

Consumer & Community Banking

2017 financial results

JPMorgan Chase had a strong year in 2017. For Consumer & Community Banking (CCB), we delivered 17% return on equity (ROE) on net income of \$9.4 billion and \$46.5 billion in revenue. We grew our customer base to 61 million U.S. households – nearly half of all U.S. households do business with Chase – including 4 million small businesses. Our customers have 97 million debit and credit card accounts and spent over \$900 billion on their cards in 2017. Our active digital customers grew to 47 million, and 30 million of them are active on mobile, the largest in our industry.

We've made progress since we brought the Chase businesses together five years ago, and we have seen remarkable growth in our business drivers over that time. In Consumer and Business Banking, our average deposits of \$626 billion are up 60%, and our client investment assets are up 72%, hitting a record \$273 billion. Annual credit card sales rose to \$622 billion in 2017, up 63% since five years ago. Merchant processing volume reached \$1.2 trillion, up 82%. Home Lending average loans have grown 16%, and our Auto loans and leases have grown 53%.

We delivered these results with a steady focus on the same four areas: customers, profitability, controls and people. There is no substitute for a consistent strategy well-executed.

Here are some of the highlights from 2017 for each.

Customers

Customer satisfaction is at record highs across most of our businesses. We will always have plenty of work to do, but we are extremely pleased with how far we've come.

2017 Performance Highlights

Key business drivers				
(\$ in billions, except ratios and where otherwise noted)				
		2017	2012	%Δ
Consumer & Community Banking	Households (millions) ¹	61.0	55.9	9%
	Active digital customers (millions) ²	46.7	31.1	50%
	Active mobile customers (millions) ³	30.1	12.4	143%
Consumer and Business Banking	Average deposits	\$626	\$392	60%
	Client investment assets (end of period)	\$273	\$159	72%
	Average Business Banking loans	\$23	\$18	28%
	Business Banking net charge-off rate	0.57%	1.65%	(108) bps
Home Lending	Total mortgage origination volume	\$98	\$181	(46)%
	Foreclosure units (thousands, end of period)	35	312	(89)%
	Average loans	\$237	\$205	16%
	Net charge-off rate ⁴	0.02%	2.37%	(235) bps
Credit Card	New accounts opened (millions) ⁵	8.4	6.7	25%
	Sales volume ⁵	\$622	\$381	63%
	Average loans	\$140	\$125	12%
	Net charge-off rate	2.95%	3.95%	(100) bps
Merchant Services	Merchant processing volume	\$1,192	\$655	82%
Auto	Loan and lease originations	\$33	\$23	43%
	Average loan and leased assets	\$81	\$53	53%
	Net charge-off rate	0.51%	0.39%	12 bps

¹ Reflects data as of November 2017

² Users of all web and/or mobile platforms who have logged in within the past 90 days

³ Users of all mobile platforms who have logged in within the past 90 days

⁴ Excludes the impact of purchased credit-impaired loans

⁵ Excludes Commercial Card

bps = basis points

The bar for what customers expect in every industry has grown much higher. We live in an on-demand world. Customers can get the service, content or experience they want when they want it on nearly any device. They expect speed and simplicity.

Customer service in banking and payments has improved greatly in recent years but lags compared with certain other industries such as travel or segments of retail. We are seeing fintechs have success simply by removing customer pain points that banks haven't. Customers are showing us where we need to get better, and we are paying attention. Getting this right is important because we are a part of our customers' everyday lives. On average, our digitally active customers log in more than 15 times a month. Our active debit card customers average 32 purchases a

month, and those who use our ATMs have an average of five monthly ATM transactions. Our active credit card customers average 21 transactions each month.

In 2017, we made several improvements around the customer experience, including facial recognition in our app, a fully mobile bank pilot (Finn), real-time payments using Chase QuickPaySM with Zelle and a simpler online application for Business Banking customers. For those who need our business products – deposits, credit cards and merchant processing – we collapsed the three applications into one so customers provide their information once instead of multiple times. We didn't change the products – we just made it easier for customers to get the ones they want. The simpler application reduces the time it takes to apply

for all three products by 45 minutes, and we saw engagement with new Business Banking households with both deposit and credit card accounts increase 25% with this change.

We also reached many new customers through important partnerships. In the Card business, many consumers want rewards for items they buy. In 2017, we completed co-brand renewals for partner cards with Disney, Hyatt and Marriott. We also launched the popular Amazon Prime Rewards Visa card and helped drive double-digit year-over-year sales growth for the Amazon portfolio. In addition to signing new, strategic Chase Pay[®] partnerships with PayPal and The Kroger Co., we launched acceptance of Chase Pay[®] across merchants such as Cinemark, Wakefern Food Corporation and Walmart. And in Auto, we renewed our contract with Subaru of America, extending our partnership.

Profitability

We always have said short-term growth is not our goal, but profitable growth over the long term is. We never make decisions to drive short-term earnings and always focus on investing for long-term results. We are proud of the work we have done to bring down our structural expense, allowing us to invest more in our core businesses. The CCB overhead ratio has gone from 61% in 2011 to 56% in 2017, with a medium-term target of 50%+/. Delivering on that will allow us to further increase our investments in technology and digital, as well as to move with greater speed to market. These investments matter: Digital is a more efficient way to serve our customers, and our digitally engaged customers are happier with us and are more likely to stay with Chase. Our goal is to be the easiest bank for customers to do business with.

Controls

Controls are the checks, balances and safeguards we rely on to do our work effectively. Controls help us avoid errors and adhere to all requirements and regulations. Controls are an ongoing discipline for us, but we believe the worst is behind us. In 2017, three of our consent orders were lifted. Early in 2018, the Federal Reserve lifted our Home Lending consent order, recognizing the improvements we have made since the financial crisis; the Office of the Comptroller of the Currency lifted its own foreclosure consent order in 2016.

People

We think we have the greatest team on the field with our 134,000 Chase employees. Our steady focus on creating a great employee experience and investing in our people has made us a stronger business. We promoted more than 15,000 people in 2017 and filled over 16,000 roles with internal candidates. During the year, the firm invested in excess of \$300 million on employee training to keep everyone's skills current in a changing economy. Our team reflects the customer base we serve: More than 58% of our employees are female, and over 53% are minorities. Although we are proud of our progress in increasing diversity among our senior leadership, we still have work to do.

We have also made several changes to help support our people. For the second time in two years, we raised wages for 22,000 employees to \$15 to \$18 an hour, depending on the local cost of living. These increases are on top of our full benefits package, which averages \$12,000 for employees in this pay range and a lower medical deductible to protect families from sudden medical expense.

Perhaps the proudest moment of 2017 came when this firm and our

people stepped up to help communities in need, as hurricanes, fires and mudslides devastated several communities in the U.S.

This is when our company is at its best. We made more loans, extended loan payments, waived late fees and made investments to support the long-term recovery in these communities. We also reached out to help the hundreds of our employees who were affected directly. Our employee-to-employee giving fund showed the tremendous generosity of employees looking out for each other in times of need. And from Houston to South Florida to the Bay Area, you could see the blue shirts of our Good Works volunteers helping out distributing food and water, clearing debris and helping however they could. Business has a broader social role to play, particularly now, and it's possible that no company can do as much as ours.

Looking ahead

If this organization has proved one thing, it's that we can move and adapt quickly for a company of our size. We are experiencing another period of extraordinary change. The pace of technology is accelerating faster than most businesses can absorb. Industry after industry is being disrupted as emerging players develop better customer experiences, faster than incumbents can innovate. API-based platforms allow software developers to build onto experiences, and we see services converging.

