**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

# Form 8-K

**CURRENT REPORT**
**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (date of earliest event reported): **April 13, 2012**

**JPMORGAN CHASE & CO.**
(Exact name of registrant as specified in its charter)

| | | |
|---|---|---|
| **Delaware** | **1-5805** | **13-2624428** |
| (State or Other Jurisdiction of Incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

| | |
|---|---|
| **270 Park Avenue, New York, NY** | **10017** |
| (Address of Principal Executive Offices) | (Zip Code) |

Registrant's telephone number, including area code: **(212) 270-6000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

On April 13, 2012, JPMorgan Chase & Co. ("JPMorgan Chase" or the "Firm") reported 2012 first quarter net income of $5.4 billion, or $1.31 per share, compared with net income of $5.6 billion, or $1.28 per share, in the first quarter of 2011. A copy of the 2012 first quarter earnings release is attached hereto as Exhibit 99.1, and a copy of the earnings release financial supplement is attached hereto as Exhibit 99.2.

Each of the Exhibits provided with this Form 8-K shall be deemed to be "filed" for purposes of the Securities Exchange Act of 1934, as amended.

*This Current Report on Form 8-K (including the Exhibits hereto) contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the current beliefs and expectations of JPMorgan Chase & Co.'s management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. Factors that could cause JPMorgan Chase & Co.'s actual results to differ materially from those described in the forward-looking statements can be found in JPMorgan Chase & Co.'s Annual Report on Form 10-K for the year ended December 31, 2011, which has been filed with the Securities and Exchange Commission and is available on JPMorgan Chase & Co.'s website (http://investor.shareholder.com/jpmorganchase) and on the Securities and Exchange Commission's website (www.sec.gov). JPMorgan Chase & Co. does not undertake to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of the forward-looking statements.*

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

| Exhibit No. | Description of Exhibit |
|---|---|
| 12.1 | JPMorgan Chase & Co. Computation of Ratio of Earnings to Fixed Charges |
| 12.2 | JPMorgan Chase & Co. Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividend Requirements |
| 99.1 | JPMorgan Chase & Co. Earnings Release – First Quarter 2012 Results |
| 99.2 | JPMorgan Chase & Co. Earnings Release Financial Supplement – First Quarter 2012 |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

JPMorgan Chase & Co.
(Registrant)

By: /s/ Shannon S. Warren
Shannon S. Warren

Managing Director and Corporate Controller
(Principal Accounting Officer)

Dated: April 13, 2012

## INDEX TO EXHIBITS

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**EXHIBIT 12.1**

**JPMORGAN CHASE & CO.**

**Computation of Ratio of Earnings to Fixed Charges**

| Three months ended March 31, (in millions, except ratios) | 2012 |
|---|---|
| **Excluding interest on deposits** | |
| Income before income tax expense | $ 7,641 |
| Fixed charges: | |
| Interest expense | 2,313 |
| One-third of rents, net of income from subleases *(a)* | 141 |
| Total fixed charges | 2,454 |
| Less: Equity in undistributed income of affiliates | (1) |
| Income before income tax expense and fixed charges, excluding capitalized interest | $10,094 |
| Fixed charges, as above | $ 2,454 |
| Ratio of earnings to fixed charges | 4.11 |
| **Including interest on deposits** | |
| Fixed charges, as above | $ 2,454 |
| Add: Interest on deposits | 722 |
| Total fixed charges and interest on deposits | $ 3,176 |
| Income before income tax expense and fixed charges, excluding capitalized interest, as above | $10,094 |
| Add: Interest on deposits | 722 |
| Total income before income tax expense, fixed charges and interest on deposits | $10,816 |
| Ratio of earnings to fixed charges | 3.41 |

*(a) The proportion deemed representative of the interest factor.*

**EXHIBIT 12.2**

**JPMORGAN CHASE & CO.**

**Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividend Requirements**

| Three months ended March 31, (in millions, except ratios) | 2012 |
|---|---|
| **Excluding interest on deposits** | |
| Income before income tax expense | $ 7,641 |
| Fixed charges: | |
| Interest expense | 2,313 |
| One-third of rents, net of income from subleases *(a)* | 141 |
| Total fixed charges | 2,454 |
| Less: Equity in undistributed income of affiliates | (1) |
| Income before income tax expense and fixed charges, excluding capitalized interest | $10,094 |
| Fixed charges, as above | $ 2,454 |
| Preferred stock dividends (pre-tax) | 228 |
| Fixed charges including preferred stock dividends | $ 2,682 |
| Ratio of earnings to fixed charges and preferred stock dividend requirements | 3.76 |
| **Including interest on deposits** | |
| Fixed charges including preferred stock dividends, as above | $ 2,682 |
| Add: Interest on deposits | 722 |
| Total fixed charges including preferred stock dividends and interest on deposits | $ 3,404 |
| Income before income tax expense and fixed charges, excluding capitalized interest, as above | $10,094 |
| Add: Interest on deposits | 722 |
| Total income before income tax expense, fixed charges and interest on deposits | $10,816 |
| Ratio of earnings to fixed charges and preferred stock dividend requirements | 3.18 |

*(a) The proportion deemed representative of the interest factor.*

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

JPMorgan Chase & Co.

News release: IMMEDIATE RELEASE

## JPMORGAN CHASE REPORTS FIRST-QUARTER 2012 NET INCOME OF $5.4 BILLION, OR $1.31 PER SHARE

## REVENUE[1] OF $27.4 BILLION, UP 24% OVER PRIOR QUARTER, UP 6% OVER PRIOR YEAR

## SUPPORTED CONSUMERS, BUSINESSES AND COMMUNITIES

- **Solid performance across most businesses, with particular strength in Investment Bank and improvement in Mortgage Banking**
  - § **Investment Bank reported strong performance driven by continued leadership and improved market conditions; maintained #1 ranking for Global Investment Banking Fees year-to-date**
  - § **Consumer & Business Banking average deposits up 8% and Business Banking loan originations up 8% compared with prior year**
  - § **Mortgage Banking application volume up 33% compared with prior year**
  - § **Credit card sales volume[2] up 12% compared with prior year**
  - § **Commercial Banking reported seventh consecutive quarter of loan growth, up 16% compared with prior year**
  - § **Treasury & Securities Services reported record assets under custody of $17.9 trillion, up 8% compared with prior year**
  - § **Asset Management reported record assets under supervision of $2.0 trillion, up 6% compared with prior year**
- **Fortress balance sheet strengthened: Basel I Tier 1 common[1] of $128 billion, or 10.4%; estimated Basel III Tier 1 common[1] of 8.4%**
- **Increased quarterly common stock dividend to $0.30 per share; authorized new $15 billion common equity repurchase program, of which up to $12 billion of repurchases is approved for 2012**
- **First-quarter results included the following significant items:**
  - § **$1.8 billion pretax benefit ($0.28 per share after-tax increase in earnings) from reduced loan loss reserves, related to mortgage and credit card**
  - § **$1.1 billion pretax benefit ($0.17 per share after-tax increase in earnings) from the Washington Mutual bankruptcy settlement, in Corporate**
  - § **$2.5 billion pretax expense ($0.39 per share after-tax reduction in earnings) for additional litigation reserves, predominantly for mortgage-related matters, in Corporate**
  - § **$0.9 billion pretax loss ($0.14 per share after-tax reduction in earnings) from debit valuation adjustments ("DVA") in the Investment Bank, resulting from tightening of the Firm's credit spreads[3]**

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*Investor Contact:* Sarah Youngwood (212) 270-7325 *Media Contact:* Joe Evangelisti (212) 270-7438

[1] For notes on non-GAAP measures, including managed basis reporting, see page 13.
[2] For notes on financial measures, see pages 13 and 14.
[3] Whether positive or negative, the Firm does not consider DVA reflective of the underlying operations of the company.

- **JPMorgan Chase Supported Consumers, Businesses and Our Communities**
  - **Provided $62 billion of credit[2] to consumers in the first quarter**
    - **Issued new credit cards to 1.7 million people**
    - **Originated over 200,000 mortgages**
  - **Provided over $4 billion of credit to U.S. small businesses, up 35% compared with prior year**
  - **Provided $118 billion of credit[2] to corporations in the first quarter**
  - **Raised $250 billion of capital for clients in the first quarter**
  - **Nearly $13 billion of capital raised for and credit[2] provided to 780 nonprofit and government entities in the first quarter, including states, municipalities, hospitals and universities**
  - **Hired more than 3,400 U.S. veterans since the beginning of 2011**

**New York, April 13, 2012** — JPMorgan Chase & Co. (NYSE: JPM) today reported first-quarter 2012 net income of $5.4 billion, compared with net income of $5.6 billion in the first quarter of 2011. Earnings per share were $1.31, compared with $1.28 in the first quarter of 2011.

Jamie Dimon, Chairman and Chief Executive Officer, commented on financial results: “The Firm reported strong revenue[1] for the first quarter of 2012 of $27.4 billion, up 24% compared with the prior quarter and up 6% compared with prior year. While several significant items affected our results, overall, the Firm’s performance in the first quarter was solid. The Firm’s return on tangible common equity[1] for the first quarter of 2012 was 16%, compared with 11% in the prior quarter and 18% in the prior year.”

Dimon continued: “We are pleased that our results for the quarter reflected positive credit trends for our consumer real estate and credit card portfolios. Estimated losses declined for these portfolios, and we reduced the related loan loss reserves by a total of $1.8 billion in the first quarter. However, with respect to our Mortgage Banking business, we expect to see elevated levels of costs and losses associated with mortgage-related issues for a while longer. Credit trends across our wholesale portfolios were stable and continued to be strong.”

Commenting on the balance sheet, Dimon said: “We strengthened our fortress balance sheet, ending the first quarter with a strong Basel I Tier 1 common ratio of 10.4%. We estimate that our Basel III Tier 1 common ratio was approximately 8.4% at the end of the first quarter.”

“Our strong balance sheet and earnings power allowed the Board to increase our annual dividend to $1.20 per share and authorize a new $15 billion equity repurchase program. The Company will constantly evaluate its best and highest use of capital. We will repurchase equity as deemed appropriate relative to our organic growth, investment opportunities, capital retention needs and the stock price.”

Dimon added: “JPMorgan Chase positively impacts the lives of millions of people and the communities in which they live. We are serving them each day, putting our resources and our voices to work on their behalf. During the first quarter of 2012, the Firm provided credit[2] and raised capital of over $445 billion for our commercial and consumer clients. We provided more than $4 billion of credit to U.S. small businesses, up 35% compared with the prior year. We originated more than

200,000 mortgages in the first quarter. To help struggling homeowners, we have offered more than 1.3 million mortgage modifications since 2009, and completed more than 490,000."

Dimon concluded: "As we look toward the future, we continue to build our businesses by investing in infrastructure, systems, technology, and new products, and by adding bankers and offices around the world. The strengths that are embedded in this company — our people, client relationships, product capabilities, technology, global presence and fortress balance sheet — provide us with a foundation that is rock solid and an ability to thrive regardless of what the future brings."

*In the discussion below of the business segments and of JPMorgan Chase as a Firm, information is presented on a managed basis. For more information about managed basis, as well as other non-GAAP financial measures used by management to evaluate the performance of each line of business, see page 13. The following discussion compares the first quarters of 2012 and 2011 unless otherwise noted.*

***INVESTMENT BANK (IB)***

| Results for IB | | | | 4Q11 | | 1Q11 | |
|---|---|---|---|---|---|---|---|
| ($ millions) | 1Q12 | 4Q11 | 1Q11 | $ O/(U) | O/(U) % | $ O/(U) | O/(U) % |
| Net Revenue | $7,321 | $ 4,358 | $8,233 | $2,963 | 68% | ($912) | (11)% |
| Provision for Credit Losses | (5) | 272 | (429) | (277) | NM | 424 | 99 |
| Noninterest Expense | 4,738 | 2,969 | 5,016 | 1,769 | 60 | (278) | (6) |
| Net Income | $1,682 | $ 726 | $2,370 | $ 956 | 132% | ($688) | (29)% |

***Discussion of Results:***

Net income was $1.7 billion, down 29% from the prior year. These results reflected lower net revenue and a lower benefit from the provision for credit losses, partially offset by lower noninterest expense.

Net revenue was $7.3 billion, compared with $8.2 billion in the prior year. Investment banking fees were $1.4 billion (down 23%), which consists of debt underwriting fees of $818 million (down 16%), equity underwriting fees of $276 million (down 27%), and advisory fees of $281 million (down 34%). Combined Fixed Income and Equity Markets revenue was $6.0 billion, down 10% from the prior year. Credit Portfolio reported a loss of $12 million.

Net revenue included a $907 million loss from DVA on certain structured and derivative liabilities resulting from the tightening of the Firm's credit spreads; this loss was composed of $352 million in Fixed Income Markets, $130 million in Equity Markets and $425 million in Credit Portfolio. Excluding the impact of DVA, net revenue was $8.2 billion and net income was $2.2 billion.

Excluding the impact of DVA, Fixed Income and Equity Markets combined revenue was $6.4 billion, down 3% from the prior year, with continued solid client revenue, and particularly strong results in rates-related and equity products. Excluding the impact of DVA, Credit Portfolio net revenue was $413 million, reflecting net interest income and fees on retained loans, and net credit valuation adjustment ("CVA") gains.

The provision for credit losses was a benefit of $5 million, compared with a benefit in the prior year of $429 million. The ratio of the allowance for loan losses to end-of-period loans retained was 2.06%, compared with 2.52% in the prior year.

Noninterest expense was $4.7 billion, down 6% from the prior year, driven by lower compensation expense. The ratio of compensation to net revenue was 35%, excluding DVA.

***Key Metrics and Business Updates:***

***(All comparisons refer to the prior-year quarter except as noted, and all rankings are according to Dealogic)***

- Ranked #1 in Global Investment Banking Fees for the quarter ended March 31, 2012.
- Ranked #1 in Global Debt, Equity and Equity-related; #1 in Global Announced M&A; #1 in Global Long-Term Debt; #2 in Global Syndicated Loans; and #3 in Global Equity and Equity-related, based on volume, for the quarter ended March 31, 2012.
- Return on equity was 17% on $40.0 billion of average allocated capital (23% excluding DVA).
- End-of-period total loans were $72.7 billion, up 26% from the prior year and 2% from the prior quarter. Nonaccrual loans of $877 million were down 67% from the prior year.

## *RETAIL FINANCIAL SERVICES (RFS)*

| Results for RFS<br>($ millions) | 1Q12 | 4Q11 | 1Q11 | 4Q11<br>$ O/(U) | 4Q11<br>O/(U) % | 1Q11<br>$ O/(U) | 1Q11<br>O/(U) % |
|---|---|---|---|---|---|---|---|
| Net Revenue | $7,649 | $6,395 | $5,466 | $1,254 | 20% | $2,183 | 40% |
| Provision for Credit Losses | (96) | 779 | 1,199 | (875) | NM | (1,295) | NM |
| Noninterest Expense | 5,009 | 4,722 | 4,900 | 287 | 6 | 109 | 2% |
| Net Income/(Loss) | $1,753 | $ 533 | ($399) | $1,220 | 229% | $2,152 | NM |

***Discussion of Results:***

Net income was $1.8 billion, compared with a net loss of $399 million in the prior year.

Net revenue was $7.6 billion, an increase of $2.2 billion, or 40%, compared with the prior year. Net interest income was $3.9 billion, down by $161 million, or 4%, largely reflecting lower loan balances due to portfolio runoff. Noninterest revenue was $3.7 billion, an increase of $2.3 billion, driven by higher mortgage fees and related income, partially offset by lower debit card revenue.

The provision for credit losses was a benefit of $96 million compared with provision expense of $1.2 billion in the prior year and $779 million in the prior quarter. The current-quarter provision reflected lower net charge-offs and a $1.0 billion reduction of the allowance for loan losses, due to lower estimated losses as mortgage delinquency trends improved. The prior-year provision for credit losses reflected higher net charge-offs; the prior-quarter provision reflected a net reduction of $230 million in the allowance for loan losses.

Noninterest expense was $5.0 billion, an increase of $109 million, or 2%, from the prior year.

**Consumer & Business Banking** reported net income of $774 million, a decrease of $119 million, or 13%, compared with the prior year.

Net revenue was $4.3 billion, down 4% from the prior year. Net interest income was $2.7 billion, relatively flat compared with the prior year, driven by the effect of higher deposit balances, predominantly offset by the impact of lower deposit spreads. Noninterest revenue was $1.6 billion, a decrease of 10%, driven by lower debit card revenue, reflecting the impact of the Durbin Amendment.

The provision for credit losses was $96 million, compared with $119 million in the prior year. Net charge-offs were $96 million (2.19% net charge-off rate), compared with $119 million (2.86% net charge-off rate) in the prior year.

Noninterest expense was $2.9 billion, up 2% from the prior year, due to investments in sales force and new branch builds.

***Key Metrics and Business Updates:***

***(All comparisons refer to the prior-year quarter except as noted)***

- Average total deposits were $380.8 billion, up 8% from the prior year and 3% from the prior quarter.
- Deposit margin was 2.68%, compared with 2.88% in the prior year and 2.76% in the prior quarter.
- Checking accounts totaled 27.0 million, up 2% from the prior year and 2% from the prior quarter.
- Number of branches was 5,541, an increase of 249 from the prior year and 33 from the prior quarter. Chase Private Client locations were 366, an increase of 350 from the prior year and 104 from the prior quarter.
- End-of-period Business Banking loans were $17.8 billion, up 5% from the prior year and 1% from the prior quarter; originations were $1.5 billion, up 8% from the prior year and 11% from the prior quarter.
- Branch sales of credit cards were down 26% from the prior year and 7% from the prior quarter.
- Branch sales of investment products were flat compared with the prior year and increased 41% from the prior quarter.
- Client investment assets, excluding deposits, were a record $147.1 billion, up 6% from the prior year and 7% from the prior quarter.
- Number of active mobile customers increased 42% compared with the prior year and 2% compared with the prior quarter.

**Mortgage Production and Servicing** reported net income of $461 million, compared with a net loss of $1.1 billion in the prior year.

Mortgage production-related revenue, excluding repurchase losses, was $1.6 billion, an increase of $722 million, or 80%, from the prior year, reflecting wider margins, driven by market conditions and mix, and higher volumes, due to a favorable refinancing environment, including the impact of the Home Affordable Refinance Programs (“HARP”). Production expense was $573 million, an increase of $149 million, or 35%, reflecting higher volumes and a strategic shift to the Retail channel, including branches, where origination costs and margins are traditionally higher. Repurchase losses were $302 million, compared with repurchase losses of $420 million in the prior year. Mortgage production reported pretax income of $744 million, an increase of $691 million from the prior year.

Mortgage servicing-related revenue was $1.2 billion, a decline of 5% from the prior year, as a result of a decline in third-party loans serviced. Mortgage servicing rights (“MSR”) asset amortization was $351 million, compared with $563 million in the prior year; this reflected reduced amortization as a result of a lower MSR asset value. Servicing expense was $1.2 billion, a decrease of $175 million, or 13%, from the prior year. Foreclosure-related matters, including adjustments for the global settlement with federal and state agencies, resulted in approximately $200 million of additional servicing expense. The prior-year servicing expense included approximately $650 million related to foreclosure-related matters. MSR risk management income was $191 million, compared with a loss of $1.2 billion in the prior year. The prior year MSR risk management loss included a $1.1 billion decrease in the fair value of the MSR asset for the estimated impact of increased servicing costs. Mortgage servicing reported a pretax loss of $160 million, compared with a pretax loss of $1.9 billion in the prior year.

***Key Metrics and Business Updates:***

***(All comparisons refer to the prior-year quarter except as noted)***

- Record production-related revenue drove record production pretax income of $744 million ($1.0 billion excluding repurchases).
- Mortgage loan originations were $38.4 billion, up 6% from the prior year and relatively flat compared with the prior quarter; Retail channel originations (branch and direct to consumer) were $23.4 billion, up 11% from the prior year and relatively flat compared with the prior quarter.
- Mortgage loan application volumes were $59.9 billion, up 33% from the prior year and 14% from the prior quarter, primarily reflecting refinancing activity.
- Total third-party mortgage loans serviced was $884.2 billion, down 7% from the prior year and 2% from the prior quarter.

**Real Estate Portfolios** reported net income of $518 million, compared with a net loss of $162 million in the prior year. The increase was driven by a benefit from the provision for credit losses, reflecting an improvement in credit trends.

Net revenue was $1.1 billion, down by $83 million, or 7%, from the prior year. The decrease was driven by a decline in net interest income, resulting from lower loan balances due to portfolio runoff.

The provision for credit losses reflected a benefit of $192 million, compared with provision expense of $1.1 billion in the prior year. The current-quarter provision benefit reflected lower charge-offs as compared with the prior year and a $1.0 billion reduction of the allowance for loan losses due to lower estimated losses as delinquency trends improved. Home equity net charge-offs were $542 million (2.85% net charge-off rate[1]), compared with $720 million (3.36% net charge-off rate[1]) in the prior year. Subprime mortgage net charge-offs were $130 million (5.51% net charge-off rate[1]), compared with $186 million (6.80% net charge-off rate[1]). Prime mortgage, including option ARMs, net charge-offs were $131 million (1.21% net charge-off rate[1]), compared with $161 million (1.32% net charge-off rate[1]).

Nonaccrual loans were $7.0 billion, compared with $7.0 billion in the prior year and $5.9 billion in the prior quarter. Based upon regulatory guidance issued in the first quarter of 2012, the Firm began reporting performing junior liens that are subordinate to nonaccrual senior liens as nonaccrual loans. Nonaccrual loans reported at the end of the first quarter included $1.6 billion of such junior liens, of which $1.4 billion were current. Excluding these junior liens, nonaccrual loans would have been $5.5 billion at the end of the first quarter. Prior periods have not been restated for this reporting change.

Noninterest expense was $419 million, up by $64 million, or 18%, from the prior year due to an increase in servicing costs.

***Key Metrics and Business Updates:***

***(All comparisons refer to the prior-year quarter except as noted)***

- Average home equity loans were $99.1 billion, down by $12.0 billion.

- Average mortgage loans were $95.5 billion, down by $12.3 billion.
- Allowance for loan losses was $13.4 billion, compared with $14.7 billion in the prior year.

***CARD SERVICES & AUTO (Card)***

| Results for Card ($ millions) | 1Q12 | 4Q11 | 1Q11 | 4Q11 $ O/(U) | 4Q11 O/(U) % | 1Q11 $ O/(U) | 1Q11 O/(U) % |
|---|---|---|---|---|---|---|---|
| Net Revenue | $4,714 | $4,814 | $4,791 | ($100) | (2)% | ($77) | (2)% |
| Provision for Credit Losses | 738 | 1,060 | 353 | (322) | (30) | 385 | 109 |
| Noninterest Expense | 2,029 | 2,025 | 1,917 | 4 | — | 112 | 6 |
| Net Income | $1,183 | $1,051 | $1,534 | $132 | 13% | ($351) | (23)% |

***Discussion of Results:***

Net income was $1.2 billion, a decrease of $351 million, or 23%, compared with the prior year. The decrease reflected a higher provision for credit losses, driven by a lower reduction in the allowance for loan losses compared with the prior year.

Net revenue was $4.7 billion, a decrease of $77 million, or 2%, from the prior year. Net interest income was $3.5 billion, down $281 million, or 8%, from the prior year. The decrease was driven by lower average loan balances and narrower loan spreads, partially offset by lower revenue reversals associated with lower net charge-offs. Noninterest revenue was $1.3 billion, an increase of $204 million, or 19%, from the prior year. The increase was driven by lower partner revenue-sharing, reflecting the impact of the Kohl's portfolio sale on April 1, 2011, and higher net interchange income, partially offset by lower revenue from fee-based products.

The provision for credit losses was $738 million, compared with $353 million in the prior year and $1.1 billion in the prior quarter. The current-quarter provision reflected lower net charge-offs and a reduction of $750 million to the allowance for loan losses due to lower estimated losses. The prior-year provision included a reduction of $2.0 billion to the allowance for loan losses. The Credit Card net charge-off rate[1] was 4.37%, down from 6.81% in the prior year and up from 4.29% in the prior quarter; and the 30+ day delinquency rate[1] was 2.55%, down from 3.55% in the prior year and 2.81% in the prior quarter. The Auto net charge-off rate was 0.28%, down from 0.40% in the prior year and 0.37% in the prior quarter.

Noninterest expense was $2.0 billion, an increase of $112 million, or 6%, from the prior year, primarily due to an expense related to a non-core product that is being exited.

***Key Metrics and Business Updates:***

***(All comparisons refer to the prior-year quarter except as noted)***

- Return on equity was 29% on $16.5 billion of average allocated capital.
- Credit Card average loans were $127.6 billion, a decrease of $4.9 billion, or 4%, from the prior year and $1.0 billion, or 1%, from the prior quarter.
- Credit Card sales volume[2] was $86.9 billion, up 12% compared with the prior year and down 7% compared with the prior quarter; excluding the impact of the Kohl's portfolio sale, sales volume was up 15% compared with the prior year.
- Credit Card new accounts of 1.7 million were opened.

- Card Services net revenue as a percentage of average loans was 12.22%, compared with 12.18% in the prior year and 12.26% in the prior quarter.
- Merchant processing volume was $152.8 billion, up 22% from the prior year and flat compared with the prior quarter; total transactions processed were 6.8 billion, up 21% from the prior year and flat compared with the prior quarter.
- Average auto loans were $47.7 billion, flat compared with the prior year and up 2% from the prior quarter.
- Auto originations were $5.8 billion, up 21% from the prior year and 18% from the prior quarter.

### *COMMERCIAL BANKING (CB)*

| Results for CB ($ millions) | 1Q12 | 4Q11 | 1Q11 | 4Q11 $ O/(U) | 4Q11 O/(U) % | 1Q11 $ O/(U) | 1Q11 O/(U) % |
|---|---|---|---|---|---|---|---|
| Net Revenue | $1,657 | $1,687 | $1,516 | ($30) | (2)% | $141 | 9% |
| Provision for Credit Losses | 77 | 40 | 47 | 37 | 93 | 30 | 64 |
| Noninterest Expense | 598 | 579 | 563 | 19 | 3 | 35 | 6 |
| Net Income | $ 591 | $ 643 | $ 546 | ($52) | (8)% | $ 45 | 8% |

***Discussion of Results:***

Net income was $591 million, an increase of $45 million, or 8%, from the prior year. The improvement was driven by an increase in net revenue, partially offset by higher expense and an increase in the provision for credit losses.

Net revenue was $1.7 billion, an increase of $141 million, or 9%, from the prior year. Net interest income was $1.1 billion, up by $86 million, or 8%, driven by growth in liability and loan balances, largely offset by spread compression on liability and loan products. Noninterest revenue was $557 million, up by $55 million, or 11%, compared with the prior year, driven by increased deposit- and lending-related fees, higher investment banking revenue, increased community development investment-related revenue, and higher other revenue.

Revenue from Middle Market Banking was $825 million, an increase of $70 million, or 9%, from the prior year. Revenue from Commercial Term Lending was $293 million, an increase of $7 million, or 2%, compared with the prior year. Revenue from Corporate Client Banking was $337 million, an increase of $47 million, or 16%, from the prior year. Revenue from Real Estate Banking was $105 million, an increase of $17 million, or 19%, from the prior year.

The provision for credit losses was $77 million, compared with $47 million in the prior year. Net charge-offs were $12 million (0.04% net charge-off rate), compared with net charge-offs of $31 million (0.13% net charge-off rate) in the prior year and $99 million (0.36% net charge-off rate) in the prior quarter. The allowance for loan losses to end-of-period loans retained was 2.32%, down from 2.59% in the prior year and 2.34% in the prior quarter. Nonaccrual loans were $1.0 billion, down by $951 million, or 49%, from the prior year, as a result of commercial real estate repayments and loan sales; and were down $49 million, or 5%, from the prior quarter.

Noninterest expense was $598 million, an increase of $35 million, or 6%, from the prior year, primarily reflecting higher headcount-related[2] expense.

***Key Metrics and Business Updates:***

***(All comparisons refer to the prior-year quarter except as noted)***

- Return on equity was 25% on $9.5 billion of average allocated capital.
- Overhead ratio was 36%, down from 37%.
- Gross investment banking revenue (which is shared with the Investment Bank) was $339 million, up by $30 million, or 10%.
- Average loan balances were $113.8 billion, up by $14.2 billion, or 14%, from the prior year and $3.9 billion, or 4%, from the prior quarter.
- End-of-period loan balances were $115.8 billion, up by $15.7 billion, or 16%, from the prior year and $3.8 billion, or 3%, from the prior quarter.
- Average liability balances were $200.2 billion, up by $44.0 billion, or 28%, from the prior year and up by $1.0 billion, or 1%, from the prior quarter.

***TREASURY & SECURITIES SERVICES (TSS)***

| Results for TSS ($ millions) | 1Q12 | 4Q11 | 1Q11 | 4Q11 $ O/(U) | 4Q11 O/(U) % | 1Q11 $ O/(U) | 1Q11 O/(U) % |
|---|---|---|---|---|---|---|---|
| Net Revenue | $2,014 | $2,022 | $1,840 | ($8) | —% | $174 | 9% |
| Provision for Credit Losses | 2 | 19 | 4 | (17) | (89) | (2) | (50) |
| Noninterest Expense | 1,473 | 1,563 | 1,377 | (90) | (6) | 96 | 7 |
| Net Income | $ 351 | $ 250 | $ 316 | $101 | 40% | $35 | 11% |

***Discussion of Results:***

Net income was $351 million, an increase of $35 million, or 11%, from the prior year. Compared with the prior quarter, net income increased by $101 million, or 40%, primarily driven by a higher Global Corporate Bank ("GCB") credit allocation benefit and the absence of prior-quarter expense related to exiting unprofitable business.

Net revenue was $2.0 billion, an increase of $174 million, or 9%, from the prior year. Treasury Services ("TS") net revenue was $1.1 billion, an increase of $161 million, or 18%. The increase was driven by higher deposit balances and higher trade finance loan volumes. Worldwide Securities Services net revenue was $962 million, an increase of 1% compared with the prior year.

TSS generated firmwide net revenue[2] of $2.7 billion, including $1.7 billion by TS; of that amount, $1.1 billion was recorded in TS, $602 million in Commercial Banking, and $69 million in other lines of business. The remaining $962 million of firmwide net revenue was recorded in Worldwide Securities Services.

Noninterest expense was $1.5 billion, an increase of $96 million, or 7%, from the prior year. The increase was primarily driven by continued expansion into new markets.

***Key Metrics and Business Updates:***

***(All comparisons refer to the prior-year quarter except as noted)***

- Pretax margin[2] was 27%, compared with 26% in the prior year and 19% in the prior quarter.
- Return on equity was 19% on $7.5 billion of average allocated capital.
- Average liability balances were $357.0 billion, up 34%.
- Assets under custody were a record $17.9 trillion, up 8%.
- End-of-period trade finance loans were $35.7 billion, up 40%.

