

JPMORGAN CHASE & CO

Form 424B2

January 15, 2019

**Subject to completion dated January 14, 2019**

JPMorgan Chase Financial Company LLC January 2019

Pricing Supplement

Registration Statement Nos. 333-222672 and 333-222672-01

Dated January , 2019

Filed pursuant to Rule 424(b)(2)

Structured Investments

Opportunities in U.S. Equities

Dual Directional Buffered Participation Securities Based on the Value of the Dow Jones Industrial Average™ due August 5, 2020

### **Principal at Risk Securities**

#### **Fully and Unconditionally Guaranteed by JPMorgan Chase & Co.**

The Dual Directional Buffered Participation Securities, which we refer to as the securities, will pay no interest and provide a minimum payment at maturity of only 10.00% of the stated principal amount. At maturity, if the underlying index has appreciated in value, investors will receive the stated principal amount of their investment plus a return reflecting 100% of the upside performance of the underlying index, subject to a maximum payment at maturity. If the underlying index has declined in value but by no more than the specified buffer amount, investors will receive at maturity the stated principal amount of the securities plus an unleveraged positive return equal to the absolute value of the percentage decline, which will effectively be limited to a positive 10% return. However, if the underlying index has declined by more than the buffer amount, at maturity investors will lose the benefit of the absolute return feature and will lose 1% for every 1% decline beyond the specified buffer amount, subject to the minimum payment at maturity of 10.00% of the stated principal amount. Investors may lose up to 90.00% of the stated principal amount of the securities at maturity. The securities are for investors who are willing to risk their principal and forgo current income and upside above the maximum payment at maturity in exchange for the absolute return and the buffer features that in each case apply only to a limited range of performance of the underlying index. The securities are unsecured and unsubordinated obligations of JPMorgan Chase Financial Company LLC, which we refer to as JPMorgan Financial, the payment on which is fully and unconditionally guaranteed by JPMorgan Chase & Co., issued as part of JPMorgan Financial's Medium-Term Notes, Series A, program. **Any payment on the securities is subject to the credit risk of JPMorgan Financial, as issuer of the securities, and the credit risk of JPMorgan Chase & Co., as guarantor of the securities.**

### **SUMMARY TERMS**

|                                    |  |
|------------------------------------|--|
| <b>Issuer:</b>                     | JPMorgan Chase Financial Company LLC, an indirect, wholly owned finance subsidiary of JPMorgan Chase & Co. |
| <b>Guarantor:</b>                  | JPMorgan Chase & Co.   |
| <b>Underlying index:</b>           | Dow Jones Industrial Average™  |
| <b>Aggregate principal amount:</b> | \$   |

|   |  |
|---|--|
| <b>Payment at maturity:</b>                   | <p>If the final index value is <i>greater than</i> the initial index value, for each \$10 stated principal amount security, \$10 + upside payment</p> <p><i>In no event will the payment at maturity exceed the maximum payment at maturity.</i></p> <p>If the final index value is <i>equal to</i> the initial index value or is <i>less than</i> the initial index value but has decreased from the initial index value by an amount <i>less than or equal to</i> the buffer amount of 10.00%, for each \$10 stated principal amount security,<br/> <math>\\$10 + (\\$10 \times \text{absolute index return})</math></p> <p><i>In this scenario, you will receive a 1% positive return on the securities for each 1% negative return on the index. In no event will this amount exceed the stated principal amount plus \$1.00.</i></p> <p>If the final index value is <i>less than</i> the initial index value and has decreased from the initial index value by an amount <i>greater than</i> the buffer amount of 10.00%, for each \$10 stated principal amount security,<br/> <math>(\\$10 \times \text{index performance factor}) + \\$1.00</math></p> <p><i>This amount will be less than the stated principal amount of \$10 per \$10 stated principal amount security. However, subject to the credit risks of JPMorgan Financial and JPMorgan Chase &amp; Co., under no circumstances will the securities pay less than \$1.00 per \$10 stated principal amount security at maturity.</i></p> |
| <b>Upside payment:</b>                        | $\$10 \times \text{index percent change}$  |
| <b>Index percent change:</b>                  | $(\text{final index value} - \text{initial index value}) / \text{initial index value}$   |
| <b>Absolute index return:</b>                 | The absolute value of the index percent change. For example, a -5% index percent change will result in a +5% absolute index return.  |
| <b>Buffer amount:</b>                         | 10.00%   |
| <b>Index performance factor:</b>              | final index value / initial index value  |
| <b>Maximum payment at maturity:</b>           | At least \$11.70 (at least 117.00% of the stated principal amount) per \$10 stated principal amount security. The actual maximum payment at maturity will be provided in the pricing supplement and will not be less than \$11.70 per \$10 stated principal amount security.   |
| <b>Minimum payment at maturity:</b>           | \$1.00 per \$10 stated principal amount security (10.00% of the stated principal amount)   |
| <b>Stated principal amount:</b>               | \$10 per \$10 stated principal amount security   |
| <b>Issue price:</b>                           | \$10 per \$10 stated principal amount security (see “Commissions and issue price” below)   |
| <b>Pricing date:</b>                          | January , 2019 (expected to price on or about January 31, 2019)  |
| <b>Original issue date (settlement date):</b> | February , 2019 (3 business days after the pricing date)   |
| <b>Valuation date:</b>                        | July 31, 2020, subject to postponement in the event of certain market disruption events and as described under “General Terms of Notes — Postponement of a Determination Date — Notes Linked to a Single Underlying — Notes Linked   |

|                                     |   |                       |        |
|-------------------------------------|---|-----------------------|--------|
| <b>Maturity date:</b>               | to a Single Underlying (Other Than a Commodity Index)”<br>in the accompanying product supplement<br>August 5, 2020, subject to postponement in the event of<br>certain market disruption events and as described under<br>“General Terms of Notes — Postponement of a Payment Date”<br>in the accompanying product supplement |                       |        |
| <b>Agent:</b>                       | J.P. Morgan Securities LLC (“JPMS”)<br><i>Terms continued on the following page</i>   |                       |        |
| <b>Commissions and issue price:</b> | Price to public <sup>(1)</sup> Fees and commissions Proceeds to issuer  |                       |        |
| <b>Per security</b>                 | \$10.00   | \$0.20 <sup>(2)</sup> | \$9.75 |
|                                     |   | \$0.05 <sup>(3)</sup> |        |
| <b>Total</b>                        | \$  | \$                    | \$     |

(1) See “Additional Information about the Securities — Supplemental use of proceeds and hedging” in this document for information about the components of the price to public of the securities.

