

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

FORM 8-K

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

Date of Report (date of earliest event reported): July 14, 2020

**JPMorgan Chase & Co.**

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	1-5805 (Commission File Number)	13-2624428 (I.R.S. employer identification no.)
383 Madison Avenue, New York, New York		10179
(Address of principal executive offices)		(Zip Code)
Registrant's telephone number, including area code: (212) 270-6000		

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

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common stock	JPM	The New York Stock Exchange
Depository Shares, each representing a one-four hundredth interest in a share of 6.10% Non-Cumulative Preferred Stock, Series AA	JPM PR G	The New York Stock Exchange
Depository Shares, each representing a one-four hundredth interest in a share of 6.15% Non-Cumulative Preferred Stock, Series BB	JPM PR H	The New York Stock Exchange
Depository Shares, each representing a one-four hundredth interest in a share of 5.75% Non-Cumulative Preferred Stock, Series DD	JPM PR D	The New York Stock Exchange
Depository Shares, each representing a one-four hundredth interest in a share of 6.00% Non-Cumulative Preferred Stock, Series EE	JPM PR C	The New York Stock Exchange
Depository Shares, each representing a one-four hundredth interest in a share of 4.75% Non-Cumulative Preferred Stock, Series GG	JPM PR J	The New York Stock Exchange
Alerian MLP Index ETNs due May 24, 2024	AMJ	NYSE Arca, Inc.
Guarantee of Callable Step-Up Fixed Rate Notes due April 26, 2028 of JPMorgan Chase Financial Company LLC	JPM/28	The New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

## Item 2.02 Results of Operations and Financial Condition

On July 14, 2020, JPMorgan Chase & Co. ("JPMorgan Chase" or the "Firm") reported 2020 second quarter net income of \$4.7 billion, or \$1.38 per share, compared with net income of \$9.7 billion, or \$2.82 per share, in the second quarter of 2019. A copy of the 2020 second quarter earnings release is attached hereto as Exhibit 99.1, and a copy of the earnings release financial supplement is attached hereto as Exhibit 99.2.

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

*This Current Report on Form 8-K (including the Exhibits hereto) contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the current beliefs and expectations of JPMorgan Chase's management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. Factors that could cause JPMorgan Chase's actual results to differ materially from those described in the forward-looking statements can be found in JPMorgan Chase's Annual Report on Form 10-K for the year ended December 31, 2019, and Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, which have been filed with the Securities and Exchange Commission and are available on JPMorgan Chase's website (<https://jpmorganchaseco.gcs-web.com/financial-information/sec-filings>) and on the Securities and Exchange Commission's website ([www.sec.gov](http://www.sec.gov)). JPMorgan Chase does not undertake to update any forward-looking statements.*

## Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description of Exhibit
99.1	<a href="#">JPMorgan Chase &amp; Co. Earnings Release - Second Quarter 2020 Results</a>
99.2	<a href="#">JPMorgan Chase &amp; Co. Earnings Release Financial Supplement - Second Quarter 2020</a>
101	Pursuant to Rule 406 of Regulation S-T, the cover page is formatted in Inline XBRL (Inline eXtensible Business Reporting Language).
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and included in Exhibit 101).

SIGNATURE

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

JPMorgan Chase & Co.

(Registrant)

By:

/s/ Nicole Giles

Nicole Giles

Managing Director and Firmwide Controller

(Principal Accounting Officer)

Dated: July 14, 2020

## JPMORGAN CHASE REPORTS SECOND-QUARTER 2020 NET INCOME OF \$4.7 BILLION, OR \$1.38 PER SHARE

### SECOND-QUARTER 2020 RESULTS<sup>1</sup>

	ROE 7% ROTCE <sup>2</sup> 9%	CET1 Capital Ratios <sup>3</sup> Std. 12.4%; Adv. 13.1%	Net payout LTM <sup>4,5</sup> 129%
<b>Firmwide Metrics</b>	<ul style="list-style-type: none"> <li>Reported revenue of \$33.0 billion; managed revenue of \$33.8 billion<sup>2</sup></li> <li>Credit costs of \$10.5 billion, including reserve builds of \$8.9 billion</li> <li>Average loans up 4%; average deposits up 25%</li> </ul>	<p>Jamie Dimon, Chairman and CEO, commented: “I want to thank our employees around the world for their exceptional work under the most difficult of circumstances over the past several months. As one of the world’s largest financial institutions, our actions are critical to keep the global economy going - from processing \$6 trillion in payments each day worldwide to keeping three-quarters of our nearly 5,000 branches open - and safe - to meet individuals’ financial needs. During these unprecedented times, JPMorgan Chase remains resilient and steadfast in using all of our resources to support our colleagues, clients and communities across the globe.”</p> <p>Dimon added: “Despite some recent positive macroeconomic data and significant, decisive government action, we still face much uncertainty regarding the future path of the economy. However, we are prepared for all eventualities as our fortress balance sheet allows us to remain a port in the storm. We ended the quarter with massive loss-absorbing capacity - over \$34 billion of credit reserves and total liquidity resources of \$1.5 trillion, on top of \$191 billion of CET1 capital, with significant earnings power that would allow us to absorb even more credit reserves if needed. This is why we can continue to serve all of our stakeholders and to pay our dividend - unless the economic situation deteriorates materially and significantly.”</p> <p>Dimon commented on the results: “We earned \$4.7 billion of net income in the second quarter despite building \$8.9 billion of credit reserves because we generated our highest quarterly revenue ever, which demonstrates the benefit of our diversified global business model. Record Markets revenue (up 79%) and Investment Banking fees (up 54%) in the Corporate &amp; Investment Bank more than offset interest rate headwinds and reduced consumer activity. In Consumer &amp; Community Banking, deposits and client investment assets continued to grow (up 20% and 9%, respectively) as we addressed our customers’ needs remotely as well as in our branches. Card sales volumes are down but have been consistently trending upward since April. We remained active in Home Lending on the strength of our digital platform, and Auto originations picked up in the second half of the quarter driven by pent up demand in states that are re-opening. We maintained our #1 rank in Global IB fees and grew our year-to-date share to 9.8% with strength across the franchise, including in Commercial Banking. The CB also grew loans 13% to \$234 billion and deposits were up 41% as we helped clients manage their liquidity needs. In Asset &amp; Wealth Management, AUM grew 15% driven by \$124 billion of net inflows into liquidity and long-term products as we helped clients navigate market volatility.”</p> <p>Dimon concluded: “We are fully committed to doing our part both in promoting the safety of our employees and customers and helping the economies of the world recover from the impact of the ongoing COVID-19 crisis, including helping to drive policies and programs for the benefit of all of society and create opportunity for those who have been left out of the economy for far too long.”</p>	
<b>CCB</b>	<ul style="list-style-type: none"> <li>Average deposits up 20%; client investment assets up 9%</li> </ul>		
<b>ROE (2)%</b>	<ul style="list-style-type: none"> <li>Average loans down 7%; credit card sales volume<sup>6</sup> down 23%</li> <li>Credit costs of \$5.8 billion, including reserve builds of \$4.6 billion</li> </ul>		
<b>CIB</b>	<ul style="list-style-type: none"> <li>#1 ranking for Global Investment Banking fees with 9.8% wallet share year-to-date</li> <li>Total Markets revenue of \$9.7 billion, up 79%, with Fixed Income Markets up 99% and Equity Markets up 38%</li> <li>Credit costs of \$2.0 billion, including reserve builds of \$1.8 billion</li> </ul>		
<b>CB</b> <i>ROE (14)%</i>	<ul style="list-style-type: none"> <li>Gross Investment Banking revenue of \$851 million, up 44%</li> <li>Average loans up 13%; average deposits up 41%</li> <li>Credit costs of \$2.4 billion driven by reserve builds</li> </ul>		
<b>AWM</b> <i>ROE 24%</i>	<ul style="list-style-type: none"> <li>Assets under management (AUM) of \$2.5 trillion, up 15%</li> <li>Average loans up 12%; average deposits up 20%</li> <li>Credit costs of \$223 million driven by reserve builds</li> </ul>		

### SIGNIFICANT ITEMS

- 2Q20 results included:
  - \$8.9 billion of reserve builds Firmwide, as a result of COVID-19 (\$2.19 decrease in earnings per share (EPS))
  - \$678 million of Firmwide bridge book<sup>7</sup> markups (\$0.17 increase in EPS)
  - \$510 million of gains in Credit Adjustments & Other in CIB related to funding spread tightening on derivatives (\$0.13 increase in EPS)

### OPERATING LEVERAGE

- 2Q20 reported expense of \$16.9 billion; reported overhead ratio of 51%; managed overhead ratio<sup>2</sup> of 50%

### CAPITAL DISTRIBUTED

- Common dividend of \$2.8 billion, or \$0.90 per share
- Announced suspension of repurchases at least through the end of 3Q20<sup>8</sup>

### FORTRESS PRINCIPLES

- Book value per share of \$76.91, up 4%; tangible book value per share<sup>2</sup> of \$61.76, up 4%
- Basel III common equity Tier 1 capital<sup>3</sup> of \$191 billion and Standardized ratio<sup>3</sup> of 12.4%; Advanced ratio<sup>3</sup> of 13.1%
- Firm supplementary leverage ratio of 6.8%<sup>3</sup>

### SUPPORTED CONSUMERS, BUSINESSES & COMMUNITIES

- \$1.2 trillion of credit and capital<sup>9</sup> raised YTD
  - \$107 billion of credit for consumers
  - \$11 billion of credit for U.S. small businesses
  - \$404 billion of credit for corporations
  - \$651 billion of capital raised for corporate clients and non-U.S. government entities
  - \$53 billion of credit and capital raised for nonprofit and U.S. government entities, including states, municipalities, hospitals and universities
- \$28 billion of loans under the Small Business Administration's Paycheck Protection Program

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<sup>1</sup>Percentage comparisons noted in the bullet points are for the second quarter of 2020 versus the prior-year second quarter, unless otherwise specified. <sup>2</sup>For notes on non-GAAP financial measures, including managed basis reporting, see page 6.  
For additional notes see page 7.

*In the discussion below of Firmwide results of JPMorgan Chase & Co. (“JPMorgan Chase” or the “Firm”), information is presented on a managed basis, which is a non-GAAP financial measure, unless otherwise specified. The discussion below of the Firm’s business segments is also presented on a managed basis. For more information about managed basis, and non-GAAP financial measures used by management to evaluate the performance of each line of business, refer to page 6.*

*Comparisons noted in the sections below are for the second quarter of 2020 versus the prior-year second quarter, unless otherwise specified.*

JPMORGAN CHASE (JPM)								
Net revenue on a reported basis was \$33.0 billion, \$28.2 billion, and \$28.7 billion for the second quarter of 2020, first quarter of 2020, and second quarter of 2019, respectively.								
Results for JPM	1Q20					2Q19		
(\$ millions, except per share data)	2Q20	1Q20	2Q19	\$ O/(U)	O/(U) %	\$ O/(U)	O/(U) %	
Net revenue - managed	\$ 33,817	\$ 29,010	\$ 29,481	\$ 4,807	17%	\$ 4,336	15 %	
Noninterest expense	16,942	16,791	16,256	151	1	686	4	
Provision for credit losses	10,473	8,285	1,149	2,188	26	9,324	NM	
Net income	\$ 4,687	\$ 2,865	\$ 9,652	\$ 1,822	64%	\$ (4,965)	(51)%	
Earnings per share	\$ 1.38	\$ 0.78	\$ 2.82	\$ 0.60	77%	\$ (1.44)	(51)%	
Return on common equity	7%	4%	16%					
Return on tangible common equity	9	5	20					

**Discussion of Results<sup>10</sup>:**

Net income was \$4.7 billion, down 51%, driven by reserve builds across the firm.

Net revenue was \$33.8 billion, up 15%. Net interest income was \$14.0 billion, down 4%, with the impact of lower rates predominantly offset by higher net interest income in CIB Markets and balance sheet growth. Noninterest revenue was \$19.9 billion, up 33%, largely driven by higher CIB Markets revenue and Investment Banking fees. The increase in revenue also included \$678 million of markups on held-for-sale positions in the bridge book<sup>7</sup> and a \$510 million gain in Credit Adjustments & Other in CIB driven by funding spread tightening on derivatives.

Noninterest expense of \$16.9 billion, up 4%, predominantly driven by higher revenue-related expense, primarily compensation, largely offset by lower structural expense.

The provision for credit losses was \$10.5 billion, up \$9.3 billion from the prior year driven by reserve builds which reflect further deterioration and increased uncertainty in the macroeconomic outlook as a result of the impact of COVID-19. The Wholesale reserve build was \$4.6 billion across multiple sectors, and the Consumer reserve build was \$4.4 billion, largely in Card.

## CONSUMER & COMMUNITY BANKING (CCB)

Results for CCB				1Q20		2Q19	
(\$ millions)	2Q20	1Q20	2Q19	\$ O/(U)	O/(U) %	\$ O/(U)	O/(U) %
Net revenue	\$ 12,217	\$ 13,112	\$ 13,484	\$ (895)	(7)%	\$ (1,267)	(9)%
Consumer & Business Banking	5,107	6,091	6,897	(984)	(16)	(1,790)	(26)
Home Lending	1,687	1,161	1,118	526	45	569	51
Card & Auto	5,423	5,860	5,469	(437)	(7)	(46)	(1)
Noninterest expense	6,626	7,102	6,836	(476)	(7)	(210)	(3)
Provision for credit losses	5,828	5,772	1,120	56	1	4,708	420
Net income/(loss)	\$ (176)	\$ 191	\$ 4,157	\$ (367)	NM	\$ (4,333)	NM

### Discussion of Results<sup>10,11</sup>:

Net loss was \$176 million, compared with net income of \$4.2 billion in the prior year, predominantly driven by reserve builds. Net revenue was \$12.2 billion, down 9%.

Consumer & Business Banking net revenue was \$5.1 billion, down 26%, predominantly driven by the impact of deposit margin compression, lower transaction activity and customer relief, partially offset by growth in deposit balances. Home Lending net revenue was \$1.7 billion, up 51%, predominantly driven by higher production margins. Card & Auto net revenue was \$5.4 billion, relatively flat to the prior year, as the impact from lower Card sales volumes was largely offset by higher Card annual fees and lower acquisition costs.

Noninterest expense was \$6.6 billion, down 3%, driven by lower travel-related benefits, structural expense and marketing investments.

The provision for credit losses was \$5.8 billion, up \$4.7 billion from the prior year driven by reserve builds, largely in Card. Net charge-offs were \$1.3 billion, relatively flat versus the prior year.

## CORPORATE & INVESTMENT BANK (CIB)

Results for CIB (\$ millions)	2Q20	1Q20	2Q19	1Q20		2Q19	
				\$ O/(U)	O/(U) %	\$ O/(U)	O/(U) %
Net revenue	\$ 16,352	\$ 9,948	\$ 9,831	\$ 6,404	64%	\$ 6,521	66%
Banking	5,027	2,595	3,438	2,432	94	1,589	46
Markets & Securities Services	11,325	7,353	6,393	3,972	54	4,932	77
Noninterest expense	6,764	5,896	5,661	868	15	1,103	19
Provision for credit losses	1,987	1,401	—	586	42	1,987	NM
Net income	\$ 5,464	\$ 1,988	\$ 2,946	\$ 3,476	175%	\$ 2,518	85%

### Discussion of Results<sup>11</sup>:

Net income was \$5.5 billion, up 85%, with record revenue of \$16.4 billion, up 66%, more than offsetting higher noninterest expense and reserve builds.

Banking revenue was \$5.0 billion, up 46%. Investment Banking revenue was \$3.4 billion, up 91%, driven by higher Investment Banking fees, up 54%, reflecting higher fees across products, as well as \$659 million of markups on held-for-sale positions in the bridge book<sup>7</sup>. Wholesale Payments revenue was \$1.4 billion, down 3%, driven by a reporting re-classification in Merchant Services. The impact of higher deposit balances was predominantly offset by deposit margin compression. Lending revenue was \$270 million, up 4%, with higher net interest income on higher loan balances, as well as higher fees, offset by mark-to-market losses on hedges of accrual loans.

Markets & Securities Services revenue was \$11.3 billion, up 77%. Markets revenue was \$9.7 billion, up 79%. Fixed Income Markets revenue was \$7.3 billion, up 99%, or up 120% excluding the gain from the initial public offering (IPO) of a strategic investment in Tradeweb in the prior year, driven by strong performance across products, particularly in Rates, Currencies & Emerging Markets and Credit. Equity Markets revenue was \$2.4 billion, up 38%, predominantly driven by strong client activity in derivatives and Cash Equities. Securities Services revenue was \$1.1 billion, up 5%, predominantly driven by balance and fee growth partially offset by deposit margin compression. Credit Adjustments & Other was a gain of \$510 million driven by funding spread tightening on derivatives.

Noninterest expense was \$6.8 billion, up 19%, driven by higher revenue-related expense.

The provision for credit losses was \$2.0 billion, predominantly driven by reserve builds across multiple sectors. Net charge-offs were \$204 million, up \$132 million versus the prior year.

## COMMERCIAL BANKING (CB)

Results for CB (\$ millions)	2Q20	1Q20	2Q19	1Q20		2Q19	
				\$ O/(U)	O/(U) %	\$ O/(U)	O/(U) %
Net revenue	\$ 2,392	\$ 2,178	\$ 2,285	\$ 214	10 %	\$ 107	5 %
Noninterest expense	899	988	931	(89)	(9)	(32)	(3)
Provision for credit losses	2,431	1,010	29	1,421	141	2,402	NM
Net income/(loss)	\$ (691)	\$ 147	\$ 1,002	\$ (838)	NM	\$ (1,693)	NM

### Discussion of Results<sup>11</sup>:

Net loss was \$691 million, compared with net income of \$1.0 billion in the prior year, driven by reserve builds.

Net revenue was \$2.4 billion, up 5%, driven by higher deposit and loan balances, a gain on a strategic investment, as well as higher deposit fees and investment banking revenue, predominantly offset by lower deposit margin.

Noninterest expense was \$899 million, down 3%, driven by lower structural expense.

The provision for credit losses was \$2.4 billion, driven by reserve builds across multiple sectors. Net charge-offs were \$79 million, up \$64 million versus the prior year.

## ASSET & WEALTH MANAGEMENT (AWM)

Results for AWM (\$ millions)	2Q20	1Q20	2Q19	1Q20		2Q19	
				\$ O/(U)	O/(U) %	\$ O/(U)	O/(U) %
Net revenue	\$ 3,610	\$ 3,606	\$ 3,559	\$ 4	—	\$ 51	1 %
Noninterest expense	2,506	2,659	2,596	(153)	(6)	(90)	(3)
Provision for credit losses	223	94	2	129	137	221	NM
Net income	\$ 658	\$ 664	\$ 719	\$ (6)	(1)%	\$ (61)	(8)%

### Discussion of Results:

Net income was \$658 million, down 8%, driven by reserve builds.

Net revenue was \$3.6 billion, up 1%, with higher deposit and loan balances, along with higher brokerage activity, largely offset by deposit margin compression.

Noninterest expense was \$2.5 billion, down 3%, driven by lower structural as well as volume- and revenue-related expense, partially offset by higher investments.

