2022 RACIAL EQUITY COMMITMENT AUDIT REPORT

JPMorgan Chase & Co.

Table of Contents

JPMorgan Chase Audit Report

November 22, 2022

Background

In October 2020, JPMorgan Chase & Co. (together with its subsidiaries, "JPMorgan Chase" or the "firm") announced its $30 billion Racial Equity Commitment ("REC") to help close the racial wealth gap among Black, Hispanic and Latino communities. The firm has brought together its business, policy, data and philanthropic expertise to advance racial equity and promote inclusive economic growth.

The REC includes incremental lending and equity investments,[1] as well as philanthropic capital and products and services, to – among other things – help increase homeownership, create and preserve affordable housing, grow small businesses, improve financial health and access to banking, and build a more diverse and inclusive workforce. These focus areas are the main pillars of the REC.

REC Results

JPMorgan Chase published its REC progress in its annual Environmental, Social and Governance (ESG) report. By the end of 2021, the firm had reported progress of $18.2 billion toward its $30 billion REC.[2] This progress was largely driven by homeownership refinancing and affordable rental housing preservation – areas where the firm could take prompt action to help customers save money on their mortgages while rates were low and help preserve affordability while rents were rapidly rising.

Simultaneously, the firm has been building the foundation and infrastructure to accelerate progress on the REC and reach more people going forward. Much work remains, and the firm's dedication to racial equity will extend well beyond this commitment and the five-year milestone in 2025.

Third Party Independent Audit

To reinforce the firm's commitment to transparency, JPMorgan Chase retained PricewaterhouseCoopers (PwC) to perform an independent attestation examination of the reported progress towards the REC. The decision to retain an independent accountant was made following extensive engagement with SOC Investment Group and other shareholders, and was informed through the firm's ongoing engagement with external civil rights and economic justice advisors. The Public Responsibility Committee of the JPMorgan Chase Board of Directors provided oversight of the attestation engagement.

PwC performed an attestation examination in accordance with the standards established by the American Institute of Certified Public Accountants. Their report, which includes an unqualified opinion that Management's Assertion is fairly stated, in all material respects, is on page 21.

Please refer to pages 8-20 for details of Management's Assertion and PwC's Report of Independent Accountants on page 21.

---

1 Incremental commitments are new dollars and/or units (i.e., no 2019 business results as the commitment relates to new products or investments since the October 2020 announcement) or incremental dollars and/or units against 2019 business results (i.e., dollars and/or units made from January 1, 2019 through December 31, 2019).

2 The REC reported progress of $18.2 billion is reflected in both dollars and units, as applicable, in Management's Assertion.

The REC also includes a commitment to build a more diverse and inclusive workforce, which was not within scope of the third-party attestation examination. The firm publishes details about its workforce diversity across job level, gender, race and other important categories annually. Additionally, diversity metrics are subject to rigorous oversight internally as well as the Equal Employment Opportunity Commission reporting requirements.

What We've Learned

Since launching the REC, the firm has seen the positive momentum that making a commitment of this significance has made across the organization. JPMorgan Chase has benefited from continual feedback and dialogue with community leaders and partners as it developed and continues to implement the REC.

In preparation for the independent third-party attestation examination, JPMorgan Chase has made a number of observations resulting in enhancements to the REC. For example, the firm has analyzed whether the initial strategies it set forth for each REC pillar should be adjusted. That analysis resulted in the firm's revalidation of its approach as outlined below. JPMorgan Chase also identified ways in which it can improve clarity and transparency in how it reports progress, which is reflected in Management's Assertion on pages 8-20.

REC Strategies

Increase Homeownership

JPMorgan Chase understands the importance of homeownership's impact on generational wealth and believes that closing the racial wealth gap means closing it at all household income levels. The homeownership strategy was intentionally designed to help increase homeownership among all Black, Hispanic and Latino households regardless of income. As such, the firm did not set an income eligibility or loan limit requirement for the incremental purchase and refinance loan commitments.

Two years into the Commitment, the firm has seen progress with lending to Black, Hispanic and Latino households growing two times the rate of its overall home lending portfolio from 2020 to 2021. The firm also wanted to take the opportunity to revisit its homeownership strategy by reviewing the data and consulting with external housing, civil rights and economic justice experts.

The data show that the homeownership gap among Black and White households is wider than it was more than 50 years ago and is persistent across all household income levels.[3] Additionally, Fannie Mae's Equitable Housing Finance Plan shows that 42% of Black Americans and 48% of Hispanic/Latino Americans own a home, compared to 72% of White Americans.[4] That same report shows that among higher income households, there is still a 10.9% gap in Black/White homeownership and a 10.3% gap in Hispanic/White homeownership.[5] Additionally, home price growth reached record levels over the last two years.

External experts, who helped design the REC, and with whom JPMorgan Chase continues to consult, agreed with the firm's focus on increasing homeownership across the economic spectrum — and not solely for low-to-moderate income households.

3 "Reducing the Homeownership Gap," Urban Institute, February 2021.

4 Equitable Housing Finance Plan, Fannie Mae, 2022, Page 8.

5 Equitable Housing Finance Plan, Fannie Mae, 2022, Page 7.

Based on these facts, along with external perspectives, the firm reaffirmed its homeownership strategy. That said, the firm did see an opportunity to further clarify its methodology and inclusion criteria in how it reports progress updates. The firm has done so in Management's Assertion. Also included are tables with a range of loan sizes. Future REC updates will include this information.

