

JPMORGAN CHASE & Co.

NET STABLE FUNDING RATIO DISCLOSURE

Revised as of 12/22/2023

For the quarterly periods ended June 30, 2023 and March 31, 2023

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NET STABLE FUNDING RATIO

Net Stable Funding Ratio

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

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

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

This updated version of the below table (revised December 22, 2023) contains corrected values for the amounts of Total ASF and RSF for June 30, 2023.

Average weighted amount ^(a) (in millions)	Three months ended	
	June 30, 2023	March 31, 2023
JPMorgan Chase & Co.:		
Total ASF	\$ 2,241,938	\$ 2,099,199
Total RSF	\$ 1,868,168	\$ 1,730,097
NSFR	120 %	121 %
Excess	\$ 373,770	369,102

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

The Firm's average NSFR is comprised of:

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

On May 1, 2023, JPMorgan Chase acquired certain assets and assumed certain liabilities of First Republic Bank (the "First Republic acquisition") from the Federal Deposit Insurance Corporation ("FDIC"). The Firm's NSFR for the three months ended June 30, 2023 reflects the average impact as of the date of the acquisition and is recognized in JPMorgan Chase Bank, NA. where any excess surplus that is not transferable is excluded from the Firm result under the NSFR rule. Refer to Note 28 in the JPMorgan Chase's Quarterly Report on Form 10-Q for the quarter end June 30, 2023 ("2Q23 Form 10-Q") for additional information on the First Republic acquisition.

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

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

Three months ended June 30, 2023 (in millions)		Unweighted Amount ^(a)					Weighted Amount ^(b)
		Open	< 6 months	6 months to < 1 year	>= 1 year	Perpetual	Total
		Amount	Amount	Amount	Amount	Amount	Amount
ASF ITEM							
1	Capital and securities:	\$ 3,290	\$ 40,314	\$ 22,243	\$ 305,495	\$ 305,355	\$ 621,972
2	NSFR regulatory capital elements ^(c)	0	0	0	33,403	305,355	338,758
3	Other capital elements and securities ^(d)	3,290	40,314	22,243	272,092	0	283,213
4	Retail funding:	1,116,919	82,801	32,002	18,256	0	1,122,515
5	Stable deposits	679,982	22,380	6,932	1,061	0	674,836
6	Less stable deposits	361,335	47,806	7,916	772	0	376,046
7	Sweep deposits, brokered reciprocal deposits, and brokered deposits	60,107	12,616	17,154	16,423	0	63,885
8	Other retail funding ^(e)	15,495	0	0	0	0	7,748
9	Wholesale funding:	1,268,615	281,738	24,080	17,636	0	557,877
10	Operational deposits	720,061	698	41	10	0	360,405
11	Other wholesale funding ^(f)	548,554	281,039	24,039	17,626	0	197,472
Other liabilities:							
12	NSFR derivatives liability amount ^(g)					67	
13	Total derivatives liability amount					59,977	
14	All other liabilities not included in categories 1 through 13 of this table	170,506	160,911	1,347	12,095	12,794	0
(Less): Non transferrable excess subsidiary stable funding ^{(h) (m)}							60,425
15	TOTAL ASF^(m)						\$ 2,241,938
RSF ITEM							
16	Total high-quality liquid assets (HQLA) ⁽ⁱ⁾	\$ 464,528	\$ 81,299	\$ 50,006	\$ 608,681	\$ 26,497	\$ 46,592
17	Level 1 liquid assets	464,351	79,897	49,456	422,437	0	0
18	Level 2A liquid assets	133	940	300	172,465	0	26,076
19	Level 2B liquid assets	44	462	251	13,779	26,497	20,517
20	Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries ^(j)	17,109	39,992	0	0	0	0
21	Operational deposits placed at financial sector entities or their consolidated subsidiaries	35,118	0	0	0	0	17,559
22	Loans and securities: ^{(i) (m)}	261,261	557,641	150,296	1,160,727	143,763	1,388,787
23	Loans to financial sector entities secured by level 1 liquid assets ^(k)	32,303	228,396	3,519	10,057	0	52,384
24	Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities ^{(l) (m)}	201,717	118,080	38,886	43,460	0	116,484
25	Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties ^{(k) (m)}	24,526	178,354	97,447	594,900	0	659,302
26	Of which: With a risk weight no greater than 20 percent under Regulation Q (12 CFR part 217) ^{(k) (m)}	0	0	0	14,383	0	14,057
27	Retail mortgages ^(m)	0	0	0	298,735	0	222,410
28	Of which: With a risk weight no greater than 50 percent under Regulation Q (12 CFR part 217) ^(m)	0	0	0	275,404	0	202,578
29	Securities that do not qualify as HQLA ⁽ⁱ⁾	2,715	32,812	10,444	213,574	143,763	338,207
Other assets:							
30	Commodities					12,067	10,257
31	Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss-sharing arrangements					69,020	58,667
32	NSFR derivatives asset amount ^(g)					8,776	8,776
33	Total derivatives asset amount					68,687	
34	RSF for potential derivatives portfolio valuation changes					139,073	6,954
35	All other assets not included in categories 16-33 of this table, including nonperforming assets ⁽ⁱ⁾	561	88,658	647	212,344	1,497	302,746
36	Undrawn commitments					556,596	27,830
37	TOTAL RSF prior to application of required stable funding adjustment percentage^(m)						\$ 1,868,168
38	Required stable funding adjustment percentage						N/A
39	TOTAL adjusted RSF^(m)						\$ 1,868,168
40	NET STABLE FUNDING RATIO						120 %

