our employees receive and increase their opportunity for mobility into new roles. For example, in response to feedback from the 2012 employee survey, we are doing more to track employee skills and career aspirations so we can more effectively identify strong internal candidates for open positions. In addition, we are posting almost all of our open positions internally before making them available to outside candidates.

Along with helping our employees build the skills they need to develop and advance, we make it a priority to help employees find new jobs within JPMorgan Chase if their positions are eliminated. Through our Talent Reassignment program, we provide employees in good standing recruiting resources and career counselors to help them navigate the process. In 2012, we successfully placed more than 4,100 employees in new roles within the company through the program, up from approximately 2,000 in 2011. In 2013, we will further improve the program by adding an online career center and providing new tools to help recruiters more effectively match employees with open positions.

Our efforts to foster internal mobility at JPMorgan Chase are paying off. In 2012, we filled 39% of all positions with internal hires, up from 34% in previous years. This represents approximately 4,000 more internal hires than in previous years with similar hiring volume.

SUPPORTING OUR PEOPLE



Q: What is the value of JPMorgan Chase's workplace diversity programs?

A: As Asia regional co-chair for WIN, a Business Resource Group focused on supporting women, I have seen firsthand how important and effective our support of diversity is for our employees. It breaks my heart when I see people struggling with exactly the same issues we have all been through at some stage – and thinking they are on their own. Our BRGs and other diversity efforts help provide the support that employees need to really be their best in the workplace.

Amanda Cameron,
Managing Director,
Investor Services
Sales & Client Delivery,
Asia, Corporate and
Investment Bank,
J.P. Morgan

Fostering and Supporting Diversity

Diversity is a cornerstone of our global culture, and it helps us meet the changing needs of our clients, customers, employees and the communities we serve around the world. Our diversity strategy focuses on four core areas: management accountability, workforce development, workplace inclusion and marketplace impact.

Our efforts to promote diversity and inclusion are comprehensive. We encourage managers to hire, develop and maintain a diverse workforce, and we offer a complete set of programs and benefits to meet their changing needs. And we foster a diverse supply base by cultivating relationships with firms owned and operated by minorities, women and other historically underutilized groups.

Our commitment to diversity and inclusion is embedded within our organizational structure from the highest levels. The JPMorgan Chase Diversity Advisory Council, which is composed of senior leaders from across the firm, provides leadership support and management accountability for diversity efforts. We also have Diversity and Inclusion Leadership Councils within individual lines of business, corporate functions and regions.

We continually seek ways to expand and improve our diversity initiatives. For example, in 2012, we began to implement diversity plans tailored to our lines of business and corporate functions to better meet their unique strategic needs and opportunities. We also took a variety of steps to strengthen our diversity programs in our Asia Pacific region (see page 71).

Supporting Diversity in the Workplace

We support and encourage diversity in the workplace in many ways. One of the key mechanisms we use are Business Resource Groups (BRG), which are each sponsored by a member of our Operating Committee and provide support and career development for different employee groups (see below for examples of our BRGs).

BRGs are employee-led affinity groups that serve as resources to employees, our businesses and the communities we serve. Promoting leadership, development and business-focused opportunities, BRG members serve as active volunteers, advocates and recruiters in our key markets, connecting the company's employees, products and services to the unique communities BRGs represent. At the end of 2012, we had more than 175 BRG chapters across the globe, and nearly 44,000 of our employees participated in a BRG, up 36% from the prior year. We added 42 new BRG chapters in 2012 alone, the majority of which were launched by employees in our Asia region.

OUR BUSINESS RESOURCE GROUPS INCLUDE:

- Access Ability, maximizing the contributions of employees affected by disabilities
- Adelante, promoting the development of Latino/Hispanic employees; in 2012, won the U.S. Hispanic Chamber of Commerce's Latino Employee Resource Group Corporate Challenge
- ASPIRE – Asians and Pacific Islanders Reaching for Excellence
- BOLD – Black Organization of Leadership Development; in 2012, won Team Diversity Leadership Award from the Securities Industry and Financial Markets Association
- NextGen, collaborative and supportive forum for early career professionals
- PRIDE, supporting workplace inclusiveness for lesbian, gay, bisexual and transgender (LGBT) employees and allies
- Sage, an information and development forum offering support to administrative professionals
- VETS – Voices For Employees That Served, a forum for military veterans, retirees, reservists, National Guard, military alumni and their supporters
- WIN – Women's Interactive Network

