JPMorgan Chase & Co.

PILLAR 3 REGULATORY CAPITAL DISCLOSURES

For the quarterly period ended March 31, 2016

Table of Contents

DISCLOSURE MAP

Pillar 3 Requirement	Description	Pillar 3 Report page reference	1Q16 Form 10-Q page reference	2015 Form 10-K page reference
Capital structure	Terms and conditions of capital instruments	4		1, 279, 282
	Capital components	4	73	178, 282
Capital adequacy	Capital adequacy assessment process	6	54	149, 155
	Risk-weighted assets by risk stripe	5		
	Regulatory capital metrics	6	135	288
Credit risk: general disclosures	Policies and practices	8	31	112, 207, 233, 242, 262, 290
	Credit risk exposures	9	31, 52	112, 141
	Retail			
	Distribution of exposure	9	32, 109, 118, 138	115, 247, 258, 291
	Impaired loans and ALLL	9	110, 121	248, 264
	Wholesale			
	Distribution of exposure	9	38, 102, 119, 138	122, 233, 259, 291
	Impaired loans and ALLL	9	120, 121	261, 264
Credit risk: IRB	Parameter estimation methods	10, 12		
	RWA	8, 10, 11, 12, 13		
Counterparty credit	Parameter estimation methods	13		
	Policies and practices	13		208, 238, 296
	Counterparty credit risk exposure	13	32, 38, 89, 106	115, 122, 208, 238
	Credit derivatives purchased and sold	9	44, 97	129, 219
Credit risk mitigation	Policies and practices	9		208, 242, 296
	Exposure covered by guarantees and CDS	12, 13		
Securitization	Objectives, vehicles, accounting policies	14	12, 122	77, 91, 184, 208, 266
	Securitization RWA	15		
	Securitization exposure	16		
	Assets securitized	16		
	Current year securitization activity	16		
Market risk	Material portfolio of covered positions	18		
	Value-at-risk	18	48	133, 135
	Regulatory market risk capital models	19		
	Stress testing	22	50	136, 137
Operational risk	Operational risk management policies	23	53	144
	Description of AMA	23	53	144
Equity investments in the banking book	Policies and practices	17		143, 181, 184, 189, 223, 233
	Carrying value and fair value	17	78, 102	
	Realized and unrealized gains/(losses)	17		
	Equity investments by risk weight	17		
Interest rate risk in the banking book	Nature, assumptions, frequency of measurement	24	51	138
	Earnings sensitivity to rate shocks	24	51	138
Supplementary leverage ratio (SLR)	Overview of SLR	7	54, 58	155
	Components of SLR	25		

JPMorgan Chase & Co., ("JPMorgan Chase" or the "Firm") a financial holding company incorporated under Delaware law in 1968, is a leading global financial services firm and one of the largest banking institutions in the United States of America ("U.S."), with operations worldwide; the Firm had $2.4 trillion in assets and $250.2 billion in stockholders' equity as of March 31, 2016. The Firm is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing and asset management. Under the J.P. Morgan and Chase brands, the Firm serves millions of customers in the U.S. and many of the world's most prominent corporate, institutional and government clients.

JPMorgan Chase's principal bank subsidiaries are JPMorgan Chase Bank, National Association ("JPMorgan Chase Bank, N.A."), a national banking association with U.S. branches in 23 states, and Chase Bank USA, National Association ("Chase Bank USA, N.A."), a national banking association that is the Firm's credit card-issuing bank. JPMorgan Chase's principal nonbank subsidiary is J.P. Morgan Securities LLC ("JPMorgan Securities"), the Firm's U.S. investment banking firm. The bank and nonbank subsidiaries of JPMorgan Chase operate nationally as well as through overseas branches and subsidiaries, representative offices and subsidiary foreign banks. One of the Firm's principal operating subsidiaries in the United Kingdom ("U.K.") is J.P. Morgan Securities plc, a subsidiary of JPMorgan Chase Bank, N.A.

Pillar 3 report overview

This report provides information on the Firm's capital structure, capital adequacy, risk exposures, and risk-weighted assets ("RWA"). This report describes the internal models used to translate risk exposures into required capital.

This report should be read in conjunction with JPMorgan Chase's Pillar 3 Regulatory Capital Disclosures Report for the quarterly period ended December 31, 2015 ("4Q15 Pillar 3 Report"), as well as the Annual Report on Form 10-K for the year ended December 31, 2015 ("2015 Form 10-K") and the Quarterly Report on Form 10-Q ("1Q16 Form 10-Q") for the period ended March 31, 2016, which have been filed with the U.S. Securities and Exchange Commission ("SEC").

Basel III overview

The Basel framework consists of a three "Pillar" approach:

- Pillar 1 establishes minimum capital requirements, defines eligible capital instruments, and prescribes rules for calculating RWA.
- Pillar 2 requires banks to have an internal capital adequacy assessment process and requires that banking supervisors evaluate each bank's overall risk profile as well as its risk management and internal control processes.
- Pillar 3 encourages market discipline through disclosure requirements which allow market participants to assess the risk and capital profiles of banks.

Basel III capital rules, for large and internationally active U.S. bank holding companies and banks, including the Firm and its insured depository institution ("IDI") subsidiaries, revised, among other things, the definition of capital and introduced a new common equity Tier 1 capital ("CET1 capital") requirement. Basel III presents two comprehensive methodologies for calculating risk-weighted assets ("RWA"). A general (Standardized) approach ("Basel III Standardized"), and an advanced approach ("Basel III Advanced"); and sets out minimum capital ratios and overall capital adequacy standards. Certain of the requirements of Basel III are subject to phase-in periods that began on January 1, 2014 and continue through the end of 2018 ("transitional period").

Basel III also includes a requirement for Advanced Approach banking organizations, including the Firm, to calculate a supplementary leverage ratio ("SLR").

Risk is an inherent part of JPMorgan Chase's business activities. When the Firm extends a consumer or wholesale loan, advises customers on their investment decisions, makes markets in securities, or offers other products or services, the Firm takes on some degree of risk. The Firm's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of its clients, customers and investors and protects the safety and soundness of the Firm.

Firmwide Risk Management is overseen and managed on an enterprise-wide basis. The Firm believes that effective risk management requires:

- Acceptance of responsibility, including identification and escalation of risk issues, by all individuals within the Firm;
- Ownership of risk management within each of the lines of business and corporate functions; and
- Firmwide structures for risk governance.

The Firm's Operating Committee, which consists of the Firm's Chief Executive Officer ("CEO"), Chief Risk Officer ("CRO") and other senior executives, is responsible for developing and executing the Firm's risk management framework. The framework is intended to provide controls and ongoing management of key risks inherent in the Firm's business activities and create a culture of transparency, awareness and personal responsibility through reporting, collaboration, discussion, escalation and sharing of information. The Operating Committee is responsible and accountable to the Firm's Board of Directors.

The Firm strives for continual improvement through ongoing employee training and development, as well as talent retention. The Firm follows a disciplined and balanced compensation framework with strong internal governance and independent Board oversight. The impact of risk and control issues are carefully considered in the Firm's performance evaluation and incentive compensation processes. The Firm is also engaged in a number of activities focused on conduct risk and in regularly evaluating its culture with respect to its business principles.

Risk appetite and governance

➢ Refer to pages 107–111 of the 2015 Form 10-K for information on Risk appetite and governance.

There are three categories of risk-based capital under the Basel III Transitional rules: common equity Tier 1 capital ("CET1 capital"), as well as Tier 1 capital and Tier 2 capital. CET1 capital predominantly includes common stockholders' equity (including capital for accumulated other comprehensive income ("AOCI") related to debt and equity securities classified as available-for-sale ("AFS") as well as for defined benefit pension and other postretirement employee benefit plans), less certain deductions for goodwill, mortgage servicing rights ("MSRs") and deferred tax assets that arise from net operating loss and tax credit carryforwards. Tier 1 capital predominantly consists of CET1 capital as well as perpetual preferred stock. Tier 2 capital includes long-term debt qualifying as Tier 2 and qualifying allowance for credit losses. Total capital is Tier 1 capital plus Tier 2 capital.

Components of capital

A reconciliation of total stockholders' equity to Basel III Advanced Transitional CET1 capital, Tier 1 capital, Tier 2 capital, and Total capital is presented in the table below.

- Refer to the Consolidated balance sheet on page 73 of 1Q16 Form 10-Q for the components of total stockholders' equity.

March 31, 2016 (in millions)	Basel III Advanced Transitional [(a)]
Total stockholders' equity	**$ 250,157**
Less: Preferred stock	26,068
Common stockholders' equity	**224,089**
Less: AOCI adjustment	154
CET1 capital before regulatory adjustments	**223,935**
Less:	
Goodwill	47,310
Other intangible assets	100
Other CET1 capital adjustments[(b)]	2,199
Add:	
Deferred tax liabilities[(c)]	3,205
CET1 capital	**177,531**
Preferred stock	26,068
Other Tier 1 capital adjustments	117
Less: Tier 1 capital deductions[(b)]	1,317
Total Tier 1 capital	**202,399**
Long-term debt and other instruments qualifying as Tier 2 capital	17,232
Qualifying allowance for credit losses	4,243
Other Tier 2 capital adjustments	2,390
Less: Tier 2 capital deductions	74
Total Tier 2 capital	**23,791**
Total capital	**$ 226,190**

(a) Reflects transitional treatment to the capital components over the phase-in period, as applicable.
(b) Effective January 1, 2016, the adjustment includes the impact of the adoption of adoption of debit valuation adjustments ("DVA") through other comprehensive income. For further discussion of the accounting change refer to Note 19 on page 133 of the 1Q16 Form 10-Q
(c) Represents deferred tax liabilities related to tax-deductible goodwill and to identifiable intangibles created in nontaxable transactions, which are netted against goodwill and other intangibles when calculating tangible common equity.

Terms of capital instruments

The terms and conditions of the Firm's capital instruments are described in the Firm's SEC filings.

- Refer to Note 22 on page 282, and Note 23 on pages 282–283, respectively, of the 2015 Form 10-K for additional information on preferred stock and common stock.
- Refer to Note 21 on page 279 of the 2015 Form 10-K for information on trust preferred securities.
- Refer to the Supervision and Regulation section in Part 1, Item 1 on pages 1–2 of the 2015 Form 10-K.

