UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

Annual report pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

For the fiscal year ended December 31, 2012	Commission file number 1-5805

JPMorgan Chase & Co.

(Exact name of registrant as specified in its charter)

Delaware	13-2624428
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification no.)
270 Park Avenue, New York, New York	10017
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code: (212) 270-6000
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common stock	The New York Stock Exchange
	The London Stock Exchange
	The Tokyo Stock Exchange
Warrants, each to purchase one share of Common Stock	The New York Stock Exchange
Depositary Shares, each representing a one-four hundredth interest in a share of 8.625% Non-Cumulative Preferred Stock, Series J	The New York Stock Exchange
Depositary Shares, each representing a one-four hundredth interest in a share of 5.50% Non-Cumulative Preferred Stock, Series O	The New York Stock Exchange
Guarantee of 7.00% Capital Securities, Series J, of J.P. Morgan Chase Capital X	The New York Stock Exchange
Guarantee of 5.875% Capital Securities, Series K, of J.P. Morgan Chase Capital XI	The New York Stock Exchange
Guarantee of 6.25% Capital Securities, Series L, of J.P. Morgan Chase Capital XII	The New York Stock Exchange
Guarantee of 6.20% Capital Securities, Series N, of JPMorgan Chase Capital XIV	The New York Stock Exchange
Guarantee of 6.35% Capital Securities, Series P, of JPMorgan Chase Capital XVI	The New York Stock Exchange
Guarantee of 6.625% Capital Securities, Series S, of JPMorgan Chase Capital XIX	The New York Stock Exchange
Guarantee of 6.875% Capital Securities, Series X, of JPMorgan Chase Capital XXIV	The New York Stock Exchange
Guarantee of 6.70% Capital Securities, Series CC, of JPMorgan Chase Capital XXIX	The New York Stock Exchange
Guarantee of 7.20% Preferred Securities of BANK ONE Capital VI	The New York Stock Exchange
KEYnotes Exchange Traded Notes Linked to the First Trust Enhanced 130/30 Large Cap Index	The New York Stock Exchange
Alerian MLP Index ETNs due May 24, 2024	NYSE Arca, Inc.
JPMorgan Double Short US 10 Year Treasury Futures ETNs due September 30, 2025	NYSE Arca, Inc.
JPMorgan Double Short US Long Bond Treasury Futures ETNs due September 30, 2025	NYSE Arca, Inc.

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

☒ Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer (Do not check if a smaller reporting company) ☐ Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

The aggregate market value of JPMorgan Chase & Co. common stock held by non-affiliates as of June 30, 2012 : $134,979,087,091

Number of shares of common stock outstanding as of January 31, 2013 : 3,827,466,945

Documents incorporated by reference: Portions of the registrant's Proxy Statement for the annual meeting of stockholders to be held on May 21, 2013 , are incorporated by reference in this Form 10-K in response to Items 10, 11, 12, 13 and 14 of Part III.

Report of independent registered public accounting firm

To the Board of Directors and Stockholders of JPMorgan Chase & Co.:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows present fairly, in all material respects, the financial position of JPMorgan Chase & Co. and its subsidiaries (the "Firm") at December 31, 2012 and 2011, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Firm maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012 , based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Firm's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying "Management's report on internal control over financial reporting". Our responsibility is to express opinions on these financial statements and on the Firm's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP

February 28, 2013

PricewaterhouseCoopers LLP • 300 Madison Avenue • New York, NY 10017

Note 10 – Employee stock-based incentives

Employee stock-based awards

In 2012 , 2011 and 2010 , JPMorgan Chase granted long-term stock-based awards to certain key employees under the 2005 Long-Term Incentive Plan, which was last amended in May 2011 (“LTIP”). Under the terms of the LTIP, as of December 31, 2012 , 283 million shares of common stock are available for issuance through May 2015. The LTIP is the only active plan under which the Firm is currently granting stock-based incentive awards. In the following discussion, the LTIP, plus prior Firm plans and plans assumed as the result of acquisitions, are referred to collectively as the “LTI Plans,” and such plans constitute the Firm’s stock-based incentive plans.

Restricted stock units (“RSUs”) are awarded at no cost to the recipient upon their grant. RSUs are generally granted annually and generally vest at a rate of 50% after two years and 50% after three years and convert into shares of common stock at the vesting date. In addition, RSUs typically include full-career eligibility provisions, which allow employees to continue to vest upon voluntary termination, subject to post-employment and other restrictions based on age or service-related requirements. All of these awards are subject to forfeiture until vested and contain clawback provisions that may result in cancellation prior to vesting under certain specified circumstances. RSUs entitle the recipient to receive cash payments equivalent to any dividends paid on the underlying common stock during the period the RSUs are outstanding and, as such, are considered participating securities as discussed in Note 24 on page 301 of this Annual Report.

Under the LTI Plans, stock options and stock appreciation rights (“SARs”) have generally been granted with an exercise price equal to the fair value of JPMorgan Chase ’s common stock on the grant date. The Firm typically awards SARs to certain key employees once per year; the Firm also periodically grants employee stock options and SARs to individual employees. The 2012, 2011 and 2010 grants of SARs to key employees vest ratably over five years (i.e., 20% per year) and contain clawback provisions similar to RSUs. The 2012 , 2011 and 2010 grants of SARs contain full-career eligibility provisions. SARs generally expire ten years after the grant date.

The Firm separately recognizes compensation expense for each tranche of each award as if it were a separate award with its own vesting date. Generally, for each tranche granted, compensation expense is recognized on a straight-line basis from the grant date until the vesting date of the respective tranche, provided that the employees will not become full-career eligible during the vesting period. For awards with full-career eligibility provisions and awards granted with no future substantive service requirement, the Firm accrues the estimated value of awards expected to be awarded to employees as of the grant date without giving consideration to the impact of post-employment restrictions. For each tranche granted to employees who will become full-career eligible during the vesting period, compensation expense is recognized on a straight-line basis from the grant date until the earlier of the employee’s full-career eligibility date or the vesting date of the respective tranche.

The Firm’s policy for issuing shares upon settlement of employee stock-based incentive awards is to issue either new shares of common stock or treasury shares. During 2012 , 2011 and 2010 , the Firm settled all of its employee stock-based awards by issuing treasury shares.

In January 2008, the Firm awarded to its Chairman and Chief Executive Officer up to 2 million SARs. The terms of this award are distinct from, and more restrictive than, other equity grants regularly awarded by the Firm. Effective January 2013, the Compensation Committee and Board of Directors determined that, while all the requirements for vesting of these awards have been met, vesting should be deferred for a period of up to 18 months (i.e., up to July 22, 2014), to enable the Firm to make progress against the Firm’s strategic priorities and performance goals, including remediation relating to the CIO matter. The SARs, which have a 10-year term, will become exercisable no earlier than July 22, 2014, and have an exercise price of $39.83 (the price of JPMorgan Chase common stock on the date of grant). Vesting will be subject to a Board determination taking into consideration the extent of such progress and such other factors as it deems relevant. The expense related to this award is dependent on changes in fair value of the SARs through the date at which the award is finalized, and the cumulative expense is recognized ratably over the service period, which was initially assumed to be five years but, effective in the first quarter of 2013, has been extended to six and one-half years . The Firm recognized $5 million , $(4) million and $4 million in compensation expense in 2012 , 2011 and 2010 , respectively, for this award.

RSUs, employee stock options and SARs activity

Compensation expense for RSUs is measured based on the number of shares granted multiplied by the stock price at the grant date, and for employee stock options and SARs, is measured at the grant date using the Black-Scholes valuation model. Compensation expense for these awards is recognized in net income as described previously. The following table summarizes JPMorgan Chase 's RSUs, employee stock options and SARs activity for 2012 .

Year ended December 31, 2012 (in thousands, except weighted-average data, and where otherwise stated)	RSUs Number of shares	RSUs Weighted-average grant date fair value	Options/SARs Number of awards	Options/SARs Weighted-average exercise price	Options/SARs Weighted-average remaining contractual life (in years)	Options/SARs Aggregate intrinsic value
Outstanding, January 1	166,631	$ 37.65	155,761	$ 40.58		
Granted	59,646	35.73	14,738	35.70		
Exercised or vested	(79,062)	30.91	(18,675)	26.45		
Forfeited	(5,209)	40.22	(3,888)	38.07		
Canceled	NA	NA	(32,030)	40.10		
Outstanding, December 31	142,006	$ 40.49	115,906	$ 42.44	5.5	$ 721,059
Exercisable, December 31	NA	NA	70,576	45.87	4.2	420,713

The total fair value of RSUs that vested during the years ended December 31, 2012, 2011 and 2010, was $2.8 billion , $5.4 billion and $2.3 billion , respectively. The weighted-average grant date per share fair value of stock options and SARs granted during the years ended December 31, 2012 , 2011 and 2010 , was $8.89 , $13.04 and $12.27 , respectively. The total intrinsic value of options exercised during the years ended December 31, 2012 , 2011 and 2010 , was $283 million , $191 million and $154 million , respectively.

Compensation expense

The Firm recognized the following noncash compensation expense related to its various employee stock-based incentive plans in its Consolidated Statements of Income.

Year ended December 31, (in millions)	**2012**	2011	2010
Cost of prior grants of RSUs and SARs that are amortized over their applicable vesting periods	**$ 1,810**	$ 1,986	$ 2,479
Accrual of estimated costs of RSUs and SARs to be granted in future periods including those to full-career eligible employees	**735**	689	772
Total noncash compensation expense related to employee stock-based incentive plans	**$ 2,545**	$ 2,675	$ 3,251

At December 31, 2012 , approximately $909 million (pretax) of compensation cost related to unvested awards had not yet been charged to net income. That cost is expected to be amortized into compensation expense over a weighted-average period of 0.9 years . The Firm does not capitalize any compensation cost related to share-based compensation awards to employees.

Cash flows and tax benefits

Income tax benefits related to stock-based incentive arrangements recognized in the Firm's Consolidated Statements of Income for the years ended December 31, 2012 , 2011 and 2010 , were $1.0 billion , $1.0 billion and $1.3 billion , respectively.

The following table sets forth the cash received from the exercise of stock options under all stock-based incentive arrangements, and the actual income tax benefit realized related to tax deductions from the exercise of the stock options.

Year ended December 31, (in millions)	**2012**	2011	2010
Cash received for options exercised	**$ 333**	$ 354	$ 205
Tax benefit realized (a)	**53**	31	14

(a) The tax benefit realized from dividends or dividend equivalents paid on equity-classified share-based payment awards that are charged to retained earnings are recorded as an increase to additional paid-in capital and included in the pool of excess tax benefits available to absorb tax deficiencies on share-based payment awards.

Valuation assumptions

The following table presents the assumptions used to value employee stock options and SARs granted during the years ended December 31, 2012 , 2011 and 2010 , under the Black-Scholes valuation model.

Year ended December 31,	**2012**	2011	2010
Weighted-average annualized valuation assumptions			
Risk-free interest rate	**1.19%**	2.58%	3.89%
Expected dividend yield (a)	**3.15**	2.20	3.13
Expected common stock price volatility	**35**	34	37
Expected life (in years)	**6.6**	6.5	6.4

(a) In 2012 and 2011 , the expected dividend yield was determined using forward-looking assumptions. In 2010 the expected dividend yield was determined using historical dividend yields.