The provision for credit losses was \$223 million, driven by reserve builds.

Assets under management were \$2.5 trillion, up 15%, predominantly driven by cumulative net inflows into liquidity and long-term products.

## CORPORATE

Results for Corporate (\$ millions)	2Q20	1Q20	2Q19	1Q20		2Q19	
				\$ O/(U)	O/(U) %	\$ O/(U)	O/(U) %
Net revenue	\$ (754)	\$ 166	\$ 322	\$ (920)	NM	\$ (1,076)	NM
Noninterest expense	147	146	232	1	1	(85)	(37)
Provision for credit losses	4	8	(2)	(4)	(50)	6	NM
Net income/(loss)	\$ (568)	\$ (125)	\$ 828	\$ (443)	(354)%	\$ (1,396)	NM

### Discussion of Results:

Net loss was \$568 million, compared with net income of \$828 million in the prior year.

Net revenue was a loss of \$754 million, compared with net revenue of \$322 million in the prior year. Net revenue was down \$1.1 billion, driven by lower net interest income on lower rates. The current quarter also included small net gains on certain legacy private equity investments compared to net losses in the prior year.

Noninterest expense was \$147 million, down \$85 million.



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

- a. The Firm prepares its Consolidated Financial Statements using accounting principles generally accepted in the U.S. (“U.S. GAAP”). That presentation, which is referred to as “reported” basis, provides the reader with an understanding of the Firm’s results that can be tracked consistently from year-to-year and enables a comparison of the Firm’s performance with other companies’ U.S. GAAP financial statements. In addition to analyzing the Firm’s results on a reported basis, management reviews Firmwide results, including the overhead ratio, on a “managed” basis; these Firmwide managed basis results are non-GAAP financial measures. The Firm also reviews the results of the lines of business on a managed basis. The Firm’s definition of managed basis starts, in each case, with the reported U.S. GAAP results and includes certain reclassifications to present total net revenue for the Firm and each of the reportable business segments on a fully taxable-equivalent (“FTE”) basis. Accordingly, revenue from investments that receive tax credits and tax-exempt securities is presented in the managed results on a basis comparable to taxable investments and securities. These financial measures allow management to assess the comparability of revenue arising from both taxable and tax-exempt sources. The corresponding income tax impact related to tax-exempt items is recorded within income tax expense. These adjustments have no impact on net income as reported by the Firm as a whole or by the lines of business. For a reconciliation of the Firm’s results from a reported to managed basis, see page 7 of the Earnings Release Financial Supplement.
- b. Tangible common equity (“TCE”), return on tangible common equity (“ROTCE”) and tangible book value per share (“TBVPS”), are each non-GAAP financial measures. TCE represents the Firm’s common stockholders’ equity (i.e., total stockholders’ equity less preferred stock) less goodwill and identifiable intangible assets (other than mortgage servicing rights), net of related deferred tax liabilities. For a reconciliation from common stockholders’ equity to TCE, see page 9 of the Earnings Release Financial Supplement. ROTCE measures the Firm’s net income applicable to common equity as a percentage of average TCE. TBVPS represents the Firm’s TCE at period-end divided by common shares at period-end. Book value per share was \$76.91, \$75.88 and \$73.88 at June 30, 2020, March 31, 2020, and June 30, 2019, respectively. TCE, ROTCE, and TBVPS are utilized by the Firm, as well as investors and analysts, in assessing the Firm’s use of equity.

**Additional notes:**

3. The capital metrics reflect relief provided by the Federal Reserve Board in response to the COVID-19 pandemic, including neutralization of the effects of the Firm's participation in the various programs and facilities established by the U.S. government. For the period ended June 30, 2020, the impact of the CECL capital transition provisions resulted in an increase to CET1 capital of \$6.5 billion. As of June 30, 2020, the SLR reflects the temporary exclusions of U.S. Treasury securities and deposits at Federal Reserve Banks. Refer to Regulatory Developments Relating to the COVID-19 Pandemic on pages 10-11 and Capital Risk Management on pages 39-44 of the Firm's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 for additional information. Refer to Capital Risk Management on pages 85-92 of the Firm's 2019 Form 10-K for additional information on the Firm's capital metrics.
4. Last twelve months ("LTM").
5. Net of stock issued to employees.
6. Excludes Commercial Card.
7. The bridge book consists of certain held-for-sale positions, including unfunded commitments, in CIB and CB.
8. On June 29, 2020, the Firm announced that the Federal Reserve Board has directed the Firm to discontinue its net share repurchases, at least through the end of the third quarter of 2020.
9. Credit provided to clients represents new and renewed credit, including loans and commitments.
10. In the second quarter of 2020, the Firm reclassified certain spend-based credit card reward costs from marketing expense to be a reduction of card income, with no effect on net income. Prior-period amounts were revised to conform with the current presentation.
11. In the first quarter of 2020, the Firm began reporting a Wholesale Payments business unit within CIB following a realignment of the Firm's wholesale payments businesses. The Wholesale Payments business comprises:
  - Merchant Services, which was realigned from CCB to CIB
  - Treasury Services and Trade Finance in CIB. Trade Finance was previously reported in Lending in CIB.

In connection with the alignment of Wholesale Payments, the assets, liabilities and headcount associated with the Merchant Services business were realigned to CIB from CCB, and the revenue and expenses of the Merchant Services business is reported across CCB, CIB and CB based primarily on client relationships. Prior periods have been revised to reflect this realignment and revised allocation methodology.

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of \$3.2 trillion and operations worldwide. The Firm is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing, and asset management. A component of the Dow Jones Industrial Average, JPMorgan Chase & Co. serves millions of customers in the United States and many of the world's most prominent corporate, institutional and government clients under its J.P. Morgan and Chase brands. Information about JPMorgan Chase & Co. is available at [www.jpmorganchase.com](http://www.jpmorganchase.com).

JPMorgan Chase & Co. will host a conference call today, July 14, 2020, at 8:30 a.m. (Eastern) to present second quarter 2020 financial results. The general public can access the call by dialing (866) 541-2724 in the U.S. and Canada, or (706) 634-7246 for international participants. Please dial in 10 minutes prior to the start of the call. The live audio webcast and presentation slides will be available on the Firm's website, [www.jpmorganchase.com](http://www.jpmorganchase.com), under Investor Relations, Events & Presentations.

A replay of the conference call will be available beginning at approximately 12:30 p.m. on July 14, 2020, through midnight, July 28, 2020, by telephone at (855) 859-2056 (U.S. and Canada) or (404) 537-3406 (international); use Conference ID # 1377456. The replay will also be available via webcast on [www.jpmorganchase.com](http://www.jpmorganchase.com) under Investor Relations, Events & Presentations. Additional detailed financial, statistical and business-related information is included in a financial supplement. The earnings release and the financial supplement are available at [www.jpmorganchase.com](http://www.jpmorganchase.com).

*This earnings release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the current beliefs and expectations of JPMorgan Chase & Co.'s management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. Factors that could cause JPMorgan Chase & Co.'s actual results to differ materially from those described in the forward-looking statements can be found in JPMorgan Chase & Co.'s Annual Report on Form 10-K for the year ended December 31, 2019, and Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020, which have been filed with the Securities and Exchange Commission and are available on JPMorgan Chase & Co.'s website (<https://jpmorganchaseco.gcs-web.com/financial-information/sec-filings>), and on the Securities and Exchange Commission's website ([www.sec.gov](http://www.sec.gov)). JPMorgan Chase & Co. does not undertake to update any forward-looking statements.*

# JPMORGAN CHASE & Co.

## **EARNINGS RELEASE FINANCIAL SUPPLEMENT**

**SECOND QUARTER 2020**

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(a) Refer to the Glossary of Terms and Acronyms on pages 293–299 of JPMorgan Chase & Co.’s (the “Firm’s”) Annual Report on Form 10-K for the year ended December 31, 2019 (the “2019 Form 10-K”) and the Glossary of Terms and Acronyms and Line of Business Metrics on pages 171-176 and pages 177-179, respectively, of the Firm’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020.

	QUARTERLY TRENDS							SIX MONTHS ENDED JUNE 30,			
							2Q20 Change				2020 Change
SELECTED INCOME STATEMENT DATA	2Q20	1Q20	4Q19	3Q19	2Q19	1Q20	2Q19	2020	2019	2019	
Reported Basis											
Total net revenue (a)	\$ 32,980	\$ 28,192	\$ 28,285	\$ 29,291	\$ 28,747	17 %	15 %	\$ 61,172	\$ 57,823	6 %	
Total noninterest expense (a)	16,942	16,791	16,293	16,372	16,256	1	4	33,733	32,604	3	
Pre-provision profit (b)	16,038	11,401	11,992	12,919	12,491	41	28	27,439	25,219	9	
Provision for credit losses	10,473	8,285	1,427	1,514	1,149	26	NM	18,758	2,644	NM	
NET INCOME	4,687	2,865	8,520	9,080	9,652	64	(51)	7,552	18,831	(60)	
Managed Basis (c)											
Total net revenue (a)	33,817	29,010	29,165	30,014	29,481	17	15	62,827	59,285	6	
Total noninterest expense (a)	16,942	16,791	16,293	16,372	16,256	1	4	33,733	32,604	3	
Pre-provision profit (b)	16,875	12,219	12,872	13,642	13,225	38	28	29,094	26,681	9	
Provision for credit losses	10,473	8,285	1,427	1,514	1,149	26	NM	18,758	2,644	NM	
NET INCOME	4,687	2,865	8,520	9,080	9,652	64	(51)	7,552	18,831	(60)	
EARNINGS PER SHARE DATA											
Net income: Basic	\$ 1.39	\$ 0.79	\$ 2.58	\$ 2.69	\$ 2.83	76	(51)	\$ 2.17	\$ 5.48	(60)	
Diluted	1.38	0.78	2.57	2.68	2.82	77	(51)	2.17	5.46	(60)	
Average shares: Basic	3,076.3	3,095.8	3,140.7	3,198.5	3,250.6	(1)	(5)	3,086.1	3,274.3	(6)	
Diluted	3,081.0	3,100.7	3,148.5	3,207.2	3,259.7	(1)	(5)	3,090.8	3,283.9	(6)	
MARKET AND PER COMMON SHARE DATA											
Market capitalization	\$ 286,658	\$ 274,323	\$ 429,913	\$ 369,133	\$ 357,479	4	(20)	\$ 286,658	\$ 357,479	(20)	
Common shares at period-end	3,047.6	3,047.0	3,084.0	3,136.5	3,197.5	—	(5)	3,047.6	3,197.5	(5)	
Book value per share	76.91	75.88	75.98	75.24	73.88	1	4	76.91	73.88	4	
Tangible book value per share ("TBVPS") (b)	61.76	60.71	60.98	60.48	59.52	2	4	61.76	59.52	4	
Cash dividends declared per share	0.90	0.90	0.90	0.90	0.80	—	13	1.80	1.60	13	
FINANCIAL RATIOS (d)											
Return on common equity ("ROE")	7%	4%	14%	15%	16%			6%	16%		
Return on tangible common equity ("ROTCE") (b)	9	5	17	18	20			7	20		
Return on assets	0.58	0.40	1.22	1.30	1.41			0.50	1.40		
CAPITAL RATIOS (e)											
Common equity Tier 1 ("CET1") capital ratio	12.4% (f)	11.5%	12.4%	12.3%	12.2%			12.4% (f)	12.2%		
Tier 1 capital ratio	14.3 (f)	13.3	14.1	14.1	14.0			14.3 (f)	14.0		
Total capital ratio	16.6 (f)	15.5	16.0	15.9	15.8			16.6 (f)	15.8		
Tier 1 leverage ratio	6.9 (f)	7.5	7.9	7.9	8.0			6.9 (f)	8.0		
Supplementary leverage ratio ("SLR")	6.8 (f)	6.0	6.3	6.3	6.4			6.8 (f)	6.4		

Effective January 1, 2020, the Firm adopted the Financial Instruments – Credit Losses ("CECL") accounting guidance, which resulted in a net increase to the allowance for credit losses of \$4.3 billion and a decrease to retained earnings of \$2.7 billion. Refer to Note 1 – Basis of Presentation on pages 85-86 of the Firm's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 for further information.

(a) In the second quarter of 2020, the Firm reclassified certain spend-based credit card reward costs from marketing expense to be a reduction of card income, with no effect on net income. Prior-period amounts were revised to conform with the current presentation.

(b) Pre-provision profit, TBVPS and ROTCE are each non-GAAP financial measures. Tangible common equity ("TCE") is also a non-GAAP financial measure; refer to page 9 for a reconciliation of common stockholders' equity to TCE. Refer to page 28 for a further discussion of these measures.

(c) Refer to Reconciliation from Reported to Managed Basis on page 7 for a further discussion of managed basis.

(d) Quarterly ratios are based upon annualized amounts.

(e) The capital metrics reflect relief provided by the Federal Reserve Board in response to the COVID-19 pandemic, including neutralization of the effects of the Firm's participation in the various programs and facilities established by the U.S. government. For the periods ended June 30, 2020 and March 31, 2020, the impact of the CECL capital transition provisions resulted in an increase to CET1 capital of \$6.5 billion and \$4.3 billion, respectively. As of June 30, 2020, the SLR reflects the temporary exclusions of U.S. Treasury securities and deposits at Federal Reserve Banks. Refer to Regulatory Developments Relating to the COVID-19 Pandemic on pages 10-11 and Capital Risk Management on pages 39-44 of the Firm's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 for additional information. Refer to Capital Risk Management on pages 85-92 of the Firm's 2019 Form 10-K for additional information on the Firm's capital metrics.

(f) Estimated.

CONSOLIDATED FINANCIAL HIGHLIGHTS,  
CONTINUED

(in millions, except ratio and headcount data)

JPMORGAN CHASE &amp; CO.

	QUARTERLY TRENDS							SIX MONTHS ENDED JUNE 30,		
						2Q20 Change				2020 Change
	2Q20	1Q20	4Q19	3Q19	2Q19	1Q20	2Q19	2020	2019	2019
<u>SELECTED BALANCE SHEET DATA (period-end)</u>										
Total assets	\$ 3,213,115	\$ 3,139,431	\$ 2,687,379	\$ 2,764,661	\$ 2,727,379	2 %	18 %	\$ 3,213,115	\$ 2,727,379	18 %
Loans:										
Consumer, excluding credit card loans (a)	308,917	295,627	298,001	300,407	315,705	4	(2)	308,917	315,705	(2)
Credit card loans	141,656	154,021	168,924	159,571	157,576	(8)	(10)	141,656	157,576	(10)
Wholesale loans (a)	527,945	565,727	492,844	485,240	483,608	(7)	9	527,945	483,608	9
Total Loans	978,518	1,015,375	959,769	945,218	956,889	(4)	2	978,518	956,889	2
Deposits:										
U.S. offices:										
Noninterest-bearing	529,729	448,195	395,667	393,522	394,237	18	34	529,729	394,237	34
Interest-bearing	1,061,093	1,026,603	876,156	844,137	841,397	3	26	1,061,093	841,397	26
Non-U.S. offices:										
Noninterest-bearing	22,752	22,192	20,087	21,455	20,419	3	11	22,752	20,419	11
Interest-bearing	317,455	339,019	270,521	266,147	268,308	(6)	18	317,455	268,308	18
Total deposits	1,931,029	1,836,009	1,562,431	1,525,261	1,524,361	5	27	1,931,029	1,524,361	27
Long-term debt	317,003	299,344	291,498	296,472	288,869	6	10	317,003	288,869	10
Common stockholders' equity	234,403	231,199	234,337	235,985	236,222	1	(1)	234,403	236,222	(1)
Total stockholders' equity	264,466	261,262	261,330	264,348	263,215	1	—	264,466	263,215	—
Loans-to-deposits ratio	51%	55%	61%	62%	63%			51%	63%	
Headcount	256,710	256,720	256,981	257,444	254,983	—	1	256,710	254,983	1
<u>95% CONFIDENCE LEVEL - TOTAL VaR (b)</u>										
Average VaR	\$ 130	\$ 59	\$ 37	\$ 39	\$ 46	120	183			
<u>LINE OF BUSINESS NET REVENUE (c)</u>										
Consumer & Community Banking (d)	\$ 12,217	\$ 13,112	\$ 13,749	\$ 13,958	\$ 13,484	(7)	(9)	\$ 25,329	\$ 26,927	(6)
Corporate & Investment Bank	16,352	9,948	9,647	9,522	9,831	64	66	26,300	19,865	32
Commercial Banking	2,392	2,178	2,297	2,274	2,285	10	5	4,570	4,698	(3)
Asset & Wealth Management	3,610	3,606	3,700	3,568	3,559	—	1	7,216	7,048	2
Corporate	(754)	166	(228)	692	322	NM	NM	(588)	747	NM
TOTAL NET REVENUE	\$ 33,817	\$ 29,010	\$ 29,165	\$ 30,014	\$ 29,481	17	15	\$ 62,827	\$ 59,285	6
<u>LINE OF BUSINESS NET INCOME/(LOSS)</u>										
Consumer & Community Banking	\$ (176)	\$ 191	\$ 4,214	\$ 4,245	\$ 4,157	NM	NM	\$ 15	\$ 8,104	(100)
Corporate & Investment Bank	5,464	1,988	2,938	2,831	2,946	175	85	7,452	6,206	20
Commercial Banking	(691)	147	944	943	1,002	NM	NM	(544)	2,062	NM
Asset & Wealth Management	658	664	785	668	719	(1)	(8)	1,322	1,380	(4)
Corporate	(568)	(125)	(361)	393	828	(354)	NM	(693)	1,079	NM
NET INCOME	\$ 4,687	\$ 2,865	\$ 8,520	\$ 9,080	\$ 9,652	64	(51)	\$ 7,552	\$ 18,831	(60)

In the first quarter of 2020, the Merchant Services business was realigned from CCB to CIB as part of the Firm's Wholesale Payments business. The prior period amounts were revised to conform with the current presentation. Refer to Business segment changes on page 21 of the Firm's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 for further information.

(a) In conjunction with the adoption of CECL on January 1, 2020, the Firm reclassified risk-rated business banking and auto dealer loans held in CCB from the consumer, excluding credit card portfolio segment to the wholesale portfolio segment. Prior periods have been revised to conform with the current presentation.

(b) Effective January 1, 2020, the Firm refined the scope of VaR to exclude positions related to the risk management of interest rate exposure from changes in the Firm's own credit spread on fair value option elected liabilities, and included these positions in other-sensitivity based measures. In the absence of this refinement, the average Total VaR for the three months ended June 30, 2020 and March 31, 2020 would have been different by \$(8) million and \$6 million, respectively.

(c) Refer to Reconciliation from Reported to Managed Basis on page 7 for a further discussion of managed basis.

(d) In the second quarter of 2020, the Firm reclassified certain spend-based credit card reward costs from marketing expense to be a reduction of card income, with no effect on net income. Prior-period amounts were revised to conform with the current presentation.

CONSOLIDATED STATEMENTS OF  
INCOME

(in millions, except per share and ratio data)

JPMORGAN CHASE &amp; CO.

