JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

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

CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2014

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For the six months ended June 30, 2014

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

	Six months ended June 30,	
(in millions)	**2014**	2013
Revenue		
Investment banking fees	**$ 954**	$ 959
Principal transactions	**4,295**	5,468
Lending- and deposit-related fees	**2,865**	2,955
Asset management, administration and commissions	**5,684**	5,057
Securities gains[(a)]	**40**	631
Mortgage fees and related income	**1,805**	3,275
Credit card income	**2,106**	1,943
Other income	**1,542**	1,495
Noninterest revenue	**19,291**	21,783
Interest income	**18,944**	19,081
Interest expense	**2,285**	2,707
Net interest income	**16,659**	16,374
Total net revenue	**35,950**	38,157
Provision/(benefit) for credit losses	**361**	(32)
Noninterest expense		
Compensation expense	**12,216**	13,104
Occupancy expense	**1,761**	1,631
Technology, communications and equipment expense	**2,610**	2,443
Professional and outside services	**2,910**	2,772
Marketing	**340**	385
Other expense	**4,633**	3,795
Amortization of intangibles	**138**	157
Total noninterest expense	**24,608**	24,287
Income before income tax expense	**10,981**	13,902
Income tax expense	**2,859**	3,713
Net income	**$ 8,122**	$ 10,189

(a) JPMorgan Chase Bank, N.A. recognized other-than-temporary impairment ("OTTI") losses related to securities it intends to sell of $2 million and $6 million for the six months ended June 30, 2014 and 2013, respectively.

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, 2014	2013
Net income	**$ 8,122**	$ 10,189
Other comprehensive income/(loss), after-tax		
Unrealized gains/(losses) on investment securities	**1,966**	(3,591)
Translation adjustments, net of hedges	**7**	(51)
Cash flow hedges	**94**	(428)
Defined benefit pension and OPEB plans	**2**	44
Total other comprehensive income/(loss), after-tax	**2,069**	(4,026)
Comprehensive income	**$ 10,191**	$ 6,163

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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)	Jun 30, 2014	Dec 31, 2013
Assets		
Cash and due from banks	$ **26,437**	$ 38,955
Deposits with banks	**374,481**	308,181
Federal funds sold and securities purchased under resale agreements (included **$14,346** and $13,002 at fair value)	**162,260**	184,500
Securities borrowed (included **$2,134** and $3,739 at fair value)	**40,076**	39,857
Trading assets (included assets pledged of **$48,547** and $54,187)	**262,899**	259,823
Securities (included **$295,343** and $310,919 at fair value and assets pledged of **$35,747** and $23,446)	**343,192**	334,945
Loans (included **$3,555** and $1,182 at fair value)	**643,910**	631,982
Allowance for loan losses	**(12,383)**	(13,134)
Loans, net of allowance for loan losses	**631,527**	618,848
Accrued interest and accounts receivable	**46,223**	47,121
Premises and equipment	**13,158**	12,814
Goodwill	**27,370**	27,344
Mortgage servicing rights	**8,347**	9,614
Other intangible assets	**407**	543
Other assets (included **$4,427** and $6,566 at fair value and assets pledged of **$171** and $921)	**65,670**	62,922
Total assets[(a)]	$ **2,002,047**	$ 1,945,467
Liabilities		
Deposits (included **$7,922** and $6,624 at fair value)	$ **1,368,272**	$ 1,326,036
Federal funds purchased and securities loaned or sold under repurchase agreements (included **$1,215** and $5,120 at fair value)	**125,633**	112,595
Other borrowed funds (included **$9,218** and $7,068 at fair value)	**30,475**	27,428
Trading liabilities	**103,446**	109,419
Accounts payable and other liabilities (included **$18** and $25 at fair value)	**81,363**	74,853
Beneficial interests issued by consolidated variable interest entities (included **$44** and $40 at fair value)	**13,757**	19,755
Long-term debt (included **$17,999** and $16,027 at fair value)	**99,541**	106,304
Total liabilities[(a)]	**1,822,487**	1,776,390
Commitments and contingencies (see Notes 22 and 24)		
Stockholder's equity		
Preferred stock ($1 par value; authorized 15,000,000 shares; issued **0** shares)	**—**	—
Common stock ($12 par value; authorized 150,000,000 shares; issued **148,761,243** shares)	**1,785**	1,785
Capital surplus	**90,771**	90,479
Retained earnings	**82,756**	74,634
Accumulated other comprehensive income/(loss)	**4,248**	2,179
Total stockholder's equity	**179,560**	169,077
Total liabilities and stockholder's equity	$ **2,002,047**	$ 1,945,467

(a) The following table presents information on assets and liabilities related to VIEs that are consolidated by JPMorgan Chase Bank, N.A. at June 30, 2014, and December 31, 2013. The difference between total VIE assets and liabilities represents JPMorgan Chase Bank, N.A.'s interests in those entities, which were eliminated in consolidation.

(in millions)	Jun 30, 2014	Dec 31, 2013
Assets		
Trading assets	$ **2,878**	$ 3,122
Loans	**20,065**	22,301
All other assets	**640**	724
Total assets	$ **23,583**	$ 26,147
Liabilities		
Beneficial interests issued by consolidated variable interest entities	$ **13,757**	$ 19,755
All other liabilities	**912**	968
Total liabilities	$ **14,669**	$ 20,723

The assets of the consolidated VIEs are used to settle the liabilities of those entities. The holders of the beneficial interests do not have recourse to the general credit of JPMorgan Chase Bank, N.A. At both June 30, 2014, and December 31, 2013, JPMorgan Chase Bank, N.A. provided limited program-wide credit enhancement of $2.6 billion related to its JPMorgan Chase Bank, N.A.-administered multi-seller conduits, which are eliminated in consolidation. For further discussion, see Note 16.

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)

	Six months ended June 30,	
(in millions)	**2014**	2013
Common stock		
Balance at January 1 and June 30	**$ 1,785**	$ 1,785
Capital surplus		
Balance at January 1	**90,479**	77,533
Capital contribution from JPMorgan Chase & Co.	**476**	5
Adjustments to capital due to transactions with JPMorgan Chase & Co.	**(184)**	44
Balance at June 30	**90,771**	77,582
Retained earnings		
Balance at January 1	**74,634**	60,196
Net income	**8,122**	10,189
Cash dividends paid to JPMorgan Chase & Co.	**—**	(1,000)
Balance at June 30	**82,756**	69,385
Accumulated other comprehensive income/(loss)		
Balance at January 1	**2,179**	6,511
Other comprehensive income/(loss)	**2,069**	(4,026)
Balance at June 30	**4,248**	2,485
Total stockholder's equity	**$ 179,560**	$ 151,237

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)

	Six months ended June 30,	
(in millions)	**2014**	2013
Operating activities		
Net income	**$ 8,122**	$ 10,189
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:		
Provision/(benefit) for credit losses	**361**	(32)
Depreciation and amortization	**2,011**	1,854
Amortization of intangibles	**138**	157
Deferred tax expense	**1,780**	1,336
Investment securities gains	**(40)**	(631)
Originations and purchases of loans held-for-sale	**(34,940)**	(44,974)
Proceeds from sales, securitizations and paydowns of loans held-for-sale	**38,853**	46,924
Net change in:		
Trading assets	**(2,464)**	67,917
Securities borrowed	**(224)**	7,134
Accrued interest and accounts receivable	**1,611**	(14,795)
Other assets	**4,928**	(1,801)
Trading liabilities	**(13,951)**	(4,883)
Accounts payable and other liabilities	**(1,053)**	12,570
Other operating adjustments	**2,909**	(1,603)
Net cash provided by operating activities	**8,041**	79,362
Investing activities		
Net change in:		
Deposits with banks	**(66,300)**	(192,643)
Federal funds sold and securities purchased under resale agreements	**20,814**	54,476
Held-to-maturity securities:		
Proceeds from paydowns and maturities	**1,667**	1
Purchases	**(6,312)**	–
Available-for-sale securities:		
Proceeds from paydowns and maturities	**40,498**	50,908
Proceeds from sales	**13,367**	35,385
Purchases	**(52,392)**	(73,266)
Proceeds from sales and securitizations of loans held-for-investment	**8,969**	5,973
Other changes in loans, net	**(26,331)**	(6,182)
Net cash used in business acquisitions or dispositions	**(19)**	(11)
All other investing activities, net	**(1,011)**	(2,222)
Net cash used in investing activities	**(67,050)**	(127,581)
Financing activities		
Net change in:		
Deposits	**43,669**	(12,236)
Federal funds purchased and securities loaned or sold under repurchase agreements	**13,015**	22,022
Other borrowed funds	**2,379**	6,679
Beneficial interests issued by consolidated variable interest entities	**(5,521)**	(5,473)
Proceeds from long-term borrowings and trust preferred securities	**11,108**	33,180
Payments of long-term borrowings and trust preferred securities	**(18,426)**	(20,135)
Cash capital contribution from JPMorgan Chase & Co.	**–**	5
Dividends paid to JPMorgan Chase & Co.	**–**	(1,000)
All other financing activities, net	**310**	116
Net cash provided by financing activities	**46,534**	23,158
Effect of exchange rate changes on cash and due from banks	**(43)**	(847)
Net decrease in cash and due from banks	**(12,518)**	(25,908)
Cash and due from banks at the beginning of the period	**38,955**	52,662
Cash and due from banks at the end of the period	**$ 26,437**	$ 26,754
Cash interest paid	**$ 2,187**	$ 2,696
Cash income taxes (refunded)/paid, net	**(2,671)**	70

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."), is a wholly-owned bank subsidiary of JPMorgan Chase & Co. ("JPMorgan Chase"), which is a leading global financial services firm and one of the largest banking institutions in the United States of America ("U.S."), with operations worldwide. 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 retail branches in 23 states. JPMorgan Chase Bank, N.A. operates nationally as well as through overseas branches and subsidiaries, representative offices and subsidiary foreign banks. One of its principal wholly-owned operating subsidiaries in the United Kingdom ("U.K.") is J.P. Morgan Securities plc (formerly J.P. Morgan Securities Ltd.). JPMorgan Chase Bank, N.A. 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 transactions processing and asset management. Under the J.P. Morgan and Chase brands, JPMorgan Chase Bank, N.A. serves millions of customers in the U.S. and many of the world's most prominent corporate, institutional and governmental clients.

The JPMorgan Chase Bank, N.A. Board of Directors is responsible for the oversight of the management of JPMorgan Chase Bank, N.A. The JPMorgan Chase Bank, N.A. Board accomplishes this function acting directly and through the principal standing committees of JPMorgan Chase's Board of Directors.

The accounting and financial reporting policies of JPMorgan Chase Bank, N.A. and its subsidiaries 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 for a fair statement of this interim financial information.

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 Consolidated Financial Statements for the year ended December 31, 2013 (the "2013 Annual Financial Statements").

Certain amounts reported in prior periods have been reclassified to conform with the current presentation.

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 balance sheet when a legally enforceable master netting agreement exists. U.S. GAAP also permits securities sold and purchased under repurchase agreements to be presented net when specified conditions are met, including the existence of a legally enforceable master netting agreement. JPMorgan Chase Bank, N.A. has elected to net such balances when the specified conditions are met. For further information on offsetting assets and liabilities, see Note 1 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

Consolidated statements of cash flows

During the six months ended June 30, 2014, JPMorgan Chase Bank, N.A. transferred U.S. government agency mortgage-backed securities and obligations of U.S. states and municipalities with a fair value of $19.3 billion from available-for-sale ("AFS") to held-to-maturity ("HTM"). This transfer was a non-cash transaction. For additional information regarding this transaction, see Note 12.

Note 2 – Accounting and reporting developments

Repurchase agreements and similar transactions

In June 2014, the FASB issued guidance that amends the accounting for certain secured financing transactions, and requires enhanced disclosures with respect to transactions recognized as sales in which exposure to the derecognized asset is retained through a separate agreement with the counterparty. In addition, the guidance requires enhanced disclosures with respect to the types and quality of financial assets pledged in secured financing transactions. The guidance will become effective in the first quarter of 2015, except for the disclosures regarding the types and quality of financial assets pledged, which will become effective in the second quarter of 2015. The adoption of this guidance is not expected to have a material impact on JPMorgan Chase Bank, N.A.'s Consolidated Balance Sheets or its results of operations.

Revenue recognition - Revenue from contracts with customers

In May 2014, the FASB issued revenue recognition guidance that is intended to create greater consistency with respect to how and when revenue from contracts with customers is shown in the income statement. The guidance requires that revenue from contracts with customers be recognized upon delivery of a good or service based on the amount of consideration expected to be received, and requires additional disclosures about revenue. The guidance will be effective in the first quarter of 2017 and early adoption is prohibited. JPMorgan Chase Bank, N.A. is currently evaluating the potential impact on the Consolidated Financial Statements.

Reporting discontinued operations and disclosures of disposals of components of an entity
In April 2014, the FASB issued guidance that changes the criteria for determining whether a disposition qualifies for discontinued operations presentation and requires enhanced disclosures about discontinued operations and significant dispositions that do not qualify to be presented as discontinued operations. The guidance will be effective in the first quarter of 2015, with early adoption permitted but only for dispositions or assets held-for-sale that have not been reported in financial statements previously issued or available for issuance. The adoption of this guidance is not expected to have a material impact on JPMorgan Chase Bank, N.A.'s Consolidated Financial Statements.

Investments in qualified affordable housing projects
In January 2014, the FASB issued guidance regarding the accounting for investments in affordable housing projects that qualify for the low-income housing tax credit. The guidance replaces the effective yield method and allows companies to make an accounting policy election to amortize the cost of its investments in proportion to the tax benefits received if certain criteria are met, and to present the amortization as a component of income tax expense. The guidance will become effective in the first quarter of 2015, with early adoption permitted. JPMorgan Chase Bank, N.A. is currently evaluating the potential impact on the Consolidated Financial Statements.

Note 3 – Business changes and developments

Business events

Regulatory Update

Basel III
Effective January 1, 2014, JPMorgan Chase Bank, N.A. became subject to Basel III. Prior to January 1, 2014, JPMorgan Chase Bank, N.A. was subject to the capital requirements of Basel I and Basel 2.5. Additionally, JPMorgan Chase Bank, N.A. is approved to calculate capital under the Basel III Advanced Approach, in addition to the Basel III Standardized Approach effective April 1, 2014.

For further information on the implementation of Basel III, refer to Note 21.

Physical commodities businesses
JPMorgan Chase continues to execute a business simplification agenda that will allow it to focus on core activities for its core clients and better manage its operational, regulatory, and litigation risks. On March 19, 2014, JPMorgan Chase announced that it had agreed to sell certain of its physical commodities operations, including its physical oil, gas, power, warehousing facilities and energy transportation operations, to Mercuria Energy Group Limited. The after-tax impact of this transaction is not expected to be material. The sale is subject to normal regulatory approvals and is expected to close before the end of 2014. JPMorgan Chase remains fully committed to its traditional banking activities in the commodities markets, including financial derivatives and the trading of precious metals, which are not part of the physical commodities operations sale.

Subsequent events

In preparing these consolidated financial statements, JPMorgan Chase Bank, N.A. performed an evaluation of material events subsequent to June 30, 2014, and through August 11, 2014, the date these financial statements were available to be issued.

Note 4 – Fair value measurement

For a discussion of JPMorgan Chase Bank, N.A.'s valuation methodologies for assets, liabilities and lending-related commitments measured at fair value and the fair value hierarchy, see Note 4 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

The following table presents the asset and liabilities reported at fair value as of June 30, 2014, and December 31, 2013, by major product category and fair value hierarchy.

Assets and liabilities measured at fair value on a recurring basis

	Fair value hierarchy				
June 30, 2014 (in millions)	Level 1	Level 2	Level 3	Netting adjustments	Total fair value
Federal funds sold and securities purchased under resale agreements	$ –	$ 14,346	$ –	$ –	$ 14,346
Securities borrowed	–	2,134	–	–	2,134
Trading assets:					
Debt instruments:					
Mortgage-backed securities:					
U.S. government agencies[a]	1	–	1,092	–	1,093
Residential – nonagency	–	635	347	–	982
Commercial – nonagency	–	246	128	–	374
Total mortgage-backed securities	1	881	1,567	–	2,449
U.S. Treasury and government agencies[a]	11,236	41	–	–	11,277
Obligations of U.S. states and municipalities	–	3,525	59	–	3,584
Certificates of deposit, bankers' acceptances and commercial paper	–	507	–	–	507
Non-U.S. government debt securities	28,955	25,798	128	–	54,881
Corporate debt securities	–	16,745	4,492	–	21,237
Loans	–	19,527	10,453	–	29,980
Asset-backed securities	–	285	243	–	528
Total debt instruments	40,192	67,309	16,942	–	124,443
Equity securities	65,290	110	144	–	65,544
Physical commodities[b]	5,337	1,399	–	–	6,736
Other	–	5,334	2,377	–	7,711
Total debt and equity instruments[c]	110,819	74,152	19,463	–	204,434
Derivative receivables:					
Interest rate	318	814,189	4,750	(790,773)	28,484
Credit	–	78,017	3,064	(78,089)	2,992
Foreign exchange	464	110,960	1,631	(101,508)	11,547
Equity	–	45,030	2,514	(38,968)	8,576
Commodity	210	30,354	222	(23,920)	6,866
Total derivative receivables[d]	992	1,078,550	12,181	(1,033,258)	58,465
Total trading assets	111,811	1,152,702	31,644	(1,033,258)	262,899
Available-for-sale securities:					
Mortgage-backed securities:					
U.S. government agencies[a]	–	64,512	–	–	64,512
Residential – nonagency	–	58,139	100	–	58,239
Commercial – nonagency	–	17,298	414	–	17,712
Total mortgage-backed securities	–	139,949	514	–	140,463
U.S. Treasury and government agencies[a]	7,657	130	–	–	7,787
Obligations of U.S. states and municipalities	–	24,732	–	–	24,732
Certificates of deposit	–	1,410	–	–	1,410
Non-U.S. government debt securities	26,014	31,822	–	–	57,836
Corporate debt securities	–	21,353	–	–	21,353
Asset-backed securities:					
Collateralized loan obligations	–	27,653	798	–	28,451
Other	–	12,633	450	–	13,083
Equity securities	228	–	–	–	228
Total available-for-sale securities	33,899	259,682	1,762	–	295,343
Loans	–	76	3,479	–	3,555
Mortgage servicing rights	–	–	8,347	–	8,347
Other assets	5	13	4,409	–	4,427
Total assets measured at fair value on a recurring basis	$ 145,715	$ 1,428,953 [e]	$ 49,641 [e]	$ (1,033,258)	$ 591,051
Deposits	$ –	$ 5,084	$ 2,838	$ –	$ 7,922
Federal funds purchased and securities loaned or sold under repurchase agreements	–	1,215	–	–	1,215
Other borrowed funds	–	7,744	1,474	–	9,218
Trading liabilities:					
Debt and equity instruments[c]	43,884	10,648	48	–	54,580
Derivative payables:					
Interest rate	250	783,535	3,633	(771,528)	15,890
Credit	–	77,042	2,940	(76,724)	3,258
Foreign exchange	481	111,395	3,074	(103,002)	11,948
Equity	–	47,432	4,643	(41,059)	11,016
Commodity	121	29,797	415	(23,579)	6,754
Total derivative payables[d]	852	1,049,201	14,705	(1,015,892)	48,866
Total trading liabilities	44,736	1,059,849	14,753	(1,015,892)	103,446
Accounts payable and other liabilities	–	–	18	–	18
Beneficial interests issued by consolidated VIEs	–	–	44	–	44
Long-term debt	–	10,432	7,567	–	17,999
Total liabilities measured at fair value on a recurring basis	$ 44,736	$ 1,084,324	$ 26,694	$ (1,015,892)	$ 139,862

December 31, 2013 (in millions)	Fair value hierarchy Level 1	Level 2	Level 3	Netting adjustments	Total fair value
Federal funds sold and securities purchased under resale agreements	$ –	$ 13,002	$ –	$ –	$ 13,002
Securities borrowed	–	3,739	–	–	3,739
Trading assets:					
Debt instruments:					
Mortgage-backed securities:					
U.S. government agencies[a]	–	2	912	–	914
Residential – nonagency	–	877	273	–	1,150
Commercial – nonagency	–	206	89	–	295
Total mortgage-backed securities	–	1,085	1,274	–	2,359
U.S. Treasury and government agencies[a]	9,501	21	–	–	9,522
Obligations of U.S. states and municipalities	–	3,912	75	–	3,987
Certificates of deposit, bankers' acceptances and commercial paper	–	254	–	–	254
Non-U.S. government debt securities	26,619	22,322	143	–	49,084
Corporate debt securities	–	15,652	5,631	–	21,283
Loans	–	17,291	10,476	–	27,767
Asset-backed securities	–	440	283	–	723
Total debt instruments	36,120	60,977	17,882	–	114,979
Equity securities	65,924	200	145	–	66,269
Physical commodities[b]	4,952	2,383	–	–	7,335
Other	–	4,872	1,996	–	6,868
Total debt and equity instruments[c]	106,996	68,432	20,023	–	195,451
Derivative receivables:					
Interest rate	199	849,501	5,375	(828,295)	26,780
Credit	–	79,940	3,785	(82,003)	1,722
Foreign exchange	416	151,585	1,637	(136,577)	17,061
Equity	–	43,775	7,179	(38,862)	12,092
Commodity	320	29,323	213	(23,139)	6,717
Total derivative receivables[d]	935	1,154,124	18,189	(1,108,876)	64,372
Total trading assets	107,931	1,222,556	38,212	(1,108,876)	259,823
Available-for-sale securities:					
Mortgage-backed securities:					
U.S. government agencies[a]	–	77,815	–	–	77,815
Residential – nonagency	–	61,761	709	–	62,470
Commercial – nonagency	–	14,916	483	–	15,399
Total mortgage-backed securities	–	154,492	1,192	–	155,684
U.S. Treasury and government agencies[a]	8,992	297	–	–	9,289
Obligations of U.S. states and municipalities	–	26,229	–	–	26,229
Certificates of deposit	–	1,041	–	–	1,041
Non-U.S. government debt securities	25,648	30,599	–	–	56,247
Corporate debt securities	–	21,509	–	–	21,509
Asset-backed securities:					
Collateralized loan obligations	–	27,409	821	–	28,230
Other	–	12,208	191	–	12,399
Equity securities	291	–	–	–	291
Total available-for-sale securities	34,931	273,784	2,204	–	310,919
Loans	–	80	1,102	–	1,182
Mortgage servicing rights	–	–	9,614	–	9,614
Other assets	4	–	6,562	–	6,566
Total assets measured at fair value on a recurring basis	$ 142,866	$ 1,513,161 [e]	$ 57,694 [e]	$ (1,108,876)	$ 604,845
Deposits	$ –	$ 4,369	$ 2,255	$ –	$ 6,624
Federal funds purchased and securities loaned or sold under repurchase agreements	–	5,120	–	–	5,120
Other borrowed funds	–	5,601	1,467	–	7,068
Trading liabilities:					
Debt and equity instruments[c]	44,750	10,985	89	–	55,824
Derivative payables:					
Interest rate	123	821,292	3,487	(811,652)	13,250
Credit	–	79,039	3,697	(80,121)	2,615
Foreign exchange	434	156,688	3,070	(144,178)	16,014
Equity	–	44,714	8,013	(38,094)	14,633
Commodity	398	29,144	308	(22,767)	7,083
Total derivative payables[d]	955	1,130,877	18,575	(1,096,812)	53,595
Total trading liabilities	45,705	1,141,862	18,664	(1,096,812)	109,419
Accounts payable and other liabilities	–	–	25	–	25
Beneficial interests issued by consolidated VIEs	–	–	40	–	40
Long-term debt	–	9,410	6,617	–	16,027
Total liabilities measured at fair value on a recurring basis	$ 45,705	$ 1,166,362	$ 29,068	$ (1,096,812)	$ 144,323

(a) At June 30, 2014, and December 31, 2013, included total U.S. government-sponsored enterprise obligations of $59.3 billion and $67.8 billion, respectively, which were predominantly mortgage-related.

(b) Physical commodities inventories are generally accounted for at the lower of cost or market. "Market" is a term defined in U.S. GAAP as not exceeding fair value less costs to sell ("transaction costs"). Transaction costs for JPMorgan Chase Bank, N.A.'s physical commodities inventories are either not applicable or immaterial to the value of the inventory. Therefore, market approximates fair value for JPMorgan Chase Bank, N.A.'s physical commodities inventories. When fair value hedging has been applied (or when market 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. For a further discussion of JPMorgan Chase Bank, N.A.'s hedge accounting relationships, see Note 6. 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 securities sold but not yet purchased (short positions) when the long and short positions have identical Committee on Uniform Security Identification Procedures numbers ("CUSIPs").

(d) As permitted under U.S. GAAP, JPMorgan Chase Bank, N.A. 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. For purposes of the tables above, JPMorgan Chase Bank, N.A. does not reduce derivative receivables and derivative payables balances for this netting adjustment, either within or across the levels of the fair value hierarchy, as such netting is not relevant to a presentation based on the transparency of inputs to the valuation of an asset or liability. Therefore, the balances reported in the fair value hierarchy table are gross of any counterparty netting adjustments. However, if JPMorgan Chase Bank, N.A. were to net such balances within level 3, the reduction in the level 3 derivative receivables and payables balances would be $4.2 billion and $7.6 billion at June 30, 2014, and December 31, 2013, respectively; this is exclusive of the netting benefit associated with cash collateral, which would further reduce the level 3 balances.

(e) Includes investments in hedge funds, private equity funds, real estate and other funds that do not have readily determinable fair values. JPMorgan Chase Bank, N.A. uses net asset value per share when measuring the fair value of these investments. At June 30, 2014, and December 31, 2013, the fair values of these investments were $68 million and $237 million, respectively, of which $56 million and $218 million, respectively, were classified in level 2, and $12 million and $19 million, respectively, in level 3.

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

For the six months ended June 30, 2014 and 2013, there were no significant transfers between levels 1 and 2, or from level 2 into level 3.

During the six months ended June 30, 2014, transfers from level 3 into level 2 included $3.0 billion and $2.9 billion of equity derivative receivables and payables, respectively, due to increased observability of certain equity options.

During the six months ended June 30, 2013, certain highly rated collateralized loan obligations ("CLOs"), including $27.3 billion held in JPMorgan Chase Bank, N.A.'s AFS securities portfolio and $1.1 billion held in the trading portfolio, were transferred from level 3 to level 2, based on increased liquidity and price transparency.

All transfers are assumed to occur at the beginning of the quarterly reporting period in which they occur.

Level 3 valuations

For further information on JPMorgan Chase Bank, N.A.'s valuation process and a detailed discussion of the determination of fair value for individual financial instruments, see Note 4 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

The following table presents JPMorgan Chase Bank, N.A.'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, for certain instruments, the weighted 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, JPMorgan Chase Bank, N.A. 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. The input range does not reflect the level of input uncertainty; instead it is driven by the different underlying characteristics of the various instruments within the classification. 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.

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 JPMorgan Chase Bank, N.A.'s view, the input range and the weighted average value do not reflect the degree of input uncertainty or an assessment of the reasonableness of JPMorgan Chase Bank, N.A.'s estimates and assumptions. Rather, they reflect the characteristics of the various instruments held by JPMorgan Chase Bank, N.A. and the relative distribution of instruments within the range of characteristics. The input range and weighted average values will therefore vary from period-to-period and parameter to parameter based on the characteristics of the instruments held by JPMorgan Chase Bank, N.A. at each balance sheet date.

For JPMorgan Chase Bank, N.A.'s derivatives and structured notes positions classified within level 3 at June 30, 2014, the equity and interest rate correlation inputs used in estimating fair value were concentrated at the upper end of the range presented, while the credit correlation inputs were distributed across the range presented and the foreign exchange correlation inputs were concentrated at the lower end of the range presented. In addition, the interest rate volatility inputs used in estimating fair value were concentrated at the upper end of the range presented, while equity volatilities were concentrated at the lower end of the range. The cross commodity correlation used in estimating the fair value of commodity derivatives were concentrated within the lower end of the range presented.

Level 3 inputs[(a)]

June 30, 2014 (in millions, except for ratios and basis points)

Product/Instrument	Fair value	Principal valuation technique	Unobservable inputs	Range of input values	Weighted average
Residential mortgage-backed securities and loans	$ 6,967	Discounted cash flows	Yield	2 % - 13%	7%
			Prepayment speed	0 % - 16%	6%
			Conditional default rate	0 % - 100%	26%
			Loss severity	0 % - 100%	20%
Commercial mortgage-backed securities and loans[(b)]	2,279	Discounted cash flows	Yield	3 % - 28%	20%
			Conditional default rate	0 % - 14%	3%
			Loss severity	0 % - 40%	29%
Corporate debt securities, obligations of U.S. states and municipalities, and other[(c)]	13,197	Discounted cash flows	Credit spread	53 bps - 365 bps	167 bps
			Yield	5 % - 20%	9%
	1,905	Market comparables	Price	— - 165	98
Net interest rate derivatives	1,117	Option pricing	Interest rate correlation	(75)% - 97%	
			Interest rate spread volatility	0 % - 60%	
Net credit derivatives[(b)(c)]	124	Discounted cash flows	Credit correlation	44 % - 86%	
Net foreign exchange derivatives	(1,443)	Option pricing	Foreign exchange correlation	48 % - 75%	
Net equity derivatives	(2,129)	Option pricing	Equity volatility	20 % - 50%	
Net commodity derivatives	(193)	Option pricing	Cross commodity correlation	20% - 100%	
Collateralized loan obligations	798	Discounted cash flows	Credit spread	240 bps - 500 bps	252 bps
			Prepayment speed	20%	20%
			Conditional default rate	2%	2%
			Loss severity	40%	40%
	108	Market comparables	Price	0 - 105	78
Mortgage servicing rights ("MSRs")	8,347	Discounted cash flows	Refer to Note 17.		
Retained interests in credit card securitization trusts	3,859	Discounted cash flows	Refer to Note 16.		
Long-term debt, other borrowed funds, and deposits[(d)]	10,567	Option pricing	Interest rate correlation	(75)% - 97%	
			Foreign exchange correlation	0 % - 75%	
			Equity correlation	(55)% - 80%	
	1,312	Discounted cash flows	Credit correlation	44 % - 86%	

(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.

(b) The unobservable inputs and associated input ranges for approximately $389 million of credit derivative receivables and $342 million of credit derivative payables with underlying commercial mortgage risk have been included in the inputs and ranges provided for commercial mortgage-backed securities and loans.

(c) The unobservable inputs and associated input ranges for approximately $1.1 billion of credit derivative receivables and $972 million of credit derivative payables with underlying asset-backed securities risk have been included in the inputs and ranges provided for corporate debt securities, obligations of U.S. states and municipalities and other.

(d) Long-term debt, other borrowed funds and deposits include structured notes issued by JPMorgan Chase Bank, N.A. that are predominantly financial instruments containing embedded derivatives. The estimation of the fair value of structured notes is predominantly based on the derivative features embedded within the instruments. The significant unobservable inputs are broadly consistent with those presented for derivative receivables.

Changes in and ranges of unobservable inputs

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 JPMorgan Chase Bank, N.A.'s positions see Note 4 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

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 JPMorgan Chase Bank, N.A. within level 3 of the fair value hierarchy for the six months ended June 30, 2014 and 2013. When a determination is made to classify a financial instrument within level 3, the determination is based on the significance of the unobservable parameters 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. Also, JPMorgan Chase Bank, N.A. 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 JPMorgan Chase Bank, N.A.'s risk management activities related to such level 3 instruments.