The expected volatility assumption is derived from the implied volatility of JPMorgan Chase ’s stock options. The expected life assumption is an estimate of the length of time that an employee might hold an option or SAR before it is exercised or canceled, and the assumption is based on the Firm’s historical experience.

Note 11 – Noninterest expense

The following table presents the components of noninterest expense.

Year ended December 31, (in millions)	**2012**	2011	2010
Compensation expense (a)	**$ 30,585**	$ 29,037	$ 28,124
Noncompensation expense:			
Occupancy expense	**3,925**	3,895	3,681
Technology, communications and equipment expense	**5,224**	4,947	4,684
Professional and outside services	**7,429**	7,482	6,767
Marketing	**2,577**	3,143	2,446
Other expense (b)(c)	**14,032**	13,559	14,558
Amortization of intangibles	**957**	848	936
Total noncompensation expense	**34,144**	33,874	33,072
Total noninterest expense	**$ 64,729**	$ 62,911	$ 61,196

(a) Expense for 2010 includes a payroll tax expense related to the United Kingdom (“U.K.”) Bank Payroll Tax on certain compensation awarded from December 9, 2009, to April 5, 2010, to relevant banking employees.

(b) Included litigation expense of $5.0 billion , $4.9 billion and $7.4 billion for the y ears ended December 31, 2012 , 2011 and 2010 , respectively.

(c) Included FDIC-related expense of $1.7 billion , $1.5 billion and $899 million for the years ended December 31, 2012 , 2011 and 2010 , respectively.

Compensation Discussion and Analysis [1]

2012 Business performance overview

Record net income. For the third consecutive year, the Firm reported both record net income and a return on tangible common equity of 15%. Net income was $21.3 billion (an increase of 12%), or $5.20 per share, on net revenue of $97.0 billion.

Strong underlying performance. The Firm's 2012 results reflected strong underlying performance across virtually all its businesses, with strong lending and deposit growth.

- Within Consumer & Community Banking:
  - Consumer & Business Banking added 106 net branches and increased average deposits by 9% in 2012.
  - Business Banking loans increased to a record $18.9 billion, up 7% compared with 2011.
  - Mortgage Banking reported strong production revenue driven by strong originations growth.
  - Credit card sales volume on cards issued to consumers and small businesses was up 11% for the year.
- The Corporate & Investment Bank:
  - Maintained its #1 ranking in Global Investment Banking Fees.
  - Ranked #1 in Fixed Income Markets revenue.
  - Ranked #1 in All American Fixed Income and Equity Research.
  - Ranked #1 USD wire clearer with 20% share of Fed and CHIPS.
  - Reported assets under custody of $18.8 trillion at December 31, 2012.
- Commercial Banking reported record net revenue of $6.8 billion and record net income of $2.6 billion in 2012. Commercial Banking loans increased to a record $128.2 billion, up 14%.
- Asset Management reported record revenue in 2012 and achieved its fifteenth consecutive quarter of positive net long-term client flows into assets under management. Asset Management also increased loan balances to a record $80.2 billion at December 31, 2012.

Fortress balance sheet. JPMorgan Chase ended the year with a Basel I Tier 1 common ratio of 11%, compared with 10.1% at year-end 2011. The Firm estimated that its Basel III Tier 1 common ratio was approximately 8.7% at December 31, 2012 (including the estimated impact of final Basel 2.5 rules and the Basel III Advanced Notice of Proposed Rulemaking).

Helping customers, clients and communities. During 2012, the Firm worked to help its customers, corporate clients and the communities in which it does business.

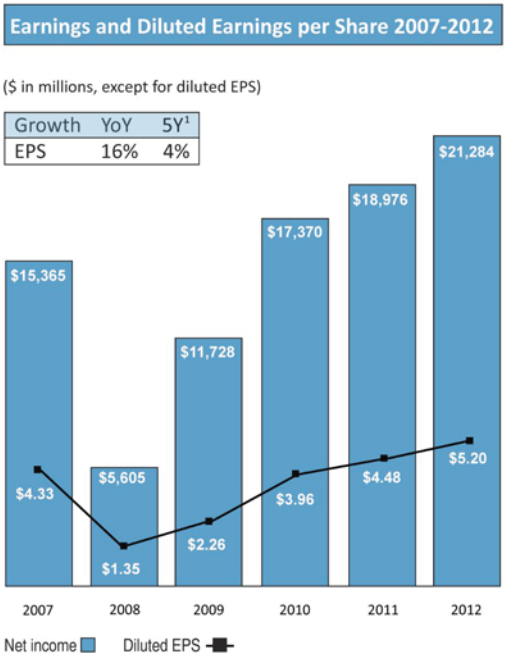
- The Firm provided credit and raised capital of more than $1.8 trillion for its clients during 2012; this included $20 billion loaned to small businesses and $85 billion for nearly 1,500 nonprofit and government entities, including states, municipalities, hospitals and universities.
- The Firm also originated more than 920,000 mortgages, and provided credit cards to approximately 6.7 million people. Since the beginning of 2009, the Firm has offered nearly 1.4 million mortgage modifications and of these approximately 610,000 have achieved permanent modifications.
- Made more than $190 million in philanthropic donations to nonprofit entities in 37 countries around the world to support community development, education, and arts and culture. More than 43,000 of our people provided more than 468,000 hours of volunteer service in local communities around the globe.
- Hired nearly 5,000 U.S. military since the beginning of 2011.

The foregoing results include the effect of significant losses incurred in 2012 in the Synthetic Credit Portfolio within the CIO.

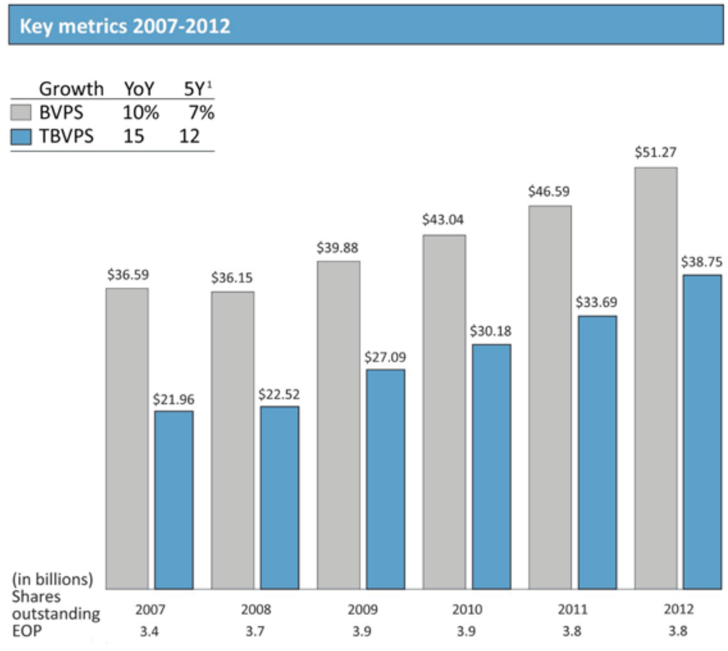
1 For notes on non-GAAP and other financial measures, including managed basis reporting relating to the Firm's business segments, see Appendix E at page 68.

The charts below show the growth in the Firm's earnings, earnings per share ("EPS"), book value per share ("BVPS") and tangible book value per share ("TBVPS") for the period between 2007 and 2012. Over the 5-year period, earnings per share for the Firm grew 4%. Book value per share grew 7% and tangible book value per share grew 12% over the same 5-year period.

Uninterrupted record of delivering annual and quarterly net income throughout the crisis



1 Compound annual growth rate



1 Compound annual growth rate

The chart below shows the Firm's annualized total shareholder return, assuming reinvestment of dividends, over the 5-year period 2007 through 2012, relative to the broad S&P 500 Index, the industry specific KBW Bank Index and the S&P 500 Financial Index.

Performance of the Firm on a through-the-cycle basis [1]

1 The S&P 500 Index is a commonly referenced U.S. equity benchmark consisting of leading companies from different economic sectors. The KBW Bank Index seeks to reflect the performance of banks and thrifts that are publicly-traded in the U.S. and is composed of 24 leading national money center and regional banks and thrifts. The S&P Financial Index is an index of 80 financial companies, all of which are components of the S&P 500. The Firm is a component of all three industry indices.

Compensation principles and practices

Compensation determinations are guided by the JPMorgan Chase Compensation Principles and Practices. As described in this section and in Appendix C, these principles include:

- **Maintaining strong governance:** Independent Board oversight of the Firm's compensation principles and practices and their implementation
- **Attracting and retaining top talent:** A recognition that competitive and reasonable compensation helps attract and retain the high quality people necessary to grow and sustain our businesses
- **Tying compensation to performance:**
    - A focus on the qualitative as well as the quantitative performance of the individual employee, the relevant line of business or function and the Firm as a whole
    - A focus on multi-year, long-term, risk-adjusted performance and rewarding behavior that generates sustained value for the Firm through business cycles
    - Performance assessments that are broad-based and balanced, including an emphasis on teamwork and a "shared success" culture
- **Aligning with shareholder interests:**
    - A significant stock component (with deferred vesting) for shareholder alignment and retention of top talent
    - Very strict limits or prohibitions on executive perquisites, special executive retirement severance plans, and no golden parachutes
- **Integrating risk and compensation:**
    - Input into compensation determinations by risk and control functions
    - Although awards are made with the expectation that they will vest in accordance with their terms, all awards contain strong recovery provisions, and additional risk-related recovery provisions apply to the Operating Committee, the Firm's most senior management group, and to a group of senior employees we refer to as Tier 1 employees with primary responsibility for risk positions, credit decisions, finance, controls and risk management
    - Shares received by Operating Committee members are subject to robust retention requirements and a prohibition on hedging

Compensation decisions for Named Executive Officers

Pay for performance — The Compensation & Management Development Committee uses its business judgment to determine the compensation of the CEO and approve compensation for other members of the Operating Committee, focusing on multi-year results and a qualitative and quantitative view of their total contribution.

- As Chairman and CEO, Mr. Dimon is responsible for guiding the Firm's financial performance and growth, its strategic and operational priorities, risk and control management, and management development and succession planning. Mr. Dimon reviews the priorities for the Firm with the Board of Directors and, in consultation with the Compensation & Management Development Committee and the Board, establishes the priorities for each LOB CEO annually, which are the priorities of the businesses they lead. Heads of functions also review and establish their priorities with the CEO.
- Mr. Dimon discusses with the Compensation & Management Development Committee his assessment of the performance of each other member of the Operating Committee with respect to individual contributions, risk and control management and business or function performance, as well as overall Firm performance. Mr. Dimon makes compensation recommendations to the Compensation & Management Development Committee for their consideration as part of their approval process.
- Business-specific objectives are evaluated at various points during the year, including during the budget process and monthly business reviews. Each of our businesses reviews its priorities with investors at our annual Investor Day, held most recently on February 26, 2013. Each LOB CEO also reviews 2012 results and the outlook for the future in letters in the Annual Report. We recommend reading those letters and the Chairman's letter for a fuller

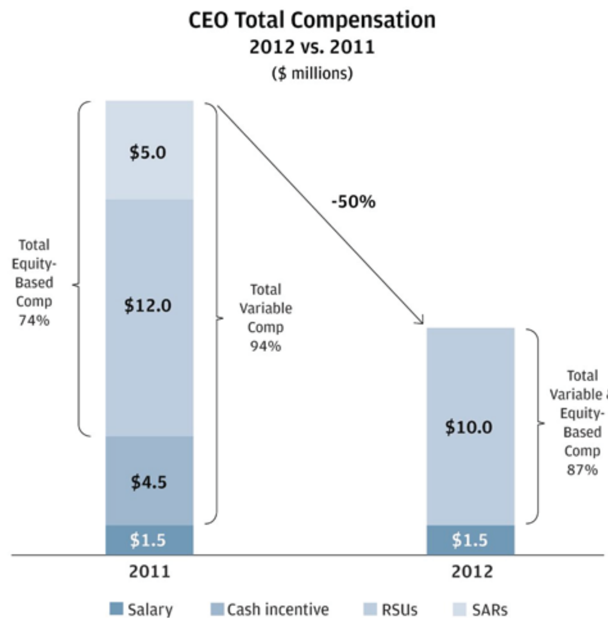
understanding of the priorities and performance of the Firm and its businesses. Appendix E is a summary of firmwide and LOB priorities and progress.