Commercial Term Lending Affordable Housing Preservation Program

The firm's approach to affordable housing is multi-faceted and includes both the preservation and creation of affordable housing. The Commercial Term Lending (CTL) Affordable Housing Preservation Program ("Preservation Program") is one component and was developed to help preserve the vulnerable supply of naturally occurring affordable housing.

The Preservation Program was a new initiative created as part of the REC to incentivize building owners or operators to keep rental units in their buildings at an affordable level by providing rate discounts for doing so directly within their debt financing. Two years in, the firm took the opportunity to assess and reaffirm its approach.

Affordability targets under the Preservation Program are tiered based on current rent levels of each unit and county area median income. Borrowers (building owners or operators) in the Preservation Program benefit from a graduated interest rate discount, which facilitates their maintaining rental unit affordability.

To monitor and assess ongoing impact of the Preservation Program, the firm requires an annual requalification, which calls for building owners or operators to submit a rent roll each year. Updated rent rolls are reviewed to determine whether the borrower re-qualifies based on current area median income. The rate discount is then adjusted or removed, dependent upon eligibility criteria.

The Preservation Program is presented as an option to all clients, and origination numbers reflect those that choose to enter the Preservation Program to maintain affordability and better their communities. Loans previously existing in the CTL portfolio were refinanced through a competitive bid process, including a full underwriting event.

The preservation of affordable rents has been a key component of the firm's approach to help address the lack of affordable housing. JPMorgan Chase will continue to monitor and assess the impact of the Preservation Program over time and adjust as appropriate. Additionally, Management's Assertion reflects greater transparency regarding refinance and purchase loans, affordability levels and rate discount details.

Small Business Lending

Banks are not permitted to collect data on business applicants' race. As a result, the loans that count as progress in the REC include lending to all small business owners in majority Black, Hispanic and Latino census tracts, regardless of race. The firm continues to support and advocate for the goals of section 1071 of the Dodd-Frank Act, which will mandate collection of data on small business loan applicants, including the race of the principal business owners. However, the rule implementing section 1071 is not yet finalized or in effect.

As the firm awaits legal authority to collect data on principal business owners, it maintains a geographic approach to increase access to credit to small business owners in majority Black, Hispanic and Latino communities.

In a 2022 study of small business financial outcomes, the JPMorgan Chase Institute found that business profitability and cash liquidity were lower for businesses in majority Black, Hispanic and Latino communities.[6] Similarly, most small businesses operated with a cash buffer of two weeks or less in about 90% of Black, Hispanic and Latino areas, compared to only about one-third of White areas.[7] And in connection with Federal Reserve surveys of firms owned by minorities, most Black- and Hispanic-owned businesses reported receiving no credit or less than half of the credit for which they applied in the prior 12 months.[8]

For these reasons, the firm's small business lending strategy is to expand access to credit for business in majority-minority census tracts. It has done so through a special purpose credit program (SPCP), which was expanded to all 48 contiguous states earlier this year. The firm believes that expanding access to credit to businesses in Black, Hispanic and Latino neighborhoods uplifts the community broadly.

Commitment to Transparency

JPMorgan Chase is committed to holding itself accountable and understands its stakeholders demand the same. The preparation for — and completion of — the independent third-party attestation examination has been a valuable process that will enhance future reporting and has reinforced the firm's commitment to transparency.

Management's Assertion includes greater clarity and more granular detail about its reported progress, such as inclusion of the 2019 baseline where applicable. It also clearly documents its methodologies and inclusion criteria for reporting REC progress as previously described. The firm plans to include these enhancements in future reporting of REC progress.

Conclusion

The firm is committed to doing its part to help close the racial wealth gap and drive inclusive growth. This work will continue well beyond the initial five-year commitment. JPMorgan Chase is tracking investments and initiatives with the goal of having long-term impact and will continue to share updates along the way. The firm believes the REC is focused on the right economic drivers and it continues to learn and adapt as the work progresses.

---

6 Small business owner liquid wealth at firm startup and exit, JPMorgan Chase & Co. Institute, July 2020, page 21.

7 Small Business Owner Race, Liquidity, and Survival, JPMorgan Chase & Co. Institute, July 2020, page 21.

8 2021 Report on Firms Owned by People of Color, Federal Reserve, page 5.

MANAGEMENT ASSERTION

Management Assertion Regarding Progress in Disbursed and/or Committed Dollars and Progress in Units Toward JPMorgan Chase & Co.'s Racial Equity Commitment

With respect to the total progress in disbursed and/or committed dollars in Table A and progress in units by Racial Equity Commitment (REC) pillar in Table B, as of December 31, 2021, management of JPMorgan Chase & Co. (JPMorgan Chase) asserts the total progress in disbursed and/or committed dollars and progress in units by Racial Equity Commitment (REC) pillar are presented in accordance with the eligibility criteria set forth below. JPMorgan Chase is responsible for the completeness, accuracy, and validity of this management assertion.