JPMS, acting as agent for JPMorgan Financial, will pay all of the selling commissions it receives from us to Morgan Stanley Smith Barney LLC (“Morgan Stanley Wealth Management”). In no event will these selling commissions exceed \$0.20 per \$10 stated principal amount security. See “Plan of Distribution (Conflicts of Interest)” in the accompanying product supplement.

(2) Reflects a structuring fee payable to Morgan Stanley Wealth Management by the agent or its affiliates of \$0.05 for each \$10 stated principal amount security

**If the securities priced today and assuming a maximum payment at maturity equal to the minimum listed above, the estimated value of the securities would be approximately \$9.767 per \$10 stated principal amount security. The estimated value of the securities on the pricing date will be provided in the pricing supplement and will not be less than \$9.60 per \$10 stated principal amount security. See “Additional Information about the Securities — The estimated value of the securities” in this document for additional information.**

**Investing in the securities involves a number of risks. See “Risk Factors” beginning on page PS-10 of the accompanying product supplement, “Risk Factors” beginning on page US-1 of the accompanying underlying supplement and “Risk Factors” beginning on page 7 of this document.**

Neither the Securities and Exchange Commission (the “SEC”) nor any state securities commission has approved or disapproved of the securities or passed upon the accuracy or the adequacy of this document or the accompanying product supplement, underlying supplement, prospectus supplement and prospectus. Any representation to the contrary is a criminal offense.

*The securities are not bank deposits, are not insured by the Federal Deposit Insurance Corporation or any other governmental agency, and are not obligations of, or guaranteed by, a bank.*

**You should read this document together with the related product supplement, underlying supplement, prospectus supplement and prospectus, each of which can be accessed via the hyperlinks below. Please also see “Additional Information about the Securities” at the end of this document.**

Product supplement no. MS-1-I dated April 5, 2018:

[http://www.sec.gov/Archives/edgar/data/19617/000095010318004523/dp87526\\_424b2-ms1i.pdf](http://www.sec.gov/Archives/edgar/data/19617/000095010318004523/dp87526_424b2-ms1i.pdf)

Underlying supplement no. 1-I dated April 5, 2018:

[http://www.sec.gov/Archives/edgar/data/19617/000095010318004514/crt\\_dp87766-424b2.pdf](http://www.sec.gov/Archives/edgar/data/19617/000095010318004514/crt_dp87766-424b2.pdf)

Prospectus supplement and prospectus, each dated April 5, 2018:

[http://www.sec.gov/Archives/edgar/data/19617/000095010318004508/dp87767\\_424b2-ps.pdf](http://www.sec.gov/Archives/edgar/data/19617/000095010318004508/dp87767_424b2-ps.pdf)



JPMorgan Chase Financial Company LLC

Dual Directional Buffered Participation Securities Based on the Value of the Dow Jones Industrial Average™ due August 5, 2020

Principal at Risk Securities

*Terms continued from previous page:*

**Initial index value:** The closing level of the underlying index on the pricing date

**Final index value:** The closing level of the underlying index on the valuation date

**CUSIP / ISIN:** 48130X851 / US48130X8517

**Listing:** The securities will not be listed on any securities exchange.

January 2019 Page 2

JPMorgan Chase Financial Company LLC

Dual Directional Buffered Participation Securities Based on the Value of the Dow Jones Industrial Average™ due August 5, 2020

Principal at Risk Securities

Investment Summary

Dual Directional Buffered Participation Securities

Principal at Risk Securities

The Dual Directional Buffered Participation Securities Based on the Performance of the Dow Jones Industrial Average™ due August 5, 2020 can be used:

§ To potentially achieve similar levels of upside exposure to the underlying index as a direct investment, subject to the maximum payment at maturity.

§ To provide an unleveraged positive return in the event of a decline of the underlying index but only if the decline is *less than or equal to* the buffer amount.

§ To obtain a buffer against a specified level of negative performance in the underlying index.

Maturity: 18 months

Maximum payment at maturity: At least \$11.70 (at least 117.00% of the stated principal amount) per \$10 stated principal amount security (to be provided in the pricing supplement)

Buffer amount: 10.00%

Minimum payment at maturity: \$1.00 per \$10 stated principal amount security. Investors may lose up to 90.00% of the stated principal amount of the securities at maturity.

Supplemental Terms of the Securities

For purposes of the accompanying product supplement, each underlying index is an “Index.”

January 2019 Page 3

## JPMorgan Chase Financial Company LLC

Dual Directional Buffered Participation Securities Based on the Value of the Dow Jones Industrial Average™ due August 5, 2020

## Principal at Risk Securities

## Key Investment Rationale

The securities offer exposure to an underlying asset, which may be equities, commodities and/or currencies, and the opportunity, through the absolute return feature, to earn a positive return at maturity for a limited range of negative performance of the underlying asset. If the underlying asset has decreased in value by more than the specified buffer amount, investors are exposed to the negative performance of the underlying asset, subject to the minimum payment at maturity. At maturity, if the underlying asset has appreciated, investors will receive the stated principal amount of their investment plus a return reflecting 100% of the upside performance of the underlying asset, subject to the maximum payment at maturity. At maturity, if the underlying asset has depreciated but by no more than the specified buffer amount, investors will receive the stated principal amount of their investment plus an unleveraged positive return equal to the absolute value of the percentage decline in the underlying asset, which will effectively be limited to a positive 10% return. However, at maturity, if the underlying asset has depreciated by more than the buffer amount, the investor will lose the benefit of the absolute return feature and will lose 1% for every 1% decline beyond the specified buffer amount. **Investors may lose up to 90.00% of the stated principal amount of the securities at maturity.**

**Absolute Return Feature** The securities offer investors an opportunity to earn an unleveraged positive return if the final index value is less than the initial index value **but** has decreased from the initial index value by an amount less than or equal to the buffer amount.