Six months ended June 30, 2014 (in millions)	Fair value measurements using significant unobservable inputs							
	Fair value at January 1, 2014	Total realized/ unrealized gains/(losses)	Purchases[g]	Sales	Settlements	Transfers into and/ or out of level 3[h]	Fair value at June 30, 2014	Change in unrealized gains/ (losses) related to financial instruments held at June 30, 2014
Assets:								
Trading assets:								
Debt instruments:								
Mortgage-backed securities:								
U.S. government agencies	$ 912	$ 35	$ 244	$ (38)	$ (61)	$ –	$ 1,092	$ 35
Residential – nonagency	273	39	192	(153)	(4)	–	347	22
Commercial – nonagency	89	11	86	(49)	(6)	(3)	128	5
Total mortgage-backed securities	1,274	85	522	(240)	(71)	(3)	1,567	62
Obligations of U.S. states and municipalities	75	4	–	(20)	–	–	59	(1)
Non-U.S. government debt securities	143	19	435	(518)	(3)	52	128	24
Corporate debt securities	5,631	392	2,314	(1,902)	(1,743)	(200)	4,492	305
Loans	10,476	376	4,858	(2,563)	(2,413)	(281)	10,453	633
Asset-backed securities	283	16	586	(511)	(112)	(19)	243	6
Total debt instruments	17,882	892	8,715	(5,754)	(4,342)	(451)	16,942	1,029
Equity securities	145	52	73	(55)	(13)	(58)	144	83
Other	1,996	190	899	(354)	(89)	(265)	2,377	151
Total trading assets – debt and equity instruments	20,023	1,134 (c)	9,687	(6,163)	(4,444)	(774)	19,463	1,263 (c)
Net derivative receivables:[a]								
Interest rate	1,888	(126)	104	(106)	(544)	(99)	1,117	(737)
Credit	88	(247)	222	(21)	132	(50)	124	(194)
Foreign exchange	(1,433)	(378)	74	(20)	296	18	(1,443)	(321)
Equity	(834)	(816)	889	(1,612)	487	(243)	(2,129)	330
Commodity	(95)	(42)	(12)	–	(76)	32	(193)	(29)
Total net derivative receivables	(386)	(1,609) (c)	1,277	(1,759)	295	(342)	(2,524)	(951) (c)
Available-for-sale securities:								
Asset-backed securities	1,012	(12)	225	–	(40)	63	1,248	(11)
Other	1,192	(2)	122	–	(68)	(730)	514	(1)
Total available-for-sale securities	2,204	(14) (d)	347	–	(108)	(667)	1,762	(12) (d)
Loans	1,102	52 (c)	3,020	(142)	(553)	–	3,479	40 (c)
Mortgage servicing rights	9,614	(971) (e)	376	(186)	(486)	–	8,347	(971) (e)
Other assets	6,562	(67) (f)	–	(2,247)	161	–	4,409	(68) (f)

Six months ended June 30, 2014 (in millions)	Fair value measurements using significant unobservable inputs								
	Fair value at January 1, 2014	Total realized/ unrealized (gains)/losses	Purchases	Sales	Issuances	Settlements	Transfers into and/ or out of level 3[h]	Fair value at June 30, 2014	Change in unrealized (gains)/ losses related to financial instruments held at June 30, 2014
Liabilities:[b]									
Deposits	$ 2,255	$ 111 (c)	$ –	$ –	$ 804	$ (61)	$ (271)	$ 2,838	$ 98 (c)
Other borrowed funds	1,467	(89) (c)	–	–	2,622	(2,898)	372	1,474	86 (c)
Trading liabilities – debt and equity instruments	89	(2) (c)	(252)	254	–	(9)	(32)	48	3 (c)
Accounts payable and other liabilities	25	– (c)	–	–	–	(7)	–	18	– (c)
Beneficial interests issued by consolidated VIEs	40	2 (c)	–	–	2	–	–	44	3 (c)
Long-term debt	6,617	268 (c)	–	–	3,081	(2,354)	(45)	7,567	325 (c)

Six months ended June 30, 2013 (in millions)	Fair value at January 1, 2013	Total realized/ unrealized gains/(losses)	Purchases[g]	Sales	Settlements	Transfers into and/or out of level 3[h]	Fair value at June 30, 2013	Change in unrealized gains/ (losses) related to financial instruments held at June 30, 2013
	Fair value measurements using significant unobservable inputs							
Assets:								
Trading assets:								
Debt instruments:								
Mortgage-backed securities:								
U.S. government agencies	$ 438	$ 153	$ 381	$ (79)	$ (58)	$ –	$ 835	$ 153
Residential – nonagency	152	34	72	(57)	(4)	(5)	192	20
Commercial – nonagency	82	3	109	(71)	(20)	–	103	(3)
Total mortgage-backed securities	672	190	562	(207)	(82)	(5)	1,130	170
Obligations of U.S. states and municipalities	308	8	–	(14)	(203)	–	99	8
Non-U.S. government debt securities	67	11	634	(682)	(4)	110	136	11
Corporate debt securities	5,082	(167)	5,160	(3,486)	(1,323)	281	5,547	8
Loans	8,583	(293)	4,834	(3,124)	(1,015)	47	9,032	(304)
Asset-backed securities	1,788	48	188	(286)	24	(1,250)	512	34
Total debt instruments	16,500	(203)	11,378	(7,799)	(2,603)	(817)	16,456	(73)
Equity securities	253	(74)	119	(81)	(6)	4	215	(44)
Other	825	211	400	(19)	(497)	124	1,044	136
Total trading assets – debt and equity instruments	17,578	(66) [c]	11,897	(7,899)	(3,106)	(689)	17,715	19 [c]
Net derivative receivables:[a]								
Interest rate	2,650	518	136	(126)	(1,809)	229	1,598	214
Credit	1,870	(821)	50	(1)	(285)	12	825	(832)
Foreign exchange	(2,004)	90	(6)	(3)	513	(16)	(1,426)	71
Equity	(2,035)	603 [i]	567 [i]	(671) [i]	(750)	(49)	(2,335)	593
Commodity	(150)	45	11	(3)	(48)	44	(101)	137
Total net derivative receivables	331	435 [c]	758	(804)	(2,379)	220	(1,439)	183 [c]
Available-for-sale securities:								
Asset-backed securities	27,896	(5)	400	–	(43)	(27,260)	988	(4)
Other	705	(9)	7	(13)	(53)	–	637	3
Total available-for-sale securities	28,601	(14) [d]	407	(13)	(96)	(27,260)	1,625	(1) [d]
Loans	1,321	(5) [c]	211	(1)	(537)	–	989	(5) [c]
Mortgage servicing rights	7,614	1,347 [e]	1,339	(418)	(547)	–	9,335	1,347 [e]
Other assets	7,303	(63) [f]	34	(1,974)	1,458	–	6,758	(62) [f]

Six months ended June 30, 2013 (in millions)	Fair value at January 1, 2013	Total realized/ unrealized (gains)/losses	Purchases	Sales	Issuances	Settlements	Transfers into and/or out of level 3[h]	Fair value at June 30, 2013	Change in unrealized (gains)/ losses related to financial instruments held at June 30, 2013
	Fair value measurements using significant unobservable inputs								
Liabilities:[b]									
Deposits	$ 1,976	$ (105) [c]	$ –	$ –	$ 604	$ (142)	$ (143)	$ 2,190	$ 51 [c]
Other borrowed funds	1,315	(233) [c]	–	–	3,364	(2,761)	(8)	1,677	84 [c]
Trading liabilities – debt and equity instruments	189	(67) [c]	(1,835)	1,978	–	(33)	(151)	81	(77) [c]
Accounts payable and other liabilities	36	1 [f]	–	–	–	(5)	–	32	1 [f]
Beneficial interests issued by consolidated VIEs	29	4 [c]	–	–	–	–	–	33	–
Long-term debt	6,070	(382) [c]	–	–	2,691	(1,378)	(469)	6,532	(173) [c]

(a) All level 3 derivatives are presented on a net basis, irrespective of the underlying counterparty.
(b) Level 3 liabilities as a percentage of total JPMorgan Chase Bank, N.A. liabilities accounted for at fair value (including liabilities measured at fair value on a nonrecurring basis) were 19% and 20% at June 30, 2014, and December 31, 2013, respectively.
(c) Predominantly reported in principal transactions revenue, except for changes in fair value for mortgage loans, lending-related commitments originated with the intent to sell, and mortgage loan purchase commitments within the consumer & community banking business, which are reported in mortgage fees and related income.

(d) Realized gains/(losses) on securities, as well as other-than-temporary impairment losses that are recorded in earnings, are reported in securities gains. Unrealized gains/(losses) are reported in OCI. Realized gains/(losses) and foreign exchange remeasurement adjustments recorded in income on available-for-sale ("AFS") securities were $(13) million and $(15) million for the six months ended June 30, 2014 and 2013, respectively. Unrealized gains/(losses) recorded on AFS securities in OCI were $(1) million and $1 million for the six months ended June 30, 2014 and 2013, respectively.
(e) Changes in fair value for the consumer & community banking business's mortgage servicing rights are reported in mortgage fees and related income.
(f) Predominantly reported in other income.
(g) Loan originations are included in purchases.
(h) All transfers into and/or out of level 3 are assumed to occur at the beginning of the quarterly reporting period in which they occur.
(i) The prior period amounts have been revised. The revision had no impact on JPMorgan Chase Bank, N.A.'s Consolidated Balance Sheets or its results of operations.

Level 3 analysis

Consolidated Balance Sheets changes

Level 3 assets (including assets measured at fair value on a nonrecurring basis) were 2.6% of total assets of JPMorgan Chase Bank, N.A. and 8.8% of total assets measured at fair value at June 30, 2014, compared with 3.2% and 10.3%, respectively, at December 31, 2013. The following describes significant changes to level 3 assets since December 31, 2013, for those items measured at fair value on a recurring basis. For further information on changes impacting items measured at fair value on a nonrecurring basis, see Assets and liabilities measured at fair value on a nonrecurring basis on this page.

Six months ended June 30, 2014

Level 3 assets were $49.6 billion at June 30, 2014, reflecting a decrease of $8.1 billion in the first six months of 2014, mainly due to the following:

- $6.0 billion decrease in derivative receivable, predominantly driven by equity derivative receivables due to maturities and a transfer from level 3 to level 2 as a result of increase in observability of certain equity options;
- $2.4 billion increase in loans due to originations;
- $2.2 billion decrease in other assets, predominantly due to a decrease in JPMorgan Chase Bank, N.A.'s seller's interest in nonconsolidated credit card trusts sponsored by an affiliate; and
- $1.3 billion decrease in MSRs. For further discussion of the change, refer to Note 17.

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. For further information on these instruments, see Changes in level 3 recurring fair value measurements rollforward tables on pages 13–18.

Six months ended June 30, 2014

- $1.6 billion of net losses on derivatives, largely driven by client-driven market-making activities in equity derivatives and fluctuations in foreign exchange rates of foreign exchange derivatives;
- $1.1 billion of net gains in trading assets - debt and equity instruments, largely driven by client-driven activities in corporate debt and trading loans; and
- $1.0 billion of losses on MSRs. For further discussion of the change, refer to Note 17.

Six months ended June 30, 2013

- $1.3 billion of gains on MSRs. For further discussion of the change, refer to Note 17.

Assets and liabilities measured at fair value on a nonrecurring basis

At June 30, 2014 and 2013, assets measured at fair value on a nonrecurring basis were $3.4 billion and $1.4 billion, respectively, which predominantly consisted of loans that had fair value adjustments in each of the first six months of 2014 and 2013. At June 30, 2014, $597 million and $2.8 billion of these assets were classified in levels 2 and 3 of the fair value hierarchy, respectively. At June 30, 2013, $95 million and $1.3 billion of these assets were classified in levels 2 and 3 of the fair value hierarchy, respectively. Liabilities measured at fair value on a nonrecurring basis were not significant at June 30, 2014 and 2013. For the six months ended June 30, 2014 and 2013, there were no significant transfers between levels 1, 2, and 3.

Of the $3.4 billion of assets measured at fair value on a nonrecurring basis, $2.1 billion related to trade finance loans that were reclassified to held-for-sale during the fourth quarter of 2013 and subject to a lower of cost or fair value adjustment. These loans were classified as level 3, as they are valued based on the indicative pricing received from external investors, which ranged from a spread of 58 bps to 70 bps, with a weighted average of 62 bps.

At June 30, 2014, assets measured at fair value on a nonrecurring basis also included $497 million related to residential real estate loans measured at the net realizable value of the underlying collateral (i.e., collateral-dependent loans and other loans charged off in accordance with regulatory guidance). These amounts are classified as level 3 as they are valued using a broker's price opinion and discounted based upon JPMorgan Chase Bank, N.A.'s experience with actual liquidation values. These discounts to the broker price opinions ranged from 12% to 64%, with a weighted average of 29%.

The total change in the recorded value of assets and liabilities for which a fair value adjustment has been included in the Consolidated Statements of Income for the six months ended June 30, 2014 and 2013, was a reduction of $264 million and $396 million, respectively.

For information about the measurement of impaired collateral-dependent loans, and other loans where the carrying value is based on the fair value of the underlying collateral (e.g., residential mortgage loans charged off in accordance with regulatory guidance), see Note 15 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

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 the carrying values and estimated fair values at June 30, 2014, and December 31, 2013, of financial assets and liabilities, excluding financial instruments which are carried at fair value on a recurring basis, and information is provided on their classification within the fair value hierarchy. For additional information regarding the financial instruments within the scope of this disclosure, and the methods and significant assumptions used to estimate their fair value, see Note 4 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

	June 30, 2014					December 31, 2013				
		Estimated fair value hierarchy					Estimated fair value hierarchy			
(in billions)	Carrying value	Level 1	Level 2	Level 3	Total estimated fair value	Carrying value	Level 1	Level 2	Level 3	Total estimated fair value
Financial assets										
Cash and due from banks	**$ 26.4**	**$ 26.4**	**$ –**	**$ –**	**$ 26.4**	$ 39.0	$ 39.0	$ –	$ –	$ 39.0
Deposits with banks	**374.5**	**367.2**	**7.3**	**–**	**374.5**	308.2	301.2	7.0	–	308.2
Accrued interest and accounts receivable	**46.2**	**–**	**46.0**	**0.2**	**46.2**	47.1	–	46.8	0.3	47.1
Federal funds sold and securities purchased under resale agreements	**147.9**	**–**	**147.9**	**–**	**147.9**	171.5	–	171.5	–	171.5
Securities borrowed	**37.9**	**–**	**37.9**	**–**	**37.9**	36.1	–	36.1	–	36.1
Securities, held-to-maturity[(a)]	**47.8**	**–**	**49.2**	**–**	**49.2**	24.0	–	23.7	–	23.7
Loans, net of allowance for loan losses[(b)]	**628.0**	**–**	**21.3**	**610.2**	**631.5**	617.7	–	26.0	590.6	616.6
Other[(c)]	**42.6**	**–**	**40.5**	**2.6**	**43.1**	37.5	–	35.1	3.1	38.2
Financial liabilities										
Deposits	**$ 1,360.4**	**$ –**	**$ 1,359.2**	**$ 1.2**	**$ 1,360.4**	$ 1,319.4	$ –	$ 1,318.3	$ 1.2	$ 1,319.5
Federal funds purchased and securities loaned or sold under repurchase agreements	**124.4**	**–**	**124.4**	**–**	**124.4**	107.5	–	107.5	–	107.5
Other borrowed funds	**21.3**	**–**	**21.3**	**–**	**21.3**	20.4	–	20.4	–	20.4
Accounts payable and other liabilities	**64.0**	**–**	**61.8**	**2.1**	**63.9**	53.8	–	52.4	1.4	53.8
Beneficial interests issued by consolidated VIEs	**13.7**	**–**	**11.6**	**2.1**	**13.7**	19.7	–	17.5	2.2	19.7
Long-term debt and junior subordinated deferrable interest debentures[(d)]	**81.5**	**–**	**78.7**	**3.4**	**82.1**	90.3	–	83.7	6.0	89.7

(a) Carrying value includes unamortized discount or premium.

(b) 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. The difference between the estimated fair value and carrying value of a financial asset or liability is the result of the different methodologies used to determine fair value as compared with carrying value. For example, credit losses are estimated for a financial asset's remaining life in a fair value calculation but are estimated for a loss emergence period in the allowance for loan loss calculation; future loan income (interest and fees) is incorporated in a fair value calculation but is generally not considered in the allowance for loan losses. For a further discussion of JPMorgan Chase Bank, N.A.'s methodologies for estimating the fair value of loans and lending-related commitments, see Valuation hierarchy on pages 15–32 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements and pages 10–20 of this Note.

(c) Current period numbers have been updated to include certain nonmarketable equity securities. Prior period amounts have been revised to conform to the current presentation

(d) Carrying value includes unamortized original issue discount and other valuation adjustments.

The majority of JPMorgan Chase Bank, N.A.'s lending-related commitments are not carried at fair value on a recurring basis on the Consolidated Balance Sheets, nor are they actively traded. The carrying value and estimated fair value of JPMorgan Chase Bank, N.A.'s wholesale lending-related commitments were as follows for the periods indicated.

	June 30, 2014					December 31, 2013				
		Estimated fair value hierarchy					Estimated fair value hierarchy			
(in billions)	Carrying value[a]	Level 1	Level 2	Level 3	Total estimated fair value	Carrying value[a]	Level 1	Level 2	Level 3	Total estimated fair value
Wholesale lending-related commitments	**$ 0.6**	**$ –**	**$ –**	**$ 0.8**	**$ 0.8**	$ 0.7	$ –	$ –	$ 1.0	$ 1.0

(a) Represents the allowance for wholesale lending-related commitments. Excludes the current carrying values of the guarantee liability and the offsetting asset, each of which are recognized at fair value at the inception of guarantees.

JPMorgan Chase Bank, N.A. does not estimate the fair value of consumer lending-related commitments. In many cases, JPMorgan Chase Bank, N.A. can reduce or cancel these commitments by providing the borrower notice or, in some cases as permitted by law, without notice. For a further discussion of the valuation of lending-related commitments, see Note 4 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

Trading assets and liabilities – average balances

Average trading assets and liabilities were as follows for the periods indicated.

	Six months ended June 30,	
(in millions)	**2014**	2013
Trading assets – debt and equity instruments	**$ 203,446**	$ 237,296
Trading assets – derivative receivables	**59,080**	69,840
Trading liabilities – debt and equity instruments[a]	**56,705**	49,882
Trading liabilities – derivative payables	**47,730**	63,849

(a) Primarily represent securities sold, not yet purchased.

Note 5 – Fair value option

For a discussion of the primary financial instruments for which the fair value option was previously elected, including the basis for those elections and the determination of instrument-specific credit risk, where relevant, see Note 5 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

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, 2014 and 2013, 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.

	Six months ended June 30,					
	2014			2013		
(in millions)	Principal transactions	Other income	Total changes in fair value recorded	Principal transactions	Other income	Total changes in fair value recorded
Federal funds sold and securities purchased under resale agreements	**$ 24**	**$ –**	**$ 24**	$ (250)	$ –	$ (250)
Securities borrowed	**(5)**	**–**	**(5)**	18	–	18
Trading assets:						
Debt and equity instruments, excluding loans	**590**	**1** (b)	**591**	111	6 (b)	117
Loans reported as trading assets:						
Changes in instrument-specific credit risk	**522**	**12** (b)	**534**	472	38 (b)	510
Other changes in fair value	**102**	**692** (b)	**794**	(184)	1,205 (b)	1,021
Loans:						
Changes in instrument-specific credit risk	**23**	**–**	**23**	(8)	–	(8)
Other changes in fair value	**28**	**–**	**28**	24	–	24
Other assets	**–**	**(65)** (c)	**(65)**	–	(80) (c)	(80)
Deposits[(a)]	**(211)**	**–**	**(211)**	297	–	297
Federal funds purchased and securities loaned or sold under repurchase agreements	**(23)**	**–**	**(23)**	36	–	36
Other borrowed funds[(a)]	**(483)**	**–**	**(483)**	1,341	–	1,341
Trading liabilities	**(9)**	**–**	**(9)**	(32)	–	(32)
Beneficial interests issued by consolidated VIEs	**(3)**	**–**	**(3)**	(9)	–	(9)
Other liabilities	**–**	**–**	**–**	–	(1) (c)	(1)
Long-term debt:						
Changes in instrument-specific credit risk[(a)]	**5**	**–**	**5**	192	–	192
Other changes in fair value	**(373)**	**–**	**(373)**	321	–	321

(a) Total changes in instrument-specific credit risk (DVA) related to structured notes were $19 million and $382 million for the six months ended June 30, 2014 and 2013, respectively. These totals include such changes for structured notes classified within deposits and other borrowed funds, as well as long-term debt.

(b) Reported in mortgage fees and related income.

(c) Reported in other income.

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, 2014, and December 31, 2013, for loans, long-term debt and long-term beneficial interests for which the fair value option has been elected.

	June 30, 2014			December 31, 2013		
(in millions)	Contractual principal outstanding	Fair value	Fair value over/(under) contractual principal outstanding	Contractual principal outstanding	Fair value	Fair value over/(under) contractual principal outstanding
Loans[a]						
Nonaccrual loans						
Loans reported as trading assets	**$ 2,318**	**$ 615**	**$ (1,703)**	$ 2,833	$ 899	$ (1,934)
Loans	**2**	**–**	**(2)**	7	3	(4)
Subtotal	**2,320**	**615**	**(1,705)**	2,840	902	(1,938)
All other performing loans						
Loans reported as trading assets	**30,108**	**29,365**	**(743)**	27,785	26,868	(917)
Loans	**3,576**	**3,555**	**(21)**	1,204	1,179	(25)
Total loans	**$ 36,004**	**$ 33,535**	**$ (2,469)**	$ 31,829	$ 28,949	$ (2,880)
Long-term debt						
Principal-protected debt	**$ 3,766** [c]	**$ 3,484**	**$ (282)**	$ 3,943 [c]	$ 3,641	$ (302)
Nonprincipal-protected debt[b]	**NA**	**14,515**	**NA**	NA	12,386	NA
Total long-term debt	**NA**	**$ 17,999**	**NA**	NA	$ 16,027	NA
Long-term beneficial interests						
Nonprincipal-protected debt[b]	**NA**	**$ 44**	**NA**	NA	$ 40	NA
Total long-term beneficial interests	**NA**	**$ 44**	**NA**	NA	$ 40	NA

(a) There were no performing loans that were ninety days or more past due as of June 30, 2014, and December 31, 2013.

(b) Remaining contractual principal is not applicable to nonprincipal-protected notes. Unlike principal-protected structured notes, for which JPMorgan Chase Bank, N.A. is obligated to return a stated amount of principal at the maturity of the note, nonprincipal-protected structured notes do not obligate JPMorgan Chase Bank, N.A. 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 JPMorgan Chase Bank, N.A. as issuer for both nonprincipal-protected and principal protected notes.

(c) Where JPMorgan Chase Bank, N.A. issues principal-protected zero-coupon or discount notes, the balance reflected as the remaining contractual principal is the final principal payment at maturity.

At June 30, 2014, and December 31, 2013, the contractual amount of letters of credit for which the fair value option was elected was $4.5 billion and $4.5 billion, respectively, with a corresponding fair value of $(106) million and $(99) million, respectively. For further information regarding off-balance sheet lending-related financial instruments, see Note 27 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements, and Note 22 of these Consolidated Financial Statements.

Note 6 – Derivative instruments

JPMorgan Chase Bank, N.A. makes markets in derivatives for customers and also uses derivatives to hedge or manage its own risk exposures. For a further discussion of JPMorgan Chase Bank, N.A.'s use of and accounting policies regarding derivative instruments, see Note 6 of JPMorgan Chase Bank, N.A.'s 2013 Annual Report.

JPMorgan Chase Bank, N.A.'s disclosures are based on the accounting treatment and purpose of these derivatives. A limited number of JPMorgan Chase Bank, N.A.'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 certain risks associated with specified assets or liabilities ("specified risk management" positions) as well as derivatives used in JPMorgan Chase Bank, N.A.'s market-making businesses or for other purposes.

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

Type of Derivative	Use of Derivative	Designation and disclosure	Affected business or unit	Page reference
Manage specifically identified risk exposures in qualifying hedge accounting relationships:				
◦ Interest rate	Hedge fixed rate assets and liabilities	Fair value hedge	Corporate/Private equity	29
◦ Interest rate	Hedge floating rate assets and liabilities	Cash flow hedge	Corporate/Private equity	30
◦ Foreign exchange	Hedge foreign currency-denominated assets and liabilities	Fair value hedge	Corporate/Private equity	29
◦ Foreign exchange	Hedge forecasted revenue and expense	Cash flow hedge	Corporate/Private equity	30
◦ Foreign exchange	Hedge the value of JPMorgan Chase Bank, N.A.'s investments in non-U.S. subsidiaries	Net investment hedge	Corporate/Private equity	30
◦ Commodity	Hedge commodity inventory	Fair value hedge	Corporate & investment banking	29
Manage specifically identified risk exposures not designated in qualifying hedge accounting relationships:				
◦ Interest rate	Manage the risk of the mortgage pipeline, warehouse loans and MSRs	Specified risk management	Consumer & community banking	31
◦ Credit	Manage the credit risk of wholesale lending exposures	Specified risk management	Corporate & investment banking	31
◦ Commodity	Manage the risk of certain commodities-related contracts and investments	Specified risk management	Corporate & investment banking	31
◦ Interest rate and foreign exchange	Manage the risk of certain other specified assets and liabilities	Specified risk management	Corporate/Private equity	31
Market-making derivatives and other activities:				
◦ Various	Market-making and related risk management	Market-making and other	Corporate & investment banking	31
◦ Various	Other derivatives	Market-making and other	Corporate & investment banking, Corporate/Private equity	31

Notional amount of derivative contracts

The following table summarizes the notional amount of derivative contracts outstanding as of June 30, 2014, and December 31, 2013.

	Notional amounts[c]	
(in billions)	**June 30, 2014**	December 31, 2013
Interest rate contracts		
Swaps	**$ 31,089**	$ 35,378
Futures and forwards	**12,256**	10,835
Written options[a]	**4,315**	4,052
Purchased options	**4,704**	4,191
Total interest rate contracts	**52,364**	54,456
Credit derivatives[a][b]	**5,101**	5,334
Foreign exchange contracts		
Cross-currency swaps	**3,689**	3,498
Spot, futures and forwards	**4,317**	3,779
Written options	**725**	659
Purchased options	**716**	652
Total foreign exchange contracts	**9,447**	8,588
Equity contracts		
Swaps[a]	**268**	252
Futures and forwards[a]	**34**	34
Written options	**444**	392
Purchased options	**355**	339
Total equity contracts	**1,101**	1,017
Commodity contracts		
Swaps	**153**	137
Spot, futures and forwards	**158**	172
Written options	**195**	198
Purchased options	**186**	193
Total commodity contracts	**692**	700
Total derivative notional amounts	**$ 68,705**	$ 70,095

(a) The prior period amount has been revised. This revision had no impact on JPMorgan Chase Bank, N.A.'s Consolidated Balance Sheets or its results of operations.

(b) For more information on volumes and types of credit derivative contracts, see the Credit derivatives discussion on page 32 of this Note.

(c) Represents the sum of gross long and gross short notional derivative contracts with third parties and JPMorgan Chase affiliates. For additional information on related party derivatives, see Note 19.

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

Impact of derivatives on the Consolidated Balance Sheets

The following table summarizes information on derivative receivables and payables (before and after netting adjustments) that are reflected on JPMorgan Chase Bank, N.A.'s Consolidated Balance Sheets as of June 30, 2014, and December 31, 2013, 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[a]

	Gross derivative receivables				Gross derivative payables			
June 30, 2014 (in millions)	Not designated as hedges	Designated as hedges	Total derivative receivables	Net derivative receivables[b]	Not designated as hedges	Designated as hedges	Total derivative payables	Net derivative payables[b]
Trading assets and liabilities								
Interest rate	**$ 818,540**	**$ 717**	**$ 819,257**	**$ 28,484**	**$ 785,634**	**$ 1,784**	**$ 787,418**	**$ 15,890**
Credit	**81,081**	**—**	**81,081**	**2,992**	**79,982**	**—**	**79,982**	**3,258**
Foreign exchange	**112,621**	**434**	**113,055**	**11,547**	**113,720**	**1,230**	**114,950**	**11,948**
Equity	**47,544**	**—**	**47,544**	**8,576**	**52,075**	**—**	**52,075**	**11,016**
Commodity	**30,503**	**283**	**30,786**	**6,866**	**29,656**	**677**	**30,333**	**6,754**
Total fair value of trading assets and liabilities	**$ 1,090,289**	**$ 1,434**	**$ 1,091,723**	**$ 58,465**	**$ 1,061,067**	**$ 3,691**	**$ 1,064,758**	**$ 48,866**

	Gross derivative receivables				Gross derivative payables			
December 31, 2013 (in millions)	Not designated as hedges	Designated as hedges	Total derivative receivables	Net derivative receivables[b]	Not designated as hedges	Designated as hedges	Total derivative payables	Net derivative payables[b]
Trading assets and liabilities								
Interest rate	$ 853,199	$ 1,876	$ 855,075	$ 26,780	$ 823,863	$ 1,039	$ 824,902	$ 13,250
Credit	83,725	—	83,725	1,722	82,736	—	82,736	2,615
Foreign exchange	152,987	651	153,638	17,061	158,989	1,203	160,192	16,014
Equity	50,954	—	50,954	12,092	52,727	—	52,727	14,633
Commodity	28,470	1,385	29,855	6,716	29,846	4	29,850	7,083
Total fair value of trading assets and liabilities	$ 1,169,335	$ 3,912	$ 1,173,247	$ 64,371	$ 1,148,161	$ 2,246	$ 1,150,407	$ 53,595

(a) Balances exclude structured notes for which the fair value option has been elected. See Note 5 for further information.
(b) As permitted under U.S. GAAP, JPMorgan Chase Bank, N.A. 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.

The following table presents, as of June 30, 2014, and December 31, 2013, the gross and net derivative receivables by contract and settlement type. Derivative receivables have been netted on the Consolidated Balance Sheets against derivative payables and cash collateral payables to the same counterparty with respect to derivative contracts for which JPMorgan Chase Bank, N.A. 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, the receivables are not eligible under U.S. GAAP for netting on the Consolidated Balance Sheets, and are shown separately in the table below.

	June 30, 2014			December 31, 2013		
(in millions)	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
U.S. GAAP nettable derivative receivables						
Interest rate contracts:						
Over-the-counter (“OTC”)	**$ 497,671**	**$ (475,546)**	**$ 22,125**	$ 487,151	$ (466,428)	$ 20,723
OTC-cleared	**315,380**	**(315,227)**	**153**	362,011	(361,867)	144
Exchange traded[(a)]	**—**	**—**	**—**	—	—	—
Total interest rate contracts	**813,051**	**(790,773)**	**22,278**	849,162	(828,295)	20,867
Credit contracts:						
OTC	**69,173**	**(68,042)**	**1,131**	66,463	(65,724)	739
OTC-cleared	**11,422**	**(10,047)**	**1,375**	16,841	(16,279)	562
Total credit contracts	**80,595**	**(78,089)**	**2,506**	83,304	(82,003)	1,301
Foreign exchange contracts:						
OTC	**110,095**	**(101,460)**	**8,635**	149,007	(136,531)	12,476
OTC-cleared	**48**	**(48)**	**—**	46	(46)	—
Exchange traded[(a)]	**—**	**—**	**—**	—	—	—
Total foreign exchange contracts	**110,143**	**(101,508)**	**8,635**	149,053	(136,577)	12,476
Equity contracts:						
OTC	**23,442**	**(23,019)**	**423**	31,956	(29,289)	2,667
OTC-cleared	**—**	**—**	**—**	—	—	—
Exchange traded[(a)]	**17,801**	**(15,949)**	**1,852**	15,678	(9,573)	6,105
Total equity contracts	**41,243**	**(38,968)**	**2,275**	47,634	(38,862)	8,772
Commodity contracts:						
OTC	**17,343**	**(12,237)**	**5,106**	20,079	(15,393)	4,686
OTC-cleared	**—**	**—**	**—**	—	—	—
Exchange traded[(a)]	**13,264**	**(11,683)**	**1,581**	8,973	(7,746)	1,227
Total commodity contracts	**30,607**	**(23,920)**	**6,687**	29,052	(23,139)	5,913
Derivative receivables with appropriate legal opinion	**$ 1,075,639**	**$ (1,033,258)** [(b)]	**$ 42,381**	$ 1,158,205	$ (1,108,876) [(b)]	$ 49,329
Derivative receivables where an appropriate legal opinion has not been either sought or obtained	**16,084**		**16,084**	15,042		15,042
Total derivative receivables recognized on the Consolidated Balance Sheets	**$ 1,091,723**		**$ 58,465**	$ 1,173,247		$ 64,371

(a) Exchange traded derivative amounts that relate to futures contracts are settled daily.
(b) Included cash collateral netted of $61.8 billion and $63.5 billion at June 30, 2014, and December 31, 2013, respectively.

The following table presents, as of June 30, 2014, and December 31, 2013, the gross and net derivative payables by contract and settlement type. Derivative payables have been netted on the Consolidated Balance Sheets against derivative receivables and cash collateral receivables from the same counterparty with respect to derivative contracts for which JPMorgan Chase Bank, N.A. 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, the payables are not eligible under U.S. GAAP for netting on the Consolidated Balance Sheets, and are shown separately in the table below.

	June 30, 2014			December 31, 2013		
(in millions)	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
U.S. GAAP nettable derivative payables						
Interest rate contracts:						
OTC	**$ 473,479**	**$ (461,343)**	**$ 12,136**	$ 467,852	$ (458,078)	$ 9,774
OTC-cleared	**310,918**	**(310,185)**	**733**	354,282	(353,574)	708
Exchange traded[(a)]	**–**	**–**	**–**	–	–	–
Total interest rate contracts	**784,397**	**(771,528)**	**12,869**	822,134	(811,652)	10,482
Credit contracts:						
OTC	**67,611**	**(65,923)**	**1,688**	64,959	(63,671)	1,288
OTC-cleared	**11,910**	**(10,801)**	**1,109**	17,107	(16,450)	657
Total credit contracts	**79,521**	**(76,724)**	**2,797**	82,066	(80,121)	1,945
Foreign exchange contracts:						
OTC	**111,142**	**(102,961)**	**8,181**	155,226	(144,119)	11,107
OTC-cleared	**41**	**(41)**	**–**	61	(59)	2
Exchange traded[(a)]	**–**	**–**	**–**	–	–	–
Total foreign exchange contracts	**111,183**	**(103,002)**	**8,181**	155,287	(144,178)	11,109
Equity contracts:						
OTC	**29,234**	**(25,110)**	**4,124**	33,233	(28,521)	4,712
OTC-cleared	**–**	**–**	**–**	–	–	–
Exchange traded[(a)]	**16,816**	**(15,949)**	**867**	15,507	(9,573)	5,934
Total equity contracts	**46,050**	**(41,059)**	**4,991**	48,740	(38,094)	10,646
Commodity contracts:						
OTC	**16,847**	**(11,896)**	**4,951**	20,368	(15,021)	5,347
OTC-cleared	**–**	**–**	**–**	–	–	–
Exchange traded[(a)]	**13,091**	**(11,683)**	**1,408**	8,756	(7,746)	1,010
Total commodity contracts	**29,938**	**(23,579)**	**6,359**	29,124	(22,767)	6,357
Derivative payables with appropriate legal opinions	**$ 1,051,089**	**$ (1,015,892)** [(b)]	**$ 35,197**	$ 1,137,351	$ (1,096,812) [(b)]	$ 40,539
Derivative payables where an appropriate legal opinion has not been either sought or obtained	**13,669**		**13,669**	13,056		13,056
Total derivative payables recognized on the Consolidated Balance Sheets	**$ 1,064,758**		**$ 48,866**	$ 1,150,407		$ 53,595

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

(b) Included cash collateral netted of $44.4 billion and $51.4 billion related to OTC and OTC-cleared derivatives at June 30, 2014, and December 31, 2013, respectively.

In addition to the cash collateral received and transferred that is presented on a net basis with net derivative receivables and payables, JPMorgan Chase Bank, N.A. receives and transfers additional collateral (financial instruments and cash). These amounts mitigate counterparty credit risk associated with JPMorgan Chase Bank, N.A.'s derivative instruments but are not eligible for net presentation, because (a) the collateral is comprised of non-cash financial instruments (generally U.S. government and agency securities and other G7 government bonds), (b) the amount of collateral held or transferred exceeds the fair value exposure, at the individual counterparty level, as of the date presented, or (c) the collateral relates to derivative receivables or payables where an appropriate legal opinion has not been either sought or obtained.

The following tables present information regarding certain financial instrument collateral received and transferred as of June 30, 2014, and December 31, 2013, that is not eligible for net presentation under U.S. GAAP. The collateral included in these tables relates only to the derivative instruments for which appropriate legal opinions have been obtained; excluded are (i) additional collateral that exceeds the fair value exposure and (ii) all collateral related to derivative instruments where an appropriate legal opinion has not been either sought or obtained.