SUPPORTING OUR PEOPLE

IMPACT OF OUR
EFFORTS TO SUPPORT
DIVERSITY THROUGH
RECRUITMENT AND
HIRING:

52%

of our 2012 global new
hires were women

54%

of our 2012 new hires in
the U.S. were racially or
ethnically diverse

80,000

employees completed
diversity training courses
in 2012

In addition to our BRGs, we have a variety of other initiatives to support different employee groups. For example, we have efforts in place specifically designed to support women in our workforce, such as the *Women's MD Forum*, initiated in our Europe, Middle East and Africa region by our senior female leaders. The forum focuses on career development, talent sponsorship and strategies for integrating employees back into the workplace after a period of absence, for example, women returning to work after maternity leave. In the U.K., we are a primary sponsor of the Women of the Future Network, which provides a networking and developmental community for women from different companies to share experiences and build business relationships. Additionally, in 2012, we launched a Latin American Women Career Advancement Series, which seeks to help female employees at all levels advance their careers through a series of educational and networking events.

Supporting Diversity through Hiring and Developing Talent

JPMorgan Chase's commitment to diversity is also reflected in our efforts to actively recruit and hire employees from different backgrounds, experiences and locations.

We believe these efforts are paying off. In 2012, globally more than half of our new hires were women, and in the U.S., more than half were racially or ethnically diverse.

We recruit a diverse slate of candidates from top universities across the globe and through our strategic partnerships focused on promoting diversity. Once candidates join us, internal groups mentor and sponsor this pipeline of talent, such as our Black Executive Forum – a team of senior leaders at JPMorgan Chase. We also include diversity as a key consideration in the company's ongoing talent management and succession planning process by working to develop and maintain a strong pipeline of diverse executive talent.

We have a variety of training and development opportunities designed to prepare our managers and employees for today's diverse, multicultural business environment. For example, in 2012, our Corporate and Investment Bank expanded participation in its *Business of Inclusion* training, while our Consumer and Community Banking business introduced *Diversity in Action at Chase*. In 2012, a total of nearly 80,000 employees completed these courses.

U.S. Employee Diversity in 2012

Job Category	White	Black/ African- American	Hispanic/ Latino	Asian	American Indian/ Alaska Native	Native Hawaiian/ Other Pacific Islander	Two or More Races	All Employees	Female
Exec/sr level officials and mgrs	88.5%	2.7%	3.2%	5.2%	0.1%	0.0%	0.2%	1.5%	24.4%
First/mid-level officials and mgrs	65.8%	11.4%	13.2%	8.5%	0.2%	0.3%	0.7%	18.6%	53.3%
Professionals	64.5%	9.7%	7.6%	17.1%	0.1%	0.2%	0.7%	21.2%	41.6%
All other	44.9%	19.9%	25.7%	7.6%	0.2%	0.4%	1.2%	58.8%	63.9%
Total	53.6%	15.9%	19.2%	9.8%	0.2%	0.3%	1.0%	100%	56.6%

Source: 2012 August Equal Employment Opportunity – Tier 1 (EEO-1) data. "All other" is a combination of the following EEO-1 job categories: technicians, sales workers, office and clerical, craft workers (skilled), operatives (semi-skilled), laborers and service workers.

SUPPORTING OUR PEOPLE



Expanding Our Diversity Programs in Asia

In 2012, we took a number of steps to expand our diversity efforts in Asia, including the appointment of our first Head of Diversity for the region. We established the Asia Diversity Forum, which is a group of employees from across the region that helps set strategy and raise awareness of diversity in their businesses and countries. In addition, we utilized our employee survey results to help us better assess performance and develop more targeted diversity strategies within specific countries. We have also strengthened diversity-focused hiring efforts and diverse candidate slates for senior positions in the region.

During 2012, we significantly expanded our BRGs in the region, growing them from approximately 500 members of four groups to nearly 5,000 members in 16 groups. This included establishing chapters of our Women's Interactive Network (WIN); PRIDE, which supports LGBT employees; and NextGen, which supports early career professionals.

We have also developed new programs to help meet the specific needs of different workforce segments. For example, in 2012, we launched the Happy Baby Program to provide comprehensive support to new parents and help them make the transition from parental leave back to work.

\$1b

JPMorgan Chase exceeded \$1 billion in spend with diverse suppliers for the fifth consecutive year

Supporting a Diverse Supplier Network

For nearly 20 years, the JPMorgan Chase Corporate Supplier Diversity Program has been dedicated to the development and utilization of qualified diverse businesses, including companies owned and operated by minorities, women, military veterans and service-disabled veterans, LGBT and disabled individuals. This commitment promotes economic growth in the communities we serve while also ensuring our firm has access to a full range of new and innovative products and services at competitive prices.