**Upside Scenario** The final index value is greater than the initial index value and, at maturity, the securities pay the stated principal amount of \$10 *plus* a return equal to 100.00% of the index percent change, subject to the maximum payment at maturity of at least \$11.70 (at least 117.00% of the stated principal amount) per \$10 stated principal amount security. The actual maximum payment at maturity will be provided in the pricing supplement.

**Absolute Return Scenario** The final index value is equal to the initial index value or is less than initial index value but has decreased from the initial index value by an amount less than or equal to the buffer amount of 10.00%. In this case, the securities pay a 1% positive return for each 1% negative return of the underlying index. For example, if the final index value is 5% less than the initial index value, the securities will provide a total positive return of 5% at maturity. The maximum return you may receive in this scenario is a positive 10% return at maturity.

**Downside Scenario** The final index value is less than the initial index value by more than 10.00% and, at maturity, the securities pay an amount that is less than the stated principal amount. This decrease will be by an amount that is proportionate to the percentage decline of the final index value from the initial index value, *plus* the buffer amount of 10.00%. (Example: if the underlying index decreases in value by 30%, the securities will pay an amount that is less than the stated principal amount by 30% *plus* the buffer amount of 10.00%, or \$8.00 per \$10 stated principal amount security.) The minimum payment at maturity is \$1.00 per \$10 stated principal amount security, subject to the credit risks of JPMorgan Financial and JPMorgan Chase & Co.

JPMorgan Chase Financial Company LLC

Dual Directional Buffered Participation Securities Based on the Value of the Dow Jones Industrial Average™ due August 5, 2020

Principal at Risk Securities

How the Securities Work

Payoff Diagram

The payoff diagram below illustrates the payment at maturity on the securities based on the following terms:

Stated principal amount: \$10 per \$10 stated principal amount security  
Hypothetical maximum \$11.70 (117.00% of the stated principal amount) per \$10 stated principal amount  
payment at maturity factor: security (which represents the lowest hypothetical maximum payment at maturity)\*  
Minimum payment at maturity: \$1.00 per \$10 stated principal amount security  
\*The maximum payment at maturity will be provided in the pricing supplement and will not be less than \$11.70 per \$10 stated principal amount security.

Dual Directional Buffered Participation Securities Payoff Diagram

How it works

**Upside Scenario.** Under the hypothetical terms of the securities, if the final index value is greater than the initial index value, for each \$10 stated principal amount security investors will receive the \$10 stated principal amount *plus* § a return equal to 100.00% of the appreciation of the underlying index over the term of the securities, subject to the maximum payment at maturity. Under the hypothetical terms of the Buffer Securities, an investor will realize the hypothetical maximum payment at maturity at a final index value of 117.00% of the initial index value.

§ For example, if the underlying index appreciates 5%, investors will receive a 5% return, or \$10.50 per \$10 stated principal amount security.

**Absolute Return Scenario.** If the final index value is equal to the initial index value or is less than or equal to the initial index value but has decreased from the initial index value by an amount less than or equal to the buffer § amount of 10.00%, investors will receive a 1% positive return on the securities for each 1% negative return of the underlying index.

§ For example, if the underlying index declines 5%, investors will receive a 5% return, or \$10.50 per \$10 stated principal amount security.

January 2019 Page 5



JPMorgan Chase Financial Company LLC

Dual Directional Buffered Participation Securities Based on the Value of the Dow Jones Industrial Average™ due August 5, 2020

Principal at Risk Securities

§ The maximum return you may receive in this scenario is a positive 10% return at maturity.

**Downside Scenario.** If the final index value is less than the initial index value and has decreased from the initial index value by an amount greater than the buffer amount of 10.00%, investors will lose the benefit of the absolute \$ return feature and will instead receive an amount that is less than the stated principal amount by an amount proportionate to the percentage decrease of the final index value from the initial index value *plus* the buffer amount of 10.00%. The minimum payment at maturity is \$1.00 per \$10 stated principal amount security.

§ For example, if the underlying index depreciates 50%, investors will lose 40% of their principal and receive only § \$6.00 per \$10 stated principal amount security at maturity, or 60% of the stated principal amount.

The hypothetical returns and hypothetical payments on the securities shown above apply **only if you hold the securities for their entire term**. These hypotheticals do not reflect fees or expenses that would be associated with any sale in the secondary market. If these fees and expenses were included, the hypothetical returns and hypothetical payments shown above would likely be lower.

January 2019 Page 6

JPMorgan Chase Financial Company LLC

Dual Directional Buffered Participation Securities Based on the Value of the Dow Jones Industrial Average™ due August 5, 2020

Principal at Risk Securities

Risk Factors

*The following is a non-exhaustive list of certain key risk factors for investors in the securities. For further discussion of these and other risks, you should read the sections entitled “Risk Factors” of the accompanying product supplement and the accompanying underlying supplement. We urge you to consult your investment, legal, tax, accounting and other advisers in connection with your investment in the securities.*

**The securities do not pay interest and you could lose up to 90.00% of your principal at maturity.** The terms of the securities differ from those of ordinary debt securities in that the securities do not pay interest and provide a minimum payment at maturity of only 10.00% of your principal, subject to the credit risks of JPMorgan Financial and JPMorgan Chase & Co. If the final index value has declined by an amount greater than the buffer amount of § 10.00% from the initial index value, you will lose the benefit of the absolute return feature and you will instead receive for each security that you hold a payment at maturity that is less than the stated principal amount of each security by an amount proportionate to the decline in the value of the underlying index, plus \$1.00 per \$10 stated principal amount security. Accordingly, you could lose up to 90.00% of your principal.