Derivative receivable collateral

	June 30, 2014			December 31, 2013		
(in millions)	Net derivative receivables	Collateral not nettable on the Consolidated balance sheets	Net exposure	Net derivative receivables	Collateral not nettable on the Consolidated balance sheets	Net exposure
Derivative receivables with appropriate legal opinions	**$ 42,381**	**$ (10,493)** [(a)]	**$ 31,888**	$ 49,329	$ (12,065) [(a)]	$ 37,264

Derivative payable collateral[(b)]

	June 30, 2014			December 31, 2013		
(in millions)	Net derivative payables	Collateral not nettable on the Consolidated balance sheets	Net amount[(c)]	Net derivative payables	Collateral not nettable on the Consolidated balance sheets	Net amount[(c)]
Derivative payables with appropriate legal opinions	**$ 35,197**	**$ (7,302)** [(a)]	**$ 27,895**	$ 40,539	$ (6,872) [(a)]	$ 33,667

(a) Represents liquid security collateral as well as cash collateral held at third party custodians. 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.
(b) Derivative payable collateral relates only to OTC and OTC-cleared derivative instruments. Amounts exclude collateral transferred related to exchange-traded derivative instruments.
(c) Net amount represents exposure of counterparties to JPMorgan Chase Bank, N.A.

Liquidity risk and credit-related contingent features

For a more detailed discussion of liquidity risk and credit-related contingent features related to JPMorgan Chase Bank, N.A.'s derivative contracts, see Note 7 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

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 JPMorgan Chase Bank, N.A. has posted in the normal course of business, at June 30, 2014, and December 31, 2013.

OTC and OTC-cleared derivative payables containing downgrade triggers

(in millions)	**June 30, 2014**	December 31, 2013
Aggregate fair value of net derivative payables	**$ 21,519**	$ 23,903
Collateral posted	**17,229**	19,923

The following table shows the impact of a single-notch and two-notch downgrade of the long-term issuer ratings of JPMorgan Chase Bank, N.A. and its subsidiaries at June 30, 2014, and December 31, 2013, 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 threshold rating 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, or 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

	June 30, 2014		December 31, 2013	
(in millions)	Single-notch downgrade	Two-notch downgrade	Single-notch downgrade	Two-notch downgrade
Amount of additional collateral to be posted upon downgrade[(a)]	**$ 929**	**$ 3,325**	$ 944	$ 3,226
Amount required to settle contracts with termination triggers upon downgrade[(b)]	**578**	**920**	540	876

(a) Includes the additional collateral to be posted for initial margin.
(b) Amounts represent fair value of derivative payables, and do not reflect collateral posted.

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.

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 pretax gains/(losses) recorded on such derivatives and the related hedged items for the six months ended June 30, 2014 and 2013, respectively. JPMorgan Chase Bank, N.A. includes gains/(losses) on the hedging derivative and the related hedged item in the same line item in the Consolidated Statements of Income.

	Gains/(losses) recorded in income			Income statement impact due to:	
Six months ended June 30, 2014 (in millions)	Derivatives	Hedged items	Total income statement impact	Hedge ineffectiveness[(e)]	Excluded components[(f)]
Contract type					
Interest rate[(a)]	**$ (1,520)**	**$ 1,359**	**(161)**	**$ 25**	**(186)**
Foreign exchange[(b)]	**(955)**	**771**	**(184)**	**–**	**(184)**
Commodity[(c)]	**(262)**	**388**	**126**	**28**	**98**
Total	**(2,737)**	**2,518**	**(219)**	**53**	**(272)**

	Gains/(losses) recorded in income			Income statement impact due to:	
Six months ended June 30, 2013 (in millions)	Derivatives	Hedged items	Total income statement impact	Hedge ineffectiveness[(e)]	Excluded components[(f)]
Contract type					
Interest rate[(a)]	$ 1,672	$ (1,840)	(168)	$ (10)	(158)
Foreign exchange[(b)]	4,709	(4,822)	(113)	–	(113)
Commodity[(c)(d)]	975	(1,600)	(625)	(6)	(619)
Total	7,356	(8,262)	(906)	(16)	(890)

(a) Primarily consists of hedges of the benchmark (e.g., London Interbank Offered Rate ("LIBOR")) interest rate risk of fixed-rate long-term debt and AFS securities. Gains and losses were recorded in net interest income. The current presentation excludes accrued interest.
(b) Primarily consists of hedges of the foreign currency risk of long-term debt and 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, were recorded in principal transactions revenue.
(c) Consists of overall fair value hedges of physical commodities inventories that are generally carried at the lower of cost or market (market approximates fair value). Gains and losses were recorded in principal transactions revenue.
(d) The prior period amounts have been revised. This revision had no impact on JPMorgan Chase Bank, N.A.'s Consolidated Balance Sheets or its results of operations.
(e) Hedge ineffectiveness is the amount by which the gain or loss on the designated derivative instrument does not exactly offset the gain or loss on the hedged item attributable to the hedged risk.
(f) 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 and time values.

Cash flow hedge gains and losses

The following tables present derivative instruments, by contract type, used in cash flow hedge accounting relationships, and the pretax gains/(losses) recorded on such derivatives, for the six months ended June 30, 2014 and 2013, respectively. JPMorgan Chase Bank, N.A. includes the gain/(loss) on the hedging derivative and the change in cash flows on the hedged item in the same line item in the Consolidated Statements of Income.

	Gains/(losses) recorded in income and other comprehensive income/(loss)(c)				
Six months ended June 30, 2014 (in millions)	Derivatives – effective portion reclassified from AOCI to income	Hedge ineffectiveness recorded directly in income(d)	Total income statement impact	Derivatives – effective portion recorded in OCI	Total change in OCI for period
Contract type					
Interest rate(a)	**$ 23**	**$ –**	**$ 23**	**$ 137**	**$ 114**
Foreign exchange(b)	**38**	**–**	**$ 38**	**$ 81**	**$ 43**
Total	**$ 61**	**$ –**	**$ 61**	**$ 218**	**$ 157**

	Gains/(losses) recorded in income and other comprehensive income/(loss)(c)				
Six months ended June 30, 2013 (in millions)	Derivatives – effective portion reclassified from AOCI to income	Hedge ineffectiveness recorded directly in income(d)	Total income statement impact	Derivatives – effective portion recorded in OCI	Total change in OCI for period
Contract type					
Interest rate(a)	$ 92	$ –	$ 92	$ (517)	$ (609)
Foreign exchange(b)	(21)	–	$ (21)	(116)	(95)
Total	$ 71	$ –	$ 71	$ (633)	$ (704)

(a) Primarily consists of benchmark interest rate hedges of LIBOR-indexed floating-rate assets and floating-rate liabilities. 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.

(c) JPMorgan Chase Bank, N.A. did not experience any forecasted transactions that failed to occur for the six months ended June 30, 2014 and 2013.

(d) Hedge ineffectiveness is the amount by which the cumulative gain or loss on the designated derivative instrument exceeds the present value of the cumulative expected change in cash flows on the hedged item attributable to the hedged risk.

Over the next 12 months, JPMorgan Chase Bank, N.A. expects that $99 million (after-tax) of net gains recorded in accumulated other comprehensive income ("AOCI") at June 30, 2014, related to cash flow hedges will be recognized in income. The maximum length of time over which forecasted transactions are hedged is 9 years, and such transactions primarily 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 pretax gains/(losses) recorded on such instruments for the six months ended June 30, 2014 and 2013.

	Gains/(losses) recorded in income and other comprehensive income/(loss)			
	2014		2013	
Six months ended June 30, (in millions)	Excluded components recorded directly in income(a)	Effective portion recorded in OCI	Excluded components recorded directly in income(a)	Effective portion recorded in OCI
Foreign exchange derivatives	**$ (198)**	**$ (282)**	$ (142)	$ 828

(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. Amounts related to excluded components are recorded in current-period income. JPMorgan Chase Bank, N.A. measures the ineffectiveness of net investment hedge accounting relationships based on changes in spot foreign currency rates, and therefore there was no material ineffectiveness for net investment hedge accounting relationships during the six months ended June 30, 2014 and 2013.

Gains and losses on derivatives used for specified risk management purposes

The following table presents pretax 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 the mortgage pipeline, warehouse loans, MSRs, wholesale lending exposures, foreign currency-denominated liabilities, and commodities-related contracts and investments.

	Derivatives gains/(losses) recorded in income	
	Six months ended June 30,	
(in millions)	**2014**	2013
Contract type		
Interest rate[(a)]	**$ 1,107**	$ 727
Credit[(b)]	**(41)**	(39)
Foreign exchange[(c)]	**(14)**	(10)
Total	**1,052**	678

(a) Primarily represents interest rate derivatives used to hedge the interest rate risk inherent in the mortgage pipeline, 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 JPMorgan Chase Bank, N.A.'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 hedges of the foreign exchange risk of specified foreign currency-denominated liabilities. Gains and losses were recorded in principal transactions revenue.

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

JPMorgan Chase Bank, N.A. 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 JPMorgan Chase Bank, N.A.'s market-making activities, including the counterparty credit risk arising from derivative receivables. These derivatives, as well as all other derivatives that are 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. See Note 7 for information on principal transactions revenue.

Credit derivatives

For a more detailed discussion of credit derivatives, see Note 7 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

Total credit derivatives and credit-related notes

June 30, 2014 (in millions)	Maximum payout/Notional amount: Protection sold	Protection purchased with identical underlyings[(c)]	Net protection (sold)/ purchased[(d)]	Other protection purchased[(e)]
Credit derivatives				
Credit default swaps	**$ (2,371,634)**	**$ 2,490,732**	**$ 119,098**	**$ 102,338**
Other credit derivatives[(a)]	**(63,845)**	**48,135**	**(15,710)**	**24,692**
Total credit derivatives	**(2,435,479)**	**2,538,867**	**103,388**	**127,030**
Credit-related notes	**(114)**	**–**	**(114)**	**2,782**
Total	**$ (2,435,593)**	**$ 2,538,867**	**$ 103,274**	**$ 129,812**

December 31, 2013 (in millions)	Maximum payout/Notional amount: Protection sold	Protection purchased with identical underlyings[(c)]	Net protection (sold)/ purchased[(d)]	Other protection purchased[(e)]
Credit derivatives				
Credit default swaps	$ (2,603,798)	$ 2,611,146	$ 7,348	$ 9,060
Other credit derivatives[(a)]	(44,138) [(b)]	45,921	1,783 [(b)]	20,500 [(b)]
Total credit derivatives	(2,647,936)	2,657,067	9,131	29,560
Credit-related notes	(128)	–	(128)	2,515
Total	$ (2,648,064)	$ 2,657,067	$ 9,003	$ 32,075

(a) Other credit derivatives predominantly consists of credit swap options.
(b) The prior period amounts have been revised. This revision had no impact on JPMorgan Chase Bank, N.A.'s Consolidated Balance Sheets or its results of operations.
(c) 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.
(d) 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.
(e) Represents protection purchased by JPMorgan Chase Bank, N.A. on referenced instruments (single-name, portfolio or index) where JPMorgan Chase Bank, N.A. has not sold any protection on the identical reference instrument.

The following tables summarize the notional amounts by the ratings and maturity profile, and the total fair value, of credit derivatives as of June 30, 2014, and December 31, 2013, where JPMorgan Chase Bank, N.A. 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 and credit-related notes where JPMorgan Chase Bank, N.A. is the purchaser of protection are comparable to the profile reflected below.

Protection sold – credit derivatives and credit-related notes ratings[(a)]/maturity profile

June 30, 2014 (in millions)	<1 year	1–5 years	>5 years	Total notional amount	Fair value of receivables[(c)]	Fair value of payables[(c)]	Net fair value
Risk rating of reference entity							
Investment-grade	**$ (416,690)**	**$ (1,281,110)**	**$ (95,466)**	**$ (1,793,266)**	**$ 33,368**	**$ (2,423)**	**$ 30,945**
Noninvestment-grade	**(150,452)**	**(463,842)**	**(28,033)**	**(642,327)**	**26,968**	**(14,982)**	**11,986**
Total	**$ (567,142)**	**$ (1,744,952)**	**$(123,499)**	**$ (2,435,593)**	**$ 60,336**	**$ (17,405)**	**$ 42,931**

December 31, 2013 (in millions)	<1 year	1–5 years	>5 years	Total notional amount	Fair value of receivables[(c)]	Fair value of payables[(c)]	Net fair value
Risk rating of reference entity							
Investment-grade	$ (368,875) [(b)]	$ (1,470,560) [(b)]	$ (93,983) [(b)]	$ (1,933,418) [(b)]	$ 31,746 [(b)]	$ (5,673) [(b)]	$ 26,073 [(b)]
Noninvestment-grade	(140,557)	(544,776)	(29,313)	(714,646)	27,590	(16,922)	10,668
Total	$ (509,432)	$ (2,015,336)	$(123,296)	$ (2,648,064)	$ 59,336	$ (22,595)	$ 36,741

(a) The ratings scale is based on JPMorgan Chase Bank, N.A.'s internal ratings, which generally correspond to ratings as defined by S&P and Moody's.
(b) The prior period amounts have been revised. This revision had no impact on JPMorgan Chase Bank, N.A.'s Consolidated Balance Sheets or its results of operations.
(c) Amounts are shown on a gross basis, before the benefit of legally enforceable master netting agreements and cash collateral received by JPMorgan Chase Bank, N.A.

Note 7 – Noninterest revenue

For a discussion of the components of and accounting policies for JPMorgan Chase Bank, N.A.'s noninterest revenue, see Note 8 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

The following table presents the components of investment banking fees.

	Six months ended June 30,	
(in millions)	**2014**	2013
Underwriting		
Equity	**$ 328**	$ 237
Debt	**342**	453
Total underwriting	**670**	690
Advisory	**284**	269
Total investment banking fees	**$ 954**	$ 959

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 JPMorgan Chase Bank, N.A.'s client-driven market-making activities. See Note 8 for further information on interest income and interest expense. Trading revenue is presented primarily by instrument type. JPMorgan Chase Bank, N.A.'s client-driven market-making businesses 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 any individual JPMorgan Chase Bank, N.A. business.

	Six months ended June 30,	
(in millions)	**2014**	2013
Trading revenue by instrument type[(a)]		
Interest rate	**$ 1,067**	$ 1,106
Credit	**445**	950
Foreign exchange	**862**	1,139
Equity	**1,205**	1,778
Commodity[(b)]	**701**	515
Total trading revenue	**4,280**	5,488
Private equity gains/(losses)[(c)]	**15**	(20)
Principal transactions	**$ 4,295**	$ 5,468

(a) Prior to the six month period ended June 30, 2014, trading revenue was presented by major underlying type of risk exposure, generally determined based upon the business primarily responsible for managing that risk exposure. Prior period amounts have been revised to conform with the current period presentation. This revision had no impact on JPMorgan Chase Bank, N.A.'s Consolidated Balance Sheets or results of operations.

(b) Includes realized gains and losses and unrealized losses on physical commodities inventories that are generally carried at the lower of cost or market (market approximates fair value), subject to any applicable fair value hedge accounting adjustments, and gains and losses on commodity derivatives and other financial instruments that are carried at fair value through income. Commodity derivatives are frequently used to manage JPMorgan Chase Bank, N.A.'s risk exposure to its physical commodities inventories. For gains/(losses) related to commodity fair value hedges see Note 6.

(c) Includes revenue on private equity investments.

The following table presents the components of asset management, administration and commissions.

	Six months ended June 30,	
(in millions)	**2014**	2013
Asset management fees		
Investment management fees[(a)]	**$ 966**	$ 834
All other asset management fees[(b)]	**21**	17
Total asset management fees	**987**	851
Total administration fees[(c)]	**1,101**	1,084
Commission and other fees		
Brokerage commissions	**669**	644
All other commissions and fees[(d)]	**2,927**	2,478
Total commissions and fees	**3,596**	3,122
Total asset management, administration and commissions	**$ 5,684**	$ 5,057

(a) Represents fees earned from managing assets on behalf of JPMorgan Chase Bank, N.A. clients, including investors in JPMorgan Chase Bank, N.A.-sponsored funds and owners of separately managed investment accounts.

(b) Represents fees for services that are ancillary to investment management services, such as commissions earned on the sales or distribution of mutual funds to clients.

(c) Predominantly includes fees for custody, securities lending, funds services and securities clearance.

(d) Includes fees for services provided by JPMorgan Chase Bank, N.A. to related party affiliates.

Other income

Included in other income is operating lease income of $820 million and $708 million for the six months ended June 30, 2014 and 2013, respectively.

Note 8 – Interest income and Interest expense

For a description of JPMorgan Chase's accounting policies regarding interest income and interest expense, see Note 8 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

Details of interest income and interest expense were as follows.

(in millions)	Six months ended June 30, 2014	2013	
Interest income			
Loans	**$ 10,941**	$ 11,372	
Taxable securities	**3,810**	3,271	
Tax-exempt securities	**581**	306	
Total securities	**4,391**	3,577	
Trading assets	**2,375**	2,839	(a)
Federal funds sold and securities purchased under resale agreements	**601**	765	
Securities borrowed	**16**	127	
Deposits with banks	**510**	394	
Other assets	**110**	7	
Total interest income	**18,944**	19,081	(a)
Interest expense			
Interest-bearing deposits	**927**	1,203	
Short-term and other liabilities	**957**	863	(a)
Long-term debt	**361**	579	
Beneficial interests issued by consolidated VIEs	**40**	62	
Total interest expense	**2,285**	2,707	(a)
Net interest income	**16,659**	16,374	
Provision for credit losses	**361**	(32)	
Net interest income after provision for credit losses	**$ 16,298**	$ 16,406	

(a) Effective January 1, 2014, prior period amounts (and the corresponding amounts on the Consolidated statements of income) have been reclassified to conform with the current period presentation.

Note 9 – Pension and other postretirement employee benefit plans

For a discussion of JPMorgan Chase Bank, N.A.'s pension and other postretirement employee benefit ("OPEB") plans, see Note 10 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

The following table presents the components of net periodic benefit costs reported in the Consolidated Statements of Income for JPMorgan Chase Bank, N.A.'s significant defined benefit pension and defined contribution plans.

	Pension plans			
	U.S.		Non-U.S.	
Six months ended June 30, (in millions)	**2014**	2013	**2014**	2013
Components of net periodic benefit cost				
Benefits earned during the period	**$ 2**	$ 2	**$ 16**	$ 16
Interest cost on benefit obligations	**8**	8	**65**	56
Expected return on plan assets	**—**	—	**(88)**	(68)
Amortization:				
Net (gain)/loss	**3**	6	**24**	23
Prior service cost/(credit)	**—**	—	**—**	(1)
Net periodic defined benefit cost	**13**	16	**17**	26
Other defined benefit pension plans[(a)]	**7**	7	**1**	2
Total defined benefit plans	**20**	23	**18**	28
Total defined contribution plans	**211**	217	**144**	138
Total pension and OPEB cost included in compensation expense	**$231**	$240	**$162**	$166

(a) Includes various defined benefit pension plans which are individually immaterial.

The fair values of plan assets for the material non-U.S. defined benefit pension plans were $3.8 billion as of June 30, 2014, and $3.5 billion as of December 31,2013. See Note 20 for further information on unrecognized amounts (i.e., net loss and prior service costs/(credit)) reflected in AOCI for the six month periods ended June 30, 2014, and 2013.

For 2014 , the cost associated with funding benefits under JPMorgan Chase Bank, N.A.'s U.S. non-qualified defined benefit pension plans is expected to total $37 million. The 2014 contributions to JPMorgan Chase Bank, N.A.'s non-U.S. defined benefit pension plans are expected to be $49 million.

JPMorgan Chase charged JPMorgan Chase Bank, N.A. $115 million and $125 million for the six months ended June 30, 2014 and 2013, respectively, for its share of the U.S. qualified defined benefit pension plan expense. JPMorgan Chase charged JPMorgan Chase Bank, N.A. $0.2 million and $0.4 million for the six months ended June 30, 2014 and 2013, respectively, for its share of the U.S. other postretirement employee benefit ("OPEB") plan expense.

Consolidated disclosures of information about the pension and OPEB plans of JPMorgan Chase are included in Note 9 of JPMorgan Chase's 2013 Annual Report on Form 10-K and in Note 8 of JPMorgan Chase's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014.

Note 10 – Employee stock-based incentives

Certain employees of JPMorgan Chase Bank, N.A. participate in JPMorgan Chase's long-term stock-based incentive plans, which provide grants of common stock-based awards, including stock options, stock appreciation rights ("SARs") and restricted stock units ("RSUs"). For a discussion of the accounting policies and other information relating to employee stock-based incentives, see Note 11 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements and Note 10 of JPMorgan Chase's 2013 Annual Report on Form 10-K.

JPMorgan Chase Bank, N.A. recognized the following compensation expense related to JPMorgan Chase's various employee stock-based incentive plans in its Consolidated Statements of Income.

	Six months ended June 30,	
(in millions)	**2014**	2013
Cost of prior grants of RSUs and SARs that are amortized over their applicable vesting periods	**$ 484**	$ 483
Accrual of estimated costs of stock awards to be granted in future periods including those to full-career eligible employees	**263**	295
Total compensation expense related to employee stock-based incentive plans	**$ 747**	$ 778

During the six month period ended June 30, 2014, in connection with its annual incentive grant for the 2013 performance year, JPMorgan Chase granted employees of JPMorgan Chase Bank, N.A. 23 million RSUs with a weighted-average grant date fair value of $57.87 per RSU.

Separately, on July 15, 2014, JPMorgan Chase's Compensation Committee and Board of Directors determined that the Chairman and Chief Executive Officer had met all requirements for the vesting of the 2 million SAR awards originally issued in January 2008 and thus, the awards have become exercisable. The SARs, which will expire in January 2018, have an exercise price of $39.83 (the price of JPMorgan Chase common stock on the date of issuance).

Note 11 – Noninterest expense

The following table presents the components of noninterest expense.

	Six months ended June 30,	
(in millions)	**2014**	2013
Compensation expense	**$ 12,216**	$ 13,104
Noncompensation expense:		
Occupancy expense	**1,761**	1,631
Technology, communications and equipment expense	**2,610**	2,443
Professional and outside services	**2,910**	2,772
Marketing	**340**	385
Other expense[(a)(b)]	**4,633**	3,795
Amortization of intangibles	**138**	157
Total noncompensation expense	**12,392**	11,183
Total noninterest expense	**$ 24,608**	$ 24,287

(a) Included legal expense of $463 million and $(510) million for the six months ended June 30, 2014 and 2013, respectively.
(b) Included FDIC-related expense of $524 million and $720 million for the six months ended June 30, 2014 and 2013, respectively.

Note 12 – Securities

Securities are classified as AFS, HTM or trading. Securities classified as trading are discussed in Note 4. Predominantly all of JPMorgan Chase Bank, N.A.'s AFS and HTM investment securities (the "investment securities portfolio") are held by Treasury and Chief Investment Office ("CIO") in connection with its asset-liability management objectives. At both June 30, 2014, and December 31, 2013, the average credit rating of the debt securities comprising the investment securities portfolio was AA+ (based upon external ratings where available and, where not available, based primarily upon internal ratings which correspond to ratings as defined by S&P and Moody's). For additional information regarding the investment securities portfolio, see Note 13 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

During the six month period ended June 30, 2014, JPMorgan Chase Bank, N.A. transferred U.S. government agency mortgage-backed securities and obligations of U.S. states and municipalities with a fair value of $19.3 billion from available-for-sale to held-to-maturity. These securities were transferred at fair value. Accumulated other comprehensive income included net pretax unrealized losses of $9 million on the securities at the date of transfer. The transfers reflect JPMorgan Chase Bank, N.A.'s intent to hold the securities to maturity in order to reduce the impact of price volatility on accumulated other comprehensive income and certain capital measures under Basel III.

Realized gains and losses

The following table presents realized gains and losses and other-than-temporary impairment losses ("OTTI") from AFS securities that were recognized in income.

	Six months ended June 30,	
(in millions)	**2014**	2013
Realized gains	**$ 222**	$ 662
Realized losses	**(180)**	(25)
Net realized gains[(a)]	**42**	637
OTTI:		
Securities JPMorgan Chase Bank, N.A. intends to sell	**(2)**	(6)
Total OTTI losses recognized in income	**(2)**	(6)
Net securities gains	**$ 40**	$ 631

(a) Total proceeds from securities sold were within approximately 1% of amortized cost for the six months ended June 30, 2014, and 3% of amortized cost for the six months ended June 30, 2013.

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

	June 30, 2014				December 31, 2013			
(in millions)	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Available-for-sale debt securities								
Mortgage-backed securities:								
U.S. government agencies[(a)]	**$ 62,353**	**$ 2,328**	**$ 169**	**$ 64,512**	$ 76,428	$ 2,364	$ 977	$ 77,815
Residential:								
Prime and Alt-A	**3,487**	**75**	**27**	**3,535**	2,744	61	27	2,778
Subprime	**815**	**20**	**–**	**835**	908	23	1	930
Non-U.S.	**52,466**	**1,403**	**–**	**53,869**	57,448	1,314	1	58,761
Commercial	**17,142**	**574**	**4**	**17,712**	14,881	542	24	15,399
Total mortgage-backed securities	**136,263**	**4,400**	**200**	**140,463**	152,409	4,304	1,030	155,683
U.S. Treasury and government agencies[(a)]	**7,712**	**75**	**–**	**7,787**	9,203	382	296	9,289
Obligations of U.S. states and municipalities	**23,441**	**1,379**	**88**	**24,732**	26,688	510	969	26,229
Certificates of deposit	**1,411**	**1**	**2**	**1,410**	1,041	1	1	1,041
Non-U.S. government debt securities	**56,718**	**1,170**	**52**	**57,836**	55,507	863	122	56,248
Corporate debt securities	**20,779**	**587**	**13**	**21,353**	21,043	495	29	21,509
Asset-backed securities:								
Collateralized loan obligations	**28,300**	**226**	**75**	**28,451**	28,130	236	136	28,230
Other	**12,879**	**204**	**–**	**13,083**	12,225	177	3	12,399
Total available-for-sale debt securities	**287,503**	**8,042**	**430**	**295,115**	306,246	6,968	2,586	310,628
Available-for-sale equity securities	**221**	**7**	**–**	**228**	280	11	–	291
Total available-for-sale securities	**$ 287,724**	**$ 8,049**	**$ 430**	**$ 295,343**	$ 306,526	$ 6,979	$ 2,586	$ 310,919
Total held-to-maturity securities[(b)]	**$ 47,849**	**$ 1,314**	**$ –**	**$ 49,163**	$ 24,026	$ 22	$ 317	$ 23,731

(a) Included total U.S. government-sponsored enterprise obligations with fair values of $58.2 billion and $67.0 billion at June 30, 2014, and December 31, 2013, respectively.

(b) As of June 30, 2014, consists of MBS issued by U. S. government-sponsored enterprises with an amortized cost of $35.4 billion, MBS issued by U.S. government agencies with an amortized cost of $4.1 billion and obligations of U.S. states and municipalities with an amortized cost of $8.3 billion. As of December 31, 2013, consists of MBS issued by U.S. government-sponsored enterprises with an amortized cost of $23.1 billion and obligations of U.S. states and municipalities with an amortized cost of $920 million.

Securities impairment

The following tables present the fair value and gross unrealized losses for investment securities by aging category at June 30, 2014, and December 31, 2013.

	Securities with gross unrealized losses					
	Less than 12 months		12 months or more			
June 30, 2014 (in millions)	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Total fair value	Total gross unrealized losses
Available-for-sale debt securities						
Mortgage-backed securities:						
U.S. government agencies	**$ 1,354**	**$ 17**	**$ 7,131**	**$ 152**	**$ 8,485**	**$ 169**
Residential:						
Prime and Alt-A	**536**	**2**	**462**	**25**	**998**	**27**
Subprime	**—**	**—**	**—**	**—**	**—**	**—**
Non-U.S.	**—**	**—**	**—**	**—**	**—**	**—**
Commercial	**—**	**—**	**165**	**4**	**165**	**4**
Total mortgage-backed securities	**1,890**	**19**	**7,758**	**181**	**9,648**	**200**
U.S. Treasury and government agencies	**—**	**—**	**—**	**—**	**—**	**—**
Obligations of U.S. states and municipalities	**3,564**	**75**	**556**	**13**	**4,120**	**88**
Certificates of deposit	**1,276**	**2**	**—**	**—**	**1,276**	**2**
Non-U.S. government debt securities	**8,916**	**18**	**1,481**	**34**	**10,397**	**52**
Corporate debt securities	**2,193**	**8**	**337**	**5**	**2,530**	**13**
Asset-backed securities:						
Collateralized loan obligations	**9,052**	**28**	**5,102**	**47**	**14,154**	**75**
Other	**—**	**—**	**—**	**—**	**—**	**—**
Total available-for-sale debt securities	**26,891**	**150**	**15,234**	**280**	**42,125**	**430**
Available-for-sale equity securities	**—**	**—**	**—**	**—**	**—**	**—**
Held-to-maturity securities	**—**	**—**	**—**	**—**	**—**	**—**
Total securities with gross unrealized losses	**$ 26,891**	**$ 150**	**$ 15,234**	**$ 280**	**$ 42,125**	**$ 430**

	Securities with gross unrealized losses					
	Less than 12 months		12 months or more			
December 31, 2013 (in millions)	Fair value	Gross unrealized losses	Fair value	Gross unrealized losses	Total fair value	Total gross unrealized losses
Available-for-sale debt securities						
Mortgage-backed securities:						
U.S. government agencies	$ 20,293	$ 895	$ 1,150	$ 82	$ 21,443	$ 977
Residential:						
Prime and Alt-A	1,061	27	—	—	1,061	27
Subprime	152	1	—	—	152	1
Non-U.S.	—	—	158	1	158	1
Commercial	3,488	24	—	—	3,488	24
Total mortgage-backed securities	24,994	947	1,308	83	26,302	1,030
U.S. Treasury and government agencies	1,805	240	237	56	2,042	296
Obligations of U.S. states and municipalities	14,877	957	55	12	14,932	969
Certificates of deposit	988	1	—	—	988	1
Non-U.S. government debt securities	11,286	110	821	12	12,107	122
Corporate debt securities	1,580	21	505	8	2,085	29
Asset-backed securities:						
Collateralized loan obligations	18,369	129	393	7	18,762	136
Other	1,114	3	—	—	1,114	3
Total available-for-sale debt securities	75,013	2,408	3,319	178	78,332	2,586
Available-for-sale equity securities	—	—	—	—	—	—
Held-to-maturity securities	$ 20,745	$ 317	$ —	$ —	$ 20,745	$ 317
Total securities with gross unrealized losses	$ 95,758	$ 2,725	$ 3,319	$ 178	$ 99,077	$ 2,903

Gross unrealized losses

Gross unrealized losses have generally decreased since December 31, 2013. Though losses on securities that have been in an unrealized loss position for 12 months or more have increased, the increase is not material. JPMorgan Chase Bank, N.A. has recognized the unrealized losses on securities it intends to sell. As of June 30, 2014, JPMorgan Chase Bank, N.A. does not intend to sell any investment securities with unrealized losses recorded in AOCI, and it is not likely that JPMorgan Chase Bank, N.A. will be required to sell these securities before recovery of their amortized cost basis. Except for the securities noted above for which credit losses have been recognized in income, JPMorgan Chase Bank, N.A. believes that the securities in an unrealized loss position are not other-than-temporarily impaired as of June 30, 2014.

Contractual maturities and yields

The following table presents the amortized cost and estimated fair value at June 30, 2014, of JPMorgan Chase Bank, N.A.'s investment securities portfolio by contractual maturity.

By remaining maturity June 30, 2014 (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[c]	Total
Available-for-sale debt securities					
Mortgage-backed securities[a]					
Amortized cost	$ 620	$ 18,314	$ 9,278	$ 108,051	$ 136,263
Fair value	627	18,811	9,538	111,487	140,463
Average yield[b]	2.51%	1.69%	2.67%	3.07%	2.85%
U.S. Treasury and government agencies[a]					
Amortized cost	$ 4,349	$ 500	$ 1,887	$ 976	$ 7,712
Fair value	4,356	509	1,890	1,032	7,787
Average yield[b]	0.36%	1.81%	0.30%	0.72%	0.48%
Obligations of U.S. states and municipalities					
Amortized cost	$ 41	$ 435	$ 1,010	$ 21,955	$ 23,441
Fair value	41	457	1,029	23,205	24,732
Average yield[b]	1.44%	4.21%	3.14%	6.68%	6.47%
Certificates of deposit					
Amortized cost	$ 1,359	$ 52	$ —	$ —	$ 1,411
Fair value	1,357	53	—	—	1,410
Average yield[b]	2.67%	3.28%	—%	—%	2.69%
Non-U.S. government debt securities					
Amortized cost	$ 11,946	$ 15,177	$ 25,380	$ 4,215	$ 56,718
Fair value	11,976	15,410	26,066	4,384	57,836
Average yield[b]	3.52%	2.50%	1.25%	1.20%	2.06%
Corporate debt securities					
Amortized cost	$ 3,691	$ 10,844	$ 6,244	$ —	$ 20,779
Fair value	3,706	11,138	6,509	—	21,353
Average yield[b]	2.15%	2.35%	2.47%	—%	2.35%
Asset-backed securities					
Amortized cost	$ 16	$ 3,430	$ 17,523	$ 20,210	$ 41,179
Fair value	15	3,457	17,653	20,409	41,534
Average yield[b]	2.15%	2.07%	1.79%	1.79%	1.81%
Total available-for-sale debt securities					
Amortized cost	$ 22,022	$ 48,752	$ 61,322	$ 155,407	$ 287,503
Fair value	22,078	49,835	62,685	160,517	295,115
Average yield[b]	2.58%	2.14%	1.74%	3.35%	2.74%
Available-for-sale equity securities					
Amortized cost	$ —	$ —	$ —	$ 221	$ 221
Fair value	—	—	—	228	228
Average yield[b]	—%	—%	—%	0.03%	0.03%
Total available-for-sale securities					
Amortized cost	$ 22,022	$ 48,752	$ 61,322	$ 155,628	$ 287,724
Fair value	22,078	49,835	62,685	160,745	295,343
Average yield[b]	2.58%	2.14%	1.74%	3.34%	2.74%
Total held-to-maturity securities					
Amortized cost	$ —	$ 56	$ 346	$ 47,447	$ 47,849
Fair value	—	56	358	48,749	49,163
Average yield[b]	—%	4.28%	4.75%	3.91%	3.92%

(a) U.S. government-sponsored enterprises were the only issuers whose securities exceeded 10% of JPMorgan Chase Bank, N.A.'s total stockholder's equity at June 30, 2014.

(b) 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. 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.

(c) Includes securities with no stated maturity. Substantially all of JPMorgan Chase Bank, N.A.'s residential mortgage-backed securities and collateralized mortgage obligations are due in 10 years or more, based on contractual maturity. The estimated duration, which reflects anticipated future prepayments based on a consensus of dealers in the market, is approximately six years for agency residential mortgage-backed securities, three years for agency residential collateralized mortgage obligations and four years for nonagency residential collateralized mortgage obligations.