We know we have an extraordinary leadership position, and we do not take it for granted for a second. Across industries, the mighty have fallen – and we do not think we are immune. The key for us now is to invest, innovate and speed up to serve customers. As we look ahead, we will be laser focused on

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Intelligence is the ability to adapt to change.

– STEPHEN HAWKING

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becoming the easiest bank to do business with. We will do that by being excellent in six core areas we deliver for customers: becoming a customer, paying with Chase, owning a home, owning a car, growing wealth and growing businesses.

Becoming a customer – No matter how customers find us – in a branch, on our app, on chase.com or through a friend – we want to make it easy for them to become a customer and stay with us throughout their lives. We will continue to invest in having a simple, fast way to develop this relationship across Chase. Early in 2018, we started using a simpler digital application for our Consumer checking and savings products. Similar to the Business Banking application I mentioned earlier, we just streamlined the process to make it fast and easy. Early results have been beyond our expectations, requiring only a few minutes for existing customers to add checking or savings accounts and only a few minutes longer for customers who are new to Chase to join us. During one day in February, we opened two accounts every minute.

Paying with Chase – Helping our customers pay for things is at the center of everything we do. Whether a customer pays an individual, purchases a product or settles a bill, it should be simple, quick and safe. Forty percent of Chase customers already move money with us. We have 48 million active credit and debit card customers, and more than 70% of our active credit card customers use those cards in mobile wallets or for recurring bills and merchant payments. Zelle has been adding nearly 100,000 users every day, and

Chase QuickPaySM makes up more than 50% of Zelle’s volume. We want our customers to decide who to pay and when, and we make sure it’s simple, safe and seamless.

Owning a home – Buying a home is one of the most emotional purchases a family ever makes. But the process of buying one is anything but joyful. We want to help the hundreds of thousands of customers who will buy a home with Chase in 2018 to do so with ease and speed. Our partnership with Roostify has made our digital mortgage process simpler and has reduced the time it takes to refinance by 15%.

Owning a car – Over 1 million customers will buy or lease a car with Chase in 2018, yet many people still don’t think to call us first if they’re buying one. Like getting a home loan, the experience of buying a car can be long and daunting. We think we can reinvent it – making it easier, less expensive and a pleasant experience. Chase Auto Direct, in partnership with TrueCar, is a step in the right direction.

Growing wealth – Our brand promise is to help customers make the most of their money. Our team of bankers and wealth advisors has worked with customers for decades. In 2018, we will introduce new digital tools to help customers invest and trade from their phones, as well as connect them with an advisor when they need one. Unlike other investment apps, ours will have the team of J.P. Morgan advisors and bankers behind it.

Growing businesses – Few banks can help businesses as much as JPMorgan Chase can, from startups

to multinationals. From the beginning, we can offer banking, credit and merchant services along with a business banker. We have developed new products and services that make it easier for our customers to manage and grow their business. Chase Business Quick Capital[®], powered by our partnership with OnDeck, is a great example, offering same-day access to short-term loans. The next step is to expand into new markets and use the power of Chase to help our business customers grow and thrive.

Looking ahead at our ambitions for the year, we are grateful for our leadership position and are ready to do more. As large as we are and as much as we have grown, we know the best days are still to come. We raised our medium-term ROE target to 25%+ from 20%+/-, in part due to the impact of tax reform. With the strength of our products, distribution and brand, we know we can get there.

The first step will be expanding our already sizable technology investment. As a firm, we invest in excess of \$10 billion annually in technology. We have more than 31,000 technologists at the firm in development and engineering jobs; that number has grown over time, and we expect to hire more people in 2018. We have moved a number of our technology teams to an agile structure, allowing them to be closer to the product owners and speeding up time to market. This change has enabled our teams to be 100% focused on their products and on delivering for our customers.

To maintain speed and adaptability, we have to fight the institutional drag that slows big companies down. Bureaucracy is like a virus. As soon

as one strain is inoculated, another appears. In most cases, bureaucracy is driven by good people thinking they're doing the right thing. But when we try to torture a product to perfection, we sacrifice time to market and risk losing customers to someone who can do it better. Jamie has asked Daniel and me to take this on, and we have accepted with pleasure. We are working at cutting unnecessary committees, making meetings more efficient and putting accountability on business owners.

And last, we will expand our retail branches into new communities. This is perhaps the most exciting development for 2018. The heart of our company is our retail branches – more than 1 million customers visit our branches each day. For years, we have been constrained to our current 23-state footprint and unable to expand into major markets such as Washington, D.C., Boston, Philadelphia, Baltimore and the Carolinas. In January 2018, we announced that we plan to open up to 400 branches in

15-20 new markets over the next five years. These markets represent a \$1 trillion deposit opportunity. Our new branches in these markets will lead to nearly 3,000 new jobs and drive economic opportunity for small businesses in those communities.

When we enter these markets, we will do so with the full force of JPMorgan Chase. We will hire. We will lend. And we will help customers achieve milestones, like buying a home or sending a child to college. Our JPMorgan Chase Foundation will support the nonprofits within that area to drive economic growth. We have seen the significant impact we have made in the communities we are in, and we're excited to become an even more relevant part of many more.

I'm always an optimist, but I can honestly say I've never been more optimistic to be a part of this company. We are the largest bank in America, and I don't think we've ever been stronger, more disciplined and more

focused on how we can serve our customers. Thank you for your support of this great company, and I look forward to our best days ahead.



Gordon Smith
Co-President and Chief Operating Officer,
JPMorgan Chase & Co., and
CEO, Consumer & Community Banking

2017 HIGHLIGHTS AND ACCOMPLISHMENTS

- Consumer relationships with nearly half of U.S. households
- #1 most visited banking portal in the U.S. – chase.com
- #1 U.S. co-brand credit card issuer
- #2 jumbo mortgage originator
- #1 in primary bank relationships within our Chase footprint
- #1 in Retail Banking for five years in a row (Kantar TNS)
- #1 in total U.S. credit and debit payments volume
- #3 bank auto lender
- Consumer deposit volume has grown at a rate more than twice the industry average since 2012
- #1 ATM network in the U.S.
- #1 wholly-owned merchant acquirer
- 2017 Bank Brand of the Year (The Harris Poll)
- #1 credit card issuer in the U.S.



Helping Customers in Times of Need

After Hurricane Harvey in Houston, a city where we have served people and businesses for 151 years, we provided more than \$30 million in immediate relief, worked with customers on over \$1.2 billion in loans and mortgages, and waived certain fees. After the storm, we hosted 1,400 Houston area neighbors at community branch events where our employees helped our customers and members of the community.

Corporate & Investment Bank

During 2017, the Corporate & Investment Bank (CIB) maintained its position as the most successful and profitable institution of its kind.

But the seeds of our current strength were planted years ago. As other banks retrenched, cutting back on products and geographies, we chose a different path. We believed that growth would come from being global, having scale and maintaining a complete product offering for clients. Those elements anchored the profitability that enabled us to invest consistently and to sustain our growth, all while improving the client experience.

Staying true to our character and reputation, we also knew we had to be open for business under all market conditions, not just when markets were strong. Whether in Europe, Latin America, Asia or North America, our teams have worked hard, built trust and gained share in recent years.

In 2017, the CIB generated earnings of \$10.8 billion on \$34.5 billion of revenue, resulting in a return on equity (ROE) of 14% that allowed us to continue our pace of investment in our people and technology.

Our CIB franchise also benefits from being part of JPMorgan Chase and collaborating with our firmwide partners: Commercial Banking (CB), Asset & Wealth Management (AWM) and Consumer & Community Banking (CCB).

