December 13, 2016

Mr. James Dimon
Chairman and Chief Executive Officer
JPMorgan Chase & Co.
270 Park Avenue, 48th Floor
New York, New York 10017-2014

Dear Mr. Dimon:

On October 1, 2016, JPMorgan Chase & Co. (JPMC) submitted to the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation (together, the Agencies) a response (2016 Submission) to the deficiencies in JPMC's 2015 resolution plan (2015 Plan) that the Agencies identified in their joint written notice to the firm dated April 12, 2016 (April 2016 Letter).[1]

The Agencies have reviewed the 2016 Submission with respect to the deficiencies jointly identified in the April 2016 Letter. Based on this review, the Agencies have jointly determined that the 2016 Submission adequately remedies the deficiencies identified in the April 2016 Letter. The Agencies note that JPMC has taken important steps in addressing the deficiencies outlined in the April 2016 Letter. Specifically:

Liquidity: JPMC's 2016 Submission reflects that it has adequately remedied the liquidity deficiency identified in the April 2016 Letter. In particular, the firm developed and implemented a model for estimating and maintaining liquidity at, or readily available to, material entities in

[1] References to resolution plans in this letter refer to resolution plan submissions required by section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Agencies' jointly issued implementing regulation. 12 U.S.C. § 5365(d); 12 CFR parts 243 and 381.

resolution. This included certain corresponding actions to improve material entities' liquidity risk profiles and liquidity positioning. In addition, the firm provided an enhanced model and process for estimating the minimum liquidity needed to fund material entities in resolution so that such entities could continue operating consistent with regulatory requirements, market expectations, and the post-failure strategy outlined in the firm's 2015 Plan.

Legal Entity Rationalization: JPMC's 2016 Submission reflects that JPMC has adequately remedied the legal entity rationalization deficiency identified in the April 2016 Letter. JPMC has enhanced its legal entity rationalization criteria. These include criteria focused on clean lines of ownership to facilitate the recapitalization of material entities; pre-positioning of resources to support JPMC's strategy throughout the resolution period; and separability to promote meaningful optionality and actionability of divestiture options. The submission also included formalized governance procedures to ensure the application of the criteria on an ongoing basis. In addition, JPMC's 2016 Submission identified 16 divestiture options that cover a variety of JPMC's operations and included playbooks to support each potential divestiture.

Derivatives/Trading: JPMC's 2016 Submission reflects that JPMC has adequately remedied the derivatives/trading deficiency identified in the April 2016 Letter. In particular, the 2016 Submission provided an analysis and rating agency playbooks for maintaining, reestablishing, or establishing investment-grade ratings for relevant material entities. The firm also provided estimates of the financial resources required to support an active wind-down of the derivatives portfolio, as well as a narrative describing at least one pathway for segmenting, packaging, and winding down the derivatives portfolio.

Governance Mechanisms: JPMC's 2016 Submission reflects that JPMC has adequately remedied the governance mechanism deficiency identified in the April 2016 Letter. In particular, the firm amended the JPMC board of directors' playbook submitted in its 2015 Plan and those of [redacted] other material entities. The amended board of directors' playbooks include clearly identified triggers linked to specific actions, including the timely escalation of information to senior management and the boards. JPMC has also included information on projects to develop playbooks for their remaining material entities by July 2017.

The Agencies' findings described in this letter relate only to the Agencies' review of the joint deficiencies identified in the April 2016 Letter.[2] As explained in the April 2016 Letter and the Agencies' *Guidance for 2017 § 165(d) Annual Resolution Plan Submissions By Domestic Covered Companies that Submitted Resolution Plans in July 2015* (Guidance for 2017 Submissions), the Agencies will review the July 1, 2017, plan submission (2017 Plan) to determine if JPMC has satisfactorily addressed the "shortcomings" identified in the April 2016 Letter and other key potential vulnerabilities, including those detailed in the Guidance for 2017 Submissions.[3] If the Agencies jointly decide that these matters are not satisfactorily addressed in the 2017 Plan, the Agencies may determine jointly that the 2017 Plan is not credible or would not facilitate an orderly resolution under the U.S. Bankruptcy Code.

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[2] The 2016 Submission was not required to include informational content other than as specified in the April 2016 Letter.

[3] The Agencies continue to expect that any current or planned future actions will be completed by July 2017. In the event impediments arise that are outside the firm's control (e.g., regulatory approvals) and the firm believes a different schedule for completion is necessary for one or more current or planned future actions, the firm should provide detailed support for that schedule, and the Agencies will determine on a case-by-case basis whether a different schedule is consistent with the requirements of the implementing rules. If the firm has previously provided the Agencies with support for that schedule, the firm may incorporate that support by reference as appropriate.

If you have any questions about the information communicated in this letter, please contact the Agencies.

Very truly yours,

Signed

Margaret McCloskey Shanks
Deputy Secretary of the Board
Board of Governors of the
Federal Reserve System

Very truly yours,

Signed

Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation