



GLOBAL STRENGTH:  
AT WORK IN CITIES

JPMORGAN CHASE & Co.  
CORPORATE RESPONSIBILITY 2014

## SUPPORTING SMALL BUSINESS DEVELOPMENT



Provided \$19 billion in new credit to U.S. small businesses

Ranked as the U.S. Small Business Administration's #1 lender by units to women- and minority-owned businesses for the third consecutive year

#1



\$30M



Launched Small Business Forward, a \$30 million, five-year commitment to support small business clusters that support entrepreneurs

## DEVELOPING LOCAL ECONOMIES AND COMMUNITIES

Provided \$2.6 billion to low- and moderate-income communities through our community development lending and equity investments



Committed \$100 million over five years to accelerate Detroit's economic recovery



Implemented the first year of the firm's \$250 million, five-year initiative to strengthen local workforce systems globally

\$250M



Added eight new cities to the Brookings-JPMorgan Chase Global Cities Exchange, which helps cities grow trade and investment, for a total of 28 U.S. cities

# 2014 HIGHLIGHTS

## HONORING U.S. MILITARY AND VETERANS



8,200

Hired more than 8,200 veterans since 2011 and continued our leadership of the 100,000 Jobs Mission



Deployed the first \$8 million of our \$20 million, five-year commitment to help U.S. military veterans develop job skills, complete college and find stable housing

## STRENGTHENING FINANCIAL CAPABILITY

Launched the Financial Solutions Lab, a \$30 million initiative to identify promising innovations to help Americans increase savings, improve credit and build assets



Committed \$35 million over two years to support and expand proven financial capability programs with nonprofits globally

\$35M



## PROMOTING SUSTAINABLE INVESTMENT

Underwrote more than \$2.2 billion in green bonds - debt issuances where proceeds are directed toward environmentally beneficial or climate-friendly purposes

Provided founding sponsorship of NatureVest, an initiative of The Nature Conservancy to attract investment capital to conservation

\$5M

Invested \$5 million in a joint investment with the U.K. government in Novastar Ventures to develop businesses that provide essential basic services in East Africa



## INCREASING TRANSPARENCY WITH STAKEHOLDERS

Published "How We Do Business - The Report," which describes the company's business practices and standards and details investments to strengthen our control environment



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Released an Environmental and Social Policy Framework, after extensive stakeholder engagement, to communicate our approach to these risks in our business

# In Conversation with Jamie Dimon

**Sarah Rosen Wartell:** A 2014 Gallup poll showed that Americans' views of your industry are improving, but the banking industry still has significant work to do to return to pre-financial crisis trust levels. What is different about JPMorgan Chase today, compared with a few years ago?

**Jamie Dimon:** Our firm was a port of safety during the financial crisis – and we'll be one in the next storm – but that doesn't mean there weren't things we needed to fix. We are steadfast in our commitment to learn from our mistakes. I know the public is angry, and I think they have a right to be. Therefore, we should acknowledge that and continue to work to fix the problems in the financial system. And at JPMorgan Chase, we are trying to do our part to do just that.

Our firm has undertaken a massive effort to strengthen our control environment and continue to strengthen our corporate culture as well. Last year, we published a report called "How We Do Business – The Report" that details those efforts, and I'd encourage everyone to read it. Perhaps most important, the report talks about our people and our culture and what we're doing to hold ourselves and each other accountable for adhering to our values and standards every day, in everything we do.

This commitment to accountability and transparency isn't limited to our business operations; we're applying it to our corporate responsibility efforts as well.

**Sarah Rosen Wartell:** JPMorgan Chase has taken an unusual stand in its corporate responsibility – bringing in a partner to learn what's working and what's not. Why invite that scrutiny and be open to that level of transparency?

**Jamie Dimon:** We have a number of significant corporate responsibility initiatives – I'd point to our work in Detroit and on workforce readiness as two key examples – but they all have the same fundamental objective: to use our expertise, resources and data to support economic growth and expand access to various opportunities in our communities. I believe there are no more urgent, important or morally compelling challenges facing the world today. So our firm is working hard to help find solutions that create more jobs, grow small businesses, give people the skills to compete in the workforce and, ultimately, create more widely shared prosperity.

Over the next five years, we will deploy \$1 billion toward these efforts, and we want to be certain these investments achieve meaningful impact. We want to be judged not on the commitments we make or the amount of money we give, but on our effectiveness in helping solve real challenges and improving people's lives. So we are taking a disciplined, data-driven approach to make sure we fully understand the nature of the challenges, support the most effective solutions and work with best-in-class partners to get things done. We also expect to learn along the way.

That's why we are looking forward to our collaboration with the Urban Institute. The deep expertise and insight your organization will bring to analyzing the impact of our efforts will strengthen our programs and, we think, provide valuable learning for others.



**Sarah Rosen Wartell:** What does JPMorgan Chase see as the most promising strategies for creating more broadly shared economic opportunity?

**Jamie Dimon:** With millions of people around the world migrating to urban areas, strengthening local economies is essential to opening up access to opportunity, and that's why we're focused on working with local leaders to develop strategies that boost the economic vitality of cities.

One specific area where our firm is placing a big bet is on helping cities close their skills gaps. We think this can make a real difference in expanding access to opportunity, shrinking the income gap a bit and giving the whole economy a boost.

City leaders and employers tell us they are looking for better data to help them align workforce training programs with the skills and credentials employers need. So one of the things we're doing is developing real-time, locally focused labor market data in cities across the United States and in Europe to help everyone better target efforts on sectors and occupations where jobs - particularly those that pay good wages and offer opportunities for advancement - are going unfilled.

We're also supporting youth employment programs. One of the biggest sins in our country is that half of inner city school kids do not graduate from high school. That's a massive waste of potential - and virtually guarantees that those kids won't be able to break the cycle of poverty. Research shows that teenagers who have summer jobs are more likely to stay in school and to have higher earnings into adulthood. But there's a serious shortage of positions - particularly for kids in economically distressed communities, where the need is greatest - so we're helping those programs expand.

**Sarah Rosen Wartell:** What is the private sector's role in addressing big societal challenges like economic opportunity and inequality?

**Jamie Dimon:** There is a moral obligation, first and foremost, but the private sector also has a clear vested interest in doing so. The long-term success of our firm - of any company - is inextricably linked to the health and vitality of the communities and customers we serve. Creating more jobs, strengthening the educational system, fixing immigration, growing middle class incomes - these are not only in society's interest, they're also in our firm's interest.

In the past, there's been a view by many that the private sector's primary contribution was financial. That's clearly still part of the equation, but there's a recognition today that finding transformative, lasting solutions also requires the expertise, tools and innovation capacity of the private sector. And it requires new kinds of partnerships among the public, private and nonprofit sectors.

Clearly, our firm is just one part of the solution, but we're putting our particular resources and capabilities to work in a number of areas. We're developing new investment models that create social and environmental value alongside financial return such as the Global Health Investment Fund and NatureVest. We're helping identify and scale innovative solutions to consumer financial challenges through the Financial Solutions Lab. And, in 2015, we are launching the JPMorgan Chase Institute, which will leverage the unique assets of our firm, including our global reach, unique real-time data and intellectual capital, to deliver insight on economic trends around the world.

Those are just a few examples - and we look forward to working with you and other partners to strengthen our communities and create more broadly shared prosperity.

**Jamie Dimon** is Chairman and Chief Executive Officer of JPMorgan Chase. In early 2015, Jamie sat down with Sarah Rosen Wartell of the Urban Institute to discuss the firm's approach to corporate responsibility and its focus on expanding economic opportunity.

JPMorgan Chase is partnering with the Urban Institute as part of a multi-year program that aims to inform and assess the impact of JPMorgan Chase's key philanthropic initiatives.

**Sarah Rosen Wartell** is President of the Urban Institute. A public policy executive and housing markets expert, Ms. Wartell served in the White House from 1998-2001, both as deputy assistant to the president for Economic Policy and the deputy director of the National Economic Council. She also worked at the Department of Housing and Urban Development and co-founded the Center for American Progress.

# Welcome

This report is designed to provide our stakeholders with information about our company's corporate responsibility programs and progress in 2014.

A primary focus of JPMorgan Chase's corporate responsibility efforts is helping cities find solutions to key challenges and realize their potential as engines of economic growth and shared prosperity.

In this year's report, we are featuring cities from around the world where we do business, describing the challenges those cities are facing, the innovative programs their leaders and communities are implementing, and how our firm is using its resources and expertise to help find solutions.

Read more about JPMorgan Chase at work in:



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About JPMorgan Chase

# Our Approach to Corporate Responsibility



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JPMorgan Chase has a long-standing commitment to working with and investing in cities. Our global business has given us insights into the challenges cities are facing and the solutions that are working. Every day, we apply that expertise on behalf of the clients and communities we serve.”

**PETER SCHER**, *Head of Corporate Responsibility*

## CITIES ARE THE ENGINES OF ECONOMIC GROWTH

By 2050, there will be 2.5 billion more people living in cities than there are today.

In this increasingly urban world, cities have become the center of society's most pressing economic, social and environmental challenges. They also offer the greatest potential to drive growth and opportunity, large-scale innovation and sustainable solutions. The future of humanity, in large part, will be a story written by cities.

JPMorgan Chase has a long-standing commitment to working with and investing in cities. Our global business has given us insights into the challenges cities are facing and the solutions that are working. Every day, we apply that expertise on behalf of the clients and communities we serve. We view this as central to our firm's mission, and it has become a primary focus of our corporate responsibility efforts.

We are focusing our efforts in the areas where city leaders have told us they most need help: preparing them to compete more effectively in the global economy; aligning workforce training with the skills that employers need and providing much-needed data to strengthen cities' workforce systems; and helping create thriving small business sectors centered around high-growth industries.

In Detroit, an iconic American city, we are bringing together a full range of business and philanthropic efforts through our most comprehensive initiative to date. In 2014, we committed \$100 million over five years to accelerate and expand innovative efforts to revitalize the city's economy. We are supporting entrepreneurs and are helping small businesses get off the ground. We are investing in community development and are creating new models to tackle blight. We are helping prepare Detroit residents to compete for middle-skill jobs.

As in all our efforts, we know that the contribution we can make goes beyond money. Our people have significant expertise and capabilities to offer so we created our own Detroit Service Corps to send top JPMorgan Chase managers from around the world to Detroit to work with local nonprofits. It's a model we intend to replicate and expand in the coming years.

Underpinning all of these efforts is the belief that achieving meaningful impact requires a commitment to measurement and accountability. To improve the effectiveness of our work, in early 2015, we announced a \$10 million, five-year partnership with the Urban Institute - a nonprofit research organization well-known for its policy and evaluation expertise - to inform and assess the impact of our work in Detroit and in our other major philanthropic initiatives and to produce independent research to advance solutions broadly.

We are investing in these efforts not only because it makes good business sense - if the cities and communities we serve are thriving, our company will thrive - but also because we believe the private sector needs to do its part. Today's global challenges require collaborative solutions. We are committed to doing our part by bringing our firm's expertise and resources to bear to help cities around the world realize their potential as engines of growth and shared prosperity.

# Leadership Perspectives on Cities

## **KASIM REED**, *Mayor of Atlanta*

Here in Atlanta, with the busiest passenger airport in the world, we are connecting people, companies and products one city at a time. Going global isn't just how we do business in Atlanta, it's critical in today's economy.

People and businesses are increasingly turning to cities for leadership, bold thinking, effective services and economic prosperity. For all cities to reach their economic potential, they have to be global, look outside their borders, trade their products and attract investment.

**At the end of the day, cities are where hope meets the streets.** As mayors, we have an obligation to confront challenges. There is a reason that cities are incubators for the kind of innovation people look to in order to tackle serious problems. Talented people are moving into cities because they know that is where their work will translate into action.

It will be cities that will offer transformational solutions to the global problems of crime, inadequate education and income inequality. If we are able to unleash the full potential of cities around the world, we will see a substantial increase in the annual U.S. gross domestic product growth rate.

This city-fueled growth will help make the world a stronger, healthier and more prosperous place than it is today.

## **BAN KI-MOON**, *United Nations Secretary-General*

By the middle of this century, 70% of all people will be living in cities. Almost all urban growth will be in developing countries. The challenges are immense. But the opportunities are even greater.

**Cities can be the engine of social equity and economic opportunity.** They can help us reduce our carbon footprint and protect the global environment.

That is why it is so important that we work together to build the capacity of mayors and all those concerned in planning and running sustainable cities.

Building sustainable cities - and a sustainable future - will need open dialogue among all branches of national, regional and local government. And it will need the engagement of all stakeholders - including the private sector and civil society and especially the poor and marginalized.

All around the world, we see cities developing exciting new solutions. Let us learn from each other so we can replicate and scale up what works. Let us work together for sustainable cities and a sustainable future for all.

*Remarks at "Sustainable Cities Days," UN Headquarters, December 12, 2013*

AT WORK IN:

# DETROIT

## Motor City's Turnaround

Detroit is an iconic American city whose struggles have been well-chronicled and closely watched by metropolitan leaders around the world - first as a cautionary tale but, more and more, as a potential model for how to transform a city to compete in the 21st century.

Detroit's challenges - from population loss and unemployment to blight and disinvestment - may be more pronounced than those of many cities, but the challenges are not unique. Cities around the world are similarly working to reshape their economies and revitalize their neighborhoods to compete more effectively and build the quality of life to which their residents aspire. A primary focus of JPMorgan Chase's corporate responsibility efforts is working with cities to help them do so.

### INVESTED IN DETROIT

JPMorgan Chase has been doing business in Detroit for more than 80 years, and we believe in its future. Drawing on our global experience serving clients and communities, we saw an opportunity to do more to help accelerate Detroit's economic recovery.

In 2014, we pledged \$100 million over five years to support, accelerate and scale some of the most innovative efforts underway to transform the city's economy.



\$50 million investment in community and economic development



\$12.5 million to strengthen workforce readiness



\$7 million to grow small businesses



\$5.5 million to seed future economic growth



\$25 million to tackle blight



### JPMORGAN CHASE IN DETROIT IN 2014

Consumer customers:

1.3 million

Small business customers:

91,000

Extended \$185 million in loans to support small businesses

**\$185M**



Provided \$2.3 billion in credit to Detroit corporations, local governments and nonprofits



Deployed \$216 million in equity and investments to support community development

**\$216M**





## DETROIT SERVICE CORPS: LEVERAGING THE POWER OF OUR EMPLOYEES

As we work to help rebuild Detroit, JPMorgan Chase is committing not only financial support but also the expertise of our employees. In November 2014, we launched the Detroit Service Corps, a five-year program for high-performing JPMorgan Chase managers to volunteer on-site with Detroit nonprofit partners.

The inaugural group of 12 volunteers came from every corner of the globe and completed projects at four nonprofits, including an integrated talent management process for **Focus: HOPE**, a business plan for a regional wholesale produce market for **Eastern Market**, a commercial corridor marketing strategy for **Michigan Community Resources** and a property acquisition model for the **Vanguard Community Development Corporation**.



## WASTING NO TIME

In our first year, we deployed more than \$30 million of our investment. We also sent some of our best talent to help Detroit's nonprofits find solutions to key challenges.