	QUARTERLY TRENDS						SIX MONTHS ENDED JUNE 30,			
						2Q20 Change				
REVENUE	2Q20	1Q20	4Q19	3Q19	2Q19	1Q20	2Q19	2020	2019	2020 Change
Investment banking fees	\$ 2,850	\$ 1,866	\$ 1,843	\$ 1,967	\$ 1,851	53 %	54 %	\$ 4,716	\$ 3,691	28 %
Principal transactions	7,621	2,937	2,779	3,449	3,714	159	105	10,558	7,790	36
Lending- and deposit-related fees (a)	1,431	1,706	1,772	1,671	1,624	(16)	(12)	3,137	3,183	(1)
Asset management, administration and commissions (a)	4,266	4,540	4,301	4,306	4,264	(6)	—	8,806	8,301	6
Investment securities gains	26	233	123	78	44	(89)	(41)	259	57	354
Mortgage fees and related income	917	320	474	887	279	187	229	1,237	675	83
Card income (b)	974	995	1,335	1,233	1,281	(2)	(24)	1,969	2,508	(21)
Other income	1,042	1,156	1,492	1,472	1,292	(10)	(19)	2,198	2,767	(21)
Noninterest revenue	19,127	13,753	14,119	15,063	14,349	39	33	32,880	28,972	13
Interest income	16,112	19,161	19,927	21,121	21,603	(16)	(25)	35,273	42,992	(18)
Interest expense	2,259	4,722	5,761	6,893	7,205	(52)	(69)	6,981	14,141	(51)
Net interest income	13,853	14,439	14,166	14,228	14,398	(4)	(4)	28,292	28,851	(2)
TOTAL NET REVENUE	32,980	28,192	28,285	29,291	28,747	17	15	61,172	57,823	6
Provision for credit losses	10,473	8,285	1,427	1,514	1,149	26	NM	18,758	2,644	NM
NONINTEREST EXPENSE										
Compensation expense	9,509	8,895	8,088	8,583	8,547	7	11	18,404	17,484	5
Occupancy expense	1,080	1,066	1,084	1,110	1,060	1	2	2,146	2,128	1
Technology, communications and equipment expense	2,590	2,578	2,585	2,494	2,378	—	9	5,168	4,742	9
Professional and outside services	1,999	2,028	2,226	2,056	2,212	(1)	(10)	4,027	4,251	(5)
Marketing (b)	481	800	847	895	777	(40)	(38)	1,281	1,609	(20)
Other expense (c)	1,283	1,424	1,463	1,234	1,282	(10)	—	2,707	2,390	13
TOTAL NONINTEREST EXPENSE	16,942	16,791	16,293	16,372	16,256	1	4	33,733	32,604	3
Income before income tax expense	5,565	3,116	10,565	11,405	11,342	79	(51)	8,681	22,575	(62)
Income tax expense	878	251	2,045	2,325	1,690 (e)	250	(48)	1,129	3,744 (e)	(70)
NET INCOME	\$ 4,687	\$ 2,865	\$ 8,520	\$ 9,080	\$ 9,652	64	(51)	\$ 7,552	\$ 18,831	(60)
NET INCOME PER COMMON SHARE DATA										
Basic earnings per share	\$ 1.39	\$ 0.79	\$ 2.58	\$ 2.69	\$ 2.83	76	(51)	\$ 2.17	\$ 5.48	(60)
Diluted earnings per share	1.38	0.78	2.57	2.68	2.82	77	(51)	2.17	5.46	(60)
FINANCIAL RATIOS										
Return on common equity (d)	7%	4%	14%	15%	16%			6%	16%	
Return on tangible common equity (d)(e)	9	5	17	18	20			7	20	
Return on assets (d)	0.58	0.40	1.22	1.30	1.41			0.50	1.40	
Effective income tax rate	15.8	8.1	19.4	20.4	14.9 (f)			13.0	16.6 (f)	
Overhead ratio	51	60	58	56	57			55	56	

(a) In the first quarter of 2020, the Firm reclassified certain fees from asset management, administration and commissions to lending- and deposit-related fees. Prior-period amounts were revised to conform with the current presentation.

(b) In the second quarter of 2020, the Firm reclassified certain spend-based credit card reward costs from marketing expense to be a reduction of card income, with no effect on net income. Prior-period amounts were revised to conform with the current presentation.

(c) Included Firmwide legal expense/(benefit) of \$118 million, \$197 million, \$241 million, \$10 million and \$69 million for the three months ended June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019, and June 30, 2019, respectively, and \$315 million and \$(12) million for the six months ended June 30, 2020 and June 30, 2019 respectively.

(d) Quarterly ratios are based upon annualized amounts.

(e) Refer to page 28 for further discussion of ROTCE.

(f) The three and six months ended June 30, 2019 included income tax benefits of \$768 million and \$874 million, respectively, due to the resolution of certain tax audits.



## CONSOLIDATED BALANCE SHEETS

(in millions)

## JPMORGAN CHASE &amp; CO.

Jun 30, 2020

						Change	
	Jun 30,	Mar 31,	Dec 31,	Sep 30,	Jun 30,	Mar 31,	Jun 30,
	2020	2020	2019	2019	2019	2020	2019
<b>ASSETS</b>							
Cash and due from banks	\$ 20,544	\$ 24,001	\$ 21,704	\$ 21,215	\$ 23,164	(14)%	(11)%
Deposits with banks	473,185	343,533	241,927	235,382	244,874	38	93
Federal funds sold and securities purchased under resale agreements	256,980	248,580	249,157	257,391	267,864	3	(4)
Securities borrowed	142,704	139,839	139,758	138,336	130,661	2	9
Trading assets:							
Debt and equity instruments	451,196	466,932	361,337	440,298	470,495	(3)	(4)
Derivative receivables	74,846	81,648	49,766	55,577	52,878	(8)	42
Available-for-sale ("AFS") securities	485,883	399,944	350,699	353,421	276,357	21	76
Held-to-maturity ("HTM") securities, net of allowance for credit losses (a)	72,908	71,200	47,540	40,830	30,907	2	136
<b>Investment securities, net of allowance for credit losses (a)</b>	<b>558,791</b>	<b>471,144</b>	<b>398,239</b>	<b>394,251</b>	<b>307,264</b>	<b>19</b>	<b>82</b>
Loans	978,518	1,015,375	959,769	945,218	956,889	(4)	2
Less: Allowance for loan losses	32,092	23,244	13,123	13,235	13,166	38	144
<b>Loans, net of allowance for loan losses</b>	<b>946,426</b>	<b>992,131</b>	<b>946,646</b>	<b>931,983</b>	<b>943,723</b>	<b>(5)</b>	<b>—</b>
Accrued interest and accounts receivable	72,260	122,064	72,861	88,988	88,399	(41)	(18)
Premises and equipment	26,301	25,882	25,813	25,117	24,665	2	7
Goodwill, MSRs and other intangible assets	51,669	51,867	53,341	53,078	53,302	—	(3)
Other assets	138,213	171,810	126,830	123,045	120,090	(20)	15
<b>TOTAL ASSETS</b>	<b>\$ 3,213,115</b>	<b>\$ 3,139,431</b>	<b>\$ 2,687,379</b>	<b>\$ 2,764,661</b>	<b>\$ 2,727,379</b>	<b>2</b>	<b>18</b>
<b>LIABILITIES</b>							
Deposits	\$ 1,931,029	\$ 1,836,009	\$ 1,562,431	\$ 1,525,261	\$ 1,524,361	5	27
Federal funds purchased and securities loaned or sold under repurchase agreements	235,647	233,207	183,675	247,766	201,683	1	17
Short-term borrowings	48,014	51,909	40,920	48,893	59,890	(8)	(20)
Trading liabilities:							
Debt and equity instruments	107,735	119,109	75,569	90,553	106,160	(10)	1
Derivative payables	57,477	65,087	43,708	47,790	41,479	(12)	39
Accounts payable and other liabilities	230,916	253,874	210,407	225,063	216,137	(9)	7
Beneficial interests issued by consolidated VIEs	20,828	19,630	17,841	18,515	25,585	6	(19)
Long-term debt	317,003	299,344	291,498	296,472	288,869	6	10
<b>TOTAL LIABILITIES</b>	<b>2,948,649</b>	<b>2,878,169</b>	<b>2,426,049</b>	<b>2,500,313</b>	<b>2,464,164</b>	<b>2</b>	<b>20</b>
<b>STOCKHOLDERS' EQUITY</b>							
Preferred stock	30,063	30,063	26,993	28,363 (b)	26,993	—	11
Common stock	4,105	4,105	4,105	4,105	4,105	—	—
Additional paid-in capital	88,125	87,857	88,522	88,512	88,359	—	—
Retained earnings	221,732	220,226	223,211	217,888	212,093	1	5
Accumulated other comprehensive income/(loss)	8,789	7,418	1,569	1,800	1,114	18	NM
Shares held in RSU Trust, at cost	(11)	(21)	(21)	(21)	(21)	48	48
Treasury stock, at cost	(88,337)	(88,386)	(83,049)	(76,299)	(69,428)	—	(27)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>264,466</b>	<b>261,262</b>	<b>261,330</b>	<b>264,348</b>	<b>263,215</b>	<b>1</b>	<b>—</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 3,213,115</b>	<b>\$ 3,139,431</b>	<b>\$ 2,687,379</b>	<b>\$ 2,764,661</b>	<b>\$ 2,727,379</b>	<b>2</b>	<b>18</b>

(a) Upon adoption of the CECL accounting guidance, HTM securities are presented net of an allowance for credit losses. At June 30, 2020 and March 31, 2020, the allowance for credit losses on HTM securities was \$23 million and \$19 million, respectively.  
(b) Included \$1.4 billion, which was redeemed on October 30, 2019, as previously announced on September 26, 2019.

## CONDENSED AVERAGE BALANCE SHEETS AND ANNUALIZED YIELDS

(in millions, except rates)

JPMORGAN CHASE &amp; CO.

## QUARTERLY TRENDS

AVERAGE BALANCES						2Q20 Change		SIX MONTHS ENDED JUNE 30,		
	2Q20	1Q20	4Q19	3Q19	2Q19	1Q20	2Q19	2020	2019	2020 Change
<b>ASSETS</b>										
Deposits with banks	\$ 477,895	\$ 279,748	\$ 272,648	\$ 267,578	\$ 289,838	71 %	65 %	\$ 378,821	\$ 290,058	31 %
Federal funds sold and securities purchased under resale agreements	244,306	253,403	248,170	276,721	288,781	(4)	(15)	248,856	288,631	(14)
Securities borrowed	141,328	136,127	135,374	139,939	126,157	4	12	138,728	124,820	11
Trading assets - debt instruments	380,442	346,911	323,554	339,198	351,716	10	8	363,676	337,209	8
Investment securities	500,254	421,529	394,002	343,134	281,232	19	78	460,891	270,376	70
Loans	997,558	962,820	948,298	947,280	954,854	4	4	980,189	961,400	2
All other interest-earning assets (a)	78,072	65,194	55,695	51,304	46,516	20	68	71,633	46,611	54
<b>Total interest-earning assets</b>	<b>2,819,855</b>	<b>2,465,732</b>	<b>2,377,741</b>	<b>2,365,154</b>	<b>2,339,094</b>	14	21	<b>2,642,794</b>	<b>2,319,105</b>	14
Trading assets - equity and other instruments	99,115	114,479	114,112	113,980	120,545	(13)	(18)	106,797	114,605	(7)
Trading assets - derivative receivables	79,298	66,309	52,860	57,062	52,659	20	51	72,803	52,591	38
All other noninterest-earning assets	231,000	243,712	232,557	228,856	226,757	(5)	2	237,356	225,734	5
<b>TOTAL ASSETS</b>	<b>\$ 3,229,268</b>	<b>\$ 2,890,232</b>	<b>\$ 2,777,270</b>	<b>\$ 2,765,052</b>	<b>\$ 2,739,055</b>	12	18	<b>\$ 3,059,750</b>	<b>\$ 2,712,035</b>	13
<b>LIABILITIES</b>										
Interest-bearing deposits	\$ 1,375,213	\$ 1,216,555	\$ 1,154,716	\$ 1,123,452	\$ 1,104,051	13	25	\$ 1,295,884	\$ 1,092,228	19
Federal funds purchased and securities loaned or sold under repurchase agreements	276,815	243,922	235,481	239,698	227,313	13	22	260,368	218,240	19
Short-term borrowings (b)	45,297	37,288	39,936	44,814	58,262	21	(22)	41,292	62,643	(34)
Trading liabilities - debt and other interest-bearing liabilities (c)	207,322	192,950	170,049	183,369	191,655	7	8	200,138	187,590	7
Beneficial interests issued by consolidated VIEs	20,331	18,048	19,390	21,123	26,713	13	(24)	19,189	24,782	(23)
Long-term debt	269,336	243,996	248,521	248,985	246,053	10	9	256,666	247,171	4
<b>Total interest-bearing liabilities</b>	<b>2,194,314</b>	<b>1,952,759</b>	<b>1,868,093</b>	<b>1,861,441</b>	<b>1,854,047</b>	12	18	<b>2,073,537</b>	<b>1,832,654</b>	13
Noninterest-bearing deposits	515,304	419,631	413,582	407,428	408,243	23	26	467,467	403,880	16
Trading liabilities - equity and other instruments	33,797	30,721	28,197	31,310	30,170	10	12	32,259	32,440	(1)
Trading liabilities - derivative payables	63,178	54,990	44,361	45,987	40,233	15	57	59,084	39,902	48
All other noninterest-bearing liabilities	158,204	168,195	162,490	155,032	146,343	(6)	8	163,200	144,553	13
<b>TOTAL LIABILITIES</b>	<b>2,964,797</b>	<b>2,626,296</b>	<b>2,516,723</b>	<b>2,501,198</b>	<b>2,479,036</b>	13	20	<b>2,795,547</b>	<b>2,453,429</b>	14
Preferred stock	30,063	29,406	27,669	28,241	26,993	2	11	29,734	27,059	10
Common stockholders' equity	234,408	234,530	232,878	235,613	233,026	—	1	234,469	231,547	1
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>264,471</b>	<b>263,936</b>	<b>260,547</b>	<b>263,854</b>	<b>260,019</b>	—	2	<b>264,203</b>	<b>258,606</b>	2
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 3,229,268</b>	<b>\$ 2,890,232</b>	<b>\$ 2,777,270</b>	<b>\$ 2,765,052</b>	<b>\$ 2,739,055</b>	12	18	<b>\$ 3,059,750</b>	<b>\$ 2,712,035</b>	13

## AVERAGE RATES (d)

## INTEREST-EARNING ASSETS

Deposits with banks	0.06 %	0.82 %	1.00 %	1.33 %	1.57 %			0.34 %	1.60 %	
Federal funds sold and securities purchased under resale agreements	0.99	1.74	2.05	2.21	2.33			1.37	2.32	
Securities borrowed (e)	(0.50)	0.45	0.81	1.23	1.48			(0.03)	1.40	
Trading assets - debt instruments	2.50	2.87	3.03	3.12	3.34			2.67	3.41	
Investment securities	2.03	2.48	2.65	2.92	3.28			2.24	3.32	
Loans	4.30	5.00	5.11	5.29	5.36			4.64	5.39	
All other interest-earning assets (a)	0.92	2.58	3.45	4.27	4.07			1.68	4.03	
<b>Total interest-earning assets</b>	<b>2.31</b>	<b>3.14</b>	<b>3.35</b>	<b>3.56</b>	<b>3.73</b>			<b>2.70</b>	<b>3.76</b>	

## INTEREST-BEARING LIABILITIES

Interest-bearing deposits	0.10	0.52	0.67	0.85	0.88			0.30	0.85	
Federal funds purchased and securities loaned or sold under repurchase agreements	0.19	1.30	1.77	2.05	2.16			0.71	2.16	
Short-term borrowings (b)	1.11	1.63	1.97	2.31	2.49			1.34	2.54	
Trading liabilities - debt and other interest-bearing liabilities (c)(e)	(0.08)	0.77	1.04	1.43	1.60			0.33	1.59	
Beneficial interests issued by consolidated VIEs	1.15	2.02	2.22	2.53	2.63			1.56	2.64	
Long-term debt	2.45	2.88	3.21	3.49	3.69			2.65	3.76	
<b>Total interest-bearing liabilities</b>	<b>0.41</b>	<b>0.97</b>	<b>1.22</b>	<b>1.47</b>	<b>1.56</b>			<b>0.68</b>	<b>1.56</b>	

## INTEREST RATE SPREAD

	1.90 %	2.17 %	2.13 %	2.09 %	2.17 %			2.02 %	2.20 %	
<b>NET YIELD ON INTEREST-EARNING ASSETS</b>	<b>1.99 %</b>	<b>2.37 %</b>	<b>2.38 %</b>	<b>2.41 %</b>	<b>2.49 %</b>			<b>2.17 %</b>	<b>2.53 %</b>	
Memo: Net yield on interest-earning assets excluding CIB Markets (f)	2.27 %	3.01 %	3.06 %	3.23 %	3.35 %			2.61 %	3.39 %	

(a) Includes prime brokerage-related held-for-investment customer receivables, which are classified in accrued interest and accounts receivable, and all other interest-earning assets, which are classified in other assets on the Consolidated Balance Sheets.

(b) Includes commercial paper.

(c) All other interest-bearing liabilities include prime brokerage-related customer payables.

(d) Interest includes the effect of related hedging derivatives. Taxable-equivalent amounts are used where applicable.

(e) Negative interest income and yields are related to the impact of current interest rates combined with the fees paid on client-driven securities borrowed balances. The negative interest expense related to prime brokerage customer payables is recognized in interest expense and reported within trading liabilities - debt and all other liabilities.

(f) Net yield on interest-earning assets excluding CIB Markets is a non-GAAP financial measure. Refer to page 28 for a further discussion of this measure.

RECONCILIATION FROM REPORTED TO MANAGED BASIS

(in millions, except ratios)

The Firm prepares its Consolidated Financial Statements using accounting principles generally accepted in the U.S. ("U.S. GAAP"). That presentation, which is referred to as "reported" basis, provides the reader with an understanding of the Firm's results that can be tracked consistently from year-to-year and enables a comparison of the Firm's performance with other companies' U.S. GAAP financial statements. In addition to analyzing the Firm's results on a reported basis, management reviews Firmwide results, including the overhead ratio, on a "managed" basis; these Firmwide managed basis results are non-GAAP financial measures. The Firm also reviews the results of the lines of business on a managed basis. Refer to the notes on Non-GAAP Financial Measures on page 26 for additional information on managed basis.