To cite some examples, CB's universe of more than 20,000 clients has access to the CIB's treasury services and foreign exchange products as a result of the close working relationship they share. On the strength of that relationship, nearly 40% of North America Investment Banking fees were derived from CB clients – a record. Family office clients served by AWM are often interested in investing in the types of transactions the CIB brings to market, and the CCB's relationships with major merchants and businesses generate opportunities as these businesses need to raise capital, seek advisory expertise or require payments services.

Maintaining share, and even growing it, in recent years hasn't been easy. Having scale and expertise across a set of businesses enabled us to sustain profitability under various market conditions. And while we take pride in our standings, we aren't complacent about them.

Each day, our employees know that J.P. Morgan has to earn client business with innovative solutions that tap the appropriate mix of our products. More than ever, that means delivering best-in-class ideas and service through cutting-edge technology.

Providing easy-to-use technology in order to deliver a great client experience will continue to be a major differentiator in the coming years. That's why we are always exploring ways to offer our clients faster, better and simpler ways to do business with us. The banks that don't invest will lose ground and will have a long, difficult catchup process.

Looking ahead, we are implementing a set of simultaneous priorities – a blueprint for investing that runs in parallel tracks across three time horizons. In the immediate period, we are focused on maintaining day-to-day discipline to support organic growth while holding firm on costs and integrating efficiencies.

At the same time, we are planning and preparing for the changing industry conditions that will affect the business over the medium term,

Sustaining Our Lead Across Three Horizons

Maintaining day-to-day discipline

Running a best-in-class business across all dimensions

Optimizing our current model

Improving the way we serve our clients

Transforming for the future

Investing in next-generation capabilities and expanding our global footprint

a period defined as the next two to three years, and the longer term, extending 10 years out. The medium-term investments we're making are already enhancing our ability to serve clients and hold the promise of transforming our business.

Looking five to 10 years out, the pace of technological innovation will only quicken as artificial intelligence, robotics, machine learning, distributed ledgers and big data will all shape our future.

We will continue the prudent expansion of our global footprint. J.P. Morgan has been doing business in China, India, Brazil and countries in Africa for decades. And as global economies grow, we are making judicious decisions that will reaffirm our unique position as the leading global financial institution.

Our efforts to expand our coverage of global clients over the last eight years are paying dividends today. Now, with economic growth taking hold across the globe, these clients have turned to us for services, such as cash management, electronic payments and fraud detection.

On the following pages, I will discuss the CIB's 2017 performance in greater detail, outlining how we intend to prepare for the industry changes that are certain to affect our business over the foreseeable future.

By the numbers: Working for clients

The CIB's revenue was more than \$6 billion higher than its closest competitor, according to industry data provider Coalition.

That financial success is directly tied to how well the CIB delivers for our clients across our businesses. Their success is our success. With the

increasingly competitive environment we inhabit today, we take pride in every client assignment and the number of times they choose us for repeat business.

We kicked off 2017 announcing that J.P. Morgan's Custody & Fund Services business won the largest custody mandate in history. BlackRock is in the process of shifting \$1.3 trillion in assets under management over to our platform, validating the investments we've made and the resources we've added to that business. As the only global custodian with a top Markets franchise, we're confident that scale, technology and seamless execution will continue to draw clients.

Custody & Fund Services built on its momentum, as evidenced by the \$3.9 billion revenue in Securities Services, which was up 9% for the year. Our business has record assets under custody of \$23.5 trillion, which increased by 14% compared with 2016.

Treasury Services, a business that supports clients in their cash management needs and is rolling out its real-time payments capability, also continued to perform well through the year, with revenue rising to \$4.2 billion, an increase of 15% over 2016. As it serves the needs of increasingly global commerce, Treasury Services' state-of-the-art technology is reducing to seconds what once took days.

Turning to investment banking, J.P. Morgan set a record in global Investment Banking fees, \$7.2 billion, including debt underwriting of \$3.6 billion. Measured by market share, in Mergers & Acquisitions (M&A), Equity Capital Markets (ECM) and Debt Capital Markets (DCM), the firm has scored gains since 2015: M&A share rose to 8.6% from 8.4%; ECM was up to 7.1% from 6.9%; and DCM moved to 8.3% from 7.9%.

Our debt underwriting team closed on the largest number of deals in its history, up about 16% over last year. While we witnessed an overall decline in the number of deals over \$1 billion, J.P. Morgan still played a key role in the year's biggest transactions. We served as joint active bookrunner on AT&T's \$22.5 billion bond offering, the third largest of all time, and also served as joint active bookrunner on Amazon's \$16 billion offering to support its acquisition of Whole Foods Market.

J.P. Morgan was also #1 in U.S. initial public offering (IPO) volume and managed the largest number of deals during 2017. Our equity team served as global coordinator or helped to lead more than 40% of the IPOs over \$1 billion in size, including Pirelli at \$2.8 billion, Altice at \$2.1 billion and Netmarble at \$2.3 billion.

Our Global M&A team completed the most M&A deals during the year, 354, and had record post-crisis fees for its advisory work. The firm advised on six of the top M&A announced transactions in North America. One of our more visible roles is our work serving as advisor to The Walt Disney Company on its acquisition of portions of 21st Century Fox, including its film and television studio.

Looking at the Markets business, after an exceptionally strong 2016, J.P. Morgan's 2017 share in Fixed Income, Currencies and Commodities (FICC) decreased marginally to 11.4% from 11.7%. However, offsetting that slight drop, the market share in Equities and Prime rose to 10.3% from the previous year's 10.1% and shared the top ranking for the category.

We are particularly proud of progress in Prime Services. We have a competitive and complete platform,

and we grew global prime balances by 28% last year while increasing market share to 13.8% from 11.3% since 2015.

The CIB's Global Research team also continued to rank #1 worldwide and across a broad range of equity and debt market categories, providing clients with actionable insights on the markets. The regularity with which our analysts top the rankings is a remarkable achievement. As Markets in Financial Instruments Directive regulations take on a greater impact, quality research will continue to set us apart.

Our fintech future

The CIB is an investment bank, but financial technology forms the bank's backbone. As part of JPMorgan Chase, the CIB benefits from being part of a firm that draws on the expertise of nearly 50,000 technologists and a 2017 technology budget that amounted to \$9.5 billion. But to underscore the firm's overall commitment, this year's technology budget totals \$10.8 billion, with more than \$5 billion earmarked for new investments.

Over the last several years, I have mentioned in my annual letter J.P. Morgan's commitment to embracing technology. Being creative requires a willingness to take risks. As part of our technology culture, experimentation and failure are okay – it is encouraged, in fact, in order to achieve breakthroughs.

It was only a few years ago that programmers and technology graduates seemed reluctant to build their careers in banks; that's not the case at J.P. Morgan. Nearly 30% of our recent senior hires in technology came from non-financial services firms, and they're working on find-

ing solutions to some of the most complex issues in the field.

The divide between the front office and the back office is no more. Our technologists and our product people work side by side, in the same rooms and at the same tables. They're fully assimilated. That way, the teams are able to work in tandem to build the next-generation systems best targeted to meet the needs of our clients and the business.

In the age of smartphones, when people only need an app in order to trade, our mission is to make it possible for clients to trade and interact with us easily and in whatever way they choose. If they want to access our top-rated research or conduct business with us, we want them to have the freedom to choose the option they prefer – whether it's in person or by telephone, website, mobile app, online trading platform or third party.

On the strength of its scale and technology, J.P. Morgan processes \$5 trillion in payments and trades billions of dollars electronically every day. In equities, nearly 100% of the tickets are handled electronically, representing 89% of notional volume. The macro desk, primarily foreign exchange, handles 97% of its tickets electronically, corresponding to 46% of its volume.

