

**JPMORGAN CHASE BANK,  
NATIONAL ASSOCIATION**

(a wholly-owned subsidiary of JPMorgan Chase & Co.)

**CONSOLIDATED FINANCIAL STATEMENTS**

For the six months ended June 30, 2024

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For the six months ended June 30, 2024

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**JPMorgan Chase Bank, National Association**  
**(a wholly-owned subsidiary of JPMorgan Chase & Co.)**  
**Consolidated statements of income (unaudited)**

(in millions)	Six months ended June 30,	
	2024	2023
<b>Revenue</b>		
Investment banking fees	\$ 1,771	\$ 1,283
Principal transactions	11,193	12,224
Lending- and deposit-related fees	3,728	3,447
Asset management fees	1,469	1,350
Commissions and other fees	6,852	5,983
Investment securities losses	(913)	(1,768)
Mortgage fees and related income	623	499
Card income	2,550	2,328
Other income	10,028	4,168
<b>Noninterest revenue</b>	<b>37,301</b>	<b>29,514</b>
Interest income	84,021	69,558
Interest expense	37,247	24,845
<b>Net interest income</b>	<b>46,774</b>	<b>44,713</b>
<b>Total net revenue</b>	<b>84,075</b>	<b>74,227</b>
Provision for credit losses	4,837	5,103
<b>Noninterest expense</b>		
Compensation expense	21,250	18,525
Occupancy expense	2,322	2,057
Technology, communications and equipment expense	4,421	4,056
Professional and outside services	3,413	3,320
Marketing	2,374	2,154
Other expense	8,678	6,831
<b>Total noninterest expense</b>	<b>42,458</b>	<b>36,943</b>
<b>Income before income tax expense</b>	<b>36,780</b>	<b>32,181</b>
Income tax expense	8,388	6,468
<b>Net income</b>	<b>\$ 28,392</b>	<b>\$ 25,713</b>

The Notes to Consolidated Financial Statements (unaudited) are an integral part of these statements.

**JPMorgan Chase Bank, National Association**  
**(a wholly-owned subsidiary of JPMorgan Chase & Co.)**  
**Consolidated statements of comprehensive income (unaudited)**

(in millions)	Six months ended June 30,	
	2024	2023
<b>Net income</b>	<b>\$ 28,392</b>	<b>\$ 25,713</b>
<b>Other comprehensive income/(loss), after-tax</b>		
Unrealized gains on investment securities	236	2,967
Translation adjustments, net of hedges	(405)	254
Cash flow hedges	(910)	299
Defined benefit pension and OPEB plans	31	(48)
Debit valuation adjustment (“DVA”) on fair value option elected liabilities	120	101
<b>Total other comprehensive income/(loss), after-tax</b>	<b>(928)</b>	<b>3,573</b>
<b>Comprehensive income</b>	<b>\$ 27,464</b>	<b>\$ 29,286</b>

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**JPMorgan Chase Bank, National Association**  
**(a wholly-owned subsidiary of JPMorgan Chase & Co.)**  
**Consolidated balance sheets (unaudited)**

(in millions, except share data)	June 30, 2024	December 31, 2023
<b>Assets</b>		
Cash and due from banks	\$ 27,046	\$ 28,784
Deposits with banks	502,228	593,706
Federal funds sold and securities purchased under resale agreements (included \$214,466 and \$162,977 at fair value)	276,979	226,683
Securities borrowed (included \$27,336 and \$20,541 at fair value)	53,112	61,199
Trading assets (included assets pledged of \$119,046 and \$75,500)	461,466	329,809
Available-for-sale securities (amortized cost of \$269,865 and \$205,401; included assets pledged of \$11,950 and \$11,880)	266,228	201,676
Held-to-maturity securities	323,746	369,848
<b>Investment securities, net of allowance for credit losses</b>	<b>589,974</b>	<b>571,524</b>
Loans (included \$37,976 and \$38,591 at fair value)	1,318,003	1,320,120
Allowance for loan losses	(22,904)	(22,311)
<b>Loans, net of allowance for loan losses</b>	<b>1,295,099</b>	<b>1,297,809</b>
Accrued interest and accounts receivable	83,486	67,147
Premises and equipment	29,284	28,828
Goodwill, Mortgage servicing rights and other intangible assets	50,493	50,295
Other assets (included \$14,951 and \$11,315 at fair value and assets pledged of \$2,592 and \$3,159)	141,369	139,342
<b>Total assets<sup>(a)</sup></b>	<b>\$ 3,510,536</b>	<b>\$ 3,395,126</b>
<b>Liabilities</b>		
Deposits (included \$69,484 and \$78,524 at fair value)	\$ 2,488,231	\$ 2,498,231
Federal funds purchased and securities loaned or sold under repurchase agreements (included \$134,737 and \$67,067 at fair value)	154,625	74,609
Short-term borrowings (included \$18,612 and \$10,260 at fair value)	20,108	11,919
Trading liabilities	122,871	110,862
Accounts payable and other liabilities (included \$7,407 and \$8,255 at fair value)	177,387	170,119
Beneficial interests issued by consolidated variable interest entities	27,118	23,162
Long-term debt (included \$33,710 and \$28,999 at fair value)	206,010	206,945
<b>Total liabilities<sup>(a)</sup></b>	<b>3,196,350</b>	<b>3,095,847</b>
Commitments and contingencies (refer to Notes 22, 23 and 24)		
<b>Stockholder's equity</b>		
Preferred stock (\$1 par value; authorized 15,000,000 shares; issued 0 shares)	–	–
Common stock (\$12 par value; authorized 200,000,000 shares; issued 168,971,750 shares)	2,028	2,028
Additional paid-in capital	119,359	119,356
Retained earnings	203,921	188,089
Accumulated other comprehensive losses	(11,122)	(10,194)
<b>Total stockholder's equity</b>	<b>314,186</b>	<b>299,279</b>
<b>Total liabilities and stockholder's equity</b>	<b>\$ 3,510,536</b>	<b>\$ 3,395,126</b>

(a) The following table presents information on assets and liabilities related to variable interest entities ("VIEs") that are consolidated by the Bank at June 30, 2024, and December 31, 2023. The assets of the consolidated VIEs are used to settle the liabilities of those entities. The holders of the beneficial interests generally do not have recourse to the general credit of the Bank. The assets and liabilities in the table below include third-party assets and liabilities of consolidated VIEs (including balances with related parties) and exclude intercompany balances that eliminate in consolidation. Refer to Note 14 for a further discussion.

(in millions)	June 30, 2024	December 31, 2023
<b>Assets</b>		
Trading assets	\$ 2,035	\$ 2,057
Loans	37,358	37,602
All other assets	362	340
<b>Total assets</b>	<b>\$ 39,755</b>	<b>\$ 39,999</b>
<b>Liabilities</b>		
Beneficial interests issued by consolidated VIEs	\$ 27,118	\$ 23,162
All other liabilities	113	119
<b>Total liabilities</b>	<b>\$ 27,231</b>	<b>\$ 23,281</b>

The Notes to Consolidated Financial Statements (unaudited) are an integral part of these statements.

**JPMorgan Chase Bank, National Association**  
**(a wholly-owned subsidiary of JPMorgan Chase & Co.)**  
**Consolidated statements of changes in stockholder's equity (unaudited)**

(in millions)	Six months ended June 30,	
	2024	2023
<b>Common stock</b>		
Balance at January 1 and June 30	\$ 2,028	\$ 2,028
<b>Additional paid-in capital</b>		
Balance at the beginning of the period	119,356	118,293
Adjustments to capital due to transactions with JPMorgan Chase & Co.	3	42
<b>Balance at June 30</b>	<b>119,359</b>	<b>118,335</b>
<b>Retained earnings</b>		
Balance at the beginning of the period	188,089	201,263
Cumulative effect of change in accounting principles	(60)	451
Net income	28,392	25,713
Cash dividends paid to JPMorgan Chase & Co.	(12,500)	(18,000)
Other	–	(30)
<b>Balance at June 30</b>	<b>203,921</b>	<b>209,397</b>
<b>Accumulated other comprehensive income/(loss)</b>		
Balance at the beginning of the period	(10,194)	(17,964)
Other comprehensive income/(loss), after-tax	(928)	3,573
<b>Balance at June 30</b>	<b>(11,122)</b>	<b>(14,391)</b>
<b>Total stockholder's equity</b>	<b>\$ 314,186</b>	<b>\$ 315,369</b>

The Notes to Consolidated Financial Statements (unaudited) are an integral part of these statements.

**JPMorgan Chase Bank, National Association**  
**(a wholly-owned subsidiary of JPMorgan Chase & Co.)**  
**Consolidated statements of cash flows (unaudited)**

(in millions)	Six months ended June 30,	
	2024	2023
<b>Operating activities</b>		
Net income	\$ 28,392	\$ 25,713
Adjustments to reconcile net income to net cash used in operating activities:		
Provision for credit losses	4,837	5,103
Depreciation and amortization	3,753	1,907
Deferred tax benefit	(1,389)	(2,025)
Bargain purchase gain associated with the First Republic acquisition	(103)	(2,712)
Initial gain on the Visa share exchange	(7,990)	–
Other	(398)	1,304
Originations and purchases of loans held-for-sale	(100,278)	(47,992)
Proceeds from sales, securitizations and paydowns of loans held-for-sale	94,015	47,465
Net change in:		
Trading assets	(131,590)	(109,145)
Securities borrowed	8,301	(188)
Accrued interest and accounts receivable	(16,493)	13,650
Other assets	11,417	14,924
Trading liabilities	2,962	(274)
Accounts payable and other liabilities	17,123	(10,702)
Other operating adjustments	4,048	1,734
<b>Net cash (used in) operating activities</b>	<b>(83,393)</b>	<b>(61,238)</b>
<b>Investing activities</b>		
Net change in:		
Federal funds sold and securities purchased under resale agreements	(50,304)	(3,186)
Held-to-maturity securities:		
Proceeds from paydowns and maturities	46,800	13,762
Purchases	(1,034)	(4,141)
Available-for-sale securities:		
Proceeds from paydowns and maturities	16,739	23,465
Proceeds from sales	61,212	69,868
Purchases	(146,232)	(52,423)
Proceeds from sales and securitizations of loans held-for-investment	29,074	19,442
Other changes in loans, net	(24,827)	(33,990)
Net cash used in the First Republic acquisition	(2,362)	(9,920)
All other investing activities, net	(241)	(9,528)
<b>Net cash (used in)/provided by investing activities</b>	<b>(71,175)</b>	<b>13,349</b>
<b>Financing activities</b>		
Net change in:		
Deposits	(8,919)	(25,424)
Federal funds purchased and securities loaned or sold under repurchase agreements	80,018	13,992
Short-term borrowings	7,861	976
Beneficial interests issued by consolidated VIEs	1,500	7,265
Proceeds from long-term borrowings	20,039	5,840
Payments of long-term borrowings	(18,650)	(9,376)
Dividends paid to JPMorgan Chase & Co.	(12,500)	(18,000)
All other financing activities, net	419	191
<b>Net cash provided by/(used in) financing activities</b>	<b>69,768</b>	<b>(24,536)</b>
Effect of exchange rate changes on cash and due from banks and deposits with banks	(8,416)	75
Net decrease in cash and due from banks and deposits with banks	(93,216)	(72,350)
Cash and due from banks and deposits with banks at the beginning of the period	622,490	565,973
<b>Cash and due from banks and deposits with banks at the end of the period</b>	<b>\$ 529,274</b>	<b>\$ 493,623</b>
Cash interest paid	\$ 36,370	\$ 23,770
Cash income taxes paid, net <sup>(a)</sup>	5,228	6,741

(a) Includes \$2.8 billion and \$4.8 billion paid to JPMorgan Chase & Co. for the six months ended June 30, 2024 and 2023, respectively. Refer to Note 23 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for discussion of income taxes.

The Notes to Consolidated Financial Statements (unaudited) are an integral part of these statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

### Note 1 – Overview and basis of presentation

JPMorgan Chase Bank, National Association (“JPMorgan Chase Bank, N.A.”) and its subsidiaries, (collectively, the “Bank”), is a wholly-owned bank subsidiary of JPMorgan Chase & Co. (“JPMorgan Chase”), which is a leading financial services firm based in the United States of America (“U.S.”), with operations worldwide. JPMorgan Chase Bank, N.A. is a national banking association that is chartered by the Office of the Comptroller of the Currency (“OCC”), a bureau of the United States Department of the Treasury. JPMorgan Chase Bank, N.A.’s main office is located in Columbus, Ohio, and it has U.S. branches in 48 states and Washington, D.C. as of June 30, 2024. JPMorgan Chase Bank, N.A. operates nationally as well as through non-U.S. bank branches and subsidiaries, and representative offices. The Bank either directly or through such offices, branches and subsidiaries offers a wide range of banking services to its U.S. and non-U.S. customers including investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing and asset management. Under the J.P. Morgan and Chase brands, the Bank serves millions of customers in the U.S. and many of the world’s most prominent corporate, institutional and government clients. JPMorgan Chase Bank, N.A.’s principal operating subsidiaries outside of the U.S. are J.P. Morgan Securities plc and J.P. Morgan SE, which are based in the United Kingdom (“U.K.”) and Germany, respectively.

The JPMorgan Chase Bank, N.A. Board of Directors is responsible for the oversight of management of JPMorgan Chase Bank, N.A. The JPMorgan Chase Bank, N.A. Board of Directors accomplishes this function acting directly and through the principal standing committees of JPMorgan Chase’s Board of Directors. Risk and control oversight is primarily the responsibility of the Risk Committee and the Audit Committee, respectively, and, with respect to compensation and other management-related matters, the Compensation & Management Development Committee. Each committee of JPMorgan Chase’s Board of Directors oversees reputational risks and conduct risks within its scope of responsibility.

The accounting and financial reporting policies of the Bank conform to accounting principles generally accepted in the U.S. (“U.S. GAAP”). Additionally, where applicable, the policies conform to the accounting and reporting guidelines prescribed by regulatory authorities.

The unaudited Consolidated Financial Statements prepared in conformity with U.S. GAAP require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expense, and the disclosures of contingent assets and liabilities. Actual results could be different from these estimates. In the opinion of management, all normal, recurring adjustments

have been included such that this interim financial information is fairly stated.

These unaudited Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements, and related notes thereto, included in JPMorgan Chase Bank, N.A.’s 2023 Annual Financial Statements.

#### First Republic acquisition

On May 1, 2023, JPMorgan Chase Bank, N.A. acquired certain assets and assumed certain liabilities of First Republic Bank (the “First Republic acquisition”) from the Federal Deposit Insurance Corporation (“FDIC”), as receiver. The Bank continues to progress in the conversion of operations, and the integration of clients, products and services, associated with the First Republic acquisition to align with the Bank’s businesses and operations. The Bank expects that these actions will be substantially complete by the end of 2024.

Refer to Note 25 for additional information on the First Republic acquisition.

#### Consolidation

The Consolidated Financial Statements include the accounts of the Bank and other entities in which the Bank has a controlling financial interest. All material intercompany balances and transactions between the consolidated Bank group of entities have been eliminated. The Bank regularly enters into transactions with JPMorgan Chase and its various subsidiaries collectively, JPMorgan Chase affiliates. These transactions are considered to be related party transactions. Refer to Note 18 for further discussion of the Bank’s related party transactions.

Assets held for clients in an agency or fiduciary capacity by the Bank are not assets of the Bank and are not included on the Consolidated balance sheets.

The Bank determines whether it has a controlling financial interest in an entity by first evaluating whether the entity is a voting interest entity or a variable interest entity.

Refer to Notes 1 and 15 of JPMorgan Chase Bank, N.A.’s 2023 Annual Financial Statements for a further description of the Bank’s accounting policies regarding consolidation.



### **Offsetting assets and liabilities**

U.S. GAAP permits entities to present derivative receivables and derivative payables with the same counterparty and the related cash collateral receivables and payables on a net basis on the Consolidated balance sheets when a legally enforceable master netting agreement exists. U.S. GAAP also permits securities financing balances to be presented on a net basis when specified conditions are met, including the existence of a legally enforceable master netting agreement. The Bank has elected to net such balances where it has determined that the specified conditions are met. Refer to Note 1 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for further information on offsetting assets and liabilities.

### **Regulatory developments**

On June 21, 2024, the Federal Reserve and the FDIC announced joint determinations on JPMorgan Chase's 2023 resolution plan, which identified no deficiencies and one shortcoming that must be satisfactorily addressed in JPMorgan Chase's next resolution plan due on July 1, 2025.

### **Accounting standard adopted January 1, 2024**

#### ***Equity Method and Joint Ventures: Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method***

The guidance expanded the types of tax-oriented investments, beyond affordable housing tax credit investments, that the Bank can elect on a program by program basis, to be accounted for using the proportional amortization method. This method requires the cost of eligible investments, within an elected program, to be amortized in proportion to the tax benefits received with the resulting amortization reported directly in income tax expense, which aligns with the associated tax credits and other tax benefits. Eligible investments must meet certain criteria, including that substantially all of the return is from income tax credits and other income tax benefits.

This guidance was adopted on January 1, 2024 under the modified retrospective method. The adoption of this guidance resulted in a change to the classification and timing of the amortization associated with certain of the Bank's alternative energy tax-oriented investments. As a result of the adoption, the amortization of these investments that was previously recognized in other income is now being recognized in income tax expense. The change in accounting resulted in a decrease to retained earnings of \$60 million.

The guidance requires additional disclosure for all investments that generate income tax credits and other income tax benefits from a tax-oriented investment program for which the Bank has elected to apply the proportional amortization method. The guidance also requires a reevaluation of eligible investments when significant modifications or events occur that result in a change in the nature of the investment or a change in the Bank's relationship with the underlying project.

Refer to Notes 6 and 14 for additional information.

#### ***Fair Value Measurement: Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions***

The guidance clarifies that a contractual sale restriction is not considered in measuring fair value. The guidance also requires disclosure for investments in equity securities subject to contractual sale restrictions, including: 1) fair value of these investments, 2) nature and remaining duration of the restriction(s) and 3) circumstances that could cause a lapse in the restriction(s).

The guidance was adopted prospectively on January 1, 2024, with no impact to the Bank's Consolidated Financial Statements.

## Note 2 - Accounting and reporting developments

### FASB Standards Issued but not yet Adopted

Standard	Summary of guidance	Effects on financial statements
Segment Reporting: Improvements to Reportable Segment Disclosures  <i>Issued November 2023</i>	<ul style="list-style-type: none"> <li>Requires disclosure of significant segment expenses that are readily provided to the chief operating decision maker (“CODM”) and included in segment profit or loss.</li> <li>Requires disclosure of the composition and aggregate amount of other segment items, which represent the difference between profit or loss and segment revenues less significant segment expenses.</li> <li>Requires disclosure of the title and position of the CODM and an explanation of how the CODM uses the reported segment measures in assessing segment performance and deciding how to allocate resources.</li> </ul>	<ul style="list-style-type: none"> <li>Required effective date: Annual financial statements for the year ending December 31, 2024 and for interim financial statements thereafter.<sup>(a)</sup></li> <li>The Bank is currently evaluating the potential impact on the Consolidated Financial Statements disclosures.</li> </ul>
Income Taxes: Improvements to Income tax disclosures  <i>Issued December 2023</i>	<ul style="list-style-type: none"> <li>Requires disclosure of income taxes paid disaggregated by 1) federal, state, and foreign taxes and 2) individual jurisdiction on the basis of a quantitative threshold of equal to or greater than 5 percent of total income taxes paid (net of refunds received).</li> <li>Requires disclosure of the effective tax rate reconciliation by specific categories, at a minimum, with accompanying qualitative disclosures, and separate disclosure of reconciling items based on quantitative thresholds.</li> <li>Requires categories within the effective rate reconciliation to be further disaggregated if quantitative thresholds are met.</li> </ul>	<ul style="list-style-type: none"> <li>Required effective date: Annual financial statements for the year ending December 31, 2025.<sup>(a)</sup></li> <li>The guidance can be applied on a prospective basis with the option to apply the standard retrospectively.</li> <li>The Bank is evaluating the potential impact on the Consolidated Financial Statements disclosures, as well as the Bank’s planned date of adoption.</li> </ul>

(a) Early adoption is permitted.

**Note 3 – Fair value measurement**

Refer to Note 3 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for a discussion of the Bank's valuation methodologies for assets, liabilities and lending-related commitments measured at fair value and the fair value hierarchy.

The following table presents the assets and liabilities reported at fair value as of June 30, 2024, and December 31, 2023, by major product category and fair value hierarchy.

### Assets and liabilities measured at fair value on a recurring basis

June 30, 2024 (in millions)	Fair value hierarchy			Derivative netting adjustments <sup>(f)</sup>	Total fair value
	Level 1	Level 2	Level 3		
Federal funds sold and securities purchased under resale agreements	\$ —	\$ 214,466	\$ —	\$ —	\$ 214,466
Securities borrowed	—	27,336	—	—	27,336
Trading assets:					
Debt instruments:					
Mortgage-backed securities ("MBS"):					
U.S. GSEs and government agencies <sup>(a)</sup>	—	47,044	701	—	47,745
Residential - nonagency	—	729	4	—	733
Commercial - nonagency	—	261	5	—	266
<b>Total mortgage-backed securities</b>	—	48,034	710	—	48,744
U.S. Treasury, GSEs and government agencies <sup>(a)</sup>	32,255	831	—	—	33,086
Obligations of U.S. states and municipalities	—	3,636	5	—	3,641
Certificates of deposit, bankers' acceptances and commercial paper	—	1,077	—	—	1,077
Non-U.S. government debt securities	36,575	70,321	191	—	107,087
Corporate debt securities	—	28,061	190	—	28,251
Loans	—	9,207	683	—	9,890
Asset-backed securities	—	530	1	—	531
<b>Total debt instruments</b>	68,830	161,697	1,780	—	232,307
Equity securities	155,081	457	58	—	155,596
Physical commodities <sup>(b)</sup>	1,004	132	—	—	1,136
Other	—	16,259	64	—	16,323
<b>Total debt and equity instruments<sup>(c)</sup></b>	224,915	178,545	1,902	—	405,362
Derivative receivables:					
Interest rate	434	292,361	5,225	(271,620)	26,400
Credit	—	9,198	1,235	(9,717)	716
Foreign exchange	133	195,117	1,257	(178,630)	17,877
Equity	—	69,203	7,234	(70,061)	6,376
Commodity	—	24,335	211	(19,811)	4,735
<b>Total derivative receivables</b>	567	590,214	15,162	(549,839)	56,104
<b>Total trading assets</b>	225,482	768,759	17,064	(549,839)	461,466
Available-for-sale securities:					
Mortgage-backed securities:					
U.S. GSEs and government agencies <sup>(a)</sup>	—	75,053	—	—	75,053
Residential - nonagency	—	3,023	—	—	3,023
Commercial - nonagency	—	2,821	—	—	2,821
<b>Total mortgage-backed securities</b>	—	80,897	—	—	80,897
U.S. Treasury and government agencies	127,229	299	—	—	127,528
Obligations of U.S. states and municipalities	—	17,187	—	—	17,187
Non-U.S. government debt securities	23,702	7,397	—	—	31,099
Corporate debt securities	—	79	—	—	79
Asset-backed securities:					
Collateralized loan obligations	—	6,809	—	—	6,809
Other	—	2,629	—	—	2,629
<b>Total available-for-sale securities</b>	150,931	115,297	—	—	266,228
Loans	—	35,032	2,944	—	37,976
Mortgage servicing rights ("MSRs")	—	—	8,847	—	8,847
Other assets <sup>(d)</sup>	11,555 <sup>(e)</sup>	2,880	465	—	14,900
<b>Total assets measured at fair value on a recurring basis</b>	\$ 387,968	\$ 1,163,770	\$ 29,320	\$ (549,839)	\$ 1,031,219
Deposits	\$ —	\$ 67,558	\$ 1,926	\$ —	\$ 69,484
Federal funds purchased and securities loaned or sold under repurchase agreements	—	134,737	—	—	134,737
Short-term borrowings	—	15,910	2,702	—	18,612
Trading liabilities:					
Debt and equity instruments <sup>(c)</sup>	62,860	26,071	57	—	88,988
Derivative payables:					
Interest rate	716	269,281	6,332	(265,590)	10,739
Credit	—	11,774	1,017	(11,650)	1,141
Foreign exchange	134	195,026	1,222	(185,687)	10,695
Equity	—	70,179	8,124	(71,374)	6,929
Commodity	—	22,883	681	(19,185)	4,379
<b>Total derivative payables</b>	850	569,143	17,376	(553,486)	33,883
<b>Total trading liabilities</b>	63,710	595,214	17,433	(553,486)	122,871
Accounts payable and other liabilities	6,862	508	37	—	7,407
Long-term debt	—	21,607	12,103	—	33,710
<b>Total liabilities measured at fair value on a recurring basis</b>	\$ 70,572	\$ 835,534	\$ 34,201	\$ (553,486)	\$ 386,821

December 31, 2023 (in millions)	Fair value hierarchy			Derivative netting adjustments(f)	Total fair value
	Level 1	Level 2	Level 3		
Federal funds sold and securities purchased under resale agreements	\$ —	\$ 162,977	\$ —	\$ —	\$ 162,977
Securities borrowed	—	20,541	—	—	20,541
Trading assets:					
Debt instruments:					
Mortgage-backed securities:					
U.S. GSEs and government agencies <sup>(a)</sup>	—	9,465	758	—	10,223
Residential - nonagency	—	756	4	—	760
Commercial - nonagency	—	278	5	—	283
<b>Total mortgage-backed securities</b>	—	10,499	767	—	11,266
U.S. Treasury, GSEs and government agencies <sup>(a)</sup>	37,419	769	—	—	38,188
Obligations of U.S. states and municipalities	—	3,565	5	—	3,570
Certificates of deposit, bankers' acceptances and commercial paper	—	278	—	—	278
Non-U.S. government debt securities	24,846	55,178	179	—	80,203
Corporate debt securities	—	24,261	211	—	24,472
Loans	—	7,831	606	—	8,437
Asset-backed securities	—	399	—	—	399
<b>Total debt instruments</b>	62,265	102,780	1,768	—	166,813
Equity securities	84,503	546	41	—	85,090
Physical commodities <sup>(b)</sup>	1,380	2,433	—	—	3,813
Other	—	18,776	142	—	18,918
<b>Total debt and equity instruments<sup>(c)</sup></b>	148,148	124,535	1,951	—	274,634
Derivative receivables:					
Interest rate	817	301,350	4,322	(280,229)	26,260
Credit	—	8,376	1,056	(8,867)	565
Foreign exchange	149	208,604	1,097	(191,832)	18,018
Equity	—	54,205	6,447	(55,278)	5,374
Commodity	—	19,498	189	(14,729)	4,958
<b>Total derivative receivables</b>	966	592,033	13,111	(550,935)	55,175
<b>Total trading assets</b>	149,114	716,568	15,062	(550,935)	329,809
Available-for-sale securities:					
Mortgage-backed securities:					
U.S. GSEs and government agencies <sup>(a)</sup>	—	85,170	—	—	85,170
Residential - nonagency	—	3,639	—	—	3,639
Commercial - nonagency	—	2,803	—	—	2,803
<b>Total mortgage-backed securities</b>	—	91,612	—	—	91,612
U.S. Treasury and government agencies	57,683	122	—	—	57,805
Obligations of U.S. states and municipalities	—	21,367	—	—	21,367
Non-U.S. government debt securities	13,095	8,187	—	—	21,282
Corporate debt securities	—	87	—	—	87
Asset-backed securities:					
Collateralized loan obligations	—	6,752	—	—	6,752
Other	—	2,771	—	—	2,771
<b>Total available-for-sale securities</b>	70,778	130,898	—	—	201,676
Loans	—	35,537	3,054	—	38,591
Mortgage servicing rights	—	—	8,522	—	8,522
Other assets <sup>(d)</sup>	7,957	3,131	179	—	11,267
<b>Total assets measured at fair value on a recurring basis</b>	\$ 227,849	\$ 1,069,652	\$ 26,817	\$ (550,935)	\$ 773,383
Deposits	\$ —	\$ 76,688	\$ 1,836	\$ —	\$ 78,524
Federal funds purchased and securities loaned or sold under repurchase agreements	—	67,067	—	—	67,067
Short-term borrowings	—	8,712	1,548	—	10,260
Trading liabilities:					
Debt and equity instruments <sup>(c)</sup>	51,341	24,127	30	—	75,498
Derivative payables:					
Interest rate	1,087	281,813	6,375	(278,417)	10,858
Credit	—	11,366	776	(11,068)	1,074
Foreign exchange	147	216,916	1,164	(205,622)	12,605
Equity	—	55,392	6,827	(56,669)	5,550
Commodity	—	19,518	481	(14,722)	5,277
<b>Total derivative payables</b>	1,234	585,005	15,623	(566,498)	35,364
<b>Total trading liabilities</b>	52,575	609,132	15,653	(566,498)	110,862
Accounts payable and other liabilities	7,361	845	49	—	8,255
Long-term debt	—	18,209	10,790	—	28,999
<b>Total liabilities measured at fair value on a recurring basis</b>	\$ 59,936	\$ 780,653	\$ 29,876	\$ (566,498)	\$ 303,967

(a) At June 30, 2024, and December 31, 2023, included total U.S. GSE obligations of \$86.4 billion and \$37.3 billion, respectively, which were mortgage-related.

(b) Physical commodities inventories are generally accounted for at the lower of cost or net realizable value. "Net realizable value" is a term defined in U.S. GAAP as not exceeding fair value less costs to sell ("transaction costs"). Transaction costs for the Bank's physical commodities inventories are either not applicable or immaterial to the value of the inventory. Therefore, net realizable value approximates fair value for the Bank's physical commodities inventories. When fair value hedging has been applied (or when net realizable value is below cost), the carrying value of physical commodities approximates fair value, because under fair value hedge accounting, the cost basis is adjusted for changes in fair value. Refer to Note 5 for a further discussion of the Bank's hedge accounting relationships. To provide consistent fair value disclosure information, all physical commodities inventories have been included in each period presented.

(c) Balances reflect the reduction of securities owned (long positions) by the amount of identical securities sold but not yet purchased (short positions).

- (d) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not required to be classified in the fair value hierarchy. At June 30, 2024, and December 31, 2023, the fair values of these investments, which include certain hedge funds, private equity funds, real estate and other funds, were \$51 million and \$48 million, respectively.
- (e) At June 30, 2024, includes the Bank's Visa C shares that are held at fair value. Refer to page 21 for additional information.
- (f) As permitted under U.S. GAAP, the Bank has elected to net derivative receivables and derivative payables and the related cash collateral received and paid when a legally enforceable master netting agreement exists. The level 3 balances would be reduced if netting were applied, including the netting benefit associated with cash collateral. Additionally, includes derivative receivables and payables with affiliates on a net basis. Refer to Note 18 for information regarding our derivative activities with affiliates.

### Level 3 valuations

Refer to Note 3 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for further information on the Bank's valuation process and a detailed discussion of the determination of fair value for individual financial instruments.

The following table presents the Bank's primary level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, the significant unobservable inputs, the range of values for those inputs and the weighted or arithmetic averages of such inputs. While the determination to classify an instrument within level 3 is based on the significance of the unobservable inputs to the overall fair value measurement, level 3 financial instruments typically include observable components (that is, components that are actively quoted and can be validated to external sources) in addition to the unobservable components. The level 1 and/or level 2 inputs are not included in the table. In addition, the Bank manages the risk of the observable components of level 3 financial instruments using securities and derivative positions that are classified within levels 1 or 2 of the fair value hierarchy.

The range of values presented in the table is representative of the highest and lowest level input used to value the significant groups of instruments within a product/instrument classification. Where provided, the weighted averages of the input values presented in the table are calculated based on the fair value of the instruments that the input is being used to value.

In the Bank's view, the input range, weighted and arithmetic average values do not reflect the degree of input uncertainty or an assessment of the reasonableness of the Bank's estimates and assumptions. Rather, they reflect the characteristics of the various instruments held by the Bank and the relative distribution of instruments within the range of characteristics. For example, two option contracts may have similar levels of market risk exposure and valuation uncertainty, but may have significantly different implied volatility levels because the option contracts have different underlyings, tenors, or strike prices. The input range and weighted and arithmetic average values will therefore vary from period-to-period and parameter-to-parameter based on the characteristics of the instruments held by the Bank at each balance sheet date.

### Level 3 inputs<sup>(a)</sup>

June 30, 2024

Product/Instrument	Fair value (in millions)	Principal valuation technique	Unobservable inputs <sup>(b)</sup>	Range of input values		Average <sup>(i)</sup>	
Residential mortgage-backed securities and loans <sup>(b)</sup>	\$ 1,516	Discounted cash flows	Yield	0%	88%	7%	
			Prepayment speed	3%	12%	9%	
			Conditional default rate	0%	7%	0%	
			Loss severity	0%	107%	2%	
Commercial mortgage-backed securities and loans <sup>(c)</sup>	1,508	Market comparables	Price	\$0	\$85	\$83	
Corporate debt securities	190	Market comparables	Price	\$0	\$175	\$79	
Loans <sup>(d)</sup>	1,313	Market comparables	Price	\$0	\$107	\$78	
Non-U.S. government debt securities	191	Market comparables	Price	\$0	\$100	\$93	
Net interest rate derivatives	(1,106)	Option pricing	Interest rate volatility	7bps	490bps	117bps	
			Interest rate spread volatility	37bps	77bps	64bps	
			Bermudan switch value	0%	50%	19%	
			Interest rate correlation	(82)%	97%	64%	
			IR-FX correlation	(35)%	60%	6%	
			(1) Discounted cash flows	Prepayment speed	0%	20%	5%
Net credit derivatives	187	Discounted cash flows	Credit correlation	26%	68%	47%	
			Credit spread	0bps	2,999bps	352bps	
			Recovery rate	10%	90%	58%	
			31 Market comparables	Price	\$0	\$115	\$75
Net foreign exchange derivatives	90 (55)	Option pricing	IR-FX correlation	(40)%	60%	24%	
			Discounted cash flows	Prepayment speed	11%	11%	
				Interest rate curve	2%	14%	6%
Net equity derivatives	(890)	Option pricing	Forward equity price <sup>(h)</sup>	78%	153%	102%	
			Equity volatility	3%	147%	30%	
			Equity correlation	(10)%	100%	57%	
			Equity-FX correlation	(88)%	65%	(34)%	
			Equity-IR correlation	(15)%	15%	5%	
Net commodity derivatives	(470)	Option pricing	Oil commodity forward	\$89 / BBL	\$270 / BBL	\$179 / BBL	
			Natural gas commodity forward	\$1 / MMBTU	\$6 / MMBTU	\$4 / MMBTU	
			Commodity volatility	2%	24%	5%	
			Commodity correlation	(35)%	98%	32%	
MSRs	8,847	Discounted cash flows	Refer to Note 15				
Long-term debt, short-term borrowings, and deposits <sup>(e)</sup>	15,523	Option pricing	Interest rate volatility	7bps	490bps	117bps	
			Bermudan switch value	0%	50%	19%	
			Interest rate correlation	(82)%	97%	64%	
			IR-FX correlation	(35)%	60%	6%	
			Equity volatility	1%	134%	27%	
			Equity correlation	(10)%	100%	57%	
			Equity-FX correlation	(88)%	65%	(34)%	
			Equity-IR correlation	(15)%	15%	5%	
			1,208 Discounted cash flows	Credit correlation	26%	68%	47%
				Credit spread	1bps	2,500bps	68bps
Recovery rate	20%	75%		35%			
Yield	5%	20%		11%			
Loss severity	0%	100%	50%				
Other level 3 assets and liabilities, net <sup>(f)</sup>	499						

(a) The categories presented in the table have been aggregated based upon the product type, which may differ from their classification on the Consolidated balance sheets. Furthermore, the inputs presented for each valuation technique in the table are, in some cases, not applicable to every instrument valued using the technique as the characteristics of the instruments can differ.

(b) Comprises U.S. GSE and government agency securities of \$701 million, nonagency securities of \$4 million and non-trading loans of \$811 million.

(c) Comprises nonagency securities of \$5 million, trading loans of \$65 million and non-trading loans of \$1.4 billion.

(d) Comprises trading loans of \$617 million and non-trading loans of \$696 million.

(e) Long-term debt, short-term borrowings and deposits include structured notes issued by the Bank that are financial instruments that typically contain embedded derivatives. The estimation of the fair value of structured notes includes the derivative features embedded within the instrument. The significant unobservable inputs are broadly consistent with those presented for derivative receivables.