Note 13 – Securities financing activities

For a discussion of accounting policies relating to securities financing activities, see Note 14 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements. For further information regarding securities borrowed and securities lending agreements for which the fair value option has been elected, see Note 5. For further information regarding assets pledged and collateral received in securities financing agreements, see Note 23.

The following table presents as of June 30, 2014, and December 31, 2013, the gross and net securities purchased under resale agreements and securities borrowed. Securities purchased under resale agreements have been presented on the Consolidated Balance Sheets net of securities sold under repurchase agreements where JPMorgan Chase Bank, N.A. has obtained an appropriate legal opinion with respect to the master netting agreement, and where the other relevant criteria have been met. Where such a legal opinion has not been either sought or obtained, the securities purchased under resale agreements are not eligible for netting and are shown separately in the table below. Securities borrowed are presented on a gross basis on the Consolidated Balance Sheets.

	June 30, 2014			December 31, 2013		
(in millions)	Gross asset balance	Amounts netted on the Consolidated Balance Sheets	Net asset balance	Gross asset balance	Amounts netted on the Consolidated Balance Sheets	Net asset balance
Securities purchased under resale agreements						
Securities purchased under resale agreements with an appropriate legal opinion	**$ 230,113**	**$ (73,171)**	**$ 156,942**	$ 238,916	$ (65,587)	$ 173,329
Securities purchased under resale agreements where an appropriate legal opinion has not been either sought or obtained	**4,990**		**4,990**	10,739		10,739
Total securities purchased under resale agreements	**$ 235,103**	**$ (73,171)**	**$ 161,932** (a)	$ 249,655	$ (65,587)	$ 184,068 (a)
Securities borrowed	**$ 40,076**	**NA**	**$ 40,076** (b)(c)	$ 39,857	NA	$ 39,857 (b)(c)

(a) At June 30, 2014, and December 31, 2013, included securities purchased under resale agreements of $14.3 billion and $13.0 billion, respectively, accounted for at fair value.

(b) At June 30, 2014, and December 31, 2013, included securities borrowed of $2.1 billion and $3.7 billion, respectively, accounted for at fair value.

(c) Included $3.5 billion and $4.3 billion at June 30, 2014, and December 31, 2013, respectively, of securities borrowed where an appropriate legal opinion has not been either sought or obtained with respect to the master netting agreement.

The following table presents information as of June 30, 2014, and December 31, 2013, regarding the securities purchased under resale agreements and securities borrowed for which an appropriate legal opinion has been obtained with respect to the master netting agreement. The below table excludes information related to resale agreements and securities borrowed where such a legal opinion has not been either sought or obtained.

	June 30, 2014				December 31, 2013			
		Amounts not nettable on the Consolidated Balance Sheets[a]				Amounts not nettable on the Consolidated Balance Sheets[a]		
(in millions)	Net asset balance	Financial instruments[b]	Cash collateral	Net exposure	Net asset balance	Financial instruments[b]	Cash collateral	Net exposure
Securities purchased under resale agreements with an appropriate legal opinion	**$ 156,942**	**$ (152,365)**	**$ (25)**	**$ 4,552**	$ 173,329	$ (167,394)	$ (49)	$ 5,886
Securities borrowed	**$ 36,619**	**$ (36,175)**	**$ —**	**$ 444**	$ 35,561	$ (34,439)	$ —	$ 1,122

(a) For some counterparties, the sum of the financial instruments and cash collateral not nettable on the Consolidated Balance Sheets may exceed the net asset balance. Where this is the case the total amounts reported in these two columns are limited to the balance of the net reverse repurchase agreement or securities borrowed asset with that counterparty. As a result a net exposure amount is reported even though JPMorgan Chase Bank, N.A., on an aggregate basis for its securities purchased under resale agreements and securities borrowed, has received securities collateral with a total fair value that is greater than the funds provided to counterparties.

(b) Includes financial instrument collateral received, repurchase liabilities and securities loaned liabilities with an appropriate legal opinion with respect to the master netting agreement; these amounts are not presented net on the Consolidated Balance Sheets because other U.S. GAAP netting criteria are not met.

The following table presents as of June 30, 2014, and December 31, 2013, the gross and net securities sold under repurchase agreements and securities loaned. Securities sold under repurchase agreements have been presented on the Consolidated Balance Sheets net of securities purchased under resale agreements where JPMorgan Chase Bank, N.A. has obtained an appropriate legal opinion with respect to the master netting agreement, and where the other relevant criteria have been met. Where such a legal opinion has not been either sought or obtained, the securities sold under repurchase agreements are not eligible for netting and are shown separately in the table below. Securities loaned are presented on a gross basis on the Consolidated Balance Sheets.

	June 30, 2014			December 31, 2013		
(in millions)	Gross liability balance	Amounts netted on the Consolidated Balance Sheets	Net liability balance	Gross liability balance	Amounts netted on the Consolidated Balance Sheets	Net liability balance
Securities sold under repurchase agreements						
Securities sold under repurchase agreements with an appropriate legal opinion	**$ 168,513**	**$ (73,171)**	**$ 95,342**	$ 141,526	$ (65,587)	$ 75,939
Securities sold under repurchase agreements where an appropriate legal opinion has not been either sought or obtained[a]	**5,131**		**5,131**	9,169		9,169
Total securities sold under repurchase agreements	**$ 173,644**	**$ (73,171)**	**$ 100,473** [c]	$ 150,695	$ (65,587)	$ 85,108 [c]
Securities loaned[b]	**$ 22,774**	**NA**	**$ 22,774** [d][e]	$ 25,960	NA	$ 25,960 [d][e]

(a) Includes repurchase agreements that are not subject to a master netting agreement but do provide rights to collateral.
(b) Included securities-for-securities borrow vs. pledge transactions of $649 million and $492 million at June 30, 2014, and December 31, 2013, respectively, when acting as lender and as presented within other liabilities in the Consolidated Balance Sheets.
(c) At June 30, 2014, and December 31, 2013, included securities sold under repurchase agreements of $1.2 billion and $4.6 billion, respectively, accounted for at fair value.
(d) At December 31, 2013, included securities loaned of $483 million accounted for at fair value; there were no securities loaned accounted for at fair value as of June 30, 2014.
(e) Included $389 million and $356 million at June 30, 2014, and December 31, 2013, respectively, of securities loaned where an appropriate legal opinion has not been either sought or obtained with respect to the master netting agreement.

The following table presents information as of June 30, 2014, and December 31, 2013, regarding the securities sold under repurchase agreements and securities loaned for which an appropriate legal opinion has been obtained with respect to the master netting agreement. The below table excludes information related to repurchase agreements and securities loaned where such a legal opinion has not been either sought or obtained.

	June 30, 2014				December 31, 2013			
		Amounts not nettable on the Consolidated balance sheets[a]				Amounts not nettable on the Consolidated balance sheets[a]		
(in millions)	Net liability balance	Financial instruments[b]	Cash collateral	Net amount[c]	Net liability balance	Financial instruments[b]	Cash collateral	Net amount[c]
Securities sold under repurchase agreements with an appropriate legal opinion	**$ 95,342**	**$ (90,556)**	**$ (2)**	**$ 4,784**	$ 75,939	$ (71,984)	$ (38)	$ 3,917
Securities loaned	**$ 22,385**	**$ (21,574)**	**$ —**	**$ 811**	$ 25,604	$ (24,774)	$ —	$ 830

(a) For some counterparties the sum of the financial instruments and cash collateral not nettable on the Consolidated Balance Sheets may exceed the net liability balance. Where this is the case the total amounts reported in these two columns are limited to the balance of the net repurchase agreement or securities loaned liability with that counterparty.
(b) Includes financial instrument collateral transferred, reverse repurchase assets and securities borrowed assets with an appropriate legal opinion with respect to the master netting agreement; these amounts are not presented net on the Consolidated Balance Sheets because other U.S. GAAP netting criteria are not met.
(c) Net amount represents exposure of counterparties to JPMorgan Chase Bank, N.A.

Transfers not qualifying for sale accounting

At June 30, 2014, and December 31, 2013, JPMorgan Chase Bank, N.A. held $14.1 billion and $13.9 billion, 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, other assets and loans, and the corresponding liabilities are recorded in other borrowed funds, and accounts payable and other liabilities, on the Consolidated Balance Sheets.

Note 14 – Loans

Loan accounting framework

The accounting for a loan depends on management's strategy for the loan, and on whether the loan was credit-impaired at the date of acquisition. JPMorgan Chase Bank, N.A. accounts for loans based on the following categories:

- Originated or purchased loans held-for-investment (i.e., "retained"), other than purchased credit-impaired ("PCI") loans
- Loans held-for-sale
- Loans at fair value
- PCI loans held-for-investment

For a detailed discussion of loans, including accounting policies, see Note 15 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements. See Note 5 of these Consolidated Financial Statements for further information on JPMorgan Chase Bank, N.A.'s elections of fair value accounting under the fair value option. See Note 4 of these Consolidated Financial Statements for further information on loans carried at fair value and classified as trading assets.

Loan portfolio

JPMorgan Chase Bank, N.A.'s loan portfolio is divided into three portfolio segments, which are the same segments used by JPMorgan Chase Bank, N.A. to determine the allowance for loan losses: Consumer, excluding credit card; Credit card; and Wholesale. Within each portfolio segment, JPMorgan Chase Bank, N.A. 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[(a)]	Credit card	Wholesale[(c)]
Residential real estate – excluding PCI • Home equity – senior lien • Home equity – junior lien • Prime mortgage, including option ARMs • Subprime mortgage Other consumer loans • Auto[(b)] • Business banking[(b)] • Student and other Residential real estate – PCI • Home equity • Prime mortgage • Subprime mortgage • Option ARMs	• Credit card loans	• Commercial and industrial • Real estate • Financial institutions • Government agencies • Other[(d)]

(a) Includes loans held in the consumer & community banking business, and prime mortgage loans held in the asset management business and in corporate/private equity business.
(b) Includes certain business banking and auto dealer risk-rated loans that apply the wholesale methodology for determining the allowance for loan losses; these loans are managed by the consumer & community banking business, and therefore, for consistency in presentation, are included with the other consumer loan classes.
(c) Includes loans held in the corporate & investment banking, commercial banking and asset management businesses and in the corporate/private equity business. Classes are internally defined and may not align with regulatory definitions.
(d) Other primarily includes loans to special-purpose entities ("SPEs") and loans to private banking clients. See Note 1 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements for additional information on SPEs.

The following tables summarize JPMorgan Chase Bank, N.A.'s loan balances by portfolio segment.

June 30, 2014 (in millions)	Consumer, excluding credit card	Credit card[(a)]	Wholesale	Total
Retained	**$ 280,745**	**$ 31,676**	**$ 320,933**	**$ 633,354** [(b)]
Held-for-sale	**964**	**198**	**5,839**	**7,001**
At fair value	**—**	**—**	**3,555**	**3,555**
Total	**$ 281,709**	**$ 31,874**	**$ 330,327**	**$ 643,910**

December 31, 2013 (in millions)	Consumer, excluding credit card	Credit card[(a)]	Wholesale	Total
Retained	$ 280,381	$ 30,877	$ 307,565	$ 618,823 [(b)]
Held-for-sale	614	73	11,290	11,977
At fair value	—	—	1,182	1,182
Total	$ 280,995	$ 30,950	$ 320,037	$ 631,982

(a) Includes billed finance charges and fees net of an allowance for uncollectible amounts.
(b) Loans (other than PCI loans and those for which the fair value option has been elected) are presented net of unearned income, unamortized discounts and premiums, and net deferred loan costs of $1.8 billion and $1.9 billion at June 30, 2014, and December 31, 2013, respectively.

The following table provides information about the carrying value of retained loans purchased, sold and reclassified to held-for-sale during the periods indicated. These tables exclude loans recorded at fair value. JPMorgan Chase Bank, N.A. manages its exposure to credit risk on an ongoing basis. Selling loans is one way that JPMorgan Chase Bank, N.A. reduces its credit exposures.

	2014				2013			
Six months ended June 30, (in millions)	Consumer, excluding credit card	Credit card	Wholesale	Total	Consumer, excluding credit card	Credit card	Wholesale	Total
Purchases	**$ 3,749** [(a)(b)]	**$ —**	**$ 277**	**$ 4,026**	$ 4,215 [(a)(b)]	$ —	$ 286	$ 4,501
Sales	**2,216**	**—**	**4,679**	**6,895**	2,662	—	2,576	5,238
Retained loans reclassified to held-for-sale	**802**	**82**	**509**	**1,393**	708	—	1,021	1,729

(a) Purchases predominantly represent JPMorgan Chase Bank, N.A.'s voluntary repurchase of certain delinquent loans from loan pools as permitted by Ginnie Mae guidelines. JPMorgan Chase Bank, N.A. 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").
(b) Excluded retained loans purchased from correspondents that were originated in accordance with JPMorgan Chase Bank, N.A.'s underwriting standards. Such purchases were $4.1 billion and $2.2 billion for the six months ended June 30, 2014 and 2013, respectively.

The following table provides information about gains/(losses) on loan sales by portfolio segment.

	Six months ended June 30,	
(in millions)	**2014**	2013
Net gains/(losses) on sales of loans (including lower of cost or fair value adjustments)[(a)]		
Consumer, excluding credit card	**$ 126**	$ 256
Credit card	**—**	—
Wholesale	**16**	(7)
Total net gains/(losses) on sales of loans (including lower of cost or fair value adjustments)	**$ 142**	$ 249

(a) Excludes sales related to loans accounted for at fair value.

Consumer, excluding credit card loan portfolio

Consumer loans, excluding credit card loans, consist primarily of residential mortgages, home equity loans and lines of credit, auto loans, business banking loans, and student and other loans, with a focus on serving the prime consumer credit market. The portfolio also includes home equity loans secured by junior liens, prime mortgage loans with an interest-only payment period, and certain payment-option loans originated by Washington Mutual that may result in negative amortization.

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

(in millions)	June 30, 2014	December 31, 2013
Residential real estate – excluding PCI		
Home equity:		
Senior lien	**$ 15,863**	$ 16,730
Junior lien	**36,575**	38,932
Mortgages:		
Prime, including option ARMs	**88,711**	82,255
Subprime	**5,724**	6,218
Other consumer loans		
Auto	**53,042**	52,757
Business banking	**19,450**	18,946
Student and other	**11,262**	11,488
Residential real estate – PCI		
Home equity	**18,070**	18,927
Prime mortgage	**11,302**	12,038
Subprime mortgage	**3,947**	4,175
Option ARMs	**16,799**	17,915
Total retained loans	**$ 280,745**	$ 280,381

For further information on consumer credit quality indicators, see Note 15 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

Residential real estate – excluding PCI loans

The following table provides information by class for residential real estate – excluding retained PCI loans in the consumer, excluding credit card, portfolio segment.

The following factors should be considered in analyzing certain credit statistics applicable to JPMorgan Chase Bank, N.A.'s residential real estate – excluding PCI loans portfolio: (i) junior lien home equity loans may be fully charged off when the loan becomes 180 days past due, and the value of the collateral does not support the repayment of the loan, resulting in relatively high charge-off rates for this product class; and (ii) the lengthening of loss-mitigation timelines may result in higher delinquency rates for loans carried at the net realizable value of the collateral that remain on JPMorgan Chase Bank, N.A.'s Consolidated Balance Sheets.

Residential real estate – excluding PCI loans

(in millions, except ratios)	Home equity – Senior lien Jun 30, 2014	Senior lien Dec 31, 2013	Home equity – Junior lien Jun 30, 2014	Junior lien Dec 31, 2013	Mortgages – Prime, including option ARMs Jun 30, 2014	Prime, including option ARMs Dec 31, 2013	Mortgages – Subprime Jun 30, 2014	Subprime Dec 31, 2013	Total residential real estate – excluding PCI Jun 30, 2014	Total residential real estate – excluding PCI Dec 31, 2013
Loan delinquency[(a)]										
Current	**$ 15,283**	$ 16,100	**$ 35,835**	$ 38,064	**$ 78,489**	$ 71,491	**$ 4,898**	$ 5,193	**$ 134,505**	$ 130,848
30–149 days past due	**247**	292	**513**	650	**3,377**	3,047	**521**	584	**4,658**	4,573
150 or more days past due	**333**	338	**227**	218	**6,845**	7,717	**305**	441	**7,710**	8,714
Total retained loans	**$ 15,863**	$ 16,730	**$ 36,575**	$ 38,932	**$ 88,711**	$ 82,255	**$ 5,724**	$ 6,218	**$ 146,873**	$ 144,135
% of 30+ days past due to total retained loans[(b)]	**3.66%**	3.77%	**2.02%**	2.23%	**1.58%**	2.11%	**14.43%**	16.48%	**2.41%**	2.95%
90 or more days past due and still accruing	**$ —**	$ —	**$ —**	$ —	**$ —**	$ —	**$ —**	$ —	**$ —**	$ —
90 or more days past due and government guaranteed[(c)]	**—**	—	**—**	—	**7,322**	7,819	**—**	—	**7,322**	7,819
Nonaccrual loans	**893**	917	**1,631**	1,838	**2,129**	2,299	**1,160**	1,252	**5,813**	6,306
Current estimated LTV ratios[(d)(e)(f)]										
Greater than 125% and refreshed FICO scores:										
Equal to or greater than 660	**$ 22**	$ 40	**$ 624**	$ 1,097	**$ 954**	$ 1,084	**$ 22**	$ 52	**$ 1,622**	$ 2,273
Less than 660	**12**	22	**192**	345	**181**	303	**100**	194	**485**	864
101% to 125% and refreshed FICO scores:										
Equal to or greater than 660	**149**	212	**3,493**	4,622	**927**	1,409	**173**	245	**4,742**	6,488
Less than 660	**74**	106	**1,008**	1,401	**446**	671	**420**	587	**1,948**	2,765
80% to 100% and refreshed FICO scores:										
Equal to or greater than 660	**644**	837	**6,970**	7,697	**3,558**	4,182	**534**	596	**11,706**	13,312
Less than 660	**256**	324	**1,894**	2,087	**1,159**	1,447	**953**	1,108	**4,262**	4,966
Less than 80% and refreshed FICO scores:										
Equal to or greater than 660	**12,494**	12,877	**19,066**	18,424	**63,619**	55,031	**1,630**	1,556	**96,809**	87,888
Less than 660	**2,212**	2,312	**3,328**	3,259	**4,424**	4,439	**1,892**	1,880	**11,856**	11,890
U.S. government-guaranteed	**—**	—	**—**	—	**13,443**	13,689	**—**	—	**13,443**	13,689
Total retained loans	**$ 15,863**	$ 16,730	**$ 36,575**	$ 38,932	**$ 88,711**	$ 82,255	**$ 5,724**	$ 6,218	**$ 146,873**	$ 144,135
Geographic region										
California	**$ 2,275**	$ 2,384	**$ 8,451**	$ 8,995	**$ 22,123**	$ 19,788	**$ 820**	$ 882	**$ 33,669**	$ 32,049
New York	**2,575**	2,667	**7,653**	8,079	**14,392**	13,446	**766**	836	**25,386**	25,028
Illinois	**1,153**	1,200	**2,493**	2,641	**5,530**	5,034	**234**	255	**9,410**	9,130
Florida	**788**	828	**1,972**	2,106	**4,470**	4,263	**715**	766	**7,945**	7,963
Texas	**1,868**	2,036	**1,022**	1,106	**3,943**	3,456	**197**	215	**7,030**	6,813
New Jersey	**585**	606	**2,185**	2,296	**2,720**	2,506	**262**	292	**5,752**	5,700
Arizona	**925**	985	**1,641**	1,758	**1,464**	1,318	**126**	135	**4,156**	4,196
Washington	**529**	553	**1,266**	1,342	**1,828**	1,674	**123**	133	**3,746**	3,702
Michigan	**736**	776	**875**	939	**1,039**	974	**136**	146	**2,786**	2,835
Ohio	**1,170**	1,245	**767**	835	**494**	450	**124**	137	**2,555**	2,667
All other[(g)]	**3,259**	3,450	**8,250**	8,835	**30,708**	29,346	**2,221**	2,421	**44,438**	44,052
Total retained loans	**$ 15,863**	$ 16,730	**$ 36,575**	$ 38,932	**$ 88,711**	$ 82,255	**$ 5,724**	$ 6,218	**$ 146,873**	$ 144,135

(a) Individual delinquency classifications include mortgage loans insured by U.S. government agencies as follows: current included $4.6 billion and $4.7 billion; 30–149 days past due included $2.8 billion and $2.4 billion; and 150 or more days past due included $6.0 billion and $6.6 billion at June 30, 2014, and December 31, 2013, respectively.
(b) At June 30, 2014, and December 31, 2013, Prime, including option ARMs loans excluded mortgage loans insured by U.S. government agencies of $8.8 billion and $9.0 billion, respectively. These amounts have been excluded from nonaccrual loans based upon the government guarantee.
(c) These balances, which are 90 days or more past due but insured by U.S. government agencies, are excluded from nonaccrual loans. In predominantly all cases, 100% of the principal balance of the loans is insured and interest is guaranteed at a specified reimbursement rate subject to meeting agreed-upon servicing guidelines. These amounts have been excluded from nonaccrual loans based upon the government guarantee. At June 30, 2014, and December 31, 2013, these balances included $4.3 billion and $4.6 billion, respectively, of loans that are no longer accruing interest because interest has been curtailed by the U.S. government agencies although, in predominantly all cases, 100% of the principal is still insured. For the remaining balance, interest is being accrued at the guaranteed reimbursement rate.
(d) 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. These property values do not represent actual appraised loan level collateral values; as such, the resulting ratios are necessarily imprecise and should be viewed as estimates.
(e) Junior lien represents combined LTV, which considers all available lien positions, as well as unused lines, related to the property. All other products are presented without consideration of subordinate liens on the property.
(f) Refreshed FICO scores represent each borrower's most recent credit score, which is obtained by JPMorgan Chase Bank, N.A. on at least a quarterly basis.
(g) At June 30, 2014, and December 31, 2013, included mortgage loans insured by U.S. government agencies of $13.4 billion and $13.7 billion, respectively.

The following tables represent JPMorgan Chase Bank, N.A.'s delinquency statistics for junior lien home equity loans and lines as of June 30, 2014, and December 31, 2013.

June 30, 2014 (in millions, except ratios)	Delinquencies 30–89 days past due	Delinquencies 90–149 days past due	Delinquencies 150+ days past due	Total loans	Total 30+ day delinquency rate
HELOCs:[a]					
Within the revolving period[b]	**$ 248**	**$ 82**	**$ 139**	**$ 26,890**	**1.74%**
Beyond the revolving period	**76**	**23**	**74**	**6,347**	**2.73**
HELOANs	**64**	**20**	**14**	**3,338**	**2.94**
Total	**$ 388**	**$ 125**	**$ 227**	**$ 36,575**	**2.02%**

December 31, 2013 (in millions, except ratios)	Delinquencies 30–89 days past due	Delinquencies 90–149 days past due	Delinquencies 150+ days past due	Total loans	Total 30+ day delinquency rate
HELOCs:[a]					
Within the revolving period[b]	$ 332	$ 103	$ 157	$ 30,313	1.95%
Beyond the revolving period	83	21	46	4,909	3.06
HELOANs	86	25	15	3,710	3.40
Total	$ 501	$ 149	$ 218	$ 38,932	2.23%

(a) These HELOCs are predominantly revolving loans for a 10-year period, after which time the HELOC converts to a loan with a 20-year amortization period, but also include HELOCs originated by Washington Mutual that require interest-only payments beyond the revolving period.

(b) JPMorgan Chase Bank, N.A. manages the risk of HELOCs during their revolving period by closing or reducing the undrawn line to the extent permitted by law when borrowers are experiencing financial difficulty or when the collateral does not support the loan amount.

Home equity lines of credit ("HELOCs") beyond the revolving period and home equity loans ("HELOANs") have higher delinquency rates than do HELOCs 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 HELOCs within the revolving period. The higher delinquency rates associated with amortizing HELOCs and HELOANs are factored into the loss estimates produced by JPMorgan Chase Bank, N.A.'s delinquency roll-rate methodology, which estimates defaults based on the current delinquency status of a portfolio.

Impaired loans

The table below sets forth information about JPMorgan Chase Bank, N.A.'s residential real estate impaired loans, excluding PCI loans. These loans are considered to be impaired as they have been modified in a troubled debt restructuring ("TDR"). All impaired loans are evaluated for an asset-specific allowance as described in Note 15.

	Home equity				Mortgages				Total residential real estate – excluding PCI	
	Senior lien		Junior lien		Prime, including option ARMs		Subprime			
(in millions)	**Jun 30, 2014**	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013
Impaired loans										
With an allowance	**$ 553**	$ 564	**$ 717**	$ 721	**$ 4,590**	$ 4,947	**$ 2,571**	$ 2,845	**$ 8,431**	$ 9,077
Without an allowance[(a)]	**555**	571	**572**	579	**1,118**	998	**710**	648	**2,955**	2,796
Total impaired loans[(b)]	**$ 1,108**	$ 1,135	**$ 1,289**	$ 1,300	**$ 5,708**	$ 5,945	**$ 3,281**	$ 3,493	**$ 11,386**	$ 11,873
Allowance for loan losses related to impaired loans	**$ 97**	$ 94	**$ 168**	$ 161	**$ 120**	$ 125	**$ 87**	$ 94	**$ 472**	$ 474
Unpaid principal balance of impaired loans[(c)]	**1,466**	1,503	**2,602**	2,594	**7,404**	7,753	**4,787**	5,170	**16,259**	17,020
Impaired loans on nonaccrual status[(d)]	**621**	633	**626**	651	**1,487**	1,515	**1,009**	1,035	**3,743**	3,834

(a) Represents collateral-dependent residential mortgage loans that are charged off to the fair value of the underlying collateral less cost to sell. JPMorgan Chase Bank, N.A. 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 TDRs, regardless of their delinquency status.

(b) At June 30, 2014, and December 31, 2013, $6.7 billion and $7.5 billion, respectively, of loans modified subsequent to repurchase from Government National Mortgage Association ("Ginnie Mae") in accordance with the standards of the appropriate government agency (i.e., FHA, VA, RHS) are not included in the table above. When such loans perform subsequent to modification in accordance with Ginnie Mae guidelines, they are generally sold back into Ginnie Mae loan pools. Modified loans that do not re-perform become subject to foreclosure.

(c) Represents the contractual amount of principal owed at June 30, 2014, and December 31, 2013. The unpaid principal balance differs from the impaired loan balances due to various factors, including charge-offs, net deferred loan fees or costs; and unamortized discounts or premiums on purchased loans.

(d) As of June 30, 2014, and December 31, 2013, nonaccrual loans included $2.9 billion and $2.8 billion, respectively, of TDRs for which the borrowers were less than 90 days past due. For additional information about loans modified in a TDR that are on nonaccrual status refer to the Loan accounting framework in Note 15 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

The following table presents average impaired loans and the related interest income reported by JPMorgan Chase Bank, N.A..

Six months ended June 30,	Average impaired loans		Interest income on impaired loans[(a)]		Interest income on impaired loans on a cash basis[(a)]	
(in millions)	**2014**	2013	**2014**	2013	**2014**	2013
Home equity						
Senior lien	**$ 1,124**	$ 1,141	**$ 28**	$ 29	**$ 19**	$ 20
Junior lien	**1,298**	1,268	**40**	40	**26**	26
Mortgages						
Prime, including option ARMs	**5,856**	6,116	**115**	120	**24**	26
Subprime	**3,422**	3,618	**90**	94	**25**	26
Total residential real estate – excluding PCI	**$ 11,700**	$ 12,143	**$ 273**	$ 283	**$ 94**	$ 98

(a) Generally, interest income on loans modified in TDRs is recognized on a cash basis until such time as the borrower has made a minimum of six payments under the new terms.

Loan modifications

JPMorgan Chase Bank, N.A. is required to provide "borrower relief" under the terms of certain Consent Orders and settlements entered into by JPMorgan Chase Bank, N.A. related to its mortgage servicing, originations and residential mortgage-backed securities activities. This "borrower relief" includes reductions of principal and forbearance. For further information on these Consent Orders and settlements, see Business changes and developments in Note 3 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

Modifications of residential real estate loans, excluding PCI loans, are generally accounted for and reported as TDRs. There are no additional commitments to lend to borrowers whose residential real estate loans, excluding PCI loans, have been modified in TDRs.

TDR activity rollforward

The following table reconciles the beginning and ending balances of residential real estate loans, excluding PCI loans, modified in TDRs for the periods presented.

Six months ended June 30, (in millions)	Home equity – Senior lien 2014	Home equity – Senior lien 2013	Home equity – Junior lien 2014	Home equity – Junior lien 2013	Mortgages – Prime, including option ARMs 2014	Mortgages – Prime, including option ARMs 2013	Mortgages – Subprime 2014	Mortgages – Subprime 2013	Total residential real estate – excluding PCI 2014	Total residential real estate – excluding PCI 2013
Beginning balance of TDRs	**$ 1,136**	$ 1,086	**$ 1,300**	$ 1,210	**$ 5,945**	$ 6,024	**$ 3,492**	$ 3,603	**$ 11,873**	$ 11,923
New TDRs	**46**	136	**100**	220	**109**	570	**51**	197	**306**	1,123
Charge-offs post-modification[(a)]	**(13)**	(17)	**(29)**	(56)	**(9)**	(27)	**(33)**	(62)	**(84)**	(162)
Foreclosures and other liquidations (e.g., short sales)	**(11)**	(9)	**(6)**	(11)	**(42)**	(68)	**(20)**	(37)	**(79)**	(125)
Principal payments and other	**(50)**	(45)	**(76)**	(66)	**(295)**	(275)	**(209)**	(91)	**(630)**	(477)
Ending balance of TDRs	**$ 1,108**	$ 1,151	**$ 1,289**	$ 1,297	**$ 5,708**	$ 6,224	**$ 3,281**	$ 3,610	**$ 11,386**	$ 12,282
Permanent modifications	**$ 1,073**	$ 1,108	**$ 1,285**	$ 1,292	**$ 5,625**	$ 5,992	**$ 3,229**	$ 3,485	**$ 11,212**	$ 11,877
Trial modifications	**$ 35**	$ 43	**$ 4**	$ 5	**$ 83**	$ 232	**$ 52**	$ 125	**$ 174**	$ 405

(a) Includes charge-offs on unsuccessful trial modifications.

Nature and extent of modifications

Making Home Affordable ("MHA"), as well as JPMorgan Chase Bank, N.A.'s proprietary modification programs, generally provide various concessions to financially troubled borrowers including, but not limited to, interest rate reductions, term or payment extensions and deferral of principal and/or interest payments that would otherwise have been required under the terms of the original agreement.

The following table provides information about how residential real estate loans, excluding PCI loans, were modified under JPMorgan Chase Bank, N.A.'s loss mitigation programs during the periods presented. This table excludes Chapter 7 loans where the sole concession granted is the discharge of debt. At June 30, 2014, there were approximately 33,600 of such Chapter 7 loans, consisting of approximately 8,200 senior lien home equity loans, 20,800 junior lien home equity loans, 2,400 prime mortgage, including option ARMs, and 2,200 subprime mortgages.

Six months ended June 30,	Home equity – Senior lien 2014	Home equity – Senior lien 2013	Home equity – Junior lien 2014	Home equity – Junior lien 2013	Mortgages – Prime, including option ARMs 2014	Mortgages – Prime, including option ARMs 2013	Mortgages – Subprime 2014	Mortgages – Subprime 2013	Total residential real estate - excluding PCI 2014	Total residential real estate - excluding PCI 2013
Number of loans approved for a trial modification	**413**	1,047	**339**	362	**470**	1,652	**1,004**	2,356	**2,226**	5,417
Number of loans permanently modified	**517**	936	**1,630**	2,638	**831**	2,381	**1,232**	2,925	**4,210**	8,880
Concession granted:[(a)]										
Interest rate reduction	**65%**	72%	**86%**	88%	**62%**	73%	**63%**	70%	**72%**	76%
Term or payment extension	**83**	73	**83**	77	**86**	67	**73**	55	**81**	67
Principal and/or interest deferred	**14**	10	**21**	24	**32**	28	**18**	11	**21**	19
Principal forgiveness	**30**	39	**28**	36	**29**	41	**39**	54	**31**	43
Other[(b)]	**—**	—	**—**	—	**17**	25	**11**	14	**7**	11

(a) Represents concessions granted in permanent modifications as a percentage of the number of loans permanently modified. The sum of the percentages exceeds 100% because predominantly all of the modifications include more than one type of concession. A significant portion of trial modifications include interest rate reductions and/or term or payment extensions.

(b) Represents variable interest rate to fixed interest rate modifications.

Financial effects of modifications and redefaults

The following table provides information about the financial effects of the various concessions granted in modifications of residential real estate loans, excluding PCI, under JPMorgan Chase Bank, N.A.'s loss mitigation programs and about redefaults of certain loans modified in TDRs for the periods presented. Because the specific types and amounts of concessions offered to borrowers frequently change between the trial modification and the permanent modification, the following table presents only the financial effects of permanent modifications. This table also excludes Chapter 7 loans where the sole concession granted is the discharge of debt.

Six months ended June 30, (in millions, except weighted-average data and number of loans)	Home equity				Mortgages				Total residential real estate – excluding PCI	
	Senior lien		Junior lien		Prime, including option ARMs		Subprime			
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
Weighted-average interest rate of loans with interest rate reductions – before TDR	**6.63%**	6.55%	**4.86%**	5.14%	**5.23%**	5.35%	**7.43%**	7.53%	**5.92%**	6.00%
Weighted-average interest rate of loans with interest rate reductions – after TDR	**2.97**	3.45	**1.92**	2.22	**2.68**	2.84	**3.44**	3.58	**2.76**	3.00
Weighted-average remaining contractual term (in years) of loans with term or payment extensions – before TDR	**18**	18	**19**	19	**25**	25	**24**	24	**23**	23
Weighted-average remaining contractual term (in years) of loans with term or payment extensions – after TDR	**30**	31	**35**	34	**37**	37	**36**	34	**36**	35
Charge-offs recognized upon permanent modification	**$ 1**	$ 4	**$ 22**	$ 41	**$ 4**	$ 11	**$ 1**	$ 6	**$ 28**	$ 62
Principal deferred	**2**	3	**6**	14	**21**	60	**11**	19	**40**	96
Principal forgiven	**6**	16	**17**	29	**24**	121	**31**	137	**78**	303
Number of loans that redefaulted within one year of permanent modification[(a)]	**133**	224	**381**	591	**266**	361	**411**	599	**1,191**	1,775
Balance of loans that redefaulted within one year of permanent modification[(a)]	**$ 10**	$ 17	**$ 6**	$ 13	**$ 65**	$ 90	**$ 42**	$ 60	**$ 123**	$ 180

(a) Represents loans permanently modified in TDRs that experienced a payment default in the periods presented, and for which the payment default occurred within one year of the modification. The dollar amounts presented represent the balance of such loans at the end of the reporting period in which such loans defaulted. For residential real estate loans modified in TDRs, payment default is deemed to occur when the loan becomes two contractual payments past due. In the event that a modified loan redefaults, it is probable that the loan will ultimately be liquidated through foreclosure or another similar type of liquidation transaction. Redefaults of loans modified within the last 12 months may not be representative of ultimate redefault levels.

