



THE WAY FORWARD > > >

2010 Corporate Responsibility Report

JPMORGAN CHASE & CO.

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Message from Jamie Dimon, Chairman & CEO



Throughout the history of our firm, JPMorgan Chase has demonstrated a long-standing commitment to serving our communities around the world and conducting business in a responsible and caring way. Good corporate citizenship is fundamental to our success, and I'm proud that we have accelerated our efforts in this area over the past few years despite facing the most severe financial crisis of our lifetimes.

On the following pages, you will see a number of examples of what JPMorgan Chase has done in the past year to help our customers and communities. It means providing day-to-day banking services to consumers and small businesses – which are engines of economic growth – as well as larger businesses, corporations and governments. It means supporting community organizations with our time and our donations. It means driving environmental sustainability through business and operations. In short, we are challenging ourselves every day to do the right thing.

I want to highlight one particular area: our efforts to serve exceptionally well the members of the U.S. military and their families. This company has a great history of honoring military personnel and veterans, but we failed in handling some of these families' mortgages. We have apologized and are working with them to rectify the situation. We have embarked on a new way forward with the military and veteran community, providing higher levels of service, donating 1,000 homes and working with other companies to hire 100,000 veterans across the country in the next 10 years. Our servicemen and servicewomen deserve nothing less. Our goal here is very simple: to become the best company in any industry to serve our military heroes and their families.

As we look toward the future, we see incredible opportunities for our company, and our teams around the world are fully engaged in pursuing these opportunities. In every way we can, we continue to actively support the economic recovery. We know that communities are built when everyone does his or her part. And we intend to do ours by being a responsible corporate citizen and helping our communities across the globe. You can read more about our extensive efforts at jpmorganchase.com/forward.

A handwritten signature in black ink, reading "Jamie Dimon". The signature is stylized, with a large, looped "J" and "D".

Message from Peter Scher, Head of Corporate Responsibility



When I recently was asked to lead JPMorgan Chase's Corporate Responsibility efforts, I was impressed by the many ways our bank uses our strength and expertise to support the economy and our communities. And I was excited by the great opportunities that are out there for us to do more.

It all starts with the way we manage our business. As one of the nation's largest financial services institutions, we have a critical responsibility to manage our bank based on core values of prudence and safety. We remained strong throughout the financial crisis, and, in 2010, we were there for our clients and our communities, providing credit and raising approximately \$1.6 trillion in capital.

That commitment to a rock solid business is meaningful not only for our employees and shareholders but for all those we serve. For example, last year, we made and fulfilled a pledge to provide \$10 billion in loans to small businesses, and we were the #1 Small Business Administration lender in the country. This year, we are upping that commitment to \$12 billion. Beyond our small business lending, we provided \$9.1 billion in credit to schools, governments, healthcare institutions, higher education and nonprofit institutions – lending that has a tremendous impact across the country.

As we look to the future, we see even greater opportunities. With the economy recovering, government and business leaders are thinking about how to keep the nation competitive in the years ahead. One area of focus is the burgeoning clean-energy sector, where JPMorgan Chase is one of the largest tax equity investors in wind power in the United States. Over the coming years, we plan to do even more to support those who are working to make America the global leader in clean energy, which may well be the defining industry of the coming decades.

Of course, our business activities are only part of the story. We provided more than \$190* million in philanthropic support to our communities. We also are contributing our expertise to help our communities, including a project we began in 2010 with the New York City Police Foundation to provide expert advice and financial contributions to strengthen the infrastructure of the technology at the New York City Police Department.

This focus on the basics of sound banking and the ambition of doing ever more to grow the economy and support our communities make up the foundation of JPMorgan Chase's corporate responsibility commitment. That is going to be part of how we do business every day.

* Contributions include charitable giving from JPMorgan Chase & Co. and the JPMorgan Chase Foundation, and this giving is inclusive of \$41.8 million in grants to Community Development Financial Institutions.

About JPMorgan Chase & Co.

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm and one of the largest banking institutions in the United States, with \$2.1 trillion in assets, \$176.1 billion in stockholders' equity and operations in more than 60 countries as of December 31, 2010.

We are a leader in investment banking, financial services for consumers and businesses, financial transaction processing and asset management. Under the J.P. Morgan and Chase brands, we serve millions of customers in the United States and many of the world's most prominent corporate, institutional and government clients. JPMorgan Chase's activities are organized into the following six business segments, as well as Corporate/Private Equity:

- Investment Bank
- Retail Financial Services
- Card Services
- Commercial Banking
- Treasury & Securities Services
- Asset Management

For complete financial and organizational information, please refer to our 2010 Annual Report.

Financial highlights

As of or for the year ended December 31,
(in millions, except per share, ratio data and headcount)

	2010	2009
Reported basis		
Total net revenue	\$ 102,694	\$ 100,434
Total noninterest expense	61,196	52,352
Pre-provision profit	41,498	48,082
Provision for credit losses	16,639	32,015
Income before extraordinary gain	17,370	11,652
Extraordinary gain	—	76
Net income	\$ 17,370	\$ 11,728

Serving consumers

HIGHLIGHTS OF 2010 INCLUDE:

We are only in business to serve our customers so we consistently strive to do a better job for all our customers. In 2010, we increased our focus on the experience of our customers – from interactions at branches, online and over the telephone to the products we provide and the way we market them. We know how important it is to help our customers finance homes, purchase cars and attend college, as well as to make everyday purchases and manage their money.

- Originated \$157 billion of mortgages to help families take advantage of historically low interest rates to purchase a home or to reduce their monthly payment by refinancing.
- Financed nearly 1.1 million auto loans for consumers for a total of \$23 billion. Our continued discipline in underwriting generated loans that customers can afford.
- Financed \$313 billion of credit card purchases of goods and services (customers choose whether to pay off their balances each month without incurring interest or to revolve the loans). Many more customers took advantage of Chase's innovations to help consumers understand, control and manage their credit card accounts.
- Continued to help students and their families cope with the rapidly rising costs of higher education by providing private student loans.
- Established an Office of Consumer Practices to create a disciplined and consistent approach to the review of products, services and business practices affecting the consumer. The Office of Consumer Practices provides a framework and guidance to ensure that customers are treated fairly and that best practices are leveraged in all of our businesses and across consumer business lines. Areas of review include product elements, major marketing campaigns and customer communications, and servicing and loss mitigation practices, as well as oversight of our businesses to ensure that our various customer "listening posts" are working effectively to enhance the customer experience.

KEEPING FAMILIES IN THEIR HOMES

Mortgage modifications

At Chase, we understand that keeping families in their homes whenever possible is good for everyone – the individual, the investor, the community, the housing market and the economy. That's why we go to great lengths to help our customers who are struggling with their mortgage payments. While we sometimes have fallen short of the standards we set for ourselves, we are continuing to work tirelessly to improve our modification processes.

We are proud to have helped families avoid foreclosures twice as often as we have had to complete them, making us a national leader in foreclosure prevention.

In fact, since the beginning of 2009, we have offered more than 1 million modifications to struggling homeowners, completed nearly 325,000 permanent modifications and prevented more than 550,000 foreclosures.

Our 51 Chase Homeownership Centers have served as an invaluable link to our customers. Our trained counselors have met face to face with 139,000 struggling borrowers in 15 of the hardest-hit states and the District of Columbia. We plan to open 31 additional centers in 2011, including six near large military bases.

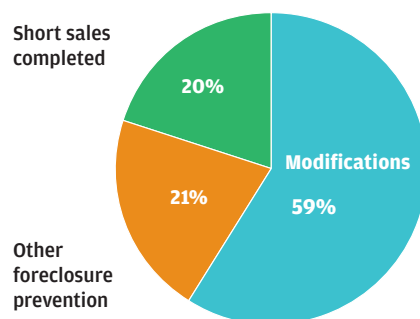
Why foreclosures occur

Foreclosure is the last and least desirable alternative for everyone, but we know they will sometimes occur despite all our efforts. We have found that, generally, there are three reasons that necessitate foreclosure:

1. *The homeowner does not respond.* Approximately 20% of borrowers who ultimately end up in foreclosure do not respond to multiple attempts by Chase to contact them once they get behind in their payments.
2. *Improper documentation.* Approximately 70% of these borrowers either do not send us any or all of the required documentation to apply for a modification.
3. *The homeowner simply cannot afford the mortgage.* Of the 10% remaining, many are offered a modification but do not make all the necessary payments.

We have prevented twice as many foreclosures as we have completed

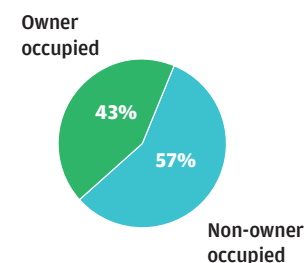
553,076 foreclosures prevented



324,121 modifications
117,459 other foreclosure prevention
111,496 short sales completed

553,076 foreclosures prevented

275,723 foreclosure sales



30% or 81,725 were vacant at foreclosure

Figures include data from 2009 through the end of March 31, 2011.

We are working hard to ensure that we are providing assistance to homeowners who are trying to stay in their homes during financial challenges. The mortgage market has been through a very painful period for everyone over the past few years. We want to do our part to help homeowners and get the economy moving again.

When foreclosures do occur

When a foreclosure happens, it is vital to our communities and to Chase to address the issue in the following ways:

- Chase has an experienced property preservation team that works with national preservation companies to monitor properties, handle ongoing maintenance and address emergency situations quickly.
- Chase works to get foreclosed properties refurbished (when necessary) and back on the market, sold and occupied as quickly as possible.
- Chase created a team to develop creative strategies to deal with foreclosed properties, working with our partners in the community and with our banking regulators. A key component is Chase's program to donate or deeply discount hundreds of homes to not-for-profit groups and municipal governments in high-need neighborhoods across the country. Since 2009, Chase has donated, sold or deeply discounted 1,279 Chase Real Estate Owned foreclosed

properties in 325 cities and continues working with participating not-for-profits/municipalities to do even more.

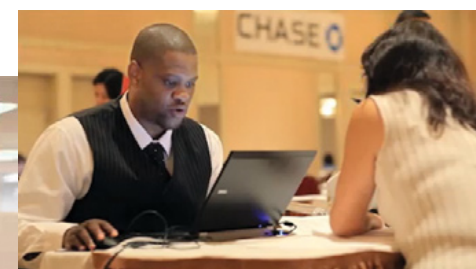
HELPING STRUGGLING CREDIT CARD CUSTOMERS

Our credit card business has taken an active role in advocating and providing greater consumer choice and control. These efforts include the following:

- *Customer support training* – Our credit card representatives are trained with a collaborative, solutions-oriented approach that helps them understand customer needs and deliver solutions.
- *Payment programs* – Chase restructures credit card loans to reduce interest rates, waive late fees, and extend repayment terms through a variety of payment programs. Chase has continued to expand eligibility to customers in earlier stages of delinquency and has extended flexibility for customers to move between and re-enroll in programs. We have extended these types of payment-program offers to more than 3.3 million customer accounts since 2008.
- *Credit counseling agencies* – Chase supports solutions for customers working to address their full repayment needs through Credit Counseling Agencies. We accept Debt Management plans



Through 51 Chase Homeownership Centers, counselors have assisted more than 139,000 borrowers since early 2009. We plan to open 31 more centers in 2011.



from almost 300 qualified agencies. Chase also provides a customer referral service that offers a choice of multiple, qualified non-profit credit counseling agencies, for the customer to select for immediate assistance and education.

Innovating products

Chase continues to empower customers through innovation, helping them manage their credit card spending responsibly. Featured products include:

BlueprintSM

Chase offers an industry-first set of features that dramatically improves the way customers can manage their spending, payments and borrowing based upon their unique financial goals. Customers also can design a simple plan to avoid interest and pay off card balances sooner – tracking progress toward achieving their goals on every statement via online access and by phone. BlueprintSM was recognized as Best Program to Help You Manage Your Money by “CBS MoneyWatch” in early 2011.

Chase Clear & SimpleSM

Chase continues to offer an ongoing program designed to help customers better understand and manage their credit card accounts through consumer support initiatives such as free account alerts and choice in due dates.

Revamping overdraft for our banking customers

We revamped our overdraft policies to make them clearer and simpler and to give customers more control over their debit cards and the fees they pay.

Highlights include:

- We modified posting orders to recognize debit card and ATM withdrawals as they occur, reducing consumer fees.
- We charge no more than three overdraft fees per day, down from six.
- We charge customers no overdraft fee if their account is less than \$5 overdrawn.
- We offer customers both overdraft protection and debit card overdraft coverage to help them manage their checking accounts.

We also expanded access and convenience to make it easier to do business with us.

Highlights of our efforts include:

- *Bank branches and ATMs* – We opened 154 bank branches and added 739 ATMs.
- *Deposit-friendly ATMs* – All 10,000+ ATMs that accept deposits now are deposit-friendly by eliminating envelopes and providing images of deposited checks on the screen and on receipts, enabling customers to be more comfortable making deposits at an ATM.

- *Branch staff* – We added 3,724 personal bankers, as well as 1,284 business bankers, investment specialists and mortgage officers in bank branches. These efforts help us serve customers better and broaden our relationships with customers beyond checking accounts and other basic services.
- *A range of languages at branches, in homeownership centers, via online and in communications* – Our branch employees speak dozens of languages, primarily reflecting the neighborhoods in which they work. Counselors also speak many languages, including Spanish, at our Chase Homeownership Centers – a critical time to communicate with customers facing the possible loss of their homes. Our ATMs offer customers 10 different languages – including Spanish, Chinese and Korean – or customers can establish their ATM-language preference through [chase.com](https://www.chase.com). In addition, we continue to offer Spanish brochures and forms. In 2010, we introduced Spanish-language statements, as well as interactive functionality in Spanish, on [chase.com](https://www.chase.com).
- *Text assistance* – Customers can instantly respond to a text alert about a low account balance and immediately move funds into the account by sending a text-message reply.

Supporting small businesses

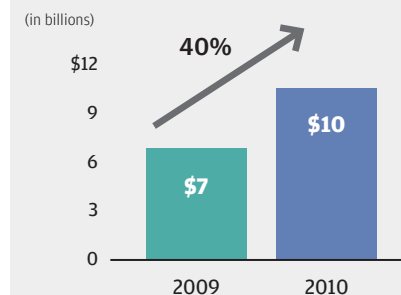
Small business owners are not only our neighbors but also the entrepreneurs that are the engines that drive the U.S. economy. It's critical that we support small businesses as they continue to fuel the economic recovery across the country. So we seek out creditworthy business owners – especially ones who bank with us – and look for every opportunity and program to provide the funding they need.

INCREASING OUR LENDING COMMITMENT

In 2010, Chase dramatically ramped up our lending to small businesses – increasing it more than 40% over the previous year to \$10 billion. This provided businesses with increased access to working capital, term loans for expansion, commercial mortgages, lines of credit and business credit cards. Perhaps most important, that capital helped more than 275,000 small businesses with annual sales of less than \$20 million, with the majority of new loans helping companies with sales of less than \$10 million. At year-end 2010, Chase had more than \$30 billion in outstanding balances in loans, lines of credit and credit card balances to businesses with annual sales of less than \$20 million.

Chase also hired more than 500 additional small business bankers – most of them working from Chase bank branches to help reach small businesses – in the 14 months ending in December 2010.

Chase dramatically ramped up its lending to small businesses



Taking another look at declined loans

Chase created a program for any customer to request a second review 24 hours after any small business loan is turned down (we already review more complex loans automatically). We then consider alternatives – lowering the dollar amount, requiring additional collateral or seeking more information – that could make the loan work. By the end of 2010, we had approved an additional \$283 million in credit to small business applicants.

Chase sponsored for InkSM customers events and other forums designed to help small business owners run their businesses more effectively.



Working more closely with the Small Business Administration

In the Small Business Administration's (SBA) fiscal year 2010¹, Chase ranked first in the number of SBA loans, providing more loans to small businesses than any other lender – a total of 3,386 for \$434 million.

Expanding products, education

Highlights of our efforts in 2010 include:

- We continued to offer credit cards called InkSM with features and benefits to help business owners manage their everyday cash flow needs.
- For InkSM customers, we sponsored events and other forums designed to help small business owners run their businesses more effectively.
- We rolled out creative ways to support and encourage small businesses to invest in their businesses and hire more employees. Our innovative Loan for Hire program rewarded businesses for hiring new employees by lowering the interest rate on an initial Chase business line of credit by 0.5 percentage point for each new hire, up to three new employees, for the life of the credit.

¹ The SBA's fiscal year 2010 began October 1, 2009 and ended September 30, 2010.

Serving our military and veterans

We have embarked on a new way forward with the military and veteran community, providing new levels of service, agreeing to donate 1,000 homes in the next five years and working with other companies to hire 100,000 veterans across the country in the next 10 years. Our servicemen and servicewomen deserve nothing less.

In early 2011, JPMorgan Chase announced a series of initiatives to provide special benefits to active duty military personnel and veterans by focusing on areas where they have unique needs – housing, jobs and education. We have redoubled efforts to correct mistakes in servicing some mortgages – and now strive to become the best company in any industry to serve our military heroes. That's especially important to us because the firm traditionally has supported the military and veterans: We pay our reservist employees their full salary when they are called to service and have offered a full line of competitively priced, customized financial services for members of the military.

We have renewed our efforts to recruit and hire more veterans through an initiative called The 100,000 Jobs Mission. It will increase our giving to and partnerships with military veterans' organizations and will foster the military veterans' community working here at JPMorgan Chase. Our new web site, chasemilitary.com, is designed for members of the military and their families to learn more about our initiatives and financial products and to apply for positions with JPMorgan Chase. While the initiative currently is focused on military veterans in the United States, we are exploring options for military veterans' programs in other countries.

The 100,000 Jobs Mission

JPMorgan Chase is strengthening efforts to recruit and hire military veterans by:

- Forming an alliance with other major corporate employers to commit to hire 100,000 military personnel leaving active duty and veterans over the next 10 years.
- Requiring all company vendors to disclose their military hiring practices. We will make contract decisions, in large part, based on how strong those programs are. This is in addition to our current practice of requiring vendors to disclose their diversity practices.

Partnerships with veterans' organizations

We are continuing our commitment to honor military personnel and their families through an expansion of efforts to support those groups that work closely with veterans of the U.S. armed forces. Several of the organizations we partnered with during the past year are:

- *Wounded Warrior Project* – JPMorgan Chase has donated \$250,000 to date toward raising awareness and enlisting the public's aid for the needs of injured service members, helping injured service members aid and assist each other, and providing programs and services to meet the needs of injured service members.
- *Military Warriors Support Foundation* – Since February 2010, Chase has donated six 100% mortgage-free homes to wounded veterans and their families in New York, Arizona and Texas. Chase will continue to donate homes through the Military Warriors Support Foundation.
- *Morale, welfare and recreation programs* – Chase has contributed nearly \$4 million toward programs that improve the quality of life for servicemen and servicewomen, military veterans and their families, including recreation and day care centers, fitness facilities, movie theaters, sporting events such as golf and bowling, and music programs on military bases across the United States.

- *American Corporate Partners* – JPMorgan Chase partnered with American Corporate Partners to identify 50 senior leaders to help mentor servicemen and servicewomen as they transition from the military into civilian life.
- *Wall Street Warfighters Foundation* – In July 2010, JPMorgan Chase began partnering with the Wall Street Warfighters Foundation (WSWF), a not-for-profit that prepares service-disabled veterans for careers in finance, to help military personnel make the transition to civilian jobs. Nearly 30 JPMorgan Chase employees have volunteered as mentors to guide military veterans through a job search and to introduce them to contacts both internally and externally. Our volunteers worked with WSWF participants through one-on-one information sessions, career panels and networking events.

JPMorgan Chase's military veteran community

To help employees and the firm better understand military needs and culture, a new employee networking group, VETS (Voices for Employees That Served), is being launched with initial chapters in London; Monroe, La.; Phoenix, Ariz.; and Dallas-Fort Worth, Texas. The VETS group provides support internally and externally for service members and veterans. Specifically, the network provides a forum for military veterans, retirees, reservists, National Guard and their supporters to engage returning servicemen and servicewomen in community outreach programs; provides networking opportunities and exposure for members; strengthens the firm's ability to attract, develop and retain military veteran employees; focuses attention on the contributions that military veterans make to the community and to the company; and promotes the values of JPMorgan Chase.



To help employees and the firm better understand military needs and culture, a new employee networking group, VETS (Voices for Employees That Served), is being launched.

Serving communities – doing business with a double-bottom line impact

Whether it be our government, not-for-profit and healthcare (GNPH) group; the Investment Bank Public Finance groups; our Social Finance group; our Community Development group; or our renewable energy lending and investing businesses, each provides capital in a way that directly helps strengthen our communities and has a demonstrable economic or social impact domestically and/or globally. We characterize these as double-bottom line businesses.

JPMorgan Chase originated billions of dollars in financing for clients in governments, the not-for-profit sector, healthcare, community development and alternative energy. We believe these activities are critical to help support our communities, to stimulate growth, to provide essential infrastructure and services, and to create jobs. It, therefore, also is of vital importance that these activities be based on sustainable, long-term business models.

Public sector

Our businesses strive to provide financial solutions that help our government, not-for-profit, healthcare, essential service and higher education clients advance the excellence, increase the value and manage the costs of the services provided to the public.

Highlights of 2010 include:

- Raised nearly \$90 billion¹ for U.S. state and local governments, not-for-profits, healthcare organizations and educational institutions.
- Assisted California with a \$10 billion² notes issuance, the largest municipal transaction over the past seven years.
- GNPH provided \$9.1 billion¹ in new and renewed credit facilities of various types to public K-12 schools, governments, healthcare, higher education and not-for-profit social services/arts/cultural institutions in 2010.
- Served as the largest administrator of Supplemental Nutritional Assistance Program benefits (SNAP, f.k.a. food stamps) via electronic benefit transfer debit card-based programs in the United States, with 9.1 million active cases across 27 states/territories under contract at year-end 2010.
- Delivered state unemployment compensation benefits and child support payments via electronic debit card-based programs in the United States with 1.7 million active cases across 23 states at year-end 2010.