(f) Includes other equity instruments of \$40 million with level 3 inputs comparable to net equity derivatives. All other level 3 assets and liabilities are insignificant both individually and in aggregate.

(g) Price is a significant unobservable input for certain instruments. When quoted market prices are not readily available, reliance is generally placed on price-based internal valuation techniques. The price input is expressed assuming a par value of \$100.

(h) Forward equity price is expressed as a percentage of the current equity price.

(i) Amounts represent weighted averages except for derivative related inputs where arithmetic averages are used.

### **Changes in and ranges of unobservable inputs**

Refer to Note 3 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for a discussion of the impact on fair value of changes in unobservable inputs and the relationships between unobservable inputs as well as a description of attributes of the underlying instruments and external market factors that affect the range of inputs used in the valuation of the Bank's positions.

### **Changes in level 3 recurring fair value measurements**

The following tables include a rollforward of the Consolidated balance sheets amounts (including changes in fair value) for financial instruments classified by the Bank within level 3 of the fair value hierarchy for the six months ended June 30, 2024 and 2023. When a determination is made to classify a financial instrument within level 3, the determination is based on the significance of the unobservable inputs to the overall fair value measurement.

However, level 3 financial instruments typically include, in addition to the unobservable or level 3 components, observable components (that is, components that are actively quoted and can be validated to external sources); accordingly, the gains and losses in the table below include changes in fair value due in part to observable factors that are part of the valuation methodology. The Bank risk-manages the observable components of level 3 financial instruments using securities and derivative positions that are classified within level 1 or 2 of the fair value hierarchy; as these level 1 and level 2 risk management instruments are not included below, the gains or losses in the following tables do not reflect the effect of the Bank's risk management activities related to such level 3 instruments.



Six months ended June 30, 2024 (in millions)	Fair value measurements using significant unobservable inputs								Change in unrealized gains/ (losses) related to financial instruments held at June 30, 2024	
	Fair value at Jan 1, 2024	Total realized/ unrealized gains/ (losses)	Purchases <sup>(g)</sup>	Sales	Settlements <sup>(h)</sup>	Transfers into level 3	Transfers (out of) level 3	Fair value at June 30, 2024		
<b>Assets:</b> <sup>(a)</sup>										
Trading assets:										
Debt instruments:										
Mortgage-backed securities:										
U.S. GSEs and government agencies	\$ 758	\$ 1	\$ 44	\$ (61)	\$ (41)	\$ –	\$ –	\$ 701	\$ 1	
Residential - nonagency	4	–	–	–	–	–	–	4	–	
Commercial - nonagency	5	–	–	–	–	–	–	5	–	
<b>Total mortgage-backed securities</b>	<b>767</b>	<b>1</b>	<b>44</b>	<b>(61)</b>	<b>(41)</b>	<b>–</b>	<b>–</b>	<b>710</b>	<b>1</b>	
Obligations of U.S. states and municipalities	5	–	–	–	–	–	–	5	–	
Non-U.S. government debt securities	179	2	91	(73)	–	7	(15)	191	(6)	
Corporate debt securities	211	–	294	(112)	(179)	4	(28)	190	(1)	
Loans	606	5	321	(261)	(45)	324	(267)	683	4	
Asset-backed securities	–	–	1	(1)	–	1	–	1	–	
<b>Total debt instruments</b>	<b>1,768</b>	<b>8</b>	<b>751</b>	<b>(508)</b>	<b>(265)</b>	<b>336</b>	<b>(310)</b>	<b>1,780</b>	<b>(2)</b>	
Equity securities	41	(17)	96	(52)	–	42	(52)	58	10	
Other	142	(6)	142	–	(217)	3	–	64	5	
<b>Total trading assets - debt and equity instruments</b>	<b>1,951</b>	<b>(15)</b> <sup>(c)</sup>	<b>989</b>	<b>(560)</b>	<b>(482)</b>	<b>381</b>	<b>(362)</b>	<b>1,902</b>	<b>13</b> <sup>(c)</sup>	
Net derivative receivables: <sup>(b)</sup>										
Interest rate	(2,053)	(88)	192	(214)	897	198	(39)	(1,107)	(170)	
Credit	280	83	1	(16)	(136)	(42)	48	218	197	
Foreign exchange	(67)	190	77	(168)	(132)	(5)	140	35	236	
Equity	(380)	(932)	1,427	(1,895)	346	235	309	(890)	(911)	
Commodity	(292)	(82)	18	(124)	(3)	(2)	15	(470)	(94)	
<b>Total net derivative receivables</b>	<b>(2,512)</b>	<b>(829)</b> <sup>(c)</sup>	<b>1,715</b>	<b>(2,417)</b>	<b>972</b>	<b>384</b>	<b>473</b>	<b>(2,214)</b>	<b>(742)</b> <sup>(c)</sup>	
Available-for-sale securities:										
Corporate debt securities	–	–	–	–	–	–	–	–	–	
<b>Total available-for-sale securities</b>	<b>–</b>	<b>–</b> <sup>(d)</sup>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b> <sup>(d)</sup>	
Loans	3,054	115 <sup>(c)</sup>	178	(205)	(643)	667	(222)	2,944	(2) <sup>(c)</sup>	
Mortgage servicing rights	8,522	397 <sup>(e)</sup>	478	(27)	(523)	–	–	8,847	397 <sup>(e)</sup>	
Other assets	179	17 <sup>(c)</sup>	269	–	–	–	–	465	17 <sup>(c)</sup>	

Six months ended June 30, 2024 (in millions)	Fair value measurements using significant unobservable inputs								Change in unrealized (gains)/losses related to financial instruments held at June 30, 2024	
	Fair value at Jan 1, 2024	Total realized/ unrealized (gains)/ losses	Purchases	Sales	Issuances	Settlements <sup>(h)</sup>	Transfers into level 3	Transfers (out of) level 3		Fair value at June 30, 2024
<b>Liabilities:</b> <sup>(a)</sup>										
Deposits	\$ 1,836	\$ (19) <sup>(c)(f)</sup>	\$ –	\$ –	\$ 792	\$ (610)	\$ 35	\$ (108)	\$ 1,926	\$ (21) <sup>(c)(f)</sup>
Short-term borrowings	1,548	42 <sup>(c)(f)</sup>	–	–	3,425	(2,310)	1	(4)	2,702	16 <sup>(c)(f)</sup>
Trading liabilities - debt and equity instruments	30	(2) <sup>(c)</sup>	(3)	13	–	–	20	(1)	57	1 <sup>(c)</sup>
Accounts payable and other liabilities	49	(12) <sup>(c)</sup>	–	–	–	–	–	–	37	(12) <sup>(c)</sup>
Long-term debt	10,790	(248) <sup>(c)(f)</sup>	–	–	4,905	(3,362)	129	(111)	12,103	(221) <sup>(c)(f)</sup>

Six months ended June 30, 2023 (in millions)	Fair value measurements using significant unobservable inputs							Fair value at June 30, 2023	Change in unrealized gains/ (losses) related to financial instruments held at June 30, 2023
	Fair value at Jan 1, 2023	Total realized/ unrealized gains/(losses)	Purchases <sup>(d)</sup>	Sales	Settlements <sup>(h)</sup>	Transfers into level 3	Transfers (out of) level 3		
<b>Assets:<sup>(a)</sup></b>									
Trading assets:									
Debt instruments:									
Mortgage-backed securities:									
U.S. GSEs and government agencies	\$ 742	\$ 7	\$ 106	\$ (106)	\$ (43)	\$ –	\$ –	\$ 706	\$ 1
Residential - nonagency	4	6	–	(6)	–	1	–	5	–
Commercial - nonagency	–	(1)	1	–	–	6	–	6	(1)
<b>Total mortgage-backed securities</b>	<b>746</b>	<b>12</b>	<b>107</b>	<b>(112)</b>	<b>(43)</b>	<b>7</b>	<b>–</b>	<b>717</b>	<b>–</b>
Obligations of U.S. states and municipalities	5	–	–	–	–	–	–	5	–
Non-U.S. government debt securities	155	40	100	(96)	–	–	–	199	43
Corporate debt securities	201	12	102	(56)	–	20	(40)	239	12
Loans	687	4	679	(126)	(137)	121	(198)	1,030	9
Asset-backed securities	1	–	4	(1)	–	5	–	9	–
<b>Total debt instruments</b>	<b>1,795</b>	<b>68</b>	<b>992</b>	<b>(391)</b>	<b>(180)</b>	<b>153</b>	<b>(238)</b>	<b>2,199</b>	<b>64</b>
Equity securities	166	(28)	68	(71)	(1)	136	(86)	184	(13)
Other	347	(99)	118	–	(175)	5	(4)	192	20
<b>Total trading assets - debt and equity instruments</b>	<b>2,308</b>	<b>(59)</b> <sup>(c)</sup>	<b>1,178</b>	<b>(462)</b>	<b>(356)</b>	<b>294</b>	<b>(328)</b>	<b>2,575</b>	<b>71</b> <sup>(c)</sup>
Net derivative receivables: <sup>(b)</sup>									
Interest rate	(1,698)	(783)	97	(192)	252	(1,024)	(21)	(3,369)	(686)
Credit	99	489	6	(4)	147	2	(9)	730	469
Foreign exchange	561	27	79	(110)	(205)	92	(39)	405	3
Equity	1,106	(537)	1,560	(1,583)	(344)	483	(675)	10	(172)
Commodity	(174)	(185)	41	(119)	54	(3)	37	(349)	(100)
<b>Total net derivative receivables</b>	<b>(106)</b>	<b>(989)</b> <sup>(c)</sup>	<b>1,783</b>	<b>(2,008)</b>	<b>(96)</b>	<b>(450)</b>	<b>(707)</b>	<b>(2,573)</b>	<b>(486)</b> <sup>(c)</sup>
Available-for-sale securities:									
Corporate debt securities	239	28	–	–	–	–	–	267	28
<b>Total available-for-sale securities</b>	<b>239</b>	<b>28</b> <sup>(d)</sup>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>267</b>	<b>28</b> <sup>(d)</sup>
Loans	1,394	24 <sup>(c)</sup>	2,282	(73)	(585)	917	(176)	3,783	24 <sup>(c)</sup>
Mortgage servicing rights	7,973	264 <sup>(e)</sup>	577	(90)	(495)	–	–	8,229	264 <sup>(e)</sup>
Other assets	143	14 <sup>(c)</sup>	–	–	–	–	–	157	13 <sup>(c)</sup>

Six months ended June 30, 2023 (in millions)	Fair value measurements using significant unobservable inputs							Fair value at June 30, 2023	Change in unrealized (gains)/losses related to financial instruments held at June 30, 2023	
	Fair value at Jan 1, 2023	Total realized/ unrealized (gains)/losses	Purchases	Sales	Issuances	Settlements <sup>(h)</sup>	Transfers into level 3			Transfers (out of) level 3
<b>Liabilities:<sup>(a)</sup></b>										
Deposits	\$ 2,166	\$ (1) <sup>(c)(f)</sup>	\$ –	\$ –	\$ 267	\$ (248)	\$ –	\$ (129)	\$ 2,055	\$ 1 <sup>(c)(f)</sup>
Short-term borrowings	1,257	110 <sup>(c)(f)</sup>	–	–	2,080	(1,936)	2	(10)	1,503	20 <sup>(c)(f)</sup>
Trading liabilities - debt and equity instruments	76	(8) <sup>(c)</sup>	(29)	6	–	–	9	(2)	52	(2) <sup>(c)</sup>
Accounts payable and other liabilities	53	4 <sup>(c)</sup>	–	–	–	–	–	–	57	4 <sup>(c)</sup>
Long-term debt	11,648	545 <sup>(c)(f)</sup>	–	–	2,151	(3,221)	46	(164)	11,005	521 <sup>(c)(f)</sup>

- (a) Level 3 assets at fair value as a percentage of total Bank assets at fair value (including assets measured at fair value on a nonrecurring basis) were 3% and 4% at June 30, 2024 and December 31, 2023, respectively. Level 3 liabilities at fair value as a percentage of total Bank liabilities at fair value (including liabilities measured at fair value on a nonrecurring basis) were 9% and 10% at June 30, 2024 and December 31, 2023, respectively.
- (b) All level 3 derivatives are presented on a net basis, irrespective of the underlying counterparty.
- (c) Predominantly reported in principal transactions revenue, except for changes in fair value for mortgage loans, and lending-related commitments originated with the intent to sell, and mortgage loan purchase commitments, which are reported in mortgage fees and related income.

- (d) Realized gains/(losses) on available for sale (“AFS”) securities are reported in investment securities gains/(losses). Unrealized gains/(losses) are reported in OCI. Realized and unrealized gains/(losses) recorded on level 3 AFS securities were zero and not material for the six months ended June 30, 2024 and 2023, respectively.
- (e) Changes in fair value for MSRs are reported in mortgage fees and related income.
- (f) There were no realized (gains)/losses due to DVA for fair value option elected liabilities reported in principal transactions revenue for the six months ended June 30, 2024 and 2023. Unrealized (gains)/losses are reported in OCI, and were \$(49) million and \$(110) million for the six months ended June 30, 2024 and 2023, respectively.
- (g) Loan originations are included in purchases.
- (h) Includes financial assets and liabilities that have matured, been partially or fully repaid, impacts of modifications, deconsolidations associated with beneficial interests in VIEs and other items.

### Level 3 analysis

#### *Consolidated balance sheets changes*

The following describes significant changes to level 3 assets since December 31, 2023, for those items measured at fair value on a recurring basis. Refer to Assets and liabilities measured at fair value on a nonrecurring basis on page 20 for further information on changes impacting items measured at fair value on a nonrecurring basis.

#### Six months ended June 30, 2024

Level 3 assets were \$29.3 billion at June 30, 2024, reflecting an increase of \$2.5 billion from December 31, 2023,

The increase for the six months ended June 30, 2024 was predominantly driven by:

- \$2.1 billion increase in gross derivative receivables due to gains, purchases and net transfers largely offset by settlements.

Refer to the sections below for additional information.

#### **Transfers between levels for instruments carried at fair value on a recurring basis**

For the six months ended June 30, 2024, significant transfers from level 2 into level 3 included the following:

- \$1.4 billion of gross equity derivative receivables and \$1.1 billion of gross equity derivative payables as a result of a decrease in observability and an increase in the significance of unobservable inputs.
- For the six months ended June 30, 2024, significant transfers from level 3 into level 2 included the following:
- \$830 million of gross equity derivative receivables and \$1.1 billion of gross equity derivative payables as a result of an increase in observability and a decrease in the significance of unobservable inputs.

For the six months ended June 30, 2023, significant transfers from level 2 into level 3 included the following:

- \$1.4 billion of gross interest rate derivatives payable as a result of the transition to term SOFR for certain interest rate options.
- \$1.2 billion of gross equity derivative receivables and \$721 million of gross equity derivative payables as a

result of a decrease in observability and an increase in the significance of unobservable inputs.

- \$917 million of non-trading loans driven by a decrease in observability.

For the six months ended June 30, 2023, significant transfers from level 3 into level 2 included the following:

- \$1.9 billion of gross equity derivative receivables and \$1.2 billion of gross equity derivative payables as a result of an increase in observability and a decrease in the significance of unobservable inputs.

All transfers are based on changes in the observability and/or significance of the valuation inputs and are assumed to occur at the beginning of the quarterly reporting period in which they occur.

#### *Gains and losses*

The following describes significant components of total realized/unrealized gains/(losses) for instruments measured at fair value on a recurring basis for the periods indicated. These amounts exclude any effects of the Bank’s risk management activities where the financial instruments are classified as level 1 and 2 of the fair value hierarchy. Refer to Changes in level 3 recurring fair value measurements rollforward tables on pages 16-19 for further information on these instruments.

#### Six months ended June 30, 2024

- \$315 million of net losses on assets, driven by losses in net derivative receivables due to market movements largely offset by gains in loans due to market movements and gains in MSR reflecting lower prepayment speeds on higher rates.
- \$239 million of net gains on liabilities, driven by gains in long-term debt due to market movements.

#### Six months ended June 30, 2023

- \$718 million of net losses on assets, driven by losses in net derivative receivables due to market movements.
- \$650 million of net losses on liabilities, predominantly driven by losses in long-term debt due to market movements.

### Assets and liabilities measured at fair value on a nonrecurring basis

The following tables present the assets and liabilities held as of June 30, 2024 and 2023, for which nonrecurring fair value adjustments were recorded during the six months ended June 30, 2024 and 2023, by major product category and fair value hierarchy.

June 30, 2024 (in millions)	Fair value hierarchy			Total fair value
	Level 1	Level 2	Level 3	
Loans	\$ –	\$ 860	\$ 643	\$ 1,503
Other assets <sup>(a)</sup>	–	6	36	42
<b>Total assets measured at fair value on a nonrecurring basis</b>	<b>\$ –</b>	<b>\$ 866</b>	<b>\$ 679</b>	<b>\$ 1,545</b>
Accounts payable and other liabilities	–	–	–	–
<b>Total liabilities measured at fair value on a nonrecurring basis</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>

June 30, 2023 (in millions)	Fair value hierarchy			Total fair value
	Level 1	Level 2	Level 3	
Loans	\$ –	\$ 803	\$ 714	\$ 1,517
Other assets	–	7	79	86
<b>Total assets measured at fair value on a nonrecurring basis</b>	<b>\$ –</b>	<b>\$ 810</b>	<b>\$ 793</b>	<b>\$ 1,603</b>
Accounts payable and other liabilities	–	–	–	–
<b>Total liabilities measured at fair value on a nonrecurring basis</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>

(a) Included equity securities without readily determinable fair values that were adjusted based on observable price changes in orderly transactions from an identical or similar investment of the same issuer (measurement alternative). Of the \$36 million in level 3 assets measured at fair value on a nonrecurring basis as of June 30, 2024, \$12 million related to equity securities adjusted based on the measurement alternative. These equity securities are classified as level 3 due to the infrequency of the observable prices and/or the restrictions on the shares.

### Nonrecurring fair value changes

The following table presents the total change in value of assets and liabilities for which fair value adjustments have been recognized for the six months ended June 30, 2024 and 2023, related to assets and liabilities held at those dates.

(in millions)	Six months ended June 30,	
	2024	2023
Loans	\$ (149)	\$ (108)
Other assets <sup>(a)</sup>	(13)	–
<b>Total nonrecurring fair value gains/ (losses)</b>	<b>\$ (162)</b>	<b>\$ (108)</b>

(a) For the six months ended June 30, 2024 and 2023, net gains/(losses) as a result of the measurement alternative were not material.

### Equity securities without readily determinable fair values

The Bank measures certain equity securities without readily determinable fair values at cost less impairment (if any), plus or minus observable price changes from an identical or similar investment of the same issuer (i.e., measurement alternative), with such changes recognized in other income.

In its determination of the new carrying values upon observable price changes, the Bank may adjust the prices if deemed necessary to arrive at the Bank's estimated fair values. Such adjustments may include adjustments to reflect the different rights and obligations of similar securities, and other adjustments that are consistent with the Bank's valuation techniques for private equity direct investments.

The following table presents the carrying value of equity securities without readily determinable fair values held as of June 30, 2024 and 2023, that are measured under the measurement alternative and the related adjustments recorded during the periods presented for those securities with observable price changes. These securities are included in the nonrecurring fair value tables when applicable price changes are observable.

As of or for the period ended, (in millions)	Six months ended June 30,	
	2024	2023
<b>Other assets</b>		
Carrying value <sup>(a)</sup>	\$ 240	\$ 706
Upward carrying value changes <sup>(b)</sup>	1	8
Downward carrying value changes/impairment <sup>(c)</sup>	(1)	—

(a) The carrying value as of December 31, 2023 was \$452 million. The period-end carrying values reflect cumulative purchases and sales in addition to upward and downward carrying value changes.

(b) The cumulative upward carrying value changes between January 1, 2018 and June 30, 2024 were \$35 million.

(c) The cumulative downward carrying value changes/impairment between January 1, 2018 and June 30, 2024 were \$(14) million.

Included in other assets above is the Bank's interest in approximately 18.6 million Visa Class B-2 common shares ("Visa B-2 shares") and 37.2 million Visa Class B common shares reflected in the Bank's principal investment portfolio as of June 30, 2024 and June 30, 2023, respectively.

The Visa Class B common shares were redenominated to Visa Class B-1 common shares ("Visa B-1 shares") on January 24, 2024. On April 8, 2024, Visa commenced an initial exchange offer for any and all outstanding Visa B-1 shares. On May 6, 2024, the Bank announced that Visa had accepted the Bank's tender of its 37.2 million Visa B-1 shares in exchange for a combination of Visa B-2 shares and Visa Class C common shares ("Visa C shares"). The Visa C shares are included in Assets and liabilities measured at fair value on a recurring basis on page 12. Visa's acceptance resulted in an initial gain of \$8.0 billion based on the fair value of the Visa C shares. In addition, the current quarter also reflected other Visa-related activity, including the fair value changes of the Visa C shares and derivative instruments, as well as dividends, resulting in the \$7.9 billion net gain on Visa shares. As of June 30, 2024, approximately \$2 billion of Visa C shares are subject to a lock-up restriction that expires on August 4, 2024.

The Visa B-2 shares are subject to certain transfer restrictions and are convertible into Visa Class A common shares ("Visa A shares") at a specified conversion rate upon final resolution of certain litigation matters involving Visa. The conversion rate of Visa B-2 shares to Visa A shares was 1.5875 at June 30, 2024 and may be adjusted by Visa depending on developments related to the litigation matters. The outcome of those litigation matters, and the effect that the resolution of those matters may have on the conversion rate, is unknown. Accordingly, as of June 30, 2024, there is significant uncertainty regarding when the transfer restrictions on Visa B-2 shares may be terminated and what the final conversion rate for the Visa B-2 shares will be. As a result of these considerations, as well as differences in voting rights, Visa B-2 shares are not considered to be similar to Visa A shares, and are held at their nominal carryover basis.

In connection with prior sales of Visa Class B common shares prior to the redenomination to Visa B-1 shares, the Bank has entered into derivative instruments with the purchasers of the shares under which the Bank retains the risk associated with changes in the conversion rate. The notional amount of shares associated with those derivative instruments has been adjusted as a result of the Visa exchange offer. Refer to page 30 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for further information.

## Additional disclosures about the fair value of financial instruments that are not carried on the Consolidated balance sheets at fair value

The following table presents, by fair value hierarchy classification, the carrying values and estimated fair values at June 30, 2024, and December 31, 2023, of financial assets and liabilities, excluding financial instruments that are carried at fair value on a recurring basis, and their classification within the fair value hierarchy.

(in billions)	June 30, 2024					December 31, 2023				
	Carrying value	Estimated fair value hierarchy			Total estimated fair value	Carrying value	Estimated fair value hierarchy			Total estimated fair value
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
<b>Financial assets</b>										
Cash and due from banks	\$ 27.0	\$ 27.0	\$ —	\$ —	\$ 27.0	\$ 28.8	\$ 28.8	\$ —	\$ —	\$ 28.8
Deposits with banks	502.2	502.1	0.1	—	502.2	593.7	593.2	0.5	—	593.7
Accrued interest and accounts receivable	83.2	—	83.1	0.1	83.2	66.9	—	66.8	0.1	66.9
Federal funds sold and securities purchased under resale agreements	62.5	—	62.5	—	62.5	63.7	—	63.7	—	63.7
Securities borrowed	25.8	—	25.8	—	25.8	40.7	—	40.7	—	40.7
Investment securities, held-to-maturity	323.7	127.2	167.6	—	294.8	369.8	160.6	182.2	—	342.8
Loans, net of allowance for loan losses <sup>(a)</sup>	1,257.1	—	270.9	966.4	1,237.3	1,259.2	—	282.1	961.8	1,243.9
Other	61.6	—	60.4	1.5	61.9	71.2	—	70.0	1.4	71.4
<b>Financial liabilities</b>										
Deposits	\$ 2,418.7	\$ —	\$ 2,419.3	\$ —	\$ 2,419.3	\$ 2,419.7	\$ —	\$ 2,420.1	\$ —	\$ 2,420.1
Federal funds purchased and securities loaned or sold under repurchase agreements	19.9	—	19.9	—	19.9	7.5	—	7.5	—	7.5
Short-term borrowings <sup>(b)</sup>	1.5	—	1.5	—	1.5	1.7	—	1.7	—	1.7
Accounts payable and other liabilities <sup>(b)</sup>	137.7	—	126.1	10.6	136.7	127.5	—	119.0	8.0	127.0
Beneficial interests issued by consolidated VIEs	27.1	—	27.1	—	27.1	23.2	—	23.2	—	23.2
Long-term debt	172.3	—	120.4	50.7	171.1	177.9	—	125.8	51.3	177.1

(a) Fair value is typically estimated using a discounted cash flow model that incorporates the characteristics of the underlying loans (including principal, contractual interest rate and contractual fees) and other key inputs, including expected lifetime credit losses, interest rates, prepayment rates, and primary origination or secondary market spreads. For certain loans, the fair value is measured based on the value of the underlying collateral. Carrying value of the loan takes into account the loan's allowance for loan losses, which represents the loan's expected credit losses over its remaining expected life. The difference between the estimated fair value and carrying value of a loan is generally attributable to changes in market interest rates, including credit spreads, market liquidity premiums and other factors that affect the fair value of a loan but do not affect its carrying value.

(b) Excludes lending-related commitments disclosed in the table below.

The majority of the Bank's lending-related commitments are not carried at fair value on a recurring basis on the Consolidated balance sheets. The carrying value and the estimated fair value of these wholesale lending-related commitments were as follows for the periods indicated.

(in billions)	June 30, 2024					December 31, 2023				
	Carrying value <sup>(a)(b)(c)</sup>	Estimated fair value hierarchy			Total estimated fair value	Carrying value <sup>(a)(b)(c)</sup>	Estimated fair value hierarchy			Total estimated fair value
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
Wholesale lending-related commitments	\$ 2.8	\$ —	\$ —	\$ 4.6	\$ 4.6	\$ 3.0	\$ —	\$ —	\$ 4.8	\$ 4.8

(a) Excludes the current carrying values of the guarantee liability and the offsetting asset, each of which is recognized at fair value at the inception of the guarantees.

(b) Includes the wholesale allowance for lending-related commitments.

(c) As of June 30, 2024 and December 31, 2023, includes fair value adjustments associated with First Republic for other unfunded commitments to extend credit totaling \$854 million and \$1.1 billion, respectively, recorded in accounts payable and other liabilities on the Consolidated balance sheets. Refer to Notes 22 and 25 for additional information.

The Bank does not estimate the fair value of consumer off-balance sheet lending-related commitments. In many cases, the Bank can reduce or cancel these commitments by providing the borrower notice or, in some cases as permitted by law, without notice. Refer to page 16 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for a further discussion of the valuation of lending-related commitments.

## Note 4 – Fair value option

The fair value option provides an option to elect fair value for selected financial assets, financial liabilities, unrecognized firm commitments, and written loan commitments.

The Bank has elected to measure certain instruments at fair value for several reasons including to mitigate income statement volatility caused by the differences between the measurement basis of elected instruments (e.g., certain instruments that otherwise would be accounted for on an accrual basis) and the associated risk management arrangements that are accounted for on a fair value basis, as well as to better reflect those instruments that are managed on a fair value basis.

The Bank's election of fair value includes the following instruments:

- Loans purchased or originated as part of securitization warehousing activity, subject to bifurcation accounting, or managed on a fair value basis, including lending-related commitments
- Certain securities financing agreements
- Owned beneficial interests in securitized financial assets that contain embedded credit derivatives, which would otherwise be required to be separately accounted for as a derivative instrument
- Structured notes and other hybrid instruments, which are predominantly financial instruments that contain embedded derivatives, that are issued or transacted as part of client-driven activities
- Certain long-term beneficial interests issued by the Bank's consolidated securitization trusts where the underlying assets are carried at fair value

### Changes in fair value under the fair value option election

The following table presents the changes in fair value included in the Consolidated statements of income for the six months ended June 30, 2024 and 2023 for items for which the fair value option was elected. The profit and loss information presented below only includes the financial instruments that were elected to be measured at fair value; related risk management instruments, which are required to be measured at fair value, are not included in the table.

(in millions)	Six months ended June 30,					
	2024			2023		
	Principal transactions	All other income	Total changes in fair value recorded <sup>(e)</sup>	Principal transactions	All other income	Total changes in fair value recorded <sup>(e)</sup>
Federal funds sold and securities purchased under resale agreements	\$ (8)	\$ –	\$ (8)	\$ 168	\$ –	\$ 168
Securities borrowed	214	–	214	12	–	12
Trading assets:						
Debt and equity instruments, excluding loans	2,339	–	2,339	2,216	–	2,216
Loans reported as trading assets:						
Changes in instrument-specific credit risk	211	–	211	216	–	216
Other changes in fair value	18	1 <sup>(c)</sup>	19	4	2 <sup>(c)</sup>	6
Loans:						
Changes in instrument-specific credit risk	271	(5) <sup>(c)</sup>	266	71	(4) <sup>(c)</sup>	67
Other changes in fair value	(15)	155 <sup>(c)</sup>	140	124	104 <sup>(c)</sup>	228
Other assets	(7)	–	(7)	2	–	2
Deposits <sup>(a)</sup>	(1,968)	–	(1,968)	(878)	–	(878)
Federal funds purchased and securities loaned or sold under repurchase agreements	2	–	2	(33)	–	(33)
Short-term borrowings <sup>(a)</sup>	(328)	–	(328)	(574)	–	(574)
Trading liabilities	–	–	–	–	–	–
Other liabilities	(2)	–	(2)	(1)	–	(1)
Long-term debt <sup>(a)(b)</sup>	(1,220)	(10) <sup>(c)(d)</sup>	(1,230)	(1,903)	(27) <sup>(c)(d)</sup>	(1,930)

(a) Unrealized gains/(losses) due to instrument-specific credit risk (DVA) for liabilities for which the fair value option has been elected are recorded in OCI, while realized gains/(losses) are recorded in principal transactions revenue. Realized gains/(losses) due to instrument-specific credit risk recorded in principal transactions revenue were not material for the six months ended June 30, 2024 and 2023.

(b) Long-term debt measured at fair value predominantly relates to structured notes. Although the risk associated with the structured notes is actively managed, the gains/(losses) reported in this table do not include the income statement impact of the risk management instruments used to manage such risk.

(c) Reported in mortgage fees and related income.

(d) Reported in other income.

(e) Changes in fair value exclude contractual interest, which is included in interest income and interest expense for all instruments other than certain hybrid financial instruments. Refer to Note 7 for further information regarding interest income and interest expense.

### Difference between aggregate fair value and aggregate remaining contractual principal balance outstanding

The following table reflects the difference between the aggregate fair value and the aggregate remaining contractual principal balance outstanding as of June 30, 2024, and December 31, 2023, for loans, long-term debt and long-term beneficial interests for which the fair value option has been elected.

(in millions)	June 30, 2024			December 31, 2023		
	Contractual principal outstanding	Fair value	Fair value over/(under) contractual principal outstanding	Contractual principal outstanding	Fair value	Fair value over/(under) contractual principal outstanding
<b>Loans</b>						
<b>Nonaccrual loans</b>						
Loans reported as trading assets	\$ 2,161	\$ 467	\$ (1,694)	\$ 2,295	\$ 518	\$ (1,777)
Loans	1,026	882	(144)	832	730	(102)
<b>Subtotal</b>	<b>3,187</b>	<b>1,349</b>	<b>(1,838)</b>	<b>3,127</b>	<b>1,248</b>	<b>(1,879)</b>
<b>90 or more days past due and government guaranteed</b>						
Loans <sup>(a)</sup>	46	42	(4)	65	58	(7)
<b>All other performing loans<sup>(b)</sup></b>						
Loans reported as trading assets	10,382	9,423	(959)	9,058	7,919	(1,139)
Loans	38,303	37,052	(1,251)	38,656	37,803	(853)
<b>Subtotal</b>	<b>48,685</b>	<b>46,475</b>	<b>(2,210)</b>	<b>47,714</b>	<b>45,722</b>	<b>(1,992)</b>
<b>Total loans</b>	<b>\$ 51,918</b>	<b>\$ 47,866</b>	<b>\$ (4,052)</b>	<b>\$ 50,906</b>	<b>\$ 47,028</b>	<b>\$ (3,878)</b>
<b>Long-term debt</b>						
Principal-protected debt	\$ 12,542 <sup>(d)</sup>	\$ 12,075	\$ (467)	\$ 7,033 <sup>(d)</sup>	\$ 6,751	\$ (282)
Nonprincipal-protected debt <sup>(c)</sup>	NA	21,635	NA	NA	22,248	NA
<b>Total long-term debt</b>	<b>NA</b>	<b>\$ 33,710</b>	<b>NA</b>	<b>NA</b>	<b>\$ 28,999</b>	<b>NA</b>

(a) These balances are excluded from nonaccrual loans as the loans are insured and/or guaranteed by U.S. government agencies.

(b) There were no performing loans that were ninety days or more past due as of June 30, 2024, and December 31, 2023.

(c) Remaining contractual principal is not applicable to nonprincipal-protected structured notes. Unlike principal-protected structured notes, for which the Bank is obligated to return a stated amount of principal at maturity, nonprincipal-protected structured notes do not obligate the Bank to return a stated amount of principal at maturity, but to return an amount based on the performance of an underlying variable or derivative feature embedded in the note. However, investors are exposed to the credit risk of the Bank as issuer for both nonprincipal-protected and principal-protected notes.

(d) Where the Bank issues principal-protected zero-coupon or discount notes, the balance reflects the contractual principal payment at maturity or, if applicable, the contractual principal payment at the Bank's next call date.

At June 30, 2024, and December 31, 2023, the contractual amount of lending-related commitments for which the fair value option was elected was \$11.5 billion and \$9.5 billion, respectively, with a corresponding fair value of \$55 million and \$95 million, respectively. Refer to Note 26 of JPMorgan Chase Bank, N.A.'s 2023 Annual Report, and Note 22 of these Consolidated Financial Statements for further information regarding off-balance sheet lending-related financial instruments.



## Note 5 - Derivative instruments

The Bank makes markets in derivatives for clients and also uses derivatives to hedge or manage its own risk exposures. Refer to Note 6 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for a further discussion of the Bank's use of and accounting policies regarding derivative instruments.

The Bank's disclosures are based on the accounting treatment and purpose of these derivatives. A limited number of the Bank's derivatives are designated in hedge accounting relationships and are disclosed according to the

type of hedge (fair value hedge, cash flow hedge, or net investment hedge). Derivatives not designated in hedge accounting relationships include certain derivatives that are used to manage risks associated with specified assets and liabilities ("specified risk management" positions) as well as derivatives used in the Bank's market-making businesses or for other purposes.

The following table outlines the Bank's primary uses of derivatives and the related hedge accounting designation or disclosure category.

Type of Derivative	Use of Derivative	Designation and disclosure	Page reference
Manage specifically identified risk exposures in qualifying hedge accounting relationships:			
• Interest rate	Hedge fixed rate assets and liabilities	Fair value hedge	31-32
• Interest rate	Hedge floating-rate assets and liabilities	Cash flow hedge	33
• Foreign exchange	Hedge foreign currency-denominated assets and liabilities	Fair value hedge	31-32
• Foreign exchange	Hedge foreign currency-denominated forecasted revenue and expense	Cash flow hedge	33
• Foreign exchange	Hedge the value of the Bank's investments in non-U.S. dollar functional currency entities	Net investment hedge	34
• Commodity	Hedge commodity inventory	Fair value hedge	31-32
Manage specifically identified risk exposures not designated in qualifying hedge accounting relationships:			
• Interest rate	Manage the risk associated with mortgage commitments, warehouse loans and MSR's	Specified risk management	34
• Credit	Manage the credit risk associated with wholesale lending exposures	Specified risk management	34
• Interest rate and foreign exchange	Manage the risk associated with certain other specified assets and liabilities	Specified risk management	34
Market-making derivatives and other activities:			
• Various	Market-making and related risk management	Market-making and other	34
• Various	Other derivatives	Market-making and other	34

### Notional amount of derivative contracts

The following table summarizes the notional amount of free-standing derivative contracts outstanding as of June 30, 2024, and December 31, 2023.