Approximately 85% of the trial modifications approved on or after July 1, 2010 (the approximate date on which substantial revisions were made to the Home Affordable Modification Program ("HAMP") program), that are seasoned more than six months have been successfully converted to permanent modifications.

The primary performance indicator for TDRs is the rate at which permanently modified loans redefault. At June 30, 2014, the cumulative redefault rates of residential real estate loans that have been modified under JPMorgan Chase Bank, N.A.'s loss mitigation programs, excluding PCI loans, based upon permanent modifications that were completed after October 1, 2009, and that are seasoned more than six months, are 18% for senior lien home equity, 21% for junior lien home equity, 16% for prime mortgages, including option ARMs, and 27% for subprime mortgages.

Default rates of Chapter 7 loans vary significantly based on the delinquency status of the loan and overall economic conditions at the time of discharge. Default rates for Chapter 7 residential real estate loans that were less than 60 days past due at the time of discharge have ranged between approximately 10% and 40% in recent years based on the economic conditions at the time of discharge. At June 30, 2014, Chapter 7 residential real estate loans included approximately 18% of senior lien home equity, 11% of junior lien home equity, 29% of prime mortgages, including option ARMs, and 18% of subprime mortgages that were 30 days or more past due.

At June 30, 2014, the weighted-average estimated remaining lives of residential real estate loans, excluding PCI loans, permanently modified in TDRs were 6 years for senior lien home equity, 7 years for junior lien home equity, 10 years for prime mortgages, including option ARMs, and 8 years for subprime mortgages. The estimated remaining lives of these loans reflect estimated prepayments, both voluntary and involuntary (i.e., foreclosures and other forced liquidations).

Other consumer loans

The table below provides information for other consumer retained loan classes, including auto, business banking and student loans.

(in millions, except ratios)	Auto		Business banking		Student and other		Total other consumer	
	Jun 30, 2014	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013
Loan delinquency[(a)]								
Current	**$52,549**	$52,152	**$19,094**	$ 18,506	**$10,349**	$ 10,464	**$ 81,992**	$ 81,122
30–119 days past due	**489**	599	**204**	280	**621**	656	**1,314**	1,535
120 or more days past due	**4**	6	**152**	160	**292**	368	**448**	534
Total retained loans	**$53,042**	$52,757	**$19,450**	$ 18,946	**$11,262**	$ 11,488	**$ 83,754**	$ 83,191
% of 30+ days past due to total retained loans	**0.93%**	1.15%	**1.83%**	2.32%	**2.51%** [(d)]	2.50% [(d)]	**1.35%** [(d)]	1.60% [(d)]
90 or more days past due and still accruing [(b)]	**$ —**	$ —	**$ —**	$ —	**$ 316**	$ 428	**$ 316**	$ 428
Nonaccrual loans	**103**	161	**326**	385	**169**	85	**598**	631
Geographic region								
California	**$ 5,957**	$ 5,615	**$ 2,740**	$ 2,374	**$ 1,123**	$ 1,111	**$ 9,820**	$ 9,100
New York	**3,689**	3,898	**3,128**	3,084	**1,192**	1,158	**8,009**	8,140
Illinois	**2,966**	2,917	**1,296**	1,341	**750**	739	**5,012**	4,997
Florida	**2,094**	2,012	**708**	646	**535**	538	**3,337**	3,196
Texas	**5,310**	5,310	**2,589**	2,642	**868**	877	**8,767**	8,829
New Jersey	**1,942**	2,014	**407**	392	**390**	396	**2,739**	2,802
Arizona	**1,949**	1,855	**981**	1,046	**253**	252	**3,183**	3,153
Washington	**1,001**	950	**238**	234	**235**	227	**1,474**	1,411
Michigan	**1,771**	1,902	**1,363**	1,382	**489**	512	**3,623**	3,796
Ohio	**2,148**	2,229	**1,304**	1,316	**670**	707	**4,122**	4,252
All other	**24,215**	24,055	**4,696**	4,489	**4,757**	4,971	**33,668**	33,515
Total retained loans	**$53,042**	$52,757	**$19,450**	$ 18,946	**$11,262**	$ 11,488	**$ 83,754**	$ 83,191
Loans by risk ratings[(c)]								
Noncriticized	**$ 9,269**	$ 9,968	**$14,062**	$ 13,618	**NA**	NA	**$ 23,331**	$ 23,586
Criticized performing	**34**	54	**740**	711	**NA**	NA	**774**	765
Criticized nonaccrual	**—**	38	**271**	316	**NA**	NA	**271**	354

(a) Individual delinquency classifications included loans insured by U.S. government agencies under the Federal Family Education Loan Program (“FFELP”) as follows: current included $4.7 billion and $4.9 billion; 30-119 days past due included $359 million and $387 million; and 120 or more days past due included $271 million and $350 million at June 30, 2014, and December 31, 2013, respectively.

(b) These amounts represent student loans, which are insured by U.S. government agencies under the FFELP. These amounts were accruing based upon the government guarantee.

(c) For risk-rated business banking and auto loans, the primary credit quality indicator is the risk rating of the loan, including whether the loans are considered to be criticized and/or nonaccrual.

(d) At June 30, 2014, and December 31, 2013, excluded loans 30 days or more past due and still accruing, which are insured by U.S. government agencies under the FFELP, of $630 million and $737 million, respectively. These amounts were excluded based upon the government guarantee.

Other consumer impaired loans and loan modifications

The table below sets forth information about JPMorgan Chase Bank, N.A.'s other consumer impaired loans, including risk-rated business banking and auto loans that have been placed on nonaccrual status, and loans that have been modified in TDRs.

(in millions)	Auto		Business banking		Total other consumer[c]	
	June 30, 2014	December 31, 2013	**June 30, 2014**	December 31, 2013	**June 30, 2014**	December 31, 2013
Impaired loans						
With an allowance	**$ 51**	$ 96	**$ 414**	$ 475	**$ 465**	$ 571
Without an allowance[a]	**38**	47	**—**	—	**38**	47
Total impaired loans	**$ 89**	$ 143	**$ 414**	$ 475	**$ 503**	$ 618
Allowance for loan losses related to impaired loans	**$ 8**	$ 13	**$ 79**	$ 94	**$ 87**	$ 107
Unpaid principal balance of impaired loans[b]	**169**	235	**480**	553	**649**	788
Impaired loans on nonaccrual status	**63**	113	**277**	328	**340**	441

(a) When discounted cash flows, collateral value or market price equals or exceeds the recorded investment in the loan, the loan does not require an allowance. This typically occurs when the impaired loans have been partially charged off and/or there have been interest payments received and applied to the loan balance.
(b) Represents the contractual amount of principal owed at June 30, 2014, and December 31, 2013. The unpaid principal balance differs from the impaired loan balances due to various factors, including charge-offs; interest payments received and applied to the principal balance; net deferred loan fees or costs; and unamortized discounts or premiums on purchased loans.
(c) Excludes $63 million of impaired student loans with a related allowance for loan losses of $18 million, all of which were on nonaccrual status, at June 30, 2014. There were no impaired student and other loans at December 31, 2013.

The following table presents average impaired loans for the periods presented.

(in millions)	Average impaired loans[a][b] Six months ended June 30, 2014	2013
Auto	**$ 119**	$ 137
Business banking	**475**	536
Total other consumer	**$ 594**	$ 673

(a) The related interest income on impaired loans, including those on a cash basis, was not material for the six months ended June 30, 2014 and 2013.
(b) Excludes impaired student loans for the six months ended June 30, 2014.

Loan modifications

The following table provides information about JPMorgan Chase Bank, N.A.'s other consumer loans modified in TDRs. All of these TDRs are reported as impaired loans in the tables above.

(in millions)	Auto		Business banking		Total other consumer[c]	
	June 30, 2014	December 31, 2013	**June 30, 2014**	December 31, 2013	**June 30, 2014**	December 31, 2013
Loans modified in TDRs[a][b]	**$ 89**	$ 107	**$ 234**	$ 271	**$ 323**	$ 378
TDRs on nonaccrual status	**63**	77	**97**	124	**160**	201

(a) These modifications generally provided interest rate concessions to the borrower or term or payment extensions.
(b) Additional commitments to lend to borrowers whose loans have been modified in TDRs as of June 30, 2014, and December 31, 2013, were immaterial.
(c) Excludes impaired student loans modified in TDRs at June 30, 2014.

TDR activity rollforward

The following table reconciles the beginning and ending balances of other consumer loans modified in TDRs for the periods presented.

Six months ended June 30, (in millions)	Auto		Business banking		Total other consumer[a]	
	2014	2013	**2014**	2013	**2014**	2013
Beginning balance of TDRs	**$ 107**	$ 150	**$ 271**	$ 352	**$ 378**	$ 502
New TDRs	**37**	42	**24**	40	**61**	82
Charge-offs post-modification	**–**	(5)	**(2)**	(2)	**(2)**	(7)
Foreclosures and other liquidations	**(5)**	–	**(1)**	–	**(6)**	–
Principal payments and other	**(50)**	(63)	**(58)**	(66)	**(108)**	(129)
Ending balance of TDRs	**$ 89**	$ 124	**$ 234**	$ 324	**$ 323**	$ 448

(a) Excludes student loans modified in TDRs during the six months ended June 30, 2014.

Financial effects of modifications and redefaults

For auto loans, TDRs typically occur in connection with the bankruptcy of the borrower. In these cases, the loan is modified with a revised repayment plan that typically incorporates interest rate reductions and, to a lesser extent, principal forgiveness.

For business banking loans, concessions are dependent on individual borrower circumstances and can be of a short-term nature for borrowers who need temporary relief or longer term for borrowers experiencing more fundamental financial difficulties. Concessions are predominantly term or payment extensions, but also may include interest rate reductions.

The balance of business banking loans modified in TDRs that experienced a payment default, and for which the payment default occurred within one year of the modification, was $14 million and $23 million during the six months ended June 30, 2014 and 2013, respectively. The balance of auto loans modified in TDRs that experienced a payment default, and for which the payment default occurred within one year of the modification, was $22 million and $28 million during the six months ended June 30, 2014 and 2013, respectively. A payment default is deemed to occur as follows: (1) for scored auto and business banking loans, when the loan is two payments past due; and (2) for risk-rated business banking loans and auto loans, when the borrower has not made a loan payment by its scheduled due date after giving effect to the contractual grace period, if any.

In May 2014 JPMorgan Chase Bank, N.A. began extending the deferment period for up to 24 months for certain student loans, which resulted in extending the maturity of the loans at their original contractual interest rates. These modified loans are considered TDRs and placed on nonaccrual status.

The following table provides information about the financial effects of the various concessions granted in modifications of other consumer loans, excluding student loans, for the periods presented.

	Six months ended June 30,			
	Auto		Business banking	
	2014	2013	**2014**	2013
Weighted-average interest rate of loans with interest rate reductions – before TDR	**13.10%**	13.19%	**7.35%**	7.94%
Weighted-average interest rate of loans with interest rate reductions – after TDR	**4.97**	4.94	**6.28**	5.84
Weighted-average remaining contractual term (in years) of loans with term or payment extensions – before TDR	**NM**	NM	**2.6**	1.5
Weighted-average remaining contractual term (in years) of loans with term or payment extensions – after TDR	**NM**	NM	**4.3**	3.1

Purchased credit-impaired loans

For a detailed discussion of PCI loans, including the related accounting policies, see Note 15 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

Residential real estate – PCI loans

The table below sets forth information about JPMorgan Chase Bank, N.A.'s consumer, excluding credit card, PCI loans.

	Home equity		Prime mortgage		Subprime mortgage		Option ARMs		Total PCI	
(in millions, except ratios)	**Jun 30, 2014**	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013
Carrying value[(a)]	**$18,070**	$18,927	**$11,302**	$12,038	**$ 3,947**	$ 4,175	**$16,799**	$17,915	**$50,118**	$53,055
Related allowance for loan losses[(b)]	**1,758**	1,758	**1,617**	1,726	**180**	180	**194**	494	**3,749**	4,158
Loan delinquency (based on unpaid principal balance)										
Current	**$17,317**	$18,135	**$ 9,563**	$10,118	**$ 3,828**	$ 4,012	**$14,725**	$15,501	**$45,433**	$47,766
30–149 days past due	**465**	583	**538**	589	**591**	662	**930**	1,006	**2,524**	2,840
150 or more days past due	**1,067**	1,112	**986**	1,169	**683**	797	**2,183**	2,716	**4,919**	5,794
Total loans	**$18,849**	$19,830	**$11,087**	$11,876	**$ 5,102**	$ 5,471	**$17,838**	$19,223	**$52,876**	$56,400
% of 30+ days past due to total loans	**8.13%**	8.55%	**13.75%**	14.80%	**24.97%**	26.67%	**17.45%**	19.36%	**14.08%**	15.31%
Current estimated LTV ratios (based on unpaid principal balance)[(c)(d)]										
Greater than 125% and refreshed FICO scores:										
Equal to or greater than 660	**$ 772**	$ 1,168	**$ 118**	$ 240	**$ 74**	$ 115	**$ 156**	$ 301	**$ 1,120**	$ 1,824
Less than 660	**411**	662	**158**	290	**274**	459	**309**	575	**1,152**	1,986
101% to 125% and refreshed FICO scores:										
Equal to or greater than 660	**2,568**	3,248	**715**	1,017	**249**	316	**784**	1,164	**4,316**	5,745
Less than 660	**1,189**	1,541	**552**	884	**688**	919	**1,052**	1,563	**3,481**	4,907
80% to 100% and refreshed FICO scores:										
Equal to or greater than 660	**4,365**	4,473	**2,400**	2,787	**552**	544	**2,741**	3,311	**10,058**	11,115
Less than 660	**1,758**	1,782	**1,537**	1,699	**1,131**	1,197	**2,339**	2,769	**6,765**	7,447
Lower than 80% and refreshed FICO scores:										
Equal to or greater than 660	**5,739**	5,077	**3,425**	2,897	**641**	521	**6,410**	5,671	**16,215**	14,166
Less than 660	**2,047**	1,879	**2,182**	2,062	**1,493**	1,400	**4,047**	3,869	**9,769**	9,210
Total unpaid principal balance	**$18,849**	$19,830	**$11,087**	$11,876	**$ 5,102**	$ 5,471	**$17,838**	$19,223	**$52,876**	$56,400
Geographic region (based on unpaid principal balance)										
California	**$11,341**	$11,937	**$ 6,393**	$ 6,845	**$ 1,218**	$ 1,293	**$ 9,814**	$10,419	**$28,766**	$30,494
New York	**922**	962	**748**	807	**514**	563	**1,048**	1,196	**3,232**	3,528
Illinois	**429**	451	**324**	353	**258**	283	**445**	481	**1,456**	1,568
Florida	**1,786**	1,865	**772**	826	**494**	526	**1,631**	1,817	**4,683**	5,034
Texas	**302**	327	**100**	106	**305**	328	**91**	100	**798**	861
New Jersey	**362**	381	**316**	334	**187**	213	**614**	701	**1,479**	1,629
Arizona	**343**	361	**179**	187	**90**	95	**245**	264	**857**	907
Washington	**1,020**	1,072	**244**	266	**103**	112	**428**	463	**1,795**	1,913
Michigan	**58**	62	**177**	189	**139**	145	**193**	206	**567**	602
Ohio	**21**	23	**50**	55	**79**	84	**72**	75	**222**	237
All other	**2,265**	2,389	**1,784**	1,908	**1,715**	1,829	**3,257**	3,501	**9,021**	9,627
Total unpaid principal balance	**$18,849**	$19,830	**$11,087**	$11,876	**$ 5,102**	$ 5,471	**$17,838**	$19,223	**$52,876**	$56,400

(a) Carrying value includes the effect of fair value adjustments that were applied to the consumer PCI portfolio at the date of acquisition.

(b) Management concluded as part of JPMorgan Chase Bank, N.A.'s regular assessment of the PCI loan pools that it was probable that higher expected credit losses would result in a decrease in expected cash flows. As a result, an allowance for loan losses for impairment of these pools has been recognized.

(c) 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. These property values do not represent actual appraised loan level collateral values; as such, the resulting ratios are necessarily imprecise and should be viewed as estimates. Current estimated combined LTV for junior lien home equity loans considers all available lien positions, as well as unused lines, related to the property.

(d) Refreshed FICO scores represent each borrower's most recent credit score, which is obtained by JPMorgan Chase Bank, N.A. on at least a quarterly basis.

Approximately 20% of the PCI home equity portfolio are senior lien loans; the remaining balance are junior lien HELOANs or HELOCs. The following tables set forth delinquency statistics for PCI junior lien home equity loans and lines of credit based on unpaid principal balance as of June 30, 2014, and December 31, 2013.

June 30, 2014 (in millions, except ratios)	Delinquencies: 30–89 days past due	90–149 days past due	150+ days past due	Total loans	Total 30+ day delinquency rate
HELOCs:[a]					
Within the revolving period[b]	**$ 174**	**$ 60**	**$ 467**	**$ 10,802**	**6.49%**
Beyond the revolving period[c]	**60**	**20**	**120**	**3,146**	**6.36**
HELOANs	**20**	**8**	**40**	**812**	**8.37**
Total	**$ 254**	**$ 88**	**$ 627**	**$ 14,760**	**6.57%**

December 31, 2013 (in millions, except ratios)	Delinquencies: 30–89 days past due	90–149 days past due	150+ days past due	Total loans	Total 30+ day delinquency rate
HELOCs:[a]					
Within the revolving period[b]	$ 243	$ 88	$ 526	$ 12,670	6.76%
Beyond the revolving period[c]	54	21	82	2,336	6.72
HELOANs	24	11	39	908	8.15
Total	$ 321	$ 120	$ 647	$ 15,914	6.84%

(a) In general, these HELOCs are revolving loans for a 10-year period, after which time the HELOC converts to an interest-only loan with a balloon payment at the end of the loan's term.
(b) Substantially all undrawn HELOCs within the revolving period have been closed.
(c) Includes loans modified into fixed rate amortizing loans.

The table below sets forth the accretable yield activity for JPMorgan Chase Bank, N.A.'s PCI consumer loans for the six months ended June 30, 2014 and 2013, and represents JPMorgan Chase Bank, N.A.'s estimate of gross interest income expected to be earned over the remaining life of the PCI loan portfolios. The table excludes the cost to fund the PCI portfolios, and therefore the accretable yield does not represent net interest income expected to be earned on these portfolios.

	Total PCI	
	Six months ended June 30,	
(in millions, except ratios)	**2014**	2013
Beginning balance	**$ 16,167**	$ 18,457
Accretion into interest income	**(1,009)**	(1,138)
Changes in interest rates on variable-rate loans	**(66)**	(110)
Other changes in expected cash flows[a]	**183**	1,397
Balance at June 30	**$ 15,275**	$ 18,606
Accretable yield percentage	**4.28%**	4.36%

(a) Other changes in expected cash flows may vary from period to period as JPMorgan Chase Bank, N.A. continues to refine its cash flow model and periodically updates model assumptions. For the six months ended June 30, 2014, other changes in expected cash flows were driven by changes in prepayment assumptions. For the six months ended June 30, 2013, other changes in expected cash flows were due to refining the expected interest cash flows on HELOCs with balloon payments, partially offset by changes in prepayment assumptions.

The factors that most significantly affect estimates of gross cash flows expected to be collected, and accordingly the accretable yield balance, include: (i) changes in the benchmark interest rate indices for variable-rate products such as option ARM and home equity loans; and (ii) changes in prepayment assumptions.

Credit card loan portfolio

The table below sets forth information about JPMorgan Chase Bank, N.A.'s credit card loans.

(in millions, except ratios)	June 30, 2014	December 31, 2013
Loan delinquency		
Current and less than 30 days past due and still accruing	**$ 31,247**	$ 30,390
30–89 days past due and still accruing	**231**	266
90 or more days past due and still accruing	**198**	221
Nonaccrual loans	**—**	—
Total retained credit card loans	**$ 31,676**	$ 30,877
Loan delinquency ratios		
% of 30+ days past due to total retained loans	**1.35%**	1.58%
% of 90+ days past due to total retained loans	**0.63**	0.72
Credit card loans by geographic region		
California	**$ 4,069**	$ 3,905
Texas	**2,596**	2,457
New York	**2,559**	2,467
Illinois	**1,730**	1,682
Florida	**1,625**	1,576
New Jersey	**1,309**	1,260
Ohio	**1,095**	1,099
Pennsylvania	**997**	987
Virginia	**806**	802
Michigan	**787**	784
All other	**12,010**	11,493
Canada	**2,093**	2,365
Total retained credit card loans	**$ 31,676**	$ 30,877
Percentage of portfolio based on carrying value with estimated refreshed FICO scores		
Equal to or greater than 660	**87.1%**	86.2%
Less than 660	**12.9**	13.8

Credit card impaired loans and loan modifications

For a detailed discussion of impaired credit card loans, including credit card loan modifications, see Note 15 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

The table below sets forth information about JPMorgan Chase Bank, N.A.'s impaired credit card loans. All of these loans are considered to be impaired as they have been modified in TDRs.

(in millions)	June 30, 2014	December 31, 2013
Impaired credit card loans with an allowance[a][b]		
Credit card loans with modified payment terms[c]	**$ 399**	$ 491
Modified credit card loans that have reverted to pre-modification payment terms[d]	**55**	69
Total impaired credit card loans	**$ 454**	$ 560
Allowance for loan losses related to impaired credit card loans	**$ 111**	$ 173

(a) The carrying value and the unpaid principal balance are the same for credit card impaired loans.

(b) There were no impaired loans without an allowance.

(c) Represents credit card loans outstanding to borrowers enrolled in a credit card modification program as of the date presented.

(d) Represents credit card loans that were modified in TDRs but that have subsequently reverted back to the loans' pre-modification payment terms. At June 30, 2014, and December 31, 2013, $33 million and $42 million, respectively, of loans have reverted back to the pre-modification payment terms of the loans due to noncompliance with the terms of the modified loans. The remaining $22 million and $27 million at June 30, 2014, and December 31, 2013, respectively, of these loans are to borrowers who have successfully completed a short-term modification program. JPMorgan Chase Bank, N.A. continues to report these loans as TDRs since the borrowers' credit lines remain closed.

The following table presents average balances of impaired credit card loans and interest income recognized on those loans.

(in millions)	Six months ended June 30, 2014	2013
Average impaired credit card loans	**$ 503**	$ 741
Interest income on impaired credit card loans	**12**	19

Loan modifications

JPMorgan Chase Bank, N.A. may modify loans to credit card borrowers who are experiencing financial difficulty. Most of these loans have been modified under programs that involve placing the customer on a fixed payment plan with a reduced interest rate, generally for 60 months. All of these credit card loan modifications are considered to be TDRs. New enrollments in these loan modification programs for the six months ended June 30, 2014 and 2013, were $68 million and $112 million, respectively. For additional information about credit card loan modifications, see Note 15 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

Financial effects of modifications and redefaults

The following table provides information about the financial effects of the concessions granted on credit card loans modified in TDRs and redefaults for the periods presented.

(in millions, except weighted-average data)	Six months ended June 30, 2014	2013
Weighted-average interest rate of loans – before TDR	**14.69%**	14.73%
Weighted-average interest rate of loans – after TDR	**4.36**	4.48
Loans that redefaulted within one year of modification[(a)]	**$ 11**	$ 15

(a) Represents loans modified in TDRs that experienced a payment default in the periods presented, and for which the payment default occurred within one year of the modification. The amounts presented represent the balance of such loans as of the end of the quarter in which they defaulted.

For credit card loans modified in TDRs, payment default is deemed to have occurred when the loans become two payments past due. A substantial portion of these loans is expected to be charged-off in accordance with JPMorgan Chase Bank, N.A.'s standard charge-off policy. Based on historical experience, the estimated weighted-average default rate was expected to be 28.53% and 30.14% for credit card loans modified as of June 30, 2014, and December 31, 2013, respectively.

Wholesale loan portfolio

Wholesale loans include loans made to a variety of customers, ranging from large corporate and institutional clients to high-net-worth individuals. The primary credit quality indicator for wholesale loans is the risk rating assigned each loan. For further information on these risk ratings, see Notes 15 and 16 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

The table below provides information by class of receivable for the retained loans in the Wholesale portfolio segment.

	Commercial and industrial		Real estate		Financial institutions		Government agencies		Other[d]		Total retained loans	
(in millions, except ratios)	**Jun 30, 2014**	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013
Loans by risk ratings												
Investment-grade	**$ 57,618**	$ 56,406	**$56,231**	$52,154	**$30,731**	$26,698	**$7,850**	$ 8,182	**$83,171**	$81,958	**$235,601**	$225,398
Noninvestment-grade:												
Noncriticized	**46,331**	43,255	**15,188**	14,325	**8,027**	6,589	**257**	430	**9,721**	11,372	**79,524**	75,971
Criticized performing	**2,591**	2,380	**1,836**	2,214	**235**	272	**3**	42	**425**	480	**5,090**	5,388
Criticized nonaccrual	**256**	294	**285**	344	**15**	14	**–**	1	**162**	155	**718**	808
Total noninvestment-grade	**49,178**	45,929	**17,309**	16,883	**8,277**	6,875	**260**	473	**10,308**	12,007	**85,332**	82,167
Total retained loans	**$106,796**	$102,335	**$73,540**	$69,037	**$39,008**	$33,573	**$8,110**	$ 8,655	**$93,479**	$93,965	**$320,933**	$307,565
% of total criticized to total retained loans	**2.67%**	2.61%	**2.88%**	3.71%	**0.64%**	0.85%	**0.04%**	0.50%	**0.63%**	0.68%	**1.81%**	2.01%
% of nonaccrual loans to total retained loans	**0.24**	0.29	**0.39**	0.50	**0.04**	0.04	**–**	0.01	**0.17**	0.16	**0.22**	0.26
Loans by geographic distribution[a]												
Total non-U.S.	**$ 35,391**	$ 34,428	**$ 2,765**	$ 1,369	**$25,531**	$22,726	**$1,421**	$ 2,146	**$44,573**	$43,366	**$109,681**	$104,035
Total U.S.	**71,405**	67,907	**70,775**	67,668	**13,477**	10,847	**6,689**	6,509	**48,906**	50,599	**211,252**	203,530
Total retained loans	**$106,796**	$102,335	**$73,540**	$69,037	**$39,008**	$33,573	**$8,110**	$ 8,655	**$93,479**	$93,965	**$320,933**	$307,565
Loan delinquency[b]												
Current and less than 30 days past due and still accruing	**$106,281**	$101,846	**$73,108**	$68,515	**$38,941**	$33,327	**$8,039**	$ 8,637	**$92,279**	$92,633	**$318,648**	$304,958
30–89 days past due and still accruing	**233**	181	**125**	164	**50**	226	**18**	17	**1,031**	1,161	**1,457**	1,749
90 or more days past due and still accruing[c]	**26**	14	**22**	14	**2**	6	**53**	–	**7**	16	**110**	50
Criticized nonaccrual	**256**	294	**285**	344	**15**	14	**–**	1	**162**	155	**718**	808
Total retained loans	**$106,796**	$102,335	**$73,540**	$69,037	**$39,008**	$33,573	**$8,110**	$ 8,655	**$93,479**	$93,965	**$320,933**	$307,565

(a) The U.S. and non-U.S. distribution is determined based predominantly on the domicile of the borrower.
(b) The credit quality of wholesale loans is assessed primarily through ongoing review and monitoring of an obligor's ability to meet contractual obligations rather than relying on the past due status, which is generally a lagging indicator of credit quality. For a discussion of more significant risk factors, see Note 15 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.
(c) Represents loans that are considered well-collateralized and therefore still accruing interest.
(d) Other primarily includes loans to SPEs and loans to private banking clients. See Note 1 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements for additional information on SPEs.

The following table presents additional information on the real estate class of loans within the Wholesale portfolio segment for the periods indicated. For further information on real estate loans, see Note 15 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

	Multifamily		Commercial lessors		Commercial construction and development		Other		Total real estate loans	
(in millions, except ratios)	**Jun 30, 2014**	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013
Real estate retained loans	**$ 46,711**	$ 44,389	**$ 16,758**	$ 15,846	**$ 3,945**	$ 3,674	**$ 6,126**	$ 5,128	**$ 73,540**	$ 69,037
Criticized exposure	**935**	1,142	**1,116**	1,306	**48**	81	**22**	29	**$ 2,121**	$ 2,558
% of criticized exposure to total real estate retained loans	**2.00%**	2.57%	**6.66%**	8.24%	**1.22%**	2.20%	**0.36%**	0.57%	**2.88%**	3.71%
Criticized nonaccrual	**$ 159**	$ 191	**$ 124**	$ 141	**$ –**	$ 3	**$ 2**	$ 9	**$ 285**	$ 344
% of criticized nonaccrual to total real estate retained loans	**0.34%**	0.43%	**0.74%**	0.89%	**–%**	0.08%	**0.03%**	0.18%	**0.39%**	0.50%

Wholesale impaired loans and loan modifications

Wholesale impaired loans are comprised of loans that have been placed on nonaccrual status and/or that have been modified in a TDR. All impaired loans are evaluated for an asset-specific allowance as described in Note 15.

The table below sets forth information about JPMorgan Chase Bank, N.A.'s wholesale impaired loans.

	Commercial and industrial		Real estate		Financial institutions		Government agencies		Other		Total retained loans	
(in millions)	**Jun 30, 2014**	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013
Impaired loans												
With an allowance	**$ 232**	$ 236	**$ 198**	$ 258	**$ 5**	$ 13	**$ —**	$ 1	**$ 104**	$ 85	**$ 539**	$ 593
Without an allowance[a]	**32**	58	**89**	107	**1**	1	**—**	—	**62**	73	**184**	239
Total impaired loans	**$ 264**	$ 294	**$ 287**	$ 365	**$ 6**	$ 14	**$ —**	$ 1	**$ 166**	$ 158	**$ 723**	$ 832
Allowance for loan losses related to impaired loans	**$ 60**	$ 75	**$ 43**	$ 63	**$ 4**	$ 5	**$ —**	$ —	**$ 24**	$ 27	**$ 131**	$ 170
Unpaid principal balance of impaired loans[b]	**325**	448	**364**	442	**6**	13	**—**	1	**251**	241	**946**	1,145

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

(b) Represents the contractual amount of principal owed at June 30, 2014, and December 31, 2013. The unpaid principal balance differs from the impaired loan balances due to various factors, including charge-offs; interest payments received and applied to the carrying value; net deferred loan fees or costs; and unamortized discount or premiums on purchased loans.

The following table presents JPMorgan Chase Bank, N.A.'s average impaired loans for the periods indicated.

	Six months ended June 30,	
(in millions)	**2014**	2013
Commercial and industrial	**$ 268**	$ 495
Real estate	**329**	509
Financial institutions	**12**	7
Government agencies	**—**	—
Other	**164**	225
Total[a]	**$ 773**	$ 1,236

(a) The related interest income on accruing impaired loans and interest income recognized on a cash basis were not material for the six months ended June 30, 2014 and 2013.

Loan modifications

Certain loan modifications are considered to be TDRs as they provide various concessions to borrowers who are experiencing financial difficulty. All TDRs are reported as impaired loans in the tables above. For further information, see Note 15 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

The following table provides information about JPMorgan Chase Bank, N.A.'s wholesale loans that have been modified in TDRs, including a reconciliation of the beginning and ending balances of such loans and information regarding the nature and extent of modifications during the periods presented.

Six months ended June 30, (in millions)	Commercial and industrial		Real estate		Other [b]		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
Beginning balance of TDRs	**$ 77**	$ 575	**$ 88**	$ 99	**$ 33**	$ 22	**$ 198**	$ 696
New TDRs	**48**	$ 41	**10**	41	**3**	37	**61**	119
Increases to existing TDRs	**11**	4	**–**	–	**–**	–	**11**	4
Charge-offs post-modification	**–**	(1)	**–**	(3)	**(1)**	–	**(1)**	(4)
Sales and other [a]	**(26)**	(510)	**(24)**	(26)	**(13)**	(25)	**(63)**	(561)
Ending balance of TDRs	**$ 110**	$ 109	**$ 74**	$ 111	**$ 22**	$ 34	**$ 206**	$ 254
TDRs on nonaccrual status	**$ 110**	$ 102	**$ 67**	$ 82	**$ 19**	$ 27	**$ 196**	$ 211
Additional commitments to lend to borrowers whose loans have been modified in TDRs	**145**	22	**–**	–	**–**	1	**145**	23

(a) Sales and other are largely sales and paydowns.
(b) Includes loans to Financial institutions, Government agencies and Other.

Financial effects of modifications and redefaults

Wholesale loans modified as TDRs are typically term or payment extensions and, to a lesser extent, deferrals of principal and/or interest on commercial and industrial and real estate loans. For the six months ended June 30, 2014 and 2013, the average term extension granted on wholesale loans with term or payment extensions was 1.0 years and 2.1 years, respectively. The weighted-average remaining term for all loans modified during these periods was 2.7 years and 1.6 years, respectively. There were no wholesale TDR loans that redefaulted within one year of the modification during the six months ended June 30, 2014. Wholesale TDR loans that redefaulted within one year of the modification during the six months ended June 30, 2013 were $1 million. A payment default is deemed to occur when the borrower has not made a loan payment by its scheduled due date after giving effect to any contractual grace period.

Note 15 – Allowance for credit losses

For detailed discussion of the allowance for credit losses and the related accounting policies, see Note 16 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

Allowance for credit losses and loans and lending-related commitments by impairment methodology

The table below summarizes information about the allowance for loan losses, loans by impairment methodology, the allowance for lending-related commitments and lending-related commitments by impairment methodology.