***ASSET MANAGEMENT (AM)***

| Results for AM ($ millions) | 1Q12 | 4Q11 | 1Q11 | 4Q11 $ O/(U) | 4Q11 O/(U) % | 1Q11 $ O/(U) | 1Q11 O/(U) % |
|---|---|---|---|---|---|---|---|
| Net Revenue | $2,370 | $2,284 | $2,406 | $86 | 4% | ($36) | (1)% |
| Provision for Credit Losses | 19 | 24 | 5 | (5) | (21) | 14 | 280 |
| Noninterest Expense | 1,729 | 1,752 | 1,660 | (23) | (1) | 69 | 4 |
| Net Income | $ 386 | $ 302 | $ 466 | $84 | 28% | ($80) | (17)% |

***Discussion of Results:***

Net income was $386 million, a decrease of $80 million, or 17%, from the prior year. These results reflected higher noninterest expense and lower net revenue.

Net revenue was $2.4 billion, a decrease of $36 million, or 1%, from the prior year. Noninterest revenue was $1.9 billion, down by $133 million, or 7%, primarily due to lower credit-related fees and lower performance fees, partially offset by net inflows to products with higher margins and higher valuations of seed capital investments. Net interest income was $483 million, up by $97 million, or 25%, due to higher deposit and loan balances, partially offset by narrower deposit spreads.

Revenue from Private Banking was $1.3 billion, down 3% from the prior year. Revenue from Institutional was $557 million, up 3%. Revenue from Retail was $534 million, down 2%.

Assets under supervision were a record $2.0 trillion, an increase of $105 billion, or 6%, from the prior year. Assets under management were a record $1.4 trillion, an increase of $52 billion, or 4%, from the prior year. Both increases were due to net inflows to long-term products and the impact of higher market levels. Custody, brokerage, administration and deposit balances were $631 billion, up by $53 billion, or 9%, due to deposit and custody inflows.

The provision for credit losses was $19 million, compared with $5 million in the prior year.

Noninterest expense was $1.7 billion, an increase of $69 million, or 4%, from the prior year, due to increased headcount-related[2] expense.

***Key Metrics and Business Updates:***

***(All comparisons refer to the prior-year quarter except as noted)***

- Pretax margin[2] was 26%, down from 31%.
- Assets under management reflected net inflows of $45 billion for the 12 months ended March 31, 2012. For the quarter, net outflows were $8 billion, reflecting net outflows of $25 billion from liquidity products, largely offset by inflows of $17 billion to long-term products. Long-term product flows were positive for the twelfth consecutive quarter.
- Assets under management ranked in the top two quartiles for investment performance were 76% over 5 years, 74% over 3 years and 64% over 1 year.
- Customer assets in 4 and 5 Star–rated funds were 42% of all rated mutual fund assets.
- Assets under supervision were a record $2.0 trillion, up 6% from the prior year and 5% from the prior quarter.

- Average loans were $59.3 billion, up 32% from the prior year and 8% from the prior quarter.
- End-of-period loans were $64.3 billion, up 38% from the prior year and 12% from the prior quarter.
- Average deposits were $127.5 billion, up 34% from the prior year and 5% from the prior quarter.

***CORPORATE/PRIVATE EQUITY***

| Results for Corporate/Private Equity ($ millions) | 1Q12 | 4Q11 | 1Q11 | 4Q11 $ O/(U) | 4Q11 O/(U) % | 1Q11 $ O/(U) | 1Q11 O/(U) % |
|---|---|---|---|---|---|---|---|
| Net Revenue | $1,689 | $698 | $1,512 | $991 | 142% | $177 | 12% |
| Provision for Credit Losses | (9) | (10) | (10) | 1 | 10 | 1 | 10 |
| Noninterest Expense | 2,769 | 930 | 562 | 1,839 | 198% | 2,207 | 393% |
| Net Income/(Loss) | ($563) | $223 | $ 722 | ($786) | NM | ($1,285) | NM |

***Discussion of Results:***

Net loss was $563 million, compared with net income of $722 million in the prior year.

Private Equity reported net income of $134 million, compared with net income of $383 million in the prior year. Net revenue of $254 million was down from $699 million in the prior year, due to the absence of prior-year valuation gains on private investments. Noninterest expense was $44 million, a decrease of $69 million from the prior year.

Corporate reported a net loss of $697 million, compared with net income of $339 million in the prior year. Net revenue of $1.4 billion was driven by a $1.1 billion benefit from the Washington Mutual bankruptcy settlement and securities gains of $449 million. Noninterest expense of $2.7 billion was up from $449 million in the prior year, primarily reflecting $2.5 billion of additional litigation reserves, predominantly for mortgage-related matters.

***JPMORGAN CHASE (JPM)(*)***

| Results for JPM ($ millions) | 1Q12 | 4Q11 | 1Q11 | 4Q11 $ O/(U) | 4Q11 O/(U) % | 1Q11 $ O/(U) | 1Q11 O/(U) % |
|---|---|---|---|---|---|---|---|
| Net Revenue | $27,417 | $22,198 | $25,791 | $5,219 | 24% | $1,626 | 6% |
| Provision for Credit Losses | 726 | 2,184 | 1,169 | (1,458) | (67) | (443) | (38) |
| Noninterest Expense | 18,345 | 14,540 | 15,995 | 3,805 | 26 | 2,350 | 15 |
| Net Income | $ 5,383 | $ 3,728 | $ 5,555 | $1,655 | 44% | ($172) | (3)% |

(*) Presented on a managed basis. See notes on page 13 for further explanation of managed basis. Net revenue on a U.S. GAAP basis totaled $26,712 million, $21,471 million, and $25,221 million for the first quarter of 2012, fourth quarter of 2011, and first quarter of 2011, respectively.

***Discussion of Results:***

Net income was $5.4 billion, down by $172 million, or 3%, from the prior year. The decrease in earnings was driven by higher noninterest expense, largely offset by higher net revenue.

Net revenue was $27.4 billion, up by $1.6 billion, or 6%, compared with the prior year. Noninterest revenue was $15.6 billion, up by $1.8 billion, or 13%, from the prior year. The increase was driven by higher mortgage fees and related income and a $1.1 billion benefit from the Washington Mutual bankruptcy settlement, partially offset by lower principal transaction revenue, driven by a

$907 million loss from DVA. Net interest income was $11.8 billion, down by $187 million, or 2%, compared with the prior year.

The provision for credit losses was $726 million, down $443 million, or 38%, from the prior year. The total consumer provision for credit losses was $637 million, down $918 million from the prior year. The decrease in the consumer provision reflected improved delinquency trends across most consumer portfolios compared with the prior year, partially offset by the effect of a lower net reduction in the allowance for loan losses compared with the prior year. Consumer net charge-offs[1] were $2.4 billion, compared with $3.6 billion in the prior year, resulting in net charge-off rates of 2.60% and 3.77%, respectively. The wholesale provision for credit losses was $89 million compared with a benefit of $386 million; prior year credit costs reflected a reduction in loan loss reserves due to an improvement in the credit environment. Wholesale net charge-offs were $5 million, compared with $165 million in the prior year, resulting in net charge-off rates of 0.01% and 0.30%, respectively. The Firm's allowance for loan losses to end-of-period loans retained[1] was 3.11%, compared with 4.10% in the prior year. The Firm's nonperforming assets totaled $11.7 billion at March 31, 2012, down from the prior-year level of $15.0 billion and up from the prior-quarter level of $11.0 billion.

Noninterest expense was $18.3 billion, up 15% from the prior year, driven by higher compensation and noncompensation expense, including $2.5 billion of additional litigation reserves, predominantly for mortgage-related matters.

***Key Metrics and Business Updates:***

***(All comparisons refer to the prior-year quarter except as noted)***

- Basel I Tier 1 Common ratio[1] was 10.4% at March 31, 2012, compared with 10.1% at December 31, 2011, and 10.0% at March 31, 2011.
- Headcount was 261,453, an increase of 18,524, or 8%.

**1. Notes on non-GAAP financial measures:**

a. In addition to analyzing the Firm’s results on a reported basis, management reviews the Firm’s results and the results of the lines of business on a “managed” basis, which is a non-GAAP financial measure. The Firm’s definition of managed basis starts with the reported U.S. GAAP results and includes certain reclassifications to present total net revenue for the Firm (and each of the business segments) on a fully taxable-equivalent (“FTE”) basis. Accordingly, revenue from tax-exempt securities and investments that receive tax credits is presented in the managed results on a basis comparable to taxable securities and investments. This non-GAAP financial measure allows management to assess the comparability of revenue arising from both taxable and tax-exempt sources. The corresponding income tax impact related to tax-exempt items is recorded within income tax expense. These adjustments have no impact on net income as reported by the Firm as a whole or by the lines of business.

b. The ratio of the allowance for loan losses to end-of-period loans excludes the following: loans accounted for at fair value and loans held-for-sale; purchased credit-impaired (“PCI”) loans; and the allowance for loan losses related to PCI loans. Additionally, Real Estate Portfolios net charge-off rates exclude the impact of PCI loans. The allowance for loan losses related to the PCI portfolio totaled $5.7 billion, $5.7 billion and $4.9 billion at March 31, 2012, December 31, 2011, and March 31, 2011, respectively.

c. Tangible common equity (“TCE”) represents common stockholders’ equity (i.e., total stockholders’ equity less preferred stock) less goodwill and identifiable intangible assets (other than MSRs), net of related deferred tax liabilities. Return on tangible common equity measures the Firm’s earnings as a percentage of TCE. In management’s view, these measures are meaningful to the Firm, as well as analysts and investors, in assessing the Firm’s use of equity, and in facilitating comparisons with competitors.

d. The Basel I Tier 1 common ratio is Tier 1 common divided by risk-weighted assets. Tier 1 common is defined as Tier 1 capital less elements of Tier 1 capital not in the form of common equity, such as perpetual preferred stock, noncontrolling interests in subsidiaries, and trust preferred capital debt securities. Tier 1 common, a non-GAAP financial measure, is used by banking regulators, investors and analysts to assess and compare the quality and composition of the Firm’s capital with the capital of other financial services companies. The Firm uses Tier 1 common along with other capital measures to assess and monitor its capital position. On December 16, 2010, the Basel Committee issued the final version of the Basel Capital Accord, commonly referred to as “Basel III.” The Firm’s estimate of its Tier 1 common ratio under Basel III is a non-GAAP financial measure and reflects the Firm’s current understanding of the Basel III rules and the application of such rules to its businesses as currently conducted, and therefore excludes the impact of any changes the Firm may make in the future to its businesses as a result of implementing the Basel III rules. The Firm’s estimates of its Basel III Tier 1 common ratio will evolve over time as the Firm’s businesses change, and as a result of further rule-making on Basel III implementation from U.S. federal banking agencies. Management considers this estimate as a key measure to assess the Firm’s capital position in conjunction with its capital ratios under Basel I requirements, in order to enable management, investors and analysts to compare the Firm’s capital under the Basel III capital standards with similar estimates provided by other financial services companies. The Firm’s understanding of the Basel III rules is based on information currently published by the Basel Committee and U.S. federal banking agencies.

e. In Card Services & Auto, supplemental information is provided for Card Services, to provide more meaningful measures that enable comparability with prior periods. The net charge-off rate and 30+ day delinquency rate presented include loans held-for-sale.

**2. Additional notes on financial measures:**

a. Headcount-related expense includes salary and benefits (excluding performance-based incentives), and other noncompensation costs related to employees.

b. Treasury & Securities Services firmwide metrics include certain TSS product revenue and liability balances reported in other lines of business related to customers who are also customers of those other lines of business. In order to capture the firmwide impact of TSS products and revenue, management reviews firmwide metrics such as liability balances, revenue and overhead ratios in assessing financial performance for TSS. Firmwide metrics are necessary, in management’s view, in order to understand the aggregate TSS business.

c. Pretax margin represents income before income tax expense divided by total net revenue, which is, in management's view, a comprehensive measure of pretax performance derived by measuring earnings after all costs are taken into consideration. It is, therefore, another basis that management uses to evaluate the performance of TSS and AM against the performance of their respective competitors.

d. Credit card sales volume is presented excluding Commercial Card.

e. The amount of credit provided to clients represents new and renewed credit, including loans and commitments. The amount of credit provided to small businesses reflects loans and increased lines of credit provided by Consumer & Business Banking, Card Services & Auto and Commercial Banking. The amount of credit provided to not-for-profit and government entities, including states, municipalities, hospitals and universities, represents that provided by the Investment Bank.

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of $2.3 trillion and operations worldwide. The firm is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing, asset management and private equity. A component of the Dow Jones Industrial Average, JPMorgan Chase & Co. serves millions of consumers in the United States and many of the world's most prominent corporate, institutional and government clients under its J.P. Morgan and Chase brands. Information about JPMorgan Chase & Co. is available at www.jpmorganchase.com.

JPMorgan Chase & Co. will host a conference call today at 8:30 a.m. (Eastern Time) to review first-quarter financial results. The general public can access the call by dialing (866) 541-2724 or (877) 368-8360 in the U.S. and Canada, or (706) 634-7246 for international participants. Please dial in 10 minutes prior to the start of the call. The live audio webcast and presentation slides will be available at the Firm's website, www.jpmorganchase.com, under Investor Relations, Investor Presentations.

A replay of the conference call will be available beginning at approximately noon on April 13, 2012 through midnight, April 27, 2012 by telephone at (855) 859-2056 or (800) 585-8367 (U.S. and Canada) or (404) 537-3406 (international); use Conference ID# 59781283. The replay will also be available via webcast on www.jpmorganchase.com under Investor Relations, Investor Presentations. Additional detailed financial, statistical and business-related information is included in a financial supplement. The earnings release and the financial supplement are available at www.jpmorganchase.com.

*This earnings release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the current beliefs and expectations of JPMorgan Chase & Co.'s management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. Factors that could cause JPMorgan Chase & Co.'s actual results to differ materially from those described in the forward-looking statements can be found in JPMorgan Chase & Co.'s Annual Report on Form 10-K for the year ended December 31, 2011, which has been filed with the Securities and Exchange Commission and is available on JPMorgan Chase & Co.'s website (http://investor.shareholder.com/jpmorganchase) and on the Securities and Exchange Commission's website (www.sec.gov). JPMorgan Chase & Co. does not undertake to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of the forward-looking statements.*

**(in millions, except per share, ratio and headcount data)**

| | QUARTERLY TRENDS | | | | |
|---|---|---|---|---|---|
| | | | | 1Q12 Change | |
| | **1Q12** | **4Q11** | **1Q11** | **4Q11** | **1Q11** |
| **SELECTED INCOME STATEMENT DATA** | | | | | |
| **Reported Basis** | | | | | |
| Total net revenue | $ 26,712 | $ 21,471 | $ 25,221 | 24% | 6% |
| Total noninterest expense | 18,345 | 14,540 | 15,995 | 26 | 15 |
| Pre-provision profit | 8,367 | 6,931 | 9,226 | 21 | (9) |
| Provision for credit losses | 726 | 2,184 | 1,169 | (67) | (38) |
| **NET INCOME** | 5,383 | 3,728 | 5,555 | 44 | (3) |
| **Managed Basis (a)** | | | | | |
| Total net revenue | 27,417 | 22,198 | 25,791 | 24 | 6 |
| Total noninterest expense | 18,345 | 14,540 | 15,995 | 26 | 15 |
| Pre-provision profit | 9,072 | 7,658 | 9,796 | 18 | (7) |
| Provision for credit losses | 726 | 2,184 | 1,169 | (67) | (38) |
| **NET INCOME** | 5,383 | 3,728 | 5,555 | 44 | (3) |
| **PER COMMON SHARE DATA** | | | | | |
| Basic earnings | 1.31 | 0.90 | 1.29 | 46 | 2 |
| Diluted earnings | 1.31 | 0.90 | 1.28 | 46 | 2 |
| Cash dividends declared (b) | 0.30 | 0.25 | 0.25 | 20 | 20 |
| Book value | 47.60 | 46.59 | 43.34 | 2 | 10 |
| Closing share price (c) | 45.98 | 33.25 | 46.10 | 38 | — |
| Market capitalization | 175,737 | 125,442 | 183,783 | 40 | (4) |
| **COMMON SHARES OUTSTANDING** | | | | | |
| Average: Basic | 3,818.8 | 3,801.9 | 3,981.6 | — | (4) |
| Diluted | 3,833.4 | 3,811.7 | 4,014.1 | 1 | (5) |
| Common shares at period-end | 3,822.0 | 3,772.7 | 3,986.6 | 1 | (4) |
| **FINANCIAL RATIOS (d)** | | | | | |
| Return on common equity (“ROE”) | 12% | 8% | 13% | | |
| Return on tangible common equity (“ROTCE”) (e) | 16 | 11 | 18 | | |
| Return on assets (“ROA”) | 0.96 | 0.65 | 1.07 | | |
| Return on risk-weighted assets (f) | 1.76(g) | 1.21 | 1.90 | | |
| **CAPITAL RATIOS** | | | | | |
| Tier 1 capital ratio | 12.6(g) | 12.3 | 12.3 | | |
| Total capital ratio | 15.6(g) | 15.4 | 15.6 | | |
| Tier 1 common capital ratio (e) | 10.4(g) | 10.1 | 10.0 | | |
| **SELECTED BALANCE SHEET DATA (period-end)** | | | | | |
| Total assets | $2,320,330 | $2,265,792 | $2,198,161 | 2 | 6 |
| Wholesale loans | 290,866 | 283,016 | 236,007 | 3 | 23 |
| Consumer, excluding credit card loans | 304,770 | 308,427 | 321,186 | (1) | (5) |
| Credit card loans | 125,331 | 132,277 | 128,803 | (5) | (3) |
| **Total Loans** | **720,967** | **723,720** | **685,996** | — | 5 |
| Deposits | 1,128,512 | 1,127,806 | 995,829 | — | 13 |
| Common stockholders’ equity | 181,928 | 175,773 | 172,798 | 4 | 5 |
| Total stockholders’ equity | 189,728 | 183,573 | 180,598 | 3 | 5 |
| Deposits-to-loans ratio | 157% | 156% | 145% | | |
| **Headcount** | 261,453 | 260,157 | 242,929 | — | 8 |
| **LINE OF BUSINESS NET INCOME/(LOSS)** | | | | | |
| Investment Bank | $ 1,682 | $ 726 | $ 2,370 | 132 | (29) |
| Retail Financial Services | 1,753 | 533 | (399) | 229 | NM |
| Card Services & Auto | 1,183 | 1,051 | 1,534 | 13 | (23) |
| Commercial Banking | 591 | 643 | 546 | (8) | 8 |
| Treasury & Securities Services | 351 | 250 | 316 | 40 | 11 |
| Asset Management | 386 | 302 | 466 | 28 | (17) |
| Corporate/Private Equity | (563) | 223 | 722 | NM | NM |
| **NET INCOME** | **$ 5,383** | **$ 3,728** | **$ 5,555** | 44 | (3) |

(a) For further discussion of managed basis, see Note (a) on page 13.

(b) On March 13, 2012, the Board of Directors increased the Firm’s quarterly common stock dividend from $0.25 to $0.30 per share.

(c) Share prices shown for JPMorgan Chase’s common stock are from the New York Stock Exchange. JPMorgan Chase’s common stock is also listed and traded on the London Stock Exchange and the Tokyo Stock Exchange.

(d) Quarterly ratios are based upon annualized amounts.

(e) ROTCE and Tier 1 common capital ratio are non-GAAP financial ratios. ROTCE measures the Firm’s earnings as a percentage of tangible common equity. Tier 1 common capital ratio measures the quality and composition of the Firm’s capital. For further discussion of these ratios, see page 46 of the Earnings Release Financial Supplement.

(f) Return on Basel I risk-weighted assets is the annualized earnings of the Firm divided by its average risk-weighted assets.

(g) Estimated.

Exhibit 99.2

JPMorgan Chase & Co.

**EARNINGS RELEASE FINANCIAL SUPPLEMENT**

**FIRST QUARTER 2012**

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**JPMORGAN CHASE & CO.**
**CONSOLIDATED FINANCIAL HIGHLIGHTS**
**(in millions, except per share and ratio data)**

JPMORGAN CHASE & CO.

| | QUARTERLY TRENDS | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | 1Q12 Change | |
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **SELECTED INCOME STATEMENT DATA** | | | | | | | |
| **Reported Basis** | | | | | | | |
| Total net revenue | $ 26,712 | $ 21,471 | $ 23,763 | $ 26,779 | $ 25,221 | 24% | 6% |
| Total noninterest expense | 18,345 | 14,540 | 15,534 | 16,842 | 15,995 | 26 | 15 |
| Pre-provision profit | 8,367 | 6,931 | 8,229 | 9,937 | 9,226 | 21 | (9) |
| Provision for credit losses | 726 | 2,184 | 2,411 | 1,810 | 1,169 | (67) | (38) |
| **NET INCOME** | 5,383 | 3,728 | 4,262 | 5,431 | 5,555 | 44 | (3) |
| **Managed Basis (a)** | | | | | | | |
| Total net revenue | 27,417 | 22,198 | 24,368 | 27,410 | 25,791 | 24 | 6 |
| Total noninterest expense | 18,345 | 14,540 | 15,534 | 16,842 | 15,995 | 26 | 15 |
| Pre-provision profit | 9,072 | 7,658 | 8,834 | 10,568 | 9,796 | 18 | (7) |
| Provision for credit losses | 726 | 2,184 | 2,411 | 1,810 | 1,169 | (67) | (38) |
| **NET INCOME** | 5,383 | 3,728 | 4,262 | 5,431 | 5,555 | 44 | (3) |
| **PER COMMON SHARE DATA** | | | | | | | |
| Basic earnings | 1.31 | 0.90 | 1.02 | 1.28 | 1.29 | 46 | 2 |
| Diluted earnings | 1.31 | 0.90 | 1.02 | 1.27 | 1.28 | 46 | 2 |
| Cash dividends declared (b) | 0.30 | 0.25 | 0.25 | 0.25 | 0.25 | 20 | 20 |
| Book value | 47.60 | 46.59 | 45.93 | 44.77 | 43.34 | 2 | 10 |
| Closing share price (c) | 45.98 | 33.25 | 30.12 | 40.94 | 46.10 | 38 | — |
| Market capitalization | 175,737 | 125,442 | 114,422 | 160,083 | 183,783 | 40 | (4) |
| **COMMON SHARES OUTSTANDING** | | | | | | | |
| Average: Basic | 3,818.8 | 3,801.9 | 3,859.6 | 3,958.4 | 3,981.6 | — | (4) |
| Diluted | 3,833.4 | 3,811.7 | 3,872.2 | 3,983.2 | 4,014.1 | 1 | (5) |
| Common shares at period-end | 3,822.0 | 3,772.7 | 3,798.9 | 3,910.2 | 3,986.6 | 1 | (4) |
| **FINANCIAL RATIOS (d)** | | | | | | | |
| Return on common equity (“ROE”) | 12% | 8% | 9% | 12% | 13% | | |
| Return on tangible common equity (“ROTCE”) (e) | 16 | 11 | 13 | 17 | 18 | | |
| Return on assets (“ROA”) | 0.96 | 0.65 | 0.76 | 0.99 | 1.07 | | |
| Return on risk-weighted assets (f) | 1.76(g) | 1.21 | 1.40 | 1.82 | 1.90 | | |
| **CAPITAL RATIOS** | | | | | | | |
| Tier 1 capital ratio | 12.6(g) | 12.3 | 12.1 | 12.4 | 12.3 | | |
| Total capital ratio | 15.6(g) | 15.4 | 15.3 | 15.7 | 15.6 | | |
| Tier 1 common capital ratio (e) | 10.4(g) | 10.1 | 9.9 | 10.1 | 10.0 | | |

(a) For further discussion of managed basis, see Reconciliation from Reported to Managed Summary on page 8.

(b) On March 13, 2012, the Board of Directors increased the Firm’s quarterly common stock dividend from $0.25 to $0.30 per share.

(c) Share prices shown for JPMorgan Chase’s common stock are from the New York Stock Exchange. JPMorgan Chase’s common stock is also listed and traded on the London Stock Exchange and the Tokyo Stock Exchange.

(d) Quarterly ratios are based upon annualized amounts.

(e) ROTCE and Tier 1 common capital ratio are non-GAAP financial ratios. ROTCE measures the Firm’s earnings as a percentage of tangible common equity. Tier 1 common capital ratio measures the quality and composition of the Firm’s capital. For further discussion of these ratios, see page 46.

(f) Return on Basel I risk-weighted assets is the annualized earnings of the Firm divided by its average risk-weighted assets.

(g) Estimated.

## JPMORGAN CHASE & CO.
## CONSOLIDATED FINANCIAL HIGHLIGHTS, CONTINUED
## (in millions, except ratio and headcount data)

JPMORGAN CHASE & CO.

| | QUARTERLY TRENDS | | | | | 1Q12 Change | |
|---|---|---|---|---|---|---|---|
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **SELECTED BALANCE SHEET DATA (period-end)** | | | | | | | |
| Total assets | $2,320,330 | $2,265,792 | $2,289,240 | $2,246,764 | $2,198,161 | 2% | 6% |
| Wholesale loans | 290,866 | 283,016 | 259,483 | 248,823 | 236,007 | 3 | 23 |
| Consumer, excluding credit card loans | 304,770 | 308,427 | 310,235 | 315,390 | 321,186 | (1) | (5) |
| Credit card loans | 125,331 | 132,277 | 127,135 | 125,523 | 128,803 | (5) | (3) |
| **Total Loans** | **720,967** | **723,720** | **696,853** | **689,736** | **685,996** | — | 5 |
| Deposits | 1,128,512 | 1,127,806 | 1,092,708 | 1,048,685 | 995,829 | — | 13 |
| Common stockholders' equity | 181,928 | 175,773 | 174,487 | 175,079 | 172,798 | 4 | 5 |
| Total stockholders' equity | 189,728 | 183,573 | 182,287 | 182,879 | 180,598 | 3 | 5 |
| Deposits-to-loans ratio | 157% | 156% | 157% | 152% | 145% | | |
| **Headcount** | 261,453 | 260,157 | 256,663 | 250,095 | 242,929 | — | 8 |
| **LINE OF BUSINESS NET INCOME/(LOSS)** | | | | | | | |
| Investment Bank | $ 1,682 | $ 726 | $ 1,636 | $ 2,057 | $ 2,370 | 132 | (29) |
| Retail Financial Services | 1,753 | 533 | 1,161 | 383 | (399) | 229 | NM |
| Card Services & Auto | 1,183 | 1,051 | 849 | 1,110 | 1,534 | 13 | (23) |
| Commercial Banking | 591 | 643 | 571 | 607 | 546 | (8) | 8 |
| Treasury & Securities Services | 351 | 250 | 305 | 333 | 316 | 40 | 11 |
| Asset Management | 386 | 302 | 385 | 439 | 466 | 28 | (17) |
| Corporate/Private Equity | (563) | 223 | (645) | 502 | 722 | NM | NM |
| **NET INCOME** | **$ 5,383** | **$ 3,728** | **$ 4,262** | **$ 5,431** | **$ 5,555** | 44 | (3) |

**JPMORGAN CHASE & CO.**
**STATEMENTS OF INCOME**
**(in millions, except per share and ratio data)**

JPMORGAN CHASE & CO.

| | QUARTERLY TRENDS | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | 1Q12 Change | |
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **REVENUE** | | | | | | | |
| Investment banking fees | $ 1,381 | $ 1,133 | $ 1,052 | $ 1,933 | $ 1,793 | 22% | (23)% |
| Principal transactions | 3,382 | 750 | 1,370 | 3,140 | 4,745 | 351 | (29) |
| Lending- and deposit-related fees | 1,517 | 1,620 | 1,643 | 1,649 | 1,546 | (6) | (2) |
| Asset management, administration and commissions | 3,392 | 3,337 | 3,448 | 3,703 | 3,606 | 2 | (6) |
| Securities gains | 536 | 47 | 607 | 837 | 102 | NM | 425 |
| Mortgage fees and related income | 2,010 | 725 | 1,380 | 1,103 | (487) | 177 | NM |
| Credit card income | 1,316 | 1,359 | 1,666 | 1,696 | 1,437 | (3) | (8) |
| Other income | 1,512(d) | 369 | 780 | 882 | 574 | 310 | 163 |
| **Noninterest revenue** | **15,046** | **9,340** | **11,946** | **14,943** | **13,316** | 61 | 13 |
| Interest income | 14,701 | 15,054 | 15,160 | 15,632 | 15,447 | (2) | (5) |
| Interest expense | 3,035 | 2,923 | 3,343 | 3,796 | 3,542 | 4 | (14) |
| **Net interest income** | **11,666** | **12,131** | **11,817** | **11,836** | **11,905** | (4) | (2) |
| **TOTAL NET REVENUE** | **26,712** | **21,471** | **23,763** | **26,779** | **25,221** | 24 | 6 |
| Provision for credit losses | 726 | 2,184 | 2,411 | 1,810 | 1,169 | (67) | (38) |
| **NONINTEREST EXPENSE** | | | | | | | |
| Compensation expense | 8,613 | 6,297 | 6,908 | 7,569 | 8,263 | 37 | 4 |
| Occupancy expense | 961 | 1,047 | 935 | 935 | 978 | (8) | (2) |
| Technology, communications and equipment expense | 1,271 | 1,282 | 1,248 | 1,217 | 1,200 | (1) | 6 |
| Professional and outside services | 1,795 | 2,021 | 1,860 | 1,866 | 1,735 | (11) | 3 |
| Marketing | 680 | 814 | 926 | 744 | 659 | (16) | 3 |
| Other expense (a) | 4,832 | 2,872 | 3,445 | 4,299 | 2,943 | 68 | 64 |
| Amortization of intangibles | 193 | 207 | 212 | 212 | 217 | (7) | (11) |
| **TOTAL NONINTEREST EXPENSE** | **18,345** | **14,540** | **15,534** | **16,842** | **15,995** | 26 | 15 |
| **Income before income tax expense** | **7,641** | **4,747** | **5,818** | **8,127** | **8,057** | 61 | (5) |
| Income tax expense | 2,258 | 1,019 | 1,556 | 2,696 | 2,502 | 122 | (10) |
| **NET INCOME** | **$ 5,383** | **$ 3,728** | **$ 4,262** | **$ 5,431** | **$ 5,555** | 44 | (3) |
| **PER COMMON SHARE DATA** | | | | | | | |
| Basic earnings | $ 1.31 | $ 0.90 | $ 1.02 | $ 1.28 | $ 1.29 | 46 | 2 |
| Diluted earnings | 1.31 | 0.90 | 1.02 | 1.27 | 1.28 | 46 | 2 |
| **FINANCIAL RATIOS** | | | | | | | |
| Return on common equity (b) | 12% | 8% | 9% | 12% | 13% | | |
| Return on tangible common equity (b)(c) | 16 | 11 | 13 | 17 | 18 | | |
| Return on assets (b) | 0.96 | 0.65 | 0.76 | 0.99 | 1.07 | | |
| Return on risk-weighted assets (c) | 1.76(e) | 1.21 | 1.40 | 1.82 | 1.90 | | |
| Effective income tax rate | 30 | 21(f) | 27(f) | 33 | 31 | | |
| Overhead ratio | 69 | 68 | 65 | 63 | 63 | | |

(a) Includes litigation expense of $2.7 billion, $0.6 billion, $1.3 billion, $1.9 billion and $1.1 billion for the three months ended March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, respectively.

(b) Quarterly ratios are based upon annualized amounts.

(c) For further discussion of ROTCE and return on Basel I risk-weighted assets, see pages 2 and 46.