(in billions)	Notional amounts <sup>(b)</sup>	
	June 30, 2024	December 31, 2023
<b>Interest rate contracts</b>		
Swaps	\$ 26,777	\$ 24,044
Futures and forwards	3,718	2,239
Written options	3,251	3,378
Purchased options	3,202	3,378
<b>Total interest rate contracts</b>	<b>36,948</b>	<b>33,039</b>
<b>Credit derivatives<sup>(a)</sup></b>	<b>1,205</b>	<b>1,053</b>
<b>Foreign exchange contracts</b>		
Cross-currency swaps	4,666	4,765
Spot, futures and forwards	8,842	6,990
Written options	968	831
Purchased options	952	799
<b>Total foreign exchange contracts</b>	<b>15,428</b>	<b>13,385</b>
<b>Equity contracts</b>		
Swaps	1,069	876
Futures and forwards	186	140
Written options	769	600
Purchased options	737	577
<b>Total equity contracts</b>	<b>2,761</b>	<b>2,193</b>
<b>Commodity contracts</b>		
Swaps	168	252
Spot, futures and forwards	358	156
Written options	172	146
Purchased options	147	126
<b>Total commodity contracts</b>	<b>845</b>	<b>680</b>
<b>Total derivative notional amounts</b>	<b>\$ 57,187</b>	<b>\$ 50,350</b>

(a) Refer to the Credit derivatives discussion on pages 35 for more information on volumes and types of credit derivative contracts.

(b) Represents the sum of gross long and gross short notional derivative contracts with third parties and JPMorgan Chase affiliates. Refer to Note 18 for additional information on our derivative activities with JPMorgan Chase affiliates.

While the notional amounts disclosed above give an indication of the volume of the Bank's derivatives activity, the notional amounts significantly exceed, in the Bank's view, the possible losses that could arise from such transactions. For most derivative contracts, the notional amount is not exchanged; it is simply a reference amount used to calculate payments.

## Impact of derivatives on the Consolidated balance sheets

The tables below include derivative receivables and payables with JPMorgan Chase affiliates on a gross and net basis. Refer to Note 18 for information regarding our derivative activities with JPMorgan Chase affiliates.

The following table summarizes information on derivative receivables and payables (before and after netting adjustments) that are reflected on the Bank's Consolidated balance sheets as of June 30, 2024, and December 31, 2023, by accounting designation (e.g., whether the derivatives were designated in qualifying hedge accounting relationships or not) and contract type.

### Free-standing derivative receivables and payables<sup>(a)</sup>

June 30, 2024 (in millions)	Gross derivative receivables				Gross derivative payables			
	Not designated as hedges	Designated as hedges	Total derivative receivables	Net derivative receivables <sup>(b)</sup>	Not designated as hedges	Designated as hedges	Total derivative payables	Net derivative payables <sup>(b)</sup>
<b>Trading assets and liabilities</b>								
Interest rate	\$ 298,020	\$ —	\$ 298,020	\$ 26,400	\$ 276,329	\$ —	\$ 276,329	\$ 10,739
Credit	10,433	—	10,433	716	12,791	—	12,791	1,141
Foreign exchange	195,802	705	196,507	17,877	196,247	135	196,382	10,695
Equity	76,437	—	76,437	6,376	78,303	—	78,303	6,929
Commodity	24,528	18	24,546	4,735	23,561	3	23,564	4,379
<b>Total fair value of trading assets and liabilities</b>	<b>\$ 605,220</b>	<b>\$ 723</b>	<b>\$ 605,943</b>	<b>\$ 56,104</b>	<b>\$ 587,231</b>	<b>\$ 138</b>	<b>\$ 587,369</b>	<b>\$ 33,883</b>

December 31, 2023 (in millions)	Gross derivative receivables				Gross derivative payables			
	Not designated as hedges	Designated as hedges	Total derivative receivables	Net derivative receivables <sup>(b)</sup>	Not designated as hedges	Designated as hedges	Total derivative payables	Net derivative payables <sup>(b)</sup>
<b>Trading assets and liabilities</b>								
Interest rate	\$ 306,489	\$ —	\$ 306,489	\$ 26,260	\$ 289,275	\$ —	\$ 289,275	\$ 10,858
Credit	9,432	—	9,432	565	12,142	—	12,142	1,074
Foreign exchange	209,731	119	209,850	18,018	216,785	1,442	218,227	12,605
Equity	60,652	—	60,652	5,374	62,219	—	62,219	5,550
Commodity	19,533	154	19,687	4,958	19,946	53	19,999	5,277
<b>Total fair value of trading assets and liabilities</b>	<b>\$ 605,837</b>	<b>\$ 273</b>	<b>\$ 606,110</b>	<b>\$ 55,175</b>	<b>\$ 600,367</b>	<b>\$ 1,495</b>	<b>\$ 601,862</b>	<b>\$ 35,364</b>

(a) Balances exclude structured notes for which the fair value option has been elected. Refer to Note 4 for further information.

(b) As permitted under U.S. GAAP, the Bank has elected to net derivative receivables and derivative payables and the related cash collateral receivables and payables when a legally enforceable master netting agreement exists.

## Derivatives netting

The following tables present, as of June 30, 2024, and December 31, 2023, gross and net derivative receivables and payables by contract and settlement type. Derivative receivables and payables, as well as the related cash collateral from the same counterparty, have been netted on the Consolidated balance sheets where the Bank has obtained an appropriate legal opinion with respect to the master netting agreement. Where such a legal opinion has not been either sought or obtained, amounts are not eligible for netting on the Consolidated balance sheets, and those derivative receivables and payables are shown separately in the tables below.

In addition to the cash collateral received and transferred that is presented on a net basis with derivative receivables and payables, the Bank receives and transfers additional collateral (financial instruments and cash). These amounts mitigate counterparty credit risk associated with the Bank's derivative instruments, but are not eligible for net presentation:

- collateral that consists of liquid securities and other cash collateral held at third-party custodians, which are shown separately as "Collateral not nettable on the Consolidated balance sheets" in the tables below, up to the fair value exposure amount;
- the amount of collateral held or transferred that exceeds the fair value exposure at the individual counterparty level, as of the date presented, which is excluded from the tables below; and
- collateral held or transferred that relates to derivative receivables or payables where an appropriate legal opinion has not been either sought or obtained with respect to the master netting agreement, which is excluded from the tables below.

(in millions)	June 30, 2024			December 31, 2023		
	Gross derivative receivables	Amounts netted on the Consolidated balance sheets	Net derivative receivables	Gross derivative receivables	Amounts netted on the Consolidated balance sheets	Net derivative receivables
<b>U.S. GAAP nettable derivative receivables</b>						
<b>Interest rate contracts:</b>						
Over-the-counter ("OTC")	\$ 231,808	\$ (206,716)	\$ 25,092	\$ 234,039	\$ (209,657)	\$ 24,382
OTC-cleared	64,882	(64,620)	262	70,328	(70,184)	144
Exchange-traded <sup>(a)</sup>	288	(284)	4	399	(388)	11
<b>Total interest rate contracts</b>	<b>296,978</b>	<b>(271,620)</b>	<b>25,358</b>	<b>304,766</b>	<b>(280,229)</b>	<b>24,537</b>
<b>Credit contracts:</b>						
OTC	8,165	(7,620)	545	7,434	(6,990)	444
OTC-cleared	2,165	(2,097)	68	1,904	(1,877)	27
<b>Total credit contracts</b>	<b>10,330</b>	<b>(9,717)</b>	<b>613</b>	<b>9,338</b>	<b>(8,867)</b>	<b>471</b>
<b>Foreign exchange contracts:</b>						
OTC	194,155	(178,127)	16,028	207,705	(191,371)	16,334
OTC-cleared	563	(503)	60	469	(459)	10
Exchange-traded <sup>(a)</sup>	22	—	22	6	(2)	4
<b>Total foreign exchange contracts</b>	<b>194,740</b>	<b>(178,630)</b>	<b>16,110</b>	<b>208,180</b>	<b>(191,832)</b>	<b>16,348</b>
<b>Equity contracts:</b>						
OTC	60,163	(56,214)	3,949	47,021	(45,141)	1,880
Exchange-traded <sup>(a)</sup>	15,186	(13,847)	1,339	11,516	(10,137)	1,379
<b>Total equity contracts</b>	<b>75,349</b>	<b>(70,061)</b>	<b>5,288</b>	<b>58,537</b>	<b>(55,278)</b>	<b>3,259</b>
<b>Commodity contracts:</b>						
OTC	15,887	(13,271)	2,616	12,317	(9,416)	2,901
OTC-cleared	168	(124)	44	133	(123)	10
Exchange-traded <sup>(a)</sup>	6,567	(6,416)	151	5,214	(5,190)	24
<b>Total commodity contracts</b>	<b>22,622</b>	<b>(19,811)</b>	<b>2,811</b>	<b>17,664</b>	<b>(14,729)</b>	<b>2,935</b>
<b>Derivative receivables with appropriate legal opinion</b>	<b>600,019</b>	<b>(549,839)</b>	<b>50,180</b> <sup>(d)</sup>	<b>598,485</b>	<b>(550,935)</b>	<b>47,550</b> <sup>(d)</sup>
<b>Derivative receivables where an appropriate legal opinion has not been either sought or obtained</b>	<b>5,924</b>		<b>5,924</b>	<b>7,625</b>		<b>7,625</b>
<b>Total derivative receivables recognized on the Consolidated balance sheets</b>	<b>\$ 605,943</b>		<b>\$ 56,104</b>	<b>\$ 606,110</b>		<b>\$ 55,175</b>
<b>Collateral not nettable on the Consolidated balance sheets</b> <sup>(b)(c)</sup>			<b>(24,195)</b>			<b>(22,444)</b>
<b>Net amounts</b>			<b>\$ 31,909</b>			<b>\$ 32,731</b>

(in millions)	June 30, 2024			December 31, 2023		
	Gross derivative payables	Amounts netted on the Consolidated balance sheets	Net derivative payables	Gross derivative payables	Amounts netted on the Consolidated balance sheets	Net derivative payables
<b>U.S. GAAP nettable derivative payables</b>						
<b>Interest rate contracts:</b>						
OTC	\$ 205,450	\$ (196,110)	\$ 9,340	\$ 212,611	\$ (203,535)	\$ 9,076
OTC-cleared	69,434	(69,148)	286	74,771	(74,494)	277
Exchange-traded <sup>(a)</sup>	367	(332)	35	434	(388)	46
<b>Total interest rate contracts</b>	<b>275,251</b>	<b>(265,590)</b>	<b>9,661</b>	<b>287,816</b>	<b>(278,417)</b>	<b>9,399</b>
<b>Credit contracts:</b>						
OTC	10,807	(9,817)	990	10,439	(9,432)	1,007
OTC-cleared	1,850	(1,833)	17	1,639	(1,636)	3
<b>Total credit contracts</b>	<b>12,657</b>	<b>(11,650)</b>	<b>1,007</b>	<b>12,078</b>	<b>(11,068)</b>	<b>1,010</b>
<b>Foreign exchange contracts:</b>						
OTC	194,347	(185,182)	9,165	215,357	(205,152)	10,205
OTC-cleared	556	(504)	52	552	(470)	82
Exchange-traded <sup>(a)</sup>	33	(1)	32	6	–	6
<b>Total foreign exchange contracts</b>	<b>194,936</b>	<b>(185,687)</b>	<b>9,249</b>	<b>215,915</b>	<b>(205,622)</b>	<b>10,293</b>
<b>Equity contracts:</b>						
OTC	61,811	(57,530)	4,281	49,230	(46,532)	2,698
Exchange-traded <sup>(a)</sup>	14,815	(13,844)	971	10,313	(10,137)	176
<b>Total equity contracts</b>	<b>76,626</b>	<b>(71,374)</b>	<b>5,252</b>	<b>59,543</b>	<b>(56,669)</b>	<b>2,874</b>
<b>Commodity contracts:</b>						
OTC	14,936	(12,691)	2,245	12,426	(9,410)	3,016
OTC-cleared	124	(124)	–	120	(120)	–
Exchange-traded <sup>(a)</sup>	6,437	(6,370)	67	5,376	(5,192)	184
<b>Total commodity contracts</b>	<b>21,497</b>	<b>(19,185)</b>	<b>2,312</b>	<b>17,922</b>	<b>(14,722)</b>	<b>3,200</b>
<b>Derivative payables with appropriate legal opinion</b>	<b>580,967</b>	<b>(553,486)</b>	<b>27,481</b>	<b>593,274</b>	<b>(566,498)</b>	<b>26,776</b>
<b>Derivative payables where an appropriate legal opinion has not been either sought or obtained</b>	<b>6,402</b>		<b>6,402</b>	<b>8,588</b>		<b>8,588</b>
<b>Total derivative payables recognized on the Consolidated balance sheets</b>	<b>\$ 587,369</b>		<b>\$ 33,883</b>	<b>\$ 601,862</b>		<b>\$ 35,364</b>
<b>Collateral not nettable on the Consolidated balance sheets<sup>(b)(c)</sup></b>			<b>(5,823)</b>			<b>(4,276)</b>
<b>Net amounts</b>			<b>\$ 28,060</b>			<b>\$ 31,088</b>

(a) Exchange-traded derivative balances that relate to futures contracts are settled daily.

(b) Includes liquid securities and other cash collateral held at third-party custodians related to derivative instruments where an appropriate legal opinion has been obtained. For some counterparties, the collateral amounts of financial instruments may exceed the derivative receivables and derivative payables balances. Where this is the case, the total amount reported is limited to the net derivative receivables and net derivative payables balances with that counterparty.

(c) Derivative collateral relates only to OTC and OTC-cleared derivative instruments.

(d) Net derivatives receivable included cash collateral netted of \$59.6 billion and \$55.3 billion at June 30, 2024 and December 31, 2023, respectively. Net derivatives payable included cash collateral netted of \$63.3 billion and \$70.8 billion at June 30, 2024 and December 31, 2023, respectively. Derivative cash collateral relates to OTC and OTC-cleared derivative instruments.

### Liquidity risk and credit-related contingent features

Refer to Note 6 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for a more detailed discussion of liquidity risk and credit-related contingent features related to the Bank's derivative contracts.

The following table shows the aggregate fair value of net derivative payables related to OTC and OTC-cleared derivatives that contain contingent collateral or termination features that may be triggered upon a ratings downgrade, and the associated collateral the Bank has posted in the normal course of business, at June 30, 2024, and December 31, 2023.

#### OTC and OTC-cleared derivative payables containing downgrade triggers

(in millions)	June 30, 2024	December 31, 2023
Aggregate fair value of net derivative payables	\$ 14,027	\$ 14,628
Collateral posted	14,222	14,645

The following table shows the impact of a single-notch and two-notch downgrade of the long-term issuer ratings of the Bank and its subsidiaries at June 30, 2024, and December 31, 2023, related to OTC and OTC-cleared derivative contracts with contingent collateral or termination features that may be triggered upon a ratings downgrade. Derivatives contracts generally require additional collateral to be posted or terminations to be triggered when the predefined rating threshold is breached. A downgrade by a single rating agency that does not result in a rating lower than a preexisting corresponding rating provided by another major rating agency will generally not result in additional collateral (except in certain instances in which additional initial margin may be required upon a ratings downgrade), nor in termination payment requirements. The liquidity impact in the table is calculated based upon a downgrade below the lowest current rating of the rating agencies referred to in the derivative contract.

#### Liquidity impact of downgrade triggers on OTC and OTC-cleared derivatives

(in millions)	June 30, 2024		December 31, 2023	
	Single-notch downgrade	Two-notch downgrade	Single-notch downgrade	Two-notch downgrade
Amount of additional collateral to be posted upon downgrade <sup>(a)</sup>	\$ 104	\$ 1,148	\$ 75	\$ 1,153
Amount required to settle contracts with termination triggers upon downgrade <sup>(b)</sup>	77	396	93	583

(a) Includes the additional collateral to be posted for initial margin.

(b) Amounts represent fair values of derivative payables, and do not reflect collateral posted.

#### Derivatives executed in contemplation of a sale of the underlying financial asset

In certain instances the Bank enters into transactions in which it transfers financial assets but maintains the economic exposure to the transferred assets by entering into a derivative with the same counterparty in contemplation of the initial transfer. The Bank generally accounts for such transfers as collateralized financing transactions as described in Note 11, but in limited circumstances they may qualify to be accounted for as a sale and a derivative under U.S. GAAP. The amount of such transfers accounted for as a sale where the associated derivative was outstanding was not material at June 30, 2024 and December 31, 2023.

## Impact of derivatives on the Consolidated statements of income

The following tables provide information related to gains and losses recorded on derivatives based on their hedge accounting designation or purpose. Refer to Note 18 for information regarding our derivative activities with JPMorgan Chase affiliates.

### Fair value hedge gains and losses

The following tables present derivative instruments, by contract type, used in fair value hedge accounting relationships, as well as pre-tax gains/(losses) recorded on such derivatives and the related hedged items for the six months ended June 30, 2024 and 2023, respectively. The Bank includes gains/(losses) on the hedging derivative in the same line item in the Consolidated statements of income as the related hedged item.

Six months ended June 30, 2024 (in millions)	Gains/(losses) recorded in income			Income statement impact of excluded components <sup>(e)</sup>		OCI impact
	Derivatives	Hedged items	Income statement impact	Amortization approach	Changes in fair value	Derivatives - Gains/(losses) recorded in OCI <sup>(f)</sup>
<b>Contract type</b>						
Interest rate <sup>(a)(b)</sup>	\$ 2,931	\$ (2,657)	\$ 274	\$ –	\$ 259	\$ –
Foreign exchange <sup>(c)</sup>	635	(530)	105	–	105	–
Commodity <sup>(d)</sup>	229	(212)	17	–	17	–
<b>Total</b>	<b>\$ 3,795</b>	<b>\$ (3,399)</b>	<b>\$ 396</b>	<b>\$ –</b>	<b>\$ 381</b>	<b>\$ –</b>

Six months ended June 30, 2023 (in millions)	Gains/(losses) recorded in income			Income statement impact of excluded components <sup>(e)</sup>		OCI impact
	Derivatives	Hedged items	Income statement impact	Amortization approach	Changes in fair value	Derivatives - Gains/(losses) recorded in OCI <sup>(f)</sup>
<b>Contract type</b>						
Interest rate <sup>(a)(b)</sup>	\$ 1,286	\$ (1,157)	\$ 129	\$ –	\$ 88	\$ –
Foreign exchange <sup>(c)</sup>	(207)	337	130	–	130	–
Commodity <sup>(d)</sup>	(1,344)	1,550	206	–	206	–
<b>Total</b>	<b>\$ (265)</b>	<b>\$ 730</b>	<b>\$ 465</b>	<b>\$ –</b>	<b>\$ 424</b>	<b>\$ –</b>

- (a) Primarily consists of hedges of the benchmark (e.g., Secured Overnight Financing Rate (“SOFR”)) interest rate risk of fixed-rate long-term debt and AFS securities. Gains and losses were recorded in net interest income.
- (b) Includes the amortization of income/expense associated with the inception hedge accounting adjustment applied to the hedged item. Excludes the accrual of interest on interest rate swaps and the related hedged items.
- (c) Primarily consists of hedges of the foreign currency risk of AFS securities for changes in spot foreign currency rates. Gains and losses related to the derivatives and the hedged items due to changes in foreign currency rates and the income statement impact of excluded components were recorded primarily in principal transactions revenue and net interest income.
- (d) Consists of overall fair value hedges of physical commodities inventories that are generally carried at the lower of cost or net realizable value (net realizable value approximates fair value). Gains and losses were recorded in principal transactions revenue.
- (e) The assessment of hedge effectiveness excludes certain components of the changes in fair values of the derivatives and hedged items such as forward points on foreign exchange forward contracts, time values and cross-currency basis spreads. Excluded components may impact earnings either through amortization of the initial amount over the life of the derivative, or through fair value changes recognized in the current period.
- (f) Represents the change in value of amounts excluded from the assessment of effectiveness under the amortization approach, predominantly cross-currency basis spreads. The amount excluded at inception of the hedge is recognized in earnings over the life of the derivative.

As of June 30, 2024 and December 31, 2023, the following amounts were recorded on the Consolidated balance sheets related to certain cumulative fair value hedge basis adjustments that are expected to reverse through the income statement in future periods as an adjustment to yield.

June 30, 2024 (in millions)	Carrying amount of the hedged items <sup>(a)(b)</sup>	Cumulative amount of fair value hedging adjustments included in the carrying amount of hedged items:		
		Active hedging relationships <sup>(d)</sup>	Discontinued hedging relationships <sup>(d)(e)</sup>	Total
<b>Assets</b>				
Investment securities - AFS	\$ 143,925 <sup>(c)</sup>	\$ (1,779)	\$ (2,013)	\$ (3,792)
<b>Liabilities</b>				
Long-term debt	\$ 3,717	\$ (23)	\$ 48	\$ 25
Beneficial interests issued by consolidated VIEs	2,317	(31)	–	(31)

December 31, 2023 (in millions)	Carrying amount of the hedged items <sup>(a)(b)</sup>	Cumulative amount of fair value hedging adjustments included in the carrying amount of hedged items:		
		Active hedging relationships <sup>(d)</sup>	Discontinued hedging relationships <sup>(d)(e)</sup>	Total
<b>Assets</b>				
Investment securities - AFS	\$ 151,752 <sup>(c)</sup>	\$ 549	\$ (2,010)	\$ (1,461)
<b>Liabilities</b>				
Long-term debt	\$ 3,786	\$ 22	\$ 61	\$ 83
Beneficial interests issued by consolidated VIEs	–	–	–	–

- (a) Excludes physical commodities with a carrying value of \$872 million and \$3.6 billion at June 30, 2024 and December 31, 2023, respectively, to which the Bank applies fair value hedge accounting. As a result of the application of hedge accounting, these inventories are carried at fair value, thus recognizing unrealized gains and losses in current periods. Since the Bank exits these positions at fair value, there is no incremental impact to net income in future periods.
- (b) Excludes hedged items where only foreign currency risk is the designated hedged risk, as basis adjustments related to foreign currency hedges will not reverse through the income statement in future periods. At June 30, 2024 and December 31, 2023, the carrying amount excluded for AFS securities was \$25.8 billion and \$19.3 billion, respectively.
- (c) Carrying amount represents the amortized cost, net of allowance if applicable. At June 30, 2023 and December 31, 2023, the amortized cost of the portfolio layer method closed portfolios was \$67.6 billion and \$83.9 billion, of which \$63.1 billion and \$68.0 billion was designated as hedged, respectively. The amount designated as hedged is the sum of the notional amounts of all outstanding layers in each portfolio, which includes both spot starting and forward starting layers. At June 30, 2024 and December 31, 2023, the cumulative amount of basis adjustments was \$(1.8) billion and \$(165) million, which is comprised of \$(1.3) billion and \$73 million for active hedging relationships, and \$(485) million and \$(238) million for discontinued hedging relationships, respectively. Refer to Note 10 for additional information.
- (d) Positive (negative) amounts related to assets represent cumulative fair value hedge basis adjustments that will reduce (increase) net interest income in future periods. Positive (negative) amounts related to liabilities represent cumulative fair value hedge basis adjustments that will increase (reduce) net interest income in future periods.
- (e) Represents basis adjustments existing on the balance sheet date associated with hedged items that have been de-designated from qualifying fair value hedging relationships.



### Cash flow hedge gains and losses

The following tables present derivative instruments, by contract type, used in cash flow hedge accounting relationships, and the pre-tax gains/(losses) recorded on such derivatives, for the six months ended June 30, 2024 and 2023, respectively. The Bank includes the gains/(losses) on the hedging derivative in the same line item in the Consolidated statements of income as the change in cash flows on the related hedged item.

Six months ended June 30, 2024 (in millions)	Derivatives gains/(losses) recorded in income and other comprehensive income/(loss)		
	Amounts reclassified from AOCI to income	Amounts recorded in OCI	Total change in OCI for period
<b>Contract type</b>			
Interest rate <sup>(a)</sup>	\$ (1,284)	\$ (2,401)	\$ (1,117)
Foreign exchange <sup>(b)</sup>	39	(44)	(83)
<b>Total</b>	<b>\$ (1,245)</b>	<b>\$ (2,445)</b>	<b>\$ (1,200)</b>

Six months ended June 30, 2023 (in millions)	Derivatives gains/(losses) recorded in income and other comprehensive income/(loss)		
	Amounts reclassified from AOCI to income	Amounts recorded in OCI	Total change in OCI for period
<b>Contract type</b>			
Interest rate <sup>(a)</sup>	\$ (902)	\$ (740)	162
Foreign exchange <sup>(b)</sup>	(46)	186	232
<b>Total</b>	<b>\$ (948)</b>	<b>\$ (554)</b>	<b>394</b>

(a) Primarily consists of hedges of SOFR-indexed floating-rate assets. Gains and losses were recorded in net interest income.

(b) Primarily consists of hedges of the foreign currency risk of non-U.S. dollar-denominated revenue and expense. The income statement classification of gains and losses follows the hedged item – primarily noninterest revenue and compensation expense.

The Bank did not experience any forecasted transactions that failed to occur for the six months ended June 30, 2024 and 2023.

Over the next 12 months, the Bank expects that approximately \$(2.0) billion (after-tax) of net losses recorded in AOCI at June 30, 2024, related to cash flow hedges will be recognized in income. For cash flow hedges that have been terminated, the maximum length of time over which the derivative results recorded in AOCI will be recognized in earnings is approximately seven years, corresponding to the timing of the originally hedged forecasted cash flows. For open cash flow hedges, the maximum length of time over which forecasted transactions are hedged is approximately seven years. The Bank's longer-dated forecasted transactions relate to core lending and borrowing activities.

### Net investment hedge gains and losses

The following table presents hedging instruments, by contract type, that were used in net investment hedge accounting relationships, and the pre-tax gains/(losses) recorded on such instruments for the six months ended June 30, 2024 and 2023.

Six months ended June 30, (in millions)	Gains/(losses) recorded in income and other comprehensive income/(loss)			
	2024		2023	
	Amounts recorded in income <sup>(a)(b)</sup>	Amounts recorded in OCI	Amounts recorded in income <sup>(a)(b)</sup>	Amounts recorded in OCI
Foreign exchange derivatives	\$ 164	\$ 2,218	\$ 201	\$ (957)

- (a) Certain components of hedging derivatives are permitted to be excluded from the assessment of hedge effectiveness, such as forward points on foreign exchange forward contracts. The Bank elects to record changes in fair value of these amounts directly in other income.
- (b) Excludes amounts reclassified from AOCI to income due to acquisition and dissolution of certain hedged entities. The amounts reclassified for the six months ended June 30, 2024 were not material. There were no acquisitions and dissolutions of hedged entities that resulted in reclassification during the six months ended June 30, 2023. Refer to Note 19 for further information.

### Gains and losses on derivatives used for specified risk management purposes

The following table presents pre-tax gains/(losses) recorded on a limited number of derivatives, not designated in hedge accounting relationships, that are used to manage risks associated with certain specified assets and liabilities, including certain risks arising from mortgage commitments, warehouse loans, MSRs, wholesale lending exposures, and foreign currency-denominated assets and liabilities.

(in millions)	Derivatives gains/(losses) recorded in income	
	Six months ended June 30,	
	2024	2023
<b>Contract type</b>		
Interest rate <sup>(a)</sup>	\$ (244)	\$ (126)
Credit <sup>(b)</sup>	(280)	(163)
Foreign exchange <sup>(c)</sup>	41	(18)
<b>Total</b>	\$ (483)	\$ (307)

- (a) Primarily represents interest rate derivatives used to hedge the interest rate risk inherent in mortgage commitments, warehouse loans and MSRs, as well as written commitments to originate warehouse loans. Gains and losses were recorded predominantly in mortgage fees and related income.
- (b) Relates to credit derivatives used to mitigate credit risk associated with lending exposures in the Bank's wholesale businesses. These derivatives do not include credit derivatives used to mitigate counterparty credit risk arising from derivative receivables, which is included in gains and losses on derivatives related to market-making activities and other derivatives. Gains and losses were recorded in principal transactions revenue.
- (c) Primarily relates to derivatives used to mitigate foreign exchange risk of specified foreign currency-denominated assets and liabilities. Gains and losses were recorded in principal transactions revenue.

### Gains and losses on derivatives related to market-making activities and other derivatives

The Bank makes markets in derivatives in order to meet the needs of customers 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. All derivatives not included in the hedge accounting or specified risk management categories above are included in this category. Gains and losses on these derivatives are primarily recorded in principal transactions revenue. Refer to Note 6 for information on principal transactions revenue.

## Credit derivatives

Refer to Note 6 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for a more detailed discussion of credit derivatives. The following tables present a summary of the notional amounts of credit derivatives and credit-related notes the Bank sold and purchased as of June 30, 2024 and December 31, 2023. The Bank does not use notional amounts of credit derivatives as the primary measure of risk management for such derivatives, because the notional amount does not take into account the probability of the occurrence of a credit event, the recovery value of the reference obligation, or related cash instruments and economic hedges, each of which reduces, in the Bank's view, the risks associated with such derivatives.

### Total credit derivatives and credit-related notes

June 30, 2024 (in millions)	Maximum payout/Notional amount			
	Protection sold	Protection purchased with identical underlyings <sup>(b)</sup>	Net protection (sold)/purchased <sup>(c)</sup>	Other protection purchased <sup>(d)</sup>
<b>Credit derivatives</b>				
Credit default swaps	\$ (466,436)	\$ 485,088	\$ 18,652	\$ 6,500
Other credit derivatives <sup>(a)</sup>	(108,367)	126,222	17,855	12,267
<b>Total credit derivatives</b>	<b>(574,803)</b>	<b>611,310</b>	<b>36,507</b>	<b>18,767</b>
Credit-related notes	–	–	–	9,970
<b>Total</b>	<b>\$ (574,803)</b>	<b>\$ 611,310</b>	<b>\$ 36,507</b>	<b>\$ 28,737</b>

December 31, 2023 (in millions)	Maximum payout/Notional amount			
	Protection sold	Protection purchased with identical underlyings <sup>(b)</sup>	Net protection (sold)/purchased <sup>(c)</sup>	Other protection purchased <sup>(d)</sup>
<b>Credit derivatives</b>				
Credit default swaps	\$ (448,674)	\$ 472,484	\$ 23,810	\$ 7,548
Other credit derivatives <sup>(a)</sup>	(44,252)	63,891	19,639	15,816
<b>Total credit derivatives</b>	<b>(492,926)</b>	<b>536,375</b>	<b>43,449</b>	<b>23,364</b>
Credit-related notes	–	–	–	8,562
<b>Total</b>	<b>\$ (492,926)</b>	<b>\$ 536,375</b>	<b>\$ 43,449</b>	<b>\$ 31,926</b>

(a) Other credit derivatives predominantly consist of credit swap options and total return swaps.

(b) Represents the total notional amount of protection purchased where the underlying reference instrument is identical to the reference instrument on protection sold; the notional amount of protection purchased for each individual identical underlying reference instrument may be greater or lower than the notional amount of protection sold.

(c) Does not take into account the fair value of the reference obligation at the time of settlement, which would generally reduce the amount the seller of protection pays to the buyer of protection in determining settlement value.

(d) Represents protection purchased by the Bank on referenced instruments (single-name, portfolio or index) where the Bank has not sold any protection on the identical reference instrument. Also includes credit protection against certain loans and lending-related commitments in the retained lending portfolio through the issuance of credit derivatives and credit-related notes.

The following tables summarize the notional amounts by the ratings, maturity profile, and total fair value, of credit derivatives as of June 30, 2024 and December 31, 2023, where the Bank is the seller of protection. The maturity profile is based on the remaining contractual maturity of the credit derivative contracts. The ratings profile is based on the rating of the reference entity on which the credit derivative contract is based. The ratings and maturity profile of credit derivatives where the Bank is the purchaser of protection are comparable to the profile reflected below.

### Protection sold – credit derivatives ratings<sup>(a)</sup>/maturity profile

June 30, 2024 (in millions)	<1 year	1-5 years	>5 years	Total notional amount	Fair value of receivables <sup>(b)</sup>	Fair value of payables <sup>(b)</sup>	Net fair value
<b>Risk rating of reference entity</b>							
Investment-grade	\$ (150,164)	\$ (287,067)	\$ (29,968)	\$ (467,199)	\$ 4,275	\$ (1,710)	\$ 2,565
Noninvestment-grade	(34,208)	(70,964)	(2,432)	(107,604)	2,282	(1,449)	833
<b>Total</b>	<b>\$ (184,372)</b>	<b>\$ (358,031)</b>	<b>\$ (32,400)</b>	<b>\$ (574,803)</b>	<b>\$ 6,557</b>	<b>\$ (3,159)</b>	<b>\$ 3,398</b>

December 31, 2023 (in millions)	<1 year	1-5 years	>5 years	Total notional amount	Fair value of receivables <sup>(b)</sup>	Fair value of payables <sup>(b)</sup>	Net fair value
<b>Risk rating of reference entity</b>							
Investment-grade	\$ (90,961)	\$ (270,544)	\$ (25,596)	\$ (387,101)	\$ 3,758	\$ (1,290)	\$ 2,468
Noninvestment-grade	(31,763)	(71,494)	(2,568)	(105,825)	2,594	(1,124)	1,470
<b>Total</b>	<b>\$ (122,724)</b>	<b>\$ (342,038)</b>	<b>\$ (28,164)</b>	<b>\$ (492,926)</b>	<b>\$ 6,352</b>	<b>\$ (2,414)</b>	<b>\$ 3,938</b>

(a) The ratings scale is primarily based on external credit ratings defined by S&P and Moody's.

(b) Amounts are shown on a gross basis, before the benefit of legally enforceable master netting agreements including cash collateral netting.

## Note 6 – Noninterest revenue and noninterest expense

### Noninterest revenue

Refer to Note 7 of the Bank's 2023 Annual Financial Statements for a discussion of the components of and accounting policies for the Bank's noninterest revenue.

#### Investment banking fees

The following table presents the components of investment banking fees.

(in millions)	Six months ended June 30,	
	2024	2023
<b>Underwriting</b>		
Equity	\$ 195	\$ 116
Debt	1,181	778
<b>Total underwriting</b>	<b>1,376</b>	894
Advisory	395	389
<b>Total investment banking fees</b>	<b>\$ 1,771</b>	\$ 1,283

#### Principal transactions

The following table presents all realized and unrealized gains and losses recorded in principal transactions revenue. This table excludes interest income and interest expense on trading assets and liabilities, which are an integral part of the overall performance of the Bank's client-driven market-making activities and fund deployment activities. Refer to Note 7 for further information on interest income and interest expense.

Trading revenue is presented primarily by instrument type. The Bank's client-driven market-making activities generally utilize a variety of instrument types in connection with their market-making and related risk-management activities; accordingly, the trading revenue presented in the table below is not representative of the total revenue of the Bank's client-driven market making activities.

(in millions)	Six months ended June 30,	
	2024	2023
<b>Trading revenue by instrument type</b>		
Interest rate <sup>(a)</sup>	\$ 1,428	\$ 2,696
Credit <sup>(b)</sup>	622	650
Foreign exchange	2,543	2,893
Equity	6,156	4,803
Commodity	444	1,182
<b>Total trading revenue</b>	<b>\$ 11,193</b>	\$ 12,224

(a) Includes the impact of changes in funding valuation adjustments on derivatives.

(b) Includes the impact of changes in credit valuation adjustments on derivatives, net of the associated hedging activities.

### Lending- and deposit-related fees

The following table presents the components of lending- and deposit-related fees.

(in millions)	Six months ended June 30,	
	2024	2023
Lending-related fees <sup>(a)</sup>	\$ 1,119	\$ 958
Deposit-related fees <sup>(b)</sup>	2,609	2,489
<b>Total lending- and deposit-related fees</b>	<b>\$ 3,728</b>	\$ 3,447

(a) Includes the amortization of the fair value discount on certain acquired lending-related commitments associated with First Republic. The discount is deferred in other liabilities and recognized on a straight-line basis over the commitment period and was largely recognized in the prior year as the commitments are generally short term. Refer to Note 25 for additional information.

(b) Includes the impact of credits earned by clients that reduce such fees.

### Asset management fees

The following table presents the components of asset management fees.

(in millions)	Six months ended June 30,	
	2024	2023
<b>Asset management fees</b>		
Investment management fees	\$ 1,441	\$ 1,322
All other asset management fees	28	28
<b>Total asset management fees</b>	<b>\$ 1,469</b>	\$ 1,350

### Commissions and other fees

The following table presents the components of commissions and other fees.

(in millions)	Six months ended June 30,	
	2024	2023
<b>Commissions and other fees</b>		
Brokerage commissions and fees	\$ 709	\$ 649
Administration fees	1,201	1,120
All other commissions and fees <sup>(a)</sup>	4,942	4,214
<b>Total commissions and other fees</b>	<b>\$ 6,852</b>	\$ 5,983

(a) Includes fees earned for operational support and services provided to JPMorgan Chase affiliates. Refer to Note 18 for additional information.