	2014				2013			
Six months ended June 30, (in millions)	Consumer, excluding credit card	Credit card	Wholesale	Total	Consumer, excluding credit card	Credit card	Wholesale	Total
Allowance for loan losses								
Beginning balance at January 1,	$ 8,354	$ 832	$ 3,948	$ 13,134	$ 12,018	$ 1,101	$ 4,072	$ 17,191
Gross charge-offs	1,063	430	76	1,569	1,260	481	116	1,857
Gross recoveries	(352)	(50)	(110)	(512)	(207)	(70)	(146)	(423)
Net charge-offs/(recoveries)	711	380	(34)	1,057	1,053	411	(30)	1,434
Write-offs of PCI loans[a]	109	–	–	109	–	–	–	–
Provision for loan losses	107	373	(64)	416	(395)	220	48	(127)
Other	1	(1)	(1)	(1)	(6)	(6)	6	(6)
Ending balance at June 30,	$ 7,642	$ 824	$ 3,917	$ 12,383	$ 10,564	$ 904	$ 4,156	$ 15,624
Allowance for loan losses by impairment methodology								
Asset-specific[b]	$ 577	$ 111[c]	$ 131	$ 819	$ 687	$ 209[c]	$ 207	$ 1,103
Formula-based	3,316	713	3,786	7,815	4,166	695	3,949	8,810
PCI	3,749	–	–	3,749	5,711	–	–	5,711
Total allowance for loan losses	$ 7,642	$ 824	$ 3,917	$ 12,383	$ 10,564	$ 904	$ 4,156	$ 15,624
Loans by impairment methodology								
Asset-specific	$ 11,952	$ 454	$ 723	$ 13,129	$ 12,930	$ 665	$ 992	$ 14,587
Formula-based	218,675	31,222	320,205	570,102	208,880	28,047	306,426	543,353
PCI	50,118	–	5	50,123	56,736	–	12	56,748
Total retained loans	$ 280,745	$ 31,676	$ 320,933	$ 633,354	$ 278,546	$ 28,712	$ 307,430	$ 614,688
Impaired collateral-dependent loans								
Net charge-offs/(recoveries)	$ 80	$ –	$ (5)	$ 75	$ 126	$ –	$ 10	$ 136
Loans measured at fair value of collateral less cost to sell	3,028	–	321	3,349	2,938	–	378	3,316
Allowance for lending-related commitments								
Beginning balance at January 1,	$ 8	$ –	$ 693	$ 701	$ 7	$ –	$ 647	$ 654
Provision for lending-related commitments	1	–	(56)	(55)	1	–	94	95
Other	–	–	–	–	–	–	–	–
Ending balance at June 30,	$ 9	$ –	$ 637	$ 646	$ 8	$ –	$ 741	$ 749
Allowance for lending-related commitments by impairment methodology								
Asset-specific	$ –	$ –	$ 43	$ 43	$ –	$ –	$ 79	$ 79
Formula-based	9	–	594	603	8	–	662	670
Total allowance for lending-related commitments	$ 9	$ –	$ 637	$ 646	$ 8	$ –	$ 741	$ 749
Lending-related commitments by impairment methodology								
Asset-specific	$ –	$ –	$ 122	$ 122	$ –	$ –	$ 283	$ 283
Formula-based	56,434	33,896	442,792	533,122	62,337	33,794	435,558	531,689
Total lending-related commitments	$ 56,434	$ 33,896	$ 442,914	$ 533,244	$ 62,337	$ 33,794	$ 435,841	$ 531,972

(a) Write-offs of PCI loans are recorded against the allowance for loan losses when actual losses for a pool exceed estimated losses that were recorded as purchase accounting adjustments at the time of acquisition. Any write-offs of PCI loans are recognized when the underlying loan is removed from a pool (e.g., upon liquidation).

(b) Includes risk-rated loans that have been placed on nonaccrual status and loans that have been modified in a TDR.

(c) The asset-specific credit card allowance for loan losses is related to loans that have been modified in a TDR; such allowance is calculated based on the loans' original contractual interest rates and does not consider any incremental penalty rates.

Note 16 – Variable interest entities

For a further description of JPMorgan Chase Bank, N.A.'s accounting policies regarding consolidation of variable interest entities ("VIEs"), see Note 1 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

The following table summarizes the most significant types of JPMorgan Chase Bank, N.A.-sponsored VIEs by business.

JPMorgan Chase Bank, N.A. business	*Transaction Type*	*Activity*	*Consolidated Financial Statements page reference*
Consumer & Community bank	Mortgage securitization trusts	Securitization of both originated and purchased residential mortgages	60-62
	Other securitization trusts	Securitization of originated student loans	60-62
	Credit card securitization trusts	Securitization of both originated and purchased credit card receivables	62
Corporate & Investment bank	Mortgage and other securitization trusts	Securitization of both originated and purchased residential and commercial mortgages, automobile and student loans	60-62
	Multi-seller conduits	Assist clients in accessing the financial markets in a cost-efficient manner and structures transactions to meet investor needs	62
	Investor intermediation activities:		
	Municipal bond vehicles		62-63
	Credit-related note and asset swap vehicles		63

JPMorgan Chase Bank, N.A. also invests in and provides financing and other services to VIEs sponsored by third parties, as described on page 63 of this Note.

Significant JPMorgan Chase Bank, N.A.-sponsored variable interest entities

Mortgage and other securitization trusts

JPMorgan Chase Bank, N.A. securitizes (or has securitized) originated and purchased residential mortgages, commercial mortgages and other consumer loans (including automobile and student loans) primarily in its consumer & community banking and corporate & investment banking businesses. Depending on the particular transaction, as well as the respective business involved, JPMorgan Chase Bank, N.A. may act as the servicer of the loans and/or retain certain beneficial interest in the securitization trusts.

For a detailed discussion of JPMorgan Chase Bank, N.A.'s involvement with JPMorgan Chase Bank, N.A.-sponsored mortgage and other securitization trusts, as well as the accounting treatment relating to such trusts, see Note 17 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

The following table presents the total unpaid principal amount of assets held in JPMorgan Chase Bank, N.A.-sponsored private-label securitization entities, including those in which JPMorgan Chase Bank, N.A. has continuing involvement, and those that are consolidated by JPMorgan Chase Bank, N.A. Continuing involvement includes servicing the loans; holding senior interests or subordinated interests; recourse or guarantee arrangements; and derivative transactions. In certain instances, JPMorgan Chase Bank, N.A.'s only continuing involvement is servicing the loans. See Securitization activity on page 65 of this Note for further information regarding JPMorgan Chase Bank, N.A.'s cash flows with and interests retained in nonconsolidated VIEs, and Loans and excess mortgage servicing rights sold to the GSEs, loans in securitization transactions pursuant to Ginnie Mae guidelines, and other third-party-sponsored securitization entities on page 65 of this Note for information on JPMorgan Chase Bank, N.A.'s loan sales to U.S. government agencies.

	Principal amount outstanding			JPMorgan Chase Bank, N.A. interest in securitized assets in nonconsolidated VIEs[c][d]		
June 30, 2014[a] (in billions)	Total assets held by securitization VIEs	Assets held in consolidated securitization VIEs	Assets held in nonconsolidated securitization VIEs with continuing involvement	Trading assets	AFS securities	Total interests held by JPMorgan Chase Bank, N.A.
Securitization-related						
Residential mortgage:						
Prime/Alt-A and Option ARMs	**$ 64.2**	**$ 0.8**	**$ 61.5**	**$ 0.2**	**$ 0.3**	**$ 0.5**
Subprime	**17.2**	**—**	**16.1**	**—**	**—**	**—**
Commercial and other[b]	**94.8**	**0.2**	**73.0**	**—**	**2.8**	**2.8**
Total	**$ 176.2**	**$ 1.0**	**$ 150.6**	**$ 0.2**	**$ 3.1**	**$ 3.3**

	Principal amount outstanding			JPMorgan Chase Bank, N.A. interest in securitized assets in nonconsolidated VIEs[c][d]		
December 31, 2013[a] (in billions)	Total assets held by securitization VIEs	Assets held in consolidated securitization VIEs	Assets held in nonconsolidated securitization VIEs with continuing involvement	Trading assets	AFS securities	Total interests held by JPMorgan Chase Bank, N.A.
Securitization-related						
Residential mortgage:						
Prime/Alt-A and Option ARMs	$ 69.2	$ 0.9	$ 66.7	$ 0.2	$ 0.3	$ 0.5
Subprime	20.9	—	19.0	—	—	—
Commercial and other[b]	92.0	—	72.6	—	2.6	2.6
Total	$ 182.1	$ 0.9	$ 158.3	$ 0.2	$ 2.9	$ 3.1

(a) Excludes U.S. government agency securitizations. See Loans and excess mortgage servicing rights sold to the GSEs, loans in securitization transactions pursuant to Ginnie Mae guidelines, and other third-party-sponsored securitization entities on page 65 of this Note for information on JPMorgan Chase Bank, N.A.'s loan sales to U.S. government agencies.
(b) Consists of securities backed by commercial loans (predominantly real estate) and non-mortgage-related consumer receivables purchased from third parties. JPMorgan Chase Bank, N.A. generally does not retain a residual interest in its sponsored commercial mortgage securitization transactions.
(c) The table above excludes the following: retained servicing (see Note 17 for a discussion of MSRs); securities retained from loans sales to U.S. government agencies; interest rate and foreign exchange derivatives primarily used to manage interest rate and foreign exchange risks of securitization entities (See Note 6 for further information on derivatives). There were no senior and subordinated securities purchased in connection with the corporate & investment banking business's secondary market-making activities at June 30, 2014 and December 31, 2013, respectively.
(d) As of June 30, 2014, and December 31, 2013, 91% and 65%, respectively, of JPMorgan Chase Bank, N.A.'s retained securitization interests, which are carried at fair value, were risk-rated "A" or better, on an S&P-equivalent basis. The retained interests in prime residential mortgages consisted of $423 million and $426 million of investment-grade and $49 million and $50 million of noninvestment-grade retained interests at June 30, 2014, and December 31, 2013, respectively. The retained interests in commercial and other securitizations trusts consisted of $2.8 billion and $2.6 billion of investment-grade and $3 million and $6 million of noninvestment-grade retained interests at June 30, 2014, and December 31, 2013, respectively.

Residential mortgages
For a more detailed description of JPMorgan Chase Bank, N.A.'s involvement with residential mortgage securitizations, see Note 17 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

At June 30, 2014, and December 31, 2013, JPMorgan Chase Bank, N.A. did not consolidate the assets of certain JPMorgan Chase Bank, N.A.-sponsored residential mortgage securitization VIEs in which it had continuing involvement, primarily due to the fact that JPMorgan Chase Bank, N.A. did not hold an interest in these trusts that could potentially be significant to the trusts. See the table on page 64 of this Note for more information on the consolidated residential mortgage securitizations, and the table on the previous page of this Note for further information on interests held in nonconsolidated residential mortgage securitizations.

Commercial mortgages and other consumer securitizations
The corporate & investment banking business originates and securitizes commercial mortgage loans, and engages in underwriting and trading activities involving the securities issued by securitization trusts. For a more detailed description of JPMorgan Chase Bank, N.A.'s involvement with commercial mortgage and other consumer securitizations, see Note 17 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements. See the table on the previous page of this Note for more information on interests held in nonconsolidated securitizations.

Credit card securitizations
For a more detailed discussion of JPMorgan Chase Bank, N.A.'s involvement with credit card securitizations, see Note 17 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

JPMorgan Chase Bank, N.A. involvement with credit card affiliated securitization entities sponsored by an affiliate
On an ongoing basis, JPMorgan Chase Bank, N.A. sells credit card receivables to various credit card securitization trusts ("Trusts") sponsored by an affiliate. The consideration received for the sales is an undivided interest in the respective Trusts. These Trusts are consolidated by the affiliate as it is the primary beneficiary of the Trusts.

At June 30, 2014 and December 31, 2013, JPMorgan Chase Bank, N.A. had recorded $3.9 billion and $5.9 billion, respectively, of undivided interests in the Trusts. These undivided interests are measured at fair value and classified as other assets. JPMorgan Chase Bank, N.A. also retains senior and subordinated securities issued by the Trusts. The retained securities totaled $49 million and $231 million at June 30, 2014 and December 31, 2013, respectively, and were classified as AFS securities.

Multi-seller conduits
For a more detailed description of JPMorgan Chase Bank, N.A.'s principal involvement with JPMorgan Chase Bank, N.A.-administered multi-seller conduits, see Note 17 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

In the normal course of business, JPMorgan Chase Bank, N.A. makes markets in and invests in commercial paper, including commercial paper issued by JPMorgan Chase Bank, N.A.-administered multi-seller conduits. JPMorgan Chase Bank, N.A. held $7.4 billion and $4.1 billion of the commercial paper issued by JPMorgan Chase Bank, N.A.-administered multi-seller conduits at June 30, 2014, and December 31, 2013, which was eliminated in consolidation. JPMorgan Chase Bank, N.A.'s investments were not driven by market liquidity and JPMorgan Chase Bank, N.A. is not obligated under any agreement to purchase the commercial paper issued by JPMorgan Chase Bank, N.A.-administered multi-seller conduits.

JPMorgan Chase Bank, N.A. 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. Unfunded lending-related commitments made to clients of JPMorgan Chase Bank, N.A.-administered multi-seller conduits were $9.2 billion and $9.1 billion at June 30, 2014, and December 31, 2013, respectively, and are reported as off-balance sheet lending-related commitments. For more information on off-balance sheet lending-related commitments, see Note 22.

VIEs associated with investor intermediation activities

Municipal bond vehicles
For a more detailed description of JPMorgan Chase Bank, N.A.'s principal involvement with municipal bond vehicles, see Note 17 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

JPMorgan Chase Bank, N.A.'s exposure to nonconsolidated municipal bond VIEs at June 30, 2014, and December 31, 2013, including the ratings profile of the VIEs' assets, was as follows.

(in billions)	Fair value of assets held by VIEs	Liquidity facilities	Excess/(deficit)[(a)]	Maximum exposure
Nonconsolidated municipal bond vehicles				
June 30, 2014	**$ 11.5**	**$ 6.4**	**$ 5.1**	**$ 6.4**
December 31, 2013	11.8	6.9	4.9	6.9

	Ratings profile of VIE assets[(b)]						
	Investment-grade				Noninvestment-grade		
(in billions, except where otherwise noted)	AAA to AAA-	AA+ to AA-	A+ to A-	BBB+ to BBB-	BB+ and below	Fair value of assets held by VIEs	Wt. avg. expected life of assets (years)
June 30, 2014	**$ 2.7**	**$ 8.6**	**$ 0.2**	**$ –**	**$ –**	**$ 11.5**	**5.1**
December 31, 2013	2.7	8.9	0.2	–	–	11.8	7.2

(a) Represents the excess/(deficit) of the fair values of municipal bond assets available to repay the liquidity facilities, if drawn.
(b) The ratings scale is presented on an S&P-equivalent basis.

Credit-related note and asset swap vehicles

For a more detailed description of JPMorgan Chase Bank, N.A.'s principal involvement with credit-related note and asset swap vehicles, see Note 17 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

VIEs sponsored by third parties

JPMorgan Chase Bank, N.A. enters into transactions with VIEs structured by other parties. These include, for example, acting as a derivative counterparty, liquidity provider, investor, underwriter, placement agent, trustee or custodian. 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 JPMorgan Chase Bank, N.A. 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, JPMorgan Chase Bank, N.A. records and reports these positions on its Consolidated Balance Sheets similarly to the way it would record and report positions in respect of any other third-party transaction.

Consolidated VIE assets and liabilities

The following table presents information on assets and liabilities related to VIEs consolidated by JPMorgan Chase Bank, N.A. as of June 30, 2014, and December 31, 2013.

	Assets				Liabilities		
June 30, 2014 (in billions)[(a)]	Trading assets	Loans	Other[(d)]	Total assets[(e)]	Beneficial interests in VIE assets[(f)]	Other[(g)]	Total liabilities
VIE program type							
JPMorgan Chase Bank, N.A.-administered multi-seller conduits	**$ –**	**$ 17.0**	**$ 0.2**	**$ 17.2**	**$ 9.6**	**$ –**	**$ 9.6**
Municipal bond vehicles	**2.4**	**–**	**–**	**2.4**	**2.0**	**–**	**2.0**
Student loan securitization entities	**–**	**2.3**	**0.1**	**2.4**	**2.1**	**–**	**2.1**
Mortgage securitization entities[(b)]	**–**	**0.8**	**–**	**0.8**	**–**	**0.8**	**0.8**
JPMorgan Chase Bank, N.A.-sponsored credit card trust	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other[(c)]	**0.5**	**–**	**0.3**	**0.8**	**0.1**	**0.1**	**0.2**
Total	**$ 2.9**	**$ 20.1**	**$ 0.6**	**$ 23.6**	**$ 13.8**	**$ 0.9**	**$ 14.7**

	Assets				Liabilities		
December 31, 2013 (in billions)[(a)]	Trading assets	Loans	Other[(d)]	Total assets[(e)]	Beneficial interests in VIE assets[(f)]	Other[(g)]	Total liabilities
VIE program type							
JPMorgan Chase Bank, N.A.-administered multi-seller conduits	$ –	$ 19.0	$ 0.1	$ 19.1	$ 14.9	$ –	$ 14.9
Municipal bond vehicles	2.7	–	–	2.7	2.2	–	2.2
Student loan securitization entities	–	2.4	0.1	2.5	2.3	–	2.3
Mortgage securitization entities[(b)]	–	0.9	–	0.9	–	0.9	0.9
JPMorgan Chase Bank, N.A.-sponsored credit card trust	–	–	0.4	0.4	0.4	–	0.4
Other[(c)]	0.4	–	0.1	0.5	–	–	–
Total	$ 3.1	$ 22.3	$ 0.7	$ 26.1	$ 19.8	$ 0.9	$ 20.7

(a) Excludes intercompany transactions which were eliminated in consolidation.
(b) Includes residential and commercial mortgage securitizations.
(c) Primarily includes credit-related notes and collateralized debt obligations.
(d) Includes assets classified as cash, AFS securities, and other assets within the Consolidated Balance Sheets.
(e) The assets of the consolidated VIEs included in the program types above are used to settle the liabilities of those entities. The difference between total assets and total liabilities recognized for consolidated VIEs represents JPMorgan Chase Bank, N.A.'s interest in the consolidated VIEs for each program type.
(f) 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 do not have recourse to the general credit of JPMorgan Chase Bank, N.A. Included in beneficial interests in VIE assets are long-term beneficial interests of $2.2 billion and $2.7 billion at June 30, 2014, and December 31, 2013, respectively. The maturities of the long-term beneficial interests as of June 30, 2014, were as follows: zero under one year, $44 million between one and five years, and $2.1 billion over five years, respectively.
(g) Includes liabilities classified as accounts payable and other liabilities in the Consolidated Balance Sheets.

Loan securitizations

JPMorgan Chase Bank, N.A. securitizes a variety of loans, including residential mortgage, credit card, automobile, student and commercial (primarily related to real estate) loans.

For a further description of JPMorgan Chase Bank, N.A.'s accounting policies regarding securitizations, see Note 17 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

Cash flows from securitizations

The following table provides information related to JPMorgan Chase Bank, N.A.'s securitization activities for the six months ended June 30, 2014 and 2013, related to assets held in JPMorgan Chase-sponsored securitization entities that were not consolidated by JPMorgan Chase Bank, N.A., and where sale accounting was achieved based on the accounting rules in effect at the time of the securitization.

(in millions, except rates)	2014 Credit card[c]	2014 Residential mortgage[d]	2014 Commercial and other[f]	2013 Credit card[c]	2013 Residential mortgage[d]	2013 Commercial and other[f]
	Six months ended June 30,					
Principal securitized	$ 2,220	$ 660	$ 4,639	$ 1,953	$ 1,059	$ 5,284
Pretax gains	2	– [e]	– [e]	3	– [e]	– [e]
All cash flows during the period:						
Proceeds from new securitizations[a]	$ 2,220	$ 663	$ 4,708	$ 1,953	$ 1,080	$ 5,426
Servicing fees collected	–	276	2	–	285	3
Proceeds from collections reinvested in revolving securitizations	20,963	–	–	18,572	–	–
Purchases of previously transferred financial assets (or the underlying collateral)[b]	–	60	–	–	229	–
Cash flows received on interests	6,635	42	99	9,410	14	41

(a) For the six months ended June 30, 2014, all proceeds from credit card and residential mortgage securitizations were received as cash; and for commercial mortgage securitizations, $4.5 billion was received as cash, and $159 million was received as securities classified in level 2 of the fair value hierarchy. For the six months ended June 30, 2013, all proceeds from securitizations were received as cash.
(b) Includes cash paid by JPMorgan Chase Bank, N.A. to reacquire assets from off–balance sheet, nonconsolidated entities – for example, loan repurchases due to representations and warranties and servicer clean-up calls.
(c) Includes securitization activity related to JPMorgan Chase Bank, N.A.'s undivided interest in credit card securitization trusts.
(d) Includes prime, Alt-A, subprime, and option ARMs. Excludes certain loan securitization transactions entered into with Ginnie Mae, Fannie Mae and Freddie Mac.
(e) JPMorgan Chase Bank, N.A. elected the fair value option for loans pending securitization. The carrying value of these loans accounted for at fair value approximated the proceeds received from securitization.
(f) Includes commercial and student loan securitizations.

Loans and excess mortgage servicing rights sold to the GSEs, loans in securitization transactions pursuant to Ginnie Mae guidelines, and other third-party-sponsored securitization entities

In addition to the amounts reported in the securitization activity tables above, JPMorgan Chase Bank, N.A., in the normal course of business, sells originated and purchased mortgage loans and certain originated excess mortgage servicing rights on a nonrecourse basis, predominantly to Fannie Mae and Freddie Mac (the "GSEs"). These loans and excess mortgage servicing rights are sold primarily for the purpose of securitization by the GSEs, who provide certain guarantee provisions (e.g., credit enhancement of the loans). JPMorgan Chase Bank, N.A. also sells loans into securitization transactions pursuant to Ginnie Mae guidelines; these loans are typically insured or guaranteed by another U.S. government agency. JPMorgan Chase Bank, N.A. does not consolidate the securitization vehicles underlying any of the transactions described above as it is not the primary beneficiary. For a limited number of loan sales, JPMorgan Chase Bank, N.A. is obligated to share a portion of the credit risk associated with the sold loans with the purchaser. See Note 27 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements for additional information about JPMorgan Chase Bank, N.A.'s loan sales- and securitization-related indemnifications. See Note 17 for additional information about the impact of JPMorgan Chase Bank, N.A.'s sale of certain excess mortgage servicing rights.

The following table summarizes the activities related to loans sold to the GSEs, loans in securitization transactions pursuant to Ginnie Mae guidelines, and other third-party-sponsored securitization entities.

(in millions)	Six months ended June 30, 2014	2013
Carrying value of loans sold[a]	$ 26,523	$ 102,925
Proceeds received from loan sales as cash	89	461
Proceeds from loans sales as securities[b]	26,196	101,392
Total proceeds received from loan sales[c]	$ 26,285	$ 101,853
Gains on loan sales[d]	$ 119	$ 250

(a) Predominantly to the GSEs and in securitization transactions pursuant to Ginnie Mae guidelines.
(b) Predominantly includes securities from the GSEs and Ginnie Mae that are generally sold shortly after receipt.
(c) Excludes the value of MSRs retained upon the sale of loans. Gains on loans sales include the value of MSRs.
(d) The carrying value of the loans accounted for at fair value approximated the proceeds received upon loan sale.

Options to repurchase delinquent loans

In addition to JPMorgan Chase Bank, N.A.'s obligation to repurchase certain loans due to material breaches of representations and warranties as discussed in Note 21, JPMorgan Chase Bank, N.A. 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. JPMorgan Chase Bank, N.A. may elect 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 JPMorgan Chase Bank, N.A.'s repurchase option becomes exercisable, such loans must be reported on the Consolidated Balance Sheets as a loan with a corresponding liability. As of June 30, 2014, and December 31, 2013, JPMorgan Chase Bank, N.A. had recorded on its Consolidated Balance Sheets $14.3 billion, respectively, of loans that either had been repurchased or for which JPMorgan Chase Bank, N.A. had an option to repurchase. Predominantly all of these amounts relate to loans that have been repurchased from Ginnie Mae loan pools. Additionally, real estate owned resulting from voluntary repurchases of loans was $2.1 billion and $2.0 billion as of June 30, 2014, and December 31, 2013, respectively. Substantially all of these loans and real estate owned are insured or guaranteed by U.S. government agencies. For additional information, refer to Note 14 of these Consolidated Financial Statements and Note 15 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

JPMorgan Chase Bank, N.A.'s interest in securitized assets held at fair value

The following table outlines the key economic assumptions used to determine the fair value, as of June 30, 2014 and December 31, 2013, of certain of JPMorgan Chase Bank, N.A.'s retained interests in nonconsolidated VIEs (other than MSRs), that are valued using modeling techniques. The table also outlines the sensitivities of those fair values to immediate 10% and 20% adverse changes in assumptions used to determine fair value. For a discussion of MSRs, see Note 17.

	Credit card[c]	
(in millions, except rates and where otherwise noted)[a]	**Jun 30, 2014**	Dec 31, 2013
JPMorgan Chase Bank, N.A. interests in securitized assets	**$ 3,859**	$ 5,914
Weighted-average life (in years)	**0.3**	0.3
Weighted-average constant prepayment rate[b]	**27.0%**	26.3%
	PPR	PPR
Impact of 10% adverse change	**$ (20)**	$ (20)
Impact of 20% adverse change	**(40)**	(40)
Weighted-average loss assumption	**2.3%**	2.7%
Impact of 10% adverse change	**$ (12)**	$ (15)
Impact of 20% adverse change	**(24)**	(31)
Weighted-average discount rate[b]	**12.0%**	12.0%
Impact of 10% adverse change	**$ (1)**	$ (1)
Impact of 20% adverse change	**(1)**	(1)

(a) JPMorgan Chase Bank, N.A.'s interests in prime mortgage securitizations were $202 million and $217 million, as of June 30, 2014, and December 31, 2013, respectively. These include retained interests in Alt-A loans. JPMorgan Chase Bank, N.A. had no interests in subprime mortgage securitizations as of June 30, 2014, and December 31, 2013.

(b) PPR: principal payment rate.

(c) Includes securitization activity related to JPMorgan Chase Bank, N.A.'s undivided interests in credit card securitization trusts.

The sensitivity analysis in the preceding table is hypothetical. Changes in fair value based on a 10% or 20% variation in assumptions generally cannot be extrapolated easily, because the relationship of the change in the assumptions to the change in fair value may not be linear. Also, in the 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 might counteract or magnify the sensitivities. The above sensitivities also do not reflect risk management practices JPMorgan Chase Bank, N.A. may undertake to mitigate such risks.

Loan delinquencies and liquidation losses

The table below includes information about components of nonconsolidated securitized financial assets, in which JPMorgan Chase Bank, N.A. has continuing involvement, and delinquencies as of June 30, 2014, and December 31, 2013, respectively; and liquidation losses for the six months ended June 30, 2014 and 2013, respectively.

	Securitized assets		90 days past due		Liquidation losses Six months ended June 30,	
(in millions)	**Jun 30, 2014**	Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013	**2014**	2013
Securitized loans[(a)]						
Residential mortgage:						
Prime / Alt-A & Option ARMs	**$ 61,458**	$ 66,723	**$ 8,028**	$ 9,294	**$ 723**	$ 1,491
Subprime	**16,073**	18,964	**4,186**	5,075	**599**	949
Commercial and other	**73,036**	72,599	**1,158**	2,066	**456**	198
Total loans securitized[(b)]	**$ 150,567**	$ 158,286	**$ 13,372**	$ 16,435	**$ 1,778**	$ 2,638

(a) Total assets held in securitization-related SPEs were $176.2 billion and $182.1 billion, respectively, at June 30, 2014, and December 31, 2013. The $150.6 billion and $158.3 billion, respectively, of loans securitized at June 30, 2014, and December 31, 2013, excluded: $24.6 billion and $22.9 billion, respectively, of securitized loans in which JPMorgan Chase Bank, N.A. has no continuing involvement, and $1.0 billion and $856 million, respectively, of loan securitizations consolidated on JPMorgan Chase Bank, N.A.'s Consolidated Balance Sheets at June 30, 2014, and December 31, 2013.

(b) Includes securitized loans that were previously recorded at fair value and classified as trading assets.

Note 17 – Goodwill and other intangible assets

For a discussion of the accounting policies related to goodwill and other intangible assets, see Note 18 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

Goodwill and other intangible assets consist of the following.

(in millions)	June 30, 2014	December 31, 2013
Goodwill	**$ 27,370**	$ 27,344
Mortgage servicing rights	**8,347**	9,614
Other intangible assets:		
Other credit card-related intangibles	**$ 144**	$ 169
Core deposit intangibles	**74**	159
Other intangibles	**189**	215
Total other intangible assets	**$ 407**	$ 543

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

	Six months ended June 30,	
(in millions)	**2014**	2013
Balance at beginning of period[(a)]	**$ 27,344**	$ 27,431
Changes during the period from:		
Business combinations	**19**	20
Dispositions	**—**	—
Other[(b)]	**7**	(135)
Balance at June 30,[(a)]	**$ 27,370**	$ 27,316

(a) Reflects gross goodwill balances as JPMorgan Chase Bank, N.A. has not recognized any impairment losses to date.

(b) Includes foreign currency translation adjustments and other tax-related adjustments.

Goodwill was not impaired at June 30, 2014, or December 31, 2013, nor was any goodwill written off due to impairment during the six months ended June 30, 2014 and 2013.

Mortgage servicing rights

Mortgage servicing rights 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. For a further description of the MSR asset, interest rate risk management, and the valuation of MSRs, see Note 18 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements and Note 4 of these Consolidated Financial Statements.

The following table summarizes MSR activity for the six months ended June 30, 2014 and 2013.

(in millions, except where otherwise noted)	As of or for the six months ended June 30, 2014	2013
Fair value at beginning of period	$ 9,614	$ 7,614
MSR activity:		
Originations of MSRs	370	1,342
Purchase of MSRs	6	(3)
Disposition of MSRs	(186) (f)	(418) (f)
Net additions	190	921
Changes due to collection/realization of expected cash flows(a)	(486)	(547)
Changes in valuation due to inputs and assumptions:		
Changes due to market interest rates and other(b)	(731)	1,620
Changes in valuation due to other inputs and assumptions:		
Projected cash flows (e.g., cost to service)	(11)	290 (h)
Discount rates	(459) (g)	(78)
Prepayment model changes and other(c)	230	(485) (i)
Total changes in valuation due to other inputs and assumptions	(240)	(273)
Total changes in valuation due to inputs and assumptions(a)	(971)	1,347
Fair value at June 30,(d)	$ 8,347	$ 9,335
Change in unrealized gains/(losses) included in income related to MSRs held at June 30,	$ (971)	$ 1,347
Contractual service fees, late fees and other ancillary fees included in income	$ 1,488	$ 1,704
Third-party mortgage loans serviced at June 30, (in billions)	$ 791	$ 839
Net servicer advances at June 30, (in billions)(e)	$ 8.8	$ 10.1

(a) Included changes related to commercial real estate of $(4) million and $(2) million for the six months ended June 30, 2014 and 2013, respectively.
(b) 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.
(c) Represents changes in prepayments other than those attributable to changes in market interest rates.
(d) Included $14 million and $21 million related to commercial real estate at June 30, 2014 and 2013, respectively.
(e) Represents amounts JPMorgan Chase Bank, N.A. pays as the servicer (e.g., scheduled principal and interest to a trust, 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. JPMorgan Chase Bank, N.A.'s credit risk associated with recoverable servicer advances is minimal because reimbursement of the advances is typically senior to all cash payments to investors. In addition, JPMorgan Chase Bank, N.A. 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. Servicer advances are recognized net of an allowance for unrecoverable advances.
(f) Predominantly represents excess mortgage servicing rights 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; JPMorgan Chase Bank, N.A. acquired and has retained the remaining balance of those SMBS as trading securities. Also includes sales of MSRs for the six months ended June 30, 2014 and 2013.
(g) For the six months ended June 30, 2014, the decrease was primarily related to higher capital allocated to the Mortgage Servicing business, which, in turn, resulted in an increase in the option adjusted spread ("OAS"). The resulting OAS assumption continues to be consistent with capital and return requirements that JPMorgan Chase Bank, N.A. believes a market participant would consider, taking into account factors such as the current operating risk environment and regulatory and economic capital requirements.
(h) For the six months ended June 30, 2013, the increase was driven by the inclusion in the MSR valuation model of servicing fees receivable on certain delinquent loans.
(i) For the six months ended June 30, 2013, the decrease was driven by changes in the inputs and assumptions used to derive prepayment speeds, primarily increases in home prices.

The table below outlines the key economic assumptions used to determine the fair value of JPMorgan Chase Bank, N.A.'s MSRs at June 30, 2014, and December 31, 2013, and outlines the sensitivities of those fair values to immediate adverse changes in those assumptions, as defined.

(in millions, except rates)		Jun 30, 2014		Dec 31, 2013
Weighted-average prepayment speed assumption ("CPR")		**8.56%**		8.07%
Impact on fair value of 10% adverse change	**$**	**(363)**	$	(362)
Impact on fair value of 20% adverse change		**(704)**		(705)
Weighted-average option adjusted spread		**9.14%**		7.77%
Impact on fair value of 100 basis points adverse change	**$**	**(343)**	$	(389)
Impact on fair value of 200 basis points adverse change		**(660)**		(750)

CPR: Constant prepayment rate.

The sensitivity analysis in the preceding table is hypothetical and should be used with caution. Changes in fair value based on variation 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 this 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.

Other intangible assets

The $136 million decrease in other intangible assets during the six months ended June 30, 2014, was due to amortization.

The components of credit card relationships, core deposits and other intangible assets were as follows.

	June 30, 2014			December 31, 2013		
(in millions)	Gross amount[(a)]	Accumulated amortization[(a)]	Net carrying value	Gross amount	Accumulated amortization	Net carrying value
Other credit card-related intangibles	**$ 496**	**$ 352**	**$ 144**	$ 496	$ 327	$ 169
Core deposit intangibles	**4,131**	**4,057**	**74**	4,133	3,974	159
Other intangibles	**834**	**645**	**189**	832	617	215

(a) The decrease in the gross amount and accumulated amortization from December 31, 2013, was due to the removal of fully amortized assets.

Amortization expense

The following table presents amortization expense related to credit card relationships, core deposits and other intangible assets.

	Six months ended June 30,	
(in millions)	**2014**	2013
Other credit card-related intangibles	**$ 25**	$ 28
Core deposit intangibles	**85**	100
Other intangibles	**28**	29
Total amortization expense	**$ 138**	$ 157

Future amortization expense

The following table presents estimated future amortization expense related to credit card relationships, core deposits and other intangible assets at June 30, 2014.