¹ Internal reporting.

² SDC Thomson.

Financial institutions

JPMorgan Chase raised 2.4 billion of capital in 2010 for the Commercial Bank's Financial Institution clients. We raised \$1.4 billion of equity and \$1.0 billion of debt.

Renewable energy lending, investing and other activities

The firm is active in promoting environmental sustainability, lending and investing directly to the renewable energy industry and in facilitating and promoting sustainability efforts of its clients. For more information on our environmental sustainability lending, investing and other activities, please refer to the section of this report entitled "Supporting environmental sustainability."

Our commitment to keeping cities and states strong

At JPMorgan Chase, we're working hard to support those who support all of us – our state and local governments, nonprofit organizations, hospitals and educational facilities. Over the past year, we've stepped forward and provided critically needed financing to help build infrastructure, improve existing facilities and stimulate economic growth across the country.

Our commitment to the Golden State is stronger than ever

Since the start of 2010, we have committed or helped raise more than \$25 billion for educational institutions, transportation agencies, municipalities and healthcare providers in California.

In northern California, J.P. Morgan participated in the sale of \$8.1 billion of bonds over the past decade for the Bay Area Toll Authority to keep its essential network of bridges safe. This money has helped finance several seismic safety improvements, including the new east span of the Bay Bridge and new spans of the Carquinez and Benicia bridges. These projects also have created local job opportunities and will ensure a safer and smoother commute for years to come.

Our commitment to the Lone Star State is stronger than ever

Since the start of 2010, we have committed or helped raise more than \$8.7 billion for educational institutions, transportation agencies, municipalities and healthcare providers in Texas.

One example of our commitment is Cook Children's Health Care System. We raised close to \$195 million in bonds to help finance the expansion of its main campus in Fort Worth, resulting in many new job

openings. With improvements such as 51 new beds, renovations to its surgery pavilions and two new helipads for emergencies, Cook Children's will be able to provide better service to more patients and their families.

Our strong commitment to a strong Chicago

Few things are as important to a community as quality healthcare. At JPMorgan Chase, we've raised more than \$350 million for Illinois healthcare institutions in the first half of 2010 alone.

In Chicago, J.P. Morgan played a key role in financing the University of Chicago Medical Center's New Hospital Pavilion. With its state-of-the-art intensive care and operating facilities, more patients than ever will have access to advanced treatment and care. The construction of the pavilion, set to open in 2013, will employ more than 1,000 workers.

We're committed to helping keep Chicago healthy and strong.

In California, Texas, Chicago and across the nation, our determination to connect clients and capital is just the beginning. We will continue to support our communities responsibly and move America forward.

Achieving a double bottom line of social benefits and financial return

We believe that tackling the world's social problems requires more than traditional development aid or charity. We see significant potential and need for market-based solutions to address global poverty and inequality. These solutions support initiatives such as microfinance, small and medium enterprise financing, energy services for the poor, agribusiness, healthcare, education, and water and waste management.

J.P. Morgan is committed to generating social, environmental and financial returns through growing the impact investing industry. In addition to making social impact investments, our Social Finance unit provides capital markets services to clients ranging from social enterprises and foundations to non-governmental organizations and other investors. These investments, in turn, seek to help millions of people at the base of the economic pyramid. Our “double bottom line” strategy enables us to deliver social benefits and financial returns through the investments we make.

In 2010, J.P. Morgan demonstrated leadership for impact investing through the following Social Finance investments:

- **IGNIA Fund I** – We invested \$5 million in IGNIA, a social venture capital fund investing in social enterprises in Latin America. Its portfolio consists of early-stage social enterprises, such as a cooperative of organic export farmers in rural Mexico and private health clinics.
- **LeapFrog Financial Inclusion Fund** – We committed to invest up to \$10 million in LeapFrog, a fund that invests in microinsurance and other insurance services for the poor and financially excluded people in fast-growing emerging markets.

In partnership with the Rockefeller Foundation, the firm is a founding sponsor of the Global Impact Investing Network (GIIN), a New York City-based not-for-profit organization. We work with leading institutional investors, foundations and intermediaries to advance the impact investing industry.

J.P. Morgan supports thought leadership in the impact investing industry by publishing groundbreaking research. It co-authored “Impact Investments: An Emerging Asset Class” with the Rockefeller Foundation and the GIIN, analyzing how impact investments can channel large-scale private capital for social benefit. The report includes the first large-scale data analysis of return expectations and realized returns (where available) for impact investments. J.P. Morgan also published “All Eyes

on Microfinance Asset Quality: Microfinance Global Valuation Survey 2010” in partnership with the Consultative Group to Assist the Poor, a World Bank group. The reports can be accessed on our web site at jpmorgan.com/pages/jpmorgan/investbk/solutions/ssf/publications.

Influencing positive change in the global communities in which we operate

At J.P. Morgan, we are committed to doing business in a way that benefits our clients, employees and shareholders. We see these goals as being complementary, not mutually exclusive. Our business approach is grounded in the belief that we can accomplish the most by doing what we do well – developing market-based solutions that enable our clients to meet their strategic goals.

Social responsibility is an essential component of J.P. Morgan's success. It is a part of what we do – and who we are – as a firm. Our environmental and social initiatives draw on our strong combination of business expertise, philanthropic commitments and employee outreach.

More information can be found on our web site at jpmorgan.com/socialfinance.

In 2010, J.P. Morgan demonstrated its support of organizations serving the base of the economic pyramid by expanding its commitment to Grameen Foundation. Through a \$3 million, three-year grant, we became the presenting sponsor of Bankers without Borders®, the Grameen Foundation's innovative, skills-based volunteer initiative. Experienced professionals in all fields contribute their time and expertise to microfinance institutions, the Grameen Foundation and its technology partners as part of this effort. Employees show their support by:

- Assessing the use of the Progress out of Poverty Index™ (PPI™) to accurately measure program results and track progress in helping clients rise from poverty. Employees work directly with PPI™ users across 34 countries.
- Creating a poverty data analysis framework for a social business in Indonesia to determine the appropriate strategy for increasing the income of the poor.
- Developing and leading a customized treasury management workshop for a microfinance institution in Tunisia to improve its risk, liquidity and cash management processes.
- Providing a model to assess the political and economic risks across 33 targeted countries for a new investment fund supporting the growth of early-stage microfinance institutions.
- Conducting an analysis of the microfinance landscape in Turkey.
- Publishing “A Primer on Currency Risk Management for Microfinance Institutions,” which examines ways to devise effective foreign exchange hedging strategies for the microfinance sector.



Employees work with nonprofit organizations to assess the use of the Progress out of Poverty Index in helping clients out of poverty.



A treasury management workshop customized for a microfinance institution in Tunisia aims to improve risk, liquidity and cash management processes.



An analysis of the microfinance landscape in Turkey helps clients start small businesses and send their children to school.

Additionally, J.P. Morgan employees volunteer their time and skills to support social finance, entrepreneurship and access to educational resources. Some of the ways they demonstrate their commitment include:

- Helping to train 600 entrepreneurs and develop 500 social business plans in Chile, Colombia and Peru through the firm's sponsorship of TechnoServe's Latin America Business Plan Competition.
- Making recommendations to Women's World Banking (WWB) partner organizations on pressing industry issues and serving as the corporate sponsor of the WWB Capital Markets Conference for the third consecutive year.
- Providing training to educate nonprofit partners around issues associated with structuring and operating for-profit investment vehicles in partnership with local law firms.
- Hosting the Voices of Progress speakers series, which provides ongoing opportunities for employees to hear from some of the world's most inspiring contributors to the social agenda.

More information can be found on our web site at jpmorgan.com/responsibility.



Employees learn more about market-based solutions addressing global hunger and the social impact of microfinance through the Investment Bank's Voices of Progress speaker series.

Drawing on employees' passions to drive the philanthropic agenda through Team IB

In addition to the broad array of philanthropic practices and responsible enterprises the firm supports, our employees are a driving force behind positive change.

The Investment Bank (IB) taps into a pool of ideas, talent and energy through Team IB, our global employee engagement and volunteerism program. Team IB supports philanthropic causes of interest to employees and celebrates people who do good work while inspiring their colleagues to do the same.

In 2010, more than 1,300 employees participated in volunteer projects and awareness-raising events initiated by their colleagues. Team IB contributed more than \$250,000 globally to charities selected by employees.

Team IB brings people together to promote team building and further develop their leadership and organizational skills. This, in turn, contributes to a more rewarding work environment.

Simply put, employees bring the ideas and the talent, and Team IB supplies the execution support and financial backing. Here's how employees across the Investment Bank inspire their colleagues to do good work:

In addition to the broad array of philanthropic practices and responsible enterprises the firm supports, our employees are a driving force behind positive change.

Wish Sacks help to inspire critically ill children

In a 2010 Team IB project, nearly 150 employees across the Americas; Asia Pacific; and Europe, Middle East and Africa formed teams to gather donations and put together more than 100 Wish Sacks for children with life-threatening medical conditions whose wishes have been granted by the Make-A-Wish Foundation.



Employees wrap gifts for critically ill children.

Colleagues race to empower Australia's youth

J.P. Morgan employees in Sydney and Melbourne used fitness to make a difference by competing in local marathons. They raised awareness and funds for REACH Foundation, an organization that empowers young people to achieve their full potential.



Race Day – camaraderie and fitness benefit youth.

Helping U.S. military veterans transition to civilian jobs

Employees initiated a partnership with the Wall Street Warfighters Foundation, a not-for-profit that prepares service-disabled veterans for careers in finance. To support their efforts, Team IB sponsored a career development program and provided exposure to financial services through internships, shadow days and networking opportunities.



Networking helps U.S. military veterans find civilian jobs.

J.P. Morgan interns volunteer to benefit global communities

During their summer internships at the Investment Bank, more than 100 students in New York City took part in volunteer activities fostering social responsibility, team building and leadership.

Team IB worked with the interns to identify target organizations where they could make a difference. Teaming with World Vision, a global charity dedicated to tackling the causes of poverty and injustice, interns assembled 400 medical supply kits for 16,000 AIDS patients around the world.



Interns share in the spirit of responsibility.

Employees run for charity in Team IB Corporate Challenge® events

Employees teamed up for competition, camaraderie and support of their favorite charities at the 2010 J.P. Morgan Corporate Challenge® Race for Charity events in London and New York.

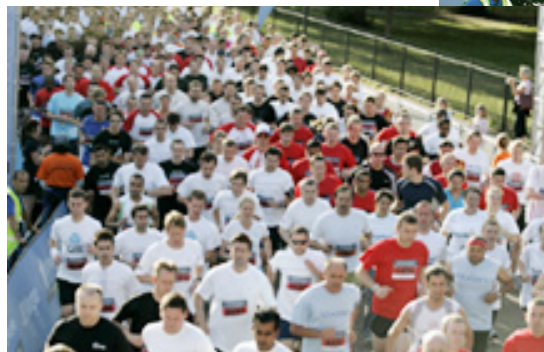
Using a series of contests, Team IB encouraged employee participation in the Run London, for the London campaign to raise money and awareness for Help a London Child, a charity benefiting underprivileged children.

In New York City, employees competed in the Team IB Challenge for a chance to donate \$5,000 to their favorite charity. Winning charities include the Wounded Warrior Project, which assists injured

military personnel; the Leukemia & Lymphoma Society, which advocates for blood cancer research and treatment; and Minds Matter, which mentors high school students from low-income families to help prepare them for college.

Autism Awareness month

Team IB partnered with an employee networking group to assemble a global audience of 250 employees to discuss the latest treatments, advocacy initiatives and research for autism-related disorders.



Teamwork benefits employees' favorite charities.

Chase remains a leader in financing affordable housing construction, helping to develop for-sale and rental housing throughout its banking footprint. In addition, Chase has made significant investments to help its communities thrive – including lending and investing activities that support the development of community centers, health clinics, special-needs facilities, food banks, small businesses and charter schools. In more ways than one, Chase is committed to making a positive difference in the lives of the people where it has a presence.

Community Development Banking

Community Development Banking's (CDB) mission is to further the firm's commitment to invest in the communities it serves by:

- Lending for the construction and rehabilitation of housing that is affordable to low- and moderate-income households.
- Supporting intermediaries, such as Community Development Financial Institutions (CDFI), which serve low- and moderate-income communities.
- Investing in a broad array of projects in low- and moderate-income communities through the New Markets Tax Credit (NMTC) program.
- Bringing Chase's financial expertise, leadership and innovative ability to the broader affordable housing and community development sectors.

CDB is active in Chase's footprint. In 2010, CDB continued to have a demonstrable impact in our communities, including helping to create more than 12,000 units of affordable housing to low- and moderate-income families and lending and investing in projects that created or retained more than 19,000 jobs.¹

¹ Number includes jobs retained or created by Community Development Real Estate (estimate based on formulas established by the National Association of Home Builders – September 2007 Report, "The Local Economic Impact of a Typical Tax Credit Housing Project: Income, Jobs and Taxes Generated" (151 local jobs per 100 units of affordable housing)) and NMTC (as reported by recipients of our funding). Data measure only the capital provided with Chase's proprietary allocations.

Community Development Banking accomplishes its work through its three businesses:

- *Community Development Real Estate* provided \$1.1 billion in new credit commitments (142 projects) for affordable housing in 2010. The group also financed economic development projects, particularly utilizing New Markets Tax Credits and other subsidies. In addition, Community Development Real Estate has helped create and fund multiple pooled loan funds that facilitate real estate acquisition by not-for-profit entities seeking to preserve the affordability of multifamily housing. Chase partners with other major lenders and foundations to support, create and develop unique products and programs to promote affordable housing.
- *The Community Development Intermediaries Lending* group participates as a lender in a number of community loan funds across the United States. Chase indirectly finances affordable housing, community facilities and small businesses by providing financing to its intermediary customers working in Chase's low- and moderate-income communities. Chase is a recognized leader in lending to and meeting the range of financial needs of Community Development Financial Institutions. The group also is a leader in providing financing for Low Income Housing Tax Credit (LIHTC) syndicators. In 2010, Chase provided \$389 million in lending to intermediaries.

- *The Community Development New Markets Tax Credits* group is an active leader in the NMTC industry – both as an allocatee and as an equity investor. In 2010, Chase was one of the largest and most active investors in the market, closing more than \$700 million of NMTC transactions. Chase uses the NMTC in two distinct ways to invest in low- and moderate-income communities across the country. First, it is focused on using its proprietary NMTC allocations to provide clients, not-for-profits, real estate developers and operating businesses with senior debt at interest rates substantially below the market rate. Second, Chase partners with a range of Community Development Entities to provide equity-like financing to qualified projects through the NMTC program. The NMTC group is focused on internal and external partnerships to maximize the amount of subsidy from the tax credit that benefits projects in low-income communities. Chase is committed, using the NMTC, to support projects that create jobs, reduce blight and provide critical services for low-income communities. In 2010, Chase used the NMTC to finance projects that include a food bank, a soup kitchen, charter schools, healthcare clinics, nonprofit program space and manufacturing facilities.

Tax-Oriented Investments

Tax-Oriented Investments, a part of the Investment Bank, makes tax credit equity investments in apartments qualifying for Federal Section 42 Low-Income Housing Tax Credit and, when done in tandem with Section 42 transactions, Federal Section 47 Historic Tax Credits. Known externally as JPMorgan Capital Corporation (JPMCC), it is a nationally recognized leader in the business, having invested more than \$12 billion since the program became permanent in 1993. This represents approximately 14% of LIHTC equity raised. During the financial crisis when many investors were on the sidelines, JPMCC continued to invest and was the largest investor in 2008 and 2009, investing more than \$1 billion during those two years. JPMCC continued its leadership role in this regard in 2010 by investing over \$700 million.

JPMCC works closely with other areas of the firm, an important part of the firm being Community Development Banking, to achieve our community development goals. JPMCC partners with the CDB by providing access to a variety of transactions through JPMCC's syndicator partners and by assuring developers an efficient and certain execution.

JPMCC has an affordable housing portfolio of more than \$8.3 billion, which represents interests in over 5,800 properties and 450,000 housing units.

Financing affordable housing

Chase continues its leadership role in helping to finance the construction and rehabilitation of quality affordable homes across its banking markets. Examples include:

Belovida at Newbury Park Senior Apartments – San Jose, California



Chase originated two letters of credit facilities totaling \$24 million for the construction of Belovida at Newbury Park Senior Apartments in San Jose. The project is a 185-unit affordable housing apartment complex for seniors aged 55 and older.

Via Verde – Bronx, New York

Chase helped finance the new construction of Via Verde, a 222-unit affordable housing rental complex in the Bronx, N.Y. Via Verde includes a mix of rental and for-sale units, as well as retail and community facility space. The project was designed to exceed Leadership in Energy and Environmental Design (LEED) Gold standards for environmentally responsible and energy-efficient design. Chase provided both debt and equity financing for this project, including two construction letters of credit totaling more than \$41 million and \$35 million in Low Income Housing Tax Credit equity.

Wildflower Terrace – Austin, Texas

In addition to providing two standby letters of credit in the amount of \$70,000 each, Chase provided a \$14 million loan for the construction of Wildflower Terrace, a 201-unit affordable housing apartment complex for seniors in Austin. The property includes a clubhouse, commercial space and a four-story garage.

Apache ASL Trails Apartments – Tempe, Arizona

Chase originated a \$7.9 million loan and provided approximately \$15 million in tax credit equity to support the new construction of Apache ASL Trails Apartments, a 75-unit development in Tempe for seniors aged 55 and older. The units and common space areas are tailored for residents who are deaf or hearing impaired.

Franklinton Senior – Columbus, Ohio

Chase provided a \$5.2 million loan to partially finance the new construction of Franklinton Senior, a 54-unit, Low Income Housing Tax Credit affordable housing complex for seniors in Columbus, Ohio. In addition to providing construction financing, Chase provided a \$700,000 permanent loan for the project. Franklinton Senior includes many attractive amenities, including a common community room, fitness room, laundry, media center, garden area, computer room and on-site manager.

Veterans Manor – Milwaukee, Wisconsin



Chase provided \$4.5 million in construction financing for Veterans Manor, which provides housing for disabled veterans with special needs and formerly homeless veterans. The 52-unit, Low Income Housing Tax Credit apartment complex includes a fitness room, community room, computer center and other common facilities, as well as counseling rooms and management offices.

Investing in our communities, schools and small businesses

Investing in communities

Beyond financing affordable housing, Chase makes investments in projects and resources that help communities thrive. Examples include:

The Ed Roberts Campus – Berkeley, California



Chase provided New Markets Tax Credit financing that filled the final financing gap to construct a transit-oriented commercial office space to house various nonprofit and government groups dedicated to the disability community. The campus includes a café and a day care center that specializes in disabilities in children. Chase made a New Markets Tax Credit equity investment of \$11.5 million along with a bridge loan of \$28.4 million.

The Salvation Army Ray and Joan Kroc Community Center – Chicago, Illinois



Chase made a \$17.7 million equity investment through the NMTC program to support the construction of a new community facility for The Salvation Army. The center, located in the West Pullman neighborhood of Chicago, provides services and a variety of programs for families and individuals of all ages and serves an estimated 800,000 people annually.

Houston Food Bank – Houston, Texas



Through the NMTC program, Chase made a \$14.5 million equity investment and provided a bridge loan to finance the Houston Food Bank's new facility – which is the world's largest food bank.

The Houston Food Bank is a network of more than 400 charities, feeding a total of 137,000 people each week. It receives more than 46 million pounds of food annually and provides services such as nutrition, education and assistance with food stamp applications. The project allowed the Houston Food Bank to centralize operations and greatly increase the number of clients it serves throughout the Houston region.

Charter school funds

Understanding the important role that charter schools provide for students in all types of communities, JPMorgan Chase is supporting a major initiative to support the development of high-performing U.S. charter schools. Under Chase's \$325 million charter school program, the bank offered a combination of equity, debt and grants to support the acquisition, construction and/or renovation of approximately 40 schools across the country. Specifically:

- More than \$50 million in equity grants to Community Development Financial Institutions focused on funding charter schools. These institutions use the grants as permanent equity, which the CDFIs leverage to fund some of the top-performing charter schools.

- A combination of approximately \$175 million in debt and \$100 million in New Markets Tax Credit equity to support the development of charter school facilities. The funding allows the CDFIs to access the Obama administration's financing programs designed to help charter schools meet facility needs.

Initial partners receiving grants and funding include: The Reinvestment Fund located in Philadelphia, Pa., the Low Income Investment Fund located in San Francisco, Calif., and NCB Capital Impact located in Arlington, Va. All three CDFIs have been successfully supporting charter school lending for many years, focusing on schools that serve low-income disadvantaged and underserved populations and communities.

Small business support

Chase donated \$25 million to support U.S. small businesses – Continuing its support of small businesses, Chase is providing \$25 million in grants to Community Development Financial Institutions serving hard-to-reach communities. The initiative is part of Chase's \$100 million grant commitment to strengthen CDFIs. The grants range from \$2 million to \$5 million for institutions across the country. Initial recipients include:

- [ACCION Texas](#)-Louisiana, an alternative lender in Texas and Louisiana.
- [Valley Economic Development Center, Inc.](#), the largest nonprofit small business development corporation in Los Angeles, Calif.
- [Opportunity Fund](#), a lender and technical assistance provider that meets the capital needs of low-income entrepreneurs in the San Francisco (Calif.) Bay Area.
- [First State Community Loan Fund](#), a growing CDFI that provides significant lending and technical assistance in Delaware.
- [Enterprise Cascadia](#), a creditor and consultant to small businesses, community facilities, nonprofit organizations, and consumers in Oregon and Washington.