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

	QUARTERLY TRENDS					SIX MONTHS ENDED JUNE 30,				
						2Q20 Change				2020 Change
	2Q20	1Q20	4Q19	3Q19	2Q19	1Q20	2Q19	2020	2019	2019
<b>OTHER INCOME</b>										
Other income - reported	\$ 1,042	\$ 1,156	\$ 1,492	\$ 1,472	\$ 1,292	(10)%	(19)%	\$ 2,198	\$ 2,767	(21)%
Fully taxable-equivalent adjustments (a)	730	708	757	596	596	3	22	1,438	1,181	22
Other income - managed	<u>\$ 1,772</u>	<u>\$ 1,864</u>	<u>\$ 2,249</u>	<u>\$ 2,068</u>	<u>\$ 1,888</u>	(5)	(6)	<u>\$ 3,636</u>	<u>\$ 3,948</u>	(8)
<b>TOTAL NONINTEREST REVENUE (b)</b>										
Total noninterest revenue - reported	\$ 19,127	\$ 13,753	\$ 14,119	\$ 15,063	\$ 14,349	39	33	\$ 32,880	\$ 28,972	13
Fully taxable-equivalent adjustments (a)	730	708	757	596	596	3	22	1,438	1,181	22
Total noninterest revenue - managed	<u>\$ 19,857</u>	<u>\$ 14,461</u>	<u>\$ 14,876</u>	<u>\$ 15,659</u>	<u>\$ 14,945</u>	37	33	<u>\$ 34,318</u>	<u>\$ 30,153</u>	14
<b>NET INTEREST INCOME</b>										
Net interest income - reported	\$ 13,853	\$ 14,439	\$ 14,166	\$ 14,228	\$ 14,398	(4)	(4)	\$ 28,292	\$ 28,851	(2)
Fully taxable-equivalent adjustments (a)	107	110	123	127	138	(3)	(22)	217	281	(23)
Net interest income - managed	<u>\$ 13,960</u>	<u>\$ 14,549</u>	<u>\$ 14,289</u>	<u>\$ 14,355</u>	<u>\$ 14,536</u>	(4)	(4)	<u>\$ 28,509</u>	<u>\$ 29,132</u>	(2)
<b>TOTAL NET REVENUE (b)</b>										
Total net revenue - reported	\$ 32,980	\$ 28,192	\$ 28,285	\$ 29,291	\$ 28,747	17	15	\$ 61,172	\$ 57,823	6
Fully taxable-equivalent adjustments (a)	837	818	880	723	734	2	14	1,655	1,462	13
Total net revenue - managed	<u>\$ 33,817</u>	<u>\$ 29,010</u>	<u>\$ 29,165</u>	<u>\$ 30,014</u>	<u>\$ 29,481</u>	17	15	<u>\$ 62,827</u>	<u>\$ 59,285</u>	6
<b>PRE-PROVISION PROFIT</b>										
Pre-provision profit - reported	\$ 16,038	\$ 11,401	\$ 11,992	\$ 12,919	\$ 12,491	41	28	\$ 27,439	\$ 25,219	9
Fully taxable-equivalent adjustments (a)	837	818	880	723	734	2	14	1,655	1,462	13
Pre-provision profit - managed	<u>\$ 16,875</u>	<u>\$ 12,219</u>	<u>\$ 12,872</u>	<u>\$ 13,642</u>	<u>\$ 13,225</u>	38	28	<u>\$ 29,094</u>	<u>\$ 26,681</u>	9
<b>INCOME BEFORE INCOME TAX EXPENSE</b>										
Income before income tax expense - reported	\$ 5,565	\$ 3,116	\$ 10,565	\$ 11,405	\$ 11,342	79	(51)	\$ 8,681	\$ 22,575	(62)
Fully taxable-equivalent adjustments (a)	837	818	880	723	734	2	14	1,655	1,462	13
Income before income tax expense - managed	<u>\$ 6,402</u>	<u>\$ 3,934</u>	<u>\$ 11,445</u>	<u>\$ 12,128</u>	<u>\$ 12,076</u>	63	(47)	<u>\$ 10,336</u>	<u>\$ 24,037</u>	(57)
<b>INCOME TAX EXPENSE</b>										
Income tax expense - reported	\$ 878	\$ 251	\$ 2,045	\$ 2,325	\$ 1,690	250	(48)	\$ 1,129	\$ 3,744	(70)
Fully taxable-equivalent adjustments (a)	837	818	880	723	734	2	14	1,655	1,462	13
Income tax expense - managed	<u>\$ 1,715</u>	<u>\$ 1,069</u>	<u>\$ 2,925</u>	<u>\$ 3,048</u>	<u>\$ 2,424</u>	60	(29)	<u>\$ 2,784</u>	<u>\$ 5,206</u>	(47)
<b>OVERHEAD RATIO</b>										
Overhead ratio - reported	51 %	60 %	58 %	56 %	57 %			55 %	56 %	
Overhead ratio - managed	50	58	56	55	55			54	55	

(a) Predominantly recognized in CIB, CB and Corporate.  
(b) In the second quarter of 2020, the Firm reclassified certain spend-based credit card reward costs from marketing expense to be a reduction of card income, with no effect on net income. Prior-period amounts were revised to conform with the current presentation.

JPMORGAN CHASE & CO.  
**SEGMENT RESULTS - MANAGED  
BASIS**

(in millions)

JPMORGAN CHASE & CO.

	QUARTERLY TRENDS							SIX MONTHS ENDED JUNE 30,		
	2Q20	1Q20	4Q19	3Q19	2Q19	2Q20 Change		2020	2019	2020 Change
						1Q20	2Q19			
<b>TOTAL NET REVENUE (fully taxable-equivalent ("FTE"))</b>										
Consumer & Community Banking (a)	\$ 12,217	\$ 13,112	\$ 13,749	\$ 13,958	\$ 13,484	(7)%	(9)%	\$ 25,329	\$ 26,927	(6)%
Corporate & Investment Bank	16,352	9,948	9,647	9,522	9,831	64	66	26,300	19,865	32
Commercial Banking	2,392	2,178	2,297	2,274	2,285	10	5	4,570	4,698	(3)
Asset & Wealth Management	3,610	3,606	3,700	3,568	3,559	—	1	7,216	7,048	2
Corporate	(754)	166	(228)	692	322	NM	NM	(588)	747	NM
<b>TOTAL NET REVENUE</b>	<b>\$ 33,817</b>	<b>\$ 29,010</b>	<b>\$ 29,165</b>	<b>\$ 30,014</b>	<b>\$ 29,481</b>	17	15	<b>\$ 62,827</b>	<b>\$ 59,285</b>	6
<b>TOTAL NONINTEREST EXPENSE</b>										
Consumer & Community Banking (a)	\$ 6,626	\$ 7,102	\$ 6,965	\$ 7,025	\$ 6,836	(7)	(3)	\$ 13,728	\$ 13,759	—
Corporate & Investment Bank	6,764	5,896	5,392	5,504	5,661	15	19	12,660	11,290	12
Commercial Banking	899	988	943	940	931	(9)	(3)	1,887	1,869	1
Asset & Wealth Management	2,506	2,659	2,650	2,622	2,596	(6)	(3)	5,165	5,243	(1)
Corporate	147	146	343	281	232	1	(37)	293	443	(34)
<b>TOTAL NONINTEREST EXPENSE</b>	<b>\$ 16,942</b>	<b>\$ 16,791</b>	<b>\$ 16,293</b>	<b>\$ 16,372</b>	<b>\$ 16,256</b>	1	4	<b>\$ 33,733</b>	<b>\$ 32,604</b>	3
<b>PRE-PROVISION PROFIT/(LOSS)</b>										
Consumer & Community Banking	\$ 5,591	\$ 6,010	\$ 6,784	\$ 6,933	\$ 6,648	(7)	(16)	\$ 11,601	\$ 13,168	(12)
Corporate & Investment Bank	9,588	4,052	4,255	4,018	4,170	137	130	13,640	8,575	59
Commercial Banking	1,493	1,190	1,354	1,334	1,354	25	10	2,683	2,829	(5)
Asset & Wealth Management	1,104	947	1,050	946	963	17	15	2,051	1,805	14
Corporate	(901)	20	(571)	411	90	NM	NM	(881)	304	NM
<b>PRE-PROVISION PROFIT</b>	<b>\$ 16,875</b>	<b>\$ 12,219</b>	<b>\$ 12,872</b>	<b>\$ 13,642</b>	<b>\$ 13,225</b>	38	28	<b>\$ 29,094</b>	<b>\$ 26,681</b>	9
<b>PROVISION FOR CREDIT LOSSES</b>										
Consumer & Community Banking	\$ 5,828	\$ 5,772	\$ 1,207	\$ 1,311	\$ 1,120	1	420	\$ 11,600	\$ 2,434	377
Corporate & Investment Bank	1,987	1,401	98	92	—	42	NM	3,388	87	NM
Commercial Banking	2,431	1,010	110	67	29	141	NM	3,441	119	NM
Asset & Wealth Management	223	94	13	44	2	137	NM	317	4	NM
Corporate	4	8	(1)	—	(2)	(50)	NM	12	—	NM
<b>PROVISION FOR CREDIT LOSSES</b>	<b>\$ 10,473</b>	<b>\$ 8,285</b>	<b>\$ 1,427</b>	<b>\$ 1,514</b>	<b>\$ 1,149</b>	26	NM	<b>\$ 18,758</b>	<b>\$ 2,644</b>	NM
<b>NET INCOME/(LOSS)</b>										
Consumer & Community Banking	\$ (176)	\$ 191	\$ 4,214	\$ 4,245	\$ 4,157	NM	NM	\$ 15	\$ 8,104	(100)
Corporate & Investment Bank	5,464	1,988	2,938	2,831	2,946	175	85	7,452	6,206	20
Commercial Banking	(691)	147	944	943	1,002	NM	NM	(544)	2,062	NM
Asset & Wealth Management	658	664	785	668	719	(1)	(8)	1,322	1,380	(4)
Corporate	(568)	(125)	(361)	393	828	(354)	NM	(693)	1,079	NM
<b>TOTAL NET INCOME</b>	<b>\$ 4,687</b>	<b>\$ 2,865</b>	<b>\$ 8,520</b>	<b>\$ 9,080</b>	<b>\$ 9,652</b>	64	(51)	<b>\$ 7,552</b>	<b>\$ 18,831</b>	(60)

In the first quarter of 2020, the Merchant Services business was realigned from CCB to CIB as part of the Firm's Wholesale Payments business. Prior period amounts were revised to conform with the current presentation. Refer to Business segment changes on page 21 of the Firm's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 for further information.

(a) In the second quarter of 2020, the Firm reclassified certain spend-based credit card reward costs from marketing expense to be a reduction of card income, with no effect on net income. Prior-period amounts were revised to conform with the current presentation.

## CAPITAL AND OTHER SELECTED BALANCE SHEET ITEMS

(in millions, except ratio data)

JPMORGAN CHASE &amp; CO.

						Jun 30, 2020							
						Change		SIX MONTHS ENDED JUNE 30,					
						Mar 31,	Jun 30,	2020 Change					
						2020	2019	2020	2019	2019			
<u>CAPITAL (a)</u>													
Risk-based capital metrics													
Standardized													
CET1 capital	\$	190,778	(e)	\$	183,591	\$	187,753	\$	188,151	\$	189,169	4 %	1 %
Tier 1 capital		220,586	(e)		213,406		214,432		214,831		215,808	3	2
Total capital		256,602	(e)		247,541		242,589		243,500		244,490	4	5
Risk-weighted assets		1,544,281	(e)		1,598,828		1,515,869		1,527,762		1,545,101	(3)	—
CET1 capital ratio		12.4%	(e)		11.5%		12.4%		12.3%		12.2%		
Tier 1 capital ratio		14.3	(e)		13.3		14.1		14.1		14.0		
Total capital ratio		16.6	(e)		15.5		16.0		15.9		15.8		
Advanced													
CET1 capital	\$	190,778	(e)	\$	183,591	\$	187,753	\$	188,151	\$	189,169	4	1
Tier 1 capital		220,586	(e)		213,406		214,432		214,831		215,808	3	2
Total capital		244,037	(e)		234,434		232,112		233,203		234,507	4	4
Risk-weighted assets		1,454,707	(e)		1,489,134		1,397,878		1,435,693		1,449,211	(2)	—
CET1 capital ratio		13.1%	(e)		12.3%		13.4%		13.1%		13.1%		
Tier 1 capital ratio		15.2	(e)		14.3		15.3		15.0		14.9		
Total capital ratio		16.8	(e)		15.7		16.6		16.2		16.2		
Leverage-based capital metrics													
Adjusted average assets (b)	\$	3,176,642	(e)	\$	2,842,244	\$	2,730,239	\$	2,717,852	\$	2,692,225	12	18
Tier 1 leverage ratio		6.9%	(e)		7.5%		7.9%		7.9%		8.0%		
Total leverage exposure		3,227,809	(e)		3,535,822		3,423,431		3,404,535		3,367,154	(9)	(4)
SLR		6.8%	(e)		6.0%		6.3%		6.3%		6.4%		
<u>TANGIBLE COMMON EQUITY (period-end) (c)</u>													
Common stockholders' equity	\$	234,403		\$	231,199	\$	234,337	\$	235,985	\$	236,222	1	(1)
Less: Goodwill		47,811			47,800		47,823		47,818		47,477	—	1
Less: Other intangible assets		778			800		819		841		732	(3)	6
Add: Certain deferred tax liabilities (d)		2,397			2,389		2,381		2,371		2,316	—	3
Total tangible common equity	\$	188,211		\$	184,988	\$	188,076	\$	189,697	\$	190,329	2	(1)
<u>TANGIBLE COMMON EQUITY (average) (c)</u>													
Common stockholders' equity	\$	234,408		\$	234,530	\$	232,878	\$	235,613	\$	233,026	—	1
Less: Goodwill		47,805			47,812		47,819		47,707		47,472	—	1
Less: Other intangible assets		791			812		831		842		741	(3)	7
Add: Certain deferred tax liabilities (d)		2,393			2,385		2,375		2,344		2,304	—	4
Total tangible common equity	\$	188,205		\$	188,291	\$	186,603	\$	189,408	\$	187,117	—	1
<u>INTANGIBLE ASSETS (period-end)</u>													
Goodwill	\$	47,811		\$	47,800	\$	47,823	\$	47,818	\$	47,477	—	1
Mortgage servicing rights		3,080			3,267		4,699		4,419		5,093	(6)	(40)
Other intangible assets		778			800		819		841		732	(3)	6
Total intangible assets	\$	51,669		\$	51,867	\$	53,341	\$	53,078	\$	53,302	—	(3)

(a) The capital metrics reflect relief provided by the Federal Reserve Board in response to the COVID-19 pandemic, including neutralization of the effects of the Firm's participation in the various programs and facilities established by the U.S. government. For the periods ended June 30, 2020 and March 31, 2020, the impact of the CECL capital transition provisions resulted in an increase to CET1 capital of \$6.5 billion and \$4.3 billion, respectively. As of June 30, 2020, the SLR reflects the temporary exclusions of U.S. Treasury securities and deposits at Federal Reserve Banks. Refer to Regulatory Developments Relating to the COVID-19 Pandemic on pages 10-11 and Capital Risk Management on pages 39-44 of the Firm's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 for additional information. Refer to Capital Risk Management on pages 85-92 of the Firm's 2019 Form 10-K for additional information on the Firm's capital metrics.

(b) Adjusted average assets, for purposes of calculating the leverage ratios, 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.

(c) Refer to page 28 for further discussion of TCE.

(d) 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 TCE.

(e) Estimated.

## EARNINGS PER SHARE AND RELATED INFORMATION

(in millions, except per share and ratio data)

JPMORGAN CHASE &amp; CO.

	QUARTERLY TRENDS							SIX MONTHS ENDED JUNE 30,			
							2Q20 Change				2020 Change
	2Q20	1Q20	4Q19	3Q19	2Q19	1Q20	2Q19	2020	2019	2019	
<b>EARNINGS PER SHARE</b>											
<b>Basic earnings per share</b>											
Net income	\$ 4,687	\$ 2,865	\$ 8,520	\$ 9,080	\$ 9,652	64 %	(51)%	\$ 7,552	\$ 18,831	(60)%	
Less: Preferred stock dividends	401	421	386	423	404	(5)	(1)	822	778	6	
Net income applicable to common equity	4,286	2,444	8,134	8,657	9,248	75	(54)	6,730	18,053	(63)	
Less: Dividends and undistributed earnings allocated to											
participating securities	21	13	44	51	56	62	(63)	32	108	(70)	
Net income applicable to common stockholders	\$ 4,265	\$ 2,431	\$ 8,090	\$ 8,606	\$ 9,192	75	(54)	\$ 6,698	\$ 17,945	(63)	
Total weighted-average basic shares outstanding	3,076.3	3,095.8	3,140.7	3,198.5	3,250.6	(1)	(5)	3,086.1	3,274.3	(6)	
Net income per share	\$ 1.39	\$ 0.79	\$ 2.58	\$ 2.69	\$ 2.83	76	(51)	\$ 2.17	\$ 5.48	(60)	
<b>Diluted earnings per share</b>											
Net income applicable to common stockholders	\$ 4,265	\$ 2,431	\$ 8,090	\$ 8,606	\$ 9,192	75	(54)	\$ 6,698	\$ 17,945	(63)	
Total weighted-average basic shares outstanding	3,076.3	3,095.8	3,140.7	3,198.5	3,250.6	(1)	(5)	3,086.1	3,274.3	(6)	
Add: Dilutive impact of stock appreciation rights ("SARs") and employee stock options, unvested performance share units ("PSUs") and nondividend-earning restricted stock units ("RSUs")	4.7	4.9	7.8	8.7	9.1	(4)	(48)	4.7	9.6	(51)	
Total weighted-average diluted shares outstanding	3,081.0	3,100.7	3,148.5	3,207.2	3,259.7	(1)	(5)	3,090.8	3,283.9	(6)	
Net income per share	\$ 1.38	\$ 0.78	\$ 2.57	\$ 2.68	\$ 2.82	77	(51)	\$ 2.17	\$ 5.46	(60)	
<b>COMMON DIVIDENDS</b>											
Cash dividends declared per share	\$ 0.90	\$ 0.90	\$ 0.90	\$ 0.90	\$ 0.80	—	13	\$ 1.80	\$ 1.60	13	
Dividend payout ratio	65%	114%	35%	33%	28%			83%	29%		
<b>COMMON EQUITY REPURCHASE PROGRAM (a)</b>											
Total shares of common stock repurchased	—	50.0	54.0	62.0	47.5	NM	NM	50.0	97.0	(48)	
Average price paid per share of common stock	\$ —	\$ 127.92	\$ 127.24	\$ 112.07	\$ 109.83	NM	NM	\$ 127.92	\$ 106.23	20	
Aggregate repurchases of common equity	—	6,397	6,871	6,949	5,210	NM	NM	6,397	10,301	(38)	
<b>EMPLOYEE ISSUANCE</b>											
Shares issued from treasury stock related to employee stock-based compensation awards and employee stock											
purchase plans	0.8	13.0	1.5	1.0	1.0	(94)	(20)	13.8	18.7	(26)	
Net impact of employee issuances on stockholders' equity (b)	\$ 325	\$ 398	\$ 132	\$ 232	\$ 258	(18)	26	\$ 723	\$ 606	19	

(a) On June 29, 2020, the Firm announced that the Federal Reserve Board has directed the Firm to discontinue its net share repurchases, at least through the end of the third quarter of 2020.

(b) The net impact of employee issuances on stockholders' equity is driven by the cost of equity compensation awards that is recognized over the applicable vesting periods. The cost is partially offset by tax impacts related to the distribution of shares and the exercise of employee stock options and SARs.