## Card income

The following table presents the components of card income.

(in millions)	Six months ended June 30,	
	2024	2023
Interchange and merchant processing income	\$ 16,351	\$ 15,024
Rewards costs and partner payments	(12,960)	(11,901)
Other card income <sup>(a)</sup>	(841)	(795)
<b>Total card income</b>	<b>\$ 2,550</b>	<b>\$ 2,328</b>

(a) Predominantly represents the amortization of account origination costs and annual fees, which are deferred and recognized on a straight-line basis over a 12-month period.

Refer to Note 15 for further information on mortgage fees and related income.

## Other income

The following table presents certain components of other income.

(in millions)	Six months ended June 30,	
	2024	2023
Operating lease income	\$ 1,361	\$ 1,470
Estimated bargain purchase gain associated with the First Republic acquisition	103	2,712
Initial gain on the Visa share exchange <sup>(a)</sup>	7,990	—

(a) Relates to the initial gain recognized on May 6, 2024. Refer to Note 3 for additional information.

Refer to Note 17 for information on operating lease income included within other income.

## Noninterest expense

### Other expense

Other expense on the Bank's Consolidated statements of income includes the following:

(in millions)	Six months ended June 30,	
	2024	2023
Legal expense	\$ 443	\$ 516
FDIC-related expense	1,264 <sup>(c)</sup>	655
Operating losses <sup>(a)</sup>	607	590
Contribution of Visa shares <sup>(b)</sup>	1,000	—

(a) Predominantly fraud losses associated with customer deposit accounts, credit and debit cards.

(b) Represents the contribution of a portion of Visa C shares to the JPMorgan Chase Foundation. Refer to Note 3 for additional information.

(c) Included an increase of \$725 million to the FDIC special assessment reflecting the FDIC's revised estimate of Deposit Insurance Fund losses.

## Note 7 - Interest income and Interest expense

Refer to Note 8 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for a description of the Bank's accounting policies regarding interest income and interest expense.

The following table presents the components of interest income and interest expense.

(in millions)	Six months ended June 30,	
	2024	2023
<b>Interest income</b>		
Loans <sup>(a)</sup>	\$ 45,671	\$ 37,953
Taxable securities	9,994	8,155
Non-taxable securities <sup>(b)</sup>	625	590
Total investment securities <sup>(a)</sup>	10,619	8,745
Trading assets - debt instruments	5,009	3,618
Federal funds sold and securities purchased under resale agreements	6,482	5,816
Securities borrowed	1,014	936
Deposits with banks	12,355	9,983
All other interest-earning assets	2,871	2,507
<b>Total interest income</b>	<b>\$ 84,021</b>	<b>\$ 69,558</b>
<b>Interest expense</b>		
Interest-bearing deposits	\$ 26,462	\$ 18,787
Federal funds purchased and securities loaned or sold under repurchase agreements	3,280	2,221
Trading liabilities - debt, short-term borrowings and all other interest-bearing liabilities	2,085	1,734
Long-term debt	4,703	1,751
Beneficial interest issued by consolidated VIEs	717	352
<b>Total interest expense</b>	<b>\$ 37,247</b>	<b>\$ 24,845</b>
<b>Net interest income</b>	<b>\$ 46,774</b>	<b>\$ 44,713</b>
Provision for credit losses	4,837	5,103
<b>Net interest income after provision for credit losses</b>	<b>\$ 41,937</b>	<b>\$ 39,610</b>

(a) Includes the amortization and accretion of purchase premiums and discounts, as well as net deferred fees and costs on loans.

(b) Represents securities which are tax-exempt for U.S. federal income tax purposes.

## Note 8 – Pension and other postretirement employee benefit plans

Refer to Note 9 of JPMorgan Chase Bank, N.A.’s 2023 Annual Financial Statements for a discussion of the Bank’s pension and other postretirement employee benefit (“OPEB”) plans.

The following table presents the net periodic benefit costs reported in the Consolidated statements of income for the Bank’s defined benefit pension, defined contribution and OPEB plans.

(in millions)	Six months ended June 30,	
	2024	2023
	Pension and OPEB plans	
Total net periodic defined benefit plan cost/(credit) <sup>(a)</sup>	\$ (171)	\$ (109)
Total defined contribution plans	776	681
<b>Total pension and OPEB cost included in noninterest expense</b>	<b>\$ 605</b>	<b>\$ 572</b>

(a) Includes \$(23) million and \$(15) million for the six months ended June 30, 2024 and 2023, respectively, that the Bank charged JPMorgan Chase affiliates for their share of the U.S. qualified defined benefit pension plan expense.

As of June 30, 2024 and December 31, 2023, the fair values of plan assets for the Bank’s significant defined benefit pension and OPEB plans were \$17.6 billion and \$18.0 billion, respectively.

## Note 9 – Employee share-based incentives

Certain employees of the Bank participate in JPMorgan Chase’s long-term share-based incentive plans, which provide grants of common stock-based awards, including restricted stock units (“RSUs”), performance share units (“PSUs”) and stock appreciation rights (“SARs”). Refer to Note 10 of JPMorgan Chase Bank, N.A.’s 2023 Annual Financial Statements for a discussion of the accounting policies and other information relating to employee share-based incentives.

The Bank recognized the following compensation expense related to its participation in various employee share-based incentive plans in its Consolidated statements of income.

(in millions)	Six months ended June 30,	
	2024	2023
Cost of prior grants of RSUs, PSUs and SARs that are amortized over their applicable vesting periods	\$ 649	\$ 600
Accrual of estimated costs of share-based awards to be granted in future periods, predominantly those to full-career eligible employees	724	653
<b>Total compensation expense related to employee share-based incentive plans</b>	<b>\$ 1,373</b>	<b>\$ 1,253</b>

There are no separate plans solely for the employees of the Bank and, therefore, the share-based compensation expense for the Bank is determined based upon employee participation in the JPMorgan Chase plans and effected through a charge from JPMorgan Chase, which is cash settled.

During the six month period ended June 30, 2024, in connection with its annual incentive grant for the 2023 performance year, JPMorgan Chase granted employees of the Bank 12 million RSUs and 693 thousand PSUs with weighted-average grant date fair values of \$163.75 per RSU and \$165.59 per PSU.

## Note 10 – Investment securities

Investment securities consist of debt securities that are classified as AFS or held-to-maturity (“HTM”). Debt securities classified as trading assets are discussed in Note 3. Predominantly all of the Bank’s AFS and HTM securities are held in connection with its asset-liability management activities. At June 30, 2024, the investment securities portfolio consisted of debt securities with an average credit rating of AA+ (based upon external ratings where available,

and where not available, based primarily upon internal risk ratings).

Refer to Note 11 of JPMorgan Chase Bank, N.A.’s 2023 Annual Financial Statements for additional information regarding the investment securities portfolio.

The amortized costs and estimated fair values of the investment securities portfolio were as follows for the dates indicated.

(in millions)	June 30, 2024				December 31, 2023			
	Amortized cost <sup>(d)(e)</sup>	Gross unrealized gains	Gross unrealized losses	Fair value	Amortized cost <sup>(d)(e)</sup>	Gross unrealized gains	Gross unrealized losses	Fair value
<b>Available-for-sale securities</b>								
Mortgage-backed securities:								
U.S. GSEs and government agencies	\$ 78,807	\$ 428	\$ 4,182	\$ 75,053	\$ 88,377	\$ 870	\$ 4,077	\$ 85,170
Residential:								
U.S.	2,326	8	63	2,271	2,086	10	68	2,028
Non-U.S.	749	3	–	752	1,608	4	1	1,611
Commercial	2,898	9	86	2,821	2,930	12	139	2,803
<b>Total mortgage-backed securities</b>	<b>84,780</b>	<b>448</b>	<b>4,331</b>	<b>80,897</b>	<b>95,001</b>	<b>896</b>	<b>4,285</b>	<b>91,612</b>
U.S. Treasury and government agencies	127,890	392	754	127,528	58,051	276	522	57,805
Obligations of U.S. states and municipalities	17,545	132	490	17,187	21,243	390	266	21,367
Non-U.S. government debt securities	31,442	76	419	31,099	21,387	254	359	21,282
Corporate debt securities	80	–	1	79	88	–	1	87
Asset-backed securities:								
Collateralized loan obligations	6,785	31	7	6,809	6,769	11	28	6,752
Other	2,628	12	11	2,629	2,789	8	26	2,771
Unallocated portfolio layer fair value basis adjustments <sup>(a)</sup>	(1,285)	–	(1,285)	NA	73	(73)	–	NA
<b>Total available-for-sale securities</b>	<b>269,865</b>	<b>1,091</b>	<b>4,728</b>	<b>266,228</b>	<b>205,401</b>	<b>1,762</b>	<b>5,487</b>	<b>201,676</b>
<b>Held-to-maturity securities<sup>(b)</sup></b>								
Mortgage-backed securities:								
U.S. GSEs and government agencies	101,515	15	13,729	87,801	105,614	39	11,643	94,010
U.S. Residential	9,162	2	1,050	8,114	9,709	4	970	8,743
Commercial	9,879	12	491	9,400	10,534	13	581	9,966
<b>Total mortgage-backed securities</b>	<b>120,556</b>	<b>29</b>	<b>15,270</b>	<b>105,315</b>	<b>125,857</b>	<b>56</b>	<b>13,194</b>	<b>112,719</b>
U.S. Treasury and government agencies	140,281	–	13,104	127,177	173,666	–	13,074	160,592
Obligations of U.S. states and municipalities	9,490	38	673	8,855	9,945	74	591	9,428
Asset-backed securities:								
Collateralized loan obligations	51,822	113	30	51,905	58,565	47	352	58,260
Other	1,597	3	49	1,551	1,815	1	61	1,755
<b>Total held-to-maturity securities<sup>(c)</sup></b>	<b>323,746</b>	<b>183</b>	<b>29,126</b>	<b>294,803</b>	<b>369,848</b>	<b>178</b>	<b>27,272</b>	<b>342,754</b>
<b>Total investment securities, net of allowance for credit losses</b>	<b>\$ 593,611</b>	<b>\$ 1,274</b>	<b>\$33,854</b>	<b>\$ 561,031</b>	<b>\$ 575,249</b>	<b>\$ 1,940</b>	<b>\$32,759</b>	<b>\$ 544,430</b>

(a) Represents the amount of portfolio layer method basis adjustments related to AFS securities hedged in a closed portfolio. Under U.S. GAAP portfolio layer method basis adjustments are not allocated to individual securities, however the amounts impact the unrealized gains or losses in the table for the types of securities being hedged. Refer to Note 5 for additional information.

(b) The Bank purchased \$1.0 billion and \$4.1 billion of HTM securities for the six months ended June 30, 2024 and 2023, respectively.

(c) Effective January 1, 2023, the Bank adopted the portfolio layer method hedge accounting guidance which permitted a transfer of HTM securities to AFS upon adoption. The Bank transferred obligations of U.S. states and municipalities with a carrying value of \$7.1 billion resulting in the recognition of \$38 million net pre-tax unrealized losses in AOCI. This transfer was a non-cash transaction. Refer to Note 19 of these Financial Statements and Note 1 of JPMorgan Chase Bank, N.A.’s 2023 Annual Financial Statements for additional information.

(d) The amortized cost of investment securities is reported net of allowance for credit losses of \$125 million and \$94 million at June 30, 2024 and December 31, 2023, respectively.

(e) Excludes \$3.4 billion and \$2.8 billion of accrued interest receivable at June 30, 2024 and December 31, 2023, respectively. The Bank did not reverse through interest income any accrued interest receivable for the six months ended June 30, 2024 and 2023. Refer to Note 11 of JPMorgan Chase Bank, N.A. 2023 Annual Financial Statements for further discussion of accounting policies for accrued interest receivable on investment securities.

## AFS securities impairment

The following tables present the fair value and gross unrealized losses by aging category for AFS securities at June 30, 2024 and December 31, 2023. The tables exclude U.S. Treasury and government agency securities and U.S. GSE and government agency MBS with unrealized losses of \$4.9 billion and \$4.6 billion, at June 30, 2024 and December 31, 2023, respectively; changes in the value of these securities are generally driven by changes in interest rates rather than changes in their credit profile given the explicit or implicit guarantees provided by the U.S. government.

June 30, 2024 (in millions)	Available-for-sale securities with gross unrealized losses					
	Less than 12 months		12 months or more		Total fair value	Total gross unrealized losses
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses		
<b>Available-for-sale securities</b>						
Mortgage-backed securities:						
Residential:						
U.S.	\$ 114	\$ 1	\$ 1,026	\$ 62	\$ 1,140	\$ 63
Non-U.S.	—	—	110	—	110	—
Commercial	398	4	1,383	82	1,781	86
<b>Total mortgage-backed securities</b>	<b>512</b>	<b>5</b>	<b>2,519</b>	<b>144</b>	<b>3,031</b>	<b>149</b>
Obligations of U.S. states and municipalities	8,602	184	3,003	306	11,605	490
Non-U.S. government debt securities	13,262	80	4,762	339	18,024	419
Corporate debt securities	4	—	41	1	45	1
Asset-backed securities:						
Collateralized loan obligations	—	—	615	7	615	7
Other	335	—	622	11	957	11
<b>Total available-for-sale securities with gross unrealized losses</b>	<b>\$ 22,715</b>	<b>\$ 269</b>	<b>\$ 11,562</b>	<b>\$ 808</b>	<b>\$ 34,277</b>	<b>\$ 1,077</b>

December 31, 2023 (in millions)	Available-for-sale securities with gross unrealized losses					
	Less than 12 months		12 months or more		Total fair value	Total gross unrealized losses
	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses		
<b>Available-for-sale securities</b>						
Mortgage-backed securities:						
Residential:						
U.S.	\$ 81	\$ —	\$ 1,160	\$ 68	\$ 1,241	\$ 68
Non-U.S.	—	—	722	1	722	1
Commercial	228	3	1,775	136	2,003	139
<b>Total mortgage-backed securities</b>	<b>309</b>	<b>3</b>	<b>3,657</b>	<b>205</b>	<b>3,966</b>	<b>208</b>
Obligations of U.S. states and municipalities	2,134	20	2,278	246	4,412	266
Non-U.S. government debt securities	7,145	24	4,987	335	12,132	359
Corporate debt securities	9	—	66	1	75	1
Asset-backed securities:						
Collateralized loan obligations	932	2	3,744	26	4,676	28
Other	208	1	1,288	25	1,496	26
<b>Total available-for-sale securities with gross unrealized losses</b>	<b>\$ 10,737</b>	<b>\$ 50</b>	<b>\$ 16,020</b>	<b>\$ 838</b>	<b>\$ 26,757</b>	<b>\$ 888</b>



## HTM securities – credit risk

### *Credit quality indicator*

The primary credit quality indicator for HTM securities is the risk rating assigned to each security. At both June 30, 2024 and December 31, 2023, all HTM securities were rated investment grade and were current and accruing, with approximately 99% rated at least AA+.

## Allowance for credit losses on investment securities

The allowance for credit losses on investment securities was \$125 million and \$74 million as of June 30, 2024 and 2023, respectively, which included a cumulative-effect adjustment to retained earnings related to the transfer of HTM securities to AFS for the six months ended June 30, 2023.

Refer to Note 11 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for further discussion of accounting policies for AFS and HTM securities.

## Selected impacts of investment securities on the Consolidated statements of income

(in millions)	Six months ended June 30,	
	2024	2023
Realized gains	\$ 237	\$ 329
Realized losses	(1,150)	(2,097)
<b>Investment securities losses</b>	<b>\$ (913)</b>	<b>\$ (1,768)</b>
<b>Provision for credit losses</b>	<b>\$ 31</b>	<b>\$ 13</b>

## Contractual maturities and yields

The following table presents the amortized cost and estimated fair value at June 30, 2024, of the Bank's investment securities portfolio by contractual maturity.

By remaining maturity June 30, 2024 (in millions)	Due in one year or less	Due after one year through five years	Due after five years through 10 years	Due after 10 years <sup>(c)</sup>	Total
<b>Available-for-sale securities</b>					
Mortgage-backed securities					
Amortized cost	\$ 3	\$ 5,214	\$ 4,659	\$ 74,904	\$ 84,780
Fair value	3	5,142	4,654	71,098	80,897
Average yield <sup>(a)</sup>	4.67 %	5.21 %	6.01 %	4.82 %	4.91 %
U.S. Treasury and government agencies					
Amortized cost	\$ —	\$ 91,511	\$ 29,421	\$ 6,958	\$ 127,890
Fair value	—	91,529	29,504	6,495	127,528
Average yield <sup>(a)</sup>	— %	5.03 %	6.01 %	6.54 %	5.33 %
Obligations of U.S. states and municipalities					
Amortized cost	\$ 15	\$ 17	\$ 80	\$ 17,433	\$ 17,545
Fair value	15	17	78	17,077	17,187
Average yield <sup>(a)</sup>	2.25 %	3.48 %	4.26 %	5.93 %	5.91 %
Non-U.S. government debt securities					
Amortized cost	\$ 12,698	\$ 7,643	\$ 3,231	\$ 7,870	\$ 31,442
Fair value	12,688	7,595	2,968	7,848	31,099
Average yield <sup>(a)</sup>	4.50 %	4.66 %	1.78 %	4.05 %	4.15 %
Corporate debt securities					
Amortized cost	\$ 66	\$ —	\$ 14	\$ —	\$ 80
Fair value	66	—	13	—	79
Average yield <sup>(a)</sup>	6.22 %	— %	4.10 %	— %	5.86 %
Asset-backed securities					
Amortized cost	\$ 24	\$ 559	\$ 2,506	\$ 6,324	\$ 9,413
Fair value	24	558	2,514	6,342	9,438
Average yield <sup>(a)</sup>	4.68 %	5.09 %	6.38 %	6.87 %	6.63 %
<b>Total available-for-sale securities</b>					
Amortized cost <sup>(b)</sup>	\$ 12,806	\$ 104,944	\$ 39,911	\$ 113,489	\$ 271,150
Fair value	12,796	104,841	39,731	108,860	266,228
Average yield <sup>(a)</sup>	4.50 %	5.01 %	5.69 %	5.15 %	5.15 %
<b>Held-to-maturity securities</b>					
Mortgage-backed securities					
Amortized cost	\$ —	\$ 7,374	\$ 7,073	\$ 106,197	\$ 120,644
Fair value	—	6,803	6,203	92,309	105,315
Average yield <sup>(a)</sup>	— %	2.64 %	2.61 %	3.00 %	2.96 %
U.S. Treasury and government agencies					
Amortized cost	\$ 32,167	\$ 60,115	\$ 47,999	\$ —	\$ 140,281
Fair value	31,852	55,456	39,869	—	127,177
Average yield <sup>(a)</sup>	0.85 %	0.96 %	1.25 %	— %	1.03 %
Obligations of U.S. states and municipalities					
Amortized cost	\$ —	\$ —	\$ 271	\$ 9,256	\$ 9,527
Fair value	—	—	239	8,616	8,855
Average yield <sup>(a)</sup>	— %	— %	3.19 %	3.92 %	3.90 %
Asset-backed securities					
Amortized cost	\$ —	\$ 304	\$ 19,032	\$ 34,083	\$ 53,419
Fair value	—	305	19,055	34,096	53,456
Average yield <sup>(a)</sup>	— %	6.76 %	6.19 %	6.52 %	6.40 %
<b>Total held-to-maturity securities</b>					
Amortized cost <sup>(b)</sup>	\$ 32,167	\$ 67,793	\$ 74,375	\$ 149,536	\$ 323,871
Fair value	31,852	62,564	65,366	135,021	294,803
Average yield <sup>(a)</sup>	0.85 %	1.16 %	2.65 %	3.86 %	2.72 %

- (a) Average yield is computed using the effective yield of each security owned at the end of the period, weighted based on the amortized cost of each security. The effective yield considers the contractual coupon, amortization of premiums and accretion of discounts, and the effect of related hedging derivatives, including closed portfolio hedges. Taxable-equivalent amounts are used where applicable. The effective yield excludes unscheduled principal prepayments; and accordingly, actual maturities of securities may differ from their contractual or expected maturities as certain securities may be prepaid. However, for certain callable debt securities, the average yield is calculated to the earliest call date.
- (b) For purposes of this table, the amortized cost of available-for-sale securities excludes the portfolio layer fair value hedge basis adjustments of \$(1.3) billion at June 30, 2024. The amortized cost of held-to-maturity securities also excludes the allowance for credit losses of \$125 million at June 30, 2024.
- (c) Substantially all of the Bank's U.S. residential MBS and collateralized mortgage obligations are due in 10 years or more, based on contractual maturity. The estimated weighted-average life, which reflects anticipated future prepayments, is approximately eight years for agency residential MBS and six years for both agency residential collateralized mortgage obligations and nonagency residential collateralized mortgage obligations.

## Note 11 – Securities financing activities

Refer to Note 12 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for a discussion of accounting policies relating to securities financing activities. Refer to Note 4 for further information regarding securities financing agreements for which the fair value option has been elected. Refer to Note 23 for further information regarding assets pledged and collateral received in securities financing agreements.

The table below summarizes the gross and net amounts of the Bank's securities financing agreements as of June 30, 2024 and December 31, 2023. When the Bank has obtained an appropriate legal opinion with respect to a master netting agreement with a counterparty and where other relevant netting criteria under U.S. GAAP are met, the Bank nets, on the Consolidated balance sheets, the balances outstanding under its securities financing agreements with the same counterparty. In addition, the Bank exchanges securities and/or cash collateral with its counterparty to reduce the economic exposure with the counterparty, but

such collateral is not eligible for net Consolidated balance sheet presentation. Where the Bank has obtained an appropriate legal opinion with respect to the counterparty master netting agreement, such collateral, along with securities financing balances that do not meet all these relevant netting criteria under U.S. GAAP, is presented in the table below as "Amounts not nettable on the Consolidated balance sheets," and reduces the "Net amounts" presented. Where a legal opinion has not been either sought or obtained, the securities financing balances are presented gross in the "Net amounts" below. In transactions where the Bank is acting as the lender in a securities-for-securities lending agreement and receives securities that can be pledged or sold as collateral, the Bank recognizes the securities received at fair value within other assets and the obligation to return those securities within accounts payable and other liabilities on the Consolidated balance sheets.

		June 30, 2024				
(in millions)	Gross amounts	Amounts netted on the Consolidated balance sheets	Amounts presented on the Consolidated balance sheets	Amounts not nettable on the Consolidated balance sheets <sup>(b)</sup>	Net amounts <sup>(c)</sup>	
<b>Assets</b>						
Securities purchased under resale agreements	\$ 413,137	\$ (136,648)	\$ 276,489	\$ (267,519)	\$ 8,970	
Securities borrowed	54,586	(1,474)	53,112	(47,383)	5,729	
<b>Liabilities</b>						
Securities sold under repurchase agreements	\$ 273,190	\$ (136,648)	\$ 136,542	\$ (134,385)	\$ 2,157	
Securities loaned and other <sup>(a)</sup>	25,567	(1,474)	24,093	(23,572)	521	
		December 31, 2023				
(in millions)	Gross amounts	Amounts netted on the Consolidated balance sheets	Amounts presented on the Consolidated balance sheets	Amounts not nettable on the Consolidated balance sheets <sup>(b)</sup>	Net amounts <sup>(c)</sup>	
<b>Assets</b>						
Securities purchased under resale agreements	\$ 358,661	\$ (132,002)	\$ 226,659	\$ (218,289)	\$ 8,370	
Securities borrowed	62,345	(1,146)	61,199	(50,818)	10,381	
<b>Liabilities</b>						
Securities sold under repurchase agreements	\$ 200,976	\$ (132,002)	\$ 68,974	\$ (67,652)	\$ 1,322	
Securities loaned and other <sup>(a)</sup>	14,200	(1,146)	13,054	(12,753)	301	

(a) Includes securities-for-securities lending agreements of \$7.4 billion and \$8.2 billion at June 30, 2024 and December 31, 2023, respectively, accounted for at fair value, where the Bank is acting as lender.

(b) In some cases, collateral exchanged with a counterparty exceeds the net asset or liability balance with that counterparty. In such cases, the amounts reported in this column are limited to the related net asset or liability with that counterparty.

(c) Includes securities financing agreements that provide collateral rights, but where an appropriate legal opinion with respect to the master netting agreement has not been either sought or obtained. At June 30, 2024 and December 31, 2023, included \$7.0 billion and \$7.0 billion, respectively, of securities purchased under resale agreements; \$3.9 billion and \$8.9 billion, respectively, of securities borrowed; \$995 million and \$806 million, respectively, of securities sold under repurchase agreements. There were no securities loaned and other agreements where the Bank has not received an appropriate legal opinion at June 30, 2024 and December 31, 2023.

The tables below present as of June 30, 2024 and December 31, 2023 the types of financial assets pledged in securities financing agreements and the remaining contractual maturity of the securities financing agreements.

(in millions)	Gross liability balance			
	June 30, 2024		December 31, 2023	
	Securities sold under repurchase agreements	Securities loaned and other	Securities sold under repurchase agreements	Securities loaned and other
Mortgage-backed securities				
U.S. GSEs and government agencies	\$ 5,240	\$ —	\$ 4,841	\$ —
Residential - nonagency	2	—	—	—
Commercial - nonagency	—	—	3	—
U.S. Treasury, GSEs and government agencies	110,502	412	92,188	610
Obligations of U.S. states and municipalities	—	—	—	—
Non-U.S. government debt	147,383	3,357	96,684	2,837
Corporate debt securities	10,063	1,115	7,259	865
Asset-backed securities	—	—	1	—
Equity securities	—	20,683	—	9,888
<b>Total</b>	<b>\$ 273,190</b>	<b>\$ 25,567</b>	<b>\$ 200,976</b>	<b>\$ 14,200</b>

June 30, 2024 (in millions)	Remaining contractual maturity of the agreements				
	Overnight and continuous	Up to 30 days	30 - 90 days	Greater than 90 days	Total
Total securities sold under repurchase agreements	\$ 113,700	\$ 119,151	\$ 23,058	\$ 17,281	\$ 273,190
Total securities loaned and other	25,175	3	2	387	25,567

December 31, 2023 (in millions)	Remaining contractual maturity of the agreements				
	Overnight and continuous	Up to 30 days	30 - 90 days	Greater than 90 days	Total
Total securities sold under repurchase agreements	\$ 85,789	\$ 91,983	\$ 7,810	\$ 15,394	\$ 200,976
Total securities loaned and other	12,507	1,397	—	296	14,200

### Transfers not qualifying for sale accounting

At June 30, 2024 and December 31, 2023, the Bank held \$417 million and \$505 million, respectively, of financial assets for which the rights have been transferred to third parties; however, the transfers did not qualify as a sale in accordance with U.S. GAAP. These transfers have been recognized as collateralized financing transactions. The transferred assets are recorded in trading assets and loans, and the corresponding liabilities are recorded primarily in short-term borrowings and long-term debt on the Consolidated balance sheets.

## Note 12 – Loans

### Loan accounting framework

The accounting for a loan depends on management’s strategy for the loan. The Bank accounts for loans based on the following categories:

- Originated or purchased loans held-for-investment (i.e., “retained”)
- Loans held-for-sale
- Loans at fair value

Refer to Note 13 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for a detailed discussion of loans, including accounting policies. Refer to Note 4 of these Consolidated Financial Statements for further information on the Bank's elections of fair value accounting under the fair value option. Refer to Note 3 of these Consolidated Financial Statements for information on loans carried at fair value and classified as trading assets.

### Loan portfolio

The Bank’s loan portfolio is divided into three portfolio segments, which are the same segments used by the Bank to determine the allowance for loan losses: Consumer, excluding credit card; Credit card; and Wholesale. Within each portfolio segment the Bank monitors and assesses the credit risk in the following classes of loans, based on the risk characteristics of each loan class.

Consumer, excluding credit card	Credit card	Wholesale <sup>(c)(d)</sup>
<ul style="list-style-type: none"> <li>• Residential real estate<sup>(a)</sup></li> <li>• Auto and other<sup>(b)</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Credit card loans</li> </ul>	<ul style="list-style-type: none"> <li>• Secured by real estate</li> <li>• Commercial and industrial</li> <li>• Other<sup>(e)</sup></li> </ul>

(a) Includes scored mortgage and home equity loans.

(b) Includes scored auto, business banking and consumer unsecured loans as well as overdrafts.

(c) Includes loans for which the wholesale methodology is applied when determining the allowance for loan losses.

(d) The wholesale portfolio segment’s classes align with loan classifications as defined by the bank regulatory agencies, based on the loan’s collateral, purpose, and type of borrower.

(e) Includes loans to special purpose entities (“SPEs”), financial institutions, personal investment companies and trusts, individuals and individual entities (predominantly global private bank clients), states and political subdivisions, as well as loans to nonprofits. Refer to Note 15 of JPMorgan Chase Bank, N.A.’s 2023 Annual Financial Statements for more information on SPEs.

The following tables summarize the Bank’s loan balances by portfolio segment.

June 30, 2024 (in millions)	Consumer, excluding credit card	Credit card	Wholesale	Total <sup>(a)(b)</sup>
Retained	\$ 382,789	\$ 216,100	\$ 671,771	\$ 1,270,660
Held-for-sale	1,365	–	8,002	9,367
At fair value	12,780	–	25,196	37,976
<b>Total</b>	<b>\$ 396,934</b>	<b>\$ 216,100</b>	<b>\$ 704,969</b>	<b>\$ 1,318,003</b>

  

December 31, 2023 (in millions)	Consumer, excluding credit card	Credit card	Wholesale	Total <sup>(b)(c)</sup>
Retained	\$ 397,268	\$ 211,123	\$ 669,753	\$ 1,278,144
Held-for-sale	487	–	2,898	3,385
At fair value	12,317	–	26,274	38,591
<b>Total</b>	<b>\$ 410,072</b>	<b>\$ 211,123</b>	<b>\$ 698,925</b>	<b>\$ 1,320,120</b>

(a) Excludes \$6.6 billion and \$6.8 billion of accrued interest receivables as of June 30, 2024 and December 31, 2023, respectively. Accrued interest receivables written off were not material for the six months ended June 30, 2024 and 2023.

(b) Loans (other than those for which the fair value option has been elected) are presented net of unamortized discounts and premiums and net deferred loan fees or costs. These amounts were not material as of June 30, 2024 and December 31, 2023. For the discount associated with First Republic loans, refer to Note 25 on pages 84-86.

The following table provides information about the carrying value of retained loans purchased, sold and reclassified to held-for-sale during the periods indicated. Loans that were reclassified to held-for-sale and sold in a subsequent period are excluded from the sales line of this table.

Six months ended June 30, (in millions)	2024				2023			
	Consumer, excluding credit card	Credit card	Wholesale	Total	Consumer, excluding credit card	Credit card	Wholesale	Total
Purchases	\$ 358 <sup>(b)(c)</sup>	\$ —	\$ 354	\$ 712	\$ 92,081 <sup>(b)(c)(d)</sup>	\$ —	\$ 58,561 <sup>(d)</sup>	\$ 150,642
Sales	7,966	—	20,536	28,502	438	—	18,797	19,235
Retained loans reclassified to held-for-sale <sup>(a)</sup>	1,169	—	548	1,717	124	—	1,085	1,209

(a) Reclassifications of loans to held-for-sale are non-cash transactions.

(b) Includes purchases of residential real estate loans, including the Bank's voluntary repurchases of certain delinquent loans from loan pools as permitted by Government National Mortgage Association ("Ginnie Mae") guidelines for the six months ended June 30, 2024 and 2023. The Bank typically elects to repurchase these delinquent loans as it continues to service them and/or manage the foreclosure process in accordance with applicable requirements of Ginnie Mae, the Federal Housing Administration ("FHA"), Rural Housing Services ("RHS"), and/or the U.S. Department of Veterans Affairs ("VA").

(c) Excludes purchases of retained loans of \$284 million and \$2.3 billion for the six months ended June 30, 2024 and 2023, respectively, which are predominantly, sourced through the correspondent origination channel and underwritten in accordance with the Bank's standards.

(d) Includes loans acquired in the First Republic acquisition consisting of \$91.9 billion in consumer, excluding credit card and \$59.2 billion in wholesale.

### Gains and losses on sales of loans

Net gains/(losses) on sales of loans and lending-related commitments (including adjustments to record loans and lending-related commitments held-for-sale at the lower of cost or fair value) recognized in noninterest revenue was \$72 million for the six months ended June 30, 2024 of which \$46 million were related to loans. Net gains/(losses) on sales of loans and lending-related commitments was \$38 million for the six months ended June 30, 2023 of which \$44 million, were related to loans. In addition, the sale of loans may also result in write downs, recoveries or changes in the allowance recognized in the provision for credit losses.

### Consumer, excluding credit card loan portfolio

Consumer loans, excluding credit card loans, consist primarily of scored residential mortgages, home equity loans and lines of credit, auto and business banking loans, with a focus on serving the prime consumer credit market. These loans include home equity loans secured by junior liens, prime mortgage loans with an interest-only payment period, and certain payment-option loans that may result in negative amortization.

The following table provides information about retained consumer loans, excluding credit card, by class.

(in millions)	June 30, 2024	December 31, 2023
Residential real estate	\$ 314,837	\$ 326,402
Auto and other	67,952	70,866
<b>Total retained loans</b>	<b>\$ 382,789</b>	<b>\$ 397,268</b>

Delinquency rates are the primary credit quality indicator for consumer loans. Refer to Note 13 of JPMorgan Chase Bank, N.A.'s 2023 Annual Consolidated Financial Statements for further information on consumer credit quality indicators.

## Residential real estate

Delinquency is the primary credit quality indicator for retained residential real estate loans. The following tables provide information on delinquency and gross charge-offs.

June 30, 2024									
(in millions, except ratios)	Term loans by origination year <sup>(c)</sup>					Revolving loans			Total
	2024	2023	2022	2021	2020	Prior to 2020	Within the revolving period	Converted to term loans	
<b>Loan delinquency<sup>(a)</sup></b>									
Current	\$ 5,203	\$ 18,586	\$ 62,746	\$ 82,170	\$ 53,916	\$ 75,526	\$ 7,001	\$ 7,591	\$ 312,739
30-149 days past due	18	24	141	95	43	745	18	218	1,302
150 or more days past due	13	2	40	36	38	503	27	137	796
<b>Total retained loans</b>	<b>\$ 5,234</b>	<b>\$ 18,612</b>	<b>\$ 62,927</b>	<b>\$ 82,301</b>	<b>\$ 53,997</b>	<b>\$ 76,774</b>	<b>\$ 7,046</b>	<b>\$ 7,946</b>	<b>\$ 314,837</b>
% of 30+ days past due to total retained loans <sup>(b)</sup>	0.59 %	0.14 %	0.29 %	0.16 %	0.15 %	1.61 %	0.64 %	4.47 %	0.66 %
Gross charge-offs	\$ -	\$ -	\$ 1	\$ 1	\$ -	\$ 123	\$ 10	\$ 4	\$ 139

  

December 31, 2023									
(in millions, except ratios)	Term loans by origination year <sup>(c)</sup>					Revolving loans			Total
	2023	2022	2021	2020	2019	Prior to 2019	Within the revolving period	Converted to term loans	
<b>Loan delinquency<sup>(a)</sup></b>									
Current	\$ 23,216	\$ 64,366	\$ 84,496	\$ 55,546	\$ 21,530	\$ 59,558	\$ 7,479	\$ 8,151	\$ 324,342
30-149 days past due	33	74	89	70	41	800	49	223	1,379
150 or more days past due	1	10	17	7	21	456	5	164	681
<b>Total retained loans</b>	<b>\$ 23,250</b>	<b>\$ 64,450</b>	<b>\$ 84,602</b>	<b>\$ 55,623</b>	<b>\$ 21,592</b>	<b>\$ 60,814</b>	<b>\$ 7,533</b>	<b>\$ 8,538</b>	<b>\$ 326,402</b>
% of 30+ days past due to total retained loans <sup>(b)</sup>	0.15 %	0.13 %	0.13 %	0.14 %	0.29 %	2.04 %	0.72 %	4.53 %	0.63 %
Gross charge-offs	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ 167	\$ 26	\$ 7	\$ 204

(a) Individual delinquency classifications include mortgage loans insured by U.S. government agencies which were not material at June 30, 2024 and December 31, 2023.

(b) Excludes mortgage loans that are 30 or more days past due insured by U.S. government agencies which were not material at June 30, 2024 and December 31, 2023. These amounts have been excluded based upon the government guarantee.