Chase has partnered with top-tier CDFIs for more than 20 years and remains a national leader in its financing. Over the last three years, Chase provided \$1 billion in loans, grants and investments to CDFIs and their affiliates.

JPMorgan Chase has a long-standing history of excellence and commitment to minority and low- and moderate-income communities, as confirmed by our Community Reinvestment Act ratings and our \$800 billion public commitment results.

Community Reinvestment Act performance

JPMorgan Chase has a strong commitment to the communities in which we do business, and we bring a wealth of experience to help meet the credit needs of low- and moderate-income borrowers and neighborhoods in the communities we serve by providing loans, investments and community development services across our banking markets. Each of JPMorgan Chase's subsidiary banks currently has an Outstanding Community Reinvestment Act rating.

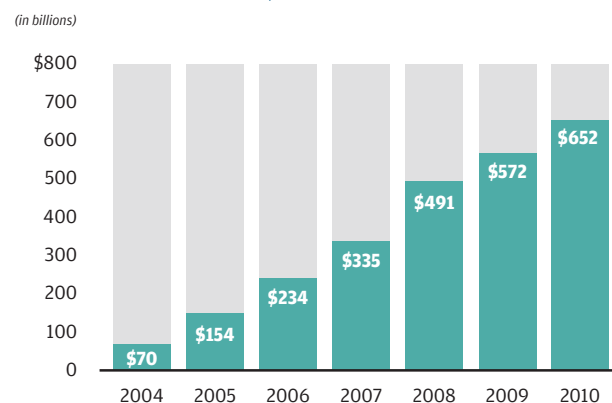
Our \$800 billion public commitment results

(January 2004-December 2010)

Through the seven years of our 10-year, \$800 billion public commitment, JPMorgan Chase has invested \$652 billion, or 82% of the goal, in three areas crucial to both minority and lower-income families and communities in the United States: mortgages, small businesses and community development. Performance under the public commitment to date includes:

- \$517 billion in mortgages nationwide for both minority and lower-income borrowers and communities, an expansion of credit and mortgage counseling programs frequently in partnership with community-based organizations, and a national community mortgage lending unit that works with community groups to help lower-income consumers buy their first home.
- \$102 billion in loans and investments to assist small businesses and community-based not-for-profit organizations.
- \$33 billion in loans and investments for affordable housing and commercial and economic development in low- and moderate-income communities. This includes \$1 billion for Community Development Financial Institutions in the past three years.

Chase is on track to deliver on its 10-year, \$800 billion pledge of investment in low- and moderate-income communities. Seven years into the pledge, we already have invested more than \$650 billion.



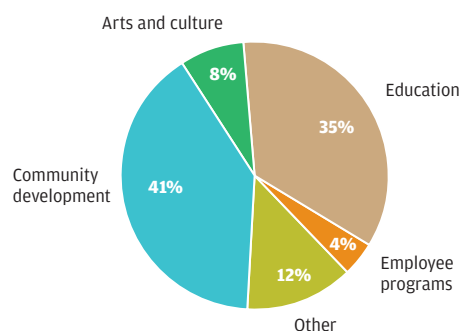
Giving globally – striving to be a catalyst for change in our communities

Helping to provide sustained, innovative, catalytic commitments to communities locally and internationally through our global philanthropy

JPMorgan Chase's philanthropic goal is simple: We strive to be a catalyst for meaningful, positive and sustainable change within our highest-needs neighborhoods and communities across the globe. To achieve this goal, JPMorgan Chase gave more than \$190 million¹ through grants and sponsorships to thousands of not-for-profit organizations around the world in 2010.

The JPMorgan Chase Foundation directs the majority of its time, attention and investment toward specific neighborhoods in cities where we have major operations. These neighborhoods typically are among the most challenged areas of major urban centers, defined by unacceptably high rates of poverty and historic disinvestment. Within these geographies, the firm's philanthropic investments are directed toward three centers of excellence:

2010 charitable contributions



COMMUNITY DEVELOPMENT

Working with best-in-class community-based partners, our goal is to help stabilize families living in high-poverty neighborhoods by increasing access to high-quality educational and job opportunities, reducing crime and dramatically improving the community's quality of life.

What we support:

- Resident-focused programming, including workforce development, financial literacy, job training, credit repair, earned income tax credit workshops, homeownership/homebuyer workshops and foreclosure prevention.
- Community-focused programming, including economic planning and development, small business technical assistance and financing, job creation and training, and affordable housing development and preservation.

¹ Contributions include charitable giving from JPMorgan Chase & Co. and the JPMorgan Chase Foundation, and this giving is inclusive of \$41.8 million in grants to Community Development Financial Institutions.

EDUCATION

We invest in programs and services that increase economically disadvantaged children's access to high-quality educational opportunities. Our focus is on helping students enrolled in public K-12 schools acquire the knowledge and skills they need to become productive, engaged citizens.

What we support: development of instructional leaders, implementation of innovative curricula and instructional strategies, extended learning opportunities for students and their families, college access initiatives and dissemination of best practices.

ARTS AND CULTURE

Communities thrive when rich cultural resources are readily available and accessible to residents. Through our arts and culture grantmaking, we look for opportunities to integrate the arts into children's educational opportunities and position arts organizations and artists as key drivers of local economic renewal.

What we support: arts education programs offered in school and after school that improve student academic performance, initiatives that stimulate the creation and growth of local cultural economies, and programs that increase access to our major cultural arts partners and support their artistic excellence.

PROVIDING JOB TRAINING AND ECONOMIC SUPPORT

Training for jobs in Chicago's Austin neighborhood



The decline of manufacturing jobs and training opportunities has hit Chicago's (Ill.) west side hard, particularly the Austin neighborhood. With support from the JPMorgan Chase Foundation, the Center for Labor and Community Research provides National Industrial Manufacturing Skills certification to high school students in Austin. The center's programming features job shadowing, summer internships and entry-level jobs to better position young people from the community to compete for jobs in advanced manufacturing. JPMorgan Chase's \$150,000 grant for this program also enabled the center to hire an instructor in the evening to train both students and their unemployed parents.

Green jobs in Detroit

The JPMorgan Chase Foundation partnered with Greening of Detroit (Mich.) to support the Green Corps, a workforce development training and summer green jobs program for 80 low- and moderate-income youth in Detroit's North End and Southwest neighborhoods. This nationally recognized summer youth employment program provides Detroit's underprivileged youth, ages 14-17, with jobs, personal skills training and meaningful employment during the summer while supporting neighborhood green initiatives citywide. With our \$150,000 grant, The Green Corps Program was able to employ 160 youth for an intensive 10-week summer program. These young people worked on key green initiatives in the two neighborhoods and helped maintain another 130 planting initiatives in neighborhoods citywide. In addition to the job training skills Green Corps members acquire, they also participated in five half-day training workshops that addressed conflict resolution, team leadership and financial literacy.

JobAct® in Germany

Unemployment or worklessness is an acute social and economic issue across Europe, one that has been further aggravated by the recent economic downturn. In 2010, the unemployment rate in Europe peaked and remained close to the highest rate seen on the Continent in 12 years according to the latest figures released by the European Union statistics office. Youth unemployment has been increasing in the eurozone since early 2008, in line with total

unemployment, but the increase has been at a much higher pace for young people. In responding to this growing need, J.P. Morgan has stepped up its efforts to work with partners in the nonprofit sector to find creative solutions that address this issue.

In the single largest grant the JPMorgan Chase Foundation has made in Europe, the firm donated \$3.5 million in 2010 to Projektfabrik, a German not-for-profit organization. This group's mission is to expand a unique skills development and youth employment initiative across Germany.

JobAct® | J.P.Morgan

PARTNERING FOR SOCIAL CHANGE

The need for this kind of innovative effort is significant. Despite being Europe's largest economy, 45% of job seekers in Germany remain unemployed for more than a year, and, as elsewhere in Europe, youth unemployment is a particular problem. To combat this, Projektfabrik has developed JobAct®, a program that combines traditional training with performance-based activities. As Jamie Dimon, Chairman and CEO of JPMorgan Chase, recently pointed out in an interview with the German business newspaper *Handelsblatt*: At an impressive 65%, "the placement rate of the JobAct® initiative is more than twice as high as that of conventional programs." With the firm's support, Projektfabrik

will at least triple the amount of JobAct® projects it can implement across the country that will have what Sandra Schürmann, founder of Projektfabrik, called, "a lasting effect on the German job market." With the strong public backing of German politicians like Ursula von der Leyen, M.D., the Federal Minister of Labour and Social Affairs, who has agreed to act as patron for the initiative "in recognition of the special social involvement of J.P. Morgan," there is little question that this investment will dramatically improve the economic prospects for a significant number of German youth.

Jobs for Bronx youth

There is a critical need for services aimed at disconnected youth who are either out of school or out of work in the Bronx in New York City. Given this lack of services, JobsFirst NYC, through the Bronx Collaboration (the first borough-wide partnership of community-based organizations focusing on disconnected youth), is committed to providing the essential preparation and support services needed to better prepare out-of-school and unemployed young adults to earn a postsecondary credential and gain the skills that will lead to a good job and a successful career. JPMorgan Chase contributed \$100,000 toward this effort in 2010. Each of the eight partners that are participating in the Bronx Collaboration and benefiting from this grant will assist in designing/developing the service model and delivery platform needed to mobilize prospective students, improve their academics and help transition them into community college.

Workforce readiness in Tarrant County, Texas



Tarrant County College (TCC) in Texas provides various educational opportunities to help individuals realize their educational, societal and economic goals. Sensitive to the broad demographics of the community, TCC's Office of Workforce Services manages a network of six learning centers located throughout Tarrant County to address the needs of adult learners deficient in basic skills like reading, writing and mathematics. All classes are workforce oriented with emphasis on job seeking, job retention and preparation for postsecondary education. Funding of \$45,000 from JPMorgan Chase assisted TCC in closing the gaps for learning center students and supported capacity building and expansion efforts of its programs.

Personal Finance Education Group

In 2010, J.P. Morgan granted more than \$230,000 to Personal Finance Education Group (pfeg) in the United Kingdom to carry out a pilot Personal Finance Education Program aimed at those entering postsecondary education. This is a critical stage for young adults since the decisions they make at this time in their lives likely will have a permanent and lasting effect on their personal development, aspirations, future lifestyle, career choices and opportunities. The pilot is being carried out in 10 colleges/schools with a view to expand the program across England. Building on J.P. Morgan's relationship with pfeg, the firm has become one of the founding sponsors of the All-Party Parliamentary Group on Financial Education for Young People. More than 200 Members of Parliament from across political parties in the United Kingdom have joined. Their call: compulsory financial education in schools, ensuring that young people are well-informed and well-equipped to make informed financial decisions.

Bilingual jobs in the Pilsen community of Chicago

The Instituto del Progreso Latino (IDPL) is a pillar in Chicago's (Ill.) Pilsen community, and, in 2010, the JPMorgan Chase Foundation contributed \$80,000 to support IDPL's many outstanding and innovative job readiness and career pathways/training programs. One such program, Carreras en Salud, addresses the growing need for bilingual healthcare professionals, while another program, Manufacturing Works, develops higher skilled employees through technology training that leads to higher wages and

additional advanced educational opportunities. The JPMorgan Chase Foundation's support arrived at a critical time, helping the organization amass the resources needed to proceed with the opening of its new Health Sciences Career Academy in 2011, which will prepare high school students for success in college and for high-wage, entry-level positions in the healthcare sector.

Women going to work in Lebanon

Women's participation in the formal economy and the labor force in Lebanon in the Middle East is low (estimated at 21.7%). As part of the firm's strong commitment to community development and education, J.P. Morgan granted \$200,000 in 2010 to support a project by the Cherie Blair Foundation for Women in partnership with Tomorrow's Youth Organization and the Rene Moawad Foundation. This support will help young women in Lebanon establish or grow market-led businesses through in-depth training and provide them with better access to technology, markets and financial resources. The project aims to reduce gender disparity in the Lebanese labor force; to promote entrepreneurship among women from marginalized communities in Lebanon; and to increase women's income and their employment opportunities, thereby increasing their ability to support their families.

Financial empowerment in Chicago

Local Initiatives Support Corporation (LISC) has a proven model for supporting neighborhoods and addressing the core issues of high unemployment and foreclosure rates in low-income communities in Chicago, Ill. Called the Centers for Working Families, these service hubs provide comprehensive programming that increases the net worth of neighborhood residents and helps sustain them to make better financial decisions over time. The JPMorgan Chase Foundation provided a \$250,000 grant to LISC Chicago in 2010 to bolster this network of 13 centers across Chicago and to ensure that residents continue to get the support they need to thrive in changing economic conditions.

China Foundation for Poverty Alleviation

China Foundation for Poverty Alleviation (CFPA) helps poverty-stricken communities by enhancing their capacity for self-sustainability; upgrading basic production conditions and primary social services levels; and mitigating social suffering while promoting a harmonious society. CFPA's microfinance projects encompass 51 counties across 12 provinces in China, directly benefiting more than 80,000 active clients and disbursing a loan balance of RMB 516 million by the end of March 2011. While CFPA's scope is impressive, the organization had not captured the impact of its programs. Thus, the JPMorgan Chase Foundation sponsored, with \$40,000, a comprehensive impact evaluation on the effectiveness of CFPA microfinance programs conducted in China over the past 15 years.

Reducing unemployment in Italy

Associazione Atomi Onlus and PerMicro, both located in Italy, have jointly been piloting business planning, access to credit and over-indebtedness risks in Piemonte since December 2009, with the goal of reducing unemployment by promoting small business growth and financial education. J.P. Morgan provided more than \$200,000 of support in 2010. Atomi is a not-for-profit organization aimed at creating economic and social inclusion by supporting access to credit, especially for the immigrant populations of Italy. PerMicro is a social enterprise specializing in microfinance. The joint project has had enormous uptake from the local population in Turin, and, based on the success of this program, J.P. Morgan is funding the expansion of the program to Milan, Genoa, Bologna, Pescara, Bergamo and Rome.

SUPPORT FROM CRADLE TO CAREER

Support in Cincinnati, every step of the way

Quality research in the field of K-12 education has pointed to teacher and principal quality as a key determinant of student achievement. Contributing \$50,000 in 2010, The JPMorgan Chase Foundation partnered with Strive in Cincinnati, Ohio, to bring together the critical leaders in the community who are working on all aspects of teacher and principal excellence: college deans, district superintendents,

professional development directors and union leaders to offer support for every child, in every step, from cradle to career. The partnership will help to unite common providers around shared issues, goals, measurements and results and then actively support and strengthen strategies that work. Teacher preparation, recruitment, hiring, placement, induction and ongoing professional development all are important aspects of Strive's success. Our support will help to establish the Urban Educator Coalition as the primary means for working together across these action teams over time to attract, prepare and develop the best urban educators in the nation.

Helping a Promise Neighborhood in Washington, D.C.

JPMorgan Chase was the largest private funder of the Cesar Chavez Public Charter School-led DC Promise Neighborhood Initiative (DCPNI), a comprehensive program in Washington, D.C., designed to dramatically improve outcomes for children and youth, from infancy to age 23, who live in the Parkside-Kenilworth neighborhood of Ward 7 in the District of Columbia. JPMorgan Chase contributed \$50,000 to DCPNI in 2010. DCPNI will be modeled after the Harlem Children's Zone and will create a pipeline of high-quality educational opportunities in combination with best practice social supports for all children and youth who live in the neighborhood.

Parkside-Kenilworth is a geographically isolated community that is home to more than 2,000 children and youth. It experiences some of the highest rates of poverty, teen pregnancy, HIV/AIDS, juvenile violence, illiteracy, unemployment, substance abuse, high school dropout rate and poor academic performance in the District of Columbia.

Early childhood education in New York City

Addressing the critical need for quality early childhood education, United Way of New York City implemented an innovative initiative titled Supporting Transitions from Early Education to Public School (STEPS) to improve educational outcomes among children transitioning from Pre-K programs through third grade. A \$550,000 grant from the JPMorgan Chase Foundation will help educators, administrators and families better support children's social, emotional and intellectual growth through developmentally appropriate practices that foster lifelong learning. STEPS will benefit more than 1,000 children with the goals of higher reading and math proficiency standards, better attendance rates and improved timeliness of promotion to the next grade level.

Education for low-income children in Indonesia

Early education with a multimodal curriculum has been shown to dramatically improve children's readiness for school and overall educational attainment. Yet early education resources often are not accessible to lower-income populations across Asia. In Papua, Indonesia, for example, less than 6% of children, from newborns to age six, were exposed to early childhood education and care resources. J.P. Morgan partnered with the Ministry of National Education Indonesia and Jalan Sesama, the Indonesian arm of Sesame Workshop, to develop innovative training materials on basic literacy, math and health in an effort to increase the community knowledge and enrollment statistics of Papua. J.P. Morgan granted over \$64,000 to the workshop for this purpose. More than 6,400 children, 250 teachers and 125 early childhood education and care centers received engaging material in 2010, and the community already is showing positive gains in children's school preparedness, teacher competency and care center enrollment.

Supporting teachers in Greater Los Angeles

Our \$50,000 funding of the In-School Support for Teachers program at 826LA offers the opportunity for the organization to expand its work with English language arts teachers and students at Theodore Roosevelt High School in Boyle Heights, Calif., and in 40 other high-need schools throughout the Los Angeles Unified School District. 826LA brings more than 1,400 specially trained community volunteers to help break down barriers to student learning, reduce student/teacher ratios and improve K-12 public school classroom instruction by focusing on the writing process and language skills building needed to generate ideas, revise essays or create elaborate story lines and characters.

Improving education in South Africa

The Education Leadership initiative is a collaboration between the University of Johannesburg Faculty of Education in South Africa and Harvard Graduate School of Education. J.P. Morgan is supporting this innovative program designed to raise professional standards of South African school principals, national and provincial education officials, and other education stakeholders. In 2010, J.P. Morgan granted over \$160,000. The goal of the partnership is to increase the capacity of South African school leaders to improve students' achievements and opportunities. The program is a three-year initiative, currently in its second year, and is the first of its kind in bringing about systemic change in the

education sector in South Africa. The program has received immense support from donors ranging from corporations to institutions such as the Development Bank of Southern Africa and the World Bank.

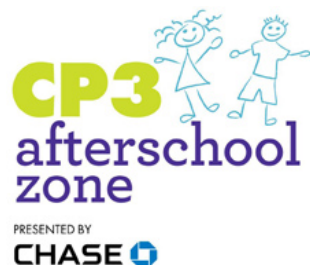
A bright future for Denver students

The Denver (Colo.) Scholarship Foundation collaborated closely with Denver Public Schools to establish Future Centers: physical college resource centers that serve as hubs for students to achieve success during and beyond high school. Future Centers leverage professional staff and volunteers. JPMorgan Chase was the first corporate funder of the Future Centers and has been critical in involving other corporate funders in the project. JPMorgan Chase contributed \$27,500 in 2010. Additionally, JPMorgan Chase volunteers spend time at Future Centers helping students in our community renaissance schools with college applications and FAFSA (Free Application for Federal Student Aid) forms. JPMorgan Chase leaders also serve on the board of the Denver Scholarship Foundation.

ENRICHING LIVES AFTER SCHOOL

CP3 Afterschool Zone Presented by Chase

NBA All-Star Chris Paul and Chase donated \$1 million to the Partnership for Youth Development (formerly Greater New Orleans Afterschool Partnership) in New Orleans to start the CP3 Afterschool Zone Presented by Chase. The program teams up with local schools, libraries, recreation centers and museums in the Central City community, where JPMorgan Chase has invested since 2007, to provide programs tailored to the needs and interests of each child. Programs include theater and drama, dance, life skills, recreational sports, culinary arts, yoga, foreign language instruction and help with homework at no cost to the children or their families. Children have free access and transportation to after-school programs. Partnership for Youth Development has been a central collaborator in the neighborhood's efforts to plan for a Promise Neighborhood grant from the U.S. Department of Education, and the CP3 Afterschool Zone will be a central element in the neighborhood's efforts to ensure educational success for all children.



After-school support in Greater Milwaukee



In 2010, JPMorgan Chase contributed \$80,000 to the Boys & Girls Clubs of America to help young people finish their school day and move seamlessly into a safe and nurturing after-school environment. Our support benefits Boys & Girls Clubs of Greater Milwaukee (Wis.), a club-operated Community Learning Center located in the Milwaukee Public Schools' Dr. Martin Luther King Jr. School. At the club, students participate in programs delivered by staff members who primarily are teachers at the school, giving elementary school kids a sense of familiarity and structure. The funding also supports the SPARK Literacy program with a proven track record for increasing reading scores of struggling third graders. The staff works with the students and their families to improve the academic and character development of these young people. Chase employees volunteer their time at King Elementary School and are active at the board and committee levels of the Boys & Girls Clubs.

Programming after the school day in Los Angeles



LA's BEST, in Los Angeles, Calif., received \$135,000 in funding from JPMorgan Chase in support of its high-quality, innovative and culturally inclusive after-school programming for children residing in low-income communities and attending underserved Los Angeles Unified School District elementary schools. Funding supports critical training and development for more than 400 field staff recruited from the communities served by LA's BEST who teach and mentor children in need each day. U.S. Secretary of Education Arne Duncan went to Los Angeles, touting the value of LA's BEST for both its effectiveness in preparing students for the future and its high-quality programs in equipping staff for careers as public school teachers.