Overview of REC Progress, Eligibility Criteria and Reporting Methodology

The following summarizes progress in disbursed and/or committed dollars and progress in units, as applicable, since October 2020 when the $30 billion five-year REC was announced by JPMorgan Chase. The REC includes incremental lending and equity investments, as well as philanthropic capital to help increase sustainable homeownership, create and preserve affordable housing, grow small businesses, improve financial health and access to banking, and build a more diverse and inclusive workforce. Progress is tracked in new dollars and/or units (i.e., no 2019 business results as the commitment relates to new products or investments since the October 2020 announcement) or incremental dollars and/or units against 2019 business results (i.e., dollars and/or units made from January 1, 2019 through December 31, 2019), which represents the most recent full year of pre-pandemic results prior to the announcement of the REC. Activities and eligibility criteria and reporting methodology are further described in the details for each commitment below within the following lines of business and corporate functions:

- Consumer & Community Banking – Home Lending (HL) and Consumer & Business Banking[1] (CBB)
- Commercial Banking – Commercial Term Lending (CTL), Community Development Banking (CDB), Corporate Client Banking and Specialized Industries (CCBSI)
- Corporate & Investment Bank – Tax Oriented Investments (TOI)
- Corporate Functions – Corporate Responsibility (CR) and Global Supplier Services (GSS)

1 Effective in the fourth quarter of 2022, Consumer & Business Banking was renamed Banking & Wealth Management.

Progress in Disbursed and/or Committed Dollars as of December 31, 2021

Table A: Commitment progress reflected in U.S. dollars[2]

REC Pillar	2021 Progress in Dollars *(millions)*
Increase Homeownership (Home Lending)[3]	$5,380.88
Affordable Rental Housing and Support for Vital Community Institutions (CTL, CDB)[4]	$12,394.05
Affordable Rental Housing (TOI)[5]	$475.94
Invest in Minority Depository Institutions and Community Development Financial Institutions (CCBSI)[6]	$106.01
Grow Small Businesses (CBB)[7]	$(686.54)
Supplier Diversity (GSS)[8]	$155.08
Philanthropy (CR)[9]	$396.35
Total	**$18,221.77**

2 Commitments listed do not contain associated unit commitments, except in the case of Home Lending, CTL, CDB, and CBB for which progress in units is reflected in Table B: Commitment progress reflected in units.
3 See section 1 for detail regarding reporting data dates and eligibility criteria and reporting methodology.
4 See section 2 for detail regarding reporting data dates and eligibility criteria and reporting methodology.
5 See section 3 for detail regarding reporting data dates and eligibility criteria and reporting methodology.
6 See section 4 for detail regarding reporting data dates and eligibility criteria and reporting methodology
7 See section 5 for detail regarding reporting data dates and eligibility criteria and reporting methodology.
8 See section 6 for detail regarding reporting data dates and eligibility criteria and reporting methodology.
9 See section 8 for detail regarding reporting data dates and eligibility criteria and reporting methodology.

Progress in Units as of December 31, 2021

Table B: Commitment progress reflected in units

REC Pillar	2021 Progress in Units
Increase Homeownership (Home Lending) [10]	**18,173**
Affordable Rental Housing and Support for Vital Community Institutions (CTL, CDB) [11]	**100,048**
Grow Small Businesses (CBB) [12]	**(2,434)**
Financial Health and Access to Banking (CBB)[13, 14]	
Low-Cost Checking	**236,451**
Hiring of Community Managers	**109**
Community Center Branches	**10**
Branches in Low-to-Moderate Income Communities	**47**

The tables within the management assertion present the following:

- 2021 Progress in dollars and/or units – Reflects the new or incremental dollars and units, as applicable, from January 1, 2021 through December 31, 2021, unless otherwise noted within each respective section, against the 2019 business results (the "2019 Baseline").
- 2021 in dollars and/or units – Reflects the disbursed and/or committed dollars and units, as applicable, for the period from January 1, 2021 through December 31, 2021, unless otherwise noted within each respective section.
- 2019 Baseline in dollars and/or units – Reflects the disbursed and/or committed dollars and units, as applicable, for the period from January 1, 2019 through December 31, 2019.

Details by commitment within each REC pillar can be found in each of the respective sections below.

10 See section 1 for detail regarding reporting data dates and eligibility criteria and reporting methodology.
11 See section 2 for detail regarding reporting data dates and eligibility criteria and reporting methodology.
12 See section 5 for detail regarding reporting data dates and eligibility criteria and reporting methodology.
13 See section 7 for detail regarding reporting data dates and eligibility criteria and reporting methodology.
14 Commitments associated with Financial Health and Access to Banking are unit based and have no associated dollar commitment.

Reported Amounts Disbursed and/or Committed in Dollars and/or Units, Eligibility Criteria and Reporting Methodology of Commitments by REC Pillar

1. Increase Homeownership (Home Lending) (2021 Progress toward REC)

Increase Homeownership	2019 Baseline in Dollars *(millions)*	2019 Baseline in Units	2021 in Dollars *(millions)*	2021 in Units	2021 Progress in Dollars *(Incremental) (millions)*	2021 Progress in Units *(Incremental)*
Home Purchase Loans	$4,007.15	13,117	$4,389.92	11,824	**$382.77**	**(1,293)**
Home Refinance Loans	$4,720.15	17,548	$9,718.26	37,014	**$4,998.11**	**19,466**
Total					**$5,380.88**	**18,173**

Eligibility criteria and reporting methodology: 2021 Progress is reflected as $5,380.88 million incremental dollars and 18,173 incremental units against a 2019 Baseline. Dollars and units are reflected as the disbursed dollar amount and loan units of home purchase or refinance loans to borrowers / co-borrower(s) who identified[15] as Black, Hispanic and/or Latino on the loan application.

