

# JPMORGAN CHASE & Co.

## NET STABLE FUNDING RATIO DISCLOSURE

For the quarterly periods ended December 31, 2023 and September 30, 2023

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## NET STABLE FUNDING RATIO

### Net Stable Funding Ratio

The U.S. Net Stable Funding Ratio rule (the "NSFR rule") requires that JPMorgan Chase & Co. ("the Firm") and JPMorgan Chase Bank, National Association ("JPMorgan Chase Bank, N.A.") each maintain an amount of stable funding to support their respective assets, commitments and derivatives exposures over a prospective one-year time horizon. Available Stable Funding ("ASF") for the purpose of calculating the NSFR is calculated by applying prescribed standardized weightings ("ASF factors") to the Firm's and JPMorgan Chase Bank, N.A.'s regulatory capital and liabilities based on their corresponding stability and maturity. Required Stable Funding ("RSF") is calculated by applying prescribed standardized weightings ("RSF factors") to assets, commitments and derivative exposures, based on their tenor, liquidity quality, maturity and, where applicable, period of encumbrance of the asset. The NSFR for both the Firm and JPMorgan Chase Bank, N.A. is required to be a minimum of 100%.

Under the NSFR rule, the amount of ASF in excess of RSF held by JPMorgan Chase Bank N.A. excluding the impact of transactions with non-bank affiliates, that is not transferable, must be excluded from the Firm's reported ASF.

The following table summarizes the Firm's average NSFR for the three months ended December 31, 2023 and September 30, 2023 based on the Firm's interpretation of the finalized NSFR framework.

Average weighted amount <sup>(a)</sup> (in millions)	Three months ended	
	December 31, 2023	September 30, 2023
<b>JPMorgan Chase &amp; Co.:</b>		
<b>Total ASF</b>	<b>\$ 2,286,251</b>	<b>\$ 2,298,634</b>
<b>Total RSF</b>	<b>\$ 1,884,330</b>	<b>\$ 1,920,456</b>
<b>NSFR</b>	<b>121 %</b>	<b>120 %</b>
<b>Excess</b>	<b>\$ 401,921</b>	<b>378,178</b>

(a) Represents the average weighted amount of ASF and RSF after applying prescribed standardized weightings.

The Firm's average NSFR is comprised of:

- ASF, which primarily consists of deposits, regulatory capital and long-term debt, and
- RSF, which primarily consists of loans, securities, other assets and derivatives.

The Firm's average NSFR for the three months ended December 31, 2023 increased compared with the three months ended September 30, 2023, reflecting a decrease in the Firm's RSF, primarily driven by Corporate Investment Bank ('CIB') markets activities.

The Firm's average NSFR fluctuates from period to period, as a result of the composition of the Firm's funding and its ongoing business activity.

The following tables present detail on the Firm's average NSFR, and average unweighted and weighted amount of ASF and RSF, for the three months ended December 31, 2023 and September 30, 2023.