Restrictions on capital and transfer of funds

There are regulations governing the amount of dividends the Firm's banking subsidiaries could pay without the prior approval of their relevant banking regulators.

- Refer to Note 27 on page 288 of the 2015 Form 10-K for information on restrictions on cash and intercompany funds transfers.

Capital management

For additional information on regulatory capital, capital actions, and regulatory capital outlook refer to the Capital Management section, on pages 54–60, Note 20 on pages 135–136, and Regulatory and business developments on page 6, of the 1Q16 Form 10-Q. The Capital Management section of the Form 10-Q reflects calculations under the Basel III Advanced and Standardized Fully Phased-In rules, in addition to regulatory capital, RWA, and capital ratios calculated under the Basel III Advanced and Standardized Transitional rules, whereas the related capital metrics presented in this report are calculated under Basel III Advanced Transitional rules, except where explicitly noted. As a result, there are differences in the amounts presented between the two reports.

Risk-weighted assets

Basel III establishes two comprehensive methodologies for calculating RWA (a Standardized approach and an Advanced approach) which include capital requirements for calculating credit risk, market risk, and in the case of Basel III Advanced, also operational risk. Key differences in the calculation of credit risk RWA between the Standardized and Advanced approaches are that for Basel III Advanced, credit risk RWA is based on risk-sensitive approaches which largely rely on the use of internal credit models and parameters, whereas for Basel III Standardized, credit risk RWA is generally based on supervisory risk-weightings which vary primarily by counterparty type and asset class. Market risk RWA is calculated on a generally consistent basis between Basel III Standardized and Basel III Advanced. In addition to the RWA calculated under these methodologies, the Firm may supplement such amounts to incorporate management judgment and feedback from its bank regulators.

Covered position definition

The covered position definition determines which positions are subject to market risk RWA treatment and, consequently, which positions are subject to credit risk RWA treatment.

Basel III defines a covered position as:

(1) A trading asset or trading liability that meets both of the following conditions:
  - The position is held for the purpose of short-term resale or with the intent to benefit from actual or expected short-term price movements, or to lock in arbitrage profits;
  - The position is free of any restrictive covenants on its tradability or the Firm is able to hedge the material risk elements of the position in a two-way market;

(2) A hedge of a covered position; or

(3) A foreign exchange or commodity position, regardless of whether the position is a trading position (excluding structural foreign currency positions with prior supervisory approval).

Basel III specifies that characterization of an asset or liability as "trading" under accounting principles generally accepted in the U.S. ("U.S. GAAP") would not on its own determine whether the asset or liability meets the definition of a covered position.

Throughout this report, covered positions are also referred to as "trading book" positions. Similarly, non-covered positions are referred to as "banking book" positions. Both covered and non-covered derivative transactions are assigned counterparty credit risk RWA.

Components of risk-weighted assets

Basel III Advanced rules classify capital requirements into three broad categories:

- Credit risk RWA covers the risk of unexpected losses due to obligor, counterparty, or issuer default, and in certain cases adverse changes in credit quality. Credit risk RWA includes retail credit risk, wholesale credit risk, counterparty credit risk, certain securitization exposures, equity investments, other assets, and the credit valuation adjustment (CVA) capital charge.
- Market risk RWA covers the risk of losses due to adverse movements in market conditions and idiosyncratic events.
- Operational risk RWA covers the risk of loss resulting from inadequate or failed processes or systems or due to external events that are neither market- nor credit-related.

The following table presents the Firm's total risk-weighted assets under Basel III Advanced Transitional at March 31, 2016.

March 31, 2016 (in millions)	Basel III Advanced Transitional RWA
Credit risk	$ 962,507
Market risk	135,363
Operational risk	400,000
Total RWA	$ 1,497,870

RWA rollforward

The following table presents changes in the components of RWA under Basel III Advanced Transitional for the three months ended March 31, 2016. The amounts in the rollforward categories are estimates, based on the predominant driver of the change.

	Basel III Advanced Transitional RWA			
Three months ended March 31, 2016 (in millions)	Credit risk	Market risk	Operational risk	Total
December 31, 2015	$943,435	$141,802	$ 400,099	$1,485,336
Model & data changes[a]	3,826	(10,500)	–	(6,674)
Portfolio runoff[b]	(3,300)	(1,500)	–	(4,800)
Movement in portfolio levels[c]	18,546	5,561	(99)	24,008
Changes in RWA	19,072	(6,439)	(99)	12,534
March 31, 2016	$962,507	$135,363	$ 400,000	$1,497,870

(a) Model & data changes refer to movements in levels of RWA as a result of revised methodologies and/or treatment per regulatory guidance (exclusive of rule changes).

(b) Portfolio runoff for credit risk RWA primarily reflects reduced risk from position rolloffs in legacy portfolios in Mortgage Banking, and for market risk RWA reflects reduced risk from position rolloffs in legacy portfolios in the wholesale businesses.

(c) Movement in portfolio levels for credit risk RWA refers to changes in book size, composition, credit quality, and market movements; and for market risk RWA refers to changes in position and market movements.

Capital requirements

A strong capital position is essential to the Firm's business strategy and competitive position. Maintaining a strong balance sheet to manage through economic volatility is considered a strategic imperative by the Firm's Board of Directors, CEO and Operating Committee. The Firm's capital management strategy focuses on maintaining long-term stability to enable the Firm to build and invest in market-leading businesses, even in a highly stressed environment. The Firm executes its capital management strategy through the establishment of minimum capital targets and a strong capital governance framework. The Firm's minimum capital targets are set based on the most binding of three pillars: an internal assessment of the Firm's capital needs; an estimation of required capital under the Comprehensive Capital Analysis and Review ("CCAR") and Dodd-Frank Act stress testing ("DFAST") requirements; and current regulatory minimums. The capital governance framework includes regular monitoring of the Firm's capital positions, stress testing and defining escalation protocols, both at the Firm and line of business level.

- Refer to the Capital Management section on pages 54–60 of the 1Q16 Form 10-Q and pages 149-158 of the 2015 Form 10-K for information on the Firm's strategy and governance.

The Basel III framework applies to the consolidated results of JPMorgan Chase & Co. The basis of consolidation used for regulatory reporting is the same as that used under U.S. GAAP. There are no material entities within JPMorgan Chase that are deconsolidated or whose capital is deducted.

Under the risk-based capital ("RBC") guidelines of the Federal Reserve, JPMorgan Chase is required to maintain minimum ratios of CET1, Tier 1 and Total capital to risk-weighted assets, as well as minimum leverage ratio (which are defined as Tier 1 capital divided by adjusted quarterly average assets). Failure to meet these minimum requirements could cause the Federal Reserve to take action. National bank subsidiaries also are subject to these capital requirements by their respective primary regulators.

The following table presents the minimum ratios to which the Firm and its national bank subsidiaries are subject as of March 31, 2016.

	Minimum capital ratios[(a)]	Well-capitalized ratios for BHCs[(b)]
Capital ratios		
CET1	**6.25**	–%
Tier 1	**7.75**	6.0
Total	**9.75**	10.0
Tier 1 leverage	4.0	–

(a) As defined by the regulations issued by the Federal Reserve, the Office of the Comptroller of the Currency ("OCC") and the Federal Deposit Insurance Corporation ("FDIC") and to which the Firm and its national bank subsidiaries are subject. At March 31, 2016, the Firm's minimum capital ratios include an amount of 0.625% resulting from the phase in of the Firm's estimated capital conservation buffer and an amount of 1.125% resulting from the phase in of the Firm's estimated 4.5% GSIB surcharge as of December 31, 2014 published by the Federal Reserve on July 20, 2015.

(b) Represents requirements for Bank Holding Companies ("BHC")pursuant to regulations issued by the Federal Reserve.

Capital adequacy

As of March 31, 2016, JPMorgan Chase and all of its U.S. banking subsidiaries were well-capitalized and met all capital requirements to which each was subject. Capital ratios for the Firm's significant national bank subsidiaries are presented below.

In addition to its U.S. banking subsidiaries, JPMorgan Chase also has other regulated subsidiaries, all of which meet applicable capital requirements.

The capital adequacy of the Firm and its national bank subsidiaries is evaluated against the Basel III approach (Standardized or Advanced) which results, for each quarter, in the lower ratio (the "Collins Floor"), as required by the Collins Amendment of the Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act").

- For information on the Firm's Internal Capital Adequacy Assessment Process ("ICAAP") and Comprehensive Capital Analysis and Review ("CCAR") processes, refer to Regulatory Capital on page 6 of the 4Q15 Pillar 3 Report and page 59 of the 1Q16 Form 10-Q.

Regulatory capital metrics for JPMorgan Chase and its significant national bank subsidiaries

The following tables present the regulatory capital, risk-weighted assets and risk-based capital ratios for JPMorgan Chase and its significant national bank subsidiaries under both Basel III Standardized Transitional and Basel III Advanced Transitional.

	JPMorgan Chase & Co.[(d)]	
March 31, 2016 (in millions, except ratios)	**Basel III Standardized Transitional**	**Basel III Advanced Transitional**
Regulatory capital		
CET1 capital	$ 177,531	$ 177,531
Tier 1 capital	202,399	202,399
Total capital[(e)]	236,954	226,190
Assets		
Risk-weighted	$ 1,470,741	$ 1,497,870
Adjusted average[(a)]	2,345,926	2,345,926
Capital ratios [(b)]		
CET1[(f)]	12.1%	11.9%
Tier 1	13.8	13.5
Total	16.1	15.1
Tier 1 leverage[(c)]	8.6	8.6

March 31, 2016 (in millions, except ratios)	JPMorgan Chase Bank, N.A.[d] Basel III Standardized Transitional	Basel III Advanced Transitional
Regulatory capital		
CET1 capital	$ 170,985	$ 170,985
Tier 1 capital	171,229	171,229
Total capital	185,947	178,517
Assets		
Risk-weighted	$ 1,309,694	$ 1,291,998
Adjusted average[a]	1,919,207	1,919,207
Capital ratios [b]		
CET1[f]	13.1%	13.2%
Tier 1	13.1	13.3
Total	14.2	13.8
Tier 1 leverage[c]	8.9	8.9

March 31, 2016 (in millions, except ratios)	Chase Bank USA, N.A.[d] Basel III Standardized Transitional	Basel III Advanced Transitional
Regulatory capital		
CET1 capital	$ 15,943	$ 15,943
Tier 1 capital	15,943	15,943
Total capital	21,856	20,593
Assets		
Risk-weighted	$ 99,342	$ 181,991
Adjusted average[a]	133,100	133,100
Capital ratios [b]		
CET1[f]	16.0%	8.8%
Tier 1	16.0	8.8
Total	22.0	11.3
Tier 1 leverage[c]	12.0	12.0

(a) Adjusted average assets, for purposes of calculating the Tier 1 leverage ratio, includes total quarterly average assets adjusted for unrealized gains/(losses) on securities, less deductions for goodwill and other intangible assets, defined benefit pension plan assets, and deferred tax assets related to net operating loss carryforwards.
(b) For each of the risk-based capital ratios, the capital adequacy of the Firm and its national bank subsidiaries are evaluated against the Basel III approach, Standardized or Advanced, resulting in the lower ratio (the "Collins Floor"), as required by the Collins Amendment of the Dodd-Frank Act.
(c) The Tier 1 leverage ratio is not a risk-based measure of capital. This ratio is calculated by dividing Tier 1 capital by adjusted average assets.
(d) Asset and capital amounts for JPMorgan Chase's banking subsidiaries reflect intercompany transactions; whereas the respective amounts for JPMorgan Chase reflect the elimination of intercompany transactions.
(e) Total capital for JPMorgan Chase & Co. includes $1.1 billion of surplus capital in insurance subsidiaries
(f) Commencing in the first quarter of 2016, the Firm and its U.S. subsidiary banks are required to maintain a capital conservation buffer in addition to the 4.5% minimum CET1 requirement, or be subject to limitations on the amount of capital that may be distributed, including dividends and common equity repurchases. The capital conservation buffer is calculated as the lowest of: (i) CET1 ratio less CET1 minimum requirement, (ii) Tier 1 ratio less Tier1 minimum requirement and (iii) Total capital ratio less Total capital minimum requirement. At March 31, 2016, the capital conservation buffer of the Firm, JPMorgan Chase Bank, N.A. and Chase Bank USA, N.A. was 7.1%, 5.8% and 2.8%, respectively. This was in excess of the estimated required capital conservation buffer of 1.75% (inclusive of GSIB surcharge) for the Firm and 0.625% for JPMorgan Chase Bank, N.A. and Chase Bank USA, N.A. at that date. In addition the buffer retained earnings of the Firm, JPMorgan Chase Bank, N.A and Chase Bank USA, N.A. was $9.4 billion, $8.5 billion and $543 million respectively.

Supplementary leverage ratio ("SLR")

The following table presents the components of the Firm's Advanced Transitional SLR as of March 31, 2016.

(in millions, except ratio)	March 31, 2016
Basel III Advanced Transitional Tier 1 capital	**$ 202,399**
Total average assets	2,393,073
Less: Amounts deducted from Tier 1 capital	47,147
Total adjusted average assets[a]	2,345,926
Off-balance sheet exposures[b]	701,632
Leverage exposure	**$ 3,047,558**
Basel III Advanced Transitional SLR	**6.6%**

(a) Adjusted average assets, for purposes of calculating the SLR, includes total quarterly average assets adjusted for on-balance sheet assets that are subject to deduction from Tier 1 capital predominantly goodwill and other intangible assets.
(b) Off-balance sheet exposures are calculated as the average of the three month-end spot balances in the reporting quarter.

Additional information on the components of the leverage exposure is provided in the SLR section of this report.

Credit risk is the risk of loss arising from the default of a customer, client or counterparty. The Firm provides credit to a variety of customers, ranging from large corporate and institutional clients to individual consumers and small businesses. The consumer credit portfolio refers to exposures held by Consumer & Community Banking as well as prime mortgage loans held in the Asset Management and the Corporate segments. The consumer portfolio consists primarily of residential real estate loans, credit card loans, auto loans, business banking loans, and student loans. The wholesale credit portfolio refers primarily to exposures held by Corporate & Investment Bank, Commercial Banking, Asset Management, and Corporate. In addition to providing credit to clients, the Firm engages in client-related activities that give rise to counterparty credit risk such as securities financing, margin lending, and market-making activities in derivatives. Finally, credit risk is also inherent in the Firm's investment securities portfolio held by Treasury and Chief Investment Office ("CIO") in connection with its asset-liability management objectives. Investment securities, as well as deposits with banks, are classified as wholesale exposures for RWA reporting.

In addition to counterparty default risk, Basel III includes a capital charge for credit valuation adjustments ("CVA") which reflects counterparty credit risk in the valuation of derivatives. The firm calculates CVA RWA using the Simple CVA approach, which uses risk weights based on internal probability of default ("PD") and a combination of the current exposure method ("CEM") and the internal model method ("IMM") exposure at default ("EAD").

For information on risk management policies and practices and accounting policies related to these exposures:

- Refer to Credit Risk Management on pages 112–132 of the 2015 Form 10-K and page 31 of the 1Q16 Form 10-Q.
- Refer to the Notes to the Consolidated Financial Statements beginning on page 181 of the 2015 Form 10-K. Specific page references are contained in the Appendix of this report.

Summary of credit risk RWA

Credit risk RWA includes retail, wholesale, and counterparty credit exposures described in this section, as well as securitization and equity exposures in the banking book. Other exposures such as non-material portfolios, unsettled transactions, and other assets that are not classified elsewhere are also included. The following table presents the Firm's total credit risk RWA at March 31, 2016.

March 31, 2016 (in millions)	Basel III Advanced Transitional RWA
Retail exposures	$ 246,514
Wholesale exposures	410,440
Counterparty exposures	99,341
Securitization exposures[(a)]	36,051
Equity exposures	36,371
Other exposures[(b)]	74,179
CVA	59,611
Total credit risk RWA	$ 962,507

(a) Represents banking book securitization RWA only.
(b) Includes other assets, non-material portfolios, and unsettled transactions.

Credit risk exposures

Credit risk exposures as reported under U.S. GAAP as of and for the three months ended March 31, 2016 are contained in the 1Q16 Form 10-Q. Specific references are listed below.

Traditional credit products

- Refer to Credit Risk Management beginning on page 31 in the 1Q16 Form 10-Q for credit-related information on the consumer and wholesale portfolios.
- Refer to Note 13 on pages 108-120 of the 1Q16 Form 10-Q for the distribution of loans by geographic region and industry.
- Refer to Note 21 on pages 137-140 of the 1Q16 Form 10-Q for the contractual amount and geographic distribution of lending-related commitments.

Counterparty credit risk

- Refer to Note 5 on pages 89-97 of the 1Q16 Form 10-Q for the gross positive fair value, netting benefits, and net exposure of derivative receivables.
- Refer to Derivative contracts on pages 43-44 of the 1Q16 Form 10-Q for credit derivatives used in credit portfolio management activities.
- Refer to Note 12 on pages 106-107 of the 1Q16 Form 10-Q for information on gross and net securities purchased under resale agreements and securities borrowed transactions, and for information regarding the credit risk inherent in the securities financing portfolio.
- Refer to the Consumer Credit Portfolio section on pages 32-37, and to the Wholesale Credit Portfolio section on pages 38-44 of the 1Q16 Form 10-Q for margin loans balances.

Investment securities

- Refer to Note 11 on pages 102-105 of the 1Q16 Form 10-Q for the investment securities portfolio by issuer type.

Country risk

- Refer to page 52 of the 1Q16 Form 10-Q for the top 20 country exposures.

Allowance for credit losses

- Refer to Allowance for Credit Losses on pages 45-47 of the 1Q16 Form 10-Q for a summary of changes in the allowance for loan losses and allowance for lending-related commitments.
- Refer to Note 14 on page 121 of the 1Q16 Form 10-Q for the allowance for credit losses and loans and lending-related commitments by impairment methodology.

Average balances

- Refer to page 150 of the 1Q16 Form 10-Q for the Consolidated average balance sheet.

Credit risk monitoring

- For further information on credit risk concentrations, refer to Credit risk monitoring in the 4Q15 Pillar 3 Report.

The retail portfolio is a scored portfolio. For the retail portfolio, credit loss estimates are based on statistical analysis of credit losses over discrete periods of time. The statistical analysis uses portfolio modeling, credit scoring, and decision-support tools, which consider loan-level factors such as delinquency status, credit scores, collateral values, and other risk factors.

The population of exposures subject to retail capital treatment for regulatory reporting substantially overlaps with the consumer credit portfolio reflected in the Firm's SEC disclosures. The retail population consists of all scored exposures (mainly in the Consumer and Community Banking business segment), certain residential mortgages booked as trading assets (that do not meet the definition of a covered position) and certain wholesale loans under $1 million as required by Basel III.

The retail capital population excludes certain risk-rated business banking and auto dealer loans; these are subject to wholesale capital treatment.

Risk-weighted assets

To calculate retail credit RWA, the Firm inputs its risk parameter estimates (PD, loss given default ("LGD") and EAD) into the Internal Ratings Based (IRB) risk weight formula, as specified by the U.S. banking supervisors. The IRB risk weight formula generates an estimate of unexpected losses at a 99.9% confidence level. Unexpected losses are converted to an RWA measure by application of a 12.5 supervisory multiplier.

➢ For information on risk parameter estimation methods for the retail credit portfolio, refer to Retail Credit Risk on pages 10–11 of the 4Q15 Pillar 3 Report.

March 31, 2016 (in millions)		Basel III Advanced Transitional RWA
Residential mortgages	$	129,337
Qualifying revolving		89,197
Other retail		27,980
Total retail credit RWA	$	246,514

Residential mortgage exposures

The following table includes first lien and junior lien mortgages and revolving home equity lines of credit. First lien mortgages represent approximately 80% of the exposure amount, revolving exposures approximately 19%, with the remaining exposures related to junior lien mortgages. Most revolving exposures were originated prior to 2010 and drive approximately 40% of the total risk weighted assets of this portfolio, with nearly 37% of the exposures above a PD of 0.75%. Recent originations are primarily first lien mortgages and are predominantly reflected in the less than 0.75% PD ranges.