The tables below represent the percent distribution of loan units and dollars by loan size for the 2019 Baseline and 2021.

Table 1a: Percentage of loan units and dollars by loan size for Home Purchase Loans

Home Purchase Loans	2019 Baseline		2021	
Loan Size	% of Loan Units	% of Loans in Dollars	% of Loan Units	% of Loans in Dollars
<$600K	92.0%	75.1%	87.1%	63.9%
$600K–$999.9K	5.8%	13.9%	8.4%	16.8%
$1M-$1.9M	1.9%	8.0%	3.5%	12.2%
$2M+	0.3%	3.0%	1.0%	7.1%

15 Regulation C, which implements the Home Mortgage Disclosure Act, requires mortgage lenders to request applicant and co-applicant ethnicity and race. Applicants can self-provide or decline to self-provide their ethnicity and race on an application submitted electronically, by mail, or face to face (in person, video). Per Regulation C, if an applicant declines to self-provide this information for an application submitted face-to-face, then the mortgage lender must collect the applicant's ethnicity and race on the basis of visual observation and surname. The applicant then reviews and signs the loan application, which includes the ethnicity and race information.

Table 1b: Percentage of loan units and dollars by loan size for Home Refinance Loans

Home Refinance Loans	2019 Baseline		2021	
Loan Size	% of Loan Units	% of Loans in Dollars	% of Loan Units	% of Loans in Dollars
<$600K	93.5%	77.7%	94.7%	81.4%
$600K-$999.9K	5.0%	13.9%	3.9%	11.2%
$1M–$1.9M	1.3%	6.1%	1.2%	5.6%
$2M+	0.2%	2.3%	0.2%	1.8%

2. Affordable Rental Housing and Support for Vital Community Institutions[16] (CTL, CDB)

a. Affordable Housing Preservation Program (CTL) (2021 Progress toward REC)

Affordable Rental Housing	2021 Progress in Dollars *(millions)*	2021 Progress in Units
Affordable Housing Preservation Program	**$9,885.84**	**91,589**

Eligibility criteria and reporting methodology: 2021 Progress of $9,885.84 million is reflected as the disbursed dollar amount of loans for the refinance or purchase of multifamily housing under the Affordable Housing Preservation Program (Preservation Program). Borrowers qualify for the Preservation Program based on project documentation and affordability targets (> 50% of the rental units are noted as affordable[17]). The units are reflected as the number of individual units that were deemed as affordable housing rental units[18].

16 Support for Vital Community Institutions occurs within the CDB New Market Tax Credits and Lending to Community Development Financial Institutions commitments (see Section 2.e.i and Section 2.f.i) and supports community development projects, affordable housing, and businesses in low-to-moderate income communities.

17 Affordability is calculated as the qualifying rent allowance divided by the market rent plus utility allowance, if applicable. Qualifying rent allowance is calculated for each individual rental unit based on county area AMI multiplied by Housing Cost Allowance of 30% and adjusted for number of bedrooms and utilities.

18 Units are determined to be eligible if the individual unit's affordability as calculated in footnote 17 falls within affordability levels noted in Table 2.

Affordability targets[19] are tiered based on current rent levels of each unit and county area median income (AMI[20]) (noted below in Table 2). Borrowers in the Preservation Program benefit from a graduated interest rate discount[21] to maintain rental unit affordability.

$7.50 billion (or ~76%) of the loans existed in the CTL portfolio prior to 2021 and were refinanced during the 2021 Progress period including the addition of a new Preservation Program commitment to maintain rental unit affordability.

Table 2: Percentage of Affordable Housing Preservation Program Loan Portfolio by Affordability Level as of December 31, 2021

Affordability Level	% of Loans in Dollars[22]	% of Total Affordable Rental Units
Less than 60% AMI (0–59%)	10.3%	17.3%
Less than 80% AMI (60–79%)	42.3%	47.3%
Less than 100% AMI (80–100%)	47.5%	35.4%

b. Subsidized Affordable Housing (CTL) (2021 Progress toward REC)

Affordable Rental Housing	2021 Progress in Dollars *(millions)*	2021 Progress in Units
Subsidized Affordable Housing	$192.73	2,077

Eligibility criteria and reporting methodology: 2021 Progress of $192.73 million is reflected as the disbursed dollar amount of loans for the refinance or purchase of properties that qualify for the following eligible government subsidized affordable housing programs: Low Income Housing Tax Credit (LIHTC), Housing Assistance Programs (HAP) as per the U.S Department of Housing and Urban Development (HUD), or New York Article 11 as per HUD. The units are reflected as the number of subsidized affordable housing units. Eligibility is determined based on regulatory agreements from local, state, or federal issuing agencies.

19 Affordability tiers were developed through JPMorgan Chase internal analysis and applied consistently across geographies.

20 AMI is the measure created by the Federal Housing Financing Authority (FHFA) to determine the eligibility of housing assistance programs. It is released annually by the FHFA as determined by the county (not the zip code).

