Orange Water and Sewer Authority
OWASA is Carrboro-Chapel Hill's not-for-profit public service agency
delivering high quality water, wastewater, and reclaimed water services.

Memorandum

TO: **Finance Committee**: Bruce Boehm (Chair), John Cooley, Robert Morgan, Bruce Runberg and Ray DuBose (ex officio)

THROUGH: Ed Kerwin

FROM: Stephen Winters, CPA

DATE: November 6, 2019

SUBJECT: Finance Committee Meeting, November 12, 2019 at 5:00 p.m. in the OWASA Boardroom. Discussion of the Committee and Board Member Evaluation of the Social and Environmental Responsibility of Banking Institutions

Purpose

At its meeting on November 12, 2019, the Finance Committee is scheduled to evaluate the social and environmental responsibility of four of the respondents to OWASA's recent request for proposals (RFP) for banking services. This memo outlines a process for the Committee to use in its evaluation.

Based on staff's evaluation of services and costs, results of in-person products and services demonstrations, and the Finance Committee's evaluation of social and environmental responsibility, a banking services provider will be recommended to the Board at its December 12, 2019 work session.

Background

To ensure that we have a banking partner that meets our needs, as well as the community and environment we serve, OWASA recently requested and received proposals for banking services.

Board members recognize that evaluating social and environmental responsibility is subjective. Evaluating this kind of criteria is a policy-level discussion for which it is especially valuable to have Board engagement and the Board agreed to take responsibility for it.

Bank Selection Process

The following steps have occurred (rows in gray) or are upcoming.

No.	Step	Responsibility	Date
1	Board requested that the RFP include information about the banks' social and environmental responsibility	Board	July 8, 2018
2	Board provided guidance on, and approved the approach for requesting information to be included in the banks' responses related to social and environmental responsibility	Board	October 2018
3	Issued RFP	Staff	June 2019
4	Received proposals from seven banks	Staff	August 2019

No.	Step	Responsibility	Date
5	Staff assessed the proposals for the banks' organizational capacity and services and determined that four of the respondents are able meet our business needs	Staff	September 2019
6	Finance Committee (and other interested Board Members) review and score four remaining banks' social and environmental responsibility information	Committee and Board	Prior to November 12, 2019 Committee Meeting
7	Finance Committee (and other interested Board Members) discuss and reach consensus on ranking the respondents' social and environmental responsibility	Committee and Board	November 12, 2019
8	In-person banking products and services demonstrations	Staff	November 19 and 21, 2019
9	Staff recommendation and Board decision on banking services provider	Staff	December 12, 2019

Preparation Work for the November 12, 2019 Committee Meeting – Finance Committee's Process for Evaluating Banking Institutions

The goal of this step of the process is to come to group consensus on the ranking of each bank's social and environmental responsibility. This ranking will be considered and incorporated into staff's recommendation to the Board on December 12.

In support of the Finance Committee's discussion and ranking, staff proposes that each participating Committee/Board Member assess each institution on a 30-point scale, with ten points available for each category: (a) regulatory compliance, (b) community lending activity/investment, and (c) environmental activity.

Board Members may assign numeric values however they wish; points could be awarded based on the answer's completeness and quality or robustness and/or whether the bank has programs or initiatives that directly address one or more of our core values.

OWASA core values are:

1. Quality Drinking Water
2. Environmental Responsibility
3. Excellence in Serving Customers
4. Employees
5. Affordability and Value
6. Sustainability
7. Support of the Communities We Serve
8. Innovation and Creativity

Resources

Staff has provided each banking institution's responses to the social and environmental responsibility questions posed in the RFP. In addition, evaluators may want to review and consider each institution's official Corporate Responsibility Reports. Except for JP Morgan Chase which included theirs, these reports were not included in the RFP packages. Reports for the other three respondents are linked below:

1. Bank of America (Report 1, Report 2)
2. BB&T
3. JP Morgan Chase (attached as appendix to proposal)
4. Wells Fargo

Additionally, staff has provided a form that can be used to record scores.

Action Requested

Review and evaluate RFP respondents' social and environmental responsibility information and be prepared to discuss and reach consensus at the November 12, 2019 Finance Committee meeting.

Based on staff's evaluation of services and costs, results of in-person products and services demonstrations, and the Finance Committee's evaluation of social and environmental responsibility, a banking services provider will be recommended to the Board at its December 12, 2019 work session.



Stephen Winters, CPA
Director of Finance and Customer Service

Attachments:

1. Scorecard
2. Social and environmental responsibility sections of proposals provided by:
   - Bank of America
   - BB&T
   - JP Morgan Chase
   - Wells Fargo

Attachment 1

Evaluation Scorecard for the Social and Environmental Responsibility of Potential Banking Partners

Bank: _____

Evaluator: _____

Score: From 1 to 10 points with 10 being the highest score

1. **Regulatory Compliance**
   Strengths:

   Weaknesses:

   Score: _____

2. **Community Lending Activity/Investment**
   Strengths:

   Weaknesses:

   Score: _____

3. Environmental
Strengths:

Weaknesses:

Score: _____

Category	Score
1.	
2.	
3.	
Total:	

Evaluator Signature

Date



The Power of Global Connections

Banking and Related Services

Submitted by:
Viktors Steins
Vice President; Client Manager
980.387.5951
viktors.steins@baml.com

August 8, 2019 | CONFIDENTIAL

Bank of America
Merrill Lynch

Section IV – Environmental and Social Standards

A. Regulatory Compliance. The Authority is committed to ensuring that its banking partner complies with all regulations, including lending and employment. In order to help the Authority evaluate the Bank's record in this area, the Bank is requested to provide the following information.

1. Provide a statement disclosing any enforcement investigations and / or completed enforcement actions undertaken against the Bank in the past five years by the Consumer Financial Protection Bureau, U.S. Department of Justice, Federal Deposit Insurance Corporation, Federal Reserve Board, Financial Industry Regulatory Authority, National Credit Union Association, Office of the Comptroller of the Currency, U.S. Securities and Exchange Commission, the North Carolina Department of Justice, or any applicable state banking regulatory body. Include the following (note: supplemental information regarding regulatory enforcement actions may be included as an exhibit to the proposal):

i. Description and date of the enforcement action

ii. Basis for the enforcement action

iii. Name of the enforcing agency which undertook the action

iv. Measures taken by the Bank to address or resolve the conditions which led to the enforcement action

v. Current status of the enforcement action

The bank is a large and diversified institution and is routinely involved in litigation in various state and federal courts. The bank makes all disclosures required by its regulators, including all required disclosures in its Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, which are updated in Reports on Form 8-K, all of which are filed with the Securities and Exchange Commission. Those reports include disclosures of investigations and other matters as required by federal law and are publicly available. In the last 5 years, the Bank has not had any labor violations arising out of our operations in the state of North Carolina. The bank cannot confirm or deny the existence of any other, non-public investigation conducted by any government investigator unless required to do so by law.

2. Provide a statement certifying that the Bank does not engage in illegal predatory consumer adverse practices nor base evaluation, promotion, discipline, or compensation of any employee on illegal predatory consumer adverse practices. The determination that a banking practice is predatory or illegal shall be based on findings made by appropriate government regulatory agencies, such as the Consumer Financial Protection Bureau, and courts of law.

In the ordinary course of business, Bank of America Corporation and its subsidiaries are routinely defendants in, or parties to, many pending and threatened legal actions and proceedings, regulatory examinations, information-gathering requests, inquiries and investigations. Bank of America Corporation makes all required disclosures in its periodic filings with the Security Exchange Commission. These filings include disclosures of investigations and litigation as required by law and are publicly available.

Neither Bank of America Corporation nor its subsidiaries can confirm or deny the existence of any other, non-public, regulatory inquiries unless required to do so by law.

3. **Provide evidence that the Bank is committed to ensuring the promotion of diversity and equal opportunity for development and advancement for all employees, and does not discriminate based on race, creed, color, religion, gender, age, sexual orientation, national origin or political affiliation.**

Bank of America Merrill Lynch is committed to the highest standards of ethical and professional conduct. Employees of the corporation and its affiliates are required to take and pass annual compliance training that includes Code of Ethics, Information Protection & Privacy and Anti-Money Laundering. The bank's Code of Ethics guides our business practices and professional and personal conduct that all associates must adopt and uphold.

Diversity & inclusion

At Bank of America, our diversity makes us stronger, and is essential to our ability to serve our clients, fulfill our purpose and drive responsible growth. We recognize the potential of every employee by actively encouraging a diverse and inclusive workplace — in thought, style, sexual orientation, gender, gender identity, race, ethnicity, culture, religion and experience.

Our diversity also provides fresh ideas and perspectives and, when coupled with inclusion, results in an innovative environment where employees can bring their whole selves to work, build careers and contribute to our company.

We are proud to be recognized as a leader in diversity and inclusion, for our representation, progressive workplace practices and initiatives to promote inclusion.

Discrimination and harassment

At Bank of America, we are committed to maintaining a workplace free of discrimination and harassment based on race, color, creed (including religious creed), religion, sex (including pregnancy, childbirth or related medical conditions), genetic information, gender, gender identity, gender expression, sexual orientation, national origin, citizenship status, age, ancestry, marital status, medical conditions, disability (including physical or mental disability), military and veteran status, or any other factors prohibited by applicable law ("Prohibited Behavior"). Bank of America considers discrimination and harassment unacceptable and contrary to the company's core values in that it undermines the goal of providing an inclusive environment.

Bank of America does not tolerate unlawful discrimination or harassment of any kind as outlined in our Harassment and Discrimination Prevention Policy. Harassment or discrimination can take many forms including but not limited to verbal, physical, visual, sexual and abusive conduct (bullying). Bullying is defined as offensive, intimidating, malicious or insulting behavior, an abuse or misuse of power through means intended to undermine, humiliate, denigrate or injure the recipient.

Reported incidents of Prohibited Behavior and/or retaliation will be investigated. Investigations are conducted in as discreet a manner as is compatible with a thorough investigation of the complaint. If the company finds violations of this policy or other inappropriate conduct of a sexual, discriminatory or retaliatory nature has occurred, disciplinary action up to and including immediate termination from employment may result.

Please see our Code of Conduct for additional information.

B. **Community Lending Activity / Investment. The Authority is committed to ensuring that its banking partner has continuing and affirmative obligations to meet the credit needs of individuals and businesses within the Authority's service area. In order to help the Authority evaluate the Bank's record in this area, the Bank is requested to provide the following information.**

1. **Provide a copy of the most recent Public Disclosure "Community Reinvestment Act Performance Evaluation" issued by the federal regulatory agency authorized to conduct evaluations. Please ensure the disclosure includes the overall CRA rating as well as the CRA rating for the primary rating area that encompasses the Chapel Hill / Carrboro community.**

   As a national leader in community development, Bank of America Merrill Lynch brings the power of our human and financial capital to transform communities into vibrant, desirable places for people to live, work and raise families. In 2009, we committed to a goal of $1.5 trillion over 10 years towards community investment initiatives across all 50 states. For year-end goal results and additional information about how Bank of America Merrill Lynch is working to strengthen the fabric of communities where we do business, please visit www.bankofamerica.com/community.

   Since the passage of the CRA, our positive ratings have reflected the company's continuing commitment to serve the needs our communities.

   Note: The report is accessible at CRA Performance Evaluation. Please view the table of contents for the specific information being requested

2. **Provide the aggregate number and amount of loans made since 2014 to the Chapel Hill / Carrboro community of:**

   i. **$100,000 or less;**

   ii. **More than $100,000 but less than or equal to $250,000; and**

   iii. **More than $250,000.**

   Please find CRA Small Business Lending results in the Appendices as Appendix 08.

3. **Provide the aggregate number and amount of loans made since 2014 for the Chapel Hill / Carrboro community to businesses with gross annual revenues of $1 million or less and describe any goals or activities to engage these businesses.**

   Please find CRA Small Business Lending results in the Appendices as Appendix 08.

4. **Describe any services targeted to low or moderate income individuals or activities that revitalize or stabilize low or moderate income geographies, designated disaster areas, or distressed or underserved nonmetropolitan areas based on rates of poverty, unemployment, and population loss, including loans, investments, or services that support, enable, or facilitate projects or activities that meet the "eligible uses" criteria described in Section 2301 (c) of the Housing and Economic Recovery Act of 2008 (HERA), Public Law 110-289, 122 Stat. 2654, as amended, and are conducted in designated target areas identified in plans approved by the United States Department of Housing and Urban Development in accordance with the Neighborhood Stabilization Program (NSP).**

   Bank of America offers an array of programs to support Lower to Moderate Income (LMI) and Multicultural (MCCT) communities. Below is a summary of Products/ Program offerings:

   - Affordable Loan Solution® mortgage: a fixed-rate loan for modest-income borrowers that offers a competitive rate with a down payment as low as 3% and no mortgage insurance.

- Freddie Mac Home Possible® mortgage: a fixed-rate loan with a down payment as low as 3% and lower-cost mortgage insurance.
- America's Home Grant® program: a lender credit of up to $7,500 (repayment not required) that can be used towards non-recurring closing costs, like title insurance and recording fees, or in certain circumstances, to permanently buy down the interest rate.
- Down Payment Grant program: a grant of up to 3% of the purchase price of the primary residence (maximum $10,000) to be used for a down payment in select markets. The funds do not require repayment. Product availability restrictions apply.
- Connect to Own® Fee Program – A partnership with over 400 non-profit and government entities by which loan officers refer potential clients to HUD Approved Homebuyer Education providers to assist in becoming Homebuyer ready.

5. **Describe the Bank's efforts in home lending for underserved communities and provide a record of those efforts noting residential mortgage loans, home equity loans and improvement loans**

   Bank of America is committed to creating opportunities in the communities it serves by meeting customers' credit needs, including those of Low- and Moderate-Income ("LMI") individuals, neighborhoods, small businesses and small farms. Bank of America and Environmental Social and Governance (ESG) have a clear purpose to make financial lives better for our clients and the communities we serve and are committed to helping consumers achieve their financial goals. Please find HMDA Lending results 2018 for Home Purchase, Home Improvement and Refinance loans in the Appendices as Appendix 09.

6. **Describe the Bank's efforts with capital investment, loan participation, and other ventures undertaken in cooperation with minority and women owned financial institutions and low-income credit unions which help meet the credit needs of local communities in which the minority and women owned financial institutions and low-income credit unions are chartered.**

   Carolina Small Business Development Fund – $100,000 – The Carolina Small Business Development Fund is a certified Community Development Financial Institution (CDFI) with a mission to foster economic development in underserved communities by providing capital, business services, and policy research to support small businesses. CSBF seeks to serve the business market that is not served by traditional banking, by product or geography, and that may not qualify for other funding, with a focus on small business that is women-owned, rural, low and moderate income base and/or minority owned. The proceeds will connect U.S. military veteran business owners with affordable capital to help kick-start and grow their businesses. Prior to receiving a loan, borrowers will participate in a two-month training program led by Veterans - offering technical assistance and other resources to help borrowers stay on a path of success and grow their businesses. $100,000 is allocated to the Raleigh Durham MSA which includes Orange County.

   National Federation of Community Development Credit Unions – $500,000 – The National Federation of Community Development Credit Unions is a certified CDFI with a mission to help low- and moderate-income people and communities achieve financial independence through Community Development Credit Unions (CDCUs). The organization achieves its mission by 1) developing and delivering innovative products focused on low and moderate-income consumers, 2) fostering strategic partnerships, 3) identifying best practices and lessons for serving underserved communities and 4) providing education and training to CDCU leaders. This Program Related Investment of $3 million will be used by the

Federation to pass investors' funds through to CDCUs, allowing them to increase lending to members, to match deposits from other investors, and/or to generate investment income. $500,000 is allocated to the Raleigh Durham MSA which includes Orange County.

7. **Provide a record of low-cost education loans originated by the Bank to borrowers who have an individual income that is less than 50% of the area median income.**

   Unfortunately, detailed geo-location specific Consumer Bank data is not available to the Commercial Bank at this time.

8. **Provide data about consumer loans made to low and moderate income citizens in the Chapel Hill / Carrboro community such as motor vehicle, credit card, and other secured consumer loans.**

   Unfortunately, detailed geo-location specific Consumer Bank data is not available to the Commercial Bank at this time.

9. **Provide the number of checking accounts and savings accounts provided to individuals within the Chapel Hill / Carrboro community.**

   Unfortunately, detailed geo-location specific Consumer Bank data is not available to the Commercial Bank at this time.

C. **Environmental. The Authority is committed to ensuring that its banking partner promotes environmental and global protection. In order to help the Authority evaluate the Bank's record in this area, the Bank is requested to provide the following information.**

1. **Provide any company policies, initiatives, or strategies that support sustainable ecological growth, minimize the ecological footprint, and promote a healthy natural environment. Include whether (and how) the Bank evaluates a potential client's social and environment responsibility.**

   We have established this Environmental and Social Risk Policy (ESRP) Framework to provide additional clarity and transparency around how we approach environmental and social risks, which touch almost every aspect of our business. Like all risks, environmental and social risks require coordinated governance, clearly defined roles and responsibilities, and well-developed processes to ensure they are identified, measured, monitored and managed appropriately and in a timely manner. This ESRP Framework is aligned with our Enterprise Risk Framework, which outlines Bank of America's approach to risk management and each employee's responsibilities for risk management. As articulated in our Enterprise Risk Framework, there are seven key risk types that we face as an organization: strategic, credit, market, liquidity, operational, compliance and reputational. Increasingly, environmental and social issues impact many of these risk areas, but most often result in potential reputational risk at this point in time. https://about.bankofamerica.com/assets/pdf/Environmental-and-Social-Risk-Policy-Framework.pdf

   Environmental, social and governance (ESG) principles help define how Bank of America delivers responsible growth and contributes to the global economy. They guide the bank's role in society through how we deploy our capital and manage environmental and social risks and opportunities. Integrated across all of our lines of business, our ESG focus:

- Reflects our values
- Ensures that we hold ourselves accountable
- Presents tremendous business opportunities
- Allows us to create shared success with our clients and communities

  Please visit https://about.bankofamerica.com/en-us/what-guides-us/driving-responsible-growth.html?bcen=8a6b#fbid=AiD8_1CDj_8 to read about our ongoing work.

Strengthen the Corporate Responsibility process

Led by our global Environmental Social Governance (ESG) team, the bank's ESG approach is fully integrated into each of our eight lines of business, helping to deliver increased shareholder value, while taking ESG factors into account as we make the decisions that drive our business.

This team meets regularly to identify and discuss issues central to our ESG focus — including our human capital management practices, product/service offerings and investments in creating a sustainable global economy. The committee is comprised of senior leaders from across the company, led by Vice Chairman Anne Finucane, who is accountable to CEO Brian Moynihan and provides regular reports to the Board of Directors.

Please visit https://about.bankofamerica.com/en-us/what-guides-us/driving-responsible-growth.html?bcen=8a6b#fbid=nWV1-8jQmLr for details of all Environmental, Social & Governance (ESG) initiatives.

2. **Provide an overview of the Bank's significant loan portfolio characteristics and lending activity in areas that demonstrate your commitment toward building a healthy and sustainable environment. Such areas may include, but not be limited to the following:**

   i. Energy industry that fosters clean energy fuels (solar, wind, geothermal energy)

   ii. Technology industry to develop environmental sustainability

   iii. Sustainable agriculture

   iv. Clean water technology

Transformational finance

As announced in April 2019, we will mobilize an additional $300 billion in capital by 2030 through our Environmental Business Initiative. This commitment increases our investment in low-carbon business activities as part of our focus on deploying capital for responsible, sustainable growth. Through lending, investing, capital raising, advisory services and developing financing solutions, this new pledge will drive innovation and help to accelerate the transition to a low-carbon, sustainable economy.

The $300 billion goal brings Bank of America's total to more than $445 billion since 2007, when the company issued its first Environmental Business Initiative. The bank has deployed more than $126 billion over the past 12 years in support of environmental business efforts across the globe. In 2018, we positioned $21.5 billion in capital to support low-carbon, sustainable business activities through lending, investing, capital raising, and developing financial solutions for clients around the world as part of our Environmental Business Commitment.

Since 2013, Bank of America has issued $4.35 billion in corporate green bonds. In May 2018, the company issued its fourth and largest green bond for $2.25 billion, becoming the first U.S. financial institution to issue four corporate green bonds. Bank of America has led green bond underwriting since

2007, according to the *Environmental Finance Green Bond Database* and *Bloomberg New Energy Finance* league tables. Since 2007, Bank of America has underwritten $38 billion in green bonds on behalf of 100 clients, supporting more than 220 deals and providing critical funding to environmental projects.

3. **Describe any partnerships, collaborations, or leadership initiatives that promote a healthy environment and low-carbon economy today and for generations to come. We partner with leading non-profit and academic organizations that are working toward a sustainable, low-carbon energy future, expanding access to clean and safe water and developing extreme weather and climate change resilience solutions. These partners conducting crucial research and demonstrating strategies that can be scaled and making a significant and positive impact across the globe. In 2018 alone, we provided more than $19 million in philanthropic support to organizations helping to make a difference in local communities and around the globe.**

   Some recent examples are given below: Our full partner list can be viewed at this page.

   Engaging partners to make an impact through transformational finance

   - Partnering with Stanford University to identify break-through strategies to expand capital deployment for climate finance solutions.
   - Supporting the Global Innovation Lab on Climate Finance, a global initiative that supports the identification and piloting of cutting edge climate finance instruments.
   - Supporting the work of The Nature Conservancy to develop a sustainable financial solution to protect coral reefs and improve coastal resilience.

   Environmental research

   - Commission research on topics such as drought solutions and environmentally sustainable energy options.
   - Develop reports that help our clients better understand the link between long-term social and environmental issues, including water, security or climate change, and their investment performance.

   Environmental philanthropy

   - With a focus on finding scalable solutions for a low carbon energy future, access to clean and safe water, and climate change resilience, committed more than $19 million in environmental philanthropy in 2018.

   Our operations

   Decreasing the greenhouse gas (GHG) emissions and consumption of natural resources from internal operations reduces our environmental footprint, improves efficiency and delivers value for our company and shareholders. Across the enterprise, we use resources that are efficient, renewable and sustainable, and increase resiliency for our operations.

   In 2016, we announced a suite of operational goals to be met by 2020, including plans to become carbon-neutral and purchase 100% renewable electricity. These goals support our continued efforts to diminish the environmental impacts of our operations — to reduce location-based greenhouse gas emissions by 50%, energy use by 40% and water use by 45% in our operations across the globe. These new commitments build on the success of the company's 2015 operational goals.

While many of our landlords have extensive sustainability programs, the transition of operational control occasionally presents challenges to our efforts toward reducing our environmental footprint. Among these challenges is decreased transparency in utility usage and reduced opportunities to generate measurable returns on our environmental efficiency investments. To achieve our operational goals, we work closely with our landlords to implement environmental programs where possible and to increase efficiency in the space we occupy.

GHG emissions

The bank has established goals to reduce our location-based GHG emissions by 50%, energy use by 40%, achieve carbon neutrality and purchase 100% renewable electricity, from 2010 to 2020. The goal spans our global operations in more than 40 countries and builds on our previous GHG reduction of 15% from 2010 to 2015.

In setting our 50% location-based GHG emissions goal, we considered the recommendation by the Intergovernmental Panel on Climate Change (IPCC), which states that by 2050, global absolute emissions be reduced by 80% below 1990 levels in an effort to avoid the most significant climate-change impacts. Although our analysis determined that a GHG emissions goal with 2% absolute reduction per year (a 20% reduction over 10 years) is consistent with IPCC's science-based recommendation, we set a more aggressive goal, by committing to a 50% absolute reduction goal over 10 years.

To date, our emissions have been reduced across our portfolio primarily through the consolidation of space and the implementation of energy-efficiency projects. We also have achieved some reduction as a result of the utility grid becoming less carbon intensive.

We have been reporting our GHG emissions through the Carbon Disclosure Project (CDP) since 2003. This year, we reported on Scope 1 and 2 emissions (location and market-based), as well as our Scope 3 emissions. Of the 15 Scope 3 categories, we reported on 10, (four are not relevant to our business, and one is relevant, but we did not report as an excepted methodology for doing so does not exist).

Since 2010, energy-efficiency projects have resulted in more than a $480 million reduction in energy costs.

Summary of Small Business (0-$1Mil) and Farm Loans (0-$500)

2014_CRA_SB_SF_Submission_File

Active Filters

(State is NC and MSA is Durham-Chapel Hill, NC MSA and County is Orange)
Action is Originated

Summary of Small Business (0-$1Mil) and Farm Loans (0-$500k)

Tract Income Level	Low		Moderate		Middle		Upper		NA		Total	
	Count	*Amount*	*Count*	*Amount*	*Count*	*Amount*	*Count*	*Amount*	*Count*	*Amount*	*Count*	*Amount*
Small Business Loans												
Originations	2	$70	25	$215	54	$2,592	178	$2,216	1	$8	260	$5,101
%Row	0.77	1.37	9.62	4.21	20.77	50.81	68.46	43.44	0.38	0.16	100.00	100.00
Purchases	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Farm Loans												
Originations	0	$0	0	$0	3	$16	2	$15	0	$0	5	$31
%Row	0.00	0.00	0.00	0.00	60.00	51.61	40.00	48.39	0.00	0.00	100.00	100.00
Purchases	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loan Size Category												
Originations < $100k	2	$70	25	$215	52	$576	176	$1,505	1	$8	256	$2,374
%Row	0.78	2.95	9.77	9.06	20.31	24.26	68.75	63.40	0.39	0.34	100.00	100.00
>$100 - <=$250k	0	$0	0	$0	3	$632	4	$726	0	$0	7	$1,358
%Row	0.00	0.00	0.00	0.00	42.86	46.54	57.14	53.46	0.00	0.00	100.00	100.00
> $250K - <=1Mil	0	$0	0	$0	2	$1,400	0	$0	0	$0	2	$1,400
%Row	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	100.00	100.00
> $1Mil	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchases <= $100k	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
>$100 - <= $250k	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
>$250K - <=$1Mil	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
>$1Mil	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revenues												
<= $1 Million	1	$20	11	$123	35	$711	95	$724	1	$8	143	$1,586
%Row	0.70	1.26	7.69	7.76	24.48	44.83	66.43	45.65	0.70	0.50	100.00	100.00
>$1 Million	0	$0	0	$0	2	$13	11	$543	0	$0	13	$556
%Row	0.00	0.00	0.00	0.00	15.38	2.34	84.62	97.66	0.00	0.00	100.00	100.00
Unknown	1	$50	14	$92	20	$1,884	74	$964	0	$0	109	$2,990
%Row	0.92	1.67	12.84	3.08	18.35	63.01	67.89	32.24	0.00	0.00	100.00	100.00
Totals												
Originations	2	$70	25	$215	57	$2,608	180	$2,231	1	$8	265	$5,132
	0.75	1.36	9.43	4.19	21.51	50.82	67.92	43.47	0.38	0.16	100.00	100.00
Purchases	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	2	$70	25	$215	57	$2,608	180	$2,231	1	$8	265	$5,132
%Row	0.75	1.36	9.43	4.19	21.51	50.82	67.92	43.47	0.38	0.16	100.00	100.00

Note: Validity Errors are included in the Report

* Please note that any revenue filter is not applicable for loan size categories. Similarly any size category filter is not applicable on revenue numbers

© PCi Corporation CRA *Wiz*, Tel: 800-261-3111

Summary of Small Business (0-$1Mil) and Farm Loans (0-$500)

2015_CRA_SBSF_Submission_File

Active Filters

(State is NC and MSA is Durham-Chapel Hill, NC MSA and County is Orange)
Action is Originated

Summary of Small Business (0-$1Mil) and Farm Loans (0-$500k)

Tract Income Level	Low		Moderate		Middle		Upper		NA		Total	
	Count	*Amount*	*Count*	*Amount*	*Count*	*Amount*	*Count*	*Amount*	*Count*	*Amount*	*Count*	*Amount*
Small Business Loans												
Originations	3	$ 70	28	$ 292	50	$ 1,639	159	$ 3,183	-	$ -	240	$ 5,184
%Row	1.25	1.35	11.67	5.63	20.83	31.62	66.25	61.40	0.00	0.00	10000.00%	10000.00%
Purchases	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%
Farm Loans												
Originations	-	$ -	-	$ -	1	$ 5	-	$ -	-	$ -	1	$ 5
%Row	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	10000.00%	10000.00%
Purchases	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%
Loan Size Category												
Originations < $100k	3	$ 70	28	$ 292	47	$ 527	152	$ 1,735	-	$ -	230	$ 2,624
%Row	1.30	2.67	12.17	11.13	20.43	20.08	66.09	66.12	0.00	0.00	10000.00%	10000.00%
>$100 - <=$250k	-	$ -	-	$ -	2	$ 387	7	$ 1,448	-	$ -	9	$ 1,835
%Row	0.00	0.00	0.00	0.00	22.22	21.09	77.78	78.91	0.00	0.00	10000.00%	10000.00%
> $250K - <=1Mil	-	$ -	-	$ -	2	$ 730	-	$ -	-	$ -	2	$ 730
%Row	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	10000.00%	10000.00%
> $1Mil	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%
Purchases <= $100k	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%
>$100 - <= $250k	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%
>$250K - <=$1Mil	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%
>$1Mil	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%
Revenues												
<= $1 Million	1	$ 10	17	$ 159	29	$ 234	90	$ 972	-	$ -	137	$ 1,375
%Row	0.73	0.73	12.41	11.56	21.17	17.02	65.69	70.69	0.00	0.00	10000.00%	10000.00%
>$1 Million	1	$ 10	-	$ -	5	$ 742	18	$ 1,283	-	$ -	24	$ 2,035
%Row	4.17	0.49	0.00	0.00	20.83	36.46	75.00	63.05	0.00	0.00	10000.00%	10000.00%
Unknown	1	$ 50	11	$ 133	17	$ 668	51	$ 928	-	$ -	80	$ 1,779
%Row	1.25	2.81	13.75	7.48	21.25	37.55	63.75	52.16	0.00	0.00	10000.00%	10000.00%
Totals												
Originations	3	$ 70	28	$ 292	51	$ 1,644	159	$ 3,183	-	$ -	241	$ 5,189
	1.24	1.35	11.62	5.63	21.16	31.68	65.98	61.34	0.00	0.00	10000.00%	10000.00%
Purchases	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%
Total	3	$ 70	28	$ 292	51	$ 1,644	159	$ 3,183	-	$ -	241	$ 5,189
%Row	1.24	1.35	11.62	5.63	21.16	31.68	65.98	61.34	0.00	0.00	10000.00%	10000.00%