See page 4 for footnotes to the table.

Three months ended March 31, 2023 (in millions)	Unweighted Amount ^(a)					Weighted Amount ^(b)	
	Open	< 6 months	6 months to < 1 year	>= 1 year	Perpetual		Total
	Amount	Amount	Amount	Amount	Amount		Amount
ASF ITEM							
1 Capital and securities:	\$ 3,015	\$ 43,381	\$ 18,248	\$ 276,174	\$ 296,042	\$ 581,340	
2 NSFR regulatory capital elements ^(c)	0	0	0	33,455	296,042	329,498	
3 Other capital elements and securities ^(d)	3,015	43,381	18,248	242,719	0	251,843	
4 Retail funding:	1,127,513	45,038	28,341	15,313	0	1,101,283	
5 Stable deposits	669,189	9,693	6,153	1,180	0	651,904	
6 Less stable deposits	392,406	28,028	7,943	878	0	386,329	
7 Sweep deposits, brokered reciprocal deposits, and brokered deposits	50,264	7,318	14,245	13,256	0	55,224	
8 Other retail funding ^(e)	15,654	0	0	0	0	7,827	
9 Wholesale funding:	1,229,839	263,865	26,431	4,526	0	537,681	
10 Operational deposits	721,658	353	30	4	0	361,023	
11 Other wholesale funding ^(f)	508,182	263,512	26,401	4,522	0	176,658	
Other liabilities:							
12 NSFR derivatives liability amount ^(g)					0		
13 Total derivatives liability amount					63,337		
14 All other liabilities not included in categories 1 through 13 of this table	177,573	160,028	1,706	19,318	11,178	0	
(Less): Non transferrable excess subsidiary stable funding ^(h)						121,105	
15 TOTAL ASF						\$ 2,099,199	
RSF ITEM							
16 Total high-quality liquid assets (HQLA) ⁽ⁱ⁾	\$ 475,535	\$ 61,095	\$ 55,746	\$ 617,874	\$ 18,278	\$ 40,724	
17 Level 1 liquid assets	475,360	59,037	55,085	439,795	0	0	
18 Level 2A liquid assets	134	1,598	423	166,133	0	25,243	
19 Level 2B liquid assets	41	459	238	11,946	18,278	15,481	
20 Zero percent RSF assets that are not level 1 liquid assets or loans to financial sector entities or their consolidated subsidiaries ^(j)	18,343	45,429	0	1	0	0	
21 Operational deposits placed at financial sector entities or their consolidated subsidiaries	31,190	0	0	0	0	15,595	
22 Loans and securities: ^(k)	266,573	536,116	136,220	1,038,761	129,389	1,242,770	
23 Loans to financial sector entities secured by level 1 liquid assets ^(k)	31,974	214,373	2,301	5,755	0	41,389	
24 Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities ^(k)	207,085	114,054	33,574	36,938	0	106,589	
25 Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties ^(k)	24,548	180,985	90,156	568,629	0	631,789	
26 Of which: With a risk weight no greater than 20 percent under Regulation Q (12 CFR part 217) ^(k)	0	0	0	364	0	236	
27 Retail mortgages	0	0	0	229,531	0	154,958	
28 Of which: With a risk weight no greater than 50 percent under Regulation Q (12 CFR part 217)	0	0	0	200,715	0	130,464	
29 Securities that do not qualify as HQLA ^(l)	2,966	26,705	10,189	197,908	129,389	308,046	
Other assets:							
30 Commodities					19,033	16,178	
31 Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss-sharing arrangements					68,755	58,442	
32 NSFR derivatives asset amount ^(m)					22,852	22,852	
33 Total derivatives asset amount					86,189		
34 RSF for potential derivatives portfolio valuation changes					149,305	7,465	
35 All other assets not included in categories 16-33 of this table, including nonperforming assets ⁽ⁿ⁾	1,109	90,961	753	207,742	1,146	300,853	
36 Undrawn commitments					504,341	25,217	
37 TOTAL RSF prior to application of required stable funding adjustment percentage						\$ 1,730,097	
38 Required stable funding adjustment percentage						N/A	
39 TOTAL adjusted RSF						\$ 1,730,097	
40 NET STABLE FUNDING RATIO						121 %	

See page 4 for footnotes to the table.