(d) Includes a $1.1 billion benefit from the Washington Mutual bankruptcy settlement.

(e) Estimated.

(f) Reflects lower reported pretax income and changes in the proportion of income subject to U.S. federal and state and local taxes, as well as tax benefits associated with state and local income taxes.

**CONSOLIDATED BALANCE SHEETS**
**(in millions)**

| | | | | | | March 31, 2012 Change | |
|---|---|---|---|---|---|---|---|
| | Mar 31, 2012 | Dec 31, 2011 | Sep 30, 2011 | Jun 30, 2011 | Mar 31, 2011 | Dec 31, 2011 | Mar 31, 2011 |
| **ASSETS** | | | | | | | |
| Cash and due from banks | $ 55,383 | $ 59,602 | $ 56,766 | $ 30,466 | $ 23,469 | (7)% | 136% |
| Deposits with banks | 115,028 | 85,279 | 128,877 | 169,880 | 80,842 | 35 | 42 |
| Federal funds sold and securities purchased under resale agreements | 240,484 | 235,314 | 248,042 | 213,362 | 217,356 | 2 | 11 |
| Securities borrowed | 135,650 | 142,462 | 131,561 | 121,493 | 119,000 | (5) | 14 |
| Trading assets: | | | | | | | |
| Debt and equity instruments | 370,623 | 351,486 | 352,678 | 381,339 | 422,404 | 5 | (12) |
| Derivative receivables | 85,377 | 92,477 | 108,853 | 77,383 | 78,744 | (8) | 8 |
| Securities | 381,742 | 364,793 | 339,349 | 324,741 | 334,800 | 5 | 14 |
| Loans | 720,967 | 723,720 | 696,853 | 689,736 | 685,996 | — | 5 |
| Less: Allowance for loan losses | 25,871 | 27,609 | 28,350 | 28,520 | 29,750 | (6) | (13) |
| **Loans, net of allowance for loan losses** | 695,096 | 696,111 | 668,503 | 661,216 | 656,246 | — | 6 |
| Accrued interest and accounts receivable | 64,833 | 61,478 | 72,080 | 80,292 | 79,236 | 5 | (18) |
| Premises and equipment | 14,213 | 14,041 | 13,812 | 13,679 | 13,422 | 1 | 6 |
| Goodwill | 48,208 | 48,188 | 48,180 | 48,882 | 48,856 | — | (1) |
| Mortgage servicing rights | 8,039 | 7,223 | 7,833 | 12,243 | 13,093 | 11 | (39) |
| Other intangible assets | 3,029 | 3,207 | 3,396 | 3,679 | 3,857 | (6) | (21) |
| Other assets | 102,625 | 104,131 | 109,310 | 108,109 | 106,836 | (1) | (4) |
| **TOTAL ASSETS** | **$2,320,330** | **$2,265,792** | **$2,289,240** | **$2,246,764** | **$2,198,161** | 2 | 6 |
| **LIABILITIES** | | | | | | | |
| Deposits | $1,128,512 | $1,127,806 | $1,092,708 | $1,048,685 | $ 995,829 | — | 13 |
| Federal funds purchased and securities loaned or sold under repurchase agreements | 250,483 | 213,532 | 238,585 | 254,124 | 285,444 | 17 | (12) |
| Commercial paper | 50,577 | 51,631 | 51,073 | 51,160 | 46,022 | (2) | 10 |
| Other borrowed funds | 27,298 | 21,908 | 29,318 | 30,208 | 36,704 | 25 | (26) |
| Trading liabilities: | | | | | | | |
| Debt and equity instruments | 71,529 | 66,718 | 76,592 | 84,865 | 80,031 | 7 | (11) |
| Derivative payables | 74,474 | 74,977 | 79,249 | 63,668 | 61,362 | (1) | 21 |
| Accounts payable and other liabilities | 204,148 | 202,895 | 199,769 | 184,490 | 171,638 | 1 | 19 |
| Beneficial interests issued by consolidated VIEs | 67,750 | 65,977 | 65,971 | 67,457 | 70,917 | 3 | (4) |
| Long-term debt | 255,831 | 256,775 | 273,688 | 279,228 | 269,616 | — | (5) |
| **TOTAL LIABILITIES** | **2,130,602** | **2,082,219** | **2,106,953** | **2,063,885** | **2,017,563** | 2 | 6 |
| **STOCKHOLDERS' EQUITY** | | | | | | | |
| Preferred stock | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 | — | — |
| Common stock | 4,105 | 4,105 | 4,105 | 4,105 | 4,105 | — | — |
| Capital surplus | 94,070 | 95,602 | 95,078 | 95,061 | 94,660 | (2) | (1) |
| Retained earnings | 92,347 | 88,315 | 85,726 | 82,612 | 78,342 | 5 | 18 |
| Accumulated other comprehensive income | 2,645 | 944 | 1,964 | 1,638 | 712 | 180 | 271 |
| Shares held in RSU Trust, at cost | (38) | (38) | (53) | (53) | (53) | — | 28 |
| Treasury stock, at cost | (11,201) | (13,155) | (12,333) | (8,284) | (4,968) | 15 | (125) |
| **TOTAL STOCKHOLDERS' EQUITY** | **189,728** | **183,573** | **182,287** | **182,879** | **180,598** | 3 | 5 |
| **TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY** | **$2,320,330** | **$2,265,792** | **$2,289,240** | **$2,246,764** | **$2,198,161** | 2 | 6 |

**JPMORGAN CHASE & CO.**
**CONDENSED AVERAGE BALANCE SHEETS AND ANNUALIZED YIELDS**
**(in millions, except rates)**

JPMORGAN CHASE & CO.

| | QUARTERLY TRENDS | | | | | 1Q12 Change | |
|---|---|---|---|---|---|---|---|
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **AVERAGE BALANCES** | | | | | | | |
| **ASSETS** | | | | | | | |
| Deposits with banks | $ 110,817 | $ 89,145 | $ 116,062 | $ 75,801 | $ 37,155 | 24% | 198% |
| Federal funds sold and securities purchased under resale agreements | 230,444 | 230,494 | 211,884 | 202,036 | 202,481 | — | 14 |
| Securities borrowed | 133,080 | 143,745 | 131,615 | 124,806 | 114,589 | (7) | 16 |
| Trading assets — debt instruments | 228,397 | 241,645 | 257,950 | 285,104 | 275,512 | (5) | (17) |
| Securities | 369,273 | 358,698 | 331,330 | 342,248 | 318,936 | 3 | 16 |
| Loans | 715,553 | 706,856 | 692,794 | 686,111 | 688,133 | 1 | 4 |
| Other assets (a) | 33,949 | 37,343 | 42,760 | 48,716 | 49,887 | (9) | (32) |
| **Total interest-earning assets** | **1,821,513** | **1,807,926** | **1,784,395** | **1,764,822** | **1,686,693** | 1 | 8 |
| Trading assets — equity instruments | 126,938 | 116,720 | 119,890 | 137,611 | 141,951 | 9 | (11) |
| Trading assets — derivative receivables | 90,446 | 94,925 | 96,612 | 82,860 | 85,437 | (5) | 6 |
| All other noninterest-earning assets | 219,979 | 243,578 | 229,650 | 207,250 | 190,371 | (10) | 16 |
| **TOTAL ASSETS** | **$2,258,876** | **$2,263,149** | **$2,230,547** | **$2,192,543** | **$2,104,452** | — | 7 |
| **LIABILITIES** | | | | | | | |
| Interest-bearing deposits | $ 759,084 | $ 759,422 | $ 740,901 | $ 732,766 | $ 700,921 | — | 8 |
| Federal funds purchased and securities loaned or sold under repurchase agreements | 233,415 | 230,355 | 235,438 | 281,843 | 278,250 | 1 | (16) |
| Commercial paper | 48,359 | 44,930 | 47,027 | 41,682 | 36,838 | 8 | 31 |
| Trading liabilities — debt, short-term and other liabilities (b) | 199,588 | 204,161 | 215,064 | 212,878 | 193,814 | (2) | 3 |
| Beneficial interests issued by consolidated VIEs | 65,360 | 65,322 | 66,545 | 69,399 | 72,932 | — | (10) |
| Long-term debt | 255,246 | 269,542 | 279,235 | 273,934 | 269,156 | (5) | (5) |
| **Total interest-bearing liabilities** | **1,561,052** | **1,573,732** | **1,584,210** | **1,612,502** | **1,551,911** | (1) | 1 |
| Noninterest-bearing deposits | 339,398 | 337,618 | 297,610 | 247,137 | 229,461 | 1 | 48 |
| Trading liabilities — equity instruments | 14,060 | 8,188 | 1,948 | 3,289 | 7,872 | 72 | 79 |
| Trading liabilities — derivative payables | 76,069 | 72,965 | 75,828 | 66,009 | 71,288 | 4 | 7 |
| All other noninterest-bearing liabilities | 82,786 | 87,804 | 88,697 | 81,729 | 66,705 | (6) | 24 |
| **TOTAL LIABILITIES** | **2,073,365** | **2,080,307** | **2,048,293** | **2,010,666** | **1,927,237** | — | 8 |
| Preferred stock | 7,800 | 7,800 | 7,800 | 7,800 | 7,800 | — | — |
| Common stockholders' equity | 177,711 | 175,042 | 174,454 | 174,077 | 169,415 | 2 | 5 |
| **TOTAL STOCKHOLDERS' EQUITY** | **185,511** | **182,842** | **182,254** | **181,877** | **177,215** | 1 | 5 |
| **TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY** | **$2,258,876** | **$2,263,149** | **$2,230,547** | **$2,192,543** | **$2,104,452** | — | 7 |
| **AVERAGE RATES** | | | | | | | |
| **INTEREST-EARNING ASSETS** | | | | | | | |
| Deposits with banks | 0.55% | 0.75% | 0.63% | 0.76% | 1.11% | | |
| Federal funds sold and securities purchased under resale agreements | 1.14 | 1.19 | 1.28 | 1.20 | 1.09 | | |
| Securities borrowed | 0.11 | 0.04 | 0.05 | 0.10 | 0.17 | | |
| Trading assets — debt instruments | 4.30 | 4.22 | 4.32 | 4.23 | 4.31 | | |
| Securities | 2.60 | 2.57 | 2.66 | 3.10 | 2.89 | | |
| Loans | 5.14 | 5.22 | 5.28 | 5.36 | 5.62 | | |
| Other assets (a) | 0.83 | 1.51 | 1.47 | 1.30 | 1.20 | | |
| **Total interest-earning assets** | **3.28** | **3.34** | **3.40** | **3.58** | **3.74** | | |
| **INTEREST-BEARING LIABILITIES** | | | | | | | |
| Interest-bearing deposits | 0.38 | 0.43 | 0.53 | 0.61 | 0.53 | | |
| Federal funds purchased and securities loaned or sold under repurchase agreements | 0.15 | 0.18 | 0.18 | 0.29 | 0.17 | | |
| Commercial paper | 0.15 | 0.13 | 0.16 | 0.19 | 0.21 | | |
| Trading liabilities — debt, short-term and other liabilities (b) | 0.61 | 0.67 | 1.05 | 1.26 | 1.43 | | |
| Beneficial interests issued by consolidated VIEs | 1.12 | 1.06 | 1.05 | 1.17 | 1.19 | | |
| Long-term debt | 2.71 | 2.15 | 2.10 | 2.31 | 2.39 | | |
| **Total interest-bearing liabilities** | **0.78** | **0.74** | **0.84** | **0.94** | **0.93** | | |
| **INTEREST RATE SPREAD** | 2.50% | 2.60% | 2.56% | 2.64% | 2.81% | | |
| **NET YIELD ON INTEREST-EARNING ASSETS** | 2.61% | 2.70% | 2.66% | 2.72% | 2.89% | | |

(a) Includes margin loans.

(b) Includes brokerage customer payables.

**CORE NET INTEREST INCOME**
**(in millions, except ratios)**

In addition to reviewing JPMorgan Chase's net interest income on a managed basis, management also reviews core net interest income to assess the performance of its core lending, investing (including asset/liability management) and deposit-raising activities, excluding the impact of IB's market-based activities. The core data presented below are non-GAAP financial measures due to the exclusion of IB's market-based net interest income and the related assets. For a further discussion of these measures, see Explanation and Reconciliation of the Firm's Use of Non-GAAP Financial Measures on pages 76-78 of JPMorgan Chase's 2011 Annual Report.

| | QUARTERLY TRENDS | | | | | 1Q12 Change | |
|---|---|---|---|---|---|---|---|
| **CORE NET INTEREST INCOME DATA (a)** | **1Q12** | **4Q11** | **3Q11** | **2Q11** | **1Q11** | **4Q11** | **1Q11** |
| **Net interest income — managed basis (b)** | $ 11,837 | $ 12,288 | $ 11,950 | $ 11,957 | $ 12,024 | (4)% | (2)% |
| Impact of market-based net interest income | 1,569 | 1,800 | 1,866 | 1,829 | 1,834 | (13) | (14) |
| **Core net interest income** | **$ 10,268** | **$ 10,488** | **$ 10,084** | **$ 10,128** | **$ 10,190** | (2) | 1 |
| | | | | | | | |
| **Average interest-earning assets — managed basis** | $1,821,513 | $1,807,926 | $1,784,395 | $1,764,822 | $1,686,693 | 1 | 8 |
| Impact of market-based earning assets | 490,750 | 502,312 | 512,215 | 543,458 | 520,924 | (2) | (6) |
| **Core average interest-earning assets** | **$1,330,763** | **$1,305,614** | **$1,272,180** | **$1,221,364** | **$1,165,769** | 2 | 14 |
| | | | | | | | |
| **Net interest yield on interest-earning assets — managed basis** | **2.61%** | **2.70%** | **2.66%** | **2.72%** | **2.89%** | | |
| Net interest yield on market-based activity | 1.29 | 1.42 | 1.45 | 1.35 | 1.43 | | |
| **Core net interest yield on interest-earning assets** | **3.10** | **3.19** | **3.14** | **3.33** | **3.54** | | |

(a) Includes core lending, investing and deposit-raising activities on a managed basis, across RFS, Card, CB, TSS, AM and Corporate/Private Equity, as well as IB credit portfolio loans.

(b) For a reconciliation of net interest income on a reported and managed basis, see Reconciliation from Reported to Managed Summary on page 8 of this Supplement.

**RECONCILIATION FROM REPORTED TO MANAGED SUMMARY**
**(in millions)**

The Firm prepares its consolidated financial statements using accounting principles generally accepted in the U.S. (“U.S. GAAP”). That presentation, which is referred to as “reported” basis, provides the reader with an understanding of the Firm’s results that can be tracked consistently from year to year and enables a comparison of the Firm’s performance with other companies’ U.S. GAAP financial statements. In addition to analyzing the Firm’s results on a reported basis, management reviews the Firm’s results and the results of the lines of business on a “managed” basis, which is a non-GAAP financial measure. For additional information on managed basis, refer to the notes on Non-GAAP Financial Measures on page 46.

The following summary table provides a reconciliation from the Firm’s reported U.S. GAAP results to managed basis.

| | QUARTERLY TRENDS | | | | | 1Q12 Change | |
|---|---|---|---|---|---|---|---|
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **OTHER INCOME** | | | | | | | |
| **Other income — reported** | $ 1,512 | $ 369 | $ 780 | $ 882 | $ 574 | 310% | 163% |
| Fully taxable-equivalent (“FTE”) adjustments (a) | 534 | 570 | 472 | 510 | 451 | (6) | 18 |
| **Other income — managed** | **$ 2,046** | **$ 939** | **$ 1,252** | **$ 1,392** | **$ 1,025** | 118 | 100 |
| **TOTAL NONINTEREST REVENUE** | | | | | | | |
| **Total noninterest revenue — reported** | $15,046 | $ 9,340 | $11,946 | $14,943 | $13,316 | 61 | 13 |
| Fully taxable-equivalent adjustments (a) | 534 | 570 | 472 | 510 | 451 | (6) | 18 |
| **Total noninterest revenue — managed** | **$15,580** | **$ 9,910** | **$12,418** | **$15,453** | **$13,767** | 57 | 13 |
| **NET INTEREST INCOME** | | | | | | | |
| **Net interest income — reported** | $11,666 | $12,131 | $11,817 | $11,836 | $11,905 | (4) | (2) |
| Fully taxable-equivalent adjustments (a) | 171 | 157 | 133 | 121 | 119 | 9 | 44 |
| **Net interest income — managed** | **$11,837** | **$12,288** | **$11,950** | **$11,957** | **$12,024** | (4) | (2) |
| **TOTAL NET REVENUE** | | | | | | | |
| **Total net revenue — reported** | $26,712 | $21,471 | $23,763 | $26,779 | $25,221 | 24 | 6 |
| Fully taxable-equivalent adjustments (a) | 705 | 727 | 605 | 631 | 570 | (3) | 24 |
| **Total net revenue — managed** | **$27,417** | **$22,198** | **$24,368** | **$27,410** | **$25,791** | 24 | 6 |
| **PRE-PROVISION PROFIT** | | | | | | | |
| **Total pre-provision profit — reported** | $ 8,367 | $ 6,931 | $ 8,229 | $ 9,937 | $ 9,226 | 21 | (9) |
| Fully taxable-equivalent adjustments (a) | 705 | 727 | 605 | 631 | 570 | (3) | 24 |
| **Total pre-provision profit — managed** | **$ 9,072** | **$ 7,658** | **$ 8,834** | **$10,568** | **$ 9,796** | 18 | (7) |
| **INCOME TAX EXPENSE** | | | | | | | |
| **Income tax expense — reported** | $ 2,258 | $ 1,019 | $ 1,556 | $ 2,696 | $ 2,502 | 122 | (10) |
| Fully taxable-equivalent adjustments (a) | 705 | 727 | 605 | 631 | 570 | (3) | 24 |
| **Income tax expense — managed** | **$ 2,963** | **$ 1,746** | **$ 2,161** | **$ 3,327** | **$ 3,072** | 70 | (4) |

(a) Predominantly recognized in IB and CB business segments and Corporate/Private Equity.

**JPMORGAN CHASE & CO.**
**LINE OF BUSINESS FINANCIAL HIGHLIGHTS — MANAGED BASIS**
**(in millions, except ratio data)**

| | QUARTERLY TRENDS | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | 1Q12 Change | |
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **TOTAL NET REVENUE (FTE)** | | | | | | | |
| Investment Bank (a) | $ 7,321 | $ 4,358 | $ 6,369 | $ 7,314 | $ 8,233 | 68% | (11)% |
| Retail Financial Services | 7,649 | 6,395 | 7,535 | 7,142 | 5,466 | 20 | 40 |
| Card Services & Auto | 4,714 | 4,814 | 4,775 | 4,761 | 4,791 | (2) | (2) |
| Commercial Banking | 1,657 | 1,687 | 1,588 | 1,627 | 1,516 | (2) | 9 |
| Treasury & Securities Services | 2,014 | 2,022 | 1,908 | 1,932 | 1,840 | — | 9 |
| Asset Management | 2,370 | 2,284 | 2,316 | 2,537 | 2,406 | 4 | (1) |
| Corporate/Private Equity (a) | 1,692 | 638 | (123) | 2,097 | 1,539 | 165 | 10 |
| **TOTAL NET REVENUE** | **$ 27,417** | **$ 22,198** | **$ 24,368** | **$ 27,410** | **$ 25,791** | 24 | 6 |
| **TOTAL PRE-PROVISION PROFIT** | | | | | | | |
| Investment Bank (a) | $ 2,583 | $ 1,389 | $ 2,570 | $ 2,982 | $ 3,217 | 86 | (20) |
| Retail Financial Services | 2,640 | 1,673 | 2,970 | 1,871 | 566 | 58 | 366 |
| Card Services & Auto | 2,685 | 2,789 | 2,660 | 2,773 | 2,874 | (4) | (7) |
| Commercial Banking | 1,059 | 1,108 | 1,015 | 1,064 | 953 | (4) | 11 |
| Treasury & Securities Services | 541 | 459 | 438 | 479 | 463 | 18 | 17 |
| Asset Management | 641 | 532 | 520 | 743 | 746 | 20 | (14) |
| Corporate/Private Equity (a) | (1,077) | (292) | (1,339) | 656 | 977 | (269) | NM |
| **TOTAL PRE-PROVISION PROFIT** | **$ 9,072** | **$ 7,658** | **$ 8,834** | **$ 10,568** | **$ 9,796** | 18 | (7) |
| **NET INCOME/(LOSS)** | | | | | | | |
| Investment Bank | $ 1,682 | $ 726 | $ 1,636 | $ 2,057 | $ 2,370 | 132 | (29) |
| Retail Financial Services | 1,753 | 533 | 1,161 | 383 | (399) | 229 | NM |
| Card Services & Auto | 1,183 | 1,051 | 849 | 1,110 | 1,534 | 13 | (23) |
| Commercial Banking | 591 | 643 | 571 | 607 | 546 | (8) | 8 |
| Treasury & Securities Services | 351 | 250 | 305 | 333 | 316 | 40 | 11 |
| Asset Management | 386 | 302 | 385 | 439 | 466 | 28 | (17) |
| Corporate/Private Equity | (563) | 223 | (645) | 502 | 722 | NM | NM |
| **TOTAL NET INCOME** | **$ 5,383** | **$ 3,728** | **$ 4,262** | **$ 5,431** | **$ 5,555** | 44 | (3) |
| **AVERAGE EQUITY (b)** | | | | | | | |
| Investment Bank | $ 40,000 | $ 40,000 | $ 40,000 | $ 40,000 | $ 40,000 | — | — |
| Retail Financial Services | 26,500 | 25,000 | 25,000 | 25,000 | 25,000 | 6 | 6 |
| Card Services & Auto | 16,500 | 16,000 | 16,000 | 16,000 | 16,000 | 3 | 3 |
| Commercial Banking | 9,500 | 8,000 | 8,000 | 8,000 | 8,000 | 19 | 19 |
| Treasury & Securities Services | 7,500 | 7,000 | 7,000 | 7,000 | 7,000 | 7 | 7 |
| Asset Management | 7,000 | 6,500 | 6,500 | 6,500 | 6,500 | 8 | 8 |
| Corporate/Private Equity | 70,711 | 72,542 | 71,954 | 71,577 | 66,915 | (3) | 6 |
| **TOTAL AVERAGE EQUITY** | **$177,711** | **$175,042** | **$174,454** | **$174,077** | **$169,415** | 2 | 5 |
| **RETURN ON EQUITY (b)** | | | | | | | |
| Investment Bank | 17% | 7% | 16% | 21% | 24% | | |
| Retail Financial Services | 27 | 8 | 18 | 6 | (6) | | |
| Card Services & Auto | 29 | 26 | 21 | 28 | 39 | | |
| Commercial Banking | 25 | 32 | 28 | 30 | 28 | | |
| Treasury & Securities Services | 19 | 14 | 17 | 19 | 18 | | |
| Asset Management | 22 | 18 | 24 | 27 | 29 | | |
| **JPMORGAN CHASE** | **12** | **8** | **9** | **12** | **13** | | |

(a) Corporate/Private Equity includes an adjustment to offset Investment Bank's ("IB") inclusion of a credit allocation income/(expense) to Treasury & Securities Services ("TSS") in total net revenue; TSS reports the credit allocation as a separate line on its income statement (not within total net revenue).

(b) Equity for a line of business represents the amount the Firm believes the business would require if it were operating independently, incorporating sufficient capital to address regulatory capital requirements (including Basel III Tier 1 common capital requirements), economic risk measures and capital levels for similarly rated peers. Capital is also allocated to each line of business for, among other things, goodwill and other intangibles associated with acquisitions effected by the lines of business. ROE is measured and internal targets for expected returns are established as key measures of a business segment's performance. Effective January 1, 2012, the Firm further revised the capital allocated to certain businesses, reflecting additional refinement of each segment's Basel III Tier 1 common capital requirements.

**JPMORGAN CHASE & CO.**
**INVESTMENT BANK**
**FINANCIAL HIGHLIGHTS**
**(in millions, except ratio data)**

JPMorgan Chase & Co.

| | QUARTERLY TRENDS | | | | | 1Q12 Change | |
|---|---|---|---|---|---|---|---|
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **INCOME STATEMENT** | | | | | | | |
| **REVENUE** | | | | | | | |
| Investment banking fees | $1,375 | $1,119 | $1,039 | $1,922 | $1,779 | 23% | (23)% |
| Principal transactions (a) | 3,210 | 364 | 2,253 | 2,309 | 3,398 | NM | (6) |
| Asset management, administration and commissions | 565 | 477 | 563 | 548 | 619 | 18 | (9) |
| All other income (b) | 268 | 309 | 438 | 454 | 380 | (13) | (29) |
| **Noninterest revenue** | **5,418** | **2,269** | **4,293** | **5,233** | **6,176** | 139 | (12) |
| Net interest income | 1,903 | 2,089 | 2,076 | 2,081 | 2,057 | (9) | (7) |
| **TOTAL NET REVENUE (c)** | **7,321** | **4,358** | **6,369** | **7,314** | **8,233** | 68 | (11) |
| Provision for credit losses | (5) | 272 | 54 | (183) | (429) | NM | 99 |
| **NONINTEREST EXPENSE** | | | | | | | |
| Compensation expense | 2,901 | 1,172 | 1,850 | 2,564 | 3,294 | 148 | (12) |
| Noncompensation expense | 1,837 | 1,797 | 1,949 | 1,768 | 1,722 | 2 | 7 |
| **TOTAL NONINTEREST EXPENSE** | **4,738** | **2,969** | **3,799** | **4,332** | **5,016** | 60 | (6) |
| **Income before income tax expense** | **2,588** | **1,117** | **2,516** | **3,165** | **3,646** | 132 | (29) |
| Income tax expense | 906 | 391 | 880 | 1,108 | 1,276 | 132 | (29) |
| **NET INCOME** | **$1,682** | **$ 726** | **$1,636** | **$2,057** | **$2,370** | 132 | (29) |
| **FINANCIAL RATIOS** | | | | | | | |
| ROE | 17% | 7% | 16% | 21% | 24% | | |
| ROA | 0.86 | 0.36 | 0.81 | 0.98 | 1.18 | | |
| Overhead ratio | 65 | 68 | 60 | 59 | 61 | | |
| Compensation expense as a percent of total net revenue | 40 | 27 | 29 | 35 | 40 | | |
| **REVENUE BY BUSINESS** | | | | | | | |
| Investment banking fees: | | | | | | | |
| Advisory | $ 281 | $ 397 | $ 365 | $ 601 | $ 429 | (29) | (34) |
| Equity underwriting | 276 | 169 | 178 | 455 | 379 | 63 | (27) |
| Debt underwriting | 818 | 553 | 496 | 866 | 971 | 48 | (16) |
| **Total investment banking fees** | **1,375** | **1,119** | **1,039** | **1,922** | **1,779** | 23 | (23) |
| Fixed income markets (d) | 4,664 | 2,491 | 3,328 | 4,280 | 5,238 | 87 | (11) |
| Equity markets (e) | 1,294 | 779 | 1,424 | 1,223 | 1,406 | 66 | (8) |
| Credit portfolio (b)(f) | (12) | (31) | 578 | (111) | (190) | 61 | 94 |
| **Total net revenue** | **$7,321** | **$4,358** | **$6,369** | **$7,314** | **$8,233** | 68 | (11) |

(a) Principal transactions included debit valuation adjustments ("DVA") related to derivatives and structured liabilities measured at fair value. DVA gains/(losses) were ($907) million, ($567) million, $1.9 billion, $165 million and ($46) million for the three months ended March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, respectively.

(b) All other income included lending- and deposit-related fees. In addition, IB manages traditional credit exposures related to Global Corporate Bank ("GCB") on behalf of IB and TSS, and IB and TSS share the economics related to the Firm's GCB clients. IB recognizes this sharing agreement also within all other income.

(c) Total net revenue included tax-equivalent adjustments, predominantly due to income tax credits related to affordable housing and alternative energy investments, as well as tax-exempt income from municipal bond investments of $509 million, $510 million, $440 million, $493 million and $438 million for the three months ended March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, respectively.

(d) Fixed income markets primarily include revenue related to market-making across global fixed income markets, including foreign exchange, interest rate, credit and commodities markets. Includes DVA gains/(losses) of ($352) million, ($135) million, $529 million, $64 million and $95 million for the three months ended March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, respectively.

(e) Equity markets primarily include revenue related to market-making across global equity products, including cash instruments, derivatives, convertibles and Prime Services. Includes DVA gains/(losses) of ($130) million, ($27) million, $377 million, $78 million and ($72) million for the three months ended March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, respectively.

(f) Credit portfolio revenue includes net interest income, fees and loan sale activity, as well as gains or losses on securities received as part of a loan restructuring, for IB's credit portfolio. Credit portfolio revenue also includes the results of risk management related to the Firm's lending and derivative activities. Includes DVA gains/(losses) of ($425) million, ($405) million, $979 million, $23 million and ($69) million for the three months ended March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, respectively.

(in millions, except headcount and ratio data)

| | QUARTERLY TRENDS | | | | | 1Q12 Change | |
|---|---|---|---|---|---|---|---|
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **SELECTED BALANCE SHEET DATA (period-end)** | | | | | | | |
| Total assets | $812,959 | $776,430 | $824,733 | $809,630 | $853,452 | 5% | (5)% |
| Loans: | | | | | | | |
| Loans retained (a) | 67,213 | 68,208 | 58,163 | 56,107 | 52,712 | (1) | 28 |
| Loans held-for-sale and loans at fair value | 5,451 | 2,915 | 2,311 | 3,466 | 5,070 | 87 | 8 |
| **Total loans** | **72,664** | **71,123** | **60,474** | **59,573** | **57,782** | 2 | 26 |
| Equity | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | — | — |
| **SELECTED BALANCE SHEET DATA (average)** | | | | | | | |
| Total assets | $789,569 | $790,644 | $803,667 | $841,355 | $815,828 | — | (3) |
| Trading assets — debt and equity instruments | 313,267 | 313,005 | 329,984 | 374,694 | 368,956 | — | (15) |
| Trading assets — derivative receivables | 76,225 | 76,786 | 79,044 | 69,346 | 67,462 | (1) | 13 |
| Loans: | | | | | | | |
| Loans retained (a) | 66,710 | 62,698 | 57,265 | 54,590 | 53,370 | 6 | 25 |
| Loans held-for-sale and loans at fair value | 2,767 | 2,082 | 2,431 | 4,154 | 3,835 | 33 | (28) |
| **Total loans** | **69,477** | **64,780** | **59,696** | **58,744** | **57,205** | 7 | 21 |
| Adjusted assets (b) | 559,566 | 564,158 | 597,513 | 628,475 | 611,038 | (1) | (8) |
| Equity | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | — | — |
| **Headcount** | 25,707 | 25,999 | 26,615 | 27,716 | 26,494 | (1) | (3) |
| **CREDIT DATA AND QUALITY STATISTICS** | | | | | | | |
| Net charge-offs/(recoveries) | $ (35) | $ 199 | $ (168) | $ 7 | $ 123 | NM | NM |
| Nonperforming assets: | | | | | | | |
| Nonaccrual loans: | | | | | | | |
| Nonaccrual loans retained (a)(c) | 695 | 1,035 | 1,274 | 1,494 | 2,388 | (33) | (71) |
| Nonaccrual loans held-for-sale and loans at fair value | 182 | 166 | 150 | 193 | 259 | 10 | (30) |
| **Total nonaccrual loans** | **877** | **1,201** | **1,424** | **1,687** | **2,647** | (27) | (67) |
| Derivative receivables | 32 | 14 | 7 | 18 | 21 | 129 | 52 |
| Assets acquired in loan satisfactions | 79 | 79 | 77 | 83 | 73 | — | 8 |
| **Total nonperforming assets** | **988** | **1,294** | **1,508** | **1,788** | **2,741** | (24) | (64) |
| Allowance for credit losses: | | | | | | | |
| Allowance for loan losses | 1,386 | 1,436 | 1,337 | 1,178 | 1,330 | (3) | 4 |
| Allowance for lending-related commitments | 530 | 418 | 444 | 383 | 424 | 27 | 25 |
| **Total allowance for credit losses** | **1,916** | **1,854** | **1,781** | **1,561** | **1,754** | 3 | 9 |
| Net charge-off/(recovery) rate (a) | (0.21)% | 1.26% | (1.16)% | 0.05% | 0.93% | | |
| Allow. for loan losses to period-end loans retained (a) | 2.06 | 2.11 | 2.30 | 2.10 | 2.52 | | |
| Allow. for loan losses to nonaccrual loans retained (a)(c) | 199 | 139 | 105 | 79 | 56 | | |
| Nonaccrual loans to total period-end loans | 1.21 | 1.69 | 2.35 | 2.83 | 4.58 | | |

(a) Loans retained included credit portfolio loans, leveraged leases and other held-for-investment loans.