Note: Validity Errors are included in the Report

* Please note that any revenue filter is not applicable for loan size categories. Similarly any size category filter is not applicable on revenue numbers

© PCi Corporation CRA *Wiz*, Tel: 800-261-3111

Summary of Small Business (0-$1Mil) and Farm Loans (0-$500)

2016_CRA_SBSF_Submission_File

Active Filters

(State is NC and MSA is Durham-Chapel Hill, NC MSA and County is Orange)
Action is Originated

Summary of Small Business (0-$1Mil) and Farm Loans (0-$500k)

Tract Income Level	**Low**		**Moderate**		**Middle**		**Upper**		**NA**		**Total**	
	Count	*Amount*	*Count*	*Amount*	*Count*	*Amount*	*Count*	*Amount*	*Count*	*Amount*	*Count*	*Amount*
Small Business Loans												
Originations	4	$29	21	$916	49	$1,406	165	$6,110	1	$22	240	$8,483
%Row	1.67	0.34	8.75	10.80	20.42	16.57	68.75	72.03	0.42	0.26	100.00	100.00
Purchases	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Farm Loans												
Originations	0	$0	0	$0	2	$9	1	$35	0	$0	3	$44
%Row	0.00	0.00	0.00	0.00	66.67	20.45	33.33	79.55	0.00	0.00	100.00	100.00
Purchases	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loan Size Category												
Originations < $100k	4	$29	20	$261	48	$635	152	$1,726	1	$22	225	$2,673
%Row	1.78	1.08	8.89	9.76	21.33	23.76	67.56	64.57	0.44	0.82	100.00	100.00
>$100 - <=$250k	0	$0	0	$0	2	$380	6	$1,003	0	$0	8	$1,383
%Row	0.00	0.00	0.00	0.00	25.00	27.48	75.00	72.52	0.00	0.00	100.00	100.00
> $250K - <=1Mil	0	$0	1	$655	1	$400	8	$3,416	0	$0	10	$4,471
%Row	0.00	0.00	10.00	14.65	10.00	8.95	80.00	76.40	0.00	0.00	100.00	100.00
> $1Mil	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchases <= $100k	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
>$100 - <= $250k	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
>$250K - <=$1Mil	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
>$1Mil	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revenues												
<= $1 Million	2	$6	9	$76	26	$257	101	$1,832	1	$22	139	$2,193
%Row	1.44	0.27	6.47	3.47	18.71	11.72	72.66	83.54	0.72	1.00	100.00	100.00
>$1 Million	1	$20	4	$732	7	$497	17	$2,846	0	$0	29	$4,095
%Row	3.45	0.49	13.79	17.88	24.14	12.14	58.62	69.50	0.00	0.00	100.00	100.00
Unknown	1	$3	8	$108	18	$661	48	$1,467	0	$0	75	$2,239
%Row	1.33	0.13	10.67	4.82	24.00	29.52	64.00	65.52	0.00	0.00	100.00	100.00
Totals												
Originations	4	$29	21	$916	51	$1,415	166	$6,145	1	$22	243	$8,527
	1.65	0.34	8.64	10.74	20.99	16.59	68.31	72.07	0.41	0.26	100.00	100.00
Purchases	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	4	$29	21	$916	51	$1,415	166	$6,145	1	$22	243	$8,527
%Row	1.65	0.34	8.64	10.74	20.99	16.59	68.31	72.07	0.41	0.26	100.00	100.00

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Summary of Small Business (0-$1Mil) and Farm Loans (0-$500)

2017_CRA_SBSF_Submission_File

Active Filters

(State is NC and MSA is Durham-Chapel Hill, NC MSA and County is Orange)
Action is Originated

Summary of Small Business (0-$1Mil) and Farm Loans (0-$500k)

Tract Income Level	**Low**		**Moderate**		**Middle**		**Upper**		**NA**		**Total**	
	Count	*Amount*	*Count*	*Amount*	*Count*	*Amount*	*Count*	*Amount*	*Count*	*Amount*	*Count*	*Amount*
Small Business Loans												
Originations	0	$0	7	$107	88	$2,942	170	$5,050	1	$6	266	$8,105
%Row	0.00	0.00	2.63	1.32	33.08	36.30	63.91	62.31	0.38	0.07	100.00	100.00
Purchases	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Farm Loans												
Originations	0	$0	0	$0	6	$45	1	$5	0	$0	7	$50
%Row	0.00	0.00	0.00	0.00	85.71	90.00	14.29	10.00	0.00	0.00	100.00	100.00
Purchases	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loan Size Category												
Originations < $100k	0	$0	7	$107	87	$1,007	162	$1,975	1	$6	257	$3,095
%Row	0.00	0.00	2.72	3.46	33.85	32.54	63.04	63.81	0.39	0.19	100.00	100.00
>$100 - <=$250k	0	$0	0	$0	2	$380	5	$975	0	$0	7	$1,355
%Row	0.00	0.00	0.00	0.00	28.57	28.04	71.43	71.96	0.00	0.00	100.00	100.00
> $250K - <=1Mil	0	$0	0	$0	5	$1,600	4	$2,105	0	$0	9	$3,705
%Row	0.00	0.00	0.00	0.00	55.56	43.18	44.44	56.82	0.00	0.00	100.00	100.00
> $1Mil	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchases <= $100k	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
>$100 - <= $250k	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
>$250K - <=$1Mil	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
>$1Mil	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revenues												
<= $1 Million	0	$0	5	$69	47	$514	97	$2,411	1	$6	150	$3,000
%Row	0.00	0.00	3.33	2.30	31.33	17.13	64.67	80.37	0.67	0.20	100.00	100.00
>$1 Million	0	$0	0	$0	5	$204	9	$802	0	$0	14	$1,006
%Row	0.00	0.00	0.00	0.00	35.71	20.28	64.29	79.72	0.00	0.00	100.00	100.00
Unknown	0	$0	2	$38	42	$2,269	65	$1,842	0	$0	109	$4,149
%Row	0.00	0.00	1.83	0.92	38.53	54.69	59.63	44.40	0.00	0.00	100.00	100.00
Totals												
Originations	0	$0	7	$107	94	$2,987	171	$5,055	1	$6	273	$8,155
	0.00	0.00	2.56	1.31	34.43	36.63	62.64	61.99	0.37	0.07	100.00	100.00
Purchases	0	$0	0	$0	0	$0	0	$0	0	$0	0	$0
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	0	$0	7	$107	94	$2,987	171	$5,055	1	$6	273	$8,155
%Row	0.00	0.00	2.56	1.31	34.43	36.63	62.64	61.99	0.37	0.07	100.00	100.00

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Summary of Small Business (0-$1Mil) and Farm Loans (0-$500)

2018_CRA_SBSF_Submission_File

Active Filters

(State is NC and MSA is Durham-Chapel Hill, NC MSA and County is Orange)
Action is Originated

Summary of Small Business (0-$1Mil) and Farm Loans (0-$500k)

Tract Income Level	Low		Moderate		Middle		Upper		NA		Total	
	Count	*Amount*	*Count*	*Amount*	*Count*	*Amount*	*Count*	*Amount*	*Count*	*Amount*	*Count*	*Amount*
Small Business Loans												
Originations	-	$ -	11	$ 205	98	$ 1,554	172	$ 3,888	1	$ 5	282	$ 5,652
%Row	0.00	0.00	3.90	3.63	34.75	27.49	60.99	68.79	0.35	0.09	10000.00%	10000.00%
Purchases	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%
Farm Loans												
Originations	-	$ -	-	$ -	2	$ 31	-	$ -	-	$ -	2	$ 31
%Row	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	10000.00%	10000.00%
Purchases	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%
Loan Size Category												
Originations < $100k	-	$ -	11	$ 205	98	$ 1,205	166	$ 1,978	1	$ 5	276	$ 3,393
%Row	0.00	0.00	3.99	6.04	35.51	35.51	60.14	58.30	0.36	0.15	10000.00%	10000.00%
>$100 - <=$250k	-	$ -	-	$ -	2	$ 380	4	$ 850	-	$ -	6	$ 1,230
%Row	0.00	0.00	0.00	0.00	33.33	30.89	66.67	69.11	0.00	0.00	10000.00%	10000.00%
> $250K - <=1Mil	-	$ -	-	$ -	-	$ -	2	$ 1,060	-	$ -	2	$ 1,060
%Row	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	10000.00%	10000.00%
> $1Mil	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%
Purchases <= $100k	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%
>$100 - <= $250k	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%
>$250K - <=$1Mil	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%
>$1Mil	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
%Row	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%
Revenues												
<= $1 Million	-	$ -	5	$ 85	46	$ 500	95	$ 1,355	-	$ -	146	$ 1,940
%Row	0.00	0.00	3.42	4.38	31.51	25.77	65.07	69.85	0.00	0.00	10000.00%	10000.00%
>$1 Million	-	$ -	1	$ 44	7	$ 395	5	$ 602	-	$ -	13	$ 1,041
%Row	0.00	0.00	7.69	4.23	53.85	37.94	38.46	57.83	0.00	0.00	10000.00%	10000.00%
Unknown	-	$ -	5	$ 76	47	$ 690	72	$ 1,931	1	$ 5	125	$ 2,702
%Row	0.00	0.00	4.00	2.81	37.60	25.54	57.60	71.47	0.80	0.19	10000.00%	10000.00%
Totals												
Originations	-	$ -	11	$ 205	100	$ 1,585	172	$ 3,888	1	$ 5	284	$ 5,683
	0.00	0.00	3.87	3.61	35.21	27.89	60.56	68.41	0.35	0.09	10000.00%	10000.00%
Purchases	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00%
Total	-	$ -	11	$ 205	100	$ 1,585	172	$ 3,888	1	$ 5	284	$ 5,683
%Row	0.00	0.00	3.87	3.61	35.21	27.89	60.56	68.41	0.35	0.09	10000.00%	10000.00%

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© PCi Corporation CRA *Wiz*, Tel: 800-261-3111

Tract Income vs Applicant Income

2018_BANA_HMDA_Submission

Active Filters

(State is NC and MSA is Durham-Chapel Hill, NC MSA and County is Orange)

Loan Purpose is Home Improvement and (Action Taken is Originated)

Count and Amount	**Applicant Income as % of MSA Median**											
Tract Median as % of MSA Median Income	**Low(<50%)**		**Mod(50-79%)**		**Mid(80-119%)**		**Upper(>=120%)**		**NA**		**Total**	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount
Low	0	0	0	0	0	0	0	0	0	0	0	0
Moderate	0	0	0	0	0	0	0	0	0	0	0	0
Middle	0	0	4	300	3	242	2	63	0	0	9	605
Upper	0	0	1	50	2	200	7	638	0	0	10	888
NA	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	5	350	5	442	9	701	0	0	19	1,493

Tract Income vs Applicant Income

2018_BANA_HMDA_Submission

Active Filters

(State is NC and MSA is Durham-Chapel Hill, NC MSA and County is Orange)
Loan Purpose is Home Purchase and (Action Taken is Originated)

Count and Amount	**Applicant Income as % of MSA Median**											
Tract Median as % of	**Low(<50%)**		**Mod(50-79%)**		**Mid(80-119%)**		**Upper(>=120%)**		**NA**		**Total**	
MSA Median Income	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount
Low	0	0	0	0	0	0	0	0	0	0	0	0
Moderate	0	0	0	0	3	604	0	0	0	0	3	604
Middle	1	120	2	436	0	0	11	3,764	0	0	14	4,320
Upper	0	0	2	328	1	292	26	13,826	1	400	30	14,846
NA	0	0	0	0	0	0	0	0	0	0	0	0
Total	1	120	4	764	4	896	37	17,590	1	400	47	19,770

Tract Income vs Applicant Income

2018_BANA_HMDA_Submission

Active Filters

(State is NC and MSA is Durham-Chapel Hill, NC MSA and County is Orange)
Loan Purpose is Refinancing or Cash-out Refinance and (Action Taken is Originated)

Count and Amount	**Applicant Income as % of MSA Median**											
Tract Median as % of	**Low(<50%)**		**Mod(50-79%)**		**Mid(80-119%)**		**Upper(>=120%)**		**NA**		**Total**	
MSA Median Income	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount
Low	0	0	0	0	0	0	0	0	0	0	0	0
Moderate	0	0	0	0	0	0	0	0	0	0	0	0
Middle	0	0	3	401	3	518	6	912	0	0	12	1,831
Upper	1	100	2	245	4	725	15	3,378	1	402	23	4,850
NA	0	0	0	0	0	0	0	0	0	0	0	0
Total	1	100	5	646	7	1,243	21	4,290	1	402	35	6,681

BB&T Proposal for Banking Services

Orange Water and Sewer Authority

August 8, 2019

Presented by:

Jeff Ward
Senior Vice President
Regional Corporate Banker
434 Fayetteville Street, 4th floor
Raleigh, NC 27601
919-716-9209
JLWard@BBandT.com

Natalie Valchar
Vice President
Regional Treasury Consultant
434 Fayetteville Street, 4th floor
Raleigh, NC 27601
919-716-9147
NValchar@BBandT.com

BB&T Culture

The secret to BB&T's success is no secret at all. It's our culture – a deep-rooted and personal commitment to our vision, mission and values – as the basis for every decision we make. It's what allowed us to survive and thrive for more than 147 years and our constant beacon guiding us to the BB&T of tomorrow.

Our Vision

To Create the Best Financial Institution Possible – ***"The Best of the Best"***

Our Mission

To make the world a better place to live, by:

- Helping our ***CLIENTS*** achieve economic success and financial security;
- Creating a place where our ***EMPLOYEES*** can learn, grow and be fulfilled in their work;
- Making the ***COMMUNITIES*** in which we work better places to be; and thereby:
- Optimizing the long-term return to our ***SHAREHOLDERS***, while providing a safe and sound investment

Values

At BB&T, ***10 core values*** represent our overarching beliefs. Values provide the context for how we make decisions and operate our business. Values enable us, as individuals, to live, be successful and achieve happiness, and they help us achieve our mission and corporate purpose. Our 10 values are consistent with one another and integrated into a sound framework of character, judgment, success and happiness. To fully act on one of these values, you must also act consistently with the other values. Our focus on values grows from our belief that ideas matter and an individual's character is of critical significance.

BB&T was named on the *FORTUNE* **"World's Most Admired Companies"** list in the superregional bank category in 2018.



Commitment to Culture

Our passion is to create the best financial institution possible. Our motivation is to fulfill our mission. And our values provide the context for how we make decisions, serve our clients and do noble work for our communities. BB&T's culture is intentional and absolute. In 2017, we celebrated our culture by holding 53 mission dinners in 39 cities throughout BB&T's footprint. Members of our Executive Management team attended each of these town hall-style meetings to inspire and more deeply connect our associates to our culture. In a constantly changing world, our strategies and tactics must continually evolve, but our vision, mission and values have led us through challenging times and will guide us to the BB&T of tomorrow.

Dedicated to our Clients and the Local Community

We believe in being strong community partners. BB&T is a reflection of the financial strength and vibrancy of our communities. We believe in engaging our communities through financial support, associate volunteer work and leadership roles. This includes supporting charitable organizations, education at all levels, financial literacy and leadership development. BB&T actively supports the United Way and leads numerous community-based Lighthouse Projects throughout our footprint. Teamwork within our communities is vital to their growth and our success. We are proud to serve as leaders in our communities.

BB&T is regularly featured as a ***Company of the Week*** by *The Financial Services Roundtable*. Companies are showcased for their leadership and dedication to improving our communities and expanding financial literacy in America.

BB&T Lighthouse Project

The demand for services to address the critical needs of our communities is immense. You can see it everywhere – from our school systems where hunger prevents children from focusing on their education – to our streets and homeless shelters where many, including veterans, search to escape oppressive heat and bitter cold. The BB&T Lighthouse Project gives us an opportunity to provide corporate financial support to local charities, while our associates work on projects including landscaping, painting, preparing meals and more.

Since 2009, BB&T has hosted many Community projects under our Lighthouse Project which is an all-hands-on-deck community service effort held throughout the BB&T footprint. Teams of associates volunteer time away from work to partner with non-profit organizations helping people most in need of assistance.

We began the BB&T Lighthouse Project in 2009 and since then have completed **11,000 community service projects**, provided more than **640,000 volunteer hours**, and helped change the lives of more than **16.5 million people**. During 2018, we completed more than **1,200 community service projects**, provided more than **84,000 volunteer hours**, and helped change the lives of more than **1.5 million people**. At BB&T, we are committed to our local community.



BB&T Bank Bus

In 2018, the BB&T Bank Bus participated in 136 events, helping meet the needs of our clients and our communities where they are. It is equipped with 11 internet-ready computers, two printers, a shredder and a cash dispensing ATM. The bus is fully self-contained, with its own generator and roof-mounted satellite system. The computers can be used to obtain credit reports, open accounts at BBT.com and visit financial education websites that provide information on money management, home ownership, credit management, the Earned Income Tax Credit and general financial health.

Financial Education

The need for financial education is great. Proactively teaching personal finance in schools and providing students with a foundation of knowledge is critical, because the financial knowledge teenagers develop today will set the tone for the decisions they make in their future.

- The **BB&T Financial Foundations program** continued to grow, ending the year in 1,289 high schools in 15 states and Washington, D.C.
- Topics covered include: savings, banking, credit card and interest rates, credit score, financing higher education, renting versus owning, taxes and insurance, consumer fraud and investing.

Other opportunities are ongoing and included financial education provided for:

- Youth, adults, seniors, first-time home buyers and small business owners led by BB&T associates.
- More than 240,000 students in kindergarten through high school with BB&T's support.
- More than 16,000 college students through partnerships with Historically Black Colleges and Universities (HBCU), community colleges and institutions of higher education.

BB&T has been named one of the **2018 Best Banks in America** by *Forbes.*



Affordable Housing

- BB&T provided affordable housing financing of more than $718 million with bridge, construction, rehabilitation and permanent lending. Affordable housing was a component of BB&T's total community development lending of more than $2 billion.
- To support construction and rehabilitation of affordable housing, BB&T invested more than $543 million in Low Income and Historic Preservation Tax Credits. In addition, BB&T invested $109 million in securities which provided permanent financing for addordable housing projects.
- BB&T provided $3.16 billion in mortgage financing to low-to-moderate income communities.
- As a member of the Federal Home Loan Bank of Atlanta, BB&T
  - Supported 26 developments for the Affordable Housing Program competitive application. Eleven projects in five states were awarded $4 million, leveraging a projected $39 million in total development financing.
  - Provided $340,000 in down-payment assistance to 81 home buyers through the First-time Homebuyer Program and Community Partner Programs.

Multicultural Outreach

Like the nation's shifting demographics, our multicultural program is constantly evolving. What remains steadfast is our commitment to clients, businesses and organizations in the multicultural communities we serve. BB&T provides community-appropriate language services at financial centers throughout our footprint. BB&T has a Spanish language website at Es.BBT.com. Through BB&T Phone24, our clients receive service spoken in more than 130 languages. BB&T employs multilingual customer support representatives to ensure personal service for all our clients.

BB&T was awarded the ***Corporate Social Responsibility Leadership*** award.

Welcoming and serving our multicultural communities is a commitment BB&T has made and continues to make throughout our footprint. From growing our presence in our Asian and African-American communities to expanding our support for our LGBT friends, family and neighbors, we are constantly looking for new and better ways to make a difference in all our communities.

- Added 200 Multicultural Banking Centers focused on Asian and African-American clients, for more than 600 Multicultural Centers total
- Had 225 bankers graduate from our Amigos training program, learning cultural differences and how best to serve the needs of their communities
- Continued our Lunar New Year program, including the creation of a Lunar New Year calendar for the Year of the Rooster
- Worked with our partners in BB&T Home Mortgage to reach out to current and prospective homeowners and realtors serving multicultural clients and areas
- Continued to provide appropriate language services both at financial centers throughout our footprint and through BB&T Phone24
- Implemented new strategies to hire associates in our multicultural banking centers who represent those communities

In 2014, BB&T developed a financial knowledge program called **"Bank on Your Success"** to enhance financial education opportunities for multicultural communities. This program provides classes on banking basics, family budgeting and becoming a homeowner. BB&T works with local faith, community and student organizations to invite these groups to "Bank on Your Success" sessions. **Last year, we touched nearly 40,000 individuals with more than 1,900 sessions across our footprint.**

Recent Community Reinvestment Act (CRA) Performance

- Community Development Lending

- Our community development lending performance exhibits an outstanding level of commitment to meeting the credit needs of the communities we serve.

- BB&T Annual Development Lending Totals
  - 2017 - $2 billion
  - 2016 - $2 billion
  - 2015 - $1.7 billion

BB&T received an *outstanding* rating on our most recent CRA report released by the FDIC.

- Community Development Services
  - BB&T is a leader in providing community development services through partnerships with local and statewide organizations dedicated to affordable housing, economic development, community services and revitalization activities. Associates are engaged as board members, financial experts and financial educators to both individuals and small businesses. In 2017, BB&T associates provided more than 2,700 qualified community development services across our footprint.

- Community Investments
  - BB&T works diligently with government agencies, tax-credit syndicators and nonprofits to seek investment and charitable contribution opportunities. Our corporate investments include low-income housing tax credits, historical rehabilitation tax credits, small business investment company, bonds and several other impactful offerings. The majority of our investments support affordable, multifamily rental projects.

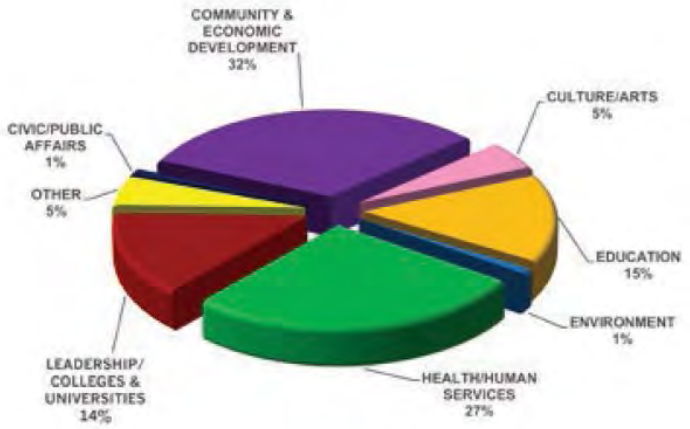
  - BB&T Annual Investment Totals
    - 2017 - $665 million
    - 2016 - $608 million
    - 2015 - $533 million

BB&T Homeless Outreach Program

BB&T launched our homelessness outreach program in 2012. Recognizing that homelessness often affects struggling families with children, the program focuses on getting families back into more permanent housing, providing educational opportunities for work stability, and helping overcome barriers to achieving those priorities. Our support spans many southeastern states and the District of Columbia. To date, the additional support for emergency housing, food, transportation, medical care and other needs identified by community partners has helped 75,000 homeless students and their families identified through the McKinney-Vento Act.

BB&T Charitable Giving

Part of the BB&T Mission is “making the communities in which we work better places to live.” Our economic results are significantly affected by the success of our communities. As a good corporate citizen, it is appropriate for BB&T to be actively involved through our philanthropic efforts and our relationships with nonprofit organizations to help meet the unique needs of the communities we serve. BB&T desires to build strong relationships and focus our financial support on those organizations and projects that provide the most value to our communities.



2017 Charitable Giving by BB&T

BB&T and its Charitable Fund granted over $26 million to support communities and charitable organizations across its footprint. These grants include over $750,000 to fund relief efforts in the aftermath of the damage left behind by Hurricanes Harvey, Irma and Maria along with destructive tornadoes that impacted the state of Georgia.

Additionally, we donated $100 million to our philanthropic fund. Those funds will be used to support organizations and communities throughout our footprint.

Our Commitment to Orange County, North Carolina

BB&T is a reflection of the financial strength and vibrancy of our communities. We believe in engaging our communities through financial support, associate volunteer work and leadership roles. This includes supporting charitable organizations, education at all levels, financial literacy and leadership development. BB&T actively supports each state in our footprint. Please see below for more information on our commitment to Orange County, North Carolina

BB&T Associates and Branches in Orange County, North Carolina

BB&T employs over 37,000 associates nationwide including 32 associates in Orange County, North Carolina. BB&T strives to create a place where our associates can learn, grow and be fulfilled in their work. We are in the business of sharing financial knowledge and are only as good as the talent we attract, develop and retain. BB&T Chairman and CEO Kelly S. King said "By far, our associates are our most important asset. They're the biggest reason we're able to serve our clients each and every day in an extraordinary way." In addition, BB&T has 3 full service branches in Orange County, North Carolina.

BB&T Lighthouse Projects in Orange County, North Carolina

Since 2009, BB&T has hosted many Community projects under our Lighthouse Project which is an all-hands-on-deck community service effort held throughout the BB&T footprint. Teams of associates volunteer time away from work to partner with non-profit organizations helping people most in need of assistance.

During 2019, twenty-two associates in Orange County, North Carolina completed a community service project to assist the Ronald McDonald House, providing 60 volunteer hours, and helped changed the lives of 350 people in the community.

The BB&T Lighthouse Project gives us an opportunity to provide corporate financial support to local charities, while our associates work on projects including landscaping, painting, preparing meals and more.

BB&T Financial Foundations Program

The need for financial education is great. Proactively teaching personal finance in schools and providing students with a foundation of knowledge is critical, because the financial knowledge teenagers develop today will set the tone for the decisions they make in their future.

The **BB&T Financial Foundations program** is a financial knowledge curriculum taught by BB&T associates. Topics covered include: savings, banking, credit card and interest rates, credit score, financing higher education, renting versus owning, taxes and insurance, consumer fraud and investing. **In 2018-2019, our associates presented the program online at 8 schools, reaching a total of 473 students in Orange County, North Carolina.**

Helping our Communities Build Leaders

The BB&T Leadership Institute provides leadership development, human resources programs and consulting to empower corporate executives, business owners, education leaders and BB&T associates to build leadership capacity and reach performance goals.

The BB&T Leadership Institute has also customized a program to meet the specific leadership development needs of public school leaders. Through both open-enrollment programs and specific state-level partnerships in North Carolina, South Carolina and Kentucky, over 500 public school principals and other administrators have benefited from this highly experiential program that focuses on developing conscious leadership.

In addition, the institute provides ongoing learning opportunities that support principals as they face some of their biggest leadership challenges, such as leading change and fostering teacher engagement. We recognize that strong leadership in schools is known to be a determining factor in student outcomes, and our commitment to provide this programming tuition-free represents a long-term investment in the future of our communities.

Recent Community Reinvestment Act (CRA) Performance

BB&T received an outstanding rating on our most recent CRA report released by the FDIC. We've included CRA information for North Carolina below:

2018 Totals	Community Development Loans – 145 loans totaling $362,413,195 Community Development Grants – 450 grants totaling $1,824,391 Community Development Services – 440
2017 Totals	Community Development Loans – 80 loans totaling $346,430,268 Community Development Grants – 456 grants totaling $2,085,632 Community Development Services – 388

BB&T made ~$247 million (2017 & 2018) in Low Income Housing Tax Credits and Affordable Bonds to support affordable rental housing in 71 affordable rental communities located in fourteen geographies/metro areas: Durham MSA, Greensboro MSA, Hickory MSA, Raleigh MSA, Winston-Salem MSA, Burlington MSA, Fayetteville MSA, Greenville MSA, Jacksonville MSA, New Bern MSA, Rocky Mount MSA, Wilmington MSA, Charlotte NC-SC MSA, Myrtle Beach NC-SC MSA and the sixteen non-metro counties of Carteret, Cleveland, Columbus, Gaston, Granville, Halifax, Harnett, Lee, Lenoir, Richmond, Robeson, Surry, Warren, Watauga, Wilkes, and Wilson.

be 1.75%. The rate indexing in this proposal is guaranteed for 36 months and may be adjusted at the end of the commitment period.

Please see the attached Proformas for additional detail

2. **Provide pricing for purchasing card services (if offered) including all fees and rebate provisions. The OWASA's most recent purchasing card statement is provided as Attachment C in order to provide the Bank with information on the OWASA's level of activity.**

Bank Response: Please refer to the Account Recommendations and Pricing Section of our proposal for BB&T's Purchasing Card Service Overview along with our Pricing and Rebate Schedule.

3. **Provide pricing for any products or services recommended and / or proposed in the response that are not included in Attachment B**.

Bank Response: BB&T will provide a custom price quote for these recommended services upon further discussion in order to provide an accurate and complete estimate. For conservative bench-marking and estimate, the price list for our Commerce Gateway Payables service is as follows:

COMMERCE GATEWAY PAYABLES			
COMM GATEWAY PAY I/CHK-ACH-CRD	(Setup)	0	$3,500.00
SUPPLIER ENROLLMENT CAMP/1-500	(Setup)	0	$350.00
SUPPLIER ENROLL CAMP/501-1000	(Setup)	0	$600.00
COMM GATEWAY MAINT/PAY 1ST ACC		0	$300.00
COMM GATEWAY PAYABLES/TRANSACT ≤500		0	$0.70
COMM GATEWAY PAY ADD/CHNG ACCT		0	$450.00
CG PAYABLES CHECK PRINTING			
CHECK PROCESSING FEE		0	$0.70
CHECK ADDITIONAL PAGES		0	$0.20
CHECK POSTAGE/FREIGHT		0	$0.41
ACH PAYMENT		0	$0.15

SECTION IV – ENVIRONMENTAL AND SOCIAL STANDARDS

A. **Regulatory Compliance**. The OWASA is committed to ensuring that its banking partner complies with all regulations, including lending and employment. In order to help the OWASA evaluate the Bank's record in this area, the Bank is requested to provide the following information.