Three months ended December 31, 2023 (in millions)		Unweighted Amount <sup>(a)</sup>					Weighted Amount <sup>(b)</sup>
		Open	< 6 months	6 months to < 1 year	>= 1 year	Perpetual	Total
		Amount	Amount	Amount	Amount	Amount	Amount
<b>ASF ITEM</b>							
1 Capital and securities:	\$ 2,417	\$ 54,096	\$ 24,962	\$ 324,673	\$ 319,152	\$ 656,306	
2 NSFR regulatory capital elements <sup>(c)</sup>	0	0	0	32,868	319,152	352,020	
3 Other capital elements and securities <sup>(d)</sup>	2,417	54,096	24,962	291,805	0	304,286	
4 Retail funding:	1,041,937	112,730	47,753	19,376	0	1,080,906	
5 Stable deposits	638,794	37,340	6,944	639	0	649,531	
6 Less stable deposits	327,177	52,929	8,941	432	0	350,531	
7 Sweep deposits, brokered reciprocal deposits, and brokered deposits	59,918	22,460	31,868	18,305	0	72,820	
8 Other retail funding <sup>(e)</sup>	16,048	0	0	0	0	8,024	
9 Wholesale funding:	1,271,475	269,998	30,014	25,508	0	562,376	
10 Operational deposits	699,748	717	80	1	0	350,273	
11 Other wholesale funding <sup>(f)</sup>	571,727	269,282	29,935	25,507	0	212,104	
Other liabilities:							
12 NSFR derivatives liability amount <sup>(g)</sup>					0		
13 Total derivatives liability amount					53,615		
14 All other liabilities not included in categories 1 through 13 of this table	175,169	163,205	719	10,296	10,266	0	
(Less): Non transferable excess subsidiary stable funding <sup>(h) (m)</sup>						13,338	
<b>15 TOTAL ASF <sup>(m)</sup></b>						<b>\$ 2,286,251</b>	
<b>RSF ITEM</b>							
16 Total high-quality liquid assets (HQLA) <sup>(i)</sup>	\$ 512,697	\$ 65,628	\$ 37,142	\$ 589,891	\$ 14,528	\$ 38,226	
17 Level 1 liquid assets	512,623	64,277	36,618	417,492	0	304	
18 Level 2A liquid assets	53	1,241	262	160,179	0	24,351	
19 Level 2B liquid assets	21	110	262	12,221	14,528	13,570	
20 Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries <sup>(j)</sup>	17,451	42,202	0	0	0	0	
21 Operational deposits placed at financial sector entities or their consolidated subsidiaries	30,170	0	0	0	0	15,085	
22 Loans and securities: <sup>(l)</sup>	263,770	568,940	155,151	1,208,830	125,283	1,431,655	
23 Loans to financial sector entities secured by level 1 liquid assets <sup>(k)</sup>	28,692	219,028	5,617	2,696	0	28,127	
24 Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities <sup>(k)</sup>	210,615	122,653	40,737	40,351	0	127,378	
25 Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties <sup>(k)</sup>	22,210	188,609	96,773	631,843	0	699,327	
26 Of which: With a risk weight no greater than 20 percent under Regulation Q (12 CFR part 217) <sup>(k)</sup>	680	4,235	4,479	28,307	0	30,670	
27 Retail mortgages	55	3,433	3,046	320,797	0	251,408	
28 Of which: With a risk weight no greater than 50 percent under Regulation Q (12 CFR part 217)	42	2,322	2,534	295,709	0	228,241	
29 Securities that do not qualify as HQLA <sup>(i)</sup>	2,198	35,218	8,979	213,143	125,283	325,415	
Other assets:							
30 Commodities					10,232	8,697	
31 Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss-sharing arrangements					66,953	56,910	
32 NSFR derivatives asset amount <sup>(g)</sup>					9,259	9,259	
33 Total derivatives asset amount					62,874	6,779	
34 RSF for potential derivatives portfolio valuation changes					135,576	6,779	
35 All other assets not included in categories 16-33 of this table, including nonperforming assets <sup>(i)</sup>	635	72,483	537	215,506	-	289,161	
36 Undrawn commitments					571,171	28,559	
<b>37 TOTAL RSF prior to application of required stable funding adjustment percentage <sup>(m)</sup></b>						<b>\$ 1,884,330</b>	
<b>38 Required stable funding adjustment percentage</b>						<b>100%</b>	
<b>39 TOTAL adjusted RSF <sup>(m)</sup></b>						<b>\$ 1,884,330</b>	
<b>40 NET STABLE FUNDING RATIO</b>						<b>121 %</b>	

See page 4 for footnotes to the table.