(c) Purchased loans are included in the year in which they were originated.

Approximately 37% of the total revolving loans are senior lien loans; the remaining balance are junior lien loans. The lien position the Bank holds is considered in the Bank's allowance for credit losses. Revolving loans that have been converted to term loans have higher delinquency rates than those that are still within the revolving period. That is primarily because the fully-amortizing payment that is generally required for those products is higher than the minimum payment options available for revolving loans within the revolving period.

### Nonaccrual loans and other credit quality indicators

The following table provides information on nonaccrual and other credit quality indicators for retained residential real estate loans.

(in millions, except weighted-average data)	June 30, 2024		December 31, 2023	
Nonaccrual loans <sup>(a)(b)(c)(d)</sup>	\$	3,229	\$	3,463
<b>Current estimated LTV ratios<sup>(e)(f)(g)</sup></b>				
Greater than 125% and refreshed FICO scores:				
Equal to or greater than 660	\$	76	\$	72
Less than 660		–		–
101% to 125% and refreshed FICO scores:				
Equal to or greater than 660		172		223
Less than 660		4		4
80% to 100% and refreshed FICO scores:				
Equal to or greater than 660		5,169		6,491
Less than 660		66		102
Less than 80% and refreshed FICO scores:				
Equal to or greater than 660		299,682		309,246
Less than 660		8,877		9,275
No FICO/LTV available <sup>(h)</sup>		791		989
<b>Total retained loans</b>	<b>\$</b>	<b>314,837</b>	<b>\$</b>	<b>326,402</b>
Weighted average LTV ratio <sup>(e)(i)</sup>		47 %		49 %
Weighted average FICO <sup>(f)(i)</sup>		775		770
<b>Geographic region<sup>(h)(j)</sup></b>				
California	\$	123,204	\$	127,071
New York		47,570		48,814
Florida		21,989		22,777
Texas		14,845		15,504
Massachusetts		13,780		14,213
Colorado		10,458		10,800
Illinois		10,235		10,856
Washington		9,453		9,923
New Jersey		7,707		8,050
Connecticut		6,952		7,163
All other		48,644		51,231
<b>Total retained loans</b>	<b>\$</b>	<b>314,837</b>	<b>\$</b>	<b>326,402</b>

- (a) Includes collateral-dependent residential real estate loans that are charged down to the fair value of the underlying collateral less costs to sell. The Bank reports, in accordance with regulatory guidance, residential real estate loans that have been discharged under Chapter 7 bankruptcy and not reaffirmed by the borrower ("Chapter 7 loans") as collateral-dependent nonaccrual loans, regardless of their delinquency status. At June 30, 2024, approximately 9% of Chapter 7 residential real estate loans were 30 days or more past due.
- (b) Mortgage loans insured by U.S. government agencies excluded from nonaccrual loans were not material at June 30, 2024 and December 31, 2023.
- (c) Generally, all consumer nonaccrual loans have an allowance. In accordance with regulatory guidance, certain nonaccrual loans that are considered collateral-dependent have been charged down to the lower of amortized cost or the fair value of their underlying collateral less costs to sell. If the value of the underlying collateral improves subsequent to charge down, the related allowance may be negative.
- (d) Interest income on nonaccrual loans recognized on a cash basis was \$85 million and \$89 million for the six months ended June 30, 2024 and 2023, respectively.
- (e) Represents the aggregate unpaid principal balance of loans divided by the estimated current property value. Current property values are estimated, at a minimum, quarterly, based on home valuation models using nationally recognized home price index valuation estimates incorporating actual data to the extent available and forecasted data where actual data is not available. Current estimated combined LTV for junior lien home equity loans considers all available lien positions, as well as unused lines, related to the property.
- (f) Refreshed FICO scores represent each borrower's most recent credit score, which is obtained by the Bank on at least a quarterly basis.
- (g) Includes residential real estate loans, primarily held in LLCs, that did not have a refreshed FICO score. These loans have been included in a FICO band based on management's estimation of the borrower's credit quality.
- (h) Included U.S. government-guaranteed loans as of June 30, 2024 and December 31, 2023.
- (i) Excludes loans with no FICO and/or LTV data available.
- (j) The geographic regions presented in the table are ordered based on the magnitude of the corresponding loan balances at June 30, 2024.



### Loan modifications

The Bank grants certain modifications of residential real estate loans to borrowers experiencing financial difficulty. The Bank's proprietary modification programs as well as government programs, including U.S. GSE programs, that generally provide various modifications to borrowers experiencing financial difficulty including, but not limited to, interest rate reductions, term extensions, other-than-insignificant payment deferral and principal forgiveness that would otherwise have been required under the terms of the original agreement, are considered FDMs. Refer to Note 13 of the JPMorgan Chase Bank, N.A. 2023 Annual Financial Statements for further information.

#### *Financial effects of FDMs*

For the six months ended June 30, 2024 residential real estate FDMs were \$98 million. The financial effects of the FDMs, which were predominantly in the form of term extensions and interest rate reductions, included extending the weighted-average life of the loans by 10 years and reducing the weighted-average contractual interest rate from 7.58% to 5.50% for the six months ended June 30, 2024.

For the six months ended June 30, 2023, residential real estate FDMs were \$75 million. The financial effects of the FDMs, which were largely in the form of term extensions and interest rate reductions, included extending the weighted-average life of the loans by 18 years, and reducing the weighted-average contractual interest rate from 6.75% to 4.01% for the six months ended June 30, 2023.

As of June 30, 2024 and December 31, 2023 there were no additional commitments to lend to borrowers experiencing financial difficulty whose loans have been modified as FDMs.

For the six months ended June 30, 2024 and 2023, loans subject to a trial modification, where the terms of the loans have not been permanently modified, and Chapter 7 loans were not material.

#### *Payment status of FDMs*

The following table provides information on the payment status of FDMs during the twelve months ended June 30, 2024 and the six months ended June 30, 2023.

(in millions)	Amortized cost basis	
	Twelve months ended June 30,	Six months ended June 30,
	2024	2023
Current	\$ 125	\$ 64
30-149 days past due	19	5
150 or more days past due	14	6
<b>Total</b>	<b>\$ 158</b>	<b>\$ 75</b>

#### *Defaults of FDMs*

FDMs that defaulted in the six months ended June 30, 2024 and were reported as FDMs in the twelve months prior to the default were not material. FDMs that defaulted in the six months ended June 30, 2023 and were reported as FDMs on or after January 1, 2023, the date that the Bank adopted the changes to the TDR accounting guidance were not material. Refer to Note 1 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for further information.

#### **Active and suspended foreclosure**

At June 30, 2024 and December 31, 2023, the Bank had residential real estate loans, excluding those insured by U.S. government agencies, with a carrying value of \$618 million and \$565 million, respectively, that were not included in REO, but were in the process of active or suspended foreclosure.

## Auto and other

Delinquency is the primary credit quality indicator for retained auto and other loans. The following tables provide information on delinquency and gross charge-offs.

(in millions, except ratios)	June 30, 2024								
	Term loans by origination year						Revolving loans		Total
	2024	2023	2022	2021	2020	Prior to 2020	Within the revolving period	Converted to term loans	
<b>Loan delinquency</b>									
Current	\$14,694	\$21,269	\$11,903	\$ 9,777	\$ 4,583	\$ 1,259	\$ 3,369	\$ 122	\$66,976
30-119 days past due	90	258	250	185	58	36	34	27	938
120 or more days past due	—	1	—	4	8	1	2	22	38
<b>Total retained loans</b>	<b>\$14,784</b>	<b>\$21,528</b>	<b>\$12,153</b>	<b>\$ 9,966</b>	<b>\$ 4,649</b>	<b>\$ 1,296</b>	<b>\$ 3,405</b>	<b>\$ 171</b>	<b>\$67,952</b>
% of 30+ days past due to total retained loans	0.61 %	1.20 %	2.06 %	1.90 %	1.42 %	2.85 %	1.06 %	28.65 %	1.44 %
<b>Gross charge-offs</b>	<b>\$ 80</b>	<b>\$ 189</b>	<b>\$ 118</b>	<b>\$ 67</b>	<b>\$ 21</b>	<b>\$ 45</b>	<b>\$ —</b>	<b>\$ 2</b>	<b>\$ 522</b>

(in millions, except ratios)	December 31, 2023								
	Term loans by origination year						Revolving loans		Total
	2023	2022	2021	2020	2019	Prior to 2019	Within the revolving period	Converted to term loans	
<b>Loan delinquency</b>									
Current	\$30,328	\$14,797	\$12,825	\$ 6,538	\$ 1,777	\$ 511	\$ 2,984	\$ 102	\$69,862
30-119 days past due	276	279	231	78	43	17	19	24	967
120 or more days past due	1	1	7	8	—	—	3	17	37
<b>Total retained loans</b>	<b>\$30,605</b>	<b>\$15,077</b>	<b>\$13,063</b>	<b>\$ 6,624</b>	<b>\$ 1,820</b>	<b>\$ 528</b>	<b>\$ 3,006</b>	<b>\$ 143</b>	<b>\$70,866</b>
% of 30+ days past due to total retained loans	0.91 %	1.86 %	1.75 %	1.15 %	2.36 %	3.22 %	0.73 %	28.67 %	1.39 %
<b>Gross charge-offs</b>	<b>\$ 333</b>	<b>\$ 297</b>	<b>\$ 161</b>	<b>\$ 53</b>	<b>\$ 35</b>	<b>\$ 64</b>	<b>\$ —</b>	<b>\$ 4</b>	<b>\$ 947</b>

### Nonaccrual and other credit quality indicators

The following table provides information on nonaccrual and other credit quality indicators for retained auto and other consumer loans.

(in millions)	Total Auto and other	
	June 30, 2024	December 31, 2023
<b>Nonaccrual loans<sup>(a)(b)</sup></b>	<b>\$ 192</b>	<b>\$ 177</b>
<b>Geographic region<sup>(c)</sup></b>		
California	\$ 10,433	\$ 10,959
Texas	8,025	8,502
Florida	5,507	5,684
New York	4,910	4,938
Illinois	2,977	3,147
New Jersey	2,505	2,609
Pennsylvania	1,962	1,900
Georgia	1,789	1,912
Arizona	1,673	1,779
North Carolina	1,630	1,714
All other	26,541	27,722
<b>Total retained loans</b>	<b>\$ 67,952</b>	<b>\$ 70,866</b>

(a) Generally, all consumer nonaccrual loans have an allowance. In accordance with regulatory guidance, certain nonaccrual loans that are considered collateral-dependent have been charged down to the lower of amortized cost or the fair value of their underlying collateral less costs to sell. If the value of the underlying collateral improves subsequent to charge down, the related allowance may be negative.

(b) Interest income on nonaccrual loans recognized on a cash basis was not material for the six months ended June 30, 2024 and 2023.

(c) The geographic regions presented in this table are ordered based on the magnitude of the corresponding loan balances at June 30, 2024.

### Loan modifications

The Bank grants certain modifications of auto and other loans to borrowers experiencing financial difficulty.

For the six months ended June 30, 2024 and 2023, auto and other FDMs were not material.

As of June 30, 2024 and December 31, 2023, there were no additional commitments to lend to borrowers modified as FDMs.

## Credit card loan portfolio

The credit card portfolio segment includes credit card loans originated and purchased by the Bank. Delinquency rates are the primary credit quality indicator for credit card loans. Refer to Note 13 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for further information on the credit card loan portfolio, including credit quality indicators.

The following tables provide information on delinquency and gross charge-offs..

June 30, 2024				
(in millions, except ratios)	Within the revolving period		Converted to term loans	Total
<b>Loan delinquency</b>				
Current and less than 30 days past due and still accruing	\$	210,533	\$ 1,082	\$ 211,615
30-89 days past due and still accruing		2,083	92	2,175
90 or more days past due and still accruing		2,257	53	2,310
<b>Total retained loans</b>	<b>\$</b>	<b>214,873</b>	<b>\$ 1,227</b>	<b>\$ 216,100</b>
<b>Loan delinquency ratios</b>				
% of 30+ days past due to total retained loans		2.02 %	11.82 %	2.08 %
% of 90+ days past due to total retained loans		1.05	4.32	1.07
<b>Gross charge-offs</b>	<b>\$</b>	<b>3,885</b>	<b>\$ 113</b>	<b>\$ 3,998</b>

  

December 31, 2023				
(in millions, except ratios)	Within the revolving period		Converted to term loans	Total
<b>Loan delinquency</b>				
Current and less than 30 days past due and still accruing	\$	205,731	\$ 882	\$ 206,613
30-89 days past due and still accruing		2,217	84	2,301
90 or more days past due and still accruing		2,169	40	2,209
<b>Total retained loans</b>	<b>\$</b>	<b>210,117</b>	<b>\$ 1,006</b>	<b>\$ 211,123</b>
<b>Loan delinquency ratios</b>				
% of 30+ days past due to total retained loans		2.09 %	12.33 %	2.14 %
% of 90+ days past due to total retained loans		1.03	3.98	1.05
<b>Gross charge-offs</b>	<b>\$</b>	<b>5,325</b>	<b>\$ 166</b>	<b>\$ 5,491</b>

### Other credit quality indicators

The following table provides information on other credit quality indicators for retained credit card loans.

(in millions, except ratios)	June 30, 2024		December 31, 2023
<b>Geographic region<sup>(a)</sup></b>			
California	\$	33,609	\$ 32,652
Texas		22,679	22,086
New York		17,389	16,915
Florida		15,652	15,103
Illinois		11,661	11,364
New Jersey		8,959	8,688
Colorado		6,587	6,307
Ohio		6,505	6,424
Pennsylvania		6,101	6,088
Arizona		5,357	5,209
All other		81,601	80,287
<b>Total retained loans</b>	<b>\$</b>	<b>216,100</b>	<b>\$ 211,123</b>
<b>Percentage of portfolio based on carrying value with estimated refreshed FICO scores</b>			
Equal to or greater than 660		85.8 %	85.8 %
Less than 660		14.0	14.0
No FICO available		0.2	0.2

(a) The geographic regions presented in the table are ordered based on the magnitude of the corresponding loan balances at June 30, 2024.

## Loan modifications

The Bank grants certain modifications of credit card loans to borrowers experiencing financial difficulty. These modifications may involve placing the customer's credit card account on a fixed payment plan, generally for 60 months, which typically includes reducing the interest rate on the credit card account. If the borrower does not make the contractual payments when due under the modified payment terms, the credit card loan continues to age and will be charged-off in accordance with the Bank's standard charge-off policy. In most cases, the Bank does not reinstate the borrower's line of credit.

### Financial effects of FDMS

The following table provides information on credit card loan modifications considered FDMS.

(in millions)	Loan modifications			
	Six months ended June 30,			
	2024		2023	
<b>Term extension and interest rate reduction<sup>(a)(b)</sup></b>				
Amortized cost basis	\$	491	\$	326
% of total modifications to total retained credit card loans		0.23 %		0.17 %
Financial effect of loan modifications		<b>Term extension with a reduction in the weighted average contractual interest rate from 23.88% to 3.17%</b>		Term extension with a reduced weighted average contractual interest rate from 22.96% to 3.54%

(a) Term extension includes credit card loans whose terms have been modified under long-term programs by placing the customer's credit card account on a fixed payment plan.

(b) Interest rates represents the weighted average at the time of modification.

### Payment status of FDMS

The following table provides information on the payment status of FDMS during the twelve months ended June 30, 2024 and six months ended June 30, 2023.

(in millions)	Amortized cost basis			
	Twelve months ended June 30,		Six months ended June 30,	
	2024		2023	
Current and less than 30 days past due and still accruing	\$	701	\$	264
30-89 days past due and still accruing		61		38
90 or more days past due and still accruing		42		24
<b>Total</b>	\$	<b>804</b>	\$	<b>326</b>

### Defaults of FDMS

For credit card loans modified as FDMS, payment default is deemed to have occurred when the borrower misses two consecutive contractual payments. Defaulted modified credit card loans remain in the modification program and continue to be charged off in accordance with the Bank's standard charge-off policy.

FDMS that defaulted in the six months ended June 30, 2024 and were reported as FDMS in the twelve months prior to the default were not material. FDMS that defaulted in the six months ended June 30, 2023 and were reported as FDMS on or after January 1, 2023, the date that the Bank adopted the changes to the TDR accounting guidance were not material. Refer to Note 1 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for further information.

## Wholesale loan portfolio

Wholesale loans include loans made to a variety of clients, ranging from large corporate and institutional clients, to small businesses and high-net-worth individuals. The primary credit quality indicator for wholesale loans is the internal risk rating assigned to each loan. Refer to Note 13 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for further information on these risk ratings.

Internal risk rating is the primary credit quality indicator for retained wholesale loans. The following tables provide information on internal risk rating and gross charge-offs.

(in millions, except ratios)	Secured by real estate		Commercial and industrial		Other <sup>(a)</sup>		Total retained loans	
	June 30, 2024	Dec 31, 2023	June 30, 2024	Dec 31, 2023	June 30, 2024	Dec 31, 2023	June 30, 2024	Dec 31, 2023
<b>Loans by risk ratings</b>								
Investment-grade	\$ 116,811	\$ 120,402	\$ 70,816	\$ 72,618	\$ 266,675	\$ 265,086	\$ 454,302	\$ 458,106
Noninvestment-grade:								
Noncriticized	36,781	34,186	82,571	80,516	72,798	73,784	192,150	188,486
Criticized performing	9,370	7,291	11,264	12,402	1,415	1,257	22,049	20,950
Criticized nonaccrual	864	401	1,614	1,221	792	589	3,270	2,211
<b>Total noninvestment-grade</b>	<b>47,015</b>	<b>41,878</b>	<b>95,449</b>	<b>94,139</b>	<b>75,005</b>	<b>75,630</b>	<b>217,469</b>	<b>211,647</b>
<b>Total retained loans</b>	<b>\$ 163,826</b>	<b>\$ 162,280</b>	<b>\$ 166,265</b>	<b>\$ 166,757</b>	<b>\$ 341,680</b>	<b>\$ 340,716</b>	<b>\$ 671,771</b>	<b>\$ 669,753</b>
% of investment-grade to total retained loans	71.30 %	74.19 %	42.59 %	43.55 %	78.05 %	77.80 %	67.63 %	68.40 %
% of total criticized to total retained loans	6.25	4.74	7.75	8.17	0.65	0.54	3.77	3.46
% of criticized nonaccrual to total retained loans	0.53	0.25	0.97	0.73	0.23	0.17	0.49	0.33

(a) Includes loans to SPEs, financial institutions, personal investment companies and trusts, individuals and individual entities (predominantly global private bank clients), states and political subdivisions, as well as loans to nonprofits. As of June 30, 2024 and December 31, 2023, predominantly consisted of \$106.4 billion and \$105.8 billion, respectively, to individuals and individual entities, \$94.3 billion and \$87.3 billion, respectively, to financial institutions; and \$83 billion and \$90.8 billion, respectively, to SPEs. Refer to Note 15 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for more information on SPEs.

Secured by real estate									
June 30, 2024									
(in millions)	Term loans by origination year						Revolving loans		Total
	2024	2023	2022	2021	2020	Prior to 2020	Within the revolving period	Converted to term loans	
<b>Loans by risk ratings</b>									
Investment-grade	\$ 4,146	\$ 10,400	\$ 27,215	\$ 24,165	\$ 16,066	\$ 33,375	\$ 1,444	\$ –	\$ 116,811
Noninvestment-grade	2,432	4,986	13,850	8,913	3,737	11,629	1,457	11	47,015
<b>Total retained loans</b>	<b>\$ 6,578</b>	<b>\$ 15,386</b>	<b>\$ 41,065</b>	<b>\$ 33,078</b>	<b>\$ 19,803</b>	<b>\$ 45,004</b>	<b>\$ 2,901</b>	<b>\$ 11</b>	<b>\$ 163,826</b>
<b>Gross charge-offs</b>	<b>\$ 1</b>	<b>\$ 13</b>	<b>\$ 27</b>	<b>\$ –</b>	<b>\$ 33</b>	<b>\$ 38</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 112</b>

Secured by real estate									
December 31, 2023									
(in millions)	Term loans by origination year						Revolving loans		Total
	2023	2022	2021	2020	2019	Prior to 2019	Within the revolving period	Converted to term loans	
<b>Loans by risk ratings</b>									
Investment-grade	\$ 10,684	\$ 28,874	\$ 25,784	\$ 16,820	\$ 15,677	\$ 21,108	\$ 1,455	\$ –	\$ 120,402
Noninvestment-grade	4,438	12,563	7,839	3,840	3,987	7,918	1,291	2	41,878
<b>Total retained loans</b>	<b>\$ 15,122</b>	<b>\$ 41,437</b>	<b>\$ 33,623</b>	<b>\$ 20,660</b>	<b>\$ 19,664</b>	<b>\$ 29,026</b>	<b>\$ 2,746</b>	<b>\$ 2</b>	<b>\$ 162,280</b>
<b>Gross charge-offs</b>	<b>\$ 20</b>	<b>\$ 48</b>	<b>\$ 22</b>	<b>\$ –</b>	<b>\$ 23</b>	<b>\$ 78</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 191</b>

Commercial and industrial									
June 30, 2024									
(in millions)	Term loans by origination year						Revolving loans		
	2024	2023	2022	2021	2020	Prior to 2020	Within the revolving period	Converted to term loans	Total
<b>Loans by risk ratings</b>									
Investment-grade	\$ 8,318	\$ 7,356	\$ 7,868	\$ 3,414	\$ 1,639	\$ 1,661	\$ 40,558	\$ 2	\$ 70,816
Noninvestment-grade	10,729	14,223	13,359	7,621	974	1,443	47,026	74	95,449
<b>Total retained loans</b>	<b>\$ 19,047</b>	<b>\$ 21,579</b>	<b>\$ 21,227</b>	<b>\$ 11,035</b>	<b>\$ 2,613</b>	<b>\$ 3,104</b>	<b>\$ 87,584</b>	<b>\$ 76</b>	<b>\$ 166,265</b>
<b>Gross charge-offs</b>	<b>\$ 5</b>	<b>\$ 4</b>	<b>\$ 67</b>	<b>\$ 24</b>	<b>\$ 1</b>	<b>\$ 2</b>	<b>\$ 88</b>	<b>\$ 2</b>	<b>\$ 193</b>

Commercial and industrial									
December 31, 2023									
(in millions)	Term loans by origination year						Revolving loans		
	2023	2022	2021	2020	2019	Prior to 2019	Within the revolving period	Converted to term loans	Total
<b>Loans by risk ratings</b>									
Investment-grade	\$ 14,869	\$ 10,642	\$ 4,276	\$ 2,291	\$ 1,030	\$ 1,115	\$ 38,394	\$ 1	\$ 72,618
Noninvestment-grade	18,763	16,444	9,299	1,813	1,144	1,006	45,596	74	94,139
<b>Total retained loans</b>	<b>\$ 33,632</b>	<b>\$ 27,086</b>	<b>\$ 13,575</b>	<b>\$ 4,104</b>	<b>\$ 2,174</b>	<b>\$ 2,121</b>	<b>\$ 83,990</b>	<b>\$ 75</b>	<b>\$ 166,757</b>
<b>Gross charge-offs</b>	<b>\$ 25</b>	<b>\$ 8</b>	<b>\$ 110</b>	<b>\$ 55</b>	<b>\$ 2</b>	<b>\$ 12</b>	<b>\$ 224</b>	<b>\$ 9</b>	<b>\$ 445</b>

Other <sup>(a)</sup>									
June 30, 2024									
(in millions)	Term loans by origination year						Revolving loans		
	2024	2023	2022	2021	2020	Prior to 2020	Within the revolving period	Converted to term loans	Total
<b>Loans by risk ratings</b>									
Investment-grade	\$ 16,067	\$ 27,693	\$ 16,016	\$ 7,876	\$ 10,129	\$ 8,553	\$ 179,057	\$ 1,284	\$ 266,675
Noninvestment-grade	7,943	7,771	6,067	4,478	1,761	2,125	44,748	112	75,005
<b>Total retained loans</b>	<b>\$ 24,010</b>	<b>\$ 35,464</b>	<b>\$ 22,083</b>	<b>\$ 12,354</b>	<b>\$ 11,890</b>	<b>\$ 10,678</b>	<b>\$ 223,805</b>	<b>\$ 1,396</b>	<b>\$ 341,680</b>
<b>Gross charge-offs</b>	<b>\$ -</b>	<b>\$ 7</b>	<b>\$ -</b>	<b>\$ 23</b>	<b>\$ 7</b>	<b>\$ 3</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 40</b>

Other <sup>(a)</sup>									
December 31, 2023									
(in millions)	Term loans by origination year						Revolving loans <sup>(b)</sup>		
	2023	2022	2021	2020	2019	Prior to 2019	Within the revolving period	Converted to term loans	Total
<b>Loans by risk ratings</b>									
Investment-grade	\$ 38,301	\$ 17,983	\$ 9,679	\$ 10,099	\$ 3,721	\$ 6,528	\$ 176,581	\$ 2,194	\$ 265,086
Noninvestment-grade	13,664	7,874	6,041	2,051	745	1,915	43,281	59	75,630
<b>Total retained loans</b>	<b>\$ 51,965</b>	<b>\$ 25,857</b>	<b>\$ 15,720</b>	<b>\$ 12,150</b>	<b>\$ 4,466</b>	<b>\$ 8,443</b>	<b>\$ 219,862</b>	<b>\$ 2,253</b>	<b>\$ 340,716</b>
<b>Gross charge-offs</b>	<b>\$ 5</b>	<b>\$ 296</b>	<b>\$ 8</b>	<b>\$ 8</b>	<b>\$ -</b>	<b>\$ 8</b>	<b>\$ 13</b>	<b>\$ -</b>	<b>\$ 338</b>

(a) Includes loans to SPEs, financial institutions, personal investment companies and trusts, individuals and individual entities (predominantly global private bank clients), states and political subdivisions, as well as loans to nonprofits. Refer to Note 15 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for more information on SPEs.

The following table presents additional information on retained loans secured by real estate, which consists of loans secured wholly or substantially by a lien or liens on real property at origination.

(in millions, except ratios)	Multifamily		Other commercial		Total retained loans secured by real estate	
	June 30, 2024	Dec 31, 2023	June 30, 2024	Dec 31, 2023	June 30, 2024	Dec 31, 2023
Retained loans secured by real estate	\$ 101,726	\$ 100,725	\$ 62,100	\$ 61,555	\$ 163,826	\$ 162,280
Criticized	4,086	3,596	6,148	4,096	10,234	7,692
% of criticized to total retained loans secured by real estate	4.02 %	3.57 %	9.90 %	6.65 %	6.25 %	4.74 %
Criticized nonaccrual	\$ 90	\$ 76	\$ 774	\$ 325	\$ 864	\$ 401
% of criticized nonaccrual loans to total retained loans secured by real estate	0.09 %	0.08 %	1.25 %	0.53 %	0.53 %	0.25 %

### Geographic distribution and delinquency

The following table provides information on the geographic distribution and delinquency for retained wholesale loans.

(in millions)	Secured by real estate		Commercial and industrial		Other		Total retained loans	
	June 30, 2024	Dec 31, 2023	June 30, 2024	Dec 31, 2023	June 30, 2024	Dec 31, 2023	June 30, 2024	Dec 31, 2023
<b>Loans by geographic distribution<sup>(a)</sup></b>								
Total U.S.	\$ 160,798	\$ 159,459	\$ 127,705	\$ 127,245	\$ 260,830	\$ 260,769	\$ 549,333	\$ 547,473
Total non-U.S.	3,028	2,821	38,560	39,512	80,850	79,947	122,438	122,280
<b>Total retained loans</b>	<b>\$ 163,826</b>	<b>\$ 162,280</b>	<b>\$ 166,265</b>	<b>\$ 166,757</b>	<b>\$ 341,680</b>	<b>\$ 340,716</b>	<b>\$ 671,771</b>	<b>\$ 669,753</b>
<b>Loan delinquency</b>								
Current and less than 30 days past due and still accruing	\$ 162,106	\$ 161,256	\$ 163,854	\$ 164,490	\$ 339,676	\$ 339,013	\$ 665,636	\$ 664,759
30-89 days past due and still accruing <sup>(b)</sup>	813	473	734	884	1,202	1,090	2,749	2,447
90 or more days past due and still accruing <sup>(c)</sup>	43	150	63	162	10	24	116	336
Criticized nonaccrual	864	401	1,614	1,221	792	589	3,270	2,211
<b>Total retained loans</b>	<b>\$ 163,826</b>	<b>\$ 162,280</b>	<b>\$ 166,265</b>	<b>\$ 166,757</b>	<b>\$ 341,680</b>	<b>\$ 340,716</b>	<b>\$ 671,771</b>	<b>\$ 669,753</b>
Net charge-offs/(recoveries)	\$ 111	\$ 178	\$ 110	\$ 335	\$ 30	\$ 329	\$ 251	\$ 842
% of net charge-offs/(recoveries) to end-of-period retained loans	– %	0.11 %	– %	0.20 %	0.01 %	0.10 %	0.04 %	0.13 %

(a) The U.S. and non-U.S. distribution is determined based predominantly on the domicile of the borrower.

(b) As of June 30, 2024, includes delayed payments associated with certain First Republic loans as a result of ongoing integration activities. As of August 2, 2024, these loans were largely current.

(c) Represents loans that are considered well-collateralized and therefore still accruing interest.

### Nonaccrual loans

The following table provides information on retained wholesale nonaccrual loans.

(in millions)	Secured by real estate		Commercial and industrial		Other		Total retained loans	
	June 30, 2024	Dec 31, 2023	June 30, 2024	Dec 31, 2023	June 30, 2024	Dec 31, 2023	June 30, 2024	Dec 31, 2023
<b>Nonaccrual loans</b>								
With an allowance	\$ 156	\$ 129	\$ 1,280	\$ 776	\$ 614	\$ 386	\$ 2,050	\$ 1,291
Without an allowance <sup>(a)</sup>	708	272	334	445	178	203	1,220	920
<b>Total nonaccrual loans<sup>(b)</sup></b>	<b>\$ 864</b>	<b>\$ 401</b>	<b>\$ 1,614</b>	<b>\$ 1,221</b>	<b>\$ 792</b>	<b>\$ 589</b>	<b>\$ 3,270</b>	<b>\$ 2,211</b>

(a) When the discounted cash flows or collateral value equals or exceeds the amortized cost of the loan, the loan does not require an allowance. This typically occurs when the loans have been partially charged off and/or there have been interest payments received and applied to the loan balance.

(b) Interest income on nonaccrual loans recognized on a cash basis was not material for the six months ended June 30, 2024 and 2023.



## Loan modifications

The Bank grants certain modifications of wholesale loans to borrowers experiencing financial difficulty.

### Financial effects of FDMs

The following tables provide information by loan class about modifications considered FDMs during the six months ended June 30, 2024 and 2023.

(in millions)	Secured by real estate					
	Six months ended June 30, 2024			Six months ended June 30, 2023		
	Amortized cost basis	% of loan modifications to total retained Secured by real estate loans	Financial effect of loan modifications	Amortized cost basis	% of loan modifications to total retained Secured by real estate loans	Financial effect of loan modifications
<b>Single modifications</b>						
Term extension	\$ 28	0.02 %	Extended loans by a weighted-average of 5 months	\$ 71	0.04 %	Extended loans by a weighted-average of 9 months
<b>Multiple modifications</b>						
Other-than-insignificant payment deferral and interest rate reduction	48	0.03 %	Provided payment deferrals with delayed amounts recaptured at maturity and reduced weighted-average contractual interest by 162 bps	—	— %	
Other <sup>(a)</sup>	1	— %	NM	14	— %	NM
<b>Total</b>	<b>\$ 77</b>			<b>\$ 85</b>		

(a) Includes loans with both single and multiple modifications.

(in millions)	Commercial and industrial					
	Six months ended June 30, 2024			Six months ended June 30, 2023		
	Amortized cost basis	% of loan modifications to total retained Commercial and industrial loans	Financial effect of loan modifications	Amortized cost basis	% of loan modifications to total retained Commercial and industrial loans	Financial effect of loan modifications
<b>Single modifications</b>						
Term extension	\$ 754	0.45 %	Extended loans by a weighted-average of 13 months	\$ 423	0.25 %	Extended loans by a weighted average of 10 months
Other-than-insignificant payment deferral	166	0.10 %	Provided payment deferrals with delayed amounts primarily re-amortized over the remaining tenor	—	— %	
<b>Multiple modifications</b>						
Other-than-insignificant payment deferral and term extension	115	0.07 %	Provided payment deferrals with delayed amounts primarily recaptured at the end of the deferral period and extended loans by a weighted-average of 20 months	—	— %	
Term extension and principal forgiveness	—	— %		40	0.02 %	Extended loans by a weighted average of 64 months and reduced amortized cost basis of the loans by \$23 million
Other <sup>(a)</sup>	6	— %	NM	6	— %	NM
<b>Total</b>	<b>\$ 1,041</b>			<b>\$ 469</b>		

(a) Includes loans with both single and multiple modifications.

(in millions)	Other					
	Six months ended June 30, 2024			Six months ended June 30, 2023		
	Amortized cost basis	% of loan modifications to total retained Other loans	Financial effect of loan modifications	Amortized cost basis	% of loan modifications to total retained Other loans	Financial effect of loan modifications
<b>Single modifications</b>						
Term extension	\$ 29	0.01 %	Extended loans by a weighted-average of 11 months	\$ 54	0.02 %	Extended loans by a weighted average of 6 months
Interest rate reduction	–	– %		11	– %	Reduced weighted-average contractual interest by 654 bps
<b>Multiple modifications</b>						
Other than insignificant payment deferral and term extension	2	– %	Provided payment deferrals with delayed amounts recaptured at maturity and extended loans by a weighted-average of 6 months	235	0.07 %	Provided payment deferrals with delayed amounts primarily recaptured at the end of the deferral period and extended loans by a weighted-average of 144 months
<b>Total</b>	<b>\$ 31</b>			<b>\$ 300</b>		

### Payment status of FDMs

The following table provides information on the payment status of FDMs during the twelve months ended June 30, 2024, and the six months ended June 30, 2023.

(in millions)	Amortized cost basis					
	Twelve months ended June 30, 2024			Six months ended June 30, 2023		
	Secured by real estate	Commercial and industrial	Other	Secured by real estate	Commercial and industrial	Other
Current and less than 30 days past due and still accruing	\$ 74	\$ 1,241	\$ 134	\$ 77	\$ 331	–
30-89 days past due and still accruing	1	79	–	1	–	–
90 or more days past due and still accruing	–	–	–	–	3	–
Criticized nonaccrual	70	425	195	7	135	300
<b>Total</b>	<b>\$ 145</b>	<b>\$ 1,745</b>	<b>\$ 329</b>	<b>\$ 85</b>	<b>\$ 469</b>	<b>\$ 300</b>

### Defaults of FDMs

The following table provides information by loan class about FDMs that defaulted in the six months ended June 30, 2024 that were reported as FDMs in the twelve months prior to the default, and FDMs that defaulted in the six months ended June 30, 2023 that were reported as FDMs on or after January 1, 2023, the date that the Bank adopted the changes to the TDR accounting guidance.

(in millions)	Amortized cost basis					
	Six months ended June 30, 2024			Six months ended June 30, 2023		
	Secured by real estate	Commercial and industrial	Other	Secured by real estate	Commercial and industrial	Other
Term extension	\$ 6	\$ 111	\$ 11	\$ 1	\$ 7	–
Other-than-insignificant payment deferral	–	23	–	–	–	–
Other-than-insignificant payment deferral and term extension	–	20	–	–	–	–
Interest rate reduction and term extension	3	2	–	–	–	–
<b>Total</b>	<b>\$ 9</b>	<b>\$ 156</b>	<b>\$ 11</b>	<b>\$ 1</b>	<b>\$ 7</b>	<b>–</b>

As of June 30, 2024 and December 31, 2023, additional unfunded commitments on modified loans to borrowers experiencing financial difficulty were \$849 million and \$1.8 billion, respectively, in Commercial and industrial, and \$73 million and \$4 million, respectively, in Other loan class. There were no additional commitments to borrowers experiencing financial difficulty whose loans have been modified as FDMs in Secured by real estate for both periods.

**Note 13 – Allowance for credit losses**

The Bank's allowance for credit losses represents management's estimate of expected credit losses over the remaining expected life of the Bank's financial assets measured at amortized cost and certain off-balance sheet lending-related commitments.