1. **Provide a statement disclosing any enforcement investigations and / or completed enforcement actions undertaken against the Bank in the past five years by the Consumer Financial Protection Bureau, U.S. Department of Justice, Federal Deposit Insurance Corporation, Federal Reserve Board, Financial Industry Regulatory Authority, National Credit Union Association, Office of the Comptroller of the Currency, U.S. Securities and Exchange Commission, the North Carolina Department of Justice, or any applicable state banking regulatory body. Include the following (note: supplemental information regarding regulatory enforcement actions may be included as an exhibit to the proposal):**

i. **Description and date of the enforcement action**

Bank Response: On December 20, 2016, a joint Consent Order was entered into by Branch Banking and Trust Company ("BB&T") with the Federal Deposit Insurance Corporation ("FDIC") and the North Carolina Office of the Commissioner of Banks ("NCCOB"). The formal order called for corrective actions and enhancements to address certain internal control deficiencies within the Bank Secrecy Act/Anti-Money Laundering ("BSA/AML") Compliance Program. No criminal activity was identified as a result of the deficiencies, and no financial penalty was levied. BB&T has continued to take significant steps towards the improvement of its BSA/AML program, including: (i) additional investment into processes and system upgrades to strengthen anti-money laundering controls; (ii) continued emphasis on education, training, and the importance of compliance for all associates; and (iii) the hiring and placement of a highly experienced BSA/AML professional to oversee these efforts. On June 28, 2018, the formal FDIC/NCCOB Consent Order was terminated.

ii. **Basis for the enforcement action**

Bank Response: Bank Secrecy Act

iii. **Name of the enforcing agency which undertook the action**

Bank Response: Federal Deposit Insurance Corporation and NCCOB – Consent Order

iv. **Measures taken by the Bank to address or resolve the conditions which led to the enforcement action**

Bank Response: BB&T has continued to take significant steps towards the improvement of its BSA/AML program, including: (i) additional investment into processes and system upgrades to strengthen anti-money laundering controls; (ii) continued emphasis on education, training, and the importance of compliance for all associates; and (iii) the hiring and placement of a highly experienced BSA/AML professional to oversee these efforts.

v. **Current status of the enforcement action**

Bank Response: On June 28, 2018, the formal FDIC/NCCOB Consent Order was terminated.

2. **Provide a statement certifying that the Bank does not engage in illegal predatory consumer adverse practices nor base evaluation, promotion, discipline, or compensation of any employee on illegal predatory consumer adverse practices. The determination that a banking practice is predatory or illegal shall be based on findings made by appropriate government regulatory agencies, such as the Consumer Financial Protection Bureau, and courts of law.**

Bank Response: BB&T does not engage in illegal predatory consumer practices of any kind.

3. **Provide evidence that the Bank is committed to ensuring the promotion of diversity and equal opportunity for development and advancement for all employees, and does not discriminate based on race, creed, color, religion, gender, age, sexual orientation, national origin or political affiliation.**

Bank Response: BB&T supports a diverse workforce and is an Equal Opportunity Employer who does not discriminate against individuals on the basis of race, gender, color, religion, national origin, age, sexual orientation, gender identity, disability, veteran status or other classification

protected by law.

B. **Community Lending Activity / Investment**. The OWASA is committed to ensuring that its banking partner has continuing and affirmative obligations to meet the credit needs of individuals and businesses within the OWASA's service area. In order to help the OWASA evaluate the Bank's record in this area, the Bank is requested to provide the following information.

1. **Provide a copy of the most recent Public Disclosure "Community Reinvestment Act Performance Evaluation" issued by the federal regulatory agency authorized to conduct evaluations. Please ensure the disclosure includes the overall CRA rating as well as the CRA rating for the primary rating area that encompasses the Chapel Hill / Carrboro community.**

Bank Response: BB&T's current Community Reinvestment Act rating is "Outstanding" according to the latest Community Reinvestment Act report released by the FDIC on May 1, 2018. BB&T strives to make a difference in the daily lives of individuals within our communities and also strengthen the overall economic vitality in our neighborhoods. We understand the positive benefits to everyone when low- and moderate-income individuals have access to a wide range of banking services and the opportunity to build wealth.

Our vision statement is built on our Community Development team striving for excellence while providing innovative and customized solutions for each neighborhood. Every community faces different challenges and identifies different strategies for success. We realize our commitment requires a hands-on approach in determining and responding to community needs. BB&T has established a corporate policy to embed this philosophy into a framework for Community Development, and Community Reinvestment activities. Our proactive pursuit of innovative programs, products and initiatives will provide important funding, financing and investments for affordable housing, including capacity-building opportunities for community development corporations and other nonprofit ventures. In addition, our small business lending programs and technical assistance support economic development to create a bridge to greater prosperity.

A copy of the Community Reinvestment Act report can be found here:

https://www.ffiec.gov/craratings/default.aspx

2. **Provide the aggregate number and amount of loans made since 2014 to the Chapel Hill / Carrboro community of:**

i. **$100,000 or less;**

ii. **More than $100,00 but less than or equal to $250,000; and**

iii. **More than $250,000.**

Bank Response: See answer to question below

3. **Provide the aggregate number and amount of loans made since 2014 for the Chapel Hill / Carrboro community to businesses with gross annual revenues of $1 million or less and describe any goals or activities to engage these businesses.**

Bank Response: Please see chart below which answers items 2 and 3.

BB&T Small Business Lending in Orange County, NC
2014 - 2019 YTD

Category	2014		2015		2016		2017		2018		6/30/2019		Total	
	#	$000s	#	$000s	#	$000s	#	$000s	#	$000s	#	$000s	#	$000s
≤ 100K	150	2,796	187	3,307	194	4,065	197	3,698	348	5,986	155	2,439	1,231	22,291
100 - 250K	21	4,019	19	3,747	21	4,382	17	3,275	26	4,883	16	2,863	120	23,169
> 250K	27	15,962	44	23,171	29	22,276	27	16,644	24	10,797	12	6,387	163	95,237
Total SB Loans	***198***	***22,777***	***250***	***30,225***	***244***	***30,723***	***241***	***23,617***	***398***	***21,666***	***183***	***11,689***	***1,514***	***140,697***
≤ 1MM GAR	122	8,313	161	15,091	177	12,253	176	10,622	325	9,323	128	4,381	1,089	59,983
Total SB Loans	***198***	***22,777***	***250***	***30,225***	***244***	***30,723***	***241***	***23,617***	***398***	***21,666***	***183***	***11,689***	***1,514***	***140,697***

4. **Describe any services targeted to low or moderate income individuals or activities that revitalize or stabilize low or moderate income geographies, designated disaster areas, or distressed or underserved nonmetropolitan areas based on rates of poverty, unemployment, and population loss, including loans, investments, or services that support, enable, or facilitate projects or activities that meet the "eligible uses" criteria described in Section 2301**

   (c) of the Housing and Economic Recovery Act of 2008 (HERA), Public Law 110-289, 122 Stat. 2654, as amended, and are conducted in designated target areas identified in plans approved by the United States Department of Housing and Urban Development in accordance with the Neighborhood Stabilization Program (NSP).

   Bank Response: **Financial Education:** Through "Bank on Your Success," our associates provided more than 2,300 free financial education sessions during 2018 and reached more than 45,000 individuals. Based on the success of that program, we piloted a new module, "Growing Your Business," with a focus on small business. The pilot resulted in 110 sessions supporting 1,100 small business owners.

   BB&T Associates have provided 72 community development services in the Durham MSA from 2017 to – 2019 YTD. Our Associates partnered with Community Reinvestment Partners, TROSA, Durham Housing Authority and EDCI to provide financial education to their clients and staff. One example was our Economic Success Day, where we partnered with TROSA, DUKE LAW CLINIC AND REINVESTMENT PARTNERS to utilize our Bank Bus to provide Free Tax Preparation, Credit Reports and a Credit 101 presentation for their clients.

   Community Service: Associates completed more than 1,200 projects and provided more than 84,000 volunteer hours through the BB&T Lighthouse Project.

   Charitable Giving: BB&T and its Charitable Fund granted more than $34 million to support communities and charitable organizations across our footprint. These grants included $2 million to fund relief efforts in the aftermath of Hurricanes Florence and Michael.

5. **Describe the Bank's efforts in home lending for underserved communities and provide a record of those efforts noting residential mortgage loans, home equity loans and improvement loans**

   Bank Response: Affordable Housing: BB&T provided affordable housing financing of more than $623 million, which was a component of its total community development lending of more than $1.7 billion

6. **Describe the Bank's efforts with capital investment, loan participation, and other ventures undertaken in cooperation with minority and women owned financial institutions and low-income credit unions which help meet the credit needs of local communities in which the minority and women owned financial institutions and low-income credit unions are chartered.**

   Bank Response: BB&T has been a longtime partner of Self-Help Credit Union (Martin Eakes, President) and in July 2019 we granted $50,635 to their Small Business Fund. In the past we have worked with them to originate low-moderate income home mortgage loans and donated $1,000,000 from a Bank Enterprise Award to them. We assisted in helping create the MDI FUND (Kim Saunders-past president of M&F Bank was fund creator) BB&T offered to invest $5MM which would go to the fund for MDI institutions in our footprint. The fund never received enough investor interest (Raymond James was market leader) and it never officially opened.

7. **Provide a record of low-cost education loans originated by the Bank to borrowers who have an individual income that is less than 50% of the area median income.**

   Bank Response: This specific information is not compiled at this time.

8. **Provide data about consumer loans made to low and moderate income citizens in the Chapel Hill / Carrboro community such as motor vehicle, credit card, and other secured consumer loans.**

   Bank Response: This specific information is not compiled at this time.

9. **Provide the number of checking accounts and savings accounts provided to individuals within the Chapel Hill / Carrboro community.**

   Bank Response: As of June 30, 2019:

Branch	Transaction	Savings	MMDA	Time (CD + IRA)	Grand Total
6013102	2,696	841	392	241	**4,170**
6013107	2,016	777	252	147	**3,192**
6013111	2,354	924	375	149	**3,802**
6013901	1,496	567	217	89	**2,369**
6013902	2,599	1,011	436	182	**4,228**
6013904	1,215	532	282	57	**2,086**
Grand Total	**12,376**	**4,652**	**1,954**	**865**	**19,847**

C. **Environmental**. The OWASA is committed to ensuring that its banking partner promotes environmental and global protection. In order to help the OWASA evaluate the Bank's record in this area, the Bank is requested to provide the following information.

1. **Provide any company policies, initiatives, or strategies that support sustainable ecological growth, minimize the ecological footprint, and promote a healthy natural environment. Include whether (and how) the Bank evaluates a potential client's social and environment responsibility.**

   Bank Response: See answer below.

2. **Provide an overview of the Bank's significant loan portfolio characteristics and lending activity in areas that demonstrate your commitment toward building a healthy and sustainable environment. Such areas may include, but not be limited to the following:**

i. **Energy industry that fosters clean energy fuels (solar, wind, geothermal energy)**

ii. **Technology industry to develop environmental sustainability**

iii. **Sustainable agriculture**

iv. **Clean water technology**

Bank Response: See answer below.

3. **Describe any partnerships, collaborations, or leadership initiatives that promote a healthy environment and low-carbon economy today and for generations to come.**
   Bank Response: BB&T invested more than $50 million across 1,250 of its facilities to decrease energy and water consumption, and set specific five-year targets to reduce electricity consumption by 25% and trim water use by 10%.

Environmental Sustainability

BB&T is proud to share information about our efforts to reduce the company's environmental impact. Increasingly, we carefully consider our effect on the neighborhoods and communities where we live and work alongside our clients. Limiting demand for resources is the best way to reduce our environmental footprint.

In 2018, BB&T continued to meaningfully reduce overall real estate space despite overall growth in the size of our company. For the first time, we set specific five-year targets to reduce our electricity consumption by 25% and trim water use by 10%. In response to these goals, BB&T invested over $50 million across more than 1,250 of our facilities to help us decrease energy and water consumption. This is the largest annual sustainability investment in our company's history, and we believe it's one of the largest commitments among our regional banking peers.

Major initiatives included installation of new LED lighting, upgrades to highly efficient heating and cooling technology, incorporation of an intelligent Energy Management System to eliminate waste and use of smarter irrigations systems to limit water use.

We're pleased to report we've already achieved a 13% reduction in electric use during the calendar year, the benefits of which we're still realizing. Even better, we've already exceeded our goal for reducing our total water consumption. On top of the environmental benefits, every investment we've made provides a financial return to our company through reduced expenses.

Our focus on finding ways to promote "paperless" internal business processes led to a 10% reduction in paper waste during the past few years. We expect current technology projects will

accelerate such changes in the near future. Providing our clients with an ever-expanding array of digital services allows BB&T to serve many client needs from anywhere; clients are able to reduce trips to the physical bank location and decrease the associated carbon emissions.
In building construction projects, BB&T also is an advocate for the environment and sustainable design. We incorporate sustainable design strategies where applicable, practical, economically feasible and consistent with the function and operations of the facility. BB&T focuses on general design strategies that promote sustainability and wellness rather than on a specific rating system.

General principles for design and construction include:

- Maximizing use of natural light to promote well-being and reduce electricity consumption
- Designing a more engaging workplace focused on the wellness and satisfaction of occupants while minimizing the amount of real estate needed

August 8, 2019



Orange Water and Sewer Authority

Banking and Related Services Proposal

Prepared by:

Charles Million
Senior Treasury Management Officer
1450 Brickell Avenue, Floor 33
Miami, FL 33131-3444
(305) 579-9625
charles.million@jpmorgan.com

Kevin Harewood
Relationship Executive
2000 Regency Parkway, Floor 4
Cary, NC 27518
(919) 278-1652
kevin.harewood@jpmorgan.com

J.P.Morgan

Section IV – Environmental and Social Standards

A. Regulatory Compliance. The Authority is committed to ensuring that its banking partner complies with all regulations, including lending and employment. In order to help the Authority evaluate the Bank's record in this area, the Bank is requested to provide the following information.

1. Provide a statement disclosing any enforcement investigations and / or completed enforcement actions undertaken against the Bank in the past five years by the Consumer Financial Protection Bureau, U.S. Department of Justice, Federal Deposit Insurance Corporation, Federal Reserve Board, Financial Industry Regulatory Authority, National Credit Union Association, Office of the Comptroller of the Currency, U.S. Securities and Exchange Commission, the North Carolina Department of Justice, or any applicable state banking regulatory body. Include the following (note: supplemental information regarding regulatory enforcement actions may be included as an exhibit to the proposal):

i. Description and date of the enforcement action

ii. Basis for the enforcement action

iii. Name of the enforcing agency which undertook the action

iv. Measures taken by the Bank to address or resolve the conditions which led to the enforcement action

v. Current status of the enforcement action

JPMorgan Chase & Co. and/or its subsidiaries (collectively, the "Firm") are defendants or putative defendants in numerous legal proceedings, including private civil litigations and regulatory/government investigations. The litigations range from individual actions involving a single plaintiff to class action lawsuits with potentially millions of class members. Investigations involve both formal and informal proceedings, by both governmental agencies and self-regulatory organizations. These legal proceedings are at varying stages of adjudication, arbitration or investigation, and involve each of the Firm's lines of business and geographies and a wide variety of claims (including common law tort and contract claims and statutory antitrust, securities and consumer protection claims), some of which present novel legal theories. Based on current knowledge, the Firm believes it has asserted meritorious defenses to the claims asserted against it in its currently outstanding legal proceedings, intends to defend itself vigorously in all such matters and does not believe that any pending legal proceeding would have a material effect on the Firm's performance of the services contemplated by the RFP. For further discussion, please refer to JPMorgan Chase & Co.'s publicly-filed disclosures, including its most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the U.S. Securities and Exchange Commission (available at: http://investor.shareholder.com/jpmorganchase/sec.cfm).

2. Provide a statement certifying that the Bank does not engage in illegal predatory consumer adverse practices nor base evaluation, promotion, discipline, or compensation of any employee on illegal predatory consumer adverse practices. The determination that a banking practice is predatory or illegal shall be based on findings made by appropriate government regulatory agencies, such as the Consumer Financial Protection Bureau, and courts of law.

The Bank has policies and procedures, which prohibit illegal predatory consumer adverse practices, and the Bank does not base evaluation, promotion, discipline or compensation of any employee on illegal predatory consumer adverse practices. Employee performance evaluations depend on the role and responsibilities of the individuals being assessed. In general, however, all employees are evaluated against criteria aligned to the role they perform. Employee performance and progress is reviewed regularly and performance levels are clearly aligned to JPMorgan Chase's compensation philosophy, which is based on a pay-for-performance approach. Compensation is managed on a total compensation basis, which includes base salary and incentive compensation for eligible employees. Generally, key factors in determining actual incentive awards are absolute and relative performance, market conditions and individual performance. Incentive payments in some customer-facing roles are based on providing products or services to customers.

3. Provide evidence that the Bank is committed to ensuring the promotion of diversity and equal opportunity for development and advancement for all employees, and does not discriminate based on race, creed, color, religion, gender, age, sexual orientation, national origin or political affiliation.

Please refer to our Equal Employment Opportunity Reaffirmation letter provided in Appendix 6.

B. Community Lending Activity / Investment. The Authority is committed to ensuring that its banking partner has continuing and affirmative obligations to meet the credit needs of individuals and businesses within the Authority's service area. In order to help the Authority evaluate the Bank's record in this area, the Bank is requested to provide the following information.

1. Provide a copy of the most recent Public Disclosure "Community Reinvestment Act Performance Evaluation" issued by the federal regulatory agency authorized to conduct evaluations. Please ensure the disclosure includes the overall CRA rating as well as the CRA rating for the primary rating area that encompasses the Chapel Hill / Carrboro community.

J.P. Morgan Chase Bank N.A. (Chase) has a proven history of commitment to the goals of the Community Reinvestment Act (CRA)—to ensure that credit is available to all communities, including those that are low- and moderate-income (LMI). Additionally, the bank has long supported economic development, affordable housing, support services, education and other community development initiatives by partnering with nonprofit organizations and financial intermediaries devoted to these areas.

The most recent CRA examination completed by the Office of the Comptroller of the Currency, covered CRA activities from January 1, 2011 – December 31, 2013, with an overall *Satisfactory* rating. The bank did not receive a CRA rating specific to the State of North Carolina due to having no retail branches located in the State during the above exam period.

Recent and historical reports for JPMorgan Chase Bank, N.A. can be viewed on the OCC website: http://apps.occ.gov/crasearch/default.aspx

2. **Provide the aggregate number and amount of loans made since 2014 to the Chapel Hill / Carrboro community of:**

   i. **$100,000 or less;**

   ii. **More than $100,00 but less than or equal to $250,000; and**

   iii. **More than $250,000.**

   Chase has a long tradition of market leadership in the area of home lending, making innovative mortgage products available to meet the needs of all homebuyers. From 2014 through 2018, over 750 single-family mortgage loans totaling more than $237 million were funded in Orange County, North Carolina, of which more than 10% were made to LMI customers or for homes located in LMI communities.

3. **Provide the aggregate number and amount of loans made since 2014 for the Chapel Hill / Carrboro community to businesses with gross annual revenues of $1 million or less and describe any goals or activities to engage these businesses.**

   The bank is also a market leader in the area of small business lending, making available a full range of competitively priced products designed to meet the needs of small businesses and their owners. From 2014 through 2018, more than 1,200 small business loans for over $14 million were originated during the period in Orange County, North Carolina, of which approximately 9% were made to small businesses located in LMI communities.

4. **Describe any services targeted to low or moderate income individuals or activities that revitalize or stabilize low or moderate income geographies, designated disaster areas, or distressed or underserved nonmetropolitan areas based on rates of poverty, unemployment, and population loss, including loans, investments, or services that support, enable, or facilitate projects or activities that meet the "eligible uses" criteria described in Section 2301 (c) of the Housing and Economic Recovery Act of 2008 (HERA), Public Law 110-289, 122 Stat. 2654, as amended, and are conducted in designated target areas identified in plans approved by the United States Department of Housing and Urban Development in accordance with the Neighborhood Stabilization Program (NSP).**

   As an active and national leader in community development (CD) finance, Chase's Community Development Banking Team promotes affordable housing, economic development and the revitalization of LMI communities across the country. Comprehensive financing products are available for projects of any size and complexity, including construction financing, bridge loans, acquisition loans, letters of credit to support bond transactions and long-term permanent financing for Low Income Housing Tax Credit developments and bond purchases. Chase also makes substantial investments in New Market Tax Credit Investments, which help provide community services and revitalization/ stabilization efforts to LMI communities.

5. **Describe the Bank's efforts in home lending for underserved communities and provide a record of those efforts noting residential mortgage loans, home equity loans and improvement loans**

   Throughout the State of North Carolina, the bank has supported these efforts by providing approximately $50 million in CD lending and $58 million in CD investments from 2014 through 2018. Financing provided by Chase supported the development of

more than 1,600 units of affordable housing for those that have low- or moderate-incomes.

6. **Describe the Bank's efforts with capital investment, loan participation, and other ventures undertaken in cooperation with minority and women owned financial institutions and low-income credit unions which help meet the credit needs of local communities in which the minority and women owned financial institutions and low-income credit unions are chartered.**

   JPMorgan Chase, as a company, supports innovative strategies to help small, minority and women owned businesses thrive. The firm has recently committed $150 million to a program called Small Business Forward, which is dedicated to helping minority, women and community-based small-business owners become engines of job growth and economic vitality in the neighborhoods they serve. The program focuses on facilitating access to more flexible financing for business expansion, especially through support for innovative CDFI partners; expanding business supports to rebounding neighborhoods and increasing the number of underrepresented founders in high growth sectors.

7. **Provide a record of low-cost education loans originated by the Bank to borrowers who have an individual income that is less than 50% of the area median income.**

   JPMorgan Chase Bank, N.A. does not offer student loans.

8. **Provide data about consumer loans made to low and moderate income citizens in the Chapel Hill / Carrboro community such as motor vehicle, credit card, and other secured consumer loans.**

   J.P. Morgan does not disclose this specific information.

9. **Provide the number of checking accounts and savings accounts provided to individuals within the Chapel Hill / Carrboro community.**

   There are approximately 14,500 consumer customers in the Chapel Hill area and 101,900 in the Durham-Chapel Hill metro area.

C. **Environmental. The Authority is committed to ensuring that its banking partner promotes environmental and global protection. In order to help the Authority evaluate the Bank's record in this area, the Bank is requested to provide the following information.**

1. **Provide any company policies, initiatives, or strategies that support sustainable ecological growth, minimize the ecological footprint, and promote a healthy natural environment. Include whether (and how) the Bank evaluates a potential client's social and environment responsibility.**

   Our sustainability goals build on JPMorgan Chase's long-standing commitment to advance sustainable solutions for clients and across our operations. As part of our new commitment, our goal is to source renewable energy for 100 percent of our global power needs by 2020 and facilitate $200 billion in clean financing by 2025. By bringing together our global operations and existing initiatives, we can leverage our financial resources, insights, expertise, relationships and scale to help our clients, customers and communities better manage sustainability challenges and capitalize on new opportunities. Please refer to our website for further details at: https://www.jpmorganchase.com/corporate/Corporate-Responsibility/environment.htm

2. **Provide an overview of the Bank's significant loan portfolio characteristics and lending activity in areas that demonstrate your commitment toward building a healthy and sustainable environment. Such areas may include, but not be limited to the following:**

   i. **Energy industry that fosters clean energy fuels (solar, wind, geothermal energy)**

   ii. **Technology industry to develop environmental sustainability**

   iii. **Sustainable agriculture**

   iv. **Clean water technology**

   JPMorgan Chase is making the largest commitment by a global financial institution to facilitate $200 billion in clean financing by 2025. JPMorgan Chase has facilitated and advised on some of the largest clean financings and strategic transactions in the renewable energy sector. Please refer to Appendix 7 for additional information.

3. **Describe any partnerships, collaborations, or leadership initiatives that promote a healthy environment and low-carbon economy today and for generations to come.**

   Please refer to Appendix 8 for information about J.P. Morgan's commitment to sustainability.

Our Commitment to North Carolina

Our mission is to support people, strengthen communities and advance local economies. We are helping maintain the richness and culture that is so important to North Carolina through our deep commitment to local growth and transformation.

Investing in the economy

While we have provided capital to businesses, government and nonprofit organizations in the local market, our support extends far beyond that.

- Contributed $374K to nonprofits in support of Business Development in the state
- $1.5B in outstanding commercial banking loans in the state in 2018
- $162.9M in financing to small businesses in the state through 5.7K loans in 2018
- $9.4M remitted in state and local taxes in the state in 2017
- $55M in goods and services purchased in the state in 2018
- A $300,000 grant supports the Carolina Small Business Development Fund to provide business services and capital in partnership with Johnson C. Smith University (JCSU) to support the City of Charlotte's efforts to build the capacity of small businesses.

INVESTING IN THE ECONOMY

In 2018:

- **$1 billion** raised for local governments and nonprofit organizations
- **$61.5 million** purchased in goods and services
- **$232.9 million** paid in state and local taxes
- **$642.9K** contributed to nonprofits

Investing in community

The strongest, most resilient communities are those with thriving educational systems, resources for people and businesses, and investments in infrastructure.

- Contributed $100K to nonprofits in support of Community Development in the state.
- 988.5 hours employees in the state donated to nonprofits in 2018
- $187.8M in financing for local nonprofits and governments in the state in 2018
- A $120,000 grant to the NC Business Careers for Education supports the creation of NCCareers.com, a platform that aims to present job seekers and career planners with simple and unbiased information to make well-informed educational and career decisions.
- A $100,000 grant supports the Carolina Small Business Development Fund and the City of Charlotte to conduct an assessment of the Historic West End area with the aim of creating an equitable economic development plan of this community.

Investing in people

Whether we are making a way for artists to beautify neighborhoods, for technologists to conduct research and development or for veterans to start businesses, we are supporting your residents in meaningful and sustainable ways. We look forward to continuing to support the people of North Carolina.

- Contributed $149.1K to nonprofits in support of Workforce Readiness in the state
- Contributed $21.5K to nonprofits in support of Financial Capability in the state

Investing in technology

To underscore the firm's overall commitment, our 2019 technology spend budget is $11.5 billion, up from $10.8 billion—and $5 billion is benchmarked for new investments.

This commitment is your assurance that J.P. Morgan is prepared and able to "step up" as your organization's needs and requirements evolve during rapidly changing economic conditions.

Appendix 6

JPMORGAN CHASE & CO.

January 2, 2019

REAFFIRMATION OF JPMORGAN CHASE
EQUAL EMPLOYMENT OPPORTUNITY POLICY

JPMorgan Chase is committed to maintaining a safe, productive, diverse, professional, collegial and secure work environment in which all individuals are treated with respect and dignity. Accordingly, no form of discrimination, harassment or inappropriate conduct is tolerated by or against employees, customers, vendors, contractors or any other individuals who conduct business with JPMorgan Chase.

It is the firm's policy to support and provide equal opportunity in accordance with applicable local law and in all areas of people management, including recruitment, employment, assignment, transfer, promotion, compensation, benefits and training. The firm makes employment decisions based upon legitimate business criteria and the qualifications, skills and experience of individuals. JPMorgan Chase prohibits discrimination, harassment, bias or prejudice in its terms and conditions of employment on the basis of an individual's race, color, national origin or ancestry, ethnic origin, citizenship status, creed, religion, religious affiliation, age, sex/gender (including intersex), pregnancy, maternity, paternity, caring responsibilities, marital status, civil partnership, sexual orientation, transgender status, gender identity or expression, physical or mental disability or protected condition(s), genetic information, military or veteran status, being a victim of domestic violence, sexual assault, or abuse, being a victim of a crime, membership in the Traveller community or any other community group protected under applicable local law or any other protected status under applicable federal, state and local law.

Consistent with its equal employment opportunity responsibilities as a federal government contractor, JPMorgan Chase has adopted the following policy in the U.S. related to pay transparency: The contractor will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant. However, employees who have access to the compensation information of other employees or applicants as a part of their essential job functions cannot disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information, unless the disclosure is: (a) in response to a formal complaint or charge, or (b) in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or (c) consistent with the contractor's legal duty to furnish information.

As used here, the word contractor refers to JPMorgan Chase. Compensation information refers to information related to the amount and type of compensation provided to employees or offered to applicants. A job function may be considered "essential" if access to compensation information is necessary to perform the function or another routinely assigned business task, or the function or duties of the role include maintaining or protecting the privacy of employee personnel records, including compensation information.

All employment decisions at JPMorgan Chase will be based only on valid job requirements. In addition, employees and applicants shall not be subjected to harassment, intimidation, threats, coercion or discrimination because they have engaged in or may engage in any of the following activities: (1) filing a complaint; (2) assisting or participating in an investigation, compliance evaluation, hearing, or any other activity related to the administration of any Federal, State or local law requiring equal opportunity for protected veterans or individuals with disabilities; (3) opposing any act or practice made unlawful by Section 4212 of the Vietnam Era Veterans' Readjustment Assistance Act (VEVRAA), Section 503 of the Rehabilitation Act, their implementing regulations, or any other Federal, State or local law requiring equal opportunity for protected veterans or individuals with disabilities; or (4) exercising any other right protected by Section 4212, Section 503, or their implementing regulations.

JPMorgan Chase fully endorses the concept and practice of affirmative action. Our Affirmative Action Program reflects our commitment to maintain a diverse workforce of individuals who can work to their fullest potential. In addition to specific recruitment initiatives, we have policies that make development and advancement opportunities available to all employees. Through both externally- and internally-focused programs, we act affirmatively to make development and career opportunities available to qualified minorities, women, covered veterans and persons with disabilities.

The affirmative action plan for individuals with disabilities and covered veterans is available for inspection by applicants and employees upon request Monday through Friday, 8:30 a.m. – 5:00 p.m. Please contact Human Resources for more information.

Our CEO, Jamie Dimon, fully supports our affirmative action program and delegates to me the responsibility of implementing and auditing the company's affirmative action programs and ensuring that JPMorgan Chase management is aware of the importance of these objectives. We will continue to hold each manager accountable for meeting them. Further, we expect every employee of JPMorgan Chase to support our commitment and efforts to ensure equal employment opportunity to all.

Robin Leopold
Executive Vice President
Human Resources

Environmental Social & Governance Report

2018

JPMorgan Chase & Co.

Message from Our Chairman & CEO

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Business thrives when communities thrive. At JPMorgan Chase, we are committed to serving our clients, communities and shareholders in good and in difficult times. We know that accountability, transparency and integrity are the cornerstones of doing good business, which includes effectively managing environmental, social and governance matters.

We also recognize that business has a role to play in solving social challenges, and we work to do so by supporting and developing the skills of our employees, offering innovative products that cater to our customers' needs and investing in our communities to help more people share in the benefits of economic growth.

That's why, in addition to opening 400 new Chase branches in new markets across the U.S., we are leveraging all of our Firm's capabilities – our capital, data, talent and philanthropic expertise – to lift up underserved communities. We have raised wages for our U.S. hourly employees by an average of 10% – ranging from between $15 and $18/hour – and have committed to opening 30% of our new branches in low- and moderate-income neighborhoods.