**The appreciation potential of the securities if the underlying index has appreciated is limited by the maximum payment at maturity.** The appreciation potential of the securities if the underlying index has appreciated is limited by the maximum payment at maturity of at least \$11.70 (at least 117.00% of the stated principal amount) per \$10 § stated principal amount security. The actual maximum payment at maturity will be provided in the pricing supplement. Because the maximum payment at maturity will be limited to at least 117.00% of the stated principal amount for the securities, any increase in the final index value by more than 17.00% (if the maximum payment at maturity is set at 117.00% of the stated principal amount) will not further increase the return on the securities.

**Your maximum downside gain on the securities is limited by the buffer amount.** If the final index value is less than the initial index value but has decreased from the initial index value by an amount less than or equal to the buffer amount, you will receive at maturity \$10 *plus* a return equal to the absolute index return, which will reflect a § 1% positive return for each 1% negative return on the underlying index, subject to an effective limit of 10%.

Because you will not receive a positive return if the underlying index has declined below the buffer amount, your maximum payment at maturity if the underlying index depreciates will be \$11.00 per \$10 stated principal amount security.

**The securities are subject to the credit risks of JPMorgan Financial and JPMorgan Chase & Co., and any actual or anticipated changes to our or JPMorgan Chase & Co.’s credit ratings or credit spreads may adversely affect the market value of the securities.** Investors are dependent on our and JPMorgan Chase & Co.’s ability to pay all amounts due on the securities. Any actual or anticipated decline in our or JPMorgan Chase & Co.’s § credit ratings or increase in our or JPMorgan Chase & Co.’s credit spreads determined by the market for taking that credit risk is likely to adversely affect the market value of the securities. If we and JPMorgan Chase & Co. were to default on our payment obligations, you may not receive any amounts owed to you under the securities and you could lose your entire investment.

§ **As a finance subsidiary, JPMorgan Financial has no independent operations and has limited assets.** As a finance subsidiary of JPMorgan Chase & Co., we have no independent operations beyond the issuance and administration of our securities. Aside from the initial capital contribution from JPMorgan Chase & Co., substantially all of our assets relate to obligations of our affiliates to make payments under loans made by us or other intercompany agreements. As a result, we are dependent upon payments from our affiliates to meet our obligations under the securities. If these affiliates do not make payments to us and we fail to make payments on the securities, you may have to seek payment under the related guarantee by JPMorgan Chase & Co., and that guarantee will rank

*pari passu* with all other unsecured and unsubordinated obligations of JPMorgan Chase & Co.

**Economic interests of the issuer, the guarantor, the calculation agent, the agent of the offering of the securities and other affiliates of the issuer may be different from those of investors.** We and our affiliates play a variety of roles in connection with the issuance of the securities, including acting as calculation agent and as an agent of the offering of the securities, hedging our obligations under the securities and making the assumptions used to determine the pricing of the securities and the estimated value of the securities, which we refer to as the estimated value of the securities. In performing these duties, our and JPMorgan Chase & Co.'s economic interests and the economic interests of the calculation agent and other affiliates of ours are potentially adverse to your interests as an investor in the securities. The calculation agent will determine the initial index value, the final index value and will calculate the amount of payment you will receive at maturity, if any. Determinations made by the calculation agent,

January 2019 Page 7

JPMorgan Chase Financial Company LLC

Dual Directional Buffered Participation Securities Based on the Value of the Dow Jones Industrial Average™ due August 5, 2020

#### Principal at Risk Securities

including with respect to the occurrence or non-occurrence of market disruption events, the selection of a successor to the underlying index or calculation of the final index value in the event of a discontinuation or material change in method of calculation of the underlying index, may affect the payment to you at maturity.

In addition, JPMorgan Chase & Co. is currently one of the companies that make up the underlying index. JPMorgan Chase & Co. will not have any obligation to consider your interests as a holder of the securities in taking any corporate action that might affect the value of the underlying index or the securities.

Moreover, our and JPMorgan Chase & Co.'s business activities, including hedging and trading activities, could cause our and JPMorgan Chase & Co.'s economic interests to be adverse to yours and could adversely affect any payment on the securities and the value of the securities. It is possible that hedging or trading activities of ours or our affiliates in connection with the securities could result in substantial returns for us or our affiliates while the value of the securities declines. Please refer to "Risk Factors — Risks Relating to Conflicts of Interest" in the accompanying product supplement for additional information about these risks.

**The estimated value of the securities will be lower than the original issue price (price to public) of the securities.** The estimated value of the securities is only an estimate determined by reference to several factors. The original issue price of the securities will exceed the estimated value of the securities because costs associated with selling, structuring and hedging the securities are included in the original issue price of the securities. These costs § include the selling commissions, the structuring fee, the projected profits, if any, that our affiliates expect to realize for assuming risks inherent in hedging our obligations under the securities and the estimated cost of hedging our obligations under the securities. See "Additional Information about the Securities — The estimated value of the securities" in this document.

**The estimated value of the securities does not represent future values of the securities and may differ from others' estimates. The estimated value of the securities is determined by reference to internal pricing models of our affiliates.** This estimated value of the securities is based on market conditions and other relevant factors existing at the time of pricing and assumptions about market parameters, which can include volatility, dividend rates, interest rates and other factors. Different pricing models and assumptions could provide valuations for the securities that are § greater than or less than the estimated value of the securities. In addition, market conditions and other relevant factors in the future may change, and any assumptions may prove to be incorrect. On future dates, the value of the securities could change significantly based on, among other things, changes in market conditions, our or JPMorgan Chase & Co.'s creditworthiness, interest rate movements and other relevant factors, which may impact the price, if any, at which JPMS would be willing to buy securities from you in secondary market transactions. See "Additional Information about the Securities — The estimated value of the securities" in this document.

**The estimated value of the securities is derived by reference to an internal funding rate.** The internal funding rate used in the determination of the estimated value of the securities is based on, among other things, our and our affiliates' view of the funding value of the securities as well as the higher issuance, operational and ongoing liability § management costs of the securities in comparison to those costs for the conventional fixed-rate debt of JPMorgan Chase & Co. The use of an internal funding rate and any potential changes to that rate may have an adverse effect on the terms of the securities and any secondary market prices of the securities. See "Additional Information about the Securities — The estimated value of the securities" in this document.