- (a) Represents the average notional amount of ASF and RSF before applying prescribed standardized weightings to liabilities and assets included in ASF and RSF, respectively.
- (b) Represents the average weighted amount of ASF and RSF after applying prescribed standardized weightings.
- (c) Includes common stockholders' equity, qualifying Tier 2 capital subordinated long-term debt and qualifying loan loss reserves.
- (d) Includes secured and unsecured long-term debt issued by the Firm, commercial paper and beneficial interests issued by consolidated variable interest entities on the Firm's Consolidated balance sheets.
- (e) Predominantly includes: customer brokerage payables and other retail liabilities on the Firm's Consolidated balance sheets.
- (f) Includes non-operational deposits, as well as secured and unsecured wholesale funding which is included in accounts payable and other liabilities, and federal funds purchased and securities loaned or sold under repurchase agreements on the Firm's Consolidated balance sheets.
- (g) Represents the current value of derivative assets net of liabilities, as calculated under the NSFR rule, at a qualifying master netting agreement level, taking into account variation margin provided by and received by the Firm. Under the NSFR rule, a net current liability is to be reported on line 12 and a net current asset is to be reported on line 32.
- (h) Represents the average amount of ASF in excess of RSF held by JPMorgan Chase Bank N.A. excluding the impact of transactions with non-bank affiliates, that is not transferable, must be excluded from the Firm's reported ASF.
- (i) Includes both encumbered and unencumbered assets. Under the NSFR rule, High Quality Liquid Assets ("HQLA") is not subject to the operational considerations defined in the Liquidity Coverage Ratio ("LCR") rule.
- (j) Represents secured lending to central banks, receivables related to unsettled securities transactions, currency and coin balances and cash in process of collection.
- (k) Predominantly includes wholesale and retail loans, as well as securities borrowed or purchased under resale agreements.
- (l) Other Assets primarily consists of: goodwill, accrued interest and account receivables, and premises and equipment reported on the Firm's Consolidated balance sheets.
- (m) Line item reflects a corrected value, revised as of December 22, 2023

Available Stable Funding

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

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

For the three months ended June 30, 2023 and March 31 2023, the Firm had total average unweighted retail deposits of \$1,234.5 billion and \$1,200.6 billion, respectively, and average weighted amounts of \$1,114.8 billion and \$1,093.5 billion, respectively, which resulted in an implied ASF percentage of 90% and 91%, respectively.

For the three months ended June 30, 2023 and March 31 2023, the Firm had total average unweighted wholesale deposits of \$1,120.3 billion and \$1,083.8 billion, respectively, and average weighted amounts of \$499.7 billion and \$493.5 billion, respectively, which resulted in an implied ASF percentage of 45% and 46%, respectively.

Sources of Funds

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

Deposits

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

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

(in millions)	Three months ended June 30, 2023			Three months ended March 31, 2023		
	Unweighted Amount	Weighted Amount	Weighted ASF Percentage	Unweighted Amount	Weighted Amount	Weighted ASF Percentage
Deposits ^(a)						
Retail Deposits:	\$ 1,234,484	\$ 1,114,767	90 %	\$ 1,200,553	\$ 1,093,457	91 %
Stable deposits	710,355	674,836	95 %	686,215	651,904	95 %
Less stable deposits	417,829	376,046	90 %	429,255	386,329	90 %
Sweep deposits, brokered reciprocal deposits, and brokered deposits	106,300	63,885	60 %	85,083	55,224	65 %
Wholesale deposits:	1,120,331	499,739	45 %	1,083,780	493,534	46 %
Operational deposits	720,810	360,405	50 %	722,045	361,023	50 %
Other wholesale deposits ^(b)	399,521	139,334	35 %	361,735	132,511	37 %
Total	\$ 2,354,815	\$ 1,614,506	69 %	\$ 2,284,333	\$ 1,586,991	69 %

(a) Excludes approximately \$32.4 billion and \$36.1 billion of average unweighted deposits recorded on the Firm's Consolidated balance sheets, primarily margin cash, that is included in the calculation of Net Derivative Asset / Liability under the NSFR rule for the three months ended June 30, 2023 and March 31, 2023 respectively.