We foster a diverse supplier base in a number of ways. As part of our partnership and community outreach initiatives, we collaborate with advocacy organizations, community leaders and lines of business across the firm to create opportunities for diverse suppliers to compete for business. By providing our diverse suppliers with mentoring, education and development programs, we assist them in becoming top performers in their industries.

SUPPORTING OUR PEOPLE



EMPLOYEE DIVERSITY AND WORKPLACE AWARDS

We take great pride in the recognition we receive in the marketplace. Examples include:

- **The World's Most Attractive Employer amongst Financial Services Firms** by Universum, #8 overall as ranked by career seekers from the world's 12 largest economies 2012
- **#1 Employer on the Vault Banking 50**, #1 for overall diversity, #1 for women, #1 for LGBT employees, #2 for minorities by Vault.com 2012
- **100% rating on the Corporate Equality Index**, measuring workplace practices and policies for lesbian, gay, bisexual and transgender employees by the Human Rights Campaign, 2012. Perfect score for 10 consecutive years since index inception
- **40 Best Companies for Diversity** by *BLACK ENTERPRISE* magazine 2012
- **Working Mother 100 Best Companies** by *Working Mother* magazine 2012
- **Best Companies for Diversity** by *HispanicBusiness* magazine 2012 and every year since inception in 2006
- **Best for Vets: Employers** by *Military Times EDGE*, #6 overall 2012
- **Best Companies for Multicultural Women** by *Working Mother* magazine for the eighth year, 2012
- **Top 100 Employers on the Workplace Equality Index** for lesbian, gay and bisexual employees by the Stonewall organization (U.K.) 2012 and every year since inception in 2005
- **Best Employers for Healthy Lifestyles** by the National Business Group on Health 2012
- **10 Best Corporations for Veteran-Owned Businesses** by *Vetpreneur* magazine 2012

95,000

employees received
a health or wellness
screening

65,300

employees received
flu shots

Promoting Employee Health and Wellness

Our support for our employees means also promoting their health and well-being. We tailor our specific health benefits to each of our operating regions, but we are always committed to providing excellent health benefits, as well as offering a range of wellness programs.

In the U.S., for example, we offered comprehensive healthcare coverage to 350,000 employees and their family members in 2012. This coverage includes 100% coverage for preventive care. We also have a Wellness Rewards program in the U.S., through which employees can earn rewards for taking part in various wellness programs and engaging in healthy activities, such as obtaining preventive care screenings or taking a wellness assessment. This includes a Medical Reimbursement Account (MRA) that can be used to cover medical and pharmaceutical expenses. In 2012, employees earned approximately \$48 million in MRA funds based on taking part in health and wellness activities.

We also help employees access health services by providing on-site health centers and by sponsoring health screenings and other health services. At the end of 2012, we had a total of 29 on-site health centers in the U.S. that provide free healthcare to our employees. Thirteen of these centers are staffed with skilled doctors as well as nurses; all centers are targeted to have doctors by the end of 2013. In addition, we have on-site health and wellness centers or we provide access to on-site doctors in the U.K., India and the Philippines. We offer free wellness screenings, flu shots and consultations at all U.S. on-site centers, and many of those outside the U.S. or through periodic events at work sites without centers. Employees can also obtain these services through our medical plans. In 2012, across the U.S., Europe, Middle East and Africa and Asia Pacific, approximately 95,000 employees received a health or wellness screening, and more than 65,300 employees received flu shots. We also offer webinars and in-person seminars on a variety of health topics across all of our regions.

SUPPORTING OUR PEOPLE

TO HELP OUR
EMPLOYEES
BALANCE WORK
AND CHILDCARE:

13

dedicated on-site childcare centers in the U.S., and five near-site centers, to provide back-up childcare for our employees

10,000

children participated in our back-up childcare programs in the U.S. in 2012, using over 114,000 childcare days total

Helping Employees Balance Work and Family Life

We also offer a range of services to help employees with life outside of work through our Work-Life and Employee Assistance Programs. This includes programs such as childcare support, counseling and educational resources.

For example, we provide back-up childcare in the U.S. through 13 dedicated on-site childcare centers, five near-site membership centers and a Network Access Program that provides employees with access to more than 250 childcare centers nationwide. In 2012, within the U.S. nearly 10,000 children participated in our back-up childcare programs, using over 114,000 childcare days in total. Nearly 2,300 children participated in our summer and transitional childcare programs in the U.S. We also offer back-up childcare programs in the U.K. through a network of childcare centers. In 2012, nearly 1,700 children were enrolled in our back-up childcare programs in the U.K., using over 3,200 childcare days. Back-up childcare is also available in India, Japan and Australia.