21 In 2021, the interest rate discount ranged from 10 to 30bps based on affordability levels.

22 Totals may not sum to 100% due to rounding.

c. Subsidized Affordable Housing (CDB) (2021 Progress toward REC)

Affordable Rental Housing	2019 Baseline in Dollars *(millions)*	2019 Baseline in Units	Total 2021 in Dollars *(millions)*	2021		2021 in Units	2021 Progress in Dollars *(Incremental)* *(millions)*	2021 Progress in Units *(Incremental)*
				Disbursed in Dollars *(millions)*	Committed in Dollars *(millions)*			
Subsidized Affordable Housing	$2,061.42	13,315	$3,785.52	$843.60	$2,941.92	18,585	**$1,724.10**	**5,270**

Eligibility criteria and reporting methodology: 2021 Progress is reflected as $1,724.10 million incremental dollars and 5,270 incremental units against a 2019 Baseline. Total 2021 in dollars is reflected as the sum of disbursed ($843.60 million) and the total outstanding commitment[23] ($2,941.92 million) dollar amounts, totaling $3,785.52 million. Dollars are reflected as the dollar amount of loans, lines and letters of credit for the purchase, construction, rehabilitation and/or refinance of multifamily government subsidized affordable housing (e.g., LIHTC, HAP as per the HUD) projects or other housing projects benefiting low-to-moderate income (LMI)[24] households. The units are reflected as the number of rental units associated with the subsidized affordable housing projects or other housing projects benefiting LMI households. Eligibility is determined based on project documentation, including (1) for completed projects, regulatory agreements from the local, state, or federal issuing agencies and (2) for projects under construction, the loan agreement terms.

d. Fannie Mae Delegated, Underwriting, and Servicing (DUS) — Affordable Housing (CDB) (2021 Progress toward REC)

Affordable Rental Housing	2019 Baseline in Dollars *(millions)*	2019 Baseline in Units	Total 2021 in Dollars *(millions)*	2021		2021 Units	2021 Progress in Dollars *(Incremental)* *(millions)*	2021 Progress in Units *(Incremental)*
				Disbursed in Dollars *(millions)*	Committed in Dollars *(millions)*			
DUS Affordable Housing	$3.25	90	$100.22	$55.20	$45.02	1,202	**$96.97**	**1,112**

23 Commitment amounts reflect lines and letters of credit wherein a JPMorgan Chase legal entity is contractually obligated if drawn upon.

24 LMI status is determined at the census tract level based on comparison to median income in the Metropolitan Statistical Area (MSA)/Core Based Statistical Area (CBSA) in which the development resides. Low income is that which is less than or equal to 50% of median income in the MSA/CBSA. Moderate income is greater than 50% and less than or equal to 80% of median income in the MSA/CBSA.

Eligibility criteria and reporting methodology: 2021 Progress is reflected as $96.97 million incremental dollars and 1,112 incremental units against a 2019 Baseline. Total 2021 in dollars is reflected as the sum of disbursed ($55.20 million) and outstanding commitment[25] ($45.02 million) dollar amounts, totaling $100.22 million. Dollars are reflected as the dollar amount of loans for the purchase and/or refinance of multifamily affordable housing properties through the Fannie Mae DUS Program[26]. The units are reflected as the number of rental units associated with the affordable housing project. Eligibility is determined based on regulatory agreements from the federal, state or local issuing agencies.

e. New Market Tax Credits (NMTC) (CDB) (2021 Progress toward REC)

Support for Vital Community Institutions	2019 Baseline in Dollars *(millions)*	Total 2021 in Dollars *(millions)*	2021 Progress in Dollars *(Incremental) (millions)*
New Market Tax Credits	$289.83	$577.62	**$287.79**

Eligibility criteria and reporting methodology: 2021 Progress is reflected as $287.79 million incremental dollars against a 2019 Baseline. Dollars are reflected as the dollar amount of disbursed Qualified Equity Investments (QEI), as defined in the Internal Revenue Code, Section 45D (New markets tax credits) in qualified Community Development Entities (CDE)[27]. Eligibility is determined based on the terms included in the loan agreement or the loan and security agreement, as applicable, stating that the CDE will adhere to Section 45D.

f. Lending to Community Development Financial Institutions (CDFI) (CDB) (2021 Progress toward REC)

Support for Vital Community Institutions	2019 Baseline in Dollars *(millions)*	Total 2021 in Dollars *(millions)*	2021		2021 Progress in Dollars *(Incremental) (millions)*
			Disbursed in Dollars *(millions)*	Committed in Dollars *(millions)*	
Lending to CDFIs	$190.00	$396.62	$171.91	$224.71	**$206.62**

25 Commitment amounts reflect dollars not yet disbursed but wherein a JPMorgan Chase legal entity is contractually obligated to disburse the outstanding loan commitment amount.

26 Committed and disbursed dollars reflect the full loan origination amount for multifamily affordable housing loans underwritten by JPMorgan Chase through the Fannie Mae DUS Program.

27 Section 45D of the Internal Revenue Code provides that a domestic corporation or partnership is a CDE (1) whose primary mission is serving or providing investment capital for low-income communities or low-income persons (including employees), (2) maintains accountability to residents of low-income communities through their representation on any governing board or advisory board of the CDE, and (3) has been certified as a CDE by the CDFI Fund.