James Dimon: Chairman and Chief Executive Officer. As announced on January 16, 2013, the Board approved 2012 total compensation for Jamie Dimon, Chairman and Chief Executive Officer, in the amount of $11.5 million, down 50% from the prior year. Compensation included salary of $1.5 million (flat with the prior year) and incentive compensation of $10 million, all in the form of restricted stock units (RSUs) (down 53.5% from the prior year). The RSUs vest over a period of three years, half after two years and the other half after three years. The Board also deferred, for a period of up to 18 months (i.e., up to July 22, 2014), vesting on options in the form of stock appreciation rights (SARs) it had granted Mr. Dimon in January 2008.

In making its compensation determinations, the Board focused on the long-term, as well as the annual, performance of the Firm and on the entire range of Mr. Dimon's responsibilities, and took into consideration both the continued strong performance of the Firm and the CIO losses, including Mr. Dimon's responsibility as the Firm's Chief Executive Officer.

Mr. Dimon's leadership and management abilities are reflected in the continued strong performance of the Firm (including progress on its long-term strategic priorities, actual financial results, financial performance relative to competitors and qualitative factors), as reflected in the:

- Strength of the Firm's 2012 operating results and financial performance
- Third consecutive year of record net earnings and 15% ROTCE
- Record net earnings of $21.3 billion, a 12% increase from 2011
- ROE of 11%
- Record EPS of $5.20 per share, a 16% increase from 2011
- Common share price increase by 32% in 2012; total return with dividends of 36%
- Strong performance of the Firm relative to key competitors
- Uninterrupted record of delivering annual and quarterly net income throughout the financial crisis, subsequent recession, and CIO losses
- Maintenance of a fortress balance sheet
- Continued investment in organic growth and the strengthening of the Firm's major businesses



Mr. Dimon also has strengthened the foundation of the Firm's future in leading a reorganization of the Firm's businesses around customer needs by integrating the Chase consumer businesses under the Consumer & Community Banking line of business and the J.P. Morgan Investment Bank and Treasury & Securities Services wholesale lines of business under the Corporate & Investment Bank line of business. As part of this reorganization, he also has helped further develop the succession of a new generation of senior management capable of leading the Firm's businesses and key functions in the future.

With respect to the losses incurred in CIO, the Board views the CIO losses as a serious mistake by the Firm, but believes that one of the marks of a successful company is how it addresses its mistakes, learns from them and implements meaningful remedial actions. As Chief Executive Officer, Mr. Dimon bears ultimate responsibility for the failures that led to the losses in CIO and has accepted responsibility for such failures. Importantly, once Mr. Dimon became aware of the seriousness of the issues presented by CIO, he responded forcefully by directing a thorough review and an extensive program of remediation. The Firm:

- Strengthened the risk and control groups responsible for CIO
- Formed the Management Task Force to review and address the circumstances related to the CIO losses
- Has implemented, or is in the process of implementing, the remedial enhancements noted in the Management Task Force Report and the recommended improvements set forth in the Board Review Committee Report

With respect to compensation and personnel actions as a result of CIO, the Firm took the following actions, all of which were reviewed with the Board:

- The compensation actions for the Chief Executive Officer and the former Chief Financial Officer as detailed in this section and approved by the Board
- Replaced the management team responsible for the losses
- Invoked comprehensive clawbacks of previously granted outstanding awards and/or repayment of previously vested awards subject to clawbacks for those with primary responsibility (over $100 million recaptured)
- For a group of employees deemed to have been closely associated with CIO events, reduced or eliminated compensation that otherwise would have been awarded by an aggregate of approximately 60%
- A number of employees were permitted to resign or reassigned to other positions deemed to be more appropriate and experienced significant reductions in compensation

Other Named Executive Officers. The following provides highlights of performance considered in compensation determinations for the NEOs other than Mr. Dimon. These compensation determinations reflect recognition of substantial progress in meeting the objectives of the LOBs and the Firm as a whole, and also reflect the losses in the CIO.

Douglas Braunstein: Vice Chairman (Former Chief Financial Officer). Mr. Braunstein became CFO in June 2010 and remained in that role until December 31, 2012, after which he became Vice Chairman. Prior to becoming CFO, Mr. Braunstein led Investment Banking coverage for the Americas and held other senior roles in the Investment Bank. In his new role, Mr. Braunstein will focus on serving top clients of the Firm, drawing on his years of experience and his experience in key client coverage roles in the Investment Bank.

In making its compensation determination, the Compensation & Management Development Committee focused on the entire range of Mr. Braunstein's responsibilities. As he had in the prior year, during 2012 Mr. Braunstein continued to further the Firm's fundamental objectives of maintaining strong financial discipline, guarding safety and soundness, liquidity management, assisting in managing the Firm's interaction with regulatory and supervisory authorities, and collaborating with the LOBs to drive business performance, growth, efficiency and returns.

With respect to the losses incurred in CIO, in July 2012 the Firm reported that it had determined that a material weakness existed in its internal controls over financial reporting at March 31, 2012, related to the valuation control function for the synthetic credit portfolio managed by CIO during the first quarter of 2012. The control deficiency was closed out by September 30, 2012. The Management Task Force Report also noted weaknesses in the performance of the CIO Finance organization in the events leading up to the CIO losses. The Finance organization, which was led by Mr. Braunstein, was responsible for such weaknesses.

In consideration of the above, the Committee approved the following compensation:

- $750,000 in base salary, no increase in 2012 or for 2013
- A $2.125 million cash incentive for 2012, compared to $2.9 million for 2011
- An RSU award of $2.125 million, compared to $4.35 million for 2011
- No SARs, compared to $1.5 million in SARs for 2011

Mary Callahan Erdoes: CEO Asset Management. Ms. Erdoes has been Chief Executive Officer of Asset Management (AM) since 2009. In 2012, Ms. Erdoes continued a focus on priorities that included maintaining strong financial and investment performance, growing AM's client franchise, investing in technology to support growth and achieve efficiencies, maintaining strong risk controls, and developing and retaining talent.

- Three important financial measures for Asset Management are revenue growth, pretax earnings margin and ROE.
    - For 2012, AM achieved record revenues of $9.9 billion, a 4% increase over 2011 and the fourth consecutive year of growth.
    - AM achieved an ROE of 24% and a pretax earnings margin of 28%.
- At the end of 2012, assets under management ("AUM") in the top two fund quartiles were 67%, 74% and 76%, respectively, over a 1-, 3- and 5-year time period.
- AM showed strong growth in long-term AUM flows, loan balances and deposit balances.
- Continued investments were made in the technology infrastructure to support both the growth and control agendas.

In consideration of the above, the Committee approved the following compensation:

- $750,000 in base salary, no increase in 2012 or for 2013
- A $4.9 million cash incentive for 2012, compared to $4.7 million for 2011
- An RSU award of $7.35 million, compared to $7.05 million for 2011
- A SAR award of $2.0 million, unchanged from 2011

Daniel Pinto: Co-CEO Corporate & Investment Bank. Mr. Pinto became Co-Chief Executive Officer of the Corporate & Investment Bank ("CIB") in July 2012 and has been Chief Executive Officer of Europe, the Middle East and Africa since June 2011. He had been head or co-head of the Investment Bank Global Fixed Income business (now part of Corporate & Investment Bank) from November 2009 until July 2012. He was Global Head of Emerging Markets from 2006 until 2009, and was also responsible for the Global Credit Trading & Syndicate business from 2008 until 2009.

In 2012, the Corporate & Investment Bank was created from the combination of the heritage Investment Bank and Treasury Services & Securities businesses and has outlined a number of strategic priorities that reflect the continuation of the agenda of each business as well as several new priorities that are driven by the business combination. These include international expansion, particularly for the Global Corporate Bank and Treasury Services solutions, global Prime Brokerage build-out, electronic trading investments, and optimizing its client coverage model across both Banking and Markets & Investor Services. In addition, the CIB will continue to be focused on expense discipline and prudent management of its risk-weighted assets and capital. As Co-CEO of CIB, Mr. Pinto has played a strategic role in integrating the business and setting the course for achieving CIB's multi-year priorities. Among the achievements in 2012 for CIB were the following:

- Delivered net income of $8.4 billion on revenue of $34.3 billion.
- Helped clients raise $500 billion of debt and equity capital
- Led the market in arranging $650 billion of loans and commitments for clients
- Ranked #1 in Global IB Fees and #1 in Fixed Income Markets revenue
- Ranked #1 in All American Fixed Income and Equity Research
- #1 USD wire clearer with 20% share of Fed and CHIPS
- Record in Assets under Custody of $18.8 trillion, up 12% from the prior year
- Continuing to extend the Firm's international presence and execute our strategic technology reengineering program

In consideration of the above, the Committee approved the following compensation with the terms and composition structured to reflect applicable U.K. standards as described at page 23:

- $750,000 in base salary, no increase in 2012 or for 2013
- An $8.125 million cash incentive for 2012
- An RSU award of $7.125 million
- A SAR award of $1.0 million

Matthew Zames: Co-Chief Operating Officer. Mr. Zames demonstrated leadership and risk management discipline in 2012. He held three key roles this year, prior to which he had served with distinction in a number of senior Investment Banking management roles. First, from January to May 2012, he was the head of Mortgage Banking Capital Markets, which he continues to lead, and co-head of Global Fixed Income in the Investment Bank.

- Fixed Income Markets reported revenue of $5.0 billion in the first quarter of 2012, which ranked #1 in revenue versus its top 10 peers
- Mortgage Capital Markets distributed more than $160 billion of closed loan volume to investors in support of record Mortgage Banking production; 2012 pretax income of $3.6 billion
- Led the acquisition of a $71.4 billion mortgage servicing portfolio

In May of 2012, Mr. Dimon asked Mr. Zames to become the Chief Investment Officer of the Firm following trading losses in CIO. Mr. Zames led the successful de-risking of the Synthetic Credit Portfolio and refocused CIO on its core mandate of conservative investing of its portfolio and asset and liability management. He brought in a new, highly experienced CIO management team, including a Chief Risk Officer, Chief Financial Officer, Controller, and head of Europe.