## CONSUMER &amp; COMMUNITY BANKING

## FINANCIAL HIGHLIGHTS

(in millions, except ratio data)

## JPMORGAN CHASE &amp; CO.

	QUARTERLY TRENDS							SIX MONTHS ENDED JUNE 30,		
						2Q20 Change				2020 Change
	2Q20	1Q20	4Q19	3Q19	2Q19	1Q20	2Q19	2020	2019	2019
<b>INCOME STATEMENT</b>										
<b>REVENUE</b>										
Lending- and deposit-related fees (a)	\$ 617	\$ 972	\$ 1,032	\$ 1,026	\$ 971	(37)%	(36)%	\$ 1,589	\$ 1,880	(15)%
Asset management, administration and commissions (a)	536	585	609	606	620	(8)	(14)	1,121	1,201	(7)
Mortgage fees and related income (b)	917	320	474	886	279	187	229	1,237	675	83
Card income (c)	733	709	983	905	913	3	(20)	1,442	1,775	(19)
All other income	1,313	1,373	1,396	1,383	1,321	(4)	(1)	2,686	2,611	3
Noninterest revenue	4,116	3,959	4,494	4,806	4,104	4	—	8,075	8,142	(1)
Net interest income (b)	8,101	9,153	9,255	9,152	9,380	(11)	(14)	17,254	18,785	(8)
TOTAL NET REVENUE	12,217	13,112	13,749	13,958	13,484	(7)	(9)	25,329	26,927	(6)
Provision for credit losses	5,828	5,772	1,207	1,311	1,120	1	420	11,600	2,434	377
<b>NONINTEREST EXPENSE</b>										
Compensation expense	2,557	2,597	2,497	2,544	2,531	(2)	1	5,154	5,097	1
Noncompensation expense (c)(d)	4,069	4,505	4,468	4,481	4,305	(10)	(5)	8,574	8,662	(1)
TOTAL NONINTEREST EXPENSE	6,626	7,102	6,965	7,025	6,836	(7)	(3)	13,728	13,759	—
Income/(loss) before income tax expense/(benefit)	(237)	238	5,577	5,622	5,528	NM	NM	1	10,734	(100)
Income tax expense/(benefit)	(61)	47	1,363	1,377	1,371	NM	NM	(14)	2,630	NM
NET INCOME/(LOSS)	\$ (176)	\$ 191	\$ 4,214	\$ 4,245	\$ 4,157	NM	NM	\$ 15	\$ 8,104	(100)
<b>REVENUE BY LINE OF BUSINESS</b>										
Consumer & Business Banking	\$ 5,107	\$ 6,091	\$ 6,537	\$ 6,782	\$ 6,897	(16)	(26)	\$ 11,198	\$ 13,558	(17)
Home Lending (b)	1,687	1,161	1,250	1,465	1,118	45	51	2,848	2,464	16
Card & Auto (c)	5,423	5,860	5,962	5,711	5,469	(7)	(1)	11,283	10,905	3
<b>MORTGAGE FEES AND RELATED INCOME DETAILS:</b>										
Net production revenue (b)	742	319	327	738	353	133	110	1,061	553	92
Net mortgage servicing revenue (e)	175	1	147	148	(74)	NM	NM	176	122	44
Mortgage fees and related income	\$ 917	\$ 320	\$ 474	\$ 886	\$ 279	187	229	\$ 1,237	\$ 675	83
<b>FINANCIAL RATIOS</b>										
ROE	(2) %	1 %	31 %	31 %	31 %			(1) %	31 %	
Overhead ratio	54	54	51	50	51			54	51	

In the first quarter of 2020, the Merchant Services business was realigned from CCB to CIB as part of the Firm's Wholesale Payments business. Prior-period amounts were revised to conform with the current presentation. Refer to Business segment changes on page 21 of the Firm's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 for further information.

(a) In the first quarter of 2020, the Firm reclassified certain fees from asset management, administration and commissions to lending- and deposit-related fees. Prior-period amounts were revised to conform with the current presentation.

(b) Net production revenue in the third quarter of 2019 included approximately \$350 million of gains on the sale of certain mortgage loans that were predominantly offset by a charge in net interest income for the unwind of the related internal funding from Treasury and Chief Investment Office ("CIO") associated with these loans. The charge reflects the net present value of that funding and is recognized as interest income in Treasury and CIO. Refer to footnote (a) in Corporate on page 23 and Funds Transfer Pricing ("FTP") on page 61 of the Firm's 2019 Form 10-K for further information.

(c) In the second quarter of 2020, the Firm reclassified certain spend-based credit card reward costs from marketing expense to be a reduction of card income, with no effect on net income. Prior-period amounts were revised to conform with the current presentation.

(d) Included depreciation expense on leased assets of \$1.1 billion for the three months ended June 30, 2020, March 31, 2020, December 31, 2019 and \$1.0 billion and \$957 million for the three months ended September 30, 2019, and June 30, 2019, respectively, and \$2.2 billion and \$1.9 billion for the six months ended June 30, 2020 and 2019, respectively.

(e) Included MSR risk management results of \$79 million, \$(90) million, \$35 million, \$53 million and \$(244) million for the three months ended June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019, and June 30, 2019, respectively, and \$(11) million and \$(253) million for the six months ended June 30, 2020 and 2019, respectively.

## CONSUMER &amp; COMMUNITY BANKING

## FINANCIAL HIGHLIGHTS, CONTINUED

(in millions, except headcount data)

JPMORGAN CHASE &amp; CO.

	QUARTERLY TRENDS							SIX MONTHS ENDED JUNE 30,		
	2Q20	1Q20	4Q19	3Q19	2Q19	2Q20 Change		2020	2019	2020 Change
						1Q20	2Q19			2019
<u>SELECTED BALANCE SHEET DATA (period-end)</u>										
Total assets	\$ 492,251	\$ 506,147	\$ 532,538	\$ 525,223	\$ 536,758	(3)%	(8)%	\$ 492,251	\$ 536,758	(8)%
Loans:										
Consumer & Business Banking	46,910 (b)	27,709	27,199	26,699	26,616	69	76	46,910 (b)	26,616	76
Home Lending	188,576	196,401	199,799	203,339	219,533	(4)	(14)	188,576	219,533	(14)
Card	141,656	154,021	168,924	159,571	157,576	(8)	(10)	141,656	157,576	(10)
Auto	59,287	61,468	61,522	61,410	62,073	(4)	(4)	59,287	62,073	(4)
Total loans	436,429	439,599	457,444	451,019	465,798	(1)	(6)	436,429	465,798	(6)
Deposits	876,991	775,068	718,354	701,111	695,096	13	26	876,991	695,096	26
Equity	52,000	52,000	52,000	52,000	52,000	—	—	52,000	52,000	—
<u>SELECTED BALANCE SHEET DATA (average)</u>										
Total assets	\$ 498,140	\$ 517,213	\$ 525,863	\$ 530,649	\$ 534,612	(4)	(7)	\$ 507,676	\$ 540,296	(6)
Loans:										
Consumer & Business Banking	41,198	27,261	26,820	26,550	26,570	51	55	34,230	26,529	29
Home Lending	192,716	198,042	201,599	213,372	224,685	(3)	(14)	195,379	231,778	(16)
Card	142,377	162,660	162,112	158,168	153,746	(12)	(7)	152,518	152,447	—
Auto	60,306	60,893	61,100	61,371	62,236	(1)	(3)	60,599	62,498	(3)
Total loans	436,597	448,856	451,631	459,461	467,237	(3)	(7)	442,726	473,252	(6)
Deposits	831,996	733,648	707,953	693,943	690,892	13	20	782,822	685,980	14
Equity	52,000	52,000	52,000	52,000	52,000	—	—	52,000	52,000	—
Headcount (a)	122,089	122,081	123,115	123,532	123,580	—	(1)	122,089	123,580	(1)

In the first quarter of 2020, the Merchant Services business was realigned from CCB to CIB as part of the Firm's Wholesale Payments business. Prior-period amounts were revised to conform with the current presentation. Refer to Business segment changes on page 21 of the Firm's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 for further information.

(a) During the second quarter of 2020, certain technology and support functions, comprising approximately 850 staff, were transferred from AWM to CCB as part of the ongoing reorganization of the U.S. Wealth Management business.

(b) At June 30, 2020, included \$19.9 billion of loans under the Paycheck Protection Program ("PPP"). Refer to page 11 of the Firm's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 for further information on the PPP.



## CONSUMER &amp; COMMUNITY BANKING

## FINANCIAL HIGHLIGHTS, CONTINUED

(in millions, except ratio data)

(in millions, except ratio data)	QUARTERLY TRENDS										SIX MONTHS ENDED JUNE 30,																
						2Q20 Change					2020 Change																
	2Q20		1Q20		4Q19		3Q19		2Q19		1Q20		2Q19		2020		2019		2019								
<b>CREDIT DATA AND QUALITY STATISTICS</b>																											
Nonaccrual loans (a)(b)	\$	4,407	(e)	\$	4,008		\$	3,018		\$	3,099		\$	3,142		10 %		40 %		\$	4,407	(e)	\$	3,142			40 %
Net charge-offs/(recoveries)																											
Consumer & Business Banking		60			74			92			79			66		(19)		(9)			134			125			7
Home Lending		(5)			(122)			(23)			(42)			(28)		96		82			(127)			(33)			(285)
Card		1,178			1,313			1,231			1,175			1,240		(10)		(5)			2,491			2,442			2
Auto		45			48			57			49			42		(6)		7			93			100			(7)
Total net charge-offs/(recoveries)	\$	1,278		\$	1,313		\$	1,357		\$	1,261		\$	1,320		(3)		(3)		\$	2,591		\$	2,634			(2)
Net charge-off/(recovery) rate																											
Consumer & Business Banking		0.59	%		1.09	%		1.36	%		1.18	%		1.00	%						0.79	%		0.95	%		
Home Lending		(0.01)			(0.25)			(0.05)			(0.08)			(0.05)						(0.13)			(0.03)				
Card		3.33			3.25			3.01			2.95			3.24						3.28			3.23				
Auto		0.30			0.32			0.37			0.32			0.27						0.31			0.32				
Total net charge-off/(recovery) rate		1.18			1.18			1.20			1.10			1.14						1.18			1.13				
30+ day delinquency rate																											
Home Lending (c)(d)		1.30	% (f)		1.48	%		1.58	%		1.63	%		1.55	%						1.30	% (f)		1.55	%		
Card		1.71	(f)		1.96			1.87			1.84			1.71						1.71	(f)		1.71				
Auto		0.54	(f)		0.89			0.94			0.88			0.82						0.54	(f)		0.82				
90+ day delinquency rate - Card		0.93	(f)		1.02			0.95			0.90			0.87						0.93	(f)		0.87				
Allowance for loan losses																											
Consumer & Business Banking	\$	1,370		\$	882		\$	746		\$	746		\$	796		55		72		\$	1,370		\$	796			72
Home Lending		2,957			2,137			1,890			2,159			2,302		38		28			2,957			2,302			28
Card		17,800			14,950			5,683			5,583			5,383		19		231			17,800			5,383			231
Auto		1,044			732			465			465			465		43		125			1,044			465			125
Total allowance for loan losses	\$	23,171		\$	18,701		\$	8,784		\$	8,953		\$	8,946		24		159		\$	23,171		\$	8,946			159

- (a) At June 30, 2020 and March 31, 2020, nonaccrual loans included \$1.3 billion and \$970 million of PCD loans, respectively. Prior to the adoption of CECL, nonaccrual loans excluded PCI loans as the Firm recognized interest income on each pool of PCI loans as each of the pools was performing.
- (b) At June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019 and June 30, 2019, nonaccrual loans excluded mortgage loans 90 or more days past due and insured by U.S. government agencies of \$561 million, \$616 million, \$961 million, \$1.6 billion and \$1.8 billion, respectively. These amounts have been excluded based upon the government guarantee.
- (c) At June 30, 2020 and March 31, 2020, the 30+ day delinquency rates included PCD loans. The rates prior to January 1, 2020 were revised to include the impact of PCI loans.
- (d) At June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019 and June 30, 2019, excluded mortgage loans insured by U.S. government agencies of \$826 million, \$1.0 billion, \$1.7 billion, \$2.7 billion and \$2.9 billion, respectively, that are 30 or more days past due. These amounts have been excluded based upon the government guarantee.
- (e) Generally excludes loans that were under payment deferral programs offered in response to the COVID-19 pandemic.
- (f) At June 30, 2020, the principal balance of loans in Home Lending, Card and Auto under payment deferral programs offered in response to the COVID-19 pandemic and are still within their deferral period were \$18.2 billion, \$4.4 billion and \$12.3 billion, respectively. Loans that are performing according to their modified terms are generally not considered delinquent.

## CONSUMER &amp; COMMUNITY BANKING

## FINANCIAL HIGHLIGHTS, CONTINUED

(in millions, except ratio data and where otherwise noted)

	QUARTERLY TRENDS							SIX MONTHS ENDED JUNE 30,		
						2Q20 Change				2020 Change
	2Q20	1Q20	4Q19	3Q19	2Q19	1Q20	2Q19	2020	2019	2019
BUSINESS METRICS										
Number of:										
Branches	4,923	4,967	4,976	4,949	4,970	(1)%	(1)%	4,923	4,970	(1)%
Active digital customers (in thousands) (a)	54,471	53,799	52,421	51,843	51,032	1	7	54,471	51,032	7
Active mobile customers (in thousands) (b)	39,024	38,236	37,297	36,510	35,392	2	10	39,024	35,392	10
Debit and credit card sales volume (in billions)	\$ 237.6	\$ 266.0	\$ 295.6	\$ 282.2	\$ 281.5	(11)	(16)	\$ 503.6	\$ 536.6	(6)
Consumer & Business Banking										
Average deposits	\$ 813,153	\$ 718,909	\$ 691,696	\$ 678,281	\$ 676,663	13	20	\$ 766,031	\$ 672,617	14
Deposit margin	1.52 %	2.06 %	2.28 %	2.47 %	2.60 %			1.77 %	2.61 %	
Business banking origination volume	\$ 23,042 (f)	\$ 1,491	\$ 1,827	\$ 1,550	\$ 1,741	NM	NM	\$ 24,533 (f)	\$ 3,221	NM
Client investment assets	356,143	322,999	358,036	337,915	328,141	10	9	356,143	328,141	9
Home Lending (in billions)										
Mortgage origination volume by channel										
Retail	\$ 18.0	\$ 14.1	\$ 16.4	\$ 14.2	\$ 12.5	28	44	\$ 32.1	\$ 20.4	57
Correspondent	6.2	14.0	16.9	18.2	12.0	(56)	(48)	20.2	19.1	6
Total mortgage origination volume (c)	\$ 24.2	\$ 28.1	\$ 33.3	\$ 32.4	\$ 24.5	(14)	(1)	\$ 52.3	\$ 39.5	32
Total loans serviced (period-end)	\$ 683.7	\$ 737.8	\$ 761.4	\$ 774.8	\$ 780.1	(7)	(12)	\$ 683.7	\$ 780.1	(12)
Third-party mortgage loans serviced (period-end)	482.4	505.0	520.8	535.8	526.6	(4)	(8)	482.4	526.6	(8)
MSR carrying value (period-end)	3.1	3.3	4.7	4.4	5.1	(6)	(39)	3.1	5.1	(39)
Ratio of MSR carrying value (period-end) to third-party mortgage loans serviced (period-end)										
	0.64 %	0.65 %	0.90 %	0.82 %	0.97 %			0.64 %	0.97 %	
MSR revenue multiple (d)	2.29x	2.10x	2.73x	2.41x	2.69x			2.21x	2.77x	
Credit Card										
Credit card sales volume, excluding Commercial Card (in billions)	\$ 148.5	\$ 179.1	\$ 204.2	\$ 193.6	\$ 192.5	(17)	(23)	327.6	365.0	(10)
Net revenue rate (e)	11.02 %	10.54 %	10.65 %	10.40 %	10.31 %			10.76 %	10.43 %	
Auto										
Loan and lease origination volume (in billions)	\$ 7.7	\$ 8.3	\$ 8.5	\$ 9.1	\$ 8.5	(7)	(9)	\$ 16.0	\$ 16.4	(2)
Average auto operating lease assets	22,579	23,081	22,427	21,765	21,314	(2)	6	22,830	21,074	8

(a) Users of all web and/or mobile platforms who have logged in within the past 90 days.

(b) Users of all mobile platforms who have logged in within the past 90 days.

(c) Firmwide mortgage origination volume was \$28.3 billion, \$31.9 billion, \$37.4 billion, \$35.8 billion and \$26.3 billion for the three months ended June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019 and June 30, 2019, respectively, and \$60.2 billion and \$42.7 billion for the six months ended June 30, 2020 and 2019, respectively.

(d) Represents the ratio of MSR carrying value (period-end) to third-party mortgage loans serviced (period-end) divided by the ratio of annualized loan servicing-related revenue to third-party mortgage loans serviced (average).

(e) In the second quarter of 2020, the Firm reclassified certain spend-based credit card reward costs from marketing expense to be a reduction of card income, with no effect on net income. Prior-period amounts were revised to conform with the current presentation.

(f) Included \$21.5 billion of origination volume under the PPP for the three and six months ended June 30, 2020. Refer to page 11 of the Firm's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 for further information on the PPP.

## CORPORATE &amp; INVESTMENT BANK

## FINANCIAL HIGHLIGHTS

(in millions, except ratio data)

	QUARTERLY TRENDS							SIX MONTHS ENDED JUNE 30,		
						2Q20 Change				2020 Change
	2Q20	1Q20	4Q19	3Q19	2Q19	1Q20	2Q19	2020	2019	2019
<b>INCOME STATEMENT</b>										
<b>REVENUE</b>										
Investment banking fees	\$ 2,847	\$ 1,907	\$ 1,904	\$ 1,981	\$ 1,846	49 %	54 %	\$ 4,754	\$ 3,690	29 %
Principal transactions	7,400	3,188	2,932	3,418	3,885	132	90	10,588	8,049	32
Lending- and deposit-related fees (a)	500	450	462	398	412	11	21	950	808	18
Asset management, administration and commissions (a)	1,146	1,261	1,059	1,160	1,112	(9)	3	2,407	2,179	10
All other income	380	35	622	397	405	NM	(6)	415	770	(46)
Noninterest revenue	12,273	6,841	6,979	7,354	7,660	79	60	19,114	15,496	23
Net interest income	4,079	3,107	2,668	2,168	2,171	31	88	7,186	4,369	64
TOTAL NET REVENUE (b)	16,352	9,948	9,647	9,522	9,831	64	66	26,300	19,865	32
Provision for credit losses	1,987	1,401	98	92	—	42	NM	3,388	87	NM
<b>NONINTEREST EXPENSE</b>										
Compensation expense	3,997	3,006	2,377	2,873	2,839	33	41	7,003	5,930	18
Noncompensation expense	2,767	2,890	3,015	2,631	2,822	(4)	(2)	5,657	5,360	6
TOTAL NONINTEREST EXPENSE	6,764	5,896	5,392	5,504	5,661	15	19	12,660	11,290	12
Income before income tax expense	7,601	2,651	4,157	3,926	4,170	187	82	10,252	8,488	21
Income tax expense	2,137	663	1,219	1,095	1,224	222	75	2,800	2,282	23
NET INCOME	\$ 5,464	\$ 1,988	\$ 2,938	\$ 2,831	\$ 2,946	175	85	\$ 7,452	\$ 6,206	20
<b>FINANCIAL RATIOS</b>										
ROE	27%	9%	14%	13%	14%			18%	15%	
Overhead ratio	41	59	56	58	58			48	57	
Compensation expense as percentage of total net revenue	24	30	25	30	29			27	30	
<b>REVENUE BY BUSINESS</b>										
Investment Banking	\$ 3,401	\$ 886	\$ 1,823	\$ 1,871	\$ 1,776	284	91	\$ 4,287	\$ 3,521	22
Wholesale Payments	1,356	1,359	1,433	1,361	1,402	—	(3)	2,715	2,817	(4)
Lending	270	350	250	253	260	(23)	4	620	518	20
Total Banking	5,027	2,595	3,506	3,485	3,438	94	46	7,622	6,856	11
Fixed Income Markets	7,338	4,993	3,446	3,557	3,690	47	99	12,331	7,415	66
Equity Markets	2,380	2,237	1,508	1,517	1,728	6	38	4,617	3,469	33
Securities Services	1,097	1,074	1,061	1,034	1,045	2	5	2,171	2,059	5
Credit Adjustments & Other (c)	510	(951)	126	(71)	(70)	NM	NM	(441)	66	NM
Total Markets & Securities Services	11,325	7,353	6,141	6,037	6,393	54	77	18,678	13,009	44
TOTAL NET REVENUE	\$ 16,352	\$ 9,948	\$ 9,647	\$ 9,522	\$ 9,831	64	66	\$ 26,300	\$ 19,865	32

In the first quarter of 2020, the Merchant Services business was realigned from CCB to CIB as part of the Firm's Wholesale Payments business. Prior period amounts were revised to conform with the current presentation. Refer to Business segment changes on page 21 of the Firm's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 for further information.