We have assembled talented teams to drive innovation in artificial intelligence, blockchain technology, big data, machine learning and bots, with the objectives of improving our efficiency and enabling us to serve more clients with greater effectiveness, depth and sophistication. As a result, many of our initiatives are already showing promise in terms of charting their future expansion and application.

We're piloting several ventures to test the viability of technology in real-world situations. Late in 2017, J.P. Morgan's Treasury Services and its Blockchain Center of Excellence launched a payment network powered by distributed ledger technology in partnership with the Royal Bank of Canada and the Australia and New Zealand Banking Group. Called the Interbank Information Network, the pilot's objective is to use blockchain technology to process bank-to-bank transactions faster, alleviating situations where payments get held up due to mismatched information.

Because our people are our greatest strength, we value technology as a tool to enhance their ability to provide the best-in-class ideas and solutions that our clients expect from us.

Sustainability

Before I close, I want to highlight what the CIB, along with the overall JPMorgan Chase organization, is doing to further a sustainable environment. On behalf of the entire organization, I have been asked to champion our sustainability efforts. It's an issue that is important to me and is one that our employees care about deeply as well. Employees want to work for an organization they can be proud of and that shares their values. Through our sustainability initiatives, the firm is demonstrating its commitment to those shared concerns and is taking action.

In 2017, the Operating Committee ramped up our firmwide sustainability efforts in a big way. Over the next three years, JPMorgan Chase intends to become 100% reliant on renewable power. In our own workspace, we are executing several strategies to increase our energy efficiency. We are installing building management

systems and are in the process of retrofitting 4,500 Chase branches with LED lighting as part of the world's largest LED lighting installation. We will also produce power for some of our own buildings by developing on-site solar power generation. We expect that these measures will reduce total power consumption by 15%.

Using the firm's expertise in the renewable power sector also enables us to support the development of renewable projects – and advances our goal of 100% reliance on renewable power – in other substantive ways. One example is the Buckthorn wind farm, a 100-megawatt project in Texas that came online last December. More than half of the wind farm's output will be purchased by our Global Real Estate team and the remainder by our Commodities team. This is good for the environment and good for business.

In our effort to finance green initiatives, we've raised the stakes, committing \$200 billion for such projects by 2025. From 2016 to year-end 2017, we reached \$60.6 billion cumulatively toward that goal. The company plans to increase its recycling efforts and to pioneer the use of greener materials in its products and processes.

We've also continued our leading role as an underwriter of green bonds. In 2017, Apple Inc. raised \$1 billion using green bonds – the second green bond Apple has issued with J.P. Morgan as an active bookrunner.

In addition, J.P. Morgan led some of the largest clean energy transactions, such as serving as financial advisor to Enbridge on its C\$2.1 billion partnership with EnBW on the Hohe See and Albatros offshore wind farms in the North Sea. J.P. Morgan also was a bookrunner for energy company Iberdrola's first issue of green hybrid bonds on the euromarket, valued at €1 billion. The proceeds will be used to refinance investments in various renewable projects in the United Kingdom.

Closing

The CIB has had another successful year, gaining share and generating healthy profits by remaining intently focused on serving our clients and benefiting from our scale, breadth and global reach.

J.P. Morgan is known for being a place where people want to work, where we can attract and retain the best talent, where their work is recognized and where the culture is collaborative. That is critical to our

ongoing success. I, along with the entire CIB management team, appreciate the dedication, enthusiasm and intelligence our employees bring with them every day.

Finally, on a personal note, I'd like to express my gratitude to my partners on the Operating Committee. The collaboration that exists throughout the firm is the foundation that supports our strength year after year.



Daniel Pinto
Co-President and Chief Operating Officer, JPMorgan Chase & Co., and CEO, Corporate & Investment Bank

2017 HIGHLIGHTS AND ACCOMPLISHMENTS

- The CIB had earnings of \$10.8 billion on \$34.5 billion of revenue, producing a best-in-class ROE of 14%.
- We retained our #1 ranking in global Investment Banking fees with an 8.1% market share, according to Dealogic.
- Debt Capital Markets was #1 in closing deals, setting a record for the highest number of deals book-run in the firm's history.
- Equity Capital Markets was #1 in U.S. IPO volume and in the number of deals.
- M&A was #1 in the number of deals completed: 354.
- The CIB continued investing in technology to offer clients a broader array of trading platforms while making it easier and faster to trade with us.
- *Institutional Investor* magazine's survey of large investors ranked J.P. Morgan as the #1 Global Research Firm. Across individual categories, J.P. Morgan ranked #1 in All-America Fixed Income Research and All-Europe Fixed Income Research. It also ranked #1 in All-America Equity Research and ranked #2 in Emerging Markets.
- Treasury Services revenue rose to \$4.2 billion, an increase of 15% over 2016, and continued momentum in Custody & Fund Services drove 9% growth in Securities Services revenue for the year.
- Custody & Fund Services had a record \$23.5 trillion in assets under custody while also achieving the highest ever client satisfaction and retention levels.

Commercial Banking

Commercial Banking (CB) is the nexus of everything we do at JPMorgan Chase. The hard work of our dedicated team, along with the unmatched capabilities across our firm, allows us to build deep, lasting relationships with so many great companies. We are incredibly proud of the role we play in the success of our clients, and we are grateful every day for the confidence they place in us.

One such success story is siggi's yogurt (siggi's), celebrated as the fastest-growing national yogurt brand in 2017. What started as selling his unique recipe out of coolers at local outdoor markets in New York, founder Siggi Hilmarsson quickly turned his humble operation into a thriving business. Up until 2016, Siggi and his team had fully funded the company on their own, but when their growth accelerated, we worked with them to deliver their first bank credit facility. As Siggi shaped the company's plans for the future, we provided differentiated industry advice, and in 2017, we were selected to advise siggi's on the sale of the company – the capstone transaction for an incredible brand and business. At every step, we were delighted to support Siggi's passion to share his native Icelandic recipe with households around the country.

Our dedication to clients, like siggi's, continues to drive our strategy and how we do business in CB. I'm excited to share highlights of our 2017 performance, the investments we are making to deliver more value to our clients and the steps we are taking to reach our full potential.

2017 performance

With strong momentum across all of our businesses and continued focus on executing our strategic priorities,

CB delivered record financial results for 2017, earning \$3.5 billion of net income on revenue of \$8.6 billion. We achieved a notable return on equity of 17% and an industry-leading overhead ratio of 39%, even while making significant investments across the business.

Higher interest rates, disciplined loan growth and outstanding credit quality all contributed to our record performance. We ended the year with record loan balances across our Commercial & Industrial and Commercial Real Estate (CRE) businesses, up \$15 billion or 8% from the prior year. Staying true to our proven underwriting standards, we have remained highly selective in growing our loan portfolio – 2017 marked the sixth straight year of net charge-offs of less than 10 basis points. This ongoing discipline is especially important given the late stages of the current economic cycle and competitive pressures in the market.

These record results reflect our sustained investment, the incredible effort of the CB team and their continued focus on our clients. We are committed to building upon these great milestones and see tremendous potential across our franchise.

Executing our long-term, organic growth strategy

Our strategy to grow CB remains consistent year after year: Add great clients and work hard to deepen those relationships over time by delivering valuable solutions to help them succeed. We have been steadily investing in the business, taking a long-term disciplined approach. Since 2010, we have expanded into 33 new cities and added more than 800 bankers, helping us achieve sustained organic growth across our business.

Expanding into new markets

Being able to deliver the broad-based capabilities of JPMorgan Chase at a very local level is a key competitive advantage. In 2017, we added client coverage in six new high-potential markets and now have dedicated teams in all of the top 50 metropolitan statistical areas. We look forward to growing our business in these terrific locations and expanding into additional communities in the future.