In mid-July 2012, with CIO repositioned, Mr. Zames was promoted to a newly created role of Co-Chief Operating Officer. In addition to CIO and Mortgage Banking Capital Markets, he oversees Treasury & Funding, Strategy, One Equity Partners, Regulatory Affairs and joint management of Oversight & Controls and Compliance across the Firm. As Co-Chief Operating Officer, he also contributes to a variety of key firmwide initiatives. In addition to his impact on CIO and in Mortgage Capital Markets, his accomplishments as Co-Chief Operating Officer include:

- Centralizing the Firm's Controls and Compliance organization to respond to incoming regulatory inquiries and develop a strong control environment across the Firm
- Leading a firmwide initiative to reduce expenses
- Hiring new talent within the Chief Operating Office

In consideration of the above, the Committee approved the following compensation:

- $750,000 in base salary, no increase in 2012 or for 2013
- A $6.1 million cash incentive for 2012
- An RSU award of $9.15 million
- A SAR award of $1.0 million

2012 Compensation

The following table shows annual salary in 2012 and incentive compensation awarded in 2013 for 2012 performance, which reflects the Compensation & Management Development Committee's view of compensation determinations for 2012 and is guided by our core compensation philosophy and approach.

Salary and incentive compensation

		Annual compensation				
			Incentive compensation			
Name and principal position	*Year*	*Salary ($)* [1]	*Cash ($)*	*RSUs ($)* [2]	*SARs ($)* [3]	*Total ($)*
James Dimon	2012	$ 1,500,000	$ 0	$ 10,000,000	$ 0	$ 11,500,000
Chairman and CEO	2011	1,500,000	4,500,000	12,000,000	5,000,000	23,000,000
	2010	1,000,000	5,000,000	12,000,000	5,000,000	23,000,000
Douglas L. Braunstein	2012	750,000	2,125,000	2,125,000	0	5,000,000
Vice Chairman (Former Chief Financial Officer)	2011	750,000	2,900,000	4,350,000	1,500,000	9,500,000
	2010	400,000	3,840,000	5,760,000	2,016,900	12,016,900
Mary Callahan Erdoes	2012	750,000	4,900,000	7,350,000	2,000,000	15,000,000
CEO Asset Management	2011	750,000	4,700,000	7,050,000	2,000,000	14,500,000
	2010	500,000	4,600,000	6,900,000	3,025,400	15,025,400
Daniel E. Pinto [4,5]	2012	750,000	8,125,000	7,125,000	1,000,000	17,000,000
Co-CEO Corporate & Investment Bank						
Matthew E. Zames [4]	2012	750,000	6,100,000	9,150,000	1,000,000	17,000,000
Co-Chief Operating Officer						

1 Salary reflects the annualized amounts as of December 31 for each year.

2 For all Named Executive Officers, except Mr. Pinto, the RSUs granted for 2012 vest in two equal installments on January 13, 2015 and January 13, 2016. Each RSU represents the right to receive one share of common stock on the vesting date and non-preferential dividend equivalents, payable in cash, equal to any dividends paid during the vesting period. RSUs have no voting rights. Additional conditions applicable to these awards are described at page 28. For Mr. Pinto, see note 5 to this table.

3 The Firm awarded SARs to the Named Executive Officers, effective January 17, 2013, with an exercise price of $46.58. The SARs will become exercisable 20% per year over the five-year period from January 17, 2013. All shares obtained upon exercise must be held until the fifth year after grant and are subject to the Firm's stock retention requirement. The SARs had a grant date fair value of $9.56 per SAR. Assumptions under the Black-Scholes valuation model were used to determine grant date fair value. Additional conditions applicable to these awards are described at page 28.

4 Mr. Pinto and Mr. Zames were not Named Executive Officers in either 2011 or 2010.

5 For Mr. Pinto, the terms and composition of his compensation reflects applicable U.K. standards. Under rules applicable in the U.K., a portion (60%) of Mr. Pinto's cash bonus shown in this table was deferred, with half of the deferred amount payable at the end of 18 months and the balance payable at the end of three years. Such mandatory deferral is subject to terms and conditions similar to those for RSUs. Until paid, such amounts accrue interest. For Mr. Pinto, $3,250,000 of the RSUs granted for 2012 vest immediately and the balance vests in two equal installments, on July 25, 2014, and January 13, 2016. All of such RSUs must be held for not less than six months following vesting.

The above table is presented to show how the Compensation & Management Development Committee viewed compensation actions, but it differs substantially from the Summary Compensation Table ("SCT") required by the SEC and is not a substitute for the information required by the SCT at page 30.

The SCT shows compensation information in a format required by the SEC. There are two principal differences between the SCT and the above table:

- The Firm grants both cash and equity incentive compensation after the earnings for a performance year have been announced. In both the above table and the SCT, cash incentive compensation granted in 2013 for 2012 performance is shown as 2012 compensation. The above table treats equity awards similarly, so that equity awards granted in 2013 for 2012 performance are shown as 2012 compensation. The SCT does not follow this treatment and instead reports the value of equity awards in the year in which they are made. As a result, equity awards granted in 2013 for 2012 performance are shown in the above table as 2012 compensation, but the SCT reports for 2012 the value of equity awards granted in 2012 in respect of 2011 performance.
- The SCT reports the change in pension value and nonqualified deferred compensation earnings and all other compensation. These amounts are not shown above.

Advisory resolution to approve executive compensation

Proposal 3 is an annual advisory resolution to approve executive compensation, and the Board recommends that shareholders vote for approval of this resolution. Shareholders approved similar resolutions in 2009, 2010, 2011 and 2012 by votes of 97%, 96%, 73% and 92%, respectively, in each case as a percentage of shares cast including abstentions. We believe the result in 2011 was attributable to a recommendation by a proxy advisory firm that cited as a key reason for its recommendation the discretionary nature of the Firm's executive compensation program.

The Compensation & Management Development Committee has considered making a portion of incentive awards for the CEO and other members of the Operating Committee formulaic, based on pre-set targets, but believes that:

- Its current approach provides a disciplined assessment of multi-year priorities and achievements and has resulted in proper alignment of compensation and performance, and
- There is a greater risk of misaligning incentives and creating unintended consequences with a formulaic approach than the current approach of carefully considering a broader spectrum of factors relative to overall performance. We believe history has shown there are as many disadvantages to shareholders as advantages to formulaic pay plans.

Although awards are not made on a formulaic basis, starting in 2012, the Firm added to the terms of RSU awards to members of the Operating Committee and other Tier 1 employees certain protection-based vesting conditions described at page 28 that add specific numerical thresholds that will result in formal compensation reviews and are designed to be effective in the event of material losses or earnings substantially below the Firm's potential.

The Compensation & Management Development Committee further notes that the compensation decisions made for 2012 in respect of the Firm's CEO and CFO illustrate the effectiveness of the Firm's disciplined but not formulaic process of assessment based on the performance of the individual employee, relevant line of business or function and the Firm as a whole. In each case, significant compensation action was taken despite the very strong results of each of the Firm's lines of business and for the Firm as a whole because of the events associated with the losses in the CIO.

The Firm conducts twice-annual outreach discussions with its major shareholders on compensation and other governance matters and considers shareholder views expressed in those discussions as well as the results of the say on pay and other shareholder input.

Compensation framework

Corporate governance and Board oversight - JPMorgan Chase's compensation framework is supported by strong corporate governance and board oversight.

- The Board of Directors, through the Compensation & Management Development Committee, oversees our compensation programs, including the overall incentive pools, percentage paid in cash and stock, and the equity award terms and conditions.
- The Compensation & Management Development Committee approves compensation for members of the Operating Committee, and for the CEO makes a recommendation to the Board for its ratification. No member of the Operating Committee other than the CEO (as described at page 18) has a role in making a recommendation to the Compensation & Management Development Committee as to the compensation of any member of the Operating Committee.
- In addition to approving compensation for Operating Committee members, the Compensation & Management Development Committee approves the formula, pool calculation and performance goals for the shareholder-approved Key Executive Performance Plan ("KEPP") as required by Section 162(m)(1) of the U.S. Internal Revenue Code. The Compensation & Management Development Committee does not require all compensation to be awarded in a tax-deductible manner, but it is their intent to do so when consistent with overall corporate objectives.
- The Compensation & Management Development Committee also reviews line of business total incentive accruals versus performance throughout the year, approves final aggregate incentive funding, and approves total equity grants under the Firm's long-term incentive plan and the terms and conditions for each type of award.
- The Compensation & Management Development Committee also reviews the compensation of a number of highly compensated individuals globally, such as employees in the U.K. covered by regulations of the Financial Services

Authority, and employees in the U.S. covered by guidance of the Federal Reserve as part of seeking to ensure consistency with applicable regulatory standards in the principal jurisdictions in which we operate.

- The Compensation & Management Development Committee each year reviews the Firm's compensation programs with the Chief Risk Officer with the objective of ensuring that such compensation programs do not encourage unnecessary or excessive risk-taking. The Compensation & Management Development Committee also meets at least annually with one or more members of the Risk Policy Committee.
- The Compensation & Management Development Committee has delegated authority to the Head of Human Resources Officer to administer and amend the compensation and benefits programs.
- Internal Audit conducts regular, independent audits of the Firm's compliance with its established policies and controls and applicable regulatory requirements regarding incentive compensation management. Audit findings are reported to appropriate levels of management, and all adversely-rated audits are reported to the Audit Committee of the Board of Directors.

Relevant competitor framework - The Compensation & Management Development Committee views benchmarking against comparison groups to compare our compensation to the market, to stay abreast of best practices, to be competitive and to use these market factors to inform, but not override, the focus on pay for performance and internal equity.

- The Compensation & Management Development Committee reviews and selects peer companies that either directly compete with us for business and/or talent or are global organizations in other industries with scope, size or other business and financial characteristics similar to JPMorgan Chase.
- The Compensation & Management Development Committee does not target or benchmark compensation at any specific percentile or level paid by other companies, but rather considers compensation, including actual compensation levels typically available from public data provided by Human Resources management, among other factors when making determinations.
- Because we view our executive officers as highly talented executives capable of rotating among the leadership positions of our businesses and key functions, we also place importance on the internal pay relationships among members of our Operating Committee.
- The Compensation & Management Development Committee and Board of Directors did not engage the services of a compensation consultant in 2012; rather, the Firm's Human Resources department provides the Compensation & Management Development Committee with both internal and external compensation data publicly available and from outside consultants, and updates throughout the year.

As part of benchmarking we consider companies in two different peer frames:

Primary, industry specific, competitor group:	
American Express	Goldman Sachs
Bank of America	Morgan Stanley
Citigroup	Wells Fargo

General industry global organizations:		
Altria	GE	Pfizer
Boeing	Hewlett-Packard	Procter & Gamble
Chevron	IBM	Time Warner
Cisco	Johnson & Johnson	United Technologies
Comcast	Merck	Walmart
Disney	Oracle	3M
ExxonMobil	Pepsico	

Due to our business model and diverse operations of our various lines of business, other firms considered for comparison by our LOBs are Barclays, BNY Mellon, Capital One Financial, Credit Suisse, Deutsche Bank, HSBC, BlackRock and UBS.

Integrated risk, compensation and financial management framework – We approach our incentive compensation arrangements through an integrated risk, compensation and financial management framework to encourage a culture of risk awareness and personal accountability.