(a) In the first quarter of 2020, the Firm reclassified certain fees from asset management, administration and commissions to lending- and deposit-related fees. Prior period amounts were revised to conform with the current presentation.

(b) Includes tax-equivalent adjustments, predominantly due to income tax credits related to alternative energy investments; income tax credits and amortization of the cost of investments in affordable housing projects; as well as tax-exempt income from municipal bonds of \$686 million, \$667 million, \$646 million, \$527 million and \$547 million for the three months ended June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019, and June 30, 2019, respectively and \$1.4 billion and \$1.1 billion for the six months ended June 30, 2020 and 2019, respectively.

(c) Consists primarily of credit valuation adjustments ("CVA") managed centrally within CIB and funding valuation adjustments ("FVA") on derivatives and certain components of fair value option elected liabilities. Results are presented net of associated hedging activities and net of CVA and FVA amounts allocated to Fixed Income Markets and Equity Markets.

## CORPORATE &amp; INVESTMENT BANK

## FINANCIAL HIGHLIGHTS, CONTINUED

(in millions, except ratio and headcount data)

	QUARTERLY TRENDS							SIX MONTHS ENDED JUNE 30,		
						2Q20 Change				2020 Change
	2Q20	1Q20	4Q19	3Q19	2Q19	1Q20	2Q19	2020	2019	2019
<u>SELECTED BALANCE SHEET DATA (period-end)</u>										
Assets	\$ 1,080,761	\$ 1,217,459	\$ 914,705	\$ 1,030,396	\$ 976,430	(11)%	11 %	\$ 1,080,761	\$ 976,430	11 %
Loans:										
Loans retained (a)	140,770	165,376	121,733	118,290	123,074	(15)	14	140,770	123,074	14
Loans held-for-sale and loans at fair value	10,241	9,326	10,112	8,324	6,838	10	50	10,241	6,838	50
Total loans	151,011	174,702	131,845	126,614	129,912	(14)	16	151,011	129,912	16
Equity	80,000	80,000	80,000	80,000	80,000	—	—	80,000	80,000	—
<u>SELECTED BALANCE SHEET DATA (average)</u>										
Assets	\$ 1,167,807	\$ 1,082,820	\$ 994,152	\$ 1,011,246	\$ 1,000,517	8	17	1,125,314	\$ 984,165	14
Trading assets - debt and equity instruments	450,507	427,316	398,604	415,450	421,775	5	7	438,911	401,656	9
Trading assets - derivative receivables	76,710	55,133	45,153	48,266	48,815	39	57	65,922	49,707	33
Loans:										
Loans retained (a)	154,038	128,838	119,412	119,007	124,194	20	24	141,438	125,585	13
Loans held-for-sale and loans at fair value	8,399	9,818	9,708	8,344	7,763	(14)	8	9,108	8,186	11
Total loans	162,437	138,656	129,120	127,351	131,957	17	23	150,546	133,771	13
Equity	80,000	80,000	80,000	80,000	80,000	—	—	80,000	80,000	—
Headcount	60,950	60,245	60,013	60,028	59,111	1	3	60,950	59,111	3
<u>CREDIT DATA AND QUALITY STATISTICS</u>										
Net charge-offs/(recoveries)	\$ 204	\$ 55	\$ 43	\$ 38	\$ 72	271	183	\$ 259	\$ 102	154
Nonperforming assets:										
Nonaccrual loans:										
Nonaccrual loans retained (b)	1,195	689	308	712	569	73	110	1,195	569	110
Nonaccrual loans held-for-sale and loans at fair value	250	138	95	262	370	81	(32)	250	370	(32)
Total nonaccrual loans	1,445	827	403	974	939	75	54	1,445	939	54
Derivative receivables	108	85	30	26	39	27	177	108	39	177
Assets acquired in loan satisfactions	35	43	70	75	58	(19)	(40)	35	58	(40)
Total nonperforming assets	1,588	955	503	1,075	1,036	66	53	1,588	1,036	53
Allowance for credit losses:										
Allowance for loan losses	3,440	1,422	1,202	1,171	1,131	142	204	3,440	1,131	204
Allowance for lending-related commitments	1,233	1,468	848	824	807	(16)	53	1,233	807	53
Total allowance for credit losses	4,673	2,890	2,050	1,995	1,938	62	141	4,673	1,938	141
Net charge-off/(recovery) rate (a)(c)	0.53%	0.17%	0.14%	0.13%	0.23%			0.37%	0.16%	
Allowance for loan losses to period-end loans retained (a)	2.44	0.86	0.99	0.99	0.92			2.44	0.92	
Allowance for loan losses to period-end loans retained, excluding trade finance and conduits (d)	3.27	1.11	1.31	1.33	1.27			3.27	1.27	
Allowance for loan losses to nonaccrual loans retained (a)(b)	288	206	390	164	199			288	199	
Nonaccrual loans to total period-end loans	0.96	0.47	0.31	0.77	0.72			0.96	0.72	

In the first quarter of 2020, the Merchant Services business was realigned from CCB to CIB as part of the Firm's Wholesale Payments business. The prior period amounts were revised to conform with the current presentation. Refer to Business segment changes on page 21 of the Firm's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 for further information.

- (a) Loans retained includes credit portfolio loans, loans held by consolidated Firm-administered multi-seller conduits, trade finance loans, other held-for-investment loans and overdrafts.  
(b) Allowance for loan losses of \$340 million, \$317 million, \$110 million, \$207 million and \$147 million were held against nonaccrual loans at June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019, and June 30, 2019, respectively.  
(c) Loans held-for-sale and loans at fair value were excluded when calculating the net charge-off/(recovery) rate.  
(d) Management uses allowance for loan losses to period-end loans retained, excluding trade finance and conduits, a non-GAAP financial measure, to provide a more meaningful assessment of CIB's allowance coverage ratio.

	QUARTERLY TRENDS							SIX MONTHS ENDED JUNE 30,		
						2Q20 Change				2020 Change
	2Q20	1Q20	4Q19	3Q19	2Q19	1Q20	2Q19	2020	2019	2019
BUSINESS METRICS										
Advisory	\$ 602	\$ 503	\$ 702	\$ 506	\$ 525	20 %	15 %	\$ 1,105	\$ 1,169	(5)%
Equity underwriting	977	331	382	514	505	195	93	1,308	770	70
Debt underwriting	1,268	1,073	820	961	816	18	55	2,341	1,751	34
Total investment banking fees	\$ 2,847	\$ 1,907	\$ 1,904	\$ 1,981	\$ 1,846	49	54	\$ 4,754	\$ 3,690	29
Client deposits and other third-party liabilities (average) (a)	607,902	514,464	485,037	471,328	458,237	18	33	561,183	451,185	24
Merchant processing volume (in billions) (b)	371.9	374.8	402.9	380.5	371.6	(1)	—	\$ 746.7	\$ 728.1	3
Assets under custody ("AUC") (period-end) (in billions)	\$ 27,447	\$ 24,409	\$ 26,831	\$ 25,695	\$ 25,450	12	8	\$ 27,447	\$ 25,450	8
95% Confidence Level - Total CIB VaR (average), (c)										
CIB trading VaR by risk type: (d)										
Fixed income	\$ 129	\$ 60	\$ 39	\$ 37	\$ 39	115	231			
Foreign exchange	9	7	5	6	7	29	29			
Equities	27	20	18	22	25	35	8			
Commodities and other	32	10	7	8	9	220	256			
Diversification benefit to CIB trading VaR (e)	(69)	(40)	(32)	(34)	(36)	(73)	(92)			
CIB trading VaR (d)	128	57	37	39	44	125	191			
Credit portfolio VaR (f)	22	9	5	5	5	144	340			
Diversification benefit to CIB VaR (e)	(23)	(8)	(5)	(6)	(5)	(188)	(360)			
CIB VaR	\$ 127	\$ 58	\$ 37	\$ 38	\$ 44	119	189			

(a) Client deposits and other third-party liabilities pertain to the Wholesale Payments and Securities Services businesses.  
(b) Represents total merchant processing volume across CIB, CCB and CB.  
(c) Effective January 1, 2020, the Firm refined the scope of VaR to exclude positions related to the risk management of interest rate exposure from changes in the Firm's own credit spread on fair value option elected liabilities, and included these positions in other-sensitivity based measures. In the absence of this refinement, the average VaR for each of the following reported components would have been different by the following amounts: CIB fixed income of \$(11) million and \$4 million, CIB Trading VaR \$(11) million and \$5 million and CIB VaR \$(8) million and \$6 million for the three months ended June 30, 2020 and March 31, 2020, respectively.  
(d) CIB trading VaR includes substantially all market-making and client-driven activities, as well as certain risk management activities in CIB, including credit spread sensitivity to CVA. Refer to VaR measurement on pages 121–123 of the Firm's 2019 Form 10-K, and pages 67-69 of the Firm's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 for further information.  
(e) Average portfolio VaR was less than the sum of the VaR of the components described above, which is due to portfolio diversification. The diversification effect reflects the fact that the risks were not perfectly correlated.  
(f) Credit portfolio VaR includes the derivative CVA, hedges of the CVA and hedges of the retained loan portfolio, which are reported in principal transactions revenue. This VaR does not include the retained loan portfolio, which is not reported at fair value.

## COMMERCIAL BANKING

## FINANCIAL HIGHLIGHTS

(in millions, except ratio data)

	QUARTERLY TRENDS							SIX MONTHS ENDED JUNE 30,		
						2Q20 Change				2020 Change
	2Q20	1Q20	4Q19	3Q19	2Q19	1Q20	2Q19	2020	2019	2019
<b>INCOME STATEMENT</b>										
<b>REVENUE</b>										
Lending- and deposit-related fees (a)	\$ 297	\$ 261	\$ 256	\$ 228	\$ 224	14 %	33 %	\$ 558	\$ 457	22 %
All other income (a)	518	360	437	438	399	44	30	878	899	(2)
Noninterest revenue	815	621	693	666	623	31	31	1,436	1,356	6
Net interest income	1,577	1,557	1,604	1,608	1,662	1	(5)	3,134	3,342	(6)
TOTAL NET REVENUE (b)	2,392	2,178	2,297	2,274	2,285	10	5	4,570	4,698	(3)
Provision for credit losses	2,431	1,010	110	67	29	141	NM	3,441	119	NM
<b>NONINTEREST EXPENSE</b>										
Compensation expense	430	472	444	454	438	(9)	(2)	902	887	2
Noncompensation expense	465	513	499	486	493	(9)	(6)	978	982	—
Amortization of intangibles	4	3	—	—	—	33	NM	7	—	NM
TOTAL NONINTEREST EXPENSE	899	988	943	940	931	(9)	(3)	1,887	1,869	1
Income/(loss) before income tax expense/(benefit)	(938)	180	1,244	1,267	1,325	NM	NM	(758)	2,710	NM
Income tax expense/(benefit)	(247)	33	300	324	323	NM	NM	(214)	648	NM
NET INCOME/(LOSS)	\$ (691)	\$ 147	\$ 944	\$ 943	\$ 1,002	NM	NM	\$ (544)	\$ 2,062	NM
<b>Revenue by product</b>										
Lending	\$ 1,127	\$ 954	\$ 1,027	\$ 1,006	\$ 1,012	18	11	\$ 2,081	\$ 2,024	3
Wholesale payments	917	991	1,021	1,017	1,063	(7)	(14)	1,908	2,167	(12)
Investment banking (c)	256	235	211	226	193	9	33	491	482	2
Other	92	(2)	38	25	17	NM	441	90	25	260
Total Commercial Banking net revenue (b)	\$ 2,392	\$ 2,178	\$ 2,297	\$ 2,274	\$ 2,285	10	5	\$ 4,570	\$ 4,698	(3)
Investment banking revenue, gross (d)	\$ 851	\$ 686	\$ 634	\$ 700	\$ 592	24	44	\$ 1,537	\$ 1,410	9
<b>Revenue by client segment</b>										
Middle Market Banking	\$ 866	\$ 946	\$ 934	\$ 925	\$ 961	(8)	(10)	\$ 1,812	\$ 1,935	(6)
Corporate Client Banking	859	681	759	767	744	26	15	1,540	1,595	(3)
Commercial Real Estate Banking	566	541	537	547	538	5	5	1,107	1,085	2
Other	101	10	67	35	42	NM	140	111	83	34
Total Commercial Banking net revenue (b)	\$ 2,392	\$ 2,178	\$ 2,297	\$ 2,274	\$ 2,285	10	5	\$ 4,570	\$ 4,698	(3)
<b>FINANCIAL RATIOS</b>										
ROE	(14) %	2 %	16 %	16 %	17 %			(6) %	18 %	
Overhead ratio	38	45	41	41	41			41	40	

In the first quarter of 2020, the Merchant Services business was realigned from CCB to CIB and the revenue and expense of the business is reported across CCB, CIB and CB based primarily on client relationship. In conjunction with this realignment, treasury services product revenue has been renamed wholesale payments. Prior period revenue and expense amounts were revised to conform with the current presentation. Refer to Business segment changes on page 21 of the Firm's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 for further information.

- (a) In the first quarter of 2020, the Firm reclassified certain fees from asset management, administration and commissions (which are included in all other income) to lending- and deposit-related fees. Prior period amounts were revised to conform with the current presentation.
- (b) Total net revenue included tax-equivalent adjustments from income tax credits related to equity investments in designated community development entities and in entities established for rehabilitation of historic properties, as well as tax-exempt income related to municipal financing activities of \$80 million, \$81 million, \$152 million, \$114 million and \$100 million for the three months ended June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019, and June 30, 2019, respectively, and \$161 million and \$194 million for the six months ended June 30, 2020 and 2019, respectively.
- (c) Includes CB's share of revenue from investment banking products sold to CB clients through the CIB.
- (d) Refer to page 60 of the Firm's 2019 Form 10-K for discussion of revenue sharing.

## COMMERCIAL BANKING

## FINANCIAL HIGHLIGHTS, CONTINUED

(in millions, except headcount and ratio data)

(In millions, except headcount and ratio data)	QUARTERLY TRENDS								SIX MONTHS ENDED JUNE 30,		
						2Q20 Change				2020 Change	
	2Q20	1Q20	4Q19	3Q19	2Q19	1Q20	2Q19	2020	2019	2019	
SELECTED BALANCE SHEET DATA (period-end)											
Total assets	\$ 234,934	\$ 247,786	\$ 220,514	\$ 222,483	\$ 220,712	(5)%	6 %	\$ 234,934	\$ 220,712	6 %	
Loans:											
Loans retained	223,192	232,254	207,287	209,448	208,323	(4)	7	223,192	208,323	7	
Loans held-for-sale and loans at fair value	917	1,112	1,009	3,187	1,284	(18)	(29)	917	1,284	(29)	
Total loans	\$ 224,109	\$ 233,366	\$ 208,296	\$ 212,635	\$ 209,607	(4)	7	\$ 224,109	\$ 209,607	7	
Equity	22,000	22,000	22,000	22,000	22,000	—	—	22,000	22,000	—	
Period-end loans by client segment											
Middle Market Banking	\$ 64,211 (c)	\$ 60,317	\$ 54,188	\$ 54,298	\$ 56,346	6	14	\$ 64,211 (c)	\$ 56,346	14	
Corporate Client Banking	56,182	69,540	51,165	55,976	51,500	(19)	9	56,182	51,500	9	
Commercial Real Estate Banking	103,117	102,799	101,951	101,326	100,751	—	2	103,117	100,751	2	
Other	599	710	992	1,035	1,010	(16)	(41)	599	1,010	(41)	
Total Commercial Banking loans	\$ 224,109 (c)	\$ 233,366	\$ 208,296	\$ 212,635	\$ 209,607	(4)	7	\$ 224,109 (c)	\$ 209,607	7	
SELECTED BALANCE SHEET DATA (average)											
Total assets	\$ 247,512	\$ 226,071	\$ 219,891	\$ 218,620	\$ 218,760	9	13	\$ 236,792	\$ 218,530	8	
Loans:											
Loans retained	233,044	209,988	208,776	207,286	206,771	11	13	221,516	205,623	8	
Loans held-for-sale and loans at fair value	502	1,831	1,036	963	701	(73)	(28)	1,167	1,165	—	
Total loans	\$ 233,546	\$ 211,819	\$ 209,812	\$ 208,249	\$ 207,472	10	13	\$ 222,683	\$ 206,788	8	
Client deposits and other third-party liabilities	236,968	188,808	182,546	172,714	168,247	26	41	212,888	167,756	27	
Equity	22,000	22,000	22,000	22,000	22,000	—	—	22,000	22,000	—	
Average loans by client segment											
Middle Market Banking	\$ 66,279	\$ 56,045	\$ 54,114	\$ 54,806	\$ 57,155	18	16	\$ 61,162	\$ 56,940	7	
Corporate Client Banking	63,308	53,032	53,187	51,389	48,656	19	30	58,170	48,400	20	
Commercial Real Estate Banking	103,516	101,526	101,542	101,044	100,671	2	3	102,521	100,469	2	
Other	443	1,216	969	1,010	990	(64)	(55)	830	979	(15)	
Total Commercial Banking loans	\$ 233,546	\$ 211,819	\$ 209,812	\$ 208,249	\$ 207,472	10	13	\$ 222,683	\$ 206,788	8	
Headcount	11,802	11,779	11,629	11,501	11,248	—	5	11,802	11,248	5	
CREDIT DATA AND QUALITY STATISTICS											
Net charge-offs/(recoveries)	\$ 79	\$ 100	\$ 89	\$ 45	\$ 15	(21)	427	\$ 179	\$ 26	NM	
Nonperforming assets											
Nonaccrual loans:											
Nonaccrual loans retained (a)	1,377	793	498	659	614	74	124	1,377	614	124	
Nonaccrual loans held-for-sale and loans at fair value	—	—	—	—	—	—	—	—	—	—	
Total nonaccrual loans	1,377	793	498	659	614	74	124	1,377	614	124	
Assets acquired in loan satisfactions	24	24	25	19	20	—	20	24	20	20	
Total nonperforming assets	1,401	817	523	678	634	71	121	1,401	634	121	
Allowance for credit losses:											
Allowance for loan losses	4,830	2,680	2,780	2,759	2,756	80	75	4,830	2,756	75	
Allowance for lending-related commitments	707	505	293	293	274	40	158	707	274	158	
Total allowance for credit losses	5,537	3,185	3,073	3,052	3,030	74	83	5,537	3,030	83	
Net charge-off/(recovery) rate (b)	0.14 %	0.19 %	0.17 %	0.09 %	0.03 %			0.16 %	0.03 %		
Allowance for loan losses to period-end loans retained	2.16	1.15	1.34	1.32	1.32			2.16	1.32		
Allowance for loan losses to nonaccrual loans retained (a)	351	338	558	419	449			351	449		
Nonaccrual loans to period-end total loans	0.61	0.34	0.24	0.31	0.29			0.61	0.29		

(a) Allowance for loan losses of \$287 million, \$175 million, \$114 million, \$119 million and \$125 million was held against nonaccrual loans retained at June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019, and June 30, 2019, respectively.