**§ The value of the securities as published by JPMS (and which may be reflected on customer account statements) may be higher than the then-current estimated value of the securities for a limited time period.** We generally expect that some of the costs included in the original issue price of the securities will be partially paid

back to you in connection with any repurchases of your securities by JPMS in an amount that will decline to zero over an initial predetermined period. These costs can include selling commissions, the structuring fee, projected hedging profits, if any, and, in some circumstances, estimated hedging costs and our internal secondary market funding rates for structured debt issuances. See “Additional Information about the Securities — Secondary market prices of the securities” in this document for additional information relating to this initial period. Accordingly, the estimated value of your securities during this initial period may be lower than the value of the securities as published by JPMS (and which may be shown on your customer account statements).

**§ Secondary market prices of the securities will likely be lower than the original issue price of the securities.**

§ Any secondary market prices of the securities will likely be lower than the original issue price

JPMorgan Chase Financial Company LLC

Dual Directional Buffered Participation Securities Based on the Value of the Dow Jones Industrial Average™ due August 5, 2020

Principal at Risk Securities

of the securities because, among other things, secondary market prices take into account our internal secondary market funding rates for structured debt issuances and, also, because secondary market prices (a) exclude selling commissions and the structuring fee and (b) may exclude projected hedging profits, if any, and estimated hedging costs that are included in the original issue price of the securities. As a result, the price, if any, at which JPMS will be willing to buy securities from you in secondary market transactions, if at all, is likely to be lower than the original issue price. Any sale by you prior to the maturity date could result in a substantial loss to you. See the immediately following risk factor for information about additional factors that will impact any secondary market prices of the securities.

The securities are not designed to be short-term trading instruments. Accordingly, you should be able and willing to hold your securities to maturity. See “— Secondary trading may be limited” below.

**Secondary market prices of the securities will be impacted by many economic and market factors.** The secondary market price of the securities during their term will be impacted by a number of economic and market § factors, which may either offset or magnify each other, aside from the selling commissions, structuring fee, projected hedging profits, if any, estimated hedging costs and the closing level of the underlying index, including:

- o any actual or potential change in our or JPMorgan Chase & Co.’s creditworthiness or credit spreads;
- o customary bid-ask spreads for similarly sized trades;
- o our internal secondary market funding rates for structured debt issuances;
- o the actual and expected volatility of the underlying index;
- o the time to maturity of the securities;
- o the dividend rates on the equity securities included in the underlying index;
- o interest and yield rates in the market generally; and
- o a variety of other economic, financial, political, regulatory and judicial events.

Additionally, independent pricing vendors and/or third party broker-dealers may publish a price for the securities, which may also be reflected on customer account statements. This price may be different (higher or lower) than the price of the securities, if any, at which JPMS may be willing to purchase your securities in the secondary market.

**Investing in the securities is not equivalent to investing in the underlying index.** Investing in the securities is not equivalent to investing in the underlying index or its component stocks. Investors in the securities will not have § voting rights or rights to receive dividends or other distributions or any other rights with respect to the stocks that constitute the underlying index.

**Adjustments to the underlying index could adversely affect the value of the securities.** The underlying index publisher may discontinue or suspend calculation or publication of the underlying index at any time. In these § circumstances, the calculation agent will have the sole discretion to substitute a successor index that is comparable to the discontinued underlying index and is not precluded from considering indices that are calculated and published by the calculation agent or any of its affiliates.

**Hedging and trading activities by the issuer and its affiliates could potentially affect the value of the securities.** The hedging or trading activities of the issuer’s affiliates and of any other hedging counterparty with respect to the securities on or prior to the pricing date and prior to maturity could adversely affect the value and, as a result, could decrease the amount an investor may receive on the securities at maturity. Any of these hedging or trading activities on or prior to the pricing date could potentially affect the initial index value of the underlying index and, therefore, could potentially increase the level that the final index value must reach before you receive a payment at maturity that exceeds the issue price of the securities or so that you do not suffer a loss on your initial investment in the securities. Additionally, these hedging or trading activities during the term of the securities, including on the

valuation date, could adversely affect the final index value and, accordingly, the amount of cash an investor will receive at maturity. It is possible that these hedging or trading activities could result in substantial returns for us or our affiliates while the value of the securities declines.

January 2019 Page 9

JPMorgan Chase Financial Company LLC

Dual Directional Buffered Participation Securities Based on the Value of the Dow Jones Industrial Average™ due August 5, 2020

Principal at Risk Securities

**Secondary trading may be limited.** The securities will not be listed on a securities exchange. There may be little or no secondary market for the securities. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the securities easily. JPMS may act as a market maker for the securities, but is not required § to do so. Because we do not expect that other market makers will participate significantly in the secondary market for the securities, the price at which you may be able to trade your securities is likely to depend on the price, if any, at which JPMS is willing to buy the securities. If at any time JPMS or another agent does not act as a market maker, it is likely that there would be little or no secondary market for the securities.

**The final terms and valuation of the securities will be provided in the pricing supplement.** The final terms of the securities will be provided in the pricing supplement. In particular, each of the estimated value of the securities § and the maximum payment at maturity will be provided in the pricing supplement and each may be as low as the applicable minimum set forth on the cover of this document. Accordingly, you should consider your potential investment in the securities based on the minimums for the estimated value of the securities and the maximum payment at maturity.