BROAD SUPPORT OF COMMUNITIES

Supporting the Near Eastside in Indianapolis

As part of the 2012 Super Bowl Legacy Project, JPMorgan Chase, the Indianapolis (Ind.) Super Bowl Host Committee and the John H. Boner Community Center have partnered to build a new facility that will serve Indianapolis' Near Eastside neighborhood. To ensure the success of this partnership, JPMorgan Chase has invested \$1 million into this effort. The Chase Near Eastside Legacy Center will provide comprehensive programs and activities that will serve children, youth, adults and families by providing the entire neighborhood with a much-needed focal point for comprehensive health, wellness and educational programs. Partnerships with nine different organizations will provide a minimum of 196 hours of programming per week that will serve 5,500 children, youth and adults annually. Presently, the Near Eastside community of Indianapolis, with a population of 39,000 residents, does not have any facilities dedicated to fitness, wellness, recreation and related educational activities.



Chase Community Giving

The Chase Community Giving “crowdsourced” philanthropic campaign continued in 2010, allowing Facebook’s more than 500 million users to vote for the small and local charities that would share millions of dollars in grants. A total of \$10 million was donated to 300 charities in 38 states, Washington, D.C., and Puerto Rico. Chase Community Giving has generated more than 2.5 million “fans” on Facebook, becoming one of the most successful philanthropic “crowdsourcing” programs to date. Chase already has announced a \$25 million commitment to this program over the next two years.

Austin Coming Together

The Austin, Ill., neighborhood on the west side of Chicago had for years struggled to come together over issues that were important to its residents. In 2010, the JPMorgan Chase Foundation helped convene stakeholders from across the neighborhood, including: community organizations, religious leaders, social services agencies, educational institutions and business

associations that work and serve in the Austin community. The result was the creation of a new movement to improve the education and economic livelihood of all people living in Austin through a new organization called Austin Coming Together. A \$65,000 grant provided by the JPMorgan Chase Foundation allowed the stakeholders to create a community plan and hire a project director to implement the plan. Work is under way to create a seamless cradle-to-career continuum of education and training services so that children in Austin have access to good schools and promising jobs.

Supporting families in Long Island

In partnership with the Lovino South Shore Family Center in Bay Shore, N.Y., Family Service League (FSL) implemented a community school model that will serve middle school students and their parents from the Brentwood Union Free School District. The model offers wraparound services, including health and human services and academic support. It looks at the child and family as one unit and identifies the barriers to learning and engagement. JPMorgan Chase provided \$65,000 of support in 2010. In 2011, FSL will provide approximately 75 youth and 30 parents with after-school programming, upgraded social work services, and outreach to parents to enhance their participation in their child’s education.

Community support in Dallas

Big Thought's Thriving Minds South Dallas Neighborhood Hub was created to focus on integrating academics, social and support services, and other opportunities to improve student learning and strengthen families and communities. Based at the Charles Rice Learning Center, the partnership excels at providing free academic assistance and curriculum-specific enrichment activities to 117 students enrolled in the Thriving Minds After-School program. In this single location, diverse partners come together to serve students, including university volunteers, teen mentors from local high schools, and arts and cultural providers from the South Dallas Cultural Center. JPMorgan Chase contributed \$350,000 to support the programming at this hub in 2010.



Revitalization of the London Borough of Lambeth

In Europe, the Middle East and Africa, the London borough of Lambeth in the United Kingdom has been identified as the targeted community for the firm's place-based program. Ranked consistently as one of the most deprived communities in London, Lambeth has an ethnically complex population, a high rate of unemployment and a high proportion of disengaged youth who have been expelled from school. Despite its close proximity to London's city center, the borough has struggled to attract the kind of private investment that is needed to revitalize the community. Since 2008, J.P. Morgan has invested significant resources in Lambeth, partnering with a number of non-governmental organizations, including the Lambeth Council and charities that offer holistic, inclusive approaches to the challenges faced by the community's residents. J.P. Morgan gave more than \$1.75 million toward all Lambeth efforts in 2010 alone. Moving forward, J.P. Morgan hopes to be able to leverage the skills of its employees and the forward thinking of its community renaissance initiative to effect additional changes that improve the quality of life for the people of Lambeth.

Disaster response in Indonesia

More than half of the people in the world who lack access to clean, safe water live in Asia. The concern over water becomes even greater during times of natural disaster. In response to the Mount Merapi volcano eruption, the firm funded Planet Water Foundation's construction of water towers in five affected Indonesian communities. More than 5,000 people per day now can access safe water for daily needs through these semi-permanent towers. Additionally, the firm sponsored water, health and hygiene education and various other classroom activities so that community members will better understand how to stay healthy and prevent the spread of waterborne diseases.

Haitian earthquake relief

Following the devastating earthquake in Haiti in January 2010, JPMorgan Chase committed \$1.75 million to the relief and recovery of the country and encouraged employees to contribute to the rescue efforts. In addition to outright gifts totaling \$750,000 for both immediate relief and near-term recovery, those measures included a commitment to match employee donations to the American Red Cross, UNICEF, World Vision and CARE up to a total of \$1 million. More than 14,000 JPMorgan Chase employees from around the world committed well in excess of the \$1 million target, completely fulfilling the match potential and going beyond it to help those affected by this unprecedented disaster.

ADDRESSING HOUSING NEEDS NATIONWIDE

Managing vacant properties in Chicago

Granting \$500,000 in funding over two years, the JPMorgan Chase Foundation supported the creation of a new joint venture between The Cara Program and a large, nonprofit housing provider, Mercy Housing. Known as 180 Properties (formerly Cleanslate Property Services), the initiative has helped address the issue of poorly managed vacant properties by cleaning up, boarding up, inspecting and maintaining vacant properties. The Cara Program continues to recruit, train and employ individuals with significant obstacles to employment, including poor work history, education or recent incarceration. The 180 Properties team provided more than 11,000 services to homes in foreclosure in 2010.

Strengthening New Jersey neighborhoods

New Jersey Community Capital and its subsidiary, Community Asset Preservation Corporation (CAPC), focus on building large-scale, innovative programs to preserve and strengthen urban neighborhoods. In 2010, CAPC was awarded a \$250,000 grant from JPMorgan Chase to support its Operation Neighborhood Recovery program, a collaboration of 11 nonprofits and five municipalities that are working to acquire, rehab and resell foreclosed residential units to low- and moderate-income families in Essex County, N.J. New Jersey Community Capital intends to help stabilize neighborhoods by acquiring, rehabbing and reoccupying (through resale or lease to buy) more than 700 foreclosed properties in the next five years.

Revitalizing a Miami neighborhood

The JPMorgan Chase Foundation is partnering with Habitat for Humanity of Greater Miami (Fla.) to support its comprehensive revitalization of Liberty City with a grant of \$500,000 over two years. The funding helped to support Habitat for Humanity's Liberty City Shine campaign, which will build or rehabilitate more than 250 homes in Liberty City over the next three years. JPMorgan Chase's contribution will be leveraged by Habitat's receipt of a \$9.7 million grant from the U.S. Department of Housing and Urban Development's Neighborhood Stabilization Program 2. The funds will be used to purchase empty lots and foreclosed homes in the Liberty City community.



Helping Chicago neighborhoods

Neighborhood Housing Services of Chicago, Inc. (NHS) has a long history of serving low-income communities in Chicago's (Ill.) West and South Sides, but even NHS' extensive network of support was placed under unprecedented stress as a result of the foreclosure crisis. With funding of \$150,000 from the JPMorgan Chase Foundation, NHS is implementing a "hot spot" program that documents the severity of the foreclosure crisis in these neighborhoods and prioritizes the delivery of strategic resources to those most in need. Our support has enabled NHS to increase its outreach and loss mitigation assistance and direct more foreclosure counselors to the hardest-hit areas, which reduces foreclosures and helps these communities maintain their stability and vitality.

Repairing homes in Portland

In 2010, JPMorgan Chase supported Portland's (Ore.) largest developer of affordable housing, REACH Community Development Corporation, with a \$20,000 grant. REACH provides a variety of services, including access to free home repair for low-income senior and/or disabled homeowners. REACH is unique in its potential for replication and sustainability as local volunteers and community members make up the core workforce. Last year, nearly 400 people volunteered more than 2,500 hours, and the organization was responsible for preserving Walnut Park, a 64-unit apartment complex for low-income seniors in our targeted neighborhood.

SUPPORTING COMMUNITY SCHOOLS

Federation for Community Schools in Illinois

The Federation for Community Schools supports more than 200 community schools across Illinois. These schools emphasize and celebrate the partnerships and teamwork among community residents, businesses, social services agencies and public entities, all of whom work together to support their school, students, families and community members. In 2010, funding of \$190,000 from the JPMorgan Chase Foundation supported the federation's continued training and professional development of new and existing community school managers and the creation of an information system to collect and analyze data from community schools that will better demonstrate the effectiveness of the community school model.

Community school support in New Jersey

FAMILYConnections implemented a community school initiative at The Central Campus Community School in Orange, N.J. The community school initiative is one element of a coordinated three-part strategy to increase student achievement throughout the district. The two other elements include the Pre-K-3 curriculum and instruction improvement initiative and the school climate improvement initiative. Thanks in part to \$240,000 of support from JPMorgan Chase, the community school will offer after-school programs, including an array of arts and culture

programming provided by area institutions such as New Jersey Performing Arts Center and the Morris Museum. In addition, English-as-a-second-language job prep/search program, as well as extensive mental and behavioral health services, will be available for parents. Following the implementation, FAMILYConnections will work with the school district to design an evaluation template for use by eight other schools seeking to become a community school.

Parent and student support in Delaware

The JPMorgan Chase Foundation contributed \$140,000 in 2010 and partnered with Children & Families First in Wilmington, Del., to support the Eastside Community School initiative, which connects parents and students with social services, provides academic supportive programs and is part of a community school project that aims to turn around three Christina School District schools in the troubled East Side neighborhood.



In addition, Children & Families First is a recipient of the U.S. Department of Education Full-Service Community School grant of \$2.3 million over a five-year period. This federal grant will allow Children & Families First to build on its existing partnership with the Christina School District, as well as private funders and program partners, to implement community schools at Bancroft, Stubbs and Elbert-Palmer Elementary Schools in Wilmington. The three identified schools are Title I-eligible, serving approximately 900 students in grades K- 5 each year in addition to 100 students in Pre-K.

Establishing a community school in Central Florida

With a \$75,000 grant from JPMorgan Chase, the Children's Home Society of Florida established Central Florida's first community school, a partnership with Evans High School in Pine Hills and the University of Central Florida. This partnership will provide to a struggling school and surrounding community targeted programs and services that include tutoring, mentoring, health services and other family support services. It also will offer after-school and summer enrichment programming to students attending the school.

Strengthening community connections with schools in Florida



With \$100,000 of support from the JPMorgan Chase Foundation, the Tampa (Fla.) YMCA established a Community Learning Center (CLC) Literacy Program and Parent University at Sulphur Springs Elementary School in 2010.

The vision for the Tampa YMCA's CLC's initiative is to strengthen the connection between schools and neighborhoods by leveraging school facilities as the hub for community services, programs and enhancements. Establishing a deep partnership with a local school, the CLC brings additional resources to educational efforts by engaging the business community, community residents, religious organizations and additional social services partners.

When the CLC opened nearly three years ago, there were 18 youth enrolled. Today, there are nearly 300 participants. At the CLC, children are provided with hands-on, engaging after-school activities; small group skills development opportunities; and one-on-one tutoring.

USING SCIENCE AND TECHNOLOGY TO REACH GOALS

Providing practical science skills in San Francisco

In San Francisco, Calif., in 2010, JPMorgan Chase provided \$75,000 toward the California Academy of Science's Careers in Science Intern Program, providing youth from backgrounds traditionally underrepresented in the sciences with opportunities to immerse themselves in the natural world, receive college and career mentorship, and learn science and sustainability concepts in a paid work environment. Through hands-on learning and collaborative work, interns develop transferable career and life skills and gain science knowledge they can apply to their education and future careers. During their six-year commitment, interns work roughly 10 hours a week during the school year and 30 hours a week over the summer.

Technology training for Chicago youth

Funding of \$150,000 from the JPMorgan Chase Foundation enabled the Youth Technology Corps' Youth Technology Center in Chicago, Ill., to launch a computer training and refurbishing program in three high schools in the Quad Communities on Chicago's Mid-South Side. Students there receive computer technician instruction, mentoring and entrepreneurship training. Students refurbish non-



functioning computers as a result of their courses. Once the computers are repaired, the students research organizations in the community, such as churches, schools and nonprofits, that would benefit most from the computers. After the computers have been donated, the students serve as technical support for the organizations.

Tracking academic performance in the D.C. area

The JPMorgan Chase Foundation's funding of \$100,000 has helped to provide the Friendship Public Charter Schools with a buildout of the data collection and performance management system it needs to track student learning progress and diagnose suitable academic interventions. This investment will be scalable across the numerous schools that are managed by Friendship in Washington, D.C., and Baltimore, Md., and also will be available to other charter schools in the D.C. area.

The project will increase the amount of real time data available to Friendship's administrators and senior leadership, strengthen the organization's ability to target professional development for teachers, and enhance their ability to share curriculum and access best practices.

Expanding science education in Arizona

JPMorgan Chase's funding of more than \$200,000 has enabled the Science Foundation of Arizona to open up several new initiatives, including implementation of the STEM (science, technology, engineering and mathematics) Network. The STEM Network is a strategic approach to developing a statewide action plan with support from leaders, educators, businesses, funders and other relevant stakeholders. The design effort includes the STEM Network's rationale, strategy, implementation plan and budget. Funding also has helped establish STEM

Clubs for after-school applied science instruction. Finally, the funding has helped execute a three-year STEM initiative focusing on improved science instruction for middle school students at one of our community renaissance schools.

Science education in Seattle

In 2010, six Seattle, Wash., organizations joined forces and created a \$22,000 grant to address the issue of effective student education in the areas of science, technology, engineering and mathematics (STEM). Participants include The Burke Museum of Natural History and Culture, IslandWood, the Museum of Flight, the Pacific Science Center, the Seattle Aquarium and the Woodland Park Zoo. Funding from the JPMorgan Chase Foundation and the Paul G. Allen Family Foundation made possible a comprehensive assessment of the combined institutions' educational programs and set the highest priority needs of the school districts. The result was a strategic plan identifying opportunities for leveraging the organizations' collective capacity to boost STEM achievement along with key recommendations for implementation.

MAKING STRIDES WITH ARTS AND CULTURE

Development through the arts in Greater Baton Rouge

The Arts Council of Greater Baton Rouge (La.) (ACGBR) is working in collaboration with the Old South Baton Rouge Neighborhood Partnership Board, the Center for Planning Excellence, the Baton Rouge Area Foundation, the Parish Redevelopment Authority, the Mayor-President and Metropolitan Council, and others to ensure that arts and culture are included in the revitalization of the neighborhood. The development of Artist Live/Work Spaces will occur in conjunction with the Lincoln Theatre revitalization. The \$90,000 in funding from the JPMorgan Chase Foundation will help ACGBR gather research, engage architects to design renderings and schematics, hire a professional firm to develop a feasibility study based on the designs and develop presentation materials to introduce the wider community to the need for such facilities.

Additionally, the Foundation's funding will help provide quality arts education opportunities for children and teens as part of the community school initiative at McKinley Senior High School.

Supporting the arts in rural Australian communities

Bell Shakespeare in Australia utilizes highly mobile arts education programs to fill the distance gap that is keenly felt by rural and remote populations in Australia. The JPMorgan Chase Foundation supported Bell Shakespeare with \$120,000 in 2010. With this assistance, more than 30,000 children and teachers in over 220 rural and remote areas of New South Wales are exposed each year to life-enhancing Actors at Work school and community performances, teacher professional development training, and student arts workshops to enhance their understanding and enjoyment of the arts.

Learning with the help of the arts in Chicago

Arts education should be a vital part of every child's education, but, with increased pressure of school budgets, the public school system struggles to provide sufficient opportunities for all students. With a \$100,000 grant in 2010, the JPMorgan Chase Foundation played a leadership role in the development and implementation of the Chicago (Ill.) Arts Learning Initiative (CALI), a community-wide effort involving more than 200 partners to ensure equitable, sustainable access to arts learning for all Chicago Public School students. With the JPMorgan Chase Foundation's support in 2010, CALI undertook citywide asset mapping of arts education, coordinated evidence-based advocacy, and identified new partnerships to enhance the delivery and outcomes of existing programs.

Educating children at Kidtropolis in Houston

Our \$1 million, four-year pledge to the Children's Museum of Houston (Texas), supporting the Kidtropolis, USA exhibit, provides a learning experience that builds financial literacy and understanding of civic engagement. The city becomes alive and complete when the children participate: They take on the role of the leaders, voters, workers, shoppers and business owners. Kids earn money by working in city businesses, spend money as consumers and also run the city government. The program offers extensive outreach programming for the Gulfton community partners, including Citizen Schools, Project GRAD, Houston Independent School District, Communities in Schools, Collaborative for Children, Big Brothers Big Sisters and Neighborhood Centers Inc.



Supporting the arts community in Seattle

Artspace Projects Inc. partnered with the city of Seattle (Wash.) to create the first Transit Oriented Development site in Seattle. JPMorgan Chase provided \$100,000 in funding. This was critical start-up funding for the Mount Baker Station Lofts – 50 to 55 rental units of affordable housing for artists and their families. “The early money is the most important because it gives credibility to the organization and to the project and gives confidence to other funders,” according to Cathryn Vandenbrink, Artspace regional director. Our funding helped leverage a commitment from the city of Seattle, a Paul G. Allen Family Foundation planning grant, and support from various other local funders.

Music education for underprivileged Korean youth

The Kumho Asiana Cultural Foundation Hands-on Music project in Korea exemplifies how the arts can empower youth to build confidence and actively participate in their community and culture. Through this project, and support from the JPMorgan Chase Foundation in 2010, the organization enhanced arts appreciation and fostered the musical dreams of underprivileged youth ages seven to 11 in Korea. The program achieves this by providing new musical instruments (violins and cellos) to 100 students a year who then receive weekly small group lessons, free attendance to concert series events, and an opportunity to perform in a recital hall to express what they have learned and to show their passion and love toward music.

Dance education with the American Ballet Theatre

After more than 65 years, the American Ballet Theatre (ABT) remains one of the world’s premier cultural institutions, thanks to its efforts to expose underserved students to the arts. The centerpiece of the company’s programs is the Make a Ballet Program, a free, in-school program that teaches high school students to create, produce, manage and perform an original ballet under the guidance of ABT teaching artists. With J.P. Morgan’s sponsorship, the ABT was able to launch a subset of Make-a-Ballet, the J.P. Morgan Make a Ballet Short Term Residency, in order to reach fifth- to eighth-grade students. Over the course of the year, the ABT included four schools in the year-long Make-a-Ballet program and one school in the Short Term Residency program. In total, 50% of the core program participants are from schools in communities we serve, and more than 80% of the students are eligible for public assistance/ free lunch. Seven hundred and fifty students from community renaissance schools will be exposed to tier-one dance education through both programs.

Classroom education at the zoo in Columbus



There’s no substitute for a great teacher, but Lerch the Turkey Vulture comes close. Lerch and other eye-catching animals from the Columbus (Ohio) Zoo and Aquarium are part of an innovative education program sponsored by the JPMorgan Chase Foundation known as the Chase Classroom Safari. The firm has invested more than \$600,000 in zoo education programs targeted toward Columbus City Schools’ students since 2004, including a \$202,500 grant in 2010. The zoo takes the Chase Classroom Safari program to monthly, one-hour sessions filled with experiential, standards-based lesson plans. The program will reach 3,600 of the Columbus district’s most challenged students this year.

SUPPORTING THE UNDERPRIVILEGED AROUND THE WORLD

Access to education in Mumbai

The Pratham India Education initiative was established in 1994 to provide education to the children in the slums of Mumbai. The organization has since grown to be the largest non-governmental organization focused on providing quality education to the underprivileged children of India. The JPMorgan Chase Foundation has sponsored Pratham's Read Mumbai project over the past three years, with over \$150,000 of support in 2010 alone. It has brought educational services to a total of 100,000 children in the M East zone of Mumbai. The goal of the Pratham and JPMorgan Chase Foundation partnership is to ensure that children, whether in or out of school, have access to quality education and are able to get necessary support through community initiatives like enrollment into school, grade-specific reading tutoring and vocational skill building.

Access to education for migrant children in China

Narada Foundation is a non-governmental organization focused on integrating migrant children into new environments. Giving \$120,000 of support in 2010, the JPMorgan Chase Foundation partnership sponsored Narada's New Citizen Plan, especially the One-City project, a comprehensively structured program dedicated to developing qualified educational services for migrant children in China and to improve their holistic personal development and community inclusion. Furthermore, JPMorgan Chase employees participate in monthly activities with Narada youth, arranging mentoring, volunteerism and cultural experiences to be shared between the children and the staff.

Assisting orphans in Russia

J.P. Morgan is partnering with New Eurasia Foundation (NEF) in Russia to fund the development of a novel, integrated approach to orphan social adaptation to society. J.P. Morgan is funding NEF, granting \$145,000 in 2010, to draw together government, public sector, nonprofits and five to six orphanages in Moscow to design, test and introduce innovative methods and social technologies to facilitate the successful adaptation of orphans to independent living. Key objectives are to raise the qualifications and adaptation methodologies of 30 teachers and pedagogues and to engage 250-300 orphans in the development of new

skills. The final results then will be introduced to additional orphanages across Moscow and other Russian locations. NEF's long-term goal is to use recommendations of this program to contribute to the drafting of revised legislation on social integration of orphans.

According to data from the Ministry of Health and Social Development, more than 730,000 children in Russia either have no parents or have parents who have abandoned their children. Of this number, about 200,000 of them live in state orphanages or psychiatric institutions known as internats. Two-thirds of orphans, in fact, are "social orphans," children taken from their birth family because of alcoholism, domestic violence or rejection by the parents. At age 16, state support ends for children in an orphanage, and they must leave. With no decision-making skills, these orphans must find a job, an apartment and a life. UNICEF's Children at Risk report highlights that the greatest peril facing orphans in Russia is their entry into society at large. Their lack of preparation for life on their own was highlighted as the major cause of concern and calls the young people who leave state care the most vulnerable group. Recent statistics show that only one out of 10 Russian orphans becomes a functional member of society.