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

(c) At June 30, 2020, total loans included \$6.5 billion of loans under the PPP, of which \$6.3 billion was in Middle Market Banking. Refer to page 11 of the Firm's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 for further information on the PPP.

## ASSET &amp; WEALTH MANAGEMENT

## FINANCIAL HIGHLIGHTS

(in millions, except ratio and headcount data)

	QUARTERLY TRENDS							SIX MONTHS ENDED JUNE 30,		
	2Q20	1Q20	4Q19	3Q19	2Q19	2Q20 Change		2020	2019	2020 Change
						1Q20	2Q19			2019
<b>INCOME STATEMENT</b>										
<b>REVENUE</b>										
Asset management, administration and commissions	\$ 2,589	\$ 2,706	\$ 2,654	\$ 2,574	\$ 2,568	(4)%	1 %	\$ 5,295	\$ 4,984	6 %
All other income	131	3	173	139	115	NM	14	134	292	(54)
Noninterest revenue	2,720	2,709	2,827	2,713	2,683	—	1	5,429	5,276	3
Net interest income	890	897	873	855	876	(1)	2	1,787	1,772	1
TOTAL NET REVENUE	3,610	3,606	3,700	3,568	3,559	—	1	7,216	7,048	2
Provision for credit losses	223	94	13	44	2	137	NM	317	4	NM
<b>NONINTEREST EXPENSE</b>										
Compensation expense	1,315	1,411	1,446	1,391	1,406	(7)	(6)	2,726	2,868	(5)
Noncompensation expense	1,191	1,248	1,204	1,231	1,190	(5)	—	2,439	2,375	3
TOTAL NONINTEREST EXPENSE	2,506	2,659	2,650	2,622	2,596	(6)	(3)	5,165	5,243	(1)
Income before income tax expense	881	853	1,037	902	961	3	(8)	1,734	1,801	(4)
Income tax expense	223	189	252	234	242	18	(8)	412	421	(2)
NET INCOME	\$ 658	\$ 664	\$ 785	\$ 668	\$ 719	(1)	(8)	\$ 1,322	\$ 1,380	(4)
<b>REVENUE BY LINE OF BUSINESS</b>										
Asset Management	\$ 1,780	\$ 1,740	\$ 1,892	\$ 1,816	\$ 1,785	2	—	\$ 3,520	\$ 3,546	(1)
Wealth Management	1,830	1,866	1,808	1,752	1,774	(2)	3	3,696	3,502	6
TOTAL NET REVENUE	\$ 3,610	\$ 3,606	\$ 3,700	\$ 3,568	\$ 3,559	—	1	\$ 7,216	\$ 7,048	2
<b>FINANCIAL RATIOS</b>										
ROE	24 %	25 %	29 %	24 %	27 %			24 %	26 %	
Overhead ratio	69	74	72	73	73			72	74	
Pretax margin ratio:										
Asset Management	30	24	30	25	25			26	24	
Wealth Management	19	24	26	25	29			22	27	
Asset & Wealth Management	24	24	28	25	27			24	26	
Headcount (a)	22,949	23,830	24,191	24,228	23,683	(4)	(3)	22,949	23,683	(3)
Number of Wealth Management client advisors	2,869	2,878	2,890	2,872	2,735	—	5	2,869	2,735	5

(a) During the second quarter of 2020, certain technology and support functions, comprising approximately 850 staff, were transferred from AWM to CCB as part of the ongoing reorganization of the U.S. Wealth Management business.



	QUARTERLY TRENDS							SIX MONTHS ENDED JUNE 30,		
	2Q20	1Q20	4Q19	3Q19	2Q19	2Q20 Change		2020	2019	2020 Change
						1Q20	2Q19			2019
<b>SELECTED BALANCE SHEET DATA (period-end)</b>										
Total assets	\$ 183,189	\$ 186,102	\$ 182,004	\$ 174,226	\$ 172,149	(2)%	6%	\$ 183,189	\$ 172,149	6%
Loans	165,299	166,058	160,535	153,245	149,877	—	10	165,299	149,877	10
Deposits	169,537	168,561	147,804	138,439	136,225	1	24	169,537	136,225	24
Equity	10,500	10,500	10,500	10,500	10,500	—	—	10,500	10,500	—
<b>SELECTED BALANCE SHEET DATA (average)</b>										
Total assets	\$ 182,318	\$ 183,316	\$ 176,925	\$ 171,121	\$ 167,544	(1)	9	\$ 182,817	\$ 167,452	9
Loans	163,440	161,823	156,106	150,486	146,494	1	12	162,631	145,953	11
Deposits	168,573	150,631	143,059	138,822	140,317	12	20	159,602	139,282	15
Equity	10,500	10,500	10,500	10,500	10,500	—	—	10,500	10,500	—
<b>CREDIT DATA AND QUALITY STATISTICS</b>										
Net charge-offs	(2)	\$ 2	\$ 4	\$ 26	\$ (3)	NM	33	\$ —	\$ 1	NM
Nonaccrual loans	775	304	116	176	127	155	NM	775	127	NM
Allowance for credit losses:										
Allowance for loan losses	648	438	354	350	331	48	96	648	331	96
Allowance for lending-related commitments	28	14	19	16	17	100	65	28	17	65
Total allowance for credit losses	676	452	373	366	348	50	94	676	348	94
Net charge-off/(recovery) rate	— %	— %	0.01 %	0.07 %	(0.01) %			— %	— %	
Allowance for loan losses to period-end loans	0.39	0.26	0.22	0.23	0.22			0.39	0.22	
Allowance for loan losses to nonaccrual loans	84	144	305	199	261			84	261	
Nonaccrual loans to period-end loans	0.47	0.18	0.07	0.11	0.08			0.47	0.08	

## ASSET &amp; WEALTH MANAGEMENT

## FINANCIAL HIGHLIGHTS, CONTINUED

(in billions)

	Jun 30, 2020									
						Change		SIX MONTHS ENDED JUNE 30,		
	Jun 30,	Mar 31,	Dec 31,	Sep 30,	Jun 30,	Mar 31,	Jun 30,	2020 Change		
	2020	2020	2019	2019	2019	2020	2019	2020	2019	2019
<b>CLIENT ASSETS</b>										
<b>Assets by asset class</b>										
Liquidity	\$ 707	\$ 618	\$ 542	\$ 505	\$ 481	14%	47%	\$ 707	\$ 481	47%
Fixed income	629	586	602	590	543	7	16	629	543	16
Equity	457	369	474	437	441	24	4	457	441	4
Multi-asset and alternatives	718	666	746	714	713	8	1	718	713	1
<b>TOTAL ASSETS UNDER MANAGEMENT</b>	<b>2,511</b>	<b>2,239</b>	<b>2,364</b>	<b>2,246</b>	<b>2,178</b>	12	15	<b>2,511</b>	<b>2,178</b>	15
Custody/brokerage/administration/deposits	859	763	862	815	820	13	5	859	820	5
<b>TOTAL CLIENT ASSETS</b>	<b>\$ 3,370</b>	<b>\$ 3,002</b>	<b>\$ 3,226</b>	<b>\$ 3,061</b>	<b>\$ 2,998</b>	12	12	<b>\$ 3,370</b>	<b>\$ 2,998</b>	12
<b>Memo:</b>										
Alternatives client assets (a)	\$ 188	\$ 188	\$ 185	\$ 183	\$ 177	—	6	\$ 188	\$ 177	6
<b>Assets by client segment</b>										
Private Banking	\$ 677	\$ 617	\$ 672	\$ 636	\$ 617	10	10	\$ 677	\$ 617	10
Institutional	1,218	1,097	1,074	1,029	991	11	23	1,218	991	23
Retail	616	525	618	581	570	17	8	616	570	8
<b>TOTAL ASSETS UNDER MANAGEMENT</b>	<b>\$ 2,511</b>	<b>\$ 2,239</b>	<b>\$ 2,364</b>	<b>\$ 2,246</b>	<b>\$ 2,178</b>	12	15	<b>\$ 2,511</b>	<b>\$ 2,178</b>	15
Private Banking	\$ 1,500	\$ 1,355	\$ 1,504	\$ 1,424	\$ 1,410	11	6	\$ 1,500	\$ 1,410	6
Institutional	1,249	1,118	1,099	1,051	1,013	12	23	1,249	1,013	23
Retail	621	529	623	586	575	17	8	621	575	8
<b>TOTAL CLIENT ASSETS</b>	<b>\$ 3,370</b>	<b>\$ 3,002</b>	<b>\$ 3,226</b>	<b>\$ 3,061</b>	<b>\$ 2,998</b>	12	12	<b>\$ 3,370</b>	<b>\$ 2,998</b>	12
<b>Assets under management rollforward</b>										
Beginning balance	\$ 2,239	\$ 2,364	\$ 2,246	\$ 2,178	\$ 2,096			\$ 2,364	\$ 1,987	
Net asset flows:										
Liquidity	95	75	37	24	4			170	(1)	
Fixed income	17	1	9	41	37			18	56	
Equity	11	(1)	(1)	(2)	(1)			10	(7)	
Multi-asset and alternatives	1	(2)	6	1	—			(1)	(3)	
Market/performance/other impacts	148	(198)	67	4	42			(50)	146	
<b>Ending balance</b>	<b>\$ 2,511</b>	<b>\$ 2,239</b>	<b>\$ 2,364</b>	<b>\$ 2,246</b>	<b>\$ 2,178</b>			<b>\$ 2,511</b>	<b>\$ 2,178</b>	
<b>Client assets rollforward</b>										
Beginning balance	\$ 3,002	\$ 3,226	\$ 3,061	\$ 2,998	\$ 2,897			\$ 3,226	\$ 2,733	
Net asset flows	138	85	58	59	52			223	61	
Market/performance/other impacts	230	(309)	107	4	49			(79)	204	
<b>Ending balance</b>	<b>\$ 3,370</b>	<b>\$ 3,002</b>	<b>\$ 3,226</b>	<b>\$ 3,061</b>	<b>\$ 2,998</b>			<b>\$ 3,370</b>	<b>\$ 2,998</b>	

(a) Represents assets under management, as well as client balances in brokerage accounts.

## CORPORATE

## FINANCIAL HIGHLIGHTS

(in millions, except headcount data)

	QUARTERLY TRENDS							SIX MONTHS ENDED JUNE 30,		
						2Q20 Change				2020 Change
	2Q20	1Q20	4Q19	3Q19	2Q19	1Q20	2Q19	2020	2019	2019
<u>INCOME STATEMENT</u>										
REVENUE										
Principal transactions	\$ (2)	\$ (113)	\$ (234)	\$ 10	\$ (175)	98 %	99 %	\$ (115)	\$ (237)	51 %
Investment securities gains	26	233	123	78	44	(89)	(41)	259	57	354
All other income	(91)	211	(6)	32	6	NM	NM	120	63	90
Noninterest revenue	(67)	331	(117)	120	(125)	NM	46	264	(117)	NM
Net interest income (a)	(687)	(165)	(111)	572	447	(316)	NM	(852)	864	NM
TOTAL NET REVENUE (b)	(754)	166	(228)	692	322	NM	NM	(588)	747	NM
Provision for credit losses	4	8	(1)	—	(2)	(50)	NM	12	—	NM
NONINTEREST EXPENSE (c)	147	146	343	281	232	1	(37)	293	443	(34)
Income(loss) before income tax expense(benefit)	(905)	12	(570)	411	92	NM	NM	(893)	304	NM
Income tax expense/(benefit)	(337)	137	(209)	18	(736) (f)	NM	54	(200)	(775) (f)	74
NET INCOME/(LOSS)	\$ (568)	\$ (125)	\$ (361)	\$ 393	\$ 828	(354)	NM	\$ (693)	\$ 1,079	NM
MEMO:										
TOTAL NET REVENUE										
Treasury and CIO (a)	(671)	169	102	801	618	NM	NM	(502)	1,129	NM
Other Corporate	(83)	(3)	(330)	(109)	(296)	NM	72	(86)	(382)	77
TOTAL NET REVENUE	\$ (754)	\$ 166	\$ (228)	\$ 692	\$ 322	NM	NM	\$ (588)	\$ 747	NM
NET INCOME/(LOSS)										
Treasury and CIO	(550)	83	22	576	462	NM	NM	(467)	796	NM
Other Corporate	(18)	(208)	(383)	(183)	366	91	NM	(226)	283	NM
TOTAL NET INCOME/(LOSS)	\$ (568)	\$ (125)	\$ (361)	\$ 393	\$ 828	(354)	NM	\$ (693)	\$ 1,079	NM
<u>SELECTED BALANCE SHEET DATA (period-end)</u>										
Total assets	\$ 1,221,980	\$ 981,937	\$ 837,618	\$ 812,333	\$ 821,330	24	49	\$ 1,221,980	\$ 821,330	49
Loans	1,670	1,650	1,649	1,705	1,695	1	(1)	1,670	1,695	(1)
Headcount	38,920	38,785	38,033	38,155	37,361	—	4	38,920	37,361	4
<u>SUPPLEMENTAL INFORMATION</u>										
TREASURY and CIO										
Investment securities gains	\$ 26	\$ 233	\$ 123	\$ 78	\$ 44	(89)	(41)%	\$ 259	\$ 57	354 %
Available-for-sale securities (average)	426,470	372,954	350,100	305,894	248,612	14	72	399,712	237,669	68
Held-to-maturity securities (average)	71,713	46,673	42,125	35,494	30,929	54	132	59,193	31,005	91
Investment securities portfolio (average)	\$ 498,183	\$ 419,627	\$ 392,225	\$ 341,388	\$ 279,541	19	78	\$ 458,905	\$ 268,674	71
Available-for-sale securities (period-end)	483,752	397,891	348,876	351,599	274,533	22	76	483,752	274,533	76
Held-to-maturity securities, net of allowance for credit losses (period-end) (d)(e)	72,908	71,200	47,540	40,830	30,907	2	136	72,908	30,907	136
Investment securities portfolio, net of allowance for credit losses (period-end) (d)	\$ 556,660	\$ 469,091	\$ 396,416	\$ 392,429	\$ 305,440	19	82	\$ 556,660	\$ 305,440	82

(a) Net interest income in the third quarter of 2019 included income related to the unwind of the internal funding provided by Treasury and CIO to CCB upon the sale of certain mortgage loans. Refer to footnote (b) in CCB on page 11 for further information.

(b) Included tax-equivalent adjustments, driven by tax-exempt income from municipal bonds, of \$63 million, \$61 million, \$73 million, \$74 million and \$81 million for the three months ended June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019 and June 30, 2019, respectively, and \$124 million and \$167 million for the six months ended June 30, 2020 and 2019, respectively.

(c) Included legal expense(benefit) of \$(12) million, \$(20) million, \$(25) million, \$(32) million and \$(67) million for the three months ended June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019, and June 30, 2019, respectively, and \$(32) million and \$(157) million for the six months ended June 30, 2020 and 2019, respectively.

(d) Upon adoption of the CECL accounting guidance, HTM securities are presented net of an allowance for credit losses. At June 30, 2020 and March 31, 2020, the allowance for credit losses on HTM securities was \$23 million and \$19 million, respectively.

(e) During the first quarter of 2020, the Firm transferred \$26.1 billion of U.S. government-sponsored enterprise and government agency mortgage-backed securities from AFS to HTM for capital management purposes.

(f) The three and six months ended June 30, 2019 included income tax benefits of \$742 million and \$825 million, respectively, due to the resolution of certain tax audits.

## CREDIT-RELATED INFORMATION

(in millions)

## JPMORGAN CHASE &amp; CO.

Jun 30, 2020

	Jun 30,	Mar 31,	Dec 31,	Sep 30,	Jun 30,	Change	
	2020	2020	2019	2019	2019	Mar 31,	Jun 30,
						2020	2019
<b>CREDIT EXPOSURE</b>							
<b>Consumer, excluding credit card loans (a)</b>							
Loans retained	\$ 307,005	\$ 293,779	\$ 294,999	\$ 295,586	\$ 314,675	5	(2)
Loans held-for-sale	1,912	1,848	3,002	4,821	1,030	3	86
<b>Total consumer, excluding credit card loans</b>	<b>308,917</b>	<b>295,627</b>	<b>298,001</b>	<b>300,407</b>	<b>315,705</b>	<b>4</b>	<b>(2)</b>
<b>Credit card loans</b>							
Loans retained	141,656	154,021	168,924	159,571	157,568	(8)	(10)
Loans held-for-sale	—	—	—	—	8	—	NM
<b>Total credit card loans</b>	<b>141,656</b>	<b>154,021</b>	<b>168,924</b>	<b>159,571</b>	<b>157,576</b>	<b>(8)</b>	<b>(10)</b>
<b>Total consumer loans</b>	<b>450,573</b>	<b>449,648</b>	<b>466,925</b>	<b>459,978</b>	<b>473,281</b>	<b>—</b>	<b>(5)</b>
<b>Wholesale loans (b)</b>							
Loans retained	516,787	555,289	481,678	473,730	475,485	(7)	9
Loans held-for-sale and loans at fair value	11,158	10,438	11,166	11,510	8,123	7	37
<b>Total wholesale loans</b>	<b>527,945</b>	<b>565,727</b>	<b>492,844</b>	<b>485,240</b>	<b>483,608</b>	<b>(7)</b>	<b>9</b>
<b>Total loans</b>	<b>978,518</b>	<b>1,015,375</b>	<b>959,769</b>	<b>945,218</b>	<b>956,889</b>	<b>(4)</b>	<b>2</b>
Derivative receivables	74,846	81,648	49,766	55,577	52,878	(8)	42
Receivables from customers and other (c)	22,403	33,376	33,706	32,236	27,414	(33)	(18)
<b>Total credit-related assets</b>	<b>1,075,767</b>	<b>1,130,399</b>	<b>1,043,241</b>	<b>1,033,031</b>	<b>1,037,181</b>	<b>(5)</b>	<b>4</b>
<b>Lending-related commitments</b>							
Consumer, excluding credit card	45,348	41,535	40,169	41,697	40,132	9	13
Credit card (d)	673,836	681,442	650,720	645,880	633,970	(1)	6
Wholesale	405,946	358,485	413,310	405,470	403,767	13	1
<b>Total lending-related commitments</b>	<b>1,125,130</b>	<b>1,081,462</b>	<b>1,104,199</b>	<b>1,093,047</b>	<b>1,077,869</b>	<b>4</b>	<b>4</b>
<b>Total credit exposure</b>	<b>\$ 2,200,897</b>	<b>\$ 2,211,861</b>	<b>\$ 2,147,440</b>	<b>\$ 2,126,078</b>	<b>\$ 2,115,050</b>	<b>—</b>	<b>4</b>
<b>Memo: Total by category</b>							
Consumer exposure (e)	\$ 1,169,757	\$ 1,172,625	\$ 1,157,814	\$ 1,147,573	\$ 1,147,404	—	2
Wholesale exposures (f)	1,031,140	1,039,236	989,626	978,505	967,646	(1)	7
<b>Total credit exposure</b>	<b>\$ 2,200,897</b>	<b>\$ 2,211,861</b>	<b>\$ 2,147,440</b>	<b>\$ 2,126,078</b>	<b>\$ 2,115,050</b>	<b>—</b>	<b>4</b>

Effective January 1, 2020, the Firm adopted the CECL accounting guidance. In conjunction with the adoption of CECL, the Firm reclassified risk-rated business banking and auto dealer loans and commitments held in CCB from the consumer, excluding credit card portfolio segment to the wholesale portfolio segment. Prior periods have been revised to conform with the current presentation.