In 2018, as part of our efforts to make sure that the economy works better for more people, we also launched *Advancing*Cities, a $500 million initiative to create economic opportunity for people who have been left behind in cities around the world. These efforts underscore the degree to which our mission to drive inclusive growth has become a core tenant of our culture.

In addition to stepping up for our communities and people, we are stepping up our commitment to sustainability because we believe the private sector plays an important role in creating solutions that help grow the economy and addressing challenges such as climate change. That's why we committed to facilitate $200 billion in clean financing by 2025. And, we are proud to say that by the end of 2018, we had facilitated over $100 billion for companies advancing renewable energy, clean technology, sustainable transportation, waste management and water treatment solutions.

By addressing some of the world's biggest challenges, we are positioning our Firm and communities we serve to be successful today and over the long term. In this report, I invite you to read about these and other ways in which we work every day to create an exceptional company.

Jamie Dimon
Chairman & CEO, JPMorgan Chase & Co.

Introduction

Environmental, social and governance (ESG) considerations are integrated across our business and built into the policies and principles that govern how our Firm operates. Our approach to ESG management includes having robust governance systems, risk management and controls; investing in our employees and cultivating a diverse and inclusive work environment; serving our customers exceptionally and transparently; strengthening the communities in which we live and work; and integrating sustainability into our financing activities and operations.

We view effective management of ESG matters as a business fundamental and seek continuous improvement in these areas because they underpin the long-term success of our Firm and our ability to deliver value for our stakeholders.

About This Report

Our Firm is committed to communicating regularly and transparently with our stakeholders about how we do business. One way we do so is by publishing this annual ESG Report, which provides information on how we are addressing the ESG matters that we and our stakeholders view as among the most important to our business. We also maintain a dedicated ESG Information page on our website to facilitate access to the wide range of information and resources that we publish on these topics.

While we share information about our ESG performance through a number of channels – including various reports and presentations, regulatory filings, press releases and conversations with stakeholders – the annual ESG Report consolidates and summarizes the most important aspects of our work in these areas. It is also designed to guide readers to where they can access more detailed information about specific topics of interest. All data are as of December 31, 2018, unless otherwise noted.

This report is intended to be a companion to our 2018 Annual Report and 2019 Proxy Statement, as well as our annual Corporate Responsibility Report, which focuses on the Firm's initiatives to drive inclusive growth in communities around the world. This report also provides updates on many of the topics covered in How We Do Business – The Report.

This ESG Report, in combination with a separate Index available on our website, has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The GRI is an international standard commonly used by companies and other organizations to guide sustainability reporting.

Company at a Glance

JPMorgan Chase & Co. is a leading global financial services company with assets of $2.6 trillion and a presence in over 100 markets. The Firm is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing and asset management. A component of the Dow Jones Industrial Average, JPMorgan Chase serves millions of consumers in the U.S. as well as many of the world's most prominent corporate, institutional and government clients, under its J.P. Morgan and Chase brands.

JPMorgan Chase's activities are organized, for management reporting purposes, into four major reportable business segments, as well as a Corporate segment. The business segments are referred to as lines of business. For further information on our business segments, refer to Business Segment Results on pages 60-78 of our Annual Report on Form 10-K for the year ended December 31, 2018.

Consumer & Community Banking (CCB)

CCB serves consumers and businesses through bank branches, ATMs and digital (including online and mobile) and telephone banking. CCB offers home and auto loans, deposit and investment products, cash management and payment solutions, and it issues credit cards to consumers and small businesses.

Corporate & Investment Bank (CIB)

The CIB offers a broad suite of investment banking, market-making, prime brokerage and treasury and securities products and services to a global client base of corporations, investors, financial institutions and government and municipal entities.

Commercial Banking (CB)

CB provides comprehensive financial solutions including lending, treasury services, investment banking and asset management across three primary client segments: Middle Market Banking, Corporate Client Banking and Commercial Real Estate Banking.

Asset & Wealth Management (AWM)

AWM serves institutions and individuals, including pension and sovereign wealth funds, central banks, retail investors and many of the world's wealthiest individuals and families. AWM offers investment management across most major asset classes, as well as brokerage and banking services. The majority of AWM's client assets are in actively managed portfolios.

Financial Performance

As of or for the year ended December 31, 2018 (in millions, except per share, ratio data and headcount)

	2018	2017	2016
Reported basis[a]			
Total net revenue	**$ 109,029**	$ 100,705	$ 96,569
Total noninterest expense	**63,394**	59,515	56,672
Pre-provision profit	**45,635**	41,190	39,897
Provision for credit losses	**4,871**	5,290	5,361
Net income	**32,474**	24,441	24,733
Per common share data			
Net income per share:			
Basic	**$ 9.04**	$ 6.35	$ 6.24
Diluted	**9.00**	6.31	6.19
Cash dividends declared	**2.72**	2.12	1.88
Book value	**70.35**	67.04	64.06
Tangible book value (TBVPS)[b]	**56.33**	53.56	51.44
Selected ratios			
Return on common equity	**13%**	10%	10%
Return on tangible common equity (ROTCE)[b]	**17**	12	13
Common equity Tier 1 capital ratio[c]	**12.0**	12.1	12.2
Tier 1 capital ratio[c]	**13.7**	13.8	13.9
Total capital ratio[c]	**15.5**	15.7	15.2
Selected balance sheet data (period-end)			
Loans	**$ 984,554**	$ 930,697	$ 894,765
Total assets	**2,622,532**	2,533,600	2,490,972
Deposits	**1,470,666**	1,443,982	1,375,179
Common stockholders' equity	**230,447**	229,625	228,122
Total stockholders' equity	**256,515**	255,693	254,190
Market data			
Closing share price	**$ 97.62**	$ 106.94	$ 86.29
Market capitalization	**319,780**	366,301	307,295
Common shares at period-end	**3,275.8**	3,425.3	3,561.2
Headcount	**256,105**	**252,539**	**243,355**

a Results are presented in accordance with accounting principles generally accepted in the United States of America, except where otherwise noted.

b TBVPS and ROTCE are each non-GAAP financial measures. For further discussion of these measures, refer to Explanation and Reconciliation of the Firm's Use of Non-GAAP Financial Measures and Key Financial Performance Measures on pages 57-59 of the 2018 Annual Report.

c The ratios presented are calculated under the Basel III Fully Phased-In Approach, and they are key regulatory capital measures. For further discussion, refer to "Capital Risk Management" on pages 85-94 of the 2018 Annual Report.

Our Key Environmental, Social & Governance Topics

As a global financial services company, JPMorgan Chase manages a broad range of ESG matters. This report is designed to focus on those we have identified as among the most relevant to our business and of greatest interest to our stakeholders.

In 2015, we undertook a structured process, which included discussions with subject matter experts from across our business and a range of external stakeholders, to identify the topics covered in this report. Every year, we reassess these areas based on the feedback we receive and insights we gain (see Stakeholder Engagement, p. 6). We also regularly monitor ESG trends, standards and practices related to our industry. We have reaffirmed that the broad categories we had identified remain relevant for our Firm, and have made a small number of adjustments to the key topics to reflect our evolving operating environment and management approach.

The following topics are discussed in this report:	
Promoting Sound Governance	▸ Board leadership and management processes ▸ Ethical culture ▸ Control environment ▸ Cybersecurity ▸ Political engagement and public policy
Serving Our Customers	▸ Engagement with retail customers and consumer organizations ▸ Fair and transparent marketing and advertising ▸ Data security ▸ Serving a diverse retail customer base ▸ Promoting consumer financial health globally
Investing in Our Employees	▸ Talent attraction, retention and development ▸ Compensation and benefits for our employees ▸ Diverse and inclusive culture
Supporting Our Communities	▸ Use of investment and philanthropic capital to expand access to economic opportunity in the communities where we do business
Advancing Sustainability	▸ Integration of environmental and social matters into due diligence and analysis ▸ Financing solutions that generate positive environmental and social impacts ▸ Partnerships with organizations to advance sustainable development ▸ Management of the environmental impacts of our buildings and branches, including energy use, greenhouse gas emissions, water and waste

More information about how these topics align with the GRI Standards reporting framework, including how we define topic boundaries and the GRI topics and disclosures we report, can be found in our GRI Index.

Stakeholder Engagement

Our Firm has a broad range of stakeholders, including shareholders, employees, regulators and policymakers, clients and customers, research analysts, members of the communities where we do business and nongovernmental organizations. Ongoing and proactive engagement with these groups makes our company stronger and better informed. It helps us gain valuable insight into our stakeholders' perspectives and the topics that matter to them. It better enables us to develop products, services and programs that are responsive to their needs. This engagement also allows us to share information about our Firm's strategy, practices and performance.

Responsibility for engaging with stakeholder groups is widely shared across our Firm's lines of business and corporate functions, and we engage through numerous channels. For example:

Shareholders

We interact and communicate with shareholders through our annual Investor Day, quarterly earnings calls, Securities and Exchange Commission filings, Annual Report and Proxy Statement, annual meeting of shareholders, investor conferences, web communications and other forums. We conduct a formal shareholder outreach program twice a year, with fall meetings focused on corporate governance, strategy and financial matters and spring discussions focused on matters related to the Proxy Statement. In these meetings, we solicit shareholders' perspectives and share information about our management of a range of matters, including ESG topics. After each of these outreach programs, we provide investor feedback to the Board. The shareholders who participated in these meetings in 2018 represented over 45% of the Firm's outstanding common stock.

We also engage in dialogue outside these more formal channels with shareholders who have a long-term economic interest in our company. These engagements provide us with useful feedback, which we consider when developing the processes that set the governance practices and strategic direction for the Firm.

Employees

We share information with our employees and gather their input through our biannual global Employee Opinion Survey, regular town hall and small group meetings, blogs and newsletters, online suggestion tools via our intranet and other forums. We also have a variety of mechanisms through which employees can fulfill their obligation to report any known or suspected violation of our Code of Conduct, company policies or laws that govern our business. This includes our toll-free Code Reporting Hotline, which is operated by an independent third-party reporting service and offers translation services. Employees can contact the hotline 24 hours a day, seven days a week, to report concerns.

Regulators & Policymakers

We strive to maintain an open, ongoing dialogue with our global supervisory regulators and a broad array of other policymakers. Our senior leaders and Directors commit a significant amount of their time to meeting with our regulators and policymakers, providing opportunities for us to hear firsthand about their priorities and to keep them informed about developments in our businesses. In addition, our businesses and control functions engage with regulators – for example, through exams and continuous monitoring, regular meetings and ad hoc requests. We share regular reports with regulators on a range of matters. We also seek feedback about whether they are getting the right level, quality and frequency of information.

Customers

We use multiple channels to solicit and respond to customer feedback about our products, services and organization as a whole. Customers may communicate with us directly in our branches, via surveys, through our website and our various social media channels, and by phone or mail.

Research Analysts

We provide a wide range of information to members of the investment community, including both financial and ESG analysts and researchers, through reports, presentations, regulatory filings, conferences and publications on our website, as well as by responding to surveys and specific information requests. We also engage with analysts and researchers through calls and meetings.

Communities

In the U.S., where we have a retail banking presence, we have Community Advisory Boards (CABs) in our major markets. The CABs provide a forum for communication between our Firm and community stakeholders, including leaders from nonprofit organizations. CAB members help identify community development needs and have the opportunity to discuss questions and concerns directly with JPMorgan Chase executives.

Nongovernmental Organizations

We engage with nongovernmental organizations (NGOs) on issues that are important to communities, consumers and our business. For example, through the Chase Advisory Panel program, senior executives engage with national consumer policy groups to discuss issues related to the Firm's products, policies, customer-facing practices and communications and public policy issues. We also engage with NGOs on environmental and social topics, and have philanthropic relationships with a broad range of NGOs that work on issues that are important to our Firm.

Additional Online Resources

Our ESG Information website portal provides links to numerous JPMorgan Chase publications, documents, policies, website pages and other sources of information about various ESG topics, including:

- Annual Report
- Business Principles
- Code of Conduct
- Code of Ethics for Financial Professionals
- Corporate Governance Principles
- Corporate Responsibility Report
- Diversity and Inclusion
- Environmental and Social Policy Framework
- Global Reporting Initiative (GRI) Index
- How We Do Business – The Report
- Human Rights Statement
- Political Engagement and Public Policy
- Proxy Statement
- Supplier Information
- U.K. Modern Slavery Act Group Statement

For additional information, please visit www.jpmorganchase.com/ESG.

Promoting Sound Governance

We are building upon our Firm's over 200-year foundation by continually enhancing the structures, processes and controls in place that support and promote accountability, transparency and ethical behavior. We remain steadfast in our commitment to create and reinforce a strong and healthy culture in which all employees feel respected and empowered to do what is right for our clients, communities and shareholders. Our Board of Directors and senior management take seriously their responsibility to set the tone at the top and to provide effective leadership and rigorous oversight.

Leadership & Governance

Sound governance and effective management are integral to our business. Our senior management team develops the company's strategic direction and oversees its execution, while the Board of Directors is charged with providing oversight of management's performance. Equally important, the senior management team and the Board communicate and reinforce the company's commitment to doing business in accordance with our corporate standards and Business Principles.

Board of Directors

A deeply engaged, experienced Board is vital to our company's success. Our Directors are a diverse group who bring a strong combination of executive experience and skills aligned with our business and strategy. Other than our CEO, all of our Directors are independent, under the standards established by the New York Stock Exchange and the Firm's independence standards. We have a Lead Independent Director who is appointed annually by the independent directors and facilitates independent Board oversight of management.

The Firm's Corporate Governance Principles and the charters of the Board's five principal standing committees establish a framework for the governance of the Board and the management of the Firm. Our annual Proxy Statement includes information about the membership and responsibilities of these committees. Among their responsibilities, the committees oversee a range of matters pertaining to ESG topics, in accordance with the scope of their charters. For example, the Public Responsibility Committee provides oversight of the Firm's positions and practices on matters such as community investment, fair lending, sustainability, consumer practices and other issues that reflect the Firm's values and impact its reputation. The Compensation & Management Development Committee reviews and approves the Firm's compensation and benefit programs, including the avoidance of practices that would encourage excessive or unnecessary risk-taking and related cultural issues.

The Corporate Governance & Nominating Committee provides oversight of the governance of the Board of Directors, including the evaluation and recommendation of director candidates. JPMorgan Chase seeks director candidates who uphold the highest standards, are committed to the Firm's values and are strong, independent stewards of shareholders' long-term interests. In addition to considering candidates who have the combined professional skills, experience, personal qualities, balance of tenure and collegiality needed for an effective and engaged Board, the Board looks for individuals who will contribute diverse viewpoints and perspectives to enhance its independent oversight.

Management

We manage our Firm on a line-of-business basis, while also maintaining strong corporate functions and appropriate governance of our subsidiaries. This structure is designed so that the leadership of our company as a whole, as well as within each of our businesses, is effective, consistent with our corporate standards and promotes a strong corporate culture. The management structure of each line of business mirrors that of the Firm as a whole. Each is led by a CEO and has a Chief Financial Officer, Chief Risk Officer, Chief Compliance Officer, Chief Control Officer, General Counsel, Human Resources Executive and Chief Auditor.

The Firm's senior management body is the Operating Committee, which is responsible for the overall management of the company, including developing and implementing corporate strategy and managing operations. As of May 2019, women represent 50% of the Operating Committee.

August 8, 2019



Orange Water and Sewer Authority

Banking and Related Services Proposal

Prepared by:

Charles Million
Senior Treasury Management Officer
1450 Brickell Avenue, Floor 33
Miami, FL 33131-3444
(305) 579-9625
charles.million@jpmorgan.com

Kevin Harewood
Relationship Executive
2000 Regency Parkway, Floor 4
Cary, NC 27518
(919) 278-1652
kevin.harewood@jpmorgan.com

J.P.Morgan

Section IV – Environmental and Social Standards

A. Regulatory Compliance. The Authority is committed to ensuring that its banking partner complies with all regulations, including lending and employment. In order to help the Authority evaluate the Bank's record in this area, the Bank is requested to provide the following information.

1. Provide a statement disclosing any enforcement investigations and / or completed enforcement actions undertaken against the Bank in the past five years by the Consumer Financial Protection Bureau, U.S. Department of Justice, Federal Deposit Insurance Corporation, Federal Reserve Board, Financial Industry Regulatory Authority, National Credit Union Association, Office of the Comptroller of the Currency, U.S. Securities and Exchange Commission, the North Carolina Department of Justice, or any applicable state banking regulatory body. Include the following (note: supplemental information regarding regulatory enforcement actions may be included as an exhibit to the proposal):

i. Description and date of the enforcement action

ii. Basis for the enforcement action

iii. Name of the enforcing agency which undertook the action

iv. Measures taken by the Bank to address or resolve the conditions which led to the enforcement action

v. Current status of the enforcement action

JPMorgan Chase & Co. and/or its subsidiaries (collectively, the "Firm") are defendants or putative defendants in numerous legal proceedings, including private civil litigations and regulatory/government investigations. The litigations range from individual actions involving a single plaintiff to class action lawsuits with potentially millions of class members. Investigations involve both formal and informal proceedings, by both governmental agencies and self-regulatory organizations. These legal proceedings are at varying stages of adjudication, arbitration or investigation, and involve each of the Firm's lines of business and geographies and a wide variety of claims (including common law tort and contract claims and statutory antitrust, securities and consumer protection claims), some of which present novel legal theories. Based on current knowledge, the Firm believes it has asserted meritorious defenses to the claims asserted against it in its currently outstanding legal proceedings, intends to defend itself vigorously in all such matters and does not believe that any pending legal proceeding would have a material effect on the Firm's performance of the services contemplated by the RFP. For further discussion, please refer to JPMorgan Chase & Co.'s publicly-filed disclosures, including its most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the U.S. Securities and Exchange Commission (available at: http://investor.shareholder.com/jpmorganchase/sec.cfm).

2. Provide a statement certifying that the Bank does not engage in illegal predatory consumer adverse practices nor base evaluation, promotion, discipline, or compensation of any employee on illegal predatory consumer adverse practices. The determination that a banking practice is predatory or illegal shall be based on findings made by appropriate government regulatory agencies, such as the Consumer Financial Protection Bureau, and courts of law.

The Bank has policies and procedures, which prohibit illegal predatory consumer adverse practices, and the Bank does not base evaluation, promotion, discipline or compensation of any employee on illegal predatory consumer adverse practices. Employee performance evaluations depend on the role and responsibilities of the individuals being assessed. In general, however, all employees are evaluated against criteria aligned to the role they perform. Employee performance and progress is reviewed regularly and performance levels are clearly aligned to JPMorgan Chase's compensation philosophy, which is based on a pay-for-performance approach. Compensation is managed on a total compensation basis, which includes base salary and incentive compensation for eligible employees. Generally, key factors in determining actual incentive awards are absolute and relative performance, market conditions and individual performance. Incentive payments in some customer-facing roles are based on providing products or services to customers.

3. Provide evidence that the Bank is committed to ensuring the promotion of diversity and equal opportunity for development and advancement for all employees, and does not discriminate based on race, creed, color, religion, gender, age, sexual orientation, national origin or political affiliation.

Please refer to our Equal Employment Opportunity Reaffirmation letter provided in Appendix 6.

B. Community Lending Activity / Investment. The Authority is committed to ensuring that its banking partner has continuing and affirmative obligations to meet the credit needs of individuals and businesses within the Authority's service area. In order to help the Authority evaluate the Bank's record in this area, the Bank is requested to provide the following information.

1. Provide a copy of the most recent Public Disclosure "Community Reinvestment Act Performance Evaluation" issued by the federal regulatory agency authorized to conduct evaluations. Please ensure the disclosure includes the overall CRA rating as well as the CRA rating for the primary rating area that encompasses the Chapel Hill / Carrboro community.

J.P. Morgan Chase Bank N.A. (Chase) has a proven history of commitment to the goals of the Community Reinvestment Act (CRA)—to ensure that credit is available to all communities, including those that are low- and moderate-income (LMI). Additionally, the bank has long supported economic development, affordable housing, support services, education and other community development initiatives by partnering with nonprofit organizations and financial intermediaries devoted to these areas.

The most recent CRA examination completed by the Office of the Comptroller of the Currency, covered CRA activities from January 1, 2011 – December 31, 2013, with an overall *Satisfactory* rating. The bank did not receive a CRA rating specific to the State of North Carolina due to having no retail branches located in the State during the above exam period.

Recent and historical reports for JPMorgan Chase Bank, N.A. can be viewed on the OCC website: http://apps.occ.gov/crasearch/default.aspx

2. **Provide the aggregate number and amount of loans made since 2014 to the Chapel Hill / Carrboro community of:**

   i. **$100,000 or less;**

   ii. **More than $100,00 but less than or equal to $250,000; and**

   iii. **More than $250,000.**

   Chase has a long tradition of market leadership in the area of home lending, making innovative mortgage products available to meet the needs of all homebuyers. From 2014 through 2018, over 750 single-family mortgage loans totaling more than $237 million were funded in Orange County, North Carolina, of which more than 10% were made to LMI customers or for homes located in LMI communities.

3. **Provide the aggregate number and amount of loans made since 2014 for the Chapel Hill / Carrboro community to businesses with gross annual revenues of $1 million or less and describe any goals or activities to engage these businesses.**

   The bank is also a market leader in the area of small business lending, making available a full range of competitively priced products designed to meet the needs of small businesses and their owners. From 2014 through 2018, more than 1,200 small business loans for over $14 million were originated during the period in Orange County, North Carolina, of which approximately 9% were made to small businesses located in LMI communities.

4. **Describe any services targeted to low or moderate income individuals or activities that revitalize or stabilize low or moderate income geographies, designated disaster areas, or distressed or underserved nonmetropolitan areas based on rates of poverty, unemployment, and population loss, including loans, investments, or services that support, enable, or facilitate projects or activities that meet the "eligible uses" criteria described in Section 2301 (c) of the Housing and Economic Recovery Act of 2008 (HERA), Public Law 110-289, 122 Stat. 2654, as amended, and are conducted in designated target areas identified in plans approved by the United States Department of Housing and Urban Development in accordance with the Neighborhood Stabilization Program (NSP).**

   As an active and national leader in community development (CD) finance, Chase's Community Development Banking Team promotes affordable housing, economic development and the revitalization of LMI communities across the country. Comprehensive financing products are available for projects of any size and complexity, including construction financing, bridge loans, acquisition loans, letters of credit to support bond transactions and long-term permanent financing for Low Income Housing Tax Credit developments and bond purchases. Chase also makes substantial investments in New Market Tax Credit Investments, which help provide community services and revitalization/ stabilization efforts to LMI communities.

5. **Describe the Bank's efforts in home lending for underserved communities and provide a record of those efforts noting residential mortgage loans, home equity loans and improvement loans**

   Throughout the State of North Carolina, the bank has supported these efforts by providing approximately $50 million in CD lending and $58 million in CD investments from 2014 through 2018. Financing provided by Chase supported the development of

more than 1,600 units of affordable housing for those that have low- or moderate-incomes.

6. **Describe the Bank's efforts with capital investment, loan participation, and other ventures undertaken in cooperation with minority and women owned financial institutions and low-income credit unions which help meet the credit needs of local communities in which the minority and women owned financial institutions and low-income credit unions are chartered.**

   JPMorgan Chase, as a company, supports innovative strategies to help small, minority and women owned businesses thrive. The firm has recently committed $150 million to a program called Small Business Forward, which is dedicated to helping minority, women and community-based small-business owners become engines of job growth and economic vitality in the neighborhoods they serve. The program focuses on facilitating access to more flexible financing for business expansion, especially through support for innovative CDFI partners; expanding business supports to rebounding neighborhoods and increasing the number of underrepresented founders in high growth sectors.

7. **Provide a record of low-cost education loans originated by the Bank to borrowers who have an individual income that is less than 50% of the area median income.**

   JPMorgan Chase Bank, N.A. does not offer student loans.

8. **Provide data about consumer loans made to low and moderate income citizens in the Chapel Hill / Carrboro community such as motor vehicle, credit card, and other secured consumer loans.**

   J.P. Morgan does not disclose this specific information.

9. **Provide the number of checking accounts and savings accounts provided to individuals within the Chapel Hill / Carrboro community.**

   There are approximately 14,500 consumer customers in the Chapel Hill area and 101,900 in the Durham-Chapel Hill metro area.

C. **Environmental. The Authority is committed to ensuring that its banking partner promotes environmental and global protection. In order to help the Authority evaluate the Bank's record in this area, the Bank is requested to provide the following information.**

1. **Provide any company policies, initiatives, or strategies that support sustainable ecological growth, minimize the ecological footprint, and promote a healthy natural environment. Include whether (and how) the Bank evaluates a potential client's social and environment responsibility.**

   Our sustainability goals build on JPMorgan Chase's long-standing commitment to advance sustainable solutions for clients and across our operations. As part of our new commitment, our goal is to source renewable energy for 100 percent of our global power needs by 2020 and facilitate $200 billion in clean financing by 2025. By bringing together our global operations and existing initiatives, we can leverage our financial resources, insights, expertise, relationships and scale to help our clients, customers and communities better manage sustainability challenges and capitalize on new opportunities. Please refer to our website for further details at: https://www.jpmorganchase.com/corporate/Corporate-Responsibility/environment.htm

2. **Provide an overview of the Bank's significant loan portfolio characteristics and lending activity in areas that demonstrate your commitment toward building a healthy and sustainable environment. Such areas may include, but not be limited to the following:**

   i. **Energy industry that fosters clean energy fuels (solar, wind, geothermal energy)**

   ii. **Technology industry to develop environmental sustainability**

   iii. **Sustainable agriculture**

   iv. **Clean water technology**

   JPMorgan Chase is making the largest commitment by a global financial institution to facilitate $200 billion in clean financing by 2025. JPMorgan Chase has facilitated and advised on some of the largest clean financings and strategic transactions in the renewable energy sector. Please refer to Appendix 7 for additional information.

3. **Describe any partnerships, collaborations, or leadership initiatives that promote a healthy environment and low-carbon economy today and for generations to come.**

   Please refer to Appendix 8 for information about J.P. Morgan's commitment to sustainability.

Our Commitment to North Carolina

Our mission is to support people, strengthen communities and advance local economies. We are helping maintain the richness and culture that is so important to North Carolina through our deep commitment to local growth and transformation.

Investing in the economy

While we have provided capital to businesses, government and nonprofit organizations in the local market, our support extends far beyond that.

- Contributed $374K to nonprofits in support of Business Development in the state
- $1.5B in outstanding commercial banking loans in the state in 2018
- $162.9M in financing to small businesses in the state through 5.7K loans in 2018
- $9.4M remitted in state and local taxes in the state in 2017
- $55M in goods and services purchased in the state in 2018
- A $300,000 grant supports the Carolina Small Business Development Fund to provide business services and capital in partnership with Johnson C. Smith University (JCSU) to support the City of Charlotte's efforts to build the capacity of small businesses.

INVESTING IN THE ECONOMY

In 2018:

- **$1 billion** raised for local governments and nonprofit organizations
- **$61.5 million** purchased in goods and services
- **$232.9 million** paid in state and local taxes
- **$642.9K** contributed to nonprofits

Investing in community

The strongest, most resilient communities are those with thriving educational systems, resources for people and businesses, and investments in infrastructure.

- Contributed $100K to nonprofits in support of Community Development in the state.
- 988.5 hours employees in the state donated to nonprofits in 2018
- $187.8M in financing for local nonprofits and governments in the state in 2018
- A $120,000 grant to the NC Business Careers for Education supports the creation of NCCareers.com, a platform that aims to present job seekers and career planners with simple and unbiased information to make well-informed educational and career decisions.
- A $100,000 grant supports the Carolina Small Business Development Fund and the City of Charlotte to conduct an assessment of the Historic West End area with the aim of creating an equitable economic development plan of this community.

Investing in people

Whether we are making a way for artists to beautify neighborhoods, for technologists to conduct research and development or for veterans to start businesses, we are supporting your residents in meaningful and sustainable ways. We look forward to continuing to support the people of North Carolina.

- Contributed $149.1K to nonprofits in support of Workforce Readiness in the state
- Contributed $21.5K to nonprofits in support of Financial Capability in the state

Investing in technology

To underscore the firm's overall commitment, our 2019 technology spend budget is $11.5 billion, up from $10.8 billion—and $5 billion is benchmarked for new investments.

This commitment is your assurance that J.P. Morgan is prepared and able to "step up" as your organization's needs and requirements evolve during rapidly changing economic conditions.

JPMORGAN CHASE & CO.

January 2, 2019

REAFFIRMATION OF JPMORGAN CHASE
EQUAL EMPLOYMENT OPPORTUNITY POLICY

JPMorgan Chase is committed to maintaining a safe, productive, diverse, professional, collegial and secure work environment in which all individuals are treated with respect and dignity. Accordingly, no form of discrimination, harassment or inappropriate conduct is tolerated by or against employees, customers, vendors, contractors or any other individuals who conduct business with JPMorgan Chase.

It is the firm's policy to support and provide equal opportunity in accordance with applicable local law and in all areas of people management, including recruitment, employment, assignment, transfer, promotion, compensation, benefits and training. The firm makes employment decisions based upon legitimate business criteria and the qualifications, skills and experience of individuals. JPMorgan Chase prohibits discrimination, harassment, bias or prejudice in its terms and conditions of employment on the basis of an individual's race, color, national origin or ancestry, ethnic origin, citizenship status, creed, religion, religious affiliation, age, sex/gender (including intersex), pregnancy, maternity, paternity, caring responsibilities, marital status, civil partnership, sexual orientation, transgender status, gender identity or expression, physical or mental disability or protected condition(s), genetic information, military or veteran status, being a victim of domestic violence, sexual assault, or abuse, being a victim of a crime, membership in the Traveller community or any other community group protected under applicable local law or any other protected status under applicable federal, state and local law.

Consistent with its equal employment opportunity responsibilities as a federal government contractor, JPMorgan Chase has adopted the following policy in the U.S. related to pay transparency: The contractor will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant. However, employees who have access to the compensation information of other employees or applicants as a part of their essential job functions cannot disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information, unless the disclosure is: (a) in response to a formal complaint or charge, or (b) in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or (c) consistent with the contractor's legal duty to furnish information.

As used here, the word contractor refers to JPMorgan Chase. Compensation information refers to information related to the amount and type of compensation provided to employees or offered to applicants. A job function may be considered "essential" if access to compensation information is necessary to perform the function or another routinely assigned business task, or the function or duties of the role include maintaining or protecting the privacy of employee personnel records, including compensation information.

All employment decisions at JPMorgan Chase will be based only on valid job requirements. In addition, employees and applicants shall not be subjected to harassment, intimidation, threats, coercion or discrimination because they have engaged in or may engage in any of the following activities: (1) filing a complaint; (2) assisting or participating in an investigation, compliance evaluation, hearing, or any other activity related to the administration of any Federal, State or local law requiring equal opportunity for protected veterans or individuals with disabilities; (3) opposing any act or practice made unlawful by Section 4212 of the Vietnam Era Veterans' Readjustment Assistance Act (VEVRAA), Section 503 of the Rehabilitation Act, their implementing regulations, or any other Federal, State or local law requiring equal opportunity for protected veterans or individuals with disabilities; or (4) exercising any other right protected by Section 4212, Section 503, or their implementing regulations.

JPMorgan Chase fully endorses the concept and practice of affirmative action. Our Affirmative Action Program reflects our commitment to maintain a diverse workforce of individuals who can work to their fullest potential. In addition to specific recruitment initiatives, we have policies that make development and advancement opportunities available to all employees. Through both externally- and internally-focused programs, we act affirmatively to make development and career opportunities available to qualified minorities, women, covered veterans and persons with disabilities.

The affirmative action plan for individuals with disabilities and covered veterans is available for inspection by applicants and employees upon request Monday through Friday, 8:30 a.m. – 5:00 p.m. Please contact Human Resources for more information.

Our CEO, Jamie Dimon, fully supports our affirmative action program and delegates to me the responsibility of implementing and auditing the company's affirmative action programs and ensuring that JPMorgan Chase management is aware of the importance of these objectives. We will continue to hold each manager accountable for meeting them. Further, we expect every employee of JPMorgan Chase to support our commitment and efforts to ensure equal employment opportunity to all.

Robin Leopold
Executive Vice President
Human Resources

Environmental Social & Governance Report

2018

JPMorgan Chase & Co.

Message from Our Chairman & CEO

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Business thrives when communities thrive. At JPMorgan Chase, we are committed to serving our clients, communities and shareholders in good and in difficult times. We know that accountability, transparency and integrity are the cornerstones of doing good business, which includes effectively managing environmental, social and governance matters.

We also recognize that business has a role to play in solving social challenges, and we work to do so by supporting and developing the skills of our employees, offering innovative products that cater to our customers' needs and investing in our communities to help more people share in the benefits of economic growth.

That's why, in addition to opening 400 new Chase branches in new markets across the U.S., we are leveraging all of our Firm's capabilities – our capital, data, talent and philanthropic expertise – to lift up underserved communities. We have raised wages for our U.S. hourly employees by an average of 10% – ranging from between $15 and $18/hour – and have committed to opening 30% of our new branches in low- and moderate-income neighborhoods.

In 2018, as part of our efforts to make sure that the economy works better for more people, we also launched *Advancing*Cities, a $500 million initiative to create economic opportunity for people who have been left behind in cities around the world. These efforts underscore the degree to which our mission to drive inclusive growth has become a core tenant of our culture.

In addition to stepping up for our communities and people, we are stepping up our commitment to sustainability because we believe the private sector plays an important role in creating solutions that help grow the economy and addressing challenges such as climate change. That's why we committed to facilitate $200 billion in clean financing by 2025. And, we are proud to say that by the end of 2018, we had facilitated over $100 billion for companies advancing renewable energy, clean technology, sustainable transportation, waste management and water treatment solutions.

By addressing some of the world's biggest challenges, we are positioning our Firm and communities we serve to be successful today and over the long term. In this report, I invite you to read about these and other ways in which we work every day to create an exceptional company.

Jamie Dimon
Chairman & CEO, JPMorgan Chase & Co.

Introduction

Environmental, social and governance (ESG) considerations are integrated across our business and built into the policies and principles that govern how our Firm operates. Our approach to ESG management includes having robust governance systems, risk management and controls; investing in our employees and cultivating a diverse and inclusive work environment; serving our customers exceptionally and transparently; strengthening the communities in which we live and work; and integrating sustainability into our financing activities and operations.

We view effective management of ESG matters as a business fundamental and seek continuous improvement in these areas because they underpin the long-term success of our Firm and our ability to deliver value for our stakeholders.

About This Report

Our Firm is committed to communicating regularly and transparently with our stakeholders about how we do business. One way we do so is by publishing this annual ESG Report, which provides information on how we are addressing the ESG matters that we and our stakeholders view as among the most important to our business. We also maintain a dedicated ESG Information page on our website to facilitate access to the wide range of information and resources that we publish on these topics.

While we share information about our ESG performance through a number of channels – including various reports and presentations, regulatory filings, press releases and conversations with stakeholders – the annual ESG Report consolidates and summarizes the most important aspects of our work in these areas. It is also designed to guide readers to where they can access more detailed information about specific topics of interest. All data are as of December 31, 2018, unless otherwise noted.

This report is intended to be a companion to our 2018 Annual Report and 2019 Proxy Statement, as well as our annual Corporate Responsibility Report, which focuses on the Firm's initiatives to drive inclusive growth in communities around the world. This report also provides updates on many of the topics covered in How We Do Business – The Report.

This ESG Report, in combination with a separate Index available on our website, has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The GRI is an international standard commonly used by companies and other organizations to guide sustainability reporting.

Company at a Glance

JPMorgan Chase & Co. is a leading global financial services company with assets of $2.6 trillion and a presence in over 100 markets. The Firm is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing and asset management. A component of the Dow Jones Industrial Average, JPMorgan Chase serves millions of consumers in the U.S. as well as many of the world's most prominent corporate, institutional and government clients, under its J.P. Morgan and Chase brands.

JPMorgan Chase's activities are organized, for management reporting purposes, into four major reportable business segments, as well as a Corporate segment. The business segments are referred to as lines of business. For further information on our business segments, refer to Business Segment Results on pages 60-78 of our Annual Report on Form 10-K for the year ended December 31, 2018.

Consumer & Community Banking (CCB)

CCB serves consumers and businesses through bank branches, ATMs and digital (including online and mobile) and telephone banking. CCB offers home and auto loans, deposit and investment products, cash management and payment solutions, and it issues credit cards to consumers and small businesses.

Corporate & Investment Bank (CIB)

The CIB offers a broad suite of investment banking, market-making, prime brokerage and treasury and securities products and services to a global client base of corporations, investors, financial institutions and government and municipal entities.

Commercial Banking (CB)

CB provides comprehensive financial solutions including lending, treasury services, investment banking and asset management across three primary client segments: Middle Market Banking, Corporate Client Banking and Commercial Real Estate Banking.

Asset & Wealth Management (AWM)

AWM serves institutions and individuals, including pension and sovereign wealth funds, central banks, retail investors and many of the world's wealthiest individuals and families. AWM offers investment management across most major asset classes, as well as brokerage and banking services. The majority of AWM's client assets are in actively managed portfolios.

Financial Performance

As of or for the year ended December 31, 2018 (in millions, except per share, ratio data and headcount)

	2018	2017	2016
Reported basis[a]			
Total net revenue	**$ 109,029**	$ 100,705	$ 96,569
Total noninterest expense	**63,394**	59,515	56,672
Pre-provision profit	**45,635**	41,190	39,897
Provision for credit losses	**4,871**	5,290	5,361
Net income	**32,474**	24,441	24,733
Per common share data			
Net income per share:			
Basic	**$ 9.04**	$ 6.35	$ 6.24
Diluted	**9.00**	6.31	6.19
Cash dividends declared	**2.72**	2.12	1.88
Book value	**70.35**	67.04	64.06
Tangible book value (TBVPS)[b]	**56.33**	53.56	51.44
Selected ratios			
Return on common equity	**13%**	10%	10%
Return on tangible common equity (ROTCE)[b]	**17**	12	13
Common equity Tier 1 capital ratio[c]	**12.0**	12.1	12.2
Tier 1 capital ratio[c]	**13.7**	13.8	13.9
Total capital ratio[c]	**15.5**	15.7	15.2
Selected balance sheet data (period-end)			
Loans	**$ 984,554**	$ 930,697	$ 894,765
Total assets	**2,622,532**	2,533,600	2,490,972
Deposits	**1,470,666**	1,443,982	1,375,179
Common stockholders' equity	**230,447**	229,625	228,122
Total stockholders' equity	**256,515**	255,693	254,190
Market data			
Closing share price	**$ 97.62**	$ 106.94	$ 86.29
Market capitalization	**319,780**	366,301	307,295
Common shares at period-end	**3,275.8**	3,425.3	3,561.2
Headcount	**256,105**	**252,539**	**243,355**

a Results are presented in accordance with accounting principles generally accepted in the United States of America, except where otherwise noted.

b TBVPS and ROTCE are each non-GAAP financial measures. For further discussion of these measures, refer to Explanation and Reconciliation of the Firm's Use of Non-GAAP Financial Measures and Key Financial Performance Measures on pages 57-59 of the 2018 Annual Report.

c The ratios presented are calculated under the Basel III Fully Phased-In Approach, and they are key regulatory capital measures. For further discussion, refer to "Capital Risk Management" on pages 85-94 of the 2018 Annual Report.

Our Key Environmental, Social & Governance Topics

As a global financial services company, JPMorgan Chase manages a broad range of ESG matters. This report is designed to focus on those we have identified as among the most relevant to our business and of greatest interest to our stakeholders.

In 2015, we undertook a structured process, which included discussions with subject matter experts from across our business and a range of external stakeholders, to identify the topics covered in this report. Every year, we reassess these areas based on the feedback we receive and insights we gain (see Stakeholder Engagement, p. 6). We also regularly monitor ESG trends, standards and practices related to our industry. We have reaffirmed that the broad categories we had identified remain relevant for our Firm, and have made a small number of adjustments to the key topics to reflect our evolving operating environment and management approach.

The following topics are discussed in this report:	
Promoting Sound Governance	▸ Board leadership and management processes ▸ Ethical culture ▸ Control environment ▸ Cybersecurity ▸ Political engagement and public policy
Serving Our Customers	▸ Engagement with retail customers and consumer organizations ▸ Fair and transparent marketing and advertising ▸ Data security ▸ Serving a diverse retail customer base ▸ Promoting consumer financial health globally
Investing in Our Employees	▸ Talent attraction, retention and development ▸ Compensation and benefits for our employees ▸ Diverse and inclusive culture
Supporting Our Communities	▸ Use of investment and philanthropic capital to expand access to economic opportunity in the communities where we do business
Advancing Sustainability	▸ Integration of environmental and social matters into due diligence and analysis ▸ Financing solutions that generate positive environmental and social impacts ▸ Partnerships with organizations to advance sustainable development ▸ Management of the environmental impacts of our buildings and branches, including energy use, greenhouse gas emissions, water and waste

More information about how these topics align with the GRI Standards reporting framework, including how we define topic boundaries and the GRI topics and disclosures we report, can be found in our GRI Index.

Stakeholder Engagement

Our Firm has a broad range of stakeholders, including shareholders, employees, regulators and policymakers, clients and customers, research analysts, members of the communities where we do business and nongovernmental organizations. Ongoing and proactive engagement with these groups makes our company stronger and better informed. It helps us gain valuable insight into our stakeholders' perspectives and the topics that matter to them. It better enables us to develop products, services and programs that are responsive to their needs. This engagement also allows us to share information about our Firm's strategy, practices and performance.

Responsibility for engaging with stakeholder groups is widely shared across our Firm's lines of business and corporate functions, and we engage through numerous channels. For example:

Shareholders

We interact and communicate with shareholders through our annual Investor Day, quarterly earnings calls, Securities and Exchange Commission filings, Annual Report and Proxy Statement, annual meeting of shareholders, investor conferences, web communications and other forums. We conduct a formal shareholder outreach program twice a year, with fall meetings focused on corporate governance, strategy and financial matters and spring discussions focused on matters related to the Proxy Statement. In these meetings, we solicit shareholders' perspectives and share information about our management of a range of matters, including ESG topics. After each of these outreach programs, we provide investor feedback to the Board. The shareholders who participated in these meetings in 2018 represented over 45% of the Firm's outstanding common stock.

We also engage in dialogue outside these more formal channels with shareholders who have a long-term economic interest in our company. These engagements provide us with useful feedback, which we consider when developing the processes that set the governance practices and strategic direction for the Firm.

Employees

We share information with our employees and gather their input through our biannual global Employee Opinion Survey, regular town hall and small group meetings, blogs and newsletters, online suggestion tools via our intranet and other forums. We also have a variety of mechanisms through which employees can fulfill their obligation to report any known or suspected violation of our Code of Conduct, company policies or laws that govern our business. This includes our toll-free Code Reporting Hotline, which is operated by an independent third-party reporting service and offers translation services. Employees can contact the hotline 24 hours a day, seven days a week, to report concerns.

Regulators & Policymakers

We strive to maintain an open, ongoing dialogue with our global supervisory regulators and a broad array of other policymakers. Our senior leaders and Directors commit a significant amount of their time to meeting with our regulators and policymakers, providing opportunities for us to hear firsthand about their priorities and to keep them informed about developments in our businesses. In addition, our businesses and control functions engage with regulators – for example, through exams and continuous monitoring, regular meetings and ad hoc requests. We share regular reports with regulators on a range of matters. We also seek feedback about whether they are getting the right level, quality and frequency of information.

Customers

We use multiple channels to solicit and respond to customer feedback about our products, services and organization as a whole. Customers may communicate with us directly in our branches, via surveys, through our website and our various social media channels, and by phone or mail.

Research Analysts

We provide a wide range of information to members of the investment community, including both financial and ESG analysts and researchers, through reports, presentations, regulatory filings, conferences and publications on our website, as well as by responding to surveys and specific information requests. We also engage with analysts and researchers through calls and meetings.

Communities

In the U.S., where we have a retail banking presence, we have Community Advisory Boards (CABs) in our major markets. The CABs provide a forum for communication between our Firm and community stakeholders, including leaders from nonprofit organizations. CAB members help identify community development needs and have the opportunity to discuss questions and concerns directly with JPMorgan Chase executives.

Nongovernmental Organizations

We engage with nongovernmental organizations (NGOs) on issues that are important to communities, consumers and our business. For example, through the Chase Advisory Panel program, senior executives engage with national consumer policy groups to discuss issues related to the Firm's products, policies, customer-facing practices and communications and public policy issues. We also engage with NGOs on environmental and social topics, and have philanthropic relationships with a broad range of NGOs that work on issues that are important to our Firm.

Additional Online Resources

Our ESG Information website portal provides links to numerous JPMorgan Chase publications, documents, policies, website pages and other sources of information about various ESG topics, including:

- Annual Report
- Business Principles
- Code of Conduct
- Code of Ethics for Financial Professionals
- Corporate Governance Principles
- Corporate Responsibility Report
- Diversity and Inclusion
- Environmental and Social Policy Framework
- Global Reporting Initiative (GRI) Index
- How We Do Business – The Report
- Human Rights Statement
- Political Engagement and Public Policy
- Proxy Statement
- Supplier Information
- U.K. Modern Slavery Act Group Statement

For additional information, please visit www.jpmorganchase.com/ESG.

Promoting Sound Governance

We are building upon our Firm's over 200-year foundation by continually enhancing the structures, processes and controls in place that support and promote accountability, transparency and ethical behavior. We remain steadfast in our commitment to create and reinforce a strong and healthy culture in which all employees feel respected and empowered to do what is right for our clients, communities and shareholders. Our Board of Directors and senior management take seriously their responsibility to set the tone at the top and to provide effective leadership and rigorous oversight.

Leadership & Governance

Sound governance and effective management are integral to our business. Our senior management team develops the company's strategic direction and oversees its execution, while the Board of Directors is charged with providing oversight of management's performance. Equally important, the senior management team and the Board communicate and reinforce the company's commitment to doing business in accordance with our corporate standards and Business Principles.

Board of Directors

A deeply engaged, experienced Board is vital to our company's success. Our Directors are a diverse group who bring a strong combination of executive experience and skills aligned with our business and strategy. Other than our CEO, all of our Directors are independent, under the standards established by the New York Stock Exchange and the Firm's independence standards. We have a Lead Independent Director who is appointed annually by the independent directors and facilitates independent Board oversight of management.

The Firm's Corporate Governance Principles and the charters of the Board's five principal standing committees establish a framework for the governance of the Board and the management of the Firm. Our annual Proxy Statement includes information about the membership and responsibilities of these committees. Among their responsibilities, the committees oversee a range of matters pertaining to ESG topics, in accordance with the scope of their charters. For example, the Public Responsibility Committee provides oversight of the Firm's positions and practices on matters such as community investment, fair lending, sustainability, consumer practices and other issues that reflect the Firm's values and impact its reputation. The Compensation & Management Development Committee reviews and approves the Firm's compensation and benefit programs, including the avoidance of practices that would encourage excessive or unnecessary risk-taking and related cultural issues.

The Corporate Governance & Nominating Committee provides oversight of the governance of the Board of Directors, including the evaluation and recommendation of director candidates. JPMorgan Chase seeks director candidates who uphold the highest standards, are committed to the Firm's values and are strong, independent stewards of shareholders' long-term interests. In addition to considering candidates who have the combined professional skills, experience, personal qualities, balance of tenure and collegiality needed for an effective and engaged Board, the Board looks for individuals who will contribute diverse viewpoints and perspectives to enhance its independent oversight.

Management

We manage our Firm on a line-of-business basis, while also maintaining strong corporate functions and appropriate governance of our subsidiaries. This structure is designed so that the leadership of our company as a whole, as well as within each of our businesses, is effective, consistent with our corporate standards and promotes a strong corporate culture. The management structure of each line of business mirrors that of the Firm as a whole. Each is led by a CEO and has a Chief Financial Officer, Chief Risk Officer, Chief Compliance Officer, Chief Control Officer, General Counsel, Human Resources Executive and Chief Auditor.

The Firm's senior management body is the Operating Committee, which is responsible for the overall management of the company, including developing and implementing corporate strategy and managing operations. As of May 2019, women represent 50% of the Operating Committee.

Executive Compensation

The long-term success of our Firm depends in large measure on the talents of our employees and alignment of their compensation with performance and sustained shareholder value. Our well-established compensation philosophy is designed to promote an equitable and well-governed approach, which includes pay-for-performance practices that attract and retain top talent, are responsive to and aligned with shareholders' interests and encourage a shared success culture in support of our Business Principles.

The Compensation & Management Development Committee (CMDC) of the Board maintains independent oversight of our compensation programs, including executive compensation. In determining individual compensation for Operating Committee members, the CMDC uses a balanced and discretionary approach to assess performance against each individual's goals associated with four broad categories: (i) Business Results; (ii) Risk, Controls & Conduct, including feedback received from the Firm's risk and control professionals; (iii) Client/Customer/Stakeholder Focus, including our engagement in communities; and (iv) Teamwork & Leadership, including creating a diverse and inclusive environment that encourages employees to speak up. These performance categories consider short-, medium- and long-term goals that drive sustained shareholder value, while accounting for risk, controls and conduct objectives.

Our compensation program is designed to incentivize long-term, sustainable decision-making and to hold individuals accountable, when appropriate, for meaningful actions or issues that negatively impact business performance or the Firm's reputation. We maintain policies and procedures that enable us to take prompt and proportionate actions with respect to accountable individuals, including: (i) reduction of annual incentive compensation; (ii) cancellation of unvested awards; (iii) clawback of previously paid compensation; and (iv) other employment-related actions, including termination of employment.

We regularly review our compensation program and actively seek out and consider shareholder feedback in making potential changes. In 2018, shareholders demonstrated strong support for our program with a 93% vote in favor of our annual resolution to approve executive compensation. Our Proxy Statement contains a Compensation Discussion and Analysis section that includes further details of our executive pay program.

Our Corporate Culture

In 2018, we continued to strengthen and reinforce our culture, with a focus on fostering an environment where all employees adhere to the highest ethical standards and uphold our Business Principles (p. 31) in all of their engagements. Our efforts have been informed by ongoing employee engagement and are aimed at fostering personal accountability among employees. We reinforce these expectations through various communication channels and by encouraging our senior leaders to communicate clearly and frequently with employees.

The Firm endeavors to promote a culture of respect that allows every employee to feel safe and empowered at work. This includes having in place employee training and protocols for preventing, reporting and addressing behavior that is not in line with our Business Principles and standards, including sexual, discriminatory or other misconduct. The Firm prohibits retaliation against any individual who reports a concern or assists with an inquiry or investigation.

At the Board level, the CMDC provides oversight of the governance framework of our firmwide culture, including reviewing updates from management regarding significant conduct issues. In addition, the full Board is briefed annually on culture- and conduct-related matters.

Anti-Money Laundering

Compliance with the laws and regulations governing anti-money laundering (AML) and terrorist financing, economic sanctions and anti-corruption efforts is an important focus of our control agenda. We are firmly committed to participating in international efforts to combat money laundering and the funding of terrorist activities.

Our Firm has made a number of enhancements in recent years to our Know Your Customer (KYC) and AML processes, including implementing a risk-based global AML Compliance Program reasonably designed to comply with all applicable laws and regulations relating to the prevention of money laundering and terrorist financing in the jurisdictions where the Firm operates.

Conduct Risk Management

Conduct risk is the risk that any action or inaction by an employee or employees could lead to unfair client or customer outcomes, impact the integrity of the markets in which the Firm operates or compromise the Firm's reputation. Oversight of conduct risk is shared by multiple Board committees and each line of business and corporate function is accountable for identifying and managing its conduct risk.

With the Business Principles serving as a guide for how employees are expected to conduct themselves, the Firm's Code of Conduct (Code) sets forth the Firm's expectations for each employee. In 2018, the Code was updated to align with the Firm's Equal Opportunity, Anti-discrimination and Anti-harassment Policy and clarifies the Firm's commitment to maintaining a safe, productive, diverse, professional, collegial and secure work environment in which all individuals are treated with humanity, respect and dignity. All employees are required to complete Code training and annually reaffirm their compliance with the Code. Each member of the Board also annually affirms his or her compliance with the Code.

The Firm's Conduct Risk Governance Policy governs the Firm's Conduct Risk Program and establishes the framework for ownership, assessment, management and escalation of conduct risk within the Firm. In 2018, a senior management Conduct Risk Steering Committee (CRSC) was formed. It provides holistic oversight of conduct-related initiatives and risks across the Firm and identifies opportunities and emerging areas of focus. The CRSC may escalate systemic conduct risk issues to the Firmwide Risk Committee, when appropriate.

We continue to engage our regulators around the globe to seek their input and feedback on culture- and conduct-related matters, and we benchmark across the industry to inform ourselves about evolving best practices in this important area.

Our Control Environment

Our control agenda is always a top priority for our Firm and we devote significant resources to adhering and adapting to the substantial number of regulatory expectations and reporting requirements that guide our industry. Our objective is to satisfy the letter and spirit of the law and we underscore that effective controls are an integral part of our day-to-day business practices. We have a culture and infrastructure that emphasize compliance and issue escalation and remediation, as well as effective checks and balances designed to prevent issues and address those identified before they become problems. We regularly engage regulators in constructive dialogue as we develop appropriate remediation plans.

Our Firm continuously seeks ways to enhance governance and oversight of our control environment across the company and to simplify and appropriately mitigate risk in our operations. We dedicate significant financial and human resources to managing and conducting these efforts. Since 2011, our control headcount – which includes compliance, risk, control management, audit and other functions – has grown from 24,000 to around 50,000 people.

Our control environment, which is supported by other functions, including Finance, Human Resources and Legal, is structured as follows:

Lines of Business

The lines of business are each responsible for identifying and addressing the risks presented by their respective businesses and operating within a sound control environment. The Control Management function, which consists of dedicated control managers within each of the lines of business and corporate functions, provides dedicated support to business leaders. Control managers, jointly accountable with business executives, are charged with enhancing the Firm's control environment by promoting early operational risk identification and assessment, effectively designing and evaluating controls and developing solutions to mitigate risk. This structure is designed to enable the Firm to detect control problems quickly, escalate issues promptly and engage other stakeholders to understand common themes and interdependencies among the various parts of the Firm.

Independent Risk Management

The Independent Risk Management function, which consists of the Risk Management and Compliance organizations, sets and oversees the risk management structure for the Firm, including the definition of policies and standards. These organizations operate independently from the lines of business, which enables them to challenge the business as appropriate.

Internal Audit

Internal Audit, a function independent of the lines of business and Risk Management and Compliance, tests and evaluates the Firm's risk governance and management, as well as its internal control processes. This function brings a systematic and disciplined approach to evaluating and improving the effectiveness of the Firm's governance, risk management and internal control processes.

Additional detail about our efforts to strengthen our control environment and our approach to controls, risk management and compliance is available in our Annual Report.

Political Engagement & Public Policy

JPMorgan Chase believes that responsible corporate citizenship demands a strong commitment to a healthy and informed democracy through civic and community involvement. Our business is subject to extensive laws and regulations, and changes to such laws can significantly affect how we operate, our revenues and the costs we incur. Because of the potential impact public policy can have on our businesses, employees, communities and customers, we engage with policymakers on a range of issues, including banking, financial services, cybersecurity workforce development, small business, tax reform, veterans and trade, among others, in order to advance and protect the long-term interests of the Firm.

The Firm belongs to a number of trade associations that advocate on major public policy issues of importance to the Firm and the communities we serve. The Firm's participation as a member of these associations comes with the understanding that we may not always agree with all the positions of an association or its other members, and that we are committed to voicing our concerns as appropriate. The Public Responsibility Committee provides oversight of our positions and practices on public responsibility matters, including significant policies and practices regarding political contributions, major lobbying priorities and principal trade association memberships.

Finally, we aim to operate with high standards of public transparency in political spending. Our efforts have been recognized by the 2018 CPA-Zicklin Index of Corporate Political Disclosure and Accountability, which credited us as a Trendsetter in its 2018 report. In addition, in early 2019 we made enhancements to our disclosures, which are available on our website.

Cybersecurity

Cybersecurity has become one of the most critical issues facing the world today, and our Firm is working relentlessly to address it. We devote significant resources to protecting and continuing to improve the security of our computer systems, software, networks and other assets.

We work in close partnerships with government and law enforcement agencies and other businesses to understand the full spectrum of cybersecurity risks, enhance our defenses and improve resiliency against threats. We have dedicated cybersecurity professionals working across the globe who continuously monitor our systems 24 hours a day, seven days a week. All of our employees receive annual Cybersecurity Awareness education and are expected to be vigilant to cyber risks at all times.

We also continue to take a leadership role on cybersecurity within our industry. For example, JPMorgan Chase was one of the institutions that drove the development of Sheltered Harbor, an industry-led set of standards and processes to increase the resilience of the retail financial sector in the event of a destructive or disruptive cyberattack. Almost 60 firms are participating in the voluntary program, representing nearly 70% of U.S. retail deposit accounts and 55% of U.S. brokerage client assets.

JPMorgan Chase was also part of a consortium of financial services firms that created the Financial Systemic Analysis and Risk Center (FSARC), which aims to identify and address cyber threats that pose systemic risk to the financial system. FSARC is designed to enable operational collaboration, in which industry participants and government agencies utilize their individual capabilities, resources and authorities to collaboratively identify, analyze and mitigate systemic cyber risks.

Additional Online Resources

- Annual Report
- Board Committees
- Business Principles
- Code of Conduct
- Code of Ethics for Financial Professionals
- Corporate Governance Principles
- Corporate Responsibility Report
- Diversity and Inclusion
- Environmental and Social Policy Framework
- How We Do Business – The Report
- Human Rights Statement
- Political Engagement and Public Policy
- Proxy Statement
- Suppliers Information
- U.K. Modern Slavery Act Group Statement

For additional information, please visit www.jpmorganchase.com/ESG.

Serving Our Customers

Our customers and clients entrust our Firm with their financial well-being, and we consider it our highest responsibility to provide exceptional service in everything we do. Through our four lines of business, we serve millions of consumers and small businesses in the U.S., as well as corporations, local and national governments, investors, nonprofit organizations and a range of other institutions around the world.

Who We Serve:

- 62 million households
- 4 million small business customers
- 49 million active digital users, including 33 million active mobile users

2018 — At a Glance:

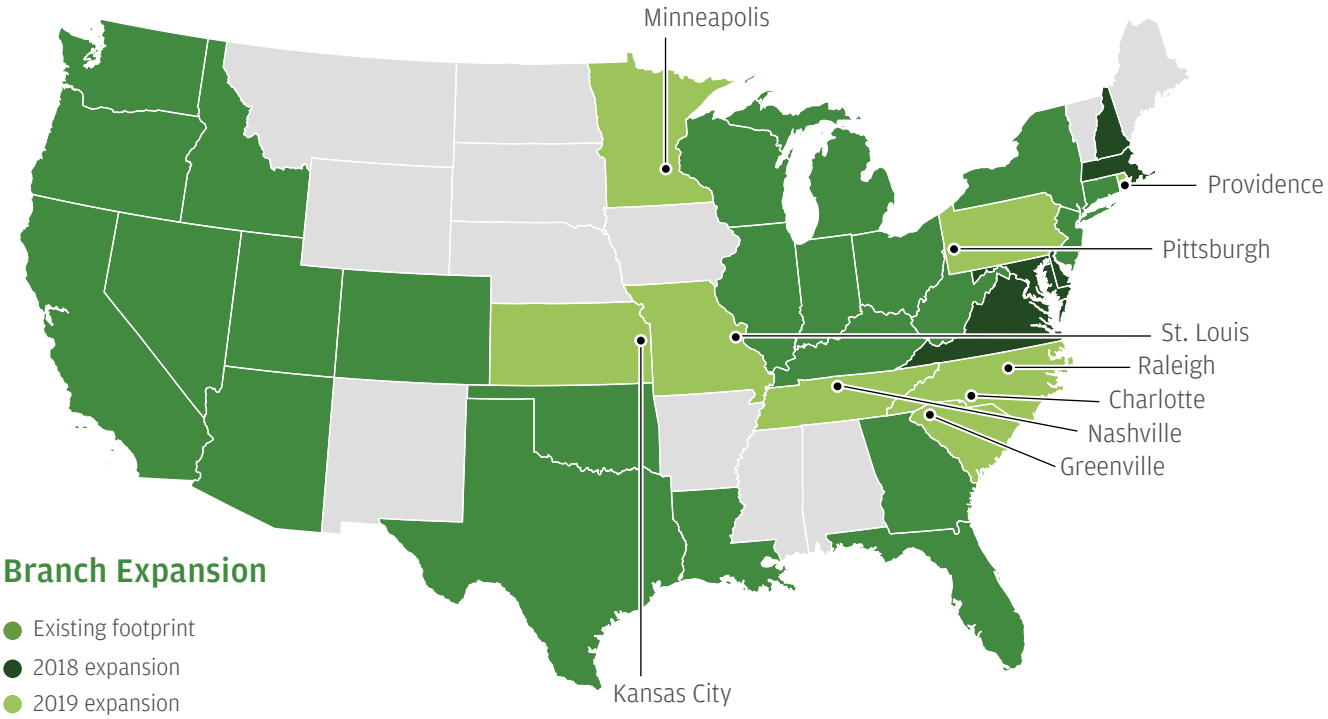
- Originated $79 billion in mortgages
- Opened 7.8 million credit card accounts
- Received 29% of all check deposits through mobile phones
- Processed an average of $2.7 billion in credit and debit payments every day
- Processed over $1.3 trillion for merchants

This section focuses principally on our Consumer & Community Banking business, which serves consumers and small businesses across the U.S. under the Chase brand. Our business helps our customers manage their money, purchase homes and vehicles, save and invest for the future, start and grow their businesses and achieve their other financial goals. In 2018, two key areas of focus included:

- Continuing to develop innovative products and services to enable our customers to bank however they choose — from their mobile phone, on their computer, at an ATM or a Chase branch; and
- Expanding the financial advice and solutions that all consumers need to make the most of their money.