Eligibility criteria and reporting methodology: 2021 Progress is reflected as $206.62 million incremental dollars against a 2019 Baseline. Total 2021 in dollars is reflected as the sum of disbursed ($171.91 million) and total outstanding commitment[28] ($224.71 million) dollar amounts, totaling $396.62 million. Dollars are reflected as the dollar amount of loans, lines and letters of credit to certified CDFIs, CDFI-managed funds, and similar affordable housing intermediaries (e.g., LIHTC syndicators[29]). Eligibility (1) for CDFIs and CDFI-managed funds is determined based on the published list of certified CDFIs and CDFI-managed funds from the U.S. Department of the Treasury and (2) for affordable housing intermediaries (e.g., LIHTC syndicators) is determined based on terms included in the loan agreement stating that the affordable housing project will meet the LIHTC eligibility criteria.

3. *Affordable Rental Housing (TOI) (Q4 2020-2021 Progress toward REC)*

a. *Preservation Funds*

Affordable Rental Housing	Total 2021 in Dollars *(millions)*	2021 Disbursed in Dollars *(millions)*	2021 Committed in Dollars *(millions)*	2021 Progress in Dollars *(millions)*
Preservation Funds	$75.94	$54.48	$21.46	**$75.94**

Eligibility criteria and reporting methodology: 2021 Progress[30] of $75.94 million is reflected as the total dollar amount of equity commitments to Preservation Funds. Total 2021 in dollars is reflected as the sum of disbursed ($54.48 million) and outstanding commitment[31] ($21.46 million) dollar amounts, totaling $75.94 million. Eligibility is determined based on the operating agreements of the partnership or limited liability companies that include a requirement that at least 50% of the Preservation Fund assets are to be invested in affordable rental housing[32] with the purpose of preserving affordability.

28 Commitment amounts reflect lines and letters of credit wherein a JPMorgan Chase legal entity is contractually obligated if drawn upon.

29 LIHTC syndicators act as an intermediary between the developer and investors for LIHTC investments in eligible affordable housing projects.

30 Includes investments made in December 2020.

31 Committed amounts are reflected as dollars not yet disbursed but wherein a JPMorgan Chase legal entity is contractually obligated to disburse the outstanding equity commitment amount.

32 Affordable rental housing, including multi-family rentals, where a majority (>50%) of the project's units are reserved for or restricted to individuals who earn under 80% of the Area Median Income (AMI).

b. *Increase in LIHTC Investments (2020 Progress toward REC)*

Affordable Rental Housing	2019 Baseline in Dollars *(millions)*	Total 2020 in Dollars *(millions)*	2020		2021 Progress in Dollars (Incremental) *(millions)*
			Disbursed in Dollars *(millions)*	Committed in Dollars *(millions)*	
Increase in LIHTC Investments	$1,844.58	$2,346.94	$449.05	$1,897.89	**$400.00**

Eligibility criteria and reporting methodology: 2021 Progress[33] is reflected as $400.00 million incremental dollars against a 2019 Baseline. Total 2020 in dollars is reflected as the sum of disbursed ($449.05 million) and outstanding commitment[34] ($1,897.89 million) dollar amounts, totaling $2,346.94 million. Dollars are reflected as the dollar amount of equity commitments to partnerships or limited liability companies that own rental property that qualifies within Section 42 of the Internal Revenue Code for LIHTC. Eligibility is determined based on project documentation, including (1) for completed projects, Form 8609, Low-Income Housing Credit Allocation and Certification from an issuing agency and (2) for projects under construction, tax credit reservation letters from an issuing agency and/or legal opinions on the investments that evidence the project meets the LIHTC eligibility criteria.

4. *Invest in Minority Depository Institutions (MDI) and CDFIs (CCBSI) (Q4 2020 – 2021 Progress toward REC)*

Invest in MDIs and CFDIs	2021 Progress in Dollars *(millions)*
MDIs and CDFIs	**$106.01**

Eligibility criteria and reporting methodology: 2021 Progress[35] of $106.01 million. Dollars are reflected as the dollar amount disbursed (1) for equity investments in Black, Hispanic and/or Latino-led MDIs[36] and CDFIs[37] as certified by the FDIC and U.S. Department of the Treasury, respectively, and (2) to financial institutions that provide products and services to MDIs and CDFIs to support Black, Hispanic and/or Latino communities.

33 Total 2020 actuals resulted in $502.36 million incremental dollars against the 2019 Baseline, however, only $400.00 million was tracked as 2021 Progress in dollars as this represents the original commitment that was made based on expected investments at the time of the announcement of the REC in 2020. 2021 Progress represents $400.00 million originally committed in Q4 2020 and recorded as progress towards the REC.

34 Committed amounts are reflected as dollars not yet disbursed but wherein a JPMorgan Chase legal entity is contractually obligated to disburse the outstanding equity commitment amount.

35 Includes one investment made in December 2020.

36 The FDIC outlines the definition of how FDIC-insured commercial banks and savings associations may qualify for MDI status. Additionally, the FDIC includes a "minority status" indicator that designates a MDI as Black, Hispanic and Latino-led. A MDI may be a federal insured depository institution for which: 1) 51 percent or more of the voting stock is owned by minority individuals; or 2) a majority of the board of directors is minority and the community that the institution serves is predominantly minority. Ownership must be by U.S. citizens or permanent legal U.S. residents to be counted in determining minority ownership.