Investing in our team

Our success depends 100% on our people. As such, we are making significant investments in our training and development capabilities, all focused on providing our bankers with the deep expertise they need to best serve our clients. In 2017, we hired more than 100 bankers to support the growth and expansion of our business, and we expect to add more great bankers in the coming year.

Delivering value to our clients

Expansion is only one part of our growth strategy – deepening our relationships with our clients is equally important. Given the breadth of our capabilities, we can support the needs of businesses of all sizes – fast-growing companies, like siggi's, as well as large, multinational corporations.

With the quality of our team, differentiated advice, and ability to deliver a full range of solutions locally, not many other banks can serve clients the way we can. In 2017, our clients had more than \$135 billion in assets managed by our leading Asset & Wealth Management business, generated nearly 40% of all North America Investment Banking (IB) fees for the Corporate & Investment Bank (CIB), and made over 13 million transactions in our branches.

Smart growth in our CRE business

We have been building a CRE business that will stand the test of time. Although we are in the late stages of the real estate cycle, market conditions for our targeted asset classes remain strong, and we were able to grow our CRE loan portfolio by \$12 billion in 2017. Importantly, maintaining our strict underwriting standards and conservative approach, we are focusing only on the loans and markets we know best. If we can stay true to these fundamentals, we believe we can continue to selectively grow our real estate loan balances.

Innovating across CB

Complementing our investments to drive growth in our business, we are working to bring new technologies and innovation to transform how we interact with our clients. Our approach to innovation is anchored on having a full understanding of the identified, as well as unidentified, needs of our clients. Over 99% of companies in the U.S. are small to mid-sized businesses. We know they

have unique behaviors and concerns. They tell us they don't feel in control. Small business owners and their teams can be stretched, and they struggle with forecasting, collecting receivables and managing vendors. To help, this past year we increased our payments, technology and digital investments and put more capital and resources into delivering real solutions to these challenges.

Digital

In 2017, we partnered with Consumer & Community Banking to launch a new digital platform, Chase Connect, that is tailored to meet the needs of small and mid-sized companies. This platform provides our clients with a simple and convenient experience, integrating account information, payables and receivables. Chase Connect allows clients to see all of their accounts in one place, stay organized when paying bills, view payment history, approve transactions quickly and easily from one location, and receive customized account alerts. We are focused on having the best

integrated, digital capabilities for clients and will continue to invest in enhancing the functionality of this robust platform.

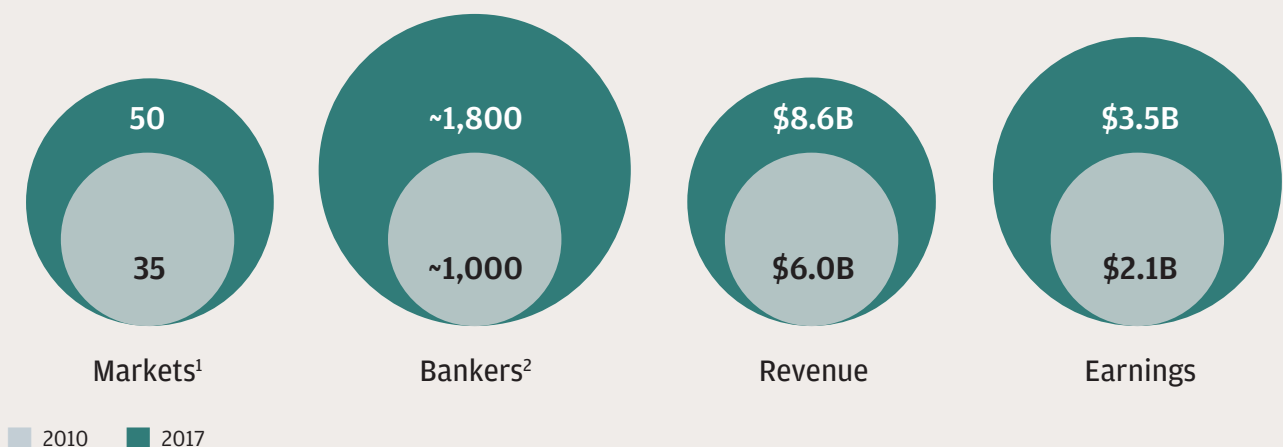
Payments

Recognizing that managing payments is a major pain point for our clients, we completed a comprehensive analysis to determine a digital solution. In 2017, we announced our investment in and partnership with Bill.com, the largest digital business-to-business payments network in the U.S. Seamlessly integrated into Chase Connect, this new automated payments capability will enable our clients to easily send and receive electronic invoices and payments, saving them substantial time and effort. We are very excited about this innovative solution and look forward to bringing this functionality to our clients in 2018.

Client experience

In addition to offering new capabilities, we are making great progress in re-engineering our core processes to

Sustained Growth Across Commercial Banking



¹ Number of Metropolitan Statistical Areas (MSAs) with Middle Market Banking presence out of top 50 MSAs

² Based on total count of client-facing employees

B = Billion

make it easier for clients to do business with us. For example, we are working to streamline and digitize the onboarding process to ensure that our clients' first experience with JPMorgan Chase is simple and transparent. Through these efforts, clients will be able to provide information electronically, e-sign and upload documents digitally, and receive real-time support via online chat capabilities. Clients are at the center of everything we do, and our work to deliver more value and an exceptional experience has no finish line.

Looking forward

While we celebrate CB's record 2017, we do not take our performance for

granted. We understand that complacency and standing still in any way will threaten the future success of our business. As such, we remain focused on building upon our franchise to provide even more support to our clients. By combining the core strength of our business with new technologies and innovation, we believe we can further extend our competitive advantages.

I want to thank all of our great clients, like siggi's, for the trust and confidence they place in JPMorgan Chase. I also want to thank the entire CB team for their continued dedication to our clients and their communities. I am excited about the direction of the business for 2018 and beyond.



Douglas Petno
CEO, Commercial Banking

2017 HIGHLIGHTS AND ACCOMPLISHMENTS

Performance highlights

- Delivered record revenue of \$8.6 billion
- Grew end-of-period loans 8%; 30 consecutive quarters of loan growth
- Generated return on equity of 17% on \$20 billion of allocated capital
- Continued superior credit quality – net charge-off ratio of 0.02%

Leadership positions

- #1 U.S. multifamily lender¹
- #1 in overall satisfaction, perceived satisfaction, customer relationships and transactions/payments processing – *CFO* magazine's Commercial Banking Survey, 2017
- Top 3 in Overall Middle Market, Large Middle Market and Asset Based Lending Bookrunner²

- Winner of 2017 Greenwich Best Brand Awards in Middle Market Banking – overall, loans/lines of credit, cash management, international products/services and investment banking
- Winner of 2017 Greenwich Excellence Awards in Middle Market Banking: international capabilities, cash management online banking functionality, cash management mobile banking functionality

Business segment highlights

- Middle Market Banking – Record gross Investment Banking revenue³; added eight new offices
- Corporate Client Banking – Record revenue, with average loans up 10% from prior year
- Commercial Term Lending – Record average loans; completed rollout of Commercial Real Estate Origination System for MFL business

- Real Estate Banking – Record revenue, with average loans up 27% from the prior year
- Community Development Banking – Record New Market Tax Credit equity investment production of \$1.2 billion – Financed more than 9,000 units of affordable housing in 70+ cities through construction lending commitments of over \$1 billion

Firmwide contribution

- Commercial Banking clients accounted for 38% of total North America Investment Banking fees⁴
- Over \$135 billion in assets under management from Commercial Banking clients, generating more than \$475 million in investment management revenue
- \$479 million in Card Services revenue⁵
- \$3.4 billion in Treasury Services revenue

Progress in key growth areas

- Middle Market expansion – Record revenue of \$519 million; 18% CAGR since 2012
- Investment Banking – Record gross revenue of \$2.3 billion³; 8% CAGR since 2012
- International Banking – Revenue⁵ of \$323 million; 8% CAGR since 2012

¹ Rank based on S&P Global Market Intelligence as of 12/31/17

² Thomson Reuters LPC, FY17

³ Investment Banking and Card Services revenue represents gross revenue generated by CB clients

⁴ Represents the percentage of CIB's North America IB fees generated by CB clients, excluding fees from fixed income and equity markets, which is included in CB gross IB revenue

⁵ Non-U.S. revenue from U.S. multinational clients

CAGR = Compound annual growth rate
MFL = Multifamily lending

Asset & Wealth Management

J.P. Morgan Asset & Wealth Management (AWM) has been a fiduciary of client assets for nearly two centuries, with our roots dating back to the earliest cross-border fund managers in the industry. Over these many decades, we have managed the assets of institutions, central banks, sovereign wealth funds and individuals, helping them navigate their assets from the beginning stages of cash management all the way through complex multi-generational portfolios.