Our approach to financial measurement is based on two key principles:

- Earnings recognition, where appropriate, reflects the inherent risks of positions taken to generate profits.
- All LOBs are measured with earnings and balance sheets as though they were stand-alone companies. This approach is reflected in arms-length agreements and market-based pricing for revenue sharing among businesses, funds transfer pricing, expense allocations and capital allocations.

Integrating risk with the compensation framework – We use balancing mechanisms, such as risk-adjusted metrics, deferrals, clawbacks and multi-year year vesting on long-term incentives to seek to ensure that compensation considers the relationship of near-term rewards to longer-term risks.

- The use of risk-adjusted financial results in compensation arrangements seeks to ensure that longer-term risks are first quantified and then applied in current-year incentives. Therefore for certain risk, credit and other senior employees, incentive compensation in the current year would be appropriately affected by a number of factors, such as capital charges, valuation adjustments, reserving, and other factors resulting from the consideration of long-term risks.
- Stringent recovery provisions are in place for incentive awards (cash and equity incentive compensation).

As part of our control processes, compensation of risk and control professionals is not predominantly based on the performance of the business they oversee.

Pay mix – Our compensation structure is designed to contribute to the achievement of the Firm's short-term and long-term strategic and operational objectives, while avoiding excessive risk-taking inconsistent with the Firm's risk management strategy. This is accomplished in part through a balanced total compensation program comprised of a mix of fixed pay (base salary) and variable pay in the form of cash incentives and long-term, equity-based incentives that vest over time. Incentives are split between cash and deferred equity. The percentage of equity being deferred and awarded is higher for more highly compensated employees, thus increasing the aggregate value subject to the continued performance of the Firm's stock.

- We also believe that providing the appropriate level of salary and annual cash incentive is important in ensuring that our senior officers are not overly focused on the short-term performance of our stock.
- The majority of compensation plans at JPMorgan Chase address potential timing conflicts by including payment deferral features. Awards that are deferred into equity have multi-year vesting. By staggering the vesting of equity awards over time, the interests of employees to build long-term, sustainable performance (i.e., quality earnings) are better aligned with the long-term interests of both customers and shareholders.

Equity grant practices – Equity grants are awarded as part of the annual compensation process and as part of employment offers for new hires.

- Equity-based incentives for the majority of senior managers are granted in the form of RSUs and SARs.
- RSU grants generally vest over three years, 50% after two years and 50% after three years or in accordance with applicable U.K. standards. RSUs carry no voting rights; however, dividend equivalents are paid on the RSUs at the time actual dividends are paid on shares of JPMorgan Chase common stock.
- SARs become exercisable 20% per year over five years and any shares received upon exercise must be held for not less than five years from the grant date.
- The grant price is not less than the average of the high and the low prices of JPMorgan Chase common stock on the grant date.
- Grants made as part of the annual compensation process are generally awarded in January after earnings are released.
- The Firm does not grant options with restoration rights and prohibits repricing of stock options and SARs.

Required share retention – Share retention policies apply to our directors and members of the Operating Committee.

- Directors pledge to retain all shares of JPMorgan Chase while they serve as a director.
- Operating Committee members are expected to establish and maintain a significant level of direct ownership. For Mr. Dimon and other members of the Operating Committee, after-tax shares they receive from equity-based

awards, including options, are subject to a 75% retention requirement during the first 10 years from grant of the award and 50% thereafter. Half of unvested RSUs (the approximate after tax-equivalent) are included as part of both the ownership and the retention calculation.

- Executives are subject to these retention requirements during their service on the Operating Committee; any exceptions are subject to approval by the General Counsel.
- The Firm's percentage retention requirements result in NEOs being required to hold shares that have a value equal to a substantial multiple of their salaries. For Mr. Dimon, his share ownership, as shown in the Security Ownership table at page 15, was substantially in excess of his required retention as of that date and his required retention was more than 20 times his base salary.

No hedging –

- Operating Committee members and Directors: No hedging of the economic risk of their ownership of our shares is permitted, even for shares owned outright. No short sales, no hedging of unvested RSUs or unexercised options or SARs, and no hedging of deferred compensation.
- Other employees: No short sales, no hedging of unvested RSUs or unexercised options or SARs, and no hedging of deferred compensation. If they own shares outright and can sell them, they are permitted to hedge them, subject to compliance with window period policies that restrict transactions in JPMorgan Chase's shares pending the release of earnings and applicable preclearance rules.

Long-standing recovery provisions – Incentive awards are intended and expected to vest in accordance with their terms but we have strong recovery provisions that would permit recovery of incentive compensation awards in appropriate circumstances. We retain the right to reduce current year incentives to redress any prior imbalance that we have subsequently determined to have existed, and a clawback review or other recovery mechanism may be initiated as a result of a material restatement of earnings or by acts or omissions of employees as outlined below, including a failure to supervise in appropriate circumstances. Beyond the recovery provisions that apply to all employees, additional provisions apply to the Operating Committee and to other Tier 1 employees.

- The Firm may seek repayment of cash and equity incentive compensation in the event of a material restatement of the Firm's financial results for the relevant period under our recoupment policy adopted in 2006.
- Equity awards are subject to the Firm's right to cancel an unvested or unexercised award, and to require repayment of the value of certain shares distributed under awards already vested if:
  - the employee is terminated for cause or could have been terminated for cause,
  - the employee engages in conduct that causes material financial or reputational harm,
  - the Firm determines that the award was based on materially inaccurate performance metrics,
  - the award was based on a material misrepresentation by the employee, or
  - for members of the Operating Committee and Tier 1 employees, such employees improperly or with gross negligence fail to identify, raise, or assess, in a timely manner and as reasonably expected, risks and/or concerns with respect to risks material to the Firm or its business activities.

Issues that may give rise to recovery determinations may be raised at any time, including in meetings of the Firm's risk committees, annual assessments of employee performance and when Tier I employees resign or their employment is terminated by the Firm. A formal, discretionary compensation review would occur following a determination that the cause and materiality of a risk related loss, issue or other facts and circumstances warranted such a review, and in the circumstances set forth under the protection-based vesting provisions described below. The Compensation & Management Development Committee is responsible for determinations with respect to Operating Committee members (subject to ratification by the Board of Directors for determinations with respect to the CEO) and has delegated authority for determinations with respect to other employees to the Director of Human Resources. The Director of Human Resources would make such determinations based on reviews and recommendations made by a committee generally composed of the Firm's senior Risk, Human Resources, Legal and Financial officers and the chief executive officer of the line of business for which the review was undertaken.

Protection-based vesting – In 2012, the Firm added provisions in our equity awards for the Operating Committee and other Tier 1 employees that we call protection-based vesting. These provisions were designed to meet requirements of our regulators and to be effective in the event of material losses or earnings substantially below the Firm's potential that could create substantial financial risk. In 2013, the Firm increased the applicability of the protection-based vesting based on Cumulative Return on Tangible Common Equity, as described below, from 50% to 100% of the RSUs that are scheduled to vest at the end of three years for members of the Operating Committee.

For members of the Operating Committee, up to a combined total of 50% of RSUs granted in 2013 ("at risk RSUs") may be cancelled if:

(i) The CEO determines that cancellation of all or portion of at risk RSUs is appropriate in light of any one or a combination of the following factors:

- The executive's performance in relation to the priorities for the executive's position, or the Firm's performance in relation to the priorities for which the executive shares responsibility as a member of the Operating Committee, have been unsatisfactory for a sustained period of time (the "performance determination condition")
- Annual pre-provision net income reported at the Firm level is negative for any calendar year ending during the vesting period
- Awards granted to participants in a Line of Business, for which the executive exercises, or during the vesting period exercised direct or indirect responsibility, were in whole or in part cancelled because the Line of Business did not meet its annual Line of Business Financial Threshold [1]

(ii) To the extent not cancelled pursuant to the above circumstances, then any remaining at risk RSUs scheduled to vest on January 13, 2016 will be cancelled, absent extraordinary circumstances, if the Firm does not meet a 15% Cumulative Return on Tangible Common Equity over the period 2013, 2014 and 2015 (the sum of the Firm's reported net income for all three years, divided by reported year-end tangible equity averaged over the three years).

For SARs granted in 2013, unexercisable SARs may be cancelled or deferred if the CEO determines that such action is appropriate under the above performance determination condition. Any determination with respect to these RSU and SAR provisions is subject to ratification by (and for an award to the CEO would be made by) the Compensation and Management Development Committee.

In addition to formal recovery provisions and protection-based vesting, the Compensation & Management Development Committee believes that inappropriate risk-taking is also discouraged by management and compensation practices we have long employed. Employee performance is subject to frequent assessment, and we retain the flexibility to reduce current year incentives. Where warranted, individuals may be terminated for cause and may be required to forfeit unvested awards, with certain previously distributed shares also subject to recovery.

There are no golden parachutes or special severance plans –

- No golden parachutes for any executives.
- No employment contracts other than occasional exceptions upon hire [2]. No change-in-control agreements.
- No special severance programs for Operating Committee members; the Firm's policy limits severance to a maximum of 52 weeks salary based on years of service.
- Equity award terms provide that awards continue to vest on the original schedule, without acceleration and subject to additional restrictions, for employees who have resigned and meet the Firm's full-career eligibility requirements.

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1 For the Named Executive Officers, failure to meet the annual Line of Business Financial Thresholds would be as follows:

Asset Management - annual negative pre-provision net income;

Corporate & Investment Bank ("CIB") - annual negative pre-provision net income for CIB overall and/or annual negative revenues, excluding DVA, for any of seven specified businesses within CIB, as set forth in the executive's award agreement;

Chief Investment Office ("CIO") - annual trading loss in the mark-to-market portfolios in excess of $1.5 billion; and in

Corporate Functions (other than CIO) - annual negative pre-provision net income of the Firm

2 Some jurisdictions outside the U.S. require that employees be provided a document that sets out the basic terms of that employment which may be referred to as an employment agreement.

There are no special executive benefits –

- No pension credits for incentives.
- No 401(k) Savings Plan matching contributions for any senior executive.
- No special medical, dental, insurance or disability benefits for executives. The higher an executive's compensation, the higher the premiums they pay.
- No private club dues, car allowances, financial planning, tax gross-ups for benefits.
- Voluntary deferred compensation program is limited to a maximum individual contribution of $1 million annually, with a $10 million lifetime cap for cash deferrals made after 2005.

The Firm reports the cost of Mr. Dimon's personal use of the Firm's aircraft and cars and the cost of residential security services. The Firm requires such use as a matter of security protection for Mr. Dimon and does not view these items as special executive benefits.

Talent management, development and succession planning – As part of our resolve to focus on long-term sustained value, we look to ensure that we are developing leaders for the future. We have introduced a disciplined process of talent reviews focused on thorough assessments, enhanced executive development programs and rotations of top executives to prepare them for greater responsibility. We are committed to having a strong pipeline to deal with succession for our Operating Committee, including the CEO position. Turnover within the Operating Committee in 2012 was higher than normal due to specific succession planning and executive development objectives set by the Board several years ago, the reorganization of the Firm to better serve our customers and clients, as well as to gain operating efficiencies, and the events of the CIO.

At least annually the independent directors make an evaluation of the Chairman and Chief Executive Officer, normally in connection with a review of executive officer annual compensation. Succession planning is also considered at least annually by the independent directors with the Chief Executive Officer. The Compensation & Management Development Committee regularly discusses management development and provides updates to the full Board.