Our Work-Life Program helps employees with a wide range of issues in addition to childcare, such as finding elder care for a parent or other services they may need. The program includes web-based tools and access to counselors. We also offer seminars and webinars on a wide range of topics from nutrition to preparation for college.

Our Employee Assistance Program provides employees access to free, short-term counseling and referrals for personal life issues such as stress, relationship or other life difficulties, alcohol and substance abuse problems, work-related conflicts and legal or financial issues. We are making a number of improvements to the program in 2013, including the addition of unlimited online video consultations for employees who want to talk with a counselor face to face, but who do not have in-person access.

Our Work-Life and Employee Assistance Programs are currently available to employees in the U.S., U.K., Switzerland, Luxembourg and all countries across Asia Pacific. In 2013, we will be expanding elements of these programs to 10 new countries: Bahrain, Egypt, Israel, Kazakhstan, Lebanon, Qatar, Saudi Arabia, Turkey, UAE (Dubai/Abu Dhabi) and Uzbekistan.

Helping Employees Prepare for Retirement

Our holistic approach to employee support also includes helping employees prepare for retirement. In the U.S., we automatically enroll newly hired employees in our 401(k) Savings Plan. After a year of service, the firm provides matching 401(k) contributions. The company continues to offer pension benefits to our employees, including new hires. We also offer online retirement planning tools and other resources.

We provide pension benefits to our employees outside the U.S. as well. In the U.K., for example, employees are automatically enrolled in a tax-effective pension plan that provides a minimum core contribution. In Hong Kong, employees have the option to enroll in a tax-effective retirement plan that provides a core contribution plus matching contributions. In 2013, a new retirement plan was introduced in the Philippines. We also offer pension provisions or other retirement programs to employees in Australia, Belgium, Channel Islands, China, Denmark, Finland, Germany, India, Indonesia, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Malaysia, the Netherlands, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan and Thailand.

SUPPORTING OUR PEOPLE



Employee Volunteerism

Every day, JPMorgan Chase employees strive to meet the needs of our customers and clients – and our employees bring this same commitment to service into the communities where they live and work. In 2012, over 43,000 JPMorgan Chase employees around the world volunteered more than 468,000 hours to teach financial literacy and entrepreneurial skills, mentor and tutor students, organize food drives, provide disaster relief, install water purification systems, support military veterans and a host of other efforts.

In addition to providing benefits to the community, employee volunteerism brings important benefits to our company. Employees are our ambassadors at the local level, and when they are involved in the community, it helps us strengthen ties with our customers. And in communities where we do not have a retail banking presence, employee volunteers are often some of the only public faces of the company. Employee volunteerism is an important tool to engage our employees, build camaraderie, and help them develop skills and experience that they can also use in their jobs.

We start this culture of volunteerism early: Every summer, we encourage our newest hires – new interns and incoming analysts – to engage with their peers in volunteer events, and every summer the response gets stronger: In 2012, we conducted 76 volunteer events with 2,300 interns and summer analysts, providing more than 8,800 hours of service.

Our employee volunteerism efforts are shaped at the local level; as members of those communities, our employees are best positioned to identify the particular needs in each location. We have harnessed the enthusiasm and expertise of some of our most dedicated employees into Volunteer Leadership Groups that plan and coordinate our volunteer activities. To further encourage and support the members of these groups, we have created the Volunteer Leadership Development Initiative. This series of five courses is designed to assess volunteer leaders' communication and leadership skills and provide them with training that leverages their volunteer leadership responsibilities to assist in their career development within the company.

Employee Volunteerism Hours and Projects

	Volunteer Events	# of Employees Involved	# of Hours Volunteered	% Increase in # of Hours
2010	900	31,000	275,000	-
2011	1,800	37,000	392,000	43%
2012	2,400	43,000	468,000	19%

SUPPORTING OUR PEOPLE

The following are some examples of employee volunteerism efforts in 2012:

Training New Entrepreneurs

- Through the **Bayan Foundation's** learning academy in Manila, JPMorgan Chase employees volunteer to teach grassroots entrepreneurs business management skills in one of the Philippine capital's poorest neighborhoods. In 2012, we started teaching the second batch of 48 students, and more than half of the first group of graduates now run their own businesses. To date, 73 JPMorgan Chase scholars have graduated from the program and 89% of them are employed.
- JPMorgan Chase employees in Buenos Aires, Argentina volunteered to coach a women-owned start-up in creating a business plan to attract impact investors. As a result of the collaboration, the business, which manufactures specialty soap from recycled oils, earned its first sale with a major retailer and was among the finalists in a new venture competition recognizing positive environmental impact by small and medium-sized enterprises.
- More than 100 Dallas, Texas-based analysts volunteered with the **Boys & Girls Club of Arlington** to create a program to teach youth about business, leadership and teamwork. The analysts hosted a business competition to teach high school students the fundamentals of developing, marketing and pricing a new product.
- In 2012, JPMorgan Chase served as a lead sponsor of the National Conference on Volunteering and Service, presented by the **Points of Light Institute**. The conference is the world's largest gathering focused solely on community service, attracting more than 5,000 attendees from every public and private sector from across the globe, with a special focus on social entrepreneurs, to identify ways to address critical issues in their communities.



Employee with his "little brother,"
Big Brothers Big Sisters,
Houston, Texas

Supporting Youth and Education

- **Big Brothers Big Sisters** of the Houston, Texas region selected JPMorgan Chase as its Corporate Partner of the Year in 2012, due in large part to the success of a partnership called Beyond School Walls. About 50 JPMorgan Chase employees take part in the program, mentoring at-risk youth about twice a month.
- **Innovations for Learning (IFL)** has pioneered cutting-edge technology that improves the reading progress of students in early elementary grades. Since 2010, JPMorgan Chase employees have served as "virtual tutors" in IFL schools. In 2012, 836 of our employees provided 6,987 hours of volunteer service through IFL.
- In both 2011 and 2012, JPMorgan Chase was awarded the President's Service Award by **Junior Achievement of America**, in recognition of our employees' dedication to teaching entrepreneurial and economic education to students in schools across the U.S. In each year, JPMorgan Chase volunteers provided more than 5,000 hours of service teaching students.
- In 2012, we continued our work with **The King Center Imaging Project** by adding new educational themes to the online digital archive and showcasing the project at more than 20 locations around the country through an interactive exhibit. As we traveled the U.S., we were able to share the messages and works of Martin Luther King, Jr. with students, community leaders and elected officials. In addition, we hired some of the staff that worked with us on the Imaging Project in 2011, both U.S. veterans from the Veterans Curation Project and students from local Atlanta, Georgia-based universities.

SUPPORTING OUR PEOPLE



Planet Water is focused on bringing clean water to the world's most disadvantaged communities

Addressing Needs in Emerging Economies

- JPMorgan Chase employees in India partnered with **Planet Water** in Maharashtra, India, to install two new water purification filtration towers. These towers marked the 40th such installation JPMorgan Chase has funded in India, which provide 10,000 liters of clean water per day.
- Through JPMorgan Chase's global partnership with **World Vision**, in 2012, more than 2,900 employees participated in 68 volunteer projects that included preparing and distributing 39,270 emergency relief and school supply packs distributed to cities around the world.

Bankers without Borders®

In 2013, we renewed our commitment to the **Grameen Foundation's** Bankers without Borders initiative with a \$1.5 million grant, as well as the volunteer support of our employees around the world. Bankers without Borders is a global volunteer program that supports economic development in the world's most poverty-stricken communities. Hundreds of J.P. Morgan employees have committed their time and expertise, collectively contributing 8,800 hours of service since 2009, with over 2,500 hours volunteered in 2012 alone. Since its founding, Bankers without Borders volunteers from companies around the world have completed more than 100,000 hours of service for more than 70 social enterprises in 20 countries, collectively reaching more than 60,000 people in emerging markets living in poverty.

As the inaugural sponsor of Bankers without Borders, J.P. Morgan continues to help the program scale its platform to connect institutions that serve the poor with volunteers who can provide their business skills and passion to fight global poverty.

Some of the highlights of how our employees contributed their time and skills through Bankers without Borders projects in 2012 include:

- **The Jita Project – Empowering women entrepreneurs and making basic goods accessible in rural communities in India:** We worked with danone.communities and CARE, two global NGOs, to build a business model to distribute essential goods sourced to poor rural communities. The Jita Project has evolved to create access to nutritional products, communication services and basic necessities while employing women entrepreneurs as local sellers of these goods and services.
- **Paradigm Project – Financing the Distribution of Cookstoves in Kenya:** We worked with the Paradigm Project on its mission to deliver 5 million fuel-efficient cookstoves to developing countries by 2020 by conducting market research on cookstove distribution and sending a team of volunteers to spend three weeks in Kenya surveying potential customers.
- **Grameen Foundation – Research Project on the Regulatory Framework of Mobile Banking in Uganda:** We worked with the Grameen Foundation's Mobile Financial Services Incubator team to identify the potential obstacles facing mobile and branchless banking in Uganda and beyond and identify opportunities for enabling wider access to mobile banking services.