Three months ended September 30, 2023 (in millions)	Unweighted Amount <sup>(a)</sup>					Weighted Amount <sup>(b)</sup>	
	Open	< 6 months	6 months to < 1 year	>= 1 year	Perpetual		Total
	Amount	Amount	Amount	Amount	Amount		Amount
<b>ASF ITEM</b>							
1 Capital and securities:	\$ 2,936	\$ 47,101	\$ 26,326	\$ 318,999	\$ 314,204	\$ 646,367	
2 NSFR regulatory capital elements <sup>(c)</sup>	0	0	0	33,885	314,204	348,089	
3 Other capital elements and securities <sup>(d)</sup>	2,936	47,101	26,326	285,114	0	298,277	
4 Retail funding:	1,083,939	90,329	40,577	19,129	0	1,098,877	
5 Stable deposits	660,429	27,838	8,025	711	0	662,153	
6 Less stable deposits	341,379	45,650	9,394	497	0	357,228	
7 Sweep deposits, brokered reciprocal deposits, and brokered deposits	66,435	16,841	23,158	17,921	0	71,648	
8 Other retail funding <sup>(e)</sup>	15,697	0	0	0	0	7,848	
9 Wholesale funding:	1,247,199	273,816	25,758	23,318	0	556,696	
10 Operational deposits	704,554	667	98	2	0	352,660	
11 Other wholesale funding <sup>(f)</sup>	542,645	273,149	25,660	23,317	0	204,036	
Other liabilities:							
12 NSFR derivatives liability amount <sup>(g)</sup>					0		
13 Total derivatives liability amount					53,249		
14 All other liabilities not included in categories 1 through 13 of this table	168,020	158,648	987	11,393	10,156	0	
(Less): Non transferable excess subsidiary stable funding <sup>(h)</sup>						3,306	
<b>15 TOTAL ASF</b>						<b>\$ 2,298,634</b>	
<b>RSF ITEM</b>							
16 Total high-quality liquid assets (HQLA) <sup>(i)</sup>	\$ 426,764	\$ 79,675	\$ 40,549	\$ 605,099	\$ 17,762	\$ 41,274	
17 Level 1 liquid assets	426,710	78,740	40,071	421,831	0	–	
18 Level 2A liquid assets	22	747	254	170,332	0	25,703	
19 Level 2B liquid assets	32	187	223	12,936	17,762	15,570	
20 Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries <sup>(j)</sup>	17,201	37,916	0	13	0	–	
21 Operational deposits placed at financial sector entities or their consolidated subsidiaries	33,101	0	0	0	0	16,551	
22 Loans and securities <sup>(k)</sup>	257,329	556,455	165,198	1,203,930	151,030	1,459,801	
23 Loans to financial sector entities secured by level 1 liquid assets <sup>(k)</sup>	31,725	222,129	3,579	27,146	0	69,135	
24 Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities <sup>(k)</sup>	201,212	110,985	50,981	39,868	0	121,218	
25 Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties <sup>(k)</sup>	22,139	183,921	102,854	613,552	0	686,016	
26 Of which: With a risk weight no greater than 20 percent under Regulation Q (12 CFR part 217) <sup>(k)</sup>	0	0	2,196	14,947	0	17,055	
27 Retail mortgages	0	0	156	308,282	0	232,352	
28 Of which: With a risk weight no greater than 50 percent under Regulation Q (12 CFR part 217)	0	0	156	287,708	0	214,864	
29 Securities that do not qualify as HQLA <sup>(l)</sup>	2,253	39,420	7,628	215,082	151,030	351,080	
Other assets:							
30 Commodities					11,362	9,658	
31 Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss-sharing arrangements					68,005	57,804	
32 NSFR derivatives asset amount <sup>(m)</sup>					13,052	13,052	
33 Total derivatives asset amount					66,301		
34 RSF for potential derivatives portfolio valuation changes					136,286	6,814	
35 All other assets not included in categories 16-33 of this table, including nonperforming assets <sup>(n)</sup>	732	71,097	957	213,541	1,137	286,459	
36 Undrawn commitments					580,861	29,043	
<b>37 TOTAL RSF prior to application of required stable funding adjustment percentage</b>						<b>\$ 1,920,456</b>	
<b>38 Required stable funding adjustment percentage</b>						<b>100%</b>	
<b>39 TOTAL adjusted RSF</b>						<b>\$ 1,920,456</b>	
<b>40 NET STABLE FUNDING RATIO</b>						<b>120 %</b>	

See page 4 for footnotes to the table.