Compensation & Management Development Committee report

The Compensation & Management Development Committee has reviewed the Compensation Discussion and Analysis and discussed that analysis with management.

Based on such review and discussion with management, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement and our Annual Report on Form 10-K for the year ended December 31, 2012. This report is provided as of March 19, 2013, by the following independent directors, who comprise the Compensation & Management Development Committee:

Lee R. Raymond (Chairman)
Stephen B. Burke
William C. Weldon

The Compensation Discussion and Analysis is intended to describe our 2012 performance, the compensation decisions for our Named Executive Officers and the Firm's philosophy and approach to compensation. The following tables at pages 30-36 present additional information required in accordance with SEC rules, including the Summary Compensation Table.

Executive compensation tables

The following tables and related narratives present the compensation for our Named Executive Officers in the format specified by the SEC. The below table does not reflect equity awards made in 2013 for 2012 performance. The table of Salary and incentive compensation at page 23 shows how the Compensation & Management Development Committee viewed compensation actions.

I. Summary compensation table (SCT)

Name and principal position	*Year*	*Salary ($)* [1]	*Bonus ($)* [2]	*Stock awards ($)* [3]	*Option awards ($)* [3]	*Change in pension value and non-qualified deferred compensation earnings ($)* [4]	*All other compen-sation ($)*	*Total ($)*
James Dimon	2012	$1,500,000	$ 0	$12,000,000	$5,000,000	$ 46,993	$170,020 [5]	$18,717,013
Chairman and CEO	2011	1,416,667	4,500,000	12,000,000	5,000,000	45,471	143,277	23,105,415
	2010	1,000,000	5,000,000	7,952,400	6,244,300	39,965	579,624	20,816,289
Douglas L. Braunstein	2012	750,000	2,125,000	4,350,000	1,500,000	1,812,984	0	10,537,984
Vice Chairman (Former Chief Financial Officer)	2011	720,833	2,900,000	5,760,000	2,016,900	1,640,092	0	13,037,825
	2010	383,333	3,840,000	10,080,000	934,100	1,431,272	0	16,668,705
Mary Callahan Erdoes	2012	750,000	4,900,000	7,050,000	2,000,000	45,836	0	14,745,836
CEO Asset Management	2011	729,167	4,700,000	6,900,000	3,025,400	38,352	0	15,392,919
	2010	483,333	4,600,000	4,677,900	1,101,900	29,485	0	10,892,618
Daniel E. Pinto [6,7]	2012	751,631	8,125,000 [8]	7,145,400	730,000	0	257,766 [9]	17,009,797
Co-CEO Corporate & Investment Bank								
Matthew E. Zames [6]	2012	750,000	6,100,000	9,012,000	730,000	12,301	0	16,604,301
Co-Chief Operating Officer								

1 Salary reflects the actual amount paid in each year.

2 Includes amounts awarded, whether paid or deferred. Cash incentive compensation reflects compensation for the period presented, which was awarded in the following year.

3 Includes amounts awarded during the year shown. Amounts are the fair value on the grant date (or, if no grant date was established, on the award date). The Firm's accounting for employee stock-based incentives (including assumptions used to value employee stock options and SARs) granted during the years ended December 2012, 2011 and 2010 is described in Note 10 to the Firm's Consolidated Financial Statements in the 2012 Annual Report at pages 241–243.

4 Amounts are the aggregate change in the actuarial present value of the accumulated benefits under all defined benefit and actuarial pension plans (including supplemental plans) for the respective years shown. Amounts shown also include earnings in excess of 120% of the applicable federal rate on deferred compensation balances where the rate of return is not calculated in the same or in a similar manner as earnings on hypothetical investments available under the Firm's qualified plans: Mr. Braunstein, $1,580,231, $1,431,889 and $1,296,173, in 2012, 2011 and 2010, respectively.

5 The All other compensation column for Mr. Dimon includes: $64,437 for personal use of aircraft; $37,113 for personal use of cars; $68,379 for the cost of residential and related security paid by the Firm; and $91 for the cost of life insurance premiums paid by the Firm (for basic life insurance coverage equal to one times salary up to a maximum of $100,000, which program covers all benefit-eligible employees).

Incremental costs are determined as follows:

- Aircraft: operating cost per flight hour for the aircraft type used, developed by an independent reference source, including fuel, fuel additives and lubricants; landing and parking fees; crew expenses; small supplies and catering; maintenance, labor and parts; engine restoration costs; and a maintenance service plan.
- Cars: annual lease valuation of the assigned cars; annual insurance premiums; fuel expense; estimated annual maintenance; and annual drivers' compensation, including salary, overtime, benefits and bonus. The resulting total is allocated between personal and business use based on mileage.

6 Mr. Pinto and Mr. Zames were not Named Executive Officers in 2011 and 2010.

7 Mr. Pinto is located in London and his annual salary is designated as £475,000, paid monthly. The blended applicable spot rate used to convert Mr. Pinto's salary to U.S. dollars for the twelve months in 2012 was 1.58238 U.S. dollars per pound sterling.

8 Under rules applicable in the U.K., a portion (60%) of Mr. Pinto's cash bonus shown in this table was deferred, with half of the deferred amount payable at the end of 18 months and the balance payable at the end of three years. Such mandatory deferral is subject to terms and conditions similar to those for RSUs. Until paid, such amounts accrue interest.

9 The All other compensation column for Mr. Pinto includes: $21,433 in employer contributions to a non U.S. defined contribution plan and $236,333 for interest accrued on balances from mandatory bonus deferrals prior to 2013. During 2012, the applicable rate of interest on mandatory deferral balances was 2.75% for the first six months and 2.17% for the last six months of 2012.

II. 2012 Grants of plan-based awards [1]

The following table shows grants of plan-based awards made in 2012 for the 2011 performance year.

			Stock awards	Option awards			
Name	***Grant date***	***Approval date***	***Number of shares of stock or units (#)*** [2]	***Number of securities underlying options (#)*** [3]	***Exercise price ($/Sh)***	***Closing price on option grant date ($/Sh)***	***Grant date fair value ($)***
James Dimon	1/18/2012	1/17/2012	337,032				$ 12,000,000
	1/18/2012	1/17/2012		562,430	$ 35.61	$ 36.54	5,000,000
Douglas L. Braunstein	1/18/2012	1/17/2012	122,174				4,350,000
	1/18/2012	1/17/2012		168,729	35.61	36.54	1,500,000
Mary Callahan Erdoes	1/18/2012	1/17/2012	198,006				7,050,000
	1/18/2012	1/17/2012		224,972	35.61	36.54	2,000,000
Daniel E. Pinto	1/18/2012	1/17/2012	200,684				7,145,400
	1/18/2012	1/17/2012		82,115	35.61	36.54	730,000
Matthew E. Zames	1/18/2012	1/17/2012	253,111				9,012,000
	1/18/2012	1/17/2012		82,115	35.61	36.54	730,000

1 Effective January 17, 2013, the Firm awarded RSU awards and stock-settled SARs as part of the 2012 annual incentive compensation. Because these awards were granted in 2013, they do not appear in this table, which is required to include only equity awards actually granted during 2012. These awards are reflected in the "Salary and incentive compensation" table at page 23.

2 For all Named Executive Officers except Mr. Pinto, the RSUs vest in two equal installments on January 13, 2014 and 2015. For Mr. Pinto, 84,374 RSUs vested on the grant date, 58,155 RSUs vest on July 25, 2013 and 58,155 RSUs vest on January 13, 2015; these RSUs are subject to a 6-month hold period post-vesting. Each RSU represents the right to receive one share of common stock on the vesting date and non-preferential dividend equivalents, payable in cash, equal to any dividends paid during the vesting period. RSUs have no voting rights.

3 These SARs will become exercisable 20% per year over the five-year period from the date of grant. Shares resulting from exercise must be held at least five years from the grant date.

III. Outstanding equity awards at fiscal year-end 2012

The following table shows the number of shares of the Firm's common stock underlying (i) exercisable and unexercisable stock options and SARs and (ii) RSUs that had not yet vested held by the Firm's Named Executive Officers on December 31, 2012.

	Option awards					*Stock awards*		
Name	*Number of securities underlying unexercised options: # exercisable* [1]	*Number of securities underlying unexercised options: # unexercisable* [1]	*Option exercise price ($)*	*Option expiration date*	*Option grant date* [2]	*Number of shares or units of stock that have not vested (#)*	*Market value of shares or units of stock that have not vested ($)* [1]	*Stock award grant date* [2]
James Dimon								
	600,481	–	$ 37.47	1/20/2015	1/20/2005 [a]	–		
	–	2,000,000	39.83	1/22/2018	1/22/2008 [b]	–		
	225,424	338,138	43.20	1/20/2020	2/3/2010 [c]	97,852		2/3/2010 [a]
	73,475	293,902	47.73	2/16/2021	2/16/2011 [c]	251,415		2/16/2011 [a]
	–	562,430	35.61	1/18/2022	1/18/2012 [c]	337,032		1/18/2012 [a]
Total awards (#)	899,380	3,194,470				686,299	$ 30,176,567	
Market value of in-the-money options ($)	$ 4,076,703	$ 13,242,281						
Douglas L. Braunstein								
	100,000	–	$ 34.78	10/20/2015	10/20/2005 [d]	–		
	200,000	–	45.79	10/18/2017	10/18/2007 [c]	–		
	120,000	120,000	19.49	1/20/2019	1/20/2009 [c]	–		
	30,000	45,000	43.20	1/20/2020	1/20/2010 [c]	116,681		1/20/2010 [a]
	30,769	123,078	44.29	1/19/2021	1/19/2011 [c]	130,067		1/19/2011 [a]
	–	168,729	35.61	1/18/2022	1/18/2012 [c]	122,174		1/18/2012 [a]
Total awards (#)	480,769	456,807				368,922	$ 16,221,500	
Market value of in-the-money options ($)	$ 3,879,700	$ 4,382,824						
Mary Callahan Erdoes								
	100,000	–	$ 34.78	10/20/2015	10/20/2005 [d]	–		
	200,000	–	46.79	10/19/2016	10/19/2006 [d]	–		
	200,000	–	45.79	10/18/2017	10/18/2007 [c]	–		
	300,000	200,000	19.49	1/20/2019	1/20/2009 [c]	–		
	39,780	59,673	43.20	1/20/2020	2/3/2010 [c]	57,560		2/3/2010 [a]
	46,154	184,616	44.29	1/19/2021	1/19/2011 [c]	155,809		1/19/2011 [a]
	–	224,972	35.61	1/18/2022	1/18/2012 [c]	198,006		1/18/2012 [a]
Total awards (#)	885,934	669,261				411,375	$ 18,088,159	
Market value of in-the-money options ($)	$ 8,293,631	$ 6,822,714						