(b) Adjusted assets, a non-GAAP financial measure, is presented to assist the reader in comparing IB's asset and capital levels with those of other investment banks in the securities industry. For further discussion of adjusted assets, see page 46.

(c) Allowance for loan losses of $225 million, $263 million, $320 million, $377 million and $567 million were held against these nonaccrual loans at March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, respectively.

(in millions, except ratio and rankings data)

| | QUARTERLY TRENDS | | | | | 1Q12 Change | |
|---|---|---|---|---|---|---|---|
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **MARKET RISK — 95% CONFIDENCE LEVEL AVERAGE TRADING AND CREDIT PORTFOLIO VAR** | | | | | | | |
| Trading activities: | | | | | | | |
| Fixed income | $ 60 | $ 56 | $ 48 | $ 45 | $ 49 | 7% | 22% |
| Foreign exchange | 11 | 12 | 10 | 9 | 11 | (8) | — |
| Equities | 17 | 19 | 19 | 25 | 29 | (11) | (41) |
| Commodities and other | 21 | 20 | 15 | 16 | 13 | 5 | 62 |
| Diversification benefit to trading VaR (a) | (46) | (50) | (39) | (37) | (38) | 8 | (21) |
| **Total trading VaR (b)** | **63** | **57** | **53** | **58** | **64** | 11 | (2) |
| Credit portfolio VaR (c) | 32 | 39 | 38 | 27 | 26 | (18) | 23 |
| Diversification benefit to trading and credit portfolio VaR (a) | (14) | (21) | (21) | (8) | (7) | 33 | (100) |
| **Total trading and credit portfolio VaR** | **$ 81** | **$ 75** | **$ 70** | **$ 77** | **$ 83** | 8 | (2) |

| | THREE MONTHS ENDED MARCH 31, 2012 | | FULL YEAR 2011 | |
|---|---|---|---|---|
| | Market Share | Rankings | Market Share | Rankings |
| **MARKET SHARES AND RANKINGS (d)** | | | | |
| **Global investment banking fees (e)** | 7.9% | #1 | 8.0% | #1 |
| **Debt, equity and equity-related** | | | | |
| Global | 7.2 | 1 | 6.7 | 1 |
| U.S. | 11.7 | 1 | 11.1 | 1 |
| **Syndicated loans** | | | | |
| Global | 9.0 | 2 | 10.9 | 1 |
| U.S. | 16.0 | 2 | 21.2 | 1 |
| **Long-term debt (f)** | | | | |
| Global | 7.1 | 1 | 6.7 | 1 |
| U.S. | 11.4 | 1 | 11.2 | 1 |
| **Equity and equity-related** | | | | |
| Global (g) | 8.6 | 3 | 6.8 | 3 |
| U.S. | 11.3 | 3 | 12.5 | 1 |
| **Announced M&A (h)** | | | | |
| Global | 22.3 | 1 | 18.5 | 2 |
| U.S. | 21.7 | 1 | 27.1 | 2 |

(a) Average value-at-risk ("VaR") was less than the sum of the VaR of the components described above, due to portfolio diversification. The diversification effect reflects the fact that the risks were not perfectly correlated. The risk of a portfolio of positions is therefore usually less than the sum of the risks of the positions themselves.

(b) Trading VaR includes substantially all market-making and client-driven activities, as well as certain risk management activities in IB, including the credit spread sensitivities of certain mortgage products and syndicated lending facilities that the Firm intends to distribute; however, particular risk parameters of certain products are not fully captured, for example, correlation risk. Trading VaR does not include the DVA on derivative and structured liabilities to reflect the credit quality of the Firm.

(c) Credit portfolio VaR includes the derivative CVA, hedges of the CVA and the fair value of hedges of the retained loan portfolio, which are all reported in principal transactions revenue. However, Credit portfolio VaR does not include the retained loan portfolio, which is not reported at fair value.

(d) Source: Dealogic. Global Investment Banking fees reflects the ranking of fees and market share. Remainder of rankings reflects transaction volume rank and market share. Global announced M&A is based on transaction value at announcement; because of joint M&A assignments, M&A market share of all participants will add up to more than 100%. All other transaction volume-based rankings are based on proceeds, with full credit to each book manager/equal if joint.

(e) Global IB fees rankings exclude money market, short-term debt and shelf deals.

(f) Long-term debt rankings include investment-grade, high-yield, supranationals, sovereigns, agencies, covered bonds, asset-backed securities and mortgage-backed securities; and exclude money market, short-term debt, and U.S. municipal securities.

(g) Global equity and equity-related ranking includes rights offerings and Chinese A-Shares.

(h) Announced M&A for the periods presented reflects the removal of any withdrawn transactions. U.S. announced M&A represents any U.S. involvement ranking.

(in millions)

| | QUARTERLY TRENDS | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | 1Q12 Change | |
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **INTERNATIONAL METRICS** | | | | | | | |
| **Total net revenue: (a)** | | | | | | | |
| Europe/Middle East/Africa | $ 2,400 | $ 1,353 | $ 1,995 | $ 2,478 | $ 2,592 | 77% | (7)% |
| Asia/Pacific | 758 | 502 | 948 | 762 | 1,122 | 51 | (32) |
| Latin America/Caribbean | 339 | 240 | 175 | 337 | 327 | 41 | 4 |
| North America | 3,824 | 2,263 | 3,251 | 3,737 | 4,192 | 69 | (9) |
| **Total net revenue** | **$ 7,321** | **$ 4,358** | **$ 6,369** | **$ 7,314** | **$ 8,233** | 68 | (11) |
| **Loans (period-end): (b)** | | | | | | | |
| Europe/Middle East/Africa | $16,358 | $15,905 | $15,361 | $15,370 | $14,059 | 3 | 16 |
| Asia/Pacific | 7,969 | 7,889 | 6,892 | 6,211 | 5,472 | 1 | 46 |
| Latin America/Caribbean | 3,764 | 3,148 | 3,222 | 2,633 | 2,190 | 20 | 72 |
| North America | 39,122 | 41,266 | 32,688 | 31,893 | 30,991 | (5) | 26 |
| **Total loans** | **$67,213** | **$68,208** | **$58,163** | **$56,107** | **$52,712** | (1) | 28 |

(a) Regional revenue is based primarily on the domicile of the client and/or location of the trading desk.

(b) Includes retained loans based on the domicile of the client.

**JPMORGAN CHASE & CO.**
**RETAIL FINANCIAL SERVICES**
**FINANCIAL HIGHLIGHTS**
**(in millions, except ratio and headcount data)**

| | QUARTERLY TRENDS | | | | | 1Q12 Change | |
|---|---|---|---|---|---|---|---|
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **INCOME STATEMENT** | | | | | | | |
| **REVENUE** | | | | | | | |
| Lending- and deposit-related fees | $ 748 | $ 808 | $ 833 | $ 813 | $ 736 | (7)% | 2% |
| Asset management, administration and commissions | 527 | 494 | 513 | 499 | 485 | 7 | 9 |
| Mortgage fees and related income | 2,008 | 723 | 1,380 | 1,100 | (489) | 178 | NM |
| Credit card income | 315 | 305 | 611 | 572 | 537 | 3 | (41) |
| Other income | 126 | 107 | 136 | 131 | 111 | 18 | 14 |
| **Noninterest revenue** | **3,724** | **2,437** | **3,473** | **3,115** | **1,380** | 53 | 170 |
| Net interest income | 3,925 | 3,958 | 4,062 | 4,027 | 4,086 | (1) | (4) |
| **TOTAL NET REVENUE** | **7,649** | **6,395** | **7,535** | **7,142** | **5,466** | 20 | 40 |
| Provision for credit losses | (96) | 779 | 1,027 | 994 | 1,199 | NM | NM |
| **NONINTEREST EXPENSE** | | | | | | | |
| Compensation expense | 2,305 | 2,130 | 2,101 | 1,937 | 1,876 | 8 | 23 |
| Noncompensation expense | 2,653 | 2,534 | 2,404 | 3,274 | 2,964 | 5 | (10) |
| Amortization of intangibles | 51 | 58 | 60 | 60 | 60 | (12) | (15) |
| **TOTAL NONINTEREST EXPENSE** | **5,009** | **4,722** | **4,565** | **5,271** | **4,900** | 6 | 2 |
| **Income/(loss) before income tax expense/(benefit)** | **2,736** | **894** | **1,943** | **877** | **(633)** | 206 | NM |
| Income tax expense/(benefit) | 983 | 361 | 782 | 494 | (234) | 172 | NM |
| **NET INCOME/(LOSS)** | **$ 1,753** | **$ 533** | **$ 1,161** | **$ 383** | **$ (399)** | 229 | NM |
| **FINANCIAL RATIOS** | | | | | | | |
| ROE | 27% | 8% | 18% | 6% | (6)% | | |
| Overhead ratio | 65 | 74 | 61 | 74 | 90 | | |
| Overhead ratio excluding core deposit intangibles (a) | 65 | 73 | 60 | 73 | 89 | | |
| **SELECTED BALANCE SHEET DATA (period-end)** | | | | | | | |
| Total assets | $269,442 | $274,795 | $276,799 | $283,753 | $289,336 | (2) | (7) |
| Loans: | | | | | | | |
| Loans retained | 227,491 | 232,555 | 235,572 | 241,127 | 247,128 | (2) | (8) |
| Loans held-for-sale and loans at fair value (b) | 12,496 | 12,694 | 13,153 | 13,558 | 12,234 | (2) | 2 |
| **Total loans** | **239,987** | **245,249** | **248,725** | **254,685** | **259,362** | (2) | (7) |
| Deposits | 413,901 | 395,797 | 388,735 | 378,371 | 379,605 | 5 | 9 |
| Equity | 26,500 | 25,000 | 25,000 | 25,000 | 25,000 | 6 | 6 |
| **SELECTED BALANCE SHEET DATA (average)** | | | | | | | |
| Total assets | 271,973 | 278,497 | 283,443 | 287,235 | 297,938 | (2) | (9) |
| Loans: | | | | | | | |
| Loans retained | 230,170 | 233,958 | 238,273 | 244,030 | 250,443 | (2) | (8) |
| Loans held-for-sale and loans at fair value (b) | 15,621 | 16,680 | 16,608 | 14,613 | 17,519 | (6) | (11) |
| **Total loans** | **245,791** | **250,638** | **254,881** | **258,643** | **267,962** | (2) | (8) |
| Deposits | 399,561 | 389,519 | 382,202 | 378,932 | 371,787 | 3 | 7 |
| Equity | 26,500 | 25,000 | 25,000 | 25,000 | 25,000 | 6 | 6 |
| **Headcount** | 134,321 | 133,075 | 128,992 | 122,728 | 118,547 | 1 | 13 |

(a) Retail Financial Services uses the overhead ratio (excluding the amortization of core deposit intangibles (“CDI”)), a non-GAAP financial measure, to evaluate the underlying expense trends of the business. Including CDI amortization expense in the overhead ratio calculation would result in a higher overhead ratio in the earlier years and a lower overhead ratio in later years; this method would therefore result in an improving overhead ratio over time, all things remaining equal. This non-GAAP ratio excludes Consumer & Business Banking’s CDI amortization expense related to prior business combination transactions of $51 million, $58 million, $60 million, $60 million and $60 million for the three months ended March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, respectively.

(b) Predominantly consists of prime mortgages originated with the intent to sell that are accounted for at fair value and classified as trading assets on the Consolidated Balance Sheets.

(in millions, except ratio data)

| | QUARTERLY TRENDS | | | | | 1Q12 Change | |
|---|---|---|---|---|---|---|---|
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **CREDIT DATA AND QUALITY STATISTICS** | | | | | | | |
| Net charge-offs | $ 904 | $ 1,009 | $ 1,027 | $ 1,069 | $ 1,199 | (10)% | (25)% |
| Nonaccrual loans: | | | | | | | |
| Nonaccrual loans retained | 8,191 | 7,170 | 7,579 | 8,088 | 8,278 | 14 | (1) |
| Nonaccrual loans held-for-sale and loans at fair value | 101 | 103 | 132 | 142 | 150 | (2) | (33) |
| **Total nonaccrual loans (a)(b)(c)(d)** | **8,292** | **7,273** | **7,711** | **8,230** | **8,428** | 14 | (2) |
| Nonperforming assets (a)(b)(c) | 9,109 | 8,064 | 8,576 | 9,175 | 9,632 | 13 | (5) |
| Allowance for loan losses | 14,247 | 15,247 | 15,479 | 15,479 | 15,554 | (7) | (8) |
| Net charge-off rate (e) | 1.58% | 1.71% | 1.71% | 1.76% | 1.94% | | |
| Net charge-off rate excluding purchased credit-impaired ("PCI") loans (e) | 2.20 | 2.39 | 2.39 | 2.46 | 2.72 | | |
| Allowance for loan losses to ending loans retained | 6.26 | 6.56 | 6.57 | 6.42 | 6.29 | | |
| Allowance for loan losses to ending loans retained excluding PCI loans (f) | 5.22 | 5.71 | 6.26 | 6.12 | 6.02 | | |
| Allowance for loan losses to nonaccrual loans retained (a)(f) | 104 | 133 | 139 | 130 | 128 | | |
| Nonaccrual loans to total loans | 3.46 | 2.97 | 3.10 | 3.23 | 3.25 | | |
| Nonaccrual loans to total loans excluding PCI loans (a) | 4.71 | 4.05 | 4.25 | 4.43 | 4.47 | | |

(a) Excludes PCI loans. Because the Firm is recognizing interest income on each pool of PCI loans, they are all considered to be performing.

(b) Certain of these loans are classified as trading assets on the Consolidated Balance Sheets.

(c) At March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, nonperforming assets excluded: (1) mortgage loans insured by U.S. government agencies of $11.8 billion, $11.5 billion, $9.5 billion, $9.1 billion and $8.8 billion, respectively, that are 90 or more days past due; and (2) real estate owned insured by U.S. government agencies of $1.2 billion, $954 million, $2.4 billion, $2.4 billion and $2.3 billion, respectively. These amounts are excluded as reimbursement of insured amounts is proceeding normally.

(d) Includes $1.6 billion of performing junior liens that are subordinate to nonaccrual senior liens; such junior liens are now being reported as nonaccrual loans based upon regulatory guidance issued in the first quarter of 2012. Of the total, $1.4 billion were current at March 31, 2012.

(e) Loans held-for-sale and loans accounted for at fair value were excluded when calculating the net charge-off rate.

(f) An allowance for loan losses of $5.7 billion at March 31, 2012 and December 31, 2011 and $4.9 billion at September 30, 2011, June 30, 2011 and March 31, 2011 was recorded for PCI loans; these amounts were also excluded from the applicable ratios.

| | QUARTERLY TRENDS | | | | | 1Q12 Change | |
|---|---|---|---|---|---|---|---|
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **CONSUMER & BUSINESS BANKING** | | | | | | | |
| Noninterest revenue | $ 1,585 | $ 1,603 | $ 1,952 | $ 1,889 | $ 1,757 | (1)% | (10)% |
| Net interest income | 2,675 | 2,714 | 2,730 | 2,706 | 2,659 | (1) | 1 |
| **Total net revenue** | **4,260** | **4,317** | **4,682** | **4,595** | **4,416** | (1) | (4) |
| Provision for credit losses | 96 | 132 | 126 | 42 | 119 | (27) | (19) |
| Noninterest expense | 2,866 | 2,848 | 2,842 | 2,713 | 2,799 | 1 | 2 |
| **Income before income tax expense** | **1,298** | **1,337** | **1,714** | **1,840** | **1,498** | (3) | (13) |
| **Net income** | **$ 774** | **$ 802** | **$ 1,023** | **$ 1,098** | **$ 893** | (3) | (13) |
| Overhead ratio | 67% | 66% | 61% | 59% | 63% | | |
| Overhead ratio excluding core deposit intangibles (a) | 66 | 65 | 59 | 58 | 62 | | |
| **BUSINESS METRICS** | | | | | | | |
| Business banking origination volume | $ 1,540 | $ 1,389 | $ 1,440 | $ 1,573 | $ 1,425 | 11 | 8 |
| End-of-period loans | 17,822 | 17,652 | 17,272 | 17,141 | 16,957 | 1 | 5 |
| End-of-period deposits: | | | | | | | |
| Checking | 159,075 | 147,779 | 142,064 | 136,297 | 137,463 | 8 | 16 |
| Savings | 200,662 | 191,891 | 186,733 | 182,127 | 180,345 | 5 | 11 |
| Time and other | 35,642 | 36,743 | 39,017 | 41,948 | 44,001 | (3) | (19) |
| **Total end-of-period deposits** | **395,379** | **376,413** | **367,814** | **360,372** | **361,809** | 5 | 9 |
| Average loans | 17,667 | 17,363 | 17,172 | 17,057 | 16,886 | 2 | 5 |
| Average deposits: | | | | | | | |
| Checking | 147,455 | 140,672 | 137,033 | 136,558 | 131,954 | 5 | 12 |
| Savings | 197,199 | 189,553 | 184,590 | 180,892 | 175,133 | 4 | 13 |
| Time and other | 36,121 | 37,708 | 40,588 | 43,053 | 45,035 | (4) | (20) |
| **Total average deposits** | **380,775** | **367,933** | **362,211** | **360,503** | **352,122** | 3 | 8 |
| Deposit margin | 2.68% | 2.76% | 2.82% | 2.83% | 2.88% | | |
| Average assets | $ 30,857 | $ 30,373 | $ 30,074 | $ 29,047 | $ 29,409 | 2 | 5 |
| **CREDIT DATA AND QUALITY STATISTICS** | | | | | | | |
| Net charge-offs | 96 | 132 | 126 | 117 | 119 | (27) | (19) |
| Net charge-off rate | 2.19% | 3.02% | 2.91% | 2.74% | 2.86% | | |
| Allowance for loan losses | $ 798 | $ 798 | $ 800 | $ 800 | $ 875 | — | (9) |
| Nonperforming assets | 663 | 710 | 773 | 784 | 822 | (7) | (19) |
| **RETAIL BRANCH BUSINESS METRICS** | | | | | | | |
| Investment sales volume | 6,598 | 4,696 | 5,102 | 6,334 | 6,584 | 41 | — |
| Client investment assets | 147,083 | 137,853 | 132,255 | 140,285 | 138,150 | 7 | 6 |
| % managed accounts | 26% | 24% | 23% | 23% | 22% | | |
| **Number of:** | | | | | | | |
| Branches | 5,541 | 5,508 | 5,396 | 5,340 | 5,292 | 1 | 5 |
| Chase Private Client branch locations | 366 | 262 | 139 | 16 | 16 | 40 | NM |
| ATMs | 17,654 | 17,235 | 16,708 | 16,443 | 16,265 | 2 | 9 |
| Personal bankers | 24,198 | 24,308 | 24,205 | 23,330 | 21,894 | — | 11 |
| Sales specialists | 6,110 | 6,017 | 5,639 | 5,289 | 5,039 | 2 | 21 |
| Client advisors | 3,131 | 3,201 | 3,177 | 3,112 | 3,051 | (2) | 3 |
| Active online customers (in thousands) | 17,915 | 17,334 | 17,326 | 17,083 | 17,339 | 3 | 3 |
| Active mobile customers (in thousands) | 8,570 | 8,391 | 7,234 | 6,580 | 6,025 | 2 | 42 |
| Chase Private Clients | 32,857 | 21,723 | 11,711 | 5,807 | 4,829 | 51 | NM |
| Checking accounts (in thousands) | 27,034 | 26,626 | 26,541 | 26,266 | 26,622 | 2 | 2 |

(a) Consumer & Business Banking uses the overhead ratio (excluding the amortization of CDI), a non-GAAP financial measure, to evaluate the underlying expense trends of the business. See footnote (a) on page 14 for further details.

(in millions, except ratio data)

| | QUARTERLY TRENDS | | | | | 1Q12 Change | |
|---|---|---|---|---|---|---|---|
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **MORTGAGE PRODUCTION AND SERVICING** | | | | | | | |
| Mortgage fees and related income | $2,008 | $ 723 | $ 1,380 | $ 1,100 | $ (489) | 178% | NM% |
| Other noninterest revenue | 123 | 124 | 118 | 106 | 104 | (1) | 18 |
| Net interest income | 177 | 171 | 204 | 124 | 271 | 4 | (35) |
| **Total net revenue** | **2,308** | **1,018** | **1,702** | **1,330** | **(114)** | 127 | NM |
| Provision for credit losses | — | 1 | 2 | (2) | 4 | NM | NM |
| Noninterest expense | 1,724 | 1,442 | 1,360 | 2,187 | 1,746 | 20 | (1) |
| **Income/(loss) before income tax expense/(benefit)** | **584** | **(425)** | **340** | **(855)** | **(1,864)** | NM | NM |
| **Net income/(loss)** | **$ 461** | **$ (258)** | **$ 205** | **$ (649)** | **$(1,130)** | NM | NM |
| Overhead ratio | 75% | 142% | 80% | 164% | NM% | | |
| **FUNCTIONAL RESULTS** | | | | | | | |
| **Production** | | | | | | | |
| Production revenue | $1,432 | $ 859 | $ 1,090 | $ 767 | $ 679 | 67 | 111 |
| Production-related net interest & other income | 187 | 210 | 213 | 199 | 218 | (11) | (14) |
| **Production-related revenue, excl. repurchase losses** | **1,619** | **1,069** | **1,303** | **966** | **897** | 51 | 80 |
| Production expense | 573 | 518 | 496 | 457 | 424 | 11 | 35 |
| **Income, excluding repurchase losses** | **1,046** | **551** | **807** | **509** | **473** | 90 | 121 |
| Repurchase losses | (302) | (390) | (314) | (223) | (420) | 23 | 28 |
| **Income before income tax expense** | **744** | **161** | **493** | **286** | **53** | 362 | NM |
| **Servicing** | | | | | | | |
| Loan servicing revenue | 1,039 | 1,032 | 1,039 | 1,011 | 1,052 | 1 | (1) |
| Servicing-related net interest & other income | 112 | 90 | 115 | 29 | 156 | 24 | (28) |
| **Servicing-related revenue** | **1,151** | **1,122** | **1,154** | **1,040** | **1,208** | 3 | (5) |
| MSR asset modeled amortization | (351) | (406) | (457) | (478) | (563) | 14 | 38 |
| Default servicing expense (a) | 890 | 702 | 585 | 1,449 | 1,078 | 27 | (17) |
| Core servicing expense (a) | 261 | 223 | 281 | 279 | 248 | 17 | 5 |
| **Income/(loss), excluding MSR risk management** | **(351)** | **(209)** | **(169)** | **(1,166)** | **(681)** | (68) | 48 |
| MSR risk management, including related net interest income/(expense) (b) | 191 | (377) | 16 | 25 | (1,236) | NM | NM |
| **Income/(loss) before income tax expense/(benefit)** | **(160)** | **(586)** | **(153)** | **(1,141)** | **(1,917)** | 73 | 92 |
| **Net Income/(loss)** | **$ 461** | **$ (258)** | **$ 205** | **$ (649)** | **$(1,130)** | NM | NM |
| **SUPPLEMENTAL MORTGAGE FEES AND RELATED INCOME DETAILS** | | | | | | | |
| Net production revenue: | | | | | | | |
| Production revenue | $1,432 | $ 859 | $ 1,090 | $ 767 | $ 679 | 67 | 111 |
| Repurchase losses | (302) | (390) | (314) | (223) | (420) | 23 | 28 |
| **Net production revenue** | **1,130** | **469** | **776** | **544** | **259** | 141 | 336 |
| Net mortgage servicing revenue: | | | | | | | |
| Operating revenue: | | | | | | | |
| Loan servicing revenue | 1,039 | 1,032 | 1,039 | 1,011 | 1,052 | 1 | (1) |
| Changes in MSR asset fair value due to modeled amortization | (351) | (406) | (457) | (478) | (563) | 14 | 38 |
| **Total operating revenue** | **688** | **626** | **582** | **533** | **489** | 10 | 41 |
| Risk management: | | | | | | | |
| Changes in MSR asset fair value due to inputs or assumptions in model | 596 | (832) | (4,574) | (960) | (751) | NM | NM |
| Derivative valuation adjustments and other | (406) | 460 | 4,596 | 983 | (486) | NM | 16 |
| **Total risk management** | **190(c)** | **(372)** | **22** | **23** | **(1,237)** | NM | NM |
| **Total net mortgage servicing revenue** | **878** | **254** | **604** | **556** | **(748)** | 246 | NM |
| **Mortgage fees and related income** | **$2,008** | **$ 723** | **$ 1,380** | **$ 1,100** | **$ (489)** | 178 | NM |

(a) Default and core servicing expense include an aggregate of approximately $200 million, $1.0 billion and $650 million of fees and assessments, as well as other costs of foreclosure-related matters for the three months ended March 31, 2012, June 30, 2011 and March 31, 2011, respectively.

(b) Predominantly includes: (1) changes in the MSR asset fair value due to changes in market interest rates and other modeled inputs and assumptions, and (2) changes in the value of the derivatives used to hedge the MSR asset.

(c) In the first quarter of 2012, the Firm recognized a gain of $596 million due to an increase in the fair value of the MSR asset, primarily driven by a $644 million gain due to changes in market interest rates. Offsetting this gain was a $406 million loss on the derivatives used to hedge the MSR asset.

| | QUARTERLY TRENDS | | | | | 1Q12 Change | |
|---|---|---|---|---|---|---|---|
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **MORTGAGE PRODUCTION AND SERVICING (continued)** | | | | | | | |
| **SELECTED BALANCE SHEET DATA** | | | | | | | |
| End-of-period loans: | | | | | | | |
| Prime mortgage, including option ARMs (a) | $17,268 | $16,891 | $14,800 | $14,260 | $14,147 | 2% | 22% |
| Loans held-for-sale and loans at fair value (b) | 12,496 | 12,694 | 13,153 | 13,558 | 12,234 | (2) | 2 |
| Average loans: | | | | | | | |
| Prime mortgage, including option ARMs (a) | 17,238 | 15,733 | 14,451 | 14,083 | 14,037 | 10 | 23 |
| Loans held-for-sale and loans at fair value (b) | 15,621 | 16,680 | 16,608 | 14,613 | 17,519 | (6) | (11) |
| Average assets | 58,862 | 60,473 | 59,677 | 58,072 | 61,354 | (3) | (4) |
| Repurchase reserve (ending) | 3,213 | 3,213 | 3,213 | 3,213 | 3,205 | — | — |
| **CREDIT DATA AND QUALITY STATISTICS** | | | | | | | |
| Net charge-offs/(recoveries): | | | | | | | |
| Prime mortgage, including option ARMs | — | 1 | 2 | (2) | 4 | NM | NM |
| Net charge-off/(recovery) rate: | | | | | | | |
| Prime mortgage, including option ARMs | —% | 0.03% | 0.06% | (0.06)% | 0.12% | | |
| 30+ day delinquency rate (c) | 3.01 | 3.15 | 3.35 | 3.30 | 3.21 | | |
| Nonperforming assets (d) | $ 708 | $ 716 | $ 691 | $ 662 | $ 658 | (1) | 8 |
| **BUSINESS METRICS (in billions)** | | | | | | | |
| Origination volume by channel | | | | | | | |
| Retail | 23.4 | 23.1 | 22.4 | 20.7 | 21.0 | 1 | 11 |
| Wholesale (e) | — | 0.1 | 0.1 | 0.1 | 0.2 | NM | NM |
| Correspondent (e) | 14.2 | 14.9 | 13.4 | 10.3 | 13.5 | (5) | 5 |
| CNT (negotiated transactions) | 0.8 | 0.5 | 0.9 | 2.9 | 1.5 | 60 | (47) |
| **Total origination volume** | **38.4** | **38.6** | **36.8** | **34.0** | **36.2** | (1) | 6 |
| Application volume by channel | | | | | | | |
| Retail | 40.0 | 34.6 | 37.7 | 33.6 | 31.3 | 16 | 28 |
| Wholesale (e) | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | — | (33) |
| Correspondent (e) | 19.7 | 17.8 | 20.2 | 14.9 | 13.6 | 11 | 45 |
| **Total application volume** | **59.9** | **52.6** | **58.1** | **48.8** | **45.2** | 14 | 33 |
| Third-party mortgage loans serviced (ending) | 884.2 | 902.2 | 924.5 | 940.8 | 955.0 | (2) | (7) |
| Third-party mortgage loans serviced (average) | 892.6 | 913.2 | 931.4 | 947.0 | 958.7 | (2) | (7) |
| MSR net carrying value (ending) | 8.0 | 7.2 | 7.8 | 12.2 | 13.1 | 11 | (39) |
| Ratio of MSR net carrying value (ending) to third-party mortgage loans serviced (ending) | 0.90% | 0.80% | 0.84% | 1.30% | 1.37% | | |
| Ratio of annualized loan servicing revenue to third-party mortgage loans serviced (average) | 0.47 | 0.45 | 0.44 | 0.43 | 0.45 | | |
| MSR revenue multiple (f) | 1.91x | 1.78x | 1.91x | 3.02x | 3.04x | | |

(a) Predominantly represents prime loans repurchased from Government National Mortgage Association (“Ginnie Mae”) pools, which are insured by U.S. government agencies.

(b) Predominantly consists of prime mortgages originated with the intent to sell that are accounted for at fair value and classified as trading assets on the Consolidated Balance Sheets.

(c) At March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, excludes mortgage loans insured by U.S. government agencies of $12.7 billion, $12.6 billion, $10.5 billion, $10.1 billion and $9.5 billion, respectively, that are 30 or more days past due. These amounts are excluded as reimbursement of insured amounts is proceeding normally.