- (a) Represents the average notional amount of ASF and RSF before applying prescribed standardized weightings to liabilities and assets included in ASF and RSF, respectively.
- (b) Represents the average weighted amount of ASF and RSF after applying prescribed standardized weightings.
- (c) Includes common stockholders' equity, qualifying Tier 2 capital subordinated long-term debt and qualifying loan loss reserves.
- (d) Includes secured and unsecured long-term debt issued by the Firm, commercial paper and beneficial interests issued by consolidated variable interest entities on the Firm's Consolidated balance sheets.
- (e) Predominantly includes: customer brokerage payables and other retail liabilities on the Firm's Consolidated balance sheets.
- (f) Includes non-operational deposits, as well as secured and unsecured wholesale funding which is included in accounts payable and other liabilities, and federal funds purchased and securities loaned or sold under repurchase agreements on the Firm's Consolidated balance sheets.
- (g) Represents the current value of derivative assets net of liabilities, as calculated under the NSFR rule, at a qualifying master netting agreement level, taking into account variation margin provided by and received by the Firm. Under the NSFR rule, a net current liability is to be reported on line 12 and a net current asset is to be reported on line 32.
- (h) Represents the average amount of ASF in excess of RSF held by JPMorgan Chase Bank N.A. excluding the impact of transactions with non-bank affiliates, that is not transferable, must be excluded from the Firm's reported ASF.
- (i) Includes both encumbered and unencumbered assets. Under the NSFR rule, High Quality Liquid Assets ("HQLA") is not subject to the operational considerations defined in the Liquidity Coverage Ratio ("LCR") rule.
- (j) Represents secured lending to central banks, receivables related to unsettled securities transactions, currency and coin balances and cash in process of collection.
- (k) Predominantly includes wholesale and retail loans, as well as securities borrowed or purchased under resale agreements.
- (l) Other Assets primarily consists of: goodwill, accrued interest and account receivables, and premises and equipment reported on the Firm's Consolidated balance sheets.

### Available Stable Funding

ASF is defined as the portions of regulatory capital and liabilities that are deemed to be stable funding sources based on the below characteristics:

- Funding tenor - based on remaining maturity, where longer remaining maturity is generally considered more stable and less susceptible to short-term rollover risk.
- Funding type - recognizes characteristics of the liabilities such as presence of deposit insurance, whether they are operational, or other stabilizing features that may increase the likelihood of a counterparty continuing the funding across a broad range of market conditions.
- Counterparty type - based on type of counterparty that provides the funding using the same counterparty type classifications as defined in the LCR rule, such as retail customer (more stable) or wholesale financial sector entity (less stable).

### Sources of Funds

The Firm funds its global balance sheet through diverse sources of funding including stable deposits, secured and unsecured funding in the capital markets and stockholders' equity. Deposits are the primary funding source for JPMorgan Chase Bank, N.A. Additionally, JPMorgan Chase Bank, N.A. may access funding through short- or long-term secured borrowings, the issuance of unsecured long-term debt, or from borrowings from the Intermediate Holding Company ("IHC"), a subsidiary of JPMorgan Chase & Co. ("the Parent Company"). The Firm's non-bank subsidiaries are primarily funded from long-term unsecured borrowings and short-term secured borrowings which are primarily securities loaned or sold under repurchase agreements. Excess funding is invested by Treasury and Chief Investment Office ("CIO") in the Firm's investment securities portfolio or deployed in cash or other short-term liquid investments based on their interest rate and liquidity risk characteristics.

### Deposits

The Firm believes that deposits provide a stable source of funding and reduce the Firm's reliance on the wholesale funding markets. A significant portion of the Firm's deposits are consumer deposits and wholesale operating deposits, which are both considered to be stable sources of liquidity. Wholesale operating deposits are generally considered to be stable sources of liquidity because they are generated from customers that maintain operating

service relationships with the Firm.

For the three months ended December 31, 2023 and September 30 2023, the Firm had total average unweighted retail deposits of \$1,205.7 billion and \$1,218.3 billion, respectively, and average weighted amounts of \$1,072.9 billion and \$1,091.0 billion, respectively, which resulted in an implied ASF percentage of 89% and 90%, respectively.

For the three months ended December 31, 2023 and September 30 2023, the Firm had total average unweighted wholesale deposits of \$1,133.7 billion and \$1,105.1 billion, respectively, and average weighted amounts of \$496.8 billion and \$491.2 billion, respectively, which resulted in an implied ASF percentage of 44% and 44%, respectively.