	Option awards					Stock awards		
Name	Number of securities underlying unexercised options: # exercisable [1]	Number of securities underlying unexercised options: # unexercisable [1]	Option exercise price ($)	Option expiration date	Option grant date [2]	Number of shares or units of stock that have not vested (#)	Market value of shares or units of stock that have not vested ($) [1]	Stock award grant date [2]
Daniel E. Pinto								
	50,000	–	$ 34.78	10/20/2015	10/20/2005 [d]	–		
	100,000	–	46.79	10/19/2016	10/19/2006 [d]	–		
	200,000	–	45.79	10/18/2017	10/18/2007 [c]	–		
	300,000	200,000	19.49	1/20/2019	1/20/2009 [c]	–		
	34,000	51,000	43.20	1/20/2020	1/20/2010 [c]	133,934		1/20/2010 [a]
	15,000	60,000	44.29	1/19/2021	1/19/2011 [c]	48,860		1/19/2011 [e]
	–	82,115	35.61	1/18/2022	1/18/2012 [c]	116,310		1/18/2012 [e]
Total awards (#)	699,000	393,115				299,104	$13,151,603	
Market value of in-the-money options ($)	$ 7,829,680	$ 5,621,751						
Matthew E. Zames								
	50,000	–	$ 46.79	10/19/2016	10/19/2006 [d]	–		
	100,000	–	45.79	10/18/2017	10/18/2007 [c]	–		
	–	200,000	19.49	1/20/2019	1/20/2009 [c]	–		
	34,000	51,000	43.20	1/20/2020	1/20/2010 [c]	134,044		1/20/2010 [a]
	15,000	60,000	44.29	1/19/2021	1/19/2011 [c]	218,472		1/19/2011 [a]
	–	82,115	35.61	1/18/2022	1/18/2012 [c]	253,111		1/18/2012 [a]
Total awards (#)	199,000	393,115				605,627	$26,629,419	
Market value of in-the-money options ($)	$ 26,180	$ 5,621,751						

1 Value based on $43.97, the closing price per share of our common stock on December 31, 2012.

2 The awards set forth in the table have the following vesting schedules:

a 2 equal installments in years 2 and 3

b In January 2008, the Firm awarded Mr. Dimon up to 2 million SARs. The terms of this award are distinct from, and more restrictive than, other equity grants periodically awarded by the Firm. Effective January 2013, the Compensation Committee and Board of Directors determined that, while all the requirements for vesting of these awards have been met, vesting should be deferred for a period of up to 18 months (i.e. up to July 22, 2014), to enable the Firm to make progress against the Firm's strategic priorities and performance goals, including remediation relating to the CIO matter. The SARs, which have a 10-year term, will become exercisable no earlier than July 22, 2014, and have an exercise price of $39.83 (the price of JPMorgan Chase common stock on the date of the grant). Vesting will be subject to a Board determination taking into consideration the extent of such progress and such other factors as it deems relevant. The expense related to this award is dependent on changes in fair value of the SARs through the date at which the award is finalized, and the cumulative expense is recognized ratably over the service period, which was initially assumed to be five years but, effective in the first quarter of 2013, has been extended to six and one-half years. The Firm recognized $5 million, $(4) million and $4 million in compensation expense in 2012, 2011 and 2010, respectively, for this award.

c 5 equal installments in years 1, 2, 3, 4 and 5

d 3 equal installments in years 3, 4 and 5

e 2 equal installments in 18 months and 36 months

IV. 2012 Option exercises and stock vested table

The following table shows the number of shares acquired and the value realized during 2012 upon the exercise of stock options and the vesting of RSUs previously granted to each of the Named Executive Officers. The option exercise for Mr. Dimon was of options scheduled to expire in 2012.

	Option awards		*Stock awards*	
Name	*Number of shares acquired on exercise (#)*	*Value realized on exercise ($)* [1]	*Number of shares acquired on vesting (#)*	*Value realized on vesting ($)* [2]
James Dimon	462,000	$ 4,312,909	97,852	$ 3,476,192
Douglas L. Braunstein	–	–	188,531	6,697,564
Mary Callahan Erdoes	–	–	139,675	4,961,954
Daniel E. Pinto	–	–	380,115	13,490,547
Matthew E. Zames	100,000	1,752,000	246,951	8,772,934

1 Values were determined by multiplying the number of shares of our common stock to which the exercise of the options related by the difference between the per-share fair market value of our common stock on the date of exercise and the exercise price of the options.

2 Values were determined by multiplying the number of shares or units, as applicable, that vested by the per-share fair market value of our common stock on the vesting date.

V. 2012 Pension benefits

The table below quantifies the retirement benefits expected to be paid to our Named Executive Officers under the Firm's current retirement plans and plans closed to new participants. The terms of the plans are described below the table. No payments were made under these plans during 2012.

Name	*Plan name*	*Number of years of credited service (#)*	*Present value of accumulated benefit ($)*
James Dimon	Retirement Plan	12	$ 117,993
	Excess Retirement Plan	12	349,003
Douglas L. Braunstein	Retirement Plan	15	199,755
	Excess Retirement Plan	15	12,724
	Executive Retirement Plan	10	836,276
Mary Callahan Erdoes	Retirement Plan	16	236,007
	Excess Retirement Plan	16	24,059
Daniel E. Pinto	–	–	–
Matthew E. Zames	Retirement Plan	8	51,486

Retirement Plan – This is a qualified noncontributory U.S. defined benefit pension plan that provides benefits to substantially all U.S. employees. The plan employs a cash balance formula, in the form of pay and interest credits, to determine the benefits to be provided at retirement, based upon eligible salary and years of service. The valuation method and all material assumptions used to calculate the amounts above are consistent with those reflected in Note 9 to the Firm's Consolidated Financial Statements in the 2012 Annual Report at page 231-240. Employees begin to accrue plan benefits after completing one year of service, and benefits generally vest after three years of service. Pay credits are equal to a percentage (ranging from 3% to 5%) of base salary up to $100,000, based on years of service. Interest credits generally equal the yield on one-year U.S. Treasury bills plus one percent (subject to a minimum of 4.5%). Account balances include the value of benefits earned under prior heritage company plans, if any. Benefits are payable as an actuarially equivalent lifetime annuity with survivorship rights (if married) or optionally under a variety of other payment forms, including a single-sum distribution. As of December 31, 2012, the Named Executive Officers were earning the following pay credit percentages: Mr. Dimon, 4%; Mr. Braunstein, 4%; Ms. Erdoes, 4%; and Mr. Zames, 3%. Mr. Pinto is not eligible to participate in U.S. benefit plans.

Legacy Plans – The following plans are closed to new participants:

Excess Retirement Plan – Benefits were determined under the same terms and conditions as the Retirement Plan, but reflecting base salary in excess of IRS limits up to $1 million and benefit amounts in excess of IRS limits. Benefits are generally payable in a lump sum in the year following termination. Accruals under the plan were discontinued as of May 1, 2009.

Executive Retirement Plan — Benefits were equal to a fixed dollar amount credited for each year of participation based on salary grade. Benefits are payable as a lifetime annuity with survivorship rights (if married). Participation was contingent upon the employee entering into an agreement to obtain life insurance, with the Firm as beneficiary following retirement. Benefits are paid unreduced at age 60 to participants who terminate on or after age 55 with at least five years of service or on or after age 50 with at least 20 years of service.

Present value of accumulated benefits — Present values in the 2012 Pension benefits table are based on certain assumptions, some of which are disclosed in Note 9 to the Firm's Consolidated Financial Statements in the 2012 Annual Report at page 231–240. Key assumptions include the discount rate (3.90%); interest rates (5.00% crediting to project cash balances; 3.20% to convert annuities to lump sums) and mortality rates (for the present value of annuities, the RP 2000 combined white-collar mortality table projected to 2020; for lump sums, the UP94 mortality table projected to 2002, with 50%/50% male/female weighting). We assumed benefits would commence at normal retirement date or unreduced retirement date, if earlier. Benefits paid from the Retirement Plan prior to age 62 were assumed to be paid as single-sum distributions; benefits paid on or after age 62 were assumed to be paid either as single-sum distributions (with probability of 66.7%) or life annuities (with probability of 33.3%). Benefits from the Excess Retirement Plan are paid as single-sum distributions. Benefits from the Executive Retirement Plan were assumed to be paid as life annuities. No death or other separation from service was assumed prior to retirement date.

VI. 2012 Non-qualified deferred compensation

The Deferred Compensation Plan allows eligible participants to defer their annual cash incentive compensation awards on a before-tax basis up to a maximum of $1 million. A lifetime $10 million cap applies to deferrals of cash made after 2005. No deferral elections have been permitted relative to equity awards since 2006. During 2012, there were no contributions made by the Firm nor contributions made or withdrawals or distributions received by the Named Executive Officers.

Name	*Aggregate earnings (loss) in last fiscal year ($)* [1]	*Aggregate balance at last fiscal year-end ($)*
James Dimon	$ 573	$ 139,085
Douglas L. Braunstein	2,074,288	25,735,166 [2]
Mary Callahan Erdoes	–	–
Daniel E. Pinto	479	18,155
Matthew E. Zames	–	–

1 The Deferred Compensation Plan allows participants to direct their deferrals among several investment choices, including JPMorgan Chase common stock; an interest income fund and the JPMorgan Chase general account of Prudential Insurance Company of America; and Hartford funds indexed to fixed income, bond, balanced, S&P 500, Russell 2000 and international portfolios. In addition, there are balances in deemed investment choices from heritage company plans that are no longer open to new deferrals including: Deferred Supplemental Income Benefit ("DSIB") and a private equity alternative.

Investment returns in 2012 for the following investment choices were: Short-Term Fixed Income, 2.22%; Interest Income, 3.29%; Barclays Capital U.S. Aggregate Bond Index, 4.20%; Balanced Portfolio, 10.10%; S&P 500 Index, 15.95%; Russell 2000 Index, 16.28%; International, 20.14%; and JPMorgan Chase common stock, including dividend equivalents, 36.14%.

Investment returns for the following investment choices, which are closed to new participants and do not permit new deferrals, are dependent upon the years in which a participant directed deferrals into such investment choices. Of the Named Executive Officers only Mr. Braunstein had balances in these investment choices and rates of return were: Mr. Braunstein: DSIB, 8.77%.

The Supplemental Savings and Investment Plan ("SSIP") is a heritage plan applicable to former Bank One employees which is closed to new participants and does not permit new deferrals. It functions similarly to the Deferred Compensation Plan. The investment return in 2012 for Short-Term Fixed Income was 0.41%.

Beginning with deferrals credited January 2005, participants were required to elect to receive distribution of the deferral balance beginning either following retirement or termination or in a specific year but no earlier than the second anniversary of the date the deferral would otherwise have been paid. If retirement or termination were elected, payments will commence during the calendar year following retirement or termination. Participants may elect the distribution to be lump sum or annual installments for a maximum of 15 years. With respect to deferrals made after December 31, 2005, account balances are automatically paid as a lump sum in the year following termination if employment terminates prior to the participant attaining 15 years of service.

2 Includes Mr. Braunstein's interest in DSIB. Had Mr. Braunstein commenced payment of his DSIB benefit at year-end 2012, he would have been entitled to an annual annuity of $3,833,443 for fifteen years.

VII. 2012 Potential payments upon termination or change in control

All of the U.S.-based Named Executive Officers are "at will" employees of the Firm. They do not have employment agreements or change in control agreements and do not have benefits or equity awards that are triggered or accelerated upon a change in control or termination of employment. Mr. Pinto has terms of employment set out in an agreement that reflects applicable U.K. standards.