March 31, 2016
(in millions, except ratios)

						Exposure-weighted average		
PD range (%)	Balance sheet amount	Off balance sheet commitments	EAD	RWA		PD	LGD	Risk weight
0.00 to < 0.10	$ 22,431	$ 19,456	$ 25,903	$ 2,218		0.04%	56.24%	8.56%
0.10 to < 0.20	154,290	16,472	169,528	23,617		0.15	39.35	13.93
0.20 to < 0.75	39,687	11,965	43,407	17,650		0.47	53.78	40.66
0.75 to < 5.50	34,920	2,717	36,985	45,545		1.94	63.23	123.14
5.50 to < 10.00	3,707	7	3,711	9,932		6.89	67.69	267.64
10.00 to < 100	4,666	4	4,672	14,405		26.60	62.02	308.33
100 (default)	18,495	339	18,755	15,970		100.00	– (a)	85.15 (b)
Total	$ 278,196	$ 50,960	$ 302,961	$ 129,337		7.08%	44.04%	42.69%

(a) The LGD rate is reported as zero for residential mortgage exposures in default because by the time they reach the Basel III definition of default they have been charged off to the fair value of the underlying collateral less cost to sell.
(b) The exposure-weighted average risk weight for defaulted loans is less than 100% due to certain loans being insured and/or guaranteed by U.S. government agencies.

Qualifying revolving exposures

The following table includes exposures to individuals that are revolving, unsecured, and unconditionally cancelable by JPMorgan Chase; and they have a maximum exposure amount of up to $100,000 (i.e., credit card and overdraft lines on individual checking accounts).

March 31, 2016
(in millions, except ratios)

PD range (%)	Balance sheet amount	Off balance sheet commitments	EAD	RWA	Exposure-weighted average PD	Exposure-weighted average LGD	Exposure-weighted average Risk weight
0.00 to < 0.50	$ 41,105	$ 466,388	$ 173,028	$ 9,331	0.10%	91.91%	5.39%
0.50 to < 2.00	34,860	43,257	41,009	16,530	1.13	91.94	40.31
2.00 to < 3.50	14,148	7,711	14,897	11,486	2.67	92.26	77.10
3.50 to < 5.00	14,117	2,049	14,208	13,864	3.76	91.56	97.58
5.00 to < 8.00	6,087	1,512	6,130	8,912	6.83	92.70	145.39
8.00 to < 100	15,576	1,155	15,575	29,074	18.87	91.85	186.67
100 (default)[(a)]	–	–	–	–	–	–	–
Total	$ 125,893	$ 522,072	$ 264,847	$ 89,197	1.86%	91.93%	33.68%

(a) There are no balances reported in default because qualifying revolving exposures consist entirely of unsecured credit cards that are charged off at or prior to reaching the Basel III definition of default.

Other retail exposures

The following table includes other retail exposures to individuals that are not classified as residential mortgage or qualifying revolving exposures (i.e., includes auto loans, student loans, credit card accounts above $100,000, scored business banking loans, and certain wholesale loans under $1 million).

March 31, 2016
(in millions, except ratios)

PD range (%)	Balance sheet amount	Off balance sheet commitments	EAD	RWA	Exposure-weighted average PD	Exposure-weighted average LGD	Exposure-weighted average Risk weight
0.00 to < 0.50	$ 39,147	$ 8,162	$ 42,098	$ 6,145	0.17%	36.85%	14.60%
0.50 to < 2.00	16,576	3,900	17,338	8,825	0.97	49.06	50.90
2.00 to < 3.50	3,890	492	4,004	3,426	2.57	59.58	85.56
3.50 to < 5.00	2,103	10	2,112	1,860	4.21	57.32	88.08
5.00 to < 8.00	2,278	7	2,290	2,276	6.19	61.87	99.38
8.00 to < 100	3,317	36	3,331	4,269	21.44	60.53	128.15
100 (default)	1,135	129	1,286	1,179	100.00	– [(a)]	91.74 [(b)]
Total	$ 68,446	$ 12,736	$ 72,459	$ 27,980	3.55%	42.85%	38.61%

(a) The LGD rate is reported as zero for retail exposures in default because by the time they reach the Basel III definition of default they have been charged off to the fair value of the underlying collateral less cost to sell.

(b) The exposure-weighted average risk weight for defaulted loans is less than 100% due to certain loans being insured and/or guaranteed by U.S. government agencies.

The wholesale portfolio is a risk-rated portfolio. Risk-rated portfolios are generally held in the Corporate & Investment Bank, Commercial Banking and Asset Management business segments, and in Corporate but also include certain business banking and auto dealer loans held in the Consumer & Community Banking business segment that are risk-rated because they have characteristics similar to commercial loans. For the risk-rated portfolio, credit loss estimates are based on estimates of the probability of default and loss severity given a default. The estimation process begins when risk-ratings are assigned to each obligor and credit facility to differentiate risk within the portfolio. These risk ratings are reviewed regularly by Credit Risk management and revised as needed to reflect the borrower's current financial position, risk profile and related collateral.

The population of risk-rated loans and lending-related commitments receiving wholesale treatment for regulatory capital purposes largely overlaps with the wholesale credit portfolio reflected in the Firm's SEC disclosures. In accordance with Basel III, the wholesale population for regulatory capital consists of:

- All risk-rated loans and commitments (excluding certain wholesale loans under $1 million which receive retail regulatory capital treatment);
- Deposits with banks, and cash and due from banks;
- Exposures to issuer risk for debt securities;
- Certain exposures recorded as trading assets that do not meet the definition of a covered position; and
- Repo-style transactions that do not meet the Basel III requirements for netting.

Certain off-balance sheet commitments, which are reported net of risk participations for U.S. GAAP, are included gross of risk participations for regulatory reporting.

Risk-weighted assets

To calculate wholesale credit RWA, the Firm inputs its risk parameter estimates (PD, LGD, and EAD) into the IRB risk weight formula, as specified by the U.S. banking supervisors. The IRB risk weight formula generates an estimate of unexpected losses at a 99.9% confidence level. Unexpected losses are converted to an RWA measure by application of a 12.5 supervisory multiplier.

➢ For information on risk parameter estimation methods for the wholesale credit portfolio, refer to Wholesale Credit Risk on page 13 of the 4Q15 Pillar 3 Report.

The following table presents risk-weighted assets by Basel reporting classification. The Corporate classification includes both credit and issuer exposure to corporate entities. Similarly, the Bank and Sovereign classifications include both credit and issuer exposure to banks and sovereign entities, respectively. High volatility commercial real estate ("HVCRE") refers to acquisition, development and construction lending. HVCRE is a separate Basel classification because these loans represent higher risk than loans financing income-producing real estate ("IPRE").

March 31, 2016 (in millions)	Basel III Advanced Transitional RWA
Corporate	$ 330,872
Bank	19,194
Sovereign	16,740
Income-producing real estate	39,266
High volatility commercial real estate	4,368
Total wholesale credit RWA	$ 410,440

Wholesale exposures

The following table presents exposures to wholesale clients and issuers by PD range. Exposures are comprised primarily of traditional credit products (i.e., loans and lending-related commitments), investment securities, and cash placed with various central banks, predominantly Federal Reserve Banks. Total EAD is $1.3 trillion, with 78% of this exposure in the first two PD ranges, which are predominantly investment-grade. Exposures meeting the Basel definition of default represent less than 0.4% of total EAD. The exposure-weighted average LGD for the wholesale portfolio is approximately 31%.

March 31, 2016 (in millions, except ratios)

					Exposure-weighted average		
PD range (%)	Balance sheet amount	Off balance sheet commitments	EAD	RWA	PD	LGD	Risk weight
0.00 to < 0.15	$ 643,415	$ 226,845	$ 803,708	$ 127,546	0.05%	30.25%	15.87%
0.15 to < 0.50	116,306	117,051	184,304	87,281	0.26	37.83	47.36
0.50 to < 1.35	152,580	70,251	193,061	102,987	0.74	28.47	53.34
1.35 to < 10.00	44,662	44,104	69,778	72,279	3.82	35.47	103.58
10.00 to < 100	6,469	6,332	9,137	14,764	22.69	34.75	161.58
100 (default)	4,655	1,080	5,267	5,583	100.00	46.58	106.00
Total	$ 968,087	$ 465,663	$ 1,265,255	$ 410,440	0.97%	31.47%	32.44%

Credit risk mitigation

The risk mitigating benefit of eligible guarantees and credit derivative hedges are reflected in the RWA calculation by either substituting the PD of the guarantor or hedge counterparty for the PD of the obligor. At March 31, 2016, $60.3 billion of EAD for wholesale exposures is covered by eligible guarantees or credit derivatives.

Counterparty credit risk exposures consist of OTC derivatives, repo-style transactions, margin loans, and cleared transactions.

Risk-weighted assets

To calculate counterparty credit risk RWA, the Firm inputs its risk parameter estimates (PD, LGD, and EAD) into the same IRB risk weight formula as wholesale exposures. The IRB risk weight formula generates an estimate of unexpected losses at a 99.9% confidence level.

Unexpected losses are converted to an RWA measure by application of a 12.5 supervisory multiplier. RWA for exposures where the counterparty is a central counterparty ("CCP") depends on whether the CCP meets the criteria for classification as a qualifying CCP.

The following table presents risk-weighted assets by transaction type.

➢ For information on the risk parameter estimation methods and wrong-way risk for counterparty credit risk, refer to Counterparty Credit Risk on pages 15-16 of the 4Q15 Pillar 3 Report.

March 31, 2016 (in millions)		Basel III Advanced Transitional RWA
OTC derivatives	$	70,225
Repo-style transactions		20,583
Margin loans		2,761
Cleared transactions		5,772
Total counterparty credit RWA	$	99,341

Counterparty credit exposures

The following table presents counterparty credit risk exposures for OTC derivatives and netted repo-style transactions by PD range. The table does not include margin loans or cleared transactions. Total EAD is $239.2 billion, with 89% of this exposure in the first two PD ranges, which are predominantly investment-grade. Exposures meeting the Basel definition of default represent 0.2% of total EAD. The exposure-weighted average LGD for this portfolio is 43%. The collateral benefit is reflected in the EAD.