STRATEGIC PARTNERSHIPS MAKING A DIFFERENCE

City Parks Foundation – CityParks Tennis sponsored by Chase

The nationally recognized CityParks Tennis program has been supported by Chase since 1997 and serves as the philanthropic arm of the firm's US Open tennis sponsorship. As one of the oldest and largest municipal tennis programs in the country, CityParks Tennis brings free instruction to youth ages five to 16 every summer. Since its inception, 100,000+ kids across the five boroughs have been exposed to tennis at no cost, with many of the graduates earning athletic scholarships and achieving USTA (United States Tennis Association) rankings. Support from Chase has enabled the City Parks Foundation to expand the summer program into a year-round initiative titled the Chase Aces Tournament. Intermediate- and advanced-level players are selected based on tennis ability, academic performance and economic need. Players must maintain a B average and perform community service throughout the year. In 2010, more than 6,000 kids in 38 parks participated in CityParks Tennis locations across the city. Fifty percent of the participants qualify for free lunch, and 100+ participants were from 25 of the Foundation's community renaissance schools.

JPMorgan Chase & Co. Corporate Challenge® race beneficiaries

Charitable giving is an important component of the Corporate Challenge® Series. In 2011, the Series, in partnership with the JPMorgan Chase Foundation, will donate \$600,000+ to charities and organizations in race cities around the world. In addition, charitable funds are allocated as awards for the T-shirt contest. Participating companies are given the opportunity to enter the contest, and, if selected as the winner of either the Most Creative T-shirt or the shirt that best incorporates the Teaming Up for a Greener Tomorrow initiative, they are given the opportunity to select organizations to receive a \$1,000 donation. At the Syracuse and Buffalo (N.Y.) Corporate Challenge® races, the local office administers the Scholastic Challenge Contest, selecting one large and one small school district to receive a donation to fund their respective college scholarship programs.

EMPLOYEE ENGAGEMENT AND VOLUNTEERISM

Good Works by the numbers

JPMorgan Chase created the Good Works employee volunteer program in 2008 to promote and support our employees' passion and interest in community service across our markets and lines of business. JPMorgan Chase is committed to promoting employee volunteerism and community involvement that focus on the needs of the local communities where we operate and where our employees live and work.

To manage this effort, 42 Volunteer Leadership groups have been created across the company's markets. All these groups have structured leadership and local management champions and are responsible for developing and implementing annual plans to support their communities through volunteerism. Currently, more than 500 employees serve as volunteer leaders, and our groups are present in 40 markets across the United States. An additional six groups recently have begun in the United Kingdom, and more will be coming on line in Asia and Europe throughout 2011.

Good Works
Volunteers

Accomplishments in Good Works programming in 2010 include:

- Volunteer Leadership groups planned and led 900 volunteer activities for the firm's employees nationally. More than 31,000 employees participated in these activities.
- In 2010, employees provided nearly 275,000 hours of service.
- Nearly 13,000 employees generously donated \$5.4 million, supporting more than 6,300 charitable organizations through the firm's annual employee giving campaign. Thousands of charitable organizations in the United States and Canada received pledges from our employees. In 2010, JPMorgan Chase provided a match of eligible employee contributions through the campaign, resulting in an additional \$3 million to charities.

• Our core partners in the campaign are:

- America's Charities, representing more than 200 national and local charities.
- Asian & Pacific Islander American Scholarship Fund.
- Community Health Charities, representing more than 500 local and national health charities.
- EarthShare, representing more than 200 local and national environmental charities.
- Global Impact, representing more than 50 U.S.-based international aid, relief and development charities.
- Hispanic Scholarship Fund.
- United Negro College Fund (UNCF).
- United Way of America and its local affiliates.

- The firm awarded approximately 5,700 volunteer grants totaling nearly \$1,280,000 in recognition of 3,480 employees' personal commitment of their time to volunteerism. The JPMorgan Chase Foundation matches employee volunteer hours with a monetary gift to the charity where each employee participated in volunteer service. Grants range from \$150 to \$1,000 for the qualifying nonprofit where the service was performed. Employees can apply for an individual or team volunteer grant when they complete as little as 15 hours of service within a 12-month period. The more hours employees give, the more funding their organizations receive. Last year, 1,405 organizations received funds from the Matching Gift program.



Volunteers enjoying an MLK Day of Service in New Jersey.



Houston feeds America.



Planting a tree in Indiana as part of the Keep Indianapolis Beautiful campaign.

Service is a solution, and accountability is our foundation

As part of our leadership's commitment to employee engagement and volunteerism, Jamie Dimon – Chairman and CEO of JPMorgan Chase – addressed more than 5,000 service leaders at the 2010 National Conference on Volunteering and Service at New York City's Radio City Music Hall in June: "The foundation of corporate responsibility is a deep sense of accountability to our communities," said Dimon. "I am proud to say we really do push ourselves to do more service and philanthropy, even during these tough economic times."

Dimon discussed the importance of corporate service as a solution to pressing community needs and announced the company's goal of 200,000 hours of community service by the end of 2010.



Jamie Dimon, Chairman and CEO of JPMorgan Chase, addressing attendees at the National Conference on Volunteering and Service.

"We always have remained focused on the fundamentals of banking – serving our clients and communities," said Dimon.

Outstanding service in action

Environmental support – More than 475 colleagues, family members and friends improved green spaces in California, Colorado, Florida, Indiana, Michigan, New Jersey, New York and Wisconsin. Some examples include:

- Nearly 100 employees planted 130 trees at the Pogue's Run conservation corridor in Indianapolis' (Ind.) Near Eastside community. Five hundred trees for the Keep Indianapolis Beautiful, Inc. project were purchased with a \$100,000 grant from the JPMorgan Chase Foundation.
- More than 100 employees in the Los Angeles area collected trash from the white sands in California during a Heal the Bay cleanup at Zuma Beach.
- Forty volunteers didn't mind dirty work for a good cause – they helped the Greening of Detroit (Mich.) by pulling weeds, digging trenches, picking up trash and leveling soil at Urban Farm at Romanowski Park in southwest Detroit.

International relief efforts – When Haiti was struck by a major earthquake in January 2010, more than 100 employees in Miami (Fla.) contributed 600 hours of service to World Vision to stuff backpacks with supplies for families affected by the disaster.

Community development – More than 6,400 employees in California, Illinois, Indiana and New York worked to address local issues in their communities during the year, including developing safe and affordable housing, fighting hunger and improving schools. Habitat for Humanity alone had nearly 850 colleagues put in 5,315 build hours supporting partner families in Arizona, Delaware, Florida, Indiana, Kentucky, Missouri, New Jersey, Ohio, Texas, Utah and Wisconsin.

Walks and runs for causes – In 2010, more than 2,000 employees participated in the Komen Race for the Cure® events across the nation. Clearly, employees wanted to make a difference supporting the important work being done by the Susan G. Komen for the Cure® organization. Last year, we had a terrific number of volunteer leaders within the company who were the driving force behind efforts to mobilize volunteer walkers and those who assisted in other aspects of the events such as staffing registration and assistance tables. Some of the other causes and organizations supported across numerous markets include Multiple Sclerosis, March of Dimes, Juvenile Diabetes, ALS (Lou Gehrig's disease), American Heart Association, Leukemia & Lymphoma Society, American Cancer Society, United Negro College Fund, Inc. and AIDS Walks.

Interns, analysts and new hires lead the way

In addition to our employees contributing to service, interns and new hires also participated in meeting 2010's Celebration of Service goal. Good Works program administrators coordinated the placement of interns and newly hired employees with volunteer projects as part of the company's orientation process. In all, 1,500 employees, interns and new hires contributed more than 7,000 volunteer hours during a total of 24 projects. All lines of business were represented in this effort.

Examples of new hire projects include:

- As a part of a summer camp program with The Salvation Army, nearly 200 analysts accompanied children from Harlem (N.Y.) to the Bronx Zoo. These volunteers met the children at the organization's community center during their summer camp program, and each child was paired up with an adult, allowing every analyst the opportunity to mentor a child for the day.

- A total of 444 interns and analysts volunteered 1,846 hours of service at Added Value Farm in Brooklyn, N.Y., to participate in urban farming and support access to healthy, safe and affordable food in the community.
- At the World Vision's Storehouse in the Bronx in New York City, nearly 400 analysts worked 2,250 hours to sort and label warehouse items for distribution to World Vision's nonprofit partner agencies. The warehouse in the Bronx receives large wholesale donations of mostly new items from major companies. Employees worked to sort women's business clothing to be distributed to local workforce training programs; school supplies to be dispensed to local schools and after-school programs; and household supplies to be donated to programs that support families and seniors.

GOOD WORKS INTERNATIONALLY

United Kingdom and Europe/Middle East and Africa

GeneroCITY

GeneroCITY is a charitable campaign that gives U.K.-based employees the chance to use teamwork, creativity and business skills to support good causes. The initiative was developed in direct response to the significant growth in interest from employees looking for innovative ways to raise funds, get involved and broaden awareness of J.P. Morgan's philanthropic activities in the United Kingdom. This year's campaign targeted the analyst and associate population and called for teams of four to submit proposals to build awareness and raise funds for Save the Children. Teams from all lines of business competed for the opportunity to implement their plans, with three finalists being selected, raising £30,000 for the charity.

Kids Company

In 2010, J.P. Morgan endorsed an active volunteering program across numerous lines of business and locations in the United Kingdom and in Europe, the Middle East and Africa. The London Technology and Operations team ran a year-long volunteering initiative with Kids Company, a charity that provides

practical, emotional and educational support to vulnerable inner city children and young people in London. This initiative brought together 120 volunteers who participated in various activities such as school-based activities (including cooking classes, arts workshops, sports days, museum days for kids) and transformed living conditions for disadvantaged families.

School Mentoring Program

In addition, throughout 2010, the J.P. Morgan School Mentoring Program worked with 170 mentors and 200 young people (aged 14-18 years) across seven London-based schools, helping students to develop a wide range of transferable skills while they still are in school. In Europe, the Middle East and Africa, one notable program includes the Frateli mentoring program in France. J.P. Morgan established a partnership with Frateli in 2008 to extend the program to new regions in France. Frateli offers guidance and one-on-one coaching by young professionals to high-achieving, low-income students living in provincial cities and towns, as well as in rural areas. In addition, Frateli has succeeded in arranging more than 500 partnerships between mentors and mentees. J.P. Morgan in Paris continues to work closely with Frateli on its meetings between mentors and mentees, and J.P. Morgan employees actively volunteer as mentors.

Hong Kong

The RecycleBANK Fun Fair

On August 7, 2010, more than 130 employees from Hong Kong, Singapore and Tokyo took part in the RecycleBANK Fun Fair, a J.P. Morgan-sponsored event in collaboration with a community partner Po Leung Kuk, which brought more than 1,200 guests from economically disadvantaged communities to learn about environmental sustainability in a fun and interactive atmosphere. Po Leung Kuk is a local non-governmental organization that provides social, educational and

cultural services that empower families and strengthen communities. Attendees enjoyed presentations by local environmental organizations, skits by J.P. Morgan employees and interactive games about innovative ways of going green.

Prior to the event, employees organized a drive to collect one ton of gently used clothing, as well as books, toys and other household items, to donate to local residents rather than letting such items go to waste. As a metric of effectiveness, a group of employees was challenged with estimating the carbon footprint savings achieved by reusing items rather than manufacturing new ones.



RecycleBANK Fun Fair:

1 ton of reusable items donated

43 tons of carbon savings yielded –
equal to what

1,700 trees absorb per day

Language Training Program

Learning English language skills helped children with their academic work by building their confidence and enhancing their social mobility in the multicultural environment of Hong Kong. Sixty JPMorgan Chase employees spent four hours every week mentoring local students at Po Leung Kuk (PLK) schools to allow these youth to work on their conversation, pronunciation and reading skills and, ultimately, gain more confidence in using English by speaking about subjects that interest them. Furthermore, JPMorgan Chase supported PLK's Language Training Program, which helps 300 children in residential care become biliterate (Chinese and English) and trilingual (Cantonese, Putonghua and English) through language skill building and storytelling, with the aim that these children will develop the language skills needed to further educational goals and pursue career aspirations.

technology for social good

Technology for Social Good

Technology for Social Good helps connect nonprofits worldwide with JPMorgan Chase employees volunteering their technology skills. Nearly 300 colleagues have signed up to volunteer with 58 nonprofits across the globe, contributing more than \$600,000 in work hours and cash donations in 2010. Examples of recent projects include a partnership between the JPMorgan Chase technology group and NPower, a nonprofit technology assistance provider to build The Community Corps. This online volunteer portal connects nonprofit IT needs with skilled volunteers. Today, JPMorgan Chase is its biggest customer. More than 300 staff members have registered to take advantage of short but impactful projects that often can be completed virtually.

Another example is the continuation of the company's commitment to military service members. We are in the process of implementing two programs: Operation Morale Call, a program that will provide monthly telepresence calls for deployed members of the military and their families, and an online job site aimed at helping military veterans find work. The online job portal will be one of the tools used to fulfill our 100,000 Jobs Mission and will be accessible to participating partners.

Supporting environmental sustainability

JPMorgan Chase aspires to be an environmental sustainability leader in the financial services sector by employing its knowledge and capital to help clients, customers and communities operate in a more environmentally sustainable manner and by continuously improving its own resource use.

In the following pages, we describe how JPMorgan Chase contributes to growing renewable energy generation and reducing carbon emissions, how we manage the environmental and social risks in certain financial transactions, and what we are doing to manage the direct impact of our own operations. Our activities seek to integrate business and environmental considerations to achieve sustainability goals. Much of what follows is an update on programs we described in our *2009 Corporate Responsibility* report. We've also implemented new initiatives.

Helping the world transition to a low-carbon economy

Financial services companies can play a key role in helping economies evolve and transform to meet global environmental challenges by helping to allocate capital to transformative technologies and efficient ways of doing business. We offer clients extensive advisory, capital raising, research, sales, trading and derivatives capabilities to help them navigate and mitigate the challenges and risks associated with climate change, cost-effectively reduce greenhouse gas emissions, and bring to market and scale clean technologies.

Renewable energy investments

JPMorgan Chase is one of the largest tax equity investors in wind power in the United States, and, in 2010, we financed 10 wind projects with an installed generating capacity of 718 megawatts. From 2003 to year-end 2010, the firm has made cumulative tax equity investments totaling more than \$3.2 billion, and, over the same period, arranged an additional \$3.5 billion from other institutions in 67 wind farms, four geothermal projects, 12 photovoltaic solar projects and a large, concentrated thermal solar facility in the United States. We plan to continue growing our tax driven investment activities throughout the renewable and clean energy sectors as opportunities appear. The total installed capacity of more than 6,500 megawatts of wind in which JPMorgan Chase has invested can power close to 1.9 million U.S. homes annually and also represents 16% of the total installed wind capacity in the United States.

Environmental Markets

J.P. Morgan's Environmental Markets business is committed to helping clients address the present and future challenges of a carbon-constrained environment. A leader in the voluntary and compliance markets, the firm's capabilities span the origination, sales and trading of carbon credits globally.

With the acquisition of EcoSecurities, the firm provides innovative advice and support to companies and project developers in emerging markets to create emission reduction credits from projects that successfully reduce greenhouse gas emissions. A pioneer in the carbon market, the business is responsible for the origination of compliance credits. EcoSecurities has one of the largest and most diversified portfolios of emission reduction projects in the world. Its experience spans many sectors, including renewable energy, municipal waste management, industrial gases, energy efficiency and forestry. By the end of 2010, EcoSecurities had registered more than 200 projects located in over 20 countries, covering 18 different technologies. The firm is dedicated to meeting the needs and requirements of clients by providing environmental products and advisory services that address regulatory and emissions trading compliance risk, as well as voluntary emission reductions.

Distributed solar photovoltaic power generation

In 2010, J.P. Morgan embarked on its first distributed generation solar program. J.P. Morgan funded a \$60 million project financing with SunEdison, a leading worldwide solar energy services provider, with respect to the deployment of photovoltaic solar panels for both commercial and government projects across key markets in the United States.



Under the SunE Solar Fund X, SunEdison finances, constructs, monitors and maintains photovoltaic power plants at client (host) locations. In return, the solar hosts buy the energy produced to offset their demand from the grid typically at prices at or below retail rates. The JPMorgan Chase financing helps public and commercial clients realize the benefits of solar without the upfront capital costs typically associated with solar power deployments. The partnership will help SunEdison add to its existing 390 solar power plants worldwide.

Amatitlan geothermal project in Guatemala

This project harnessing the power of renewable energy through innovative technology.

Guatemala faces a growing demand for energy that largely has been met through fossil fuel-based sources despite the considerable geothermal resources at its disposal. The Amatitlan geothermal project in Guatemala uses state-of-the-art geothermal power plant technology to harness the power of renewable energy. Amatitlan was able to benefit from the use of this innovative technology as a result of the carbon financing that the project was able to obtain via the Kyoto Protocol's Clean Development Mechanism (CDM).

J.P. Morgan's EcoSecurities worked with Amatitlan to register the project with the CDM Executive Board and issue Certified Emission Reductions in order to secure the necessary carbon financing. Amatitlan utilizes three turbines to generate around 162,000 megawatt hours that are dispatched to the Guatemalan electricity grid. Not only does the project help to significantly reduce greenhouse gas emissions by around 82,000 tons of carbon dioxide (CO₂) per year, the project also contributes to the country's sustainable development by providing local employment and a stable source of power. In addition, the project resulted in a significant area of the surrounding hillside being reforested.



Improved cooking stoves for better lives

The traditional cooking practice in Bangladesh uses a three-stone cooking stove. Only 5%-10% of the households in Bangladesh use fossil fuels such as kerosene or liquefied petroleum gas for cooking. The majority use a mix of agricultural residues, twigs, leaves, cow dung and fuel wood. The combustion of some of this biomass in traditional cooking stoves generates a variety of gases, including carbon dioxide, carbon monoxide and particulate matter. The replacement of traditional stoves by improved cooking stoves (ICS) enhances heat transfer, which reduces the total amount of fuel required for cooking and the amount of emissions. Altogether, the improved cooking stoves have the following benefits:



Environmental benefits:

- **Air quality:** Air pollution from cooking with solid fuel is a key risk factor for childhood pneumonia, as well as many other respiratory diseases and cancer. By using ICS units, children and mothers are exposed to fewer air pollutants through reduced emission of not only CO₂ but also carbon monoxide and particulate matter.
- **Biodiversity:** Improved cooking stoves reduce the demand for wood and, thus, the impact on forest reserves in Bangladesh.

Social and economic benefits:

- **Employment:** The program creates employment opportunities for new ICS technicians, assistants, office staff and other related jobs in Bangladesh.
- **Livelihood of the poor:** The circumstances of poor families are improved since the stoves reduce fuel cost, providing financial savings. The decreased wood consumption also reduces the time needed to collect fuel and provides more opportunity for other productive activity.

- **Access to energy services:** The improved cooking stoves require less fuel, which can be a scarce and expensive resource in many areas. Users also have found ICS to be more convenient, as cooking time is shortened.
- **Human and institutional capacity:** The project has a positive effect on local skills and institutional capacity. By implementing large-scale promotion and advertising campaigns and quality control and branding initiatives, along with introducing improved production and accounting systems, the local population is developing valuable business skills.
- **Technological self-reliance:** The introduction of a locally manufactured technology with optimized energy efficiency helps to build technological self-reliance.

Research

J.P. Morgan's Equity Research group remained focused on uncovering investment themes and opportunities that drive energy efficiency and renewable power generation. With respect to renewable energy and clean technology, the group analyzes a wide range of industries, companies and technologies, including wind, biofuels, waste to energy, solar and the smart grid. In 2010, J.P. Morgan's equity analysts produced regular reports on the smart grid to provide investors with an informed market view of the dynamics and prospects on investing in the multitude of companies in this evolving space. The "Sizing the LED-Based General Lighting Opportunity" report provides an outlook on how energy-efficient LEDs could affect the worldwide lighting market in the coming decades and the resulting manufacturing requirements that would be entailed. Coverage on the renewable energy space considered the effects that subsidies and climate policy could have on wind and solar power and the companies that stand to benefit.

Reviewing business with environmental risks and participating in industry initiatives

Environmental and Social Risk Management

JPMorgan Chase recognizes that balancing non-financial factors such as environmental and social impacts with financial considerations is an essential part of both good corporate citizenship and sound risk management. While the firm has a direct impact on the environment through its daily use of energy and material resources, it also has an indirect impact through its provision of financial services. JPMorgan Chase's Environmental and Social Risk Assessment

policy integrates environmental and social impacts into its analysis and financing decision-making process to ensure such indirect impacts are duly addressed. We employ the Equator Principles and our own policies to conduct comprehensive environmental and social risk assessment of clients and transactions, focusing particularly on sectors that are prone to these risks: oil and gas, mining, forestry and agriculture, heavy manufacturing, power and infrastructure. By assessing and understanding the issues faced by our clients, we often can help them improve their environmental and social performance, as well as ensure compliance with our own policies. The Environmental and Social Risk Management team reviewed 245 financial transactions in 2010 compared with 180 in 2009 and 126 in 2008.

JPMorgan Chase recognizes that balancing non-financial factors such as environmental and social impacts with financial considerations is an essential part of both good corporate citizenship and sound risk management.

We continue to use an online Environmental and Social Risk Management training module to provide bankers with an overview of the key risks within certain sectors, as well as detailed case studies. It is designed to equip bankers with the skills and knowledge necessary to engage with their clients at an early stage on key issues. Since the module was introduced in 2008, more than 10,000 staff members have completed it, including 1,364 employees in 2010. The module remains required training for staff working on transactions with potential environmental or social risk. We also continue to conduct regular in-person sessions with key deal teams.