(d) At March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, nonperforming assets excluded: (1) mortgage loans insured by U.S. government agencies of $11.8 billion, $11.5 billion, $9.5 billion, $9.1 billion and $8.8 billion, respectively, that are 90 or more days past due; and (2) real estate owned insured by U.S. government agencies of $1.2 billion, $954 million, $2.4 billion, $2.4 billion and $2.3 billion, respectively. These amounts are excluded as reimbursement of insured amounts is proceeding normally.

(e) Includes rural housing loans sourced through brokers and correspondents, which are underwritten and closed in conjunction with the U.S. Department of Agriculture Rural Development, which acts as the guarantor in the transactions.

(f) Represents the ratio of MSR net carrying value (ending) to third-party mortgage loans serviced (ending) divided by the ratio of annualized loan servicing revenue to third-party mortgage loans serviced (average).

(in millions, except ratio data)

JPMORGAN CHASE & CO.

| | QUARTERLY TRENDS | | | | | 1Q12 Change | |
|---|---|---|---|---|---|---|---|
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **REAL ESTATE PORTFOLIOS** | | | | | | | |
| Noninterest revenue | $ 8 | $ (13) | $ 23 | $ 20 | $ 8 | NM% | —% |
| Net interest income | 1,073 | 1,073 | 1,128 | 1,197 | 1,156 | — | (7) |
| **Total net revenue** | **1,081** | **1,060** | **1,151** | **1,217** | **1,164** | 2 | (7) |
| Provision for credit losses | (192) | 646 | 899 | 954 | 1,076 | NM | NM |
| Noninterest expense | 419 | 432 | 363 | 371 | 355 | (3) | 18 |
| **Income/(loss) before income tax expense/(benefit)** | **854** | **(18)** | **(111)** | **(108)** | **(267)** | NM | NM |
| **Net income/(loss)** | **$ 518** | **$ (11)** | **$ (67)** | **$ (66)** | **$ (162)** | NM | NM |
| Overhead ratio | 39% | 41% | 32% | 30% | 30% | | |
| **BUSINESS METRICS** | | | | | | | |
| **LOANS EXCLUDING PCI LOANS** | | | | | | | |
| End-of-period loans owned: | | | | | | | |
| Home equity | $ 75,207 | $ 77,800 | $ 80,278 | $ 82,751 | $ 85,253 | (3) | (12) |
| Prime mortgage, including option ARMs | 43,152 | 44,284 | 45,439 | 46,994 | 48,552 | (3) | (11) |
| Subprime mortgage | 9,289 | 9,664 | 10,045 | 10,441 | 10,841 | (4) | (14) |
| Other | 692 | 718 | 741 | 767 | 801 | (4) | (14) |
| **Total end-of-period loans owned** | **$128,340** | **$132,466** | **$136,503** | **$140,953** | **$145,447** | (3) | (12) |
| Average loans owned: | | | | | | | |
| Home equity | $ 76,600 | $ 79,106 | $ 81,568 | $ 84,065 | $ 86,907 | (3) | (12) |
| Prime mortgage, including option ARMs | 43,701 | 44,886 | 46,165 | 47,615 | 49,273 | (3) | (11) |
| Subprime mortgage | 9,485 | 9,880 | 10,268 | 10,667 | 11,086 | (4) | (14) |
| Other | 707 | 729 | 753 | 785 | 829 | (3) | (15) |
| **Total average loans owned** | **$130,493** | **$134,601** | **$138,754** | **$143,132** | **$148,095** | (3) | (12) |
| **PCI LOANS** | | | | | | | |
| End-of-period loans owned: | | | | | | | |
| Home equity | $ 22,305 | $ 22,697 | $ 23,105 | $ 23,535 | $ 23,973 | (2) | (7) |
| Prime mortgage | 14,781 | 15,180 | 15,626 | 16,200 | 16,725 | (3) | (12) |
| Subprime mortgage | 4,870 | 4,976 | 5,072 | 5,187 | 5,276 | (2) | (8) |
| Option ARMs | 22,105 | 22,693 | 23,325 | 24,072 | 24,791 | (3) | (11) |
| **Total end-of-period loans owned** | **$ 64,061** | **$ 65,546** | **$ 67,128** | **$ 68,994** | **$ 70,765** | (2) | (9) |
| Average loans owned: | | | | | | | |
| Home equity | $ 22,488 | $ 22,872 | $ 23,301 | $ 23,727 | $ 24,170 | (2) | (7) |
| Prime mortgage | 14,975 | 15,405 | 15,909 | 16,456 | 16,974 | (3) | (12) |
| Subprime mortgage | 4,914 | 5,024 | 5,128 | 5,231 | 5,301 | (2) | (7) |
| Option ARMs | 22,395 | 23,009 | 23,666 | 24,420 | 25,113 | (3) | (11) |
| **Total average loans owned** | **$ 64,772** | **$ 66,310** | **$ 68,004** | **$ 69,834** | **$ 71,558** | (2) | (9) |
| **TOTAL REAL ESTATE PORTFOLIOS** | | | | | | | |
| End-of-period loans owned: | | | | | | | |
| Home equity | $ 97,512 | $100,497 | $103,383 | $106,286 | $109,226 | (3) | (11) |
| Prime mortgage, including option ARMs | 80,038 | 82,157 | 84,390 | 87,266 | 90,068 | (3) | (11) |
| Subprime mortgage | 14,159 | 14,640 | 15,117 | 15,628 | 16,117 | (3) | (12) |
| Other | 692 | 718 | 741 | 767 | 801 | (4) | (14) |
| **Total end-of-period loans owned** | **$192,401** | **$198,012** | **$203,631** | **$209,947** | **$216,212** | (3) | (11) |
| Average loans owned: | | | | | | | |
| Home equity | $ 99,088 | $101,978 | $104,869 | $107,792 | $111,077 | (3) | (11) |
| Prime mortgage, including option ARMs | 81,071 | 83,300 | 85,740 | 88,491 | 91,360 | (3) | (11) |
| Subprime mortgage | 14,399 | 14,904 | 15,396 | 15,898 | 16,387 | (3) | (12) |
| Other | 707 | 729 | 753 | 785 | 829 | (3) | (15) |
| **Total average loans owned** | **$195,265** | **$200,911** | **$206,758** | **$212,966** | **$219,653** | (3) | (11) |
| Average assets | 182,254 | 187,651 | 193,692 | 200,116 | 207,175 | (3) | (12) |
| Home equity origination volume | 312 | 277 | 294 | 307 | 249 | 13 | 25 |

(in millions, except ratio data)

| | QUARTERLY TRENDS | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | 1Q12 Change | |
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **REAL ESTATE PORTFOLIOS (continued)** | | | | | | | |
| **CREDIT DATA AND QUALITY STATISTICS** | | | | | | | |
| Net charge-offs excluding PCI loans | | | | | | | |
| Home equity | $ 542 | $ 579 | $ 581 | $ 592 | $ 720 | (6)% | (25)% |
| Prime mortgage, including option ARMs | 131 | 151 | 172 | 198 | 161 | (13) | (19) |
| Subprime mortgage | 130 | 143 | 141 | 156 | 186 | (9) | (30) |
| Other | 5 | 3 | 5 | 8 | 9 | 67 | (44) |
| **Total net charge-offs** | **$ 808** | **$ 876** | **$ 899** | **$ 954** | **$ 1,076** | (8) | (25) |
| Net charge-off rate excluding PCI loans | | | | | | | |
| Home equity | 2.85% | 2.90% | 2.82% | 2.83% | 3.36% | | |
| Prime mortgage, including option ARMs | 1.21 | 1.33 | 1.48 | 1.67 | 1.32 | | |
| Subprime mortgage | 5.51 | 5.74 | 5.43 | 5.85 | 6.80 | | |
| Other | 2.84 | 1.63 | 2.83 | 4.01 | 4.56 | | |
| **Total net charge-off rate excluding PCI loans** | **2.49** | **2.58** | **2.57** | **2.67** | **2.95** | | |
| Net charge-off rate — reported | | | | | | | |
| Home equity | 2.20% | 2.25% | 2.20% | 2.20% | 2.63% | | |
| Prime mortgage, including option ARMs | 0.65 | 0.72 | 0.80 | 0.90 | 0.71 | | |
| Subprime mortgage | 3.63 | 3.81 | 3.63 | 3.94 | 4.60 | | |
| Other | 2.84 | 1.63 | 2.83 | 4.01 | 4.56 | | |
| **Total net charge-off rate — reported** | **1.66** | **1.73** | **1.72** | **1.80** | **1.99** | | |
| 30+ day delinquency rate excluding PCI loans (a) | 5.32% | 5.69% | 5.80% | 5.98% | 6.22% | | |
| Allowance for loan losses | $13,429 | $14,429 | $14,659 | $14,659 | $14,659 | (7) | (8) |
| Nonperforming assets (b)(c) | 7,738 | 6,638 | 7,112 | 7,729 | 8,152 | 17 | (5) |
| Allowance for loan losses to ending loans retained | 6.98% | 7.29% | 7.20% | 6.98% | 6.78% | | |
| Allowance for loan losses to ending loans retained excluding PCI loans | 6.01 | 6.58 | 7.12 | 6.90 | 6.68 | | |

(a) The delinquency rate for PCI loans was 21.72%, 23.30%, 24.44%, 26.20% and 27.36% at March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, respectively.

(b) Excludes PCI loans. Because the Firm is recognizing interest income on each pool of PCI loans, they are all considered to be performing.

(c) Includes $1.6 billion of performing junior liens that are subordinate to nonaccrual senior liens; such junior liens are now being reported as nonaccrual loans based upon regulatory guidance issued in the first quarter of 2012. Of the total, $1.4 billion were current at March 31, 2012.

**JPMORGAN CHASE & CO.**
**CARD SERVICES & AUTO**
**FINANCIAL HIGHLIGHTS**
**(in millions, except ratio data and headcount)**

JPMORGAN CHASE & CO.

| | QUARTERLY TRENDS | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | 1Q12 Change | |
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **INCOME STATEMENT** | | | | | | | |
| **REVENUE** | | | | | | | |
| Credit card income | $ 948 | $ 1,053 | $ 1,053 | $ 1,123 | $ 898 | (10)% | 6% |
| All other income | 303 | 232 | 201 | 183 | 149 | 31 | 103 |
| **Noninterest revenue** | **1,251** | **1,285** | **1,254** | **1,306** | **1,047** | (3) | 19 |
| Net interest income | 3,463 | 3,529 | 3,521 | 3,455 | 3,744 | (2) | (8) |
| **TOTAL NET REVENUE** | **4,714** | **4,814** | **4,775** | **4,761** | **4,791** | (2) | (2) |
| Provision for credit losses | 738 | 1,060 | 1,264 | 944 | 353 | (30) | 109 |
| **NONINTEREST EXPENSE** | | | | | | | |
| Compensation expense | 486 | 460 | 459 | 448 | 459 | 6 | 6 |
| Noncompensation expense | 1,447 | 1,470 | 1,560 | 1,436 | 1,352 | (2) | 7 |
| Amortization of intangibles | 96 | 95 | 96 | 104 | 106 | 1 | (9) |
| **TOTAL NONINTEREST EXPENSE** | **2,029** | **2,025** | **2,115** | **1,988** | **1,917** | — | 6 |
| **Income before income tax expense** | **1,947** | **1,729** | **1,396** | **1,829** | **2,521** | 13 | (23) |
| Income tax expense | 764 | 678 | 547 | 719 | 987 | 13 | (23) |
| **NET INCOME** | **$ 1,183** | **$ 1,051** | **$ 849** | **$ 1,110** | **$ 1,534** | 13 | (23) |
| **FINANCIAL RATIOS** | | | | | | | |
| ROE | 29% | 26% | 21% | 28% | 39% | | |
| Overhead ratio | 43 | 42 | 44 | 42 | 40 | | |
| **SELECTED BALANCE SHEET DATA (period-end)** | | | | | | | |
| Total assets | $199,579 | $208,467 | $199,473 | $197,915 | $201,179 | (4) | (1) |
| Loans: | | | | | | | |
| Credit Card | 125,331 | 132,277 | 127,135 | 125,523 | 128,803 | (5) | (3) |
| Auto | 48,245 | 47,426 | 46,659 | 46,796 | 47,411 | 2 | 2 |
| Student | 13,162 | 13,425 | 13,751 | 14,003 | 14,288 | (2) | (8) |
| **Total loans** | **186,738** | **193,128** | **187,545** | **186,322** | **190,502** | (3) | (2) |
| Equity | 16,500 | 16,000 | 16,000 | 16,000 | 16,000 | 3 | 3 |
| **SELECTED BALANCE SHEET DATA (average)** | | | | | | | |
| Total assets | $199,449 | $202,226 | $199,974 | $198,044 | $204,441 | (1) | (2) |
| Loans: | | | | | | | |
| Credit Card | 127,616 | 128,619 | 126,536 | 125,038 | 132,537 | (1) | (4) |
| Auto | 47,704 | 46,947 | 46,549 | 46,966 | 47,690 | 2 | — |
| Student | 13,348 | 13,543 | 13,865 | 14,135 | 14,410 | (1) | (7) |
| **Total loans** | **188,668** | **189,109** | **186,950** | **186,139** | **194,637** | — | (3) |
| Equity | 16,500 | 16,000 | 16,000 | 16,000 | 16,000 | 3 | 3 |
| **Headcount** | 27,862 | 27,585 | 27,554 | 26,874 | 26,777 | 1 | 4 |

| | QUARTERLY TRENDS | | | | | 1Q12 Change | |
|---|---|---|---|---|---|---|---|
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **CREDIT DATA AND QUALITY STATISTICS** | | | | | | | |
| Net charge-offs: | | | | | | | |
| Credit Card | $1,386 | $1,390 | $1,499 | $1,810 | $2,226 | —% | (38)% |
| Auto | 33 | 44 | 42 | 19 | 47 | (25) | (30) |
| Student | 69 | 126 | 93 | 135 | 80 | (45) | (14) |
| **Total net charge-offs** | **1,488** | **1,560** | **1,634** | **1,964** | **2,353** | (5) | (37) |
| Net charge-off rate: | | | | | | | |
| Credit Card (a) | 4.40% | 4.29% | 4.70% | 5.82% | 6.97% | | |
| Auto | 0.28 | 0.37 | 0.36 | 0.16 | 0.40 | | |
| Student | 2.08 | 3.69 | 2.66 | 3.83 | 2.25 | | |
| **Total net charge-off rate** | 3.19 | 3.27 | 3.47 | 4.24 | 4.98 | | |
| **Delinquency rates** | | | | | | | |
| 30+ day delinquency rate: | | | | | | | |
| Credit Card (b) | 2.56 | 2.81 | 2.90 | 2.98 | 3.57 | | |
| Auto | 0.79 | 1.13 | 1.01 | 0.98 | 0.97 | | |
| Student (c) | 2.06 | 1.78 | 1.93 | 1.70 | 2.01 | | |
| **Total 30+ day delinquency rate** | 2.07 | 2.32 | 2.36 | 2.38 | 2.79 | | |
| 90+ day delinquency rate — Credit Card (b) | 1.37 | 1.44 | 1.43 | 1.55 | 1.93 | | |
| Nonperforming assets (d) | $ 242 | $ 228 | $ 232 | $ 233 | $ 275 | 6 | (12) |
| Allowance for loan losses: | | | | | | | |
| Credit Card | 6,251 | 6,999 | 7,528 | 8,042 | 9,041 | (11) | (31) |
| Auto and Student | 1,010 | 1,010 | 1,009 | 879 | 899 | — | 12 |
| **Total allowance for loan losses** | **7,261** | **8,009** | **8,537** | **8,921** | **9,940** | (9) | (27) |
| Allowance for loan losses to period-end loans: | | | | | | | |
| Credit Card (b) | 5.02% | 5.30% | 5.93% | 6.41% | 7.24% | | |
| Auto and Student | 1.64 | 1.66 | 1.67 | 1.45 | 1.46 | | |
| **Total allowance for loan losses to period-end loans** | 3.91 | 4.15 | 4.55 | 4.79 | 5.33 | | |
| **BUSINESS METRICS** | | | | | | | |
| **Credit Card, excluding Commercial Card** | | | | | | | |
| Sales volume (in billions) | $ 86.9 | $ 93.4 | $ 87.3 | $ 85.5 | $ 77.5 | (7) | 12 |
| New accounts opened | 1.7 | 2.2 | 2.0 | 2.0 | 2.6 | (23) | (35) |
| Open accounts (e) | 64.2 | 65.2 | 64.3 | 65.4 | 91.9 | (2) | (30) |
| **Merchant Services** | | | | | | | |
| Bank card volume (in billions) | $152.8 | $152.6 | $138.1 | $137.3 | $125.7 | — | 22 |
| Total transactions (in billions) | 6.8 | 6.8 | 6.1 | 5.9 | 5.6 | — | 21 |
| **Auto and Student** | | | | | | | |
| Origination volume (in billions) | | | | | | | |
| Auto | $ 5.8 | $ 4.9 | $ 5.9 | $ 5.4 | $ 4.8 | 18 | 21 |
| Student | 0.1 | 0.1 | 0.1 | — | 0.1 | — | — |

(a) Average loans include loans held-for-sale of $821 million, $97 million, $1 million, $276 million and $3.0 billion for the three months ended March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, respectively. These amounts are excluded when calculating the net charge-off rate.

(b) Period-end loans include loans held-for-sale of $856 million, $102 million, $94 million and $4.0 billion at March 31, 2012, December 31, 2011, September 30, 2011 and March 31, 2011, respectively. No allowance for loan losses was recorded for these loans. These amounts are excluded when calculating delinquency rates and the allowance for loan losses to period-end loans.

(c) Excludes student loans insured by U.S. government agencies under the Federal Family Education Loan Program (“FFELP”) of $1.0 billion, $989 million, $995 million, $968 million and $1.0 billion at March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, respectively, that are 30 or more days past due. These amounts are excluded as reimbursement of insured amounts is proceeding normally.

(d) Nonperforming assets exclude student loans insured by U.S. government agencies under the FFELP of $586 million, $551 million, $567 million, $558 million and $615 million at March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, respectively, that are 90 or more days past due. These amounts are excluded as reimbursement of insured amounts is proceeding normally.

(e) Reflects the impact of portfolio sales in the second quarter of 2011.

**CARD SERVICES & AUTO**

**FINANCIAL HIGHLIGHTS, CONTINUED**

**(in millions)**

| | QUARTERLY TRENDS | | | | | 1Q12 Change | |
|---|---|---|---|---|---|---|---|
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **CARD SERVICES SUPPLEMENTAL INFORMATION** | | | | | | | |
| Noninterest revenue | $ 949 | $ 985 | $ 957 | $1,016 | $ 782 | (4)% | 21% |
| Net interest income | 2,928 | 2,989 | 2,984 | 2,911 | 3,200 | (2) | (9) |
| **Total net revenue** | **3,877** | **3,974** | **3,941** | **3,927** | **3,982** | (2) | (3) |
| Provision for credit losses | 636 | 890 | 999 | 810 | 226 | (29) | 181 |
| Noninterest expense | 1,636 | 1,633 | 1,734 | 1,622 | 1,555 | — | 5 |
| **Income before income tax expense** | **1,605** | **1,451** | **1,208** | **1,495** | **2,201** | 11 | (27) |
| **Net income** | **$ 979** | **$ 885** | **$ 737** | **$ 911** | **$1,343** | 11 | (27) |

(in millions, except ratio data)

| | QUARTERLY TRENDS | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | 1Q12 Change | |
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **INCOME STATEMENT** | | | | | | | |
| **REVENUE** | | | | | | | |
| Lending- and deposit-related fees | $ 276 | $ 267 | $ 269 | $ 281 | $ 264 | 3% | 5% |
| Asset management, administration and commissions | 36 | 32 | 35 | 34 | 35 | 13 | 3 |
| All other income (a) | 245 | 272 | 220 | 283 | 203 | (10) | 21 |
| **Noninterest revenue** | **557** | **571** | **524** | **598** | **502** | (2) | 11 |
| Net interest income | 1,100 | 1,116 | 1,064 | 1,029 | 1,014 | (1) | 8 |
| **TOTAL NET REVENUE (b)** | **1,657** | **1,687** | **1,588** | **1,627** | **1,516** | (2) | 9 |
| Provision for credit losses | 77 | 40 | 67 | 54 | 47 | 93 | 64 |
| **NONINTEREST EXPENSE** | | | | | | | |
| Compensation expense | 246 | 215 | 229 | 219 | 223 | 14 | 10 |
| Noncompensation expense | 345 | 356 | 337 | 336 | 332 | (3) | 4 |
| Amortization of intangibles | 7 | 8 | 7 | 8 | 8 | (13) | (13) |
| **TOTAL NONINTEREST EXPENSE** | **598** | **579** | **573** | **563** | **563** | 3 | 6 |
| **Income before income tax expense** | **982** | **1,068** | **948** | **1,010** | **906** | (8) | 8 |
| Income tax expense | 391 | 425 | 377 | 403 | 360 | (8) | 9 |
| **NET INCOME** | **$ 591** | **$ 643** | **$ 571** | **$ 607** | **$ 546** | (8) | 8 |
| **Revenue by product:** | | | | | | | |
| Lending | $ 892 | $ 881 | $ 857 | $ 880 | $ 837 | 1 | 7 |
| Treasury services | 602 | 600 | 572 | 556 | 542 | — | 11 |
| Investment banking | 120 | 120 | 116 | 152 | 110 | — | 9 |
| Other | 43 | 86 | 43 | 39 | 27 | (50) | 59 |
| **Total Commercial Banking revenue** | **$ 1,657** | **$ 1,687** | **$ 1,588** | **$ 1,627** | **$ 1,516** | (2) | 9 |
| **IB revenue, gross (c)** | **$ 339** | **$ 350** | **$ 320** | **$ 442** | **$ 309** | (3) | 10 |
| **Revenue by client segment:** | | | | | | | |
| Middle Market Banking | $ 825 | $ 810 | $ 791 | $ 789 | $ 755 | 2 | 9 |
| Commercial Term Lending | 293 | 299 | 297 | 286 | 286 | (2) | 2 |
| Corporate Client Banking | 337 | 326 | 306 | 339 | 290 | 3 | 16 |
| Real Estate Banking | 105 | 115 | 104 | 109 | 88 | (9) | 19 |
| Other | 97 | 137 | 90 | 104 | 97 | (29) | — |
| **Total Commercial Banking revenue** | **$ 1,657** | **$ 1,687** | **$ 1,588** | **$ 1,627** | **$ 1,516** | (2) | 9 |
| **FINANCIAL RATIOS** | | | | | | | |
| ROE | 25% | 32% | 28% | 30% | 28% | | |
| Overhead ratio | 36 | 34 | 36 | 35 | 37 | | |

(a) Commercial Banking ("CB") client revenue from investment banking products and commercial card transactions is included in all other income.

(b) Total net revenue included tax-equivalent adjustments from income tax credits related to equity investments in designated community development entities that provide loans to qualified businesses in low-income communities, as well as tax-exempt income from municipal bond activity of $94 million, $123 million, $90 million, $67 million and $65 million for the three months ended March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, respectively.

(c) Represents the total revenue related to investment banking products sold to CB clients.

(in millions, except headcount and ratio data)

| | QUARTERLY TRENDS | | | | | 1Q12 Change | |
|---|---|---|---|---|---|---|---|
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **SELECTED BALANCE SHEET DATA (period-end)** | | | | | | | |
| Total assets | $161,741 | $158,040 | $151,095 | $148,662 | $140,706 | 2% | 15% |
| Loans: | | | | | | | |
| Loans retained | 114,969 | 111,162 | 106,834 | 102,122 | 99,334 | 3 | 16 |
| Loans held-for-sale and loans at fair value | 878 | 840 | 584 | 557 | 835 | 5 | 5 |
| **Total loans** | **115,847** | **112,002** | **107,418** | **102,679** | **100,169** | 3 | 16 |
| Equity | 9,500 | 8,000 | 8,000 | 8,000 | 8,000 | 19 | 19 |
| **Period-end loans by client segment:** | | | | | | | |
| Middle Market Banking | $ 46,040 | $ 44,437 | $ 42,365 | $ 40,530 | $ 38,618 | 4 | 19 |
| Commercial Term Lending | 39,314 | 38,583 | 38,539 | 38,012 | 37,677 | 2 | 4 |
| Corporate Client Banking | 17,670 | 16,747 | 15,100 | 13,097 | 12,705 | 6 | 39 |
| Real Estate Banking | 8,763 | 8,211 | 7,470 | 7,409 | 7,535 | 7 | 16 |
| Other | 4,060 | 4,024 | 3,944 | 3,631 | 3,634 | 1 | 12 |
| **Total Commercial Banking loans** | **$115,847** | **$112,002** | **$107,418** | **$102,679** | **$100,169** | 3 | 16 |
| **SELECTED BALANCE SHEET DATA (average)** | | | | | | | |
| Total assets | $161,074 | $155,611 | $145,195 | $143,560 | $140,400 | 4 | 15 |
| Loans: | | | | | | | |
| Loans retained | 112,879 | 109,328 | 104,705 | 100,857 | 98,829 | 3 | 14 |
| Loans held-for-sale and loans at fair value | 881 | 580 | 632 | 1,015 | 756 | 52 | 17 |
| **Total loans** | **113,760** | **109,908** | **105,337** | **101,872** | **99,585** | 4 | 14 |
| Liability balances | 200,178 | 199,138 | 180,275 | 162,769 | 156,200 | 1 | 28 |
| Equity | 9,500 | 8,000 | 8,000 | 8,000 | 8,000 | 19 | 19 |
| **Average loans by client segment:** | | | | | | | |
| Middle Market Banking | $ 45,047 | $ 43,215 | $ 41,540 | $ 40,012 | $ 38,207 | 4 | 18 |
| Commercial Term Lending | 38,848 | 38,679 | 38,198 | 37,729 | 37,810 | — | 3 |
| Corporate Client Banking | 17,514 | 16,116 | 14,373 | 13,062 | 12,374 | 9 | 42 |
| Real Estate Banking | 8,341 | 7,936 | 7,465 | 7,467 | 7,607 | 5 | 10 |
| Other | 4,010 | 3,962 | 3,761 | 3,602 | 3,587 | 1 | 12 |
| **Total Commercial Banking loans** | **$113,760** | **$109,908** | **$105,337** | **$101,872** | **$ 99,585** | 4 | 14 |
| **Headcount** | 5,612 | 5,520 | 5,417 | 5,140 | 4,941 | 2 | 14 |
| **CREDIT DATA AND QUALITY STATISTICS** | | | | | | | |
| Net charge-offs | $ 12 | $ 99 | $ 17 | $ 40 | $ 31 | (88) | (61) |
| Nonperforming assets: | | | | | | | |
| Nonaccrual loans: | | | | | | | |
| Nonaccrual loans retained (a) | 972 | 1,036 | 1,417 | 1,613 | 1,925 | (6) | (50) |
| Nonaccrual loans held-for-sale and loans at fair value | 32 | 17 | 26 | 21 | 30 | 88 | 7 |
| **Total nonaccrual loans** | **1,004** | **1,053** | **1,443** | **1,634** | **1,955** | (5) | (49) |
| Assets acquired in loan satisfactions | 60 | 85 | 168 | 197 | 179 | (29) | (66) |
| **Total nonperforming assets** | **1,064** | **1,138** | **1,611** | **1,831** | **2,134** | (7) | (50) |
| Allowance for credit losses: | | | | | | | |
| Allowance for loan losses | 2,662 | 2,603 | 2,671 | 2,614 | 2,577 | 2 | 3 |
| Allowance for lending-related commitments | 194 | 189 | 181 | 187 | 206 | 3 | (6) |
| **Total allowance for credit losses** | **2,856** | **2,792** | **2,852** | **2,801** | **2,783** | 2 | 3 |
| Net charge-off rate (b) | 0.04% | 0.36% | 0.06% | 0.16% | 0.13% | | |
| Allowance for loan losses to period-end loans retained | 2.32 | 2.34 | 2.50 | 2.56 | 2.59 | | |
| Allowance for loan losses to nonaccrual loans retained (a) | 274 | 251 | 188 | 162 | 134 | | |
| Nonaccrual loans to total period-end loans | 0.87 | 0.94 | 1.34 | 1.59 | 1.95 | | |

(a) Allowance for loan losses of $163 million, $176 million, $257 million, $289 million and $360 million was held against nonaccrual loans retained at March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, respectively.

(b) Loans held-for-sale and loans at fair value were excluded when calculating the net charge-off rate.

# JPMORGAN CHASE & CO.
## TREASURY & SECURITIES SERVICES
## FINANCIAL HIGHLIGHTS
## (in millions, except ratio data)

| | QUARTERLY TRENDS | | | | | 1Q12 Change | |
|---|---|---|---|---|---|---|---|
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **INCOME STATEMENT** | | | | | | | |
| **REVENUE** | | | | | | | |
| Lending- and deposit-related fees | $ 286 | $ 313 | $ 310 | $ 314 | $ 303 | (9)% | (6)% |
| Asset management, administration and commissions | 654 | 671 | 656 | 726 | 695 | (3) | (6) |
| All other income | 127 | 133 | 141 | 143 | 139 | (5) | (9) |
| **Noninterest revenue** | **1,067** | **1,117** | **1,107** | **1,183** | **1,137** | (4) | (6) |
| Net interest income | 947 | 905 | 801 | 749 | 703 | 5 | 35 |
| **TOTAL NET REVENUE** | **2,014** | **2,022** | **1,908** | **1,932** | **1,840** | — | 9 |
| Provision for credit losses | 2 | 19 | (20) | (2) | 4 | (89) | (50) |
| Credit allocation income/(expense) (a) | 3 | (60) | 9 | 32 | 27 | NM | (89) |
| **NONINTEREST EXPENSE** | | | | | | | |
| Compensation expense | 732 | 672 | 718 | 719 | 715 | 9 | 2 |
| Noncompensation expense | 728 | 877 | 728 | 719 | 647 | (17) | 13 |
| Amortization of intangibles | 13 | 14 | 24 | 15 | 15 | (7) | (13) |
| **TOTAL NONINTEREST EXPENSE** | **1,473** | **1,563** | **1,470** | **1,453** | **1,377** | (6) | 7 |
| **Income before income tax expense** | **542** | **380** | **467** | **513** | **486** | 43 | 12 |
| Income tax expense | 191 | 130 | 162 | 180 | 170 | 47 | 12 |
| **NET INCOME** | **$ 351** | **$ 250** | **$ 305** | **$ 333** | **$ 316** | 40 | 11 |
| **FINANCIAL RATIOS** | | | | | | | |
| ROE | 19% | 14% | 17% | 19% | 18% | | |
| Pretax margin ratio | 27 | 19 | 24 | 27 | 26 | | |
| Overhead ratio | 73 | 77 | 77 | 75 | 75 | | |
| Pre-provision profit ratio | 27 | 23 | 23 | 25 | 25 | | |
| **REVENUE BY BUSINESS** | | | | | | | |
| Worldwide Securities Services (“WSS”): | | | | | | | |
| Investor Services | $ 783 | $ 752 | $ 740 | $ 782 | $ 745 | 4 | 5 |
| Clearance, Collateral Mgmt & Depositary Receipts | 179 | 219 | 199 | 220 | 204 | (18) | (12) |
| **Total WSS Revenue** | **962** | **971** | **939** | **1,002** | **949** | (1) | 1 |
| Treasury Services ("TS"): | | | | | | | |
| Transaction Services | $ 893 | $ 874 | $ 816 | $ 785 | $ 765 | 2 | 17 |
| Trade Finance | 159 | 177 | 153 | 145 | 126 | (10) | 26 |
| **Total TS Revenue** | **1,052** | **1,051** | **969** | **930** | **891** | — | 18 |

(a) IB manages traditional credit exposures related to GCB on behalf of IB and TSS, and IB and TSS share the economics related to the Firm’s GCB clients. Included within this allocation are net revenue, provision for credit losses and expenses. IB recognizes this credit allocation as a component of all other income.