37 The U.S. Department of the Treasury publishes a list of certified CDFIs that provide financial services in low-income communities and to people who lack access to financing.

5. Grow Small Businesses (CBB) (2021 Progress toward REC)

Grow Small Businesses	2019 Baseline in Dollars *(millions)*	2019 Baseline in Units	Total 2021 in Dollars *(millions)*	2021		2021 in Units	2021 Progress in Dollars *(Incremental)* *(millions)*	2021 Progress in Units *(Incremental)*
				Disbursed in Dollars *(millions)*	Committed in Dollars *(millions)*			
Grow Small Businesses	$1,349.77	3,827	$663.23	$289.71	$373.52	1,393	**($686.54)**	**(2,434)**

Eligibility criteria and reporting methodology: 2021 Progress is reflected as $686.54 million incremental dollars and 2,434 incremental units below a 2019 Baseline. Total 2021 in dollars is reflected as the sum of disbursed ($289.71 million) and outstanding commitment[38] ($373.52 million) dollar amounts, totaling $663.23 million. Dollars are reflected as the dollar amount of loans[39] or lines of credit provided to small businesses[40] where the business address at the time of origination, based on the loan or line of credit agreement, is located in a census tract[41] where the combined Black, Hispanic and/or Latino population[42] is ≥50% of the census tract population. The units are reflected as the number of individual loans and lines of credit.

6. Supplier Diversity (GSS) (2021 Progress toward REC)

Supplier Diversity	2021 Progress in Dollars *(millions)*
Supplier Diversity	**$155.08**

Eligibility criteria and reporting methodology: 2021 Progress is reflected as $155.08 million in payments[43] made to Black, Hispanic, and/or Latino[44] Tier 1/Prime Suppliers.[45]

38 Commitment amounts reflect lines and letters of credit wherein a JPMorgan Chase legal entity is contractually obligated if drawn upon.
39 Excludes Paycheck Protection Program (PPP) Loans, Business Credit Cards, and Line of Credit renewals with no new money (flat renewals).
40 Business customers within Consumer & Business Banking.
41 Sourced from the 2021 Federal Financial Institutions Examination Council (FFIEC) Census flat file which provides the population of Black, Hispanic and Latino individuals and full population of individuals based on census tract code.
42 2021 FFIEC Census flat file utilizes 2011–2015 American Community Survey (ACS) data to provide enriched data for social, economic, housing and demographic data every year. The 2011–2015 ACS data is aligned with the census tracts from the 2010 Decennial Census.
43 Payments made by a JPMorgan Chase legal entity.
44 Black, Hispanic, and/or Latino suppliers are suppliers who are certified Minority Business Enterprises (MBE) which have been designated by a third-party as being 51% or more owned, operated and controlled by one or more people who are Black, Hispanic, and/or Latino.
45 Tier 1/Prime Suppliers are defined as certified MBE suppliers that provide products and services directly to the buying corporation, a JPMorgan Chase legal entity.

7. *Financial Health and Access to Banking (CBB)*

a. Financial Health – Low-Cost Checking (2021 Progress toward REC)

Financial Health	2021 Progress in Units
Low-Cost Checking	**236,451**

Eligibility criteria and reporting methodology: 2021 Progress of 236,451 units is reflected as net new[46] Chase Secure Banking accounts. Chase Secure Banking is a checking account that has been certified as a low-cost, low-fee account under the Bank On National Account Standards supported by the Cities for Financial Empowerment Fund. Eligibility is determined based on account documentation. Net new accounts are inclusive of all income classifications, races or ethnicities.

b. Financial Health – Hiring of Community Managers (Q4 2020 – 2021 Progress toward REC)

Financial Health	2021 Progress in Units
Hiring of Community Managers	**109**

Eligibility criteria and reporting methodology: 2021 Progress of 109 units is reflected as the number of Community Managers hired[47] based on an internal job-specific code.

c. Financial Health – Community Center Branches (Q4 2020 – 2021 Progress toward REC)

Financial Health	2021 Progress in Units
Community Center Branches	**10**

Eligibility criteria and reporting methodology: 2021 Progress[48] of 10 units is reflected as the number of Community Centerbranches[49] opened.[50]

46 Net new reflects added new accounts, plus transfers in or out, minus any closed accounts.

47 Includes external hires and internal transfers from Q4 2020 through December 31, 2021, subtracting all instances of employee attrition.

48 Includes one Community Center Branch opened in December 2020.

49 Community Center branches utilize both the existing branch network, and new build locations. Community Branch eligibility was determined based on FFIEC demographic data where the branch physical address was located in a census tract with Tract Income level of Low, Moderate or Middle, or Tract Minority percentage greater than fifty percent. Tract Income level is defined by the FFIEC based on the Median Family Income of the Metropolitan Statistical Area/Metropolitan Division. Tract Minority percentage is defined by the FFIEC as the percentage of the tract's total population minus white alone population according to the 2015 ACS. It is calculated by dividing the Minority Population by the Tract Population.