Our efforts are yielding results, and our community development partners are injecting capital into the city. In late 2014, construction began on **Rainer Court**, a project financed by **Capital Impact Partners** that will preserve a historic building and rehabilitate 36 units of housing in Detroit's growing Midtown district. **Invest Detroit** provided a loan to **Global Titanium Inc.** to expand capacity, add jobs and complete a manufacturing facility adjacent to the Eastside plant that has been its home since 1951.

Detroit still has many hurdles to overcome, but our first year of investment has reaffirmed what we already knew: Detroit and its people are dynamic, innovative and resilient. And we believe that the way in which Detroit's leaders, business community and citizens have come together to spark a vibrant recovery may well provide a blueprint for cities around the world. JPMorgan Chase is proud to be a part of it.

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Detroit is tackling some very tough challenges, and while there's no doubt that people around the world want us to succeed, JPMorgan Chase's support is comprehensive. We are seeing investment to build new housing and expand businesses, more people graduating from the right kinds of training programs, rehab loan financing for people who buy homes in our neighborhoods and support to grow small businesses. And they are bringing more than just money - their people are working with our nonprofits, like Eastern Market, to help them do more. JPMorgan is now hitting the point where they are affecting the city in many positive, tangible ways. When you get to that point, you know you've got something.”

**Mike Duggan, Mayor of Detroit**

## AT WORK IN: DETROIT

### HOME RESTORATION PROGRAM: HELPING NEW HOMEOWNERS

Addressing the blight created by vacant and abandoned properties across the city is critical to Detroit's recovery. But many people who want to purchase blighted properties do not have access to the conventional financing needed to make essential improvements.

To help fill this gap, JPMorgan Chase provided \$5 million to cover potential loan losses and additional funds for down payment assistance, enabling **Liberty Bank** to extend affordable rehabilitation loans to qualified buyers. Through this collaboration, Liberty's **Home Restoration Program** is working over the next five years to extend up to \$20 million in loans to buyers who are ineligible for traditional mortgage financing. The program's pilot phase is focused on the Boston-Edison and East English Village neighborhoods and, in its second phase, will be expanded into an additional four neighborhoods.

### STRENGTHENING THE WORKFORCE: PREPARING WORKERS FOR JOBS IN GROWING INDUSTRIES

Like all cities, Detroit's economic vitality is tied to the strength of its workforce. We are investing in labor market data that highlights the sectors facing the most acute workforce challenges and, in turn, are supporting training programs that help address these challenges. We supported the **Detroit Regional Workforce Fund's Access for All**, a nine-week program that trains students for trade apprenticeships in the construction industry. With our help, **Focus: HOPE** expanded its machinist training program, which maintained a job placement rate above 80%, to include 237 more students.

We also supported **Detroit Employment Solution's Detroit Registered Apprenticeship Program** to create work-based learning opportunities in high-growth sectors such as information technology, manufacturing, healthcare, construction and transportation/logistics. As a result of this nationally recognized model, employers gain a trained workforce armed with industry-recognized credentials.



### SMALL BUSINESS CLUSTERS: FOSTERING GROWTH IN KEY SECTORS

With clear evidence that small businesses grow faster when they share resources and infrastructure, we are supporting small business clusters in Detroit. Our support for **Eastern Market** closed the funding gap on the completion of a community kitchen to help food entrepreneurs access low-cost commercial cooking equipment.

We also are supporting **TechTown Detroit**, a business accelerator founded to develop and grow technology businesses in Detroit. Our funding supported TechTown Detroit's Retail Boot Camp, which prepares entrepreneurs to launch brick-and-mortar businesses and helped the organization expand its neighborhood business strategy program, SWOT City, to the University District neighborhood.

### MACOMB INNOVATION FUND: SUPPORTING ENTREPRENEURS AND TEACHING ENTREPRENEURSHIP

Detroit's vibrant, growing and entrepreneurial small business community is proving to be a vital part of the city's recovery, driving economic development and creating jobs. To give local entrepreneurs a boost, we provided funding to create the **Macomb Community College Innovation Fund**, which will provide startups and emerging small businesses with critical early-stage capital. Through competitive awards of loans and grants, the Fund is structured to be self-sustaining – and to immerse entrepreneurs in what it takes to create a financially sustainable, technology-focused business. Companies funded by the Innovation Fund will provide internship opportunities for Macomb Community College students.



#### JPMORGAN CHASE IN 2014:

Provided \$1 million to enable **Macomb Community College** to create a \$2.7 million Innovation Fund

## BUILDING COMMUNITIES

# JPMorgan Chase's commitment to help strengthen the communities we serve is an inherent part of how we think and operate.

We deploy investment capital, provide credit and apply our expertise in structuring innovative deals to help develop the core components of vibrant, livable communities: affordable housing, healthcare, education, job opportunities, access to healthy food and more.

Our community development efforts focus on serving low- and moderate-income (LMI) communities across the United States, guided by the philosophy that strengthening communities requires sustained commitment and a comprehensive approach. It also requires collaboration so we build relationships with local governments, community development financial institutions (CDFI), social service providers, for-profit and nonprofit developers, and local businesses.

JPMorgan Chase also provides financing and philanthropic support to CDFIs, whose deep local knowledge, relationships and ability to provide flexible financing are essential components of broad-based community development.

### COMMUNITY INVESTMENT - THE FACTS

18.4 million households across the United States pay more than 50% of their income on housing - leaving few resources to meet other basic needs

For every 100 extremely low-income renter households, there are just 31 affordable and available units

### JPMORGAN CHASE'S SUPPORT FOR COMMUNITIES IN 2014:

We provided \$22 billion to LMI individuals and communities through mortgages, small business lending and our community development work



More than 40,000 JPMorgan Chase employees provided over 560,000 hours of volunteer service in communities around the world



Provided \$3.3 million of technical assistance through Technology for Social Good, where employees develop technical solutions for nonprofits



More than \$200 million in philanthropic giving to nonprofits in 44 countries



## AT WORK IN:

## CHICAGO

Turning the Tide in a  
Historic Chicago Neighborhood

Bronzeville encompasses a number of Chicago neighborhoods – Grand Boulevard, Oakland and the Near South Side – along the Cottage Grove Corridor, a commercial district that once was considered the epicenter of Chicago's African-American community.

The area has intrinsic advantages: good transit hubs and proximity to downtown and the lakefront. In the 1950s, however, economic decline led to failed public housing projects and blight. In 2014, the community had an unemployment rate of 22%, and one in two residents had income that fell below the poverty line.

When the city of Chicago designated Bronzeville for a concerted redevelopment effort in 2003, the goal was to revitalize the area while preserving affordable housing and attracting a broader mix of residents and improving services. Block by block, that transformation took place. Public housing projects were torn down, including the Stateway Gardens and Robert Taylor Homes high-rises, the largest, poorest concentration of public housing in the United States. In their place, a new mix of housing and commercial development has begun to emerge. JPMorgan Chase has been a key source of capital and expertise throughout the process, providing more than \$240 million in the community since 2003.

One example of our support is the Oakwood Shores development project, where – during more than a decade of committed efforts and close collaboration with a range of community stakeholders – we provided \$100 million in loans and equity investment. Prior to Oakwood Shores' construction, virtually no investment had gone into the neighborhood for more than 50 years. Today, Oakwood Shores is a mixed-income community with market rate and affordable housing that is surrounded by parkways and is close to neighborhood community and healthcare centers.

JPMORGAN CHASE IN  
CHICAGO IN 2014

Consumer customers:

2.9 million

Small business customers:

211,000

Extended more than  
1,900 new loans totaling  
\$348 million  
to support small  
businesses

\$348M

Provided \$4.4  
billion in credit  
to corporations,  
local governments  
and nonprofits

\$4.4B

Deployed \$124 million  
in equity and investments  
to support community  
development,  
including 1,200  
units of affordable  
housing

\$124M



## A NEW ERA IN BRONZEVILLE

2014 marked a pivotal phase in Bronzeville's revitalization journey - the opening of Shops and Lofts at 47, a mixed-use commercial and mixed-income residential development. JPMorgan Chase, one of many stakeholders that remained committed to the project through the seven years it took to bring the development to fruition, played a key role structuring the complex deal and providing financing that made it possible.

Shops and Lofts brings 96 attractive new rental units to the neighborhood and is anchored by a Walmart Neighborhood Market, which offers healthy, affordable food to local residents. Walmart is working with **741 Collaborative** - a partnership of local economic and workforce development nonprofits on the South Side of Chicago, launched with JPMorgan Chase support - to hire residents from the surrounding neighborhoods.

Located on 47th Street - which historically was and once again is becoming Bronzeville's thriving hub of economic and social activity - Shops and Lofts is a bright spot in a formerly disinvested neighborhood, a magnet for other commerce and housing, and a symbol of change for South Side residents.

### SHOPS AND LOFTS AT 47

Five-story mixed-use development project

96 affordable and market rate apartment units

**OPEN**

for business in October 2014

54,000 square feet of retail space

Key partners: The Community Builders, Inc.; Mahogany Ventures; and Quad Communities Development Corporation



More than \$45 million of comprehensive financing provided by JPMorgan Chase



Revitalizing a community is not a lonely endeavor. The vision comes from the people who call the community home, but the public and private sectors must work together to identify and marshal the necessary resources - certainly much-needed capital from financial institutions but also expertise and relationships. The combination brings immeasurable value to community development."

**Bernita Johnson-Gabriel**, Executive Director, Quad Communities Development Corporation

# Community Development Lending and Investing

JPMorgan Chase takes a long-term, place-based approach aimed at strengthening low- and moderate-income communities in cities across the United States.

We analyze research into demographic and economic data for neighborhoods as small as a few square blocks. We listen to and build relationships with a broad range of local stakeholders, which yields an in-depth understanding of a community's unique needs and enables us to identify effective community partners. And we seek to make catalytic investments that stir others to invest - leveraging additional capital to build affordable housing and manufacturing capacity and to attract local businesses, which help restore the pride and spirit of thriving communities.

## EXPANDING THE AFFORDABLE RENTAL HOUSING POOL THROUGH MORTGAGE LENDING

Another way JPMorgan Chase helps expand the availability of quality affordable housing in the United States is through our Commercial Term Lending business, which provides mortgages for apartment buildings with five or more units, many of which include affordable units (approximately 28,000 units in 2014). We are the largest multifamily lender in the country outside of the government, with \$49 billion of apartment loans on our balance sheet. Despite our industry-leading portfolio size, our average loan size of \$2 million is smaller than most in the industry because we offer a variety of products for small to moderate-sized apartment properties.

We strive to create stable, long-term sustainable success for our clients - who include many intergenerational owner-investors - by applying responsible lending criteria that reduce vulnerability to economic downturn and by leveraging our expertise to create, preserve and grow our clients' portfolios. By supporting quality affordable housing in these ways, we contribute to neighborhood stabilization and community prosperity.




IN 2014, WE PROVIDED


**\$1.3 BILLION**


IN COMMUNITY DEVELOPMENT LOANS AND

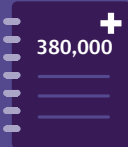
**\$1.3 BILLION**

IN EQUITY INVESTMENTS TO:

- 

**35,100** Build and preserve **35,100** units of affordable housing
- 

Create nearly **2,200** new manufacturing and industrial jobs
- 

Serve **5,000** students in low- and moderate-income communities
- 

Serve **380,000** patients at healthcare facilities

# Fostering Collaboration to Increase Impact

As we look at creating more economic growth in cities, the role of community development financial institutions becomes even more important.

CDFIs have long been essential change agents in low- and moderate-income communities in the United States, helping to revitalize neighborhoods and create new economic opportunities for individuals and families. They are important partners as we seek to create more growth in cities where we work.

In 2014, we launched an initiative that aims to greatly expand the positive impacts that CDFIs already make. The goal of the three-year, \$33 million CDFI Collaboratives initiative is to foster collaboration among CDFIs as they tackle shared challenges such as growing small businesses, creating affordable housing and improving access to fresh, healthy food. Our goal is to enable the Collaboratives to build capacity, leverage additional capital from other sources, expand into new geographies, and develop a shared infrastructure to improve quality and enhance efficiency.

JPMorgan Chase's initiative has brought together 26 local and regional CDFIs in 20 U.S. states to form seven Collaboratives, each of which is organized around a common community development challenge.

## CDFI COLLABORATIVES INITIATIVE

CDFI COLLABORATIVE LEAD AND MEMBERS	BUSINESS FOCUS	AREAS SERVED	GRANT AWARD
<b>Community Reinvestment Fund, USA;</b> National Development Council; Coastal Enterprises, Inc.; Calvert Foundation	Increase lending to small businesses in underserved and rural communities, including women- and minority-owned businesses	Buffalo, Chicago, Denver, Detroit, Milwaukee, New York City, Seattle	<b>\$7 million</b>
<b>IFF;</b> Cincinnati Development Fund; Nonprofits Assistance Fund	Finance the development of community facilities providing healthcare, child care, supportive housing, affordable housing and grocery stores in high-need areas	Cincinnati, Dayton and Minneapolis-St. Paul	<b>\$3 million</b>
<b>Raza Development Fund;</b> MariSol Federal Credit Union; Arizona MultiBank Community Development Corporation; Neighborhood Economic Development Corporation	Develop an 85-acre area in South Phoenix to create an educational, cultural and business complex, surrounded by small businesses and mixed-income housing	South Phoenix	<b>\$6 million</b>
<b>The Reinvestment Fund;</b> Finance Fund Capital Corporation; Florida Community Loan Fund; Northern California Community Loan Fund; Colorado Enterprise Fund	Expand access to healthy foods in urban and rural communities and spur job creation associated with healthy food enterprises	Colorado, Florida, North/Central California, Ohio	<b>\$2 million</b>
<b>National Association for Latino Community Asset Builders;</b> Affordable Homes of South Texas; Colorado Housing Enterprises, LLC; Chicanos Por La Causa	Promote small business lending, job creation and affordable housing in predominantly Latino communities	Arizona, Colorado, Nevada, New Mexico, Texas	<b>\$6 million</b>
<b>ROC USA Capital;</b> Leviticus 25:23 Alternative Fund, Inc.; Mercy Loan Fund	Help families in manufactured housing communities - 75% of which are low income - purchase the land beneath their homes and form permanent communities	Connecticut, Delaware, Idaho, New Jersey, New York, Oregon, Utah, Washington, Wisconsin	<b>\$4 million</b>
<b>Community Investment Corporation;</b> Chicago Community Loan Fund; Neighborhood Lending Services, Inc.	Finance the purchase and redevelopment of distressed one- to four-unit properties in 13 neighborhoods experiencing elevated levels of foreclosure	Chicago	<b>\$5 million</b>



The U.S. economy is increasingly becoming linked to the strength and overall economic health of the Latino community. Investing capital in organizations that strengthen families in Latino and underserved communities will be of huge benefit not just to their long-term success but to the nation’s short- and long-term economic growth and stability.”

**Janet Murguia**, *President and Chief Executive Officer, National Council of La Raza*



CITY SPOTLIGHTS:

## PHOENIX

### PROVIDING FINANCIAL SUPPORT TO ADELANTE EN FAMILIA

South Phoenix is an underserved community separated from the rest of the city by a dry riverbed, an 80-acre gravel pit and a municipal landfill. It lacks affordable housing, access to healthcare and local markets. **Raza Development Fund**, the largest Latino CDFI in the country, formed the Adelante en Familia coalition with three other nonprofit lenders – the **MariSol Federal Credit Union**, **Arizona MultiBank Community Development Corporation** and **Neighborhood Economic Development Corporation** – to develop a plan to benefit South Phoenix communities.