The Carbon Principles

JPMorgan Chase adopted the Carbon Principles in February 2008 in partnership with Citigroup and Morgan Stanley, seven leading electric utilities and three environmental organizations in order to better assess the risks in financing greenhouse gas-intensive electricity generation. The principles came into effect in August 2008. Thereafter, JPMorgan Chase began applying the Enhanced Diligence Process to transactions that finance coal-fired power plants for investor-owned utilities and, effective February 2009, for public power and electric cooperatives.

In 2010, the firm applied the Enhanced Diligence Process to general corporate purpose bond issues for three clients. We did not participate in any municipal bond or project financing of Carbon Principles-eligible facilities in 2010.

Transactions receiving Environmental and Social Risk Management review

Sector	Category A	Category B	Category C	Total
Oil and gas	6	24	12	42
Mining	20	53	9	82
Chemicals	0	4	3	7
Forestry, pulp and paper	3	8	0	11
Agriculture	0	7	4	11
Manufacturing	1	24	8	33
Power	8	21	4	33
Infrastructure	2	5	3	10
Shipping and storage	0	4	5	9
Other	2	3	2	7
Total	42	153	50	245

Category	Asia Pacific	EMEA	Latin America	North America	Total ¹
Category A	18	17	3	4	42 (28)
Category B	51	56	26	20	153 (117)
Category C	16	18	6	10	50 (41)
Total	85	91	35	34	245 (186)

¹ Brackets indicate the number of transactions that were approved (186); the remainder (59) were dropped for non-environmental reasons by deal teams after the environmental and social review had been completed.

One of the 2010 transactions assisted a client in financing construction of an innovative integrated gasification combined cycle power plant with carbon capture and sequestration capability. It's also worth noting that each of these utility clients had made its fuel source decision well before the financing.

Mountaintop removal mining

Since early 2009, Environmental and Social Risk Management has conducted an enhanced review of all proposed banking transactions for companies engaged in mountaintop removal mining (MTR). This enhanced review is in addition to the customary diligence employed for companies in the extractive industries and includes considerations of a company's regulatory compliance history, as well as exposure to future regulatory changes and litigation risks, particularly as they relate to valley fills and water quality issues. While the firm does not provide MTR project-specific finance to companies, we do have banking relationships with a few clients that employ MTR. Consequently, the firm considers an enhanced review to be appropriate until such time as the key controversies surrounding MTR are thoroughly addressed.

The enhanced review is informed by the regulatory, legal and public discourse on this evolving issue. The firm considers the critical issues associated with MTR coal mining at senior levels and within the Reputation Risk Committee.

JPMorgan Chase will continue to follow the actions of federal and state government legislators and regulators tasked with environmental oversight and which bear the primary responsibility for regulating the environmental and social impacts of MTR coal mining. We are aware that the regulatory framework governing coal mining in Central Appalachia is dynamic, with public officials and stakeholders representing a variety of viewpoints playing an active role. We continue to believe the policymaking process is the appropriate forum to address this complex issue.

Managing the environmental footprint of our operations

At JPMorgan Chase, we have close to 240,000 employees working in more than 60 countries. Globally, we occupy more than 70 million square feet of space, including over 5,000 bank branches in the United States. On average, each day our operations use more than 20,000 cubic meters of water and result in the emission of more than 3,000 metric tons of greenhouse gases (not including air travel or employee commuting).

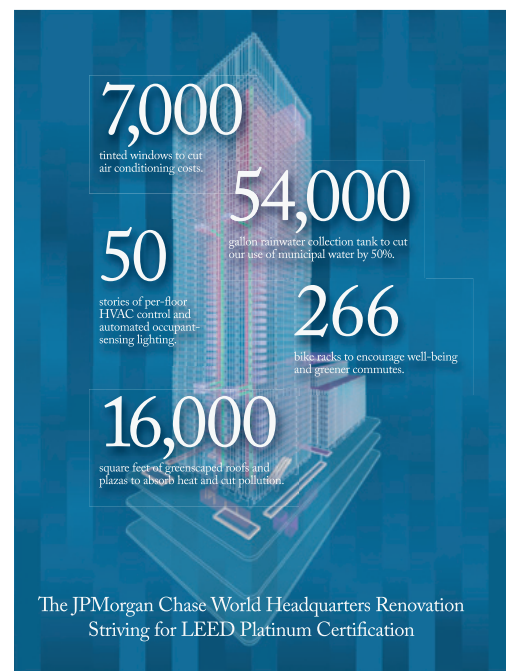
While banking's environmental footprint may be small compared with some industries such as manufacturing or power generation, our footprint is significant in its own right. We take seriously the need to manage our use of resources and seek to continuously improve how we use resources in order to reduce our environmental footprint, improve operational efficiencies and realize cost savings. Our programs cover the key areas that have environmental impact: energy and water use, green building, air travel, paper use, information technology (IT), food served in our cafeterias, and waste disposal and recycling. These efforts are undertaken on many levels and by various groups within the organization, such as Corporate Real Estate, Sourcing and Procurement, Technology and employee-led Green Teams. The firm's Office of Environmental Affairs works with these groups to develop, implement and communicate the firm's environmental sustainability programs.

Energy, CO₂ emissions and green buildings

As the energy used in buildings constitutes the vast majority of our carbon footprint, energy-efficiency and conservation measures are of utmost importance in addressing our emissions. Buildings also are the nexus for a variety of other impact considerations such as water usage, waste management, cleaning products and construction materials.

Corporate headquarters renovation

JPMorgan Chase's headquarters, located in New York City at 270 Park Avenue, is a 50-story, 1.3-million-square-foot office building. We are nearing completion of an extensive green renovation of the site that has touched every floor and system in the building. The project has a goal to attain the highest sustainability rating – Platinum – for renovations of existing buildings under the Leadership in Energy and Environmental Design (LEED) green building rating system. It may be one of the largest green renovations of an existing building on Earth. Some of the



improvements include a 56,000-gallon rainwater collection tank to save water, 7,000 tinted windows to reduce heat gain, and 16,000 square feet of greenscaped roofs and plazas to reduce urban heat island effect. The renovation will be completed in 2011.

Making progress on our 20% greenhouse gas reduction target

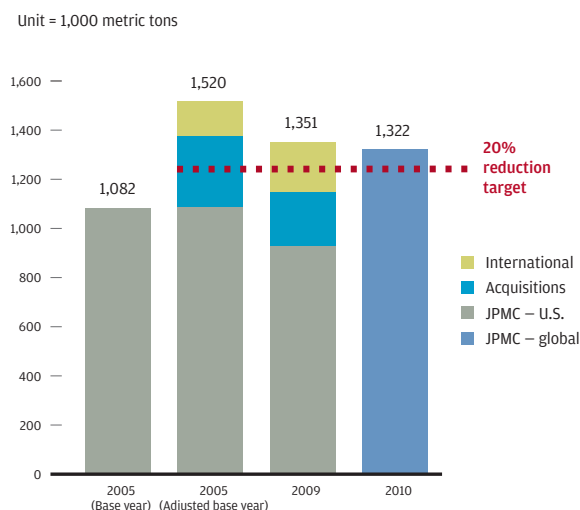
JPMorgan Chase Corporate Real Estate manages facility energy and water consumption for buildings under its operational control. We continue to pursue our goal to reduce our greenhouse gas emissions 20% by 2012 compared with our 2005 baseline. We are meeting the target by optimizing the use of space

for business needs, as well as through a combination of energy efficiency throughout our real estate portfolio and through green construction, retrofits and Renewable Energy Certificates.

The acquisition in 2008 of the Bear Stearns and Washington Mutual properties added a substantial amount of square footage to our portfolio. In line with Greenhouse Gas Protocol guidance, we have adjusted our 2005 historic emissions to account for these structural changes, which had a significant impact on our company's base-year emissions (see adjusted 2005 base year in the chart on the left).

Through year-end 2010, we have been able to achieve significant emissions reductions in the United States vs. our adjusted baseline. Conversely, organic growth from our international footprint has tended to increase emissions. Altogether, our combined global greenhouse gas emissions are 13% below the adjusted 2005 base year. Going forward, our reporting will cover consolidated global emissions for buildings under our operational control.

Total corporate emissions



2005-2010 JPMorgan Chase environmental indicators (global)

	Unit	2010	2009	2005 (adjusted)
Total corporate emissions	MT	1,322,232	1,351,187	1,519,916
Indirect emissions (scope 2)	MT	1,226,197	1,245,797	1,404,171
CO ₂ e emissions – electricity	MT	1,201,356	1,221,417	1,367,197
CO ₂ e emissions – steam	MT	24,264	23,655	35,776
CO ₂ e emissions – chilled water	MT	577	725	1,199
Direct emissions (scope 1)	MT	96,034	105,269	115,744
Site combustion (gas + fuel oil)	MT	57,928	68,827	73,366
Fugitive emissions (chiller plants)	MT	29,459	30,401	34,372
CO ₂ e emissions – jet fuel	MT	8,648	6,041	8,007
Total energy consumption	GJ	9,483,005	9,789,772	11,148,129
Electricity consumption	GJ	7,613,897	7,857,567	8,743,407
Electricity consumption	kWh	2,114,971,461	2,182,657,596	2,428,724,301
Steam	GJ	387,996	378,264	572,078
Chilled water – indirect emissions	GJ	15,747	20,363	31,382
Natural gas	GJ	1,071,555	1,169,765	1,389,653
Propane gas	GJ	2,572	2,775	761
Fuel oil	GJ	60,707	61,648	55,323
Chiller plants – fugitive emissions	GJ	205,429	212,001	239,692
Jet fuel	GJ	125,102	87,388	115,833
Total water consumption (U.S. only)	M ³	5,899,069	6,218,399	–
Surface area monitored (global)	RSF	62,000,495	62,557,962	–
Renewable energy credit purchases	MWh	230,000	200,000	–

Legend:

CO ₂ e	Carbon dioxide equivalent
GJ	Gigajoules
kWh	Kilowatt hours
MT	Metric tons
MWh	Megawatt hours
M ³	Cubic meters
RSF	Rentable square feet

In the United Kingdom, J.P. Morgan is subject to the Carbon Reduction Commitment Energy Efficiency Scheme, legislation aimed at increasing energy efficiency and abating carbon dioxide emissions. All J.P. Morgan sites in the United Kingdom have been awarded the Carbon Trust Standard, which recognized the firm for reducing carbon emissions by 12.2% relative to turnover from 2007 to 2010. The Carbon Trust Standard certifies organizations for real carbon reduction and commitment to ongoing reductions. Some of the projects contributing to the Carbon Trust Standard award include:

- Optimizing data center efficiency through operational and capital investment.
- Making major engineering plant and infrastructure upgrades to buildings.
- Deploying advanced energy metering equipment in large sites to enable accurate tracking of usage, which identifies areas for energy reduction.

Emissions from employee travel

		2008	2009	2010
Air miles traveled	Miles	642,505,431	509,958,294	685,602,784
Carbon dioxide emissions	Metric tons	129,251	103,815	137,804
Carbon offsets purchased	Metric tons	142,000	100,000	140,000

Emissions from employee air travel

In addition to carbon emissions from energy use in buildings, employee air travel is the other major component of our carbon footprint. Employee air travel in 2010 accounted for 137,803 metric tons of CO₂. This number represents a nearly 33% rise over last year due to the increased amount of travel as a result of the gradual economic recovery. We continued the carbon offsetting program we began in 2008 for these emissions.

Paper

Paper use remains a material impact of our banking operations despite advances in moving many processes and products from paper to electronic form. Reduction at source, responsible procurement, efficient use and recycling are the main strategies for keeping the impacts of our paper use as low as possible while satisfying business needs.

Reduction at source

JPMorgan Chase continued its paper reduction efforts across the board:

- JPMorgan Chase again took advantage of the U.S. Securities and Exchange Commission's Notice and Access rule to allow investors to opt in to receiving a printed copy of the firm's Annual Report rather than sending printed copies by default. As a result, the firm was able to print 700,000 fewer Annual Reports and Proxy Statements, which saved approximately 6,400 trees and 800 metric tons of CO₂ emissions.
- Chase continued its paperless statement program, which in 2010 eliminated 203 million statements for retail and credit card customers (we eliminated 130 million statements in 2009).

- Treasury & Securities Services' Go Green campaign, launched in 2007, continues to reduce paper sent to clients. A team of dedicated professionals has worked with more than 10,000 clients to eliminate over 141 million documents (40 million in 2010), the equivalent of 4 million pounds of paper. The program has been expanded to eliminate international account paper statements for our U.K.-based accounts, positively impacting around 2,000 clients, 5,500 accounts and more than 135,000 documents a year. We also are beginning work on similar efforts for our clients in Germany, France and Switzerland, with completion dates scheduled for the end of 2011.
- Within our offices, we have seen a 4.3% decrease in copy paper use vs. the prior year in the United States despite a larger number of employees than in 2009.

In spite of these reduction efforts, our overall paper use has increased. The main driver for the rise is Chase Card Services' significant increase of direct mail marketing in 2010. This was a function of the economic recovery and also was a departure from the uncharacteristically low volumes of 2009.

United States	2008	2009	2010
Total paper ¹ (metric tons)	76,735	73,630	114,234
Percentage of commercial paper ²	89.4%	89.4%	93.5%
Percentage with recycled content ³	32.4%	33.6%	40.8%
Percentage from certified sources ⁴	8.2%	70.7%	86.9%
United Kingdom	2008	2009	2010
Total paper (metric tons)	1,053	758	711
Asia Pacific	2008	2009	2010
Total paper (metric tons)	469	743	779
Total (metric tons)	78,257	75,131	115,724

1 Total paper includes copy paper (used in the office for printing, copying, faxing) and commercial paper.

2 Percentage of commercial paper is paper that is used in commercial, customer-facing applications such as customer statements, new account solicitation and regulatory disclosures.

3 Percentage of total paper with recycled content is paper that contains any amount of post-consumer recycled content.

4 Percentage of total paper from certified sources is paper that is certified under the Forest Stewardship Council or the Sustainable Forestry Initiative.

Responsible paper sourcing

Notwithstanding the increase in absolute paper use, JPMorgan Chase continued its responsible sourcing program for North America in 2010. By incorporating requirements for paper from third-party certified, responsibly managed forests into its procurement contracts for commercial paper, JPMorgan Chase was able to increase the amount of paper from certified sources (Forest Stewardship Council and Sustainable Forestry Initiative) from 8% in 2008 to 70% in 2009 and to 87% in 2010. Paper with recycled content also rose from 33.6% of total JPMorgan Chase paper use in North America in 2009 to 40% in 2010. Within the recycled papers used, the post-consumer waste (PCW) recycled content varies. We use grades ranging from 10% to 30% and 100% PCW depending on the application for which it is used.

Recycling office paper

Paper documents from our offices account for an important part of solid waste output from our facilities. All our discarded paper business documents around the world are recycled. Through our Global Secure Shred Disposal Program, we put more than 25,000 metric tons of paper back into the commodity markets for recycling in 2010.

Paper captured in our facilities for recycling

Region	2008	2009	2010
Weights in metric tons			
United States and Canada	16,393	20,637 ¹	23,764
United Kingdom	1,115	752	1,001
Asia Pacific	241	445	373
Total	17,749	21,834	25,138

Recycling

Our recycling program for cardboard, glass, metal and plastics experienced a significant boost in 2010. JPMorgan Chase undertook a survey of all 5,500+ sites in the United States to determine the current status of waste management and recycling in retail branches, office buildings, and data and operations centers. The result was the first-ever full waste management baseline for JPMorgan Chase buildings in the United States. Based on the survey results, a cross-functional recycling team developed a strategy to expand the program. We added recycling for the bank's 20 largest office buildings that did not have such a program in place. This provided recycling for an additional 30,000 employees within six months of program start. Also, pilot programs began in 10 bank retail branches each in Dallas and in Seattle. An intranet site was created to

provide vital information to employees about extant recycling practices. For example, the site highlights the single-stream process of recycling, whereby, at some locations, all waste is collected together but separated at a materials recovery facility by the waste hauler. This process is in place at many of the firm's New York City operations.

Information technology

Information technology plays a crucial role in helping to deliver financial products and services and has a tangible impact on JPMorgan Chase's overall sustainability performance. Fortunately, many economically driven IT trends today are aligned to deliver real sustainability benefits. The key sustainability issues related to the life cycle of IT are the environmental impacts of production and transport, the energy use during the useful life of our equipment and the issue of electronic waste at the end of an asset's useful life. JPMorgan Chase is addressing all these issues through a strategy that:

- Reduces the need to purchase new equipment.
- Seeks to maximize the life of existing equipment.
- Aims to optimize power use.
- Ensures that obsolete assets are retired in a responsible manner.

¹ This number has been revised from last year's report to reflect more complete data capture across our facilities.

Reducing the need to purchase new equipment

Our organization reduces the need to purchase new equipment by redeploying existing IT equipment such as computers, monitors, laptops, printers, BlackBerries and peripherals. In 2009, the firm introduced a program to collect unused technology and place the assets in a centrally managed pool. We also set up a process to ensure that any demand for new equipment was met from the inventory, where possible. This avoids the supply chain environmental impacts of purchasing new units. The program, dubbed Project Hero, is ongoing. In 2010, we redeployed 5,712 desktops, 840 laptops and 6,322 monitors.

Maximizing the life of existing equipment

The refresh rates for equipment are driven by new software and computing demands. To avoid obsolescence, cost and e-waste, our organization is developing programs to extend the life of desktop computers. One approach involves running a thin client operating system on a standard desktop system. The operating systems connect directly to a data center-hosted user environment. In effect, this delivers a virtual desktop infrastructure (VDI) model using existing hardware (instead of new VDI terminals).

Optimizing power use – data centers

Data centers are an indispensable platform in financial services operations. These centers are the powerhouses that run applications and store the company's data. While occupying a relatively small fraction of the real estate portfolio in terms of surface area, data centers account for a considerable part of overall energy use.

JPMorgan Chase is pursuing a multiyear strategy to reduce overall data center surface area while increasing energy density and efficiency in the remaining space. In 2010, we closed an additional 10 sites, shrinking the footprint from 1,160,000 square feet to 934,000 square feet, which removed the need for approximately 10 megawatts of power provision. Expected benefits from these optimization measures are a flattening of the energy demand curve, operational cost savings, and decreased costs and environmental impacts from avoided additional data center construction. We continue to employ virtualization techniques, "smart metering" within the data centers and maximization of technology performance to achieve these goals. Our target for 2011 is to bring surface area down globally to 872,000 square feet and to less than 850,000 square feet by the end of 2012.

Optimizing power use – desktop computing power

To save energy from desktop computers idling overnight, in 2010, Corporate Technology implemented automated shutdown schedules globally on another 2,600 desktop computers, bringing the total to 13,000. While there is much work still to be done in this space, this process already saves more than 3.6 million kilowatt hours of electricity and more than \$600,000 in expense annually.

Optimizing power use – smarter printing

Personal printers, copiers and fax machines are a common sight in office environments. In late 2008, JPMorgan Chase began its SmartPrint program, whose aim is to enhance productivity and efficiency, limit waste and save energy. The program replaces large numbers of single-function devices with fewer, more efficient multifunction devices. Since program inception, we have removed close to 45,000 old devices (approximately 25,000 in 2010) in the United States and replaced them with approximately 11,000 devices that default to double-sided printing (of which 5,000 were added in 2010). The implementation of this program was completed in April 2011.

Ensuring that obsolete assets are retired in a responsible manner

JPMorgan Chase has an IT Asset Disposition process and vendor in place to retire IT assets at the end of their useful life. Our vendors have a zero-landfill policy, and their standards are compliant with ISO 14001 and the U.S. Environmental Protection Agency’s Responsible Recycling practices, among others.

Other programs

Cafeteria sustainability programs

Internal sustainability programs also extend to the operations of our cafeterias. The key focus areas are responsible food sourcing and recycling. What we purchase for preparation and consumption sends a signal to the marketplace on how and where food should be caught, farmed and transported. Our cafeterias continue to serve responsibly harvested or farmed seafood (e.g., through adherence to the Monterey Bay Seafood Watch program in the United States) and strive to offer local meat, dairy and produce whenever possible. Our London Dining Services operation gained Assured Food Standards’ Red Tractor certification in 2010. Red Tractor is an assurance that farmers supplying food are achieving good agricultural standards and are protecting animal welfare and the environment.

Food preparation waste from J.P. Morgan cafeterias in London and Bournemouth continues to be composted. The process was introduced part way into 2009. In 2010, a total of 86 metric tons of food waste was composted. In the United States, we introduced food waste composting for New York City cafeterias in April 2011.

Corporate Challenge® – Green Road Race

The 2010 season continued the environmental focus begun in previous years under the banner of Teaming Up for a Greener Tomorrow. At all 12 of our Corporate Challenge® events in six countries on five continents, we continue to operate the event as a green road race.

The tactics are simple yet meaningful. The finisher T-shirts are printed with soy-based ink. Registration is 100% online. Easily identifiable recycling receptacles are evident throughout the race sites. Shuttle transportation to the race site is provided in many markets. This year, the event in San Francisco was moved to a downtown location to make it more easily accessible by public transport than in previous years. This measurably reduced arrival by private vehicles and increased participation in the race.

Earth Hour

JPMorgan Chase showed its support for meaningful action on climate change by participating in Earth Hour. The level of participation has been rising every year. In 2011, a record 297 JPMorgan Chase facilities in 154 cities in 32 countries on six continents turned off the lights, joining the global movement that swept across time zones to raise awareness on climate change.

JPMorgan Chase participation in Earth Hour

	Locations	Cities	Countries	Continents
2011	297	154	32	6
2010	105	49	27	4
2009	65	35	19	5

Environmental Affairs at JPMorgan Chase

JPMorgan Chase's Office of Environmental Affairs is dedicated to examining environmental issues as they relate to the firm. The office guides the firm's use of natural resources and the management of environmental issues related to our global business activities. The office also engages with various stakeholders, including peers, shareholders, experts in not-for-profits and academicians.