Ms. Erdoes and Messrs. Dimon, Braunstein and Zames are covered under the Firm's broad-based U.S. Severance Pay Plan. Benefits under the Severance Pay Plan are based on an employee's base salary and service on termination of employment, and employees remain eligible for coverage at active employee rates under certain of the Firm's employee welfare plans (such as medical and dental) for up to six months after their employment terminates. Mr. Pinto is covered under the Firm's U.K. discretionary redundancy policy which provides for a lump sum payment on termination based on base salary, subject to a cap of £275,000 and length of service. In addition, in the event of termination by the Firm for reasons other than cause, executives may be considered, at the discretion of the Firm, for a cash payment in lieu of an annual incentive compensation award, taking into consideration all circumstances the Firm deems relevant, including the circumstances of the executive's leaving and the executive's contributions to the Firm over his or her career. Severance benefits and any such discretionary payment are subject to execution of a release in favor of the Firm and certain post-termination employment and other restrictions that remain in effect for at least one year after termination.

The following table describes and quantifies the benefits and compensation to which the Named Executive Officers would have been entitled under existing plans and arrangements if their employment had terminated on December 31, 2012, based on their compensation and service on that date. The amounts shown in the table do not include other payments and benefits available generally to salaried employees upon termination of employment, such as accrued vacation pay, distributions from the 401(k) Savings Plan, pension and deferred compensation plans, or any death, disability or post-retirement welfare benefits available under broad-based employee plans. For information on the pension and deferred compensation plans, see Table V, 2012 Pension benefits and Table VI, 2012 Non-qualified deferred compensation. Such tables also do not show the value of vested stock options and SARs which are listed on Table III, Outstanding equity awards at fiscal year-end 2012.

The following table shows the value of unvested RSUs and stock options and SARs that would vest on the executive's termination of employment or continue to vest following termination, based on the closing price of our common stock on December 31, 2012. (On a per share basis, for RSUs this is the closing price of the underlying share on that date, regardless of the remaining vesting period, and for stock options and SARs it is the closing price of our common stock price on December 31, 2012 minus the exercise price of the options and SARs.)

			Acceleration/Continuation of awards		
Name	*Termination reason*	*Severance and other ($)* [1]	*Option awards ($)* [2]	*Stock awards ($)* [2]	*Other deferred awards ($)* [3]
James Dimon	Involuntary without cause	$ 300,000	$ 1,027,171	$ 30,176,567	$ –
	Disability/Death/Resignation	–	2,054,343	30,176,567	–
Douglas L. Braunstein	Involuntary without cause	369,231	293,658	16,221,500	–
	Disability/Death/Resignation	–	587,325	16,221,500	–
Mary Callahan Erdoes	Involuntary without cause	376,923	391,466	18,088,159	–
	Disability/Death/Resignation	–	782,932	18,088,159	–
Daniel E. Pinto	Involuntary without cause	447,521	150,386	13,151,603	7,787,545
	Disability/Death/Resignation	–	300,773	13,151,603	–
Matthew E. Zames	Involuntary without cause	184,615	150,386	26,629,419	–
	Disability/Death	–	300,773	26,629,419	–
	Resignation	–	–	–	–

1 Amounts shown represent severance under the Firm's broad-based U.S. Severance Pay Plan or the U.K. discretionary redundancy policy in the case of Mr. Pinto. Base salary greater than $400,000 per year is disregarded for purposes of determining Eligible Compensation.

2 For employees in good standing who have resigned and have met "full-career eligibility" or other acceptable criteria, awards continue to vest over time on their original schedule. The awards shown represent RSUs and SARs that would continue to vest because the Named Executive Officers, other than Matthew E. Zames, have met the full-career eligibility criteria. The awards are subject to continuing post-employment obligations to the Firm during this period.

3 Amounts shown represent balances as of December 31, 2012, under the mandatory deferral of cash bonus applicable to Mr. Pinto under U.K. rules as described in Note 8 to the Summary Compensation Table at page 30. For employees in good standing who have resigned and have met "full-career eligibility" or other acceptable criteria, mandatory cash deferral awards continue to vest over time on their original schedule; such awards would continue to vest because Mr. Pinto has met the full-career eligibility criteria. The mandatory cash deferral awards are subject to continuing post-employment obligations to the Firm during this period.

Additional information about our directors and executive officers

Section 16(a) beneficial ownership reporting compliance

Our directors and executive officers filed reports with the SEC indicating the number of shares of any class of our equity securities they owned when they became a director or executive officer and, after that, any changes in their ownership of our equity securities. They must also provide us with copies of these reports. These reports are required by Section 16(a) of the Securities Exchange Act of 1934. We have reviewed the copies of the reports that we have received and written representations from the individuals required to file the reports. Based on this review, we believe that during 2012 each of our directors and executive officers has complied with applicable reporting requirements for transactions in our equity securities, except for a late filing due to administrative error to report shares acquired from exercise of SARs by Mr. John L. Donnelly.

Policies and procedures for approval of related persons transactions

The Firm has adopted a written Transactions with Related Persons Policy (the "Policy") which sets forth the Firm's policies and procedures for reviewing and approving transactions with related persons – basically its directors, executive officers, 5% shareholders, and their immediate family members. The transactions covered by the Policy include any financial transaction, arrangement or relationship in which the Firm is a participant, the related person has or will have a direct or indirect material interest, and the aggregate amount involved will or may be expected to exceed $120,000 in any fiscal year.

After becoming aware of any transaction which may be subject to the Policy, the related person is required to report all relevant facts with respect to the transaction to the General Counsel of the Firm. Upon determination by the General Counsel that a transaction requires review under the Policy, the material facts respecting the transaction and the related person's interest in the transaction are provided, in the case of directors, to the Governance Committee and, in the case of executive officers and 5% shareholders, to the Audit Committee.

The transaction is then reviewed by the disinterested members of the applicable committee, which then determines whether approval or ratification of the transaction shall be granted. In reviewing a transaction, the applicable committee considers facts and circumstances which it considers relevant to its determination. Material facts may include management's assessment of the commercial reasonableness of the transaction, the materiality of the related person's direct or indirect interest in the transaction, whether the transaction may involve an actual or the appearance of a conflict of interest, and, if the transaction involves a director, the impact of the transaction on the director's independence.

Certain types of transactions are pre-approved in accordance with the terms of the Policy. These include transactions in the ordinary course of business involving financial products and services provided by, or to, the Firm, including loans, provided such transactions are in compliance with the Sarbanes-Oxley Act of 2002, Federal Reserve Board Regulation O and other applicable laws and regulations.

Transactions with directors and executive officers and 5% shareholders

Our directors and executive officers, and some of their immediate family members and affiliated entities, and BlackRock, beneficial owner of more than 5% of our outstanding common stock, were customers of, or had transactions with, JPMorgan Chase or our banking or other subsidiaries in the ordinary course of business during 2012. Additional transactions may be expected to take place in the future. Any outstanding loans to directors, executive officers, and their immediate family members and affiliated entities, and to BlackRock and any transactions involving other financial products and services provided by the Firm such as banking, brokerage, investment, investment banking, and financial advisory products and services to such persons and entities were made in the ordinary course of business, on substantially the same terms, including interest rates and collateral (where applicable), as those prevailing at the time for comparable transactions with persons and entities not related to the Firm, and did not involve more than normal risk of collectibility or present other unfavorable features.

The fiduciary committees for the JPMorgan Chase Retirement Plan and the JPMorgan Chase 401(k) Savings Plan (each a "Plan") entered into an Investment Management Agreement with BlackRock giving them discretionary authority to manage certain assets on behalf of each Plan. Pursuant to this agreement, fees of $4.4 million were paid by the Plans to BlackRock for 2012.

In 2002, certain senior executives of Bank One Corporation were given an opportunity to invest on an unleveraged, after-tax basis in a limited liability company that invested in the private equity investments made by One Equity Partners ("OEP"), a subsidiary of Bank One. Similarly, in 2005 and again in 2007, approximately 3,000 JPMorgan Chase employees were given an opportunity to invest on an unleveraged, after-tax basis in limited partnerships that invest in the private equity investments made by OEP, a subsidiary of the Firm.

Mr. Dimon (then CEO) was not permitted to participate in the 2002 Bank One offering. Mr. Dimon and Mr. Michael J. Cavanagh (then CFO) were not permitted to participate in the 2005 offering, and Messrs. Dimon, Cavanagh and Cutler (General Counsel) were not permitted to participate in the 2007 offering. All of the Firm's other senior executives were given this investment opportunity.

All investments made by such partnerships are made over a multi-year period on a pro rata basis with all private equity investments made by OEP, in the same class of securities and on substantially the same terms and conditions. Accordingly, such partnerships exercise no discretion over whether or not to participate in or dispose of any particular investment. Distributions, consisting of return of capital and realized gain, to the Firm's executive officers and persons who were executive officers during 2012 who invested in such partnerships, that exceeded $120,000 in 2012 were: Frank J. Bisignano: $133,097; Jay P. Mandelbaum: $165,849; and Barry L. Zubrow: $292,292.

The Firm is acting as financial advisor in connection with the possible sale of Springs Industries, Inc. and anticipates participating in financing for the potential acquisition. Director Crandall Bowles is Chairman of Springs Industries, and she and her family own approximately 48% of the shares of Springs Industries. Neither Ms. Bowles nor any immediate family member is an executive officer of Springs Industries. Springs Industries owns Springs Window Fashions LLC, which supplies retailers, designers and distributors across North America with a line of horizontal and vertical blinds, shades, specialty treatments and drapery hardware under the brand names of Bali®, Graber® and Nanik® and for many private label accounts. Springs Window Fashions has sales, marketing and/or manufacturing facilities located in Wisconsin (corporate headquarters), Pennsylvania, Ohio, Michigan, Nevada and Mexico. The value of the enterprise exceeds $500 million. No transaction has been consummated and any closing will be subject to contractual conditions precedent. The Firm was engaged in the ordinary course of its business and on terms substantially similar to those that would be offered to comparable counterparties in similar circumstances.

Certain directors and executive officers have family members who are employed by the Firm, and the family members are provided compensation and benefits in accordance with the Firm's employment and compensation practices applicable to employees holding comparable positions. These family members do not share a household with the related director or executive officer and are not executive officers of the Firm. The father of Mr. Dimon has been employed by the Firm as a broker since 2009, and for 2012 received compensation of $1,599,616, including annual salary, commissions, and an equity award. A sibling of Mr. Braunstein has been employed by the Firm since 2002, currently as an equity research analyst, and for 2012 received compensation of $1,650,000, including annual salary and incentive awards, part of which was received in the form of equity.

Compensation & Management Development Committee interlocks and insider participation

The members of the Compensation Committee are listed at page 29. No member of the Compensation Committee is or ever was a JPMorgan Chase officer or employee. No JPMorgan Chase executive officer is, or was during 2012, a member of the board of directors or compensation committee (or other committee serving an equivalent function) of another company that has, or had during 2012, an executive officer serving as a member of our Board or Compensation Committee. All of the members of the Compensation Committee, and some of their immediate family members and affiliated entities, were customers of or had transactions with JPMorgan Chase or our banking or other subsidiaries in the ordinary course of business during 2012. Additional transactions may be expected to take place in the future. Any outstanding loans to the directors and their immediate family members and affiliated entities, and any transactions involving other financial products and services provided by the Firm such as banking, brokerage, investment, investment banking and financial advisory products and services to such persons and entities were made in the ordinary course of business, on substantially the same terms, including interest rates and collateral (where applicable), as those prevailing at the time for comparable transactions with persons and entities not related to the Firm, and did not involve more than the normal risk of collectibility or present other unfavorable features.