The mission of **Adelante en Familia** is to plan, promote and facilitate development of sustainable communities that are connected to rail and transit. After intensive community outreach with local residents and leaders, the coalition created a plan to develop an 85-acre area – to be known as La Plaza de Las Culturas – into an educational, cultural and business complex, surrounded by small businesses and mixed-income housing. A branch campus of Arizona State University and a charter high school will be among the tenants. The initiative plans to develop more than 200 units of affordable housing at or near La Plaza de Las Culturas.

As part of our CDFI Collaboratives initiative, JPMorgan Chase is providing \$6 million to Adelante en Familia to help kick-start the development and facilitate the group’s plans to raise additional capital over the next three years.



## DENVER

### ENABLING THE AMERICAN DREAM WITH A SMALL BUSINESS LOAN

Denver’s economy is growing, and unemployment has dropped below 5%. That positive news masks the fact that many small business owners – particularly those in low- and moderate-income communities – still face challenges obtaining a loan to launch or expand their companies. Through our CDFI Collaboratives initiative, we are helping to fill this financing gap.

In 2014, we provided \$7 million to a group of CDFIs led by **Community Reinvestment Fund, USA (CRF)**, a lender focused on small- and medium-enterprise development. CRF, the **National Development Council**, **Coastal Enterprises, Inc.** and the **Calvert Foundation** are using the capital infusion and economies of scale to make small business loans in Denver and in Buffalo, Chicago, Detroit, Milwaukee, the New York City metro area and Seattle.

When military veteran Kevin Edgmon returned to Denver after Operation Desert Storm, he used his veteran benefits and waited tables part time to put himself through college. As an enthusiast and trained motorcycle mechanic, his dream was to open a repair business that stood for “extreme customer service and performance.” Kevin found a repair shop for sale but was unable to obtain a traditional small business loan until he connected with CRF, which approved a loan – made possible by JPMorgan Chase’s support. Today, RoadSkulls V-Twin Performance has good prospects for growth.





## INCREASING ECONOMIC COMPETITIVENESS

Through our core business of providing capital and credit, JPMorgan Chase supports and catalyzes economic activity in metropolitan areas around the world.

We also provide our clients with critical expertise. We work with business and government leaders to help them become more economically competitive by increasing trade and investment ties and by expanding into new markets. We help our public sector and nonprofit clients become more innovative and effective, and we help development organizations raise capital for infrastructure to support economic growth in low-income countries.

Through the Global Cities Initiative, a joint project of the Brookings Institution and JPMorgan Chase, we are equipping metropolitan leaders and businesses with the knowledge, data, policy ideas and networks needed to make these regions more competitive in the global marketplace.

### ECONOMIC COMPETITIVENESS - THE FACTS

3X - since 1950, the share of global economic output from trade has tripled

The 300 largest global metropolitan areas contribute 48% of total global gross domestic product

5,600 - total U.S. jobs created for every \$1 billion in exports

### CAPITAL RAISED AND CREDIT PROVIDED BY JPMORGAN CHASE IN 2014:

\$197 billion of credit for consumers

\$197B

\$19B

\$19 billion of credit for U.S. small businesses

\$668 billion of credit for corporations

\$668B

\$1.2T

\$1.2 trillion of capital raised for clients

\$75 billion of credit and capital raised for nonprofit and government entities, including states, municipalities, hospitals and universities

\$75B

**TOTAL: \$2.1 TRILLION**

## AT WORK IN:

## LONDON

Helping London Capitalize  
on Its Export Potential

A national debate is playing out in the United Kingdom over the division of roles between the national and local levels.

Cities within the United Kingdom – and around the world – increasingly seek to articulate and enact their own visions of how they will compete in the global marketplace. However, they often lack a road map for taking on export promotion responsibilities that traditionally have been managed at the national level. They also lack city-specific data on their most competitive industries and how to match those sectors with high-demand markets overseas.

Through the Global Cities Initiative (GCI), we are working to give metropolitan leaders the tools and data they need to help their cities compete globally (see page 16). In London, GCI is collaborating with the nonprofit research group **Centre for London** to help the city better understand and capitalize on its huge export potential. Although London has a long and robust history as an exporting city, globalization now requires the city to adapt to an increasingly competitive global environment.

As one aspect of the partnership, GCI worked with the Centre for London on two research reports in 2014: *Nations and the Wealth of Cities* and *Trading Places: Maximising London's Exports Potential*. The first is a road map for London and other metropolitan areas on how they might work with the national government to expand their capacity to conduct trade and attract foreign direct investment. The second report integrates – for the first time – data on the changing nature of London's product and service exports, the barriers and successes reported by exporting companies, and the availability and usefulness of export support.

In addition to supporting research, GCI has been working with London leaders to build commercial partnerships and trading networks. Our collaboration has helped London businesses identify U.S. cities involved that may be possible export markets, and we hosted London companies on trade missions to Chicago and New York that connected them with potential trade partners.

JPMORGAN CHASE IN THE  
UNITED KINGDOM IN 2014

Recognized as the leading investment bank and corporate broker, serving 90 of the 250 largest U.K. companies

Handle more than \$112 billion in assets for retail, corporate and institutional pension funds in the United Kingdom through J.P. Morgan Asset Management

Provide custodial and management services to more than 20 U.K. local authority pension schemes with \$44 billion in assets



OUR APPROACH	OUR FOCUS AREAS	OPERATING RESPONSIBLY	ABOUT THIS REPORT	ABOUT JPMORGAN CHASE
BUILDING COMMUNITIES	INCREASING ECONOMIC COMPETITIVENESS	INVESTING IN SKILLS	SUPPORTING SMALL BUSINESSES	EXPANDING GLOBAL FINANCIAL CAPABILITY



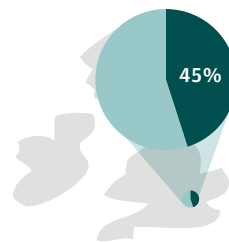
“

As Mayor, I have been clear that global engagement is incredibly important to London's prosperity. Our businesses know that there are huge opportunities that exist in Europe, Asia and the U.S. The U.S. already takes 17% of our exports – the biggest single export destination for Britain. But we want to do more to convince our businesses that growth comes from tradable goods and services. We must bring our cities closer together through commerce, and that is why we are working with UK Trade & Investment and London & Partners to offer advice to small and medium-sized exporters, promote trade missions around the world and attract foreign direct investment. London has now joined the Global Cities Initiative, and this provides a global network of opportunity. It is very exciting.”

**Boris Johnson, Mayor of London**

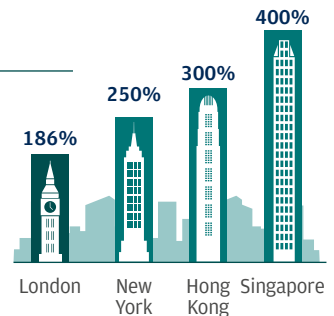
## LONDON'S EXPORT PERFORMANCE – AND POTENTIAL

London doubled the value of its exports between 2001 and 2012 to reach an estimated value of £127 billion in 2012



More than 45% of London firms are exporters, a significantly higher proportion than the rest of the United Kingdom

London exports more services overall than Singapore, Hong Kong or New York, but the U.K. city's growth in service exports lags those cities



Growth in service exports over the last decade

# Investing in the Economic Future of Cities

JPMorgan Chase is committed to helping metropolitan area leaders understand how globalization and urbanization are shaping today’s dynamic economic landscape and to helping them grow their local economies through trade and investment.

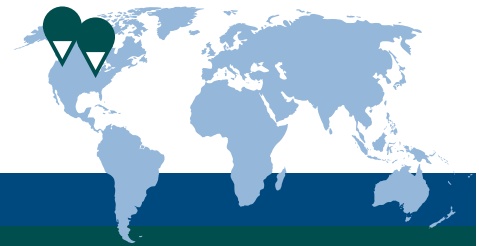
In 2012, we launched the Global Cities Initiative, a joint project with the **Brookings Institution** that aims to equip city and metropolitan leaders with the practical knowledge, data, policy ideas and networks needed to help these regions become more connected and competitive. The five-year project combines Brookings’ deep expertise in fact-based, metropolitan-focused research with JPMorgan Chase’s market expertise and long-standing commitment to investing in cities.

GCI takes a three-pillar approach: conducting metropolitan-focused research, convening leaders and developing global engagement strategies. Through groundbreaking research by the Brookings Institution, GCI is providing cities with data on their global profiles: what they export, where exports go and who invests locally. Through convenings, the second pillar of GCI, we bring together public and private leaders to reflect on this research, develop implementation strategies and share best practices on how to strengthen their global position. Since 2012, we have brought GCI to more than 30 cities, and GCI has released over 20 innovative reports on global trade and investment.

The third pillar is the Global Cities Exchange, a four-year learning and action network that is helping U.S. and international metropolitan areas implement strategies to grow exports, foreign direct investment (FDI) and global competitiveness. At the end of 2014, one year after its launch, 20 U.S. regions were developing and/or implementing new export strategies, including six regions that were integrating FDI strategies, and eight new regions had joined the network to work on export strategies, bringing the total to 28.

## GLOBAL CITIES EXCHANGE: 28 CITIES IN A LEARNING AND ACTION NETWORK





## CITY SPOTLIGHTS:

## LOUISVILLE-LEXINGTON

### BUILDING AND SUSTAINING A COMPETITIVE REGION

In a changing global economy, traditional trade barriers and local rivalries are rapidly being replaced by business clusters and regional hubs, which support greater collaboration, innovation and efficiency. Recognizing this trend, the mayors of Louisville and Lexington, Kentucky – metropolitan areas that had long been rivals – launched the Bluegrass Economic Advancement Movement (BEAM) initiative in 2011. BEAM brings together the 22 counties that include and surround Louisville and Lexington, with the aim of turning the two cities and region into a globally competitive export-manufacturing hub.

In December 2013, JPMorgan Chase provided \$200,000 to create the **BEAM Kentucky Export Promotion Program**, which offers competitive grants of up to \$4,500 to help small businesses in the region develop export infrastructure, identify new sales opportunities, and participate in trade shows and trade missions. One participant, Louisville-based NaugaNeedles, LLC – whose silver-gallium nano-needles are used in sensory and imaging devices – used its grant to participate in a regional trade show, where the CEO secured new distributors and international clients.

In June 2014, the Global Cities Initiative also hosted regional leaders from diverse industry sectors in a discussion of new workforce and innovation development strategies. The Louisville-Lexington hub is one of 28 metropolitan areas participating in the Global Cities Exchange.

## PORTLAND

### MARKET INSIGHT DRIVES THE “WE BUILD GREEN CITIES” EXPORT STRATEGY

Portland, Oregon, was known as an established export market when it began developing the first phase of its regional export plan in 2011. How it developed that plan sheds light on the way global markets are changing and on what it takes for cities to become competitive within those markets.

Portland worked with the Brookings Institution to better understand the companies in its own region and its interconnections with other national and international regions. Local leaders initially assumed their competitive strategy would focus on the region’s dominant industries: computer technology and athletic outdoor wear. Instead, the market assessment identified a strong green-economy sector that encompassed advanced manufacturing, architectural design and environmental sustainability services.

Using these data, Portland developed “We Build Green Cities,” a strategy that leverages the expertise and collaboration of companies in its green sector to target growing markets in Asia. Since then, Portland companies have signed agreements to sell goods and services to Japanese firms rebuilding cities affected by the tsunami.

JPMorgan Chase is supporting Portland’s efforts to implement its economic development plan with a \$50,000 commitment to **Greater Portland Inc.**, a regional nonprofit partnership that is using the funding to help execute the export plan’s goal of doubling regional exports by 2017.



Today, cities and metropolitan centers are driving the global economy. Cities are experiencing unprecedented economic growth and prosperity by taking control of their own economies through civic leadership, innovation and partnership. Recognizing that cities are growth centers, JPMorgan Chase has partnered with the Brookings Institution to help cities expand their global footprint.”

**Phyllis Campbell**, *Vice Chair of the Global Cities Initiative, JPMorgan Chase*



# Financing the Public Sector

## JPMORGAN CHASE IN 2014:

Worked with more than **550 public entities** in over 100 countries



We recognize that properly functioning and financed public institutions are essential for economic growth. We are one of the few global firms that maintains a public sector client group of this scale to provide specialized expertise to these entities.

The world's governments - ranging from small municipalities to the largest countries - place confidence in us to raise capital, manage and safeguard financial assets and liabilities, hedge financial risks, and capture efficiencies in making payments and collecting revenue. We also serve central banks, sovereign investors, multilateral institutions, public pension funds, national development banks, hospitals, universities and other public institutions.

In the United States, state and local governments rely on our expertise on issues ranging from planning and development to tax processing, utilities, finance, procurement, public safety and disaster relief. Every day around the world, we work with public sector entities to help them fulfill vital public mandates.

We also work to support clients and governments in challenging circumstances, deploying our scale and expertise to develop tailored solutions while effectively managing risk. For example, in 2014, we worked with the Ukraine finance ministry to raise a five-year, \$1 billion bond with a guarantee from the U.S. Agency for International Development to reinforce the country's economic reforms, as supported by the International Monetary Fund and other members of the international community.

In addition, as part of a concerted effort to help Puerto Rico during its economic and financial challenges, we structured \$900 million in short-term financing among a syndicate of banks to provide essential funding for the government to meet its ongoing cash flow obligations. When Good Shepherd Medical Center in Longview, Texas, implemented a strategic restructuring plan, we continued to finance the hospital network, structuring an \$88 million tax-exempt bond that provided a comprehensive solution to the organization's liquidity needs and giving it the flexibility to complete its turnaround and improve its credit ratings.

## PUBLIC SECTOR CLIENTS

More than **1,000** U.S. states, municipalities, hospitals, school districts and governmental authorities



More than **130** banks and agencies that finance public policy in almost 50 countries

**123** central banks worldwide

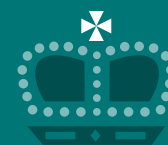


More than **80** national governments on six continents



**80** public pension funds

**60** multilateral institutions on five continents



**26** sovereign wealth funds

## COLLABORATING TO FUND ESSENTIAL INFRASTRUCTURE IN SUB-SAHARAN AFRICA

Financing infrastructure development in sub-Saharan Africa - telecommunications, power, natural resources and transportation - is essential to economic growth, political stability and quality of life. But local capital markets sometimes lack the funding capacity and expertise required by long-term infrastructure development. In October 2014, J.P. Morgan and the U.S. Overseas Private Investment Corporation (OPIC) concluded a landmark co-financing structure to help fill this need.

We provided \$25 million of a \$100 million loan to the Africa Finance Corporation (AFC), a regional development bank headquartered in Lagos, Nigeria. AFC provides project finance, technical advisory and infrastructure development support to projects in select markets, such as Nigeria's "Roadmap for Power Sector Reform," which aims to increase power generation tenfold by 2020 to meet growing demand in the continent's most populous country. The OPIC-J.P. Morgan partnership was critical to making this deal possible: As a quasi-governmental entity, OPIC cannot mobilize funding without a U.S. nexus. For its part, J.P. Morgan could not have provided long-term funding on economic terms without OPIC's participation.