SUPPORTING OUR PEOPLE



Students competing at a Code for Good Challenge to create technology solutions for nonprofit organizations

Technology for Social Good

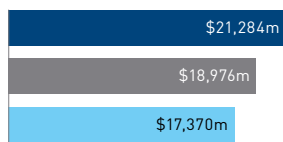
Through our Technology for Social Good program, we develop projects that aim to leverage our technology expertise for the benefit of the greater good. In 2012, we organized a number of events around the world as part of the program, including:

- Code for Good Challenge:** In 2012, we launched our first-ever Code for Good Challenge. The two-day event brought 80 of the U.K.'s top technology undergraduate students to JPMorgan Chase's London offices to compete to develop solutions to problems faced by three of our charity partners: Centrepoin, WaterAid and The Nature Conservancy. Teams of students from 15 universities coded a wide range of applications and technical tools to solve real-life challenges. The winning team, from University College London, built a sophisticated web-portal to promote awareness for the work of The Nature Conservancy, a charity that develops ecological preservation solutions around the world. Based on the success of the event, we will be holding similar competitions twice during 2013 in three U.S. cities. In addition, we will host a challenge in Mumbai, India and return to London.
- Tech24:** On November 7, 2012, we held our first Global Technology Day of Service. Over the course of 24 hours, our global employees volunteered their technology skills to charitable organizations around the world during the respective time zones. As part of the program, JPMorgan Chase volunteers hosted webinars designed to educate nonprofit and charitable organizations on technology issues, such as how to optimize on-line search functions and build an internal social community.

ABOUT JPMORGAN CHASE

FINANCIAL HIGHLIGHTS:

NET INCOME



NET REVENUE



RETURN ON EQUITY



● 2012 ● 2011 ● 2010

FOR MORE
INFORMATION:

www.jpmorganchase.com



[Corporate Responsibility
Summary Report](#)

JPMORGAN CHASE BUSINESSES

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm and one of the largest banking institutions in the United States, with operations worldwide; the firm has \$2.4 trillion in assets and \$204.1 billion in stockholders' equity. The firm is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing, asset management and private equity. A component of the Dow Jones Industrial Average, JPMorgan Chase & Co. serves millions of consumers 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 the firm is available at jpmorganchase.com. The firm's 2012 Annual Report is available at <http://investor.shareholder.com/jpmorganchase/annual.cfm>.

JPMorgan Chase						
Consumer Businesses			Wholesale Businesses			
Consumer & Community Banking			Corporate & Investment Bank		Commercial Banking	Asset Management
Consumer & Business Banking	Mortgage Banking	Card, Merchant Services & Auto	Banking	Markets & Investor Services		
<ul style="list-style-type: none"> • Consumer Banking • Business Banking • Chase Wealth Management 	<ul style="list-style-type: none"> • Mortgage Production • Mortgage Servicing • Real Estate Portfolios 	<ul style="list-style-type: none"> • Card Services – Credit Card – Merchant Services • Auto & Student 	<ul style="list-style-type: none"> • Investment Banking • Treasury Services • Lending 	<ul style="list-style-type: none"> • Fixed Income Markets • Equity Markets • Securities Services • Credit Adjustments & Other 	<ul style="list-style-type: none"> • Middle Market Banking • Commercial Term Lending • Corporate Client Banking • Real Estate Banking 	<ul style="list-style-type: none"> • Private Banking • Investment Management • Highbridge/Gavea

About This Report

JPMorgan Chase reports annually on our corporate responsibility performance. This is our full 2012 Corporate Responsibility Report, which is available as a PDF on our website. For complete financial and organizational information, please see our 2012 Annual Report.

This report covers the period January 1, 2012 to December 31, 2012, though in some instances, information from 2013 and prior years is included where relevant. Reporting and performance data include information on JPMorgan Chase and its subsidiaries. We developed this report following the Global Reporting Initiative (GRI) G3.1 reporting framework including the Financial Services Sector Supplement. We are self-declaring at a B application level.