For the year (in millions)	Other credit card-related intangibles	Core deposit intangibles	Other intangibles	**Total**
2014[(a)]	$ 49	$ 102	$ 44	$ 195
2015	38	26	27	91
2016	33	14	21	68
2017	29	7	20	56
2018	20	5	14	39

(a) Includes $25 million, $85 million and $28 million of amortization expense related to other credit card-related intangibles, core deposit intangibles and other intangibles, respectively, recognized during the six months ended June 30, 2014.

Note 18 – Deposits

For further discussion on deposits, see Note 20 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

At June 30, 2014, and December 31, 2013, noninterest-bearing and interest-bearing deposits were as follows.

(in millions)	June 30, 2014	December 31, 2013
U.S. offices		
Noninterest-bearing	**$ 423,657**	$ 395,461
Interest-bearing:		
Demand[(a)]	**96,024**	96,922
Savings[(b)]	**457,089**	450,387
Time (included **$6,856** and $5,995 at fair value)[(c)]	**55,779**	61,331
Total interest-bearing deposits	**608,892**	608,640
Total deposits in U.S. offices	**1,032,549**	1,004,101
Non-U.S. offices		
Noninterest-bearing	**17,879**	17,698
Interest-bearing:		
Demand	**249,903**	239,529
Savings	**1,687**	1,083
Time (included **$1,066** and $629 at fair value)[(c)]	**66,254**	63,625
Total interest-bearing deposits	**317,844**	304,237
Total deposits in non-U.S. offices	**335,723**	321,935
Total deposits	**$ 1,368,272**	$ 1,326,036

(a) Includes Negotiable Order of Withdrawal ("NOW") accounts, and certain trust accounts.
(b) Includes Money Market Deposit Accounts ("MMDAs").
(c) Includes structured notes classified as deposits for which the fair value option has been elected. For further discussion, see Note 5 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

Note 19 – Related party transactions

JPMorgan Chase Bank, N.A. regularly enters into transactions with JPMorgan Chase and its various subsidiaries.

Significant revenue and expense transactions with related parties are listed below.

(in millions)	Six months ended June 30, 2014	2013
Interest income from affiliates		
Federal funds sold and securities purchased under resale agreements, and securities borrowed with affiliates	**$ (3)**	$ 17
Available-for-sale securities with affiliates	**5**	9
Loans to affiliates	**25**	32
Interest expense to affiliates		
Interest-bearing deposits of affiliates	**$ 100**	$ 126
Federal funds purchased and securities loaned or sold under repurchase agreements, and other borrowed funds due to affiliates	**(16)**	2
Long-term debt payable to JPMorgan Chase & Co. and affiliates	**27**	219
Guaranteed capital debt securities issued to nonbank affiliates	**23**	23
Servicing agreements and fee arrangements with affiliates		
Noninterest revenue	**3,669**	3,174
Noninterest expense	**1,790**	1,660

Significant balances with related parties are listed below.

(in millions)	June 30, 2014	December 31, 2013
Assets		
Deposits with affiliated banks	**$ 661**	$ 661
Federal funds sold and securities purchased under resale agreements, and securities borrowed with affiliates	**40,757**	54,821
Available-for-sale securities issued by affiliates	**49**	230
Loans to affiliates	**3,234**	3,506
Accrued interest and accounts receivable, and other assets due from affiliates	**21,425**	24,953
Liabilities		
Noninterest-bearing deposits of affiliates	**6,387**	5,874
Interest-bearing deposits of affiliates	**83,647**	75,231
Federal funds purchased and securities loaned or sold with affiliates under repurchase agreements, and other borrowed funds due to affiliates	**35,191**	35,984
Accounts payable and other liabilities payable to affiliates	**6,116**	5,151
Long-term debt payable to JPMorgan Chase & Co. and affiliates	**15,446**	20,359
Junior subordinated deferrable interest debentures held by trusts that issued guaranteed capital debt securities to nonbank affiliates	**600**	600

At June 30, 2014 net derivative payables due to affiliates were $2.0 billion, and at December 31, 2013 net derivative receivables due from affiliates were $1.4 billion.

Note 20 – Accumulated other comprehensive income/(loss)

AOCI includes the after-tax change in unrealized gains and losses on investment securities, foreign currency translation adjustments (including the impact of related derivatives), cash flow hedging activities, and net loss and prior service costs/(credit) related to JPMorgan Chase Bank, N.A.'s defined benefit pension and OPEB plans.

As of or for the six months ended June 30, 2014 (in millions)	Unrealized gains/(losses) on investment securities[a]	Translation adjustments, net of hedges	Cash flow hedges	Defined benefit pension and OPEB plans	Accumulated other comprehensive income/(loss)
Balance at January 1, 2014	**$ 2,675**	**$ 12**	**$ (75)**	**$ (433)**	**$ 2,179**
Net change	**1,966** [b]	**7**	**94**	**2**	**2,069**
Balance at June 30, 2014	**$ 4,641**	**$ 19**	**$ 19**	**$ (431)**	**$ 4,248**

As of or for the six months ended June 30, 2013 (in millions)	Unrealized gains/(losses) on investment securities[a]	Translation adjustments, net of hedges	Cash flow hedges	Defined benefit pension and OPEB plans	Accumulated other comprehensive income/(loss)
Balance at January 1, 2013	$ 6,591	$ 63	$ 329	$ (472)	$ 6,511
Net change	(3,591) [c]	(51)	(428)	44	(4,026)
Balance at June 30, 2013	$ 3,000	$ 12	$ (99)	$ (428)	$ 2,485

(a) Represents the after-tax difference between the fair value and amortized cost of securities accounted for as AFS; including, as of the date of transfer during the six month period ended June 30, 2014, $9 million of net unrealized losses related to AFS securities that were transferred to HTM. Subsequent to the transfer, includes any net unamortized unrealized gains and losses related to the transferred securities.
(b) The net change for the six months ended June 30, 2014, was primarily due to higher market valuations of obligations of U.S. states and municipalities and U.S. mortgage-backed securities in JPMorgan Chase Bank, N.A.'s AFS investment securities portfolio.
(c) The net change for the six months ended June 30, 2013, was primarily related to the decline in fair value of U.S. government agency issued MBS and obligations of U.S. states and municipalities due to market changes, as well as net realized gains.

The following table presents the pretax and after-tax changes in the components of other comprehensive income/(loss).

	2014			2013		
Six months ended June 30, (in millions)	Pretax	Tax effect	After-tax	Pretax	Tax effect	After-tax
Unrealized gains/(losses) on investment securities:						
Net unrealized gains/(losses) arising during the period	**$ 3,233**	**$ (1,243)**	**$ 1,990**	$ (5,231)	$ 2,024	$ (3,207)
Reclassification adjustment for realized (gains)/losses included in net income[a]	**(40)**	**16**	**(24)**	(631)	247	(384)
Net change	**3,193**	**(1,227)**	**1,966**	(5,862)	2,271	(3,591)
Translation adjustments:						
Translation[b]	**285**	**(107)**	**178**	(871)	317	(554)
Hedges[b]	**(282)**	**111**	**(171)**	828	(325)	503
Net change	**3**	**4**	**7**	(43)	(8)	(51)
Cash flow hedges:						
Net unrealized gains/(losses) arising during the period	**218**	**(86)**	**132**	(633)	248	(385)
Reclassification adjustment for realized (gains)/losses included in net income[c]	**(61)**	**23**	**(38)**	(71)	28	(43)
Net change	**157**	**(63)**	**94**	(704)	276	(428)
Defined benefit pension and OPEB plans:						
Net gains/(losses) arising during the period	**5**	**(1)**	**4**	5	(1)	4
Reclassification adjustments included in net income:[d]						
Amortization of net loss	**27**	**(11)**	**16**	29	(11)	18
Prior service costs/(credits)	**—**	**—**	**—**	(1)	—	(1)
Foreign exchange and other	**(19)**	**1**	**(18)**	37	(14)	23
Net change	**13**	**(11)**	**2**	70	(26)	44
Total other comprehensive income/(loss)	**$ 3,366**	**$ (1,297)**	**$ 2,069**	$ (6,539)	$ 2,513	$ (4,026)

(a) The pretax amount is reported in securities gains in the Consolidated Statements of Income.
(b) Reclassifications of pretax realized gains/(losses) on translation adjustments and related hedges are reported in other income in the Consolidated Statements of Income. The amounts were not material for the six months ended June 30, 2014, and 2013.
(c) The pretax amount is reported in the same line as the hedged items. For additional information, see Note 6.
(d) The pretax amount is reported in compensation expense in the Consolidated Statements of Income.

Note 21 – Regulatory capital

Basel III overview

Basel III rules became effective for JPMorgan Chase Bank, N.A. on January 1, 2014; all prior period data is based on Basel I rules. Basel III, for U.S. banks, revises, among other things, the definition of capital and introduces a new common equity Tier 1 capital ("CET1 capital") requirement; presents two comprehensive methodologies for calculating risk-weighted assets ("RWA"), a general (Standardized) approach, which replaces Basel I RWA ("Basel III Standardized") and an advanced approach, which replaces Basel II RWA("Basel III Advanced"); and sets out minimum capital ratios and overall capital adequacy standards. Certain of the requirements of Basel III are subject to phase-in periods commencing January 1, 2014 through the end of 2018 ("Transitional period"). For large and internationally active banks, inclusive of JPMorgan Chase & Co. and its banking subsidiaries, including JPMorgan Chase Bank, N.A., both Basel III Standardized and Basel III Advanced became effective commencing January 1, 2014.

For 2014, Basel III Standardized Transitional requires JPMorgan Chase Bank, N.A. to calculate its capital ratios using the Basel III definition of capital divided by the Basel I definition of RWA, inclusive of Basel 2.5 for market risk. Prior to the implementation of Basel III Advanced, JPMorgan Chase Bank, N.A. was required to complete a qualification period ("parallel run") during which it needed to demonstrate that it met the requirements of the rule to the satisfaction of the OCC. On February 21, 2014, the OCC informed JPMorgan Chase Bank, N.A. that it had satisfactorily completed the parallel run requirements and was approved to calculate capital under Basel III Advanced, in addition to Basel III Standardized, as of April 1, 2014. In conjunction with its exit from the parallel run, the capital adequacy of JPMorgan Chase Bank, N.A. is evaluated against the Basel III approach (Standardized or Advanced) which results, for each reporting period beginning with the second quarter of 2014, in the lower ratio (the "Collins Floor"), as required by the Collins Amendment of the Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act").

Definition of capital

Basel III revises Basel I and II by narrowing the definition of capital and increasing the capital requirements for specific exposures. Under Basel III, CET1 capital predominantly includes common stockholder's equity (including capital for AOCI related to debt and equity securities classified as AFS as well as for defined benefit pension and other postretirement employee benefit ("OPEB") plans), less certain deductions for goodwill, MSRs and deferred tax assets that arise from net operating loss and tax credit carryforwards. Tier 1 capital is predominantly comprised of CET1 capital as well as perpetual preferred stock. Tier 2 capital includes long-term debt qualifying as Tier 2 and qualifying allowance for credit losses. The revisions to CET1 capital, Tier 1 capital and Tier 2 capital are subject to the above-mentioned phase-in periods during which CET1 capital, Tier 1 capital and Tier 2 capital represent Basel III Transitional capital.

Risk-weighted assets

Basel III establishes two comprehensive methodologies for calculating RWA, a Standardized approach and an Advanced approach. Key differences in the calculation of RWA between the Standardized and Advanced approaches include: (1) 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, RWA is generally based on supervisory risk-weightings which vary only by counterparty type and asset class; and (2) Basel III Advanced includes RWA for operational risk, whereas Basel III Standardized does not. In addition to the RWA calculated under these methodologies, the Firm may supplement such amounts to incorporate management judgment and feedback from its bank regulators.

Risk-based capital regulatory minimums

The Basel III rules include minimum capital ratio requirements that are also subject to phase-in periods and will become fully phased-in on January 1, 2019. Basel III also establishes a minimum 6.5% CET1 standard for the definition of "well-capitalized" under the Prompt Corrective Action ("PCA") requirements of the FDIC Improvement Act ("FDICIA"). The CET1 standard is effective beginning with the first reporting period of 2015.

Under the risk-based capital guidelines of the OCC, JPMorgan Chase Bank, N.A. is required to maintain minimum ratios of Tier 1 and Total capital to risk-weighted assets, as well as minimum leverage ratios (which are defined as Tier 1 capital divided by adjusted quarterly average assets). Failure to meet these minimum requirements could cause the OCC to take action. The following table presents the minimum ratios to which JPMorgan Chase Bank, N.A. is subject as of June 30, 2014.

	Well-capitalized ratios[a]	Minimum capital ratios[a]
Capital ratios		
CET1	NA	4.0%
Tier 1	6.0%	5.5
Total	10.0	8.0
Tier 1 leverage	5.0 [b]	4.0

(a) As defined by the regulations issued by the OCC, Federal Reserve, and FDIC. In addition to the 2014 well-capitalized standards, beginning January 1, 2015, Basel III Transitional CET1 capital and the Basel III Standardized Transitional and the Basel III Advanced Transitional CET1 capital ratios become relevant capital measures under the prompt corrective action requirements defined by the regulations.

(b) Represents requirements for bank subsidiaries pursuant to regulations issued under the FDIC Improvement Act.

The following table presents the regulatory capital, assets and risk-based capital ratios for JPMorgan Chase Bank, N.A. under both Basel III Standardized Transitional and Basel III Advanced Transitional at June 30, 2014, and under Basel I at December 31, 2013.

	JPMorgan Chase Bank, N.A.		
	Basel III Standardized Transitional	**Basel III Advanced Transitional**	**Basel I**
(in millions, except ratios)	**Jun 30, 2014**	**Jun 30, 2014**	**Dec 31, 2013**
Regulatory capital			
CET1 capital	$ 149,961	$ 149,961	NA
Tier 1 capital[(a)]	149,961	149,961	139,727
Total capital	168,636	160,749	165,496
Assets			
Risk-weighted	$ 1,241,565	$ 1,349,140	$ 1,171,574
Adjusted average[(b)]	1,895,540	1,895,540	1,900,770
Capital ratios[(c)]			
CET1	12.1%	11.1%	NA
Tier 1[(a)]	12.1	11.1	11.9
Total	13.6	11.9	14.1
Tier 1 leverage	7.9	7.9	7.4

(a) At June 30, 2014, trust preferred securities included in Basel III Tier 1 capital was $300 million.
(b) Adjusted average assets, for purposes of calculating the leverage ratio, include total quarterly average assets adjusted for unrealized gains/(losses) on securities, less deductions for disallowed goodwill and other intangible assets, investments in certain subsidiaries, and the total adjusted carrying value of nonfinancial equity investments that are subject to deductions from Tier 1 capital.
(c) Beginning April 1, 2014, the lower ratio represents the Collins Floor.

Note: Rating agencies allow measures of capital to be adjusted upward for deferred tax liabilities, which have resulted from both non-taxable business combinations and from tax-deductible goodwill. JPMorgan Chase Bank, N.A. had deferred tax liabilities resulting from non-taxable business combinations totaling $74 million and $115 million at June 30, 2014, and December 31, 2013, respectively; and deferred tax liabilities resulting from tax-deductible goodwill of $1.4 billion at both June 30, 2014, and December 31, 2013.

As of June 30, 2014, and December 31, 2013, JPMorgan Chase Bank, N.A. was well-capitalized and met all capital requirements to which it was subject.

Repayment of subordinated debt payable to JPMorgan Chase and JPMorgan Chase's capital contribution

During the six months ended, June 30, 2014, JPMorgan Chase Bank, N.A. prepaid to JPMorgan Chase $5.9 billion (carrying value) of subordinated debt for cash of $5.4 billion (fair value). The difference between the fair and carrying values of the subordinated debt was accounted for in accordance with U.S. GAAP for transactions between related parties as an equity transaction, which is reported as a contribution of capital from JPMorgan Chase to JPMorgan Chase Bank, N.A. in the Consolidated Statements of Changes in Stockholder's Equity. The capital contribution increased the CET 1 capital and Tier 1 capital of JPMorgan Chase Bank, N.A. and is being used for general banking purposes.

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

JPMorgan Chase Bank, N.A. provides lending-related financial instruments (e.g., commitments and guarantees) to meet the financing needs of its customers. The contractual amount of these financial instruments represents the maximum possible credit risk to JPMorgan Chase Bank, N.A. should the counterparty draw upon the commitment or JPMorgan Chase Bank, N.A. be required to fulfill its obligation under the guarantee, and should the counterparty subsequently fail to perform according to the terms of the contract. Most of these commitments and guarantees expire without being drawn or a default occurring. As a result, the total contractual amount of these instruments is not, in JPMorgan Chase Bank, N.A.'s view, representative of its actual future credit exposure or funding requirements. For further discussion of lending-related commitments and guarantees, and JPMorgan Chase Bank, N.A.'s related accounting policies, see Note 27 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

To provide for probable credit losses inherent in consumer (excluding credit card) and wholesale lending commitments, an allowance for credit losses on lending-related commitments is maintained. See Note 15 for further discussion 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, 2014, and December 31, 2013. The amounts in the table below for credit card and home equity lending-related commitments represent the total available credit for these products. JPMorgan Chase Bank, N.A. has not experienced, and does not anticipate, that all available lines of credit for these products will be utilized at the same time. JPMorgan Chase Bank, N.A. can reduce or cancel credit card lines of credit by providing the borrower notice or, in some cases as permitted by law, without notice. JPMorgan Chase Bank, N.A. may reduce or close home equity lines of credit 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. Also, JPMorgan Chase Bank, N.A. typically closes credit card lines when the borrower is 60 days or more past due.

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

	Contractual amount						Carrying value[h]	
	Jun 30, 2014					Dec 31, 2013	**Jun 30, 2014**	Dec 31, 2013
By remaining maturity (in millions)	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		
Lending-related								
Consumer, excluding credit card:								
Home equity – senior lien	**$ 2,331**	**$ 4,291**	**$ 3,040**	**$ 2,268**	**$ 11,930**	$ 13,136	**$ –**	$ –
Home equity – junior lien	**3,701**	**6,297**	**3,429**	**2,261**	**15,688**	17,763	**–**	–
Prime mortgage	**6,679**	**–**	**–**	**–**	**6,679**	4,817	**–**	–
Subprime mortgage	**–**	**–**	**–**	**–**	**–**	–	**–**	–
Auto	**9,006**	**371**	**122**	**22**	**9,521**	8,309	**1**	1
Business banking	**10,675**	**886**	**117**	**377**	**12,055**	11,408	**8**	7
Student and other	**74**	**29**	**1**	**457**	**561**	636	**–**	–
Total consumer, excluding credit card	**32,466**	**11,874**	**6,709**	**5,385**	**56,434**	56,069	**9**	8
Credit card	**33,896**	**–**	**–**	**–**	**33,896**	33,844	**–**	–
Total consumer	**66,362**	**11,874**	**6,709**	**5,385**	**90,330**	89,913	**9**	8
Wholesale:								
Other unfunded commitments to extend credit[a][b][c]	**53,140**	**75,575**	**108,264**	**8,381**	**245,360**	240,752	**410**	429
Standby letters of credit and other financial guarantees[a][c][d]	**24,115**	**32,691**	**32,977**	**2,126**	**91,909**	92,855	**849**	942
Unused advised lines of credit	**88,486**	**11,616**	**552**	**473**	**101,127**	101,201	**–**	–
Other letters of credit[a]	**3,402**	**994**	**122**	**–**	**4,518**	5,020	**1**	2
Total wholesale	**169,143**	**120,876**	**141,915**	**10,980**	**442,914**	439,828	**1,260**	1,373
Total lending-related	**$ 235,505**	**$ 132,750**	**$ 148,624**	**$ 16,365**	**$ 533,244**	$ 529,741	**$ 1,269**	$ 1,381
Other guarantees and commitments								
Securities lending indemnification agreements and guarantees[e]	**$ 216,665**	**$ –**	**$ –**	**$ –**	**$ 216,665**	$ 175,793	**$ –**	–
Derivatives qualifying as guarantees	**1,088**	**795**	**13,836**	**37,733**	**53,452**	56,269	**$ 44**	$ 72
Unsettled reverse repurchase and securities borrowing agreements[f]	**63,837**	**–**	**–**	**–**	**63,837**	34,651	**–**	–
Loan sale and securitization-related indemnifications:								
Mortgage repurchase liability	**NA**	**NA**	**NA**	**NA**	**NA**	NA	**410**	654
Loans sold with recourse	**NA**	**NA**	**NA**	**NA**	**6,207**	7,090	**81**	98
Other guarantees and commitments[g]	**3,913**	**6,309**	**7,228**	**1,683**	**19,133**	20,888 [i]	**(106)**	(99)

(a) At June 30, 2014, and December 31, 2013, reflects the contractual amount net of risk participations totaling $184 million and $476 million, respectively, for other unfunded commitments to extend credit; $14.3 billion and $14.8 billion, respectively, for standby letters of credit and other financial guarantees; and $538 million and $622 million, respectively, for other letters of credit. In regulatory filings with the Federal Reserve these commitments are shown gross of risk participations.

(b) At both June 30, 2014 and December 31, 2013, included commitments to affiliates of $16 million.

(c) At June 30, 2014, and December 31, 2013, included credit enhancements and bond and commercial paper liquidity commitments to U.S. states and municipalities, hospitals and other non-profit entities of $17.0 billion and $18.9 billion, respectively, within other unfunded commitments to extend credit; and $15.2 billion and $17.2 billion, respectively, within standby letters of credit and other financial guarantees. Other unfunded commitments to extend credit also include liquidity facilities to nonconsolidated municipal bond VIEs; for further information, see Note 16.

(d) At June 30, 2014, and December 31, 2013, included unissued standby letters of credit commitments of $44.7 billion and $42.7 billion, respectively.

(e) At June 30, 2014, and December 31, 2013, collateral held by JPMorgan Chase Bank, N.A. in support of securities lending indemnification agreements was $224.9 billion and $182.6 billion, respectively. Securities lending collateral comprises primarily cash and securities issued by governments that are members of the Organisation for Economic Co-operation and Development (“OECD”) and U.S. government agencies.

(f) At June 30, 2014, and December 31, 2013, the amount of commitments related to forward-starting reverse repurchase agreements and securities borrowing agreements were $30.3 billion and $6.5 billion, respectively. Commitments related to unsettled reverse repurchase agreements and securities borrowing agreements with regular-way settlement periods were $33.5 billion and $28.2 billion, at June 30, 2014, and December 31, 2013, respectively.

(g) At June 30, 2014, and December 31, 2013, included unfunded commitments of $32 million and $1.2 billion, respectively. In addition, at both June 30, 2014, and December 31, 2013, included letters of credit hedged by derivative transactions and managed on a market risk basis of $4.5 billion.

(h) For lending-related products, the carrying value represents the allowance for lending-related commitments and the guarantee liability; for derivative-related products, the carrying value represents the fair value.

(i) The prior period amounts have been revised. The revision had no impact on JPMorgan Chase Bank, N.A.’s Consolidated Balance Sheets or its results of operations.

Other unfunded commitments to extend credit
Other unfunded commitments to extend credit generally comprise commitments for working capital and general corporate purposes, and 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.

Also included in other unfunded commitments to extend credit are commitments to noninvestment-grade counterparties in connection with leveraged activities, which were $22.6 billion and $17.7 billion at June 30, 2014, and December 31, 2013, respectively. For further information, see Note 4 and Note 5.

In addition, JPMorgan Chase Bank, N.A. acts as a clearing and custody bank in the U.S. tri-party repurchase transaction market. In its role as clearing and custody bank, JPMorgan Chase Bank, N.A. is exposed to intra-day credit risk of the cash borrowers, usually broker-dealers; however, this exposure is secured by collateral and typically extinguished through the settlement process by the end of the day. Tri-party repurchase daily balances averaged $220 billion and $347 billion for the six months ended June 30, 2014 and 2013, respectively.

Guarantees
JPMorgan Chase Bank, N.A. considers the following off-balance sheet lending-related arrangements to be guarantees under U.S. GAAP: standby letters of credit and financial guarantees, securities lending indemnifications, certain indemnification agreements included within third-party contractual arrangements and certain derivative contracts. For a further discussion of the off-balance sheet lending-related arrangements JPMorgan Chase Bank, N.A. considers to be guarantees, and the related accounting policies, see Note 27 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements. The recorded amounts of the liabilities related to guarantees and indemnifications at June 30, 2014, and December 31, 2013, excluding the allowance for credit losses on lending-related commitments, are discussed below.

Standby letters of credit and other financial guarantees
Standby letters of credit ("SBLC") and other financial guarantees are conditional lending commitments issued by JPMorgan Chase Bank, N.A. to guarantee the performance of a customer to a third party under certain arrangements, such as commercial paper facilities, bond financings, acquisition financings, trade and similar transactions. The carrying values of standby and other letters of credit were $850 million and $944 million at June 30, 2014, and December 31, 2013, respectively, which were classified in accounts payable and other liabilities on the Consolidated Balance Sheets; these carrying values included $227 million and $264 million, respectively, for the allowance for lending-related commitments, and $623 million and $680 million, respectively, for the guarantee liability and corresponding asset.

The following table summarizes the types of facilities under which standby letters of credit and other letters of credit arrangements are outstanding by the ratings profiles of JPMorgan Chase Bank, N.A.'s customers, as of June 30, 2014, and December 31, 2013.

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

	June 30, 2014		December 31, 2013	
(in millions)	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[a]	**$ 68,439**	**$ 3,551**	$ 69,109	$ 3,939
Noninvestment-grade[a]	**23,470**	**967**	23,746	1,081
Total contractual amount	**$ 91,909**	**$ 4,518**	$ 92,855	$ 5,020
Allowance for lending-related commitments	**$ 226**	**$ 1**	$ 262	$ 2
Commitments with collateral	**40,279**	**1,718**	40,310	1,473

(a) The ratings scale is based on JPMorgan Chase Bank, N.A.'s internal ratings which generally correspond to ratings as defined by S&P and Moody's.

Derivatives qualifying as guarantees
In addition to the contracts described above, JPMorgan Chase Bank, N.A. transacts certain derivative contracts that have the characteristics of a guarantee under U.S. GAAP. For further information on these derivatives, see Note 27 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements. The total notional value of the derivatives that JPMorgan Chase Bank, N.A. deems to be guarantees was $53.5 billion and $56.3 billion at June 30, 2014, and December 31, 2013, respectively. The notional amount generally represents JPMorgan Chase Bank, N.A.'s maximum exposure to derivatives qualifying as guarantees. However, exposure to certain stable value contracts is contractually limited to a substantially lower percentage of the notional amount; the notional amount on these stable value contracts was $27.2 billion and $27.0 billion at June 30, 2014, and December 31, 2013, respectively, and the maximum exposure to loss was $2.9 billion and $2.8 billion

at June 30, 2014, and December 31, 2013, respectively. The fair values of the contracts reflect the probability of whether JPMorgan Chase Bank, N.A. will be required to perform under the contract. The fair value related to derivatives that JPMorgan Chase Bank, N.A. deems to be guarantees were derivative payables of $86 million and $109 million and derivative receivables of $42 million and $37 million at June 30, 2014, and December 31, 2013, respectively. JPMorgan Chase Bank, N.A. reduces exposures to these contracts by entering into offsetting transactions, or by entering into contracts that hedge the market risk related to the derivative guarantees.

In addition to derivative contracts that meet the characteristics of a guarantee, JPMorgan Chase Bank, N.A. is both a purchaser and seller of credit protection in the credit derivatives market. For a further discussion of credit derivatives, see Note 6.

Loan sales- and securitization-related indemnifications

Mortgage repurchase liability

In connection with JPMorgan Chase Bank, N.A.'s mortgage loan sale and securitization activities with the GSEs, as described in Note 16 of these Consolidated Financial Statements, and Note 17 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements, JPMorgan Chase Bank, N.A. has made representations and warranties that the loans sold meet certain requirements. JPMorgan Chase Bank, N.A. has been, and may be, required to repurchase loans and/or indemnify the GSEs (e.g., with "make-whole" payments to reimburse the GSEs for their realized losses on liquidated loans). To the extent that repurchase demands that are received relate to loans that JPMorgan Chase Bank, N.A. purchased from third parties that remain viable, JPMorgan Chase Bank, N.A. typically will have the right to seek a recovery of related repurchase losses from the third party. Generally, the maximum amount of future payments JPMorgan Chase Bank, N.A. would be required to make for breaches of these representations and warranties would be equal to the unpaid principal balance of such loans that are deemed to have defects that were sold to purchasers (including securitization-related SPEs) plus, in certain circumstances, accrued interest on such loans and certain expense.

For additional information, see Note 27 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

The following table summarizes the change in the mortgage repurchase liability for each of the periods presented.

Summary of changes in mortgage repurchase liability[(a)]

(in millions)	Six months ended June 30, 2014	2013
Repurchase liability at beginning of period	**$ 654**	$ 2,550
Net realized gains/(losses)[(b)]	**$ 20**	(356)
(Benefit)/provision for repurchase[(c)]	**(264)**	67
Repurchase liability at end of period	**$ 410**	$ 2,261

(a) On October 25, 2013, JPMorgan Chase announced that it had reached a $1.1 billion agreement with the FHFA to resolve, other than certain limited types of exposures, outstanding and future mortgage repurchase demands associated with loans sold to the GSEs from 2000 to 2008.
(b) Presented net of third-party recoveries and include principal losses and accrued interest on repurchased loans, "make-whole" settlements, settlements with claimants, and certain related expense. Make-whole settlements were $3 million and $202 million for the six months ended June 30, 2014 and 2013, respectively.
(c) Included a provision related to new loan sales of $2 million and $14 million for the six months ended June 30, 2014 and 2013, respectively.

Private label securitizations

The liability related to repurchase demands associated with private label securitizations is separately evaluated by JPMorgan Chase Bank, N.A. in establishing its litigation reserves.

For additional information regarding litigation, see Note 24 of these Consolidated Financial Statements and Note 29 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

Loans sold with recourse

JPMorgan Chase Bank, N.A. provides servicing for mortgages and certain commercial lending products on both a recourse and nonrecourse basis. In nonrecourse servicing, the principal credit risk to JPMorgan Chase Bank, N.A. is the cost of temporary servicing advances of funds (i.e., normal servicing advances). In recourse servicing, the servicer agrees to share credit risk with the owner of the mortgage loans, such as Fannie Mae or Freddie Mac or a private investor, insurer or guarantor. Losses on recourse servicing predominantly occur when foreclosure sales proceeds of the property underlying a defaulted loan are less than the sum of the outstanding principal balance, plus accrued interest on the loan and the cost of holding and disposing of the underlying property. JPMorgan Chase Bank, N.A.'s securitizations are predominantly nonrecourse, thereby effectively transferring the risk of future credit losses to the purchaser of the mortgage-backed securities issued by the trust. At June 30, 2014, and December 31, 2013, the unpaid principal balance of loans sold with recourse totaled $6.2 billion and $7.1 billion, respectively. The carrying value of the related liability that JPMorgan Chase Bank, N.A. has recorded, which is representative of JPMorgan Chase Bank, N.A.'s view of the likelihood it will have to perform under its recourse obligations, was $81 million and $98 million at June 30, 2014, and December 31, 2013, respectively.

Note 23 – Pledged assets and collateral

For a discussion of JPMorgan Chase Bank, N.A.'s pledged assets and collateral, see Note 28 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

Pledged assets

At June 30, 2014, financial assets were pledged to maintain potential borrowing capacity with central banks and for other purposes, including to secure borrowings and public deposits, and to collateralize repurchase and other securities financing agreements. Certain of these pledged assets may be sold or repledged by the secured parties and are identified as financial assets owned (pledged to various parties) on the Consolidated Balance Sheets. At June 30, 2014, and December 31, 2013, JPMorgan Chase Bank, N.A. had pledged assets of $218.8 billion and $203.1 billion, respectively, at Federal Reserve Banks and FHLBs. In addition, as of June 30, 2014, and December 31, 2013, JPMorgan Chase Bank, N.A. had pledged $42.7 billion and $43.0 billion, respectively, of financial assets it owns that may not be sold or repledged by the secured parties. Total assets pledged do not include assets of consolidated VIEs; these assets are used to settle the liabilities of those entities. See Note 16 for additional information on assets and liabilities of consolidated VIEs. For additional information on JPMorgan Chase Bank, N.A.'s securities financing activities, see Note 13. For additional information on JPMorgan Chase Bank, N.A.'s long-term debt, see Note 21 of JPMorgan Chase Bank, N.A.'s 2013 Annual Financial Statements.

Collateral

At June 30, 2014 and December 31, 2013, JPMorgan Chase Bank, N.A. had accepted financial assets as collateral that it could sell or repledge, deliver or otherwise use with a fair value of approximately $408.1 billion and $402.2 billion, respectively. This collateral was generally obtained under resale agreements, securities borrowing agreements, customer margin loans and derivative agreements. Of the collateral received, approximately $330.3 billion and $313.1 billion, respectively, were sold or repledged, generally as collateral under repurchase agreements, securities lending agreements or to cover short sales and to collateralize deposits and derivative agreements.

Note 24 – Litigation

Contingencies

As of June 30, 2014, JPMorgan Chase and its subsidiaries, including but not limited to JPMorgan Chase Bank, N.A., are defendants or putative defendants in numerous legal proceedings, including private, civil litigations and regulatory/government investigations. The litigations range from individual actions involving a single plaintiff to class action lawsuits with potentially millions of class members. Investigations 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 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.

Estimates of reasonably possible losses for legal proceedings are analyzed and managed at the JPMorgan Chase level and not at the subsidiary level (i.e., JPMorgan Chase Bank, N.A.). JPMorgan Chase believes the estimate of the aggregate range of reasonably possible losses, in excess of reserves established, for JPMorgan Chase's legal proceedings is from $0 to approximately $4.6 billion at June 30, 2014. This estimated aggregate range of reasonably possible losses is based upon currently available information for those proceedings in which JPMorgan Chase is involved, taking into account JPMorgan Chase's best estimate of such losses for those cases for which such estimate can be made. For certain cases, JPMorgan Chase does not believe that an estimate can currently be made. JPMorgan Chase's estimate involves significant judgment, given the varying stages of the proceedings (including the fact that many are currently 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 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 attendant uncertainty of the various potential outcomes of such proceedings. Accordingly, JPMorgan Chase's estimate will change from time to time, and actual losses may vary.

Set forth below are descriptions of 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.