The table below summarizes the average deposits for purposes of the NSFR for the three months ended December 31, 2023 and September 30, 2023, which are a component of retail and wholesale funding in the NSFR. Standardized weights are applied to the unweighted amount to calculate the average weighted amounts included in the Firm's NSFR.

(in millions)	Three months ended December 31, 2023			Three months ended September 30, 2023		
	Unweighted Amount	Weighted Amount	Weighted ASF Percentage	Unweighted Amount	Weighted Amount	Weighted ASF Percentage
Deposits <sup>(a)</sup>						
Retail Deposits:	<b>\$ 1,205,747</b>	<b>\$ 1,072,882</b>	<b>89 %</b>	<b>\$ 1,218,278</b>	<b>\$ 1,091,029</b>	<b>90 %</b>
Stable deposits	683,717	649,531	95 %	697,003	662,153	95 %
Less stable deposits	389,479	350,531	90 %	396,920	357,228	90 %
Sweep deposits, brokered reciprocal deposits, and brokered deposits	132,551	72,820	55 %	124,355	71,648	58 %
Wholesale deposits:	<b>1,133,686</b>	<b>496,847</b>	<b>44 %</b>	<b>1,105,074</b>	<b>491,207</b>	<b>44 %</b>
Operational deposits	700,546	350,273	50 %	705,321	352,660	50 %
Other wholesale deposits <sup>(b)</sup>	433,140	146,574	34 %	399,753	138,547	35 %
<b>Total</b>	<b>\$ 2,339,433</b>	<b>\$ 1,569,729</b>	<b>67 %</b>	<b>\$ 2,323,352</b>	<b>\$ 1,582,236</b>	<b>68 %</b>

(a) Excludes approximately \$30.4 billion and \$32.4 billion of average unweighted deposits recorded on the Firm's Consolidated balance sheets, primarily margin cash, that is included in the calculation of Net Derivative Asset / Liability under the NSFR rule for the three months ended December 31, 2023 and September 30, 2023 respectively.

(b) Other wholesale deposits are included in Line 11 Other Wholesale funding within the tables on pages 2 and 3.

## Capital and Securities

### Regulatory Capital

The Firm holds regulatory capital in compliance with the capital rules under Basel III, which establish minimum capital ratios and overall capital adequacy standards for large and internationally active U.S. bank holding companies and banks, including the Firm and its insured depository institution subsidiaries, which includes JPMorgan Chase Bank, N.A.

The three components of regulatory capital under the Basel III rules are CET1 capital including common stockholder's equity, additional Tier 1 capital including perpetual preferred stock and Tier 2 capital including qualifying subordinated debt and loan loss reserves.

Regulatory Capital Elements, as defined in the NSFR rule, include common stockholders' equity, perpetual preferred stock, qualifying loan loss reserves and qualifying subordinated debt.

Refer to Note 27 of the JPMorgan Chase's Annual Report on Form 10-K for the year ended December 31, 2023 ("2023 Form 10-K") for additional information on regulatory capital.

### Long-term Funding

Long-term funding provides an additional source of stable funding and liquidity for the Firm. The Firm's long-term funding plan is driven primarily by expected client activity, liquidity considerations and regulatory requirements, including TLAC. Total Loss-Absorbing Capacity. Long-term funding objectives include maintaining diversification, maximizing market access and optimizing funding costs. The Firm evaluates various funding markets, tenors and currencies in creating its optimal long-term funding plan.

The significant majority of the Firm's total outstanding long-term debt has been issued by the Parent Company to provide flexibility in support of the funding needs of both bank and non-bank subsidiaries. The Parent Company advances substantially all net funding proceeds to its subsidiary, the IHC. The IHC does not issue debt to external counterparties. For additional information on long-term debt, see Note 20 of the 2023 Form 10-K.

The Firm can also raise secured long-term funding through securitization of consumer credit card loans and FHLB advances.

### Short-term Funding

The Firm's sources of short-term unsecured funding primarily consist of issuances of wholesale commercial paper and other borrowed funds.