Our breadth of experience, through economic and geopolitical cycles, gives us the insights to help clients make smart, long-term investment decisions. It also gives our portfolio managers and advisors the perspective and fortitude to remain disciplined risk managers and opportunistic risk takers in today's ever-evolving market environment.

Today, while the fundamentals of managing money still require having the best investment minds, they must be coupled with major investments in technology. This enables more comprehensive analysis of enormous data sets, faster and more optimal execution in portfolios, and seamless delivery of all that we do in both human and digital form. The global size and scale of AWM, as well as its connectivity with JPMorgan Chase's broader technology expertise, continue to be competitive advantages for our teams, our clients and our shareholders.

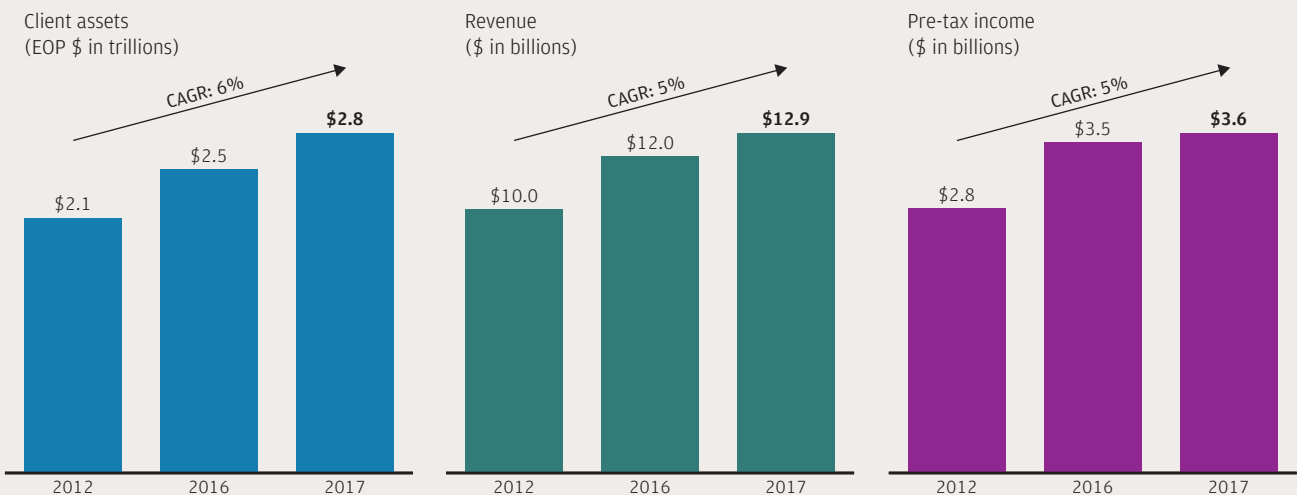
A record year for AWM

For investors in JPMorgan Chase, AWM continues to be a consistent revenue and earnings growth contributor to the company, with a very strong return on shareholder capital.

AWM's total client assets in 2017 grew to a record \$2.8 trillion, with revenue of \$12.9 billion and pre-tax income of \$3.6 billion also hitting their highest levels ever. However, the consistent growth trajectory those numbers represent is just as important. From 2012 to 2017, we achieved a 6% compound annual growth rate (CAGR) for client assets and a 5% CAGR for both revenue and pre-tax income.

Rising client assets is a critical indicator because it tells us that clients continue to entrust even more of their capital with us every year. In 2017, clients entrusted us with an additional \$84 billion of long-term assets – or \$1 billion to \$2 billion of incoming money every week. We have increased net new assets every year since 2004, with \$388 billion coming over the past five years.

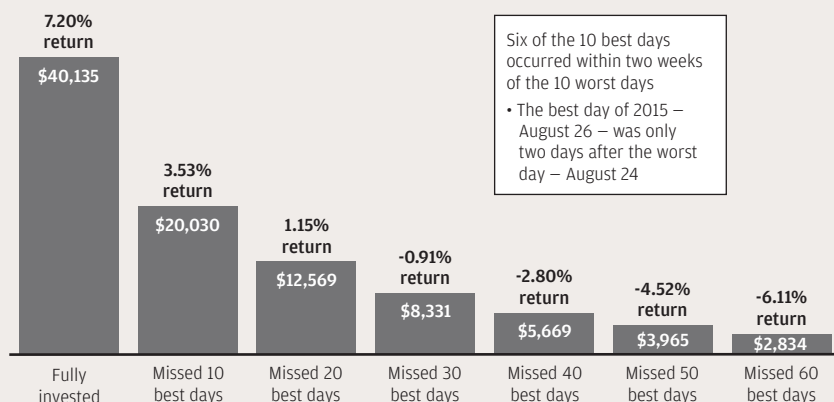
Continued Strong Financial Performance in 2017



CAGR = Compound annual growth rate
EOP = End of period

Returns of S&P 500

Performance of a \$10,000 investment between January 2, 1998 and December 29, 2017



Source: Prepared by J.P. Morgan Asset Management using data from Bloomberg. Returns based on the S&P 500 Total Return Index. For illustrative purposes only. Past performance is not indicative of future returns

The primary reason clients turn to J.P. Morgan to manage their assets is because of our strong and consistent investment performance. In 2017, 86% of our long-term mutual fund assets under management outperformed the peer median in the 10-year period, including 87% for equity, 81% for fixed income, and 90% for multi-asset solutions and alternatives.

Covering the full spectrum of clients

AWM delivers investment advisory expertise to clients across the firm, ranging from Chase customers investing their first \$100 to the world's wealthiest individuals and families. We also manage the portfolios of many of the largest sovereign wealth funds, pension funds and central banks in the world.

Across the Wealth Management business, in addition to investments, we help clients with their banking needs. This ranges from cash deposits to loans across many areas from real estate to investment capital for a new business. The deposit base of these private clients has grown consistently over the past five years, achieving a 10%

CAGR and reaching nearly \$300 billion. On the lending side, year-end spot balances of \$134 billion represent a 9% CAGR over the past five years. This was accomplished with a well-managed risk profile, resulting in strong and consistent credit performance, and low charge-offs of less than 10 basis points over a cycle.

In addition to traditional investing and banking, AWM has developed a full suite of solutions to meet the complexity of our clients' needs – from alternative investments to trust and estate planning to philanthropic advice. Our platform is among the most comprehensive in the industry, enabling us to serve clients across both sides of their balance sheet and to offer insights and expertise into virtually every area of their financial life.