March 31, 2016
(in millions, except ratios)

					Exposure-weighted average		
PD range (%)		EAD		RWA	PD	LGD	Risk weight
0.00 to < 0.15	$	181,823	$	51,834	0.10%	42.49%	28.51%
0.15 to < 0.50		29,931		13,916	0.26	44.19	46.49
0.50 to < 1.35		19,944		14,658	0.76	43.50	73.49
1.35 to < 10.00		6,606		8,759	4.25	43.57	132.59
10.00 to < 100		446		1,124	22.69	45.11	251.93
100 (default)		489		517	100.00	39.31	106.00
Total	$	239,239	$	90,808	0.54%	42.81%	37.96%

Credit risk mitigation

The risk mitigating benefit of eligible guarantees are reflected in the RWA calculation by substituting the PD of the guarantor for the PD of the counterparty. At March 31, 2016, $5.9 billion of EAD for OTC derivatives is covered by eligible guarantees.

Securitizations are transactions in which:

- The credit risk of the underlying exposure is transferred to third parties, and has been separated into two or more tranches;
- The performance of the securitization depends upon the performance of the underlying exposures or reference assets; and
- All or substantially all of the underlying exposures or reference assets are financial exposures.

Securitizations include on- or off-balance sheet exposures (including credit enhancements) that arise from a securitization or re-securitization transaction; or an exposure that directly or indirectly references a securitization (e.g., credit derivative). A re-securitization is a securitization transaction in which one or more of the underlying exposures that have been securitized is itself a securitization.

On-balance sheet exposures include securities, loans, as well as servicing advances related to private-label mortgage backed securitizations for which the Firm acts as servicer. Off-balance sheet exposures include liquidity commitments, certain recourse obligations, and derivatives for which the counterparty risk or the reference obligation is a securitization exposure.

Securitizations are classified as either traditional or synthetic. In a traditional securitization, the originator establishes a special purpose entity ("SPE") and sells assets (either originated or purchased) off its balance sheet into the SPE, which issues securities to investors. In a synthetic securitization, credit risk is transferred to an investor through the use of credit derivatives or guarantees. In a synthetic securitization, there is no change in accounting treatment for the assets securitized.

This section includes both banking book and trading book securitizations, with the exception of modeled correlation trading positions which are included in the Market Risk section.

➢ For information on risk management and due diligence for securitization exposures, refer to Securitization on page 17 of the 4Q15 Pillar 3 Report.

Hierarchy of approaches

➢ For information on Hierarchy of approaches for securitization exposures, refer to Securitization on page 18 of the 4Q15 Pillar 3 Report.

Risk-weighted assets

The following table presents banking book and trading book exposures receiving securitization capital treatment (with the exception of modeled correlation trading positions which are presented in the Market Risk section). The amounts include traditional and synthetic securitization exposures, with re-securitizations shown separately.

	Securitization							
	SFA		SSFA		1250%		Total	
March 31, 2016 (in millions)	Exposure	RWA	Exposure	RWA	Exposure	RWA	Exposure	RWA
Risk weight								
= 0% ≤ 20%	$ 60,588	$ 12,804	$ 68,594	$ 14,420	$ –	$ –	$ 129,182	$ 27,224
> 20% ≤ 50%	3,787	876	3,785	1,213	–	–	7,572	2,089
> 50% ≤ 100%	157	119	842	701	–	–	999	820
> 100% < 1250%	26	111	706	1,838	–	–	732	1,949
= 1250%	7	81	80	1,017	397	5,248	484	6,346
Securitization, excluding re-securitization	$ 64,565	$ 13,991	$ 74,007	$ 19,189	$ 397	$ 5,248	$ 138,969	$ 38,428

	Re-securitization							
	SFA		SSFA		1250%		Total	
March 31, 2016 (in millions)	Exposure	RWA	Exposure	RWA	Exposure	RWA	Exposure	RWA
Risk weight								
= 0% ≤ 20%	$ 1,500	$ 316	$ 259	$ 55	$ –	$ –	$ 1,759	$ 371
> 20% ≤ 50%	–	–	6	2	–	–	6	2
> 50% ≤ 100%	8	8	21	13	–	–	29	21
> 100% < 1250%	11	56	79	214	–	–	90	270
= 1250%	5	57	25	316	16	214	46	587
Re-securitization[(a)]	$ 1,524	$ 437	$ 390	$ 600	$ 16	$ 214	$ 1,930	$ 1,251
Total securitization [(b)]	$ 66,089	$ 14,428	$ 74,397	$ 19,789	$ 413	$ 5,462	$ 140,899	$ 39,679

(a) As of March 31, 2016, there were no re-securitizations to which credit risk mitigation has been applied.
(b) Total securitization RWA includes $3.6 billion of RWA on trading book exposure of $4.8 billion. The trading book RWA represents non-modeled securitization charges in the Market Risk section of this report.

Any gain-on-sale in connection with a securitization exposure must be deducted from common equity tier 1 capital. The amount deducted as of March 31, 2016 was immaterial.

Exposure by collateral type

The following table presents banking book and trading book exposures receiving securitization capital treatment (with the exception of modeled correlation trading positions which are presented in the Market Risk section). The amounts below include traditional and synthetic securitization exposures

March 31, 2016 (in millions)	Exposure: On-balance sheet	Exposure: Off-balance sheet[a]	Exposure: Total	RWA
Collateral type:				
Residential mortgages	$ 24,585	$ 881	$ 25,466	$ 11,643
Commercial mortgages	28,838	369	29,207	7,633
Commercial and industrial loans	42,514	1,320	43,834	9,755
Consumer auto loans	16,487	567	17,054	3,999
Student loans	10,346	99	10,445	2,336
Municipal bonds	1	6,072 [b]	6,073	1,400
Other	7,061	1,759	8,820	2,913
Total securitization exposure	$ 129,832	$ 11,067	$ 140,899	$ 39,679

(a) Includes the counterparty credit risk EAD associated with derivative transactions for which the counterparty credit risk is a securitization exposure.
(b) Represents liquidity facilities supporting nonconsolidated municipal bond VIEs of which $3.3 billion relate to JPMorgan Chase-sponsored securitization trusts.

Assets securitized

The following table presents the outstanding principal balance of JPMorgan Chase-sponsored securitization trusts in which the Firm has retained exposure in either the banking book or the trading book. Third-party assets in deals sponsored by JPMorgan Chase are shown separately.

March 31, 2016 (in millions)	Principal amount outstanding: JPMorgan Chase assets held in traditional securitizations[a]	Principal amount outstanding: Third-party assets held in traditional securitizations [a]	Principal amount outstanding: JPMorgan Chase assets held in synthetic securitizations	Assets impaired or past due[b]
Collateral type:				
Residential mortgages	$ 85,178	$ 13	$ 504	$ 12,862
Commercial mortgages	61,355	33,691	–	1,272
Commercial and industrial loans	–	–	2,240	–
Consumer auto loans	–	–	–	–
Student loans	1,373	–	–	–
Municipal bonds	5,253	–	–	98
Other	–	–	–	–
Total	$ 153,159	$ 33,704	$ 2,744	$ 14,232

(a) Represents assets held in nonconsolidated securitization VIEs.
(b) Represents assets 90 days or more past due or on nonaccrual status.

Securitization activity

The following table presents assets pending securitization (i.e., assets held with the intent to securitize) at March 31, 2016, and the Firm's securitization activities for three months ended March 31, 2016, related to assets held in JPMorgan Chase-sponsored securitization entities that were not consolidated by the Firm, and where sale accounting was achieved based on the accounting rules in effect at the time of the securitization. All instruments transferred into securitization trusts during the three months ended March 31, 2016 were classified as trading assets under U.S. GAAP. As such, changes in fair value were recorded in principal transactions revenue, and there were no significant gains or losses associated with the securitization activity.

March 31, 2016 (in millions)	Carrying value: Assets pending securitization	Original principal amount: Assets securitized with retained exposure	Original principal amount: Assets securitized without retained exposure
Collateral type:			
Residential mortgages	$ 7,396	$ –	$ –
Commercial mortgages	2,291	1,324	–
Commercial and industrial loans	–	–	–
Consumer auto loans	–	–	–
Student loans	–	–	–
Municipal bonds	–	–	–
Other	–	–	–
Total	$ 9,687	$ 1,324	$ –

Equity investments in the banking book include AFS equity securities, private equity investments, investments in unconsolidated subsidiaries, investments in hedge funds, investment funds (including separate accounts), other equity investments classified within other assets, and certain equity investments classified within trading assets that do not meet the definition of a covered position.

Private equity investments are held primarily based on the expectation of capital gains. All other equity and investment fund positions are held primarily for reasons other than capital gains including client relationships and employee benefits.

Investments in separate accounts are held in connection with corporate- and bank-owned life insurance ("COLI/BOLI") and certain asset management activities.

- Refer to Note 9 on pages 223–230 of the 2015 Form 10-K for a discussion of COLI and the related investment strategy and asset allocation.
- For information on investments in marketable equity, refer to Equity risk in the banking book on page 20 of the 4Q15 Pillar 3 Report.

Accounting and valuation policies for equity investments

- Refer to Principal Risk Management, on page 143 of the 2015 Form 10-K for a discussion of principal risk management related to privately-held investments.
- Refer to Note 1 on page 76 of the 1Q16 Form 10-Q and on pages 181–183 of the 2015 Form 10-K for a discussion of the accounting for investments in unconsolidated subsidiaries and investments in affordable housing projects.
- Refer to Note 3 on pages 184–203 of the 2015 Form 10-K for more information on the Firm's methodologies regarding the valuation of private equity direct investments and fund investments (i.e., mutual/collective investment funds, private equity funds, hedge funds and real estate funds).
- Refer to Note 12 on pages 233–237 of the 2015 Form 10-K for further discussion of the accounting for AFS equity securities.