Refer to Note 14 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for a detailed discussion of the allowance for credit losses and the related accounting policies.

## Allowance for credit losses and related information

The table below summarizes information about the allowances for credit losses and includes a breakdown of loans and lending-related commitments by impairment methodology. Refer to Note 11 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements and Note 10 of these Consolidated Financial Statements for further information on the allowance for credit losses on investment securities.

Six months ended June 30, (in millions)	2024				2023			
	Consumer, excluding credit card	Credit card	Wholesale	Total	Consumer, excluding credit card	Credit card	Wholesale	Total
<b>Allowance for loan losses</b>								
Beginning balance at January 1,	\$ 1,857	\$ 12,450	\$ 8,004	\$ 22,311	\$ 2,040	\$ 11,200	\$ 6,474	\$ 19,714
Cumulative effect of a change in accounting principle <sup>(a)</sup>	NA	NA	NA	NA	(489)	(100)	2	(587)
Gross charge-offs	661	3,998	346	5,005	501	2,432	259	3,192
Gross recoveries collected	(343)	(482)	(95)	(920)	(247)	(386)	(47)	(680)
<b>Net charge-offs/(recoveries)</b>	<b>318</b>	<b>3,516</b>	<b>251</b>	<b>4,085</b>	<b>254</b>	<b>2,046</b>	<b>212</b>	<b>2,512</b>
Provision for loan losses	204	4,266	208	4,678	751	2,546	1,984	5,281
Other	1	—	(1)	—	—	—	23	23
<b>Ending balance at June 30,</b>	<b>\$ 1,744</b>	<b>\$ 13,200</b>	<b>\$ 7,960</b>	<b>\$ 22,904</b>	<b>\$ 2,048</b>	<b>\$ 11,600</b>	<b>\$ 8,271</b>	<b>\$ 21,919</b>
<b>Allowance for lending-related commitments</b>								
Beginning balance at January 1,	\$ 75	\$ —	\$ 1,885	\$ 1,960	\$ 76	\$ —	\$ 2,276	\$ 2,352
Provision for lending-related commitments	17	—	76	93	52	—	(240)	(188)
Other	—	—	—	—	1	—	6	7
<b>Ending balance at June 30,</b>	<b>\$ 92</b>	<b>\$ —</b>	<b>\$ 1,961</b>	<b>\$ 2,053</b>	<b>\$ 129</b>	<b>\$ —</b>	<b>\$ 2,042</b>	<b>\$ 2,171</b>
<b>Total allowance for investment securities</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>125</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>74</b>
<b>Total allowance for credit losses<sup>(b)</sup></b>	<b>\$ 1,836</b>	<b>\$ 13,200</b>	<b>\$ 9,921</b>	<b>\$ 25,082</b>	<b>\$ 2,177</b>	<b>\$ 11,600</b>	<b>\$ 10,313</b>	<b>\$ 24,164</b>
<b>Allowance for loan losses by impairment methodology</b>								
Asset-specific <sup>(c)</sup>	\$ (856)	\$ —	\$ 560	\$ (296)	\$ (971)	\$ —	\$ 476	\$ (495)
Portfolio-based	2,600	13,200	7,400	23,200	3,019	11,600	7,795	22,414
<b>Total allowance for loan losses</b>	<b>\$ 1,744</b>	<b>\$ 13,200</b>	<b>\$ 7,960</b>	<b>\$ 22,904</b>	<b>\$ 2,048</b>	<b>\$ 11,600</b>	<b>\$ 8,271</b>	<b>\$ 21,919</b>
<b>Loans by impairment methodology</b>								
Asset-specific <sup>(c)</sup>	\$ 3,032	\$ —	\$ 3,264	\$ 6,296	\$ 3,436	\$ —	\$ 2,583	\$ 6,019
Portfolio-based	379,757	216,100	668,507	1,264,364	392,752	191,348	664,043	1,248,143
<b>Total retained loans</b>	<b>\$ 382,789</b>	<b>\$ 216,100</b>	<b>\$ 671,771</b>	<b>\$ 1,270,660</b>	<b>\$ 396,188</b>	<b>\$ 191,348</b>	<b>\$ 666,626</b>	<b>\$ 1,254,162</b>
<b>Collateral-dependent loans</b>								
Net charge-offs	\$ 3	\$ —	\$ 133	\$ 136	\$ 5	\$ —	\$ 77	\$ 82
Loans measured at fair value of collateral less cost to sell	2,976	—	1,341	4,317	3,385	—	758	4,143
<b>Allowance for lending-related commitments by impairment methodology</b>								
Asset-specific	\$ —	\$ —	\$ 107	\$ 107	\$ —	\$ —	\$ 65	\$ 65
Portfolio-based	92	—	1,854	1,946	129	—	1,977	2,106
<b>Total allowance for lending-related commitments<sup>(d)</sup></b>	<b>\$ 92</b>	<b>\$ —</b>	<b>\$ 1,961</b>	<b>\$ 2,053</b>	<b>\$ 129</b>	<b>\$ —</b>	<b>\$ 2,042</b>	<b>\$ 2,171</b>
<b>Lending-related commitments by impairment methodology</b>								
Asset-specific	\$ —	\$ —	\$ 541	\$ 541	\$ —	\$ —	\$ 331	\$ 331
Portfolio-based <sup>(e)</sup>	27,375	—	508,820	536,195	32,428	—	518,165	550,593
<b>Total lending-related commitments</b>	<b>\$ 27,375</b>	<b>\$ —</b>	<b>\$ 509,361</b>	<b>\$ 536,736</b>	<b>\$ 32,428</b>	<b>\$ —</b>	<b>\$ 518,496</b>	<b>\$ 550,924</b>

- (a) Represents the impact to the allowance for loan losses upon the adoption of the Financial Instruments - Credit Losses: Troubled Debt Restructurings accounting guidance. Refer to Note 1 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for further information.
- (b) At June 30, 2024 and 2023, in addition to the allowance for credit losses in the table above, the Bank also had an allowance for credit losses of \$77 million and \$18 million, respectively, associated with certain accounts receivable.
- (c) Includes collateral-dependent loans, including those for which foreclosure is deemed probable, and nonaccrual risk-rated loans.
- (d) The allowance for lending-related commitments is reported in accounts payable and other liabilities on the Consolidated balance sheets.
- (e) At June 30, 2024 and 2023, lending-related commitments excluded \$19.8 billion and \$18.4 billion, respectively, for the consumer, excluding credit card portfolio segment; \$964.7 billion and \$881.5 billion, respectively, for the credit card portfolio segment; and \$32.6 billion and \$19.3 billion, respectively, for the wholesale portfolio segment, which were not subject to the allowance for lending-related commitments.

*Discussion of changes in the allowance*

The allowance for credit losses as of June 30, 2024 was \$25.2 billion, reflecting a net addition of \$752 million from December 31, 2023.

The net addition to the allowance for credit losses included:

- \$653 million in **consumer**, reflecting a \$750 million net addition in credit card predominantly driven by the seasoning of newer vintages, loan growth, and updates to certain macroeconomic variables, and a \$125 million net reduction in residential real estate, and
- \$68 million in **wholesale**, reflecting net downgrade activity, primarily in real estate, as well as incorporating the First Republic portfolio into the Bank’s modeled credit loss estimates, predominantly offset by the impact of changes in the loan and lending-related commitment portfolios and updates to certain macroeconomic variables.

The Bank has maintained the additional weight placed on the adverse scenarios in the first quarter of 2023 to reflect ongoing uncertainties and downside risks related to the geopolitical and macroeconomic environment.

The Bank's allowance for credit losses is estimated using a weighted average of five internally developed macroeconomic scenarios. The adverse scenarios incorporate more punitive macroeconomic factors than the central case assumptions provided in the table below, resulting in a weighted average U.S. unemployment rate peaking at 5.3% in the second quarter of 2025, and a weighted average U.S. real GDP level that is 2.1% lower than the central case at the end of the fourth quarter of 2025.

The following table presents the Bank’s central case assumptions for the periods presented:

	Central case assumptions at June 30, 2024		
	4Q24	2Q25	4Q25
U.S. unemployment rate <sup>(a)</sup>	4.1 %	4.1 %	4.0 %
YoY growth in U.S. real GDP <sup>(b)</sup>	1.5 %	1.6 %	1.9 %

	Central case assumptions at December 31, 2023		
	2Q24	4Q24	2Q25
U.S. unemployment rate <sup>(a)</sup>	4.1 %	4.4 %	4.1 %
YoY growth in U.S. real GDP <sup>(b)</sup>	1.8 %	0.7 %	1.0 %

(a) Reflects quarterly average of forecasted U.S. unemployment rate.

(b) The year over year growth in U.S. real GDP in the forecast horizon of the central scenario is calculated as the percentage change in U.S. real GDP levels from the prior year.

Subsequent changes to this forecast and related estimates will be reflected in the provision for credit losses in future periods.

Refer to Note 14 and Note 11 of JPMorgan Chase Bank, N.A. 2023 Annual Financial Statements for a description of the policies, methodologies and judgments used to determine the Bank’s allowance for credit losses on loans, lending-related commitments, and investment securities.

## Note 14 – Variable interest entities

Refer to Note 1 and Note 15 of JPMorgan Chase Bank, N.A.’s 2023 Annual Financial Statements for a further description of the Bank’s accounting policies regarding consolidation of and involvement with VIEs.

The following table summarizes the most significant types of Bank-sponsored VIEs by business. JPMorgan Chase Bank, N.A. considers a “sponsored” VIE to include any entity where: (1) the Bank is the primary beneficiary of the structure; (2) the VIE is used by the Bank to securitize its assets; (3) the VIE issues financial instruments with the JPMorgan Chase Bank, N.A. name; or (4) the entity is a Bank-administered asset-backed commercial paper conduit.

<i>Transaction Type</i>	<i>Activity</i>	<i>Consolidated Financial Statements page reference</i>
Credit card securitization trusts	Securitization of originated credit card receivables	62
Mortgage securitization trusts	Servicing and securitization of both originated and purchased residential mortgages	64
Mortgage and other securitization trusts	Securitization of both originated and purchased residential and commercial mortgages, and other consumer loans	64
Multi-seller conduits	Assisting clients in accessing the financial markets in a cost-efficient manner and structuring transactions to meet investor needs	64
Municipal bond vehicles	Financing of municipal bond investments	64

The Bank also invests in and provides financing, lending-related services and other services to VIEs sponsored by third parties. Refer to pages 65-66 of this Note for more information on the VIEs sponsored by third parties.

### Significant Bank-sponsored VIEs

#### *Credit card securitizations*

As a result of the Bank’s continuing involvement, the Bank is considered to be the primary beneficiary of its Bank-sponsored credit card securitization trust, the Chase Issuance Trust.

#### *Bank-sponsored mortgage and other securitization trusts*

The Bank securitizes (or has securitized) originated and purchased residential mortgages, commercial mortgages and other consumer loans. Depending on the particular transaction, as well as the respective business involved, the Bank may act as the servicer of the loans and/or retain certain beneficial interests in the securitization trusts.

The following tables present the total unpaid principal amount of assets held in Bank-sponsored private-label securitization entities, including those in which the Bank has continuing involvement, and those that are consolidated by the Bank. Continuing involvement includes servicing the loans, holding senior interests or subordinated interests (including amounts required to be held pursuant to credit risk retention rules), recourse or guarantee arrangements,

and derivative contracts. In certain instances, the Bank's only continuing involvement is servicing the loans. The Bank's maximum loss exposure from retained and purchased interests is the carrying value of these interests. Refer to page 68 of this Note for information on the securitization-related loan delinquencies and liquidation losses.

	Principal amount outstanding			Bank interest in securitized assets in nonconsolidated VIEs <sup>(c)(d)</sup>			
	Total assets held by securitization VIEs	Assets held in consolidated securitization VIEs	Assets held in nonconsolidated securitization VIEs with continuing involvement	Trading assets	Investment securities	Other financial assets	Total interests held by the Bank
<b>June 30, 2024 (in millions)</b>							
<b>Securitization-related<sup>(a)</sup></b>							
Residential mortgage:							
Prime/Alt-A and option ARMs	\$ 58,306	\$ 645	\$ 35,787	\$ 416	\$ 1,811	\$ 126	\$ 2,353
Subprime	6,232	—	923	16	22	—	38
Commercial and other <sup>(b)</sup>	174,138	—	92,372	229	5,646	1,485	7,360
<b>Total</b>	<b>\$ 238,676</b>	<b>\$ 645</b>	<b>\$ 129,082</b>	<b>\$ 661</b>	<b>\$ 7,479</b>	<b>\$ 1,611</b>	<b>\$ 9,751</b>

	Principal amount outstanding			Bank interest in securitized assets in nonconsolidated VIEs <sup>(c)(d)</sup>			
	Total assets held by securitization VIEs	Assets held in consolidated securitization VIEs	Assets held in nonconsolidated securitization VIEs with continuing involvement	Trading assets	Investment securities	Other financial assets	Total interests held by the Bank
<b>December 31, 2023 (in millions)</b>							
<b>Securitization-related<sup>(a)</sup></b>							
Residential mortgage:							
Prime/Alt-A and option ARMs	\$ 51,659	\$ 675	\$ 30,152	\$ 421	\$ 1,981	\$ 61	\$ 2,463
Subprime	6,203	—	659	—	—	—	—
Commercial and other <sup>(b)</sup>	167,852	—	85,466	239	5,638	1,353	7,230
<b>Total</b>	<b>\$ 225,714</b>	<b>\$ 675</b>	<b>\$ 116,277</b>	<b>\$ 660</b>	<b>\$ 7,619</b>	<b>\$ 1,414</b>	<b>\$ 9,693</b>

(a) Excludes U.S. GSEs and government agency securitizations, which are not Bank-sponsored.

(b) Consists of securities backed by commercial real estate loans and non-mortgage-related consumer receivables.

(c) Excludes the following: retained servicing; securities retained from loan sales and securitization activity related to U.S. GSEs and government agencies; interest rate and foreign exchange derivatives primarily used to manage interest rate and foreign exchange risks of securitization entities. There were no senior and subordinated securities purchased in connection with the Bank's secondary market-making activities at June 30, 2024, and December 31, 2023, respectively.

(d) As of June 30, 2024, and December 31, 2023, 76% and 77%, respectively, of the Bank's retained securitization interests, which are predominantly carried at fair value and include amounts required to be held pursuant to credit risk retention rules, were risk-rated "A" or better, on an S&P-equivalent basis. The retained interests in prime residential mortgages consisted of \$2.2 billion and \$2.4 billion of investment-grade retained interests, and noninvestment-grade retained interests of \$149 million and \$80 million at June 30, 2024 and December 31, 2023, respectively. The retained interests in commercial and other securitization trusts consisted of \$5.7 billion and \$5.7 billion of investment-grade retained interests, and \$1.7 billion and \$1.6 billion of noninvestment-grade retained interests at June 30, 2024 and December 31, 2023, respectively.

#### *Residential mortgage*

The Bank securitizes originated residential mortgage loans, as well as residential mortgage loans purchased from third parties. The Bank generally retains servicing for all residential mortgage loans originated and may retain servicing for certain mortgage loans purchased.

#### *Commercial mortgages and other consumer securitizations*

The Bank originates and securitizes commercial mortgage loans, and engages in underwriting and trading activities involving the securities issued by securitization trusts.

#### *Multi-seller conduits*

In the normal course of business, the Bank makes markets in and invests in commercial paper issued by Bank-administered multi-seller conduits. The Bank held \$2.7 billion and \$9.8 billion of the commercial paper issued by Bank-administered multi-seller conduits at June 30, 2024, and December 31, 2023, respectively, which have been eliminated in consolidation. The Bank's investments reflect the Bank's funding needs and capacity and were not driven by market illiquidity. Other than the amounts required to be held pursuant to credit risk retention rules, the Bank is not obligated under any agreement to purchase the commercial paper issued by Bank-administered multi-seller conduits.

The Bank provides deal-specific liquidity as well as program-wide liquidity and credit enhancement to its administered multi-seller conduits, which have been eliminated in consolidation. The administered multi-seller conduits then provide certain of their clients with lending-related commitments. The unfunded commitments were \$12.1 billion and \$10.8 billion at June 30, 2024, and December 31, 2023, respectively, and are reported as off-balance sheet lending-related commitments in other unfunded commitments to extend credit. Refer to Note 22 for more information on off-balance sheet lending-related commitments.

#### *Municipal bond vehicles*

Municipal bond vehicles or tender option bond ("TOB") trusts allow institutions to finance their municipal bond investments at short-term rates. TOB transactions are known as customer TOB trusts and non-customer TOB trusts. Customer TOB trusts are sponsored by a third party. The Bank serves as sponsor for all non-customer TOB transactions.



## Consolidated VIE assets and liabilities

The following table presents information on assets and liabilities related to VIEs consolidated by the Bank as of June 30, 2024 and December 31, 2023.

June 30, 2024 (in millions)	Assets				Liabilities		
	Trading assets	Loans	Other <sup>(c)</sup>	Total assets <sup>(d)</sup>	Beneficial interests in VIE assets <sup>(e)</sup>	Other <sup>(f)</sup>	Total liabilities
<b>VIE program type</b>							
Bank-sponsored credit card trusts	\$ —	\$ 13,188	\$ 167	\$ 13,355	\$ 5,315	\$ 11	\$ 5,326
Bank-administered multi-seller conduits	1	21,960	159	22,120	19,437	42	19,479
Municipal bond vehicles	2,034	—	21	2,055	2,246	8	2,254
Mortgage securitization entities <sup>(a)</sup>	—	654	7	661	120	52	172
Other	—	1,556 <sup>(b)</sup>	8	1,564	—	—	—
<b>Total</b>	<b>\$ 2,035</b>	<b>\$ 37,358</b>	<b>\$ 362</b>	<b>\$ 39,755</b>	<b>\$ 27,118</b>	<b>\$ 113</b>	<b>\$ 27,231</b>

December 31, 2023 (in millions)	Assets				Liabilities		
	Trading assets	Loans	Other <sup>(c)</sup>	Total assets <sup>(d)</sup>	Beneficial interests in VIE assets <sup>(e)</sup>	Other <sup>(f)</sup>	Total liabilities
<b>VIE program type</b>							
Bank-sponsored credit card trusts	\$ —	\$ 9,460	\$ 117	\$ 9,577	\$ 2,998	\$ 6	\$ 3,004
Bank-administered multi-seller conduits	1	27,372	194	27,567	17,781	47	17,828
Municipal bond vehicles	2,056	—	22	2,078	2,259	9	2,268
Mortgage securitization entities <sup>(a)</sup>	—	685	7	692	124	57	181
Other	—	85	—	85	—	—	—
<b>Total</b>	<b>\$ 2,057</b>	<b>\$ 37,602</b>	<b>\$ 340</b>	<b>\$ 39,999</b>	<b>\$ 23,162</b>	<b>\$ 119</b>	<b>\$ 23,281</b>

(a) Includes residential mortgage securitizations.

(b) Primarily includes consumer loans.

(c) Includes assets classified as cash and other assets on the Consolidated balance sheets.

(d) The assets of the consolidated VIEs included in the program types above are used to settle the liabilities of those entities. The assets and liabilities include third-party assets and liabilities of consolidated VIEs (including balances with related parties) and exclude intercompany balances that eliminate in consolidation.

(e) The interest-bearing beneficial interest liabilities issued by consolidated VIEs are classified in the line item on the Consolidated balance sheets titled, "Beneficial interests issued by consolidated variable interest entities." The holders of these beneficial interests generally do not have recourse to the general credit of the Bank. Included in beneficial interests in VIE assets are long-term beneficial interests of \$5.4 billion and \$3.1 billion at June 30, 2024, and December 31, 2023, respectively.

(f) Includes liabilities classified as accounts payable and other liabilities on the Consolidated balance sheets.

## VIEs sponsored by third parties

The Bank enters into transactions with VIEs structured by other parties. These include, for example, acting as a derivative counterparty, liquidity provider and investor. These transactions are conducted at arm's-length, and individual credit decisions are based on the analysis of the specific VIE, taking into consideration the quality of the underlying assets. Where the Bank does not have the power to direct the activities of the VIE that most significantly impact the VIE's economic performance, or a variable interest that could potentially be significant, the Bank generally does not consolidate the VIE, but it records and reports these positions on its Consolidated balance sheets in the same manner it would record and report positions in respect of any other third-party transaction.

## Tax credit vehicles

The Bank holds investments in unconsolidated tax credit vehicles, which are limited partnerships and similar entities that own and operate affordable housing, alternative energy, and other projects. These entities are primarily considered VIEs. A third party is typically the general partner or managing member and has control over the significant activities of the tax credit vehicles, and accordingly the Bank does not consolidate tax credit vehicles. The Bank generally invests in these partnerships as a limited partner and earns a return primarily through the receipt of tax credits allocated to the projects. The maximum loss exposure, represented by equity investments and funding commitments, was \$29.2 billion and \$30.9 billion at June 30, 2024 and December 31, 2023, of which \$12.3 billion and \$13.5 billion was unfunded at June 30, 2024 and December 31, 2023, respectively. The Bank assesses each project and to reduce the risk of loss, may withhold varying amounts of its capital investment until the project qualifies for tax credits. Refer to Note 23 of

JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for further information on affordable housing tax credits and Note 22 of these Consolidated Financial Statements for more information on off-balance sheet lending-related commitments.

Effective January 1, 2024, the Bank adopted updates to the Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method guidance which expanded the types of tax-oriented investments, beyond affordable housing tax credit investments, that the Bank can elect on a program by program basis, to be accounted for using the proportional amortization method. Refer to Note 1 for further information.

The proportional amortization method requires the cost of eligible investments, within an elected program, be amortized in proportion to the tax benefits received with the resulting amortization reported directly in income tax expense, which aligns with the associated tax credits and other tax benefits. Investments must meet certain criteria to be eligible, including that substantially all of the return is from income tax credits and other income tax benefits.

In addition, under this method deferred taxes are generally not recorded as the investment is now amortized in proportion to the income tax credits and other income tax benefits received. Delayed equity contributions that are unconditional and legally binding or conditional and probable of occurring are recorded in other liabilities with a corresponding increase in the carrying value of the investment. The guidance also requires a reevaluation of eligible investments when significant modifications or events occur that result in a change in the nature of the investment or a change in the Bank's relationship with the underlying project. During the period, there were no significant modifications or events that resulted in a change in the nature of an eligible investment or a change in the Bank's relationship with the underlying project.

The following table provides information on tax-oriented investments for which the Bank elected to apply the proportional amortization method.

As of or for the period ended, (in millions)	Alternative energy and affordable housing programs <sup>(d)</sup>	
	Six months ended June 30,	
	2024	2023
<b>Programs for which the Bank elected proportional amortization:</b>		
Carrying value <sup>(a)</sup>	\$ 27,245	\$ 13,410
Tax credits and other tax benefits <sup>(b)</sup>	3,009	946
<b>Investments that qualify to be accounted for using proportional amortization:</b>		
Amortization losses recognized as a component of income tax expense	(1,960)	(744)
Non-income-tax-related gains and other returns received that are recognized outside of income tax expense <sup>(c)</sup>	39	—

(a) Recorded in Other assets on the Consolidated balance sheets. Excludes programs to which the Bank does not apply the proportional

amortization method, such as historic tax credit and new market tax credit programs.

- (b) Reflected in Income tax expense on the Consolidated statements of income and Investing activities on the Consolidated statements of cash flows.
- (c) Recorded in Other income on the Consolidated statements of income and Investing activities on the Consolidated statements of cash flows.
- (d) As of December 31, 2023, the carrying value of eligible affordable housing investments was \$14.6 billion. Refer to Note 23 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for further information on affordable housing tax credits.

#### Customer municipal bond vehicles (TOB trusts)

The Bank may provide various services to customer TOB trusts, including liquidity or tender option provider. In certain customer TOB transactions, the Bank, as liquidity provider, has entered into a reimbursement agreement with the Residual holder.

In those transactions, upon the termination of the vehicle, the Bank has recourse to the third-party Residual holders for any shortfall. The Bank does not have any intent to protect Residual holders from potential losses on any of the underlying municipal bonds. The Bank does not consolidate customer TOB trusts, since the Bank does not have the power to make decisions that significantly impact the economic performance of the municipal bond vehicle. The Bank's maximum exposure as a liquidity provider to customer TOB trusts at June 30, 2024 and December 31, 2023 was \$5.3 billion and \$5.1 billion, respectively. The fair value of assets held by such VIEs at June 30, 2024 and December 31, 2023 was \$7.4 billion and \$7.3 billion, respectively.

## Loan securitizations

The Bank has securitized and sold a variety of loans, including residential mortgages, credit card receivables, commercial mortgages and other consumer loans.

### Securitization activity

The following table provides information related to the Bank's securitization activities for the six months ended June 30, 2024 and 2023, related to assets held in Bank-sponsored securitization entities that were not consolidated by the Bank, and where sale accounting was achieved at the time of the securitization.

(in millions)	Six months ended June 30			
	2024		2023	
	Residential mortgage <sup>(b)</sup>	Commercial and other <sup>(c)</sup>	Residential mortgage <sup>(b)</sup>	Commercial and other <sup>(c)</sup>
Principal securitized	\$ 9,393	\$ 7,244	\$ 3,289	\$ 376
<b>All cash flows during the period:</b>				
Proceeds received from loan sales as cash or financial instruments <sup>(a)</sup>	\$ 9,141	\$ 7,108	\$ 3,153	\$ 380
Servicing fees collected	12	11	12	1
Cash flows received on interests	145	278	147	152

(a) The carrying value of the loans accounted for at fair value approximated the proceeds received upon loan sale. The proceeds received were primarily cash.

(b) Represents prime mortgages. Excludes loan securitization activity related to U.S. GSEs and government agencies.

(c) Includes commercial mortgage and auto loans.

### Loans and excess MSR's sold to U.S. government-sponsored enterprises, and loans in securitization transactions pursuant to Ginnie Mae guidelines

In addition to the amounts reported in the securitization activity tables above, the Bank, in the normal course of business, sells originated and purchased mortgage loans and certain originated excess MSR's on a nonrecourse basis, predominantly to U.S. GSEs. These loans and excess MSR's are sold primarily for the purpose of securitization by the U.S. GSEs, who provide certain guarantee provisions (e.g., credit enhancement of the loans). The Bank also sells loans into securitization transactions pursuant to Ginnie Mae guidelines; these loans are typically insured or guaranteed by another U.S. government agency. The Bank does not consolidate the securitization vehicles underlying these transactions as it is not the primary beneficiary. For a limited number of loan sales, the Bank is obligated to share a portion of the credit risk associated with the sold loans with the purchaser. Refer to Note 22 of these Consolidated Financial Statements for additional information about the Bank's loan sales- and securitization-related indemnifications and Note 15 for additional information about the impact of the Bank's sale of certain excess MSR's.

The following table summarizes the activities related to loans sold to the U.S. GSEs, and loans in securitization transactions pursuant to Ginnie Mae guidelines.

(in millions)	Six months ended June 30,	
	2024	2023
Carrying value of loans sold	\$ 11,166	\$ 9,021
Proceeds received from loan sales as cash	366	40
Proceeds from loan sales as securities <sup>(a)(b)</sup>	10,691	8,882
<b>Total proceeds received from loan sales<sup>(c)</sup></b>	<b>\$ 11,057</b>	<b>\$ 8,922</b>

(a) Includes securities from U.S. GSEs and Ginnie Mae that are generally sold shortly after receipt or retained as part of the Bank's investment securities portfolio.

(b) Included in level 2 assets.

(c) Excludes the value of MSR's retained upon the sale of loans.

### Options to repurchase delinquent loans

In addition to the Bank's obligation to repurchase certain loans due to material breaches of representations and warranties as discussed in Note 22, the Bank also has the option to repurchase delinquent loans that it services for Ginnie Mae loan pools, as well as for other U.S. government agencies under certain arrangements. The Bank typically elects to repurchase delinquent loans from Ginnie Mae loan pools as it continues to service them and/or manage the foreclosure process in accordance with the applicable requirements, and such loans continue to be insured or guaranteed. When the Bank's repurchase option becomes exercisable, such loans must be reported on the Consolidated balance sheets as a loan with a corresponding liability. Refer to Note 12 for additional information.

The following table presents loans the Bank repurchased or had an option to repurchase, real estate owned, and

foreclosed government-guaranteed residential mortgage loans recognized on the Bank's Consolidated balance sheets as of June 30, 2024 and December 31, 2023. Substantially all of these loans and real estate are insured or guaranteed by U.S. government agencies.

(in millions)	June 30, 2024	December 31, 2023
Loans repurchased or option to repurchase <sup>(a)</sup>	\$ 529	\$ 596
Real estate owned	8	8
Foreclosed government-guaranteed residential mortgage loans <sup>(b)</sup>	11	22

(a) Primarily all of these amounts relate to loans that have been repurchased from Ginnie Mae loan pools.

(b) Relates to voluntary repurchases of loans, which are included in accrued interest and accounts receivable.

### Loan delinquencies and liquidation losses

The table below includes information about components of and delinquencies related to nonconsolidated securitized financial assets held in Bank-sponsored private-label securitization entities, in which the Bank has continuing involvement as of June 30, 2024, and December 31, 2023. For loans sold or securitized where servicing is the Bank's only form of continuing involvement, the Bank generally experiences a loss only if the Bank was required to repurchase a delinquent loan or foreclosed asset due to a breach in representations and warranties associated with its loan sale or servicing contracts.

(in millions)	Securitized assets		90 days past due		Net liquidation losses/ (recoveries)	
					Six months ended June 30,	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	2024	2023
<b>Securitized loans</b>						
Residential mortgage:						
Prime / Alt-A & option ARMs	\$ 35,787	\$ 30,152	\$ 306	\$ 266	\$ 4	\$ 9
Subprime	923	659	54	62	-	2
Commercial and other	92,372	85,466	1,049	1,410	19	3
<b>Total loans securitized</b>	<b>\$ 129,082</b>	<b>\$ 116,277</b>	<b>\$ 1,409</b>	<b>\$ 1,738</b>	<b>\$ 23</b>	<b>\$ 14</b>

## Note 15 – Goodwill and Mortgage servicing rights

Refer to Note 16 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for a discussion of the accounting policies related to goodwill, mortgage servicing rights, and other intangible assets.

### Goodwill

The following table presents changes in the carrying amount of goodwill.

(in millions)	Six months ended June 30,	
	2024	2023
Balance at beginning of period <sup>(a)</sup>	\$ 40,537	\$ 40,520
Changes during the period from:		
Business combinations	–	(2)
Other <sup>(b)</sup>	(11)	5
<b>Balance at June 30,<sup>(a)</sup></b>	<b>\$ 40,526</b>	<b>\$ 40,523</b>

(a) Reflects gross goodwill balances as the Bank has not recognized any impairment losses to date.

(b) Predominantly foreign currency adjustments.

### Goodwill impairment testing

Goodwill is tested for impairment during the fourth quarter of each fiscal year, or more often if events or circumstances, such as adverse changes in the business climate, indicate that there may be an impairment. Refer to Note 16 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for a further discussion of the Bank's goodwill impairment testing.

Unanticipated declines in business performance, increases in credit losses, increases in capital requirements, as well as deterioration in economic or market conditions, adverse regulatory or legislative changes or increases in the estimated market cost of equity, could cause the estimated fair values of the Bank to decline in the future, which could result in a material impairment charge to earnings in a future period related to some portion of the associated goodwill.

As of June 30, 2024, the Bank reviewed current economic conditions, estimated market cost of equity, as well as actual business results and projections of business performance. Based on such reviews, the Bank has concluded that goodwill was not impaired as of June 30, 2024 or December 31, 2023.

## Mortgage servicing rights

MSRs represent the fair value of expected future cash flows for performing servicing activities for others. The fair value considers estimated future servicing fees and ancillary revenue, offset by estimated costs to service the loans, and generally declines over time as net servicing cash flows are received, effectively amortizing the MSR asset against contractual servicing and ancillary fee income. MSRs are either purchased from third parties or recognized upon sale or securitization of mortgage loans if servicing is retained. Refer to Notes 3 and 16 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for a further description of the MSR asset, interest rate risk management, and the valuation of MSRs.

The following table summarizes MSR activity for the six months ended June 30, 2024 and 2023.

(in millions, except where otherwise noted)	As of or for the six months ended June 30,	
	2024	2023
Fair value at beginning of period	\$ 8,522	\$ 7,973
MSR activity:		
Originations of MSRs	153	110
Purchase of MSRs <sup>(a)</sup>	325	467
Disposition of MSRs <sup>(b)</sup>	(27)	(90)
<b>Net additions/(dispositions)</b>	<b>451</b>	<b>487</b>
Changes due to collection/realization of expected cash flows	(523)	(495)
Changes in valuation due to inputs and assumptions:		
Changes due to market interest rates and other <sup>(c)</sup>	385	261
Changes in valuation due to other inputs and assumptions:		
Projected cash flows (e.g., cost to service)	7	2
Discount rates	—	—
Prepayment model changes and other <sup>(d)</sup>	5	1
<b>Total changes in valuation due to other inputs and assumptions</b>	<b>12</b>	<b>3</b>
<b>Total changes in valuation due to inputs and assumptions</b>	<b>397</b>	<b>264</b>
<b>Fair value at June 30,</b>	<b>\$ 8,847</b>	<b>\$ 8,229</b>
Changes in unrealized gains/(losses) included in income related to MSRs held at June 30,	\$ 397	\$ 264
Contractual service fees, late fees and other ancillary fees included in income	794	776
Third-party mortgage loans serviced at June 30, (in billions)	644	605
Servicer advances, net of an allowance for uncollectible amounts, at June 30 <sup>(e)</sup>	524	595

- (a) Includes purchase price adjustments associated with MSRs purchased in the prior quarter, primarily as a result of loans that prepaid within 90 days of settlement, allowing the Bank to recover the purchase price.
- (b) Includes excess MSRs transferred to agency-sponsored trusts in exchange for stripped mortgage backed securities ("SMBS"). In each transaction, a portion of the SMBS was acquired by third parties at the transaction date; the Bank acquired the remaining balance of those SMBS as trading securities.
- (c) Represents both the impact of changes in estimated future prepayments due to changes in market interest rates, and the difference between actual and expected prepayments.
- (d) Represents changes in prepayments other than those attributable to changes in market interest rates.
- (e) Represents amounts the Bank pays as the servicer (e.g., scheduled principal and interest, taxes and insurance), which will generally be reimbursed within a short period of time after the advance from future cash flows from the trust or the underlying loans. The Bank's credit risk associated with these servicer advances is minimal because reimbursement of the advances is typically senior to all cash payments to investors. In addition, the Bank maintains the right to stop payment to investors if the collateral is insufficient to cover the advance. However, certain of these servicer advances may not be recoverable if they were not made in accordance with applicable rules and agreements.

The following table presents the components of mortgage fees and related income (including the impact of MSR risk management activities) for the six months ended June 30, 2024 and 2023.

(in millions)	Six months ended June 30,	
	2024	2023
<b>Mortgage fees and related income</b>		
<b>Production revenue</b>	\$ 287	\$ 177
<b>Net mortgage servicing revenue:</b>		
Operating revenue:		
Loan servicing revenue	817	802
Changes in MSR asset fair value due to collection/realization of expected cash flows	(522)	(495)
<b>Total operating revenue</b>	<b>295</b>	<b>307</b>
Risk management:		
Changes in MSR asset fair value due to market interest rates and other <sup>(a)</sup>	385	261
Other changes in MSR asset fair value due to other inputs and assumptions in model <sup>(b)</sup>	12	3
Changes in derivative fair value and other	(359)	(251)
<b>Total risk management</b>	<b>38</b>	<b>13</b>
<b>Total net mortgage servicing revenue</b>	<b>333</b>	<b>320</b>
All other	3	2
<b>Mortgage fees and related income</b>	<b>\$ 623</b>	<b>\$ 499</b>

(a) Represents both the impact of changes in estimated future prepayments due to changes in market interest rates, and the difference between actual and expected prepayments.

(b) Represents the aggregate impact of changes in model inputs and assumptions such as projected cash flows (e.g., cost to service), discount rates and changes in prepayments other than those attributable to changes in market interest rates (e.g., changes in prepayments due to changes in home prices).

Changes in fair value based on variations in assumptions generally cannot be easily extrapolated, because the relationship of the change in the assumptions to the change in fair value are often highly interrelated and may not be linear. In the following table, the effect that a change in a particular assumption may have on the fair value is calculated without changing any other assumption. In reality, changes in one factor may result in changes in another, which would either magnify or counteract the impact of the initial change.