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

Capital and Securities

Regulatory Capital

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

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

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

Refer to Note 27 of the JPMorgan Chase's Annual Report on Form 10-K for the year ended December 31, 2022 ("2022 Form 10-K") for additional information on regulatory capital.

Long-term Funding

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

The significant majority of the Firm's long-term unsecured funding is issued by the Parent Company to provide flexibility in support of the funding needs of both bank and non-bank subsidiaries. The Parent Company advances substantially all net funding proceeds to its subsidiary, the IHC. The IHC does not issue debt to external counterparties. For additional information on long-term debt, see Note 20 of the 2022 Form 10-K.

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

Short-term Funding

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

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

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

The following table summarizes average short-term and long-term funding, excluding deposits, as reported on the Firm's Consolidated balance sheets, for the three months ended June 30, 2023 and March 31, 2023. For additional information, see the Consolidated Balance Sheets Analysis on pages 13-14 and 16-19, and Liquidity Risk Management on pages 42-47 and 54-61, of JPMorgan Chase's Quarterly Report on Form 10-Q for the quarter end March 31, 2023 ("1Q23 Form 10-Q") and Quarterly Report on Form 10-Q for the quarter end June 30, 2023 ("2Q23 Form 10-Q"), respectively. Standardized weights are applied to the unweighted amount to calculate the average weighted amounts included in the Firm's NSFR.

Sources of funds (excluding deposits) (in millions)	Three months ended	
	June 30, 2023	March 31, 2023
Total short-term unsecured funding	\$ 22,412	\$ 24,782
Total short-term secured funding ^(a)	296,074	283,810
Total long-term unsecured funding	276,330	280,545
Total long-term secured funding	66,831	16,425
Preferred stock ^(b)	27,404	27,404
Common stockholders' equity ^(c)	277,885	271,197

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

(b) For additional information on preferred stock, see Capital Risk Management on pages 36-41 and pages 48-53 and Preferred Stock Note 17 and Note 19 of the 1Q23 Form 10-Q and 2Q23 Form 10-Q, respectively.

(c) For additional information on common stockholders' equity, see Capital Risk Management on pages 86-96 and Common Stock Note 22 of the 2022 Form 10-K.

Required Stable Funding

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

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

Loans

The Firm accounts for loans based on the following categories: originated or purchased loans held-for-investment (i.e., "retained"), loans held-for-sale, and loans held at fair value. Additionally, the Firm's portfolio is divided into three portfolio segments: Consumer, excluding credit card; Credit card; and Wholesale. Refer to Note 11 in the 1Q23 Form 10-Q and Note 12 in 2Q23 Form 10-Q and 2022 Form 10-K for additional information on the Firm's loan portfolio.

Securities Financing

The Firm enters into resale agreements and securities borrowed transactions primarily to acquire securities to cover short sales, accommodate customers' financing needs, settle other securities obligations and to deploy the Firm's excess cash. Refer to Note 10 in the 1Q23 Form 10-Q, Note 11 in 2Q23 Form 10-Q and 2022 Form 10-K for additional information on the Firm's securities financing activities.

Securities

The Firm's securities consist of Trading securities and Investment securities, both Available For Sale ("AFS") and Held To Maturity ("HTM"). Refer to Note 10 in the 2022 Form 10-K for additional information on the Firm's investment securities portfolio and Note 2 for additional information on the Firm's trading securities.

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

Other Assets

Other Assets primarily consist of goodwill, accrued interest

and account receivables and premises and equipment on the Firm's Consolidated balance sheets.

Derivatives

Derivatives enable clients and counterparties to manage risks including credit risk and risks arising from fluctuations in interest rates, foreign exchange, equities, and commodities. The Firm makes markets in derivatives in order to meet these needs and uses derivatives to manage certain risks associated with net open risk positions from its market-making activities, including the counterparty credit risk arising from derivative receivables. The Firm also uses derivative instruments to manage its own credit and other market risk exposure. For additional information on derivative contracts, see pages 61-62 of the 1Q23 Form 10-Q and pages 78-79 of the 2Q23 Form 10-Q.

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

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

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

ASF and RSF Factors

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

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

Liquidity management

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

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

The Firm addresses these objectives through:

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

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

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

Liquidity risk management

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

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

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

Internal stress testing

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

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

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

Governance

Committees responsible for liquidity governance include the Firmwide Asset Liability Committee ("ALCO") as well as line of business and regional ALCOs, the Treasurer Committee, and the CIO, Treasury and Corporate Risk Committee. In addition, the Board Risk Committee reviews and recommends to the Board of Directors, for formal approval, the Firm's liquidity risk tolerances, liquidity strategy, and liquidity policy. Refer to Firmwide Risk Management on pages 81-84 of the 2022 Form 10-K for further discussion of ALCO and other risk-related committees.