OUR APPROACH	OUR FOCUS AREAS	OPERATING RESPONSIBLY	ABOUT THIS REPORT	ABOUT JPMORGAN CHASE
BUILDING COMMUNITIES	INCREASING ECONOMIC COMPETITIVENESS	INVESTING IN SKILLS	SUPPORTING SMALL BUSINESSES	EXPANDING GLOBAL FINANCIAL CAPABILITY

## INVESTING IN SKILLS

JPMorgan Chase believes that helping people gain the skills they need to compete in the labor market is a powerful strategy for expanding access to opportunity and promoting economic growth.

Communities around the world are working to rebuild their economies, yet millions of people still are unable to find jobs that offer the prospect of economic mobility. At the same time, many employers are looking to fill vacancies, especially for technical and skilled positions. Mayors across the globe identify this skills gap as one of their biggest challenges. To help address this challenge, we launched New Skills at Work, one of our most ambitious projects ever.

We also continued our efforts to help American military veterans translate their skills to the civilian workforce and gain access to employment opportunities. Veterans represent an enormous pool of talent, whose experience and abilities bring value to businesses and strengthen the economy.

### WORKFORCE READINESS - THE FACTS

By 2020, 65% of jobs will require some education or training beyond high school, up from 56% in 1992

Across Europe, more than 10% of the labor force is unemployed - and the rate is nearly twice as high for people under age 25

About 21,000 service members will transition out of the U.S. military each month over the next few years and seek to enter the workforce

### JPMORGAN CHASE IN 2014:

Deployed the first \$50 million of our five-year, \$250 million New Skills at Work initiative



Committed \$5 million to support summer youth employment initiatives in 2014 and 2015 for underserved youth across the United States



Hired more than 1,800 veterans, bringing our total to more than 8,200 since 2011



\$1M

Invested \$1 million to fund higher education programs for veterans

## AT WORK IN:

## NEW YORK CITY

Preparing New Yorkers for  
Good Jobs in Growing Industries

In New York City in 2014, there were about 1 million high-quality, middle-skill jobs – those requiring a high school diploma and some postsecondary training but not a four-year degree.

These jobs pay a median hourly wage of \$31.88 – and yet nearly 45,000 of them went unfilled, in part because an estimated 46% of New Yorkers aged 25 and older lacked the credentials employers were seeking.

These insights came from a JPMorgan Chase research project as part of our New Skills at Work initiative (see page 22). The research uses real-time, locally focused labor market data to identify the industries in which employers are having trouble finding applicants with the right skills, and job seekers are struggling to gain access to the training that can prepare them for these positions.

Healthcare and technology are two of New York City's fastest-growing business sectors, and they account for 45% of the city's middle-skill job openings – from registered nurses and physical therapy assistants to help desk staff and graphic designers. Both sectors are projected to grow roughly 15% over the next five years so demand for these skill sets will continue to expand, creating excellent opportunities for New Yorkers to earn good wages and step onto a long-term career path. But New Yorkers need the right skills and training to do so.

We are making the data gathered from New Skills at Work available to support efforts begun by Mayor de Blasio's Jobs for New Yorkers Task Force and to help education and training organizations better align their programs with employer demand. This means that job seekers can have confidence that they are acquiring the right skills to land high-quality jobs, and employers can count on a robust talent pipeline to support their growth and competitiveness.

For the full findings of JPMorgan Chase's New York City Skills Gap report, see [www.jpmorganchase.com/NYSkillsGapReport](http://www.jpmorganchase.com/NYSkillsGapReport).

JPMORGAN CHASE IN  
NEW YORK CITY IN 2014

Location of our corporate headquarters

Consumer customers:

5.4 million

Small business customers:

457,000

Extended 4,100  
new loans totaling  
**\$926 million**  
to support small  
businesses



Provided **\$9.3 billion** in credit to corporations, local governments and nonprofits



Deployed **\$537 million** in equity and investments to support community development, including 5,100 units of affordable housing





## TRAINING HEALTHCARE WORKERS IN THE SOUTH BRONX

JPMorgan Chase is using real-time labor market data to inform our funding for training organizations on the ground. For example, in 2014, we provided \$1 million to support the creation of **Career Network: Healthcare**, a collaboration established by **Phipps Neighborhoods**, a social service organization in the South Bronx, with **Montefiore Health System** and **Hostos Community College**.

With a nearly 10% unemployment rate, the Bronx has the highest unemployment rate in New York City - and it is significantly higher than the national average. Career Network: Healthcare is helping young adults in the South Bronx acquire the skills and education credentials needed to secure a job in the expanding healthcare sector. It also is a prime example of what can be accomplished when community-based organizations, educational institutions and employers partner to identify skill needs and tailor training programs to meet these gaps.

Among the first three cohorts who graduated from Career Network: Healthcare's 11-week training program, one-third obtained a job, and almost 35% more enrolled in a Hostos training program to gain additional credentials. Behind these statistics, lives have been transformed: One 24-year-old graduate, for example, was hired by Montefiore as a dietary worker at double the New York minimum wage - after having been on public assistance the previous year - and plans to return to school to pursue a nursing degree.

“

The Career Network: Healthcare program with Phipps Neighborhoods and Hostos Community College is proof that employers, educators and community-based providers, working together, can create a workforce pipeline to lift up the lives of young people and help them reach their full potential.”

**Steven M. Safyer, M.D.,** *President and CEO of Montefiore Medical Center*



# Reshaping the Workforce Development System

While unemployment rates have fallen in many cities and countries around the world, in some communities and among certain groups, unemployment remains stubbornly high.

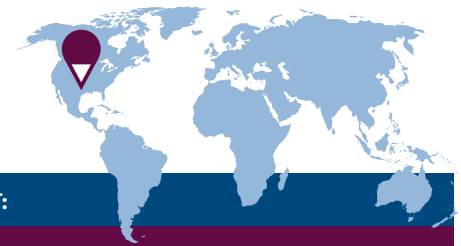
Among those who are employed, many work fewer hours than they would like or have jobs that do not pay a sustainable wage or offer career mobility.

While there is no single solution to this challenge, there is a high-impact place to start: by addressing the paradox that while many people are looking for work, millions of good jobs remain unfilled because employers cannot find workers with the right skills. These are middle-skill jobs that pay wages that make families financially self-sufficient and are the entry point for long-term careers in growing sectors. These also are the jobs that employers need to fill to maintain productivity and grow their businesses.

## CLOSING THE GAP WITH NEW SKILLS AT WORK

In late 2013, JPMorgan Chase launched New Skills at Work, an ambitious five-year, \$250 million initiative aimed at helping strengthen workforce development systems across the globe to become more demand-driven - that is, helping them to focus the training they provide on the skill sets and credentials that employers need. In doing so, we believe we can make a real contribution to expanding access to opportunity for millions - while also strengthening businesses and giving economies a boost.

In the first full year of the program, we deployed \$50 million to nonprofits in more than 130 cities and countries around the world. We also applied our expertise on the economy and labor market intelligence, the unique insights we gained as an advisor to companies and industries around the world, and our ability to bring together leaders from the public and private sectors to forge solutions (see our New Skills at Work Annual Report at [www.jpmorganchase.com/NSAW2014AnnualReport](http://www.jpmorganchase.com/NSAW2014AnnualReport)).



### CITY SPOTLIGHT:

## HOUSTON

### ALIGNING TRAINING PROGRAMS WITH EMPLOYER NEEDS

While the rapid growth in the energy sector slowed toward the end of 2014, the value to Houston of real-time labor market data - and the importance of close collaboration between training organizations, educational institutions and employers - remains as important as ever.

Data from JPMorgan Chase's Houston Skills Gap report showed that middle-skill occupations make up the largest sector of the Houston economy (41%) but that many middle-skill jobs were going unfilled for a lack of qualified workers. Meanwhile, more than one in five Houstonians age 25 years and older - 855,000 people - lack a high school credential and are struggling to find work. For the full findings of our Houston Skills Gap report, see [www.jpmorganchase.com/HoustonSkillsGapReport](http://www.jpmorganchase.com/HoustonSkillsGapReport).

To address this challenge, in 2014, the **Greater Houston Partnership** launched **UpSkill Houston**, an industry-led initiative to provide a platform for the business community, educational institutions and social service organizations to develop a workforce that meets employers' needs and helps ensure that Houstonians have the skills and opportunities to build a successful career. A major element of UpSkill Houston is improved data sharing between employers and educational institutions to match hiring needs with curricula - and the data provided by JPMorgan Chase are essential to driving that alignment and coordination.

As part of New Skills at Work, JPMorgan Chase has committed \$5 million over five years to support workforce development efforts in Houston.





## CITY SPOTLIGHTS:

## MUMBAI

INCREASING THE EMPLOYABILITY OF  
UNIVERSITY GRADUATES

Industry surveys show that only a small fraction of graduates from India's higher education system is considered employable due to a lack of relevant skills. To help address this challenge, the **Tata Institute of Social Sciences** launched the National University Students' Skills Development pilot program in 2013. The goal is to increase student employability by adding a skills-based component to curriculums and by providing practical work experience. The program also aims to foster civic responsibility and engage students in finding solutions to some of India's most pressing social challenges. The program is being tested in 11 universities across nine states.

In 2014, JPMorgan Chase committed nearly \$500,000 to help fund the expansion of the pilot in Mumbai from two to five colleges that cater to predominantly underprivileged students.



## ENABLING DATA-DRIVEN SOLUTIONS

Our strategy starts with the recognition that having good data in hand is the critical first step toward developing effective, locally tailored solutions that align education and training programs with employer needs.

In 2014, we issued Skills Gap reports in New York City ([see page 20](#)) and Houston and released labor market studies in England, France and Spain. In 2015, we will release Skills Gap reports in seven other U.S. cities. These Skills Gap reports provide insight into the dynamics of individual local labor markets and offer recommendations for how to move toward a more demand-driven workforce system in those locations. We also are using the data to identify and inform our support for leading community colleges and training organizations.

## COLUMBUS

## CREATING NEW CAREER PATHWAYS

The Columbus, Ohio, economy is expanding rapidly, and overall unemployment is low. However, there are still more than 42,000 unemployed adults, many of whom don't have the right skills for available positions. Data from JPMorgan Chase's Columbus Skills Gap report reveal that only one-third of those unemployed have a secondary degree, which is required by two-thirds of current and projected job openings. In addition, the area lacks the right mix of credentialed, postsecondary training programs in skill sets that are sought after by employers. For the full findings of our Columbus Skills Gap report, see [www.jpmorganchase.com/ColumbusSkillsGapReport](http://www.jpmorganchase.com/ColumbusSkillsGapReport).

In 2014, JPMorgan Chase made a five-year, \$2.5 million commitment to **Columbus State Community College** in support of the **Central Ohio Compact**, a regional collaborative of school districts, higher education institutions, businesses and civic partners working to develop new, high-demand industrial skill credentials.

## SUPPORTING PROGRAMS FOR YOUTH

In 2014, JPMorgan Chase announced a commitment of \$5 million over two years to help underserved youth across the United States obtain the skills necessary to build lasting careers. This commitment, combined with other local support, created almost 50,000 summer jobs for teens and learning opportunities for more than 54,000 young people in 14 cities. We released a report highlighting best practices from our network of nonprofit partners and identifying opportunities to advance summer youth employment programs.

An additional program, JPMorgan Chase's The Fellowship Initiative, is an intensive academic and leadership training program aimed at helping young men of color gain access to the knowledge, skills and experience they need to complete their high school education; excel in high-quality, four-year colleges and universities; and, ultimately, compete in the global economy. Launched in 2010 in New York City with a group of 24 Fellows, in 2014, JPMorgan Chase expanded the program to Chicago and Los Angeles and increased the number of Fellows in each city to 40.

We also worked with the U.K.-based Social Mobility Foundation to create a year-long program that pairs youth from low-income communities with J.P. Morgan employee mentors. Additionally, we studied the academic performance of program participants to identify successful elements of the program that can be replicated elsewhere.

# Military and Veterans

More than 2.8 million veterans have served in the U.S. military in the last decade.

Veterans' training and experiences have given them strong and unique qualifications. However, many veterans face challenges finding the right job and matching their skills to the right employer and industry. Despite their world-class training, U.S. veterans are unemployed at the same or higher levels than the general population.

We believe that we have an obligation to provide the men and women who have served their country with the opportunity to join the workforce when they leave military service. It's the right thing to do, and effectively deploying the skills of this talent pool will strengthen our economy. At JPMorgan Chase, we are committed to helping position service members, veterans and their families for long-term, post-military success.

In 2014, we launched the Career Transition Workshop, where JPMorgan Chase employees train job-seeking veterans in resume building, networking, interviewing and skills marketing to help transitioning veterans prepare for a successful post-military job search that leads to a meaningful career.

## 100,000 JOBS MISSION

In 2011, JPMorgan Chase and 10 other companies launched the **100,000 Jobs Mission**, setting a goal of collectively hiring 100,000 veterans by 2020. The initiative gained so much early momentum that, in 2013, it doubled its hiring goal to 200,000. By the end of 2014, the effort had surpassed that expanded goal, having hired more than 217,000 veterans. The Mission has raised the bar again, committing to hire another 100,000 veterans for a total of 300,000 hires.

From 2011 through March 2015, JPMorgan Chase hired nearly 8,700 veterans, supported by a specialized military and veterans recruiting team that helps military job seekers overcome the obstacles they face translating their military skills into a corporate workplace.

We continued to share our experience and expertise with other companies to help them catalyze action and develop successful veteran employment programs. In 2014, we supported research conducted by RAND Corporation to capture the lessons and experiences from 100,000 Jobs Mission companies on integrating veterans into the private sector workforce. In partnership with other 100,000 Jobs Mission member companies and **Syracuse University's Institute for Veterans and Military Families**, we also published leading practices guides designed to help companies build or enhance veteran employment programs.

### 2014 RECOGNITION

**VET Award** (Families and Work Institute)

**Military Times EDGE Best for Vets Employer** (*Military Times EDGE*)

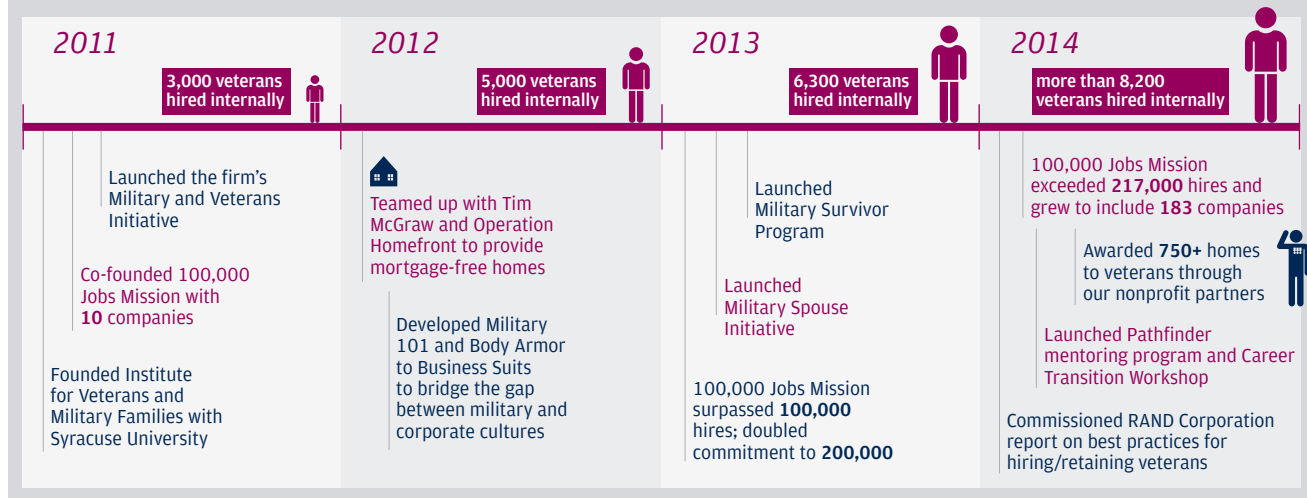
**Most Valuable Employer for Military** (CivilianJobs.com)

**25 Most Influential Employers for Veteran Hiring** (*Diversity Journal*)

**Best of the Best Veteran Friendly Companies** (*U.S. Veterans Magazine*)

### KEY MILESTONES

The firm's military veterans programs and initiatives are focused on employment, education and housing.