Risk-weight approaches

For equity exposures to investment funds, the Firm employs the Full Look-Through and Simple Modified Look-Through Approaches. For all other banking book equity exposures, the Firm employs the Simple Risk-Weight Approach (SRWA).

Equity risk-weighted assets

The table below presents the exposure and RWA by risk weight.

March 31, 2016
(in millions)

Risk-weight category	Exposure[a]	RWA
0%	$ 6,099 [b]	$ –
20%	2,533	537
100%	22,597	23,952
600%	364	2,317
Look-through	16,852	9,565
Total	$ 48,445	$ 36,371

(a) Includes off-balance sheet unfunded commitments for equity investments of $879 million.
(b) Consists of Federal Reserve Bank stock.

Carrying value and fair value

The following table presents the carrying value and fair value of equity investments in the banking book.

March 31, 2016 (in millions)	Carrying value	Fair value
Publicly traded	$ 22,412	$ 22,620
Privately held and third-party fund investments	24,626	29,259
Total	$ 47,038	$ 51,879

Realized gains/(losses)

Cumulative realized gains/(losses) from sales and liquidations during the three months ended March 31, 2016 were $43 million. This includes previously recognized unrealized gains/(losses) which have been reversed and booked as realized gains/(losses).

Unrealized gains/(losses)

At March 31, 2016 (in millions)	Cumulative unrealized gains/(losses), pre-tax
Recognized in AOCI[a]	$ 19
Unrecognized [b]	4,565

(a) Unrealized gains of $3 million were included in Tier 2 capital under the Basel III Transitional rules.
(b) Unrecognized gains/(losses) apply to cost and proportional amortization method investments.

Market risk is the potential for adverse changes in the value of the Firm's assets and liabilities resulting from changes in market variables such as interest rates, foreign exchange rates, equity prices, commodity prices, implied volatilities or credit spreads.

➢ For a discussion of the Firm's Market Risk Management organization, risk identification and classification, tools used to measure risk, and risk monitoring and control, see Market Risk Management on pages 21-27 of the 4Q15 Pillar 3 Report, and Market Risk Management on pages 133–139 of the 2015 Form 10-K.

Measures included in market risk RWA

The following table presents the Firm's market risk-based capital and risk-weighted assets at March 31, 2016. The components of market risk RWA are discussed in detail in the Regulatory market risk capital models section on pages 19-22 of this report. RWA is calculated as RBC times a multiplier of 12.5; any calculation differences are due to rounding.

Three months ended March 31, 2016 (in millions)	Risk-based capital	RWA
Internal models		
Value-at-Risk based measure ("VBM")	$ 820	$ 10,249
Stressed Value-at-Risk based measure ("SVBM")	2,460	30,747
Incremental risk charge ("IRC")	223	2,792
Comprehensive risk measure ("CRM")	562	7,027
Total internal models	4,065	50,815
Non-modeled specific risk	5,064	63,304
Other charges	1,700	21,244
Total Market risk	$ 10,829	$ 135,363

Material portfolio of covered positions

The Firm's market risks arise predominantly from activities in the Firm's Corporate & Investment Bank ("CIB") business. CIB makes markets in products across fixed income, foreign exchange, equities and commodities markets; the Firm's portfolio of covered positions under Basel III is predominantly comprised of positions held by the CIB. Other lines of business have covered positions with an immaterial firmwide impact.

➢ Refer to pages 21-24 of the 1Q16 Form 10-Q and to pages 94–98 of the 2015 Form 10-K for a discussion of CIB's Business Segment Results.

Value-at-Risk ("VaR")

VaR is a statistical risk measure used to estimate the potential loss from adverse market moves in a normal market environment. The Firm has a single VaR framework used as a basis for calculating Regulatory VaR and Risk Management VaR.

➢ Refer to Market Risk Management on pages 133–139 of the 2015 Form 10-K for information on the Firm's VaR framework.

Since VaR is based on historical data, it is an imperfect measure of market risk exposure and potential losses, and it is not used to estimate the impact of stressed market conditions or to manage any impact from potential stress events. In addition, based on their reliance on available historical data, limited time horizons, and other factors, VaR measures are inherently limited in their ability to measure certain risks and to predict losses, particularly those associated with market illiquidity and sudden or severe shifts in market conditions. The Firm therefore considers other measures in addition to VaR, such as stress testing, to capture and manage its market risk positions.

➢ Refer to the Economic-value stress testing section on page 22 for further information on stress testing.

Risk management VaR comparison to Regulatory VaR

Risk Management VaR is calculated assuming a one-day holding period and an expected tail-loss methodology which approximates a 95% confidence level. VaR provides a consistent framework to measure risk profiles and levels of diversification across product types and is used for aggregating risks across businesses and monitoring limits. These VaR results are reported to senior management, the Board of Directors and regulators.

Under the Firm's Risk Management VaR methodology, assuming current changes in market values are consistent with the historical changes used in the simulation, the Firm would expect to incur VaR "band breaks," defined as losses greater than that predicted by VaR estimates, not more than five times every 100 trading days. For risk management purposes, the Firm believes the use of a 95% confidence level with a one-day holding period provides a stable measure of VaR that closely aligns to the day-to-day risk management decisions made by the lines of business, and provides the necessary and appropriate information needed to respond to risk events on a daily basis. The Firm's Risk Management VaR is disclosed in its SEC filings.

As required by Basel III, the Firm calculates Regulatory VaR assuming a 10-day holding period and an expected tail loss methodology, which approximates a 99% confidence level. Assuming current changes in market values are consistent with the historical changes used in the simulation, the Firm would expect to incur losses greater than that predicted by Regulatory VaR using a one-day holding period not more than once every 100 trading days. In contrast to the Firm's Risk Management VaR, Regulatory VaR currently excludes the diversification benefit for certain VaR models.

As noted above, Regulatory VaR is applied to "covered positions" as defined by Basel III, which may be different from the positions included in the Firm's Risk Management VaR. For example, credit derivative hedges of accrual loans are included in the Firm's Risk Management VaR, while Regulatory VaR excludes these credit derivative hedges.

Regulatory market risk capital models

VaR-Based Measure ("VBM")

The VBM is an aggregate loss measure combining Regulatory VaR and modeled specific risk ("SR") factors over a 10-day holding period and a 99% confidence level. While the Regulatory VaR portion of the VBM measures the estimated maximum amount of decline due to market price or rate movements for all covered positions, the modeled SR portion of the VBM measures the risk of loss from factors other than broad market movements. Modeled SR factors include event risk and idiosyncratic risk for a subset of covered positions for which the model is approved by the Firm's banking supervisors.

The Firm's VBM is converted to a capital requirement using a regulatory multiplier. The capital requirement is then translated to risk-weighted assets using a multiplier of 12.5 as prescribed by Basel III.

The following table presents the results of the Firm's VBM converted risk-weighted assets based on the application of regulatory multipliers as specified by Basel III.

Three months ended March 31, 2016 (in millions)	Average VBM	Risk-based capital[(a)]	RWA
Firm modeled VBM	$ 273	$ 820	$10,249

(a) The Firm's multiplier for determining risk-based capital associated with VBM is 3.

CIB VaR-Based Measure ("VBM")

For the three months ended March 31, 2016, JPMorgan Chase's average CIB VBM was $278 million, compared with CIB average Risk Management VaR of $55 million. The CIB VBM was higher due to the longer holding period (10 days), the higher confidence level (99%), differences in population, and the exclusion of the diversification benefit for certain VaR models.

The following table presents the average, minimum, maximum and period-end VBM by risk type for the CIB and total VBM for the Firm. In addition, the table presents the reduction of total risk resulting from the diversification of the portfolio, which is the sum of the CIB VBMs for each risk type less the total CIB VBM.

	Three months ended March 31, 2016			
(in millions)	Avg.	Min	Max	At March 31, 2016
CIB VBM by risk type				
Interest rate[(a)]	$136	$103	$202	$ 124
Credit spread[(a)]	170	143	202	160
Foreign exchange	51	33	83	57
Equities	59	38	120	48
Commodities and other	52	41	65	45
Diversification benefit	(190) [(b)]	NM [(c)]	NM [(c)]	(187) [(b)]
Total CIB VBM	278	232	412	247
Total Firm VBM	$273	$239	$384	$ 250

(a) For certain products and portfolios, a full revaluation model is used to calculate VBM, which considers both interest rate and credit spread risks together. As such, the Firm allocates the results of the full revaluation model between interest rate and credit spread risk based on the predominant characteristics of the product or portfolio.
(b) Average portfolio VBM and period-end portfolio VBM were less than the sum of the components described above due to portfolio diversification.
(c) Designated as not meaningful ("NM"), because the minimum and maximum may occur on different days for different risk components, and hence it is not meaningful to compute a portfolio-diversification effect.

The average CIB VBM diversification benefit was $190 million, or 41% of the sum of the individual risk components for the three months ended March 31, 2016 . The CIB average Risk Management trading and credit portfolio VaR diversification benefit was $43 million, or 44% of the sum of the individual risk components, for the three months ended March 31, 2016. The difference in diversification benefit between the two methodologies is consistent with the description provided on page 18 of this report.