Our efforts are paying off. In 2018, we led the nation in deposit growth for the sixth consecutive year. Our average U.S. deposits — from both consumers and businesses — grew by over 5% in 2018. And the J.D. Power 2018 U.S. National Banking Satisfaction Study℠ ranked Chase No. 1, up from second place the year before.

In 2018, we opened the first 10 of the 400 new Chase branches we are planning in new markets across the U.S. as part of a nationwide market expansion effort that will help us enhance how we serve our customers and communities (see p. 22).



Helping Customers Make the Most of Their Money

Serving about half of all U.S. households, we embrace our responsibility to create affordable, innovative products and services that help our customers manage their daily finances, withstand emergencies and meet their long-term financial goals.

For example, we help consumers track and manage their credit scores with Credit Journey℠, which allows users to not only check their credit score at any time and get alerts about changes, but also to learn what affects their score and find advice on how to improve it.

We have also launched a variety of products to make it easier for our customers to save and to invest for the future – key foundations of financial health. In 2018, we introduced You Invest℠, a digital investment platform that empowers all types of investors to build on their savings and grow their wealth. In early 2019, we rolled out an Autosave feature that lets customers set up automatic transfers to their savings accounts and monitor progress through a savings dashboard.

Supporting Small Businesses

When small businesses succeed, our communities thrive. In early 2018, we announced plans to increase our small business lending by nearly $4 billion over three years, further expanding our leadership in small business banking. During 2018, we originated over 910,000 small business loans for a total of $15.5 billion in the states where we have a branch presence, an increase of over 45% from the year before.

We have a number of efforts aimed at supporting women, minority, veteran and other underserved entrepreneurs. A key goal of our new Women on the Move global initiative is to help women start and grow businesses (see p. 18). Over the next three years, we expect to lend $10 billion to women-owned businesses.

We are also investing philanthropic capital to unleash the power of small business as a driver of opportunity. In 2018, we expanded our commitment to Small Business Forward, our initiative supporting underserved entrepreneurs, pledging $150 million over five years to help women-, minority- and veteran-owned small businesses get the capital and the technical assistance they need to expand (see p. 24).

Engaging with Customers

We regularly engage with our customers, consumer groups and other stakeholders with a goal of developing products, services and policies that are responsive to their needs and address the issues that matter most to them. We have established forums at local, regional and national levels through which stakeholders can share their perspectives with us, both formally and informally.

Community Advisory Boards, which we have in our major U.S. retail markets, are one of the key forums through which local and regional nonprofit leaders and community partners can share their perspectives on community development needs, public policy and regulatory issues with Chase executives. Similarly, Chase Advisory Panels provide a forum for national consumer policy groups to engage the Firm's senior executives on retail-related policies, products and communications. In addition, we conduct hundreds of meetings annually with community-based organizations.

We also solicit customers' direct feedback on their experiences and needs through a range of channels, including in person at our branches, through our website and via social media and customer satisfaction surveys. In addition, we collect customer feedback through external media and ratings agencies. We take this feedback seriously and use it to further improve our approach and offerings.

Being There When Our Customers Need Us

Immediately after the U.S. government shutdown began in late 2018, we reached out to affected customers to offer help, and we proactively refunded checking account overdraft and service fees. We activated a dedicated customer care line with a team of specialists that extended payments on affected customers' car loans, provided 90-day relief on their mortgages and removed minimum payments on their credit cards, limiting the impact on their credit reports. By the time paychecks resumed, we had helped more than 40,000 customers.

In addition, the Firm gave $1 million to Feeding America and United Way – and also matched employee donations to these organizations – to provide meals, financial services, counseling and other assistance to federal workers and their families. In addition, we collected food and household items in 44 U.S. markets to support the increased demand on food banks.

Treating Customers Fairly

We know that the foundation of our relationships with our customers must be trust, fairness and transparency. We build this by having policies and procedures aimed at simplifying our disclosures, products and services and operations, aligning our sales practices with our customers' interests and taking rigorous measures to safeguard the privacy of customers' information.

Fair & Transparent Marketing

We strive to empower our customers to make informed choices about their finances and banking options by providing clear, concise and transparent information about all of our products and services. For example, a firmwide effort is underway to simplify and standardize our disclosures, helping customers feel confident in their decision to bank with us.

Aligning Employees' Incentives with Customers' Interests

Our bankers' job is to provide our customers with the right products and services to meet their financial needs, and we train, assess and reward our employees accordingly. Every year, we train our bankers on our customer-centered policies, procedures and controls, and we evaluate their performance on these metrics, as well as on revenue and profitability.

We reward bankers for providing customers with a positive overall experience and products and services they need and use. We also review our sales practices, including culture, incentive plans, controls assessments and feedback received from customers and employees through various channels, including our employee Code Reporting Hotline. By merging all of this feedback, we help safeguard our reputation and align employee performance with the best interests of our customers.

Protecting the Elderly & Vulnerable from Financial Abuse

As demographics shift in the U.S., we are working to increase awareness about potential financial abuse affecting the aging population. For example, to better protect our customers, we apply data analytics and have enhanced frontline, job-specific employee training in an effort to better prevent, detect and respond to financial exploitation. We are also working with nonprofit organizations, advocacy groups, regulators and the industry to explore strategies and best practices for combating exploitation of older and vulnerable customers.

Safeguarding Customer Privacy & Data Security

Our customers rely on us to protect their personal and financial information, and we take this responsibility very seriously. We have internal policies and security measures to keep our customers' information safe, and we hold our suppliers and vendors to the same high standards for data security.

We protect customer information through a wide range of technological, procedural and physical security measures. Our Code of Conduct and related policies for ethical business conduct include specific guidelines about how employees should safeguard customers' confidential information. All employees receive annual training on the Code of Conduct. We strive to provide customers with clear, user-friendly explanations of our privacy policies that explain how we collect, share, use and protect their information, and outline steps they can take to limit the sharing of personal information.

We are investing in enhanced data privacy and security solutions to safeguard information shared via our increasing suite of online and mobile banking tools. For example, we are investing in machine learning and intelligent strategies to improve detection and mitigation of fraud across our products and services. This technology allows us to more accurately detect potentially fraudulent activity for our customers and approve more good transactions. In 2019, for example, we anticipate our systems will prevent nearly one million more fraudulent credit card transactions that would have previously been approved, while simultaneously approving nearly one million additional legitimate transactions that would have been incorrectly declined.

Serving Low- & Moderate-Income Customers

Our Firm works to serve all segments of our customer base well, including developing products and services specifically designed to better meet the needs of low- and moderate-income customers. In 2018, we committed to opening 400 new bank branches across the country; 30% of these will be in low- and moderate-income communities. Chase has a higher proportion of its branches and ATMs in low- and moderate-income communities than the industry overall.

Expanding Homeownership

Our Firm is focused on increasing access to affordable and sustainable homeownership for low- and moderate-income customers. In 2018, we committed to expand our mortgage lending in low- and moderate-income communities by 25% – to $50 billion – over the next five years. During 2018, we made more than $11 billion in mortgages in low- and moderate-income communities, putting us right on track to meet this commitment.

We continue to make more mortgages through our DreaMaker program, which allows buyers to make a down payment of as little as 3%. This is crucial for families that can afford the monthly payment but struggle to come up with a down payment. In 2018, we made 20% of our home-purchase mortgages through this program – up from 5% in 2016. DreaMaker complements the suite of affordable loans we have long offered, including Federal Housing Administration and U.S. Department of Veterans Affairs mortgages. Buyers can earn an extra $500 grant toward a DreaMaker loan by completing a financial educational program to prepare them for homeownership.

In 2018, we also expanded our homeownership grant program – which reduces the cash that buyers need for down payment and closing costs – to more low- and moderate-income areas across the U.S. And we increased the grant to $2,500 from $1,500. We are pleased to report that twice as many customers received a grant in 2018 than in the year before.

We are hiring approximately 500 new Home Lending Advisors across the country to help consumers make more informed mortgage choices. We are also working with our nonprofit partners to provide workshops on budgeting, credit and other pre-purchase topics to help customers navigate the path to homeownership.

Recognizing that homeownership is not possible or desirable for some consumers, JPMorgan Chase is dedicated to helping preserve affordable rental housing for low-income communities across the country. We continue to do that by committing to lend over $7 billion in the next five years to commercial and nonprofit housing partners to help maintain, rehabilitate and build affordable units.

Broadening Access to Banking Services

A crucial way we support low- and moderate-income communities is by creating products that provide safe, high-quality and affordable ways to access banking services. For example, in early 2019 we launched Chase Secure Banking℠, a checking account with a flat monthly fee that gives customers all the benefits of banking with Chase without check-cashing fees, minimum balances to open an account or overdraft fees. Chase Secure Banking℠ builds on and replaces our low-fee Chase Liquid® reloadable prepaid card, adding enhancements to provide a full banking experience that we developed based on customer feedback.

We know that small businesses play an essential role in creating jobs and generating economic opportunity – especially in low- and moderate-income areas. In 2018, we made over 176,000 small business loans totaling more than $3.4 billion in low- and moderate-income communities. That is approximately 20% of our total small business lending.

In addition, we support technology-based innovations to improve the financial lives of low- and moderate-income Americans through the Financial Solutions Lab (see p. 24), managed by the Center for Financial Services Innovation with JPMorgan Chase.

Additional Online Resources

- Accessibility at Chase
- Annual Report
- Business Principles
- Chase Privacy Policy
- Corporate Responsibility Report
- JPMorgan Chase Financial Health
- JPMorgan Chase Institute
- JPMorgan Chase Small Business Forward
- Proxy Statement

For additional information, please visit www.jpmorganchase.com/ESG.

Investing in Our Employees

JPMorgan Chase's human capital strategy is aimed at developing and retaining the high-performing global, diverse workforce our Firm needs to be successful today and in the future. This requires attracting and retaining people with strong skills and characters that are consistent with our culture and values, fostering an inclusive work environment where people are respected, trusted and encouraged to bring their whole selves to work and providing our employees with opportunities to learn, develop and advance their careers.

To build and support a workforce that enables us to best serve our customers, clients and communities and deliver value for our shareholders, we invest in our people through all phases of the employee life cycle. This starts with how we recruit and continues through to how we support our employees' development and reward their performance throughout their careers with us. In early 2018, we announced our Firm is stepping up this investment with increases in wages and an enhancement of benefits for employees at the lower end of our pay scale (see p. 20). We are also undertaking a nationwide market expansion effort, which will include hiring 3,000 employees in new U.S. markets.

We measure the success of our investments in employees in multiple ways, including job offer acceptance rates, employee engagement and satisfaction, attrition levels and internal mobility rates, among others. We continue to be widely recognized for our workplace practices. For example, we have been the highest-rated megabank on FORTUNE's list of the World's Most Admired Companies for four years running, and we have a 100% rating on the Human Rights Campaign's Corporate Equality Index.

Who We Are: Key 2018 Statistics

Each of our employees plays an important part in delivering exceptional service to our clients and customers. We have a diverse employee base with a wide range of roles, working in over 60 countries.

- We have more than 256,000 employees worldwide, approximately two-thirds of whom are based in the U.S.
- Women represent almost 49% of our global workforce.
- As of May 2019, women represent 50% of our Operating Committee.
- Ethnically diverse employees make up 50% of our U.S. workforce.

Hiring Great People

Our success as a company depends on attracting the best people. We look for diverse talent from multiple sources, within and outside our organization. We seek to hire people who not only have the skills and expertise we need, but also share our values and are committed to acting with integrity. We hire based on merit, using objective criteria and standard processes for assessing and selecting candidates.

Building a Strong & Diverse Talent Pipeline

We believe that today's students are tomorrow's talent, so in 2018 we kicked off the first phase of an effort to transform our campus recruitment program in order to strengthen the pipeline of diverse leaders into the Firm. This includes creating a new firmwide university relations team and several new recruiting technology platforms to help us better manage relationships with and evaluate candidates. We also continue to enhance our diversity-focused campus recruiting programs by working with organizations that help us connect with diverse candidates for internships and employee recruiting.

We make diversity a priority throughout our hiring process and seek candidates from a wide range of backgrounds and experiences for positions at all levels. Alongside our campus recruiting efforts, we have a number of other programs that foster diverse hiring and advancement, including initiatives focused on ethnic minorities, people with disabilities, women, veterans and others.

Building Skills & Strengthening Communities

Our Firm actively leverages the talent of our people to maximize the impact of our philanthropic investments, while providing our employees with volunteer opportunities that help them develop skills and give back to communities. In 2018, nearly 59,000 employees volunteered more than 389,000 hours to local community organizations. And in early 2019, we implemented a new firmwide policy that provides up to eight hours of paid time off annually for volunteering and community engagement activities.

The field Service Corps, through which employees complete three-week deployments with our nonprofit partners to help them build capacity, is our signature skilled volunteerism program. Through our virtual Service Corps, employees can volunteer their skills to assist nonprofit partners remotely. In 2018, 218 employee volunteers from offices in 15 countries contributed over 18,500 hours of time working with 49 of our nonprofit partners through these two programs.

In 2018, we launched two programs to help employees engage with community organizations at the board level. Our board leadership program encourages and supports our employees to serve on nonprofit boards, helping them turn their expertise and networks into meaningful contributions to their communities. Already, through this program nearly 40 JPMorgan Chase employees have joined nonprofit boards. To amplify the impact of financial contributions employees make as members of nonprofit boards, we also introduced a financial board matching program. The matching contributions made by our Firm recognize the commitments employees make as board members. Within the first three months of the program, 271 employees contributed to the nonprofits on whose boards they serve, which resulted in the Firm matching more than $1.3 million to those organizations. These donations are on top of the over $11 million dollars employees donated through our year-round workplace giving program, which supports nonprofit organizations all over the world.

Best-in-Class Leadership Training

Leadership Edge is our best-in-class leadership development program, which is designed to enable leaders at all levels to grow and succeed throughout their careers. The in-person training sets clear expectations and standards for people management and further embeds our Business Principles into our culture. In 2018, we achieved a record year for participation with global attendance reaching more than 22,500 across Leadership Edge programs, and 60% of all managers have attended since its inception in 2015. During the year we also held a number of virtual leadership and learning events, which connected more than 16,000 of our managers globally.

Training & Career Development

We make substantial investments in tools and training programs to help our employees build their knowledge, skills and experience, as well as to guide their career advancement. Mirroring the digital transformation taking place within adult education and training broadly, in 2018 we introduced several online and virtual learning innovations to provide our employees around the world the opportunity to learn when and where they want. For example, we introduced the Chase Academy, which offers personalized digital learning curriculums and piloted artificial intelligence to advance our adaptive learning approach.

In 2018, we delivered nine million hours of training to employees across the globe on topics including business processes and products, leadership and professional development, risk and compliance and technology, among others. In addition to our internal training efforts, we provide tuition assistance to employees who are seeking to further build their skills.

We also support employees by facilitating career advancement and mobility within the Firm. In 2018, we filled 42% of all positions, and 54% of our most senior-level roles, with internal candidates.

A Workplace for Everyone

We are focused on being the best employer for people from all backgrounds and experiences. By creating an inclusive work environment that supports all heritages, cultures, work styles and lifestyles, we will attract and retain the best people and be positioned to meet the diverse needs of our clients and communities.

A key part of this is working to promote a culture of respect that allows every employee to feel safe and empowered at work. To this end, in 2018 we launched and enhanced a variety of programs to build awareness of unacceptable workplace behavior and harassment and to educate employees on resources available to support them. For example, we introduced an enhanced anti-harassment awareness training, which is required for all employees. We also released an updated Equal Opportunity, Anti-Discrimination and Anti-Harassment Policy and developed guidance for employees on handling uncomfortable situations. In addition, we initiated a company-wide campaign on workplace respect and how employees can speak up.

Our commitment to diversity and inclusion is embedded throughout our organization at all levels. Recognizing the important role leaders play in fostering an environment where all employees feel that they belong, can grow and contribute, we give managers training and resources to help them attract, hire, develop and retain diverse talent.

Our Business Resource Groups (BRGs) are an essential part of how we foster an inclusive work environment. These groups promote leadership and professional development and provide volunteer opportunities for members, while advancing the Firm's position in the global marketplace and diversity strategies by leveraging the unique perspectives of their members. Our Firm has ten BRGs globally, focused on ethnic communities and other groups, including Hispanic and Latino; black; Asian and Pacific Islander; military and veterans; LGBT+ employees; women; people with disabilities; early career and administrative professionals; and working families. Over 91,000 employees – or approximately 35% of our people – are members of at least one BRG.

Our commitment to advancing diversity and inclusion extends beyond our own walls. For example, in 2018 we signed a statement supporting equal rights for transgender, gender non-binary and intersex people, explicitly opposing any actions to remove legal protections for these groups. And we are regularly recognized for our firmwide commitment to promoting an inclusive environment for our employees, including receiving multiple awards for our diversity efforts.

Assessing Pay Equity

We conduct periodic pay equity reviews at all levels. In 2018, in aggregate women globally and minority employees in the U.S. were paid 99% of what men globally and non-minority employees in the U.S. were paid, taking into account factors such as an employee's role, tenure, seniority and geography. We are proud of the overall diversity of our workforce. However, we also know that women still are not represented in as many senior management positions as men. Despite the significant progress we have made, we are taking a variety of actions focused on hiring, retaining, developing and advancing women and minorities, especially at more senior levels.

Championing Women

Our Firm has long focused on the empowerment and advancement of our women employees, and today women make up nearly half of our global workforce and, as of May 2019, 50% of our Operating Committee. In 2018, we expanded our Women on the Move initiative – which we launched in 2013 to provide women at all levels of our Firm with a platform to exchange ideas and support their career development. Now, the program focuses not only on women inside our Firm but also on women clients and customers. The expanded global initiative will support women-run businesses, provide tools and education to help women increase their financial health and independence and offer resources that empower women to excel in their careers.

We also continue to support women's advancement within the Firm. For example, in 2018 our Firm signed the U.K. Women in Finance Charter and set a public target to have women in 30% of our U.K. Managing and Executive Director roles by June 2023. And we are expanding our efforts to support working parents and families (see p. 20).

Developing Black Talent

In 2019, we launched Advancing Black Pathways (ABP) to help close the gap to economic success for black business owners, families and communities. ABP combines the Firm's business and philanthropic resources to accelerate economic opportunity for black Americans by strengthening education and job training, growing careers and building wealth. As part of this program, we committed to hiring more than 4,000 black students over the next five years into apprenticeships, internships and post-graduation roles.

ABP builds on our Firm's existing efforts to help black Americans achieve economic success. This includes Advancing Black Leaders (ABL), which is our leading strategy to increase representation of black talent across all of our businesses. ABL expands the Firm's recruitment of black Americans while also promoting leadership excellence and retention. While we have more to do, we are seeing encouraging results.

Providing Opportunities to People with Disabilities

Through our global Office of Disability Inclusion (ODI), we work to drive results in four key areas – attitude, accessibility, accommodations and assimilation – to hire and retain individuals with disabilities throughout the Firm. To support this effort, in 2018 ODI instituted global Disability Inclusion Standards to provide managers with resources to help recruit, hire and advance people with disabilities. We also launched the MyAccessibility Hub accommodations team to support timely implementation of assistive technology tools for employees, while also simplifying processes for requesting and receiving technological and physical accommodations. Since its formation, the team has handled hundreds of cases in the U.S. alone.

The Office's work is delivering results. In 2018, the Firm hired people with disabilities in every region and in every line of business, including individuals on the autism spectrum. We were recognized by Disability:IN – a leading nonprofit resource for business disability inclusion – as Employer of the Year.

Hiring & Supporting Veterans

JPMorgan Chase has hired more than 14,000 U.S. veterans since 2011 – including over 1,200 in 2018 alone – with more than 50% coming from self-identified diverse backgrounds. We offer internship and rotational entry programs to support the transition of military personnel and veterans into the financial services industry. Once at the Firm, our Office of Military and Veterans Affairs supports our veteran employees through mentorship programs, acclimation and development initiatives, recognition events and other programs to help bridge the gap between military and corporate cultures. Additionally, we offer paid military leave for all types of military service.

Supporting Our Employees

We take a whole-person approach to supporting employees, including providing competitive compensation and comprehensive benefits, health and wellness programs and policies and programs for working parents.

Employee Compensation & Benefits

Providing competitive benefits and compensation is a key component of our talent development strategy and it is important for attracting and retaining the best employees. Key elements of our compensation philosophy include:

- Providing competitive compensation opportunities to employees based on their roles and responsibilities, experience, performance and other factors
- Tying pay to performance and evaluating performance at the Firm, business unit and individual levels
- Promoting a culture of shared success
- Rewarding behaviors that generate sustained value for the Firm and reinforcing personal accountability
- Encouraging employees to think and act like owners

We have governance mechanisms, systems and controls in place that are intended to provide our employees equitable pay for the work that they do, regardless of who they are.

In an effort to attract and retain great people, for the second time in the past two years we announced a pay increase for employees at the lower end of our pay scale. We increased wages by 10% on average — ranging from between $15 and $18/hour — for overtime-eligible employees in the U.S. This is the right thing to do and puts us well above the average hourly wage for most markets in which we do business.

Alongside compensation, we offer comprehensive benefits packages for our employees and their families, including healthcare coverage, retirement benefits, life and disability insurance, on-site health and wellness centers, employee assistance programs, competitive vacation and leave policies, backup child care arrangements, tuition reimbursement programs and more. In 2018, we took steps to improve access to healthcare for our employees and to help tackle the enormous affordability challenges in the U.S. healthcare system. For employees making less than $60,000 a year, we lowered our medical plan deductible by $750. The value of the Firm's full benefits package, including healthcare, retirement, and other benefits, averages $12,000 for employees in this pay range.

Supporting Working Parents

To better support our employees, we continue to expand support for working parents. Globally, we offer parental and adoption leave programs with a minimum of 16 weeks of fully paid parental leave for employees who are primary caregivers. In early 2019, we increased the amount of paid leave we provide to nonprimary caregivers to a minimum of six weeks, up from two weeks.

We have flexible work options to support parents and others who need alternative work schedules, and we provide backup child care, a return-to-work program and other assistance to working parents. In 2018, we also expanded our parent-to-parent mentoring program to 24 countries; over 14,000 employees have participated in educational and networking events since the program launched in 2016.

Encouraging Health & Wellness

In addition to healthcare and insurance plans for employees, their spouses or domestic partners, we offer a comprehensive wellness program focused on personal and financial health and work-life balance.

For example, we offer on-site health and wellness centers and health assessments to help our employees identify potential or existing health risks. In 2018, 80% of enrolled employees and 64% of spouses/domestic partners completed both a wellness assessment and screening. As an incentive to participate in these wellness activities, in 2018 we contributed approximately $100 million into the Medical Reimbursement Accounts of employees and their spouses/domestic partners.

In 2018, we continued our focus on mental health, expanding our programs to raise awareness and reduce stigmas of mental illness and provide relevant support to employees. We launched a video and web campaign to give employees a forum for discussing how they are dealing with — and overcoming — mental health issues and to educate employees about mental illness and addiction. We also piloted Mental Health First Aid, a six-hour training program for managers and human resources professionals to help them identify, understand and respond to colleagues who may be experiencing mental health and addiction challenges.

Additional Online Resources

- Annual Proxy
- Awards and Recognition
- Business Principles
- Careers at JPMorgan Chase
- Compensation & Management Development Committee
- Diversity and Inclusion
- How We Do Business — The Report

For additional information, please visit www.jpmorganchase.com/ESG.

Supporting Our Communities

JPMorgan Chase believes that companies must help solve today's biggest challenges and create economic opportunity for more people. To do so, they must invest in communities the same way they invest in their own businesses. As announced in early 2018, our Firm has committed $1.75 billion by 2023 to drive inclusive growth in communities around the world. We call this generating 'Return on Community,' and it is one of our core objectives because we know that the future of our company depends on the well-being of the places where our employees and customers live and work.

Our Firm's model for impact focuses on four strategic drivers of inclusive growth, and it reflects what we believe are the essential ingredients for creating a lasting impact in our communities. We are putting this model into action through significant, long-term and data-driven investments that leverage our Firm's expertise, capital, data, technology and global presence.



*Advancing*Cities

Our model for impact has yielded real results, so we are doubling down on our commitment to drive inclusive growth and expanding the number of people and places we reach. *Advancing*Cities is JPMorgan Chase's $500 million, five-year initiative to invest in solutions that bolster the world's cities and the people within them. Through this effort, launched in September 2018, we are combining our philanthropic and business capital to expand opportunity for those who are being left behind in today's economy. *Advancing*Cities will deploy investments and encourage solutions in two ways:

- Signature Cities. Our Firm is making comprehensive, long-term commitments in cities around the world where the conditions are right for success and in which broader, deeper investments are needed to drive inclusive growth.
- *Advancing*Cities Challenge. We are making commitments in up to 30 communities to support innovative, sustainable solutions that help more people benefit from a growing economy. Their ideas must offer unique ways to advance at least two of the pillars that are at the heart of our model for impact. And they must demonstrate a collaborative approach that brings together the public, private and nonprofit sectors – an approach that is essential to solving complex challenges. In April 2019, we announced the first five winning cities: Chicago, Illinois; Louisville, Kentucky; Miami, Florida; San Diego, California; and Syracuse, New York. Each of these cities is receiving $3 million over a period of three years.

As part of *Advancing*Cities, JPMorgan Chase will deploy up to $250 million as low-cost, long-term loan capital – bringing together our Firm's philanthropic efforts with the lending and investing expertise of our Community Development Banking business. Our experience has shown that flexible capital, which can help bridge the gap between philanthropic and market-rate capital, is a powerful tool to attract additional investment and help more people share in the rewards of a growing economy. We expect the investments we make through *Advancing*Cities to attract an additional $1 billion in outside capital.

In December 2018, we committed $10 million in low-cost, long-term capital to the Chicago Community Loan Fund, our first flexible capital commitment as part of *Advancing*Cities. This low-cost loan will support the development and preservation of small business and commercial corridors on Chicago's South and West sides.

Building Branches, Strengthening Communities

In parallel with an expansion of our consumer business, our Firm is increasing lending and philanthropic commitments in our communities. For example, in 2018 we announced plans to open 70 new branches in the Greater Washington region and hire 700 new employees, the first major branch expansion as part of JPMorgan Chase's $20 billion, five-year investment in our business and local economic growth. To fuel the economy of this region, we committed $4 billion in lending for home mortgages and small businesses and $500 million to support affordable housing. We also doubled our investment in underserved neighborhoods across the region with a $25 million philanthropic commitment.

One such philanthropic investment is the $6 million we committed in 2018 to prepare Greater Washington area students for local, in-demand technology jobs. Part of our Firm's global New Skills for Youth initiative, our investment will support five school districts in Washington, D.C., Virginia and Maryland and enable them to partner with local colleges and universities to build career pathways for students that result in well-paying technology jobs.

Using Our Purchasing Power to Advance Economic Opportunity

Our Firm has a long-standing commitment to cultivating business relationships with diverse suppliers, with 2018 marking the 24th year of our Global Supplier Diversity program. Having a diverse supply chain makes our company stronger and it enables us to use our purchasing power to expand economic opportunity in our communities. In 2018, we spent $1.3 billion with minority-owned businesses; $613 million with woman-owned businesses; $77 million with veteran-/service-disabled veteran-owned businesses; $11 million with businesses owned by people with disabilities and $30 million with businesses owned by members of the LGBT+ community.

Investing in Opportunity

Our Firm is generating Return on Community through comprehensive, multi-year commitments in cities around the world. These include:



Greater Paris

In 2018, we marked our 150th anniversary in France with a $30 million, five-year philanthropic commitment to provide underserved residents and local entrepreneurs across Île-de-France access to greater economic opportunity. This doubles the Firm's philanthropic commitment in the Greater Paris area and is the first new commitment as part of *Advancing*Cities.



Detroit

We developed and refined our model in Detroit, where in 2014 we made a $150 million commitment to the city's economic recovery. Five years into this commitment, our impacts include:

1,632	2,067	4,387	13,180	13,573
units of affordable housing were created or preserved	jobs were created or retained	small businesses received capital or technical assistance	people received services to improve their financial health	people participated in workforce programs



Chicago

We extended our model to Chicago in 2017 with a $40 million pledge to expand access to opportunity for residents of the city's South and West sides. One year into this commitment, our impacts include:

176	1,246	1,319	5,341	2,857
units of affordable housing were created or preserved	jobs were created or retained	small businesses received capital or technical assistance	people received services to improve their financial health	people participated in workforce programs



Greater Washington Region

In September 2017, we committed $25 million to drive inclusive economic growth in underserved neighborhoods in Washington, D.C., Virginia and Maryland. One year into this commitment, our impacts include:

590	312	722
units of affordable housing were created or preserved	jobs were created or retained	small businesses received capital or technical assistance

Pillars of Inclusive Growth

Our model for impact focuses on key pillars of opportunity where we can leverage our core business expertise. While we are enormously gratified by the model's success, we are constantly looking for ways to deepen our impact. One way we are doing this is by more extensively and deliberately tapping into our employees' skills to support our efforts to drive inclusive growth. In 2018, nearly 59,000 of our employees volunteered more than 389,000 hours (see p. 17). Other highlights of our work in 2018 include:

Jobs & Skills

Through New Skills at Work, we are supporting efforts to equip adults and youth with the skills needed to get on a solid career path, while strengthening the talent pipeline employers need to grow and compete. Over the past five years, our Firm has helped nearly 150,000 people by partnering with about 740 nonprofits, committing $250 million in job training and career education initiatives in 37 countries, as well as 30 U.S. states and Washington, D.C., to support skill building so that people can gain well-paying jobs in growing industries. In early 2019, we announced the next chapter of New Skills at Work with a new five-year, $350 million investment focused on building the workforce of the future.