## SUPPORTING SMALL BUSINESSES

# Small businesses and entrepreneurs are vital to prosperous, thriving cities.

They spot new market opportunities, generate innovative products and services, and help create diverse communities. They also generate jobs, effectively demonstrating that when small businesses thrive, so do communities and the nation's economy.

JPMorgan Chase is proud to be a leader in providing the capital, resources and business know-how that small businesses across the United States need to grow and prosper. But that is not all we do to help small businesses. In addition to our business banking services, we fund innovative approaches and organizations that help small businesses be more successful. In 2014, we launched Small Business Forward, a \$30 million, five-year initiative to support the nonprofits that help grow clusters of small businesses.

### SMALL BUSINESSES - THE FACTS

Small businesses employ nearly 50% of U.S. private sector workers and have created 63% of net private sector jobs in the United States since 1993

Small businesses grow three times more quickly and have higher retention rates when located in effective, sector-focused business clusters

The 2.5 million veteran-owned businesses in the United States had sales of \$1.2 trillion and employed 5.8 million people in 2012

### JPMORGAN CHASE IN 2014:

Served the needs of  
3.9 million of the 28 million  
U.S. small businesses



Was #1 Small Business Administration (SBA) lender to women- and minority-owned small businesses by number of loans



Launched Small Business Forward, a \$30 million, five-year initiative to support small business clusters



## AT WORK IN:

## NEW ORLEANS

Fast Forwarding Small  
Businesses in New Orleans

Greater New Orleans is in the midst of a renaissance.

In the years following Hurricane Katrina, the people of New Orleans led their community in a remarkable recovery, joining with businesses, foundations and government to create jobs and transform neighborhoods across the city. As the country's economic recovery gathers momentum, New Orleans' economy is poised to grow even faster thanks to the city's focus on supporting business clusters to drive economic development. These are concentrations of related businesses that share networks, resources and ideas.

Entrepreneurs operating within clusters are better able to access capital, training, skilled workers, supply chains and new markets for their products - and research suggests their businesses enjoy faster growth than their overall regional area economies. To accelerate this potential, in 2014, JPMorgan Chase launched Small Business Forward, a new initiative to seed and support small business clusters in cities around the world ([see page 28](#)).

One of our first seed markets was New Orleans, where we provided \$200,000 to the **New Orleans BioInnovation Center**, a nonprofit biotechnology incubator and cluster that serves fast-growing, small life sciences companies. Located in the New Orleans biocorridor, in close proximity to the Tulane Health Sciences Center, a new Veterans Affairs hospital and the Louisiana State University teaching hospital, the BioInnovation Center offers its tenants access to commercialization assistance, funding and workforce development support, as well as introductions to potential collaborators, investors and specialized service providers. The Center also aims to train the next generation by providing graduate students and recent graduates with internships to work with the life sciences companies in the cluster.

The Center has provided business assistance to 145 startup companies and researchers, which, collectively, have raised more than \$80 million in capital and created nearly 300 jobs. With the health sector already one of New Orleans' fastest-growing industries, the BioInnovation Center has established itself as the anchor of a highly competitive regional health cluster that will strengthen communities and create high-quality, varying-skill level jobs.

JPMORGAN CHASE IN  
LOUISIANA IN 2014

Consumer customers:

1.1 million

Small business customers:

79,000

Extended nearly  
850 loans totaling  
\$253 million to  
small businesses



#1 SBA lender by number  
of loans statewide for third  
consecutive year

Provided \$1.6  
billion in credit to  
corporations, local  
governments and  
nonprofits



Deployed \$384 million  
in equity and investments  
since 2005 to support  
community  
development,  
including more  
than 5,200 units  
of affordable  
housing



## BIOTECH FIRM'S CHOCOLATE TOOTHPASTE REVOLUTIONIZES ORAL CARE

A New Orleans BioInnovation Center tenant since 2011, Theodent is a biotech company that makes an innovative line of toothpaste. It was the first commercial product launched from the cluster and has received some of the most buzz of any company there to date. Based on a patented technology called Rennou™, Theodent toothpaste strengthens teeth using a proprietary blend of a naturally occurring extract found in chocolate and minerals that hardens and rebuilds the enamel surface of human teeth. The company provides the only nontoxic alternative to fluoride on the market. Theodent has won the internationally acclaimed Red Dot Award: Product Design, is carried by select Whole Foods Market locations nationwide, and has been featured in *Cosmopolitan*, *Details*, *Forbes*, *Inc. magazine*, *Marie Claire*, *Men's Health*, *Time*, *W magazine* and others.

As a BioInnovation Center tenant, the company has been able to take advantage of the affordable, flexible workspace, shared labs, conference services and business expertise provided by the biotechnology incubator - along with a climate of innovation that fuels entrepreneurship. The results show in its sales, which doubled in 2013 and tripled in 2014.

“

The recovery underway in New Orleans has created a favorable business environment that is vital to our efforts to build a new economy. We have experienced the impact that targeted support and investment have in establishing a new economy based on knowledge, technology and innovation. We've also seen the critical role that small businesses play in facilitating growth and creating opportunities. By providing focused support for bioscience startups, the New Orleans BioInnovation Center is helping accelerate our city's recovery.”

**Mitch Landrieu**, *Mayor of New Orleans*

# Small Business Forward

We know that small businesses are the most important source of new jobs in the United States and are critically important to economic growth around the world.

We also know that many small business owners lack access to the resources needed to catalyze and sustain growth. According to the U.S. SBA, 50% of U.S. small businesses fail within five years.

JPMorgan Chase actively engages our small business customers to provide them with the capital and other resources needed to improve these odds. We also support innovative approaches that improve survival rates for small businesses and help them overcome the structural barriers to becoming larger companies.



Cluster-driven economic development is an innovative strategy that creates jobs and helps our nation's economy grow. Clusters convene corporations, small businesses, universities, investors, regional economic organizations and other partners to achieve synergies and productivity levels that a single small business, acting alone, cannot. Entrepreneurs participating in SBA clusters create jobs and grow their payroll four times faster than their local industry peers. I applaud JPMorgan Chase's philanthropic commitment to regional clusters through the Small Business Forward initiative. Their leadership is helping to put Americans to work right now in some of our most promising industries, setting the table for U.S. economic innovation and growth for a generation."

**Maria Contreras-Sweet, Administrator, U.S. Small Business Administration**

## SMALL BUSINESS FORWARD GRANTEES



### CLEAN TECHNOLOGY

Technology for renewable energy, recycling and affiliated service providers:



### COMMUNICATIONS

Software and devices that support media, broadcasting, publishing and computer networking:



Grand Central Tech (New York)



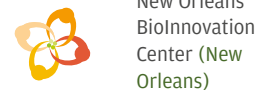
### INTERACTIVE MEDIA AND ECOMMERCE

Interactive media and gaming as well as Internet-based retail and marketing:



### HEALTH

Development of medical drugs and devices, supportive information technology systems and effective supply chains:



### FOOD

Value-added production and distribution of food and beverages:



### ENERGY

Production, technology and logistics:



Houston Technology Center (Houston)



### MANUFACTURING

3D printing and prototyping:



University of Missouri-Kansas City Free Enterprise Center (Kansas City)



QB3 at University of California-San Francisco (San Francisco)



New Jersey Innovation Institute (Newark)



## THE POWER OF CLUSTERS

Small business clusters are an innovative approach to economic development that's rapidly gaining momentum. Entrepreneurs in sector-specific clusters share ideas and networks, create partnerships, enjoy improved access to capital and integrate more easily into industry supply chains.

With the support of JPMorgan Chase, the **Initiative for a Competitive Inner City** recently analyzed clusters' contributions to economic growth in the 10 largest cities in the United States from 2003 to 2011. The results were impressive: Businesses in well-established clusters grew three times faster and had a higher job retention rate than other local businesses. Another study by the U.S. SBA found that businesses in designated SBA clusters had higher revenue and employment growth than other regional small businesses after only two years. Moreover, these businesses had sparked greater rates of innovation.

For more information on Small Business Forward, see [www.jpmorganchase.com/SBF](http://www.jpmorganchase.com/SBF).

### JPMORGAN CHASE IN 2014:

Launched Small Business Forward, a five-year, \$30 million grant program to support the formation, growth and success of small business clusters in the United States and Europe



JPMorgan Chase has been a strong advocate of small business clusters. Small Business Forward expands on that commitment and will help support business planning; networks of specialized small business suppliers; workforce and management training; export promotion; outreach to increase the participation of women and minority entrepreneurs; and affordable, easily expandable facilities that can accommodate rapidly growing small enterprises.



### CITY SPOTLIGHTS:

## MILAN, MADRID AND ATHENS SCALING SOCIAL ENTREPRENEURS

Unemployment in Italy, Spain and Greece stands at 13%, 23% and 26%, respectively, above the European Union average of 10%. In these economies, young workers often find that their only employment opportunities are part time or temporary, raising the prospect of long-term cyclical unemployment. One solution is a strengthened social enterprise sector, an approach that has been adopted by the European Union as part of its *Europe 2020* strategy to create smarter, more sustainable and more inclusive economies.

European social entrepreneurs are developing successful models to tackle social problems within their countries. But they face challenges growing those enterprises across

borders. Enter **Impact Hub**, a 10-year-old network of business incubators and accelerators that help social enterprises scale up and expand capacity successfully.

In 2014, JPMorgan Chase committed approximately €780,000 over 18 months to enable Impact Hub to expand support for 24 social entrepreneurs who are scaling their enterprises either to or within Italy, Spain and Greece. The program is part of a larger effort by BENISI (Building a European Network of Incubators for Social Innovation) and aims to help promising social enterprises generate jobs, particularly for unemployed/underemployed people and vulnerable groups, by expanding within their countries and across European borders.



# Providing Small Businesses with the Capital to Grow

In 2014, Chase made \$19 billion in new small business loans and served our 3.9 million small business customers through a team of more than 10,000 dedicated small business bankers in communities across the United States.

We were a top three U.S. Small Business Administration lender and, for the third year in a row, originated more SBA loans to women- and minority-owned businesses than any other lender. Chase supports the SBA program because of its critically important role in providing capital to small businesses that have growth potential but may not qualify for conventional loans. SBA loans drive innovation and new approaches, support financial inclusion and invigorate economic growth in communities with high unemployment.

JPMorgan Chase also sees it as an important responsibility to provide the capital, resources and tools military veterans need to become successful small business owners. In addition, we source from many veteran-owned businesses for our own operations.

### JPMORGAN CHASE IN 2014:

For the second year in a row, we were recognized by the National Veteran-Owned Business Association as a **top company for supporting veteran-owned businesses**

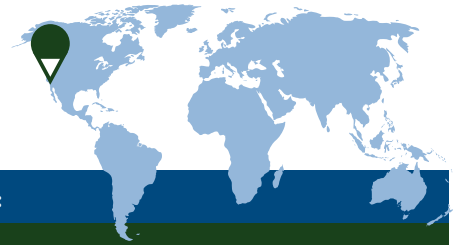


### MISSION MAIN STREET

JPMorgan Chase's *Mission Main Street Grants*® program each year provides \$3 million to small businesses around the United States that make a positive impact in their communities. See [www.missionmainstreetgrants.com](http://www.missionmainstreetgrants.com) for more information on the program and the 2014 winners.

### JPMORGAN CHASE IN 2014:

20 recipients - selected from more than 25,000 entrants - **were awarded \$150,000** each plus a trip to Google headquarters and customized consumer research to help them grow their businesses



### CITY SPOTLIGHT:

## LOS ANGELES

### CONNECTING SMALL BUSINESS OWNERS WITH A FINANCING ALTERNATIVE

When Chase business bankers in Los Angeles meet with a client or potential client who has a promising small business idea but does not qualify for a traditional business or SBA loan, they work to identify solutions. Often they will contact one of our community development partners, such as the Valley Economic Development Center (VEDC), to see if they can make a match. With different underwriting criteria based on its mission and status as a community development financial institution, VEDC has greater flexibility to make loans. With an introduction from a trusted partner like Chase, applicants frequently have a greater ability to access a low interest rate loan.

One example is Maverick's Flat, which has been part of Los Angeles' Crenshaw Corridor since 1966. The original Maverick's Flat was an entertainment destination, where iconic musicians such as the Temptations; Marvin Gaye; Chaka Khan; and Earth, Wind & Fire performed. Owner Seth Cartwright envisioned transforming the location into a live jazz bar and grill. Chase referred Seth to VEDC, where he obtained a \$700,000 loan to complete renovations and re-open in 2014, hosting top musicians on the renowned stage. Maverick's Flat brings 40 new, full-time jobs to South Los Angeles to continue the recovery and revitalization of the area.

The positive impact of making these kinds of connections has been clear in Los Angeles, and we now are extending the referral concept to other markets across the United States.



OUR APPROACH	OUR FOCUS AREAS	OPERATING RESPONSIBLY	ABOUT THIS REPORT	ABOUT JPMORGAN CHASE
BUILDING COMMUNITIES	INCREASING ECONOMIC COMPETITIVENESS	INVESTING IN SKILLS	SUPPORTING SMALL BUSINESSES	EXPANDING GLOBAL FINANCIAL CAPABILITY

## EXPANDING GLOBAL FINANCIAL CAPABILITY

Around the world, too many people struggle with financial insecurity, which not only destabilizes individual households but also has far-reaching consequences for communities and the global economy.

Improving financial security requires delivering relevant, timely information paired with products designed to help people manage their daily financial lives, withstand emergencies and achieve their long-term goals.

In 2014, JPMorgan Chase launched a global financial capability initiative to help people increase savings, improve credit, and build and protect assets. One part of this is the Financial Solutions Lab, designed to identify and scale innovative solutions to consumer financial challenges. In addition, through our Social Finance business, we are investing in scalable, sustainable solutions to provide greater access to financial products and services and improve the livelihoods of underserved populations around the world.

### FINANCIAL CAPABILITY - THE FACTS

Almost 2 billion people globally do not have a formal account at a financial institution

55% of borrowers in developing economies use only informal sources of credit, which can be riskier and more expensive than bank loans

More than a quarter of U.S. households rely on costly non-bank services and, as a result, spend the same share of their income on interest and fees as the average household spends on food

### JPMORGAN CHASE IN 2014:

Founded the Financial Solutions Lab, a \$30 million, five-year initiative developed in partnership with the Center for Financial Services Innovation



Committed an additional \$35 million over two years to support proven financial capability programs with nonprofits globally

Increased our investments in funds promoting financial capability over the past four years to \$28 million of our \$63 million impact investing portfolio



## AT WORK IN:

## SAN FRANCISCO

Scaling Innovation to  
Help Build Credit History

In San Francisco's low-income communities - as in cities around the world - networks of friends and neighbors often pool cash to make loans.