**The tax consequences of an investment in the securities are uncertain.** There is no direct legal authority as to the proper U.S. federal income tax characterization of the securities, and we do not intend to request a ruling from the IRS. The IRS might not accept, and a court might not uphold, the treatment of the securities described in “Additional Information about the Securities Additional Provisions Tax considerations” in this document and in “Material U.S. Federal Income Tax Consequences” in the accompanying product supplement. If the IRS were successful in asserting an alternative treatment for the securities, the timing and character of any income or loss on the securities could differ materially and adversely from our description herein. In addition, in 2007 Treasury and the IRS released a notice requesting comments on the U.S. federal income tax treatment of “prepaid forward contracts” and similar § instruments. The notice focuses in particular on whether to require investors in these instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; the relevance of factors such as the nature of the underlying property to which the instruments are linked; the degree, if any, to which income (including any mandated accruals) realized by non-U.S. investors should be subject to withholding tax; and whether these instruments are or should be subject to the “constructive ownership” regime, which very generally can operate to recharacterize certain long-term capital gain as ordinary income and impose a notional interest charge. While the notice requests comments on appropriate transition rules and effective dates, any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the securities, possibly with retroactive effect. You should review carefully the section entitled “Material U.S. Federal Income Tax Consequences” in the accompanying product supplement and consult your tax adviser regarding the U.S. federal income tax consequences of an investment in the securities, including possible alternative treatments and the issues presented by this notice.

January 2019 Page 10



## JPMorgan Chase Financial Company LLC

Dual Directional Buffered Participation Securities Based on the Value of the Dow Jones Industrial Average™ due August 5, 2020

## Principal at Risk Securities

## Dow Jones Industrial Average™ Overview

The Dow Jones Industrial Average™ consists of 30 component stocks that are intended to be representative of the broad market of U.S. industry. For additional information about the Dow Jones Industrial Average™, see the information set forth under “Equity Index Descriptions — The Dow Jones Industrial Average™” in the accompanying underlying supplement.

Information as of market close on January 11, 2019:

Bloomberg Ticker Symbol: INDU 52 Week High (on 10/3/2018): 26,828.39  
 Current Closing Level: 23,995.95 52 Week Low (on 12/24/2018): 21,792.20  
 52 Weeks Ago (on 1/11/2018): 25,574.73

The following table sets forth the published high and low closing levels, as well as end-of-quarter closing levels, of the underlying index for each quarter in the period from January 1, 2014 through January 11, 2019. The graph following the table sets forth the daily closing levels of the underlying index during the same period. The closing level of the underlying index on January 11, 2019 was 23,995.95. We obtained the closing level information above and in the table and graph below from the Bloomberg Professional® service (“Bloomberg”), without independent verification. The historical levels of the underlying index should not be taken as an indication of future performance, and no assurance can be given as to the closing level of the underlying index on the valuation date. The payment of dividends on the stocks that constitute the underlying index are not reflected in its closing level and, therefore, have no effect on the calculation of the payment at maturity.

| Dow Jones Industrial Average™ | High      | Low       | Period End |
|-------------------------------|-----------|-----------|------------|
| <b>2014</b>                   |           |           |            |
| First Quarter                 | 16,530.94 | 15,372.80 | 16,457.66  |
| Second Quarter                | 16,947.08 | 16,026.75 | 16,826.60  |
| Third Quarter                 | 17,279.74 | 16,368.27 | 17,042.90  |
| Fourth Quarter                | 18,053.71 | 16,117.24 | 17,823.07  |
| <b>2015</b>                   |           |           |            |
| First Quarter                 | 18,288.63 | 17,164.95 | 17,776.12  |
| Second Quarter                | 18,312.39 | 17,596.35 | 17,619.51  |
| Third Quarter                 | 18,120.25 | 15,666.44 | 16,284.70  |
| Fourth Quarter                | 17,918.15 | 16,272.01 | 17,425.03  |
| <b>2016</b>                   |           |           |            |
| First Quarter                 | 17,716.66 | 15,660.18 | 17,685.09  |
| Second Quarter                | 18,096.27 | 17,140.24 | 17,929.99  |
| Third Quarter                 | 18,636.05 | 17,840.62 | 18,308.15  |
| Fourth Quarter                | 19,974.62 | 17,888.28 | 19,762.60  |
| <b>2017</b>                   |           |           |            |
| First Quarter                 | 21,115.55 | 19,732.40 | 20,663.22  |
| Second Quarter                | 21,528.99 | 20,404.49 | 21,349.63  |
| Third Quarter                 | 22,412.59 | 21,320.04 | 22,405.09  |
| Fourth Quarter                | 24,837.51 | 22,557.60 | 24,719.22  |
| <b>2018</b>                   |           |           |            |

Edgar Filing: JPMORGAN CHASE & CO - Form 424B2

|  |           |           |           |
|--|-----------|-----------|-----------|
| First Quarter                            | 26,616.71 | 23,533.20 | 24,103.11 |
| Second Quarter                           | 25,322.31 | 23,644.19 | 24,271.41 |
| Third Quarter                            | 26,743.50 | 24,174.82 | 26,458.31 |
| Fourth Quarter                           | 26,828.39 | 21,792.20 | 23,327.46 |
| <b>2019</b>                              |           |           |           |
| First Quarter (through January 11, 2019) | 24,001.92 | 22,686.22 | 23,995.95 |

January 2019 Page 11

JPMorgan Chase Financial Company LLC

Dual Directional Buffered Participation Securities Based on the Value of the Dow Jones Industrial Average™ due August 5, 2020

Principal at Risk Securities

Dow Jones Industrial Average™ Historical Performance — Daily Closing Levels

January 2, 2014 through January 11, 2019

**License Agreement.** The Dow Jones Industrial Average™ is a registered trademark of Dow Jones Trademark Holdings LLC and has been licensed for use. “Dow Jones®,” “Dow Jones Industrial Average™,” “DJIA” and “Dow Jones Indexes” are service marks of Dow Jones & Company, Inc. (“Dow Jones”) and have been licensed for use for certain purposes by JPMorgan Chase & Co. and certain of its affiliated companies. S&P Dow Jones Indices LLC, Dow Jones, CME Group Inc. and their respective affiliates have no relationship to JPMorgan Chase & Co., other than the licensing of the Dow Jones Industrial Average™ (DJIA) and their respective service marks for use in connection with the certain financial products, including the securities. See “Equity Index Descriptions — The Dow Jones Industrial Average™ — License Agreement” in the accompanying underlying supplement.

January 2019 Page 12

JPMorgan Chase Financial Company LLC

Dual Directional Buffered Participation Securities Based on the Value of the Dow Jones Industrial Average™ due August 5, 2020

Principal at Risk Securities

Additional Information about the Securities

Please read this information in conjunction with the summary terms on the front cover of this document.