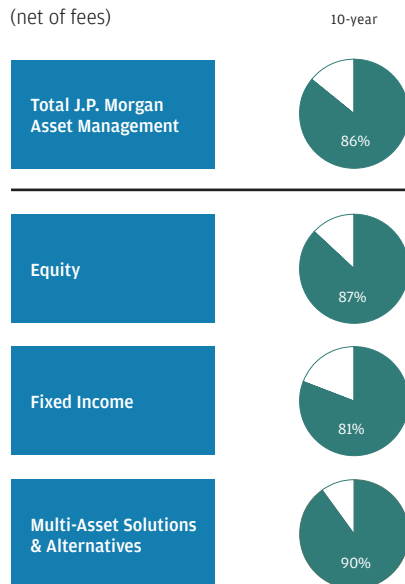
As wealth grows around the world, we continue to hire advisors to deliver J.P. Morgan's capabilities to more clients. We expect to hire in excess of 1,000 advisors over the coming years to expand in both new and existing markets. Our extensive experience in hiring and training has led our advisor productivity to rank among the top in the industry.

An increasingly digital world

Our clients' needs and behaviors are changing – and we are changing along with them.

% of J.P. Morgan Asset Management Long-Term Mutual Fund AUM Over the Peer Median¹

(net of fees)



¹ For footnoted information, refer to slide 98 in the 2018 JPMorgan Chase Strategic Update presentation, which is available on JPMorgan Chase & Co.'s website (https://www.jpmorganchase.com/corporate/investor-relations/document/3cea4108_strategic_update.pdf), under the heading Investor Relations, Events & Presentations, JPMorgan Chase 2018 Investor Day, and on Form 8-K as furnished to the SEC on February 27, 2018, which is available on the SEC's website (www.sec.gov)

Last year, we formed a new business, Intelligent Digital Solutions (IDS), to help drive our efforts around digital transformation and big data. This group is unifying and optimizing our use of data analytics to transform how we apply these added insights efficiently and effectively in managing portfolios. IDS also is helping us digitize everything we do to make it easier for clients to gain 24/7 access to our investment ideas, insights and execution.

Additionally, we are building a digital wealth offering that provides clients access to proprietary tools that can complement their personal relationship with an advisor or be used when they want to interact with us entirely online. Ultimately, we want to be at the intersection of human and digitally enhanced advice.

Simplify for growth

Our goal is not to be the biggest asset manager but rather to be the best at what we do. Knowing that what has made us successful in the past will not necessarily be sustainable or sufficient

for the future, we relentlessly challenge ourselves to focus on the products and services that are most important to clients and in which we have a competitive advantage.

We bring equal parts innovation and introspection in evaluating where to place our extra investment dollars and resources to ensure we have a differentiated offering. Last year, we launched more than 70 new fund strategies to our platform, a third of which are in our Beta Strategies lineup.

At the same time, if we aren't convinced we have a long-lasting advantage, we realign those resources to areas in which we do. In 2017, we liquidated or merged more than 70 funds and implemented significant fee reductions on 58 different funds across 235 share classes.

Above all, first-class business in a first-class way

I am proud of what we have delivered for our shareholders and clients and am even more excited about the investments we are

making to position ourselves for the future. We have been working for two centuries as stewards of our clients' wealth to continuously refine what we do and how we do it. We remain committed to delivering first-class business and that in a first-class way.



Mary Callahan Erdoes
CEO, Asset & Wealth Management

2017 HIGHLIGHTS AND ACCOMPLISHMENTS

Business highlights

- Fiduciary mindset ingrained since mid-1800s
- Positive client asset flows every year since 2004
- Record revenue of \$12.9 billion
- Record pre-tax income of \$3.6 billion
- Record \$2.8 trillion in client assets

- Record average loan balances of \$123 billion
- Record average mortgage balances of \$37 billion
- Retention rate of 98% for top senior portfolio management talent

Leadership positions

- #1 Private Bank Overall in North America (*Euromoney*, February 2018)

- #1 Private Bank Overall in Latin America (*Euromoney*, February 2018)

- Best Private Bank in Asia for Ultra-High-Net-Worth (*The Asset*, July 2017)

- Best Asset Management Company in Asia (*The Asset*, May 2017)

- Top Pan-European Fund Management Firm (Thomson Reuters Extel, June 2017)

- Best New Alternatives ETF and Best New Active ETF (ETF.com, March 2017)

- IT Team of the Year (*Banking Technology* magazine, December 2017)

- Social Media Leader of the Year (Fund Intelligence, March 2017)

Corporate Responsibility

One reason for JPMorgan Chase's enduring success is that we have always recognized that businesses operate within the context of their communities – and when our communities thrive, our business thrives.

Despite so much progress and so many economic gains, we know that many are still struggling. Millions in our communities and throughout the world live daily with economic uncertainty, just one unexpected expense from the financial edge.

sector must step up and do more to ensure that everyone shares in the rewards of a growing economy.

That is precisely what JPMorgan Chase is doing. Through our model for driving inclusive growth, we are undertaking significant, long-term initiatives and are making strategic investments focused in areas where we can draw on our firm's resources and capabilities to have the greatest impact: building skills for today's high-quality jobs, expanding small

underserved neighborhoods. Our commitments to these cities are based on the successful approach we developed and refined through our firm's \$150 million investment in Detroit's economic recovery, which *Fortune* magazine cited in naming us #1 on its list of companies that are changing the world.

At JPMorgan Chase, we view it as a firmwide objective to be a positive force in society and to help solve today's biggest challenges. We are deeply proud of the ways we are making a real difference in people's lives through our strategic philanthropic investments, but this is just one example of how we are stepping up. Across our firm, we are leveraging our resources, capabilities and core business to, in short, invest in opportunity – something we know will pay dividends not only for our communities but for our firm as well.

“
At JPMorgan Chase, we view it as a firmwide objective to be a positive force in society and to help solve today's biggest challenges.
”

Young people entering the labor market are finding themselves stuck in low-skill, low-wage jobs or worse, entirely disconnected from employment, education or training. When so many are left behind, we all feel the consequences: It sows division, erodes trust in our institutions and undermines confidence in our systems. We all have a stake in creating more widely shared prosperity.

Economic growth fuels economic opportunity, so the momentum we are seeing in economies around the world should be unequivocally heralded as good news. Yet it is not preordained that an expanding economy automatically translates into greater opportunity for all. Rather, it requires deliberate action and meaningful collaboration. Government and the nonprofit sector will continue to play vital roles, but the private

businesses, revitalizing neighborhoods and promoting financial health.

Our firm's model is yielding real results – so we are scaling it with a 40% increase in our annual community investments. Whether times are good or tough, our firm has always supported our communities, but the strong and sustained performance of our company, recent changes to the U.S. corporate tax system, and a more constructive regulatory and business environment are enabling us to do even more. The net result is that JPMorgan Chase will invest a total of \$1.75 billion over the next five years to help drive inclusive economic growth in local communities.

In 2017, for example, we announced comprehensive, multi-year initiatives to expand opportunity for the residents of Chicago's South and West sides and Washington, D.C.'s



A stylized, handwritten signature in black ink.

Peter L. Scher
Head of Corporate Responsibility and
Chairman of the Mid-Atlantic Region

Investing in opportunity

JPMorgan Chase believes there is a pressing need to expand access to opportunity and help more people move up the economic ladder. Through our proven model for driving inclusive growth, we are taking a strategic, data-driven approach to doing just that.

Our efforts are focused on what our experience has shown are universal pillars of opportunity, and we are undertaking significant, long-term global initiatives that directly leverage our firm's worldwide presence, expertise and resources.

Extending our model for impact

We refined this model through our work in Detroit, where, in 2014, we launched our most comprehensive initiative to date. Combining philanthropic investments and our core business expertise, we have been working to address some of Detroit's biggest economic challenges, from catalyzing commercial development and boosting small business growth to revitalizing neighborhoods and equipping Detroiters with the skills to secure well-paying jobs.

Meaningful collaboration among the city's leaders, business community and nonprofit sector has been the fundamental driver of the progress we are seeing to date and has allowed us to accelerate our initial investment. In just three years, and two years ahead of schedule, we exceeded our initial \$100 million commitment and now expect to invest \$150 million in the city by 2019.

Our comprehensive efforts in Detroit have yielded important insights, which we are turning into action in other communities that are facing similar challenges. In 2017, we extended our model for impact to Chicago and Washington, D.C. Our comprehensive, multimillion-dollar commitment to each city will focus on driving inclusive growth in underserved neighborhoods, where economic opportunity is increasingly out of reach.



Advancing sustainability for our clients and within our operations

As a company with clients and operations around the world, JPMorgan Chase is in a unique position to leverage our expertise to promote sustainable business practices and help clients capitalize on opportunities arising from the transition to a more sustainable global economy.

While JPMorgan Chase has a long-standing commitment to protect the environment and advance sustainability for our clients and within our own operations, we recognize that today's challenges call for an even greater commitment.



In 2017, we pledged to source renewable energy for 100% of our global power needs by 2020. JPMorgan Chase has offices and operations in over 60 countries across more than 5,500 properties, covering nearly 75 million square feet. To increase energy efficiency, we are retrofitting our branches with the world's largest LED lighting installation – a total of 1.4 million new lightbulbs. This move is likely to cut our lighting energy consumption in half, which is the equivalent of taking 27,000 cars off the road.

We are also developing an on-site solar installation at the firm's largest single-tenant office. This will comprise up to 20 megawatts of capacity, which is enough to power the equivalent of 3,280 homes. Additionally, we are supporting the development of new renewable assets by contracting for long-term power off-take from wind and solar projects on the grids from which JPMorgan Chase purchases power. As a first step, we are purchasing power from the Buckthorn wind farm, a 100-megawatt project in Erath County, Texas.

Finally, as one of the largest financiers of energy in the world, we pledged to facilitate \$200 billion in clean financing through 2025. Through this commitment, JPMorgan Chase

will help scale the impact of sustainability efforts among more than 20,000 corporate and investor clients in the U.S. and across the world.

The size, scope and global reach of our firm allow us to take on big challenges and to drive progress that few can match.

Harnessing the power of data

Delivering data and analyses is central to our model for impact. The JPMorgan Chase Institute is harnessing the scale and scope of one of the world's leading financial firms to better understand the economy. Its mission is to help policymakers, businesses and nonprofit leaders use better facts, timely data and thoughtful analysis to make smarter decisions to advance prosperity. Drawing on JPMorgan Chase's unique proprietary data, expertise and market access, the Institute frames and provides analysis of the most critical economic challenges of our time.

In 2017, the Institute shared important insights and thoughtful analyses on:

- U.S. household expense volatility, particularly in the wake of extraordinary medical payments;
- A first-of-its-kind look into out-of-pocket healthcare spending by U.S. consumers with a high frequency view at the state, metro and county level;
- The gender gap in financial outcomes and lasting impacts of major medical payments;
- The burden and dynamics of health insurance premium payments for small business owners;
- The challenges that U.S. small businesses face in managing payroll growth and volatility;
- Resident access to everyday goods and services in Detroit and New York City;
- A full year of the Local Consumer Commerce Index, measuring consumer spending growth within and across 14 U.S. cities each month;
- How an anticipated drop in mortgage payments, resulting from lower interest rates, impacted household consumption; and
- The impact of payment and principal reduction on default and consumption provided by mortgage modifications.

2017 HIGHLIGHTS AND ACCOMPLISHMENTS

FORTUNE RANKS JPMORGAN CHASE #1 ON “CHANGE THE WORLD” LIST

“Thanks to Detroit, the bank is confident that this full-court-press approach is a blueprint that could work across the country – and in the next few months, they’ll be taking components of the Motown model nationwide.”

Excerpted from “How JPMorgan Chase Is Fueling Detroit’s Revival,” *Fortune* (September 15, 2017)



launch of innovative workforce and career pathway tools such as the Good Jobs Index, BankingOnMyCareer.com and Credential Engine.

- Underwrote \$13.5 billion in green bonds and bonds with a sustainable use of proceeds.
- In 2017, provided \$1.2 billion for wind and solar projects in the U.S. Since 2003, JPMorgan Chase has committed or arranged over \$18 billion in financing for wind, solar and geothermal energy projects in the U.S.

- JPMorgan Chase’s investment in Detroit is yielding real results. To date, we have deployed \$117 million in loans and grants to accelerate the city’s economic recovery. This investment is allowing more than 15,000 adults and young people to receive skills training for in-demand jobs; supporting development projects that have created or preserved over 900 jobs, more than 1,300 housing units and over 177,000 square feet of commercial space; and providing more than 2,200 entrepreneurs with technical assistance and access to capital, creating or maintaining more than 1,100 jobs.
- Scaling innovative, high-impact models to create opportunity for more people:

includes academic support, mentoring and leadership development at a critical juncture in their lives. One hundred percent of TFI Fellows are graduating from high school, and, collectively, they have been accepted into more than 200 colleges and universities across the country.



- Expanded the Entrepreneurs of Color (EOC) Fund to the South Bronx in New York City and San Francisco. We first launched the EOC Fund in Detroit in 2015 to provide underserved entrepreneurs with greater access to capital and assistance needed to grow and thrive. To date, the fund has lent or approved nearly \$4.7 million to more than 45 minority-owned small businesses, resulting in over 600 new or preserved jobs.

- Expanded innovative apprenticeship models and career-focused programs that equip high school students with the skills and education they need to pursue well-paying, long-term careers through the launch of New Skills for Youth innovation sites in New York City’s South Bronx and across three provinces in South Africa and four provinces in China.

- Announced eight financial services innovators as winners of the third competition of the Financial Solutions Lab (FinLab), which is focused on improving the financial health of overlooked populations. To date, FinLab has supported 26 fintech companies offering innovative financial products to help more than 2.5 million Americans improve their financial health. Collectively, these companies have raised over \$250 million in capital since joining the program. More than 100 JPMorgan Chase employees have provided mentorship to the companies as part of the Lab.



- Engaging our employees:
 - We are putting the knowledge and expertise of our people to work for our communities. In 2017, 56,000 of our employees volunteered more than 383,000 hours of their time. And through the JPMorgan Chase Service Corps, a program that leverages the energy and skills of top talent to assist nonprofit partners, nearly 80 employee volunteers from offices in more than a dozen countries have contributed over 11,500 hours to help 20 organizations address critical needs.
 - We are committed to supporting the communities where we work and live in their time of greatest need. In 2017, in the wake of an unprecedented number of natural disasters, our firm and employees donated \$7.8 million to assist disaster relief efforts around the world.



- Expanded The Fellowship Initiative (TFI) to Dallas and recruited new classes of Fellows in Chicago, Los Angeles and New York City. This program seeks to address barriers to opportunity for young men of color and to position them for success by engaging them in comprehensive training that

- In the United Kingdom, we received the Queen’s Award for Enterprise for Promoting Opportunity for the firm’s Aspiring Professionals Program, which exposes young people from low-income backgrounds in London to new career opportunities.
- Engaged more than 1,800 young people in summer jobs and other work-related experiences in 19 cities across the U.S.
- Invested more than \$43 million in 164 job training and career education initiatives in 35 countries around the world – including in Mexico, the Philippines and the United Kingdom – to prepare people with the skills they need to be successful in growing industries.
- Increased labor market transparency and efficiency through the development and