Market-based environmental conservation

Conservation International – REDD

JPMorgan Chase provided a \$1 million grant for Conservation International (CI) to develop a number of “investment-ready” forest carbon projects that are expected to help unlock \$3.5 billion in public funding pledged at the Copenhagen climate conference in December 2009 for Reducing Emissions from Deforestation and Forest Degradation (REDD). Since the Copenhagen pledges, little of this funding has flowed to high-priority forested countries because it is believed there is a lack of “REDD Readiness,” essentially a lack of in-country capacity to handle the influx of funds and demands. Consequently, there continues to be little incentive for these countries to reduce deforestation activities. With the JPMorgan Chase grant, CI proposes to help alleviate some of these problems through a REDD-capacity building program with a focus on market-ready project development in priority landscapes, as well as the development of innovative financial instruments needed to assure the long-term sustainability of these projects.

Conservation International – IBAT

JPMorgan Chase funded a series of three \$100,000 grants to Conservation International to develop its Integrated Biodiversity Assessment Tool (IBAT) for business. IBAT is an innovative tool designed to facilitate access to accurate and up-to-date biodiversity information to support critical business decisions. The tool is the result of a partnership among BirdLife International, Conservation International, International Union for Conservation of Nature and the United Nations Environment Programme World Conservation Monitoring Centre.

Harvard University Medical School Center for Health and the Global Environment

JPMorgan Chase made a \$50,000 grant to the Harvard Medical School Center for Health and the Global Environment to support the center's educational work in Washington, D.C. The center, through its educational and research efforts, seeks to educate legislators and other government officials about the impacts of climate change on human health and well-being.

Our workforce – supporting our employees and diverse suppliers

At the heart of our business, JPMorgan Chase employs approximately 240,000 men and women in more than 60 countries. To meet the changing needs of this diverse workforce, JPMorgan Chase offers a variety of programs and services related to workplace flexibility, wellness, child and elder care, career development and more.

Offering fair rewards and benefits programs

JPMorgan Chase continues to support key benefits programs, with a particular emphasis on non-highly paid employees. For instance, we provided a \$500 award in 2010 to employees around the world making \$60,000 or less per year. In the United States, this award was made to the 401(k) Savings Plan. We matched 401(k) contributions dollar for dollar up to 5% for employees making up to \$250,000 of total annual cash compensation. In a time when many companies no longer offer pension benefits, we have made a long-term commitment to our U.S. plan but have capped salary recognized by the pension plan at \$100,000. In addition, we have a long-standing practice of charging higher-paid employees more for medical insurance in order to help keep coverage affordable for others.

We know that our employees often seek assistance in saving and planning for retirement. We were pleased to launch a new online retirement planning tool for our employees late last year. This tool projects an employee's JPMorgan Chase 401(k) Savings Plan and Retirement Plan benefits and estimates retirement income, as well as Social Security payments. We also introduced a newsletter focused solely on our retirement savings program to further connect our employees to the information, tools and resources they can use when planning for retirement.

Helping working families

JPMorgan Chase offers backup child care assistance to its employees via 13 dedicated on-site centers, five near-site membership centers and access to more than 270 centers operated by our corporate partners. In 2010, 9,265 children used our backup child care programs (an 8% increase from 2009). In addition to the 20 days we offer employees each year, we continued to provide additional child care for parents through our Summer Advantage Program, which provides three extra weeks of child care (2,213 children participated) and through our 8-Week Advantage Program, which provides eight extra weeks of child care to help new parents transition back to work after they have or adopt a child (588 children participated last year). We extend the program's hours of operation to provide child care for employees working overtime or weekends when needed.

Promoting wellness

During 2010, JPMorgan Chase offered comprehensive healthcare coverage and wellness programs for 300,500 U.S. employees and their family members, including domestic partners. Selected highlights include 100% coverage on preventive health services; awareness and prevention strategies; health advocate services that help our employees navigate the healthcare system

(such as assistance in filing an appeal when a claim is denied or locating and scheduling an appointment with a specialist); personalized health risk assessments; and access to health and wellness coaches by phone to help employees meet goals (i.e., lose weight, reduce stress, lower blood pressure, improve fitness, cease smoking). We rolled out a new Wellness Rewards program, whereby employees can earn up to \$200 annually (on a JPMorgan Chase debit card) for taking part in various wellness programs and engaging in healthy activities, such as exercising regularly and obtaining appropriate preventive care screenings. Through December 31, 2010, we have had 50,000 employees earn a total of \$5 million in rewards. Regular communications of health tips and health resources are provided, as well as periodic newsletters mailed to homes, ongoing webinars and intranet postings.

We also operate 20 on-site clinics across the country, offering biometric screenings, flu shots and consultations with nurses. In 2011, we are planning to expand to 29 clinics, adding on-site physicians.

Helping employees struggling with difficult issues

JPMorgan Chase offers professional counseling, consultation and referral services globally to help employees, their dependents and/or domestic partner with stress, emotional issues (such as grief, depression and anxiety), alcohol and substance abuse, work-related conflicts, relationship/family issues and legal or financial issues.

Promoting diversity

JPMorgan Chase continues to value and build a diverse and inclusive workforce. Diversity is a cornerstone of our global corporate culture, and we continue to build upon it by:

- Encouraging managers to develop and maintain a diverse workforce and to identify top talent and build development plans accordingly.
- Seeking a diverse slate of candidates for all key job openings.
- Building a pipeline for diverse talent by working closely with universities and key industry groups, as well as encouraging employee referrals.
- Actively involving our people – through Employee Networking groups, annual forums, open discussions with senior leaders, multicultural marketing efforts and partnerships involving community activities.

U.S. workforce demographics: 2010

	White	Black/ African-American	Hispanic/ Latino	Asian	American Indian/ Alaska Native	Native Hawaiian/ other Pacific Islander	Two or more races	Total	U.S. female representation
Exec/sr. level officials and managers	90.4%	2.2%	2.8%	4.3%	0.1%	0.0%	0.0%	1.4%	23.3%
1st/mid-level officials and managers	68.1%	11.3%	11.9%	8.0%	0.3%	0.2%	0.3%	18.0%	53.9%
Professional	60.6%	9.4%	15.3%	13.8%	0.2%	0.3%	0.4%	31.4%	43.1%
All other	48.3%	22.0%	21.6%	6.7%	0.3%	0.3%	0.7%	49.2%	70.1%
Total	56.3%	15.9%	17.6%	9.2%	0.3%	0.3%	0.5%		58.1%

- Offering a comprehensive set of policies, programs and benefits to meet the changing needs of our diverse workforce.

In the United States, 44% of our employees are of Black, Hispanic, Asian or Native American heritage. In addition, diverse individuals make up more than half of our total hires and 18% of our executive hires.

The Connect Continuum

Across the Europe, Middle East and Africa (EMEA) Investment Bank, we run three key initiatives known as the Connect Continuum that are aimed at women from the associate level through the executive director (ED) level. All three initiatives are endorsed by the Inclusive Leadership Council.

ED Connect is an informal mentoring/sponsorship initiative open to all executive director level women within the Investment Bank in EMEA. The initiative was launched in October 2008 with the objectives of raising the visibility of executive director level women with the managing director population, enabling the target group to have quality career-oriented conversations with senior managers and to get assistance in growing and extending internal personal and business networks.

VP Connect is targeted at our vice president level women and provides an à la carte menu that offers all participants the flexibility to identify and participate in development and networking activities that they believe will provide the greatest benefit.

Junior Women Connect is a peer networking initiative for female analysts and associates designed to facilitate and promote valuable peer relationships across junior women in the Investment Banking, Markets and Global Credit Risk Management areas.

The Powerlist

The Powerlist was launched in 2007 and celebrates the 100 most influential black people in the United Kingdom.

J.P. Morgan has been the lead sponsor of The Powerlist since its inception. The talented individuals on the list span the private, public and not-for-profit sectors and cover a broad range of professions from finance to publishing and include individuals such as Mo Ibrahim, Ph.D., one of Africa's most successful business leaders, and Tidjane Thiam, chief executive officer of Prudential. In addition to the sponsorship, J.P. Morgan has provided support in kind to assist The Powerlist in establishing The Powerlist Foundation to nurture the next generation of outstanding black talent and hosted a series of targeted dinners with smaller subsets of individuals on the list to solicit their thoughts on what other steps can be taken to build relationships with talented individuals on the list.

The Business of Inclusion

The Business of Inclusion is an interactive training program that supports the Investment Bank's ongoing focus and commitment to creating an inclusive culture.

The course combines senior leader perspectives and employee case studies with engaging exercises that allow employees to target their own next steps and provide feedback to senior management that will help shape the Investment Bank's culture. The program is sponsored by the Investment Bank Operating Committee. This interactive, multimedia format was the first of its kind at the firm. Partnering with technology, we successfully pushed our system's limits and have developed a new, effective medium for training delivery.

Employee Networking groups

We have more than 130 active chapters of our diversity Employee Networking groups across 30 states and in four international locations – offering leadership and career development opportunities to approximately 30,000 members. Employee Networking groups also serve as active volunteers, advocates and recruiters in our key markets, connecting the firm's employees, products and services to the unique communities they represent. Our Employee Networking groups – each of which has sponsorship from a member of JPMorgan Chase's senior management team – include:

- Access Ability, providing a resource for employees (or a family member) with disabilities.
- Adelante, promoting the development of Latino/ Hispanic employees.
- AsPIRE, seeking to enhance leadership opportunities for those of Asian-Pacific Islander heritage.

- N.A.T.I.O.N.S., building alliances among people of Native American heritage.
- PRIDE, supporting workplace fairness for lesbian, gay, bisexual and transgender (LGBT) employees.
- Sage, an information and development forum offering support to administrative staffs.
- ujima, a career forum for employees of African descent.
- VETS, a new group that provides a forum for military veterans, retirees, reservists, National Guard and their supporters.
- WIN, the women's network, addressing topics of interest to women across the firm.
- Women of Color Connections, promoting the development of women of color.
- Working Families Network, helping employees balance family and career needs while contributing to the firm's success.

JPMorgan Chase hosts events throughout the year for personal and professional development, for better understanding among people and as a way to increase networking across our lines of business.

We actively recruit a diverse slate of candidates at the college and M.B.A. levels with top schools across the globe, including Historically Black Colleges and Universities in the United States. We also identify highly qualified candidates through our partnerships with a variety of professional associations, including:

Association of Latino Professionals in Finance & Accounting; Black Data Processing Associates; Financial Women's Association; Hispanic Alliance for Career Enhancement; National Action Council for Minorities in Engineering; National Association of Black Accountants; National Black MBA Association; National Business and Disability Council; National Gay & Lesbian Chamber of Commerce; National Society for Hispanic Professionals; National Society of Hispanic MBAs; Prep for Prep; Reaching Out MBA; and Upwardly Global.

Many diverse candidates begin their career at JPMorgan Chase through one of our internship programs, made possible through our relationships with these organizations: The Consortium for Graduate Study in Management; INROADS; The Robert A. Toigo Foundation; and Sponsors for Educational Opportunity (in the United States and the United Kingdom).

Expanding and diversifying our network of suppliers

JPMorgan Chase continues to be a leader in supplier diversity by further developing and cultivating our network of suppliers to include firms owned and operated by minorities; women; military veterans and service-disabled veterans; lesbian/gay/bisexual/transgender; and disabled individuals.

In 2010, JPMorgan Chase grew total annual spending with diverse suppliers to more than \$1.2 billion, exceeding the \$1 billion mark for the third consecutive year.

JPMorgan Chase's commitment to the use of diverse suppliers is evident in many aspects of our supply chain. From designing and constructing our branches and offices to manufacturing credit cards and marketing our products and services, diverse suppliers are continuously driving significant value and are making noteworthy contributions to JPMorgan Chase.

To further assist us in this mission, we continue to maintain relationships with organizations, including, but not limited to:

- National Minority Supplier Development Council (NMSDC)
- Women's Business Enterprise National Council
- National Gay & Lesbian Chamber of Commerce
- U.S. Hispanic Chamber of Commerce
- National Veteran-Owned Business Association

We also continue to be an active member of the Financial Services Roundtable of the NMSDC, a networking group of banking and insurance companies dedicated to the growth and development of diverse businesses.

Governance – maintaining strong governance practices and promoting a culture of “doing the right thing”

At JPMorgan Chase, we strive to conduct our business with integrity and have built a strong governance framework.

Board of Directors

We are proud of the 200-year tradition of integrity on which this firm is built, and we have the utmost confidence in the governance provided by our Board of Directors. Our Board is a balanced and diverse group of leaders and is highly independent and well-equipped to carry out its functions as a governing body on behalf of shareholders. The Board’s Corporate Governance Principles and the charters of the principal Board committees form the framework for governance of the firm. The framework reflects New York Stock Exchange listing standards, as well as regulatory requirements, and rests on a foundation of long-standing governance principles of the firm and its predecessors. The Corporate Governance Principles, the charters of the principal Board committees, the Code of Conduct and the Code of Ethics for Finance Professionals are summarized below but can be found in more detail on our web site at jpmorganchase.com under “Governance” under the “About Us” tab. Further information about our Board of Directors and Governance is contained in our 2011 Proxy Statement.

Board composition

- There are a total of 11 directors.
- Ten of the 11 directors are independent.
- Two of the 11 directors are women.
- One of the 11 directors is African-American.

Director independence

All non-management directors, including all members of the principal Board committees, are independent for the purpose of New York Stock Exchange corporate governance listing standards and within the meaning of the regulations of the U.S. Securities and Exchange Commission (SEC).

Presiding Director

The Board has a Presiding Director who annually is appointed by the independent directors, presides at executive sessions of independent directors, has authority to call meetings of independent directors, approves schedules and agendas for Board meetings and may add agenda items, and approves meeting materials for distribution to and consideration by the Board.

Board committees and charters

There are five principal Board committees, including the Audit Committee, the Compensation & Management Development Committee, the Corporate Governance & Nominating Committee, the Public Responsibility Committee and the Risk Policy Committee.

The Public Responsibility Committee reviews and considers the firm’s position and practices on charitable contributions, community development, legislation, protection of the environment, shareholder proposals involving issues of public interest and public responsibility and other similar issues on which JPMorgan Chase relates to the community at large. The committee also provides guidance to management and the Board as appropriate.

In furtherance of its mission, the committee, to the extent not considered by other committees:

- Reviews strategy and budget with respect to charitable contributions and projects undertaken to improve the communities served by the firm.
- Reviews the community reinvestment activities of the firm, including the firm’s progress under community development programs.
- Reviews mortgage lending activities of the firm in light of its obligations under the Home Mortgage Disclosure Act.
- Reviews legislative developments of significance to the firm.

- Reviews the environmentally related policies and activities of the firm.
- Reviews shareholder proposals involving issues of public interest and public responsibility.

Code of Conduct

The JPMorgan Chase Code of Conduct is a collection of rules and policy statements intended to assist employees and directors in making decisions about their conduct in relation to the firm’s business. The code is based on our fundamental understanding that no one ever should sacrifice integrity – or give the impression that he or she has – even if that person thinks it would help the firm’s business. The code requires prompt reporting of any known or suspected violation of the code, any internal firm policy, or any law or regulation applicable to the firm’s business. The code requires reporting of any illegal conduct, or conduct that violates the underlying principles of the code, by any of our customers, suppliers, contract workers, business partners or agents.

The code covers a range of topics, including diversity, fair dealing and respect for human rights, privacy, bribery and foreign corrupt practices, money laundering, and political activities and contributions. All employees and directors must provide an annual affirmation that they have read, understand and will comply with the code. In addition, all employees are required to complete annual training on the code. New hires are required to provide an affirmation and to complete code training when they join the firm.

Some lines of business incorporate specific human rights training into their training programs. For example, human rights is included in an e-learning training module offered to new managers in the Investment Bank; the Human Rights Statement, defined below under “Human rights,” is included as part of e-learning on the Treasury & Securities Services intranet site for new hires and is accessible to all Treasury & Securities Services employees; and more than 6,250 employees completed Environmental and Social Risk Management training in the Investment Bank in 2010.

Code of Ethics for Finance Professionals

The purpose of the Code of Ethics for Finance Professionals is to promote honest and ethical conduct and compliance with the law, particularly as related to the maintenance of the firm’s financial books and records and the preparation of its financial statements. This code applies to the chief executive officer, chief financial officer and chief accounting officer and to all other professionals of the firm worldwide serving in a finance, accounting, corporate treasury, tax or investor relations role.

Reputation and fiduciary risk management

Reputation risk

The firm’s success depends not only on its prudent management of the liquidity, credit, market and operational risks that are part of its business risk but equally on the maintenance among its many constituents – customers and clients, investors and regulators, as well as the general public – of a reputation for business practices of the highest quality. Attention to reputation has always been a key aspect of the firm’s practices, and maintenance of the firm’s reputation is the responsibility of each individual employee at the firm. JPMorgan Chase bolsters this individual responsibility in many ways, including through the firm’s Code of Conduct, which is based on the firm’s fundamental belief that no one should ever sacrifice integrity – or give the impression that he or she has – even if one thinks it would help the firm’s business. The Code requires prompt reporting of any known or suspected violation of the Code, any internal firm policy, or any law or regulation applicable to the firm’s business. It also requires the reporting of any illegal conduct, or conduct that violates the underlying principles of the Code, by any of our customers, suppliers, contract workers, business partners or agents. Concerns may be reported anonymously, and the firm prohibits retaliation against employees for the good faith reporting of any actual or suspected violations of the Code.

In addition to training of employees with regard to the principles and requirements of the Code, and requiring annual affirmation by each employee of compliance with the Code, the firm has established policies and procedures, and has in place various oversight functions, intended to promote the firm’s culture of “doing the right thing.” These include a Conflicts Office, which examines wholesale transactions with the potential to create conflicts of interest for the firm. In addition, each line of business has a Risk Committee, which includes in its mandate oversight of the reputational risks in its business that may produce significant losses or reputational damage. In the Investment Bank, there is a separate Reputation Risk Office and several regional reputation risk committees, members of which are senior representatives of businesses and control functions that focus on transactions that raise reputational issues. Such transactions may include, for example, complex derivatives and structured finance transactions. The firm also established this year a Consumer Reputational Risk Committee, composed of senior management from the firm’s Operating Committee, including the heads of its primary consumer-facing businesses, Retail Financial Services and Card Services, that helps to ensure that the firm has a consistent, disciplined focus on the review of the impact on consumers of Chase products and practices, including any that could raise reputational issues.

Fiduciary risk

Fiduciary Risk Management – The Fiduciary Risk Management function works with relevant lines of business risk committees, with the goal of ensuring that businesses providing investment or risk management products or services that give rise to fiduciary duties to clients perform at the appropriate standard relative to their fiduciary relationship with a client. Particular focus is given to the policies and practices that address a business’ responsibilities to a client, including performance and service requirements and expectations; client suitability determinations; and disclosure obligations and communications. In this way, the relevant lines of business risk committees, together with the Fiduciary Risk Management function, provide oversight of the firm’s efforts to monitor, measure and control the performance and risks that may arise in the delivery of products or services to clients that give rise to such fiduciary duties, as well as those stemming from any of the firm’s fiduciary responsibilities under the firm’s various employee benefits plans.

Human rights

JPMorgan Chase supports fundamental principles of human rights across all our lines of business and in each region of the world in which we operate. JPMorgan Chase’s respect for the protection and preservation of human rights is guided by the principles set forth in the United Nations Universal Declaration of Human Rights (Human Rights Statement).

JPMorgan Chase’s relationships with our employees, clients and suppliers and with the countries and communities in which we operate are intended to reflect the principles, policies, codes and accords set forth and referred to in this Human Rights Statement. Our conviction with respect to responsible, honest and ethical behavior informs our Code of Conduct, and the character of our company is defined by the personal integrity and honesty of our employees. JPMorgan Chase is a signatory to the United Nations Environment Programme Finance Initiative, has adopted the Wolfsberg AML Principles and is one of the founders of the Carbon Principles for understanding carbon risk. Our Asset Management business has adopted the United Nations Principles

for Responsible Investment and the Extractive Industries Transparency Initiative. JPMorgan Chase has adopted an Environmental and Social Risk Management Policy that includes implementation of the Equator Principles for certain transactions and that, through the International Finance Corporation’s environmental and social Performance Standards, addresses issues such as labor and working conditions, community health and safety, land acquisitions and resettlement, and the treatment of indigenous peoples.

JPMorgan Chase believes it is the role of government in each country to protect the human rights, including the safety and security, of its citizens. We believe we can play a constructive role in helping to promote respect for human rights by monitoring our own actions and by seeking engagement with the governments of the countries with which and in which we operate.

JPMorgan Chase complies with applicable international and local legal requirements in the countries in which we operate. Where local law conflicts with the principles contained in this Human Rights Statement, JPMorgan Chase complies with local requirements while, at the same time, seeks ways to uphold the principles set forth in this Human Rights Statement. While JPMorgan Chase recognizes that it is the responsibility of each client and each supplier to define its own policy and approach to the issue of human rights, we believe such relationships

provide an opportunity for the development of best practices relating to the promotion of human rights. In our client relationships, we seek to incorporate respect for human rights and demonstrate a commitment to fundamental principles of human rights through our own behavior. We seek to engage with suppliers whose values and business principles are consistent with our own and, through our procurement policies and standards, seek to encourage behavior by our suppliers that is consistent with the principles set forth in this Human Rights Statement.