Small Business Expansion

A key component to our strategy for breaking down barriers for minority, women and veteran entrepreneurs is seeding and scaling high-impact models that expand access to flexible capital. Building on the success of Detroit's Entrepreneurs of Color Fund — which our Firm helped launch in 2015 to provide minority-owned small businesses with access to capital and technical assistance — we expanded this model to Chicago, the South Bronx and the Bay Area in 2018. Through year-end, JPMorgan Chase has committed $13.6 million to the Entrepreneurs of Color Fund, resulting in 210 loans totaling $9.5 million that created or retained 1,200 jobs. In early 2019, we further expanded the Entrepreneurs of Color Fund to the Greater Washington region.

Neighborhood Revitalization

Partnerships for Raising Opportunity in Neighborhoods (PRO Neighborhoods) is our Firm's initiative to support innovative approaches that promote thriving, opportunity-rich neighborhoods. In 2018, we hosted our fifth PRO Neighborhoods competition and, over the course of those five competitions, we awarded a total of over $98 million to more than 70 Community Development Financial Institutions across the U.S. Our $68 million commitment to the winners of the first three competitions raised an additional $713 million in outside capital, issued over 21,000 loans to low- and moderate-income customers and created or preserved over 3,000 affordable housing units and 11,000 quality jobs.

Financial Health

The Financial Solutions Lab (FinLab), supported by JPMorgan Chase, hosts an annual competition to identify, test and bring to scale promising innovations that address the financial needs of low- and moderate-income Americans. The FinLab announced eight financial services innovators as winners of its 2018 challenge. To date, FinLab has supported more than 30 innovative financial technology companies that have raised over $500 million in capital since joining the program, saving U.S. residents over $1 billion. In 2018, we helped launch the Financial Inclusion Lab in India, applying insights from the Lab in the U.S. to bring to scale early-stage fintech startups in India that are focused on helping India's underserved communities.

Additional Online Resources

- Annual Report
- Corporate Responsibility
- Corporate Responsibility Report
- JPMorgan Chase Institute

For additional information, please visit www.jpmorganchase.com/ESG.

Advancing Sustainability

JPMorgan Chase leverages its core expertise in the financial markets to promote sustainable business practices and help our clients raise the capital they need to invest in projects and initiatives that achieve positive environmental and social outcomes. Our Firm has operations around the world and works with clients in nearly every sector of the economy – including corporations, development finance institutions, governments and investors. This breadth of coverage provides us with insight into the opportunities and risks that the transition to a lower-carbon, more sustainable future presents for our clients and our Firm. Across our business, we aim to put this expertise to work every day to help advance sustainable solutions.

We also promote sustainability within our physical operations, including energy efficiency in our buildings, branches and data centers, and we are working toward our goal to source renewable energy for 100% of our global power needs.

Our Firmwide Sustainability Strategy

Business Opportunities

Advancing financing opportunities and investment strategies, with a commitment to facilitate $200 billion in clean financing by 2025

Operational Sustainability

Managing our buildings and branches sustainably, with a goal of using 100% renewable energy by 2020

Risk Management

Managing environmental and social risks associated with our financing activities

Policy Engagement & Market Development

Partnering with stakeholders to advance best practices and new opportunities

Employee Engagement

Leveraging the skills and passion of our employees to advance sustainability in our business and communities

Transparency & Reporting

Reporting on our approach to and performance on ESG matters

Business Opportunities

We leverage the resources and the expertise of our bankers, risk managers, industry experts and others to help our clients achieve their sustainability and financial objectives.

Corporate & Investment Bank and Commercial Banking

One of the key ways we help our clients achieve their sustainability efforts is through our financing activities. As of year-end 2018, JPMorgan Chase had facilitated more than $100 billion in clean financing, meaning we are more than halfway to our goal of facilitating $200 billion in clean financing through 2025.

This financing activity is principally led by our Corporate & Investment Bank (CIB) and Commercial Banking (CB) businesses, which collectively provide strategic advice, raise capital, extend loans and offer risk management solutions for large- and medium-sized corporations, governments and institutions. This includes:

- **Underwriting debt with a sustainable use of proceeds.** In 2018, JPMorgan Chase underwrote $10.6 billion in green bonds and bonds with a sustainable use of proceeds. For example, we served as joint-bookrunner for €1.25 billion in green bonds raised by the Enel Group, which used the proceeds to finance projects such as the development and construction of renewable energy generation plants.
- **Financing and risk management.** JPMorgan Chase provides financing and risk management solutions to support clients' renewable energy projects and to facilitate new energy, technology, transportation, waste management and water treatment innovations. For example, since 2003, JPMorgan Chase has committed or arranged over $21 billion in tax equity financing for wind, solar and geothermal energy projects in the U.S., including $3.2 billion in JPMorgan Chase investments in 2018.

In 2018, we combined our Firm's focus on sustainability with our commitment to create affordable housing by financing two multi-unit residential developments in New York through our Community Development Banking group. In the City of Kingston, New York, we provided a construction loan for a 57-unit affordable housing building that will use on-site geothermal and solar power to have "net zero" energy demand, meaning the development will generate enough energy on-site to cover at least its own energy needs. In Brooklyn, New York, we partnered with RiseBoro Community Partnership on the financing of a 67-unit affordable housing building that will include community service space and be built to the highly energy efficient "passive house" standard. Both developments set aside units for homeless families.

- **Providing advisory services.** JPMorgan Chase advises clients on strategic transactions and capital raising, including those that relate to sustainable business opportunities. In 2018, the Firm participated as a bookrunner in the over $1 billion initial public offering of NIO, which was the largest electric vehicle company initial public offering in history.
- **Advancing sustainability through research.** The Firm leverages its research capabilities to advance sustainability and ESG investment strategies. In 2018, we launched J.P. Morgan ESG ("JESG"), the first-ever emerging market bond indices that integrate ESG factors into a composite benchmark. We also introduced ESGQ, a quantitative tool to help investors pick stocks that prioritize ESG factors and outperform the broader index. The results have been promising: Since its inception in 2018, ESGQ has provided better annualized returns than the MSCI Europe and the MSCI European Leaders indices. We also published research reports on sustainable investing topics, including "ESG Investing Goes Mainstream" and "Investing in Gender Balance," which analyze the investment implications and opportunities from the burgeoning responsible investment market.

Progress toward Our Sustainability Commitments

In 2017, JPMorgan Chase announced commitments to facilitate $200 billion in clean financing by 2025 and to source renewable energy for 100% of our global power needs by 2020. We have made progress on both of these targets:

- Facilitated over $100 billion in clean financing by year-end 2018, putting us more than halfway toward our commitment
- Sourced renewable energy for 22% of our global power consumption by year-end 2018

Asset & Wealth Management

Our Asset & Wealth Management business, which has $2 trillion in assets under management (AUM), helps individuals, advisors and institutions around the world invest capital to achieve their financial goals. These goals increasingly include a desire to align investments with sustainability objectives.

Our Asset Management business has a long-standing commitment to incorporating ESG factors into its investment practices and this is outlined in its Sustainable Investing Statement. Within Asset Management, the Sustainable Investment Leadership Team, a cross-functional group of senior experts, facilitates a coordinated strategy for sustainable investing across asset classes and investment offerings.

As of December 31, 2018, our Asset Management business had AUM of more than $667 billion in ESG-integrated strategies, which we define as the explicit consideration of material ESG factors into the investment decision-making process, while not limiting the investment universe. We continue to build capabilities across other approaches to sustainable investing and to advance our clients' understanding of sustainable investing topics. In 2018, for example, our Asset Management team published a series of insights exploring climate change and resilience, renewable energy and battery storage, and ESG integration in real estate portfolios, among other topics.

Our Wealth Management business is also helping clients express their preferences for sustainable investing. In 2018, we hired a dedicated Head of Sustainable Investing for Wealth Management who will expand our sustainable investment offerings, enhancing our ability to help clients who want to pursue sustainable and impact investing within their portfolios. We also continued to share insights on sustainability topics to support our clients' interest in responsible investing, including gender lens investing, ocean health and sustainability in the fashion industry.

Across equities, fixed income, alternatives and multi-asset portfolios, Wealth Management has 56 investment strategies geared toward sustainable investing globally, with $4.2 billion in AUM. These strategies span multiple approaches, including ESG integration, negative screening, thematic investing and impact investing. We continue to develop tools to help clients achieve their sustainable investing goals, along with new opportunities for our clients to participate in impact investing funds. For example, in 2018 we offered a new investment opportunity to Wealth Management clients through Elevar, an impact-focused venture capital firm that invests in scalable, entrepreneur-led businesses focused on underserved customers in low-income communities across India and Latin America.

Managing Risk

An important component of the Firm's risk management process is assessing our clients' approach to, and performance on, environmental and social matters. This insight helps us make more informed decisions and in certain circumstances enables us to offer our clients information and guidance on good practices when they are seeking to access capital markets, provide disclosures to investors or improve sustainability practices.

The Firm's publicly available Environmental and Social Policy Framework provides an overview of the Firm's approach to evaluating risks posed by environmental and social matters, including certain activities that we will not finance, and sectors and activities subject to environmental and social due diligence. In 2018, we expanded the application of our approach to cover Consumer and Community Banking and Asset and Wealth Management, in addition to the Corporate and Investment Bank and Commercial Banking.

Our due diligence efforts are coordinated by a dedicated environmental and social risk management group, which reports directly to the Firmwide Risk Executive for Reputation Risk. In cases where significant issues are identified, clients and transactions may be escalated to one of the Firm's Reputation Risk Committees.

In 2018, slightly more than 2,000 transactions were referred for review because a potential environmental or social risk was identified. These included transactions for credit (loans), debt underwriting, equity underwriting and advisory services. Detailed due diligence was undertaken on roughly one-third of the referred transactions.

Periodically, our environmental and social risk management group conducts portfolio-wide reviews, which take an in-depth look at policy trends, market developments and sustainability practices across a particular industry. We use the insights from these reviews to inform transaction-level due diligence and engagement with our clients. JPMorgan Chase also participates in or has adopted various internationally recognized principles that help guide our efforts on environmental and social risk management.

Operational Sustainability

As a financial institution, our direct environmental impacts stem primarily from the operation of our more than 5,500 corporate buildings, retail bank branches and data centers, 85% of which are in the U.S. Integrating sustainable practices within our physical operations is an important part of our global sustainability strategy. It also helps us strengthen the Firm's resilience and reduce costs.

2018 Sustainable Operations Progress

- Reduced greenhouse gas (GHG) emissions by over 50% since 2005
- Sourced renewable energy for 22% of our global power consumption
- Recycled more than 40,000 tons of paper globally through our secure-shred program

Advancing Sustainability in Our Supply Chain

In 2018, we took several steps to better understand potential suppliers' sustainability and ESG practices and to communicate to them our Firm's commitment to sustainability. We enhanced the sustainability and ESG-related questions that we include in our standard Request For Proposals (RFP) template, a central tool our Firm uses to evaluate and choose all our suppliers. And within our Corporate and Investment Bank we developed our first-ever ESG-specific questionnaire, which will be used to further our understanding of the Firm's financial markets infrastructure and agent bank network.

Reducing Our Carbon Footprint

We are continuing to make progress toward our commitment to source renewable energy for 100% of our global power needs by 2020, building on our long-standing efforts to reduce our carbon footprint. We are undertaking a range of actions to drive progress, including:

- **Installing on-site renewable energy** at retail branches and commercial buildings globally;
- **Executing Power Purchase Agreements (PPAs)** to support the development of new renewable energy projects on grids from which we purchase energy;
- **Reducing energy consumption** by implementing energy efficient lighting and other technologies; and
- **Purchasing Renewable Energy Credits (REC) and Verified Emission Reduction (VER) credits** to green our electricity supply and offset emissions from employee air travel, respectively.

As of year-end 2018, we have sourced renewable energy for 22% of our global energy use. Our other key milestones achieved during the year include:

- Secured over 10% of our total firmwide power and over 15% of our electricity needs in India through PPAs that supported the development of wind and solar farms;
- Installed 2,570 U.S.-manufactured solar panels at 23 Chase branches in California and New Jersey, which will power over 30% of the energy consumed on-site; additional installations are underway at 250 branches in Arizona, Michigan and Nevada, and at commercial buildings in Arizona, Delaware, Florida, Ohio and Texas;
- Continued work to retrofit all Chase-owned branches with LED lighting, with more than 700 facilities completed in 2018. This initiative will result in a 50% reduction of lighting energy consumption;
- Installed energy efficient Building Management Systems at 900 Chase branches;
- Offset 100% of emissions from employee air travel through the purchase of VER credits; and
- Named an ENERGY STAR® Partner of the Year, recognized by the U.S. Environmental Protection Agency and the U.S. Department of Energy.

Policy Engagement & Market Development

JPMorgan Chase collaborates with a broad range of organizations and participates in initiatives focused on advancing sustainability within our industry and across the corporate sector broadly. Through these engagements, we share our expertise on issues at the nexus of finance and sustainability, while learning from other companies and organizations.

One of our key areas of focus in recent years has been accelerating the private market for conservation, which we are doing as founding sponsor, strategic advisor and an Advisory Board member to NatureVest, the impact investing arm of The Nature Conservancy. NatureVest seeks to create and execute investable deals in a variety of sectors around the world that deliver conservation results and financial returns for investors.

Transparency & Reporting

We seek to be transparent about our approach to and performance on ESG topics. We do so through this annual ESG Report and numerous other communication channels listed in the Additional Online Resources boxes throughout this report.

In 2019, we will publish a voluntary report on the Firm's approach to managing climate-related risks and opportunities, guided by recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We have served as a member of the TCFD since it was established.

Engaging Employees in Our Sustainability Strategy

Many of our employees care deeply about sustainability, so we integrate sustainability into our employee engagement and volunteerism activities. In 2018, we launched a Sustainability Ambassadors program to recognize internal sustainability champions and enhance the Firm's sustainability initiatives. The Ambassadors, comprised of employees at the Managing and Executive Director levels, are helping to integrate sustainability information into internal communication and planning channels, and also to incorporate sustainability and ESG issues in product development and client advisory services. In addition, they participate in relevant volunteer and philanthropic opportunities and represent the Firm externally on sustainability topics such as financing renewable energy and climate change. For more information on employee engagement activities, see p. 17.

Key Memberships and Commitments

JPMorgan Chase participates in, is a member of or has committed to various initiatives and principles that address business and sustainability matters, including:

- Asian Corporate Governance Association (ACGA)*
- Business and Sustainable Development Commission
- CDP (Investor Signatory)*
- Center for Climate and Energy Solutions (C2ES) Business Environmental Leadership Council
- Ceres
- Equator Principles
- Extractives Industry Transparency Initiative*
- Global Impact Investing Network*
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change*
- RE100
- Soft Commodities Compact
- U.N. Principles for Responsible Investment*
- World Business Council for Sustainable Development
- World Green Building Council

* Through our Asset & Wealth Management line of business

Additional Online Resources

- Annual Report
- Asset Management – Sustainable Investing
- Environmental and Social Policy Framework
- NatureVest
- Research Library
- Sustainability Fact Sheet
- Sustainability Website
- Wealth Management – Sustainable Investing

For additional information, please visit www.jpmorganchase.com/ESG.

Environmental Data

		2018	2017	2016
Employee headcount		256,105	252,539	243,355
Square footage[1]		57,584,466	58,140,356	59,736,427
Greenhouse Gas (GHG) Emissions[2]	**UNIT**	**2018**	**2017**	**2016**
Scope 1 emissions[3]	$MtCO_2e$	83,101	78,229	79,556
Scope 2 emissions – Location-based	$MtCO_2e$	739,458	770,704	906,093
Scope 2 emissions – Market-based	$MtCO_2e$	572,067	596,843	780,710
Total Scope 1 and Scope 2 – Market-based	**$MtCO_2e$**	**655,167**	**675,073**	**860,267**
Reduction over 2005 baseline[4]	%	53	52	38
GHG Emissions per sq. ft.	$MtCO_2e$/sq. ft.	0.01138	0.01161	0.01440
Scope 3 emissions from employee air travel	$MtCO_2e$	176,356	187,020	130,430
Verified Emission Reduction (VER) credits purchased	$MtCO_2e$	184,769	175,155	160,000
Renewable Power	**UNIT**	**2018**	**2017**	**2016**
Electricity production (on-site solar and fuel cells)	MWh	13,290	6,472	5,328
Contractual instruments[5]	MWh	375,280	370,801	210,000
Proportion of power use from renewable sources (production and instruments)	%	22	21	11
Energy Consumption	**UNIT**	**2018**	**2017**	**2016**
Electricity	MWh	1,787,344	1,823,121	1,942,799
Steam	MWh	36,911	30,423	30,284
Chilled water (indirect emissions)	MWh	232	222	327
Natural gas	MWh	256,623	224,119	221,823
Propane	MWh	1,281	1,081	1,034
Fuel oil	MWh	13,248	12,283	11,161
Jet fuel	MWh	32,172	33,447	32,970
Total	**MWh**	**2,127,812**	**2,124,697**	**2,240,399**
Reduction over 2005 baseline (net)	%	33	31	28
Water Consumption	**UNIT**	**2018**	**2017**	**2016**
U.S. operations[2]	m^3	5,731,976	5,611,797	5,127,749

1 JPMorgan Chase utilizes an operational control approach to establish boundaries for our GHG inventory. This includes owned and leased facilities for which we control energy usage and pay energy/utility bills directly to the respective utility.

2 Scope 1, 2 and 3 emissions were verified for 2016, 2017 and 2018. Water consumption in 2018 has been verified.

3 Scope 1 emissions include emissions from corporate air travel.

4 Emission reduction calculations over the 2005 baseline use the market-based method.

5 Contractual instruments include Renewable Energy Credits (RECs) from the Buckthorn wind farm PPA, Renewable Energy Guarantees of Origin (REGOs) and a solar and wind tariff.

JPMorgan Chase Business Principles

Exceptional client service

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

Operational excellence

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

A commitment to integrity, fairness & responsibility

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

A great team & winning culture

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

Contact Us

To contact Corporate Responsibility, email corporate.responsibility@jpmchase.com.
To contact Investor Relations, email JPMCinvestorrelations@jpmchase.com.

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of $2.6 trillion and operations worldwide. The Firm is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing and asset management. A component of the Dow Jones Industrial Average, JPMorgan Chase & Co. serves millions of customers in the United States and many of the world's most prominent corporate, institutional and government clients under its J.P. Morgan and Chase brands.

Information about J.P. Morgan's capabilities can be found at jpmorgan.com and about Chase's capabilities at chase.com. Information about JPMorgan Chase & Co. is available at jpmorganchase.com.

"JPMorgan Chase," "J.P. Morgan," "Chase," the Octagon symbol and other words or symbols in this report that identify JPMorgan Chase services are service marks of JPMorgan Chase & Co. Other words or symbols in this report that identify other parties' goods or services may be trademarks or service marks of those other parties.

JPMorgan Chase & Co.

JPMorgan Chase & Co.
270 Park Avenue, New York, NY 10017-2070
NYSE symbol: JPM
www.jpmorganchase.com

JPMORGAN CHASE & CO.

JPMorgan Chase to be 100 Percent Reliant on Renewable Energy by 2020; Announces $200 Billion Clean Energy Financing Commitment

New goals build on JPMorgan Chase's long-term commitment to sustainability

Key Points and Overall Impact

- JPMorgan Chase is expanding its comprehensive strategy to advance environmentally sustainable solutions for clients and its own operations. The firm's two new strategic goals include:

    - Renewable energy: JPMorgan Chase will source renewable energy for 100 percent of its global power needs by 2020.

        The firm has offices and operations in more than 60 countries across over 5,500 properties, covering approximately 75 million square feet – about 27 times the square footage of the office space at the Empire State Building.

    - Clean financing: The firm will facilitate $200 billion in clean financing through 2025, the largest commitment by a global financial institution.

        Through this commitment, JPMorgan Chase will help scale the impact of sustainability efforts among its approximately 22,000 corporate and investor clients in the United States and across the world.

- The announcement builds on JPMorgan Chase's leadership and history of advancing sustainability in our business and operations, including our recent partnership with Current, powered by GE, to cut energy use at Chase branches.

- JPMorgan Chase will leverage its financial resources, insights and expertise to help clients, customers and communities better manage sustainability challenges and capitalize on new opportunities.

"Business must play a leadership role in creating solutions that protect the environment and grow the economy. This global investment leverages the firm's resources and our people's expertise to make our operations more energy efficient and provide clients with the resources they need to develop more sustainable products and services."

Jamie Dimon, Chairman and CEO of JPMorgan Chase

100 Percent Renewable Energy Commitment



The firm will achieve its goal by prioritizing transactions that add new renewable energy to the grids on which it consumes power. JPMorgan Chase will install renewable energy technology across buildings and branches, sign Power Purchase Agreements with renewable energy projects and reduce energy consumption. Details include:

Installing on-site renewable energy

- Developing on-site solar power generation for up to 1,400 bank-owned retail and 40 commercial buildings globally. Examples of installations under consideration include:
    - At nearly 2 million square feet, JPMorgan Chase's Polaris Corporate Center in Columbus, Ohio is the firm's largest single-tenant office in the world. The solar installation could comprise up to 20 megawatts (MW) of capacity – enough to power the equivalent of 3,280 homes – to offset 65 percent of on-site power usage.
    - Solar installation at the new JPMorgan Chase Legacy West Complex in Plano, Texas, which could provide up to 7 MW of renewable power.
- Piloting an installation of solar panels at Chase branches in California and New Jersey, with plans to introduce solar technology to thousands of other locations.
- Installing large capacity fuel cell technology at the firm's commercial sites starting at Metrotech Center in Brooklyn, New York and small capacity fuel cells at retail sites.

Executing Power Purchase Agreements for renewable energy

- Using the strength of the firm's global reach and expertise in the renewable power sector to support the development of new renewable energy projects on the grids from which JPMorgan Chase purchases power.
- Executing wind and solar Power Purchase Agreements in select markets in the United States to offset the firm's traditional power consumption by 40 percent.
    - As a first step, JPMorgan Chase's Global Real Estate and Global Commodities divisions executed a 20-year Power Purchase Agreement with a subsidiary of NRG Energy, Inc. to support the development of the Buckthorn wind farm, a 100 MW project in Erath County, Texas. Signed in November 2016, the project is expected to be operational by the end of 2017. Over half of the wind farm's output was purchased by the Global Real Estate team and will provide electricity for approximately 75 percent of the firm's power consumption in Texas and 13 percent of overall consumption in the United States. This includes the firm's new 6,000-employee campus at Legacy West in Plano, Texas, which will open in late 2017. The project created about 190 clean energy construction jobs and will produce enough renewable energy annually to power the equivalent of 29,300 homes.
    - The firm intends to execute additional Purchase Power Agreements.

Reducing energy consumption

- Conducting the world's largest LED lighting installation in partnership with Current, powered by GE. About 4,500 Chase branches will install new lighting technologies, cutting total energy consumption by 15 percent.
    - 2,500 branches have been retrofitted with LED lighting to date for a total of 1.4 million new light bulbs, cutting lighting energy consumption by 50 percent, or the equivalent of taking nearly 27,000 cars off the road.
- Installing Building Management Systems (BMS) in collaboration with Current, powered by GE, across nearly 4,400 retail branches to synchronize lighting, heating, ventilation, air conditioning and irrigation systems with operational control.
    - The BMS sensors, software and lighting controls will reduce electric and gas consumption of Chase branches by 15 percent and water consumption from irrigation systems by 20 percent.
- Placing thermal energy blankets above the ceiling tiles in more than 1,700 retail branches.

Clean Financing Commitment



JPMorgan Chase is making the largest commitment by a global financial institution to facilitate $200 billion in clean financing by 2025. JPMorgan Chase has facilitated and advised on some of the largest clean financings and strategic transactions in the renewable energy sector. Examples include:

Advising clients on leading strategic transactions and capital raises in the renewable energy sector, including:

- Dong Energy, a global leader in offshore wind, on its USD $3.0 billion Initial Public Offering (2016).
- SunEdison's second lien creditor constituents on the sale of a controlling stake in TerraForm Power and the sale of TerraForm Global to Brookfield Asset Management (2017).
- Enbridge on its C$2.1 billion partnership with EnBW around the Hohe See and Albatross offshore wind farms in Germany (2017).

Financing and providing risk management solutions for clients' renewable energy projects and companies to facilitate new energy, technology, transportation, waste management, and water treatment innovations.

- JPMorgan Chase provided nearly $2 billion in tax equity for wind, solar and geothermal projects in 2016.

- In 2016, JPMorgan Chase served as FX hedge provider in the project financing to MGT Power Limited for its Teesside Renewable Energy Plant, the largest dedicated biomass project to be built in the UK. The project produces enough energy to power 600,000 homes.

Underwriting debt with a sustainable use of proceeds for municipal, corporate and multilateral clients.

- These transactions totaled nearly $15 billion in 2016. Projects in 2017 include serving as active bookrunner on Apple's $1.0 billion green bond offering in June.

Supporting clients' sustainability initiatives

- JPMorgan Chase provides industry-leading research and publishes reports on environmental, social and governance issues.

- The firm shares insights and best practices on sustainability with its corporate and investor clients to advance efforts globally.

Sustainability Milestones

JPMorgan Chase has a history of advancing environmentally sustainable solutions and integrating sustainability into the firm's culture. Notable milestones include:

2005

Publishes Environmental and Social Policy Framework outlining our approach to managing environmental and social issues associated with our business activities

2007

Publishes first Corporate Responsibility Report highlighting our investments in renewable energy and our efforts to reduce greenhouse gas emissions

Chase opens its first "green" bank branch in Denver, Colorado

2012

Achieves LEED Platinum certification for retrofit of New York City headquarters

Achieves first greenhouse gas reduction target and extends goal to 50 percent reduction by 2020

2014

Co-authors the Green Bond Principles and joins its Executive Committee

Co-launches NatureVest, The Nature Conservancy's conservation investing unit, and serves as ongoing strategic advisor

Commits to reducing exposure to companies engaged in mountaintop removal mining

2015

Publishes first dedicated Environmental, Social and Governance Report

2016

Announces new prohibitions on financing for coal mining and coal-fired power

Partners with Current, powered by GE, to install energy efficient LED lighting across Chase branches

Executes first Power Purchase Agreement for energy from 100 megawatt wind farm in Erath County, Texas, to provide electricity for approximately 13 percent of the firm's overall power consumption in the United States

2017

Announces new commitments in July to: 1) source renewable energy for 100 percent of the firm's power needs by 2020; and 2) facilitate $200 billion in clean financing through 2025

For more information on JPMorgan Chase's history of advancing sustainability, go to www.jpmorganchase.com/environmentalsustainability

Orange Water and Sewer Authority
Response to Request for Proposal for Banking and Related Services

August 8, 2019

Submitted by:

N. Page Hornaday, Jr.
Senior Relationship Manager
919-881-6471
page.hornaday@wellsfargo.com

Paul Rutherford
Treasury Management Consultant
980-474-8202
paul.rutherford@wellsfargo.com

Allen Westbrook
Payables Consultant
704-577-4396
allen.westbrook@wellsfargo.com

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Section IV – Environmental and social standards

A. Regulatory Compliance

The Authority is committed to ensuring that its banking partner complies with all regulations, including lending and employment. In order to help the Authority evaluate the Bank's record in this area, the Bank is requested to provide the following information.

1. **Provide a statement disclosing any enforcement investigations and / or completed enforcement actions undertaken against the Bank in the past five years by the Consumer Financial Protection Bureau, U.S. Department of Justice, Federal Deposit Insurance Corporation, Federal Reserve Board, Financial Industry Regulatory Authority, National Credit Union Association, Office of the Comptroller of the Currency, U.S. Securities and Exchange Commission, the North Carolina Department of Justice, or any applicable state banking regulatory body. Include the following (note: supplemental information regarding regulatory enforcement actions may be included as an exhibit to the proposal):**

   i. Description and date of the enforcement action

   ii. Basis for the enforcement action

   iii. Name of the enforcing agency which undertook the action

   iv. Measures taken by the Bank to address or resolve the conditions which led to the enforcement action

   v. Current status of the enforcement action

   Wells Fargo Bank N.A. ("Wells Fargo Bank") is a subsidiary of Wells Fargo & Company ("WFC"), a corporation organized under the laws of Delaware. As with any large diversified financial institution in the highly regulated banking field, Wells Fargo Bank receives inquiries and subpoenas from regulators and law enforcement from time to time, some of which may be confidential in nature, and is subject to civil litigation.

   Wells Fargo Bank has paid municipal fines in connection with a small number of houses for alleged violations of local housing ordinances, some of which are characterized as misdemeanors.

   Wells Fargo Bank and WFC respond regularly to inquiries and investigations by governmental entities and have in the past entered into settlements of some of those investigations, including the following recent matters:

   - During the third quarter of 2016, Wells Fargo Bank entered into settlement agreements with the City of Los Angeles, the Consumer Financial Protection Bureau, and the Office of the Comptroller of the Currency regarding certain sales practices. See press release containing details at https://newsroom.wf.com/press-release/corporate-and-financial/wells-fargo-issues-statement-agreements-related-sales
   - On February 2, 2018, WFC entered into a consent order with the Board of Governors of the Federal Reserve System, relating to governance oversight and the company's compliance and operational risk management program. This consent order does not relate to new matters, but rather to prior issues including the 2016 sales practices matter. For additional information, see the press release at https://newsroom.wf.com/press-release/corporate-and-financial/wells-fargo-commits-satisfying-consent-order-federal

- In April 2018, WFC entered into consent orders with the Consumer Financial Protection Bureau and the Office of the Comptroller of the Currency that address matters relating to WFC's compliance risk management program and issues regarding certain interest rate-lock extensions on home mortgages and collateral protection insurance placed on certain auto loans. For additional information, see the press release at https://newsroom.wf.com/press-release/corporate-and-financial/wells-fargo-enters-consent-orders-occ-and-cfpb
- In August 2018, WFC announced that it entered into an agreement with the U.S. Department of Justice (DOJ) to resolve a previously disclosed investigation by the DOJ regarding claims related to certain 2005–07 residential mortgage-backed securities activities. For additional information, see the press release at https://newsroom.wf.com/press-release/consumer-lending/wells-fargo-reaches-agreement-doj-resolve-legacy-rmbs-claims
- On December 28, 2018, WFC entered into a settlement with all 50 state Attorneys General and the District of Columbia regarding previously disclosed retail sales practices, auto collateral protection insurance ("CPI") and Guaranteed Asset/Auto Protection ("GAP"), and mortgage interest rate lock matters. See press release dated December 28, 2018 at https://newsroom.wf.com/press-release/community-banking-and-small-business/wells-fargo-reaches-agreement-state-attorneys.