The table below outlines the key economic assumptions used to determine the fair value of the Bank's MSRs at June 30, 2024, and December 31, 2023, and outlines the sensitivities of those fair values to immediate adverse changes in those assumptions, as defined below.

(in millions, except rates)	June 30, 2024	Dec 31, 2023
Weighted-average prepayment speed assumption (constant prepayment rate)	6.18 %	6.29 %
Impact on fair value of 10% adverse change	\$ (204)	\$ (206)
Impact on fair value of 20% adverse change	(397)	(401)
Weighted-average option adjusted spread <sup>(a)</sup>	5.94 %	6.10 %
Impact on fair value of a 100 basis point adverse change	\$ (381)	\$ (369)
Impact on fair value of a 200 basis point adverse change	(732)	(709)

(a) Includes the impact of operational risk and regulatory capital.

### Other intangible assets

The Bank's finite-lived and indefinite-lived other intangible assets are initially recorded at their fair value primarily upon completion of a business combination. Finite-lived intangible assets, including core deposit intangibles, customer relationship intangibles, and certain other intangible assets, are amortized over their useful lives, estimated based on the expected future economic benefits. The Bank's intangible assets with indefinite lives are not subject to amortization and are assessed periodically for impairment.

As of June 30, 2024 and December 31, 2023 other intangible assets consisted primarily of finite-lived intangible assets of \$1.1 billion and \$1.2 billion. Indefinite-lived intangible assets, which are not subject to amortization, were not material.

## Note 16 - Deposits

Refer to Note 18 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for further information on deposits.

As of June 30, 2024, and December 31, 2023, noninterest-bearing and interest-bearing deposits were as follows:

(in millions)	June 30, 2024	December 31, 2023
<b>U.S. offices</b>		
Noninterest-bearing (included \$66,275 and \$75,533, at fair value) <sup>(a)</sup>	\$ 634,654	\$ 645,872
Interest-bearing (included \$588 and \$573 at fair value) <sup>(a)</sup>	1,374,097	1,392,043
<b>Total deposits in U.S. offices</b>	<b>2,008,751</b>	<b>2,037,915</b>
<b>Non-U.S. offices</b>		
Noninterest-bearing (included \$2,158 and \$1,737 at fair value) <sup>(a)</sup>	28,178	24,492
Interest-bearing (included \$463 and \$681 at fair value) <sup>(a)</sup>	451,302	435,824
<b>Total deposits in non-U.S. offices</b>	<b>479,480</b>	<b>460,316</b>
<b>Total deposits</b>	<b>\$ 2,488,231</b>	<b>\$ 2,498,231</b>

(a) Includes structured notes classified as deposits for which the fair value option has been elected. Refer to Note 4 for further discussion.

As of June 30, 2024 and December 31, 2023, time deposits in denominations that met or exceeded the insured limit were as follows:

(in millions)	June 30, 2024	December 31, 2023
U.S. offices	\$ 160,451	\$ 152,894
Non-U.S. offices <sup>(a)</sup>	101,946	90,744
<b>Total</b>	<b>\$ 262,397</b>	<b>\$ 243,638</b>

(a) Represents all time deposits in non-U.S. offices as these deposits typically exceed the insured limit.

As of June 30, 2024, the remaining maturities of interest-bearing time deposits in each of the 12-month periods ending June 30 were as follows:

June 30, (in millions)	U.S.	Non-U.S.	Total
2025	\$224,465	\$ 98,855	\$ 323,320
2026	11,362	92	11,454
2027	275	11	286
2028	124	24	148
2029	441	695	1,136
After 5 years	160	111	271
<b>Total</b>	<b>\$236,827</b>	<b>\$ 99,788</b>	<b>\$ 336,615</b>

## Note 17 - Leases

Refer to Note 19 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for a further discussion on leases.

### Bank as lessee

At June 30, 2024, the Bank was obligated under a number of noncancellable leases, predominantly operating leases for premises and equipment used primarily for business purposes.

Operating lease liabilities and right-of-use ("ROU") assets are recognized at the lease commencement date based on the present value of the future minimum lease payments over the lease term.

The carrying values of the Bank's operating leases were as follows:

(in millions)	June 30, 2024	December 31, 2023
Right-of-use assets	\$ 7,650	\$ 7,706
Lease liabilities	8,113	8,191

The Bank's net rental expense was \$1.0 billion and \$845 million for the six months ended June 30, 2024 and 2023, respectively.

### Bank as lessor

The Bank's lease financings are predominantly auto operating leases, and are included in other assets on the Bank's Consolidated balance sheets.

The following table presents the Bank's operating lease income, included within other income, and the related depreciation expense, included within technology, communications and equipment expense, on the Consolidated statements of income.

	Six months ended June 30,	
(in millions)	2024	2023
Operating lease income	\$ 1,361	\$ 1,470
Depreciation expense	874	876



## Note 18 – Related party transactions

JPMorgan Chase Bank, N.A. regularly enters into transactions with JPMorgan Chase and its various subsidiaries collectively, JPMorgan Chase affiliates. Refer to Note 21 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for discussion of the more significant types of transactions.

Revenue and expense-related transactions with related parties are listed below.

(in millions)	Six months ended June 30,	
	2024	2023
Interest income	\$ 3,288	\$ 3,001
Interest expense	6,110	3,345
<b>Net interest income</b>	<b>(2,822)</b>	<b>(344)</b>
Noninterest revenue		
Principal transactions	2,464	(689)
All other income <sup>(a)</sup>	4,829	4,084
<b>Total noninterest revenue</b>	<b>7,293</b>	<b>3,395</b>
<b>Noninterest expense<sup>(a)</sup></b>	<b>3,756</b>	<b>3,307</b>

Balances with related parties are listed below.

(in millions)	June 30, 2024	December 31, 2023
<b>Assets</b>		
Federal funds sold and securities purchased under resale agreements	\$ 100,720	\$ 99,714
Accrued interest and accounts receivable	12,469	9,309
All other assets	18,280	24,021
<b>Liabilities</b>		
Deposits <sup>(b)</sup>	91,701	97,543
Federal funds purchased and securities loaned or sold under repurchase agreements	73,673	44,268
Accounts payable and all other liabilities	14,086	13,168
Long-term debt	83,907	84,829

(a) All other income includes fees earned by the Bank for services provided to JPMorgan Chase affiliates. Noninterest expense includes fees incurred by the bank for services provided from JPMorgan Chase affiliates

(b) At both June 30, 2024 and December 31, 2023, includes \$25.0 billion, respectively, pledged to support extensions of credit and other transactions requiring collateral with affiliates as defined by Section 23A under the Federal Reserve Act, which defines the constraints that apply to U.S. banks in certain of their interactions with affiliates.

The following table summarizes information on derivative receivables and payables with JPMorgan Chase affiliates before and after netting adjustments for legally enforceable master netting agreements as of June 30, 2024 and December 31, 2023.

(in millions)	June 30, 2024		December 31, 2023	
	Gross derivative receivable/payable	Net derivative receivable/payable	Gross derivative receivable/payable	Net derivative receivable/payable
Derivative receivables from affiliates	\$ 104,381	\$ 2,830	\$ 88,355	\$ 354
Derivative payables to affiliates	90,088	2	82,810	102

## Note 19 – Accumulated other comprehensive income/(loss)

AOI includes the after-tax change in unrealized gains and losses on investment securities, foreign currency translation adjustments (including the impact of related derivatives), fair value changes of excluded components on fair value hedges, cash flow hedging activities, net gain/(loss) related to the Bank's defined benefit pension and OPEB plans, and fair value option-elected liabilities arising from changes in the Bank's own credit risk (DVA).

As of or for the six months ended June 30, 2024, (in millions)	Unrealized gains/(losses) on investment securities	Translation adjustments, net of hedges	Cash flow hedges	Defined benefit pension and OPEB plans	DVA on fair value option elected liabilities	Accumulated other comprehensive income/(loss)
<b>Balance at January 1, 2024</b>	<b>\$ (3,718)</b>	<b>\$ (901)</b>	<b>\$(3,932)</b>	<b>\$ (1,591)</b>	<b>\$ (52)</b>	<b>\$(10,194)</b>
<b>Net change</b>	<b>236</b>	<b>(405)</b>	<b>(910)</b>	<b>31</b>	<b>120</b>	<b>(928)</b>
<b>Balance at June 30, 2024</b>	<b>\$ (3,482) <sup>(a)</sup></b>	<b>\$ (1,306)</b>	<b>\$(4,842)</b>	<b>\$ (1,560)</b>	<b>\$ 68</b>	<b>\$(11,122)</b>

As of or for the six months ended June 30, 2023, (in millions)	Unrealized gains/(losses) on investment securities	Translation adjustments, net of hedges	Cash flow hedges	Defined benefit pension and OPEB plans	DVA on fair value option elected liabilities	Accumulated other comprehensive income/(loss)
Balance at January 1, 2023	\$ (9,105)	\$ (1,240)	\$(5,655)	\$ (1,779)	\$ (185)	\$(17,964)
Net change	2,967	254	299	(48)	101	3,573
Balance at June 30, 2023	\$ (6,138) <sup>(a)</sup>	\$ (986)	\$(5,356)	\$ (1,827)	\$ (84)	\$(14,391)

(a) As of June 30, 2024 and 2023 included after-tax net unamortized unrealized gains/(losses) of \$(725) million and \$(1.1) billion, related to AFS securities that have been transferred to HTM, respectively. As of June 30, 2023 included after-tax net unamortized unrealized gains/(losses) of \$(29) million related to HTM securities that have been transferred to AFS as permitted by the new hedge accounting guidance adopted on January 1, 2023. Refer to Note 11 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for further information.

The following table presents the pre-tax and after-tax changes in the components of OCI.

Six months ended June 30, (in millions)	2024			2023		
	Pre-tax	Tax effect	After-tax	Pre-tax	Tax effect	After-tax
<b>Unrealized gains/(losses) on investment securities:</b>						
Net unrealized gains/(losses) arising during the period	\$ (602)	\$ 146	\$ (456)	\$ 2,136	\$ (512)	\$ 1,624
Reclassification adjustment for realized (gains)/losses included in net income <sup>(a)</sup>	913	(221)	692	1,768	(425)	1,343
<b>Net change</b>	<b>311</b>	<b>(75)</b>	<b>236</b>	<b>3,904</b>	<b>(937)</b>	<b>2,967</b>
<b>Translation adjustments <sup>(b)</sup>:</b>						
Translation	(2,151)	69	(2,082)	977	5	982
Hedges	2,211	(534)	1,677	(957)	229	(728)
<b>Net change</b>	<b>60</b>	<b>(465)</b>	<b>(405)</b>	<b>20</b>	<b>234</b>	<b>254</b>
<b>Cash flow hedges:</b>						
Net unrealized gains/(losses) arising during the period	(2,445)	591	(1,854)	(554)	133	(421)
Reclassification adjustment for realized (gains)/losses included in net income <sup>(c)</sup>	1,245	(301)	944	948	(228)	720
<b>Net change</b>	<b>(1,200)</b>	<b>290</b>	<b>(910)</b>	<b>394</b>	<b>(95)</b>	<b>299</b>
<b>Defined benefit pension and OPEB plans, net change:</b>	<b>42</b>	<b>(11)</b>	<b>31</b>	<b>(62)</b>	<b>14</b>	<b>(48)</b>
<b>DVA on fair value option elected liabilities, net change:</b>	<b>\$ 162</b>	<b>\$ (42)</b>	<b>\$ 120</b>	<b>\$ 131</b>	<b>\$ (30)</b>	<b>\$ 101</b>
<b>Total other comprehensive income/(loss)</b>	<b>\$ (625)</b>	<b>\$ (303)</b>	<b>\$ (928)</b>	<b>\$ 4,387</b>	<b>\$ (814)</b>	<b>\$ 3,573</b>

(a) The pre-tax amount is reported in Investment securities gains/(losses) in the Consolidated statements of income.

(b) Reclassifications of pre-tax realized gains/(losses) on translation adjustments and related hedges are reported in other income/expense in the Consolidated statements of income. The amounts reclassified for the six months ended June 30, 2024 were not material. There were no acquisitions and dissolutions of hedged entities that resulted in reclassification during the six months ended June 30, 2023.

(c) The pre-tax amounts are primarily recorded in noninterest revenue, net interest income and compensation expense in the Consolidated statements of income.

## Note 20 – Restricted cash and other restricted assets

Refer to Note 24 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for a detailed discussion of the Bank's restricted cash and other restricted assets.

Certain of the Bank's cash and other assets are restricted as to withdrawal or usage. These restrictions are imposed by various regulatory authorities based on the particular activities of the Bank's subsidiaries.

The Bank is also subject to rules and regulations established by other U.S. and non-U.S. regulators. As part of its compliance with the respective regulatory requirements, the Bank's broker-dealer activities are subject to certain restrictions on cash and other assets.

The following table presents the components of the Bank's restricted cash:

(in billions)	June 30, 2024	December 31, 2023
Segregated for the benefit of securities and cleared derivative customers	\$ 8.4	\$ 8.7
Cash reserves at non-U.S. central banks and held for other general purposes	9.1	9.1
<b>Total restricted cash<sup>(a)</sup></b>	<b>\$ 17.5</b>	<b>\$ 17.8</b>

(a) Comprises \$15.8 billion and \$16.4 billion in deposits with banks, and \$1.7 billion and \$1.4 billion in cash and due from banks on the Consolidated balance sheets as of June 30, 2024 and December 31, 2023, respectively.

Also, as of June 30, 2024 and December 31, 2023, the Bank had cash pledged with clearing organizations for the benefit of customers of \$6.7 billion and \$6.2 billion, respectively.

## Note 21 – Regulatory capital

Refer to Note 25 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for a detailed discussion on regulatory capital.

The Bank's banking regulator, the OCC, establishes capital requirements, including well-capitalized standards for JPMorgan Chase Bank, N.A.

Under the risk-based capital and leverage-based guidelines of the OCC, the Bank is required to maintain minimum ratios for CET1 capital, Tier 1 capital, Total capital, Tier 1 leverage and the SLR. Failure to meet these minimum requirements could cause the OCC to take action.

The following table presents the risk-based and leverage-based regulatory capital ratio requirements and well-capitalized ratios to which the Bank was subject as of June 30, 2024 and December 31, 2023.

	Capital ratio requirements <sup>(a)(b)</sup>	Well-capitalized ratios <sup>(c)</sup>
<b>Capital ratios</b>		
CET1 capital	7.0 %	6.5 %
Tier 1 capital	8.5	8.0
Total capital	10.5	10.0
Tier 1 leverage	4.0	5.0
SLR	6.0	6.0

Note: The table above is as defined by the regulations issued by the OCC and FDIC and to which the Bank is subject.

- (a) Represents the regulatory capital ratio requirements applicable to the Bank under Basel III. The CET1, Tier 1 and Total capital ratio requirements include a fixed capital conservation buffer requirement of 2.5%.
- (b) Represents minimum SLR requirement of 3.0%, as well as supplementary leverage buffer requirement of 3.0% for the Bank.
- (c) Represents requirements for the Bank pursuant to regulations issued under the FDIC Improvement Act.

### CECL regulatory capital transition

Beginning January 1, 2022, the \$2.9 billion CECL capital benefit, provided by the Federal Reserve in response to the COVID-19 pandemic, is being phased out at 25% per year over a three-year period. As of June 30, 2024 and December 31, 2023, the Bank's CET1 capital reflected the remaining benefit of \$728 million and \$1.5 billion, respectively, associated with the CECL capital transition provisions.

Similarly, as of January 1, 2024, the Bank has phased out 75% of the other CECL capital transition provisions which impacted Tier 2 capital, adjusted average assets, total leverage exposure and RWA, as applicable.

Refer to Note 25 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for further information on CECL capital transition provisions.

The following tables present risk-based capital metrics under both the Basel III Standardized and Basel III Advanced approaches and leverage-based capital metrics for the Bank. As of June 30, 2024, and December 31, 2023, the Bank was well-capitalized and met all capital requirements to which it was subject.

(in millions, except ratios)	Basel III Standardized		Basel III Advanced	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
<b>Risk-based capital metrics:<sup>(a)</sup></b>				
CET1 capital	<b>\$277,096</b>	\$262,030	<b>\$277,096</b>	\$262,030
Tier 1 capital	<b>277,099</b>	262,032	<b>277,099</b>	262,032
Total capital	<b>297,156</b>	281,308	<b>283,665</b>	<sup>(b)</sup> 268,392
Risk-weighted assets	<b>1,692,925</b>	1,621,789	<b>1,568,264</b>	<sup>(b)</sup> 1,526,952
CET1 capital ratio	<b>16.4 %</b>	16.2 %	<b>17.7 %</b>	17.2 %
Tier 1 capital ratio	<b>16.4</b>	16.2	<b>17.7</b>	17.2
Total capital ratio	<b>17.6</b>	17.3	<b>18.1</b>	17.6

(a) The capital metrics reflect the CECL capital transition provisions.

(b) Includes the impacts of certain assets associated with First Republic to which the Standardized approach has been applied as permitted by the transition provisions in the U.S. capital rules.

Three months ended (in millions, except ratios)	June 30, 2024	December 31, 2023
<b>Leverage-based capital metrics:<sup>(a)</sup></b>		
Adjusted average assets <sup>(b)</sup>	<b>\$3,408,684</b>	\$3,337,842
Tier 1 leverage ratio	<b>8.1 %</b>	7.9 %
Total leverage exposure	<b>\$4,157,231</b>	\$4,038,739
SLR	<b>6.7 %</b>	6.5 %

(a) The capital metrics reflect the CECL capital transition provisions.

(b) Adjusted average assets, for purposes of calculating the leverage ratios, includes quarterly average assets adjusted for on-balance sheet assets that are subject to deduction from Tier 1 capital, predominantly goodwill, inclusive of estimated equity method goodwill, and other intangible assets.

## Note 22 – Off-balance sheet lending-related financial instruments, guarantees, and other commitments

The Bank provides lending-related financial instruments (e.g., commitments and guarantees) to address the financing needs of its customers and clients. The contractual amount of these financial instruments represents the maximum possible credit risk to the Bank should the customer or client draw upon the commitment or the Bank be required to fulfill its obligation under the guarantee, and should the customer or client subsequently fail to perform according to the terms of the contract. Most of these commitments and guarantees have historically been refinanced, extended, cancelled, or expired without being drawn or a default occurring. As a result, the total contractual amount of these instruments is not, in the Bank's view, representative of its expected future credit exposure or funding requirements. Refer to Note 26 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for a further discussion of lending-related commitments and guarantees, and the Bank's related accounting policies.

To provide for expected credit losses in wholesale and certain consumer lending-related commitments, an allowance for credit losses on lending-related commitments is maintained. Refer to Note 13 for further information regarding the allowance for credit losses on lending-related commitments.

The following table summarizes the contractual amounts and carrying values of off-balance sheet lending-related financial instruments, guarantees and other commitments at June 30, 2024, and December 31, 2023. The amounts in the table below for credit card, home equity and certain scored business banking lending-related commitments represent the total available credit for these products. The Bank has not experienced, and does not anticipate, that all available lines of credit for these products will be utilized at the same time. The Bank can reduce or cancel credit card and certain scored business banking lines of credit by providing the borrower notice or, in some cases as permitted by law, without notice. In addition, the Bank typically closes credit card lines when the borrower is 60 days or more past due. The Bank may reduce or close HELOCs when there are significant decreases in the value of the underlying property, or when there has been a demonstrable decline in the creditworthiness of the borrower.

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

	Contractual amount						Carrying value <sup>(k)(l)</sup>		
	June 30, 2024						Dec 31, 2023	June 30, 2024	Dec 31, 2023
	Expires in 1 year or less	Expires after 1 year through 3 years	Expires after 3 years through 5 years	Expires after 5 years	Total	Total			
By remaining maturity (in millions)									
<b>Lending-related</b>									
Consumer, excluding credit card:									
Residential real estate <sup>(a)</sup>	\$ 11,225	\$ 7,493	\$ 5,461	\$ 8,674	\$ 32,853	\$ 30,125	\$ 623 <sup>(m)</sup>	\$ 678 <sup>(m)</sup>	
Auto and other	10,896	21	–	3,445	14,362	15,278	69 <sup>(m)</sup>	148 <sup>(m)</sup>	
<b>Total consumer, excluding credit card</b>	<b>22,121</b>	<b>7,514</b>	<b>5,461</b>	<b>12,119</b>	<b>47,215</b>	<b>45,403</b>	<b>692</b>	<b>826</b>	
Credit card <sup>(b)</sup>	964,727	–	–	–	964,727	915,670	–	–	
<b>Total consumer<sup>(c)</sup></b>	<b>986,848</b>	<b>7,514</b>	<b>5,461</b>	<b>12,119</b>	<b>1,011,942</b>	<b>961,073</b>	<b>692</b>	<b>826</b>	
Wholesale:									
Other unfunded commitments to extend credit <sup>(d)</sup>	122,344	192,281	169,536	24,416	508,577	500,133	2,677 <sup>(m)</sup>	2,783 <sup>(m)</sup>	
Standby letters of credit and other financial guarantees <sup>(d)(e)</sup>	16,462	8,916	3,206	553	29,137	28,886	403	479	
Other letters of credit <sup>(d)</sup>	3,854	246	43	101	4,244	4,385	36	37	
<b>Total wholesale<sup>(c)</sup></b>	<b>142,660</b>	<b>201,443</b>	<b>172,785</b>	<b>25,070</b>	<b>541,958</b>	<b>533,404</b>	<b>3,116</b>	<b>3,299</b>	
<b>Total lending-related</b>	<b>\$1,129,508</b>	<b>\$208,957</b>	<b>\$ 178,246</b>	<b>\$ 37,189</b>	<b>\$1,553,900</b>	<b>\$1,494,477</b>	<b>\$ 3,808</b>	<b>\$ 4,125</b>	
<b>Other guarantees and commitments</b>									
Securities lending indemnification agreements and guarantees <sup>(f)</sup>	\$ 341,851	\$ –	\$ –	\$ –	\$ 341,851	\$ 306,769	\$ –	\$ –	
Derivatives qualifying as guarantees	1,615	77	10,479	40,910	53,081	54,657	100	92	
Unsettled resale and securities borrowed agreements <sup>(g)</sup>	97,750	258	–	–	98,008	61,747	–	–	
Unsettled repurchase and securities loaned agreements <sup>(h)</sup>	98,961	537	–	–	99,498	47,860	–	–	
Loan sale and securitization-related indemnifications:									
Mortgage repurchase liability	NA	NA	NA	NA	NA	NA	60	76	
Loans sold with recourse	NA	NA	NA	NA	670	637	8	8	
Exchange & clearing house guarantees and commitments <sup>(i)</sup>	15,715	–	–	–	15,715	19,897	–	–	
Other guarantees and commitments <sup>(j)</sup>	10,004	228	29	560	10,821	13,264	27	38	

(a) Includes certain commitments to purchase loans from correspondents.

(b) Also includes commercial card lending-related commitments.

(c) Predominantly all consumer and wholesale lending-related commitments are in the U.S.

(d) As of June 30, 2024, and December 31, 2023, reflected the contractual amount net of risk participations totaling \$90 million and \$88 million, respectively, for other unfunded commitments to extend credit; \$9.9 billion and \$8.2 billion, respectively, for standby letters of credit and other financial guarantees; and \$372 million and \$589 million, respectively, for other letters of credit. In regulatory filings with the Federal Reserve these commitments are shown gross of risk participations.

(e) As of both June 30, 2024 and December 31, 2023, included commitments to JPMorgan Chase affiliates of \$19 million.

(f) As of June 30, 2024 and December 31, 2023, collateral held by the Bank in support of securities lending indemnification agreements was \$362.6 billion and \$324.1 billion, respectively. Total securities lending indemnification agreements and guarantees included balances with JPMorgan Chase affiliates of \$22.5 billion and \$23.1 billion at June 30, 2024 and December 31, 2023, respectively. Collateral held by the Bank in support of securities lending indemnification agreements with JPMorgan Chase affiliates was \$23.1 billion and \$29.0 billion at June 30, 2024 and December 31, 2023, respectively. Securities lending collateral primarily consists of cash, G7 government securities, and securities issued by U.S. GSEs and government agencies.

(g) As of June 30, 2024, and December 31, 2023, included \$3.7 billion and \$4.2 billion of unsettled resale and securities borrowed agreements with JPMorgan Chase affiliates.

(h) As of June 30, 2024, and December 31, 2023, included \$16.2 billion and \$471 million of unsettled repurchase and securities loaned agreements with JPMorgan Chase affiliates.

(i) As of June 30, 2024, and December 31, 2023, includes guarantees to the Fixed Income Clearing Corporation under the sponsored member repo program and commitments and guarantees associated with the Bank's membership in certain clearing houses.

(j) As of June 30, 2024, and December 31, 2023, primarily includes unfunded commitments to purchase secondary market loans, other equity investment commitments, and unfunded commitments related to certain tax-oriented equity investments, and reflects the impact of adopting updates to the Accounting for Investments in Tax Credit Structures guidance effective January 1, 2024.

(k) For lending-related products, the carrying value includes the allowance for lending-related commitments and the guarantee liability; for derivative-related products, and lending-related commitments for which the fair value option was elected, the carrying value represents the fair value.

(l) For lending-related commitments, the carrying value also includes fees and any purchase discounts or premiums that are deferred and recognized in accounts payable and other liabilities on the Consolidated balance sheets. Deferred amounts for revolving commitments and commitments not expected to fund, are amortized to lending- and deposit-related fees on a straight line basis over the commitment period. For all other commitments the deferred amounts remain deferred until the commitment funds or is sold.

(m) As of June 30, 2024 and December 31, 2023, includes fair value adjustments associated with First Republic for residential real estate lending-related commitments totaling \$550 million and \$630 million, respectively, for auto and other lending-related commitments totaling \$69 million and \$148 million, respectively, and for other unfunded commitments to extend credit totaling \$854 million and \$1.1 billion, respectively. Refer to Note 25 for additional information.

### Other unfunded commitments to extend credit

Other unfunded commitments to extend credit generally consist of commitments for working capital and general corporate purposes, extensions of credit to support commercial paper facilities and bond financings in the event that those obligations cannot be remarketed to new investors, as well as committed liquidity facilities to clearing organizations. The Bank also issues commitments under multipurpose facilities which could be drawn upon in several forms, including the issuance of a standby letter of credit.

### Standby letters of credit and other financial guarantees

Standby letters of credit and other financial guarantees are conditional lending commitments issued by the Bank to guarantee the performance of a client or customer to a third party under certain arrangements, such as commercial paper facilities, bond financings, acquisition financings, trade financings and similar transactions.

The following table summarizes the contractual amount and carrying value of standby letters of credit and other financial guarantees and other letters of credit arrangements as of June 30, 2024, and December 31, 2023.

### Standby letters of credit, other financial guarantees and other letters of credit

(in millions)	June 30, 2024		December 31, 2023	
	Standby letters of credit and other financial guarantees	Other letters of credit	Standby letters of credit and other financial guarantees	Other letters of credit
Investment-grade <sup>(a)</sup>	\$ 20,352	\$ 3,477	\$ 19,712	\$ 3,552
Noninvestment-grade <sup>(a)</sup>	8,785	767	9,174	833
<b>Total contractual amount</b>	<b>\$ 29,137</b>	<b>\$ 4,244</b>	<b>\$ 28,886</b>	<b>\$ 4,385</b>
Allowance for lending-related commitments	\$ 107	\$ 36	\$ 110	\$ 37
Guarantee liability	296	—	369	—
<b>Total carrying value</b>	<b>\$ 403</b>	<b>\$ 36</b>	<b>\$ 479</b>	<b>\$ 37</b>
<b>Commitments with collateral</b>	<b>\$ 16,267</b>	<b>\$ 426</b>	<b>\$ 16,857</b>	<b>\$ 539</b>

(a) The ratings scale is based on the Bank's internal risk ratings. Refer to Note 12 for further information on internal risk ratings.

### Derivatives qualifying as guarantees

The Bank transacts in certain derivative contracts that have the characteristics of a guarantee under U.S. GAAP. Refer to Note 26 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for further information on these derivatives.

In addition to derivative contracts that meet the characteristics of a guarantee, the Bank is both a purchaser and seller of credit protection in the credit derivatives market. Refer to Note 5 for a further discussion of credit derivatives.

The following table summarizes the derivatives qualifying as guarantees as of June 30, 2024 and December 31, 2023.

(in millions)	June 30, 2024	December 31, 2023
<b>Notional amounts</b>		
Derivative guarantees	\$ 53,081	\$ 54,657
Stable value contracts with contractually limited exposure	32,510	32,488
Maximum exposure of stable value contracts with contractually limited exposure	1,653	1,652
<b>Fair value</b>		
Derivative payables	100	92

### Loan sales- and securitization-related indemnifications

In connection with the Bank's mortgage loan sale and securitization activities with U.S. GSEs the Bank has made representations and warranties that the loans sold meet certain requirements, and that may require the Bank to repurchase mortgage loans and/or indemnify the loan purchaser if such representations and warranties are breached by the Bank.

The liability related to repurchase demands associated with private label securitizations is separately evaluated by the Bank in establishing its litigation reserves. Refer to Note 24 of these Consolidated Financial Statements and Note 28 of JPMorgan Chase Bank, N.A. 2023 Annual Financial Statements for additional information regarding litigation.

### Merchant charge-backs

Under the rules of payment networks, in its role as a merchant acquirer, the Bank's Merchant Services business in Payments, retains a contingent liability for disputed processed credit and debit card transactions that result in a charge-back to the merchant. If a dispute is resolved in the cardholder's favor, the Bank will (through the cardholder's issuing bank) credit or refund the amount to the cardholder and will charge back the transaction to the merchant. If the Bank is unable to collect the amount from the merchant, the Bank will bear the loss for the amount credited or refunded to the cardholder. The Bank mitigates this risk by withholding future settlements, retaining cash reserve accounts or obtaining other collateral. In addition, the Bank recognizes a valuation allowance that covers the payment or performance risk related to charge-backs.

### Sponsored member repo program

The Bank acts as a sponsoring member to clear eligible overnight and term resale and repurchase agreements through the Government Securities Division of the Fixed Income Clearing Corporation ("FICC") on behalf of clients that become sponsored members under the FICC's rules. The Bank also guarantees to the FICC the prompt and full payment and performance of its sponsored member clients' respective obligations under the FICC's rules. The Bank minimizes its liability under these guarantees by obtaining a security interest in the cash or high-quality securities collateral that the clients place with the clearing house; therefore, the Bank expects the risk of loss to be remote. The Bank's maximum possible exposure, without taking into consideration the associated collateral, is included in the Exchange & clearing house guarantees and commitments line on page 77. Refer to Note 12 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for additional information on credit risk mitigation practices on resale agreements and the types of collateral pledged under repurchase agreements.

## Note 23 – Pledged assets and collateral

Refer to Note 27 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for a discussion of the Bank's pledged assets and collateral.

### Pledged assets

The Bank pledges financial assets that it owns to maintain potential borrowing capacity at discount windows with Federal Reserve banks, various other central banks and FHLBs. Additionally, the Bank pledges assets for other purposes, including to collateralize repurchase and other securities financing agreements, to cover short sales and to collateralize derivative contracts and deposits, and borrowings of affiliates. Certain of these pledged assets may be sold or repledged or otherwise used by the secured parties and are parenthetically identified on the Consolidated balance sheets as assets pledged.

The following table presents the Bank's pledged assets.

(in billions)	June 30, 2024	December 31, 2023
Assets that may be sold or repledged or otherwise used by secured parties	\$ 133.6	\$ 90.5
Assets that may not be sold or repledged or otherwise used by secured parties	136.4	145.0
Assets pledged at Federal Reserve banks and FHLBs	689.1	675.6
<b>Total pledged assets</b>	<b>\$ 959.1</b>	<b>\$ 911.1</b>

Total pledged assets do not include assets of consolidated VIEs; these assets are used to settle the liabilities of those entities. Refer to Note 14 for additional information on assets and liabilities of consolidated VIEs. Refer to Note 11 for additional information on the Bank's securities financing activities. Refer to Note 20 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for additional information on the Bank's long-term debt.

### Collateral

The Bank accepts financial assets as collateral that it is permitted to sell or repledge, deliver or otherwise use. This collateral is generally obtained under resale and other securities financing agreements, prime brokerage-related held-for-investment customer receivables and derivative contracts. Collateral is generally used under repurchase and other securities financing agreements, to cover short sales and to collateralize derivative contracts and deposits.

The following table presents the fair value of collateral accepted.

(in billions)	June 30, 2024	December 31, 2023
Collateral permitted to be sold or repledged, delivered, or otherwise used	\$ 709.5	\$ 617.3
Collateral sold, repledged, delivered or otherwise used	540.2	447.6

## Note 24 – Litigation

### Contingencies

As of June 30, 2024, JPMorgan Chase and its subsidiaries, including but not limited to JPMorgan Chase Bank, N.A., are defendants or respondents in numerous evolving legal proceedings, including private proceedings, public proceedings, government investigations, regulatory enforcement matters, and the matters described below. The litigations range from individual actions involving a single plaintiff to class action lawsuits with potentially millions of class members. Investigations and regulatory enforcement matters involve both formal and informal proceedings, by both governmental agencies and self-regulatory organizations. These legal proceedings are at varying stages of adjudication, arbitration or investigation, and involve each of JPMorgan Chase's lines of business and several geographies and a wide variety of claims (including common law tort and contract claims and statutory antitrust, securities and consumer protection claims), some of which present novel legal theories.

JPMorgan Chase believes the estimate of the aggregate range of reasonably possible losses, in excess of reserves established, for its legal proceedings is from \$0 to approximately \$1.7 billion at June 30, 2024. This estimated aggregate range of reasonably possible losses was based upon information available as of that date for those proceedings in which JPMorgan Chase believes that an estimate of reasonably possible loss can be made. For certain matters, JPMorgan Chase does not believe that such an estimate can be made, as of that date. JPMorgan Chase's estimate of the aggregate range of reasonably possible losses involves significant judgment, given:

- the number, variety and varying stages of the proceedings, including the fact that many are in preliminary stages,
- the existence in many such proceedings of multiple defendants, including JPMorgan Chase and JPMorgan Chase Bank, N.A., whose share of liability (if any) has yet to be determined,
- the numerous yet-unresolved issues in many of the proceedings, including issues regarding class certification and the scope of many of the claims, and
- the uncertainty of the various potential outcomes of such proceedings, including where JPMorgan Chase has made assumptions concerning future rulings by the court or other adjudicator, or about the behavior or incentives of adverse parties or regulatory authorities, and those assumptions prove to be incorrect.

In addition, the outcome of a particular proceeding may be a result which JPMorgan Chase did not take into account in its estimate because JPMorgan Chase had deemed the likelihood of that outcome to be remote. Accordingly, JPMorgan Chase's estimate of the aggregate range of reasonably possible losses will change from time to time, and actual losses may vary significantly.

Set forth below are descriptions of JPMorgan Chase's material legal proceedings in which JPMorgan Chase and its subsidiaries (which in certain instances include JPMorgan Chase Bank, N.A.) are involved or have been named as parties.

*1MDB Litigation.* J.P. Morgan (Suisse) SA was named as a defendant in a civil litigation filed in May 2021 in Malaysia by 1Malaysia Development Berhad ("1MDB"), a Malaysian state-owned and controlled investment fund. The claim alleges "dishonest assistance" against J.P. Morgan (Suisse) SA in relation to payments of \$300 million and \$500 million, from 2009 and 2010, respectively, received from 1MDB and paid into an account at J.P. Morgan (Suisse) SA held by 1MDB PetroSaudi Limited, a joint venture company between 1MDB and PetroSaudi Holdings (Cayman) Limited. In March 2024, the Court upheld JPMorgan Chase's challenge to the validity of service and the Malaysian Court's jurisdiction to hear the claim. That decision has been appealed by 1MDB. In August 2023, the Court denied an application by 1MDB to discontinue its claim with permission to re-file a new claim in the future. An appeals court is scheduled in August 2024 to hear separate appeals filed by 1MDB and JPMorgan Chase against that August 2023 decision. In its appeal, JPMorgan Chase seeks to prevent any claim from continuing.

In addition, in November 2023, the Federal Office of the Attorney General (OAG) in Switzerland notified J.P. Morgan (Suisse) SA that it is conducting an investigation into possible criminal liability in connection with transactions arising from J.P. Morgan (Suisse) SA's relationship with the 1MDB PetroSaudi joint venture and its related persons for the period September 2009 through August 2015. The OAG investigation is ongoing.