JPMorgan Chase is committed to respecting the human rights of our employees through our internal employment policies and practices, such as our Global Privacy Policy, which protects the personal information of employees and our health, family care and diversity plans and programs. As part of our broad effort to ensure that respect for human rights is integrated into the business of the firm, JPMorgan Chase has adopted policies and procedures designed to ensure compliance with legal requirements and that seek to prevent our products and services from being used for improper purposes. Such policies and procedures include those contained in our Code of Conduct, anti-corruption, anti-money laundering, anti-bribery, Know Your Customer and counterterrorism financing policies. JPMorgan Chase additionally is subject to laws and regulations prohibiting commerce with certain countries, organizations and individuals.

JPMorgan Chase’s support for the protection and preservation of human rights reflects our core values. We recognize this must be a continuing effort with ongoing work to reassess our practices and our approach in light of changing global circumstances and an evolving global policy environment. We are dedicated to exemplifying good corporate citizenship through our commitment to respecting human rights and through our broader commitment to incorporating corporate responsibility generally.

Shareholders

We recognize the importance of shareholder communications to help our investors understand our performance and strategy. We reach out to shareholders in many different ways, including quarterly earnings presentations, SEC filings, web communications and investor meetings. In addition, our senior executives engage major institutional shareholders as part of a semiannual outreach program to invite comments on governance matters, executive compensation and shareholder proposals. We meet throughout the year with additional shareholders and organizations interested in our practices.

Employees

JPMorgan Chase engages its employees through a variety of channels, including our corporate intranet, town hall meetings and email, and through *INK*, our employee newsletter, which is provided in print for those U.S. employees who don’t have access to the intranet.

Government

As governments in the United States and around the world face a range of economic and social challenges, JPMorgan Chase is committed to supporting the development of thoughtful public policy by working with federal, state, local and international governments as a constructive participant in the policymaking process.

Never has this commitment been more important than over the past several years. At the height of the global financial crisis, our firm worked with leaders in Washington, D.C., to stave off the collapse of the financial system. Once the crisis had abated, our firm worked closely with Congress and the Administration to advance key policy priorities, including critical reforms of the regulatory architecture for U.S. financial firms, mortgage modifications for hundreds of thousands of homeowners so they could stay in their homes and new approaches to help small business owners. We also worked with local community stakeholders to help stabilize

neighborhoods impacted by vacant residential properties and with state and local governments to implement local programs to help distressed homeowners. And we provide billions of dollars in loans to local governments, public institutions and critical not-for-profit organizations, all of which serve communities nationwide.

Through these wide-ranging engagements with governments, JPMorgan Chase is fulfilling its responsibility to advance the public goals of economic growth and stability – goals that we believe are fundamental to the well-being of our firm and to the long-term interests of all our stakeholders.

Communities

JPMorgan Chase has established a Community Advisory Board (CAB) whose members include community leaders of not-for-profit organizations in our major markets. CAB members provide valuable insight on local community development needs, offer feedback on local initiatives and serve as partners in the community. There currently are more than 120 CAB members, including representation from all of Chase’s major markets. JPMorgan Chase also seeks to build relationships with other community stakeholders, including community advocates, governmental representatives and civic leaders.

In addition, Chase engages with a number of community development partners whose programs and policies are designed to strengthen low- and moderate-income communities. Those groups broadly include:

- Community development not-for-profits and/or coalitions with a focus on affordable housing, economic development, revitalization of low- and moderate-income communities, and community development services.
- Community development corporations and Community Development Financial Institutions.
- Public policy advocacy groups that broadly impact low- and moderate-income communities and populations.
- Socially conscious investors.

Suppliers

Suppliers doing business with JPMorgan Chase must adhere to the JPMorgan Chase Supplier Code of Conduct. The Supplier Code of Conduct is incorporated into and enforceable under all sourcing contracts and is publicly available. The code sets forth certain minimum requirements that JPMorgan Chase has for its suppliers and supplier personnel. Suppliers are required to conduct their business in full compliance with both the letter and the spirit of the law and the Supplier Code of Conduct. Suppliers are required to notify their employees, suppliers and subcontractors of the code and do what is necessary to ensure that supplier personnel comply with the code in a timely manner.

The code covers corporate responsibility areas such as human rights and work conditions, including child labor, compensation, working hours and conditions; health and safety; discrimination and diversity; and environmental concerns. Suppliers are required to provide a written affirmation that they have read and understand the code and will comply with it. Failure to comply with the code may result in discontinuance of current, as well as future, business relationships. The Supplier Code of Conduct can be found on our web site at jpmorganchase.com/corporate/About-JPMC/supplier-code-of-conduct.htm.

Awards

- Most Respected Companies by *Barron's*.
- World's Most Admired Companies by *Fortune* magazine.
- Named to Diversity Elite list by *HispanicBusiness* magazine. Fourth consecutive year.
- Top Companies for Supplier Diversity by *HispanicBusiness* magazine.
- Top 10 on Universum's Top 100 Ideal Employers among Diverse Students.
- 50 Out Front Companies for Diversity Leadership by *Diversity MBA* magazine.
- Top Companies for Executive Women by National Association of Female Executives (a division of Working Mother Media). Third consecutive year.
- 100% rating on the Corporate Equality Index, measuring treatment of lesbian, gay, bisexual and transgender (LGBT) employees and customers. Perfect score in 2010 and every year since inception of this recognition in 2001.
- Best Companies for Multicultural Women by *Working Mother* magazine. Sixth consecutive year.
- Top 50 Family-Friendly Companies by *Conceive* magazine.
- Top Diversity Employers for Hispanics by *Hispanic Network* magazine.
- Top 10 Employers for Undergrad Business Students by *BusinessWeek*. Second consecutive year.
- Top 100 Adoption-Friendly Workplaces by the Dave Thomas Foundation for Adoption. Fourth consecutive year.
- Top 50 Employers for Women in the United Kingdom by *The Times* newspaper. Fifth consecutive year.
- Top 50 Companies for Multicultural Business Opportunities by DiversityBusiness.com (2011).
- Top 100 Employers for LGBT Workplace Equality by the Stonewall organization in the United Kingdom (2011 and 2010).

Environmental awards

- *Newsweek* Green Rankings 2010: JPMorgan Chase ranked #45 in the U.S. 500 and #34 in the Global 100.
- Best Green IT Initiative in the American Financial Technology Awards.
- Carbon Trust Standard accreditation in the United Kingdom in February 2011.
- Red Tractor accreditation for its Dining Services operation in the United Kingdom.
- 2010 Outstanding Energy Efficiency Award and Outstanding Energy Manager Award from the Philippine Department of Energy.

J.P. Morgan award

- J.P. Morgan named Best Financial Services Firm by global undergraduate business students – October 2010:
 - Poll conducted by Universum, a leading research firm, that polled more than 68,000 students in 12 countries, including the United States, the United Kingdom, Brazil, France, Russia and Japan. Across all industries, J.P. Morgan had a very high overall ranking at #9.

Corporate headquarters

270 Park Avenue
New York, NY 10017-2070
Telephone: 212.270.6000
jpmorganchase.com

Office of Corporate Responsibility

To contact the Office of Corporate Responsibility,
please email: corporate.secretary@jpmchase.com.

Financial information

Financial information about JPMorgan Chase & Co.
can be accessed by visiting the Investor Relations
web site at: jpmorganchase.com/ir.

Additional questions should be addressed to:
Investor Relations
JPMorgan Chase & Co.
270 Park Avenue
New York, NY 10017-2070
Telephone: 212.270.7325
email: jpmcinvestorrelations@jpmchase.com

Directors

To contact any of the Board members or committee
chairs, the Presiding Director or the non-
management directors as a group, please email:
corporate.secretary@jpmchase.com.

Or you may mail correspondence to:
JPMorgan Chase & Co.
Attention (Board member(s))
Office of the Secretary
270 Park Avenue
New York, NY 10017-2070

In this report, we provide an overview of our corporate responsibility activities and performance across our lines of business and operations. The report covers a wide range of activities and issues that we believe are most important to our various stakeholders.

The Office of Corporate Responsibility at JPMorgan Chase is headed by Peter Scher, a member of the firm's Executive Committee. The office includes Community Relations, Global Government Relations & Public Policy, the JPMorgan Chase Foundation and the Office of Environmental Affairs. The Office of Corporate Responsibility partners closely with all six lines of business, as well as our corporate groups. Many of our policies and practices go beyond what is legally required and are driven by our businesses' strategy, values and culture (as noted throughout the report). In determining the content of this report, the Office of Corporate Responsibility performed an inventory of activities and various policies/procedures across our lines of business. Content was informed by input from members of the Office of Corporate Responsibility and our business partners who interact with key stakeholders on a regular basis; the firm's values, strategies, priorities and operating environment; and the requirements set forth in the Global Reporting Initiative (GRI) G3 Guidelines. We have noted throughout the report where specific

limitations apply. We believe that the report presents a balanced and accurate representation of our activities, programs and policies on key corporate responsibility topics. We encourage our stakeholders to provide feedback so that we can continue to evolve our reporting in the future.

We are self-declaring a GRI G3 Application Level of B for this report. The guidelines provide a universally applicable framework for sustainability disclosure. More information on the GRI G3 is available on the GRI web site at globalreporting.org.

This report covers January 1, 2010 through December 31, 2010 unless otherwise noted. More detailed and current information is available on our web site at jpmorganchase.com. The last report was published in the spring of 2010, covering the period January 1, 2009 through December 31, 2010.

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The table below provides information on the use of the Global Reporting Initiative (GRI) G3 Guidelines. We are self-declaring a “B” Application Level. With regard to the location of specific information, we refer to relevant pages of our 2010 Corporate Responsibility Report, 2010 Annual Report, 2011 Proxy Statement or where otherwise noted. All of the noted documents are available on our web site at jpmorganchase.com.

GRI Disclosure		Type	Location/Notes
STRATEGY AND ANALYSIS			
1.1	CEO statement		p 3 pp 2-33; 2010 Annual Report
1.2	Description of key impacts, risks and opportunities		pp 3-4, 6-8, 10-12, 49, 54-56, 70-71
ORGANIZATIONAL PROFILE			
2.1	Name of organization		pp 54, 68; 2010 Annual Report
2.2	Primary brands, products and/or services		p 54; 2010 Annual Report
2.3	Operational structure		pp 54, 68-69; 2010 Annual Report
2.4	Location of headquarters		p 75
2.5	Number and names of countries of operation		pp 54, 129, 290; 2010 Annual Report Asset Management Commercial Banking Investment Bank Treasury Services
2.6	Nature of ownership and legal form		p 54; 2010 Annual Report p 11; 2011 Proxy Statement
2.7	Markets served		pp 54-60, 91, 228-229, 231, 234-235, 237, 290; 2010 Annual Report
2.8	Scale of the reporting organization		p 64 pp 54, 59-60, 102-109; 2010 Annual Report p 11; 2011 Proxy Statement
2.9	Significant changes during reporting period regarding size, structure or ownership		pp 166-170; 2010 Annual Report
2.10	Awards received in the reporting period		p 74

GRI Disclosure		Type	Location/Notes
REPORT PARAMETERS			
Report Profile			
3.1	Reporting period		p 76
3.2	Date of most recent previous report (if any)		May 2010
3.3	Reporting cycle		Annual
3.4	Contact point for questions		p 75
Report Scope and Boundary			
3.5	Process for defining report content		pp 72-73
3.6	Boundary of the report		pp 56, 58, 76
3.7	Limitations on the scope or boundary of the report		pp 56, 58
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that could affect comparability from period to period and/or between organizations		pp 56-58 pp 59-61; 2010 Annual Report
3.9	Data measurement techniques and the bases of calculations		pp 55-60, 65
3.10	Explanation of the effect of any restatements of information provided in earlier reports and the reasons for such restatement		pp 56-58 pp 59-61; 2010 Annual Report
3.11	Significant changes from previous reporting period in the scope, boundary or measurement methods applied in the report		pp 56-61 pp 59-61; 2010 Annual Report
GRI Content Index			
3.12	GRI Content Index		pp 77-88
Assurance			

3.13	Policy and current practice with regard to seeking external assurance for the report	Report not assured by a third party
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GRI Disclosure	Type	Location/Notes
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GOVERNANCE, COMMITMENTS AND ENGAGEMENT

Governance

4.1	Governance structure of the organization (including committees under the Board of Directors (“Board”))	pp 5-9; 2011 Proxy Statement
4.2	Indication of whether the chair of the Board also is an executive officer	p 7; 2011 Proxy Statement
4.3	Stated number of members of the Board that are independent/non-executive members	p 68 p 7; 2011 Proxy Statement
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the Board	pp 72-75 pp 1, 34-49, 50-52; 2011 Proxy Statement
4.5	Linkage between compensation for the Board, senior managers and executives (including departure arrangements) and the organization’s performance (including environmental and social performance)	pp 9, 11-23, 64-66; 2011 Proxy Statement
4.6	Process in place for the Board to ensure conflicts of interest are avoided	pp 7-8; 2011 Proxy Statement
4.7	Process for determining the qualifications and expertise of the members of the Board for guiding the firm’s strategy on economic, environmental and social topics	pp 68-69 pp 1-5, 7-8; 2011 Proxy Statement
4.8	Mission statements, codes of conduct and principles relevant to economic, environmental and social performance and the status of implementation of each	pp 53-54, 69-72
4.9	Board procedures for overseeing the identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed upon standards, codes of conduct and principles	pp 49, 68-72 pp 9-10; 2011 Proxy Statement
4.10	Processes for evaluating the Board’s own performance, particularly with respect to economic, environmental and social performance	p 69 Charters of the Corporate Governance & Nominating Committee and the Public Responsibility Committee

Commitments to External Initiatives

4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	pp 54-55 pp 107-148; 2010 Annual Report
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GRI Disclosure		Type	Location/Notes
4.12	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or endorses		pp 53-55, 58-60, 62, 71-72
4.13	Memberships in associations and/or national or international advocacy organizations in which the organization has positions in governance bodies; participates in projects or committees; provides substantive funding beyond routine dues; or views memberships as strategic		pp 55-56, 71
Stakeholder Engagement			
4.14	List of stakeholder groups engaged by the organization (e.g., communities, civil society, customers, shareholders and other providers of capital, suppliers, employees, unions)		pp 72-73
4.15	Basis for identification and selection of stakeholders with whom we engage		pp 49, 53-55, 66-67, 72-73
4.16	Approaches to stakeholder engagement, including frequency by type and by stakeholder group		pp 49, 53-55, 66-67, 72-73 pp 8-9; 2011 Proxy Statement
4.17	Key topics and concerns that have been raised through stakeholder engagement and reports on how the organization is responding		pp 6-9, 14, 49-55, 60, 62, 66-67, 71-73 pp 34-49; 2011 Proxy Statement
MANAGEMENT APPROACH AND PERFORMANCE INDICATORS			
Economic Performance Indicators			
DMA	Disclosure of Management Approach with reference to economic performance; market presence; and indirect economic impacts, including discussion on goals and performance; policy; and additional contextual information		pp 2-33, 52-158; 2010 Annual Report
Economic Performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	Core	pp 14, 27 pp 160-161; 2010 Annual Report
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Core	

	GRI Disclosure	Type	Location/Notes
EC3	Coverage of the organization's defined benefit plan obligations	Core	pp 201-210; 2010 Annual Report
EC4	Significant financial assistance received from the government	Core	
Market Presence			
EC5	Range of ratios of standard entry-level wage compared with local minimum wage at significant locations of operation	Additional	
EC6	Policy, practices and proportion of spending on locally based suppliers at significant locations of operation	Core	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	Core	
Indirect Economic Impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement	Core	
EC9	Understanding and description of significant indirect economic impacts, including the extent of impacts	Additional	
ENVIRONMENTAL PERFORMANCE INDICATORS			
DMA	Disclosure of Management Approach with reference to materials; energy; water; biodiversity; emissions, effluents and waste; products and services; compliance; transport; and overall, including discussion on goals and performance; policy; organizational responsibility; training and awareness; monitoring and follow-up; and additional contextual information	Core	pp 49-63
Materials			
EN1	Materials used by weight or volume	Core	pp 57, 59

	GRI Disclosure	Type	Location/Notes
EN2	Percentage of materials used that are recycled input materials	Core	p 59
Energy			
EN3	Direct energy consumption by primary energy source	Core	p 57
EN4	Indirect energy consumption by primary source	Core	p 57
EN5	Energy saved due to conservation and efficiency improvements	Additional	pp 56-58, 61
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services and reductions in energy requirements as a result of these initiatives	Additional	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	Additional	pp 56-58
Water			
EN8	Total water withdrawal by source	Core	p 57
EN9	Water sources significantly affected by withdrawal of water	Additional	
EN10	Percentage and total volume of water recycled and reused	Additional	
Biodiversity			
EN11	Location and size of land owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	Core	
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Core	
EN13	Habitats protected or restored	Additional	
EN14	Strategies, current actions and future plans for managing impacts on biodiversity	Additional	pp 53-55
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations by level of extinction risk	Additional	Not applicable
Emissions, Effluents and Waste			
EN16	Total direct and indirect greenhouse gas emissions by weight	Core	pp 56-58
EN17	Other relevant indirect greenhouse gas emissions by weight	Core	pp 56-58
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Additional	pp 56-58, 60-61

	GRI Disclosure	Type	Location/Notes
EN19	Emissions of ozone-depleting substances by weight	Core	Not applicable
EN20	NOx, SOx and other significant air emissions by type and weight	Core	
EN21	Total water discharge by quality and destination	Core	
EN22	Total weight of waste by type and disposal method	Core	pp 60, 62
EN23	Total number and volume of significant spills	Core	Not applicable
EN24	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of Basel Convention Annex I, II, III and VIII and percentage of transported waste shipped internationally	Additional	Not applicable
EN25	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	Additional	Not applicable
Products and Services			
EN26	Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation	Core	pp 49-62
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	Core	
Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Core	
Transport			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations and of transporting members of the workforce	Additional	pp 57-58
Overall			
EN30	Total environmental protection expenditures and investments by type	Additional	p 63

GRI Disclosure		Type	Location/Notes
SOCIAL PERFORMANCE INDICATORS			
Labor Practices and Decent Work			
DMA	Disclosure of Management Approach with reference to employment; labor/management relations; occupational health and safety; training and education; and diversity and equal opportunity, including discussion on goals and performance; policy; organizational responsibility; training and awareness; monitoring and follow-up; and additional contextual information	Core	pp 64-67
Employment			
LA1	Total workforce by employment type, employment contract and region	Core	pp 64-65
LA2	Total number and rate of employee turnover by age group, gender and region	Core	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees by major operations	Additional	pp 64-65
Labor/Management Relations			
LA4	Percentage of employees covered by collective bargaining agreements	Core	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	Core	
Occupational Health and Safety			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Additional	
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities by region	Core	
LA8	Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases	Core	p 65; 2010 Annual Report
LA9	Health and safety topics covered in formal agreements with trade unions	Additional	
Training and Education			
LA10	Average hours of training per year per employee by employee category	Core	

GRI Disclosure		Type	Location/Notes
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and that assist them in managing career endings	Additional	
LA12	Percentage of employees receiving regular performance and career development reviews	Additional	
Diversity and Equal Opportunity			
LA13	Composition of governance bodies and breakdown of employees per category according to age group, gender, minority group membership and other indicators of diversity	Core	pp 65, 68 pp 1-5; 2011 Proxy Statement
LA14	Ratio of basic salary of men to women by employee category	Core	
HUMAN RIGHTS PERFORMANCE INDICATORS			
DMA	Disclosure of Management Approach with reference to investment and procurement practices; non-discrimination; freedom of association and collective bargaining; child labor; forced and compulsory labor; security practices; and indigenous rights, including discussion on goals and performance; policy; organizational responsibility; training and awareness; monitoring and follow-up; and additional contextual information	Core	pp 69, 71 Code of Conduct
Investment and Procurement Practices			
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	Core	p 71
HR2	Percentage of significant suppliers and contractors who have undergone screening on human rights and actions taken	Core	
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Additional	
Non-discrimination			
HR4	Total number of incidents of discrimination and actions taken	Core	
Freedom of Association and Collective Bargaining			
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk and actions taken to support these rights	Core	

GRI Disclosure		Type	Location/Notes
Child Labor			
HR6	Operations identified as having significant risk for incidents of child labor and measures taken to contribute to the elimination of child labor	Core	
Forced and Compulsory Labor			
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor and measures taken to contribute to the elimination of forced or compulsory labor	Core	
Security Practices			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	Additional	
Indigenous Rights			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	Additional	
SOCIETY PERFORMANCE INDICATORS			
DMA	Disclosure of Management Approach with reference to community; corruption; public policy; anti-competitive behavior; and compliance, including discussion on goals and performance; policy; organizational responsibility; training and awareness; monitoring and follow-up; and additional contextual information	Core	pp 4-27, 69-71 Code of Conduct
Community			
SO1	Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting	Core	
Corruption			
SO2	Percentage and total number of business units analyzed for risks related to corruption	Core	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	Core	
SO4	Actions taken in response to incidents of corruption	Core	

GRI Disclosure		Type	Location/Notes
Public Policy			
SO5	Public policy positions and participation in public policy development and lobbying	Core	p 72 Political contributions
SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country	Additional	Political contributions
Anti-competitive Behavior			
SO7	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes	Additional	
Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Core	
PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS			
DMA	Disclosure of Management Approach with reference to customer health and safety; product and service labeling; marketing communications; customer privacy; and compliance, including discussion on goals and performance; policy; organizational responsibility; training and awareness; monitoring and follow-up; and additional contextual information	Core	pp 6-9, 11, 69-71 Privacy Statements Code of Conduct
Customer Health and Safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement and percentage of significant products and services categories subject to such procedures	Core	
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services by type of outcomes	Additional	
Product and Service Labeling			
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements	Core	

GRI Disclosure		Type	Location/Notes
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling by type of outcomes	Additional	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Additional	p 9
Marketing Communications			
PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship	Core	Privacy Statements
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes	Additional	
Customer Privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Additional	
Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Core	