50 Branches are determined to be opened based on construction completion dates for existing branches that were renovated or opening dates for new branches.

d. Financial Health – Branches in LMI Communities (2021 Progress toward REC)

Financial Health	2021 Progress in Units
Branches in LMI Communities	**47**

Eligibility criteria and reporting methodology: 2021 Progress of 47 units is reflected as the number of new branches opened in LMI communities.[51]

8. Philanthropy (CR) (Q4 2020 – 2021 Progress toward REC)

Philanthropy	Total 2021 in Dollars *(millions)*	2021		2021 Progress in Dollars *(millions)*
		Disbursed in Dollars *(millions)*	Committed in Dollars *(millions)*	
Grants, Loans, and Equity Investments	$396.35	$215.03	$181.32	**$396.35**

Eligibility criteria and reporting methodology: 2021 Progress[52] of $396.35 million is reflected as the dollar amount of grants, loans, and equity investments made by Corporate Responsibility[53]. Total 2021 in dollars is the sum of disbursed[54] ($215.03 million) and the outstanding commitment[55] ($181.32 million) dollar amounts, totaling $396.35 million. Eligibility is determined based on agreements or submitted grant/loan application details.

51 A branch qualifies as LMI if it is physically located within a low- or moderate-income census tract per the FFIEC.

52 Including $0.88 million disbursed in Q4 2020 for philanthropic grants that supported Q1 2021 activities.

53 Philanthropic capital includes: 1) Grants and 2) Flexible capital loans, direct equity & fund equity committed by Corporate Responsibility with a focus on its four giving pillars and supporting nonprofits in our local U.S. communities. Philanthropy's four giving pillars are Small Business, Neighborhood Development, Jobs & Skills, and Financial Health, each of which prioritize underserved communities.

54 Amounts funded by a JPMorgan Chase legal entity.

55 Commitment amounts reflect dollars not yet disbursed but wherein a JPMorgan Chase legal entity is contractually obligated to disburse the outstanding commitment amount.

Third-Party Attestation

Report of Independent Accountants

To the Management of JPMorgan Chase & Co.

We have examined the management assertion of JPMorgan Chase & Co. (JPMorgan Chase) on pages 8-20 of this Racial Equity Commitment Audit Report that, as of December 31, 2021, the total progress in disbursed and/or committed dollars (in Table A) and progress in units by Racial Equity Commitment (REC) pillar (in Table B) are presented in accordance with the eligibility criteria set forth in management's assertion. JPMorgan Chase's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

Only the information included in management's assertion on pages 8-20 of this Racial Equity Commitment Audit Report is part of our examination engagement. The other information in this Racial Equity Commitment Audit Report has not been subjected to the procedures applied in our examination engagement, and accordingly, we make no comment as to its completeness and accuracy and do not express an opinion or provide any assurance on such information. Nor does our opinion cover or provide assurance on whether or not JPMorgan Chase is achieving its commitment to advance economic growth and opportunity for Black, Hispanic and Latino communities.

In our opinion, management's assertion that, as of December 31, 2021, the total progress in disbursed and/or committed dollars (in Table A) and progress in units by REC pillar (in Table B) are presented in accordance with the eligibility criteria set forth in management's assertion is fairly stated, in all material respects.

PricewaterhouseCoopers LLP

New York, New York
November 21, 2022

PricewaterhouseCoopers LLP, 300 Madison Avenue, New York, NY 10017
T: (646) 471 3000, F: (813) 286 6000, www.pwc.com/us

Disclaimer

The information provided in this report reflects JPMorgan Chase's approach to its $30 billion Racial Equity Commitment as at the date of this report and is subject to change without notice. We do not undertake to update any of such information in this report. This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to, among other things, our goals, commitments, targets, aspirations and objectives, and are based on the current beliefs and expectations of JPMorgan Chase's management and are subject to significant risks and uncertainties, many of which are beyond JPMorgan Chase's control. Expected results or actions may differ from the anticipated goals and targets set forth in the forward-looking statements. Factors that could cause JPMorgan Chase's actual results to differ materially from those described in the forward-looking statements can be found in JPMorgan Chase's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. Those reports are available on JPMorgan Chase's website and on the Securities and Exchange Commission's website (www.sec.gov). JPMorgan Chase does not undertake to update any forward-looking statements.

This report does not include all applicable terms or issues and is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction or a recommendation for any investment product or strategy. Any and all transactions (including potential transactions) presented herein are for illustration purposes only.

No reports, documents or websites that are cited or referred to in this document shall be deemed to form part of this report. Information contained in this report has been obtained from sources, including those publicly available, believed to be reliable, but no representation or warranty is made by JPMorgan Chase as to the quality, completeness, accuracy, fitness for a particular purpose or non-infringement of such information. Sources of third-party information referred to herein retain all rights with respect to such data and use of such data by JPMorgan Chase herein shall not be deemed to grant a license to any third party. The use of any third-party trademarks or brand names is for informational purposes only and does not imply an endorsement by JPMorgan Chase or that such trademark owner has authorized JPMorgan Chase to promote its products or services.

JPMorgan Chase is committed to providing equal opportunity in accordance with applicable law and consistent with its business principles. No form of discrimination, harassment, inappropriate or abusive conduct is tolerated by or against employees, customers, vendors, contractors or any other individuals who conduct business with JPMorgan Chase. Our Equal Opportunity, Anti-Discrimination and Anti-Harassment Statement sets forth our policies and expectations regarding non-discrimination and is available on JPMorgan Chase's website.