To contact the Office of Corporate Responsibility,
e-mail: corporate.responsibility@jpmchase.com

GRI INDEX

KEY

- FULLY REPORTED
- ◐ PARTIALLY REPORTED
- NOT REPORTED

Global Reporting Initiative (GRI) G3.1 Guidelines and Financial Services Sector Supplement Index

Self-declared Application Level B

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1.2	Description of key impacts, risks, and opportunities.	●	2012 Annual Report Global Strength, Local Impact Environmental and Social Risk Management Sustainable Operations	11–17, 64–71, 123–176 7–8 50–53 56

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2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	●	2012 Annual Report About Us	21
2.6	Nature of ownership and legal form.	●	2012 Annual Report	64
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	●	2012 Annual Report	64–65, 78–105
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3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	●	About this Report	78
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	●	About this Report	78
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	●	About this Report	78
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	●	Sustainable Operations	57
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	●	No significant restatements from previous reports	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	●	No significant changes from previous reports	
3.12	Table identifying the location of the Standard Disclosures in the report.	●	GRI Index	79-91
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	Assessment	●	Environmental and Social Risk Management	50–53
	Remediation	○		

6. DISCLOSURE ON MANAGEMENT APPROACH: SOCIETY

ASPECTS	DISCLOSURE		SOURCE	PAGE
	Local communities	◐	Code of Conduct Strengthening Communities	23–38
	Corruption	●	Code of Conduct	
	Public policy	●	Political Activities Statement Public Policy Engagement	65–66
	Anti-competitive behavior	●	Code of Conduct	
	Compliance	●	Code of Conduct	

7. DISCLOSURE ON MANAGEMENT APPROACH: PRODUCT RESPONSIBILITY

ASPECTS	DISCLOSURE		SOURCE	PAGE
	Customer health and safety	◐	Chase Privacy Notice J.P. Morgan Privacy & Security Statement	
	Product and service labeling	●	Chase Privacy Notice J.P. Morgan Privacy & Security Statement	
FS15	Policies for the fair design and sale of financial products and services.	◐	Serving Our Customers	40–43
	Marketing communications	○		
	Customer privacy	●	Chase Privacy Notice J.P. Morgan Privacy & Security Statement	
	Compliance	○		

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STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

1. PRODUCT AND SERVICE IMPACT

INDICATOR	DISCLOSURE		SOURCE	PAGE
Product portfolio				
FS6	Percentage of the portfolio for business lines by specific region, size (e.g., micro/SME/large) and by sector.	○		
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	●	Strengthening Communities	23–38
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	●	Financing Sustainable Solutions	54–55
Audit				
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	●	Environmental and Social Risk Management	50–53
Active ownership				
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	◐	Environmental and Social Risk Management	50–53
FS11	Percentage of assets subject to positive and negative environmental or social screening.	◐	Environmental and Social Risk Management	50–53
FS12	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	○		

2. ECONOMIC

INDICATOR	DISCLOSURE		SOURCE	PAGE
Economic performance				
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	●	<u>2012 Annual Report</u>	188–192
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	○		
EC3	Coverage of the organization's defined benefit plan obligations.	●	<u>2012 Annual Report</u> Supporting Our People	231–235 73
EC4	Significant financial assistance received from government.	○		
Market presence				
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	○		

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INDICATOR	DISCLOSURE		SOURCE	PAGE
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	○		
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	○		
Indirect economic impacts				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	●	Growing Economies Strengthening Communities Financing Sustainable Solutions	13–22 23–38 54–55
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	◐	Growing Economies Strengthening Communities Financing Sustainable Solutions	13–22 23–38 54–55

3. ENVIRONMENTAL

INDICATOR	DISCLOSURE		SOURCE	PAGE
Materials				
EN1	Materials used by weight or volume.	◐	Sustainable Operations	56–61
EN2	Percentage of materials used that are recycled input materials.	●	Sustainable Operations	56–61
Energy				
EN3	Direct energy consumption by primary energy source.	●	Sustainable Operations	60
EN4	Indirect energy consumption by primary source.	●	Sustainable Operations	60
EN5	Energy saved due to conservation and efficiency improvements.	◐	Sustainable Operations	56–61
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	◐	Financing Sustainable Solutions	54–55
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	◐	Sustainable Operations	56–61
Water				
EN8	Total water withdrawal by source.	◐	Sustainable Operations	61
EN9	Water sources significantly affected by withdrawal of water.	○		
EN10	Percentage and total volume of water recycled and reused.	○		
Biodiversity				
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	○		
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	◐	Environmental and Social Risk Management	50–53