The Firm's sources of short-term secured funding primarily consist of securities loaned or sold under agreements to repurchase. These instruments are secured predominantly by high-quality securities collateral, including government-issued debt and U.S. government-sponsored enterprise ("GSE") and mortgage-backed securities ("MBS"). The balances associated with securities loaned or sold under agreements to repurchase fluctuate over time due to investment and financing activities of clients, the Firm's demand for financing, the ongoing management of the mix of the Firm's liabilities, including its secured and unsecured financing (for both the investment securities and market-making portfolios), and other market and portfolio factors.

For purposes of the NSFR disclosure, short and long-term funding is reported in Capital and Securities, with the exception of FHLB advances and securities loaned or sold under agreements to repurchase, which are reported in Wholesale Funding.

The following table summarizes average short-term and long-term funding, excluding deposits, as reported on the Firm's Consolidated balance sheets, for the three months ended December 31, 2023 and September 30, 2023. For additional information, see the Consolidated Balance Sheets Analysis on pages 16-18 and 58-60, and Liquidity Risk Management on pages 54-61 and 102-109, of JPMorgan Chase's Quarterly Report on Form 10-Q for the quarter end September 30, 2023 ("3Q23 Form 10-Q") and the 2023 Form 10-K, respectively. Standardized weights are applied to the unweighted amount to calculate the average weighted amounts included in the Firm's NSFR.

Sources of funds (excluding deposits) (in millions)	Three months ended	
	December 31, 2023	September 30, 2023
Total short-term unsecured funding	\$ 25.307	\$ 24.053
Total short-term secured funding <sup>(a)</sup>	292.254	292.769
Total long-term unsecured funding	282.865	275.272
Total long-term secured funding	96.064	90.915
Preferred stock <sup>(b)</sup>	27.404	27.404
Common stockholders' equity <sup>(c)</sup>	294.062	284.798

(a) Primarily consists of short-term securities loaned or sold under agreements to repurchase which are reported net on the Firm's Consolidated balance sheets when the relevant netting criteria under U.S. GAAP have been met.

(b) For additional information on preferred stock, see Capital Risk Management on pages 48-53 and pages 91-101 and Preferred Stock Note 19 and Note 21 of the 3Q23 Form 10-Q and 2023 Form 10-K, respectively.

(c) For additional information on common stockholders' equity, see Capital Risk Management on pages 91-101 and Common Stock Note 22 of the 2023 Form 10-K.



### **Required Stable Funding**

RSF reflects the funding requirement based on the liquidity characteristics of the Firm's assets, commitments and derivative exposures evaluated against the following criteria:

- Tenor - based on remaining maturity, where longer remaining maturity generally requires more stable funding.
- Encumbrance - whether an asset is encumbered and the longer the duration of the encumbrance, generally requires more stable funding.
- Counterparty type - generally, lending to non-financial counterparties requires more stable funding than lending to financial counterparties.
- Credit quality - assets of a lower credit quality generally require more stable funding than those of higher credit quality.
- Market characteristics - assets that trade in less transparent markets with relatively few participants generally require more stable funding than those that are traded in transparent, standardized markets with a large number of participants and dedicated intermediaries.

### **Loans**

The Firm accounts for loans based on the following categories: originated or purchased loans held-for-investment (i.e., "retained"), loans held-for-sale, and loans held at fair value. Additionally, the Firm's portfolio is divided into three portfolio segments: Consumer, excluding credit card; Credit card; and Wholesale. Refer to Note 12 in the 3Q23 Form 10-Q and Note 12 in 2023 Form 10-K for additional information on the Firm's loan portfolio.

### **Securities Financing**

The Firm enters into resale agreements and securities borrowed transactions primarily to acquire securities to cover short sales, accommodate customers' financing needs, settle other securities obligations and to deploy the Firm's excess cash. Refer to Note 11 in the 3Q23 Form 10-Q, Note 11 in 2023 Form 10-K for additional information on the Firm's securities financing activities.

### **Securities**

The Firm's securities consist of Trading securities and Investment securities, both Available For Sale ("AFS") and Held To Maturity ("HTM"). Refer to Note 10 in the 2023 Form 10-K for additional information on the Firm's investment securities portfolio and Note 2 for additional information on the Firm's trading securities.

The definition of HQLA and Non-HQLA for the purposes of calculating the NSFR is consistent with the LCR Rule. The NSFR rule does not apply the operational requirements for HQLA as it does in the LCR rule, and includes encumbered securities.