CIO Investigations and Litigation. JPMorgan Chase has been sued in a consolidated shareholder purported class action, a consolidated purported class action brought under the Employee Retirement Income Security Act ("ERISA") and shareholder derivative actions brought in Delaware state court and in New York federal and state court relating to 2012 losses in the synthetic credit portfolio managed by JPMorgan Chase's Chief Investment Office ("CIO"). Plaintiffs in two of the shareholder derivative actions and the ERISA action have appealed the dismissal of their claims.

JPMorgan Chase also continues to cooperate with ongoing government investigations.

Credit Default Swaps Investigations and Litigation. In July 2013, the European Commission (the "EC") filed a Statement of Objections against JPMorgan Chase (including various subsidiaries) and other industry members in connection with its ongoing investigation into the credit default swaps ("CDS") marketplace. The EC asserts that between 2006 and 2009, a number of investment banks acted collectively through the International Swaps and Derivatives Association ("ISDA") and Markit Group Limited ("Markit") to foreclose exchanges from the potential market for exchange-traded credit derivatives. JPMorgan Chase submitted a response to the Statement of Objections in January 2014, and the EC held a hearing in May 2014. The U.S. Department of Justice (the "DOJ") also has an ongoing investigation into the CDS marketplace, which was initiated in July 2009.

Separately, JPMorgan Chase and other industry members are defendants in nine purported class actions (all consolidated in the United States District Court for the Southern District of New York) filed on behalf of purchasers and sellers of CDS and asserting federal antitrust law claims. Each of the complaints refers to the ongoing investigations by the EC and DOJ into the CDS market, and alleges that the defendant investment banks and dealers, including JPMorgan Chase, as well as Markit and/or ISDA, collectively prevented new entrants into the CDS market. Defendants moved to dismiss in May 2014.

Foreign Exchange Investigations and Litigation. JPMorgan Chase has received information requests, document production notices and related inquiries from various U.S. and non-U.S. government authorities regarding JPMorgan Chase's foreign exchange trading business. JPMorgan Chase is responding to and continuing to cooperate with the relevant authorities.

Since November 2013, a number of class actions have been filed in the United States District Court for the Southern District of New York against a number of foreign exchange dealers, including JPMorgan Chase, for alleged violations of federal and state antitrust laws and unjust enrichment based on an alleged conspiracy to manipulate foreign exchange rates reported on the WM/Reuters service. In March 2014, plaintiffs filed a consolidated amended class action complaint, which defendants moved to dismiss in May 2014.

Interchange Litigation. A group 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, enacted respective rules in violation of antitrust laws, and engaged in tying/bundling and exclusive dealing. The parties have entered into an agreement to settle the cases, for a cash payment of $6.1 billion to the class plaintiffs (of which JPMorgan Chase's share is approximately 20%) and an amount equal to ten basis points of credit card interchange for a period of eight months to be measured from a date within 60 days of the end of the opt-out period. The agreement also provides for modifications to each credit card network's rules, including those that prohibit surcharging credit card transactions. In December 2013, the Court issued a decision granting final approval of the settlement. A number of merchants have appealed. Certain merchants that opted out of the class settlement have filed actions against Visa and MasterCard, as well as against JPMorgan Chase and other banks, which are subject to pending motions to dismiss.

Investment Management Litigation. JPMorgan Chase is defending two pending cases that allege that investment portfolios managed by J.P. Morgan Investment Management ("JPMIM") were inappropriately invested in securities backed by residential real estate collateral. Plaintiffs Assured Guaranty (U.K.) and Ambac Assurance UK Limited claim that JPMIM is liable for losses of more than $1 billion in market value of these securities. Discovery is proceeding.

Italian Proceedings.

City of Milan. In January 2009, the City of Milan, Italy (the "City") issued civil proceedings against (among others) JPMorgan Chase Bank, N.A. and J.P. Morgan Securities plc in the District Court of Milan alleging a breach of advisory obligations in connection with a bond issue by the City in June 2005 and an associated swap transaction. JPMorgan Chase has entered into a settlement agreement with the City to resolve the City's civil proceedings.

Four current and former JPMorgan Chase employees and JPMorgan Chase Bank, N.A. (as well as other individuals and three other banks) were directed by a criminal judge to participate in a trial that started in May 2010. As it relates to JPMorgan Chase individuals, two were acquitted and two were found guilty of aggravated fraud with sanctions of prison sentences, fines and a ban from dealing with Italian public bodies for one year. JPMorgan Chase (along with other banks involved) was found liable for breaches of Italian administrative law. JPMorgan Chase and the individuals appealed, and the Court fully acquitted JPMorgan Chase Bank, N.A. and its employees, stating that there was no case to answer. The deadline to file an appeal to the Italian Supreme Court has passed without an appeal being filed.

Parmalat. In 2003, following the bankruptcy of the Parmalat group of companies ("Parmalat"), criminal prosecutors in Italy investigated the activities of Parmalat, its directors and the financial institutions that had dealings with them following the collapse of the company. In March 2012, the criminal prosecutor served a notice indicating an intention to pursue criminal proceedings against four former employees of JPMorgan Chase (but not against JPMorgan Chase) on charges of conspiracy to cause Parmalat's insolvency by underwriting bonds and continuing derivatives trading when Parmalat's balance sheet was false. A preliminary hearing, in which the judge will determine whether to recommend that the matter go to a full trial, is ongoing.

In addition, the administrator of Parmalat commenced five civil actions against JPMorgan Chase entities including: two claw-back actions; a claim relating to bonds issued by Parmalat in which it is alleged that JPMorgan Chase kept Parmalat "artificially" afloat and delayed the declaration of insolvency; and similar allegations in two claims relating to derivatives transactions.

Lehman Brothers Bankruptcy Proceedings. In May 2010, Lehman Brothers Holdings Inc. ("LBHI") and its Official Committee of Unsecured Creditors (the "Committee") filed a complaint (and later an amended complaint) against JPMorgan Chase Bank, N.A. in the United States Bankruptcy Court for the Southern District of New York that asserts both federal bankruptcy law and state common law claims, and seeks, among other relief, to recover $7.9 billion in collateral that was transferred to JPMorgan Chase Bank, N.A. in the weeks preceding LBHI's bankruptcy. The amended complaint also seeks unspecified damages on the grounds that JPMorgan Chase Bank, N.A.'s collateral requests hastened LBHI's bankruptcy. The Court dismissed the counts of the amended complaint that sought to void the allegedly constructively fraudulent and preferential transfers made to JPMorgan Chase during the months of August and September 2008.

JPMorgan Chase has filed counterclaims against LBHI alleging that LBHI fraudulently induced JPMorgan Chase to make large clearing advances to Lehman against inappropriate collateral, which left JPMorgan Chase with more than $25 billion in claims (the "Clearing Claims") against the estate of Lehman Brothers Inc., LBHI's broker-dealer subsidiary. Discovery is ongoing.

LBHI and the Committee have filed an objection to the claims asserted by JPMorgan Chase Bank, N.A. against LBHI with respect to the Clearing Claims, principally on the grounds that JPMorgan Chase had not conducted the sale of the securities collateral held for such claims in a commercially reasonable manner.

LBHI and several of its subsidiaries that had been Chapter 11 debtors have also filed a separate complaint and objection to derivatives claims asserted by JPMorgan Chase alleging that the amount of the derivatives claims had been overstated and challenging certain set-offs taken by JPMorgan Chase entities to recover on the claims. JPMorgan Chase responded to this separate complaint and objection in February 2013. The Clearing Claims and the derivatives claims, together with other claims of JPMorgan Chase against Lehman entities, have been paid in full, subject to the outcome of the objections filed by LBHI and the Committee. Discovery in both cases is ongoing.

LIBOR and Other Benchmark Rate Investigations and Litigation. JPMorgan Chase has received subpoenas and requests for documents and, in some cases, interviews, from federal and state agencies and entities, including the DOJ, the Commodity Futures Trading Commission (the "CFTC"), the Securities and Exchange Commission (the "SEC") and various state attorneys general, as well as the EC, the U.K. Financial Conduct Authority (the "FCA"), Canadian Competition Bureau, Swiss Competition Commission and other regulatory authorities and banking associations around the world relating primarily to the process by which interest rates were submitted to the British Bankers Association ("BBA") in connection with the setting of the BBA's London Interbank Offered Rate ("LIBOR") for various currencies, principally in 2007 and 2008. Some of the inquiries also relate to similar processes by which information on rates is submitted to the European Banking Federation ("EBF") in connection with the setting of the EBF's Euro Interbank Offered Rates ("EURIBOR") and to the Japanese Bankers' Association for the setting of Tokyo Interbank Offered Rates ("TIBOR") as well as to other processes for the setting of other reference rates in various parts of the world during similar time periods. JPMorgan Chase is responding to and continuing to cooperate with these inquiries. In December 2013, JPMorgan Chase reached a settlement with the EC regarding its Japanese Yen LIBOR investigation and agreed to pay a fine of €80 million. Investigations by the EC with regard to other reference rates remain open. In May 2014, the EC issued a Statement of Objections outlining its case against JPMorgan Chase (and others) as to EURIBOR. JPMorgan Chase will file a response. In January 2014, the Canadian Competition Bureau announced that it has discontinued its investigation related to Yen LIBOR.

In addition, JPMorgan Chase has been named as a defendant along with other banks in a series of individual and class actions filed in various United States District Courts, in which plaintiffs make varying allegations that in various periods, starting in 2000 or later, defendants either individually or collectively manipulated the U.S. dollar LIBOR, Yen LIBOR, Euroyen TIBOR and/or EURIBOR rates by submitting rates that were artificially low or high. Plaintiffs allege that they transacted in loans, derivatives or other financial instruments whose values are impacted by changes in U.S. dollar LIBOR, Yen LIBOR, Euroyen TIBOR or EURIBOR and assert a variety of claims including antitrust claims seeking treble damages.

The U.S. dollar LIBOR-related purported class actions have been consolidated for pre-trial purposes in the United States District Court for the Southern District of New York. In March 2013, the Court granted in part and denied in part the defendants' motions to dismiss the claims in three lead class actions, including dismissal with prejudice of the antitrust claims, and the United States Court of Appeals for the Second Circuit dismissed the appeals for lack of jurisdiction. In September 2013, class plaintiffs in two of the three lead class actions filed amended complaints and others sought leave to amend their complaints to add additional allegations. Defendants moved to dismiss the amended complaints and opposed the requests to amend. In June 2014, the Court issued a further order granting in part and denying in part defendants' motions to dismiss the remaining claims. In relation to JPMorgan Chase, the Court has permitted certain claims under the Commodity Exchange Act and common law claims to proceed. With respect to the third lead class action, which the Court dismissed in its entirety, after plaintiff's appeal was dismissed by the Second Circuit, plaintiff sought and obtained leave to appeal to the U.S. Supreme Court on the question whether its appeal could proceed before final resolution of the other consolidated class actions. To date, the other U.S. dollar LIBOR cases have been stayed.

The purported class action alleging manipulation of Euroyen TIBOR and Yen LIBOR was filed in the United States District Court for the Southern District of New York on behalf of plaintiffs who purchased or sold exchange-traded Euroyen futures and options contracts. In March 2014, the Court granted in part and denied in part the defendants' motions to dismiss including dismissal of plaintiff's antitrust and unjust enrichment claims. Defendants have filed motions to reconsider, seeking dismissal of the remaining claims. Plaintiff filed a motion for leave to further amend the complaint to add additional parties and claims.

In March 2014, JPMorgan Chase was added as a defendant in a putative class action pending in the United States District Court for the Southern District of New York relating to the interest rate benchmark EURIBOR.

JPMorgan Chase was also named as a nominal defendant in a derivative action in the Supreme Court of New York in the County of New York against certain current and former members of JPMorgan Chase's board of directors for alleged breach of fiduciary duty in connection with JPMorgan Chase's purported role in manipulating LIBOR. In March 2014, the Court granted the defendants' motion to dismiss and plaintiff did not appeal this decision.

Madoff Litigation and Investigations. Settlements with the court-appointed trustee (the "Trustee") for Bernard L. Madoff Investment Securities LLC ("BLMIS") and with plaintiffs representing a class of former BLMIS customers who lost all or a portion of their principal investments with BLMIS have now been approved. Certain customers have opted out of the class action settlement.

Various subsidiaries of JPMorgan Chase, including J.P. Morgan Securities plc, have been named as defendants in lawsuits filed in Bankruptcy Court in New York arising out of the liquidation proceedings of Fairfield Sentry Limited and Fairfield Sigma Limited (together, "Fairfield"), so-called Madoff feeder funds. These actions seek to recover payments made by the funds to defendants totaling approximately $155 million. All but two of these actions have been dismissed.

In addition, a purported class action was brought by investors in certain feeder funds against JPMorgan Chase in the United States District Court for the Southern District of New York, as was a motion by separate potential class plaintiffs to add claims against JPMorgan Chase and certain subsidiaries to an already pending purported class action in the same court. The allegations in these complaints largely track those raised by the Trustee. The Court dismissed these complaints and plaintiffs have appealed. In September 2013, the United States Court of Appeals for the Second Circuit affirmed the District Court's decision. The plaintiffs then petitioned the entire Court for a rehearing of the appeal, and in May 2014 the Court denied the petition.

JPMorgan Chase is a defendant in five other Madoff-related investor actions pending in New York state court. The allegations in all of these actions are essentially identical, and involve claims against JPMorgan Chase for, among other things, aiding and abetting breach of fiduciary duty, conversion and unjust enrichment. JPMorgan Chase has moved to dismiss these actions. In May 2014, the parties submitted briefs on the *res judicata* effect of the class action settlement and a decision is pending.

A purported class action has been filed in the United States District Court for the District of New Jersey by investors who were net winners (i.e., Madoff customers who had taken more money out of their accounts than had been invested) in Madoff's Ponzi scheme and were not included in the class action settlement. These plaintiffs allege violations of the federal securities law, federal and state racketeering statutes and multiple common law claims including breach of trust, aiding and abetting embezzlement, unjust enrichment, conversion and commercial bad faith. The complaint seeks compensatory damages in the amount of the last statement balance for each plaintiff and punitive damages. A similar action has been filed in the United States District Court for the Middle District of Florida (the "Florida Action"), although it is not styled as a class action, and the plaintiffs, in addition to net winners, include a small number of net loser opt-outs. Plaintiffs filed an amended complaint in the Florida Action which includes only net winners, includes a claim pursuant to a Florida statute and dismisses three common law claims that were included in the earlier complaint.

Three shareholder derivative actions have also been filed in New York federal and state court against JPMorgan Chase, as nominal defendant, and certain of its current and former Board members, alleging breach of fiduciary duty in connection with JPMorgan Chase's relationship with Bernard Madoff and the alleged failure to maintain effective internal controls to detect fraudulent transactions. The actions seek declaratory relief and damages. In July 2014, the federal court granted defendants' motions to dismiss two of the actions and defendants have filed a motion to dismiss the remaining state court action.

MF Global. J.P. Morgan Securities LLC has been named as one of several defendants in a number of purported class actions filed by purchasers of MF Global's publicly traded securities asserting violations of federal securities laws and alleging that the offering documents contained materially false and misleading statements and omissions regarding MF Global. JPMorgan Chase also has responded to inquiries from the CFTC relating to JPMorgan Chase's banking and other business relationships with MF Global, including as a depository for MF Global's customer segregated accounts.

Mortgage-Backed Securities and Repurchase Litigation and Related Regulatory Investigations. JPMorgan Chase and affiliates (together, "JPMC"), Bear Stearns and affiliates (together, "Bear Stearns") and certain Washington Mutual affiliates (together, "Washington Mutual") have been named as defendants in a number of cases in their various roles in offerings of mortgage-backed securities ("MBS"). These cases include purported class action suits on behalf of MBS purchasers, actions by individual MBS purchasers and actions by monoline insurance companies that guaranteed payments of principal and interest for particular tranches of MBS offerings. Following the settlements referred to under "Repurchase Litigation" and "Government Enforcement Investigations and Litigation" below, there are currently pending and tolled investor and monoline insurer claims involving MBS with an original principal balance of approximately $48 billion, of which $42 billion involves JPMC, Bear Stearns or Washington Mutual as issuer and $6 billion involves JPMC, Bear Stearns or Washington Mutual solely as underwriter. JPMorgan Chase and certain of its current and former officers and Board members have also been sued in shareholder derivative actions relating to JPMorgan Chase's MBS activities, and trustees have asserted or have threatened to assert claims that loans in securitization trusts should be repurchased.

Issuer Litigation – Class Actions. Three purported class actions were brought against JPMC and Bear Stearns as MBS issuers (and, in some cases, also as underwriters of their own MBS offerings) in the United States District Courts for the Eastern and Southern Districts of New York. JPMorgan Chase has reached an agreement to settle one of these purported class actions, pending in the United States District Court for the Eastern District of New York. That settlement has received final court approval. Motions to dismiss have largely been denied in the remaining two cases pending in the United States District Court for the Southern District of New York, which are in various stages of litigation.

Issuer Litigation – Individual Purchaser Actions. In addition to class actions, JPMorgan Chase is defending individual actions brought against JPMC, Bear Stearns and Washington Mutual as MBS issuers (and, in some cases, also as underwriters of their own MBS offerings). These actions are pending in federal and state courts across the United States and are in various stages of litigation.

Monoline Insurer Litigation. JPMorgan Chase is defending two pending actions relating to a monoline insurer's guarantees of principal and interest on certain classes of 11 different Bear Stearns MBS offerings. These actions are pending in state court in New York and are in various stages of litigation.

Underwriter Actions. In actions against JPMorgan Chase solely as an underwriter of other issuers' MBS offerings, JPMorgan Chase has contractual rights to indemnification from the issuers. However, those indemnity rights may prove effectively unenforceable in various situations, such as where the issuers are now defunct. There are currently such actions pending against JPMorgan Chase in federal and state courts in various stages of litigation.

Repurchase Litigation. JPMorgan Chase is defending a number of actions brought by trustees or master servicers of various MBS trusts and others on behalf of purchasers of securities issued by those trusts. These cases generally allege breaches of various representations and warranties regarding securitized loans and seek repurchase of those loans or equivalent monetary relief, as well as indemnification of attorneys' fees and costs and other remedies. Deutsche Bank National Trust Company, acting as trustee for various MBS trusts, has filed such a suit against JPMorgan Chase Bank, N.A., Washington Mutual and the Federal Deposit Insurance Corporation (the "FDIC") in connection with a significant number of MBS issued by Washington Mutual; that case is described in the Washington Mutual Litigations section below. Other repurchase actions, each specific to one or more MBS transactions issued by JPMC and/or Bear Stearns, are in various stages of litigation.

In addition, JPMorgan Chase received threatened litigation demands by securitization trustees, as well as demands by investors directing trustees to investigate claims or bring litigation, which allege obligations to repurchase loans and to address servicing deficiencies. These include but are not limited to a demand from a law firm, as counsel to a group of 21 institutional MBS investors, to various trustees to investigate potential repurchase and servicing claims. These investors purported to have 25% or more of the voting rights in trusts sponsored by JPMorgan Chase or its affiliates with an original principal balance of more than $174 billion (excluding 52 trusts sponsored by Washington Mutual, with an original principal balance of more than $58 billion). Pursuant to a settlement agreement, JPMC and this investor group have made a binding offer to the trustees of MBS issued by JPMC and Bear Stearns providing for the payment of $4.5 billion and the implementation of certain servicing changes by JPMC, to resolve all repurchase and servicing claims that have been asserted or could have been asserted with respect to the 330 MBS trusts. The offer, which is subject to acceptance by the trustees, and potentially a judicial approval process, does not resolve claims relating to Washington Mutual MBS. On August 1, 2014, the trustees announced their determination to accept the offer in whole or in part for 310 of the 330 MBS trusts and to proceed with seeking judicial approval of such acceptance. The trustees rejected the settlement offer in whole or in part for six trusts that are subject to pending monoline insurer or repurchase litigation, and received a 60-day extension to solicit investor direction on whether the offer should be accepted for an additional 14 trusts and for certain loan groups in 13 trusts for which the offer was accepted in part on August 1, 2014.

There are additional repurchase and servicing claims made against trustees not affiliated with JPMorgan Chase but involving trusts that JPMorgan Chase sponsored.

Derivative Actions. Shareholder derivative actions relating to JPMorgan Chase's MBS activities have been filed against JPMorgan Chase, as nominal defendant, and certain of its current and former officers and members of its Board of Directors, in New York state court and California federal court. Two of the New York actions have been dismissed and defendants have filed, or intend to file, motions to dismiss the remaining actions.

Government Enforcement Investigations and Litigation. JPMorgan Chase is responding to an ongoing investigation being conducted by the Criminal Division of the United States Attorney's Office for the Eastern District of California relating to MBS offerings securitized and sold by JPMorgan Chase and its subsidiaries. JPMorgan Chase has also received other subpoenas and informal requests for information from federal and state authorities concerning the issuance and underwriting of MBS-related matters. JPMorgan Chase continues to respond to these MBS-related regulatory inquiries.

In addition, JPMorgan Chase is responding to and continuing to cooperate with requests for information from the U.S. Attorney's Office for the District of Connecticut, subpoenas and requests from the SEC Division of Enforcement, and a request from the Office of the Special Inspector General for the Troubled Asset Relief Program to conduct a review of certain activities, all of which relate to, among other matters, communications with counterparties in connection with certain secondary market trading in residential and commercial MBS.

JPMorgan Chase has entered into agreements with a number of entities that purchased MBS that toll applicable limitations periods with respect to their claims, and has settled, and in the future may settle, tolled claims. There is no assurance that JPMorgan Chase will not be named as a defendant in additional MBS-related litigation.

Mortgage-Related Investigations and Litigation. The Attorney General of Massachusetts filed an action against JPMorgan Chase, other servicers and a mortgage recording company, asserting claims for various alleged wrongdoings relating to mortgage assignments and use of the industry's electronic mortgage registry. The court granted in part and denied in part the defendants' motion to dismiss the action, which remains pending.

JPMorgan Chase is named as a defendant in a purported class action lawsuit relating to its mortgage foreclosure procedures. The plaintiffs have moved for class certification.

One shareholder derivative action has been filed in New York Supreme Court against JPMorgan Chase's Board of Directors alleging that the Board failed to exercise adequate oversight as to wrongful conduct by JPMorgan Chase regarding mortgage servicing. In June 2014, defendants filed a motion to dismiss, which is pending.

The Civil Division of the United States Attorney's Office for the Southern District of New York is conducting an investigation concerning JPMorgan Chase's compliance with the Fair Housing Act ("FHA") and Equal Credit Opportunity Act ("ECOA") in connection with its mortgage lending practices. In addition, three municipalities have commenced litigation against JPMorgan Chase alleging violations of the FHA and ECOA and seeking damages in the form of lost tax revenue and increased municipal costs associated with foreclosed properties. A motion to dismiss has been filed in one of the actions.

JPMorgan Chase Bank, N.A. is responding to inquiries by the Executive Office of the U.S. Bankruptcy Trustee and various regional U.S. Bankruptcy Trustees relating to mortgage payment change notices and escrow statements in bankruptcy proceedings.

Municipal Derivatives Litigation. Several civil actions were commenced in New York and Alabama courts against JPMorgan Chase relating to certain Jefferson County, Alabama (the "County") warrant underwritings and swap transactions. The claims in the civil actions generally alleged that JPMorgan Chase made payments to certain third parties in exchange for being chosen to underwrite more than $3 billion in warrants issued by the County and to act as the counterparty for certain swaps executed by the County. The County filed for bankruptcy in November 2011. In June 2013, the County filed a Chapter 9 Plan of Adjustment, as amended (the "Plan of Adjustment"), which provided that all the above-described actions against JPMorgan Chase would be released and dismissed with prejudice. In November 2013, the Bankruptcy Court confirmed the Plan of Adjustment, and in December 2013, certain sewer rate payers filed an appeal challenging the confirmation of the Plan of Adjustment. All conditions to the Plan of Adjustment's effectiveness, including the dismissal of the actions against JPMorgan Chase, were satisfied or waived and the transactions contemplated by the Plan of Adjustment occurred in December 2013. Accordingly, all the above-described actions against JPMorgan Chase have been dismissed pursuant to the terms of the Plan of Adjustment. The appeal of the Bankruptcy Court's order confirming the Plan of Adjustment remains pending.

Petters Bankruptcy and Related Matters. JPMorgan Chase and certain of its affiliates, including One Equity Partners ("OEP"), have been named as defendants in several actions filed in connection with the receivership and bankruptcy proceedings pertaining to Thomas J. Petters and certain affiliated entities (collectively, "Petters") and the Polaroid Corporation. The principal actions against JPMorgan Chase and its affiliates have been brought by a court-appointed receiver for Petters and the trustees in bankruptcy proceedings for three Petters entities. These actions generally seek to avoid certain purported transfers in connection with (i) the 2005 acquisition by Petters of Polaroid, which at the time was majority-owned by OEP; (ii) two credit facilities that JPMorgan Chase and other financial institutions entered into with Polaroid; and (iii) a credit line and investment accounts held by Petters. The actions collectively seek recovery of approximately $450 million. Defendants have moved to dismiss the complaints in the actions filed by the Petters bankruptcy trustees.

Power Matters. The United States Attorney's Office for the Southern District of New York is investigating matters relating to the bidding activities that were the subject of the July 2013 settlement between J.P. Morgan Ventures Energy Corp. and the Federal Energy Regulatory Commission. JPMorgan Chase is responding to and cooperating with the investigation.

Referral Hiring Practices Investigations. Various regulators are investigating, among other things, JPMorgan Chase's compliance with the Foreign Corrupt Practices Act and other laws with respect to JPMorgan Chase's hiring practices related to candidates referred by clients, potential clients and government officials, and its engagement of consultants in the Asia Pacific region. JPMorgan Chase is responding to and continuing to cooperate with these investigations.

Sworn Documents, Debt Sales and Collection Litigation Practices. JPMorgan Chase has been responding to formal and informal inquiries from various state and federal regulators regarding practices involving credit card collections litigation (including with respect to sworn documents), the sale of consumer credit card debt and securities backed by credit card receivables.

Separately, the Consumer Financial Protection Bureau and multiple state Attorneys General are conducting investigations into JPMorgan Chase's collection and sale of consumer credit card debt. The California and Mississippi Attorneys General have filed separate civil actions against JPMorgan Chase & Co., Chase Bank USA, N.A. and Chase BankCard Services, Inc. alleging violations of law relating to debt collection practices.

Washington Mutual Litigations. Proceedings related to Washington Mutual's failure are pending before the United States District Court for the District of Columbia and include a lawsuit brought by Deutsche Bank National Trust Company, initially against the FDIC and amended to include JPMorgan Chase Bank, N.A. as a defendant, asserting an estimated $6 billion to $10 billion in damages based upon alleged breach of various mortgage securitization agreements and alleged violation of certain representations and warranties given by certain Washington Mutual affiliates in connection with those securitization agreements. The case includes assertions that JPMorgan Chase may have assumed liabilities for the alleged breaches of representations and warranties in the mortgage securitization agreements. The District Court denied as premature motions by JPMorgan Chase and the FDIC that sought a ruling on whether the FDIC retained liability for Deutsche Bank's claims. The defendants have filed additional motions as to that issue.

An action filed by certain holders of Washington Mutual Bank debt against JPMorgan Chase, which alleges that JPMorgan Chase acquired substantially all of the assets of Washington Mutual Bank from the FDIC at a price that was allegedly too low, remains pending. JPMorgan Chase and the FDIC moved to dismiss this action and the District Court dismissed the case except as to the plaintiffs' claim that JPMorgan Chase tortiously interfered with the plaintiffs' bond contracts with Washington Mutual Bank prior to its closure. Discovery is ongoing.

JPMorgan Chase has also filed a complaint in the United States District Court for the District of Columbia against the FDIC in its capacity as receiver for Washington Mutual Bank and in its corporate capacity asserting multiple claims for indemnification under the terms of the Purchase & Assumption Agreement between JPMorgan Chase and the FDIC relating to JPMorgan Chase's purchase of most of the assets and certain liabilities of Washington Mutual Bank.

* * *

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 believes it has meritorious defenses to the claims asserted against it in its currently outstanding legal proceedings and it intends to defend itself vigorously in all such matters. 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, upwards or downward, as appropriate, based on management's best judgment after consultation with counsel. JPMorgan Chase Bank, N.A. incurred legal expense of $463 million and benefit of $(510) million during the six months ended June 30, 2014 and 2013, respectively. 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 and 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 impact related to those matters. JPMorgan Chase Bank, N.A. believes, based upon its current knowledge, after consultation with counsel and after taking into account its current litigation reserves, that the 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 the ultimate resolution of these matters will not significantly exceed the reserves it has currently accrued; 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.

Independent Auditor's Report

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

We have reviewed the accompanying consolidated interim financial information of JPMorgan Chase Bank, National Association and its subsidiaries (the "Bank"), which comprises the consolidated balance sheet as of June 30, 2014, 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, 2014 and June 30, 2013.

Management's Responsibility for the Consolidated Interim Financial Information

The Bank's 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; this responsibility includes the design, implementation, and maintenance of internal control sufficient to provide a reasonable basis 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.

Auditor's Responsibility

Our responsibility is to conduct our review in accordance with auditing standards generally accepted in the United States of America 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. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial information taken as a whole. Accordingly, we do not express such an opinion.

Conclusion

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.

Other Matter

We have 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, 2013, and the related consolidated statements of income, comprehensive income, changes in stockholder's equity and cash flows for the year then ended (not presented herein), and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated March 7, 2014. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2013, is consistent, in all material respects, with the audited consolidated balance sheet from which it has been derived.

PricewaterhouseCoopers LLP

August 11, 2014

PricewaterhouseCoopers LLP, 300 Madison Avenue, New York, NY 10017

Beneficial interests issued by consolidated VIEs: Represents the interest of third-party holders of debt, equity securities, or other obligations, issued by VIEs that JPMorgan Chase Bank, N.A. consolidates.

Benefit obligation: Refers to the projected benefit obligation for pension plans and the accumulated postretirement benefit obligation for OPEB plans.

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.

CUSIP number: A CUSIP (i.e., Committee on Uniform Securities Identification Procedures) number consists of nine characters (including letters and numbers) that uniquely identify a company or issuer and the type of security and is assigned by the American Bankers Association and operated by Standard & Poor's. This system facilitates the clearing and settlement process of securities. A similar system is used to identify non- U.S. securities (CUSIP International Numbering System).

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

FICO score: A measure of consumer credit risk provided by credit bureaus, typically produced from statistical models by Fair Isaac Corporation utilizing data collected by the credit bureaus.

Forward points: Represents the interest rate differential between two currencies, which is either added to or subtracted from the current exchange rate (i.e., "spot rate") to determine the forward exchange rate.

Group of Seven ("G7") nations: Countries in the G7 are Canada, France, Germany, Italy, Japan, the United Kingdom and the United States.

G7 government bonds: Bonds issued by the government of one of the G7 nations.

Home equity - senior lien: Represents loans and commitments where JPMorgan Chase Bank, N.A. holds the first security interest on the property.

Home equity - junior lien: Represents loans and commitments where JPMorgan Chase Bank, N.A. holds a security interest that is subordinate in rank to other liens.

Investment-grade: An indication of credit quality based on JPMorgan Chase Bank, N.A.'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 S&P and Moody's.

LLC: Limited Liability Company.

Loan-to-value ("LTV") 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.

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 comprise 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: An agreement between two counterparties who have multiple contracts with each other that provides for the net settlement of all contracts, as well as cash collateral, through a single payment, in a single currency, in the event of default on or termination of any one contract.

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 combined loan-to-value ("CLTV") ratio; (iii) loans secured by non-owner occupied properties; or (iv) a debt-to-income ratio above normal limits. A substantial proportion of JPMorgan Chase Bank, N.A.'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 and a monthly income at least three to four times greater than their monthly housing expense (mortgage payments plus taxes and other debt payments). These borrowers provide full documentation and generally have reliable payment histories.

Subprime
Subprime loans are loans to 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.

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

NM: Not meaningful.

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

Over-the-counter cleared derivatives ("OTC cleared"): 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 includes realized and unrealized gains and losses recorded on derivatives, other financial instruments, private equity investments, and physical commodities used in market-making and client-driven activities. In addition, 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 specified risk management purposes, primarily to mitigate credit risk, foreign exchange risk and commodity risk, and (c) other derivatives.

Purchased credit-impaired ("PCI") loans: Represents loans that were acquired in the Washington Mutual transaction and deemed to be credit-impaired on the acquisition date in accordance with the guidance of the Financial Accounting Standards Board ("FASB"). The guidance allows purchasers to aggregate credit-impaired loans acquired in the same fiscal quarter into one or more pools, provided that the loans have common risk characteristics (e.g., product type, LTV ratios, FICO scores, past due status, geographic location). A pool is then accounted for as a single asset with a single composite interest rate and an aggregate expectation of cash flows.

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

Risk-weighted assets ("RWA"): Risk-weighted assets consist of on- and off-balance sheet assets that are assigned to one of several broad risk categories and weighted by factors representing their risk and potential for default. On-balance sheet assets are risk-weighted based on the perceived credit risk associated with the obligor or counterparty, the nature of any collateral, and the guarantor, if any. Off-balance sheet assets such as lending-related commitments, guarantees, derivatives and other applicable off-balance sheet positions are risk-weighted by multiplying the contractual amount by the appropriate credit conversion factor to determine the on-balance sheet credit equivalent amount, which is then risk-weighted based on the same factors used for on-balance sheet assets. Risk-weighted assets also incorporate a measure for market risk related to applicable trading assets-debt and equity instruments, and foreign exchange and commodity derivatives. The resulting risk-weighted values for each of the risk categories are then aggregated to determine total risk-weighted assets.

Short sale: A short sale is a sale of real estate in which proceeds from selling the underlying property are less than the amount owed JPMorgan Chase Bank, N.A. under the terms of the related mortgage and the related lien is released upon receipt of such proceeds.

Structured notes: Structured notes are predominantly financial instruments containing embedded derivatives. Where present, the embedded derivative is the primary driver of risk.

Troubled debt restructuring ("TDR"): A TDR is deemed to occur when JPMorgan Chase Bank, N.A. modifies the original terms of a loan agreement by granting a concession to a borrower that is experiencing financial difficulty.

Unaudited: Financial statements and information that have not been subjected to auditing procedures sufficient to permit an independent certified public accountant to express an opinion.

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

U.S. government-sponsored enterprise obligations: Obligations of agencies originally established or chartered by the U.S. government to serve public purposes as specified by the U.S. Congress; these 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.

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

Washington Mutual transaction: On September 25, 2008, JPMorgan Chase acquired certain of the assets of the banking operations of Washington Mutual Bank ("Washington Mutual") from the FDIC.