It reflects a powerful tradition of helping one another, but those informal arrangements do not allow the borrowers to build credit histories, leaving them unable to access affordable, mainstream financial products and services.

Founded in San Francisco in 2008, **Mission Asset Fund (MAF)** has turned this tradition of social loans into a formal Lending Circles Program, through which individuals borrow money from each other at zero interest and payment activity is reported to credit bureaus. The program's success has been impressive: On average, participants have increased their credit scores by 168 points - reducing average debt by more than \$1,000 in the process. And the default rate is less than 1%.

JPMorgan Chase is helping MAF scale the Lending Circles Program with a two-year, \$600,000 grant to support the national rollout of its mobile-friendly technology platform, [LendingCircles.org](http://LendingCircles.org). The new platform will automate loan-servicing functions and credit reporting, automatically manage participants' statements, send payment reminders via text message and more. We also initiated a Lending Circles Tour to help MAF identify and engage potential program partners across the United States. With JPMorgan Chase's support, MAF is expanding the program to Chicago, Dallas, Denver, Detroit, El Paso, Houston, Los Angeles, Miami, New York City and Washington, D.C.

JPMORGAN CHASE IN  
SAN FRANCISCO IN 2014

Consumer customers:

575,000

Small business customers:

42,000



Extended \$70 million in loans to support small businesses



Provided \$2.7 billion in credit to corporations, local governments and nonprofits

Deployed \$14 million in equity and investments to support community development, including 344 units of affordable housing



## PROPELLING INNOVATION WITH THE FINANCIAL SOLUTIONS LAB

The expansion of MAF's Lending Circles Program shows what can be achieved by bringing together innovative ideas, consumer insights, strong partners and technology. It's a powerful combination - and one that JPMorgan Chase is leveraging to catalyze new solutions to help people achieve a more secure financial future.

In 2014, we founded the Financial Solutions Lab, a \$30 million, five-year initiative developed in partnership with the **Center for Financial Services Innovation** (CFSI) to identify, test and expand the availability of innovations to help Americans increase savings, improve credit and build assets. [IDEO.org](http://IDEO.org) and [ideas42](http://ideas42) serve as strategic advisors supporting the Lab's design, implementation and capacity to yield sustainable, scalable solutions. The Lab will hold a series of competitions to support the next generation of technology-enabled financial solutions addressing consumer needs. Winning solutions will receive capital from the Lab and technical assistance from our partners and JPMorgan Chase employees. In early 2015, the Lab announced its first competition for entrepreneurs and nonprofit organizations with solutions that help households manage their finances in the days between when income comes in and bills are due - a timing mismatch that CFSI has identified as one of the greatest financial challenges facing low- to moderate-income families. Applicants will compete to receive up to \$250,000 in capital, along with national partnership opportunities, industry expertise, mentorship, and cutting-edge consumer and design insights necessary to power the next generation of leading financial services innovations.

We know that competition can spur innovation - and that collaboration feeds it. That's why we also are bringing together experts from the fields of technology, behavioral economics, nonprofit services and design to increase the reach and impact of the winners and help foster innovation from a range of financial providers that will reach many more people in need.

“

Financial insecurity is always a critical issue but even more so now because we are still in the midst of rebuilding the American economy, and many people are still being left behind. The financial industry has an opportunity - and an obligation - to use its expertise to create new ways to encourage people to save, grow their assets and increase their financial stability.”

*Marc Morial, President and CEO, National Urban League*

# Evolving from Financial Literacy to Financial Capability

To reduce financial insecurity and help individuals and families avoid costly services like payday loans or check cashing outlets – which drain \$2,400 per year, or roughly 10% of annual income, from the average low-income family in the United States – there's a need to do more than just raise awareness.

Enabling consumers to increase savings, improve credit and build assets requires a new approach that combines timely information with innovative tools, products and services that turn knowledge into action.

To help accelerate this shift, in 2014, JPMorgan Chase launched a global initiative to increase the financial well-being of households through financial capability programs. The initiative draws on cutting-edge best practices to drive demonstrable, lasting change in financial behaviors to help people effectively manage their daily finances, weather emergencies and, ultimately, achieve a more secure financial future.

The consequences of financial insecurity extend well beyond struggling individuals and families. The **University of North Carolina Center for Community Capital** and JPMorgan Chase reviewed major studies across several disciplines and found that financial insecurity reduces worker employability and productivity, increases demand for public services, impedes economic recovery and undermines long-term growth and productivity.

We have committed \$35 million over two years to support high-impact nonprofit organizations working to help individuals acquire the knowledge, skills and tools needed to promote financial security.

## JPMORGAN CHASE IN 2014:

Deployed **\$18 million toward our \$35 million commitment**, including a two-year, \$1.75 million grant to support the **Corporation for Enterprise Development's (CFED)** Platforms for Prosperity Fund. The Fund is working to help nonprofits integrate financial capability strategies into existing social service programs, such as workforce training and affordable housing programs that improve the nonprofits' ability to meet their clients' needs.



## CITY SPOTLIGHT:

### MIAMI

#### PROVIDING UNDERSERVED HOUSEHOLDS ACCESS TO THE FINANCIAL MAINSTREAM

According to 2013 data from the Federal Deposit Insurance Corporation, more than 20% of Miami households do not have a bank account or regularly utilize alternative financial services such as check cashers and payday loans.

**Catalyst Miami** is a nonprofit organization whose Prosperity Campaign works to link families with financial services and healthcare programs to increase economic stability. Through the program, Catalyst connects families with financial coaching paired with products to help them increase savings and improve their credit scores. Catalyst Miami works closely with participants to help them reach their financial goals by offering credit counseling and family budgeting, in addition to benefits enrollment, tax services and career services.

JPMorgan Chase has supported Catalyst Miami since 2004 and is helping to expand its newly launched **Lending Circles Program**, in collaboration with Mission Asset Fund, to help underserved communities of Miami-Dade County gain access to the financial mainstream and improve their financial security.



# New Approaches to Promoting Financial Capability

JPMorgan Chase is actively channeling investment capital toward market-based solutions to increase financial security among low-income and underserved populations around the world.

Increasingly, entrepreneurs and investors recognize the potential of this type of impact investing, which is intended to create positive environmental and social impacts alongside financial return.

Since 2009, we have invested \$63 million of our own capital – and catalyzed millions more from our clients and partners – in funds that seek to improve the livelihoods of underserved populations. A key focus has been funds that identify and support businesses whose products and services expand financial capability among their target populations.

For example, JPMorgan Chase has been an active supporter of **LeapFrog Investments**, which invests in companies that provide insurance, savings, pensions and related financial products to low-income and financially excluded consumers in Africa and Asia. In addition to capital, LeapFrog provides valuable expertise in the design, marketing and distribution of financial products that are affordable, accessible and relevant to the needs of low-income consumers. These innovative tools offer an individual or family a means to improve their financial stability and to access the kinds of economic opportunities necessary to exit poverty. Through its portfolio companies, the fund reaches more than 30 million people in its target markets.

JPMorgan Chase invested in the first LeapFrog fund in 2010. We also played an active role in recruiting investors – and committed our own capital – to a second fund that closed in 2014. At \$400 million in capital, it was nearly three times larger than the first fund, reflecting strong investor interest. LeapFrog demonstrates not only the power of impact investing to deliver high social impact but also financial returns, having executed two successful exits: In 2014, Swiss Re bought LeapFrog's stake in Apollo, an insurer in East Africa. The sale follows one in 2013 when Prudential plc acquired LeapFrog's stake in Ghanaian insurer Express Life. In each case, LeapFrog used a rigorous Responsible Exits Framework – which takes into account an acquirer's interest in serving low-income customers, commitment to a quality workplace for the company's employees and the financial proposition for LeapFrog's investors – as an integral element of the exit process.

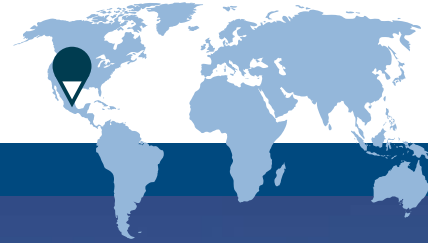


“LeapFrog Investments was founded on the idea that there is both financial and social opportunity to invest in businesses that serve the 3.6 billion people worldwide who earn less than \$10 a day and lack access to the financial tools that facilitate a rise into the middle class.

We find businesses that serve these consumers and bring capital and expertise to help them scale. Our founding vision was to invest \$100 million in businesses that serve 25 million low-income people. Six years later, we have raised \$500 million, and our companies reach 30 million people across Africa and Asia. For example, Bima, which delivers insurance via mobile phones, is reaching 9.5 million people in 15 countries, almost all of them using insurance for the first time in their lives.

Conventional wisdom is that investors must trade off profit for social benefit. In our business, we see how investing in socially driven businesses can reduce risk and enhance profitability. Profitable businesses, in turn, attract capital and talent and can scale to have ever more impact.”

**Andrew Kuper**, *Founder and CEO, LeapFrog Investments*



## CITY SPOTLIGHT:

## MEXICO CITY

### ONLINE LOANS VIA MIMONI

In Mexico, just 27% of individuals over age 15 have a bank account. Many people turn to pawn shop transactions – 15 million transactions worth USD\$6 billion occur annually – or other high-priced alternatives for emergency funds. Now, however, they have another option: **MiMoni**.

Started in Mexico City, MiMoni uses a proprietary risk technology to offer short-term loans to underserved consumers, providing an accessible alternative to high-cost emergency loans. Using an online application process and an automated, data-driven lending model, MiMoni provides credit decisions within 24 hours without the need for collateral. While its rates are higher than conventional bank loans (which often are unavailable to its customers), they are significantly lower than other non-traditional lenders.

In just a year and a half, MiMoni has become the largest online microloan provider in Latin America, with nearly 200,000 registered users. The company is on track to grow its loan volume by nearly 300% in 2015, and customer satisfaction remains high – 88% of customers are highly likely to recommend MiMoni.

Key to getting MiMoni off the ground was a \$12.8 million investment by **IGNIA**, a venture capital fund in which JPMorgan Chase has invested \$5 million. IGNIA invests in high-growth enterprises targeting the 70% of Mexico's population that earns less than USD\$4,000 per year, focusing on industries with high impact on people's daily lives, such as healthcare, financial services, housing and basic services.





## OPERATING RESPONSIBLY

At JPMorgan Chase, operating responsibly means responsiveness to our stakeholders and integrity in all we do, with strong governance and a robust framework of controls.

It includes managing environmental and social risks effectively in our business activities and managing our own operations efficiently and sustainably. It means being transparent with our customers and treating them fairly and supporting our employees in an inclusive environment.

In December 2014, we published “How We Do Business – The Report,” which describes our firm’s business practices and standards, as well as actions we have taken to address recent legal and regulatory issues. The report details the ways we have sought to strengthen our corporate culture and structure to improve understanding, adherence and enforcement of our corporate standards, as well as to strengthen our control environment. The report also describes how we are redoubling our commitment to customers and are working to enhance our relationships with regulators, shareholders and communities.

The actions described in the report reflect our commitment to improving. We view them as part of a continuing effort, one that will make us stronger, more resilient and better positioned for long-term business success.

# HOW WE DO BUSINESS

JPMORGAN CHASE & CO.

“

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

From “How We Do Business – The Report”

“How We Do Business – The Report” is available at [www.jpmorganchase.com/HowWeDoBusiness](http://www.jpmorganchase.com/HowWeDoBusiness).

# In Conversation



Daniel Pinto (left), Chief Executive Officer of the Corporate & Investment Bank at JPMorgan Chase, and Paul Polman, Chief Executive Officer of Unilever – a JPMorgan Chase client – discuss their companies' perspectives on operating responsibly and advancing sustainability.

## WHAT DOES OPERATING RESPONSIBLY MEAN TO YOUR COMPANY?

**Paul Polman:** It means acting with integrity in everything we do and with respect for our employees and shareholders, partners and stakeholders. But it doesn't end there. With finite resources and global population growth, the successful business model has to be sustainable and responsible – to drive growth, mitigate risks, cut costs and attract the best talent. Fundamentally re-evaluating the way we do business means understanding that our role is to serve the broader society.

**Daniel Pinto:** For JPMorgan Chase, it starts with unwavering ethics and integrity and robust governance and controls. It also means being responsive to our customers and other stakeholders, supporting our employees and effectively managing risks in our business. Those are the fundamentals – and they are the basis for building a successful, enduring company that has the strength and reach to create broad economic and social value for our customers and our communities.

## HOW DO YOU THINK ABOUT SUSTAINABLE GROWTH AND WHY DOES IT MATTER?

**Paul Polman:** We continue to push at the limit of planetary boundaries. Growth has come at an enormous cost to our rapidly depleting natural resources. We need a long-term growth model that reduces environmental impacts and increases positive social impact. Sustainable, equitable growth is the premise of the Unilever Sustainable Living Plan. Thinking long term will be the best way to continue serving our consumers in the decades to come and beyond.

**Daniel Pinto:** Long-term economic growth fundamentally depends on our ability to meet the needs of communities around the world and to do so sustainably. That includes ensuring reliable and affordable access to natural resources – energy, food and infrastructure – but it also includes the need for safe, prosperous and healthy communities and the importance of access to education, jobs and healthcare. Meeting these challenges will be essential to our clients' – and, by extension, our own – success.

## THE WORLD IS RAPIDLY URBANIZING. WHAT ARE THE SUSTAINABILITY IMPLICATIONS?

**Paul Polman:** Nearly 60% of Unilever's business is in the emerging markets, where a wave of urbanization is driving growth and raising incomes. That presents tremendous business opportunities, but it also means extra stress on resources. There is an opportunity in these markets to help reduce this stress – through sustainable sourcing and water programs, for example – and also to improve the lives of millions of people through our products: clean drinking water, basic hygiene and good nutrition.

For example, our Pureit filter, a low-cost water purifier that doesn't require running water or electricity to operate, is providing safe drinking water to 55 million people. Providing solutions to sustainability challenges is both a moral imperative *and* a strong business proposition.

**Daniel Pinto:** Urbanization will present challenges and opportunities for our clients across a broad range of sectors, from energy and infrastructure to agriculture and consumer products. Urban centers present a host of sustainability challenges – pressure on fresh water supplies, air pollution – but also offer promising sustainability potential. By virtue of their density, urban centers can use energy and other resources more efficiently, and they are the epicenters and drivers of sustainable product and service innovation.

We work with our clients to help accelerate and deploy these innovations. For example, we helped Solar City raise capital for its solar photovoltaic business, and the company now has become the largest solar service provider in the United States.

## WHAT IS YOUR COMPANY'S STRATEGY FOR ADDRESSING CLIMATE CHANGE?

**Paul Polman:** Most CEOs now know their companies cannot prosper in a world of runaway climate change. At Unilever, we see volatility in input costs, water scarcity and reduced productivity in parts of our agricultural supply chain – left unchecked, climate change has the potential to become a significant barrier to growth.