JPMORGAN CHASE & CO.

| | QUARTERLY TRENDS | | | | | 1Q12 Change | |
|---|---|---|---|---|---|---|---|
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **SELECTED BALANCE SHEET DATA (period-end)** | | | | | | | |
| Total assets | $ 66,732 | $ 68,665 | $ 62,364 | $ 55,950 | $ 50,614 | (3)% | 32% |
| Loans (a) | 41,173 | 42,992 | 36,389 | 34,034 | 31,020 | (4) | 33 |
| Equity | 7,500 | 7,000 | 7,000 | 7,000 | 7,000 | 7 | 7 |
| **SELECTED BALANCE SHEET DATA (average)** | | | | | | | |
| Total assets | $ 64,559 | $ 63,686 | $ 60,141 | $ 52,688 | $ 47,873 | 1 | 35 |
| Loans (a) | 40,538 | 39,289 | 35,303 | 33,069 | 29,290 | 3 | 38 |
| Liability balances | 356,964 | 364,196 | 341,107 | 302,858 | 265,720 | (2) | 34 |
| Equity | 7,500 | 7,000 | 7,000 | 7,000 | 7,000 | 7 | 7 |
| **Headcount** | 27,765 | 27,825 | 28,157 | 28,230 | 28,040 | — | (1) |
| **CREDIT DATA AND QUALITY STATISTICS** | | | | | | | |
| Net charge-offs | $ — | $ — | $ — | $ — | $ — | — | — |
| Nonaccrual loans | 5 | 4 | 3 | 3 | 11 | 25 | (55) |
| Allowance for credit losses: | | | | | | | |
| Allowance for loan losses | 69 | 65 | 49 | 74 | 69 | 6 | — |
| Allowance for lending-related commitments | 14 | 49 | 46 | 41 | 48 | (71) | (71) |
| **Total allowance for credit losses** | **83** | **114** | **95** | **115** | **117** | (27) | (29) |
| Net charge-off rate | —% | —% | —% | —% | —% | | |
| Allowance for loan losses to period-end loans | 0.17 | 0.15 | 0.14 | 0.22 | 0.22 | | |
| Allowance for loan losses to nonaccrual loans | NM | NM | NM | NM | NM | | |
| Nonaccrual loans to period-end loans | 0.01 | 0.01 | 0.01 | 0.01 | 0.04 | | |
| **WSS BUSINESS METRICS** | | | | | | | |
| Assets under custody ("AUC") by asset class (period-end) (in billions): | | | | | | | |
| Fixed Income | $ 11,332 | $ 10,926 | $ 10,871 | $ 10,686 | $ 10,437 | 4 | 9 |
| Equity | 5,365 | 4,878 | 4,401 | 5,267 | 5,238 | 10 | 2 |
| Other (b) | 1,171 | 1,066 | 978 | 992 | 944 | 10 | 24 |
| **Total AUC** | **$ 17,868** | **$ 16,870** | **$ 16,250** | **$ 16,945** | **$ 16,619** | 6 | 8 |
| Liability balances (average) | 125,088 | 122,102 | 107,105 | 90,204 | 82,724 | 2 | 51 |
| **TS BUSINESS METRICS** | | | | | | | |
| Liability balances (average) | 231,876 | 242,094 | 234,002 | 212,654 | 182,996 | (4) | 27 |
| Trade finance loans (period-end) | 35,692 | 36,696 | 30,104 | 27,473 | 25,499 | (3) | 40 |

(a) Loan balances include trade finance loans and wholesale overdrafts.

(b) Consists of mutual funds, unit investment trusts, currencies, annuities, insurance contracts, options and nonsecurities contracts.

| | QUARTERLY TRENDS | | | | | 1Q12 Change | |
|---|---|---|---|---|---|---|---|
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **INTERNATIONAL METRICS** | | | | | | | |
| **Net revenue by geographic region (a)** | | | | | | | |
| Asia/Pacific | $ 353 | $ 339 | $ 321 | $ 299 | $ 276 | 4% | 28% |
| Latin America/Caribbean | 82 | 112 | 61 | 80 | 76 | (27) | 8 |
| Europe/Middle East/Africa | 668 | 689 | 648 | 691 | 630 | (3) | 6 |
| North America | 911 | 882 | 878 | 862 | 858 | 3 | 6 |
| **Total net revenue** | **$ 2,014** | **$ 2,022** | **$ 1,908** | **$ 1,932** | **$ 1,840** | — | 9 |
| **Average liability balances (a)** | | | | | | | |
| Asia/Pacific | $ 50,197 | $ 49,407 | $ 42,987 | $ 42,472 | $ 39,123 | 2 | 28 |
| Latin America/Caribbean | 11,852 | 11,563 | 12,722 | 13,506 | 12,720 | 2 | (7) |
| Europe/Middle East/Africa | 127,794 | 130,862 | 129,608 | 125,911 | 108,997 | (2) | 17 |
| North America | 167,121 | 172,364 | 155,790 | 120,969 | 104,880 | (3) | 59 |
| **Total average liability balances** | **$356,964** | **$364,196** | **$341,107** | **$302,858** | **$265,720** | (2) | 34 |
| **Trade finance loans (period-end) (a)** | | | | | | | |
| Asia/Pacific | $ 18,140 | $ 19,280 | $ 16,918 | $ 15,736 | $ 14,607 | (6) | 24 |
| Latin America/Caribbean | 6,040 | 6,254 | 5,228 | 4,553 | 4,014 | (3) | 50 |
| Europe/Middle East/Africa | 9,972 | 9,726 | 6,853 | 6,184 | 5,794 | 3 | 72 |
| North America | 1,540 | 1,436 | 1,105 | 1,000 | 1,084 | 7 | 42 |
| **Total trade finance loans** | **$ 35,692** | **$ 36,696** | **$ 30,104** | **$ 27,473** | **$ 25,499** | (3) | 40 |
| **AUC (period-end) (in billions) (a)** | | | | | | | |
| North America | $ 9,998 | $ 9,735 | $ 9,611 | $ 9,976 | $ 9,901 | 3 | 1 |
| All other regions | 7,870 | 7,135 | 6,639 | 6,969 | 6,718 | 10 | 17 |
| **Total AUC** | **$ 17,868** | **$ 16,870** | **$ 16,250** | **$ 16,945** | **$ 16,619** | 6 | 8 |
| **TSS FIRMWIDE DISCLOSURES (b)** | | | | | | | |
| TS revenue - reported | $ 1,052 | $ 1,051 | $ 969 | $ 930 | $ 891 | — | 18 |
| TS revenue reported in CB | 602 | 600 | 572 | 556 | 542 | — | 11 |
| TS revenue reported in other lines of business | 69 | 69 | 68 | 65 | 63 | — | 10 |
| **TS firmwide revenue (c)** | **1,723** | **1,720** | **1,609** | **1,551** | **1,496** | — | 15 |
| Worldwide Securities Services revenue | 962 | 971 | 939 | 1,002 | 949 | (1) | 1 |
| **TSS firmwide revenue (c)** | **$ 2,685** | **$ 2,691** | **$ 2,548** | **$ 2,553** | **$ 2,445** | — | 10 |
| TSS total foreign exchange (“FX”) revenue (c) | 137 | 154 | 179 | 165 | 160 | (11) | (14) |
| TS firmwide liability balances (average) (d) | $432,299 | $441,572 | $414,485 | $375,432 | $339,240 | (2) | 27 |
| TSS firmwide liability balances (average) (d) | 557,142 | 563,334 | 521,383 | 465,627 | 421,920 | (1) | 32 |
| Number of: | | | | | | | |
| U.S.$ ACH transactions originated | 1,019 | 983 | 972 | 959 | 992 | 4 | 3 |
| Total U.S.$ clearing volume (in thousands) | 32,696 | 33,055 | 33,117 | 32,274 | 30,971 | (1) | 6 |
| International electronic funds transfer volume (in thousands) (e) | 75,087 | 63,669 | 62,718 | 63,208 | 60,942 | 18 | 23 |
| Wholesale check volume | 589 | 592 | 601 | 608 | 532 | (1) | 11 |
| Wholesale cards issued (in thousands) (f) | 24,693 | 25,187 | 24,288 | 23,746 | 23,170 | (2) | 7 |

(a) Total net revenue, average liability balances, trade finance loans and AUC are based on the domicile of client.

(b) TSS firmwide metrics include revenue recorded in CB, Consumer & Business Banking and Asset Management (“AM”) lines of business and net TSS FX revenue (it excludes TSS FX revenue recorded in the IB). In order to capture the firmwide impact of Treasury Services (“TS”) and TSS products and revenue, management reviews firmwide metrics in assessing financial performance of TSS. Firmwide metrics are necessary in order to understand the aggregate TSS business.

(c) IB executes FX transactions on behalf of TSS customers under revenue sharing agreements. FX revenue generated by TSS customers is recorded in TSS and IB. TSS total FX revenue reported above is the gross (pre-split) FX revenue generated by TSS customers. However, TSS firmwide revenue includes only the FX revenue booked in TSS, i.e., it does not include the portion of TSS FX revenue recorded in IB.

(d) Firmwide liability balances include liability balances recorded in CB.

(e) International electronic funds transfer includes non-U.S. dollar Automated Clearing House (“ACH”) and clearing volume.

(f) Wholesale cards issued and outstanding include stored value, prepaid and government electronic benefit card products.

**JPMORGAN CHASE & CO.**
**ASSET MANAGEMENT**
**FINANCIAL HIGHLIGHTS**
**(in millions, except ratio and headcount data)**

JPMORGAN CHASE & CO.

| | QUARTERLY TRENDS | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | 1Q12 Change | |
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **INCOME STATEMENT** | | | | | | | |
| **REVENUE** | | | | | | | |
| Asset management, administration and commissions | $ 1,621 | $ 1,606 | $ 1,617 | $ 1,818 | $ 1,707 | 1% | (5)% |
| All other income | 266 | 232 | 281 | 321 | 313 | 15 | (15) |
| **Noninterest revenue** | **1,887** | **1,838** | **1,898** | **2,139** | **2,020** | 3 | (7) |
| Net interest income | 483 | 446 | 418 | 398 | 386 | 8 | 25 |
| **TOTAL NET REVENUE** | **2,370** | **2,284** | **2,316** | **2,537** | **2,406** | 4 | (1) |
| Provision for credit losses | 19 | 24 | 26 | 12 | 5 | (21) | 280 |
| **NONINTEREST EXPENSE** | | | | | | | |
| Compensation expense | 1,120 | 1,046 | 999 | 1,068 | 1,039 | 7 | 8 |
| Noncompensation expense | 586 | 674 | 775 | 704 | 599 | (13) | (2) |
| Amortization of intangibles | 23 | 32 | 22 | 22 | 22 | (28) | 5 |
| **TOTAL NONINTEREST EXPENSE** | **1,729** | **1,752** | **1,796** | **1,794** | **1,660** | (1) | 4 |
| **Income before income tax expense** | **622** | **508** | **494** | **731** | **741** | 22 | (16) |
| Income tax expense | 236 | 206 | 109 | 292 | 275 | 15 | (14) |
| **NET INCOME** | **$ 386** | **$ 302** | **$ 385** | **$ 439** | **$ 466** | 28 | (17) |
| **REVENUE BY CLIENT SEGMENT** | | | | | | | |
| Private Banking | $ 1,279 | $ 1,212 | $ 1,298 | $ 1,289 | $ 1,317 | 6 | (3) |
| Institutional | 557 | 558 | 478 | 694 | 543 | — | 3 |
| Retail | 534 | 514 | 540 | 554 | 546 | 4 | (2) |
| **TOTAL NET REVENUE** | **$ 2,370** | **$ 2,284** | **$ 2,316** | **$ 2,537** | **$ 2,406** | 4 | (1) |
| **FINANCIAL RATIOS** | | | | | | | |
| ROE | 22% | 18% | 24% | 27% | 29% | | |
| Overhead ratio | 73 | 77 | 78 | 71 | 69 | | |
| Pretax margin ratio | 26 | 22 | 21 | 29 | 31 | | |
| **SELECTED BALANCE SHEET DATA (period-end)** | | | | | | | |
| Total assets | $ 96,385 | $ 86,242 | $ 81,179 | $78,199 | $71,521 | 12 | 35 |
| Loans (a) | 64,335 | 57,573 | 54,178 | 51,747 | 46,454 | 12 | 38 |
| Equity | 7,000 | 6,500 | 6,500 | 6,500 | 6,500 | 8 | 8 |
| **SELECTED BALANCE SHEET DATA (average)** | | | | | | | |
| Total assets | $ 89,582 | $ 82,594 | $ 78,669 | $74,206 | $68,918 | 8 | 30 |
| Loans | 59,311 | 54,691 | 52,652 | 48,837 | 44,948 | 8 | 32 |
| Deposits | 127,534 | 121,493 | 111,090 | 97,509 | 95,250 | 5 | 34 |
| Equity | 7,000 | 6,500 | 6,500 | 6,500 | 6,500 | 8 | 8 |
| **Headcount** | 17,849 | 18,036 | 18,084 | 17,963 | 17,203 | (1) | 4 |

(a) Includes $4.5 billion of prime mortgage loans reported in the Consumer loan portfolio at March 31, 2012.

## ASSET MANAGEMENT
## FINANCIAL HIGHLIGHTS, CONTINUED
**(in millions, except ratio data and where otherwise noted)**

| | QUARTERLY TRENDS | | | | | 1Q12 Change | |
|---|---|---|---|---|---|---|---|
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **BUSINESS METRICS** | | | | | | | |
| Number of: | | | | | | | |
| Client advisors (a) | 2,832 | 2,883 | 2,864 | 2,719 | 2,719 | (2)% | 4% |
| Retirement Planning Services participants (in thousands) | 1,926 | 1,798 | 1,755 | 1,613 | 1,604 | 7 | 20 |
| % of customer assets in 4 & 5 Star Funds (b) | 42% | 43% | 47% | 50% | 46% | | |
| % of AUM in 1st and 2nd quartiles: (c) | | | | | | | |
| 1 year | 64 | 48 | 49 | 56 | 57 | | |
| 3 years | 74 | 72 | 73 | 71 | 70 | | |
| 5 years | 76 | 78 | 77 | 76 | 77 | | |
| **CREDIT DATA AND QUALITY STATISTICS** | | | | | | | |
| Net charge-offs | $ 27 | $ 48 | $ — | $ 33 | $ 11 | (44) | 145 |
| Nonaccrual loans | 263 | 317 | 311 | 252 | 254 | (17) | 4 |
| Allowance for credit losses: | | | | | | | |
| Allowance for loan losses | 209 | 209 | 240 | 222 | 257 | — | (19) |
| Allowance for lending-related commitments | 5 | 10 | 9 | 9 | 4 | (50) | 25 |
| **Total allowance for credit losses** | **214** | **219** | **249** | **231** | **261** | (2) | (18) |
| Net charge-off rate | 0.18% | 0.35% | —% | 0.27% | 0.10% | | |
| Allowance for loan losses to period-end loans | 0.32 | 0.36 | 0.44 | 0.43 | 0.55 | | |
| Allowance for loan losses to nonaccrual loans | 79 | 66 | 77 | 88 | 101 | | |
| Nonaccrual loans to period-end loans | 0.41 | 0.55 | 0.57 | 0.49 | 0.55 | | |

(a) Effective January 1, 2012, the previously disclosed separate metric for client advisors and JPMorgan Securities brokers were combined into one metric that reflects the number of Private Banking client-facing representatives.

(b) Derived from Morningstar for the U.S., the U.K., Luxembourg, France, Hong Kong and Taiwan; and Nomura for Japan.

(c) Quartile ranking sourced from: Lipper for the U.S. and Taiwan; Morningstar for the U.K., Luxembourg, France and Hong Kong; and Nomura for Japan.

## JPMORGAN CHASE & CO.
## ASSET MANAGEMENT
## FINANCIAL HIGHLIGHTS, CONTINUED
## (in billions)

| | | | | | | March 31, 2012 Change | |
|---|---|---|---|---|---|---|---|
| **ASSETS UNDER SUPERVISION** | **Mar 31, 2012** | **Dec 31, 2011** | **Sep 30, 2011** | **Jun 30, 2011** | **Mar 31, 2011** | **Dec 31, 2011** | **Mar 31, 2011** |
| **Assets by asset class** | | | | | | | |
| Liquidity | $ 492 | $ 515 | $ 464 | $ 476 | $ 490 | (4)% | —% |
| Fixed income | 355 | 336 | 321 | 319 | 305 | 6 | 16 |
| Equity and multi-asset | 417 | 372 | 356 | 430 | 421 | 12 | (1) |
| Alternatives | 118 | 113 | 113 | 117 | 114 | 4 | 4 |
| **TOTAL ASSETS UNDER MANAGEMENT** | **1,382** | **1,336** | **1,254** | **1,342** | **1,330** | 3 | 4 |
| Custody/brokerage/administration/deposits | 631 | 585 | 552 | 582 | 578 | 8 | 9 |
| **TOTAL ASSETS UNDER SUPERVISION** | **$ 2,013** | **$ 1,921** | **$ 1,806** | **$ 1,924** | **$ 1,908** | 5 | 6 |
| **Assets by client segment** | | | | | | | |
| Private Banking | $ 303 | $ 291 | $ 276 | $ 291 | $ 293 | 4 | 3 |
| Institutional | 732 | 722 | 673 | 708 | 711 | 1 | 3 |
| Retail | 347 | 323 | 305 | 343 | 326 | 7 | 6 |
| **TOTAL ASSETS UNDER MANAGEMENT** | **$ 1,382** | **$ 1,336** | **$ 1,254** | **$ 1,342** | **$ 1,330** | 3 | 4 |
| Private Banking | $ 830 | $ 781 | $ 738 | $ 776 | $ 773 | 6 | 7 |
| Institutional | 732 | 723 | 674 | 709 | 713 | 1 | 3 |
| Retail | 451 | 417 | 394 | 439 | 422 | 8 | 7 |
| **TOTAL ASSETS UNDER SUPERVISION** | **$ 2,013** | **$ 1,921** | **$ 1,806** | **$ 1,924** | **$ 1,908** | 5 | 6 |
| **Mutual fund assets by asset class** | | | | | | | |
| Liquidity | $ 434 | $ 458 | $ 409 | $ 421 | $ 436 | (5) | — |
| Fixed income | 116 | 107 | 101 | 105 | 99 | 8 | 17 |
| Equity and multi-asset | 167 | 147 | 139 | 176 | 173 | 14 | (3) |
| Alternatives | 8 | 8 | 8 | 9 | 8 | — | — |
| **TOTAL MUTUAL FUND ASSETS** | **$ 725** | **$ 720** | **$ 657** | **$ 711** | **$ 716** | 1 | 1 |

**JPMORGAN CHASE & CO.**
**ASSET MANAGEMENT**
**FINANCIAL HIGHLIGHTS, CONTINUED**
**(in billions)**

JPMorgan Chase & Co.

| | QUARTERLY TRENDS | | | | |
|---|---|---|---|---|---|
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 |
| **ASSETS UNDER SUPERVISION (continued)** | | | | | |
| **Assets under management rollforward** | | | | | |
| Beginning balance | $1,336 | $1,254 | $1,342 | $1,330 | $1,298 |
| Net asset flows: | | | | | |
| Liquidity | (25) | 53 | (10) | (16) | (9) |
| Fixed income | 11 | 9 | 3 | 12 | 16 |
| Equities, multi-asset and alternatives | 6 | (4) | (1) | 7 | 11 |
| Market/performance/other impacts | 54 | 24 | (80) | 9 | 14 |
| **Ending balance** | **$1,382** | **$1,336** | **$1,254** | **$1,342** | **$1,330** |
| **Assets under supervision rollforward** | | | | | |
| Beginning balance | $1,921 | $1,806 | $1,924 | $1,908 | $1,840 |
| Net asset flows | 8 | 69 | 11 | 12 | 31 |
| Market/performance/other impacts | 84 | 46 | (129) | 4 | 37 |
| **Ending balance** | **$2,013** | **$1,921** | **$1,806** | **$1,924** | **$1,908** |

| | QUARTERLY TRENDS | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | 1Q12 Change | |
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **INTERNATIONAL METRICS** | | | | | | | |
| **Total net revenue: (in millions) (a)** | | | | | | | |
| Europe/Middle East/Africa | $ 405 | $ 392 | $ 395 | $ 478 | $ 439 | 3% | (8)% |
| Asia/Pacific | 236 | 220 | 248 | 257 | 246 | 7 | (4) |
| Latin America/Caribbean | 175 | 224 | 168 | 251 | 165 | (22) | 6 |
| North America | 1,554 | 1,448 | 1,505 | 1,551 | 1,556 | 7 | — |
| **Total net revenue** | **$ 2,370** | **$ 2,284** | **$ 2,316** | **$ 2,537** | **$ 2,406** | 4 | (1) |
| **Assets under management:** | | | | | | | |
| Europe/Middle East/Africa | $ 282 | $ 278 | $ 255 | $ 298 | $ 300 | 1 | (6) |
| Asia/Pacific | 112 | 105 | 104 | 119 | 115 | 7 | (3) |
| Latin America/Caribbean | 41 | 34 | 32 | 37 | 35 | 21 | 17 |
| North America | 947 | 919 | 863 | 888 | 880 | 3 | 8 |
| **Total assets under management** | **$ 1,382** | **$ 1,336** | **$ 1,254** | **$ 1,342** | **$ 1,330** | 3 | 4 |
| **Assets under supervision:** | | | | | | | |
| Europe/Middle East/Africa | $ 339 | $ 329 | $ 306 | $ 353 | $ 353 | 3 | (4) |
| Asia/Pacific | 152 | 139 | 140 | 161 | 155 | 9 | (2) |
| Latin America/Caribbean | 101 | 89 | 87 | 94 | 88 | 13 | 15 |
| North America | 1,421 | 1,364 | 1,273 | 1,316 | 1,312 | 4 | 8 |
| **Total assets under supervision** | **$ 2,013** | **$ 1,921** | **$ 1,806** | **$ 1,924** | **$ 1,908** | 5 | 6 |

(a) Regional revenue is based on the domicile of the client.

(in millions, except headcount data)

JPMORGAN CHASE & CO.

| | QUARTERLY TRENDS | | | | | 1Q12 Change | |
|---|---|---|---|---|---|---|---|
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **INCOME STATEMENT** | | | | | | | |
| **REVENUE** | | | | | | | |
| Principal transactions | $ 113 | $ 324 | $ (933) | $ 745 | $ 1,298 | (65)% | (91)% |
| Securities gains | 449 | 54 | 607 | 837 | 102 | NM | 340 |
| All other income | 1,111(c) | 75 | 186 | 265 | 78 | NM | NM |
| **Noninterest revenue** | **1,673** | **453** | **(140)** | **1,847** | **1,478** | 269 | 13 |
| Net interest income | 16 | 245 | 8 | 218 | 34 | (93) | (53) |
| **TOTAL NET REVENUE (a)** | **1,689** | **698** | **(132)** | **2,065** | **1,512** | 142 | 12 |
| Provision for credit losses | (9) | (10) | (7) | (9) | (10) | 10 | 10 |
| **NONINTEREST EXPENSE** | | | | | | | |
| Compensation expense | 823 | 602 | 552 | 614 | 657 | 37 | 25 |
| Noncompensation expense (b) | 3,328 | 1,649 | 1,995 | 2,097 | 1,143 | 102 | 191 |
| **Subtotal** | **4,151** | **2,251** | **2,547** | **2,711** | **1,800** | 84 | 131 |
| Net expense allocated to other businesses | (1,382) | (1,321) | (1,331) | (1,270) | (1,238) | (5) | (12) |
| **TOTAL NONINTEREST EXPENSE** | **2,769** | **930** | **1,216** | **1,441** | **562** | 198 | 393 |
| Income/(loss) before income tax expense/(benefit) | (1,071) | (222) | (1,341) | 633 | 960 | (382) | NM |
| Income tax expense/(benefit) | (508) | (445) | (696) | 131 | 238 | (14) | NM |
| **NET INCOME/(LOSS)** | **$ (563)** | **$ 223** | **$ (645)** | **$ 502** | **$ 722** | NM | NM |
| **MEMO:** | | | | | | | |
| **TOTAL NET REVENUE** | | | | | | | |
| Private equity | $ 254 | $ (113) | $ (546) | $ 796 | $ 699 | NM | (64) |
| Corporate | 1,435 | 811 | 414 | 1,269 | 813 | 77 | 77 |
| **TOTAL NET REVENUE** | **$ 1,689** | **$ 698** | **$ (132)** | **$ 2,065** | **$ 1,512** | 142 | 12 |
| **NET INCOME/(LOSS)** | | | | | | | |
| Private equity | $ 134 | $ (89) | $ (347) | $ 444 | $ 383 | NM | (65) |
| Corporate | (697) | 312 | (298) | 58 | 339 | NM | NM |
| **TOTAL NET INCOME/(LOSS)** | **$ (563)** | **$ 223** | **$ (645)** | **$ 502** | **$ 722** | NM | NM |
| **TOTAL ASSETS (period-end)** | $713,492 | $693,153 | $693,597 | $672,655 | $591,353 | 3 | 21 |
| **Headcount** | 22,337 | 22,117 | 21,844 | 21,444 | 20,927 | 1 | 7 |

(a) Total net revenue included tax-equivalent adjustments, predominantly due to tax-exempt income from municipal bond investments of $99 million, $92 million, $73 million, $69 million and $64 million for the three months ended March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, respectively.

(b) Includes litigation expense of $2.5 billion, $0.5 billion, $1.0 billion, $1.3 billion and $0.4 billion for the three months ended March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, respectively.

(c) Includes a $1.1 billion benefit from the Washington Mutual bankruptcy settlement.

(in millions)

| | QUARTERLY TRENDS | | | | | 1Q12 Change | |
|---|---|---|---|---|---|---|---|
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **SUPPLEMENTAL INFORMATION** | | | | | | | |
| **TREASURY and CHIEF INVESTMENT OFFICE ("CIO")** | | | | | | | |
| Securities gains (a) | $ 453 | $ (13) | $ 459 | $ 837 | $ 102 | NM% | 344% |
| Investment securities portfolio (average) | 361,601 | 349,750 | 324,596 | 335,543 | 313,319 | 3 | 15 |
| Investment securities portfolio (ending) | 374,588 | 355,605 | 330,800 | 318,237 | 328,013 | 5 | 14 |
| Mortgage loans (average) | 12,636 | 14,089 | 13,748 | 12,731 | 11,418 | (10) | 11 |
| Mortgage loans (ending) | 11,819 | 13,375 | 14,226 | 13,243 | 12,171 | (12) | (3) |
| **PRIVATE EQUITY** | | | | | | | |
| **Private equity gains/(losses)** | | | | | | | |
| **Direct investments** | | | | | | | |
| Realized gains | $ 66 | $ 58 | $ 394 | $ 1,219 | $ 171 | 14 | (61) |
| Unrealized gains/(losses) (b) | 179 | (122) | (827) | (726) | 370 | NM | (52) |
| **Total direct investments** | **245** | **(64)** | **(433)** | **493** | **541** | NM | (55) |
| Third-party fund investments | 83 | (85) | (7) | 323 | 186 | NM | (55) |
| **Total private equity gains/(losses) (c)** | **$ 328** | **$ (149)** | **$ (440)** | **$ 816** | **$ 727** | NM | (55) |
| **Private equity portfolio information** | | | | | | | |
| **Direct investments** | | | | | | | |
| **Publicly-held securities** | | | | | | | |
| Carrying value | $ 889 | $ 805 | $ 709 | $ 670 | $ 731 | 10 | 22 |
| Cost | 549 | 573 | 779 | 595 | 649 | (4) | (15) |
| Quoted public value | 931 | 896 | 778 | 721 | 785 | 4 | 19 |
| **Privately-held direct securities** | | | | | | | |
| Carrying value | 4,944 | 4,597 | 4,322 | 5,680 | 7,212 | 8 | (31) |
| Cost | 6,819 | 6,793 | 6,556 | 6,891 | 7,731 | — | (12) |
| **Third-party fund investments (d)** | | | | | | | |
| Carrying value | 2,131 | 2,283 | 2,399 | 2,481 | 2,179 | (7) | (2) |
| Cost | 2,162 | 2,452 | 2,454 | 2,464 | 2,461 | (12) | (12) |
| **Total private equity portfolio** | | | | | | | |
| Carrying value | $ 7,964 | $ 7,685 | $ 7,430 | $ 8,831 | $ 10,122 | 4 | (21) |
| Cost | 9,530 | 9,818 | 9,789 | 9,950 | 10,841 | (3) | (12) |

(a) Reflects repositioning of the Corporate investment securities portfolio.

(b) Unrealized gains/(losses) contain reversals of unrealized gains and losses that were recognized in prior periods and have now been realized.

(c) Included in principal transactions revenue in the Consolidated Statements of Income.

(d) Unfunded commitments to third-party private equity funds were $571 million, $789 million, $853 million, $876 million and $943 million at March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, respectively.