### **Other Assets**

Other Assets primarily consist of goodwill, accrued interest and account receivables and premises and equipment on the Firm's Consolidated balance sheets.

### **Derivatives**

Derivatives enable clients and counterparties to manage risks including credit risk and risks arising from fluctuations in interest rates, foreign exchange, equities, and commodities. The Firm makes markets in derivatives in order to meet these needs and uses derivatives to manage certain risks associated with net open risk positions from its market-making activities, including the counterparty credit risk arising from derivative receivables. The Firm also uses derivative instruments to manage its own credit and other market risk exposure. For additional information on derivative contracts, see pages 78-79 of the 3Q23 Form 10-Q and pages 128-129 of the 2023 Form 10-K.

Under the NSFR rule, RSF for derivatives include three components: (1) current net value component: accounts for the current net value of derivative assets net of liabilities at a qualifying master netting agreement level, taking into account variation margin provided by and received by the Firm; (2) initial margin component: accounts for initial margin provided by the Firm for its derivative transactions and assets provided by the Firm to a central counterparty's ("CCPs") mutualized-loss sharing arrangement for cleared derivative transactions; and (3) future value component: accounts for potential future derivatives valuation changes.

### ***Off-balance sheet lending-related financial instruments, guarantees, and other commitments***

In the normal course of business, the Firm enters into a number of off-balance sheet commitments to extend credit. Unfunded commitments are the undrawn portion of such legally binding commitments to extend credit to customers. Unfunded commitments for (a) working capital and general corporate purposes, (b) extensions of credit to backstop commercial paper and other debt financings (whether in the form of a loan commitment, a letter of credit or a standby bond purchase agreement) in the event that those obligations cannot be refinanced or remarketed to new investors, and (c) committed liquidity facilities to clearing organizations, expose the Firm to varying levels of liquidity risk, and as such are subject to prescribed RSF factors under the NSFR rule.

## ASF and RSF Factors

The following table summarizes the range of ASF and RSF standardized weightings defined in the NSFR rule:

Category	Average Unweighted Amount	ASF / RSF rate			
		Minimum		Maximum	
<b>Capital and securities</b>	Carrying value of NSFR Regulatory Capital Element and of securities issued by the firm	0%	Securities issued maturing in less than six months	100%	NSFR Regulatory Capital Element; Securities issued maturing in one year or more
<b>Retail and Wholesale funding</b>					
Deposits	Carrying value of Retail and Wholesale Deposits, excluding those not subject to early withdrawal	0%	Certain retail brokered deposits maturing in less than six months	95%	Stable retail deposits
Non-Deposit Funding	Carrying value of Non-Deposit Funding, such as Secured Funding transactions	0%	Funding from a financial sector entity or central bank maturing in less than six months; Trade date payables	50%	Securities issued by a covered company maturing more than six months but less than one year; Retail funding that is not a deposit or security
<b>ASF</b>					
<b>Derivatives</b>					
NSFR Derivatives Liability	Current net value of derivatives assets and liabilities, taking into account variation margin provided and received	0%	NSFR Derivatives Liability (if total derivatives liability is greater than total derivatives asset)		
<b>Other liabilities</b>	All liabilities not included above	0%	Other liabilities maturing in less than six months, including accrued interest and accounts payable; Trading Liabilities	100%	Other liabilities not included above maturing in one year or more
<b>Derivatives</b>					
NSFR Derivatives Asset	Current net value of derivatives assets and liabilities, taking into account variation margin provided and received			100%	NSFR Derivatives Asset (if total derivatives asset is greater than total derivatives liability)
Potential Derivatives Portfolio Valuation Changes and Initial Margin	Gross Derivatives Liabilities and Initial Margin	5%	Gross Derivative Liabilities calculated as if no variation margin has been exchanged	85%	Assets provided as initial margin for derivative transactions and contributions to CCP's mutualized loss-sharing arrangements
<b>HQLA and Non-HQLA Securities, including Commodities</b>	Cash and Securities classified as Level 1, Level 2A, Level 2B or Non-HQLA	0%	Level 1 assets, including securities and cash that are unencumbered or encumbered for less than six months	100%	Securities that have been encumbered for one year or more
<b>RSF</b>					
<b>Secured and Unsecured Lending</b>	Carrying value of all secured and unsecured loans	0%	Lending to financial sector entities or central banks maturing in less than six months and secured by rehypothecatable Level 1 HQLA	100%	Unsecured lending to financial sector entities maturing in one year or more
<b>Undrawn commitments</b>	Carrying value that can be drawn within the NSFR horizon			5%	Undrawn commitments
<b>Other assets</b>	All assets not included above	0%	Currency and coin; Cash in process of collection; Certain trade date receivables	100%	All other assets, including accrued interest, accounts receivable and goodwill