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INDICATOR	DISCLOSURE		SOURCE	PAGE
EN13	Habitats protected or restored.	○		
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	●	Principles Guiding Our Business Environmental and Social Risk Management	50–53
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	○		
Emissions, effluents and waste				
EN16	Total direct and indirect greenhouse gas emissions by weight.	●	Sustainable Operations	60
EN17	Other relevant indirect greenhouse gas emissions by weight.	●	Sustainable Operations	60
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	●	Sustainable Operations	56–61
EN19	Emissions of ozone-depleting substances by weight.	○		
EN20	NOx, SOx, and other significant air emissions by type and weight.	○		
EN21	Total water discharge by quality and destination.	○		
EN22	Total weight of waste by type and disposal method.	○		
EN23	Total number and volume of significant spills.	○		
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	○		
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	○		
Products and services				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	●	Environmental and Social Risk Management Sustainable Operations	50–53 56–61
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	○		
Compliance				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	●	We did not receive any significant fines for non-compliance with environmental laws and regulations	
Transport				
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	●	Sustainable Operations	57, 60

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INDICATOR	DISCLOSURE		SOURCE	PAGE
Overall				
EN30	Total environmental protection expenditures and investments by type.	◐	Financing Sustainable Solutions	54–55
			Sustainable Operations	56–61

4. SOCIAL: LABOR PRACTICES AND DECENT WORK

INDICATOR	DISCLOSURE		SOURCE	PAGE
Employment				
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	◐	Supporting Our People	70
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	○		
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	●	Employee Benefits website	
LA15	Return to work and retention rates after parental leave, by gender.	○		
Labor/management relations				
LA4	Percentage of employees covered by collective bargaining agreements.	○		
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	○		
Occupational health and safety				
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	○		
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	○		
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	●	Supporting our People	72–73
LA9	Health and safety topics covered in formal agreements with trade unions.	○		
Training and education				
LA10	Average hours of training per year per employee by gender, and by employee category.	○		
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	●	Serving America's Military and Veteran Communities	34–35
			Supporting our People	68
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	○		

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INDICATOR	DISCLOSURE		SOURCE	PAGE
Diversity and equal opportunity				
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.		Governance, Ethics and Risk Management	62
			Supporting our People	70
Equal remuneration for women and men				
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.			

5. SOCIAL: HUMAN RIGHTS

INDICATOR	DISCLOSURE		SOURCE	PAGE
Investment and procurement practices				
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	◐	Environmental and Social Risk Management	50–53
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	○		
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	●	Environmental and Social Risk Management	52
Non-discrimination				
HR4	Total number of incidents of discrimination and corrective actions taken.	○		
Freedom of association and collective bargaining				
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	○		
Child labor				
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	○		
Prevention of forced and compulsory labor				
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	○		
Security practices				
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	○		
Indigenous rights				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	○		

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INDICATOR	DISCLOSURE		SOURCE	PAGE
Assessment				
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	○		
Remediation				
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	○		











6. SOCIAL: SOCIETY

INDICATOR	DISCLOSURE		SOURCE	PAGE
Local communities				
S01 (FSSS)	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	○		
S01 (G3.1)	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	○		
FS13	Access points in low-populated or economically disadvantaged areas by type.	○		
FS14	Initiatives to improve access to financial services for disadvantaged people.	●	Serving Our Customers	43
S09	Operations with significant potential or actual negative impacts on local communities.	○		
S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	○		
Corruption				
S02	Percentage and total number of business units analyzed for risks related to corruption.	○		
S03	Percentage of employees trained in organization's anti-corruption policies and procedures.	●	Code of Conduct Governance, Ethics and Risk Management	18 63
S04	Actions taken in response to incidents of corruption.	○		
Public policy				
S05	Public policy positions and participation in public policy development and lobbying.	●	Public Policy Engagement	65–66
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	●	Political Activities Statement and PAC Contributions report	
Anti-competitive behavior				
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	○		
Compliance				
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	○		

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7. SOCIAL: PRODUCT RESPONSIBILITY

INDICATOR	DISCLOSURE		SOURCE	PAGE
Customer health and safety				
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.			
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.			
Product and service labeling				
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.			
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.			
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.		Serving Our Customers	41–42
FS16	Initiatives to enhance financial literacy by type of beneficiary.		Building Vibrant Communities	30
			Serving America’s Military and Veterans Communities	36
			Mortgages and Homebuyer Assistance	48
			Supporting Our People	74
Marketing communications				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.			
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.			
Customer privacy				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.			
Compliance				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.			

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