Many of the actions that Wells Fargo Bank and WFC have taken in connection with these settlement agreements are described at https://www.wellsfargo.com/assets/pdf/commitment/progress-report.pdf

To the extent any litigation or regulatory matters are required to be reported, they are disclosed in WFC's SEC filings and are matters of public record:

- Copies of the Legal Proceedings sections from WFC's recent public filings and WFC's most recent periodic reports are available at https://www.wellsfargo.com/invest_relations/filings
- WFC's Annual Reports are available at https://www.wellsfargo.com/invest_relations/annual

At this time, and to the best knowledge of the Wells Fargo Bank representatives preparing this response, neither Wells Fargo Bank nor WFC has been involved in any regulatory reviews or any legal actions that would have a material adverse impact on Wells Fargo Bank's ability to provide the services requested in this RFP.

2. **Provide a statement certifying that the Bank does not engage in illegal predatory consumer adverse practices nor base evaluation, promotion, discipline, or compensation of any employee on illegal predatory consumer adverse practices. The determination that a banking practice is predatory or illegal shall be based on findings made by appropriate government regulatory agencies, such as the Consumer Financial Protection Bureau, and courts of law.**

Wells Fargo is committed to being a responsible provider of consumer credit in all of our markets. As a responsible lender, Wells Fargo strictly prohibits abusive, misleading, or fraudulent lending practices. Wells Fargo business units that extend consumer credit do so according to affirmative responsible lending practices.

Please visit our Responsible Lending Principles that are stated on the wellsfargo.com site listed below.

https://www.wellsfargo.com/mortgage/principles/fair-lending/
https://www.wellsfargo.com/help/consumer-credit-lending-principles/

As discussed above, Wells Fargo Bank and WFC respond regularly to inquiries and investigations by governmental entities and have in the past entered into settlements of some of those investigations, including the following recent matters, also repeated from above:

- During the third quarter of 2016, Wells Fargo Bank entered into settlement agreements with the City of Los Angeles, the Consumer Financial Protection Bureau, and the Office of the Comptroller of the Currency regarding certain sales practices. See press release containing details at https://newsroom.wf.com/press-release/corporate-and-financial/wells-fargo-issues-statement-agreements-related-sales
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- In August 2018, WFC announced that it entered into an agreement with the U.S. Department of Justice (DOJ) to resolve a previously disclosed investigation by the DOJ regarding claims related to certain 2005–07 residential mortgage-backed securities activities. For additional information, see the press release at https://newsroom.wf.com/press-release/consumer-lending/wells-fargo-reaches-agreement-doj-resolve-legacy-rmbs-claims
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- Copies of the Legal Proceedings sections from WFC's recent public filings and WFC's most recent periodic reports are available at https://www.wellsfargo.com/invest_relations/filings
- WFC's Annual Reports are available at https://www.wellsfargo.com/invest_relations/annual

3. Provide evidence that the Bank is committed to ensuring the promotion of diversity and equal opportunity for development and advancement for all employees, and does not discriminate based on race, creed, color, religion, gender, age, sexual orientation, national origin or political affiliation.

Wells Fargo recruits, hires, trains, and promotes people in all job titles and provides equal opportunity in all employment decisions, for all qualified applicants and team members. We do not discriminate based on race, color, gender, national origin, religion, age, sexual orientation, gender identity, genetic information, physical or mental disability, pregnancy, marital status, veteran status, or any other status protected by federal, state, or local law.

Our company policy is to provide equal opportunity to all team members, and in all employment decisions. This includes compensation, benefits, transfers, leaves, company-sponsored training, education, education reimbursement, and social and recreational programs.

Below is a copy of our Equal Employment Opportunity report as evidence of commitment to diversity and equal opportunity for all employees.

CO= N170616
ID= N170616

EQUAL EMPLOYMENT OPPORTUNITY
2018 EMPLOYER INFORMATION REPORT
CONSOLIDATED REPORT - TYPE 2

SECTION B - COMPANY IDENTIFICATION

1. WELLS FARGO CO
420 MONTGOMERY STREET

SAN FRANCISCO, CA 94104

2.a. WELLS FARGO CO
420 MONTGOMERY STREET

SAN FRANCISCO, CA 94104
SAN FRANCISCO COUNTY
c. Y

SECTION C - TEST FOR FILING REQUIREMENT

1-Y 2-Y 3-Y DUNS NO.:006913404 EIN :941686959

SECTION E - ESTABLISHMENT INFORMATION

NAICS: 522110 Commercial Banking

SECTION D - EMPLOYMENT DATA

JOB CATEGORIES	HISPANIC OR LATINO		NOT-HISPANIC OR LATINO												OVERALL TOTALS
			********** MALE **********						********** FEMALE **********						
	MALE	FEMALE	WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES	WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES	
EXECUTIVE/SR OFFICIALS & MGRS	5	2	100	2	0	9	2	0	44	5	0	3	0	0	172
FIRST/MID OFFICIALS & MGRS	1866	2804	11566	1063	40	1281	62	310	10142	1756	40	1228	90	366	32614
PROFESSIONALS	1938	1888	26164	1642	46	2657	90	607	17992	2684	76	3027	88	527	59426
TECHNICIANS	334	139	5803	469	16	2683	36	150	2740	329	11	1474	17	68	14269
SALES WORKERS	157	101	1034	68	4	97	4	41	449	44	3	69	3	16	2090
ADMINISTRATIVE SUPPORT	11229	24055	21120	6293	180	3132	210	1853	41382	17326	429	6440	596	3683	137928
CRAFT WORKERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OPERATIVES	291	135	2091	430	8	396	17	89	1085	319	3	334	15	49	5262
LABORERS & HELPERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SERVICE WORKERS	0	2	4	10	0	1	0	1	0	1	0	0	1	0	20
TOTAL	15820	29126	67882	9977	294	10256	421	3051	73834	22464	562	12575	810	4709	251781
PREVIOUS REPORT TOTAL	15968	28895	70906	10382	314	9922	397	3040	77982	22658	570	12572	796	4583	258985

SECTION F - REMARKS

DATES OF PAYROLL PERIOD: 12/24/2018 THRU 12/31/2018

SECTION G - CERTIFICATION

CERTIFYING OFFICIAL: BART BOWNE
EEO-1 REPORT CONTACT PERSON: BART BOWNE
EMAIL: BART.A.BOWNE@WELLSFARGO.COM

TITLE: AA DATA CONSULTANT VP
TITLE: AA DATA CONSULTANT VP
TELEPHONE NO: 2088593426

CERTIFIED DATE[EST]: 05/03/2019 04:41 PM

B. Community lending activity / investment

The Authority is committed to ensuring that its banking partner has continuing and affirmative obligations to meet the credit needs of individuals and businesses within the Authority's service area. In order to help the Authority evaluate the Bank's record in this area, the Bank is requested to provide the following information.

1. Provide a copy of the most recent Public Disclosure "Community Reinvestment Act Performance Evaluation" issued by the federal regulatory agency authorized to conduct evaluations. Please ensure the disclosure includes the overall CRA rating as well as the CRA rating for the primary rating area that encompasses the Chapel Hill / Carrboro community.

The Community Reinvestment Act (CRA) of 1977 requires banks to meet the credit needs of all the communities where they do business, especially low-to moderate-income communities. In its most recent CRA examination, which covers the years 2009-2012, the Office of the Comptroller of the Currency (OCC) lowered Wells Fargo's final national rating from "Outstanding" to "Needs to Improve" due to previously issued regulatory consent orders.

It is important to note the OCC gave Wells Fargo an "Outstanding" overall rating on CRA performance and noted our "excellent responsiveness to credit needs" in the majority of the bank's assessment areas. On the individual components of the Exam, we received an "Outstanding" on the Lending Test, an "Outstanding" on the Investment Test, and a "High Satisfactory" on the Service Test.

Wells Fargo either has resolved or continues to address, many of the issues cited by the OCC in its downgrade by revising policies and procedures, voluntarily self-correcting and self-remediating, and by fulfilling its obligations under the consent orders and settlements. We are pleased that our new CRA exam began February 2019.

The OCC also gave North Carolina the state-level rating of Satisfactory, which reflects our strong track record of lending to, investing in, and providing service to low- and moderate-income communities, both in North Carolina and nationwide.



We are deeply committed to economic growth, sustainable homeownership, and neighborhood stability in low- and moderate-income communities and will continue to invest above and beyond what is required by CRA. At Wells Fargo, community reinvestment is an integral part of our business culture. We have long understood that we can be no stronger, nor more successful, than the neighborhoods and communities where we do business. Supporting our communities allows us to better meet our customers' financial needs and helps us to achieve our goal to be one of America's best companies.

You can find our most recent CRA performance evaluation at the following link:

wellsfargo.com/about/community/wfcra/perf_evaluation

2. Provide the aggregate number and amount of loans made since 2014 to the Chapel Hill / Carrboro community of:

i. $100,000 or less;

ii. More than $100,00 but less than or equal to $250,000; and

iii. More than $250,000.

Small business loans*	Number	Amount
$100,000 or less	724	$23,325,000
>$100,000 to $250,000	25	$4,831,000
>$250,000 to $1,000,000	34	$18,342,000

3. Provide the aggregate number and amount of loans made since 2014 for the Chapel Hill / Carrboro community to businesses with gross annual revenues of $1 million or less and describe any goals or activities to engage these businesses.

Small business loans	Number	Amount
<= $1 Million	504	$17,684,000

Below are comments regarding Wells Fargo's goals, which may ultimately benefit and affect local communities such as Orange County.

Since the exam period, we launched the Diverse Community Capital program, a three-year, $75 million initiative that supports nonprofits that assist diverse-owned small businesses with capital, technical assistance, business planning, and other resources. We remain committed going forward, we recently announced more than $100 million by 2020 to advance social inclusion, develop women and diverse leaders, and other critical social needs as part of our new Corporate Social Responsibility (CSR) goals.

In fact, Wells Fargo has originated more home loans over the last six years across all key categories—including loans to African-Americans, Asians, Hispanics, Native Americans, low- to moderate-income borrowers, and residents of low- to moderate-income neighborhoods—than any bank in America.

During the past four years (2013-2016), we've donated more than $1.1 billion to nonprofits, educational programs and schools, including nearly $578 million to organizations that support diverse communities.

We've provided nearly $440 million in grants during the same time period to charitable organizations that focus on community development in distressed communities, covering causes such as affordable housing, homeownership counseling, financial education, workforce development, and job creation.

4. Describe any services targeted to low or moderate income individuals or activities that revitalize or stabilize low or moderate income geographies, designated disaster areas, or distressed or underserved nonmetropolitan areas based on rates of poverty, unemployment, and population loss, including loans, investments, or services that support, enable, or facilitate projects or activities that meet the "eligible uses" criteria described in Section 2301 (c) of the Housing and Economic Recovery Act of 2008 (HERA), Public Law 110-289, 122 Stat. 2654, as amended, and are conducted in designated target areas identified in plans approved by the United States Department of Housing and Urban Development in accordance with the Neighborhood Stabilization Program (NSP).

Financial success for our customers and our business starts with the success of local communities. We're strengthening economic opportunities in underserved communities by empowering individuals and small businesses with the products, services, knowledge, and tools needed to ensure financial self-sufficiency, income mobility, and ultimately, improved well-being and quality of life.

We work with community organizations, nongovernmental organizations (NGOs), local governments, and other stakeholders to deliver capital, credit, financial education, and other solutions that meet the needs of our customers and communities and, ultimately, help make our economy stronger.

Some of our key initiatives include:

- The Wells Fargo *NeighborhoodLIFT* program supports sustainable homeownership and help stabilize low- to moderate-income neighborhoods by providing down payment assistance and homebuyer education in collaboration with NeighborWorks® America and local nonprofit housing organizations.
- Wells Fargo Works *for Small Business*® provides a wide range of resources, guidance, and services that help entrepreneurs take the next step toward their goals.
- The *Hands on Banking* program and its Spanish-language counterpart, El Futuro en tus Manos® is a free and fun money management program that teaches people in different stages of life the basics of responsible money management. Two of our newest programs include Hands on Banking for Military and Hands on Banking for Seniors.
- Wells Fargo Community Lending and Investment supports economic development by investing debt and equity capital in in low- and moderate-income neighborhoods with limited access to traditional financial services.
- CommunityWINS℠Opens Dialog (Working/Investing in Neighborhood Stabilization) in collaboration with the U.S. Conference of Mayors provides $3 million over 3 years to nonprofits and cities that support neighborhood revitalization, economic development, and job creation initiatives.
- The Wells Fargo Works *for Small Business*®: Diverse Community Capital program provides diverse-owned small businesses with access to capital, technical assistance, business planning and other tools and resources.

In the Chapel Hill and Carrboro community

Below lists Wells Fargo HMDA and small business loan activity for 2014 through 2018 in the communities of Chapel Hill and Carrboro.

Home Mortgage
Originated and Purchased HMDA Totals by Tract Income ($000)

	Low Income		Moderate Income	
	#	$	#	$
Tract Total	8	$2,759	59	$14,269
Home Purchase	4	$1,114	44	$10,805
Home Improvement	1	$10	3	$315
Home Refinance	3	$1,635	12	$3,149
Other	0	$0	0	$0

Originated and Purchased HMDA Totals by Borrower Income ($000)

	Low Income		Moderate Income	
	#	$	#	$
Borrower Total	15	$1,385	53	$8,506
Home Purchase	9	$954	34	$6,075
Home Improvement	1	$10	4	$300
Home Refinance	5	$421	15	$2,131
Other	0	$0	0	$0

Small Business
Small Business by Loan Size ($000)

	Low Income		Moderate Income	
	#	$	#	$
Total	**6**	**$67**	**65**	**$4,839**
$100,000 or less	6	$67	54	$1,570
>$100,000 to $250,000	0	$0	6	$1,145
>$250,000 to $1,000,000	0	$0	5	$2,124

Small Business by Annual Gross Revenue ($000)

	Low Income		Moderate Income	
	#	$	#	$
Total	**6**	**$67**	**65**	**$4,839**
<= $1 Million	5	$49	41	$1,386
> $1 Million	0	$0	16	$3,095
Revenue Not Known	1	$18	8	$358

5. Describe the Bank's efforts in home lending for underserved communities and provide a record of those efforts noting residential mortgage loans, home equity loans and improvement loans.

We build stronger communities by investing and volunteering in support of sustainable housing initiatives and neighborhood revitalization efforts. We deliver industry leading community impact programs that advance neighborhoods, drive economic growth, and improve the communities we serve—while furthering our journey to rebuild trust.

To accomplish this mission, we collaborate with established local and national nonprofit housing organizations that demonstrate the ability to create affordable and sustainable housing initiatives serving low- and moderate-income households, including seniors, veterans, and underserved families and individuals. We believe everyone deserves a healthy, safe, and affordable place to call home.

According to Wells Fargo Today, 1st Quarter 2019 publication, Well Fargo is in industry leader in supporting homeowners and consumers:

- **#1 Home loan originator to minority borrowers** (2017) HMDA data
- **#1 Home loan servicer** (4Q18) *Inside Mortgage Finance*
- **#1 Debit card issuer by purchase and transaction volume** (2019) Nilson Report[1]
- **#1 Provider of private student loans among banks** (2018) Company and competitor reports
- **#1 Retail deposits** (2018) FDIC data[2]
- **#2 Retail mortgage lender** (4Q18) *Inside Mortgage Finance*

- **#2 Provider of student loans overall** (2018) Company and competitor reports
- **#3 Used auto lender, non-captive** (March 2018 - February 2019) AutoCount
- **#4 Overall auto lender, non-captive, excluding leases** (March 2018 - February 2019) AutoCount

1. April 2019, total 2018 debit and prepaid transaction volume for consumer and small business
2. FDIC data, SNL Financial, as of June 2018. Retail deposit data is pro forma for acquisitions and caps deposits at $1 billion in a single banking branch and excludes credit union deposits.

In the communities of Chapel Hill and Carrboro

Wells Fargo activity 2014 through 2018

Home Mortgage

Originated and Purchased HMDA Totals by Tract Income ($000)

	Total		Low Income		Moderate Income		Middle Income		Upper Income	
	#	$	#	$	#	$	#	$	#	$
Tract Total	**798**	**$260,246**	**8**	**$2,759**	**59**	**$14,269**	**48**	**$18,423**	**683**	**$224,795**
Home Purchase	528	$174,828	4	$1,114	44	$10,805	29	$8,350	451	$154,559
Home Improvement	36	$9,879	1	$10	3	$315	2	$1,132	30	$8,422
Home Refinance	223	$72,299	3	$1,635	12	$3,149	14	$8,044	194	$59,471
Other	11	$3,240	0	$0	0	$0	3	$897	8	$2,343

Originated and Purchased HMDA Totals by Borrower Income ($000)

	Total		Low Income		Moderate Income		Middle Income		Upper Income	
	#	$	#	$	#	$	#	$	#	$
Borrower Total	**798**	**$260,246**	**15**	**$1,385**	**53**	**$8,506**	**96**	**$21,724**	**609**	**$215,782**
Home Purchase	528	$174,828	9	$954	34	$6,075	78	$18,663	393	$144,289
Home Improvement	36	$9,879	1	$10	4	$300	6	$681	24	$7,020
Home Refinance	223	$72,299	5	$421	15	$2,131	11	$2,205	182	$61,408
Other	11	$3,240	0	$0	0	$0	1	$175	10	$3,065

Small Business

Small Business by Loan Size ($000)

	Total		Low Income		Moderate Income		Middle Income		Upper Income	
	#	$	#	$	#	$	#	$	#	$
Total	**783**	**$46,498**	**6**	**$67**	**65**	**$4,839**	**47**	**$4,760**	**662**	**$36,568**
$100,000 or less	724	$23,325	6	$67	54	$1,570	37	$1,335	625	$20,339
>$100,000 to $250,000	25	$4,831	0	$0	6	$1,145	6	$1,285	12	$2,151
>$250,000 to $1,000,000	34	$18,342	0	$0	5	$2,124	4	$2,140	25	$14,078

Small Business by Annual Gross Revenue ($000)

	Total		Low Income		Moderate Income		Middle Income		Upper Income	
	#	$	#	$	#	$	#	$	#	$
Total	**783**	**$46,498**	**6**	**$67**	**65**	**$4,839**	**47**	**$4,760**	**662**	**$36,568**
<= $1 Million	504	$17,684	5	$49	41	$1,386	29	$1,771	427	$14,464
> $1 Million	124	$20,051	0	$0	16	$3,095	12	$2,902	95	$13,804
Revenue Not Known	155	$8,763	1	$18	8	$358	6	$87	140	$8,301

Community Development Investments ($000)

	Total		Affordable Housing		Community Services		Economic Development		Revitalize / Stabilize	
	#	$	#	$	#	$	#	$	#	$
Total	**27**	**$590**	**19**	**$405**	**2**	**$10**	**5**	**$75**	**1**	**$100**
Bond	2	$272	2	$272	0	$0	0	$0	0	$0
Grant	25	$318	17	$133	2	$10	5	$75	1	$100

6. Describe the Bank's efforts with capital investment, loan participation, and other ventures undertaken in cooperation with minority and women owned financial institutions and low-income credit unions which help meet the credit needs of local communities in which the minority and women owned financial institutions and low-income credit unions are chartered.

In December 2017, Wells Fargo provided a $3.0 million loan in the form of subordinate debt to the National Federation of Community Development Credit Union (Federation). The Federation makes loans such as payday alternative loans and credit builder loans that support economic development and financial inclusion initiatives for low- and moderate-income communities. The Federation is an association of credit unions that provide safe and responsible financial services to underserved communities.

Since 1974, the Federation has been promoting financial inclusion by organizing, supporting, and investing in these community development credit unions, which specialize in serving populations with limited access to affordable financial services, including low-income wage earners, families, new immigrants, young people, and the growing number of Americans seeking financial independence through credit unions.

7. Provide a record of low-cost education loans originated by the Bank to borrowers who have an individual income that is less than 50% of the area median income.

Wells Fargo cannot provide the specific information requested for several reasons, including the confidentiality of some or all of the requested information; however, Wells Fargo can generally describe its commitment to Community Reinvestment.

The CRA of 1977 requires banks to meet the credit needs of all the communities where they do business, especially low- and moderate-income communities. In its most recent CRA examination which covers the years 2009-2012, the Office of the Comptroller of the Currency (OCC) lowered Wells Fargo's final national rating from "Outstanding" to 'Needs to Improve' due to previously issued regulatory consent orders and as otherwise noted in the most recent CRA performance evaluation located at the following link:
wellsfargo.com/about/community/wfcra/perf_evaluation

It is important to note the OCC gave Wells Fargo an "Outstanding" overall rating on CRA performance and noted our "excellent responsiveness to credit needs" in the majority of the bank's assessment areas. On the individual components of the Exam, Wells Fargo received an "Outstanding" on the Lending Test, an "Outstanding" on the Investment Test, and a "High Satisfactory" on the Service Test.

The OCC also gave North Carolina the state-level rating of Satisfactory, which reflects our strong track record of lending to, investing in, and providing service to low- and moderate-income communities in North Carolina.

Wells Fargo is deeply committed to economic growth, sustainable homeownership and neighborhood stability in low- and moderate-income communities and will continue to invest above and beyond what is required by CRA. At Wells Fargo, Community Reinvestment is an integral part of our business culture. Wells Fargo has long understood that we can be no stronger, nor more successful, than the neighborhoods and communities where we do business. Supporting our communities allows us to better meet our customers' financial needs and helps us to achieve our goal to be one of America's best companies.

8. Provide data about consumer loans made to low and moderate income citizens in the Chapel Hill / Carrboro community such as motor vehicle, credit card, and other secured consumer loans.

Wells Fargo cannot provide the specific information requested for several reasons, including the confidentiality of some or all of the requested information; however, Wells Fargo can generally describe its commitment to Community Reinvestment.

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9. Provide the number of checking accounts and savings accounts provided to individuals within the Chapel Hill / Carrboro community.

Wells Fargo cannot provide the specific information requested for several reasons, including the confidentiality of some or all of the requested information.

C. Environmental

The Authority is committed to ensuring that its banking partner promotes environmental and global protection. In order to help the Authority evaluate the Bank's record in this area, the Bank is requested to provide the following information.

1. Provide any company policies, initiatives, or strategies that support sustainable ecological growth, minimize the ecological footprint, and promote a healthy natural environment. Include whether (and how) the Bank evaluates a potential client's social and environment responsibility.

We are committed to doing our part to accelerate the transition to a lower-carbon economy and reduce the impacts of climate change. We do this by increasing our operational efficiency, and advancing clean technology, innovation, and other environmental solutions. We engage our customers, team members, suppliers, and community partners in our efforts to reduce waste, conserve resources, and support resilient communities.

Further, we're committed to fostering a culture of environmental stewardship, which includes, finding new ways to minimize energy consumption and investing in renewable sources of energy to power our operations. Operating with greater efficiency helps us achieve cost savings, enhance our team member experience, minimize our impact on the environment, manage risks associated with environmental performance, and set a positive example for the business community. Further detail is provided through this link: https://www.wellsfargo.com/about/corporate-responsibility/environment/

We focus our efforts on:

- Reducing our energy consumption and greenhouse gas emissions, and increasing our use of renewable energy
- Water conservation
- Resource efficiency, with a particular focus on paper
- Deploying "green" building design into our new and existing corporate properties
- Engaging team members in environmental activities and leveraging their skills

2017 highlights

- 59% increase in water efficiency since 2008
- 28% of total square footage in leased and owned buildings is LEED®-certified
- 47% reduction in greenhouse gas emissions since 2008
- 33% reduction in waste stream since 2010
- 36% increase in operational energy efficiency since 2008
- 83,827 sustainable team member commitments since 2016

2020 Goals

Business practices and culture

- Meet 100% of our global electricity needs with renewable energy
- Reduce greenhouse gas emissions by 45% (2008 to 2020)
- Increase energy efficiency by 40% (2008 to 2020)
- Earn LEED certification across 35% of our square footage in leased and owned buildings
- Increase water efficiency by 65% (2008 to 2020)
- Reduce total waste stream by 50% (2010-2020)
- Enhance sustainability of our supply chain
- Increase team member involvement in sustainability initiatives

Products and services

- Provide $200 billion in financing to sustainable businesses and projects (2018-2030) with more than 50 percent focused on clean technology and renewable energy transactions that directly support the transition to a low-carbon economy
- Further integrate environmental and social risk management into our business processes

Philanthropy

- Provide $65 million in philanthropic giving to critical environmental needs such as clean technology and environmental education (2016-2020)

2. Provide an overview of the Bank's significant loan portfolio characteristics and lending activity in areas that demonstrate your commitment toward building a healthy and sustainable environment. Such areas may include, but not be limited to the following:

i. Energy industry that fosters clean energy fuels (solar, wind, geothermal energy)

ii. Technology industry to develop environmental sustainability

iii. Sustainable agriculture

iv. Clean water technology

Like most large banks, Wells Fargo lends funds and provides financial products to a variety of customers across a multitude of industries - including energy. For many years, Wells Fargo has been one of the largest lenders to the energy industry, serving customers whose businesses span:

- Exploration and development, transportation and refining of oil and natural gas
- Power and utilities
- Renewable energy such as wind, solar and hydropower generation
- Clean technologies and other environmentally beneficial businesses

Since 2012, we have invested nearly $83 billion in clean technology and other environmentally sustainable businesses, and in 2017, eight percent of all solar photovoltaic and wind energy generated in the U.S. came from facilities owned in whole or in part by Wells Fargo.

One of the ways we help create more resilient communities is by supporting nonprofits, universities, and other organizations focused on community-based environmental projects and innovative clean technologies.

2017 highlights

- **$22.5 million** donated to nonprofits that support clean technology, environmental education, and strengthening community resiliency in 2017, with more than $91 million since 2012.
- **20 early-stage**, clean technology startups selected for Wells Fargo Innovation Incubator (IN2) participation received up to $250,000 in non-dilutive funding from Wells Fargo, and, on average, attracted an additional $4 million from investors.
- **$20 million** expansion of the Wells Fargo Innovation Incubator (IN2) grant program that will further accelerate the commercialization of technologies that could reduce the energy impact of commercial buildings.
- **Launched** the Resilient Communities grant program, a $10 million, four-year initiative with the National Fish and Wildlife Foundation designed to help communities minimize the impacts of extreme weather events through conservation and capacity building. In 2017, $2 million was awarded to eight nonprofits.

3. Describe any partnerships, collaborations, or leadership initiatives that promote a healthy environment and low-carbon economy today and for generations to come.

We're committed to doing our part to accelerate the transition to a lower-carbon economy and reduce the impacts of climate change. We engage our customers, team members, suppliers, and community partners in our efforts to reduce waste, conserve resources, and support resilient communities.

Our 2020 commitment

We believe we have a significant role to play in providing thought leadership and delivering practical solutions to social, economic, and environmental challenges. We respond to these challenges through our products and services, culture and operations, and philanthropy. Our corporate social responsibility strategy and commitment is focused on the following three priorities:

- Environmental sustainability
- Diversity and social inclusion
- Economic empowerment

2020 environmental sustainability goals

We've established a set of goals to be accomplished by 2020. Some of these include:

- Meet 100% of our global electricity needs with renewable energy
- Reduce total waste stream by 50%
- Reduce water use by 65%
- Reduce greenhouse gas emissions by 45%
- Increase energy efficiency by 40%

Notable investments

We will continue to finance and invest in sustainable business opportunities as well as develop new products and solutions to address critical environmental needs.

We have pledged to provide **$200 billion in financing to sustainable businesses** and projects by 2030, with more than 50 percent focused on clean technology and renewable energy transactions that directly support the transition to a low-carbon economy.

We will also provide **$65 million in philanthropic giving to critical environmental needs** such as clean technology and environmental education.

Environmental grant programs

We take pride in investing our resources into critical environmental needs with a particular focus on projects that accelerate a transition to a "greener" economy, break down barriers, and positively impact our environment.

We seek opportunities to provide resources to universities, colleges, labs, and entrepreneur accelerator programs, all working on commercializing new clean technologies and innovations, through our Innovation Incubator (IN2) program. We also look for programs that promote environmental education.

For more information on how to apply for an environmental grant, visit www.wellsfargo.com/about/corporate-responsibility/community-giving/environmental-grant-program/.

2017 highlights

- **Investing in environmental solutions, environmental loans, and investments –** Since 2012, we have invested and financed more than $83 billion in renewable energy, clean technology, "greener" buildings, sustainable agriculture, and other environmentally sustainable businesses. We seek to finance and support businesses that are developing solutions to mitigate the impacts of climate change and leading the way to a more sustainable future.
- **Solar and wind energy –** Projects owned in whole or in part by Wells Fargo generated 8.1% of wind and solar photovoltaic energy produced in the U.S. in 2016.
- **Clean technology –** Wells Fargo's Global Clean Technology Group, which was established in 2009, continued to provide deep clean tech industry expertise to support businesses around the world that manufacture, market, and develop clean technology products and services such as electric and low-emission vehicles, clean energy production, smart grid applications, and water efficiency.
- **"Green" and affordable housing –** Since 2012, we have invested more than $5 billion for improvement of brownfields and for "green" affordable housing and commercial properties in low-to-moderate income neighborhoods that can benefit from lower utility bills, improved air quality, improved and expanded green spaces, and other environmental attributes.
- **Green bonds –** Since 2013, we have financed nearly $1.3 billion in corporate and municipal green and sustainability bonds (based on 'bank share' methodology) to help municipalities, universities, and corporations finance their environmental sustainability initiatives.
- **Promoting responsible investing –** Wells Capital Management, Galliard Capital Management, and Rock Creek Group, representing all investment advisors within Wells Fargo Asset Management, are signatories of the United Nations Principles for Responsible Investment.