## Liquidity management

Treasury and CIO is responsible for liquidity management. The primary objectives of effective liquidity management are to:

- Ensure that the Firm's core businesses and material legal entities are able to operate in support of client needs and meet contractual and contingent financial obligations through normal economic cycles as well as during stress events, and
- Manage an optimal funding mix and availability of liquidity sources.

The Firm addresses these objectives through:

- Analyzing and understanding the liquidity characteristics of the assets and liabilities of the Firm, lines of businesses legal entities, as well as currencies, taking into account legal, regulatory, and operational restrictions;
- Developing internal liquidity stress testing assumptions;
- Defining and monitoring Firmwide and legal entity-specific liquidity strategies, policies, reporting and contingency funding plans;
- Managing liquidity within the Firm's approved liquidity risk appetite tolerances and limits;
- Managing compliance with regulatory requirements related to funding and liquidity risk; and
- Setting funds transfer pricing in accordance with underlying liquidity characteristics of balance sheet assets and liabilities as well as certain off-balance sheet items.

As part of the Firm's overall liquidity management strategy, the Firm manages liquidity and funding using a centralized, global approach designed to:

- Optimize liquidity sources and uses;
- Monitor exposures;
- Identify constraints on the transfer of liquidity between the Firm's legal entities; and
- Maintain the appropriate amount of surplus liquidity at a Firmwide and legal entity level, where relevant.

## Liquidity risk management

The Firm has a Liquidity Risk Management ("LRM") function whose primary objective is to provide independent oversight of liquidity risk across the Firm. Liquidity Risk Management's responsibilities include:

- Defining, monitoring and reporting liquidity risk metrics;
- Independently establishing and monitoring limits and indicators, including liquidity risk appetite;
- Developing a process to classify, monitor and report limit breaches;

- Performing an independent review of liquidity risk management processes to evaluate their adequacy and effectiveness;
- Monitoring and reporting internal Firmwide and legal entity liquidity stress tests, regulatory defined metrics, as well as liquidity positions, balance sheet variances and funding activities; and
- Approving or escalating for review new or updated liquidity stress assumptions.

## Internal stress testing

The Firm conducts internal liquidity stress testing that is intended to ensure that the Firm and its material legal entities have sufficient liquidity under a variety of adverse scenarios, including scenarios analyzed as part of the Firm's resolution and recovery planning. Internal stress tests are produced on a regular basis, and other stress tests are performed in response to specific market events or concerns. Liquidity stress tests assume all of the Firm's contractual financial obligations are met and take into consideration:

- Varying levels of access to unsecured and secured funding markets;
- Estimated non-contractual and contingent cash outflows;
- Credit rating downgrades;
- Collateral haircuts; and
- Potential impediments to the availability and transferability of liquidity between jurisdictions and material legal entities such as regulatory, legal or other restrictions.

Liquidity outflows are modeled across a range of time horizons and currency dimensions and contemplate both market and idiosyncratic stresses.

## Governance

Committees responsible for liquidity governance include the Firmwide Asset Liability Committee ("ALCO") as well as regional ALCOs, the Treasurer Committee, and the CIO, Treasury and Corporate Risk Committee. In addition, the Board Risk Committee reviews and recommends to the Board of Directors, for approval, the Firm's liquidity risk tolerances, liquidity strategy, and liquidity policy. Refer to Firmwide Risk Management on pages 86-89 of the 2023 Form 10-K for further discussion of ALCO and other risk-related committees.