**JPMORGAN CHASE & CO.**
**CREDIT-RELATED INFORMATION**
**(in millions)**

JPMORGAN CHASE & CO.

| | Mar 31, 2012 | Dec 31, 2011 | Sep 30, 2011 | Jun 30, 2011 | Mar 31, 2011 | March 31, 2012 Change Dec 31, 2011 | March 31, 2012 Change Mar 31, 2011 |
|---|---|---|---|---|---|---|---|
| **CREDIT EXPOSURE** | | | | | | | |
| **Wholesale (a)** | | | | | | | |
| Loans retained | $ 283,653 | $ 278,395 | $ 255,799 | $ 244,224 | $ 229,648 | 2% | 24% |
| Loans held-for-sale and loans at fair value | 7,213 | 4,621 | 3,684 | 4,599 | 6,359 | 56 | 13 |
| **Total wholesale loans** | **290,866** | **283,016** | **259,483** | **248,823** | **236,007** | 3 | 23 |
| **Consumer, excluding credit card (b)** | | | | | | | |
| **Loans retained, excluding PCI loans** | | | | | | | |
| Home equity | 75,207 | 77,800 | 80,278 | 82,751 | 85,253 | (3) | (12) |
| Prime mortgage, including option ARMs | 76,292 | 76,196 | 74,230 | 74,276 | 74,682 | — | 2 |
| Subprime mortgage | 9,289 | 9,664 | 10,045 | 10,441 | 10,841 | (4) | (14) |
| Auto | 48,245 | 47,426 | 46,659 | 46,796 | 47,411 | 2 | 2 |
| Business banking | 17,822 | 17,652 | 17,272 | 17,141 | 16,957 | 1 | 5 |
| Student and other | 13,854 | 14,143 | 14,492 | 14,770 | 15,089 | (2) | (8) |
| **Total loans retained, excluding PCI loans** | **240,709** | **242,881** | **242,976** | **246,175** | **250,233** | (1) | (4) |
| **Loans — PCI** | | | | | | | |
| Home equity | 22,305 | 22,697 | 23,105 | 23,535 | 23,973 | (2) | (7) |
| Prime mortgage | 14,781 | 15,180 | 15,626 | 16,200 | 16,725 | (3) | (12) |
| Subprime mortgage | 4,870 | 4,976 | 5,072 | 5,187 | 5,276 | (2) | (8) |
| Option ARMs | 22,105 | 22,693 | 23,325 | 24,072 | 24,791 | (3) | (11) |
| **Total loans — PCI** | **64,061** | **65,546** | **67,128** | **68,994** | **70,765** | (2) | (9) |
| **Total loans retained** | **304,770** | **308,427** | **310,104** | **315,169** | **320,998** | (1) | (5) |
| Loans held-for-sale (c) | — | — | 131 | 221 | 188 | — | NM |
| **Total consumer, excluding credit card loans** | **304,770** | **308,427** | **310,235** | **315,390** | **321,186** | (1) | (5) |
| **Credit card** | | | | | | | |
| Loans retained (d) | 124,475 | 132,175 | 127,041 | 125,523 | 124,791 | (6) | — |
| Loans held-for-sale | 856 | 102 | 94 | — | 4,012 | NM | (79) |
| **Total credit card** | **125,331** | **132,277** | **127,135** | **125,523** | **128,803** | (5) | (3) |
| **Total consumer loans** | **430,101** | **440,704** | **437,370** | **440,913** | **449,989** | (2) | (4) |
| **Total loans** | **720,967** | **723,720** | **696,853** | **689,736** | **685,996** | — | 5 |
| Derivative receivables | 85,377 | 92,477 | 108,853 | 77,383 | 78,744 | (8) | 8 |
| Receivables from customers and other (e) | 21,235 | 17,561 | 25,719 | 32,678 | 38,230 | 21 | (44) |
| **Total credit-related assets** | **106,612** | **110,038** | **134,572** | **110,061** | **116,974** | (3) | (9) |
| **Lending-related commitments** | | | | | | | |
| Wholesale | 401,064 | 382,739 | 379,682 | 365,689 | 355,561 | 5 | 13 |
| Consumer, excluding credit card | 63,121 | 62,307 | 64,581 | 64,649 | 64,560 | 1 | (2) |
| Credit card | 533,318 | 530,616 | 528,830 | 535,625 | 565,813 | 1 | (6) |
| **Total lending-related commitments** | 997,503 | 975,662 | 973,093 | 965,963 | 985,934 | 2 | 1 |
| **Total credit exposure** | **$1,825,082** | **$1,809,420** | **$1,804,518** | **$1,765,760** | **$1,788,904** | 1 | 2 |
| **Memo: Total by category** | | | | | | | |
| Wholesale exposure (f) | $ 798,438 | $ 775,693 | $ 773,633 | $ 724,573 | $ 708,542 | 3 | 13 |
| Consumer exposures (g) | 1,026,644 | 1,033,727 | 1,030,885 | 1,041,187 | 1,080,362 | (1) | (5) |
| **Total credit exposure** | **$1,825,082** | **$1,809,420** | **$1,804,518** | **$1,765,760** | **$1,788,904** | 1 | 2 |

(a) Includes IB, CB, TSS and AM business segments and Corporate/Private Equity.

(b) Includes loans reported in RFS, auto and student loans reported in Card, and residential real estate loans reported in the AM business segment and in Corporate/Private Equity.

(c) Represents prime mortgages for all periods presented.

(d) Includes billed finance charges and fees net of an allowance for uncollectible amounts.

(e) Predominantly includes receivables from customers, which represent margin loans to prime and retail brokerage customers; these are classified in accrued interest and accounts receivable on the Consolidated Balance Sheets.

(f) Primarily represents total wholesale loans, wholesale lending-related commitments, derivative receivables and receivables from customers.

(g) Represents total consumer loans and consumer lending-related commitments.

(in millions, except ratio data)

| | Mar 31, 2012 | Dec 31, 2011 | Sep 30, 2011 | Jun 30, 2011 | Mar 31, 2011 | March 31, 2012 Change Dec 31, 2011 | Mar 31, 2011 |
|---|---|---|---|---|---|---|---|
| NONPERFORMING ASSETS AND RATIOS | | | | | | | |
| **Wholesale** | | | | | | | |
| Loans retained | $ 1,941 | $ 2,398 | $ 3,011 | $ 3,362 | $ 4,578 | (19)% | (58% |
| Loans held-for-sale and loans at fair value | 214 | 183 | 176 | 214 | 289 | 17 | (26) |
| **Total wholesale loans** | **2,155** | **2,581** | **3,187** | **3,576** | **4,867** | (17) | (56) |
| **Consumer, excluding credit card** | | | | | | | |
| Home equity (a) | 2,766 | 1,287 | 1,290 | 1,308 | 1,263 | 115 | 119 |
| Prime mortgage, including option ARMs | 3,258 | 3,462 | 3,656 | 4,024 | 4,166 | (6) | (22) |
| Subprime mortgage | 1,569 | 1,781 | 1,932 | 2,058 | 2,106 | (12) | (25) |
| Auto | 102 | 118 | 114 | 111 | 120 | (14) | (15) |
| Business banking | 649 | 694 | 756 | 770 | 810 | (6) | (20) |
| Student and other | 105 | 69 | 68 | 79 | 107 | 52 | (2) |
| **Total consumer, excluding credit card** | **8,449** | **7,411** | **7,816** | **8,350** | **8,572** | 14 | (1) |
| **Total credit card** | **1** | **1** | **2** | **2** | **2** | — | (50) |
| **Total consumer nonaccrual loans (b)** | **8,450** | **7,412** | **7,818** | **8,352** | **8,574** | 14 | (1) |
| **Total nonaccrual loans** | **10,605** | **9,993** | **11,005** | **11,928** | **13,441** | 6 | (21) |
| Derivative receivables | 32 | 18 | 11 | 22 | 21 | 78 | 52 |
| Assets acquired in loan satisfactions | 1,031 | 1,025 | 1,178 | 1,290 | 1,524 | 1 | (32) |
| **Total nonperforming assets (c)** | **11,668** | **11,036** | **12,194** | **13,240** | **14,986** | 6 | (22) |
| Wholesale lending-related commitments (d) | 756 | 865 | 705 | 793 | 895 | (13) | (16) |
| **Total (c)** | **$ 12,424** | **$ 11,901** | **$ 12,899** | **$ 14,033** | **$ 15,881** | 4 | (22) |
| Total nonaccrual loans to total loans | 1.47% | 1.38% | 1.58% | 1.73% | 1.96% | | |
| Total wholesale nonaccrual loans to total wholesale loans | 0.74 | 0.91 | 1.23 | 1.44 | 2.06 | | |
| Total consumer, excluding credit card nonaccrual loans to total consumer, excluding credit card loans | 2.77 | 2.40 | 2.52 | 2.65 | 2.67 | | |
| **NONPERFORMING ASSETS BY LOB** | | | | | | | |
| Investment Bank | $ 988 | $ 1,294 | $ 1,508 | $ 1,788 | $ 2,741 | (24) | (64) |
| Retail Financial Services (a)(b) | 9,008 | 7,961 | 8,444 | 9,033 | 9,482 | 13 | (5) |
| Card Services & Auto | 242 | 228 | 232 | 233 | 275 | 6 | (12) |
| Commercial Banking | 1,064 | 1,138 | 1,611 | 1,831 | 2,134 | (7) | (50) |
| Treasury & Securities Services | 5 | 4 | 3 | 3 | 11 | 25 | (55) |
| Asset Management | 286 | 336 | 322 | 264 | 263 | (15) | 9 |
| Corporate/Private Equity (e) | 75 | 75 | 74 | 88 | 80 | — | (6) |
| **TOTAL** | **$ 11,668** | **$ 11,036** | **$ 12,194** | **$ 13,240** | **$ 14,986** | 6 | (22) |

(a) Includes $1.6 billion of performing junior liens that are subordinate to nonaccrual senior liens; such junior liens are now being reported as nonaccrual loans based upon regulatory guidance issued in the first quarter of 2012. Of the total, $1.4 billion were current at March 31, 2012.

(b) Excludes PCI loans. Because the Firm is recognizing interest income on each pool of PCI loans, they are all considered to be performing.

(c) At March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, nonperforming assets excluded: (1) mortgage loans insured by U.S. government agencies of $11.8 billion, $11.5 billion, $9.5 billion, $9.1 billion and $8.8 billion, respectively, that are 90 or more days past due; (2) real estate owned insured by U.S. government agencies of $1.2 billion, $954 million, $2.4 billion, $2.4 billion and $2.3 billion, respectively; and (3) student loans insured by U.S. government agencies under the FFELP of $586 million, $551 million, $567 million, $558 million and $615 million, respectively, that are 90 or more days past due. These amounts are excluded as reimbursement of insured amounts is proceeding normally. In addition, the Firm's policy is generally to exempt credit card loans from being placed on nonaccrual status as permitted by regulatory guidance issued by the Federal Financial Institutions Examination Council ("FFIEC"). Credit card loans are charged off by the end of the month in which the account becomes 180 days past due or within 60 days from receiving notification about a specified event (e.g., bankruptcy of the borrower), whichever is earlier.

(d) Represent commitments that are risk rated as nonaccrual.

(e) Predominantly relates to retained prime mortgage loans.

(in millions, except ratio data)

| | QUARTERLY TRENDS | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | 1Q12 Change | |
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **GROSS CHARGE-OFFS** | | | | | | | |
| Wholesale loans | $ 92 | $ 431 | $ 98 | $ 134 | $ 253 | (79)% | (64)% |
| Consumer loans, excluding credit card | 1,134 | 1,310 | 1,292 | 1,357 | 1,460 | (13) | (22) |
| Credit card loans | 1,627 | 1,641 | 1,765 | 2,131 | 2,631 | (1) | (38) |
| Total consumer loans | 2,761 | 2,951 | 3,057 | 3,488 | 4,091 | (6) | (33) |
| **Total loans** | **$ 2,853** | **$ 3,382** | **$ 3,155** | **$ 3,622** | **$ 4,344** | (16) | (34) |
| **GROSS RECOVERIES** | | | | | | | |
| Wholesale loans | $ 87 | $ 85 | $ 249 | $ 54 | $ 88 | 2 | (1) |
| Consumer loans, excluding credit card | 138 | 139 | 133 | 144 | 131 | (1) | 5 |
| Credit card loans | 241 | 251 | 266 | 321 | 405 | (4) | (40) |
| Total consumer loans | 379 | 390 | 399 | 465 | 536 | (3) | (29) |
| **Total loans** | **$ 466** | **$ 475** | **$ 648** | **$ 519** | **$ 624** | (2) | (25) |
| **NET CHARGE-OFFS/(RECOVERIES)** | | | | | | | |
| Wholesale loans | $ 5 | $ 346 | $ (151) | $ 80 | $ 165 | (99) | (97) |
| Consumer loans, excluding credit card | 996 | 1,171 | 1,159 | 1,213 | 1,329 | (15) | (25) |
| Credit card loans | 1,386 | 1,390 | 1,499 | 1,810 | 2,226 | — | (38) |
| Total consumer loans | 2,382 | 2,561 | 2,658 | 3,023 | 3,555 | (7) | (33) |
| **Total loans** | **$ 2,387** | **$ 2,907** | **$ 2,507** | **$ 3,103** | **$ 3,720** | (18) | (36) |
| **NET CHARGE-OFF/(RECOVERY) RATES** | | | | | | | |
| Wholesale retained loans | 0.01% | 0.52% | (0.24)% | 0.14% | 0.30% | | |
| Consumer retained loans, excluding credit card (a) | 1.31 | 1.50 | 1.47 | 1.53 | 1.66 | | |
| Credit card retained loans | 4.40 | 4.29 | 4.70 | 5.82 | 6.97 | | |
| **Total retained loans** | **1.35** | **1.64** | **1.44** | **1.83** | **2.22** | | |
| Consumer retained loans, excluding credit card and PCI loans | 1.66 | 1.91 | 1.88 | 1.96 | 2.14 | | |
| Consumer retained loans, excluding PCI loans | 2.60 | 2.74 | 2.84 | 3.25 | 3.77 | | |
| **Total retained loans, excluding PCI loans** | **1.49** | **1.81** | **1.60** | **2.04** | **2.48** | | |
| **Memo: Average retained loans** | | | | | | | |
| Wholesale loans | $276,764 | $265,758 | $250,145 | $237,511 | $226,544 | 4 | 22 |
| Consumer retained loans, excluding credit card | 306,657 | 308,980 | 312,341 | 317,862 | 323,961 | (1) | (5) |
| Credit card retained loans | 126,795 | 128,522 | 126,535 | 124,762 | 129,535 | (1) | (2) |
| Total average retained consumer loans | 433,452 | 437,502 | 438,876 | 442,624 | 453,496 | (1) | (4) |
| **Total average retained loans** | **$710,216** | **$703,260** | **$689,021** | **$680,135** | **$680,040** | 1 | 4 |
| Consumer retained loans, excluding credit card and PCI loans | $241,885 | $242,670 | $244,337 | $248,028 | $252,403 | — | (4) |
| Consumer retained loans, excluding PCI loans | 368,679 | 371,192 | 370,872 | 372,790 | 381,938 | (1) | (3) |
| **Total retained loans, excluding PCI loans** | **645,423** | **636,923** | **620,974** | **610,246** | **608,432** | 1 | 6 |

(a) To date, no charge-offs have been recorded for PCI loans.

**CREDIT-RELATED INFORMATION, CONTINUED**
**(in millions)**

| | QUARTERLY TRENDS | | | | | 1Q12 Change | |
|---|---|---|---|---|---|---|---|
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **SUMMARY OF CHANGES IN THE ALLOWANCES** | | | | | | | |
| **ALLOWANCE FOR LOAN LOSSES** | | | | | | | |
| Beginning balance | $27,609 | $28,350 | $28,520 | $29,750 | $32,266 | (3)% | (14)% |
| Net charge-offs | 2,387 | 2,907 | 2,507 | 3,103 | 3,720 | (18) | (36) |
| Provision for loan losses | 646 | 2,193 | 2,351 | 1,872 | 1,196 | (71) | (46) |
| Other | 3 | (27) | (14) | 1 | 8 | NM | (63) |
| **Ending balance** | **$25,871** | **$27,609** | **$28,350** | **$28,520** | **$29,750** | (6) | (13) |
| **ALLOWANCE FOR LENDING-RELATED COMMITMENTS** | | | | | | | |
| Beginning balance | $ 673 | $ 686 | $ 626 | $ 688 | $ 717 | (2) | (6) |
| Provision for lending-related commitments | 80 | (9) | 60 | (62) | (27) | NM | NM |
| Other | (3) | (4) | — | — | (2) | 25 | (50) |
| **Ending balance** | **$ 750** | **$ 673** | **$ 686** | **$ 626** | **$ 688** | 11 | 9 |
| **ALLOWANCE FOR LOAN LOSSES BY LOB** | | | | | | | |
| Investment Bank | $ 1,386 | $ 1,436 | $ 1,337 | $ 1,178 | $ 1,330 | (3) | 4 |
| Retail Financial Services | 14,247 | 15,247 | 15,479 | 15,479 | 15,554 | (7) | (8) |
| Card Services & Auto | 7,261 | 8,009 | 8,537 | 8,921 | 9,940 | (9) | (27) |
| Commercial Banking | 2,662 | 2,603 | 2,671 | 2,614 | 2,577 | 2 | 3 |
| Treasury & Securities Services | 69 | 65 | 49 | 74 | 69 | 6 | — |
| Asset Management | 209 | 209 | 240 | 222 | 257 | — | (19) |
| Corporate/Private Equity | 37 | 40 | 37 | 32 | 23 | (8) | 61 |
| **Total** | **$25,871** | **$27,609** | **$28,350** | **$28,520** | **$29,750** | (6) | (13) |

**CREDIT-RELATED INFORMATION, CONTINUED**
**(in millions, except ratio data)**

| | Mar 31, 2012 | Dec 31, 2011 | Sep 30, 2011 | Jun 30, 2011 | Mar 31, 2011 | March 31, 2012 Change Dec 31, 2011 | March 31, 2012 Change Mar 31, 2011 |
|---|---|---|---|---|---|---|---|
| **ALLOWANCE COMPONENTS AND RATIOS** | | | | | | | |
| ALLOWANCE FOR LOAN LOSSES | | | | | | | |
| **Wholesale** | | | | | | | |
| Asset-specific | $ 448 | $ 516 | $ 670 | $ 749 | $ 1,030 | (13)% | (57)% |
| Formula-based | 3,875 | 3,800 | 3,632 | 3,342 | 3,204 | 2 | 21 |
| **Total wholesale** | **4,323** | **4,316** | **4,302** | **4,091** | **4,234** | — | 2 |
| **Consumer, excluding credit card** | | | | | | | |
| Asset-specific | 760 | 828 | 1,016 | 1,049 | 1,067 | (8) | (29) |
| Formula-based | 8,826 | 9,755 | 10,563 | 10,397 | 10,467 | (10) | (16) |
| PCI | 5,711 | 5,711 | 4,941 | 4,941 | 4,941 | — | 16 |
| **Total consumer, excluding credit card** | **15,297** | **16,294** | **16,520** | **16,387** | **16,475** | (6) | (7) |
| **Credit card** | | | | | | | |
| Asset-specific | 2,402 | 2,727 | 3,052 | 3,451 | 3,819 | (12) | (37) |
| Formula-based | 3,849 | 4,272 | 4,476 | 4,591 | 5,222 | (10) | (26) |
| **Total credit card** | **6,251** | **6,999** | **7,528** | **8,042** | **9,041** | (11) | (31) |
| **Total consumer** | **21,548** | **23,293** | **24,048** | **24,429** | **25,516** | (7) | (16) |
| **Total allowance for loan losses** | **25,871** | **27,609** | **28,350** | **28,520** | **29,750** | (6) | (13) |
| Allowance for lending-related commitments | 750 | 673 | 686 | 626 | 688 | 11 | 9 |
| **Total allowance for credit losses** | **$26,621** | **$28,282** | **$29,036** | **$29,146** | **$30,438** | (6) | (13) |
| **CREDIT RATIOS** | | | | | | | |
| Wholesale allowance to total wholesale retained loans | 1.52% | 1.55% | 1.68% | 1.68% | 1.84% | | |
| Consumer, excluding credit card allowance, to total consumer, excluding credit card retained loans | 5.02 | 5.28 | 5.33 | 5.20 | 5.13 | | |
| Credit card allowance to total credit card retained loans | 5.02 | 5.30 | 5.93 | 6.41 | 7.24 | | |
| **Total allowance to total retained loans** | **3.63** | **3.84** | **4.09** | **4.16** | **4.40** | | |
| Wholesale allowance to wholesale retained nonaccrual loans | 223 | 180 | 143 | 122 | 92 | | |
| Consumer, excluding credit card allowance, to consumer, excluding credit card retained nonaccrual loans (a) | 181 | 220 | 211 | 196 | 192 | | |
| Allowance, excluding credit card allowance, to retained non-accrual loans, excluding credit card nonaccrual loans (a) | 189 | 210 | 192 | 175 | 157 | | |
| **Total allowance to total retained nonaccrual loans** | **249** | **281** | **262** | **243** | **226** | | |
| **CREDIT RATIOS, excluding PCI loans** | | | | | | | |
| Consumer, excluding credit card allowance, to total consumer, excluding credit card retained loans | 3.98 | 4.36 | 4.77 | 4.65 | 4.61 | | |
| **Total allowance to total retained loans** | **3.11** | **3.35** | **3.74** | **3.83** | **4.10** | | |
| Consumer, excluding credit card allowance, to consumer, excluding credit card retained nonaccrual loans (a) | 113 | 143 | 148 | 137 | 135 | | |
| Allowance, excluding credit card allowance, to retained non-accrual loans, excluding credit card nonaccrual loans (a) | 134 | 152 | 147 | 133 | 120 | | |
| **Total allowance to total retained nonaccrual loans** | **194** | **223** | **216** | **201** | **189** | | |

(a) The Firm's policy is generally to exempt credit card loans from being placed on nonaccrual status as permitted by regulatory guidance. Under guidance issued by the FFIEC, credit card loans are charged off by the end of the month in which the account becomes 180 days past due or within 60 days from receiving notification about a specified event (e.g., bankruptcy of the borrower), whichever is earlier.

**JPMORGAN CHASE & CO.**
**CREDIT-RELATED INFORMATION, CONTINUED**
**(in millions)**

JPMorgan Chase & Co.

| | QUARTERLY TRENDS | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | 1Q12 Change | |
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **PROVISION FOR CREDIT LOSSES BY LINE OF BUSINESS** | | | | | | | |
| **Provision for loan losses** | | | | | | | |
| Investment Bank | $ (85) | $ 298 | $ (7) | $ (142) | $ (409) | NM% | 79% |
| Retail Financial Services | (96) | 777 | 1,027 | 994 | 1,199 | NM | NM |
| Card Services & Auto | 738 | 1,061 | 1,264 | 944 | 353 | (30) | 109 |
| Commercial Banking | 72 | 29 | 73 | 73 | 51 | 148 | 41 |
| Treasury & Securities Services | 4 | 16 | (25) | 5 | 7 | (75) | (43) |
| Asset Management | 21 | 23 | 26 | 7 | 5 | (9) | 320 |
| Corporate/Private Equity | (8) | (11) | (7) | (9) | (10) | 27 | 20 |
| **Total provision for loan losses** | **$ 646** | **$ 2,193** | **$ 2,351** | **$ 1,872** | **$ 1,196** | (71) | (46) |
| **Provision for lending-related commitments** | | | | | | | |
| Investment Bank | $ 80 | $ (26) | $ 61 | $ (41) | $ (20) | NM | NM |
| Retail Financial Services | — | 2 | — | — | — | NM | — |
| Card Services & Auto | — | (1) | — | — | — | NM | — |
| Commercial Banking | 5 | 11 | (6) | (19) | (4) | (55) | NM |
| Treasury & Securities Services | (2) | 3 | 5 | (7) | (3) | NM | 33 |
| Asset Management | (2) | 1 | — | 5 | — | NM | NM |
| Corporate/Private Equity | (1) | 1 | — | — | — | NM | NM |
| **Total provision for lending-related commitments** | **$ 80** | **$ (9)** | **$ 60** | **$ (62)** | **$ (27)** | NM | NM |
| **Provision for credit losses** | | | | | | | |
| Investment Bank | $ (5) | $ 272 | $ 54 | $ (183) | $ (429) | NM | 99 |
| Retail Financial Services | (96) | 779 | 1,027 | 994 | 1,199 | NM | NM |
| Card Services & Auto | 738 | 1,060 | 1,264 | 944 | 353 | (30) | 109 |
| Commercial Banking | 77 | 40 | 67 | 54 | 47 | 93 | 64 |
| Treasury & Securities Services | 2 | 19 | (20) | (2) | 4 | (89) | (50) |
| Asset Management | 19 | 24 | 26 | 12 | 5 | (21) | 280 |
| Corporate/Private Equity | (9) | (10) | (7) | (9) | (10) | 10 | 10 |
| **Total provision for credit losses** | **$ 726** | **$ 2,184** | **$ 2,411** | **$ 1,810** | **$ 1,169** | (67) | (38) |
| **PROVISION FOR CREDIT LOSSES BY PORTFOLIO SEGMENT** | | | | | | | |
| **Provision for loan losses** | | | | | | | |
| Wholesale | $ 8 | $ 364 | $ 67 | $ (55) | $ (359) | (98) | NM |
| Consumer, excluding credit card | 2 | 939 | 1,285 | 1,117 | 1,329 | (100) | (100) |
| Credit card | 636 | 890 | 999 | 810 | 226 | (29) | 181 |
| Total consumer | 638 | 1,829 | 2,284 | 1,927 | 1,555 | (65) | (59) |
| **Total provision for loan losses** | **$ 646** | **$ 2,193** | **$ 2,351** | **$ 1,872** | **$ 1,196** | (71) | (46) |
| **Provision for lending-related commitments** | | | | | | | |
| Wholesale | $ 81 | $ (11) | $ 60 | $ (62) | $ (27) | NM | NM |
| Consumer, excluding credit card | (1) | 2 | — | — | — | NM | NM |
| Credit card | — | — | — | — | — | — | — |
| Total consumer | (1) | 2 | — | — | — | NM | NM |
| **Total provision for lending-related commitments** | **$ 80** | **$ (9)** | **$ 60** | **$ (62)** | **$ (27)** | NM | NM |
| **Provision for credit losses** | | | | | | | |
| Wholesale | $ 89 | $ 353 | $ 127 | $ (117) | $ (386) | (75) | NM |
| Consumer, excluding credit card | 1 | 941 | 1,285 | 1,117 | 1,329 | (100) | (100) |
| Credit card | 636 | 890 | 999 | 810 | 226 | (29) | 181 |
| Total consumer | 637 | 1,831 | 2,284 | 1,927 | 1,555 | (65) | (59) |
| **Total provision for credit losses** | **$ 726** | **$ 2,184** | **$ 2,411** | **$ 1,810** | **$ 1,169** | (67) | (38) |

(in millions)

| | QUARTERLY TRENDS | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | | | 1Q12 Change | |
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **95% CONFIDENCE LEVEL- AVERAGE IB TRADING VAR, CREDIT PORTFOLIO VAR AND OTHER VAR** | | | | | | | |
| **IB VaR by risk type:** | | | | | | | |
| Fixed income | $ 60 | $ 56 | $ 48 | $ 45 | $ 49 | 7% | 22% |
| Foreign exchange | 11 | 12 | 10 | 9 | 11 | (8) | — |
| Equities | 17 | 19 | 19 | 25 | 29 | (11) | (41) |
| Commodities and other | 21 | 20 | 15 | 16 | 13 | 5 | 62 |
| Diversification benefit to IB trading VaR (a) | (46) | (50) | (39) | (37) | (38) | 8 | (21) |
| **IB trading VaR (b)** | **63** | **57** | **53** | **58** | **64** | 11 | (2) |
| Credit portfolio VaR (c) | 32 | 39 | 38 | 27 | 26 | (18) | 23 |
| Diversification benefit to IB trading and credit portfolio VaR (a) | (14) | (21) | (21) | (8) | (7) | 33 | (100) |
| **Total IB trading and credit portfolio VaR** | **81** | **75** | **70** | **77** | **83** | 8 | (2) |
| **Other VaR:** | | | | | | | |
| Mortgage Production and Servicing VaR (d) | 11 | 44 | 40 | 20 | 16 | (75) | (31) |
| Chief Investment Office VaR (e) | 67 | 69 | 48 | 51 | 60 | (3) | 12 |
| Diversification benefit to other VaR (a) | (6) | (30) | (15) | (10) | (14) | 80 | 57 |
| **Total other VaR** | **72** | **83** | **73** | **61** | **62** | (13) | 16 |
| Diversification benefit to total IB and other VaR (a) | (37) | (45) | (35) | (44) | (57) | 18 | 35 |
| **Total IB and other VaR (f)** | **$ 116** | **$ 113** | **$ 108** | **$ 94** | **$ 88** | 3 | 32 |

(a) Average VaR was less than the sum of the VaR of the components described above, due to portfolio diversification. The diversification effect reflects the fact that the risks were not perfectly correlated. The risk of a portfolio of positions is therefore usually less than the sum of the risks of the positions themselves.

(b) For further information on IB trading VaR, see footnote (b) on page 12.

(c) For further information on Credit portfolio VaR see footnote (c) on page 12.

(d) Mortgage Production and Servicing VaR includes the Firm's mortgage pipeline and warehouse loans, MSR, and all related hedges.

(e) CIO VaR includes positions, primarily in debt securities and credit products, used to manage structural risk and other risks, including interest rate, credit and mortgage risks arising from the Firm's ongoing business activities.

(f) Total IB, Credit portfolio and other VaR does not include the retained Credit portfolio, which is not reported at fair value; however, it does include hedges of those positions. It also does not include DVA on derivative and structured liabilities to reflect the credit quality of the Firm; principal investments (mezzanine financing, tax-oriented investments, etc.); and certain securities and investments held by Corporate/Private Equity, including private equity investments, capital management positions and longer-term investments managed by CIO.

**JPMORGAN CHASE & CO.**
**CAPITAL AND OTHER SELECTED BALANCE SHEET ITEMS**
**(in millions, except ratio data)**

| | Mar 31, 2012 | Dec 31, 2011 | Sep 30, 2011 | Jun 30, 2011 | Mar 31, 2011 | March 31, 2012 Change Dec 31, 2011 | March 31, 2012 Change Mar 31, 2011 |
|---|---|---|---|---|---|---|---|
| **CAPITAL (based on Basel I)** | | | | | | | |
| Tier 1 capital | $ 155,811(e) | $ 150,384 | $ 147,823 | $ 148,880 | $ 147,234 | 4% | 6% |
| Total capital | 193,150(e) | 188,088 | 186,510 | 187,899 | 186,417 | 3 | 4 |
| Tier 1 common capital (a) | 128,101(e) | 122,916 | 120,234 | 121,209 | 119,598 | 4 | 7 |
| Risk-weighted assets | 1,235,803(e) | 1,221,198 | 1,217,548 | 1,198,711 | 1,192,536 | 1 | 4 |
| Adjusted average assets (b) | 2,195,625(e) | 2,202,087 | 2,168,678 | 2,129,510 | 2,041,153 | — | 8 |
| Tier 1 capital ratio | 12.6(e)% | 12.3% | 12.1% | 12.4% | 12.3% | | |
| Total capital ratio | 15.6(e) | 15.4 | 15.3 | 15.7 | 15.6 | | |
| Tier 1 leverage ratio | 7.1(e) | 6.8 | 6.8 | 7.0 | 7.2 | | |
| Tier 1 common capital ratio (a) | 10.4(e) | 10.1 | 9.9 | 10.1 | 10.0 | | |
| **TANGIBLE COMMON EQUITY (period-end) (c)** | | | | | | | |
| Common stockholders' equity | $ 181,928 | $ 175,773 | $ 174,487 | $ 175,079 | $ 172,798 | 4 | 5 |
| Less: Goodwill | 48,208 | 48,188 | 48,180 | 48,882 | 48,856 | — | (1) |
| Less: Other intangible assets | 3,029 | 3,207 | 3,396 | 3,679 | 3,857 | (6) | (21) |
| Add: Deferred tax liabilities (d) | 2,719 | 2,729 | 2,645 | 2,632 | 2,603 | — | 4 |
| **Total tangible common equity** | **$ 133,410** | **$ 127,107** | **$ 125,556** | **$ 125,150** | **$ 122,688** | 5 | 9 |
| **TANGIBLE COMMON EQUITY (average) (c)** | | | | | | | |
| Common stockholders' equity | $ 177,711 | $ 175,042 | $ 174,454 | $ 174,077 | $ 169,415 | 2 | 5 |
| Less: Goodwill | 48,218 | 48,225 | 48,631 | 48,834 | 48,846 | — | (1) |
| Less: Other intangible assets | 3,137 | 3,326 | 3,545 | 3,738 | 3,928 | (6) | (20) |
| Add: Deferred tax liabilities (d) | 2,724 | 2,687 | 2,639 | 2,618 | 2,595 | 1 | 5 |
| **Total tangible common equity** | **$ 129,080** | **$ 126,178** | **$ 124,917** | **$ 124,123** | **$ 119,236** | 2 | 8 |
| **INTANGIBLE ASSETS (period-end)** | | | | | | | |
| Goodwill | $ 48,208 | $ 48,188 | $ 48,180 | $ 48,882 | $ 48,856 | — | (1) |
| Mortgage servicing rights | 8,039 | 7,223 | 7,833 | 12,243 | 13,093 | 11 | (39) |
| Purchased credit card relationships | 535 | 602 | 668 | 744 | 820 | (11) | (35) |
| All other intangibles | 2,494 | 2,605 | 2,728 | 2,935 | 3,037 | (4) | (18) |
| **Total intangibles** | **$ 59,276** | **$ 58,618** | **$ 59,409** | **$ 64,804** | **$ 65,806** | 1 | (10) |
| **DEPOSITS (period-end)** | | | | | | | |
| U.S. offices: | | | | | | | |
| Noninterest-bearing | $ 343,299 | $ 346,670 | $ 323,058 | $ 287,654 | $ 244,136 | (1) | 41 |
| Interest-bearing | 521,323 | 504,864 | 484,640 | 469,618 | 468,654 | 3 | 11 |
| Non-U.S. offices: | | | | | | | |
| Noninterest-bearing | 16,276 | 18,790 | 14,724 | 13,422 | 11,644 | (13) | 40 |
| Interest-bearing | 247,614 | 257,482 | 270,286 | 277,991 | 271,395 | (4) | (9) |
| **Total deposits** | **$1,128,512** | **$1,127,806** | **$1,092,708** | **$1,048,685** | **$ 995,829** | — | 13 |

(a) The Firm uses Tier 1 common capital along with the other capital measures to assess and monitor its capital position. The Tier 1 common capital ratio, a non-GAAP financial measure, is Tier 1 common capital divided by risk-weighted assets. For further discussion of the Tier 1 common capital ratio, see page 46.