Tackling deforestation is one of the most urgent challenges in the effort to respond to climate change – it is responsible for 15% of emissions, and commercial agriculture is its primary driver. Unilever has committed to source 100% of our agricultural raw materials sustainably by 2020. We're putting huge effort into establishing traceability within our supply chains, working with the World Resources Institute and other partners, as well as reducing our own emissions. But the solution will need to be system-wide. So we've also been encouraging corporate commitments to ending deforestation and to persuade governments to deliver the right frameworks and incentives.

**Daniel Pinto:** Climate change is an important global issue and one that matters to us because of its potential to impact our clients' businesses. We support clients that take a proactive and strategic approach to environmental risk management. We also raise capital for clients whose businesses provide solutions to climate change and other sustainability challenges – whether that's clean energy or companies like Unilever that are developing innovative models to stop deforestation. We think partnerships can be extremely valuable, and that is why we're supporting efforts like NatureVest, a new initiative of The Nature Conservancy, to scale investments in projects that generate positive financial returns and conservation benefits. Long-term solutions to climate change can be most effective if they work well for markets, as well as for the environment.

## HOW DO YOU RECONCILE A DRIVE FOR SUSTAINABLE GROWTH WITH SHORT-TERM MARKET PRESSURES?

**Paul Polman:** The 90-day reporting cycle encourages short-term thinking, and if you're managing your business to it, you're probably making the wrong decisions for the longer-term health of the business. So we abandoned guidance, changed our compensation system for the long term and then moved away from quarterly profit reporting. We wanted to send a clear signal about our focus on long-term growth.

**Daniel Pinto:** We believe that the way to build a healthy and vibrant company is to recognize that profits reflect decisions made over many years. We maintain discipline

around investing in our business – in technology, people, controls and other efforts critical to the long-term health of our company. But, like all companies, we operate in an environment that often is narrowly focused quarter to quarter, so there's a tension.

There's no easy solution, but I think we're seeing some evidence of a new way of thinking, a growing recognition on the part of many business leaders that corporate success and society's health are linked. So what in the past may have been viewed as conflicting priorities is increasingly seen as mutually reinforcing.

# Sustainable Finance

Ever-increasing demand for natural resources, energy, food and infrastructure creates a growing set of environmental and social risks and opportunities for governments, corporations and other institutions around the world.

As a global financial institution, JPMorgan Chase helps our clients identify and reduce these risks, find solutions to emerging issues and capitalize on the opportunities created by the transition to a more sustainable global economy. We view these activities as fundamental to sound risk management within our firm – and a core part of the value proposition we offer our clients.

JPMorgan Chase's *Environmental and Social Policy Framework* summarizes our approach to integrating environmental and social risk considerations into the way we do business and articulates our broader strategy on key issues such as biodiversity, human rights and climate change (see [www.jpmorganchase.com/ESPFramework2014](http://www.jpmorganchase.com/ESPFramework2014)).

## ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

Understanding our clients' environmental and social performance is an important element of how we assess and manage risk. Failing to appropriately manage these issues can directly impact our clients' operations and long-term economic viability, our firm's reputation, and the communities and environment in which we all operate.

JPMorgan Chase has a robust internal process and a dedicated team of experts to identify and assess potential environmental and social risks associated with certain transactions involving corporate and project lending, underwriting and advisory services. We apply specific criteria, outlined in our *Environmental and Social Policy Framework*, to transactions with new and existing clients to determine whether an environmental and social risk review is required and, if so, what level of due diligence is appropriate.

Of the 1,415 transactions screened in 2014, 409 met our criteria for additional risk review and were subsequently approved (see figure 1). The majority of transactions reviewed were for corporate-level financing rather than for asset- or project-specific financing.

JPMorgan Chase is an adopter or signatory to various internationally recognized principles that help guide our efforts on environmental and social risk management, including the Equator Principles and the Carbon Principles. In 2014, under the Equator Principles, we closed two project finance deals and two project-related corporate loans (for additional details, see [www.jpmorganchase.com/EquatorReport](http://www.jpmorganchase.com/EquatorReport)). We applied the Enhanced Diligence Process of the Carbon Principles to a general corporate-purpose bond issue for one client. We did not participate in any municipal bond or project financing of Carbon Principles-eligible facilities in 2014.

### JPMORGAN CHASE IN 2014:

Underwrote more than \$2.2 billion in green bonds – double the 2013 volume



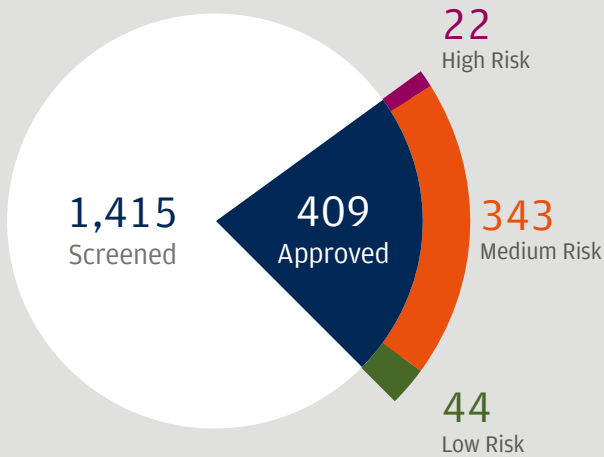
Conducted environmental and social risk review on 409 transactions that were subsequently approved

Provided founding sponsorship of NatureVest, an initiative of The Nature Conservancy to attract investment capital to conservation



©Steven Gnam for The Nature Conservancy

**Figure 1** Number and Category of Transactions Screened and Approved (2014)



### JPMORGAN CHASE'S INAUGURAL CHIEF SUSTAINABILITY OFFICERS SUMMIT

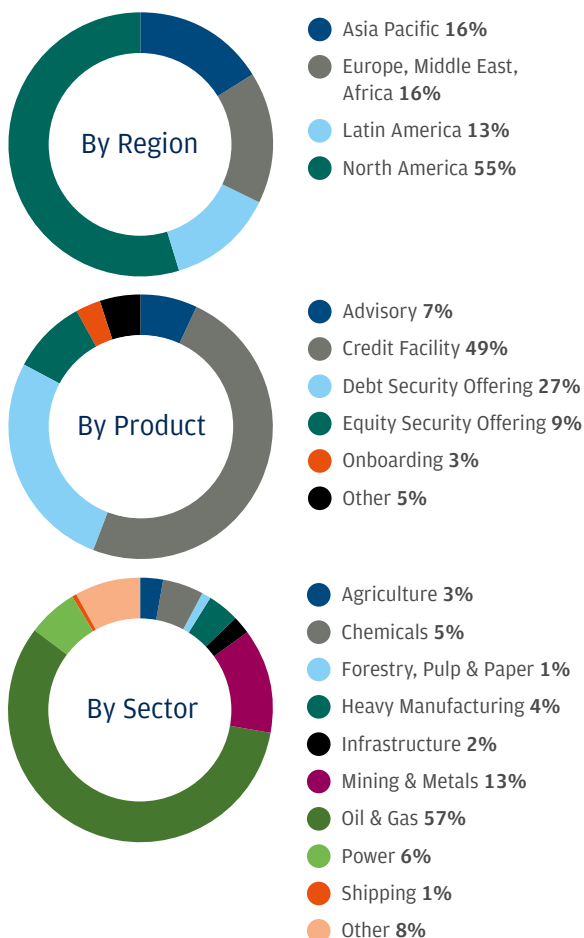
Every day across our business, we hear from individual clients about the sustainability issues, challenges and opportunities being confronted. This extensive network of client relationships provides JPMorgan Chase with a global perspective into emerging sustainability trends, evolving practices and value drivers. We put this insight to work as a resource and partner to our clients, helping them meet their business and sustainability objectives.

In 2014, JPMorgan Chase convened its first Chief Sustainability Officers summit, bringing together representatives from more than 90 client companies to discuss the business implications of sustainability and providing a forum for our clients to gain insights directly from one another.



Kurt Kuehn, Chief Financial Officer, UPS, (left), being interviewed by Eric Stein, J.P. Morgan North America Head of Investment Banking Coverage.

**Figure 2** Transactions Approved (%)



### ENGAGING CLIENTS ON BEST PRACTICES

In recent years, we have undertaken portfolio reviews of clients outside the context of individual transactions to enable us to more effectively understand and manage risk at a portfolio level. The portfolio reviews allow us to assess how our clients are managing environmental and social risks across a particular industry and enable us to more effectively identify opportunities to engage with clients around solutions and industry best practices. In 2014, we completed a portfolio review of our clients in the oil and gas sector.

In addition, we routinely engage with individual clients to help them develop solutions for specific environmental and social challenges, meet relevant international or industry standards, or improve the quality and consistency of their disclosures to stakeholders.

## FINANCING SUSTAINABLE SOLUTIONS

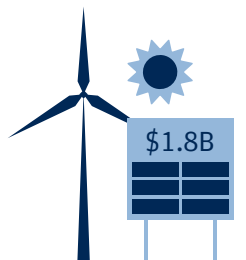
We believe there is tremendous potential for energy efficiency, renewable energy and other technologies to help address a range of sustainability challenges. We provide a full suite of advisory, underwriting and lending capabilities for clients that are working to develop and implement solutions that help meet critical sustainability needs.

JPMorgan Chase has established itself as a leader in the green bond market, which facilitates financing for companies and projects that promote climate, environmental or other sustainability benefits. We have underwritten more than \$4.4 billion in green bonds since 2007, with more than \$2.2 billion in 2014 alone. In 2014, we managed a \$228 million green bond issuance for the Massachusetts Clean Water Trust, which administers clean water drinking programs that provide loans to cities, towns and local public authorities for projects to improve drinking water and treat wastewater.

JPMorgan Chase also was one of the lead authors of the *Green Bond Principles*, released in 2014, which offer guidelines for the development and issuance of green bonds, and currently serves on the Executive Committee of the *Green Bond Principles*, now coordinated by the International Capital Market Association.

### JPMORGAN CHASE IN 2014:

Committed and arranged approximately \$1.8 billion of capital for wind and solar energy projects in the United States. Since 2003, we have raised \$13 billion for renewable energy projects, including \$7 billion of our own capital.



## COMMITMENTS AND MEMBERSHIPS

JPMorgan Chase employs a range of best practices and adheres to certain internationally recognized principles in our effort to promote sustainable performance. Our memberships include:

- Business Environmental Leadership Council
- Carbon Principles
- CDP
- Ceres Company Network
- Equator Principles
- Extractive Industries Transparency Initiative
- Green Bond Principles
- United Nations Environment Programme Finance Initiative
- United Nations Principles for Responsible Investment
- World Business Council for Sustainable Development

For more information, please visit [www.jpmorganchase.com/SustainabilityPrinciples](http://www.jpmorganchase.com/SustainabilityPrinciples).

## SUSTAINABLE OPERATIONS

We strive to manage our corporate offices, retail branches and data centers efficiently and sustainably. JPMorgan Chase responds to CDP's annual climate change questionnaire and received a score of 97/B in 2014. Data on our energy and greenhouse gas emissions can be found in our Global Reporting Initiative index at [www.jpmorganchase.com/CorporateResponsibility](http://www.jpmorganchase.com/CorporateResponsibility).



## New Financial Models to Address Critical Environmental and Social Challenges

A growing number of institutions and individuals are recognizing the power and potential of impact investments, which are intended to create positive environmental and social impacts alongside financial returns. JPMorgan Chase leverages our experience as a leading principal investor in the impact investing market to provide advisory, structuring and placement of impact investment funds for clients.

In 2014, JPMorgan Chase became the founding sponsor of **NatureVest**, an initiative of **The Nature Conservancy** to accelerate the development of a market for profitable investments in natural ecosystems by deploying new private capital to conservation projects and providing a forum for research and analysis. During the year, NatureVest released its first research report, which found evidence of rapid growth and increasing interest in the conservation impact investment market (see [www.naturevesttnc.org](http://www.naturevesttnc.org)).

JPMorgan Chase also partnered with the Bill & Melinda Gates Foundation to structure the **Global Health Investment Fund (GHIF)**, a \$108 million impact fund launched in 2013 and designed to finance the development of global health products to address diseases that disproportionately affect low-income countries. In 2014, the GHIF made its first investments, totaling \$13 million. This included \$5 million to support the final stages of product development for a new oral cholera vaccine manufactured by EuBiologics Co., Ltd. and an \$8 million bond to commercialize a powerful new diagnostic for tuberculosis developed by Epistem Holdings Plc.

# Our Customer Commitment

Across JPMorgan Chase, our most important goal is to serve our customers well. We believe that when we do that, customers will want to do more business with us.

Through our Consumer & Community Banking business, JPMorgan Chase has a relationship with nearly half of all households in the United States. Every day, we put our commitment to customer service into practice as we help these millions of individuals and families manage their daily finances, save money and invest for the future.

Our commitment to our customers means that we work continually to find ways to improve their banking experience - providing the products and services they want and making it easier for them to do business with us. We've made it easier for customers to connect more quickly with banking specialists via phone and have improved our systems so that customers can see updated information online, within minutes of requesting changes.

We know that fairness and transparency are the operating rules of good relationships so we have adopted principles and procedures that ensure fair treatment of customers; worked to simplify our disclosures, products and services, and operations; and enhanced our efforts to listen and respond to customer feedback.

## JPMORGAN CHASE 2014 CUSTOMER SERVICE RANKINGS

#1

in customer satisfaction among big banks for the third consecutive year (American Customer Satisfaction Index, December 2014)

#2

in the J.D. Power 2014 Mortgage Servicing Study, up from #13 in 2010

#3

in the J.D. Power 2014 Mortgage Origination Study, up from #12 in 2010 and #5 in 2013

## MAKING MORTGAGES WORK FOR OUR CUSTOMERS

As one of the largest mortgage lenders in the United States, we take great pride in helping our customers achieve and sustain homeownership. In 2014, we originated more than 347,000 single family mortgages, representing \$87 billion in loans for home purchase, refinance and home improvement. Of these loans, roughly \$17 billion were made to low- or moderate-income borrowers or communities.

Over the past few years, we have taken a variety of steps to streamline our product offerings and introduce product enhancements to better reflect customer needs. For example, we reduced our suite of mortgage products from 37 to 18, and it will be down to 15 by the end of 2015. Yet the remaining products still can meet 97% of customers' needs. And when our customers told us that escrow can be the most challenging aspect of managing their mortgage, we introduced an online tool for escrow management that helps them learn about the escrow process and understand how payments are applied.

Our employees are trained to communicate consistently in customer interactions, setting clear expectations and explaining fees and costs that are part of the origination process. We focus on achieving and maintaining excellence in key customer experience drivers, such as closing on time and avoiding multiple requests for documents.

## Enabling Long-Term Homeownership

At JPMorgan Chase, our goal is to help people buy homes they can afford - today and over the long term. We remain committed to low- and moderate-income homebuyers, along with customers who are experiencing a financial hardship.

In recent years, we have strengthened our approach to helping homeowners who are struggling to make their mortgage payments through a focus on early intervention. We provide extensive training to enable our employees to better support customers who are having difficulty making mortgage payments and have enhanced our communications with customers to provide better counseling and more clarity about their options.

Since 2009, we have helped prevent nearly 1.2 million foreclosures, provided more than \$8.2 billion in loan forgiveness and completed in excess of 631,000 loan modifications, including 62,430 in 2014.