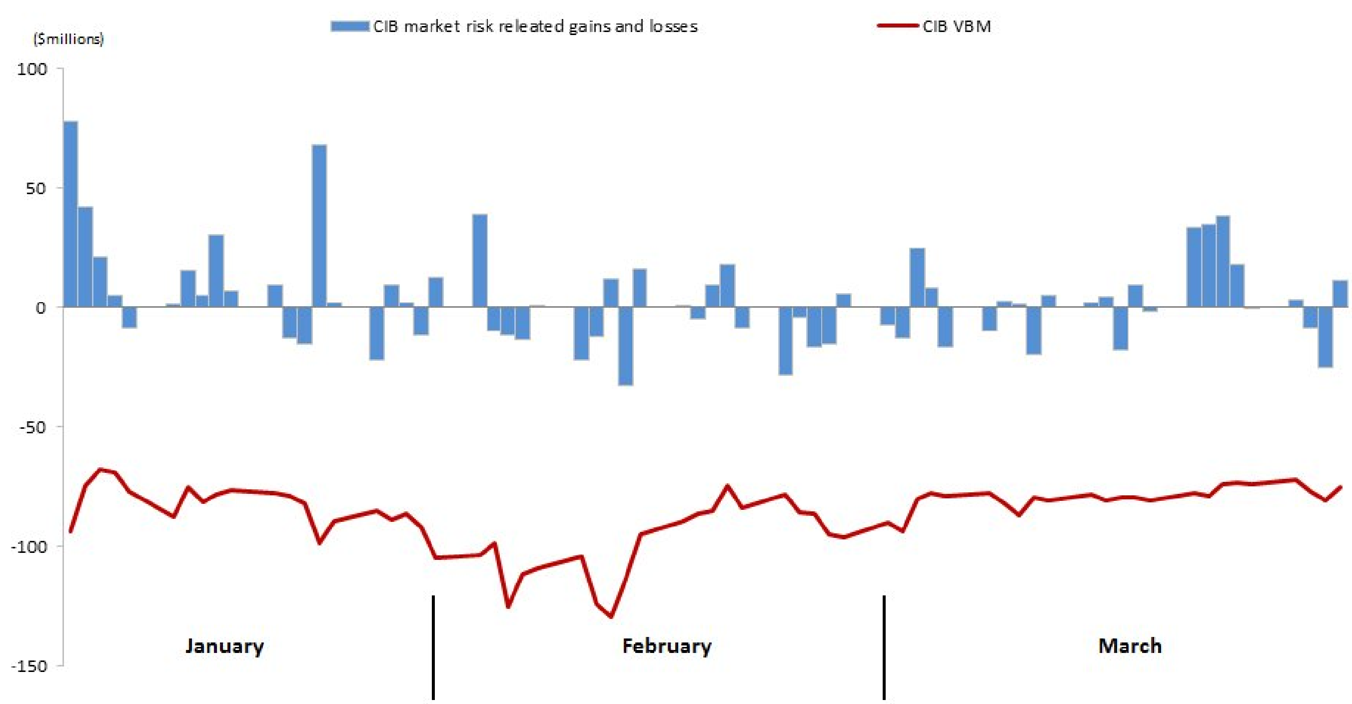
- Refer to Market Risk Management on pages 48-51 of the 1Q16 Form 10-Q and pages 133–139 of the 2015 Form 10-K for additional information on Risk Management VaR.

VBM back-testing

Back-testing is an approach used to evaluate the effectiveness of the Firm's VBM methodology. Back-testing compares daily market risk-related gains and losses with one-day VBM results. Market risk-related gains and losses are defined as profits and losses on covered positions, excluding fees, commissions, certain valuation adjustments (e.g., liquidity and DVA), net interest income, and gains and losses arising from intraday trading. VBM "band breaks" occur when market risk-related losses are greater than the estimate predicted by the VBM for the corresponding day.

The following chart presents the VBM back-testing results for CIB's covered positions. The VBM presented in the chart reflects the exclusion of the diversification benefit for certain VaR models. The chart shows that for the three months ended March 31, 2016, the CIB observed no band breaks and posted market-risk related gains on 37 of the 64 trading days. The results in the table below are different from the results of VaR back-testing disclosed in the Firm's SEC filings due to the differences between the Risk Management VaR and Regulatory VaR as described on page 18 of this report.

CIB daily market risk-related gains and losses on covered positions
Total VBM (1-day, 99.0% confidence-level)
Three months ended March 31, 2016



Stressed VaR-Based Measure ("SVBM")

The SVBM uses the same Regulatory VaR and SR models as are used to calculate the VBM, but the models are calibrated to reflect historical data from a continuous 12-month period that reflects significant financial stress appropriate to the Firm's current portfolio.

The SVBM presented in the tables below reflects an interim approach until the Firm finalizes its SVBM model.

The following table presents the results of the Firm's SVBM converted to risk-based capital based on the application of regulatory multipliers as specified by Basel III. The capital requirement is then translated to risk-weighted assets using a multiplier of 12.5 as prescribed by Basel III.

Three months ended March 31, 2016 (in millions)	Average SVBM	Risk-based capital[(a)]	RWA
Firm modeled SVBM	$ 820	2,460	$ 30,747

(a) The Firm's multiplier for determining risk-based capital associated with SVBM is 3.

The following table presents the average, minimum, maximum and period-end SVBM for the CIB and the Firm.

	Three months ended March 31, 2016			
(in millions)	Avg.	Min	Max	At March 31, 2016
Total CIB SVBM	$ 835	$ 695	$ 1,235	$ 742
Total Firm SVBM	$ 820	$ 717	$ 1,151	$ 751

Incremental Risk Charge ("IRC")

The IRC measure captures the risks of issuer default and credit migration for credit-sensitive covered positions that are incremental to the risks already captured in the VBM. The model is intended to measure the potential loss over a one-year holding period at a 99.9% confidence level, and is not applicable to correlation trading positions or securitization positions. The IRC is calculated on a weekly basis.

➢ For information on the Firm's IRC model, refer to Market Risk on page 24 of the 4Q15 Pillar 3 Report.

The following table presents the IRC risk-based capital requirement for the CIB, which is the same as the risk measure itself, and the risk-weighted assets which is calculated by multiplying the risk measure by 12.5 as prescribed by Basel III.

Three months ended March 31, 2016 (in millions)	IRC[(a)]	RWA
Total CIB IRC	$ 223	$ 2,792

(a) IRC reflects the higher of the quarterly average and period-end spot measure under Basel III.

The following table presents the average, minimum, maximum and period-end IRC for the CIB.

	Three months ended March 31, 2016			
(in millions)	Avg.	Min	Max	At March 31, 2016
CIB IRC on trading positions	$ 223	$ 186	$ 272	$ 186

Comprehensive Risk Measure ("CRM")

The CRM captures material price risks of one or more portfolios of correlation trading positions. Correlation trading positions refer to client-driven, market-making activities in credit index and bespoke tranche swaps that are delta hedged with single-name and index credit default positions. In addition, Basel III requires that an additional charge equal to 8% of the market-risk based capital calculated using the non-modeled specific risk be added to the CRM model-based capital requirements; this is referred to as the CRM surcharge.

Similar to the IRC, the CRM measures potential losses over a one-year holding period at a 99.9% confidence level. The CRM is calculated on a weekly basis.

➢ For information on the Firm's CRM model, refer to Market Risk on pages 24-25 of the 4Q15 Pillar 3 Report.

The following table presents the CRM risk-based capital requirement (which is the same as the risk measure itself) and the risk-weighted assets (which is calculated by multiplying the capital requirement by 12.5 as prescribed by Basel III) for the CIB.

Three months ended March 31, 2016 (in millions)	CRM[(a)]	RWA
Total CIB CRM	$ 562	$ 7,027

(a) CRM reflects the higher of the quarterly average and period-end spot measure under Basel III.

The following table presents the average, minimum, maximum and period-end CRM for the CIB.

	Three months ended March 31, 2016			
(in millions)	Avg.	Min	Max	At March 31, 2016
CRM model on CIB trading positions	$ 259	$ 199	$ 307	$ 241
CRM surcharge on CIB trading positions	304	296	316	316
Total CIB CRM	$ 562	$ 514 [(a)]	$ 603 [(a)]	$ 557

(a) The minimum and maximum for the CRM model, CRM surcharge, and total CRM measure are determined independently of each other. Therefore, the minimum and maximum for each of the three metrics can occur on different dates and thus may not always be additive.

Aggregate securitization positions

- For information on the aggregate amount of on-balance sheet and off-balance sheet securitization positions by exposure type, refer to Securitization on pages 16 of this Pillar 3 Report.

Aggregate correlation trading positions

The following table presents the net notional amount and fair value of the Firm's aggregate correlation trading positions and the associated credit hedges. Credit hedges of the correlation trading positions are included as they are considered to be part of the aggregate correlation trading positions. The presentation distinguishes between positions that are modeled in CRM and those that are not modeled in CRM.

March 31, 2016 (in millions)	Notional amount[(a)]	Fair value[(b)]
Positions modeled in CRM	$ (1,139)	$ (1,120)
Positions not modeled in CRM	(1,696)	(78)
Total correlation trading positions	$ (2,835)	$ (1,198)

(a) Reflects the net of the notional amount of the correlation trading portfolio, including credit hedges.
(b) Reflects the fair value of securities and derivatives, including credit hedges.

Non-modeled specific risk

Non-modeled specific risk is calculated using supervisory-prescribed risk weights and methodologies for covered debt, equity and securitization positions that are not included in modeled SR. The market risk-based capital and risk-weighted assets (which is calculated by multiplying the capital requirement by 12.5 as prescribed by Basel III) for non-modeled specific risk are shown in the table below.

March 31, 2016 (in millions)	Risk-based capital	RWA
Securitization positions	$ 290	$ 3,628
Nonsecuritization positions	4,774	59,676
Total Non-modeled specific risk	$ 5,064	$ 63,304

Other charges

Other charges reflect exposures receiving alternative capital treatments. The capital requirement is translated to risk-weighted assets using a multiplier of 12.5 as prescribed by Basel III.

March 31, 2016 (in millions)	Risk-based capital	RWA
Total Firm other charges	$ 1,700	$ 21,244

Independent review of market risk regulatory capital models

- For information on the independent review of market risk regulatory capital models, refer to Market Risk on page 26 of the 4Q15 Pillar 3 Report and to Model Risk Management on page 142 of the 2015 Form 10-K.

Economic-value stress testing

Along with VaR, stress testing is an important tool in measuring and controlling risk. While VaR reflects the risk of loss due to adverse changes in markets using recent historical market behavior as an indicator of losses, stress testing is intended to capture the Firm's exposure to unlikely but plausible events in abnormal markets. The Firm runs weekly stress tests on market-related risks across the lines of business using multiple scenarios that assume significant changes in risk factors such as credit spreads, equity prices, interest rates, currency rates or commodity prices.

Stress testing complements VaR by allowing risk managers to shock current market prices to more extreme levels relative to those historically realized, and to stress test the relationships between market prices under extreme scenarios.

Stress-test results, trends and qualitative explanations based on current market risk positions are reported to the respective LOB's and the Firm's senior management to allow them to better understand the sensitivity of positions to certain defined events and to enable them to manage their risks with more transparency. In addition, results are reported to the Board of Directors.