(a) Includes scored loans held in CCB, scored mortgage and home equity loans held in AWM, and scored mortgage loans held in Corporate.

(b) Includes loans held in CIB, CB, AWM, Corporate as well as risk-rated business banking and auto dealer loans held in CCB for which the wholesale methodology is applied for determining the allowance for loan losses.

(c) Primarily represents brokerage-related held-for-investment customer receivables, which are classified in accrued interest and accounts receivable on the Consolidated balance sheets.

(d) Also includes commercial card lending-related commitments primarily in CB and CIB.

(e) Represents total consumer loans, lending-related commitments, and receivables from customers and other.

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

## CREDIT-RELATED INFORMATION, CONTINUED

(in millions, except ratio data)

## JPMORGAN CHASE &amp; CO.

						Jun 30, 2020	
						Change	
	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2020	Jun 30, 2019
<b>NONPERFORMING ASSETS (a)</b>							
Consumer nonaccrual loans (b)(c)	\$ 4,246	\$ 3,877	\$ 2,928	\$ 2,986	\$ 3,077	10 %	38 %
<b>Wholesale nonaccrual loans</b>							
Loans retained	3,423	1,957	1,057	1,703	1,423	75	141
Loans held-for-sale and loans at fair value	375	138	95	262	370	172	1
<b>Total wholesale nonaccrual loans</b>	<b>3,798</b>	<b>2,095</b>	<b>1,152</b>	<b>1,965</b>	<b>1,793</b>	81	112
<b>Total nonaccrual loans</b>	<b>8,044</b> (e)	<b>5,972</b>	<b>4,080</b>	<b>4,951</b>	<b>4,870</b>	35	65
Derivative receivables	108	85	30	26	39	27	177
Assets acquired in loan satisfactions	288	364	387	366	351	(21)	(18)
<b>Total nonperforming assets</b>	<b>8,440</b>	<b>6,421</b>	<b>4,497</b>	<b>5,343</b>	<b>5,260</b>	31	60
Wholesale lending-related commitments (d)	762	619	474 (f)	446	465	23	64
<b>Total nonperforming exposure</b>	<b>\$ 9,202</b>	<b>\$ 7,040</b>	<b>\$ 4,971</b>	<b>\$ 5,789</b>	<b>\$ 5,725</b>	31	61
<b>NONACCRUAL LOAN-RELATED RATIOS (e)</b>							
Total nonaccrual loans to total loans (c)	0.82%	0.59%	0.43%	0.52%	0.51%		
Total consumer, excluding credit card nonaccrual loans to							
total consumer, excluding credit card loans (c)	1.37	1.31	0.98	0.99	0.97		
Total wholesale nonaccrual loans to total							
wholesale loans	0.72	0.37	0.23	0.40	0.37		

(a) At June 30, 2020, March 31, 2020, December 31, 2019, September 30, 2019, and June 30, 2019, nonperforming assets excluded: (1) mortgage loans insured by U.S. government agencies of \$561 million, \$616 million, \$961 million, \$1.6 billion and \$1.8 billion, respectively, that are 90 or more days past due; and (2) real estate owned ("REO") insured by U.S. government agencies of \$13 million, \$29 million, \$41 million, \$50 million and \$56 million, respectively. These amounts have been excluded based upon the government guarantee. In addition, the Firm's policy is generally to exempt credit card loans from being placed on nonaccrual status as permitted by regulatory guidance issued by the Federal Financial Institutions Examination Council ("FFIEC"). Refer to Note 12 of the Firm's 2019 Form 10-K for additional information on the Firm's credit card nonaccrual and charge-off policies.

(b) Included nonaccrual loans held-for-sale of \$2 million, \$2 million, and \$31 million at December 31, 2019, September 30, 2019, and June 30, 2019, respectively. There were no nonaccrual loans held-for-sale in all other periods presented.

(c) At June 30, 2020 and March 31, 2020, nonaccrual loans included \$1.3 billion and \$970 million of PCD loans, respectively. Prior to the adoption of CECL, nonaccrual loans excluded PCI loans as the Firm recognized interest income on each pool of PCI loans as each of the pools was performing.

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

(e) Generally excludes loans that were under payment deferral or granted other assistance, including amendments or waivers of financial covenants in response to the COVID-19 pandemic.

(f) The prior period amount has been revised to conform with the current period presentation.

## CREDIT-RELATED INFORMATION, CONTINUED

(in millions, except ratio data)

JPMORGAN CHASE &amp; CO.

	QUARTERLY TRENDS								SIX MONTHS ENDED JUNE 30,		
	2Q20	1Q20	4Q19	3Q19	2Q19	2Q20 Change		2020	2019	2020 Change	
						1Q20	2Q19			2019	
<u>SUMMARY OF CHANGES IN THE ALLOWANCES</u>											
<b>ALLOWANCE FOR LOAN LOSSES</b>											
Beginning balance	\$ 23,244	\$ 17,295	(a) \$ 13,235	\$ 13,166	\$ 13,533	34 %	72 %	\$ 17,295	\$ 13,445	29 %	
Net charge-offs:											
Gross charge-offs	1,877	1,902	1,788	1,676	1,704	(1)	10	3,779	3,346	13	
Gross recoveries collected	(317)	(433)	(294)	(305)	(301)	27	(5)	(750)	(582)	(29)	
Net charge-offs	1,560	1,469	1,494	1,371	1,403	6	11	3,029	2,764	10	
Write-offs of PCI loans	NA	NA	19	(b) 43	(b) 39	NM	NM	NA	89	(b) NM	
Provision for loan losses	10,407	7,418	1,401	1,479	1,077	40	NM	17,825	2,569	NM	
Other	1	—	—	4	(2)	NM	NM	1	5	(80)	
Ending balance	\$ 32,092	\$ 23,244	\$ 13,123	\$ 13,235	\$ 13,166	38	144	\$ 32,092	\$ 13,166	144	
<b>ALLOWANCE FOR LENDING-RELATED COMMITMENTS</b>											
Beginning balance	\$ 2,147	\$ 1,289	(a) \$ 1,165	\$ 1,129	\$ 1,058	67	103	\$ 1,289	\$ 1,055	22	
Provision for lending-related commitments	62	858	26	35	72	(93)	(14)	920	75	NM	
Other	—	—	—	1	(1)	—	NM	—	(1)	NM	
Ending balance	\$ 2,209	\$ 2,147	\$ 1,191	\$ 1,165	\$ 1,129	3	96	\$ 2,209	\$ 1,129	96	
Total allowance for credit losses	\$ 34,301	\$ 25,391	\$ 14,314	\$ 14,400	\$ 14,295	35	140	\$ 34,301	\$ 14,295	140	
<u>NET CHARGE-OFF/(RECOVERY) RATES</u>											
Consumer retained, excluding credit card loans	0.11%	(0.01)%	0.15%	0.11%	0.09%			0.05%	0.11%		
Credit card retained loans	3.33	3.25	3.01	2.95	3.24			3.28	3.23		
Total consumer retained loans	1.14	1.15	1.16	1.08	1.11			1.14	1.10		
Wholesale retained loans	0.22	0.13	0.13	0.10	0.08			0.18	0.06		
Total retained loans	0.64	0.62	0.63	0.58	0.60			0.63	0.59		
<u>Memo: Average retained loans</u>											
Consumer retained, excluding credit card loans	\$ 304,179	\$ 294,156	\$ 295,258	\$ 304,385	\$ 319,424	3	(5)	\$ 299,169	\$ 326,418	(8)	
Credit card retained loans	142,377	162,660	162,112	158,166	153,736	(12)	(7)	152,518	152,435	—	
Total average retained consumer loans	446,556	456,816	457,370	462,551	473,160	(2)	(6)	451,687	478,853	(6)	
Wholesale retained loans	540,248	491,819	476,402	469,942	472,049	10	14	516,032	471,999	9	
Total average retained loans	\$ 986,804	\$ 948,635	\$ 933,772	\$ 932,493	\$ 945,209	4	4	\$ 967,719	\$ 950,852	2	

(a) Upon the adoption of the CECL accounting guidance on January 1, 2020, the Firm recognized a net increase of \$4.3 billion ("day 1 impact") to the allowance for credit losses, of which \$4.2 billion relates to the allowance for loan losses and \$98 million relates to the allowance for lending-related commitments.

(b) Prior to the adoption of CECL, write-offs of PCI loans were recorded against the allowance for loan losses when actual losses for a pool exceeded estimated losses that were recorded as purchase accounting adjustments at the time of acquisition. A write-off of a PCI loan was recognized when the underlying loan was removed from a pool.

## CREDIT-RELATED INFORMATION, CONTINUED

(in millions, except ratio data)

## JPMORGAN CHASE &amp; CO.

	Jun 30, 2020					
	Change					
	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2020 Jun 30, 2019
<b>ALLOWANCE COMPONENTS AND RATIOS</b>						
<b>ALLOWANCE FOR LOAN LOSSES</b>						
<b>Consumer, excluding credit card</b>						
Asset-specific (a)	\$ 263	\$ 223	\$ 75	\$ 88	\$ 87	18%
Portfolio-based	4,609	3,231	1,476	1,475	1,538	43
PCI	NA	NA	987	1,256	1,299	NM
<b>Total consumer, excluding credit card</b>	<b>4,872</b>	<b>3,454</b>	<b>2,538</b>	<b>2,819</b>	<b>2,924</b>	41
<b>Credit card</b>						
Asset-specific (b)	642	530	477	488	472	21
Portfolio-based	17,158	14,420	5,206	5,095	4,911	19
<b>Total credit card</b>	<b>17,800</b>	<b>14,950</b>	<b>5,683</b>	<b>5,583</b>	<b>5,383</b>	19
<b>Total consumer</b>	<b>22,672</b>	<b>18,404</b>	<b>8,221</b>	<b>8,402</b>	<b>8,307</b>	23
<b>Wholesale</b>						
Asset-specific (c)	757	556	295	399	346	36
Portfolio-based	8,663	4,284	4,607	4,434	4,513	102
<b>Total wholesale</b>	<b>9,420</b>	<b>4,840</b>	<b>4,902</b>	<b>4,833</b>	<b>4,859</b>	95
<b>Total allowance for loan losses</b>	<b>32,092</b>	<b>23,244</b>	<b>13,123</b>	<b>13,235</b>	<b>13,166</b>	38
Allowance for lending-related commitments	2,209	2,147	1,191	1,165	1,129	3
<b>Total allowance for credit losses</b>	<b>\$ 34,301</b>	<b>\$ 25,391</b>	<b>\$ 14,314</b>	<b>\$ 14,400</b>	<b>\$ 14,295</b>	35

**CREDIT RATIOS**

Consumer, excluding credit card allowance, to total					
consumer, excluding credit card retained loans	1.59%	1.18%	0.86%	0.95%	0.93%
Credit card allowance to total credit card retained loans	12.57	9.71	3.36	3.50	3.42
Wholesale allowance to total wholesale retained loans	1.82	0.87	1.02	1.02	1.02
Wholesale allowance to total wholesale retained loans,					
excluding trade finance and conduits (d)	1.95	0.93	1.08	1.08	1.10
<b>Total allowance to total retained loans</b>	<b>3.32</b>	<b>2.32</b>	<b>1.39</b>	<b>1.42</b>	<b>1.39</b>
Consumer, excluding credit card allowance, to consumer,					
excluding credit card retained nonaccrual loans (e)	115	89	87	94	96
Total allowance, excluding credit card allowance, to retained					
nonaccrual loans, excluding credit card nonaccrual loans (e)	186	142	187	163	174
Wholesale allowance to wholesale retained nonaccrual loans	275	247	464	284	341
<b>Total allowance to total retained nonaccrual loans</b>	<b>418</b>	<b>398</b>	<b>329</b>	<b>282</b>	<b>295</b>

(a) Includes modified PCD loans and loans that have been modified or are reasonably expected to be modified in a troubled debt restructuring ("TDR").

(b) The asset-specific credit card allowance for loan losses relates to loans that have been modified or are reasonably expected to be modified in a TDR; the Firm calculates this allowance based on the loans' original contractual interest rates and does not consider any incremental penalty rates.

(c) Includes risk-rated loans that have been placed on nonaccrual status and loans that have been modified or are reasonably expected to be modified in a TDR.

(d) Management uses allowance for loan losses to period-end loans retained, excluding CIB's trade finance and conduits, a non-GAAP financial measure, to provide a more meaningful assessment of the wholesale allowance coverage ratio.

(e) Refer to footnote (a) on page 25 for information on the Firm's nonaccrual policy for credit card loans.

**Non-GAAP Financial Measures**

- (a) In addition to analyzing the Firm's results on a reported basis, management reviews Firmwide results, including the overhead ratio, on a **"managed" basis**; these Firmwide managed basis results are non-GAAP financial measures. The Firm also reviews the results of the lines of business on a managed basis. The Firm's definition of managed basis starts, in each case, with the reported U.S. GAAP results and includes certain reclassifications to present total net revenue for the Firm and each of the reportable business segments on a FTE basis. Accordingly, revenue from investments that receive tax credits and tax-exempt securities is presented in the managed results on a basis comparable to taxable investments and securities. These financial measures allow management to assess the comparability of revenue arising from both taxable and tax-exempt sources. The corresponding income tax impact related to tax-exempt items is recorded within income tax expense. These adjustments have no impact on net income as reported by the Firm as a whole or by the lines of business.
- (b) **Pre-provision profit** is a non-GAAP financial measure which represents total net revenue less noninterest expense. The Firm believes that this financial measure is useful in assessing the ability of a lending institution to generate income in excess of its provision for credit losses.
- (c) **TCE, ROTCE, and TBVPS** are each non-GAAP financial measures. TCE represents the Firm's common stockholders' equity (i.e., total stockholders' equity less preferred stock) less goodwill and identifiable intangible assets (other than MSRs), net of related deferred tax liabilities. ROTCE measures the Firm's net income applicable to common equity as a percentage of average TCE. TBVPS represents the Firm's TCE at period-end divided by common shares at period-end. TCE, ROTCE, and TBVPS are utilized by the Firm, as well as investors and analysts, in assessing the Firm's use of equity.
- (d) The ratio of the wholesale and CIB's **allowance for loan losses to period-end loans retained, excluding trade finance and conduits**, is calculated excluding loans accounted for at fair value, loans held-for-sale, CIB's trade finance loans and consolidated Firm-administered multi-seller conduits, as well as their related allowances, to provide a more meaningful assessment of the respective allowance coverage ratio.
- (e) In addition to reviewing net interest income and the net yield on a managed basis, management also reviews these metrics excluding CIB's Markets businesses to assess the performance of the Firm's lending, investing (including asset-liability management) and deposit-raising activities. The resulting metrics are referred to as non-markets related net interest income and net yield. CIB's Markets businesses are Fixed Income Markets and Equity Markets. Management believes that disclosure of non-markets related net interest income and net yield provide investors and analysts with other measures by which to analyze the non-markets-related business trends of the Firm and provides a comparable measure to other financial institutions that are primarily focused on lending, investing and deposit-raising activities.

(in millions, except rates)	QUARTERLY TRENDS					SIX MONTHS ENDED JUNE 30,				
	2Q20	1Q20	4Q19	3Q19	2Q19	2Q20 Change		2020	2019	2020 Change
						1Q20	2Q19			
Net interest income - reported	\$ 13,853	\$ 14,439	\$ 14,166	\$ 14,228	\$ 14,398	(4)%	(4)%	\$ 28,292	\$ 28,851	(2)%
Fully taxable-equivalent adjustments	107	110	123	127	138	(3)	(22)	217	281	(23)
Net interest income - managed basis (a)	\$ 13,960	\$ 14,549	\$ 14,289	\$ 14,355	\$ 14,536	(4)	(4)	\$ 28,509	\$ 29,132	(2)
Less: CIB Markets net interest income	2,536	1,596	1,149	723	624	59	306	4,132	1,248	231
<b>Net interest income excluding CIB Markets (a)</b>	<b>\$ 11,424</b>	<b>\$ 12,953</b>	<b>\$ 13,140</b>	<b>\$ 13,632</b>	<b>\$ 13,912</b>	(12)	(18)	<b>\$ 24,377</b>	<b>\$ 27,884</b>	(13)
Average interest-earning assets	\$ 2,819,855	\$ 2,465,732	\$ 2,377,741	\$ 2,365,154	\$ 2,339,094	14	21	\$ 2,642,794	\$ 2,319,105	14
Less: Average CIB Markets interest-earning assets	795,677	736,035	676,763	690,593	673,480	8	18	765,856	661,397	16
<b>Average interest-earning assets excluding CIB Markets</b>	<b>\$ 2,024,178</b>	<b>\$ 1,729,697</b>	<b>\$ 1,700,978</b>	<b>\$ 1,674,561</b>	<b>\$ 1,665,614</b>	17	22	<b>\$ 1,876,938</b>	<b>\$ 1,657,708</b>	13
Net yield on average interest-earning assets - managed basis	1.99%	2.37%	2.38%	2.41%	2.49%			2.17%	2.53%	
Net yield on average CIB Markets interest-earning assets	1.28	0.87	0.67	0.42	0.37			1.08	0.38	
<b>Net yield on average interest-earning assets excluding CIB Markets</b>	<b>2.27</b>	<b>3.01</b>	<b>3.06</b>	<b>3.23</b>	<b>3.35</b>			<b>2.61</b>	<b>3.39</b>	

(a) Interest includes the effect of related hedges. Taxable-equivalent amounts are used where applicable.