(b) Adjusted average assets, for purposes of calculating the leverage ratio, include total quarterly average assets adjusted for unrealized gains/(losses) on securities, less deductions for disallowed goodwill and other intangible assets, investments in certain subsidiaries, and the total adjusted carrying value of nonfinancial equity investments that are subject to deductions from Tier 1 capital.

(c) For further discussion of TCE, see page 46.

(d) Represents deferred tax liabilities related to tax-deductible goodwill and to identifiable intangibles created in non-taxable transactions, which are netted against goodwill and other intangibles when calculating TCE.

(e) Estimated.

JPMORGAN CHASE & CO.

MORTGAGE LOAN REPURCHASE LIABILITY

(in millions)

| | QUARTERLY TRENDS | | | | | 1Q12 Change | |
|---|---|---|---|---|---|---|---|
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **MORTGAGE LOAN REPURCHASE LIABILITY (a)(b)** | | | | | | | |
| Summary of changes in mortgage repurchase liability: | | | | | | | |
| Repurchase liability at beginning of period | $ 3,557 | $ 3,616 | $ 3,631 | $ 3,474 | $ 3,285 | (2)% | 8% |
| Realized losses (c) | (364) | (462) | (329) | (241) | (231) | 21 | (58) |
| Provision for repurchase losses | 323 | 403 | 314 | 398 | 420 | (20) | (23) |
| **Repurchase liability at end of period** | **$ 3,516** | **$ 3,557** | **$ 3,616** | **$ 3,631** | **$ 3,474** | (1) | 1 |
| Outstanding repurchase demands and unresolved mortgage insurance rescission notices by counterparty type: (d) | | | | | | | |
| GSEs and other (b)(e) | $ 2,624 | $ 2,345 | $ 2,133 | $ 1,826 | $ 1,321 | 12 | 99 |
| Mortgage insurers | 1,000 | 1,034 | 1,112 | 1,093 | 1,240 | (3) | (19) |
| Overlapping population (f) | (116) | (113) | (155) | (145) | (127) | (3) | 9 |
| **Total** | **$ 3,508** | **$ 3,266** | **$ 3,090** | **$ 2,774** | **$ 2,434** | 7 | 44 |
| Quarterly mortgage repurchase demands received by loan origination vintage: (d) | | | | | | | |
| Pre-2005 | $ 41 | $ 39 | $ 34 | $ 32 | $ 15 | 5 | 173 |
| 2005 | 95 | 55 | 200 | 57 | 45 | 73 | 111 |
| 2006 | 375 | 315 | 232 | 363 | 158 | 19 | 137 |
| 2007 | 645 | 804 | 602 | 510 | 381 | (20) | 69 |
| 2008 | 361 | 291 | 323 | 301 | 249 | 24 | 45 |
| Post-2008 | 124 | 81 | 153 | 89 | 94 | 53 | 32 |
| **Total** | **$ 1,641** | **$ 1,585** | **$ 1,544** | **$ 1,352** | **$ 942** | 4 | 74 |

(a) For further details regarding the Firm's mortgage repurchase liability, see Mortgage repurchase liability on pages 115-118 and Note 29, on pages 283-289, of JPMorgan Chase's 2011 Annual Report.

(b) Mortgage repurchase demands associated with private label securitizations are separately evaluated by the Firm in establishing its litigation reserves.

(c) Includes principal losses and accrued interest on repurchased loans, "make-whole" settlements, settlements with claimants, and certain related expense. Make-whole settlements were $186 million, $237 million, $162 million, $126 million and $115 million for the three months ended March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, respectively.

(d) Excludes amounts related to Washington Mutual.

(e) The Firm's outstanding repurchase demands are largely from the GSEs. Other represents repurchase demands received from parties other than the GSEs that have been presented to the Firm by trustees who assert authority to present such claims under the terms of the underlying sale or securitization agreement, and excludes repurchase demands asserted in litigation.

(f) Because the GSEs may make repurchase demands based on mortgage insurance rescission notices that remain unresolved, certain loans may be subject to both an unresolved mortgage insurance rescission notice and an unresolved repurchase demand.

## JPMORGAN CHASE & CO.
## PER SHARE-RELATED INFORMATION
## (in millions, except per share and ratio data)

| | QUARTERLY TRENDS | | | | | 1Q12 Change | |
|---|---|---|---|---|---|---|---|
| | 1Q12 | 4Q11 | 3Q11 | 2Q11 | 1Q11 | 4Q11 | 1Q11 |
| **EARNINGS PER SHARE DATA** | | | | | | | |
| **Basic earnings per share:** | | | | | | | |
| Net income | $ 5,383 | $ 3,728 | $ 4,262 | $ 5,431 | $ 5,555 | 44 % | (3) % |
| Less: Preferred stock dividends | 157 | 157 | 157 | 158 | 157 | — | — |
| **Net income applicable to common equity** | **5,226** | **3,571** | **4,105** | **5,273** | **5,398** | 46 | (3) |
| Less: Dividends and undistributed earnings allocated to participating securities | 209 | 146 | 169 | 206 | 262 | 43 | (20) |
| **Net income applicable to common stockholders** | **$ 5,017** | **$ 3,425** | **$ 3,936** | **$ 5,067** | **$ 5,136** | 46 | (2) |
| Total weighted-average basic shares outstanding | 3,818.8 | 3,801.9 | 3,859.6 | 3,958.4 | 3,981.6 | — | (4) |
| **Net income per share** | **$ 1.31** | **$ 0.90** | **$ 1.02** | **$ 1.28** | **$ 1.29** | 46 | 2 |
| **Diluted earnings per share:** | | | | | | | |
| **Net income applicable to common stockholders** | $ 5,017 | $ 3,425 | $ 3,936 | $ 5,067 | $ 5,136 | 46 | (2) |
| Total weighted-average basic shares outstanding | 3,818.8 | 3,801.9 | 3,859.6 | 3,958.4 | 3,981.6 | — | (4) |
| Add: Employee stock options, SARs and warrants (a) | 14.6 | 9.8 | 12.6 | 24.8 | 32.5 | 49 | (55) |
| **Total weighted-average diluted shares outstanding (b)** | **3,833.4** | **3,811.7** | **3,872.2** | **3,983.2** | **4,014.1** | 1 | (5) |
| **Net income per share** | **$ 1.31** | **$ 0.90** | **$ 1.02** | **$ 1.27** | **$ 1.28** | 46 | 2 |
| **COMMON SHARES OUTSTANDING** | | | | | | | |
| Common shares — at period end | 3,822.0 | 3,772.7 | 3,798.9 | 3,910.2 | 3,986.6 | 1 | (4) |
| Cash dividends declared per share (c) | $ 0.30 | $ 0.25 | $ 0.25 | $ 0.25 | $ 0.25 | 20 | 20 |
| Book value per share | 47.60 | 46.59 | 45.93 | 44.77 | 43.34 | 2 | 10 |
| Dividend payout ratio | 23% | 27% | 24% | 19% | 20% | | |
| **SHARE PRICE (c)** | | | | | | | |
| High | $ 46.49 | $ 37.54 | $ 42.55 | $ 47.80 | $ 48.36 | 24 | (4) |
| Low | 34.01 | 27.85 | 28.53 | 39.24 | 42.65 | 22 | (20) |
| Close | 45.98 | 33.25 | 30.12 | 40.94 | 46.10 | 38 | — |
| Market capitalization | 175,737 | 125,442 | 114,422 | 160,083 | 183,783 | 40 | (4) |
| **COMMON EQUITY REPURCHASE PROGRAM (d)** | | | | | | | |
| Aggregate common equity repurchased | $ 216.1 (e) | $ 863.8 | $4,424.9 (f) | $ 3,479.8 | $ 95.0 | (75) | 127 |
| Common equity repurchased | 5.5 (e) | 27.2 | 127.4 (f) | 80.3 | 2.1 | (80) | 162 |
| Average purchase price | $ 39.49 (e) | $ 31.75 | $ 34.72 (f) | $ 43.33 | $ 45.66 | 24 | (14) |

(a) Excluded from the computation of diluted EPS (due to the antidilutive effect) were options issued under employee benefit plans and the warrants originally issued in 2008 under the U.S. Treasury's Capital Purchase Program to purchase shares of the Firm's common stock. The aggregate number of shares issuable upon the exercise of such options and warrants was 169 million, 197 million, 197 million, 53 million and 85 million for the three months ended March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, respectively.

(b) Participating securities were included in the calculation of diluted EPS using the two-class method, as this computation was more dilutive than the calculation using the treasury stock method.

(c) For additional information on the dividends, listing and trading of JPMorgan Chase's common stock, see page 2.

(d) On March 13, 2012, the Board of Directors authorized a new $15.0 billion common equity (i.e., common stock and warrants) repurchase program, of which up to $12.0 billion is approved for 2012 and up to an additional $3.0 billion is approved through the end of the first quarter of 2013. The new program supersedes a $15.0 billion repurchase program approved in 2011, of which $8.95 billion was utilized in 2011.

(e) Includes $86.2 million of repurchases under the prior common equity repurchase program in December 2011, which settled in early January 2012.

(f) Includes impact of aggregate repurchases of 10.2 million warrants during the three months ended September 30, 2011.

*__The following are several of the non-GAAP measures that the Firm uses__ for various reasons, including: (i) to allow management to assess the comparability of revenue arising from both taxable and tax-exempt sources, (ii) to assess and compare the quality and composition of the Firm's capital with the capital of other financial services companies, and (iii) more generally, to provide a more meaningful measure of certain metrics that enables comparability with prior periods, as well as with competitors.*

(a) In addition to analyzing the Firm's results on a reported basis, management reviews the Firm's results and the results of the lines of business on a **"managed" basis**. The Firm's definition of managed basis starts with the reported U.S. GAAP results and includes certain reclassifications to present total net revenue for the Firm (and each of the business segments) on a FTE basis. Accordingly, revenue from investments that receive tax credits and tax-exempt securities is presented in the managed results on a basis comparable to taxable investments and securities. This non-GAAP financial measure allows management to assess the comparability of revenue arising from both taxable and tax-exempt sources. The corresponding income tax impact related to tax-exempt items is recorded within income tax expense. These adjustments have no impact on net income as reported by the Firm as a whole or by the lines of business.

(b) The ratio for the **allowance for loan losses to end-of-period loans** excludes the following: loans accounted for at fair value and loans held-for-sale; purchased credit-impaired ("PCI") loans; and the allowance for loan losses related to PCI loans. Additionally, Real Estate Portfolios net charge-off rates exclude the impact of PCI loans.

(c) **Tangible common equity ("TCE")** represents common stockholders' equity (i.e., total stockholders' equity less preferred stock) less goodwill and identifiable intangible assets (other than MSRs), net of related deferred tax liabilities. **ROTCE** measures the Firm's earnings as a percentage of TCE. In management's view, these measures are meaningful to the Firm, as well as analysts and investors, in assessing the Firm's use of equity, and in facilitating comparisons with competitors.

(d) **Tier 1 common capital ratio** is Tier 1 common capital divided by risk-weighted assets. **Tier 1 common capital** ("Tier 1 common") is defined as Tier 1 capital less elements of capital not in the form of common equity — such as perpetual preferred stock, noncontrolling interests in subsidiaries and trust preferred capital debt securities. Tier 1 common is used by banking regulators, investors and analysts to assess and compare the quality and composition of the Firm's capital with the capital of other financial services companies. The Firm uses Tier 1 common along with other capital measures to assess and monitor its capital position.

(e) **TSS Firmwide revenue** includes certain TSS product revenue and liability balances reported in other lines of business, mainly CB, RFS and AM, related to customers who are also customers of those lines of business.

(f) **Retail Financial Services** uses the **overhead ratio** (**excluding the amortization of core deposit intangibles** ("CDI")) to evaluate the underlying expense trends of the business. Including CDI amortization expense in the overhead ratio calculation would result in a higher overhead ratio in the earlier years and a lower overhead ratio in later years. This method would therefore result in an improving overhead ratio over time, all things remaining equal. The non-GAAP ratio excludes Consumer & Business Banking's CDI amortization expense related to prior business combination transactions.

(g) **Adjusted assets** equals total assets minus: (1) securities purchased under resale agreements and securities borrowed less securities sold, not yet purchased; (2) assets of consolidated VIEs; (3) cash and securities segregated and on deposit for regulatory and other purposes; (4) goodwill and intangibles; and (5) securities received as collateral. The amount of adjusted assets is presented to assist the reader in comparing IB's asset and capital levels with those of other investment banks in the securities industry. Asset-to-equity leverage ratios are commonly used as one measure to assess a company's capital adequacy. IB believes an adjusted asset amount that excludes the assets discussed above, which were considered to have a low risk profile, provides a more meaningful measure of balance sheet leverage in the securities industry.

**ACH:** Automated Clearing House.

**Allowance for loan losses to total loans**: Represents period-end allowance for loan losses divided by retained loans.

**Beneficial interests issued by consolidated VIEs**: Represents the interest of third-party holders of debt/equity securities, or other obligations, issued by VIEs that JPMorgan Chase consolidates. The underlying obligations of the VIEs consist of short-term borrowings, commercial paper and long-term debt. The related assets consist of trading assets, available-for-sale securities, loans and other assets.

**Contractual credit card charge-off**: In accordance with the Federal Financial Institutions Examination Council policy, credit card loans are charged off by the end of the month in which the account becomes 180 days past due or within 60 days from receiving notification about a specific event (e.g., bankruptcy of the borrower), whichever is earlier.

**Corporate/Private Equity**: Includes Private Equity, Treasury and Chief Investment Office, and Corporate Other, which includes other centrally managed expense and discontinued operations.

**Global Corporate Bank**: TSS and IB formed a joint venture to create the Firm's Global Corporate Bank. With a team of bankers, the Global Corporate Bank serves multinational clients by providing them access to TSS products and services and certain IB products, including derivatives, foreign exchange and debt. The cost of this effort and the credit that the Firm extends to these clients is shared between TSS and IB.

**Managed basis**: A non-GAAP presentation of financial results that includes reclassifications to present revenue on a fully taxable-equivalent basis. Management uses this non-GAAP financial measure at the segment level, because it believes this provides information to enable investors to understand the underlying operational performance and trends of the particular business segment and facilitates a comparison of the business segment with the performance of competitors.

**Mark-to-market exposure**: A measure, at a point in time, of the value of a derivative or foreign exchange contract in the open market. When the MTM value is positive, it indicates the counterparty owes JPMorgan Chase and, therefore, creates credit risk for the Firm. When the MTM value is negative, JPMorgan Chase owes the counterparty; in this situation, the Firm has liquidity risk.

**MSR risk management revenue**: Includes changes in the fair value of the MSR asset due to market-based inputs, such as interest rates and volatility, as well as updates to assumptions used in the MSR valuation model; and derivative valuation adjustments and other, which represents changes in the fair value of derivative instruments used to offset the impact of changes in the market-based inputs to the MSR valuation model.

**NA**: Data is not applicable or available for the period presented.

**Net charge-off rate**: Represents net charge-offs (annualized) divided by average retained loans for the reporting period.

**Net yield on interest-earning assets**: The average rate for interest-earning assets less the average rate paid for all sources of funds.

**NM**: Not meaningful.

**Overhead ratio**: Noninterest expense as a percentage of total net revenue.

**Participating securities**: Represents unvested stock-based compensation awards containing nonforfeitable rights to dividends or dividend equivalents (collectively, "dividends"), which are included in the earnings per share calculation using the two-class method. JPMorgan Chase grants restricted stock and RSUs to certain employees under its stock-based compensation programs, which entitle the recipients to receive nonforfeitable dividends during the vesting period on a basis equivalent to the dividends paid to holders of common stock. These unvested awards meet the definition of participating securities. Under the two-class method, all earnings (distributed and undistributed) are allocated to each class of common stock and participating securities, based on their respective rights to receive dividends.

**Pre-provision profit:** Pre-provision profit is total net revenue less noninterest expense. The Firm believes that this financial measure is useful in assessing the ability of a lending institution to generate income in excess of its provision for credit losses.

**Pretax margin**: Represents income before income tax expense divided by total net revenue, which is, in management's view, a comprehensive measure of pretax performance derived by measuring earnings after all costs are taken into consideration. It is, therefore, another basis that management uses to evaluate the performance of TSS and AM against the performance of their respective competitors.

**Principal transactions**: Realized and unrealized gains and losses from trading activities (including physical commodities inventories that are accounted for at the lower of cost or fair value) and changes in fair value associated with financial instruments held predominantly by IB for which the fair value option was elected. Principal transactions revenue also includes private equity gains and losses.

**Purchased credit-impaired ("PCI") loans:** Represents loans that were acquired in the Washington Mutual transaction and deemed to be credit-impaired on the acquisition date in accordance with FASB guidance. The guidance allows purchasers to aggregate credit-impaired loans acquired in the same fiscal quarter into one or more pools, provided that the loans have common risk characteristics (e.g., product type, LTV ratios, FICO scores, past due status, geographic location). A pool is then accounted for as a single asset with a single composite interest rate and an aggregate expectation of cash flows.

Since each pool is accounted for as a single asset with a single composite interest rate and an aggregate expectation of cash flows, the past-due status of the pools, or that of the individual loans within the pools, is not meaningful. Because the Firm is recognizing interest income on each pool of loans, they are all considered to be performing.

Charge-offs are not recorded on PCI loans until actual losses exceed estimated losses that were recorded as purchase accounting adjustments at the time of acquisition. PCI loans as well as the related charge-offs and allowance for loan losses are excluded in the calculation of certain net charge-off rates and allowance coverage ratios. To date, no charge-offs have been recorded for these loans.

**Receivables from customers**: Primarily represents margin loans to prime and retail brokerage customers which are included in accrued interest and accounts receivable on the Consolidated Balance Sheets for the wholesale lines of business.

**Reported basis**: Financial statements prepared under U.S. GAAP, which excludes the impact of taxable-equivalent adjustments.

**Retained loans**: Loans that are held-for-investment excluding loans held-for-sale and loans at fair value.

**Risk-weighted assets ("RWA")**: Risk-weighted assets consist of on- and off-balance sheet assets that are assigned to one of several broad risk categories and weighted by factors representing their risk and potential for default. On-balance sheet assets are risk-weighted based on the perceived credit risk associated with the obligor or counterparty, the nature of any collateral, and the guarantor, if any. Off-balance sheet assets such as lending-related commitments, guarantees, derivatives and other applicable off-balance sheet positions are risk-weighted by multiplying the contractual amount by the appropriate credit conversion factor to determine the on-balance sheet credit equivalent amount, which is then risk-weighted based on the same factors used for on-balance sheet assets. Risk-weighted assets also incorporate a measure for market risk related to applicable trading assets-debt and equity instruments, and foreign exchange and commodity derivatives. The resulting risk-weighted values for each of the risk categories are then aggregated to determine total risk-weighted assets.

**Fully taxable-equivalent ("FTE") basis**: Total net revenue for each of the business segments and the Firm is presented on a fully taxable-equivalent basis. Accordingly, revenue from tax-exempt securities and investments that receive tax credits is presented in the managed results on a basis comparable to fully taxable securities and investments. This non-GAAP financial measure allows management to assess the comparability of revenue arising from both taxable and tax-exempt sources. The corresponding income tax impact related to these items is recorded within income tax expense.

**Troubled debt restructuring ("TDR")**: Occurs when the Firm modifies the original terms of a loan agreement by granting a concession to a borrower that is experiencing financial difficulty.

**U.S. GAAP**: Accounting principles generally accepted in the United States of America.

**Value-at-risk ("VaR")**: A measure of the dollar amount of potential loss from adverse market moves in an ordinary market environment.

**Washington Mutual transaction**: On September 25, 2008, JPMorgan Chase acquired the banking operations of Washington Mutual Bank ("Washington Mutual") from the FDIC. For additional information, see Glossary of Terms on page 311 of JPMorgan Chase's 2011 Annual Report.

## INVESTMENT BANK (“IB”)

IB’s revenue comprises the following:

**Investment banking fees** include advisory, equity underwriting, bond underwriting and loan syndication fees.

**Fixed income markets** primarily include revenue related to market-making across global fixed income markets, including foreign exchange, interest rate, credit and commodities markets.

**Equities markets** primarily include revenue related to market-making across global equity products, including cash instruments, derivatives, convertibles and Prime Services.

**Credit portfolio revenue** includes net interest income, fees and loan sale activity, as well as gains or losses on securities received as part of a loan restructuring, for IB’s credit portfolio. Credit portfolio revenue also includes the results of risk management related to the Firm’s lending and derivative activities.

## RETAIL FINANCIAL SERVICES (“RFS”)

Description of selected business metrics within Consumer & Business Banking:

**Client investment managed accounts** – Assets actively managed by Chase Wealth Management on behalf of clients. The percentage of managed accounts is calculated by dividing managed account assets by total client investment assets.

**Active mobile customers** – Retail banking users of all mobile platforms, which include: SMS text, Mobile Browser, iPhone, iPad and Android, who have been active in the past 90 days.

**Client advisors** – Investment product specialists, including Private Client Advisors, Financial Advisors, Financial Advisor Associates, Senior Financial Advisors, Independent Financial Advisors and Financial Advisor Associate trainees, who advise clients on investment options, including annuities, mutual funds, stock trading services, etc., sold by the Firm or by third party vendors through retail branches, Chase Private Client branches and other channels.

**Personal bankers** – Retail branch office personnel who acquire, retain and expand new and existing customer relationships by assessing customer needs and recommending and selling appropriate banking products and services.

**Sales specialists** – Retail branch office and field personnel, including Business Bankers, Relationship Managers and Loan Officers, who specialize in marketing and sales of various business banking products (i.e., business loans, letters of credit, deposit accounts, Chase paymentec, etc.) and mortgage products to existing and new clients.

**Deposit margin**: Represents net interest income expressed as a percentage of average deposits.

## RFS (continued)

Mortgage Production and Servicing revenue comprises the following:

**Net production revenue** includes net gains or losses on originations and sales of prime and subprime mortgage loans, other production-related fees and losses related to the repurchase of previously-sold loans.

**Net mortgage servicing revenue** includes the following components**:**

a) Operating revenue comprises:
   - All gross income earned from servicing third-party mortgage loans including stated service fees, excess service fees and other ancillary fees; and
   - Modeled MSR asset amortization (or time decay).

b) Risk management comprises:
   - Changes in MSR asset fair value due to market-based inputs such as interest rates, as well as updates to assumptions used in the MSR valuation model; and
   - Derivative valuation adjustments and other, which represents changes in the fair value of derivative instruments used to offset the impact of changes in interest rates to the MSR valuation model.

Mortgage origination channels comprise the following**:**

**Retail** – Borrowers who buy or refinance a home through direct contact with a mortgage banker employed by the Firm using a branch office, the Internet or by phone. Borrowers are frequently referred to a mortgage banker by a banker in a Chase branch, real estate brokers, home builders or other third parties.

**Wholesale** – Third-party mortgage brokers refer loan application packages to the Firm. The Firm then underwrites and funds the loan. Brokers are independent loan originators that specialize in counseling applicants on available home financing options, but do not provide funding for loans. Chase materially eliminated broker-originated loans in 2008, with the exception of a small number of loans guaranteed by the U.S. Department of Agriculture under its Section 502 Guaranteed Loan program that serves low-and-moderate income families in small rural communities.

**Correspondent** – Banks, thrifts, other mortgage banks and other financial institutions that sell closed loans to the Firm.

**Correspondent negotiated transactions (“CNTs”)** – Mid- to large-sized mortgage lenders, banks and bank-owned mortgage companies sell servicing to the Firm on an as-originated basis (excluding sales of bulk servicing transactions). These transactions supplement traditional production channels and provide growth opportunities in the servicing portfolio in periods of stable and rising interest rates.

**CARD SERVICES & AUTO ("Card")**

Description of selected business metrics within Card:

**Sales volume** – Dollar amount of cardmember purchases, net of returns.

**Open accounts** – Cardmember accounts with charging privileges.

**Merchant Services business** – A business that processes bank card transactions for merchants.

**Bank card volume** – Dollar amount of transactions processed for merchants.

**Total transactions** – Number of transactions and authorizations processed for merchants.

**Auto origination volume** – Dollar amount of loans and leases originated.

**Commercial Card** provides a wide range of payment services to corporate and public sector clients worldwide through the commercial card products. Services include procurement, corporate travel and entertainment, expense management services, and business-to-business payment solutions.

**COMMERCIAL BANKING ("CB")**

CB Client Segments**:**

1. **Middle Market Banking** covers corporate, municipal, financial institution and not-for-profit clients, with annual revenue generally ranging between $10 million and $500 million.
2. **Corporate Client Banking** covers clients with annual revenue generally ranging between $500 million and $2 billion and focuses on clients that have broader investment banking needs.
3. **Commercial Term Lending** primarily provides term financing to real estate investors/owners for multi-family properties as well as financing office, retail and industrial properties.
4. **Real Estate Banking** provides full-service banking to investors and developers of institutional-grade real estate properties.
5. **Other** primarily includes lending and investment activity within the Community Development Banking and Chase Capital businesses.

**CB (continued)**

CB Revenue:

1. **Lending** includes a variety of financing alternatives, which are primarily provided on a basis secured by receivables, inventory, equipment, real estate or other assets. Products include term loans, revolving lines of credit, bridge financing, asset-based structures, leases, commercial card products and standby letters of credit.
2. **Treasury services** includes a broad range of products and services enabling clients to transfer, invest and manage the receipt and disbursement of funds, while providing the related information reporting. These products and services include U.S. dollar and multi-currency clearing, ACH, lockbox, disbursement and reconciliation services, check deposits, other check and currency-related services, trade finance and logistics solutions, deposit products, sweeps and money market mutual funds.
3. **Investment banking** products provide clients with sophisticated capital-raising alternatives, as well as balance sheet and risk management tools through loan syndications, investment-grade debt, asset-backed securities, private placements, high-yield bonds, equity underwriting, advisory, interest rate derivatives, foreign exchange hedges and securities sales.
4. **Other** product revenue primarily includes tax-equivalent adjustments generated from Community Development Banking activity and certain income derived from principal transactions.

Description of selected business metrics within CB:

1. **Liability balances** include deposits, as well as deposits that are swept to on-balance sheet liabilities (e.g., commercial paper, federal funds purchased, time deposits and securities loaned or sold under repurchase agreements) as part of customer cash management programs.
2. **IB revenue, gross** represents total revenue related to investment banking products sold to CB clients.

## TREASURY & SECURITIES SERVICES ("TSS")

Treasury & Securities Services **firmwide metrics** include certain TSS product revenue and liability balances reported in other lines of business related to customers who are also customers of those other lines of business. In order to capture the firmwide impact of Treasury Services and TSS products and revenue, management reviews firmwide metrics such as liability balances, revenue and overhead ratios in assessing financial performance for TSS. Firmwide metrics are necessary, in management's view, in order to understand the aggregate TSS business.

Description of a business metric within TSS:

1. **Liability balances** include deposits, as well as deposits that are swept to on-balance sheet liabilities (e.g., commercial paper, federal funds purchased, time deposits and securities loaned or sold under repurchase agreements) as part of customer cash management programs.

Description of selected products and services within TSS:

1. **Investor Services** includes primarily custody, fund accounting and administration, and securities lending products sold principally to asset managers, insurance companies and public and private investment funds.
2. **Clearance, Collateral Management & Depositary Receipts** primarily includes broker-dealer clearing and custody services, including tri-party repo transactions, collateral management products, and depositary bank services for American and global depositary receipt programs.
3. **Transaction Services** includes a broad range of products and services that enable clients to manage payments and receipts, as well as invest and manage funds. Products include U.S. dollar and multi-currency clearing, ACH, lockbox, disbursement and reconciliation services, check deposits, and currency related services.
4. **Trade Finance** enables the management of cross-border trade for bank and corporate clients. Products include loans directly tied to goods crossing borders, export/import loans, commercial letters of credit, standby letters of credit, and supply chain finance.

**Pre-provision profit ratio** represents total net revenue less total noninterest expense divided by total net revenue. This reflects the operating performance before the impact of credit, and is another measure of performance for TSS against the performance of competitors.

## ASSET MANAGEMENT ("AM")

**Assets under management** – Represent assets actively managed by AM on behalf of Private Banking, Institutional, and Retail clients. Includes "committed capital not called", on which AM earns fees. Excludes assets managed by American Century Companies, Inc. in which the Firm sold its minority ownership interest on August 31, 2011.

**Assets under supervision** – Represents assets under management, as well as custody, brokerage, administration and deposit accounts.

**Multi-asset** – Any fund or account that allocates assets under management to more than one asset class (e.g., long-term fixed income, equity, cash, real assets, private equity or hedge funds).

**Alternative assets** – The following types of assets constitute alternative investments – hedge funds, currency, real estate and private equity.

AM's client segments comprise the following:

**Institutional** includes comprehensive global investment services – including asset management, pension analytics, asset/liability management and active risk budgeting strategies – to corporate and public institutions, endowments, foundations, not-for-profit organizations and governments worldwide.

**Retail** includes worldwide investment management services and retirement planning and administration through third-parties and direct distribution of a full range of investment vehicles.

**Private Banking** includes investment advice and wealth management services to high- and ultra-high-net-worth individuals, families, money managers, business owners and small corporations worldwide, including investment management, capital markets and risk management, tax and estate planning, banking, capital raising and specialty-wealth advisory services.