Stress scenarios are defined and reviewed by Market Risk, and significant changes are reviewed by the relevant LOB Risk Committees and may be redefined on a periodic basis to reflect current market conditions. The Firm's stress testing framework is utilized in calculating results under scenarios mandated by the Federal Reserve's CCAR and ICAAP processes. In addition, the results are incorporated into the quarterly assessment of the Firm's Risk Appetite Framework and are also presented to the DRPC.

- For information on the Firm's Economic-value stress testing, refer to Economic-value stress testing on page 27 of 4Q15 Pillar 3 Report.

OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed processes or systems, human factors, or due to external events that are neither market- nor credit-related.

- Refer to Operational Risk on page 28 in the 4Q15 Pillar 3 Report, pages 144–146 of the 2015 Form 10-K and page 53 of 1Q16 Form 10-Q for a discussion of Operational Risk Management.

Measurement

- Refer to Operational Risk Management on pages 144–146 of the 2015 Form 10-K for information related to operational risk measurement and RWA.

The effect of interest rate exposure on the Firm's reported net income is also important as interest rate risk represents one of the Firm's significant market risks. Interest rate risk arises not only from trading activities but also from the Firm's traditional banking activities, which include extension of loans and credit facilities, taking deposits and issuing debt. The Firm evaluates its structural interest rate risk exposure through earnings-at-risk, which measures the extent to which changes in interest rates will affect the Firm's net interest income and interest rate-sensitive fees. Earnings-at-risk excludes the impact of CIB's markets-based activities and MSRs, as these sensitivities are captured under VaR.

The Firm generates a net interest income baseline, and then conducts simulations of changes for interest rate-sensitive assets and liabilities denominated in U.S. dollars and other currencies ("non-U.S. dollar" currencies). Earnings-at-risk scenarios estimate the potential change in this net interest income baseline, excluding CIB's markets-based activities and MSRs, over the following 12 months utilizing multiple assumptions. These scenarios may consider the impact on exposures as a result of changes in interest rates from baseline rates, as well as the pricing sensitivities of deposits, optionality and changes in product mix. The scenarios include forecasted balance sheet changes, as well as modeled prepayment and reinvestment behavior, but do not include assumptions about actions which could be taken by the Firm in response to any such instantaneous rate changes. Mortgage prepayment assumptions are based on current interest rates compared with underlying contractual rates, the time since origination, and other factors which are updated periodically based on historical experience. The Firm's earnings-at-risk scenarios are periodically evaluated and enhanced in response to changes in the composition of the Firm's balance sheet, changes in market conditions, improvements in the Firm's simulation and other factors.

➢ Refer to page 138 of the 2015 Form 10-K for a detailed discussion of Earnings-at-risk.

➢ Refer to page 51 of the 1Q16 Form 10-Q for further discussion of Earnings-at-risk.

The Firm's U.S. dollar sensitivity is presented in the table below. The result of the non-U.S. dollar sensitivity scenarios was not material to the Firm's earnings-at-risk at March 31, 2016.

JPMorgan Chase's 12-month pretax net interest income sensitivity profiles

(Excludes the impact of CIB's markets-based activities and MSRs)

(in billions)	Instantaneous change in rates			
March 31, 2016	+200 bps	+100 bps	-100 bps	-200 bps
U.S. dollar	**$ 5.1**	**$ 3.1**	**NM** (a)	**NM** (a)

(a) Given the current level of market interest rates, downward parallel 100 and 200 basis point earnings-at-risk scenarios are not considered to be meaningful.

The Firm's benefit to rising rates on U.S. dollar assets and liabilities is largely a result of reinvesting at higher yields and assets re-pricing at a faster pace than deposits.

Separately, another U.S. dollar interest rate scenario used by the Firm — involving a steeper yield curve with long-term rates rising by 100 basis points and short-term rates staying at current levels — results in a 12-month pretax benefit to net interest income excluding CIB's markets-based activities and MSRs of approximately $800 million. The increase in net interest income under this scenario reflects the Firm reinvesting at the higher long-term rates, with funding costs remaining unchanged. The result of the comparable non-U.S. dollar analysis was not material to the Firm.

The SLR is defined as Tier 1 capital under Basel III divided by the Firm's total leverage exposure. The tables below present the components of the Firm's SLR as of March 31, 2016 with on-balance sheet amounts calculated as the quarterly average and the off-balance sheet amounts calculated as the average of each of the three month's period-end balances.

(in millions, except ratio)		March 31, 2016
Basel III Advanced Transitional Tier 1 Capital	**$**	**202,399**
Total average assets		2,393,073
Less: amounts deducted from Tier 1 capital		47,147
Total adjusted average assets		**2,345,926**
Adjustment for derivative exposures		374,934
Adjustment for repo-style transactions		20,846
Adjustment for other off-balance sheet exposures		305,852
Off-balance sheet exposures		701,632
Total leverage exposure	**$**	**3,047,558**
Basel III Advanced Transitional SLR		**6.6%**

Derivative exposures

The following table presents the components of total derivative exposure.

(in millions)		March 31, 2016
Replacement cost for derivative exposures[(a)]	$	75,799
Add-on amounts for potential future exposure (PFE) for derivative exposures		384,437
Gross-up for cash collateral posted if deducted from the on-balance sheet assets, except for cash variation margin		3,711
Effective notional principal amount of sold credit protection		1,505,769
Less:		
Exempted CCP leg of client-cleared transactions		57,702
Effective notional principal amount offsets and PFE adjustments for sold credit protection		1,466,429
Total derivative exposure[(b)]		**445,585**
Less: on-balance sheet amount		
Derivative receivables		70,651
Adjustment for derivative exposures	**$**	**374,934**

(a) Includes cash collateral received of $5,148.
(b) Receivables for cash variation margin posted under a qualifying derivative master agreement is netted against derivative liabilities and not included in on-balance sheet assets.

Repo-style transactions

The following table presents the components of total exposures for repo-style transactions.

(in millions)		March 31, 2016
Gross on-balance sheet assets for repo-style transactions[(a)]	$	472,940
Counterparty credit risk for repo-style transactions where the Firm acts as principal		21,653
Exposure for repo-style transactions where the Firm acts as an agent[(b)]		250
Less: amounts netted[(c)]		165,543
Total exposures for repo-style transactions		**329,300**
Less: on-balance sheet amounts		
Federal funds sold and securities purchased under resale agreements		204,993
Securities borrowed		103,461
Adjustment for repo-style transactions	**$**	**20,846**

(a) Includes adjustments for securities received where the securities lender has not sold or rehypothecated securities received.
(b) Includes exposures where the Firm's guarantee is greater than the difference between the fair value of the security or cash the Firm's customer has lent and the value of the collateral provided.
(c) Reflects netting of transactions where the Firm has obtained an appropriate legal opinion with respect to master netting agreements, and where the relevant criteria have been met.

Other off-balance sheet exposures

The following table presents wholesale and retail commitments after applying the relevant credit conversion factors.

(in millions)		March 31, 2016
Off-balance sheet exposures at gross notional amounts	$	1,063,391
Less: adjustments for conversion to credit equivalent amounts		757,539
Adjustment for other off-balance sheet exposures	**$**	**305,852**

Valuation process

For a discussion of the Firm's valuation methodologies for assets, liabilities and lending-related commitments measured at fair value and the fair value hierarchy, refer to Valuation Process in the 4Q15 Pillar 3 Report and to Note 3 of the 2015 Form 10-K.

- Refer to Note 3 on pages 77-86 of the 1Q16 Form 10-Q, for information on credit and funding valuation adjustments.

Model risk management

Model risk is the potential for adverse consequences from decisions based on incorrect or misused model outputs and reports.

- For a discussion of the Firm's model risk management, model risk review and governance, refer to Model risk management on page 32 of the 4Q15 Pillar 3 Report and Model Risk Management on page 142 of the 2015 Form 10-K

References to JPMorgan Chase's 2015 Form 10-K and 1Q16 Form 10-Q

JPMorgan Chase's 2015 Form 10-K contains important information on the Firm's risk management policies and practices, capital management processes, and accounting policies relevant to this report. Specific references are listed below.

Management's discussion and analysis

Section	Form 10-K Page reference	Form 10-Q Page reference
Enterprise-wide risk management	107-164	30-65
Credit risk management	112-132	31-47
Consumer credit risk	115-121	32-37
Wholesale credit risk	122-129	38-44
Allowance for credit losses	130-132	45-47
Market risk management	133-139	48-51
Model risk management	142	
Principal risk management	143	
Operational risk management	144-146	53
Capital management	149-158	54-60

Notes to consolidated financial statements

Section		Form 10-K Page reference	Form 10-Q Page reference
Note 1	Basis of presentation	181-183	76
Note 3	Fair value measurement	184-203	77-86
Note 4	Fair value option	203-206	87-88
Note 5	Credit risk concentrations	207	
Note 6	Derivative instruments (Note 5 in 10-Q)	208-220	89-97
Note 9	Pension and other postretirement employee benefit plans (Note 8 in 10-Q)	223-230	100
Note 12	Securities (Note 11 in 10-Q)	233-237	102-105
Note 13	Securities financing activities (Note 12 in 10-Q)	238-241	106-107
Note 14	Loans (Note 13 in 10-Q)	242-261	108-120
Note 15	Allowance for credit losses (Note 14 in 10-Q)	262-265	121
Note 16	Variable interest entities (Note 15 in 10-Q)	266-273	122-128
Note 17	Goodwill and other intangible assets (Note 16 in 10-Q)	274-277	129-131
Note 21	Long-term debt	279-281	
Note 22	Preferred stock	282	
Note 23	Common stock	282-283	
Note 25	Accumulated other comprehensive income/(loss) (Note 19 in 10-Q)	284	
Note 27	Restrictions on cash and intercompany funds transfers	288	
Note 28	Regulatory capital (Note 20 in 10-Q)	288-290	135-136
Note 29	Off-balance sheet lending-related financial instruments, guarantees and other commitments (Note 21 in 10-Q)	290-295	137-140
Note 30	Commitments, pledged assets and collateral	296	