Additional Provisions:

**Postponement of maturity date:** If the scheduled maturity date is not a business day, then the maturity date will be the following business day. If the scheduled valuation date is not a trading day or if a market disruption event occurs on that day so that the valuation date is postponed and falls less than three business days prior to the scheduled maturity date, the maturity date of the securities will be postponed to the third business day following the valuation date as postponed.

**Minimum ticketing size:** \$1,000 / 100 securities

**Trustee:** Deutsche Bank Trust Company Americas (formerly Bankers Trust Company)

**Calculation agent:** JPMS

**The estimated value of the securities:** The estimated value of the securities set forth on the cover of this document is equal to the sum of the values of the following hypothetical components: (1) a fixed-income debt component with the same maturity as the securities, valued using the internal funding rate described below, and (2) the derivative or derivatives underlying the economic terms of the securities. The estimated value of the securities does not represent a minimum price at which JPMS would be willing to buy your securities in any secondary market (if any exists) at any time. The internal funding rate used in the determination of the estimated value of the securities is based on, among other things, our and our affiliates' view of the funding value of the securities as well as the higher issuance, operational and ongoing liability management costs of the securities in comparison to those costs for the conventional fixed-rate debt of JPMorgan Chase & Co. For additional information, see "Risk Factors — The estimated value of the securities is derived by reference to an internal funding rate" in this document. The value of the derivative or derivatives underlying the economic terms of the securities is derived from internal pricing models of our affiliates. These models are dependent on inputs such as the traded market prices of comparable derivative instruments and on various other inputs, some of which are market-observable, and which can include volatility, dividend rates, interest rates and other factors, as well as assumptions about future market events and/or environments. Accordingly, the estimated value of the securities on the pricing date is based on market conditions and other relevant factors and assumptions existing at that time. See "Risk Factors — The estimated value of the securities does not represent future values of the securities and may differ from others' estimates" in this document.

The estimated value of the securities will be lower than the original issue price of the securities because costs associated with selling, structuring and hedging the securities are included in the original issue price of the securities. These costs include the selling commissions paid to JPMS and other affiliated or unaffiliated dealers, the structuring fee, the projected profits, if any, that our affiliates expect to realize for assuming risks inherent in hedging our obligations under the securities and the estimated cost of hedging our obligations under the securities. Because hedging our obligations entails risk and may be influenced by market forces beyond our control, this hedging may result in a profit that is more or less than expected, or it may result in a loss. We or one or more of our affiliates will retain any profits realized in hedging our obligations under the securities. See "Risk

Factors — The estimated value of the securities will be lower than the original issue price (price to public) of the securities” in this document.

For information about factors that will impact any secondary market prices of the securities, see “Risk

**Secondary  
market prices  
of the  
securities:**

Factors — Secondary market prices of the securities will be impacted by many economic and market factors” in this document. In addition, we generally expect that some of the costs included in the original issue price of the securities will be partially paid back to you in connection with any repurchases of your securities by JPMS in an amount that will decline to zero over an initial predetermined period that is intended to be the shorter of two years and one-half of the stated term of the securities. The length of any such initial period reflects the structure of the securities, whether our affiliates expect to earn a profit in connection with our hedging activities, the estimated costs of hedging the securities and when these costs are incurred, as determined by our affiliates. See “Risk Factors — The value of the securities as published by JPMS (and which may be reflected on customer account statements) may be higher than the then-current estimated value of the securities

JPMorgan Chase Financial Company LLC

Dual Directional Buffered Participation Securities Based on the Value of the Dow Jones Industrial Average™ due August 5, 2020

Principal at Risk Securities

for a limited time period.”

**Tax considerations:** You should review carefully the section entitled “Material U.S. Federal Income Tax Consequences” in the accompanying product supplement no. MS-1-I. The following discussion, when read in combination with that section, constitutes the full opinion of our special tax counsel, Davis Polk & Wardwell LLP, regarding the material U.S. federal income tax consequences of owning and disposing of the securities.

Based on current market conditions, in the opinion of our special tax counsel, your securities should be treated as “open transactions” that are not debt instruments for U.S. federal income tax purposes, as more fully described in “Material U.S. Federal Income Tax Consequences — Tax Consequences to U.S. Holders — Notes Treated as Open Transactions That Are Not Debt Instruments” in the accompanying product supplement. Assuming this treatment is respected, the gain or loss on your securities should be treated as long-term capital gain or loss if you hold your securities for more than a year, whether or not you are an initial purchaser of securities at the issue price. However, the IRS or a court may not respect this treatment of the securities, in which case the timing and character of any income or loss on the securities could be materially and adversely affected. In addition, in 2007 Treasury and the IRS released a notice requesting comments on the U.S. federal income tax treatment of “prepaid forward contracts” and similar instruments. The notice focuses in particular on whether to require investors in these instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; the relevance of factors such as the nature of the underlying property to which the instruments are linked; the degree, if any, to which income (including any mandated accruals) realized by non-U.S. investors should be subject to withholding tax; and whether these instruments are or should be subject to the “constructive ownership” regime, which very generally can operate to recharacterize certain long-term capital gain as ordinary income and impose a notional interest charge. While the notice requests comments on appropriate transition rules and effective dates, any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the securities, possibly with retroactive effect. You should consult your tax adviser regarding the U.S. federal income tax consequences of an investment in the securities, including possible alternative treatments and the issues presented by this notice.