# Supporting Our People

The long-term growth and success of JPMorgan Chase depends on our ability to attract and retain our employees. They are a tremendous asset and the embodiment of our corporate culture. We are committed to maintaining an inclusive workplace where all employees can do well and to providing them with opportunities for further development.

## TRAINING FOR EXCELLENCE AND CAREER MOBILITY

One of the ways we enable people to succeed is through training. We invest about \$300 million every year on training for our 240,000 employees, offering them a broad range of firmwide and line of business-specific training programs. We also focus on enabling employees to build skills through internal mobility, and we place a priority on filling open roles from within.

JPMorgan Chase provides its employees with a broad range of development opportunities that build critical skills and advance their careers. In 2014, employees completed training on topics ranging from financial products and regulatory controls to culture and conduct and broad-spectrum people management. We also provide a significant amount of training at the entry-level analyst and associate levels to build the technical expertise needed for success in these roles. In addition, our global leadership and development executives are creating a new program centered on leadership skills and our Business Principles for more than 40,000 JPMorgan Chase managers around the world.

## OUR APPROACH TO DIVERSITY AND INCLUSION

JPMorgan Chase gains strength from a diverse workforce, and our success is driven by employees who treat customers respectfully and stay true to the Business Principles that guide everything we do: exceptional client service; operational excellence; a commitment to integrity, fairness and responsibility; and a great team and winning culture.

Positive and inclusive work environments also allow us to retain the talented people we hire. Employees who feel valued are highly motivated to deliver the best service to our customers. In 2014 globally, 49% of our new hires were women. In the United States, 58% of our hires were racially or ethnically diverse.

### INVESTING IN OUR PEOPLE IN 2014:



100% of employees participated in annual learning programs covering leadership, management, culture and conduct, and compliance training

40% of roles across the firm were filled by internal candidates



Recognized as one of the Best Employers for Healthy Lifestyles by the National Business Group on Health

9 out of 10 candidates offered a job accepted a position



### RECOGNITION

JPMorgan Chase is a great place to work, develop skills and build a long-term career, and we're proud of the recognition we receive. See [www.jpmorganchase.com/awards](http://www.jpmorganchase.com/awards).





## The Blueprint for Diversity & Inclusion

Managers at all levels in the organization play a critical role in the hiring, development, promotion and retention of talent at JPMorgan Chase. Launched in 2014, our Blueprint for Diversity & Inclusion toolkit is designed to help managers of teams of all sizes understand why diversity and inclusion are critical business priorities. The toolkit provides a practical road map to help managers understand how diversity and inclusion can help them achieve their business goals. It includes a business case, a self-assessment tool, manager perspectives and best practices via a library of videos, a “What You Can Ask/What You Can Do” guide to help promote management accountability and an Action Planning Template.

## Business Resource Groups

Another way that we support diversity and inclusion is through our Business Resource Groups (BRG), which are inclusive networks that engage employees with common interests to use their unique perspectives to advance the firm’s priorities in the global marketplace. Our BRGs promote leadership and professional development opportunities for members who serve as active volunteers, advocates and recruiters in our key markets, connecting the company’s employees to the unique communities BRGs represent. One in every five of our employees is a BRG member. We sponsor and recognize BRGs for their continuing support of our firm’s business goals, diversity strategy, and people and talent objectives.

## DEVELOPING TALENT THROUGH OUR BLACK EXECUTIVE FORUM

The mission of JPMorgan Chase’s **Black Executive Forum** (BEF) – a long-standing team of senior leaders representing all parts of our businesses – is to help attract, retain, mentor and sponsor junior black talent, as well as provide recommendations for the continued development and promotion of talented black senior leaders at the firm. One important focus of the BEF is to support the firm’s efforts to attract top talent to our summer internship programs. Members of the BEF actively engage and mentor summer interns before, during and after the internship period to help students build their professional network and navigate the firm, among other things. In 2014, leaders from the BEF launched an effort to expand and raise the level of focus on the black community with respect to sourcing, hiring, retention and development, onboarding, engagement and partnerships. Key learnings and outcomes of this effort will be considered and applied to the firm’s broader diversity and inclusion efforts.

## INVESTING IN WOMEN’S SUCCESS

Recognizing that women may face unique challenges at work, JPMorgan Chase launched **Women on the Move** in 2013. As part of the program, led by Asset Management CEO Mary Erdoes and Chief Financial Officer Marianne Lake, women executives from across the company have traveled to JPMorgan Chase locations in more than 20 cities on six continents, engaging women employees in candid conversations about their career and aspirations.

More than 5,000 women have seized these opportunities to share their experiences, exchange ideas and take ownership of their professional development. The conversations have sparked the creation of mentorship programs for mothers and inspired a groundswell of action at the local level. One outcome is that women have formed 70 “Lean In Circles” across the company, inspired by Sheryl Sandberg’s book on women’s leadership. These are small professional peer groups of women who support one another as they work toward achieving their goals.

In 2015, Women on the Move will bring more men into the conversation as allies for women in the workplace and will leverage the firm’s philanthropic power to support nonprofit organizations that advocate for the success of women.



**Marianne Lake**  
CFO, JPMorgan Chase & Co.



**Mary Callahan Erdoes**  
CEO, J.P. Morgan  
Asset Management

# Engaging with Our Stakeholders

By listening to our stakeholders, we gain insight into their perspectives and the issues that matter to them, which helps us develop products, services and policies that are responsive to their needs.

Engaging with customers, policymakers, nonprofit organizations, employees and shareholders gives us the opportunity to share information about our strategy and practices and to deepen our relationships. It also makes our company stronger and better informed.

In recent years, we have taken a number of steps to implement a more systematic and robust approach to engaging our key stakeholders. Our Office of Nonprofit Engagement (ONE) is responsible for coordinating JPMorgan Chase's relationships with nonprofit organizations, principally those that serve low- and moderate-income communities, communities of color and people with disabilities. ONE supports the firm's engagement with these constituents in several ways. Community Advisory Boards (CAB) in our major U.S. markets provide a forum for communication between our firm and community stakeholders. CAB members help identify community development needs and have the opportunity to raise questions and concerns to JPMorgan Chase executives. In 2014, we added a CAB in three new markets - bringing the total to 14 - and hosted a total of 16 meetings.

We are looking to foster open dialogue about the firm's products, policies, customer-facing practices and communications, and public policy issues. Our Chase Advisory Panel program connects senior JPMorgan Chase leaders with national consumer policy groups that are focused on these issues. These structured, semiannual meetings also help us understand the national landscape of consumer financial services and are a platform to explore areas of potential partnership.

“

A great business, fundamentally, is about serving customers well. When a company takes the time to meet with us - when senior decision makers really listen, learn and engage - there's no question that they will be better positioned to meet the needs of our community and, we hope, set the pace for others in the industry.”

**Paul Schroeder, Vice President, Programs & Policy, American Foundation for the Blind**

#### JPMORGAN CHASE IN 2014:

We engaged with stakeholders representing the disability community to explore **how our products and services can best meet the needs of low-vision and blind customers**. One outcome of the dialogue is a new partnership with the **American Foundation for the Blind** to support research on consumer experiences and expectations in this area.



ONE can be reached at [one.community@jpmchase.com](mailto:one.community@jpmchase.com).

In addition to community and consumer advocacy groups, we engage stakeholders on a range of other environmental and social issues. For example, we are a member of the **Ceres Company Network**, a leading nonprofit organization that brings businesses and investors together to improve sustainability practices and environmental and social risk management in the private sector. In 2014, we collaborated with Ceres to convene a dialogue with a group of external stakeholders on the role of the financial services sector in supporting and protecting human rights. These conversations with nonprofits, socially responsible investors and issue experts have sharpened our approach to due diligence and improved the way we communicate our work.



Through JPMorgan Chase's pro bono legal program, members of our firm's Legal department donate their time, expertise and services to support communities, empower families, and advocate for vulnerable individuals and others in need around the world, including military veterans, immigrants, domestic violence victims, senior citizens, and homeless individuals and families. In 2014, JPMorgan Chase received the Pillar of Justice award from Appleseed, a nonprofit network of public interest justice centers, in recognition for our pro bono legal work.

# Policy Engagement and Political Participation

At JPMorgan Chase, corporate responsibility includes a commitment to a healthy, transparent democracy and to community involvement. Because of the impact public policy can have on our businesses, employees, communities and customers, we regularly engage with policymakers to advance the long-term interests of our company.

As part of this engagement, we participate in a number of trade associations. We disclose publicly all U.S. federal lobbying costs - those paid directly, as well as indirectly through trade associations - and the issues to which our lobbying efforts relate, as required by the Lobbying Disclosure Act and the EU Transparency Register. We also disclose state and local lobbying costs as required by law. When we make payments to trade organizations, including membership fees and dues, we restrict these organizations from using our funds for any election-related activity.

## POLITICAL CONTRIBUTIONS

Our policies prohibit the use of corporate funds to make contributions to candidates, political party committees and political action committees (PAC) or to fund independent political expenditures. Contributions by the firm's PACs - which are supported entirely by voluntary employee contributions - support candidates, parties or committees whose views on specific issues are consistent with our firm's priorities.

The firm, from time to time, may use corporate funds to support or oppose state or local ballot initiatives that affect our business. The firm does not use corporate funds to make contributions to section 527 organizations.

Our website - [www.jpmorganchase.com/PoliticalActivities](http://www.jpmorganchase.com/PoliticalActivities) - provides additional details about our approach, compliance and oversight structure, and disclosures on political contributions, including:

- Principal trade associations to which we belong
- Political action committee activity
- Section 527 organizations
- State ballot initiatives
- Section 501(c)(4) organizations

## JPMORGAN CHASE'S PUBLIC POLICY PRIORITIES

### 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
- Trade and market access
- Cybersecurity and privacy
- Military and veterans initiatives



### STRONG AND SECURE CAPITAL MARKETS

- Global regulatory reform
- Capital and liquidity
- International harmonization
- Bank structure and resolution



### CONSUMER ISSUES

- Consumer credit availability
- Federal and state housing and mortgage issues
- Consumer-focused product innovation
- Payments issues
- Consumer financial empowerment
- Transparency and disclosures



# Culture, Governance and Controls

## Outstanding people, strong leadership, and effective governance and controls are the foundation of our success.

The company has set high corporate standards, and, under the leadership of our Board and management, we are committed to creating an environment in which all our people operate with integrity, fairness and accountability.

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

### OUR CONTROL ENVIRONMENT

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

From 2012 through 2014, more than 16,000 employees were added to support our regulatory, compliance and control efforts across the entire company, and \$2 billion more was spent in 2014 than in 2012 for additional expenses on regulatory and control issues. As part of these efforts, we have implemented training and education programs that have touched every one of our roughly 240,000 people working in 60 countries and 2,100 U.S. cities.

### JPMORGAN CHASE IN 2014:



**Published an extensive report - "How We Do Business - The Report,"** - that describes our efforts to strengthen our control environment, as well as many other topics related to how we do business. The report was initiated in response to a request by a shareholder group led by The Sisters of Charity of Saint Elizabeth, a member of the Interfaith Center on Corporate Responsibility, and was prepared under the direction of our Operating Committee and the Board of Directors' Corporate Governance & Nominating Committee. The report is available online at [www.jpmorganchase.com/HowWeDoBusiness](http://www.jpmorganchase.com/HowWeDoBusiness).

### JPMORGAN CHASE BUSINESS PRINCIPLES

#### EXCEPTIONAL CLIENT SERVICE

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

#### OPERATIONAL EXCELLENCE

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

#### A COMMITMENT TO INTEGRITY, FAIRNESS AND RESPONSIBILITY

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

#### A GREAT TEAM AND WINNING CULTURE

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

# About This Report

JPMorgan Chase reports annually on our corporate responsibility performance. This report covers the period January 1, 2014 to December 31, 2014 though, in some instances, information from 2015 and prior years is included where relevant.

Our previous Corporate Responsibility Report was published in May 2014. Reporting and performance data include information on JPMorgan Chase & Co. and its subsidiaries.

We have published a Global Reporting Initiative (GRI) index and appendix on our website to provide interested stakeholders with additional information and JPMorgan Chase performance data (see Appendix A), as well as a list of sources for the third-party data cited throughout our report (see Appendix B). We also have produced a summary of our 2014 Corporate Responsibility Report, available in PDF format on our website. See [www.jpmorganchase.com/CorporateResponsibility](http://www.jpmorganchase.com/CorporateResponsibility).

For complete financial and organizational information, please also see our 2014 Annual Report. It is available at [www.jpmorganchase.com/AR2014](http://www.jpmorganchase.com/AR2014).

We developed this report and online index following the GRI G3.1 reporting framework, including the Financial Services Sector Supplement. We are self-declaring at a B application level.

## CONTACT

To contact the Office of Corporate Responsibility, email: [corporate.responsibility@jpmchase.com](mailto:corporate.responsibility@jpmchase.com).

# About JPMorgan Chase

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of \$2.6 trillion and operations worldwide. The firm is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing and asset management.

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	• Middle Market Banking	• Global Investment Management
• Consumer Banking	• Mortgage Production	• Card Services - Credit Card - Merchant Services	• Investment Banking	• Fixed Income Markets	• Corporate Client Banking	• Global Wealth Management
• Business Banking	• Mortgage Servicing	• Auto & Student	• Treasury Services	• Equity Markets	• Commercial Term Lending	
• Chase Wealth Management	• Real Estate Portfolios		• Lending	• Securities Services	• Real Estate Banking	
				• Credit Adjustments & Other		

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 J.P. Morgan's capabilities can be found at [www.jpmorgan.com](http://www.jpmorgan.com) and about Chase's capabilities at [www.chase.com](http://www.chase.com). Information about JPMorgan Chase & Co. is available at [www.jpmorganchase.com](http://www.jpmorganchase.com).

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# Corporate Responsibility at JPMorgan Chase & Co.

## What's Ahead

### EXPANDING NEW SKILLS AT WORK



We will expand our New Skills at Work initiative to China, India, Mexico and the Middle East, where workforce development will be critical in helping citizens in those countries play a role in economic expansion.

### ADVANCING OUR PARTNERSHIP WITH THE URBAN INSTITUTE



The Urban Institute will draw upon its deep policy expertise to assess and further strengthen our corporate responsibility programs, as well as produce independent, publicly available research to inform and advance solutions broadly.

### EXTENDING THE GLOBAL CITIES INITIATIVE



We will expand our research by launching Global City Profiles of Johannesburg, Santiago and Stockholm and bring together leaders in Brisbane, Singapore and Sydney.

**2015**  
AND BEYOND



### LAUNCHING THE JPMORGAN CHASE INSTITUTE

The new Institute will leverage the unique assets of JPMorgan Chase, including our market access, real-time data and intellectual capital to provide cutting-edge analysis on global economic topics such as the financial behavior of individuals, small business investment, and global trade and capital flows.

### ANNOUNCING THE FIRST CLASS OF FINANCIAL SOLUTIONS LAB WINNERS



The Financial Solutions Lab will choose its first class of winners - social entrepreneurs and nonprofits who are using technology to improve the financial health of low- and moderate-income families - and the Lab will launch new competitions to support promising innovators and share best practices using our global platform.



communities

clients

customers

employees

veterans

nonprofits

business owners

schools

hospitals

local governments