*Amrapali.* India's Enforcement Directorate ("ED") is investigating J.P. Morgan India Private Limited in connection with investments made in 2010 and 2012 by two offshore funds formerly managed by JPMorgan Chase entities into residential housing projects developed by the Amrapali Group ("Amrapali") relating to delays in delivering or failure to deliver residential units. In August 2021, the ED issued an order fining J.P. Morgan India Private Limited approximately \$31.5 million, and JPMorgan Chase is appealing that order. Relatedly, in July 2019, the Supreme Court of India issued an order making preliminary findings that Amrapali and other parties, including unspecified JPMorgan Chase entities and the offshore funds that had invested in the projects, violated certain criminal currency control and money laundering provisions, and ordered the ED to conduct a further inquiry. JPMorgan Chase is responding to and cooperating with the inquiry.

*Foreign Exchange Investigations and Litigation.* JPMorgan Chase previously reported settlements with certain government authorities relating to its foreign exchange ("FX") sales and trading activities and controls related to



those activities. Among those resolutions, in May 2015, JPMorgan Chase pleaded guilty to a single violation of federal antitrust law. The Department of Labor ("DOL") granted JPMorgan Chase exemptions that permit JPMorgan Chase and its affiliates to continue to rely on the Qualified Professional Asset Manager exemption under the Employee Retirement Income Security Act ("ERISA") through the ten-year disqualification period following the antitrust plea. The only remaining FX-related governmental inquiry is a South Africa Competition Commission matter which is currently pending before the South Africa Competition Tribunal.

With respect to civil litigation matters, in a putative class action filed against JPMorgan Chase and other foreign exchange dealers on behalf of certain parties who purchased foreign currencies at allegedly inflated rates, the United States District Court for the Southern District of New York denied certification of a class and granted summary judgment against the named plaintiffs in March 2023. In May 2024, the United States Court of Appeals for the Second Circuit affirmed the District Court's decision, and in July 2024, plaintiffs' subsequent petition for en banc review by the full Court of Appeals was denied. In addition, some FX-related individual and putative class actions based on similar alleged underlying conduct have been filed outside the U.S., including in the U.K., Israel, the Netherlands, Brazil and Australia. An agreement to resolve one of the U.K. actions was reached in December 2022. In July 2023, the U.K. Court of Appeal overturned the Competition Appeal Tribunal's earlier denial of a request for class certification on an opt-out basis. In Israel, a settlement in principle has been reached on the putative class action, which remains subject to court approval.

*Government Inquiries Related to the Zelle Network.* JPMorgan Chase is responding to inquiries from the Consumer Financial Protection Bureau (CFPB) regarding the transfers of funds through the Zelle Network. In connection with this, the CFPB Staff has informed JPMorgan Chase that it is authorized to pursue a resolution of the inquiries or file an enforcement action. JPMorgan Chase is evaluating next steps, including litigation.

*Interchange Litigation.* Groups of merchants and retail associations filed a series of class action complaints alleging that Visa and Mastercard, as well as certain banks, conspired to set the price of credit and debit card interchange fees and enacted related rules in violation of antitrust laws.

In September 2018, the parties settled the class action seeking monetary relief, with the defendants collectively contributing approximately \$6.2 billion. The settlement has been approved by the United States District Court for the Eastern District of New York and affirmed on appeal. Based on the percentage of merchants that opted out of the settlement, \$700 million has been returned to the defendants from the settlement escrow. A separate class action seeking injunctive relief continues, and in September 2021, the District Court granted plaintiffs' motion for class certification in part, and denied the motion in part. In June

2024, the District Court denied preliminary approval of a settlement of the injunctive class action in which Visa and Mastercard agreed to certain changes to their respective network rules and system-wide reductions in interchange rates for U.S.-based merchants. The parties are considering next steps.

Of the merchants who opted out of the damages class settlement, certain merchants filed individual actions raising similar allegations against Visa and Mastercard, as well as against JPMorgan Chase and other banks. While some of those actions remain pending, the defendants have reached settlements with the merchants who opted out representing over 70% of the combined Mastercard-branded and Visa-branded payment card sales volume.

*LIBOR and Other Benchmark Rate Investigations and Litigation.* JPMorgan Chase has responded to inquiries from various governmental agencies and entities around the world relating primarily to the British Bankers Association's ("BBA") London Interbank Offered Rate ("LIBOR") for various currencies and the European Banking Federation's Euro Interbank Offered Rate ("EURIBOR"). The Swiss Competition Commission's investigation relating to EURIBOR, to which JPMorgan Chase and one other bank remain subject, continues. JPMorgan Chase appealed a December 2016 decision by the European Commission against JPMorgan Chase and other banks finding an infringement of European antitrust rules relating to EURIBOR. In December 2023, the European General Court annulled the fine imposed by the European Commission, but exercised its discretion to re-impose a fine in an identical amount. In March 2024, JPMorgan Chase filed an appeal of this decision with the Court of Justice of the European Union.

In addition, JPMorgan Chase has been named as a defendant along with other banks in various individual and putative class actions related to benchmark rates, including U.S. dollar LIBOR. In actions related to U.S. dollar LIBOR during the period that it was administered by the BBA, JPMorgan Chase has obtained dismissal of certain actions and resolved certain other actions, and others are in various stages of litigation. The United States District Court for the Southern District of New York has granted class certification of antitrust claims related to bonds and interest rate swaps sold directly by the defendants, including JPMorgan Chase. In addition, a lawsuit filed by a group of individual plaintiffs asserting antitrust claims, alleging that JPMorgan Chase and other defendants were engaged in an unlawful agreement to set U.S. dollar LIBOR and conspired to monopolize the market for LIBOR-based consumer loans and credit cards was dismissed in October 2023. Plaintiffs' appeal of the dismissal to the United States Court of Appeals for the Ninth Circuit filed in November 2023 remains pending. JPMorgan Chase has resolved all non-U.S. dollar LIBOR actions.

*Russian Litigation.* JPMorgan Chase is obligated to comply with international sanctions laws, which mandate the blocking of certain assets. These laws apply when assets

associated with individuals, companies, products or services are within the scope of the sanctions. JPMorgan Chase has faced actual and threatened litigation in Russia seeking payments on transactions that JPMorgan Chase cannot make under, and is contractually excused from paying as a result of, relevant sanctions laws. In claims involving JPMorgan Chase and claims filed against other financial institutions, Russian courts have disregarded the parties' contractual agreements concerning forum selection and did not recognize foreign sanctions laws as a basis for not making payment. As to claims against JPMorgan Chase, a Russian court entered judgment against JPMorgan Chase in one claim in February 2024, which was executed in July 2024 against assets held onshore by JPMorgan Chase in Russia. JPMorgan Chase continues to appeal the Russian court's decision. In separate claims, in April 2024, Russian courts ordered an interim freeze of assets in Russia (including funds in bank accounts, securities, shares in authorized capital, and certain trademarks, of the named defendants) pending a determination on the underlying claims. Russian courts may rule similarly in other cases, including ordering freezes and seizure of assets. JPMorgan Chase challenged the April 2024 freeze orders in the Russian courts and in a New York federal court action, and a Russian court has issued an order instructing JPMorgan Chase to discontinue the New York action. The value of the current claims and the orders to freeze assets against JPMorgan Chase exceed the total amount of available assets that JPMorgan Chase holds in Russia. If further claims are enforced despite the actions taken by JPMorgan Chase to challenge the claims and orders and to seek the proper application of law, JPMorgan Chase's assets in Russia could be seized in full or JPMorgan Chase could be prevented from complying with its obligations.

*SEC Inquiries.* JPMorgan Chase is responding to requests from the SEC regarding aspects of certain advisory programs within J.P. Morgan Securities LLC, including aggregation of accounts for billing, discounting advisory fees, and selecting portfolio managers. Separately, JPMorgan Chase is responding to requests from the SEC in connection with the timing of JPMorgan Chase's liquidation of shares distributed in-kind to certain investment vehicles that invest in third-party managed private funds. JPMorgan Chase continues to cooperate and is currently engaged in resolution discussions with the SEC. There is no assurance that such discussions will result in resolutions

*Securities Lending Antitrust Litigation.* JPMorgan Chase Bank, N.A., J.P. Morgan Securities LLC, J.P. Morgan Prime, Inc., and J.P. Morgan Strategic Securities Lending Corp. are named as defendants in a putative class action filed in the United States District Court for the Southern District of New York. The complaint asserts violations of federal antitrust law and New York State common law in connection with an alleged conspiracy to prevent the emergence of anonymous exchange trading for securities lending transactions. The settlement of this action by the parties has been preliminarily approved, and is subject to final court approval.

*Shareholder Litigation.* Several shareholder putative class actions, as well as shareholder derivative actions purporting to act on behalf of JPMorgan Chase, have been filed against JPMorgan Chase, its Board of Directors and certain of its current and former officers.

Certain of these shareholder suits relate to historical trading practices by former employees in the precious metals and U.S. treasuries markets and related conduct which were the subject of JPMorgan Chase's resolutions with the DOJ, CFTC and SEC in September 2020, and fiduciary activities that were separately the subject of a resolution between JPMorgan Chase Bank, N.A. and the OCC in November 2020. One of these shareholder derivative suits was filed in the Supreme Court of the State of New York in May 2022, asserting breach of fiduciary duty and unjust enrichment claims relating to the historical trading practices and related conduct and fiduciary activities which were the subject of the resolutions described above. In December 2022, the court granted defendants' motion to dismiss this action in full, and in July 2023, the plaintiff filed an appeal, which remains pending.

A separate shareholder derivative suit was filed in March 2022 in the United States District Court for the Eastern District of New York asserting state claims of breaches of fiduciary duty and federal claims of violations of federal securities laws based on the alleged failure of the Board of Directors to exercise adequate oversight over JPMorgan Chase's compliance with records preservation requirements which were the subject of resolutions between certain of JPMorgan Chase's subsidiaries and the SEC and the CFTC. In March 2024, the Court granted Defendants' motion to dismiss the federal claims and declined to exercise jurisdiction over the remaining state claims.

*Trading Venues Investigations.* JPMorgan Chase has been responding to government inquiries regarding its processes to inventory trading venues and confirm the completeness of certain data fed to trade surveillance platforms. JPMorgan Chase self-identified that certain trading and order data through the CIB was not feeding into its trade surveillance platforms. JPMorgan Chase has completed enhancements to the CIB's venue inventory and data completeness controls, and other remediation is underway. JPMorgan Chase has also performed a review of the data not originally surveilled and has not identified any employee misconduct, harm to clients or the market. While the identified gaps represent a fraction of the overall activity across the CIB, the data gap on one venue, which largely consisted of sponsored client access activity, was significant. JPMorgan Chase is dedicated to maintaining rigorous controls and continuously enhancing the reliability of its trade infrastructure. JPMorgan Chase entered into resolutions with the OCC and the Board of Governors of the FRB in March 2024 and with the Commodity Futures Trading Commission in May 2024. The resolutions required JPMorgan Chase to, among other things, pay aggregate civil penalties of \$450 million, which JPMorgan Chase has paid, and to complete JPMorgan Chase's remediation. JPMorgan

Chase has also engaged an independent compliance consultant as required by the resolutions. JPMorgan Chase does not expect any disruption of service to clients as a result of these resolutions.

\* \* \*

In addition to the various legal proceedings discussed above, JPMorgan Chase and its subsidiaries, including in certain cases, JPMorgan Chase Bank, N.A., are named as defendants or are otherwise involved in a substantial number of other legal proceedings. JPMorgan Chase and JPMorgan Chase Bank, N.A., each believe it has meritorious defenses to the claims asserted against it in its currently outstanding legal proceedings and it intends to defend itself vigorously. Additional legal proceedings may be initiated from time to time in the future.

JPMorgan Chase Bank, N.A. has established reserves for several hundred of its currently outstanding legal proceedings. In accordance with the provisions of U.S. GAAP for contingencies, JPMorgan Chase Bank, N.A. accrues for a litigation-related liability when it is probable that such a liability has been incurred and the amount of the loss can be reasonably estimated. JPMorgan Chase Bank, N.A. evaluates its outstanding legal proceedings each quarter to assess its litigation reserves, and makes adjustments in such reserves, upward or downward, as appropriate, based on management's best judgment after consultation with counsel. JPMorgan Chase Bank, N.A.'s legal expense was \$443 million and \$516 million for the six months ended June 30, 2024 and 2023, respectively. Where a particular litigation matter involves one or more subsidiaries or affiliates of JPMorgan Chase, JPMorgan Chase determines the appropriate allocation of legal expense among those subsidiaries or affiliates (including, where applicable, JPMorgan Chase Bank, N.A.). There is no assurance that JPMorgan Chase Bank N.A.'s litigation reserves will not need to be adjusted in the future.

In view of the inherent difficulty of predicting the outcome of legal proceedings, particularly where the claimants seek very large or indeterminate damages, or where the matters present novel legal theories, involve a large number of parties or are in early stages of discovery, JPMorgan Chase Bank N.A. cannot state with confidence what will be the eventual outcomes of the currently pending matters, the timing of their ultimate resolution or the eventual losses, fines, penalties or consequences related to those matters. JPMorgan Chase Bank N.A. believes, based upon its current knowledge and after consultation with counsel, consideration of the material legal proceedings described above and after taking into account its current litigation reserves and its estimated aggregate range of possible losses, that the other legal proceedings currently pending against it should not have a material adverse effect on JPMorgan Chase Bank N.A.'s consolidated financial condition. JPMorgan Chase Bank N.A. notes, however, that in light of the uncertainties involved in such proceedings, there is no assurance that the ultimate resolution of these matters will not significantly exceed the reserves it has

currently accrued or that a matter will not have material reputational consequences. As a result, the outcome of a particular matter may be material to JPMorgan Chase Bank, N.A.'s operating results for a particular period, depending on, among other factors, the size of the loss or liability imposed and the level of JPMorgan Chase Bank, N.A.'s income for that period.

## **Note 25 – Business combinations**

On May 1, 2023, JPMorgan Chase Bank, National Association acquired certain assets and assumed certain liabilities of First Republic Bank (the "First Republic acquisition") from the Federal Deposit Insurance Corporation ("FDIC"), as receiver. The acquisition resulted in a bargain purchase gain, which represents the excess of the estimated fair value of the net assets acquired above the purchase price.

The Bank has determined that this acquisition constitutes a business combination under U.S. GAAP. Accordingly, the initial recognition of the assets acquired and liabilities assumed were generally measured at their estimated fair values as of May 1, 2023. The determination of those fair values required management to make certain market-based assumptions about expected future cash flows, discount rates and other valuation inputs at the time of the acquisition. The Bank believes that the fair value estimates of the assets acquired and liabilities assumed provide a reasonable basis for determining the estimated bargain purchase gain.

The First Republic acquisition resulted in a preliminary estimated bargain purchase gain of \$2.7 billion. As the one-year measurement period permitted by U.S. GAAP has now concluded, management has finalized its fair value estimates for the assets acquired and liabilities assumed. The final bargain purchase gain of \$2.9 billion reflects adjustments made during the measurement period to the fair value of the net assets acquired, including an increase of \$103 million for the six months ended June 30, 2024. Certain matters related to the final settlement remain outstanding between the Bank and the FDIC. Any subsequent adjustments will not impact the final bargain purchase gain and will be reflected in Other income.

Refer to Note 29 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for further information on the First Republic acquisition.

The computation of the purchase price, the fair values of the assets acquired and liabilities assumed as part of the First Republic acquisition and the related bargain purchase gain are presented below, and reflects adjustments made during the measurement period to the acquisition-date fair value of the net assets acquired.

(in millions)	Fair value purchase price allocation as of May 1, 2023	
<b>Purchase price consideration</b>		
Amounts paid/due to the FDIC, net of cash acquired <sup>(a)</sup>	\$	13,555
Purchase Money Note (at fair value) <sup>(b)</sup>		48,848
Settlement of First Republic deposit and other related party transactions <sup>(c)</sup>		5,447
Contingent consideration - Shared-loss agreements		15
<b>Purchase price consideration</b>	<b>\$</b>	<b>67,865</b>
<b>Assets</b>		
Securities	\$	30,285
Loans		153,242
Core deposit and customer relationship intangibles		1,455
Indemnification assets - Shared-loss agreements		675
Accounts receivable and other assets <sup>(d)</sup>		6,740
<b>Total assets acquired</b>	<b>\$</b>	<b>192,397</b>
<b>Liabilities</b>		
Deposits	\$	87,572
FHLB advances		27,919
Lending-related commitments		2,614
Accounts payable and other liabilities <sup>(d)</sup>		2,792
Deferred tax liabilities		757
<b>Total liabilities assumed</b>	<b>\$</b>	<b>121,654</b>
<b>Fair value of net assets acquired</b>	<b>\$</b>	<b>70,743</b>
<b>Gain on acquisition, after income taxes</b>	<b>\$</b>	<b>2,878</b>

(a) Net of cash acquired of \$680 million, and including disputed amounts.

(b) As part of the consideration paid, JPMorgan Chase issued a five-year, \$50 billion secured note to the FDIC (the "Purchase Money Note").

(c) Includes \$447 million of securities financing transactions with First Republic Bank that were effectively settled on the acquisition date.

(d) Other assets include \$1.2 billion in tax-oriented investments and \$683 million of lease right-of-use assets. Other liabilities include the related tax-oriented investment liabilities of \$669 million and lease liabilities of \$748 million. Refer to Note 15 and Note 19 of JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for additional information.

Refer to JPMorgan Chase Bank, N.A.'s 2023 Annual Financial Statements for a discussion of the Bank's accounting policies and valuation methodologies for securities, loans, core deposits and customer relationship intangibles, shared-loss agreements and the related indemnification assets, deposits, Purchase Money Note, FHLB advances and lending-related commitments.

### Loans

The following table presents the unpaid principal balance ("UPB") and fair values of the loans acquired as of May 1, 2023, and reflects adjustments made during the measurement period to the acquisition-date fair value of the loans acquired.

(in millions)	May 1, 2023	
	UPB	Fair value
Residential real estate	\$ 106,240	\$ 92,053
Auto and other	3,093	2,030
<b>Total consumer</b>	<b>109,333</b>	<b>94,083</b>
Secured by real estate	37,117	33,602
Commercial & industrial	4,332	3,932
Other	23,499	21,625
<b>Total wholesale</b>	<b>64,948</b>	<b>59,159</b>
<b>Total loans</b>	<b>\$ 174,281</b>	<b>\$ 153,242</b>

### Unaudited pro forma condensed combined financial information

The following table presents certain unaudited pro forma financial information for the six months ended June 30, 2023 as if the First Republic acquisition had occurred on January 1, 2022, including recognition of the estimated bargain purchase gain of \$2.7 billion and the provision for credit losses of \$1.2 billion. Additional adjustments include the interest on the Purchase Money Note and the impact of amortizing and accreting certain estimated fair value adjustments related to intangible assets, loans and lending-related commitments.

The Bank expects to achieve operating cost savings and other business synergies resulting from the acquisition that are not reflected in the pro forma amounts. The pro forma information is not necessarily indicative of the historical results of operations had the acquisition occurred on January 1, 2022, nor is it indicative of the results of operations in future periods.

(in millions)	Six months ended June 30,	
	2023	
Noninterest revenue	\$	27,180
Net interest income		46,307
Net income		25,345

## **Note 26 – Business changes and developments**

### **Subsequent events**

JPMorgan Chase Bank, N.A. has performed an evaluation of events that have occurred subsequent to June 30, 2024, and through August 2, 2024 (the date the financial statements were available to be issued). Other than the event indicated below, there have been no material subsequent events that occurred during such period that would require disclosure or recognition in JPMorgan Chase Bank, N.A.'s Consolidated Financial Statements as of June 30, 2024.

#### *Dividend payment*

On July 8, 2024, the Bank paid a \$13.0 billion dividend to its parent JPMorgan Chase & Co.



## Report of Independent Auditors

To the Board of Directors and Stockholder of JPMorgan Chase Bank, National Association:

### **Results of Review of Interim Financial Information**

We have reviewed the accompanying consolidated interim financial information of JPMorgan Chase Bank, National Association and its subsidiaries (the “Bank”), which comprise the consolidated balance sheet as of June 30, 2024, and the related consolidated statements of income, comprehensive income, changes in stockholder’s equity and cash flows for the six-month periods ended June 30, 2024 and 2023, including the related notes (collectively referred to as the “consolidated interim financial information”).

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated interim financial information for it to be in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Review Results**

We conducted our review in accordance with auditing standards generally accepted in the United States of America (US GAAS) applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. A review of interim financial information is substantially less in scope than an audit conducted in accordance with US GAAS, the objective of which is an expression of an opinion regarding the financial information as a whole, and accordingly, we do not express such an opinion. We are required to be independent of the Bank and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our review. We believe that the results of the review procedures provide a reasonable basis for our conclusion.

### **Responsibilities of Management for the Consolidated Interim Financial Information**

Management is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated interim financial information that is free from material misstatement, whether due to fraud or error.

### **Other Matter**

We previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of JPMorgan Chase Bank, National Association and its subsidiaries as of December 31, 2023, and the related consolidated statements of income, comprehensive income, changes in stockholder’s equity and of cash flows for the year then ended (not presented herein), and in our report dated February 16, 2024, we expressed an unmodified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet information as of December 31, 2023, is consistent, in all material respects, with the audited consolidated balance sheet from which it has been derived.

August 2, 2024



## GLOSSARY OF TERMS AND ACRONYMS

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**ABS:** Asset-backed securities

**Active foreclosures:** Loans referred to foreclosure where formal foreclosure proceedings are ongoing. Includes both judicial and non-judicial states.

**AFS:** Available-for-sale

**Amortized cost:** Amount at which a financing receivable or investment is originated or acquired, adjusted for accretion or amortization of premium, discount, and net deferred fees or costs, collection of cash, charge-offs, foreign exchange, and fair value hedge accounting adjustments. For AFS securities, amortized cost is also reduced by any impairment losses recognized in earnings. Amortized cost is not reduced by the allowance for credit losses, except where explicitly presented net.

**AOCI:** Accumulated other comprehensive income/(loss)

**BBL:** Barrel

**Beneficial interests issued by consolidated VIEs:** represents the interest of third-party holders of debt, equity securities, or other obligations, issued by VIEs that the Bank consolidates.

**Bridge Financing Portfolio:** A portfolio of held-for-sale unfunded loan commitments and funded loans. The unfunded commitments include both short-term bridge loan commitments that will ultimately be replaced by longer term financing as well as term loan commitments. The funded loans include term loans and funded revolver facilities.

**CDS:** Credit default swaps

**CECL:** Current Expected Credit Losses

**CET1 capital:** Common equity Tier 1 capital

**Collateral-dependent:** A loan is considered to be collateral-dependent when repayment of the loan is expected to be provided substantially through the operation or sale of the collateral when the borrower is experiencing financial difficulty, including when foreclosure is deemed probable based on borrower delinquency.

**Credit derivatives:** Financial instruments whose value is derived from the credit risk associated with the debt of a third-party issuer (the reference entity) which allow one party (the protection purchaser) to transfer that risk to another party (the protection seller). Upon the occurrence of a credit event by the reference entity, which may include, among other events, the bankruptcy or failure to pay its obligations, or certain restructurings of the debt of the reference entity, neither party has recourse to the reference entity. The protection purchaser has recourse to the protection seller for the difference between the face value of the CDS contract and the fair value at the time of settling the credit derivative contract. The determination as to whether a credit event has occurred is generally made by the relevant International Swaps and Derivatives Association ("ISDA") Determinations Committee.

**Criticized:** Criticized loans, lending-related commitments and derivative receivables that are classified as special mention, substandard and doubtful categories for regulatory purposes and are generally consistent with a rating of CCC+/Caa1 and below, as defined by S&P and Moody's.

**DVA:** Debit valuation adjustment

**Embedded derivatives:** are implicit or explicit terms or features of a financial instrument that affect some or all of the cash flows or the value of the instrument in a manner similar to a derivative. An instrument containing such terms or features is referred to as a "hybrid." The component of the hybrid that is the non-derivative instrument is referred to as the "host." For example, callable debt is a hybrid instrument that contains a plain vanilla debt instrument (i.e., the host) and an embedded option that allows the issuer to redeem the debt issue at a specified date for a specified amount (i.e., the embedded derivative). However, a floating rate instrument is not a hybrid composed of a fixed-rate instrument and an interest rate swap.

**ETD: "Exchange-traded derivatives":** Derivative contracts that are executed on an exchange and settled via a central clearing house.

**Fannie Mae:** Federal National Mortgage Association

**FASB:** Financial Accounting Standards Board

**FDIC:** Federal Deposit Insurance Corporation

**FDM: "Financial difficulty modification"** applies to loan modifications effective January 1, 2023, and is deemed to occur when the Bank modifies specific terms of the original loan agreement. The following types of modifications are considered FDMs: principal forgiveness, interest rate reduction, other-than-insignificant payment deferral, term extension or a combination of these modifications.

**Federal Reserve:** The Board of the Governors of the Federal Reserve System

**FHA:** Federal Housing Administration

**FHLB:** Federal Home Loan Bank

**FICC:** Fixed Income Clearing Corporation

**FICO score:** A measure of consumer credit risk based on information in consumer credit reports produced by Fair Isaac Corporation. Because certain aged data is excluded from credit reports based on rules in the Fair Credit Reporting Act, FICO scores may not reflect all historical information about a consumer.

**Freddie Mac:** Federal Home Loan Mortgage Corporation

**Free-standing derivatives:** is a derivative contract entered into either separate and apart from any of the Bank's other financial instruments or equity transactions. Or, in conjunction with some other transaction and is legally detachable and separately exercisable.

**FX:** Foreign exchange

**G7: “Group of Seven nations”:** Countries in the G7 are Canada, France, Germany, Italy, Japan, the U.K. and the U.S.

**G7 government securities:** Securities issued by the government of one of the G7 nations.

**Ginnie Mae:** Government National Mortgage Association

**HELOC:** Home equity line of credit

**Home equity – senior lien:** represents loans and commitments where the Bank holds the first security interest on the property.

**Home equity – junior lien:** represents loans and commitments where the Bank holds a security interest that is subordinate in rank to other liens.

**HTM:** Held-to-maturity

**Investment-grade:** An indication of credit quality based on the Bank’s internal risk assessment system. “Investment grade” generally represents a risk profile similar to a rating of a “BBB-”/“Baa3” or better, as defined by independent rating agencies.

**ISDA:** International Swaps and Derivatives Association

**JPMorgan Chase:** JPMorgan Chase & Co.

**JPMorgan Chase Bank, N.A.:** JPMorgan Chase Bank, National Association

**JPMorgan Chase Foundation or Foundation:** a not-for-profit organization that makes contributions for charitable and educational purposes.

**JPMSE:** J.P. Morgan SE

**LIBOR:** London Interbank Offered Rate

**LLC:** Limited Liability Company

**LTV: “Loan-to-value ratio”:** For residential real estate loans, the relationship, expressed as a percentage, between the principal amount of a loan and the appraised value of the collateral (i.e., residential real estate) securing the loan.

#### **Origination date LTV ratio**

The LTV ratio at the origination date of the loan. Origination date LTV ratios are calculated based on the actual appraised values of collateral (i.e., loan-level data) at the origination date.

#### **Current estimated LTV ratio**

An estimate of the LTV as of a certain date. The current estimated LTV ratios are calculated using estimated collateral values derived from a nationally recognized home price index measured at the metropolitan statistical area (“MSA”) level. These MSA-level home price indices consist of actual data to the extent available and forecasted data where actual data is not available. As a result, the estimated collateral values used to calculate these ratios do not represent actual appraised loan-level collateral values; as such, the resulting LTV ratios are necessarily imprecise and should therefore be viewed as estimates.

#### **Combined LTV ratio**

The LTV ratio considering all available lien positions, as well

as unused lines, related to the property. Combined LTV ratios are used for junior lien home equity products.

**Master netting agreement:** A single agreement with a counterparty that permits multiple transactions governed by that agreement to be terminated or accelerated and settled through a single payment in a single currency in the event of a default (e.g., bankruptcy, failure to make a required payment or securities transfer or deliver collateral or margin when due).

**MBS:** Mortgage-backed securities

**Measurement alternative:** Measures equity securities without readily determinable fair values at cost less impairment (if any), plus or minus observable price changes from an identical or similar investment of the same issuer.

**Merchant Services:** offers merchants payment processing capabilities, fraud and risk management, data and analytics, and other payments services. Through Merchant Services, merchants of all sizes can accept payments via credit and debit cards and payments in multiple currencies.

**MEV:** Macroeconomic variable

**Moody’s:** Moody’s Investor Services

#### **Mortgage product types:**

##### *Alt-A*

Alt-A loans are generally higher in credit quality than subprime loans but have characteristics that would disqualify the borrower from a traditional prime loan. Alt-A lending characteristics may include one or more of the following: (i) limited documentation; (ii) a high CLTV ratio; (iii) loans secured by non-owner occupied properties; or (iv) a debt-to-income ratio above normal limits. A substantial proportion of the Bank’s Alt-A loans are those where a borrower does not provide complete documentation of his or her assets or the amount or source of his or her income.

##### *Option ARMs*

The option ARM real estate loan product is an adjustable-rate mortgage loan that provides the borrower with the option each month to make a fully amortizing, interest-only or minimum payment. The minimum payment on an option ARM loan is based on the interest rate charged during the introductory period. This introductory rate is usually significantly below the fully indexed rate. The fully indexed rate is calculated using an index rate plus a margin. Once the introductory period ends, the contractual interest rate charged on the loan increases to the fully indexed rate and adjusts monthly to reflect movements in the index. The minimum payment is typically insufficient to cover interest accrued in the prior month, and any unpaid interest is deferred and added to the principal balance of the loan. Option ARM loans are subject to payment recast, which converts the loan to a variable-rate fully amortizing loan upon meeting specified loan balance and anniversary date triggers.

##### *Prime*

Prime mortgage loans are made to borrowers with good credit records who meet specific underwriting requirements, including prescriptive requirements related to income and overall debt levels. New prime mortgage borrowers provide full documentation and generally have reliable payment histories.

#### *Subprime*

Subprime loans are loans that, prior to mid-2008, were offered to certain customers with one or more high risk characteristics, including but not limited to: (i) unreliable or poor payment histories; (ii) a high LTV ratio of greater than 80% (without borrower-paid mortgage insurance); (iii) a high debt-to-income ratio; (iv) an occupancy type for the loan is other than the borrower's primary residence; or (v) a history of delinquencies or late payments on the loan.

**MSR:** Mortgage servicing rights

**MT:** Metric tons

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

**Net interchange income** includes the following components:

- **Interchange income:** Fees earned by credit and debit card issuers on sales transactions.
- **Rewards costs:** The cost to the Bank for points earned by cardholders enrolled in credit card rewards programs generally tied to sales transactions.
- **Partner payments:** Payments to co-brand credit card partners based on the cost of loyalty program rewards earned by cardholders on credit card transactions.

**Nonaccrual loans:** Loans for which interest income is not recognized on an accrual basis. Loans (other than credit card loans and certain consumer loans insured by U.S. government agencies) are placed on nonaccrual status when full payment of principal and interest is not expected, regardless of delinquency status, or when principal and interest has been in default for a period of 90 days or more unless the loan is both well-secured and in the process of collection. Collateral-dependent loans are typically maintained on nonaccrual status.

**OCC:** Office of the Comptroller of the Currency

**OCI:** Other comprehensive income/(loss)

**OPEB:** Other postretirement employee benefit

**OTC: "Over-the-counter derivatives":** Derivative contracts that are negotiated, executed and settled bilaterally between two derivative counterparties, where one or both counterparties is a derivatives dealer.

**OTC cleared: "Over-the-counter cleared derivatives":** Derivative contracts that are negotiated and executed bilaterally, but subsequently settled via a central clearing house, such that each derivative counterparty is only exposed to the default of that clearing house.

**Principal transactions revenue:** Principal transactions revenue is driven by many factors, including the bid-offer spread, which is the difference between the price at which the Bank is willing to buy a financial or other instrument and the price at which the Bank is willing to sell that instrument. It also consists of realized (as a result of closing out or termination of transactions, or interim cash payments) and unrealized (as a result of changes in valuation) gains and losses on financial and other instruments (including those accounted for under the fair value option) primarily used in client-driven market-making activities and on private equity investments. In connection with its client-driven market-making activities, the Bank transacts in debt and equity instruments, derivatives and commodities (including physical commodities inventories and financial instruments that reference commodities). Principal transactions revenue also includes certain realized and unrealized gains and losses related to hedge accounting and specified risk-management activities, including: (a) certain derivatives designated in qualifying hedge accounting relationships (primarily fair value hedges of commodity and foreign exchange risk), (b) certain derivatives used for specific risk management purposes, primarily to mitigate credit risk and foreign exchange risk, and (c) other derivatives.

**PCD:** "Purchased credit deteriorated" assets represent acquired financial assets that as of the date of acquisition have experienced a more-than-insignificant deterioration in credit quality since origination, as determined by the Bank.

**PPP:** Paycheck Protection Program under the Small Business Association ("SBA")

**PSU(s):** Performance share units

**REO:** Real estate owned

**Retained loans:** Loans that are held-for-investment (i.e. excludes loans held-for-sale and loans at fair value).

**RHS:** Rural Housing Service of the U.S. Department of Agriculture

**ROU assets:** Right-of-use assets

**RSU(s):** Restricted stock units

**RWA: "Risk-weighted assets":** Basel III establishes two comprehensive approaches for calculating RWA (a Standardized approach and an Advanced approach) which include capital requirements for credit risk, market risk, and in the case of Basel III Advanced, also operational risk. Key differences in the calculation of credit risk RWA between the Standardized and Advanced approaches are that for Basel III Advanced, credit risk RWA is based on risk-sensitive approaches which largely rely on the use of internal credit models and parameters, whereas for Basel III Standardized, credit risk RWA is generally based on supervisory risk-weightings which vary primarily by counterparty type and asset class. Market risk RWA is calculated on a generally consistent basis between Basel III Standardized and Basel III Advanced.

**S&P:** Standard and Poors

**SAR(s):** Stock appreciation rights

**Scored portfolios:** Consumer loan portfolios that predominantly include residential real estate loans, credit card loans, auto loans to individuals and certain small business loans.

**SEC:** U.S. Securities and Exchange Commission

**SLR:** Supplementary leverage ratio

**SOFR:** Secured Overnight Financing Rate

**SPEs:** Special purpose entities

**Structured notes:** Structured notes are financial instruments whose cash flows are linked to the movement in one or more indexes, interest rates, foreign exchange rates, commodities prices, prepayment rates, underlying reference pool of loans or other market variables. The notes typically contain embedded (but not separable or detachable) derivatives. Contractual cash flows for principal, interest, or both can vary in amount and timing throughout the life of the note based on non-traditional indexes or non-traditional uses of traditional interest rates or indexes.

**TDR:** “Troubled debt restructuring” applies to loan modifications granted prior to January 1, 2023 and is deemed to occur when the Bank modifies the original terms of a loan agreement by granting a concession to a borrower that is experiencing financial difficulty. Loans with short-term and other insignificant modifications that are not considered concessions are not TDRs.

**U.K.:** United Kingdom

**Unaudited:** Financial statements and/or information that have not been subject to auditing procedures by an independent registered public accounting firm.

**U.S.:** United States of America

**U.S. government agencies:** U.S. government agencies include, but are not limited to, agencies such as Ginnie Mae and FHA, and do not include Fannie Mae and Freddie Mac which are U.S. government-sponsored enterprises (“U.S. GSEs”). In general, obligations of U.S. government agencies are fully and explicitly guaranteed as to the timely payment of principal and interest by the full faith and credit of the U.S. government in the event of a default.

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

**U.S. GSE(s):** “U.S. government-sponsored enterprises” are quasi-governmental, privately-held entities established or chartered by the U.S. government to serve public purposes as specified by the U.S. Congress to improve the flow of credit to specific sectors of the economy and provide certain essential services to the public. U.S. GSEs include Fannie Mae and Freddie Mac, but do not include Ginnie Mae or FHA. U.S. GSE obligations are not explicitly guaranteed as to the timely payment of principal and interest by the full faith and credit of the U.S. government.

**U.S. Treasury:** U.S. Department of the Treasury

**Unaudited:** Financial statements and/or information that have not been subject to auditing procedures by an independent registered public accounting firm.

**VA:** U.S. Department of Veterans Affairs

**VIes:** Variable interest entities

**Warehouse loans:** consist of prime mortgages originated with the intent to sell that are accounted for at fair value and classified as loans.