Section 871(m) of the Code and Treasury regulations promulgated thereunder (“Section 871(m)”) generally impose a 30% withholding tax (unless an income tax treaty applies) on dividend equivalents paid or deemed paid to Non-U.S. Holders with respect to certain financial instruments linked to U.S. equities or indices that include U.S. equities. Section 871(m) provides certain exceptions to this withholding regime, including for instruments linked to certain broad-based indices that meet requirements set forth in the applicable Treasury regulations (such as an index, a “Qualified Index”). Additionally, a recent IRS notice excludes from the scope of Section 871(m) instruments issued prior to January 1, 2021 that do not have a delta of one with respect to underlying securities that could pay U.S.-source dividends for U.S. federal income tax purposes (each an “Underlying Security”). Based on certain determinations made by us, we expect that Section 871(m) will not apply to the securities with regard to Non-U.S. Holders. Our determination is not binding on the IRS, and the IRS may disagree with this determination. Section 871(m) is complex

and its application may depend on your particular circumstances, including whether you enter into other transactions with respect to an Underlying Security. If necessary, further information regarding the potential application of Section 871(m) will be provided in the pricing supplement for the securities. You should consult your tax adviser regarding the potential application of Section 871(m) to the securities.

Withholding under legislation commonly referred to as “FATCA” may (if the securities are recharacterized as debt instruments) apply to amounts treated as interest paid with respect to the securities, as well as to payments of gross proceeds of a taxable disposition, including redemption at maturity, of a securities, although under recently proposed regulations (the preamble to which specifies that taxpayers are permitted to rely on them pending finalization), no withholding will apply to payments of gross proceeds (other than any amount treated as interest). You should consult your tax adviser regarding the potential application of FATCA to the securities.

**Supplemental  
use of proceeds  
and hedging:**

The securities are offered to meet investor demand for products that reflect the risk-return profile and market exposure provided by the securities. See “How the Securities Work” in this document for an illustration of the risk-return profile of the securities and “Dow Jones Industrial Average™ Overview” in this document for a description of the market exposure

JPMorgan Chase Financial Company LLC

Dual Directional Buffered Participation Securities Based on the Value of the Dow Jones Industrial Average™ due August 5, 2020

Principal at Risk Securities

provided by the securities.

The original issue price of the securities is equal to the estimated value of the securities plus the selling commissions paid to JPMS and other affiliated or unaffiliated dealers and the structuring fee, plus (minus) the projected profits (losses) that our affiliates expect to realize for assuming risks inherent in hedging our obligations under the securities, plus the estimated cost of hedging our obligations under the securities.

**Benefit plan investor considerations:**

See “Benefit Plan Investor Considerations” in the accompanying product supplement.

Subject to regulatory constraints, JPMS intends to use its reasonable efforts to offer to purchase the securities in the secondary market, but is not required to do so. JPMS, acting as agent for JPMorgan Financial, will pay all of the selling commissions it receives from us to Morgan Stanley Wealth Management. In addition, Morgan Stanley Wealth Management will receive a structuring fee as set forth on the cover of this document for each security.

**Supplemental plan of distribution:**

We or our affiliate may enter into swap agreements or related hedge transactions with one of our other affiliates or unaffiliated counterparties in connection with the sale of the securities and JPMS and/or an affiliate may earn additional income as a result of payments pursuant to the swap or related hedge transactions. See “— Supplemental use of proceeds and hedging” above and “Use of Proceeds and Hedging” in the accompanying product supplement.

We expect that delivery of the securities will be made against payment for the securities on or about the original issue date set forth on the front cover of this document, which will be the third business day following the pricing date of the securities (this settlement cycle being referred to as “T+3”). Under Rule 15c6-1 of the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in two business days, unless the parties to that trade expressly agree otherwise. Accordingly, purchasers who wish to trade securities on any date prior to two business days before delivery will be required to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement and should consult their own advisors. Morgan Stanley Wealth Management clients may contact their local Morgan Stanley branch office or Morgan Stanley’s principal executive offices at 1585 Broadway, New York, New York 10036 (telephone number (800) 869-3326).

**Contact:**

January 2019 Page 15



JPMorgan Chase Financial Company LLC

Dual Directional Buffered Participation Securities Based on the Value of the Dow Jones Industrial Average™ due August 5, 2020

### Principal at Risk Securities

You may revoke your offer to purchase the securities at any time prior to the time at which we accept such offer by notifying the applicable agent. We reserve the right to change the terms of, or reject any offer to purchase, the securities prior to their issuance. In the event of any changes to the terms of the securities, we will notify you and you will be asked to accept such changes in connection with your purchase. You may also choose to reject such changes in which case we may reject your offer to purchase.

You should read this document together with the accompanying prospectus, as supplemented by the accompanying prospectus supplement relating to our Series A medium-term notes of which these securities are a part, and the more detailed information contained in the accompanying product supplement and the accompanying underlying supplement.

This document, together with the documents listed below, contains the terms of the securities and supersedes all other prior or contemporaneous oral statements as well as any other written materials including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, stand-alone fact sheets, brochures or other educational materials of ours. You should carefully consider, among other things, the matters set forth in the “Risk Factors” sections of the accompanying product supplement and the accompanying underlying supplement, as the securities involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisers before you invest in the securities.

Where you  
can find  
more

information: You may access these documents on the SEC website at [www.sec.gov](http://www.sec.gov) as follows (or if such address has changed, by reviewing our filings for the relevant date on the SEC website):

• **Product supplement no. MS-1-I dated April 5, 2018:**

[http://www.sec.gov/Archives/edgar/data/19617/000095010318004523/dp87526\\_424b2-ms1i.pdf](http://www.sec.gov/Archives/edgar/data/19617/000095010318004523/dp87526_424b2-ms1i.pdf)

• **Underlying supplement no. 1-I dated April 5, 2018:**

[http://www.sec.gov/Archives/edgar/data/19617/000095010318004514/crt\\_dp87766-424b2.pdf](http://www.sec.gov/Archives/edgar/data/19617/000095010318004514/crt_dp87766-424b2.pdf)

• **Prospectus supplement and prospectus, each dated April 5, 2018:**

[http://www.sec.gov/Archives/edgar/data/19617/000095010318004508/dp87767\\_424b2-ps.pdf](http://www.sec.gov/Archives/edgar/data/19617/000095010318004508/dp87767_424b2-ps.pdf)

Our Central Index Key, or CIK, on the SEC website is 1665650, and JPMorgan Chase & Co.’s CIK is 19617.

As used in this document, “we,” “us,” and “our” refer to JPMorgan Financial.