JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

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

CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2015

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For the six months ended June 30, 2015

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

(in millions)	Six months ended June 30, 2015	Six months ended June 30, 2014
Revenue		
Investment banking fees	**$ 961**	$ 954
Principal transactions	**5,583**	4,295
Lending- and deposit-related fees	**2,780**	2,865
Asset management, administration and commissions	**5,657**	5,684
Securities gains[(a)]	**92**	40
Mortgage fees and related income	**1,488**	1,805
Card income	**2,172**	2,106
Other income	**1,915**	1,956
Noninterest revenue	**20,648**	19,705
Interest income	**18,383**	18,944
Interest expense	**1,895**	2,285
Net interest income	**16,488**	16,659
Total net revenue	**37,136**	36,364
Provision for credit losses	**660**	361
Noninterest expense		
Compensation expense	**12,356**	12,216
Occupancy expense	**1,683**	1,761
Technology, communications and equipment expense	**2,772**	2,610
Professional and outside services	**2,581**	2,910
Marketing	**361**	340
Other expense	**4,716**	4,771
Total noninterest expense	**24,469**	24,608
Income before income tax expense	**12,007**	11,395
Income tax expense	**3,173**	3,286
Net income	**$ 8,834**	$ 8,109

(a) JPMorgan Chase Bank, N.A. recognized other-than-temporary impairment ("OTTI") losses of $2 million for each of the six months ended June 30, 2015 and 2014.

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, 2015	2014
Net income	**$ 8,834**	$ 8,109
Other comprehensive income, after–tax		
Unrealized gains/(losses) on investment securities	**(1,294)**	1,966
Translation adjustments, net of hedges	**(11)**	7
Cash flow hedges	**154**	94
Defined benefit pension and OPEB plans	**64**	2
Total other comprehensive income, after–tax	**(1,087)**	2,069
Comprehensive income	**$ 7,747**	$ 10,178

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 balance sheets (unaudited)

(in millions, except share data)	Jun 30, 2015	Dec 31, 2014
Assets		
Cash and due from banks	**$ 23,180**	$ 26,637
Deposits with banks	**369,020**	471,427
Federal funds sold and securities purchased under resale agreements (included **$12,688** and $14,265 at fair value)	**150,116**	141,156
Securities borrowed (included **$495** and $992 at fair value)	**28,261**	32,173
Trading assets (included assets pledged of **$52,509** and $48,593)	**253,074**	268,014
Securities (included **$259,744** and $292,347 at fair value and assets pledged of **$24,131** and $27,745)	**311,338**	341,599
Loans (included **$2,261** and $2,283 at fair value)	**689,167**	651,630
Allowance for loan losses	**(11,095)**	(11,352)
Loans, net of allowance for loan losses	**678,072**	640,278
Accrued interest and accounts receivable	**45,681**	38,814
Premises and equipment	**13,094**	13,122
Goodwill	**27,230**	27,282
Mortgage servicing rights	**7,571**	7,436
Other intangible assets	**295**	344
Other assets (included **$4,522** and $4,608 at fair value and assets pledged of **$993** and $993)	**64,448**	66,699
Total assets[(a)]	**$ 1,971,380**	$ 2,074,981
Liabilities		
Deposits (included **$11,806** and $8,974 at fair value)	**$ 1,330,275**	$ 1,439,405
Federal funds purchased and securities loaned or sold under repurchase agreements (included **$788** and $678 at fair value)	**98,392**	94,325
Other borrowed funds (included **$9,212** and $8,209 at fair value)	**58,293**	38,572
Trading liabilities	**105,176**	120,323
Accounts payable and other liabilities	**75,030**	76,694
Beneficial interests issued by consolidated variable interest entities (included **$208** and $18 at fair value)	**17,362**	18,601
Long-term debt (included **$14,609** and $14,136 at fair value)	**97,476**	101,437
Total liabilities[(a)]	**1,782,004**	1,889,357
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 ($12 par value; authorized 150,000,000 shares; issued **148,761,243** shares)	**1,785**	1,785
Additional paid-in capital	**90,806**	90,801
Retained earnings	**93,916**	89,082
Accumulated other comprehensive income	**2,869**	3,956
Total stockholder's equity	**189,376**	185,624
Total liabilities and stockholder's equity	**$ 1,971,380**	$ 2,074,981

(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, 2015, and December 31, 2014. 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, 2015	Dec 31, 2014
Assets		
Trading assets	**$ 3,544**	$ 6,046
Loans	**19,231**	20,613
All other assets	**851**	345
Total assets	**$ 23,626**	$ 27,004
Liabilities		
Beneficial interests issued by consolidated variable interest entities	**$ 17,362**	$ 18,601
All other liabilities	**740**	815
Total liabilities	**$ 18,102**	$ 19,416

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, 2015, and December 31, 2014, JPMorgan Chase Bank, N.A. provided limited program-wide credit enhancement of $2.0 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)	**2015**	2014
Common stock		
Balance at January 1 and June 30	**$ 1,785**	$ 1,785
Additional paid-in capital		
Balance at January 1	**90,801**	90,479
Cash capital contribution from JPMorgan Chase & Co.	**7**	476
Adjustments to capital due to transactions with JPMorgan Chase & Co.	**(2)**	(184)
Balance at June 30	**90,806**	90,771
Retained earnings		
Balance at January 1	**89,082**	74,634
Cumulative effect of change in accounting principle	**–**	(311)
Balance at beginning of year, adjusted	**89,082**	74,323
Net income	**8,834**	8,109
Cash dividends paid to JPMorgan Chase & Co.	**(4,000)**	–
Balance at June 30	**93,916**	82,432
Accumulated other comprehensive income		
Balance at January 1	**3,956**	2,179
Other comprehensive income	**(1,087)**	2,069
Balance at June 30	**2,869**	4,248
Total stockholder's equity	**$ 189,376**	$ 179,236

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)	**2015**	2014
Operating activities		
Net income	**$ 8,834**	$ 8,109
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	**660**	361
Depreciation and amortization	**2,190**	2,149
Deferred tax expense	**207**	1,849
Investment securities gains	**(92)**	(40)
Originations and purchases of loans held-for-sale	**(30,665)**	(34,940)
Proceeds from sales, securitizations and paydowns of loans held-for-sale	**27,797**	38,853
Net change in:		
Trading assets	**26,395**	(2,464)
Securities borrowed	**3,908**	(224)
Accrued interest and accounts receivable	**(7,153)**	31
Other assets	**2,351**	6,508
Trading liabilities	**(17,119)**	(13,951)
Accounts payable and other liabilities	**4,984**	(1,055)
Other operating adjustments	**1,096**	2,855
Net cash provided by operating activities	**23,393**	8,041
Investing activities		
Net change in:		
Deposits with banks	**102,407**	(66,300)
Federal funds sold and securities purchased under resale agreements	**(8,995)**	20,814
Held-to-maturity securities:		
Proceeds from paydowns and maturities	**3,185**	1,667
Purchases	**(5,678)**	(6,312)
Available-for-sale securities:		
Proceeds from paydowns and maturities	**43,336**	40,498
Proceeds from sales	**21,534**	13,367
Purchases	**(40,108)**	(52,392)
Proceeds from sales and securitizations of loans held-for-investment	**9,327**	8,969
Other changes in loans, net	**(46,832)**	(26,331)
Net cash used in business acquisitions or dispositions	**(17)**	(19)
All other investing activities, net	**905**	(1,011)
Net cash provided by/(used in) investing activities	**79,064**	(67,050)
Financing activities		
Net change in:		
Deposits	**(121,875)**	43,669
Federal funds purchased and securities loaned or sold under repurchase agreements	**4,074**	13,015
Other borrowed funds	**19,255**	2,379
Beneficial interests issued by consolidated variable interest entities	**(1,351)**	(5,521)
Proceeds from long-term borrowings	**10,393**	11,108
Payments of long-term borrowings	**(13,509)**	(18,426)
Dividends paid to JPMorgan Chase & Co.	**(4,000)**	–
All other financing activities, net	**1,048**	310
Net cash (used in)/provided by financing activities	**(105,965)**	46,534
Effect of exchange rate changes on cash and due from banks	**51**	(43)
Net decrease in cash and due from banks	**(3,457)**	(12,518)
Cash and due from banks at the beginning of the period	**26,637**	38,955
Cash and due from banks at the end of the period	**$ 23,180**	$ 26,437
Cash interest paid	**$ 1,528**	$ 2,187
Cash income taxes paid/(refunded), net	**5,158**	(2,671)

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

See Glossary of Terms for definitions of terms used throughout the Notes to Consolidated Financial 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, 2014 (the "2014 Annual Financial Statements").

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

Supervision and regulation

Beginning July 21, 2015, the Volcker Rule provisions regarding the prohibitions against proprietary trading and holding ownership interests or sponsoring "covered funds" became effective; a one-year extension has been granted by the Federal Reserve for the holding of ownership interests in funds sponsored or owned prior to December 31, 2013. JPMorgan Chase Bank, N.A. has completed training for all affected front office and control personnel, has in place conformance plans for those covered funds to which the extension applies, and believes it is in compliance in all material respects with the Volcker Rule. The deductions from Tier 1 capital associated with permissible holdings of covered funds will be reflected in the JPMorgan Chase Bank, N.A.'s risk-based capital ratios beginning with the interim period September 2015.

For a further discussion of supervision and regulation of JPMorgan Chase Bank, N.A., see Note 1, Supervision and regulation and Derivatives regulation on pages 7–9 of JPMorgan Chase Bank, N.A.'s 2014 Annual Financial Statements.

Investments in qualified affordable housing projects

Effective January 1, 2015, JPMorgan Chase Bank, N.A. adopted new accounting guidance for investments in affordable housing projects that qualify for the low-income housing tax credit, which impacted the corporate & investment banking business. As a result of the adoption of this new guidance, JPMorgan Chase Bank, N.A. made an accounting policy election to amortize the initial cost of its qualifying investments in proportion to the tax credits and other benefits received, and to present the amortization as a component of income tax expense; previously such amounts were predominantly presented in other income. The guidance was required to be applied retrospectively and accordingly, certain prior period amounts have been revised to conform with the current period presentation. The cumulative effect on retained earnings was a reduction of $311 million as of January 1, 2014. The adoption of this accounting guidance resulted in an increase of $414 million and $427 million in other income and income tax expense, respectively, for the six months ended June 30, 2014, which led to an increase of approximately 3% in the effective tax rate for the six months ended June 30, 2014. The impact on net income in the periods affected was not material.

JPMorgan Chase Bank, N.A. recognized $706 million and $681 million of tax credits and other tax benefits associated with these investments within Income tax expense for the six months ended June 30, 2015 and 2014, respectively. The amount of amortization of such investments reported in income tax expense under the current period presentation was $513 million and $473 million, for the six months ended June 30, 2015 and 2014, respectively.

The carrying value of investments in affordable housing projects was $6.8 billion and $6.9 billion at June 30, 2015 and December 31, 2014, respectively. These investments are reported in other assets on JPMorgan Chase Bank, N.A.'s Consolidated balance sheets. The amount of commitments related to these investments was $1.6 billion and $1.7 billion at June 30, 2015 and December 31, 2014, respectively. These commitments are reported in accounts payable and other liabilities on JPMorgan Chase Bank, N.A.'s Consolidated balance sheets.

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 2014 Annual Financial Statements.

Note 2 – Accounting and reporting developments

Disclosures for investments in certain entities that calculate net asset value per share (or its equivalent)

In May 2015, the Financial Accounting Standards Board ("FASB") issued guidance to address diversity in practice related to how certain investments measured at net asset value ("NAV") are reported within the financial statement footnotes. The new guidance removes the requirement to categorize investments measured under the current NAV practical expedient within the fair value hierarchy for all investments. The amendments also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the NAV practical expedient. Rather, those disclosures are limited to investments for which the entity has elected to measure the fair value using that practical expedient. JPMorgan Chase Bank, N.A. adopted the new guidance effective April 1, 2015. The guidance was required to be applied retrospectively, and accordingly, certain prior period amounts have been revised to conform with the current period presentation. The application of this guidance only affected the disclosures related to these investments and had no impact on JPMorgan Chase Bank, N.A.'s Consolidated balance sheets or results of operations. For further information, see Note 4.

Simplifying presentation of debt issuance costs

In April 2015, the FASB issued guidance that simplifies the presentation of debt issuance costs. The new guidance requires that unamortized debt issuance costs be presented as a reduction of the debt liability rather than as an asset. The guidance does not impact the amortization method for these costs. Adoption of the new guidance will have no impact on JPMorgan Chase Bank, N.A.'s net income but will reduce other assets and long-term debt by an immaterial amount. The guidance will be effective in the first quarter of 2016 with early adoption permitted.

Amendments to the consolidation analysis

In February 2015, the FASB issued guidance regarding consolidation of legal entities such as limited partnerships, limited liability corporations, and securitization structures. The guidance eliminates the deferral issued by the FASB in February 2010 of the accounting guidance for VIEs for certain investment funds, including mutual funds, private equity funds and hedge funds. In addition, the guidance amends the evaluation of fees paid to a decision maker or a service provider, and exempts certain money market funds from consolidation. The guidance will be effective in the first quarter of 2016. JPMorgan Chase Bank, N.A. is currently evaluating the potential impact on the Consolidated Financial Statements.

Measuring the financial assets and financial liabilities of a consolidated collateralized financing entity

In August 2014, the FASB issued guidance to address diversity in the accounting for differences in the measurement of the fair values of financial assets and liabilities of consolidated financing VIEs. The new guidance provides an alternative for consolidated financing VIEs to elect: (1) to measure their financial assets and liabilities separately under existing U.S. GAAP for fair value measurement with any differences in such fair values reflected in earnings; or (2) to measure both their financial assets and liabilities using the more observable of the fair value of the financial assets or the fair value of the financial liabilities. The guidance will be effective in the first quarter of 2016, with early adoption permitted. The adoption of this guidance is not expected to have a material impact on JPMorgan Chase Bank, N.A.'s Consolidated Financial Statements.

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. JPMorgan Chase Bank, N.A. adopted the new accounting guidance effective January 1, 2015. The application of this guidance did not have a material impact on JPMorgan Chase Bank, N.A.'s Consolidated Financial Statements. For further information, see Note 6.

In addition, the guidance requires enhanced disclosures with respect to the types of financial assets pledged in secured financing transactions and the remaining contractual maturity of the secured financing transactions. JPMorgan Chase Bank, N.A. adopted the new disclosure guidance effective April 1, 2015. For further information, see Note 13.

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 statements of income. 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 2018 with early adoption permitted as early as the first quarter of 2017. 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 regarding the reporting of discontinued operations. The guidance changes the criteria for determining whether a disposition qualifies for discontinued operations presentation. It also requires enhanced disclosures about discontinued operations and significant dispositions that do not qualify to be presented as discontinued operations. JPMorgan Chase Bank, N.A. adopted the new guidance effective January 1, 2015. The application of this guidance had no 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 initial cost of its investments in proportion to the tax credits and other benefits received if certain criteria are met, and to present the amortization as a component of income tax expense.

JPMorgan Chase Bank, N.A. adopted the new accounting guidance effective January 1, 2015. The guidance was required to be applied retrospectively and accordingly, certain prior period amounts have been revised to conform with the current period presentation. For additional information about the impact of the adoption of the new accounting guidance on January 1, 2015, see Note 1.

Note 3 – Business changes and developments

Business events and subsequent events

Subsequent events

In preparing these consolidated financial statements, JPMorgan Chase Bank, N.A. performed an evaluation of material events subsequent to June 30, 2015, and through August 5, 2015, 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 2014 Annual Financial Statements.

The following table presents the asset and liabilities reported at fair value as of June 30, 2015, and December 31, 2014, by major product category and fair value hierarchy.

Assets and liabilities measured at fair value on a recurring basis

June 30, 2015 (in millions)	Fair value hierarchy Level 1	Level 2	Level 3	Derivative netting adjustments	Total fair value
Federal funds sold and securities purchased under resale agreements	$ –	$ 12,688	$ –	$ –	$ 12,688
Securities borrowed	–	495	–	–	495
Trading assets:					
Debt instruments:					
Mortgage-backed securities:					
U.S. government agencies[a]	–	–	810	–	810
Residential – nonagency	–	923	32	–	955
Commercial – nonagency	–	276	28	–	304
Total mortgage-backed securities	–	1,199	870	–	2,069
U.S. Treasury and government agencies[a]	7,221	35	–	–	7,256
Obligations of U.S. states and municipalities	–	3,591	59	–	3,650
Certificates of deposit, bankers' acceptances and commercial paper	–	194	–	–	194
Non-U.S. government debt securities	25,313	29,083	208	–	54,604
Corporate debt securities	–	15,417	726	–	16,143
Loans	–	24,269	6,993	–	31,262
Asset-backed securities	–	335	109	–	444
Total debt instruments	32,534	74,123	8,965	–	115,622
Equity securities	59,463	60	86	–	59,609
Physical commodities[b]	824	–	–	–	824
Other	–	10,381	1,206	–	11,587
Total debt and equity instruments[c]	92,821	84,564	10,257	–	187,642
Derivative receivables:					
Interest rate	314	662,708	3,852	(635,050)	31,824
Credit	–	52,264	2,666	(53,507)	1,423
Foreign exchange	727	173,115	2,328	(157,606)	18,564
Equity	–	62,267	2,447	(58,745)	5,969
Commodity	191	39,906	239	(32,739)	7,597
Total derivative receivables[d]	1,232	990,260	11,532	(937,647)	65,377
Total trading assets	94,053	1,074,824	21,789	(937,647)	253,019
Available-for-sale securities:					
Mortgage-backed securities:					
U.S. government agencies[a]	–	57,315	–	–	57,315
Residential – nonagency	–	39,560	13	–	39,573
Commercial – nonagency	–	21,592	–	–	21,592
Total mortgage-backed securities	–	118,467	13	–	118,480
U.S. Treasury and government agencies[a]	11,544	46	–	–	11,590
Obligations of U.S. states and municipalities	–	28,271	–	–	28,271
Certificates of deposit	–	429	–	–	429
Non-U.S. government debt securities	23,544	19,244	–	–	42,788
Corporate debt securities	–	15,821	–	–	15,821
Asset-backed securities:					
Collateralized loan obligations	–	30,600	772	–	31,372
Other	–	10,865	46	–	10,911
Equity securities	82	–	–	–	82
Total available-for-sale securities	35,170	223,743	831	–	259,744
Loans	–	135	2,126	–	2,261
Mortgage servicing rights ("MSRs")	–	–	7,571	–	7,571
Other assets	–	26	4,496	–	4,522
Total assets measured at fair value on a recurring basis	$ 129,223	$ 1,311,911	$ 36,813	$ (937,647)	$ 540,300
Deposits	$ –	$ 8,243	$ 3,563	$ –	$ 11,806
Federal funds purchased and securities loaned or sold under repurchase agreements	–	788	–	–	788
Other borrowed funds	–	7,942	1,270	–	9,212
Trading liabilities:					
Debt and equity instruments[c]	36,976	10,612	54	–	47,642
Derivative payables:					
Interest rate	211	630,619	3,065	(617,697)	16,198
Credit	–	52,268	2,263	(52,818)	1,713
Foreign exchange	734	188,761	2,110	(172,292)	19,313
Equity	–	66,365	3,619	(58,852)	11,132
Commodity	102	39,806	871	(31,601)	9,178
Total derivative payables[d]	1,047	977,819	11,928	(933,260)	57,534
Total trading liabilities	38,023	988,431	11,982	(933,260)	105,176
Accounts payable and other liabilities	–	–	–	–	–
Beneficial interests issued by consolidated VIEs	–	–	208	–	208
Long-term debt	–	7,988	6,621	–	14,609
Total liabilities measured at fair value on a recurring basis	$ 38,023	$ 1,013,392	$ 23,644	$ (933,260)	$ 141,799

December 31, 2014 (in millions)	Fair value hierarchy			Derivative netting adjustments	Total fair value
	Level 1	Level 2	Level 3		
Federal funds sold and securities purchased under resale agreements	$ –	$ 14,265	$ –	$ –	$ 14,265
Securities borrowed	–	992	–	–	992
Trading assets:					
Debt instruments:					
Mortgage-backed securities:					
U.S. government agencies[a]	–	–	904	–	904
Residential – nonagency	–	509	438	–	947
Commercial – nonagency	–	151	217	–	368
Total mortgage-backed securities	–	660	1,559	–	2,219
U.S. Treasury and government agencies[a]	8,238	21	–	–	8,259
Obligations of U.S. states and municipalities	–	6,007	59	–	6,066
Certificates of deposit, bankers' acceptances and commercial paper	–	146	–	–	146
Non-U.S. government debt securities	25,854	27,240	302	–	53,396 [e]
Corporate debt securities	–	17,239	2,756	–	19,995
Loans	–	22,658	9,830	–	32,488
Asset-backed securities	–	251	374	–	625
Total debt instruments	34,092	74,222	14,880	–	123,194
Equity securities	53,831	56 [e]	73	–	53,960
Physical commodities[b]	2,501	1,023	1	–	3,525
Other	–	9,080	1,183	–	10,263
Total debt and equity instruments[c]	90,424	84,381 [e]	16,137	–	190,942 [e]
Derivative receivables:					
Interest rate	284	945,011 [e]	4,125	(916,081) [e]	33,339
Credit	–	73,860	3,008	(75,004)	1,864
Foreign exchange	758	212,130 [e]	2,269	(193,934) [e]	21,223
Equity	–	35,944 [e]	3,699 [e]	(31,470) [e]	8,173
Commodity	247	39,574	177	(27,633)	12,365
Total derivative receivables[d]	1,289	1,306,519 [e]	13,278 [e]	(1,244,122) [e]	76,964
Total trading assets	91,713	1,390,900 [e]	29,415 [e]	(1,244,122) [e]	267,906 [e]
Available-for-sale securities:					
Mortgage-backed securities:					
U.S. government agencies[a]	–	65,319	–	–	65,319
Residential – nonagency	–	50,865	30	–	50,895
Commercial – nonagency	–	20,381	99	–	20,480
Total mortgage-backed securities	–	136,565	129	–	136,694
U.S. Treasury and government agencies[a]	13,581	54	–	–	13,635
Obligations of U.S. states and municipalities	–	26,755	–	–	26,755
Certificates of deposit	–	1,103	–	–	1,103
Non-U.S. government debt securities	24,061	28,670	–	–	52,731
Corporate debt securities	–	18,530	–	–	18,530
Asset-backed securities:					
Collateralized loan obligations	–	29,402	792	–	30,194
Other	–	12,546	41	–	12,587
Equity securities	118	–	–	–	118
Total available-for-sale securities	37,760	253,625	962	–	292,347
Loans	–	70	2,213	–	2,283
Mortgage servicing rights	–	–	7,436	–	7,436
Other assets	–	15	4,593	–	4,608
Total assets measured at fair value on a recurring basis	$ 129,473	$ 1,659,867 [e]	$ 44,619 [e]	$ (1,244,122) [e]	$ 589,837 [e]
Deposits	$ –	$ 6,091	$ 2,883	$ –	$ 8,974
Federal funds purchased and securities loaned or sold under repurchase agreements	–	678	–	–	678
Other borrowed funds	–	6,783	1,426	–	8,209
Trading liabilities:					
Debt and equity instruments[c]	37,282	10,022	51	–	47,355
Derivative payables:				–	
Interest rate	180	917,036 [e]	3,790	(900,192) [e]	20,814
Credit	–	73,574	2,823	(74,302)	2,095
Foreign exchange	746	221,628 [e]	3,030	(201,644) [e]	23,760
Equity	–	38,123 [e]	5,409	(31,680) [e]	11,852
Commodity	141	39,410	982	(26,086)	14,447
Total derivative payables[d]	1,067	1,289,771 [e]	16,034 [e]	(1,233,904) [e]	72,968
Total trading liabilities	38,349	1,299,793 [e]	16,085 [e]	(1,233,904) [e]	120,323
Accounts payable and other liabilities	–	–	–	–	–
Beneficial interests issued by consolidated VIEs	–	–	18	–	18
Long-term debt	–	7,166	6,970	–	14,136
Total liabilities measured at fair value on a recurring basis	$ 38,349	$ 1,320,511 [e]	$ 27,382 [e]	$ (1,233,904) [e]	$ 152,338 [e]

Note: Effective April 1, 2015, JPMorgan Chase Bank, N.A. adopted new accounting guidance for investments in certain entities that calculate net asset value per share (or its equivalent). As a result of the adoption of this new guidance, certain investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not required to be classified in the fair value hierarchy. At June 30, 2015, and December 31, 2014 the fair values of these investments, which include certain hedge funds, was $55 million and $108 million, respectively, which had been previously classified in level 2 within trading assets. The guidance was required to be applied retrospectively, and accordingly, prior period amounts have been revised to conform with the current period presentation.

(a) At June 30, 2015, and December 31, 2014, included total U.S. government-sponsored enterprise obligations of $46.3 billion and $60.2 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 identical securities sold but not yet purchased (short positions).

(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. 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 $1.9 billion and $2.5 billion at June 30, 2015, and December 31, 2014, respectively; this is exclusive of the netting benefit associated with cash collateral, which would further reduce the level 3 balances. Additionally, includes derivative receivables and payables with affiliates on a net basis. See Note 19 for information regarding our derivative activities with affiliates.

(e) The 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 its results of operations.

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

For the six months ended June 30, 2015 and 2014, there were no individually significant transfers between levels 1 and 2, or from level 2 into level 3.

During the six months ended June 30, 2015, transfers from level 3 into level 2 included $2.0 billion of corporate debt driven by a reduction of the significance in the unobservable inputs and an increase in observability for certain structured products and $1.8 billion of trading loans driven by an increase in observability of certain collateralized financing transactions.

During the six months ended June 30, 2014, transfers from level 3 into level 2 included $3.3 billion and $3.2 billion of equity derivative receivables and payables, respectively, due to increased observability of certain equity options.

All transfers are assumed to occur at the beginning of the quarterly 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 2014 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. 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. For example, two option contracts may have similar levels of market risk exposure and valuation uncertainty, but may have significantly different implied volatility levels because the option contracts have different underlyings, tenors, or strike prices. The input range and weighted 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, interest rate correlation inputs used in estimating fair value were concentrated towards the upper end of the range presented, equities correlation inputs were concentrated at the low end of the range, while the credit correlation inputs were distributed across the range presented and the foreign exchange correlation inputs were concentrated at the top 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 and the foreign exchange correlation inputs were concentrated at the top end of the range presented. The equity volatilities are concentrated at the lower half end of the range. The forward commodity prices 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, 2015 (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	$ 4,519	Discounted cash flows	Yield	4 % - 13%	6%
			Prepayment speed	0 % - 15%	6%
			Conditional default rate	0 % - 100%	54%
			Loss severity	0 % - 100%	6%
Commercial mortgage-backed securities and loans[(b)]	3,994	Discounted cash flows	Yield	1 % - 25%	4%
			Conditional default rate	0 % - 26%	9%
			Loss severity	40%	40%
Corporate debt securities, obligations of U.S. states and municipalities, and other[(c)]	2,095	Discounted cash flows	Credit spread	225 bps - 270 bps	250 bps
			Yield	6 % - 18%	9%
	1,788	Market comparables	Price	$ — - $129	$ 96
Net interest rate derivatives	787	Option pricing	Interest rate correlation	(54)% - 99%	
			Interest rate spread volatility	4 % - 26%	
Net credit derivatives[(b)(c)]	403	Discounted cash flows	Credit correlation	40 % - 90%	
Net foreign exchange derivatives	218	Option pricing	Foreign exchange correlation	0 % - 60%	
Net equity derivatives	(1,172)	Option pricing	Equity volatility	20 % - 65%	
Net commodity derivatives	(632)	Discounted cash flows	Forward commodity price	$ 50 - $ 90 per barrel	
Collateralized loan obligations	772	Discounted cash flows	Credit spread	289 bps - 399 bps	305 bps
			Prepayment speed	20 %	20%
			Conditional default rate	2 %	2%
			Loss severity	40 %	40%
	69	Market comparables	Price	$ — - $92	$ 70
Mortgage servicing rights ("MSRs")	7,571	Discounted cash flows	Refer to Note 17		
Retained interests in credit card securitization trusts	4,473	Discounted cash flows	Refer to Note 16.		
Long-term debt, other borrowed funds, and deposits[(d)]	10,053	Option pricing	Interest rate correlation	(54)% - 99%	
			Interest rate spread volatility	4 % - 26%	
			Foreign exchange correlation	0 % - 60%	
			Equity correlation	(50)% - 80%	
	1,401	Discounted cash flows	Credit correlation	40 % - 90%	

(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 $450 million of credit derivative receivables and $396 million of credit derivative payables with underlying commercial mortgage risk have been included in the inputs and ranges provided for commercial mortgage-backed securities ("MBS") and loans.
(c) The unobservable inputs and associated input ranges for approximately $617 million of credit derivative receivables and $569 million of credit derivative payables with underlying asset-backed securities ("ABS") 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 2014 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, 2015 and 2014. 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, 2015 (in millions)	Fair value measurements using significant unobservable inputs							
	Fair value at January 1, 2015	Total realized/ unrealized gains/(losses)	Purchases[g]	Sales	Settlements	Transfers into and/ or out of level 3[h]	Fair value at June 30, 2015	Change in unrealized gains/ (losses) related to financial instruments held at June 30, 2015
Assets:								
Trading assets:								
Debt instruments:								
Mortgage-backed securities:								
U.S. government agencies	$ 904	$ 38	$ –	$ (127)	$ (5)	$ –	$ 810	$ 34
Residential – nonagency	438	(23)	139	(252)	(4)	(266)	32	(1)
Commercial – nonagency	217	(9)	39	(83)	(13)	(123)	28	(1)
Total mortgage-backed securities	1,559	6	178	(462)	(22)	(389)	870	32
Obligations of U.S. states and municipalities	59	–	–	–	(5)	5	59	–
Non-U.S. government debt securities	302	9	155	(112)	(42)	(104)	208	19
Corporate debt securities	2,756	(56)	751	(750)	(23)	(1,952)	726	16
Loans	9,830	(87)	1,450	(2,068)	(591)	(1,541)	6,993	(107)
Asset-backed securities	374	(25)	72	(221)	(11)	(80)	109	(17)
Total debt instruments	14,880	(153)	2,606	(3,613)	(694)	(4,061)	8,965	(57)
Equity securities	73	25	26	(21)	(13)	(4)	86	29
Other	1,184	84	910	(825)	(125)	(22)	1,206	13
Total trading assets – debt and equity instruments	16,137	(44) [c]	3,542	(4,459)	(832)	(4,087)	10,257	(15) [c]
Net derivative receivables:[a]								
Interest rate	335	678	478	(158)	(353)	(193)	787	340
Credit	185	88	3	(2)	96	33	403	193
Foreign exchange	(761)	934	33	2	–	10	218	590
Equity	(1,710)	842	469	(1,631)	673	185	(1,172)	644
Commodity	(805)	122	8	–	65	(22)	(632)	(38)
Total net derivative receivables	(2,756)	2,664 [c]	991	(1,789)	481	13	(396)	1,729 [c]
Available-for-sale securities:								
Asset-backed securities	833	1	49	(20)	(45)	–	818	(2)
Other	129	–	–	–	(17)	(99)	13	–
Total available-for-sale securities	962	1 [d]	49	(20)	(62)	(99)	831	(2) [d]
Loans	2,213	(119) [c]	298	–	(266)	–	2,126	(119) [c]
Mortgage servicing rights	7,436	215 [e]	739	(375)	(444)	–	7,571	215 [e]
Other assets	5,050	(2) [f]	12	(3,050)	2,486	–	4,496	(2) [f]

Six months ended June 30, 2015 (in millions)	Fair value measurements using significant unobservable inputs								
	Fair value at January 1, 2015	Total realized/ unrealized (gains)/losses	Purchases	Sales	Issuances	Settlements	Transfers into and/ or out of level 3[h]	Fair value at June 30, 2015	Change in unrealized (gains)/losses related to financial instruments held at June 30, 2015
Liabilities:[b]									
Deposits	$ 2,883	$ (32) [c]	$ –	$ –	$ 1,416	$ (134)	$ (570)	$ 3,563	$ (7) [c]
Other borrowed funds	1,426	(120) [c]	45	–	2,131	(1,968)	(244)	1,270	(148) [c]
Trading liabilities – debt and equity instruments	51	6 [c]	(117)	126	–	(13)	1	54	12 [c]
Accounts payable and other liabilities	10	–	–	–	–	(10)	–	–	–
Beneficial interests issued by consolidated VIEs	18	–	208	–	–	(18)	–	208	–
Long-term debt	6,970	(249) [c]	–	–	3,368	(3,311)	(157)	6,621	(133) [c]

Six months ended June 30, 2014 (in millions)	Fair value measurements using significant unobservable inputs							Change in unrealized gains/(losses) related to financial instruments held at June 30, 2014
	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	
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)	(185) [i]	900 [i]	(1,638) [i]	86 [i]	(458) [i]	(2,129)	330
Commodity	(95)	(42)	(12)	–	(76)	32	(193)	(29)
Total net derivative receivables	(386)	(978) [c][i]	1,288 [i]	(1,785) [i]	(106) [i]	(557) [i]	(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	5,975	1 [f]	–	(2,247)	169	–	3,898	–

Six months ended June 30, 2014 (in millions)	Fair value measurements using significant unobservable inputs								Change in unrealized gains/(losses) related to financial instruments held at June 30, 2014
	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	
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	–	–	–	–	–	–	–	–	–
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]

(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) was 17% at both June 30, 2015. and December 31, 2014.

(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 available-for-sale ("AFS") 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 and unrealized gains/(losses) recorded in OCI, on AFS securities, were not significant for the six months ended June 30, 2015. For the six months ended June 30, 2014, realized gains/(losses) recorded in income on AFS securities was $(13) million and unrealized gains/(losses) recorded in OCI on AFS securities was $(1) million.
(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 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 2.0% of total JPMorgan Chase Bank, N.A. assets at June 30, 2015. The following describes significant changes to level 3 assets since December 31, 2014, 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 page 17.

Six months ended June 30, 2015

Level 3 assets were $36.8 billion at June 30, 2015, reflecting a decrease of $7.8 billion from December 31, 2014, predominantly due to the following:

- $5.9 billion decrease in trading assets, debt and equity instruments predominantly driven by a decrease in trading loans due to sales and transfers of corporate debt and trading loans from level 3 to level 2 as a result of a reduction of the significance in the unobservable inputs in corporate debt and an increase in observability of certain valuation inputs for both corporate debt and trading loans.

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 15–17.

Six months ended June 30, 2015

- $2.7 billion of gains on derivatives, largely driven by foreign exchange derivatives and equity derivatives due to market movements.

Six months ended June 30, 2014

- $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.

Assets and liabilities measured at fair value on a nonrecurring basis

At June 30, 2015 and 2014, assets measured at fair value on a nonrecurring basis were $1.8 billion and $3.4 billion, respectively, which predominantly consisted of loans that had fair value adjustments in the first six months of both 2015 and 2014. At June 30, 2015, $94 million and $1.7 billion of these assets were classified in levels 2 and 3 of the fair value hierarchy, respectively. 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. Liabilities measured at fair value on a nonrecurring basis were not significant at June 30, 2015 and 2014. For the six months ended June 30, 2015 and 2014, there were no significant transfers between levels 1, 2, and 3.

Of the $1.7 billion of level 3 assets measured at fair value on a nonrecurring basis as of June 30, 2015:

- $1.3 billion related to consumer credit card loans that were reclassified to held-for-sale during the fourth quarter of 2014 subject to a lower of cost or fair value adjustment. These loans were classified as level 3, as they are valued based on JPMorgan Chase Bank, N.A.'s internal valuation methodology;
- $301 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 8% to 59%, with a weighted average of 23%.

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, 2015 and 2014, was a reduction of $150 million and $264 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 2014 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, 2015, and December 31, 2014, 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 2014 Annual Financial Statements.

	June 30, 2015					December 31, 2014				
		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	**$ 23.2**	**$ 23.2**	**$ –**	**$ –**	**$ 23.2**	$ 26.6	$ 26.6	$ –	$ –	$ 26.6
Deposits with banks	**369.0**	**364.8**	**4.2**	**–**	**369.0**	471.4	466.7	4.8	–	471.5
Accrued interest and accounts receivable	**45.7**	**–**	**45.5**	**0.1**	**45.6**	38.8	–	38.7	0.1	38.8
Federal funds sold and securities purchased under resale agreements	**137.4**	**–**	**137.4**	**–**	**137.4**	126.9	–	126.9	–	126.9
Securities borrowed	**27.8**	**–**	**27.8**	**–**	**27.8**	31.2	–	31.2	–	31.2
Securities, held-to-maturity[(a)]	**51.6**	**–**	**52.7**	**–**	**52.7**	49.3	–	51.2	–	51.2
Loans, net of allowance for loan losses[(b)]	**675.8**	**–**	**22.7**	**653.4**	**676.1**	638.0	–	24.0	617.3	641.3
Other	**46.6**	**–**	**39.3**	**8.0**	**47.3**	49.9	–	41.9	8.5	50.4
Financial liabilities										
Deposits	**$ 1,318.4**	**$ –**	**$ 1,317.4**	**$ 1.2**	**$ 1,318.6**	$1,430.4	$ –	$ 1,429.5	$ 1.2	$ 1,430.7
Federal funds purchased and securities loaned or sold under repurchase agreements	**97.6**	**–**	**97.6**	**–**	**97.6**	93.6	–	93.6	–	93.6
Other borrowed funds	**49.1**	**–**	**49.1**	**–**	**49.1**	30.4	–	30.4	–	30.4
Accounts payable and other liabilities	**54.8**	**–**	**52.9**	**1.9**	**54.8**	55.1	–	52.7	2.2	54.9
Beneficial interests issued by consolidated VIEs	**17.2**	**–**	**15.3**	**1.9**	**17.2**	18.6	–	16.6	2.0	18.6
Long-term debt and junior subordinated deferrable interest debentures[(c)]	**82.9**	**–**	**79.7**	**4.0**	**83.7**	87.3	–	84.5	3.8	88.3

(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 14–17 of JPMorgan Chase Bank, N.A.'s 2014 Annual Financial Statements.

(c) 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, 2015					December 31, 2014				
		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**	**$ –**	**$ –**	**$ 1.6**	**$ 1.6**	$ 0.6	$ –	$ –	$ 1.6	$ 1.6

(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 page 15 of JPMorgan Chase Bank, N.A.'s 2014 Annual Financial Statements.

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 2014 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, 2015 and 2014, 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,					
	2015			2014		
(in millions)	Principal transactions	All other income	Total changes in fair value recorded	Principal transactions	All other income	Total changes in fair value recorded
Federal funds sold and securities purchased under resale agreements	**$ (35)**	**$ –**	**$ (35)**	$ 24	$ –	$ 24
Securities borrowed	**(4)**	**–**	**(4)**	(5)	–	(5)
Trading assets:						
Debt and equity instruments, excluding loans	**482**	**1** (c)	**483**	590	1 (c)	591
Loans reported as trading assets:						
Changes in instrument-specific credit risk	**215**	**13** (c)	**228**	522	12 (c)	534
Other changes in fair value	**86**	**380** (c)	**466**	102	692 (c)	794
Loans:						
Changes in instrument-specific credit risk	**2**	**–**	**2**	23	–	23
Other changes in fair value	**–**	**–**	**–**	28	–	28
Other assets	**–**	**1** (d)	**1**	–	3 (d)	3
Deposits[(a)]	**35**	**–**	**35**	(211)	–	(211)
Federal funds purchased and securities loaned or sold under repurchase agreements	**7**	**–**	**7**	(23)	–	(23)
Other borrowed funds[(a)]	**(531)**	**–**	**(531)**	(483)	–	(483)
Trading liabilities	**(14)**	**–**	**(14)**	(9)	–	(9)
Beneficial interests issued by consolidated VIEs	**4**	**–**	**4**	(3)	–	(3)
Other liabilities	**–**	**–**	**–**	–	–	–
Long-term debt:						
Changes in instrument-specific credit risk[(a)]	**325**	**–**	**325**	5	–	5
Other changes in fair value[(b)]	**87**	**–**	**87**	(373)	–	(373)

(a) Total changes in instrument-specific credit risk (DVA) related to structured notes were $215 million and $19 million for the six months ended June 30, 2015 and 2014, respectively. These totals include such changes for structured notes classified within deposits and other borrowed funds, as well as long-term debt.

(b) Structured notes are predominantly financial instruments containing embedded derivatives. Where present, the embedded derivative is the primary driver of risk. Although the risk associated with the structured notes is actively managed, the gains/(losses) reported in this table do not include the income statement impact of the risk management instruments used to manage such risk.

(c) Reported in mortgage fees and related income.

(d) Reported in other income.

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, 2015, and December 31, 2014, for loans, long-term debt and long-term beneficial interests for which the fair value option has been elected.

	June 30, 2015			December 31, 2014		
(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	**$ 1,923**	**$ 341**	**$ (1,582)**	$ 2,097	$ 457	$ (1,640)
All other performing loans						
Loans reported as trading assets	**31,259**	**30,921**	**(338)**	32,314	32,031	(283)
Loans	**2,267**	**2,261**	**(6)**	2,290	2,283	(7)
Total loans	**$ 35,449**	**$ 33,523**	**$ (1,926)**	$ 36,701	$ 34,771	$ (1,930)
Long-term debt						
Principal-protected debt	**$ 2,322** [c]	**$ 2,201**	**$ (121)**	$ 3,111 [c]	$ 3,064	$ (47)
Nonprincipal-protected debt[b]	**NA**	**12,408**	**NA**	NA	11,072	NA
Total long-term debt	**NA**	**$ 14,609**	**NA**	NA	$ 14,136	NA
Long-term beneficial interests						
Nonprincipal-protected debt[b]	**NA**	**$ 208**	**NA**	NA	$ 18	NA
Total long-term beneficial interests	**NA**	**$ 208**	**NA**	NA	$ 18	NA

(a) There were no performing loans that were ninety days or more past due as of June 30, 2015, and December 31, 2014, respectively.

(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, 2015, and December 31, 2014, the contractual amount of letters of credit for which the fair value option was elected was $4.4 billion and $4.5 billion, respectively, with a corresponding fair value of $(130) million and $(147) million, respectively. For further information regarding off-balance sheet lending-related financial instruments, see Note 27 of JPMorgan Chase Bank, N.A.'s 2014 Annual Report, 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 7 of JPMorgan Chase Bank, N.A.'s 2014 Annual Financial Statements.

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	page reference
Manage specifically identified risk exposures in qualifying hedge accounting relationships:			
◦ Interest rate	Hedge fixed rate assets and liabilities	Fair value hedge	27
◦ Interest rate	Hedge floating-rate assets and liabilities	Cash flow hedge	28
◦ Foreign exchange	Hedge foreign currency-denominated assets and liabilities	Fair value hedge	27
◦ Foreign exchange	Hedge forecasted revenue and expense	Cash flow hedge	28
◦ Foreign exchange	Hedge the value of JPMorgan Chase Bank, N.A.'s investments in non-U.S. subsidiaries	Net investment hedge	29
◦ Commodity	Hedge commodity inventory	Fair value hedge	27
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	29
◦ Credit	Manage the credit risk of wholesale lending exposures	Specified risk management	29
◦ Commodity	Manage the risk of certain commodities-related contracts and investments	Specified risk management	29
◦ Interest rate and foreign exchange	Manage the risk of certain other specified assets and liabilities	Specified risk management	29
Market-making derivatives and other activities:			
◦ Various	Market-making and related risk management	Market-making and other	29
◦ Various	Other derivatives	Market-making and other	29

Notional amount of derivative contracts

The following table summarizes the notional amount of derivative contracts outstanding as of June 30, 2015, and December 31, 2014.

	Notional amounts[b]	
(in billions)	**June 30, 2015**	December 31, 2014
Interest rate contracts		
Swaps	**$ 24,032**	$ 29,980
Futures and forwards	**6,748**	9,840
Written options	**3,743**	3,913
Purchased options	**4,139**	4,259
Total interest rate contracts	**38,662**	47,992
Credit derivatives[a]	**3,682**	4,247
Foreign exchange contracts		
Cross-currency swaps	**3,272**	3,355
Spot, futures and forwards	**4,818**	4,675
Written options	**750**	790
Purchased options	**758**	780
Total foreign exchange contracts	**9,598**	9,600
Equity contracts		
Swaps	**330**	306
Futures and forwards	**45**	37
Written options	**467**	480
Purchased options	**386**	431
Total equity contracts	**1,228**	1,254
Commodity contracts		
Swaps	**352**	132
Spot, futures and forwards	**149**	163
Written options	**198**	180
Purchased options	**201**	178
Total commodity contracts	**900**	653
Total derivative notional amounts	**$ 54,070**	$ 63,746

(a) For more information on volumes and types of credit derivative contracts, see the Credit derivatives discussion on pages 30–31 of this Note.

(b) 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 tables below include derivative receivables and payables with affiliates on a net basis. See Note 19 for information regarding our derivative activities with affiliates.

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, 2015, and December 31, 2014, 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, 2015 (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	**$ 665,873**	**$ 1,001**	**$ 666,874**	**$ 31,824**	**$ 632,037**	**$ 1,858**	**$ 633,895**	**$ 16,198**
Credit	**54,930**	**–**	**54,930**	**1,423**	**54,531**	**–**	**54,531**	**1,713**
Foreign exchange	**175,422**	**748**	**176,170**	**18,564**	**190,884**	**721**	**191,605**	**19,313**
Equity	**64,714**	**–**	**64,714**	**5,969**	**69,984**	**–**	**69,984**	**11,132**
Commodity	**40,278**	**58**	**40,336**	**7,597**	**40,779**	**–**	**40,779**	**9,178**
Total fair value of trading assets and liabilities	**$1,001,217**	**$ 1,807**	**$1,003,024**	**$ 65,377**	**$ 988,215**	**$ 2,579**	**$ 990,794**	**$ 57,534**

	Gross derivative receivables				Gross derivative payables			
December 31, 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	$ 948,416 [c]	$ 1,004	$ 949,420 [c]	$ 33,339	$ 918,216 [c]	$ 2,790	$ 921,006 [c]	$ 20,814
Credit	76,868	–	76,868	1,864	76,397	–	76,397	2,095
Foreign exchange	211,523 [c]	3,634	215,157 [c]	21,223	225,350 [c]	54	225,404 [c]	23,760
Equity	39,643 [c]	–	39,643 [c]	8,173	43,532 [c]	–	43,532 [c]	11,852
Commodity	39,496	502	39,998	12,365	40,370	163	40,533	14,447
Total fair value of trading assets and liabilities	$1,315,946 [c]	$ 5,140	$1,321,086 [c]	$ 76,964	$1,303,865 [c]	$ 3,007	$1,306,872 [c]	$ 72,968

(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.

(c) The prior period amounts have been revised to conform with the current period presentation. These revisions had no impact on JPMorgan Chase Bank, N.A.'s Consolidated balance sheets or its results of operations.

The following table presents, as of June 30, 2015, and December 31, 2014, 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, 2015			December 31, 2014		
(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:						
OTC	**$ 442,433**	**$ (416,307)**	**$ 26,126**	$ 541,806 [c]	$ (514,902) [c]	$ 26,904
OTC-cleared	**218,760**	**(218,743)**	**17**	401,217	(401,179)	38
Exchange-traded[a]	**—**	**—**	**—**	—	—	—
Total interest rate contracts	**661,193**	**(635,050)**	**26,143**	943,023 [c]	(916,081) [c]	26,942
Credit contracts:						
OTC	**45,396**	**(44,538)**	**858**	66,664	(65,720)	944
OTC-cleared	**9,000**	**(8,969)**	**31**	9,320	(9,284)	36
Total credit contracts	**54,396**	**(53,507)**	**889**	75,984	(75,004)	980
Foreign exchange contracts:						
OTC	**171,933**	**(157,502)**	**14,431**	208,798 [c]	(193,900) [c]	14,898
OTC-cleared	**107**	**(104)**	**3**	36	(34)	2
Exchange-traded[a]	**—**	**—**	**—**	—	—	—
Total foreign exchange contracts	**172,040**	**(157,606)**	**14,434**	208,834 [c]	(193,934) [c]	14,900
Equity contracts:						
OTC	**48,499**	**(47,296)**	**1,203**	23,455	(22,826)	629
OTC-cleared	**—**	**—**	**—**	—	—	—
Exchange-traded[a]	**13,263**	**(11,449)**	**1,814**	10,798 [c]	(8,644) [c]	2,154
Total equity contracts	**61,762**	**(58,745)**	**3,017**	34,253 [c]	(31,470) [c]	2,783
Commodity contracts:						
OTC	**26,286**	**(20,075)**	**6,211**	19,740	(12,563)	7,177
OTC-cleared	**—**	**—**	**—**	—	—	—
Exchange-traded[a]	**13,541**	**(12,664)**	**877**	19,200	(15,070)	4,130
Total commodity contracts	**39,827**	**(32,739)**	**7,088**	38,940	(27,633)	11,307
Derivative receivables with appropriate legal opinion	**$ 989,218**	**$ (937,647) [b]**	**$ 51,571**	$ 1,301,034 [c]	$ (1,244,122) [b][c]	$ 56,912
Derivative receivables where an appropriate legal opinion has not been either sought or obtained	**13,806**		**13,806**	20,052		20,052
Total derivative receivables recognized on the Consolidated balance sheets	**$ 1,003,024**		**$ 65,377**	$ 1,321,086 [c]		$ 76,964

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

(b) Included cash collateral netted of $67.0 billion and $73.9 billion at June 30, 2015 and December 31, 2014, respectively.

(c) The prior period amounts have been revised to conform with the current period presentation with a corresponding impact to the table below. These revisions had no impact on JPMorgan Chase Bank, N.A.'s Consolidated balance sheets or its results of operations.

The following table presents, as of June 30, 2015, and December 31, 2014, 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, 2015			December 31, 2014		
(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	**$ 423,470**	**$ (408,618)**	**$ 14,852**	$ 519,010 [c]	$ (503,381) [c]	$ 15,629
OTC-cleared	**209,254**	**(209,079)**	**175**	398,079	(396,811)	1,268
Exchange-traded[a]	**–**	**–**	**–**	–	–	–
Total interest rate contracts	**632,724**	**(617,697)**	**15,027**	917,089 [c]	(900,192) [c]	16,897
Credit contracts:						
OTC	**45,011**	**(43,797)**	**1,214**	65,937	(64,904)	1,033
OTC-cleared	**9,024**	**(9,021)**	**3**	9,398	(9,398)	–
Total credit contracts	**54,035**	**(52,818)**	**1,217**	75,335	(74,302)	1,033
Foreign exchange contracts:						
OTC	**186,291**	**(172,200)**	**14,091**	218,909 [c]	(201,578) [c]	17,331
OTC-cleared	**92**	**(92)**	**–**	66	(66)	–
Exchange-traded[a]	**–**	**–**	**–**	–	–	–
Total foreign exchange contracts	**186,383**	**(172,292)**	**14,091**	218,975 [c]	(201,644) [c]	17,331
Equity contracts:						
OTC	**52,957**	**(47,403)**	**5,554**	28,041	(23,036)	5,005
OTC-cleared	**–**	**–**	**–**	–	–	–
Exchange-traded[a]	**12,364**	**(11,449)**	**915**	10,022 [c]	(8,644) [c]	1,378
Total equity contracts	**65,321**	**(58,852)**	**6,469**	38,063 [c]	(31,680) [c]	6,383
Commodity contracts:						
OTC	**26,395**	**(18,937)**	**7,458**	20,618	(11,016)	9,602
OTC-cleared	**–**	**–**	**–**	–	–	–
Exchange-traded[a]	**12,839**	**(12,664)**	**175**	18,078	(15,070)	3,008
Total commodity contracts	**39,234**	**(31,601)**	**7,633**	38,696	(26,086)	12,610
Derivative payables with appropriate legal opinions	**$ 977,697**	**$ (933,260)** [b]	**$ 44,437**	$ 1,288,158 [c]	$ (1,233,904) [b][c]	$ 54,254
Derivative payables where an appropriate legal opinion has not been either sought or obtained	**13,097**		**13,097**	18,714		18,714
Total derivative payables recognized on the Consolidated balance sheets	**$ 990,794**		**$ 57,534**	$ 1,306,872 [c]		$ 72,968

(a) Exchange-traded derivative balances that relate to futures contracts are settled daily.
(b) Included cash collateral netted of $62.6 billion and $63.7 billion related to OTC and OTC-cleared derivatives at June 30, 2015, and December 31, 2014, respectively.
(c) The prior period amounts have been revised to conform with the current period presentation with a corresponding impact to the table below. These revisions had no impact on JPMorgan Chase Bank, N.A.'s Consolidated balance sheets or its results of operations.

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, 2015, and December 31, 2014, 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, 2015			December 31, 2014		
(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	**$ 51,571**	**$ (12,932)** [(a)]	**$ 38,639**	$ 56,912	$ (16,032) [(a)]	$ 40,880

Derivative payable collateral[(b)]

	June 30, 2015			December 31, 2014		
(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	**$ 44,437**	**$ (9,082)** [(a)]	**$ 35,355**	$ 54,254	$ (10,505) [(a)]	$ 43,749

(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 2014 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, 2015, and December 31, 2014.

OTC and OTC-cleared derivative payables containing downgrade triggers

(in millions)	**June 30, 2015**	December 31, 2014
Aggregate fair value of net derivative payables	**$ 27,024**	$ 31,882
Collateral posted	**23,283**	27,282

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, 2015, and December 31, 2014, 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 in termination payments 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, 2015		December 31, 2014	
(in millions)	Single-notch downgrade	Two-notch downgrade	Single-notch downgrade	Two-notch downgrade
Amount of additional collateral to be posted upon downgrade[(a)]	**$ 878**	**$ 3,391**	$ 1,032	$ 3,297
Amount required to settle contracts with termination triggers upon downgrade[(b)]	**264**	**1,005**	366	1,388

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

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

In certain instances JPMorgan Chase Bank, N.A. enters into transactions where it transfers financial assets but maintains the economic exposure to the transferred assets by entering into a derivative with the same counterparty in contemplation of the initial transfer. JPMorgan Chase Bank, N.A. generally accounts for such transfers as collateralized financing transactions as described in Note 13, but in limited circumstances they may qualify to be accounted for as a sale and a derivative under U.S. GAAP. The amount of such transfers accounted for as a sale where the associated derivative was outstanding at June 30, 2015 was not material.

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, 2015 and 2014, respectively.

	Gains/(losses) recorded in income			Income statement impact due to:	
Six months ended June 30, 2015 (in millions)	Derivatives	Hedged items	Total income statement impact	Hedge ineffectiveness[(d)]	Excluded components[(e)]
Contract type					
Interest rate[(a)]	**$ 453**	**$ (639)**	**$ (186)**	**$ 22**	**$ (208)**
Foreign exchange[(b)]	**4,818**	**(4,866)**	**(48)**	**–**	**(48)**
Commodity[(c)]	**577**	**(625)**	**(48)**	**(11)**	**(37)**
Total	**$ 5,848**	**$ (6,130)**	**$ (282)**	**$ 11**	**$ (293)**

	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[(d)]	Excluded components[(e)]
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)

(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.
(b) Primarily consists of hedges of the foreign currency risk of AFS securities for changes in spot foreign currency rates. Gains and losses related to the derivatives and the hedged items, due to changes in foreign currency rates, 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) 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.
(e) The assessment of hedge effectiveness excludes certain components of the changes in fair values of the derivatives and hedged items such as forward points on foreign exchange forward contracts 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, 2015 and 2014, respectively.

	Gains/(losses) recorded in income and other comprehensive income/(loss)				
Six months ended June 30, 2015 (in millions)	Derivatives – effective portion reclassified from AOCI to income	Hedge ineffectiveness recorded directly in income[(c)]	Total income statement impact	Derivatives – effective portion recorded in OCI	Total change in OCI for period
Contract type					
Interest rate[(a)]	**$ (121)**	**$ –**	**$ (121)**	**$ (20)**	**$ 101**
Foreign exchange[(b)]	**(55)**	**–**	**(55)**	**91**	**146**
Total	**$ (176)**	**$ –**	**$ (176)**	**$ 71**	**$ 247**

	Gains/(losses) recorded in income and other comprehensive income/(loss)				
Six months ended June 30, 2014 (in millions)	Derivatives – effective portion reclassified from AOCI to income	Hedge ineffectiveness recorded directly in income[(c)]	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

(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, and for forecasted transactions that JPMorgan Chase Bank, N.A. determined during the six months ended June 30, 2015, were probable of not occurring, in other 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) 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.

During the six month period ended June 30, 2015, JPMorgan Chase Bank, N.A. reclassified approximately $150 million of net losses from accumulated other comprehensive income (“AOCI”) to other income because it was determined that it was probable that the forecasted interest payment cash flows would not occur as a result of the planned reduction in wholesale non-operating deposits. JPMorgan Chase Bank, N.A. did not experience any forecasted transactions that failed to occur for the six months ended June 30, 2014.

Over the next 12 months, JPMorgan Chase Bank, N.A. expects that $64 million (after-tax) of net gains recorded in AOCI at June 30, 2015, related to cash flow hedges will be recognized in income. For terminated cash flow hedges, the maximum length of time over which forecasted transactions are remaining is approximately 9 years. For open cash flow hedges, the maximum length of time over which forecasted transactions are hedged is approximately 3 years. JPMorgan Chase Bank, N.A.’s longer-dated forecasted transactions relate to core lending and borrowing activities.

Net investment hedge gains and losses

The following table presents hedging instruments, by contract type, that were used in net investment hedge accounting relationships, and the pretax gains/(losses) recorded on such instruments for the six months ended June 30, 2015 and 2014.

	Gains/(losses) recorded in income and other comprehensive income/(loss)			
	2015		2014	
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	**$ (158)**	**$ 617**	$ (198)	$ (282)

(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 other 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 significant ineffectiveness for net investment hedge accounting relationships during the six months ended June 30, 2015 and 2014.

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, AFS securities, foreign currency-denominated liabilities, and commodities-related contracts and investments.

	Derivatives gains/(losses) recorded in income	
	Six months ended June 30,	
(in millions)	**2015**	2014
Contract type		
Interest rate[(a)]	**$ 120**	$ 1,107
Credit[(b)]	**(24)**	(41)
Foreign exchange[(c)]	**(13)**	(14)
Total	**$ 83**	$ 1,052

(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 assets and liabilities. Gains and losses were recorded in principal transactions revenue.

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

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. All derivatives not included in the hedge accounting or specified risk management categories above are included in this category. Gains and losses on these derivatives are primarily recorded in principal transactions revenue. 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 2014 Annual Financial Statements. JPMorgan Chase Bank, N.A. does not use notional amounts of credit derivatives as the primary measure of risk management for such derivatives, because the notional amount does not take into account the probability of the occurrence of a credit event, the recovery value of the reference obligation, or related cash instruments and economic hedges, each of which reduces, in JPMorgan Chase Bank, N.A.'s view, the risks associated with such derivatives.

Total credit derivatives and credit-related notes

	Maximum payout/Notional amount			
June 30, 2015 (in millions)	Protection sold	Protection purchased with identical underlyings[b]	Net protection (sold)/ purchased[c]	Other protection purchased[d]
Credit derivatives				
Credit default swaps	**$ (1,769,341)**	**$ 1,751,979**	**$ (17,362)**	**$ 52,569**
Other credit derivatives[a]	**(47,048)**	**42,505**	**(4,543)**	**18,151**
Total credit derivatives	**(1,816,389)**	**1,794,484**	**(21,905)**	**70,720**
Credit-related notes	**(30)**	**–**	**(30)**	**4,164**
Total	**$ (1,816,419)**	**$ 1,794,484**	**$ (21,935)**	**$ 74,884**

	Maximum payout/Notional amount			
December 31, 2014 (in millions)	Protection sold	Protection purchased with identical underlyings[b]	Net protection (sold)/ purchased[c]	Other protection purchased[d]
Credit derivatives				
Credit default swaps	$ (2,058,173)	$ 2,017,214	$ (40,959)	$ 80,007
Other credit derivatives[a]	(40,322)	32,048	(8,274)	19,475
Total credit derivatives	(2,098,495)	2,049,262	(49,233)	99,482
Credit-related notes	(40)	–	(40)	3,165
Total	$ (2,098,535)	$ 2,049,262	$ (49,273)	$ 102,647

(a) Other credit derivatives predominantly consists of credit swap options.

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

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

(d) Represents protection purchased by 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 and credit-related notes as of June 30, 2015, and December 31, 2014, 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, 2015 (in millions)	<1 year	1–5 years	>5 years	Total notional amount	Fair value of receivables[(b)]	Fair value of payables[(b)]	Net fair value
Risk rating of reference entity							
Investment-grade	**$ (291,231)**	**$ (958,471)**	**$ (65,074)**	**$ (1,314,776)**	**$ 18,555**	**$ (3,734)**	**$ 14,821**
Noninvestment-grade	**(126,369)**	**(345,737)**	**(29,537)**	**(501,643)**	**17,192**	**(13,941)**	**3,251**
Total	**$ (417,600)**	**$ (1,304,208)**	**$ (94,611)**	**$ (1,816,419)**	**$ 35,747**	**$ (17,675)**	**$ 18,072**

December 31, 2014 (in millions)	<1 year	1–5 years	>5 years	Total notional amount	Fair value of receivables[(b)]	Fair value of payables[(b)]	Net fair value
Risk rating of reference entity							
Investment-grade	$ (323,400)	$(1,118,418)	$ (80,185)	$ (1,522,003)	$ 25,771	$ (6,318)	$ 19,453
Noninvestment-grade	(156,557)	(396,663)	(23,312)	(576,532)	20,680	(22,646)	(1,966)
Total	$ (479,957)	$(1,515,081)	$(103,497)	$ (2,098,535)	$ 46,451	$ (28,964)	$ 17,487

(a) The ratings scale is primarily based on external credit ratings defined by S&P and Moody's.
(b) Amounts are shown on a gross basis, before the benefit of legally enforceable master netting agreements 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 2014 Annual Financial Statements.

The following table presents the components of investment banking fees.

(in millions)	Six months ended June 30, 2015	2014
Underwriting		
Equity	**$ 249**	$ 328
Debt	**413**	342
Total underwriting	**662**	670
Advisory	**299**	284
Total investment banking fees	**$ 961**	$ 954

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 line of business.

(in millions)	Six months ended June 30, 2015	2014
Trading revenue by instrument type		
Interest rate	**$ 1,605**	$ 1,067
Credit	**649**	445
Foreign exchange	**1,469**	862
Equity	**1,375**	1,205
Commodity[(a)]	**467**	701
Total trading revenue	**5,565**	4,280
Private equity gains	**18**	15
Principal transactions	**$ 5,583**	$ 4,295

(a) 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.

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

(in millions)	Six months ended June 30, 2015	2014
Asset management fees		
Investment management fees[(a)]	**$ 1,039**	$ 966
All other asset management fees[(b)]	**20**	21
Total asset management fees	**1,059**	987
Total administration fees[(c)]	**1,038**	1,101
Commission and other fees		
Brokerage commissions	**540**	669
All other commissions and fees[(d)]	**3,020**	2,927
Total commissions and fees	**3,560**	3,596
Total asset management, administration and commissions	**$ 5,657**	$ 5,684

(a) Represents fees earned from managing assets on behalf of JPMorgan Chase Bank, N.A.'s 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

Other income on JPMorgan Chase Bank, N.A.'s Consolidated statements of income included the following:

(in millions)	Six months ended June 30, 2015	2014
Operating lease income	**$ 970**	$ 820

Note 8 – Interest income and Interest expense

For a description of JPMorgan Chase Bank, N.A.'s accounting policies regarding interest income and interest expense, see Note 9 of JPMorgan Chase Bank, N.A.'s 2014 Annual Financial Statements.

Details of interest income and interest expense were as follows.

(in millions)	Six months ended June 30, 2015	2014
Interest income		
Loans	**$ 11,009**	$ 10,941
Taxable securities	**3,315**	3,810
Nontaxable securities[a]	**748**	581
Total securities	**4,063**	4,391
Trading assets	**2,156**	2,375
Federal funds sold and securities purchased under resale agreements	**451**	601
Securities borrowed	**(13)**	16
Deposits with banks	**621**	510
Other assets	**96**	110
Total interest income	**18,383**	18,944
Interest expense		
Interest-bearing deposits	**756**	927
Short-term and other liabilities	**776**	957
Long-term debt	**327**	361
Beneficial interests issued by consolidated VIEs	**36**	40
Total interest expense	**1,895**	2,285
Net interest income	**16,488**	16,659
Provision for credit losses	**660**	361
Net interest income after provision for credit losses	**$ 15,828**	$ 16,298

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

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 2014 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)	2015	2014	2015	2014
Components of net periodic benefit cost				
Benefits earned during the period	**$ 1**	$ 2	**$ 18**	$ 16
Interest cost on benefit obligations	**3**	8	**56**	65
Expected return on plan assets	**—**	—	**(75)**	(88)
Amortization:				
Net (gain)/loss	**2**	3	**18**	24
Prior service cost/(credit)	**—**	—	**(1)**	—
Net periodic defined benefit cost	**6**	13	**16**	17
Other defined benefit pension plans[a]	**7**	7	**2**	1
Total defined benefit plans	**13**	20	**18**	18
Total defined contribution plans	**183**	211	**147**	144
Total pension and OPEB cost included in compensation expense	**$196**	$231	**$165**	$162

(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 $3.7 billion as of June 30, 2015 and December 31,2014. 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, 2015, and 2014.

For 2015 , 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 $7 million. The 2015 contributions to JPMorgan Chase Bank, N.A.'s non-U.S. defined benefit pension plans are expected to be $47 million.

JPMorgan Chase charged JPMorgan Chase Bank, N.A. $97 million and $115 million for the six months ended June 30, 2015 and 2014, respectively, for its share of the U.S. qualified defined benefit pension plan expense. JPMorgan Chase charged JPMorgan Chase Bank, N.A. $0.3 million and $0.2 million for the six months ended June 30, 2015 and 2014, 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 2014 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, 2015.

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 2014 Annual Financial Statements and Note 10 of JPMorgan Chase's 2014 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)	**2015**	2014
Cost of prior grants of RSUs and SARs that are amortized over their applicable vesting periods	**$ 379**	$ 484
Accrual of estimated costs of stock awards to be granted in future periods including those to full-career eligible employees	**313**	263
Total compensation expense related to employee stock-based incentive plans	**$ 692**	$ 747

During the six month period ended June 30, 2015, in connection with its annual incentive grant for the 2014 performance year, JPMorgan Chase granted employees of JPMorgan Chase Bank, N.A. 23 million RSUs with a weighted-average grant date fair value of $55.91 per RSU.

Note 11 – Noninterest expense

Within noninterest expense on JPMorgan Chase Bank, N.A.'s Consolidated statements of income, other expense included the following:

	Six months ended June 30,	
(in millions)	**2015**	2014
Legal expense	**$ 492**	$ 463
Federal Deposit Insurance Corporation - related ("FDIC") expense	**582**	524

Note 12 – Securities

Securities are classified as trading, AFS or held-to-maturity ("HTM"). Securities classified as trading assets 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 the Chief Investment Office ("CIO") in connection with its asset-liability management objectives. At June 30, 2015, 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 2014 Annual Financial Statements.

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

	June 30, 2015				December 31, 2014			
(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)]	**$ 55,634**	**$ 1,887**	**$ 206**	**$ 57,315**	$ 63,089	$ 2,302	$ 72	$ 65,319
Residential:								
Prime and Alt-A	**6,499**	**55**	**21**	**6,533**	5,595	78	29	5,644
Subprime	**494**	**11**	**—**	**505**	677	14	—	691
Non-U.S.	**31,777**	**763**	**5**	**32,535**	43,550	1,010	—	44,560
Commercial	**21,362**	**285**	**55**	**21,592**	20,086	411	17	20,480
Total mortgage-backed securities	**115,766**	**3,001**	**287**	**118,480**	132,997	3,815	118	136,694
U.S. Treasury and government agencies[(a)]	**11,600**	**16**	**26**	**11,590**	13,593	56	14	13,635
Obligations of U.S. states and municipalities	**27,113**	**1,329**	**171**	**28,271**	24,860	1,910	15	26,755
Certificates of deposit	**427**	**2**	**—**	**429**	1,103	1	1	1,103
Non-U.S. government debt securities	**41,833**	**999**	**44**	**42,788**	51,480	1,272	21	52,731
Corporate debt securities	**15,540**	**309**	**28**	**15,821**	18,158	396	24	18,530
Asset-backed securities:								
Collateralized loan obligations	**31,337**	**108**	**73**	**31,372**	30,229	147	182	30,194
Other	**10,794**	**128**	**11**	**10,911**	12,428	170	11	12,587
Total available-for-sale debt securities	**254,410**	**5,892**	**640**	**259,662**	284,848	7,767	386	292,229
Available-for-sale equity securities	**72**	**10**	**—**	**82**	108	10	—	118
Total available-for-sale securities	**$ 254,482**	**$ 5,902**	**$ 640**	**$ 259,744**	$ 284,956	$ 7,777	$ 386	$ 292,347
Total held-to-maturity securities[(b)]	**$ 51,594**	**$ 1,241**	**$ 138**	**$ 52,697**	$ 49,252	$ 1,902	$ —	$ 51,154

(a) Included total U.S. government-sponsored enterprise obligations with fair values of $45.5 billion and $59.3 billion at June 30, 2015, and December 31, 2014, respectively.

(b) As of June 30, 2015, consists of MBS issued by U. S. government-sponsored enterprises with an amortized cost of $33.3 billion, MBS issued by U.S. government agencies with an amortized cost of $5.9 billion and obligations of U.S. states and municipalities with an amortized cost of $12.4 billion. As of December 31, 2014, consists of MBS issued by U.S. government-sponsored enterprises with an amortized cost of $35.3 billion, MBS issued by U.S. government agencies with an amortized cost of $3.7 billion and obligations of U.S. states and municipalities with an amortized cost of $10.2 billion.

Securities impairment

The following tables present the fair value and gross unrealized losses for investment securities by aging category at June 30, 2015, and December 31, 2014.

	Securities with gross unrealized losses					
	Less than 12 months		12 months or more			
June 30, 2015 (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	$ **6,755**	$ **186**	$ **913**	$ **20**	$ **7,668**	$ **206**
Residential:						
Prime and Alt-A	**2,801**	**16**	**315**	**5**	**3,116**	**21**
Subprime	—	—	—	—	—	—
Non-U.S.	**1,287**	**5**	—	—	**1,287**	**5**
Commercial	**8,607**	**55**	—	—	**8,607**	**55**
Total mortgage-backed securities	**19,450**	**262**	**1,228**	**25**	**20,678**	**287**
U.S. Treasury and government agencies	**8,778**	**26**	—	—	**8,778**	**26**
Obligations of U.S. states and municipalities	**7,284**	**162**	**181**	**9**	**7,465**	**171**
Certificates of deposit	—	—	—	—	—	—
Non-U.S. government debt securities	**3,517**	**35**	**240**	**9**	**3,757**	**44**
Corporate debt securities	**1,964**	**22**	**549**	**6**	**2,513**	**28**
Asset-backed securities:						
Collateralized loan obligations	**8,933**	**14**	**8,132**	**59**	**17,065**	**73**
Other	**2,401**	**10**	**80**	**1**	**2,481**	**11**
Total available-for-sale debt securities	**52,327**	**531**	**10,410**	**109**	**62,737**	**640**
Available-for-sale equity securities	—	—	—	—	—	—
Held-to-maturity securities	**7,447**	**138**	—	—	**7,447**	**138**
Total securities with gross unrealized losses	$ **59,774**	$ **669**	$ **10,410**	$ **109**	$ **70,184**	$ **778**

	Securities with gross unrealized losses					
	Less than 12 months		12 months or more			
December 31, 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	$ 1,118	$ 5	$ 4,989	$ 67	$ 6,107	$ 72
Residential:						
Prime and Alt-A	1,840	10	405	19	2,245	29
Subprime	—	—	—	—	—	—
Non-U.S.	—	—	—	—	—	—
Commercial	4,803	15	92	2	4,895	17
Total mortgage-backed securities	7,761	30	5,486	88	13,247	118
U.S. Treasury and government agencies	8,412	14	—	—	8,412	14
Obligations of U.S. states and municipalities	1,339	14	130	1	1,469	15
Certificates of deposit	1,050	1	—	—	1,050	1
Non-U.S. government debt securities	4,421	4	906	17	5,327	21
Corporate debt securities	2,492	22	80	2	2,572	24
Asset-backed securities:						
Collateralized loan obligations	13,909	76	9,012	106	22,921	182
Other	2,258	11	—	—	2,258	11
Total available-for-sale debt securities	41,642	172	15,614	214	57,256	386
Available-for-sale equity securities	—	—	—	—	—	—
Held-to-maturity securities	—	—	—	—	—	—
Total securities with gross unrealized losses	$ 41,642	$ 172	$ 15,614	$ 214	$ 57,256	$ 386

Gross unrealized losses

JPMorgan Chase Bank, N.A. has recognized the unrealized losses on securities it intends to sell. As of June 30, 2015, JPMorgan Chase Bank, N.A. does not intend to sell any securities with a loss position 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 for which credit losses have been recognized in income, JPMorgan Chase Bank, N.A. believes that the securities with an unrealized loss in AOCI are not other-than-temporarily impaired as of June 30, 2015.

Securities 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)	**2015**	2014
Realized gains	**$ 181**	$ 222
Realized losses	**(87)**	(180)
OTTI losses	**(2)**	(2)
Net securities gains	**$ 92**	$ 40
OTTI losses		
Credit-related losses recognized in income	**$ (1)**	$ –
Securities JPMorgan Chase Bank, N.A. intends to sell	**(1)**	(2)
Total OTTI losses recognized in income	**$ (2)**	$ (2)

Changes in the credit loss component of credit-impaired debt securities

The following table presents a rollforward for the six months ended June 30, 2015 and 2014, of the credit loss component of OTTI losses that have been recognized in income related to AFS debt securities that JPMorgan Chase Bank, N.A. does not intend to sell.

	Six months ended June 30,	
(in millions)	**2015**	2014
Balance, beginning of period	**$ 3**	$ 1
Additions:		
Newly credit-impaired securities	**1**	–
Balance, end of period	**$ 4**	$ 1

Contractual maturities and yields

The following table presents the amortized cost and estimated fair value at June 30, 2015, of JPMorgan Chase Bank, N.A.'s investment securities portfolio by contractual maturity.

By remaining maturity June 30, 2015 (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	$ 2,132	$ 11,625	$ 5,621	$ 96,388	$ 115,766
Fair value	2,144	11,864	5,821	98,651	118,480
Average yield[b]	1.47%	1.76%	3.21%	3.06%	2.90%
U.S. Treasury and government agencies					
Amortized cost	$ 600	$ –	$ 9,937	$ 1,063	$ 11,600
Fair value	602	–	9,914	1,074	11,590
Average yield[b]	1.53%	–%	0.19%	0.41%	0.28%
Obligations of U.S. states and municipalities					
Amortized cost	$ 148	$ 680	$ 863	$ 25,422	$ 27,113
Fair value	152	691	896	26,532	28,271
Average yield[b]	6.32%	2.92%	4.75%	6.56%	6.41%
Certificates of deposit					
Amortized cost	$ 375	$ 52	$ –	$ –	$ 427
Fair value	376	53	–	–	429
Average yield[b]	5.64%	3.28%	–%	–%	5.36%
Non-U.S. government debt securities					
Amortized cost	$ 8,631	$ 13,010	$ 17,778	$ 2,414	$ 41,833
Fair value	8,651	13,301	18,297	2,539	42,788
Average yield[b]	3.28%	1.86%	0.99%	0.87%	1.73%
Corporate debt securities					
Amortized cost	$ 3,417	$ 8,386	$ 3,594	$ 143	$ 15,540
Fair value	3,443	8,560	3,678	140	15,821
Average yield[b]	2.29%	2.24%	2.63%	4.46%	2.36%
Asset-backed securities					
Amortized cost	$ 513	$ 609	$ 20,737	$ 20,272	$ 42,131
Fair value	515	614	20,798	20,356	42,283
Average yield[b]	0.99%	1.55%	1.75%	1.76%	1.74%
Total available-for-sale debt securities					
Amortized cost	$ 15,816	$ 34,362	$ 58,530	$ 145,702	$ 254,410
Fair value	15,883	35,083	59,404	149,292	259,662
Average yield[b]	2.77%	1.94%	1.49%	3.43%	2.74%
Available-for-sale equity securities					
Amortized cost	$ –	$ –	$ –	$ 72	$ 72
Fair value	–	–	–	82	82
Average yield[b]	–%	–%	–%	0.10%	0.10%
Total available-for-sale securities					
Amortized cost	$ 15,816	$ 34,362	$ 58,530	$ 145,774	$ 254,482
Fair value	15,883	35,083	59,404	149,374	259,744
Average yield[b]	2.77%	1.94%	1.49%	3.43%	2.74%
Total held-to-maturity securities					
Amortized cost	$ –	$ 53	$ 643	$ 50,898	$ 51,594
Fair value	–	52	666	51,979	52,697
Average yield[b]	–%	4.35%	4.86%	3.96%	3.97%

(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, 2015.

(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 weighted-average life, which reflects anticipated future prepayments, is approximately six years for agency residential mortgage-backed securities, three years for agency residential collateralized mortgage obligations and five years for U.S. nonagency residential collateralized mortgage obligations.

Note 13 – Securities financing activities

JPMorgan Chase Bank, N.A. enters into resale agreements, repurchase agreements, securities borrowed transactions and securities loaned transactions (collectively, "securities financing agreements") primarily to finance JPMorgan Chase Bank, N.A.'s inventory positions, acquire securities to cover short positions, accommodate customers' financing needs, and settle other securities obligations.

Securities financing agreements are treated as collateralized financings on JPMorgan Chase Bank, N.A.'s Consolidated balance sheets. Resale and repurchase agreements are generally carried at the amounts at which the securities will be subsequently sold or repurchased. Securities borrowed and securities loaned transactions are generally carried at the amount of cash collateral advanced or received. Where appropriate under applicable accounting guidance, resale and repurchase agreements with the same counterparty are reported on a net basis. For further discussion of the offsetting of assets and liabilities, see Note 1. Fees received and paid in connection with securities financing agreements are recorded in interest income and interest expense on the Consolidated statements of income.

JPMorgan Chase Bank, N.A. has elected the fair value option for certain securities financing agreements. For further information regarding the fair value option, see Note 5. The securities financing agreements for which the fair value option has been elected are reported within securities purchased under resale agreements; securities loaned or sold under repurchase agreements; and securities borrowed on the Consolidated balance sheets. Generally, for agreements carried at fair value, current-period interest accruals are recorded within interest income and interest expense, with changes in fair value reported in principal transactions revenue. However, for financial instruments containing embedded derivatives that would be separately accounted for in accordance with accounting guidance for hybrid instruments, all changes in fair value, including any interest elements, are reported in principal transactions revenue.

Secured financing transactions expose JPMorgan Chase Bank, N.A. to credit and liquidity risk. To manage these risks, JPMorgan Chase Bank, N.A. monitors the value of the underlying securities (predominantly high-quality securities collateral, including government-issued debt and agency MBS) that it has received from or provided to its counterparties compared to the value of cash proceeds and exchanged collateral and either requests additional collateral or returns securities or collateral when appropriate. Margin levels are initially established based upon the counterparty, the type of underlying securities, and the permissible collateral, and are monitored on an ongoing basis.

In resale agreements and securities borrowed transactions, JPMorgan Chase Bank, N.A. is exposed to credit risk to the extent the value of the securities received is less than initial cash proceeds and any collateral amounts exchanged. In repurchase agreements and securities loaned transactions, credit risk exposure arises to the extent that the value of underlying securities exceeds the value of the initial cash proceeds and, any collateral amounts exchanged.

Additionally, JPMorgan Chase Bank, N.A. typically enters into master netting agreements and other similar arrangements with its counterparties, which provide for the right to liquidate the underlying securities and any collateral amounts exchanged in the event of a counterparty default. It is also JPMorgan Chase Bank, N.A.'s policy to take possession, where possible, of the securities underlying resale agreements and securities borrowed transactions.

Certain prior period amounts for both securities purchased under resale agreements and securities borrowed; and securities sold under repurchase agreements and securities loaned have been revised to conform with the current period presentation. These revisions had no impact on JPMorgan Chase Bank, N.A.'s Consolidated balance sheets or its results of operations.

The following table presents as of June 30, 2015, and December 31, 2014, 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, 2015			December 31, 2014		
(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	**$ 246,907**	**$ (99,926)**	**$ 146,981**	$ 222,793	$ (91,687)	$ 131,106
Securities purchased under resale agreements where an appropriate legal opinion has not been either sought or obtained	**2,354**		**2,354**	9,269		9,269
Total securities purchased under resale agreements	**$ 249,261**	**$ (99,926)**	**$ 149,335 (a)**	$ 232,062	$ (91,687)	$ 140,375 (a)
Securities borrowed	**$ 28,261**	**NA**	**$ 28,261 (b)(c)**	$ 32,173	NA	$ 32,173 (b)(c)

(a) At June 30, 2015, and December 31, 2014, included securities purchased under resale agreements of $12.7 billion and $14.3 billion, respectively, accounted for at fair value.
(b) At June 30, 2015, and December 31, 2014, included securities borrowed of $495 million and $992 million, respectively, accounted for at fair value.
(c) Included $1.8 billion and $2.7 billion at June 30, 2015, and December 31, 2014, 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, 2015, and December 31, 2014, 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 table below excludes information related to resale agreements and securities borrowed where such a legal opinion has not been either sought or obtained.

	June 30, 2015				December 31, 2014			
		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	**$ 146,981**	**$ (143,056)**	**$ (24)**	**$ 3,901**	$ 131,106	$ (128,524)	$ (56)	$ 2,526
Securities borrowed	**$ 26,503**	**$ (25,968)**	**$ –**	**$ 535**	$ 29,498	$ (29,252)	$ –	$ 246

(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, 2015, and December 31, 2014, 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.

(in millions)	**June 30, 2015** Gross liability balance	Amounts netted on the Consolidated balance sheets	Net liability balance	December 31, 2014 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	**$ 178,003**	**$ (99,926)**	**$ 78,077**	$ 158,816	$ (91,687)	$ 67,129
Securities sold under repurchase agreements where an appropriate legal opinion has not been either sought or obtained[a]	**3,403**		**3,403**	5,711		5,711
Total securities sold under repurchase agreements	**$ 181,406**	**$ (99,926)**	**$ 81,480** [c]	$ 164,527	$ (91,687)	$ 72,840 [c]
Securities loaned[b]	**$ 15,855**	**NA**	**$ 15,855** [d][e]	$ 21,067	NA	$ 21,067 [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 lending transactions of $302 million and $781 million at June 30, 2015, and December 31, 2014, respectively, where JPMorgan Chase Bank, N.A. is acting as lender. These amounts are presented within other liabilities in the Consolidated balance sheets.
(c) At June 30, 2015, and December 31, 2014, included securities sold under repurchase agreements of $788 million and $678 million, respectively, accounted for at fair value.
(d) There were no securities loaned accounted for at fair value as of June 30, 2015, and December 31, 2014.
(e) Included $134 million and $149 million at June 30, 2015, and December 31, 2014, 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, 2015, and December 31, 2014, 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 table below excludes information related to repurchase agreements and securities loaned where such a legal opinion has not been either sought or obtained.

	June 30, 2015				December 31, 2014			
		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	**$ 78,077**	**$ (76,159)**	**$ (14)**	**$ 1,904**	$ 67,129	$ (66,214)	$ (24)	$ 891
Securities loaned	**$ 15,721**	**$ (14,993)**	**$ –**	**$ 728**	$ 20,918	$ (20,183)	$ –	$ 735

(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.

Effective April 1, 2015, JPMorgan Chase Bank, N.A. adopted new accounting guidance, which requires enhanced disclosures with respect to the types of financial assets pledged in secured financing transactions and the remaining contractual maturity of the secured financing transactions; the following tables present this information as of June 30, 2015.

	Gross liability balance	
June 30, 2015 (in millions)	Securities sold under repurchase agreements	Securities loaned
Mortgage-backed securities	$ **10,408**	$ **–**
U.S. Treasury and government agencies	**67,004**	**508**
Non-U.S. government debt	**90,450**	**3,873**
Corporate debt securities	**11,577**	**1,601**
Asset-backed securities	**864**	**–**
Equity securities	**1,103**	**9,873**
Total	$ **181,406**	$ **15,855**

	Remaining contractual maturity of the agreements				
June 30, 2015 (in millions)	Overnight and Continuous	Up to 30 days	30 – 90 days	Greater than 90 days	Total
Total securities sold under repurchase agreements	$ **26,162**	$ **107,252**	$ **26,610**	$ **21,382**	$ **181,406**
Total securities loaned	**13,739**	**854**	**–**	**1,262**	**15,855**

Transfers not qualifying for sale accounting

At June 30, 2015, and December 31, 2014, JPMorgan Chase Bank, N.A. held $11.5 billion and $13.8 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 and loans, and the corresponding liabilities are recorded predominantly in other borrowed funds 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 2014 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, prime mortgage and home equity loans held in the asset management business and prime mortgage loans held in the corporate 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 business. Excludes prime mortgage and home equity loans held in the asset management businesses and prime mortgage loans held in the corporate 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 2014 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, 2015 (in millions)	Consumer, excluding credit card	Credit card[(a)]	Wholesale	Total
Retained	**$ 311,329**	**$ 28,150**	**$ 338,386**	**$ 677,865** [(b)]
Held-for-sale	**1,435**	**1,320**	**6,286**	**9,041**
At fair value	**—**	**—**	**2,261**	**2,261**
Total	**$ 312,764**	**$ 29,470**	**$ 346,933**	**$ 689,167**

December 31, 2014 (in millions)	Consumer, excluding credit card	Credit card[(a)]	Wholesale	Total
Retained	$ 288,905	$ 29,745	$ 324,327	$ 642,977 [(b)]
Held-for-sale	389	2,180	3,801	6,370
At fair value	—	—	2,283	2,283
Total	$ 289,294	$ 31,925	$ 330,411	$ 651,630

(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 $893 million and $1.3 billion at June 30, 2015, and December 31, 2014, respectively.

The following tables provide 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.

	2015				2014			
Six months ended June 30, (in millions)	Consumer, excluding credit card	Credit card	Wholesale	Total	Consumer, excluding credit card	Credit card	Wholesale	Total
Purchases	**$ 2,722** [(a)(b)]	**$ —**	**$ 695**	**$ 3,417**	$ 3,749 [(a)(b)]	$ —	$ 277	$ 4,026
Sales	**2,893**	**538**	**5,525**	**8,956**	2,216	—	4,679	6,895
Retained loans reclassified to held-for-sale	**1,197**	**—**	**435**	**1,632**	802	82	509	1,393

(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 $25.4 billion and $4.1 billion for the six months ended June 30, 2015 and 2014, respectively.

The following table provides information about gains and losses, including lower of cost or fair value adjustments, on loan sales by portfolio segment.

	Six months ended June 30,	
(in millions)	**2015**	2014
Net gains/(losses) on sales of loans (including lower of cost or fair value adjustments)[(a)]		
Consumer, excluding credit card	**$ 177**	$ 126
Credit card	**3**	—
Wholesale	**(1)**	16
Total net gains/(losses) on sales of loans (including lower of cost or fair value adjustments)	**$ 179**	$ 142

(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, 2015**	December 31, 2014
Residential real estate – excluding PCI		
Home equity:		
Senior lien	**$ 15,235**	$ 16,033
Junior lien	**32,035**	34,824
Mortgages:		
Prime, including option ARMs	**128,864**	100,794
Subprime	**3,973**	5,054
Other consumer loans		
Auto	**56,330**	54,536
Business banking	**20,562**	20,056
Student and other	**10,524**	10,912
Residential real estate – PCI		
Home equity	**16,088**	17,095
Prime mortgage	**9,553**	10,220
Subprime mortgage	**3,449**	3,673
Option ARMs	**14,716**	15,708
Total retained loans	**$ 311,329**	$ 288,905

For further information on consumer credit quality indicators, see Note 15 of JPMorgan Chase Bank, N.A.’s 2014 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.

Residential real estate – excluding PCI loans

	Home equity				Mortgages					
	Senior lien		Junior lien		Prime, including option ARMs		Subprime		Total residential real estate – excluding PCI	
(in millions, except ratios)	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014
Loan delinquency[(a)]										
Current	**$ 14,654**	$ 15,408	**$31,364**	$34,043	**$119,066**	$ 90,021	**$ 3,344**	$ 4,295	**$ 168,428**	$ 143,767
30–149 days past due	**239**	270	**433**	522	**3,348**	4,009	**404**	489	**4,424**	5,290
150 or more days past due	**342**	355	**238**	259	**6,450**	6,764	**225**	270	**7,255**	7,648
Total retained loans	**$ 15,235**	$ 16,033	**$32,035**	$34,824	**$128,864**	$100,794	**$ 3,973**	$ 5,054	**$ 180,107**	$ 156,705
% of 30+ days past due to total retained loans[(b)]	**3.81%**	3.90%	**2.09%**	2.24%	**0.89%**	1.29%	**15.83%**	15.02%	**1.68%**	2.21%
90 or more days past due and government guaranteed[(c)]	**$ —**	$ —	**$ —**	$ —	**$ 6,802**	$ 7,541	**$ —**	$ —	**$ 6,802**	$ 7,541
Nonaccrual loans	**891**	921	**1,425**	1,554	**1,721**	1,927	**855**	1,035	**4,892**	5,437
Current estimated LTV ratios[(d)(e)(f)]										
Greater than 125% and refreshed FICO scores:										
Equal to or greater than 660	**$ 16**	$ 21	**$ 309**	$ 465	**$ 97**	$ 120	**$ 4**	$ 10	**$ 426**	$ 616
Less than 660	**7**	10	**81**	138	**67**	103	**25**	51	**180**	302
101% to 125% and refreshed FICO scores:										
Equal to or greater than 660	**100**	134	**2,409**	3,134	**453**	642	**43**	118	**3,005**	4,028
Less than 660	**54**	68	**680**	919	**264**	336	**163**	298	**1,161**	1,621
80% to 100% and refreshed FICO scores:										
Equal to or greater than 660	**500**	626	**5,438**	6,314	**3,115**	3,699	**199**	432	**9,252**	11,071
Less than 660	**187**	223	**1,539**	1,754	**763**	955	**516**	770	**3,005**	3,702
Less than 80% and refreshed FICO scores:										
Equal to or greater than 660	**12,315**	12,769	**18,442**	18,838	**108,368**	78,673	**1,417**	1,585	**140,542**	111,865
Less than 660	**2,056**	2,182	**3,137**	3,262	**4,332**	4,176	**1,606**	1,790	**11,131**	11,410
U.S. government-guaranteed	**—**	—	**—**	—	**11,405**	12,090	**—**	—	**11,405**	12,090
Total retained loans	**$ 15,235**	$ 16,033	**$32,035**	$34,824	**$128,864**	$100,794	**$ 3,973**	$ 5,054	**$ 180,107**	$ 156,705
Geographic region										
California	**$ 2,124**	$ 2,221	**$ 7,270**	$ 7,935	**$ 35,674**	$ 26,381	**$ 557**	$ 717	**$ 45,625**	$ 37,254
New York	**2,645**	2,747	**6,835**	7,373	**17,945**	16,002	**555**	676	**27,980**	26,798
Illinois	**1,205**	1,264	**2,280**	2,459	**8,956**	6,501	**157**	207	**12,598**	10,431
Texas	**1,697**	1,839	**942**	1,012	**6,764**	4,848	**154**	177	**9,557**	7,876
Florida	**814**	844	**1,712**	1,871	**5,480**	4,820	**445**	632	**8,451**	8,167
New Jersey	**622**	632	**1,962**	2,102	**4,160**	3,218	**185**	227	**6,929**	6,179
Arizona	**842**	899	**1,412**	1,538	**2,395**	1,747	**79**	112	**4,728**	4,296
Washington	**473**	503	**1,083**	1,185	**2,967**	2,179	**88**	109	**4,611**	3,976
Michigan	**676**	716	**745**	819	**1,471**	1,184	**86**	121	**2,978**	2,840
Ohio	**1,042**	1,104	**652**	718	**852**	602	**89**	112	**2,635**	2,536
All other[(g)]	**3,095**	3,264	**7,142**	7,812	**42,200**	33,312	**1,578**	1,964	**54,015**	46,352
Total retained loans	**$ 15,235**	$ 16,033	**$32,035**	$34,824	**$128,864**	$100,794	**$ 3,973**	$ 5,054	**$ 180,107**	$ 156,705

(a) Individual delinquency classifications include mortgage loans insured by U.S. government agencies as follows: current included $2.8 billion and $2.6 billion; 30–149 days past due included $2.9 billion and $3.5 billion; and 150 or more days past due included $5.7 billion and $6.0 billion at June 30, 2015, and December 31, 2014, respectively.

(b) At June 30, 2015, and December 31, 2014, Prime, including option ARMs loans excluded mortgage loans insured by U.S. government agencies of $8.7 billion and $9.5 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, were excluded from nonaccrual loans as the loans are guaranteed by U.S. government agencies. Typically, the principal balance of the loans is insured and interest is guaranteed at a specified reimbursement rate subject to meeting agreed-upon servicing guidelines. At June 30, 2015, and December 31, 2014, these balances included $4.0 billion and $4.2 billion, respectively, of loans that are no longer accruing interest based on the agreed-upon servicing guidelines. For the remaining balance, interest is being accrued at the guaranteed reimbursement rate. There were no loans not guaranteed by U.S. government agencies that are 90 or more days past due and still accruing at June 30, 2015, and December 31, 2014.

(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 loan-to-value ("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, 2015, and December 31, 2014, included mortgage loans insured by U.S. government agencies of $11.4 billion and $12.1 billion, respectively.

The following table represents JPMorgan Chase Bank, N.A.'s delinquency statistics for junior lien home equity loans and lines as of June 30, 2015, and December 31, 2014.

	Total loans		Total 30+ day delinquency rate	
(in millions, except ratios)	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014
HELOCs:[(a)]				
Within the revolving period[(b)]	**$ 19,918**	$ 23,977	**1.64%**	1.79%
Beyond the revolving period	**9,477**	7,860	**2.87**	3.16
HELOANs	**2,640**	2,987	**2.77**	3.48
Total	**$ 32,035**	$ 34,824	**2.09%**	2.24%

(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 16 of JPMorgan Chase Bank, N.A.'s 2014 Annual Financial Statements.

	Home equity				Mortgages				Total residential real estate – excluding PCI	
	Senior lien		Junior lien		Prime, including option ARMs		Subprime			
(in millions)	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014
Impaired loans										
With an allowance	**$ 552**	$ 549	**$ 721**	$ 715	**$ 3,379**	$ 4,160	**$ 1,444**	$ 2,238	**$ 6,096**	$ 7,662
Without an allowance[(a)]	**514**	540	**536**	567	**931**	1,056	**506**	639	**2,487**	2,802
Total impaired loans[(b)(c)]	**$ 1,066**	$ 1,089	**$ 1,257**	$ 1,282	**$ 4,310**	$ 5,216	**$ 1,950**	$ 2,877	**$ 8,583**	$ 10,464
Allowance for loan losses related to impaired loans	**$ 78**	$ 84	**$ 131**	$ 146	**$ 83**	$ 110	**$ 15**	$ 64	**$ 307**	$ 404
Unpaid principal balance of impaired loans[(d)]	**1,395**	1,437	**2,481**	2,568	**5,665**	6,735	**3,012**	4,198	**12,553**	14,938
Impaired loans on nonaccrual status[(e)]	**600**	619	**592**	615	**1,254**	1,369	**752**	931	**3,198**	3,534

(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. At June 30, 2015, Chapter 7 residential real estate loans included approximately 18% of senior lien home equity, 11% of junior lien home equity, 23% of prime mortgages, including option ARMs, and 14% of subprime mortgages that were 30 days or more past due.

(b) At June 30, 2015, and December 31, 2014, $4.5 billion and $4.9 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) Predominantly all residential real estate impaired loans, excluding PCI loans, are in the U.S.

(d) Represents the contractual amount of principal owed at June 30, 2015, and December 31, 2014. 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.

(e) As of June 30, 2015, and December 31, 2014, nonaccrual loans included $2.5 billion and $2.7 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 2014 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)	**2015**	2014	**2015**	2014	**2015**	2014
Home equity						
Senior lien	**$ 1,078**	$ 1,124	**$ 26**	$ 28	**$ 17**	$ 19
Junior lien	**1,269**	1,298	**39**	40	**25**	26
Mortgages						
Prime, including option ARMs	**4,948**	5,856	**98**	115	**22**	24
Subprime	**2,683**	3,422	**72**	90	**22**	25
Total residential real estate – excluding PCI	**$ 9,978**	$ 11,700	**$ 235**	$ 273	**$ 86**	$ 94

(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.

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

The following table presents new TDRs reported by JPMorgan Chase Bank, N.A.

	Six months ended June 30,	
(in millions)	**2015**	2014
Home equity:		
Senior lien	**$ 56**	$ 46
Junior lien	**86**	100
Mortgages:		
Prime, including option ARMs	**110**	109
Subprime	**34**	51
Total residential real estate – excluding PCI	**$ 286**	$ 306

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.

	Home equity				Mortgages				Total residential real estate - excluding PCI	
	Senior lien		Junior lien		Prime, including option ARMs		Subprime			
Six months ended June 30,	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Number of loans approved for a trial modification	**639**	413	**244**	339	**496**	470	**789**	1,004	**2,168**	2,226
Number of loans permanently modified	**562**	517	**1,126**	1,630	**658**	831	**884**	1,232	**3,230**	4,210
Concession granted:[(a)]										
Interest rate reduction	**75%**	65%	**76%**	86%	**68%**	62%	**71%**	63%	**73%**	72%
Term or payment extension	**83**	83	**87**	83	**84**	86	**80**	73	**84**	81
Principal and/or interest deferred	**31**	14	**25**	21	**35**	32	**22**	18	**27**	21
Principal forgiveness	**6**	30	**4**	28	**27**	29	**31**	39	**16**	31
Other[(b)]	**—**	—	**—**	—	**8**	17	**11**	11	**5**	7

(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			
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Weighted-average interest rate of loans with interest rate reductions – before TDR	**6.00%**	6.63%	**4.79%**	4.86%	**5.08%**	5.23%	**6.69%**	7.43%	**5.60%**	5.92%
Weighted-average interest rate of loans with interest rate reductions – after TDR	**2.82**	2.97	**2.20**	1.92	**2.47**	2.68	**3.19**	3.44	**2.67**	2.76
Weighted-average remaining contractual term (in years) of loans with term or payment extensions – before TDR	**17**	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	**31**	30	**34**	35	**38**	37	**36**	36	**36**	36
Charge-offs recognized upon permanent modification	**$ —**	$ 1	**$ 2**	$ 22	**$ 3**	$ 4	**$ 2**	$ 1	**$ 7**	$ 28
Principal deferred	**6**	2	**6**	6	**19**	21	**10**	11	**41**	40
Principal forgiven	**2**	6	**—**	17	**16**	24	**17**	31	**35**	78
Balance of loans that redefaulted within one year of permanent modification[(a)]	**$ 6**	$ 10	**$ 3**	$ 6	**$ 34**	$ 65	**$ 31**	$ 42	**$ 74**	$ 123

(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.

At June 30, 2015, 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, 8 years for junior lien home equity, 9 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).

Active and suspended foreclosure

At June 30, 2015, and December 31, 2014, JPMorgan Chase Bank, N.A. had non-PCI residential real estate loans, excluding those insured by U.S. government agencies, with a carrying value of $1.2 billion and $1.4 billion, respectively, that were not included in REO, but were in the process of active or suspended foreclosure.

Other consumer loans

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

	Auto		Business banking		Student and other		Total other consumer	
(in millions, except ratios)	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014
Loan delinquency[(a)]								
Current	**$55,793**	$53,866	**$20,256**	$19,708	**$ 9,775**	$10,022	**$ 85,824**	$83,596
30–119 days past due	**530**	663	**191**	208	**485**	576	**1,206**	1,447
120 or more days past due	**7**	7	**115**	140	**264**	314	**386**	461
Total retained loans	**$56,330**	$54,536	**$20,562**	$20,056	**$10,524**	$10,912	**$ 87,416**	$85,504
% of 30+ days past due to total retained loans	**0.95%**	1.23%	**1.49%**	1.74%	**1.93%** [(d)]	2.16% [(d)]	**1.20%** [(d)]	1.47% [(d)]
90 or more days past due and still accruing [(b)]	**$ —**	$ —	**$ —**	$ —	**$ 282**	$ 367	**$ 282**	$ 367
Nonaccrual loans	**97**	115	**239**	279	**252**	269	**588**	663
Geographic region								
California	**$ 6,671**	$ 6,294	**$ 3,206**	$ 3,008	**$ 1,101**	$ 1,141	**$ 10,978**	$10,443
New York	**3,682**	3,662	**3,180**	3,187	**1,193**	1,210	**8,055**	8,059
Illinois	**3,366**	3,175	**1,388**	1,373	**706**	728	**5,460**	5,276
Texas	**5,893**	5,608	**2,591**	2,624	**851**	866	**9,335**	9,098
Florida	**2,517**	2,301	**899**	827	**527**	520	**3,943**	3,648
New Jersey	**1,972**	1,945	**504**	451	**392**	378	**2,868**	2,774
Arizona	**1,947**	2,003	**1,174**	1,083	**238**	239	**3,359**	3,325
Washington	**1,066**	1,019	**267**	258	**221**	235	**1,554**	1,512
Michigan	**1,586**	1,633	**1,376**	1,375	**441**	466	**3,403**	3,474
Ohio	**2,284**	2,157	**1,357**	1,354	**594**	628	**4,235**	4,139
All other	**25,346**	24,739	**4,620**	4,516	**4,260**	4,501	**34,226**	33,756
Total retained loans	**$56,330**	$54,536	**$20,562**	$20,056	**$10,524**	$10,912	**$ 87,416**	$85,504
Loans by risk ratings[(c)]								
Noncriticized	**$10,173**	$ 9,822	**$15,010**	$14,617	**NA**	NA	**$ 25,183**	$24,439
Criticized performing	**83**	35	**744**	708	**NA**	NA	**827**	743
Criticized nonaccrual	**—**	—	**191**	213	**NA**	NA	**191**	213

(a) Individual delinquency classifications included loans insured by U.S. government agencies under the Federal Family Education Loan Program ("FFELP") as follows: current included $4.1 billion and $4.3 billion; 30-119 days past due included $303 million and $364 million; and 120 or more days past due included $243 million and $290 million at June 30, 2015, and December 31, 2014, respectively.

(b) These amounts represent student loans, which are insured by U.S. government agencies under the FFELP. These amounts were accruing as reimbursement of insured amounts is proceeding normally.

(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) June 30, 2015, and December 31, 2014, excluded loans 30 days or more past due and still accruing, which are insured by U.S. government agencies under the FFELP, of $546 million and $654 million, respectively. These amounts were excluded as reimbursement of insured amounts is proceeding normally.

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)	June 30, 2015	December 31, 2014
Impaired loans		
With an allowance	$ 529	$ 557
Without an allowance[a]	31	35
Total impaired loans[b][c]	$ 560	$ 592
Allowance for loan losses related to impaired loans	$ 114	$ 117
Unpaid principal balance of impaired loans[d]	682	719
Impaired loans on nonaccrual status	440	456

(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) Predominantly all other consumer impaired loans are in the U.S.
(c) Other consumer average impaired loans were $576 million and $599 million for the six months ended June 30, 2015 and 2014, respectively. The related interest income on impaired loans, including those on a cash basis, was not material for the six months ended June 30, 2015 and 2014.
(d) Represents the contractual amount of principal owed at June 30, 2015, and December 31, 2014. 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.

Loan modifications

Certain other consumer loan modifications are considered to be TDRs as they provide various concessions to borrowers who are experiencing financial difficulty. All of these TDRs are reported as impaired loans in the table above. See Note 15 of JPMorgan Chase Bank, N.A.'s 2014 Annual Financial Statements for further information on other consumer loans modified in TDRs.

The following table provides information about JPMorgan Chase Bank, N.A.'s other consumer loans modified in TDRs. New TDRs were not material for the six months ended June 30, 2015 and 2014.

(in millions)	June 30, 2015	December 31, 2014
Loans modified in TDRs[a][b]	$ 407	$ 442
TDRs on nonaccrual status	287	306

(a) The impact of these modifications was not material to JPMorgan Chase Bank, N.A. for the six months ended June 30, 2015 and 2014.
(b) Additional commitments to lend to borrowers whose loans have been modified in TDRs as of June 30, 2015, and December 31, 2014, were immaterial.

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 2014 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, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014
Carrying value[a]	**$16,088**	$17,095	**$ 9,553**	$10,220	**$ 3,449**	$ 3,673	**$14,716**	$15,708	**$43,806**	$46,696
Related allowance for loan losses[b]	**1,758**	1,758	**1,083**	1,193	**180**	180	**194**	194	**3,215**	3,325
Loan delinquency (based on unpaid principal balance)										
Current	**$15,411**	$16,295	**$ 8,473**	$ 8,912	**$ 3,416**	$ 3,565	**$13,116**	$13,814	**$40,416**	$42,586
30–149 days past due	**326**	445	**395**	500	**451**	536	**707**	858	**1,879**	2,339
150 or more days past due	**759**	1,000	**712**	837	**464**	551	**1,515**	1,824	**3,450**	4,212
Total loans	**$16,496**	$17,740	**$ 9,580**	$10,249	**$ 4,331**	$ 4,652	**$15,338**	$16,496	**$45,745**	$49,137
% of 30+ days past due to total loans	**6.58%**	8.15%	**11.56%**	13.05%	**21.13%**	23.37%	**14.49%**	16.26%	**11.65%**	13.33%
Current estimated LTV ratios (based on unpaid principal balance)[c][d]										
Greater than 125% and refreshed FICO scores:										
Equal to or greater than 660	**$ 350**	$ 513	**$ 24**	$ 45	**$ 21**	$ 34	**$ 54**	$ 89	**$ 449**	$ 681
Less than 660	**180**	273	**58**	97	**103**	160	**86**	150	**427**	680
101% to 125% and refreshed FICO scores:										
Equal to or greater than 660	**1,788**	2,245	**308**	456	**143**	215	**392**	575	**2,631**	3,491
Less than 660	**835**	1,073	**282**	402	**367**	509	**528**	771	**2,012**	2,755
80% to 100% and refreshed FICO scores:										
Equal to or greater than 660	**3,868**	4,171	**1,674**	2,154	**456**	519	**1,937**	2,418	**7,935**	9,262
Less than 660	**1,490**	1,647	**1,100**	1,316	**879**	1,006	**1,640**	1,996	**5,109**	5,965
Lower than 80% and refreshed FICO scores:										
Equal to or greater than 660	**5,979**	5,824	**3,894**	3,663	**785**	719	**6,762**	6,593	**17,420**	16,799
Less than 660	**2,006**	1,994	**2,240**	2,116	**1,577**	1,490	**3,939**	3,904	**9,762**	9,504
Total unpaid principal balance	**$16,496**	$17,740	**$ 9,580**	$10,249	**$ 4,331**	$ 4,652	**$15,338**	$16,496	**$45,745**	$49,137
Geographic region (based on unpaid principal balance)										
California	**$ 9,908**	$10,671	**$ 5,591**	$ 5,965	**$ 1,077**	$ 1,138	**$ 8,634**	$ 9,190	**$25,210**	$26,964
New York	**833**	876	**647**	672	**422**	463	**856**	933	**2,758**	2,944
Illinois	**382**	405	**282**	301	**211**	229	**357**	397	**1,232**	1,332
Texas	**248**	273	**85**	92	**259**	281	**81**	85	**673**	731
Florida	**1,581**	1,696	**625**	689	**399**	432	**1,298**	1,440	**3,903**	4,257
New Jersey	**329**	348	**263**	279	**150**	165	**505**	553	**1,247**	1,345
Arizona	**299**	323	**155**	167	**82**	85	**215**	227	**751**	802
Washington	**889**	959	**208**	225	**87**	95	**360**	395	**1,544**	1,674
Michigan	**49**	53	**154**	166	**121**	130	**168**	182	**492**	531
Ohio	**18**	20	**45**	48	**68**	72	**65**	69	**196**	209
All other	**1,960**	2,116	**1,525**	1,645	**1,455**	1,562	**2,799**	3,025	**7,739**	8,348
Total unpaid principal balance	**$16,496**	$17,740	**$ 9,580**	$10,249	**$ 4,331**	$ 4,652	**$15,338**	$16,496	**$45,745**	$49,137

(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 table set forth delinquency statistics for PCI junior lien home equity loans and lines of credit based on unpaid principal balance as of June 30, 2015, and December 31, 2014.

	Total loans		Total 30+ day delinquency rate	
(in millions, except ratios)	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014
HELOCs:[(a)]				
Within the revolving period[(b)]	**$ 7,004**	$ 8,972	**4.35%**	6.42%
Beyond the revolving period[(c)]	**5,141**	4,143	**5.10**	6.42
HELOANs	**651**	736	**5.68**	8.83
Total	**$ 12,796**	$ 13,851	**4.72%**	6.55%

(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, 2015 and 2014, 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.

	Six months ended June 30,	
(in millions, except ratios)	**2015**	2014
Beginning balance	**$ 14,592**	$ 16,167
Accretion into interest income	**(866)**	(1,009)
Changes in interest rates on variable-rate loans	**18**	(66)
Other changes in expected cash flows[(a)]	**(3)**	183
Balance at June 30	**$ 13,741**	$ 15,275
Accretable yield percentage	**4.16%**	4.28%

(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, 2015 and 2014, other changes in expected cash flows were driven 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 adjustable-rate mortgage ("ARM") and home equity loans; and (ii) changes in prepayment assumptions.

Active and suspended foreclosure

At June 30, 2015, and December 31, 2014, JPMorgan Chase Bank, N.A. had PCI residential real estate loans with an unpaid principal balance of $2.7 billion and $3.2 billion, respectively, that were not included in REO, but were in the process of active or suspended foreclosure.

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, 2015	December 31, 2014
Loan delinquency		
Current and less than 30 days past due and still accruing	**$ 27,783**	$ 29,341
30–89 days past due and still accruing	**188**	213
90 or more days past due and still accruing	**179**	191
Nonaccrual loans	**—**	—
Total retained credit card loans	**$ 28,150**	$ 29,745
Loan delinquency ratios		
% of 30+ days past due to total retained loans	**1.30%**	1.36%
% of 90+ days past due to total retained loans	**0.64**	0.64
Credit card loans by geographic region		
California	**$ 4,150**	$ 4,230
Texas	**2,678**	2,701
New York	**2,501**	2,604
Florida	**1,663**	1,684
Illinois	**1,631**	1,702
New Jersey	**1,280**	1,322
Ohio	**951**	1,026
Pennsylvania	**926**	992
Michigan	**724**	763
Virginia	**661**	793
All other	**10,985**	11,928
Total retained credit card loans	**$ 28,150**	$ 29,745
Percentage of portfolio based on carrying value with estimated refreshed FICO scores		
Equal to or greater than 660	**85.7%**	86.4%
Less than 660	**14.3**	13.6

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 2014 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, 2015	December 31, 2014
Impaired credit card loans with an allowance(a)(b)		
Credit card loans with modified payment terms(c)	**$ 281**	$ 331
Modified credit card loans that have reverted to pre-modification payment terms(d)	**38**	47
Total impaired credit card loans(e)	**$ 319**	$ 378
Allowance for loan losses related to impaired credit card loans	**$ 99**	$ 95

(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, 2015, and December 31, 2014, $24 million and $30 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 $14 million and $17 million at June 30, 2015, and December 31, 2014, 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.
(e) Predominantly all impaired credit card loans are in the U.S.

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, 2015	2014
Average impaired credit card loans	**$ 349**	$ 503
Interest income on impaired credit card loans	**8**	12

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, 2015 and 2014, were $57 million and $68 million, respectively. For additional information about credit card loan modifications, see Note 15 of JPMorgan Chase Bank, N.A.'s 2014 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, 2015	2014
Weighted-average interest rate of loans – before TDR	**14.78%**	14.69%
Weighted-average interest rate of loans – after TDR	**4.28**	4.36
Loans that redefaulted within one year of modification[(a)]	**$ 8**	$ 11

(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 for credit card loans modified was expected to be 25.98% and 27.17% as of June 30, 2015, and December 31, 2014, 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 Note 15 and Note 16 of JPMorgan Chase Bank, N.A.'s 2014 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, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014
Loans by risk ratings												
Investment-grade	**$ 62,865**	$ 61,846	**$67,639**	$60,987	**$23,811**	$27,108	**$ 9,620**	$ 7,064	**$ 90,738**	$84,754	**$254,673**	$241,759
Noninvestment-grade:												
Noncriticized	**44,751**	43,887	**15,844**	16,522	**6,005**	7,085	**265**	283	**10,984**	10,094	**77,849**	77,871
Criticized performing	**3,001**	2,235	**1,444**	1,313	**364**	311	**8**	3	**174**	236	**4,991**	4,098
Criticized nonaccrual	**492**	188	**248**	253	**11**	18	**5**	–	**117**	140	**873**	599
Total noninvestment-grade	**48,244**	46,310	**17,536**	18,088	**6,380**	7,414	**278**	286	**11,275**	10,470	**83,713**	82,568
Total retained loans	**$111,109**	$108,156	**$85,175**	$79,075	**$30,191**	$34,522	**$ 9,898**	$ 7,350	**$102,013**	$95,224	**$338,386**	$324,327
% of total criticized to total retained loans	**3.14%**	2.24%	**1.99%**	1.98%	**1.24%**	0.95%	**0.13%**	0.04%	**0.29%**	0.39%	**1.73%**	1.45%
% of nonaccrual loans to total retained loans	**0.44**	0.17	**0.29**	0.32	**0.04**	0.05	**0.05**	–	**0.11**	0.15	**0.26**	0.18
Loans by geographic distribution[(a)]												
Total non-U.S.	**$ 32,200**	$ 33,738	**$ 1,853**	$ 2,099	**$17,393**	$20,944	**$ 1,641**	$ 1,122	**$ 44,726**	$42,935	**$ 97,813**	$100,838
Total U.S.	**78,909**	74,418	**83,322**	76,976	**12,798**	13,578	**8,257**	6,228	**57,287**	52,289	**240,573**	223,489
Total retained loans	**$111,109**	$108,156	**$85,175**	$79,075	**$30,191**	$34,522	**$ 9,898**	$ 7,350	**$102,013**	$95,224	**$338,386**	$324,327
Loan delinquency[(b)]												
Current and less than 30 days past due and still accruing	**$110,440**	$107,390	**$84,793**	$78,514	**$30,145**	$34,403	**$ 9,878**	$ 7,281	**$100,689**	$93,880	**$335,945**	$321,468
30–89 days past due and still accruing	**173**	564	**119**	275	**29**	101	**15**	69	**1,109**	1,175	**1,445**	2,184
90 or more days past due and still accruing[(c)]	**4**	14	**15**	33	**6**	–	**–**	–	**98**	29	**123**	76
Criticized nonaccrual	**492**	188	**248**	253	**11**	18	**5**	–	**117**	140	**873**	599
Total retained loans	**$111,109**	$108,156	**$85,175**	$79,075	**$30,191**	$34,522	**$ 9,898**	$ 7,350	**$102,013**	$95,224	**$338,386**	$324,327

(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 2014 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 2014 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 2014 Annual Financial Statements.

	Multifamily		Commercial lessors		Commercial construction and development		Other		Total real estate loans	
(in millions, except ratios)	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014
Real estate retained loans	**$ 55,497**	$ 51,049	**$ 17,206**	$ 17,409	**$ 4,722**	$ 4,264	**$ 7,750**	$ 6,353	**$ 85,175**	$ 79,075
Criticized exposure	**617**	652	**992**	841	**17**	42	**66**	31	**1,692**	1,566
% of criticized exposure to total real estate retained loans	**1.11%**	1.28%	**5.77%**	4.83%	**0.36%**	0.98%	**0.85%**	0.49%	**1.99%**	1.98%
Criticized nonaccrual	**$ 111**	$ 126	**$ 95**	$ 110	**$ –**	$ –	**$ 42**	$ 17	**$ 248**	$ 253
% of criticized nonaccrual to total real estate retained loans	**0.20%**	0.25%	**0.55%**	0.63%	**–%**	–%	**0.54%**	0.27%	**0.29%**	0.32%

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 16 of JPMorgan Chase Bank, N.A.'s 2014 Annual Financial Statements.

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

(in millions)	Commercial and industrial		Real estate		Financial institutions		Government agencies		Other		Total retained loans	
	Jun 30, 2015	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014
Impaired loans												
With an allowance	**$ 401**	$ 174	**$ 154**	$ 193	**$ 10**	$ 15	**$ 5**	$ –	**$ 59**	$ 89	**$ 629**	$ 471
Without an allowance[(a)]	**102**	24	**116**	87	**2**	3	**–**	–	**59**	52	**279**	166
Total impaired loans	**$ 503**	$ 198	**$ 270**	$ 280	**$ 12**	$ 18	**$ 5**	$ –	**$ 118**	$ 141	**$ 908** [(c)]	$ 637 [(c)]
Allowance for loan losses related to impaired loans	**$ 85**	$ 34	**$ 17**	$ 36	**$ 2**	$ 4	**$ 2**	$ –	**$ 41**	$ 13	**$ 147**	$ 87
Unpaid principal balance of impaired loans[(b)]	**541**	266	**354**	345	**14**	22	**5**	–	**122**	202	**1,036**	835

(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, 2015, and December 31, 2014. 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.
(c) Based upon the domicile of the borrower, predominantly all wholesale impaired loans are in the U.S.

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

(in millions)	Six months ended June 30, 2015	Six months ended June 30, 2014
Commercial and industrial	**$ 303**	$ 268
Real estate	**255**	329
Financial institutions	**15**	12
Government agencies	**1**	–
Other	**111**	164
Total[(a)]	**$ 685**	$ 773

(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, 2015 and 2014.

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. TDRs were not material as of June 30, 2015 and 2014.

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 2014 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.

	2015				2014			
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,	**$ 6,969**	**$ 735**	**$ 3,648**	**$ 11,352**	8,354	$ 832	$ 3,948	$ 13,134
Gross charge-offs	**814**	**372**	**33**	**1,219**	1,063	430	76	1,569
Gross recoveries	**(318)**	**(40)**	**(51)**	**(409)**	(352)	(50)	(110)	(512)
Net charge-offs/(recoveries)	**496**	**332**	**(18)**	**810**	711	380	(34)	1,057
Write-offs of PCI loans[a]	**110**	**–**	**–**	**110**	109	–	–	109
Provision for loan losses	**57**	**335**	**268**	**660**	107	373	(64)	416
Other	**–**	**(5)**	**8**	**3**	1	(1)	(1)	(1)
Ending balance at June 30,	**$ 6,420**	**$ 733**	**$ 3,942**	**$ 11,095**	$ 7,642	$ 824	$ 3,917	$ 12,383
Allowance for loan losses by impairment methodology								
Asset-specific[b]	**$ 421**	**$ 99** [c]	**$ 147**	**$ 667**	$ 577	$ 111 [c]	$ 131	$ 819
Formula-based	**2,784**	**634**	**3,795**	**7,213**	3,316	713	3,786	7,815
PCI	**3,215**	**–**	**–**	**3,215**	3,749	–	–	3,749
Total allowance for loan losses	**$ 6,420**	**$ 733**	**$ 3,942**	**$ 11,095**	$ 7,642	$ 824	$ 3,917	$ 12,383
Loans by impairment methodology								
Asset-specific	**$ 9,143**	**$ 319**	**$ 908**	**$ 10,370**	$ 11,952	$ 454	$ 723	$ 13,129
Formula-based	**258,380**	**27,831**	**337,474**	**623,685**	218,675	31,222	320,205	570,102
PCI	**43,806**	**–**	**4**	**43,810**	50,118	–	5	50,123
Total retained loans	**$ 311,329**	**$ 28,150**	**$338,386**	**$ 677,865**	$ 280,745	$ 31,676	$ 320,933	$ 633,354
Impaired collateral-dependent loans								
Net charge-offs	**$ 33**	**$ –**	**$ 2**	**$ 35**	$ 80	$ –	$ (5)	$ 75
Loans measured at fair value of collateral less cost to sell	**2,545**	**–**	**307**	**2,852**	3,028	–	321	3,349
Allowance for lending-related commitments								
Beginning balance at January 1,	**$ 13**	**$ –**	**$ 606**	**$ 619**	$ 8	$ –	$ 693	$ 701
Provision for lending-related commitments	**2**	**–**	**(2)**	**–**	1	–	(56)	(55)
Other		**–**	**–**	**–**	–	–	–	–
Ending balance at June 30,	**$ 15**	**$ –**	**$ 604**	**$ 619**	$ 9	$ –	$ 637	$ 646
Allowance for lending-related commitments by impairment methodology								
Asset-specific	**$ –**	$ –	**$ 55**	**$ 55**	$ –	$ –	$ 43	$ 43
Formula-based	**15**	–	**549**	**564**	9	–	594	603
Total allowance for lending-related commitments	**$ 15**	**$ –**	**$ 604**	**$ 619**	$ 9	$ –	$ 637	$ 646
Lending-related commitments by impairment methodology								
Asset-specific	**$ –**	**$ –**	**$ 133**	**$ 133**	$ –	$ –	$ 122	$ 122
Formula-based	**59,875**	**22,961**	**346,225**	**429,061**	56,434	33,896	442,792	533,122
Total lending-related commitments	**$ 59,875**	**$ 22,961**	**$346,358**	**$ 429,194**	$ 56,434	$ 33,896	$ 442,914	$ 533,244

(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. A write-off of a PCI loan is 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 2014 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	Servicing and securitization of both originated and purchased residential mortgages	59–61
	Credit card securitization trusts	Securitization of both originated and purchased credit card receivables	61
Corporate & Investment bank	Mortgage and other securitization trusts	Securitization of both originated and purchased residential and commercial mortgages, and student loans	59–61
	Multi-seller conduits	Assist clients in accessing the financial markets in a cost-efficient manner and structures transactions to meet investor needs	61
	Investor intermediation activities:		
	Municipal bond vehicles		61–62
	Credit-related note and asset swap vehicles		62

JPMorgan Chase Bank, N.A. also invests in and provides financing and other services to VIEs sponsored by third parties, as described on page 62 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 2014 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 64 of this Note for further information regarding JPMorgan Chase Bank, N.A.'s cash flows with and interests retained in nonconsolidated VIEs, and page 64 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, 2015[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	**$ 60.2**	**$ 0.9**	**$ 56.5**	**$ 0.1**	**$ 1.6**	**$ 1.7**
Subprime	**17.0**	**—**	**16.0**	**—**	**—**	**—**
Commercial and other[b]	**103.4**	**0.2**	**75.7**	**—**	**2.5**	**2.5**
Total	**$ 180.6**	**$ 1.1**	**$ 148.2**	**$ 0.1**	**$ 4.1**	**$ 4.2**

	Principal amount outstanding			JPMorgan Chase Bank, N.A. interest in securitized assets in nonconsolidated VIEs[c][d]		
December 31, 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	$ 62.6	$ 0.7	$ 59.7	$ 0.2	$ 0.5	$ 0.7
Subprime	18.2	—	17.0	—	—	—
Commercial and other[b]	101.4	0.2	73.9	—	2.4	2.4
Total	$ 182.2	$ 0.9	$ 150.6	$ 0.2	$ 2.9	$ 3.1

(a) Excludes U.S. government agency securitizations. See page 64 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 loan 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); senior and subordinated securities of zero and $24 million, respectively, at June 30, 2015, which JPMorgan Chase Bank, N.A. purchased in connection with CIB's secondary market-making activities. There were no senior and subordinated securities purchased in connection with the corporate & investment banking business's secondary market-making activities at December 31, 2014.
(d) As of June 30, 2015, and December 31, 2014, 92% and 93%, 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 $1.7 billion and $634 million of investment-grade and $59 million and $43 million of noninvestment-grade retained interests at June 30, 2015, and December 31, 2014, respectively. The retained interests in commercial and other securitizations trusts consisted of $2.5 billion and $2.4 billion of investment-grade and $1 million and zero of noninvestment-grade retained interests at June 30, 2015, and December 31, 2014, 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 2014 Annual Financial Statements.

At June 30, 2015, and December 31, 2014, JPMorgan Chase Bank, N.A. did not consolidate the assets of certain JPMorgan Chase Bank, N.A.-sponsored residential mortgage securitization VIEs, in which JPMorgan Chase Bank, N.A. 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 63 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
CIB 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 2014 Annual Financial Statements. See the table on page 63 of this Note for more information on the consolidated commercial mortgage securitizations, and 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 2014 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, 2015 and December 31, 2014, JPMorgan Chase Bank, N.A. had recorded $4.5 billion and $4.6 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 zero and $50 million at June 30, 2015 and December 31, 2014, 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 2014 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 $3.6 billion and $5.7 billion of the commercial paper issued by JPMorgan Chase Bank, N.A.-administered multi-seller conduits at June 30, 2015, and December 31, 2014, respectively, which was eliminated in consolidation. JPMorgan Chase Bank, N.A.'s investments reflect JPMorgan Chase Bank, N.A.'s funding needs and capacity and were not driven by market illiquidity. 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.

Deal-specific liquidity facilities, program-wide liquidity and credit enhancement provided by JPMorgan Chase Bank, N.A. to the multi-seller conduits have been eliminated in consolidation. Unfunded lending-related commitments made to clients of JPMorgan Chase Bank, N.A.-administered multi-seller conduits were $9.9 billion at both June 30, 2015, and December 31, 2014, 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 2014 Annual Financial Statements.

JPMorgan Chase Bank, N.A.'s exposure to nonconsolidated municipal bond VIEs at June 30, 2015, and December 31, 2014, 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, 2015	**$ 11.7**	**$ 6.6**	**$ 5.1**	**$ 6.6**
December 31, 2014	11.5	6.3	5.2	6.3

	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, 2015	**$ 2.7**	**$ 8.6**	**$ 0.4**	**$ –**	**$ –**	**$ 11.7**	**4.9**
December 31, 2014	2.7	8.4	0.4	–	–	11.5	4.9

(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 2014 Annual Financial Statements.

VIEs sponsored by third parties

JPMorgan Chase Bank, N.A. enters into transactions with VIEs sponsored 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, 2015, and December 31, 2014.

	Assets				Liabilities		
June 30, 2015 (in billions)[(a)]	Trading assets	Loans	Other[(c)]	Total assets[(d)]	Beneficial interests in VIE assets[(e)]	Other[(f)]	Total liabilities
VIE program type							
JPMorgan Chase Bank, N.A.-administered multi-seller conduits	**$ –**	**$ 16.5**	**$ –**	**$ 16.5**	**$ 13.0**	**$ –**	**$ 13.0**
Municipal bond vehicles	**2.3**	**–**	**–**	**2.3**	**2.3**	**–**	**2.3**
Student loan securitization entities	**–**	**2.0**	**0.1**	**2.1**	**1.9**	**–**	**1.9**
Mortgage securitization entities[(b)]	**1.0**	**0.7**	**–**	**1.7**	**0.2**	**0.7**	**0.9**
Other	**0.2**	**–**	**0.8**	**1.0**	**–**	**–**	**–**
Total	**$ 3.5**	**$ 19.2**	**$ 0.9**	**$ 23.6**	**$ 17.4**	**$ 0.7**	**$ 18.1**

	Assets				Liabilities		
December 31, 2014 (in billions)[(a)]	Trading assets	Loans	Other[(c)]	Total assets[(d)]	Beneficial interests in VIE assets[(e)]	Other[(f)]	Total liabilities
VIE program type							
JPMorgan Chase Bank, N.A.-administered multi-seller conduits	$ –	$ 17.7	$ 0.1	$ 17.8	$ 12.0	$ –	$ 12.0
Municipal bond vehicles	4.9	–	–	4.9	4.6	–	4.6
Student loan securitization entities	–	2.2	–	2.2	2.0	–	2.0
Mortgage securitization entities[(b)]	0.9	0.7	–	1.6	–	0.8	0.8
Other	0.2	–	0.2	0.4	–	–	–
Total	$ 6.0	$ 20.6	$ 0.3	$ 26.9	$ 18.6	$ 0.8	$ 19.4

(a) Excludes intercompany transactions which were eliminated in consolidation.
(b) Includes residential and commercial mortgage securitizations.
(c) Includes assets classified as cash, AFS securities, and other assets within the Consolidated balance sheets.
(d) The assets of the consolidated VIEs included in the program types above are used to settle the liabilities of those entities. The 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.
(e) The interest-bearing beneficial interest liabilities issued by consolidated VIEs are classified in the line item on the Consolidated balance sheets titled, "Beneficial interests issued by consolidated variable interest entities." The holders of these beneficial interests 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 $2.1 billion and $2.0 billion at June 30, 2015, and December 31, 2014, respectively. The maturities of the long-term beneficial interests as of June 30, 2015, were as follows: zero under one year, $49 million between one and five years, and $2.1 billion over five years.
(f) Includes liabilities classified as accounts payable and other liabilities in the Consolidated balance sheets.

Loan securitizations

JPMorgan Chase Bank, N.A. securitizes (or has securitized) a variety of loans, including residential mortgage, credit card, 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 2014 Annual Financial Statements.

Securitization activity

The following table provides information related to JPMorgan Chase Bank, N.A.'s securitization activities for the six months ended June 30, 2015 and 2014, related to assets held in JPMorgan Chase Bank, N.A.-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.

	Six months ended June 30,					
	2015			2014		
(in millions)	Credit card[c]	Residential mortgage[d]	Commercial and other[f]	Credit card[c]	Residential mortgage[d]	Commercial and other[f]
Principal securitized	**$ 3,050**	**$ 1,692**	**$ 6,051**	$ 2,220	$ 660	$ 4,639
Pretax gains / (losses)	**(1)**	**–** [e]	**–** [e]	2	– [e]	– [e]
All cash flows during the period:						
Proceeds from new securitizations[a]	**$ 3,050**	**$ 1,702**	**$ 6,058**	$ 2,220	$ 663	$ 4,708
Servicing fees collected	**–**	**280**	**2**	–	276	2
Proceeds from collections reinvested in revolving securitizations	**21,681**	**–**	**–**	20,963	–	–
Purchases of previously transferred financial assets (or the underlying collateral)[b]	**–**	**1**	**–**	–	60	–
Cash flows received on interests	**7,242**	**138**	**183**	6,635	42	99

(a) For the six months ended June 30, 2015, all proceeds from credit card securitizations were received as cash; proceeds from residential mortgage securitizations of $757 million was received as cash, and $945 million was received as securities classified in level 2 of the fair value hierarchy; and proceeds from commercial mortgage securitizations of $5.7 billion was received as cash, and $350 million was received as securities classified in level 2 of the fair value hierarchy. 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.

(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 representation 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 MSRs 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 MSRs on a nonrecourse basis, predominantly to Fannie Mae and Freddie Mac (the "GSEs"). These loans and excess MSRs 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 2014 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 MSRs. 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.

	Six months ended June 30,	
(in millions)	**2015**	2014
Carrying value of loans sold[a]	**$ 22,799**	**$ 26,523**
Proceeds received from loan sales as cash	**99**	**89**
Proceeds from loans sales as securities[b]	**22,588**	**26,196**
Total proceeds received from loan sales[c]	**$ 22,687**	**$ 26,285**
Gains on loan sales[d]	**$ 177**	**$ 119**

(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 loan sales include the value of MSRs.

(d) The carrying value of the loans accounted for at fair value approximated the total 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 22, 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. typically elects to repurchase delinquent loans from Ginnie Mae loan pools as it continues to service them and/or manage the foreclosure process in accordance with the applicable requirements, and such loans continue to be insured or guaranteed. When 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, 2015, and December 31, 2014, JPMorgan Chase Bank, N.A. had recorded on its Consolidated balance sheets $11.7 billion and $12.4 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 $385 million and $464 million as of June 30, 2015, and December 31, 2014, 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 2014 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, 2015 and December 31, 2014, 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]	**June 30, 2015**	December 31, 2014
JPMorgan Chase Bank, N.A. interests in securitized assets	**$ 4,473**	$ 4,580
Weighted-average life (in years)	**0.3**	0.3
Weighted-average constant prepayment rate[b]	**27.8%**	27.8%
	PPR	PPR
Impact of 10% adverse change	**$ (21)**	$ (21)
Impact of 20% adverse change	**(42)**	(42)
Weighted-average loss assumption	**2.0%**	2.4%
Impact of 10% adverse change	**$ (11)**	$ (13)
Impact of 20% adverse change	**(21)**	(26)
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 $135 million and $172 million, as of June 30, 2015, and December 31, 2014, respectively. These include retained interests in Alt-A loans.
(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, 2015, and December 31, 2014, respectively; and liquidation losses for the six months ended June 30, 2015 and 2014, respectively.

	Securitized assets		90 days past due		Liquidation losses Six months ended June 30,	
(in millions)	**Jun 30, 2015**	Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014	**2015**	2014
Securitized loans[a]						
Residential mortgage:						
Prime / Alt-A & Option ARMs	**$ 56,542**	$ 59,733	**$ 6,155**	$ 7,301	**$ 521**	$ 723
Subprime	**16,028**	16,971	**3,883**	4,157	**482**	599
Commercial and other	**75,661**	73,893	**1,284**	1,176	**101**	456
Total loans securitized[b]	**$ 148,231**	$ 150,597	**$ 11,322**	$ 12,634	**$ 1,104**	$ 1,778

(a) Total assets held in securitization-related SPEs were $180.6 billion and $182.2 billion, respectively, at June 30, 2015 and December 31, 2014. The $148.2 billion and $150.6 billion, respectively, of loans securitized at June 30, 2015, and December 31, 2014, excluded: $31.3 billion and $30.7 billion, respectively, of securitized loans in which JPMorgan Chase Bank, N.A. has no continuing involvement, and $1.1 billion and $889 million, respectively, of loan securitizations consolidated on JPMorgan Chase Bank, N.A.'s Consolidated balance sheets at June 30, 2015, and December 31, 2014.

(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 2014 Annual Financial Statements.

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

	Six months ended June 30,	
(in millions)	**2015**	2014
Balance at beginning of period[a]	**$ 27,282**	$ 27,344
Changes during the period from:		
Business combinations	**17**	19
Other[b]	**(69)**	7
Balance at June 30,[a]	**$ 27,230**	$ 27,370

(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.

Impairment testing

Goodwill was not impaired at June 30, 2015, or December 31, 2014.

Declines in business performance, increases in equity capital requirements, or increases in the estimated cost of equity, could cause the estimated fair values of JPMorgan Chase Bank, N.A., or its associated goodwill to decline in the future, which could result in a material impairment charge to earnings in a future period related to some portion of the associated goodwill.

Mortgage servicing rights

MSRs represent the fair value of expected future cash flows for performing servicing activities for others. The fair value considers estimated future servicing fees and ancillary revenue, offset by estimated costs to service the loans, and generally declines over time as net servicing cash flows are received, effectively amortizing the MSR asset against contractual servicing and ancillary fee income. MSRs are either purchased from third parties or recognized upon sale or securitization of mortgage loans if servicing is retained. 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. Chase's 2014 Annual Financial Statements and Note 4 of these Consolidated Financial Statements.

The following table summarizes MSR activity for the six months ended June 30, 2015 and 2014.

	As of or for the six months ended June 30,	
(in millions, except where otherwise noted)	**2015**	2014
Fair value at beginning of period	**$ 7,436**	$ 9,614
MSR activity:		
Originations of MSRs	**300**	370
Purchase of MSRs	**439**	6
Disposition of MSRs[a]	**(375)**	(186)
Net additions	**364**	190
Changes due to collection/realization of expected cash flows[b]	**(444)**	(486)
Changes in valuation due to inputs and assumptions:		
Changes due to market interest rates and other[c]	**339**	(731)
Changes in valuation due to other inputs and assumptions:		
Projected cash flows (e.g., cost to service)	**(27)**	(11)
Discount rates	**(10)**	(459) [g]
Prepayment model changes and other[d]	**(87)**	230
Total changes in valuation due to other inputs and assumptions	**(124)**	(240)
Total changes in valuation due to inputs and assumptions[b]	**215**	(971)
Fair value at June 30,[e]	**$ 7,571**	$ 8,347
Change in unrealized gains/(losses) included in income related to MSRs held at June 30,	**$ 215**	$ (971)
Contractual service fees, late fees and other ancillary fees included in income	**$ 1,311**	$ 1,488
Third-party mortgage loans serviced at June 30, (in billions)	**$ 727**	$ 791
Net servicer advances at June 30, (in billions)[f]	**$ 7.1**	$ 8.8

(a) For the six months ended June 30, 2014, predominantly represents excess MSRs transferred to agency-sponsored trusts in exchange for stripped mortgage-backed securities ("SMBS"). In each transaction, a portion of the SMBS was acquired by third parties at the transaction date; 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, 2015 and 2014.

(b) Included changes related to commercial real estate of $(2) million and $(4) million for the six months ended June 30, 2015 and 2014, respectively.

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

(d) Represents changes in prepayments other than those attributable to changes in market interest rates.

(e) Included $9 million and $14 million related to commercial real estate at June 30, 2015 and 2014, respectively.

(f) Represents amounts JPMorgan Chase Bank, N.A. pays as the servicer (e.g., scheduled principal and interest, taxes and insurance), which will generally be reimbursed within a short period of time after the advance from future cash flows from the trust or the underlying loans. JPMorgan Chase Bank, N.A.'s credit risk associated with these servicer advances is minimal because reimbursement of the advances is typically senior to all cash payments to investors. In addition, 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.

(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.

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, 2015, and December 31, 2014, and outlines the sensitivities of those fair values to immediate adverse changes in those assumptions, as defined below.

(in millions, except rates)	Jun 30, 2015	Dec 31, 2014
Weighted-average prepayment speed assumption ("CPR")	**9.01%**	9.80%
Impact on fair value of 10% adverse change	**$ (327)**	$ (337)
Impact on fair value of 20% adverse change	**(633)**	(652)
Weighted-average option adjusted spread	**9.38%**	9.43%
Impact on fair value of 100 basis points adverse change	**$ (304)**	$ (300)
Impact on fair value of 200 basis points adverse change	**(586)**	(578)

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

For information regarding other intangible assets, see Note 18 of JPMorgan Chase Bank, N.A.'s 2014 Annual Financial Statements.

Note 18 – Deposits

For further discussion on deposits, see Note 20 of JPMorgan Chase Bank, N.A.'s 2014 Annual Financial Statements.

At June 30, 2015, and December 31, 2014, noninterest-bearing and interest-bearing deposits were as follows.

(in millions)	June 30, 2015	December 31, 2014
U.S. offices		
Noninterest-bearing	**$ 436,181**	$ 444,452
Interest-bearing:		
Demand[(a)]	**103,653**	129,186
Savings[(b)]	**462,528**	466,709
Time (included **$9,685** and $7,668 at fair value)[(c)]	**67,063**	73,832
Total interest-bearing deposits	**633,244**	669,727
Total deposits in U.S. offices	**1,069,425**	1,114,179
Non-U.S. offices		
Noninterest-bearing	**21,883**	19,203
Interest-bearing:		
Demand	**182,801**	223,752
Savings	**1,873**	2,673
Time (included **$2,121** and $1,306 at fair value)[(c)]	**54,293**	79,598
Total interest-bearing deposits	**238,967**	306,023
Total deposits in non-U.S. offices	**260,850**	325,226
Total deposits	**$ 1,330,275**	$ 1,439,405

(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 2014 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-related transactions with related parties are listed below.

	Six months ended June 30,	
(in millions)	2015	2014
Interest income	**$ 65**	$ 27
Interest expense	**135**	134
Servicing agreements and fee arrangements		
Noninterest revenue	**2,088**	2,812
Noninterest expense	**1,935**	1,790

Significant balances with related parties are listed below.

(in millions)	June 30, 2015	December 31, 2014
Assets		
Federal funds sold and securities purchased under resale agreements	**$ 59,491**	$ 38,695
Accrued interest and accounts receivable	**9,910**	8,057
All other assets	**16,718**	15,937
Liabilities		
Deposits[(a)]	**86,010**	119,603
Federal funds purchased and securities loaned or sold under repurchase agreements	**33,045**	30,241
Other borrowed funds[(b)]	**36,084**	15,115
Accounts payable	**4,544**	4,891
Long-term debt	**13,452**	12,955
All other liabilities	**167**	163

(a) Includes $20 billion at both June 30, 2105, and December 31, 2014, pledged by JPMorgan Chase to support extensions of credit and other transactions requiring collateral with affiliates as defined by Section 23A under the Federal Reserve Act, which defines the constraints that apply to U.S. banks in certain of their interactions with affiliates.
(b) Includes $34 billion and $15 billion at June 30, 2015, and December 31, 2014, respectively, of borrowings under a short-term committed facility with JPMorgan Chase & Co.

In addition to the information presented in the tables above, JPMorgan Chase Bank, N.A. executes derivative transactions with affiliates as part of its client driven market-making activities and to facilitate hedging certain risks for its affiliates. When facilitating hedging for affiliates, JPMorgan Chase Bank, N.A. also enters into mirror derivative transactions with third-parties; these two transactions substantially offset each other and are recorded in noninterest revenue. At June 30, 2015 net derivative payables to affiliates were $2.0 billion (gross receivables and payables of approximately $48.0 billion and $50.0 billion, respectively). At December 31, 2014 net derivative payables to affiliates were $5.0 billion (gross receivables and payables of approximately $35.0 billion and $40.0 billion, respectively). The net positions primarily relate to interest rate contracts that fall within level 2 of the fair value hierarchy.

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, 2015 (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, 2015	**$ 4,537**	**$ (23)**	**$ (91)**	**$ (467)**	**$ 3,956**
Net change	**(1,294)**	**(11)**	**154**	**64**	**(1,087)**
Balance at June 30, 2015	**$ 3,243**	**$ (34)**	**$ 63**	**$ (403)**	**$ 2,869**

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	7	94	2	2,069
Balance at June 30, 2014	$ 4,641	$ 19	$ 19	$ (431)	$ 4,248

(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 transfer, includes any net unamortized unrealized gains and losses related to the transferred securities.

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

	2015			2014		
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	**$ (2,059)**	**$ 823**	**$ (1,236)**	$ 3,233	$ (1,243)	$ 1,990
Reclassification adjustment for realized (gains)/losses included in net income[(a)]	**(92)**	**34**	**(58)**	(40)	16	(24)
Net change	**(2,151)**	**857**	**(1,294)**	3,193	(1,227)	1,966
Translation adjustments:						
Translation[(b)]	**(618)**	**221**	**(397)**	285	(107)	178
Hedges[(b)]	**617**	**(231)**	**386**	(282)	111	(171)
Net change	**(1)**	**(10)**	**(11)**	3	4	7
Cash flow hedges:						
Net unrealized gains/(losses) arising during the period	**71**	**(27)**	**44**	218	(86)	132
Reclassification adjustment for realized (gains)/losses included in net income[(c)(e)]	**176**	**(66)**	**110**	(61)	23	(38)
Net change	**247**	**(93)**	**154**	157	(63)	94
Defined benefit pension and OPEB plans:						
Net gains/(losses) arising during the period	**(10)**	**4**	**(6)**	5	(1)	4
Reclassification adjustments included in net income[(d)]:						
Amortization of net loss	**20**	**(7)**	**13**	27	(11)	16
Prior service costs/(credits)	**(1)**	**—**	**(1)**	—	—	—
Foreign exchange and other	**98**	**(40)**	**58**	(19)	1	(18)
Net change	**107**	**(43)**	**64**	13	(11)	2
Total other comprehensive income/(loss)	**$ (1,798)**	**$ 711**	**$ (1,087)**	$ 3,366	$ (1,297)	$ 2,069

(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/expense in the Consolidated statements of income. The amounts were not material for the periods presented.
(c) The pretax amounts are predominantly recorded in net interest income in the Consolidated statements of income.
(d) The pretax amount is reported in compensation expense in the Consolidated statements of income.
(e) During the six month period ended June 30, 2015, JPMorgan Chase Bank, N.A. reclassified approximately $150 million of net losses from AOCI to other income because JPMorgan Chase Bank, N.A. determined that it is probable that the forecasted interest payment cash flows will not occur. For additional information, see Note 6.

Note 21 – Regulatory capital

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

Basel III overview

Basel III, for large and internationally active U.S banks, including JPMorgan Chase Bank, N.A., revised, among other things, the definition of capital and introduced 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 replaced Basel I RWA effective January 1, 2015 ("Basel III Standardized"), and an advanced approach, which replaced 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 that began on January 1, 2014 and continue through the end of 2018 ("Basel III Transitional").

There are three categories of risk-based capital under the Basel III Transitional rules: common equity Tier 1 capital ("CET1 capital"), as well as Tier 1 capital and Tier 2 capital. CET1 capital predominantly includes common stockholders' equity (including capital for AOCI related to debt and equity securities classified as AFS as well as for defined benefit pension and OPEB plans), less certain deductions for goodwill, MSRs and deferred tax assets that arise from net operating loss ("NOL") 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. Total capital is Tier 1 capital plus Tier 2 capital.

Supplementary leverage ratio ("SLR")

Basel III also includes a requirement for Advanced Approach banking organizations to calculate a SLR. The SLR is defined as Tier 1 capital under Basel III divided by JPMorgan Chase Bank, N.A.'s total leverage exposure. Total leverage exposure is calculated by taking JPMorgan Chase Bank, N.A.'s total average on-balance sheet assets, less amounts permitted to be deducted for Tier 1 capital, and adding certain off-balance sheet exposures, such as undrawn commitments and derivatives potential future exposure. JPMorgan Chase Bank, N.A. is required to have a minimum SLR of at least 6%, beginning January 1, 2018.

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 was effective January 1, 2015.

Under the risk-based capital guidelines of the OCC, JPMorgan Chase Bank, N.A. is required to maintain minimum ratios of CET1 (beginning January 1, 2015), Tier 1 and total capital to risk-weighted assets, as well as minimum leverage ratio (which is 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, 2015.

	Minimum capital ratios[(a)]	Well-capitalized ratios[(a)]
Capital ratios		
CET1	4.5%	6.5%
Tier 1	6.0	8.0
Total	8.0	10.0
Tier 1 leverage	4.0	5.0 [(b)]

(a) As defined by the regulations issued by the OCC and FDIC. The CET1 capital ratio became a relevant measure of capital under the prompt corrective action requirements on January 1, 2015.

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

As of June 30, 2015, and December 31, 2014, JPMorgan Chase Bank, N.A. was well-capitalized and met all capital requirements to which it was subject.

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.

	JPMorgan Chase Bank, N.A.				
	Basel III Standardized Transitional			**Basel III Advanced Transitional**	
(in millions, except ratios)	**Jun 30, 2015**		Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014
Regulatory capital					
CET1 capital	**$ 161,814**		$ 156,567	**$ 161,814**	$ 156,567
Tier 1 capital[a]	**161,966**		156,891	**161,966**	156,891
Total capital	**177,249**		173,328	**170,346**	166,331
Assets					
Risk-weighted	**1,274,043**	(e)	1,230,358	**1,275,783**	1,330,175
Adjusted average[b]	**1,982,100**		1,968,131	**1,982,100**	1,968,131
Capital ratios[c]					
CET1	**12.7%**		12.7%	**12.7%**	11.8%
Tier 1[a]	**12.7**		12.8	**12.7**	11.8
Total	**13.9**		14.1	**13.4**	12.5
Tier 1 leverage[d]	**8.2**		8.0	**8.2**	8.0

(a) At June 30, 2015, trust preferred securities included in Basel III Tier 1 capital were $150 million for JPMorgan Chase Bank, N.A.
(b) Adjusted average assets, for purposes of calculating the Tier 1 leverage ratio, includes total quarterly average assets adjusted for on-balance sheet assets that are subject to deduction from Tier 1 capital predominantly comprising disallowed goodwill and other intangible assets.
(c) For each risk-based capital ratio, the capital adequacy of JPMorgan Chase Bank, N.A. and its subsidiaries is evaluated against the Basel III approach, Standardized or Advanced, resulting in the lower ratio.
(d) As the Tier 1 leverage ratio is not a risk-based measure of capital, the ratios presented in the table reflect the same calculation.
(e) Effective January 1, 2015, the Basel III definition of the Standardized RWA became effective. Prior measures of Basel III Standardized RWA were calculated under Basel I rules.
Note: Rating agencies allow measures of capital to be adjusted upward for deferred tax liabilities, which have resulted from both nontaxable business combinations and from tax-deductible goodwill. JPMorgan Chase Bank, N.A. had deferred tax liabilities resulting from nontaxable business combinations totaling $55 million and $63 million at June 30, 2015, and December 31, 2014, respectively; and deferred tax liabilities resulting from tax-deductible goodwill of $1.5 billion at both June 30, 2015, and December 31, 2014.

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

During the first half of 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 was 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 2014 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 information regarding the allowance for credit losses on lending-related commitments. The following table summarizes the contractual amounts and carrying values of off-balance sheet lending-related financial instruments, guarantees and other commitments at June 30, 2015, and December 31, 2014. 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. In addition, JPMorgan Chase Bank, N.A. typically closes credit card lines when the borrower is 60 days or more past due. 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.

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

By remaining maturity (in millions)	Contractual amount						Carrying value[j]	
	June 30, 2015					Dec 31, 2014	**Jun 30, 2015**	Dec 31, 2014
	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	**$ 1,820**	**$ 4,349**	**$ 993**	**$ 3,899**	**$ 11,061**	$ 11,783	**$ –**	$ –
Home equity – junior lien	**2,910**	**5,242**	**1,034**	**3,901**	**13,087**	14,783	**–**	–
Prime mortgage[a]	**13,526**	**–**	**–**	**–**	**13,526**	8,579	**–**	–
Auto[b]	**7,647**	**1,365**	**211**	**32**	**9,255**	10,462	**3**	2
Business banking[b]	**11,083**	**834**	**89**	**470**	**12,476**	12,052	**12**	11
Student and other	**21**	**4**	**–**	**445**	**470**	526	**–**	–
Total consumer, excluding credit card	**37,007**	**11,794**	**2,327**	**8,747**	**59,875**	58,185	**15**	13
Credit card	**22,961**	**–**	**–**	**–**	**22,961**	29,065	**–**	–
Total consumer[c]	**59,968**	**11,794**	**2,327**	**8,747**	**82,836**	87,250	**15**	13
Wholesale:								
Other unfunded commitments to extend credit[b][d][e]	**54,071**	**84,817**	**109,969**	**7,722**	**256,579**	266,291	**326**	373
Standby letters of credit and other financial guarantees[b][e][f]	**20,320**	**30,051**	**32,939**	**2,281**	**85,591**	90,046	**751**	786
Other letters of credit[b]	**3,241**	**867**	**80**	**–**	**4,188**	4,331	**1**	1
Total wholesale[g]	**77,632**	**115,735**	**142,988**	**10,003**	**346,358**	360,668	**1,078**	1,160
Total lending-related	**$ 137,600**	**$ 127,529**	**$ 145,315**	**$ 18,750**	**$ 429,194**	$ 447,918	**$ 1,093**	$ 1,173
Other guarantees and commitments								
Securities lending indemnification agreements and guarantees[h]	**$ 194,126**	**$ –**	**$ –**	**$ –**	**$ 194,126**	$ 181,047	**$ –**	$ –
Derivatives qualifying as guarantees	**727**	**279**	**11,459**	**38,794**	**51,259**	53,068	**105**	56
Unsettled reverse repurchase and securities borrowing agreements	**43,404**	**–**	**–**	**–**	**43,404**	38,364	–	–
Loan sale and securitization-related indemnifications:								
Mortgage repurchase liability	**NA**	**NA**	**NA**	**NA**	**NA**	NA	**210**	252
Loans sold with recourse	**NA**	**NA**	**NA**	**NA**	**4,636**	5,517	**63**	71
Other guarantees and commitments[i]	**2,977**	**13,798**	**8,180**	**2,772**	**27,727**	16,247	**(130)**	(147)

(a) Includes certain commitments to purchase loans from correspondents.
(b) At June 30, 2015, and December 31, 2014, reflects the contractual amount net of risk participations totaling $239 million and $243 million, respectively, for other unfunded commitments to extend credit; $12.5 billion and $13.0 billion, respectively, for standby letters of credit and other financial guarantees; and $376 million and $469 million, respectively, for other letters of credit. In regulatory filings with the Federal Reserve these commitments are shown gross of risk participations.
(c) Predominantly all consumer, excluding credit card lending-related commitments contractual amounts are in the U.S. Credit card lending-related commitments amounts are largely non-U.S.
(d) At June 30, 2015 and December 31, 2014, included commitments to affiliates of $16 million.
(e) At June 30, 2015, and December 31, 2014, included credit enhancements and bond and commercial paper liquidity commitments to U.S. states and municipalities, hospitals and other non-profit entities of $14.0 billion and $14.8 billion, respectively, within other unfunded commitments to extend credit; and $10.8 billion and $13.3 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.
(f) At June 30, 2015, and December 31, 2014, included unissued standby letters of credit commitments of $44.9 billion and $45.6 billion, respectively.
(g) Effective January 1, 2015, JPMorgan Chase Bank, N.A. no longer includes within its disclosure of wholesale lending-related commitments the unused amount of advised uncommitted lines of credit as it is within JPMorgan Chase Bank, N.A.'s discretion whether or not to make a loan under these lines, and JPMorgan Chase Bank, N.A.'s approval is generally required prior to funding. Prior period amounts have been revised to conform with the current period presentation.
(h) At June 30, 2015, and December 31, 2014, collateral held by JPMorgan Chase Bank, N.A. in support of securities lending indemnification agreements was $201.4 billion and $187.4 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.
(i) At June 30, 2015, and December 31, 2014, included guarantees of the obligations of affiliates of $23.3 billion and $11.8 billion, which predominantly relate to obligations arising under the affiliates' borrowing facilities at the FHLBs; and unfunded equity investment commitments of $6 million and $26 million, at June 30, 2015, and December 31, 2014, respectively. In addition, at June 30, 2015, and December 31, 2014, included letters of credit hedged by derivative transactions and managed on a market risk basis of $4.4 billion and $4.5 billion, respectively.
(j) 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.

Other unfunded commitments to extend credit
Other unfunded commitments to extend credit generally comprise commitments for working capital and general corporate purposes, extensions of credit to support commercial paper facilities and bond financings in the event that those obligations cannot be remarketed to new investors, as well as committed liquidity facilities to clearing organizations.

Also included in other unfunded commitments to extend credit are commitments to noninvestment-grade counterparties in connection with leveraged finance activities, which were $29.2 billion and $23.2 billion at June 30, 2015, and December 31, 2014, respectively. For further information, see Note 4 and Note 5.

JPMorgan Chase Bank, N.A. acts as a settlement and custody bank in the U.S. tri-party repurchase transaction market. In its role as settlement and custody bank, JPMorgan Chase Bank, N.A. is exposed to the intra-day credit risk of its cash borrower clients, usually broker-dealers. This exposure arises under secured clearance advance facilities that JPMorgan Chase Bank, N.A. extends to its clients (i.e. cash borrowers); these facilities contractually limit JPMorgan Chase Bank, N.A.'s intra-day credit risk to the facility amount and must be repaid by the end of the day. As of June 30, 2015, and December 31, 2014, the secured clearance advance facility maximum outstanding commitment amount was $14.6 billion and $15.5 billion, 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 2014 Annual Financial Statements. The recorded amounts of the liabilities related to guarantees and indemnifications at June 30, 2015, and December 31, 2014, 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 $752 million and $787 million at June 30, 2015, and December 31, 2014, respectively, which were classified in accounts payable and other liabilities on the Consolidated balance sheets; these carrying values included $278 million and $233 million, respectively, for the allowance for lending-related commitments, and $474 million and $554 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, 2015, and December 31, 2014.

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

	June 30, 2015		December 31, 2014	
(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)]	**$ 61,972**	**$ 3,534**	$ 66,855	$ 3,476
Noninvestment-grade[(a)]	**23,619**	**654**	23,191	855
Total contractual amount	**$ 85,591**	**$ 4,188**	$ 90,046	$ 4,331
Allowance for lending-related commitments	**$ 277**	**$ 1**	$ 232	$ 1
Commitments with collateral	**37,547**	**1,275**	39,674	1,509

(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 2014 Annual Financial Statements. The total notional value of the derivatives that JPMorgan Chase Bank, N.A. deems to be guarantees was $51.3 billion and $53.1 billion at June 30, 2015, and December 31, 2014, 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 $28.1 billion and $27.5 billion at June 30, 2015, and December 31, 2014, respectively, and the maximum exposure to loss was $3.0 billion and $2.9 billion at June 30, 2015, and December 31, 2014. 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 $131 million and $78 million and derivative receivables of $26 million and $22 million at June 30, 2015, and December 31, 2014, 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 2014 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 2014 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

	Six months ended June 30,	
(in millions)	**2015**	2014
Repurchase liability at beginning of period	**$ 252**	$ 654
Net realized gains/(losses)[(a)]	**19**	20
(Benefit)/provision for repurchase[(b)]	**(61)**	(264)
Repurchase liability at end of period	**$ 210**	$ 410

(a) 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 $2 million and $3 million for the six months ended June 30, 2015 and 2014, respectively.

(b) Included a provision related to new loan sales of $2 million for each of the six months ended June 30, 2015 and 2014, 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 2014 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, 2015, and December 31, 2014, the unpaid principal balance of loans sold with recourse totaled $4.6 billion and $5.5 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 $63 million and $71 million at June 30, 2015, and December 31, 2014, 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 2014 Annual Report.

Pledged assets

JPMorgan Chase Bank, N.A. may pledge financial assets that it owns 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, and borrowings of affiliates. 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, 2015, and December 31, 2014, JPMorgan Chase Bank, N.A. had pledged assets of $335.0 billion and $274.8 billion, respectively, at Federal Reserve Banks and Federal Home Loan Banks ("FHLBs"). Included in the amounts pledged at the FHLBs were $40.1 billion and $42.8 billion at June 30, 2015, and December 31, 2014, respectively, which were used to collateralize borrowings by Chase Bank USA, N.A. and JPMorgan Bank and Trust, N.A., wholly-owned subsidiaries of JPMorgan Chase. See Note 22 for additional information. In addition, as of June 30, 2015, and December 31, 2014, JPMorgan Chase Bank, N.A. had pledged $45.0 billion and $46.1 billion, respectively, of financial assets 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 2014 Annual Financial Statements.

Collateral

At June 30, 2015 and December 31, 2014, 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 $422.8 billion and $412.9 billion, respectively. This collateral was generally obtained under resale agreements, securities borrowing agreements, customer margin loans and derivative agreements. Of the collateral received, $329.4 billion and $326.3 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, 2015, 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 $5.5 billion at June 30, 2015. This estimated aggregate range of reasonably possible losses is based upon currently available information for those proceedings in which JPMorgan Chase believes that an estimate of reasonably possible loss can be made. For certain cases, JPMorgan Chase does not believe that such an estimate can be made. Moreover, JPMorgan Chase's estimate of the aggregate range of reasonably possible losses involves significant judgment, given the number, variety and varying stages of the proceedings (including the fact that many are in preliminary stages), the existence in many such proceedings of multiple defendants (including JPMorgan Chase and JPMorgan Chase Bank, N.A.) whose share of liability 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, particularly proceedings that could result from government investigations. 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.

Auto Dealer Regulatory Matter. JPMorgan Chase is engaged in discussions with the U.S. Department of Justice ("DOJ") about potential statistical disparities in markups charged to different races and ethnicities by automobile dealers on loans originated by those dealers and purchased by JPMorgan Chase.

CIO Litigation. JPMorgan Chase has been sued in a consolidated shareholder putative class action, a consolidated putative class action brought under the Employee Retirement Income Security Act ("ERISA") and seven shareholder derivative actions brought in Delaware state court and in New York federal and state courts relating to 2012 losses in the synthetic credit portfolio managed by JPMorgan Chase's Chief Investment Office ("CIO"). Six of the shareholder derivative actions have been dismissed. One of those dismissals has been affirmed on appeal and the plaintiff has filed a petition for en banc review. Plaintiffs in three other dismissed shareholder derivative actions have appealed those dismissals.

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. 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 a consolidated putative class action filed in the United States District Court for the Southern District of New York on behalf of purchasers and sellers of CDS. The complaint 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 market for exchange-traded CDS products. Defendants moved to dismiss this action, and in September 2014, the Court granted defendants' motion in part, dismissing claims for damages based on transactions effected before the Autumn of 2008, as well as certain other claims.

Custody Assets Investigation. The U.K. Financial Conduct Authority ("FCA") is conducting an investigation concerning compliance by JPMorgan Chase Bank, N.A., London branch and J.P. Morgan Europe Limited with the FCA's rules regarding the provision of custody services relating to the administration of client assets. JPMorgan Chase Bank, N.A., London branch and J.P. Morgan Europe Limited are responding to and cooperating with the investigation.

Foreign Exchange Investigations and Litigation. JPMorgan Chase previously reported settlements with certain government authorities relating to its foreign exchange ("FX") sales and trading activities and controls related to those activities, including settlements in May 2015 with DOJ and the Board of Governors of the Federal Reserve System (the "Federal Reserve"). Under the DOJ settlement, JPMorgan Chase agreed to plead guilty to a single violation of federal antitrust law and to pay a fine of $550 million. Under the Federal Reserve settlement, JPMorgan Chase agreed to the entry of a Consent Order, to pay a fine of $342 million, and to take various remedial actions. FX-related investigations and inquiries by other non-U.S. government authorities, including competition authorities, remain ongoing, and JPMorgan Chase is cooperating with those matters.

Since November 2013, class actions have been filed in the United States District Court for the Southern District of New York against foreign exchange dealers, including JPMorgan Chase, principally for alleged violations of federal antitrust laws based on an alleged conspiracy to manipulate foreign exchange rates reported on the WM/Reuters service. In March 2014, plaintiffs filed a consolidated amended U.S. class action complaint; two other class actions were brought by non-U.S.-based plaintiffs. The Court denied defendants' motion to dismiss the U.S. class action and granted the motion to dismiss the two non-U.S. class actions. In January 2015, JPMorgan Chase settled the U.S. class action, and this settlement is subject to court approval. Since this settlement, a number of additional class actions have been filed seeking damages for persons who transacted FX futures and options on futures, consumers who purchased foreign currencies at allegedly inflated rates, and participants or beneficiaries of qualified ERISA plans.

General Motors Litigation. JPMorgan Chase Bank, N.A. participated in, and was the Administrative Agent on behalf of a syndicate of lenders on, a $1.5 billion syndicated Term Loan facility ("Term Loan") for General Motors Corporation ("GM"). In July 2009, in connection with the GM bankruptcy proceedings, the Official Committee of Unsecured Creditors of Motors Liquidation Company ("Creditors Committee") filed a lawsuit against JPMorgan Chase Bank, N.A., in its individual capacity and as Administrative Agent for other lenders on the Term Loan, seeking to hold the underlying lien invalid based on the filing of a UCC-3 termination statement relating to the Term Loan. In March 2013, the Bankruptcy Court granted JPMorgan Chase Bank, N.A.'s motion for summary judgment and dismissed the Creditors Committee's complaint on the grounds that JPMorgan Chase Bank, N.A. did not authorize the filing of the UCC-3 termination statement at issue. The Creditors Committee appealed the Bankruptcy Court's dismissal of its claim to the United States Court of Appeals for the Second Circuit. In January 2015, the Court of Appeals reversed the Bankruptcy Court's dismissal of the Creditors Committee's claim and remanded the case to the Bankruptcy Court with instructions to enter partial summary judgment for the Creditors Committee as to the termination statement. JPMorgan Chase Bank, N.A. then filed a petition requesting that the full Court of Appeals rehear the case en banc. In April 2015, the Court of Appeals issued an order denying the petition for rehearing en banc. Continued proceedings in the Bankruptcy Court are anticipated with respect to, among other things, additional defenses asserted by JPMorgan Chase Bank, N.A. and the value of additional

collateral on the Term Loan, which was not the subject of the termination statement. In addition, two purported class actions have been filed by certain Term Loan lenders in federal court in New York against JPMorgan Chase Bank, N.A. and Simpson Thacher & Bartlett LLP, seeking indemnification and asserting claims for breach of contract, gross negligence and fraudulent concealment against JPMorgan Chase Bank, N.A. and claims for malpractice, professional negligence and negligent misrepresentation against Simpson Thacher & Bartlett LLP.

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, and oral argument has been scheduled for September 2015. 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. Defendants' motion to dismiss the actions was denied in July 2014.

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.

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 certain of the claims in the amended complaint that sought to void the allegedly constructively fraudulent and preferential transfers made to JPMorgan Chase during September 2008, but did not dismiss the other claims, including claims for duress and fraud. JPMorgan Chase has filed counterclaims against LBHI alleging that LBHI fraudulently induced JPMorgan Chase to make large extensions of credit against inappropriate collateral in connection with JPMorgan Chase's role as the clearing bank for Lehman Brothers Inc. ("LBI"), LBHI's broker-dealer subsidiary. These extensions of credit left JPMorgan Chase with more than $25 billion in claims against the estate of LBI. The case has been transferred from the Bankruptcy Court to the District Court, and JPMorgan Chase has moved for summary judgment seeking the dismissal of all of LBHI's claims. LBHI has also moved for summary judgment on certain of its claims and seeking the dismissal of JPMorgan Chase's counterclaims.

In the Bankruptcy Court proceedings, LBHI and several of its subsidiaries that had been Chapter 11 debtors have 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. LBHI and the Committee have also filed an objection to the claims asserted by JPMorgan Chase Bank, N.A. against LBHI with respect to clearing advances made to LBI, principally on the grounds that JPMorgan Chase had not conducted the sale of the securities collateral held for its claims in a commercially reasonable manner. Discovery regarding both objections is ongoing. In January 2015, LBHI filed additional objections relating to a variety of claims that JPMorgan Chase had filed in the Bankruptcy Court proceedings. The bankruptcy claims and other claims of JPMorgan Chase against Lehman entities have been paid in full, subject to potential adjustment depending on the outcome of the objections filed by LBHI and the Committee.

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 DOJ, the U.S. Commodity Futures Trading Commission ("CFTC"), the U.S. Securities and Exchange Commission ("SEC") and various state attorneys general, as well as the EC, the FCA, the Canadian Competition Bureau, the 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 processes for the setting of U.S. dollar ISDAFIX rates and 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. As previously reported, JPMorgan Chase has resolved EC inquiries relating to Yen LIBOR and Swiss Franc LIBOR. In May 2014, the EC issued a Statement of Objections outlining its case against JPMorgan Chase (and others) as to EURIBOR, to which JPMorgan Chase has filed a response and made oral representations. Other inquiries have been discontinued without any action against JPMorgan Chase, including by the FCA and the Canadian Competition Bureau.

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, Swiss franc 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 affected by changes in U.S. dollar LIBOR, Yen LIBOR, Swiss franc LIBOR, Euroyen TIBOR or EURIBOR and assert a variety of claims including antitrust claims seeking treble damages.

The U.S. dollar LIBOR-related putative class actions and most U.S. dollar LIBOR-related individual actions were consolidated for pre-trial purposes in the United States District Court for the Southern District of New York ("Multi-District Litigation"). In March 2013, the Court granted in part and denied in part the defendants' motions to dismiss the claims in the three lead putative class actions, dismissing with prejudice the antitrust claims, and permitting certain claims under the Commodity Exchange Act and common law. In September 2013, class plaintiffs in two of the three lead putative class actions filed amended complaints, which defendants moved to dismiss. In June 2014, the Court granted in part and denied in part defendants' motions to dismiss, further limiting the subset of Commodity Exchange Act and common law claims that may proceed. Plaintiffs in the third putative class action appealed the dismissal of the antitrust claims, and the United States Court of Appeals for the Second Circuit dismissed the appeal for lack of jurisdiction. In January 2015, the United States Supreme Court reversed the decision of the Court of Appeals, holding that plaintiffs have the jurisdictional right to appeal, and remanded the case to the Court of Appeals for further proceedings. Motions to dismiss are pending in numerous individual actions and three additional putative class actions. Several other individual and class actions remain stayed.

JPMorgan Chase is one of the defendants in a putative class action alleging manipulation of Euroyen TIBOR and Yen LIBOR which 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. In June 2014, the plaintiff moved to amend the complaint to include new claims, plaintiffs and defendants. In March 2015, the Court denied the request to add new claims and plaintiffs, but granted the addition of new defendants. The plaintiff has moved for interlocutory appeal of the Court's denial of the motion to amend, while discovery proceeds.

JPMorgan Chase is one of the defendants in a putative class action filed in the United States District Court for the Southern District of New York relating to the interest rate benchmark EURIBOR. The case is currently stayed. JPMorgan Chase is also a defendant in a putative class action filed in the United States District Court for the Southern District of New York relating to the interest rate benchmark Swiss franc LIBOR.

JPMorgan Chase is one of the defendants in a number of putative class actions alleging that defendant banks and ICAP conspired to manipulate the U.S. dollar ISDAFIX rates. Plaintiffs primarily assert claims under the federal antitrust laws and Commodities Exchange Act. In February 2015, plaintiffs filed a consolidated amended class action complaint, which defendants have moved to dismiss.

Madoff Litigation. 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, 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 putative 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 putative class action in the same court. The allegations in these complaints largely track those previously raised by the court-appointed trustee for Bernard L. Madoff Investment Securities LLC. The District Court dismissed these complaints and the United States Court of Appeals for the Second Circuit affirmed the District Court's decision. The United States Supreme Court denied plaintiffs' petition for a writ of certiorari in March 2015.

JPMorgan Chase is a defendant in five other Madoff-related individual 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. In August 2014, the Court dismissed all claims against JPMorgan Chase. Plaintiffs have filed a notice of appeal.

A putative 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 previous class action settlement. These plaintiffs allege violations of the federal securities law, federal and state racketeering statutes and multiple common law and statutory claims including breach of trust, aiding and abetting embezzlement, unjust enrichment, conversion and commercial bad faith. A similar action has been filed in the United States District Court for the Middle District of Florida, although it is not styled as a class action, and includes a claim pursuant to a Florida statute. JPMorgan Chase has moved to transfer both the Florida and New Jersey actions to the United States District Court for the Southern District of New York. The Florida court denied the transfer motion in January 2015. In March 2015, the New Jersey court granted the transfer motion, and plaintiffs' appeal of that decision is pending. JPMorgan Chase has also moved to dismiss the Florida action, and that motion is pending.

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. One plaintiff chose not to appeal and the other filed a motion for reconsideration which was denied in November 2014. The latter plaintiff has filed an appeal. In the remaining state court action, a hearing on defendants' motion to dismiss was held in October 2014, and the court reserved decision.

MF Global. J.P. Morgan Securities LLC has been named as one of several defendants in a number of putative 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. The settlement of these actions has received final approval from the court. 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 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 $22.8 billion, of which $20.7 billion involves JPMC, Bear Stearns or Washington Mutual as issuer and 2.1 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. JPMC is defending a class action in which plaintiffs' motion for class certification has been granted with respect to liability but denied without prejudice as to damages. In this action, the parties have reached a settlement that is subject to court approval. In April 2015, JPMorgan Chase finalized a settlement to resolve a putative class action brought against Bear Stearns in the United States District Court for the District of Massachusetts. In May 2015, the United States District Court for the Southern District of New York granted final approval to the settlement in a separate class action concerning Bear Stearns.

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). JPMorgan Chase has settled a number of these actions. Several actions remain pending in federal and state courts across the U.S. and are in various stages of litigation.

Monoline Insurer Litigation. JPMorgan Chase is defending two pending actions relating to the same 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 involving offerings where JPMorgan Chase was solely 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. Currently there is one such action pending against JPMorgan Chase relating to a single offering of another issuer, and in a previously settled action certain class members have filed a notice of appeal challenging the lower court's approval of the settlement.

Repurchase Litigation. JPMorgan Chase is defending a number of actions brought by trustees, securities administrators 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. 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 and a group of 21 institutional MBS investors 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 330 MBS trusts issued between 2005 and 2008. The offer does not resolve claims relating to Washington Mutual MBS. The seven trustees (or separate and successor trustees) for this group of 330 trusts have accepted the settlement for 319 trusts in whole or in part and excluded from the settlement 16 trusts in whole or in part. The trustees' acceptance is subject to a judicial approval proceeding initiated by the trustees and pending in New York state court. Certain investors in some of the trusts for which the settlement has been accepted have intervened in the judicial approval proceeding, challenging the trustees' acceptance of the settlement. A final hearing date has been scheduled for January 2016.

Additional actions have been filed against third-party trustees that relate to loan repurchase and servicing claims 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 one is on appeal. A consolidated action in California federal court has been dismissed without prejudice for lack of personal jurisdiction and plaintiffs are pursuing discovery.

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 subpoenas and informal requests for information from 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 continues to cooperate with investigations by DOJ, including the U.S. Attorney's Office for the District of Connecticut, the SEC Division of Enforcement and the Office of the Special Inspector General for the Troubled Asset Relief Program, 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. In January 2015, JPMorgan Chase entered into a settlement resolving this action.

JPMorgan Chase entered into a settlement resolving a putative class action lawsuit relating to its filing of affidavits or other documents in connection with mortgage foreclosure proceedings, and the court granted final approval of the settlement in January 2015.

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 December 2014, the court granted defendants' motion to dismiss the complaint, and plaintiff has filed a notice of appeal.

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 and a school district have commenced litigation against JPMorgan Chase alleging violations of an unfair competition law and of the FHA and ECOA and seeking statutory damages for the unfair competition claim, and, for the FHA and ECOA claims, damages in the form of lost tax revenue and increased municipal costs associated with foreclosed properties. The court denied a motion to dismiss in one of the municipal actions, the school district action was dismissed with prejudice, another municipal action has been served, and motions to dismiss are pending in the remaining actions.

JPMorgan Chase has received inquiries from federal government authorities seeking information regarding documents filed by JPMorgan Chase in bankruptcy proceedings, including proofs of claim, mortgage payment change notices, affidavits, declarations and other sworn statements. JPMorgan Chase is responding to these inquiries. In March 2015, JPMorgan Chase Bank, N.A entered into a settlement agreement with the Executive Office for United States Bankruptcy Trustees and the United States Trustee Program to resolve issues 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.

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.

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 putative 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.

Proprietary Products Investigations and Litigation. JPMorgan Chase has received information requests, subpoenas and related inquiries from the SEC and other government authorities regarding client disclosure concerning conflicts associated with JPMorgan Chase's sale and use of proprietary products, such as J.P. Morgan mutual funds, in JPMorgan Chase's wealth management businesses and the U.S. Private Bank's disclosures concerning the use of hedge funds that pay placement agent fees to JPMorgan Chase broker-dealer affiliates. JPMorgan Chase is responding to and cooperating with the relevant authorities. A putative class action was filed in the United States District Court for the Northern District of Illinois on behalf of financial advisory clients from 2007 to present whose funds were invested in proprietary funds and who were charged investment management fees. The Court granted JPMorgan Chase's motion to dismiss. Plaintiffs' appeal of the dismissal is pending.

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 cooperating with these investigations.

Sworn Documents, Debt Sales and Collection Litigation Practices. In July 2015, JPMorgan Chase announced a series of settlements with the Consumer Financial Protection Bureau ("CFPB") and 47 state Attorneys General (and the District of Columbia) regarding practices involving credit card collections litigation (including with respect to sworn documents) and the sale of consumer credit card debt. Under the settlements, JPMorgan Chase agreed to pay $96 million to the state Attorneys General (as well as $11 million for investigative costs) and $30 million to the CFPB. The Office of the Comptroller of the Currency also imposed a $30 million civil money penalty on JPMorgan Chase arising out of its 2013 Consent Order covering the same

matters. Under the settlements, JPMorgan Chase will also complete remediation of affected consumers. The California and Mississippi Attorneys General have filed separate civil actions against JPMorgan Chase alleging violations of law relating to debt collection practices; those cases remain pending.

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 breaches of certain representations and warranties given by certain Washington Mutual affiliates in connection with mortgage securitization agreements. The case includes assertions that JPMorgan Chase Bank, N.A. may have assumed liabilities for the alleged breaches of representations and warranties in the mortgage securitization agreements. In June 2015, the court ruled in favor of JPMorgan Chase Bank, N.A. on the question of whether JPMorgan Chase or the FDIC bears responsibility for Washington Mutual Bank's repurchase obligations, holding that JPMorgan Chase Bank, N.A. assumed only those liabilities that were reflected on Washington Mutual Bank's financial accounting records as of September 25, 2008, and only up to the amount of the book value reflected therein.

Certain holders of Washington Mutual Bank debt filed an action against JPMorgan Chase which alleged that by acquiring substantially all of the assets of Washington Mutual Bank from the FDIC, JPMorgan Chase Bank, N.A. caused Washington Mutual Bank to default on its bond obligations. 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 in this action has been stayed pending a decision on JPMorgan Chase's motion to dismiss the plaintiffs' remaining claim.

JPMorgan Chase has also filed complaints in the United States District Court for the District of Columbia against the FDIC, both 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.

Wendel. Since 2012, the French criminal authorities have been investigating a series of transactions entered into by senior managers of Wendel Investissement ("Wendel") during the period from 2004 through 2007 to restructure their shareholdings in Wendel. JPMorgan Chase Bank, N.A., Paris branch provided financing for the transactions to a number of managers of Wendel in 2007. In April 2015, JPMorgan Chase Bank, N.A. was notified that the authorities were formally investigating its role in the transactions. JPMorgan Chase is responding to and cooperating with the investigation. In addition, civil proceedings have been commenced against JPMorgan Chase Bank, N.A. by a number of the managers. The claims are separate, involve different allegations and are at various stages of proceedings.

* * *

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 $492 million and $463 million during the six months ended June 30, 2015 and 2014, 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, 2015, 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, 2015 and 2014.

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, 2014, 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 February 24, 2015. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2014, is consistent, in all material respects, with the audited consolidated balance sheet from which it has been derived.

PricewaterhouseCoopers LLP

August 5, 2015

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

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.

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.

Impaired loan: Impaired loans are loans measured at amortized cost, for which it is probable that JPMorgan Chase Bank, N.A. will be unable to collect all amounts due, including principal and interest, according to the contractual terms of the agreement. Impaired loans include the following:

- All wholesale nonaccrual loans
- All TDRs (both wholesale and consumer), including ones that have returned to accrual status

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 independent rating agencies.

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.

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

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

Overhead ratio: Noninterest expense as a percentage of total net revenue.

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"): Basel III establishes two comprehensive methodologies for calculating RWA (a Standardized approach and an Advanced approach) which include capital requirements for credit risk, market risk, and in the case of Basel III Advanced, also operational risk. Key differences in the calculation of credit risk RWA between the Standardized and Advanced approaches are that for Basel III Advanced, credit risk RWA is based on risk-sensitive approaches which largely rely on the use of internal credit models and parameters, whereas for Basel III Standardized, credit risk RWA is generally based on supervisory risk-weightings which vary primarily by counterparty type and asset class. Market risk RWA is calculated on a generally consistent basis between Basel III Standardized and Basel III Advanced, both of which incorporate the requirements set forth in Basel 2.5.

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

Suspended foreclosures: Loans referred to foreclosure where formal foreclosure proceedings have started but are currently on hold, which could be due to bankruptcy or loss mitigation. Includes both judicial and non-judicial states.

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.

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

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

CONSOLIDATED FINANCIAL STATEMENTS

For the three years ended December 31, 2014

FOR THE THREE YEARS ENDED DECEMBER 31, 2014

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Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of JPMorgan Chase Bank, National Association and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2014 and December 31, 2013 and the related consolidated statements of income, comprehensive income, changes in stockholder's equity and cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of JPMorgan Chase Bank, National Association and its subsidiaries at December 31, 2014 and December 31, 2013, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

February 24, 2015

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

Consolidated statements of income

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

Year ended December 31, (in millions)	2014	2013	2012
Revenue			
Investment banking fees	$ 2,034	$ 1,808	$ 1,795
Principal transactions	7,660	6,589	997
Lending- and deposit-related fees	5,797	5,941	6,187
Asset management, administration and commissions	11,652	10,096	9,554
Securities gains[a]	68	643	2,018
Mortgage fees and related income	3,564	5,206	8,688
Card income	4,305	4,036	3,517
Other income	2,834	4,365	4,465
Noninterest revenue	37,914	38,684	37,221
Interest income	37,966	38,150	40,367
Interest expense	4,229	5,184	5,918
Net interest income	33,737	32,966	34,449
Total net revenue	71,651	71,650	71,670
Provision for credit losses	832	(1,247)	686
Noninterest expense			
Compensation expense	23,996	24,212	23,847
Occupancy expense	3,528	3,342	3,516
Technology, communications and equipment expense	5,328	4,935	4,697
Professional and outside services	5,994	5,875	5,754
Marketing	748	759	797
Other expense	10,984	11,102	14,136
Total noninterest expense	50,578	50,225	52,747
Income before income tax expense	20,241	22,672	18,237
Income tax expense	5,463	7,234	4,282
Net income	$ 14,778	$ 15,438	$ 13,955

(a) The following other-than-temporary impairment losses are included in securities gains for the periods presented.

Year ended December 31, (in millions)	2014	2013	2012
Debt securities JPMorgan Chase Bank, N.A. does not intend to sell that have credit losses			
Total other-than-temporary impairment losses	$ (2)	$ (1)	$ (113)
Losses recorded in/(reclassified from) other comprehensive income	–	–	85
Total credit losses recognized in income	(2)	(1)	(28)
Securities JPMorgan Chase Bank, N.A. intends to sell	(2)	(20)	(15)
Total other-than-temporary impairment losses recognized in income	$ (4)	$ (21)	$ (43)

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

Consolidated statements of comprehensive income

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

Year ended December 31, (in millions)	2014	2013	2012
Net income	**$ 14,778**	$ 15,438	$ 13,955
Other comprehensive income/(loss), after-tax			
Unrealized gains/(losses) on investment securities	**1,862**	(3,916)	3,213
Translation adjustments, net of hedges	**(35)**	(51)	(68)
Cash flow hedges	**(16)**	(404)	(66)
Defined benefit pension and OPEB plans	**(34)**	39	(87)
Total other comprehensive income/(loss), after-tax	**1,777**	(4,332)	2,992
Comprehensive income	**$ 16,555**	$ 11,106	$ 16,947

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

Consolidated balance sheets

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

December 31, (in millions, except share data)		2014		2013
Assets				
Cash and due from banks	**$**	**26,637**	$	38,955
Deposits with banks		**471,427**		308,181
Federal funds sold and securities purchased under resale agreements (included **$14,265** and $13,002 at fair value)		**141,156**		184,500
Securities borrowed (included **$992** and $3,739 at fair value)		**32,173**		39,857
Trading assets (included assets pledged of **$48,593** and $54,187)		**268,014**		259,823
Securities (included **$292,347** and $310,919 at fair value and assets pledged of **$27,745** and $23,446)		**341,599**		334,945
Loans (included **$2,283** and $1,182 at fair value)		**651,630**		631,982
Allowance for loan losses		**(11,352)**		(13,134)
Loans, net of allowance for loan losses		**640,278**		618,848
Accrued interest and accounts receivable		**38,814**		47,121
Premises and equipment		**13,122**		12,814
Goodwill		**27,282**		27,344
Mortgage servicing rights		**7,436**		9,614
Other intangible assets		**344**		543
Other assets (included **$5,065** and $6,566 at fair value and assets pledged of **$993** and $921)		**66,670**		62,922
Total assets[a]	**$**	**2,074,952**	$	1,945,467
Liabilities				
Deposits (included **$8,974** and $6,624 at fair value)	**$**	**1,439,405**	$	1,326,036
Federal funds purchased and securities loaned or sold under repurchase agreements (included **$678** and $5,120 at fair value)		**94,325**		112,595
Other borrowed funds (included **$8,209** and $7,068 at fair value)		**38,572**		27,428
Trading liabilities		**120,323**		109,419
Accounts payable and other liabilities (included **$10** and $25 at fair value)		**76,335**		74,853
Beneficial interests issued by consolidated variable interest entities (included **$18** and $40 at fair value)		**18,601**		19,755
Long-term debt (included **$14,136** and $16,027 at fair value)		**101,437**		106,304
Total liabilities[a]		**1,888,998**		1,776,390
Commitments and contingencies (see Notes 27, 28 and 29)				
Stockholder's equity				
Preferred stock ($1 par value; authorized 15,000,000 shares: issued **0** shares)		**—**		—
Common stock ($12 par value; authorized 150,000,000 shares; issued **148,761,243** shares)		**1,785**		1,785
Additional paid-in capital		**90,801**		90,479
Retained earnings		**89,412**		74,634
Accumulated other comprehensive income		**3,956**		2,179
Total stockholder's equity		**185,954**		169,077
Total liabilities and stockholder's equity	**$**	**2,074,952**	$	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 December 31, 2014 and 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.

December 31, (in millions)		2014		2013
Assets				
Trading assets	**$**	**6,046**	$	3,122
Loans		**20,613**		22,301
All other assets		**345**		724
Total assets	**$**	**27,004**	$	26,147
Liabilities				
Beneficial interests issued by consolidated variable interest entities	**$**	**18,601**	$	19,755
All other liabilities		**815**		968
Total liabilities	**$**	**19,416**	$	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 December 31, 2014 and 2013, JPMorgan Chase Bank, N.A. provided limited program-wide credit enhancement of $2.0 billion and $2.6 billion, respectively, related to its JPMorgan Chase Bank, N.A.-administered multi-seller conduits, which are eliminated in consolidation. For further discussion, see Note 17.

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

Consolidated statements of changes in stockholder's equity

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

Year ended December 31, (in millions)	2014	2013	2012
Common stock			
Balance at January 1 and December 31	**$ 1,785**	$ 1,785	$ 1,785
Additional paid-in capital			
Balance at January 1	**90,479**	77,533	77,232
Cash capital contribution from JPMorgan Chase & Co.	**477**	12,752	243
Adjustments to capital due to transactions with JPMorgan Chase & Co.	**(155)**	194	58
Balance at December 31	**90,801**	90,479	77,533
Retained earnings			
Balance at January 1	**74,634**	60,196	48,241
Net income	**14,778**	15,438	13,955
Cash dividends paid to JPMorgan Chase & Co.	**—**	(1,000)	(2,000)
Balance at December 31	**89,412**	74,634	60,196
Accumulated other comprehensive income/(loss)			
Balance at January 1	**2,179**	6,511	3,519
Other comprehensive income/(loss)	**1,777**	(4,332)	2,992
Balance at December 31	**3,956**	2,179	6,511
Total stockholder's equity	**$ 185,954**	$ 169,077	$ 146,025

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

Consolidated statements of cash flows

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

Year ended December 31, (in millions)	2014	2013	2012
Operating activities			
Net income	**$ 14,778**	$ 15,438	$ 13,955
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:			
Provision for credit losses	**832**	(1,247)	686
Depreciation and amortization	**4,343**	4,974	4,116
Deferred tax expense	**3,631**	7,813	784
Investment securities gains	**(68)**	(643)	(2,018)
Originations and purchases of loans held-for-sale	**(67,525)**	(75,927)	(34,026)
Proceeds from sales, securitizations and paydowns of loans held-for-sale	**71,407**	73,565	33,199
Net change in:			
Trading assets	**(11,409)**	74,384	3,890
Securities borrowed	**7,674**	15,727	18,969
Accrued interest and accounts receivable	**9,598**	(1,804)	2,526
Other assets	**(17,703)**	6,612	(5,227)
Trading liabilities	**22,637**	(12,070)	(3,565)
Accounts payable and other liabilities	**(8,928)**	(14,103)	3,224
Other operating adjustments	**5,025**	(1,115)	(2,200)
Net cash provided by operating activities	**34,292**	91,604	34,313
Investing activities			
Net change in:			
Deposits with banks	**(163,246)**	(189,752)	(34,216)
Federal funds sold and securities purchased under resale agreements	**41,867**	44,893	(49,230)
Held-to-maturity securities:			
Proceeds from paydowns and maturities	**4,169**	189	4
Purchases	**(10,345)**	(24,214)	–
Available-for-sale securities:			
Proceeds from paydowns and maturities	**88,727**	87,291	110,900
Proceeds from sales	**24,425**	69,189	77,552
Purchases	**(118,271)**	(114,582)	(181,368)
Proceeds from sales and securitizations of loans held-for-investment	**19,387**	11,850	5,560
Other changes in loans, net	**(47,922)**	(23,965)	(40,264)
Net cash used in business acquisitions or dispositions	**(18)**	(12)	(2)
All other investing activities, net	**706**	(2,778)	(2,753)
Net cash used in investing activities	**(160,521)**	(141,891)	(113,817)
Financing activities			
Net change in:			
Deposits	**127,045**	67,308	57,418
Federal funds purchased and securities loaned or sold under repurchase agreements	**(18,291)**	(45,878)	(10,639)
Other borrowed funds	**10,011**	6,554	6,306
Beneficial interests issued by consolidated variable interest entities	**(527)**	(8,509)	6,229
Proceeds from long-term borrowings	**35,498**	45,559	58,714
Payments of long-term borrowings	**(39,656)**	(40,829)	(43,358)
Cash capital contribution from JPMorgan Chase & Co.	**477**	12,752	243
Dividends paid to JPMorgan Chase & Co.	**–**	(1,000)	(2,000)
All other financing activities, net	**469**	348	501
Net cash provided by financing activities	**115,026**	36,305	73,414
Effect of exchange rate changes on cash and due from banks	**(1,115)**	275	1,158
Net decrease in cash and due from banks	**(12,318)**	(13,707)	(4,932)
Cash and due from banks at the beginning of the period	**38,955**	52,662	57,594
Cash and due from banks at the end of the period	**$ 26,637**	$ 38,955	$ 52,662
Cash interest paid	**$ 4,536**	$ 4,969	$ 6,081
Cash income taxes (refunded)/paid, net[(a)]	**(481)**	3,576	(1,150)

(a) Includes $(1.1) billion, $3.0 billion, and $212 million (refunded from)/paid to JPMorgan Chase & Co. in 2014, 2013 and 2012, respectively.

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

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.

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

Supervision and regulation

JPMorgan Chase Bank, N.A., is a FDIC-insured national bank regulated by the OCC. As a national bank, the activities of JPMorgan Chase Bank, N.A. are limited to those specifically authorized under the National Bank Act and related interpretations by the OCC.

FDIC deposit insurance. The FDIC deposit insurance fund provides insurance coverage for certain deposits, which is funded through assessments on banks, such as JPMorgan Chase Bank, N.A. Changes in the methodology of the calculation of such assessments, resulting from the enactment of the Dodd-Frank Act, significantly increased the assessments JPMorgan Chase's bank subsidiaries pay annually to the FDIC, and future FDIC rule-making could further increase such assessments.

FDIC powers upon a bank insolvency. Upon the insolvency of an insured depository institution, such as JPMorgan Chase Bank, N.A., the FDIC may be appointed the conservator or receiver under the Federal Deposit Insurance Act ("FDIA"). In addition, where a systemically important financial institution, such as JPMorgan Chase & Co., is in default or danger of default, the FDIC may be appointed receiver in order to conduct an orderly liquidation. In both cases, the FDIC has broad powers to transfer any assets and liabilities without the approval of the institution's creditors.

Cross-guarantee. An FDIC-insured depository institution can be held liable for any loss incurred or expected to be incurred by the FDIC in connection with another FDIC-insured institution under common control with such institution being "in default" or "in danger of default" (commonly referred to as "cross-guarantee" liability). An FDIC cross-guarantee claim against a depository institution is generally superior in right of payment to claims of the holding company and its affiliates against such depository institution.

Prompt corrective action and early remediation. The Federal Deposit Insurance Corporation Improvement Act of 1991 requires the relevant federal banking regulator to take "prompt corrective action" with respect to a depository institution if that institution does not meet certain capital adequacy standards. While these regulations apply only to banks, such as JPMorgan Chase Bank, N.A., the Federal Reserve is authorized to take appropriate action against the parent bank holding company ("BHC"), such as JPMorgan Chase & Co., based on the undercapitalized status of any bank subsidiary. In certain instances, the BHC would be required to guarantee the performance of the capital restoration plan for its undercapitalized subsidiary.

OCC Heightened Standards. The OCC has released final regulations and guidelines establishing heightened standards for large banks. The guidelines establish minimum standards for the design and implementation of a risk governance framework for banks. While JPMorgan Chase Bank, N.A. may use certain components of JPMorgan Chase & Co.'s risk governance framework, the framework must ensure that JPMorgan Chase Bank, N.A.'s risk profile is easily distinguished and separate from JPMorgan Chase & Co. for risk management purposes. JPMorgan Chase Bank, N.A.'s board or risk committee is responsible for approving its risk governance framework, providing active oversight of JPMorgan Chase Bank, N.A.'s risk-taking activities and holding management accountable for adhering to the risk governance framework.

Restrictions on transactions with affiliates. JPMorgan Chase Bank, N.A. is subject to certain restrictions imposed by federal law on extensions of credit to, and certain other transactions with, JPMorgan Chase and certain other

affiliates, and on investments in stock or securities of JPMorgan Chase and affiliates. These restrictions prevent JPMorgan Chase and other affiliates from borrowing from JPMorgan Chase Bank, N.A. unless the loans are secured in specified amounts and are subject to certain other limits. For more information, see Note 25. Under the Dodd-Frank Act, these restrictions were extended to derivatives and securities lending transactions. In addition, the Dodd-Frank Act's Volcker Rule imposes similar restrictions on transactions between banking entities, such as JPMorgan Chase and its subsidiaries, and hedge funds or private equity funds for which the banking entity serves as the investment manager, investment advisor or sponsor.

Dividend restrictions. Federal law imposes limitations on the payment of dividends by national banks, such as JPMorgan Chase Bank, N.A. See Note 25 for the amount of dividends that JPMorgan Chase's principal bank subsidiaries could pay, at January 1, 2015, to their respective bank holding companies without the approval of their banking regulators.

In addition to the dividend restrictions described above, the OCC, the Federal Reserve and the FDIC have authority to prohibit or limit the payment of dividends by the banking organizations they supervise, including JPMorgan Chase and its bank and BHC subsidiaries, if, in the banking regulator's opinion, payment of a dividend would constitute an unsafe or unsound practice in light of the financial condition of the banking organization.

Depositor preference. Under federal law, the claims of a receiver of an insured depository institution for administrative expense and the claims of holders of U.S. deposit liabilities (including the FDIC) have priority over the claims of other unsecured creditors of the institution, including public noteholders and depositors in non-U.S. offices. As a result, such persons could receive substantially less than the depositors in U.S. offices of the depository institution. The U.K. Prudential Regulation Authority (the "PRA") has issued a proposal that may require JPMorgan Chase to either obtain equal treatment for U.K. depositors or "subsidiarize" in the U.K. In September 2013, the FDIC issued a final rule, which clarifies that foreign deposits are considered deposits under the FDIA only if they are also payable in the U.S.

CFPB regulation and supervision, and other consumer regulations. The CFPB has rulemaking, enforcement and examination authority over JPMorgan Chase and its national bank subsidiaries, including JPMorgan Chase Bank, N.A., with respect to federal consumer protection laws, including laws relating to fair lending and the prohibition under the Dodd-Frank Act of unfair, deceptive or abusive acts or practices in connection with the offer, sale or provision of consumer financial products and services. These laws include the Truth-in-Lending, Equal Credit Opportunity ("ECOA"), Fair Credit Reporting, Fair Debt Collection Practice, Electronic Funds Transfer, Credit Card Accountability, Responsibility and Disclosure ("CARD") and Home Mortgage Disclosure Acts. The CFPB also has authority to impose new disclosure requirements for any consumer financial product or service. The CFPB has issued informal guidance on a variety of topics (such as the collection of consumer debts and credit card marketing practices) and has taken enforcement actions against certain financial institutions. Much of the CFPB's initial rulemaking efforts have addressed mortgage related topics, including ability-to-repay and qualified mortgage standards, mortgage servicing standards, loan originator compensation standards, high-cost mortgage requirements, Home Mortgage Disclosure Act requirements, appraisal and escrow standards and requirements for higher-priced mortgages. Other areas of recent focus include "add-on" products, matters involving consumer populations considered vulnerable by the CFPB (such as students), and the furnishing of credit scores to individuals. The CFPB has been focused on automobile dealer discretionary interest rate markups, and on holding JPMorgan Chase and other purchasers of such contracts ("indirect lenders") responsible under the ECOA for statistical disparities in markups charged by the dealers to borrowers of different races or ethnicities. JPMorgan Chase has adopted programs to address these risks, including an active dealer education, monitoring and review programs.

The activities of JPMorgan Chase Bank, N.A. as a consumer lender also are subject to regulation under various state statutes which are enforced by the respective state's Attorney General.

Activities restrictions under the Volcker Rule. Section 619 of the Dodd-Frank Act (the "Volcker Rule") prohibits banking entities from engaging in certain "proprietary trading" activities, subject to exceptions for underwriting, market-making, risk-mitigating hedging and certain other activities. The Volcker Rule requires banking entities to establish comprehensive compliance programs designed to help ensure and monitor compliance with the restrictions under the Volcker Rule, including, in order to distinguish permissible from impermissible risk-taking activities, the measurement and monitoring of seven metrics. JPMorgan Chase has taken significant steps to comply with the Volcker Rule. However, given the complexity of the new framework, and the fact that many provisions of the Volcker Rule still require further regulatory guidance, the full impact of the Volcker Rule is still uncertain and will ultimately depend on the interpretation and implementation by the five regulatory agencies responsible for its oversight.

Stress tests. Pursuant to the Dodd-Frank Act, the Federal Reserve has adopted supervisory stress tests for large bank holding companies, including JPMorgan Chase, which form part of the Federal Reserve's annual Comprehensive Capital Analysis and Review ("CCAR") framework. Under the framework, JPMorgan Chase must conduct semi-annual company-run stress tests, and, in addition, must submit an annual capital plan to the Federal Reserve, taking into account the results of separate stress tests designed by

JPMorgan Chase and the Federal Reserve. The OCC requires JPMorgan Chase Bank, N.A. to perform separate, similar annual stress tests.

Orderly liquidation authority and other financial stability measures. As a BHC with assets of $50 billion or more, JPMorgan Chase is required to submit annually to the Federal Reserve and the FDIC a plan for resolution under the Bankruptcy Code in the event of material distress or failure (a "resolution plan"). The FDIC also requires each insured depositary institution with $50 billion or more in assets to provide a resolution plan. In addition, under the Dodd-Frank Act, certain financial companies, including JPMorgan Chase and certain of its subsidiaries, can be subjected to resolution under a new "orderly liquidation authority." The U.S. Treasury Secretary, in consultation with the President of the United States, must first make certain extraordinary financial distress and systemic risk determinations, and action must be recommended by the FDIC and the Federal Reserve. Absent such actions, JPMorgan Chase, as a BHC, would remain subject to resolution under the Bankruptcy Code. In December 2013, the FDIC released its "single point of entry" strategy for resolution of systemically important financial institutions under the orderly liquidation authority. This strategy seeks to keep operating subsidiaries of the BHC open and impose losses on shareholders and creditors of the holding company in receivership according to their statutory order of priority.

Derivatives regulation:

Under the Dodd-Frank Act, JPMorgan Chase Bank, N.A. is subject to comprehensive regulation of its derivatives business. The regulations impose capital and margin requirements, require central clearing of standardized over-the-counter derivatives, require that they be traded on regulated exchanges or execution facilities, and provide for reporting of certain mandated information. In addition, the Dodd-Frank Act requires the registration of "swap dealers" and "major swap participants" with the U.S. Commodity Futures Trading Commission ("CFTC") and of "security-based swap dealers" and "major security-based swap participants" with the U.S. Securities and Exchange Commission (the "SEC"). JPMorgan Chase Bank, N.A. have registered with the CFTC as swap dealers, and JPMorgan Chase Bank, N.A. has registered with the SEC as security-based swap dealers. As a result of such registration, these entities will be subject to, in addition to new capital requirements, new rules limiting the types of swap activities that may be engaged in by bank entities, a new margin regime for uncleared swaps, new rules regarding segregation of customer collateral, and business conduct and documentation standards with respect to other swaps counterparties, record-keeping and reporting obligations, and anti-fraud and anti-manipulation requirements related to their swaps activities. Further, some of the rules for derivatives apply extraterritorially to U.S. firms doing business with clients outside of the U.S.; however the full scope of the extra-territorial impact of the U.S. swaps regulation remains unclear.

Consolidation

The Consolidated Financial Statements include the accounts of JPMorgan Chase Bank, N.A. and other entities in which JPMorgan Chase Bank, N.A. has a controlling financial interest. All material intercompany balances and transactions have been eliminated.

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

JPMorgan Chase Bank, N.A. determines whether it has a controlling financial interest in an entity by first evaluating whether the entity is a voting interest entity or a variable interest entity ("VIE").

Voting Interest Entities

Voting interest entities are entities that have sufficient equity and provide the equity investors voting rights that enable them to make significant decisions relating to the entity's operations. For these types of entities, JPMorgan Chase Bank, N.A.'s determination of whether it has a controlling interest is primarily based on the amount of voting equity interests held. Entities in which JPMorgan Chase Bank, N.A. has a controlling financial interest, through ownership of the majority of the entities' voting equity interests, or through other contractual rights that give JPMorgan Chase Bank, N.A. control, are consolidated by JPMorgan Chase Bank, N.A.

Investments in companies in which JPMorgan Chase Bank, N.A. has significant influence over operating and financing decisions (but does not own a majority of the voting equity interests) are accounted for (i) in accordance with the equity method of accounting (which requires JPMorgan Chase Bank, N.A. to recognize its proportionate share of the entity's net earnings), or (ii) at fair value if the fair value option was elected. These investments are generally included in other assets, with income or loss included in other income.

Certain JPMorgan Chase Bank, N.A.-sponsored asset management funds are structured as limited partnerships or limited liability companies. While JPMorgan Chase Bank, N.A. acts as investment advisor for these structures and is responsible for day to day decision-making, equity interests held in the structures, if any, are insignificant and the non-affiliated members of the Boards of Directors have the ability to remove JPMorgan Chase Bank, N.A. as advisor without cause. Accordingly, JPMorgan Chase Bank, N.A. does not consolidate these funds.

JPMorgan Chase Bank, N.A.'s investment companies have investments in both publicly-held and privately-held entities. These investments are accounted for under investment company guidelines and accordingly, irrespective of the percentage of equity ownership interests

held, are carried on the Consolidated balance sheets at fair value, and are recorded in other assets.

Variable Interest Entities

VIEs are entities that, by design, either (1) lack sufficient equity to permit the entity to finance its activities without additional subordinated financial support from other parties, or (2) have equity investors that do not have the ability to make significant decisions relating to the entity's operations through voting rights, or do not have the obligation to absorb the expected losses, or do not have the right to receive the residual returns of the entity.

The most common type of VIE is a special purpose entity ("SPE"). SPEs are commonly used in securitization transactions in order to isolate certain assets and distribute the cash flows from those assets to investors. The basic SPE structure involves a company selling assets to the SPE; the SPE funds the purchase of those assets by issuing securities to investors. The legal documents that govern the transaction specify how the cash earned on the assets must be allocated to the SPE's investors and other parties that have rights to those cash flows. SPEs are generally structured to insulate investors from claims on the SPE's assets by creditors of other entities, including the creditors of the seller of the assets.

The primary beneficiary of a VIE (i.e., the party that has a controlling financial interest) is required to consolidate the assets and liabilities of the VIE. The primary beneficiary is the party that has both (1) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance; and (2) through its interests in the VIE, the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

To assess whether JPMorgan Chase Bank, N.A. has the power to direct the activities of a VIE that most significantly impact the VIE's economic performance, JPMorgan Chase Bank, N.A. considers all the facts and circumstances, including its role in establishing the VIE and its ongoing rights and responsibilities. This assessment includes, first, identifying the activities that most significantly impact the VIE's economic performance; and second, identifying which party, if any, has power over those activities. In general, the parties that make the most significant decisions affecting the VIE (such as asset managers, collateral managers, servicers, or owners of call options or liquidation rights over the VIE's assets) or have the right to unilaterally remove those decision-makers are deemed to have the power to direct the activities of a VIE.

To assess whether JPMorgan Chase Bank, N.A. has the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE, JPMorgan Chase Bank, N.A. considers all of its economic interests, including debt and equity investments, servicing fees, and derivative or other arrangements deemed to be variable interests in the VIE. This assessment requires that JPMorgan Chase Bank, N.A. apply judgment in determining whether these interests, in the aggregate, are considered potentially significant to the VIE. Factors considered in assessing significance include: the design of the VIE, including its capitalization structure; subordination of interests; payment priority; relative share of interests held across various classes within the VIE's capital structure; and the reasons why the interests are held by JPMorgan Chase Bank, N.A.

JPMorgan Chase Bank, N.A. performs on-going reassessments of: (1) whether entities previously evaluated under the majority voting-interest framework have become VIEs, based on certain events, and therefore subject to the VIE consolidation framework; and (2) whether changes in the facts and circumstances regarding JPMorgan Chase Bank, N.A.'s involvement with a VIE cause JPMorgan Chase Bank, N.A.'s consolidation conclusion to change.

In February 2010, the Financial Accounting Standards Board ("FASB") issued an amendment which deferred the requirements of the accounting guidance for VIEs for certain investment funds, including mutual funds, private equity funds and hedge funds. For the funds to which the deferral applies, JPMorgan Chase Bank, N.A. continues to apply other existing authoritative accounting guidance to determine whether such funds should be consolidated.

Use of estimates in the preparation of consolidated financial statements

The preparation of the Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expense, and disclosures of contingent assets and liabilities. Actual results could be different from these estimates.

Foreign currency translation

JPMorgan Chase Bank, N.A. revalues assets, liabilities, revenue and expense denominated in non-U.S. currencies into U.S. dollars using applicable exchange rates.

Gains and losses relating to translating functional currency financial statements for U.S. reporting are included in other comprehensive income/(loss) ("OCI") within stockholder's equity. Gains and losses relating to nonfunctional currency transactions, including non-U.S. operations where the functional currency is the U.S. dollar, are reported in the Consolidated statements of income.

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.

JPMorgan Chase Bank, N.A. uses master netting agreements with third parties and affiliates to mitigate counterparty credit risk in certain transactions, including derivatives transactions, repurchase and reverse repurchase agreements, and securities borrowed and loaned agreements. A master netting agreement is a single contract with a counterparty that permits multiple transactions governed by that contract to be terminated and settled through a single payment in a single currency in the event of a default (e.g., bankruptcy, failure to make a required payment or securities transfer or deliver collateral or margin when due after expiration of any grace period). Upon the exercise of termination rights by the non-defaulting party (i) all transactions are terminated, (ii) all transactions are valued and the positive value or "in the money" transactions are netted against the negative value or "out of the money" transactions and (iii) the only remaining payment obligation is of one of the parties to pay the netted termination amount. Upon exercise of repurchase agreement and securities loaned default rights (i) all securities loan transactions are terminated and accelerated, (ii) all values of securities or cash held or to be delivered are calculated, and all such sums are netted against each other and (iii) the only remaining payment obligation is of one of the parties to pay the netted termination amount.

Typical master netting agreements for these types of transactions also often contain a collateral/margin agreement that provides for a security interest in or title transfer of, securities or cash collateral/margin to the party that has the right to demand margin (the "demanding party"). The collateral/margin agreement typically requires a party to transfer collateral/margin to the demanding party with a value equal to the amount of the margin deficit on a net basis across all transactions governed by the master netting agreement, less any threshold. The collateral/margin agreement grants to the demanding party, upon default by the counterparty, the right to set-off any amounts payable by the counterparty against any posted collateral or the cash equivalent of any posted collateral/margin. It also grants to the demanding party the right to liquidate collateral/margin and to apply the proceeds to an amount payable by the counterparty.

For further discussion of JPMorgan Chase Bank, N.A.'s derivative instruments, see Note 7. For further discussion of JPMorgan Chase Bank, N.A.'s repurchase and reverse repurchase agreements, and securities borrowing and lending agreements, see Note 14.

Statements of cash flows

For JPMorgan Chase Bank, N.A.'s Consolidated statements of cash flows, cash is defined as those amounts included in cash and due from banks.

Significant accounting policies

The following table identifies JPMorgan Chase Bank, N.A.'s other significant accounting policies and the Note and page where a detailed description of each policy can be found.

Business changes and developments	Note 3	Page 13
Fair value measurement	Note 4	Page 13
Fair value option	Note 5	Page 31
Derivative instruments	Note 7	Page 35
Noninterest revenue	Note 8	Page 49
Interest income and interest expense	Note 9	Page 51
Pension and other postretirement employee benefit plans	Note 10	Page 51
Employee stock-based incentives	Note 11	Page 57
Securities	Note 13	Page 59
Securities financing activities	Note 14	Page 64
Loans	Note 15	Page 67
Allowance for credit losses	Note 16	Page 87
Variable interest entities	Note 17	Page 91
Goodwill and other intangible assets	Note 18	Page 101
Premises and equipment	Note 19	Page 104
Long-term debt	Note 21	Page 105
Income taxes	Note 24	Page 109
Off–balance sheet lending-related financial instruments, guarantees and other commitments	Note 27	Page 113
Litigation	Note 29	Page 121

Note 2 – Accounting and reporting developments

Amendments to the consolidation analysis

In February 2015, the FASB issued guidance regarding consolidation of legal entities such as limited partnerships, limited liability corporations, and securitization structures. The guidance eliminates the deferral issued by the FASB in February 2010 of the accounting guidance for VIEs for certain investment funds, including mutual funds, private equity funds and hedge funds. In addition, the guidance amends the evaluation of fees paid to a decision maker or a service provider, and exempts certain money market funds from consolidation. The guidance will be effective in the first quarter of 2016 with early adoption permitted. JPMorgan Chase Bank, N.A. is currently evaluating the potential impact on the Consolidated Financial Statements.

Reclassification of residential real estate collateralized consumer mortgage loans upon foreclosure and classification of certain government-guaranteed mortgage loans upon foreclosure

In January 2014, the FASB issued guidance which clarified the timing of when a creditor is considered to have taken

physical possession of residential real estate collateral for a consumer mortgage loan, resulting in the reclassification of the loan receivable to real estate owned. The final standard also requires disclosure of outstanding foreclosed residential real estate and the amount of the recorded investment in residential real estate mortgage loans in the process of foreclosure. In August 2014, the FASB issued separate guidance clarifying the classification and measurement of certain foreclosed government-guaranteed mortgage loans. Under the final standard, certain foreclosed government-insured mortgage loan amounts were reclassified on the balance sheet as a receivable from the guarantor at the guaranteed amount. JPMorgan Chase Bank, N.A. early adopted both of these new standards in the third quarter of 2014 with a cumulative-effect adjustment as of January 1, 2014; the adoption of these standards (and related reclassification adjustment) had no material impact on JPMorgan Chase Bank, N.A.'s Consolidated Financial Statements.

Measuring the financial assets and financial liabilities of a consolidated collateralized financing entity

In August 2014, the FASB issued guidance to address diversity in the accounting for differences in the measurement of the fair values of financial assets and liabilities of consolidated financing VIEs. The new guidance provides an alternative for consolidated financing VIEs to elect: (1) to measure their financial assets and liabilities separately under existing U.S. GAAP for fair value measurement with any differences in such fair values reflected in earnings; or (2) to measure both their financial assets and liabilities using the more observable of the fair value of the financial assets or the fair value of the financial liabilities. The guidance will become effective in the first quarter of 2016, with early adoption permitted. The adoption of this guidance is not expected to have a material impact on JPMorgan Chase Bank, N.A.'s Consolidated Financial Statements.

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 Financial Statements.

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 statements of income. 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 regarding the reporting of discontinued operations. The guidance changes the criteria for determining whether a disposition qualifies for discontinued operations presentation. It also requires enhanced disclosures about discontinued operations and significant dispositions that do not qualify to be presented as discontinued operations. The guidance will become effective in the first quarter of 2015. 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 initial cost of its investments in proportion to the tax credits and other 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 and is required to be applied retrospectively, such that JPMorgan Chase Bank, N.A.'s results of operations for prior periods will be revised to reflect the guidance.

JPMorgan Chase Bank, N.A. intends to adopt the guidance for all qualifying investments. The adoption of this guidance is estimated to reduce retained earnings by approximately $225 million. JPMorgan Chase Bank, N.A. expects that reported other income and income tax expense will each increase as a result of presenting the amortization of the initial cost of its investments as a component of income tax expense; however the effect of this guidance on JPMorgan Chase Bank, N.A.'s net income is not expected to be material.

Note 3 – Business changes and developments

Internal transfers of legal entities under common control

From time to time there may be transfers of legal entities under common control between JPMorgan Chase Bank, N.A. and JPMorgan Chase. Such transfers are accounted for at historical cost in accordance with U.S. GAAP. However, all transfers were reflected in the Consolidated Financial Statements prospectively, and not as of the beginning of the applicable periods presented, because the impact of the transfers was not material to JPMorgan Chase Bank, N.A.'s Consolidated Financial Statements. During the years ended December 31, 2014, 2013 and 2012, there were no significant transfers of legal entities.

Subsequent events

In preparing these Consolidated Financial Statements, JPMorgan Chase Bank, N.A. performed an evaluation of material events subsequent to December 31, 2014, and through February 24, 2015, the date these financial statements were available to be issued.

Note 4 – Fair value measurement

JPMorgan Chase Bank, N.A. carries a portion of its assets and liabilities at fair value. These assets and liabilities are predominantly carried at fair value on a recurring basis (i.e., assets and liabilities that are measured and reported at fair value on JPMorgan Chase Bank, N.A.'s Consolidated balance sheets). Certain assets (e.g., certain mortgage, home equity and other loans where the carrying value is based on the fair value of the underlying collateral), liabilities and unfunded lending-related commitments are measured at fair value on a nonrecurring basis; that is, they are not measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances (for example, when there is evidence of impairment).

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is based on quoted market prices, where available. If listed prices or quotes are not available, fair value is based on models that consider relevant transaction characteristics (such as maturity) and use as inputs observable or unobservable market parameters, including but not limited to yield curves, interest rates, volatilities, equity or debt prices, foreign exchange rates and credit curves. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value, as described below.

The level of precision in estimating unobservable market inputs or other factors can affect the amount of gain or loss recorded for a particular position. Furthermore, while JPMorgan Chase Bank, N.A. believes its valuation methods are appropriate and consistent with those of other market participants, the methods and assumptions used reflect management judgment and may vary across JPMorgan Chase Bank, N.A.'s businesses and portfolios.

JPMorgan Chase Bank, N.A. uses various methodologies and assumptions in the determination of fair value. The use of different methodologies or assumptions to those used by JPMorgan Chase Bank, N.A. could result in a different estimate of fair value at the reporting date.

Valuation process

Risk-taking functions are responsible for providing fair value estimates for assets and liabilities carried on the Consolidated balance sheets at fair value. JPMorgan Chase's valuation control function, which is part of JPMorgan Chase's Finance function and independent of the risk-taking functions, is responsible for verifying these estimates and determining any fair value adjustments that may be required to ensure that JPMorgan Chase Bank, N.A.'s positions are recorded at fair value. In addition, JPMorgan Chase has a firmwide Valuation Governance Forum ("VGF") comprised of senior finance and risk executives to oversee the management of risks arising from valuation activities conducted across JPMorgan Chase. The VGF is chaired by the Firmwide head of the valuation control function, and also includes sub-forums for the corporate & investment banking business, mortgage banking business (part of the consumer & community banking business), and certain corporate functions including Treasury and the Chief Investment Office ("CIO").

The valuation control function verifies fair value estimates provided by the risk-taking functions by leveraging independently derived prices, valuation inputs and other market data, where available. Where independent prices or inputs are not available, additional review is performed by the valuation control function to ensure the reasonableness of the estimates, and may include: evaluating the limited market activity including client unwinds; benchmarking of valuation inputs to those for similar instruments; decomposing the valuation of structured instruments into individual components; comparing expected to actual cash flows; reviewing profit and loss trends; and reviewing trends in collateral valuation. In addition there are additional levels of management review for more significant or complex positions.

The valuation control function determines any valuation adjustments that may be required to the estimates provided by the risk-taking functions. No adjustments are applied to the quoted market price for instruments classified within level 1 of the fair value hierarchy (see below for further information on the fair value hierarchy). For other positions, judgment is required to assess the need for valuation adjustments to appropriately reflect liquidity considerations, unobservable parameters, and, for certain portfolios that meet specified criteria, the size of the net open risk position. The determination of such adjustments

follows a consistent framework across JPMorgan Chase Bank, N.A.:

- Liquidity valuation adjustments are considered where an observable external price or valuation parameter exists but is of lower reliability, potentially due to lower market activity. Liquidity valuation adjustments are applied and determined based on current market conditions. Factors that may be considered in determining the liquidity adjustment include analysis of: (1) the estimated bid-offer spread for the instrument being traded; (2) alternative pricing points for similar instruments in active markets; and (3) the range of reasonable values that the price or parameter could take.
- JPMorgan Chase Bank, N.A. manages certain portfolios of financial instruments on the basis of net open risk exposure and, as permitted by U.S. GAAP, has elected to estimate the fair value of such portfolios on the basis of a transfer of the entire net open risk position in an orderly transaction. Where this is the case, valuation adjustments may be necessary to reflect the cost of exiting a larger-than-normal market-size net open risk position. Where applied, such adjustments are based on factors that a relevant market participant would consider in the transfer of the net open risk position including the size of the adverse market move that is likely to occur during the period required to reduce the net open risk position to a normal market-size.
- Unobservable parameter valuation adjustments may be made when positions are valued using prices or input parameters to valuation models that are unobservable due to a lack of market activity or because they cannot be implied from observable market data. Such prices or parameters must be estimated and are, therefore, subject to management judgment. Unobservable parameter valuation adjustments are applied to reflect the uncertainty inherent in the resulting valuation estimate.

Where appropriate, JPMorgan Chase Bank, N.A. also applies adjustments to its estimates of fair value in order to appropriately reflect counterparty credit quality and JPMorgan Chase Bank, N.A.'s own creditworthiness and the impact of funding, applying a consistent framework across JPMorgan Chase Bank, N.A.

Valuation model review and approval

If prices or quotes are not available for an instrument or a similar instrument, fair value is generally determined using valuation models that consider relevant transaction data such as maturity and use as inputs market-based or independently sourced parameters. Where this is the case the price verification process described above is applied to the inputs to those models.

The Model Risk function is independent of the model owners and reviews and approves a wide range of models, including risk management, valuation and certain regulatory capital models used by JPMorgan Chase Bank, N.A. The Model Risk function is part of JPMorgan Chase's Model Risk and Development unit, and the Firmwide Model Risk and Development Executive reports to JPMorgan Chase's Chief Risk Officer. When reviewing a model, the Model Risk function analyzes and challenges the model methodology and the reasonableness of model assumptions and may perform or require additional testing, including back-testing of model outcomes.

New significant valuation models, as well as material changes to existing valuation models, are reviewed and approved prior to implementation except where specified conditions are met. The Model Risk function performs an annual JPMorgan Chase-wide model risk assessment where developments in the product or market are considered in determining whether valuation models which have already been reviewed need to be reviewed and approved again.

Valuation hierarchy

A three-level valuation hierarchy has been established under U.S. GAAP for disclosure of fair value measurements. The valuation hierarchy is based on the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows.

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – one or more inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The following table describes the valuation methodologies used by JPMorgan Chase Bank, N.A. to measure its more significant products/instruments at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Product/instrument	Valuation methodology	Classifications in the valuation hierarchy
Securities financing agreements	Valuations are based on discounted cash flows, which consider: • Derivative features. For further information refer to the discussion of derivatives below. • Market rates for the respective maturity • Collateral	Level 2
Loans and lending-related commitments - wholesale		
Trading portfolio	Where observable market data is available, valuations are based on: • Observed market prices (circumstances are infrequent) • Relevant broker quotes • Observed market prices for similar instruments Where observable market data is unavailable or limited, valuations are based on discounted cash flows, which consider the following: • Yield • Lifetime credit losses • Loss severity • Prepayment speed • Servicing costs	Level 2 or 3
Loans held for investment and associated lending related commitments	Valuations are based on discounted cash flows, which consider: • Credit spreads, derived from the cost of credit default swaps ("CDS"); or benchmark credit curves developed by JPMorgan Chase Bank, N.A., by industry and credit rating, and which take into account the difference in loss severity rates between bonds and loans • Prepayment speed Lending related commitments are valued similar to loans and reflect the portion of an unused commitment expected, based on JPMorgan Chase Bank, N.A.'s average portfolio historical experience, to become funded prior to an obligor default For information regarding the valuation of loans measured at collateral value, see Note 15.	Predominantly level 3
Loans - consumer		
Held for investment consumer loans, excluding credit card	Valuations are based on discounted cash flows, which consider: • Discount rates (derived from primary origination rates and market activity) • Expected lifetime credit losses (considering expected and current default rates for existing portfolios, collateral prices, and economic environment expectations (e.g., unemployment rates)) • Estimated prepayments • Servicing costs • Market liquidity For information regarding the valuation of loans measured at collateral value, see Note 15.	Predominantly level 3
Held for investment credit card receivables	Valuations are based on discounted cash flows, which consider: • Projected interest income and late fee revenue, servicing and credit costs, and loan repayment rates • Estimated life of receivables (based on projected loan payment rates) • Discount rate - based on cost of funding and expected return on receivables • Credit costs - allowance for loan losses is considered a reasonable proxy for the credit cost based on the short-term nature of credit card receivables	Level 3
Trading loans - Conforming residential mortgage loans expected to be sold	Fair value is based upon observable prices for mortgage-backed securities with similar collateral and incorporates adjustments to these prices to account for differences between the securities and the value of the underlying loans, which include credit characteristics, portfolio composition, and liquidity.	Predominantly level 2

Product/instrument	Valuation methodology, inputs and assumptions	Classifications in the valuation hierarchy
Securities	Quoted market prices are used where available.	Level 1
	In the absence of quoted market prices, securities are valued based on: • Observable market prices for similar securities • Relevant broker quotes • Discounted cash flows In addition, the following inputs to discounted cash flows are used for the following products: *Mortgage- and asset-backed securities specific inputs:* • Collateral characteristics • Deal-specific payment and loss allocations • Current market assumptions related to yield, prepayment speed, conditional default rates and loss severity *Collateralized loan obligations ("CLOs"), specific inputs:* • Collateral characteristics • Deal-specific payment and loss allocations • Expected prepayment speed, conditional default rates, loss severity • Credit spreads • Credit rating data	Level 2 or 3
Physical commodities	Valued using observable market prices or data	Predominantly Level 1 and 2
Derivatives	Exchange-traded derivatives that are actively traded and valued using the exchange price, and over-the-counter contracts where quoted prices are available in an active market.	Level 1
	Derivatives that are valued using models such as the Black-Scholes option pricing model, simulation models, or a combination of models, that use observable or unobservable valuation inputs (e.g. plain vanilla options and interest rate and credit default swaps). Inputs include: • Contractual terms including the period to maturity • Readily observable parameters including interest rates and volatility • Credit quality of the counterparty and of JPMorgan Chase Bank, N.A. • Market funding levels • Correlation levels In addition, the following specific inputs are used for the following derivatives that are valued based on models with significant unobservable inputs: *Structured credit derivatives specific inputs include:* • CDS spreads and recovery rates • Credit correlation between the underlying debt instruments (levels are modeled on a transaction basis and calibrated to liquid benchmark tranche indices) • Actual transactions, where available, are used to regularly recalibrate unobservable parameters *Certain long-dated equity option specific inputs include:* • Long-dated equity volatilities *Certain interest rate and foreign exchange ("FX") exotic options specific inputs include:* • Interest rate correlation • Interest rate spread volatility • Foreign exchange correlation • Correlation between interest rates and foreign exchange rates • Parameters describing the evolution of underlying interest rates *Certain commodity derivatives specific inputs include:* • Commodity volatility • Forward commodity price Additionally, adjustments are made to reflect counterparty credit quality (credit valuation adjustments or "CVA"), JPMorgan Chase Bank, N.A.'s own creditworthiness (debit valuation adjustments or "DVA"), and funding valuation adjustment ("FVA") to incorporate the impact of funding.	Level 2 or 3

Product/instrument	Valuation methodology, inputs and assumptions	Classification in the valuation hierarchy
Mortgage servicing rights ("MSRs")	See Mortgage servicing rights in Note 18.	Level 3
Retained interests in credit card securitizations	Valuations are based on discounted cash flows, which consider: • Expected credit losses • Average payment rate • Yield	Level 3
Fund investments (i.e., mutual/ collective investment funds, private equity funds, hedge funds, and real estate funds)	Net asset value ("NAV") • NAV is validated by sufficient level of observable activity (i.e., purchases and sales) • Adjustments to the NAV as required, for restrictions on redemption (e.g., lock up periods or withdrawal limitations) or where observable activity is limited	Level 1 Level 2 or 3
Beneficial interests issued by consolidated VIEs	Valued using observable market information, where available In the absence of observable market information, valuations are based on the fair value of the underlying assets held by the VIE	Level 2 or 3
Long-term debt, not carried at fair value	Valuations are based on discounted cash flows, which consider: • Market rates for respective maturity • JPMorgan Chase Bank, N.A.'s own creditworthiness (DVA).	Predominantly level 2
Structured notes (included in deposits, other borrowed funds and long-term debt)	• Valuations are based on discounted cash flow analyses that consider the embedded derivative and the terms and payment structure of the note. • The embedded derivative features are considered using models such as the Black-Scholes option pricing model, simulation models, or a combination of models that use observable or unobservable valuation inputs, depending on the embedded derivative. The specific inputs used vary according to the nature of the embedded derivative features, as described in the discussion above regarding derivative valuation. Adjustments are then made to this base valuation to reflect JPMorgan Chase Bank, N.A.'s own creditworthiness (DVA) and to incorporate the impact of funding (FVA).	Level 2 or 3

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

Assets and liabilities measured at fair value on a recurring basis

	Fair value hierarchy				
December 31, 2014 (in millions)	Level 1	Level 2	Level 3	Derivative netting adjustments	Total fair value
Federal funds sold and securities purchased under resale agreements	$ –	$ 14,265	$ –	$ –	$ 14,265
Securities borrowed	–	992	–	–	992
Trading assets:					
Debt instruments:					
Mortgage-backed securities:					
U.S. government agencies[a]	–	–	904	–	904
Residential – nonagency	–	509	438	–	947
Commercial – nonagency	–	151	217	–	368
Total mortgage-backed securities	–	660	1,559	–	2,219
U.S. Treasury and government agencies[a]	8,238	21	–	–	8,259
Obligations of U.S. states and municipalities	–	6,007	59	–	6,066
Certificates of deposit, bankers' acceptances and commercial paper	–	146	–	–	146
Non-U.S. government debt securities	25,854	27,240	302	–	53,396
Corporate debt securities	–	17,239	2,756	–	19,995
Loans	–	22,658	9,830	–	32,488
Asset-backed securities	–	251	374	–	625
Total debt instruments	34,092	74,222	14,880	–	123,194
Equity securities	53,831	164	73	–	54,068
Physical commodities[b]	2,501	1,023	1	–	3,525
Other	–	9,080	1,183	–	10,263
Total debt and equity instruments[c]	90,424	84,489	16,137	–	191,050
Derivative receivables:					
Interest rate	284	951,277	4,125	(922,347)	33,339
Credit	–	73,860	3,008	(75,004)	1,864
Foreign exchange	758	205,864	2,269	(187,668)	21,223
Equity	–	41,397	2,549	(35,773)	8,173
Commodity	247	39,574	177	(27,633)	12,365
Total derivative receivables[d]	1,289	1,311,972	12,128	(1,248,425)	76,964
Total trading assets	91,713	1,396,461	28,265	(1,248,425)	268,014
Available-for-sale securities:					
Mortgage-backed securities:					
U.S. government agencies[a]	–	65,319	–	–	65,319
Residential – nonagency	–	50,865	30	–	50,895
Commercial – nonagency	–	20,381	99	–	20,480
Total mortgage-backed securities	–	136,565	129	–	136,694
U.S. Treasury and government agencies[a]	13,581	54	–	–	13,635
Obligations of U.S. states and municipalities	–	26,755	–	–	26,755
Certificates of deposit	–	1,103	–	–	1,103
Non-U.S. government debt securities	24,061	28,670	–	–	52,731
Corporate debt securities	–	18,530	–	–	18,530
Asset-backed securities:					
Collateralized loan obligations	–	29,402	792	–	30,194
Other	–	12,546	41	–	12,587
Equity securities	118	–	–	–	118
Total available-for-sale securities	37,760	253,625	962	–	292,347
Loans	–	70	2,213	–	2,283
Mortgage servicing rights	–	–	7,436	–	7,436
Other assets	–	15	5,050	–	5,065
Total assets measured at fair value on a recurring basis	$ 129,473	$ 1,665,428 [e]	$ 43,926 [e]	$ (1,248,425)	$ 590,402
Deposits	$ –	$ 6,091	$ 2,883	$ –	$ 8,974
Federal funds purchased and securities loaned or sold under repurchase agreements	–	678	–	–	678
Other borrowed funds	–	6,783	1,426	–	8,209
Trading liabilities:					
Debt and equity instruments[c]	37,282	10,022	51	–	47,355
Derivative payables:					
Interest rate	180	923,302	3,790	(906,458)	20,814
Credit	–	73,574	2,823	(74,302)	2,095
Foreign exchange	746	215,362	3,030	(195,378)	23,760
Equity	–	43,576	4,259	(35,983)	11,852
Commodity	141	39,410	982	(26,086)	14,447
Total derivative payables[d]	1,067	1,295,224	14,884	(1,238,207)	72,968
Total trading liabilities	38,349	1,305,246	14,935	(1,238,207)	120,323
Accounts payable and other liabilities	–	–	10	–	10
Beneficial interests issued by consolidated VIEs	–	–	18	–	18
Long-term debt	–	7,166	6,970	–	14,136
Total liabilities measured at fair value on a recurring basis	$ 38,349	$ 1,325,964	$ 26,242	$ (1,238,207)	$ 152,348

December 31, 2013 (in millions)	Fair value hierarchy Level 1	Level 2	Level 3	Derivative 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 December 31, 2014 and 2013, included total U.S. government-sponsored enterprise obligations of $60.2 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 7. To provide consistent fair value disclosure information, all physical commodities inventories have been included in each period presented.

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

(d) 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 $2.5 billion and $7.6 billion at December 31, 2014 and 2013, respectively; this is exclusive of the netting benefit associated with cash collateral, which would further reduce the level 3 balances. Additionally, includes derivative receivables and payables with affiliates on a net basis. See Note 22 for information regarding our derivative activities with affiliates.

(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 December 31, 2014 and 2013, the fair values of these investments were $117 million and $237 million, respectively, of which $108 million and $218 million, respectively were classified in level 2, and $10 million and $19 million, respectively, in level 3.

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

For the year ended December 31, 2014 and 2013, there were no significant transfers between levels 1 and 2.

During the year ended December 31, 2014, transfers from level 3 to level 2 included the following:

- $4.3 billion and $4.4 billion of equity derivative receivables and payables, respectively, due to increased observability of certain equity option valuation inputs;
- $2.6 billion of trading loans, $2.6 billion of margin loans and $2.0 billion of corporate debt, based on increased liquidity and price transparency.

Transfers from level 2 into level 3 included $1.1 billion of other borrowed funds and $1.1 billion of trading loans, based on a decrease in observability of valuation inputs and price transparency.

During the year ended December 31, 2013, transfers from level 3 to level 2 included certain highly rated CLOs, including $27.4 billion held in JPMorgan Chase Bank, N.A.'s available-for-sale ("AFS") securities portfolio and $1.3 billion held in the trading portfolio, based on increased liquidity and price transparency; $2.0 billion of gross derivatives payables, primarily driven by an increase in observability of certain structured equity derivatives; and $1.1 billion of long-term debt, largely driven by an increase in observability of certain equity structured notes. Transfers from level 2 to level 3 included $1.3 billion of corporate debt securities in the trading portfolio largely driven by a decrease in observability for certain credit instruments.

For the year ended December 31, 2012, $86.5 billion of settled U.S. government agency mortgage-backed securities were transferred from level 1 to level 2. While the U.S. government agency mortgage-backed securities market remained highly liquid and transparent, the transfer reflected greater market price differentiation between settled securities based on certain underlying loan specific factors. There were no significant transfers from level 2 to level 1 for the year ended December 31, 2012.

For the year ended December 31, 2012, there were no significant transfers from level 2 into level 3. For the year ended December 31, 2012, transfers from level 3 into level 2 included $1.6 billion of derivative payables based on increased observability of certain structured equity derivatives; and $1.2 billion of long-term debt due to increased observability of certain equity structured notes.

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

Level 3 valuations

JPMorgan Chase Bank, N.A. has established well-documented processes for determining fair value, including for instruments where fair value is estimated using significant unobservable inputs (level 3). 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 pages 13–17 of this Note.

Estimating fair value requires the application of judgment. The type and level of judgment required is largely dependent on the amount of observable market information available to JPMorgan Chase Bank, N.A. For instruments valued using internally developed models that use significant unobservable inputs and are therefore classified within level 3 of the fair value hierarchy, judgments used to estimate fair value are more significant than those required when estimating the fair value of instruments classified within levels 1 and 2.

In arriving at an estimate of fair value for an instrument within level 3, management must first determine the appropriate model to use. Second, due to the lack of observability of significant inputs, management must assess all relevant empirical data in deriving valuation inputs including, but not limited to, transaction details, yield curves, interest rates, prepayment speed, default rates, volatilities, correlations, equity or debt prices, valuations of comparable instruments, foreign exchange rates and credit curves.

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. 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. For example, two option contracts may have similar levels of market risk exposure and valuation uncertainty, but may have significantly different implied volatility levels because the option contracts have different underlyings, tenors, or strike prices. The input range and weighted 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, 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 and the foreign exchange correlation inputs were concentrated at the lower end of the range presented. The equity volatility is concentrated in the lower half end of the range. The forward commodity prices used in estimating the fair value of commodity derivatives were concentrated within the lower end of the range presented.

Level 3 inputs[a]

December 31, 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	$ 5,704	Discounted cash flows	Yield	1 % - 12%	5%
			Prepayment speed	0 % - 16%	7%
			Conditional default rate	0 % - 100%	8%
			Loss severity	0 % - 60%	23%
Commercial mortgage-backed securities and loans[b]	5,097	Discounted cash flows	Yield	2 % - 32%	5%
			Conditional default rate	0 % - 23%	3%
			Loss severity	0 % - 50%	25%
Corporate debt securities, obligations of U.S. states and municipalities, and other[c]	4,255	Discounted cash flows	Credit spread	53 bps - 270 bps	140 bps
			Yield	1 % - 22%	6%
	3,821	Market comparables	Price	$ — - $131	$90
Net interest rate derivatives	335	Option pricing	Interest rate correlation	(75)% - 95%	
			Interest rate spread volatility	0 % - 60%	
Net credit derivatives[b][c]	185	Discounted cash flows	Credit correlation	47 % - 90%	
Net foreign exchange derivatives	(761)	Option pricing	Foreign exchange correlation	0 % - 60%	
Net equity derivatives	(1,710)	Option pricing	Equity volatility	15 % - 65%	
Net commodity derivatives	(805)	Discounted cash flows	Forward commodity price	$ 50 - $90 per barrel	
Collateralized loan obligations	792	Discounted cash flows	Credit spread	260 bps - 675 bps	279 bps
			Prepayment speed	20%	20%
			Conditional default rate	2%	2%
			Loss severity	40%	40%
	110	Market comparables	Price	$ — - $100	$75
Mortgage servicing rights	7,436	Discounted cash flows	Refer to Note 18.		
Retained interests in credit card securitization trusts	4,580	Discounted cash flows	Refer to Note 17.		
Long-term debt, other borrowed funds, and deposits[d]	10,206	Option pricing	Interest rate correlation	(75)% - 95%	
			Interest rate spread volatility	0 % - 60%	
			Foreign exchange correlation	0 % - 60%	
			Equity correlation	(55)% - 85%	
	1,073	Discounted cash flows	Credit correlation	47 % - 90%	

(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 $491 million of credit derivative receivables and $433 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 $795 million of credit derivative receivables and $715 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

The following discussion provides a description of the impact on a fair value measurement of a change in each unobservable input in isolation, and the interrelationship between unobservable inputs, where relevant and significant. The impact of changes in inputs may not be independent as a change in one unobservable input may give rise to a change in another unobservable input; where relationships exist between two unobservable inputs, those relationships are discussed below. Relationships may also exist between observable and unobservable inputs (for example, as observable interest rates rise, unobservable prepayment rates decline); such relationships have not been included in the discussion below. In addition, for each of the individual relationships described below, the inverse relationship would also generally apply.

In addition, the following discussion provides 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.

Yield – The yield of an asset is the interest rate used to discount future cash flows in a discounted cash flow calculation. An increase in the yield, in isolation, would result in a decrease in a fair value measurement.

Credit spread – The credit spread is the amount of additional annualized return over the market interest rate that a market participant would demand for taking exposure to the credit risk of an instrument. The credit spread for an instrument forms part of the discount rate used in a discounted cash flow calculation. Generally, an increase in the credit spread would result in a decrease in a fair value measurement.

The yield and the credit spread of a particular mortgage-backed security primarily reflect the risk inherent in the instrument. The yield is also impacted by the absolute level of the coupon paid by the instrument (which may not correspond directly to the level of inherent risk). Therefore, the range of yield and credit spreads reflects the range of risk inherent in various instruments owned by JPMorgan Chase Bank, N.A. The risk inherent in mortgage-backed securities is driven by the subordination of the security being valued and the characteristics of the underlying mortgages within the collateralized pool, including borrower FICO scores, loan-to-value ratios for residential mortgages and the nature of the property and/or any tenants for commercial mortgages. For corporate debt securities, obligations of U.S. states and municipalities and other similar instruments, credit spreads reflect the credit quality of the obligor and the tenor of the obligation.

Prepayment speed – The prepayment speed is a measure of the voluntary unscheduled principal repayments of a prepayable obligation in a collateralized pool. Prepayment speeds generally decline as borrower delinquencies rise. An increase in prepayment speeds, in isolation, would result in a decrease in a fair value measurement of assets valued at a premium to par and an increase in a fair value measurement of assets valued at a discount to par.

Prepayment speeds may vary from collateral pool to collateral pool, and are driven by the type and location of the underlying borrower, the remaining tenor of the obligation as well as the level and type (e.g., fixed or floating) of interest rate being paid by the borrower. Typically collateral pools with higher borrower credit quality have a higher prepayment rate than those with lower borrower credit quality, all other factors being equal.

Conditional default rate – The conditional default rate is a measure of the reduction in the outstanding collateral balance underlying a collateralized obligation as a result of defaults. While there is typically no direct relationship between conditional default rates and prepayment speeds, collateralized obligations for which the underlying collateral has high prepayment speeds will tend to have lower conditional default rates. An increase in conditional default rates would generally be accompanied by an increase in loss severity and an increase in credit spreads. An increase in the conditional default rate, in isolation, would result in a decrease in a fair value measurement. Conditional default rates reflect the quality of the collateral underlying a securitization and the structure of the securitization itself. Based on the types of securities owned in JPMorgan Chase Bank, N.A.'s market-making portfolios, conditional default rates are most typically at the lower end of the range presented.

Loss severity – The loss severity (the inverse concept is the recovery rate) is the expected amount of future realized losses resulting from the ultimate liquidation of a particular loan, expressed as the net amount of loss relative to the outstanding loan balance. An increase in loss severity is generally accompanied by an increase in conditional default rates. An increase in the loss severity, in isolation, would result in a decrease in a fair value measurement.

The loss severity applied in valuing a mortgage-backed security investment depends on a host of factors relating to the underlying mortgages. This includes the loan-to-value ratio, the nature of the lender's lien on the property and various other instrument-specific factors.

Correlation – Correlation is a measure of the relationship between the movements of two variables (e.g., how the change in one variable influences the change in the other). Correlation is a pricing input for a derivative product where the payoff is driven by one or more underlying risks. Correlation inputs are related to the type of derivative (e.g., interest rate, credit, equity, foreign exchange and commodity) due to the nature of the underlying risks. When parameters are positively correlated, an increase in one parameter will result in an increase in the other parameter. When parameters are negatively correlated, an increase in one parameter will result in a decrease in the other parameter. An increase in correlation can result in an increase or a decrease in a fair value measurement. Given a short correlation position, an increase in correlation, in isolation, would generally result in a decrease in a fair value measurement. The range of correlation inputs between risks within the same asset class are generally narrower than those between underlying risks across asset classes. In addition, the ranges of credit correlation inputs tend to be narrower than those affecting other asset classes.

The level of correlation used in the valuation of derivatives with multiple underlying risks depends on a number of factors including the nature of those risks. For example, the correlation between two credit risk exposures would be different than that between two interest rate risk exposures. Similarly, the tenor of the transaction may also impact the correlation input as the relationship between the underlying risks may be different over different time periods. Furthermore, correlation levels are very much dependent on market conditions and could have a relatively wide range of levels within or across asset classes over time, particularly in volatile market conditions.

Volatility – Volatility is a measure of the variability in possible returns for an instrument, parameter or market index given how much the particular instrument, parameter or index changes in value over time. Volatility is a pricing input for options, including equity options, commodity options, and interest rate options. Generally, the higher the volatility of the underlying, the riskier the instrument. Given a long position in an option, an increase in volatility, in isolation, would generally result in an increase in a fair value measurement.

The level of volatility used in the valuation of a particular option-based derivative depends on a number of factors, including the nature of the risk underlying the option (e.g., the volatility of a particular equity security may be significantly different from that of a particular commodity index), the tenor of the derivative as well as the strike price of the option.

Net asset value – Net asset value is the total value of a fund's assets less liabilities. An increase in net asset value would result in an increase in a fair value measurement.

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 years ended December 31, 2014, 2013 and 2012. 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.

Year ended December 31, 2014 (in millions)	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 Dec. 31, 2014	Change in unrealized gains/ (losses) related to financial instruments held at Dec. 31, 2014
	Fair value measurements using significant unobservable inputs							
Assets:								
Trading assets:								
Debt instruments:								
Mortgage-backed securities:								
U.S. government agencies	$ 912	$ (91)	$ 244	$ (38)	$ (123)	$ –	$ 904	$ (91)
Residential – nonagency	273	14	392	(275)	(12)	46	438	(11)
Commercial – nonagency	89	3	262	(129)	(16)	8	217	(6)
Total mortgage-backed securities	1,274	(74)	898	(442)	(151)	54	1,559	(108)
Obligations of U.S. states and municipalities	75	4	–	(20)	–	–	59	(6)
Non-U.S. government debt securities	143	24	719	(615)	(5)	36	302	10
Corporate debt securities	5,631	258	5,761	(3,157)	(4,637)	(1,100)	2,756	632
Loans	10,476	21	10,644	(5,866)	(3,955)	(1,490)	9,830	(78)
Asset-backed securities	283	(23)	892	(719)	(121)	62	374	(46)
Total debt instruments	17,882	210	18,914	(10,819)	(8,869)	(2,438)	14,880	404
Equity securities	145	48	183	(106)	(139)	(58)	73	16
Other	1,996	271	1,981	(525)	(359)	(2,180)	1,184	(1)
Total trading assets – debt and equity instruments	20,023	529 (c)	21,078	(11,450)	(9,367)	(4,676)	16,137	419 (c)
Net derivative receivables:[a]								
Interest rate	1,888	(44)	207	(255)	(1,353)	(108)	335	(1,125)
Credit	88	(162)	273	(47)	104	(71)	185	(120)
Foreign exchange	(1,433)	(228)	122	(28)	775	31	(761)	(147)
Equity	(834)	115	2,146	(2,889)	(128)	(120)	(1,710)	1,203
Commodity	(95)	(864)	(12)	–	92	74	(805)	(603)
Total net derivative receivables	(386)	(1,183) (c)	2,736	(3,219)	(510)	(194)	(2,756)	(792) (c)
Available-for-sale securities:								
Asset-backed securities	1,012	(42)	274	–	(100)	(311)	833	(41)
Other	1,192	(19)	122	–	(223)	(943)	129	(1)
Total available-for-sale securities	2,204	(61) (d)	396	–	(323)	(1,254)	962	(42) (d)
Loans	1,102	(242) (c)	3,206	(563)	(1,290)	–	2,213	(245) (c)
Mortgage servicing rights	9,614	(1,826) (e)	768	(209)	(911)	–	7,436	(1,826) (e)
Other assets	6,562	(105) (f)	–	(3,383)	1,976	–	5,050	(116) (f)

Year ended December 31, 2014 (in millions)	Fair value at January 1, 2014	Total realized/ unrealized (gains)/ losses	Purchases[g]	Sales	Issuances	Settlements	Transfers into and/or out of level 3[h]	Fair value at Dec. 31, 2014	Change in unrealized (gains)/losses related to financial instruments held at Dec. 31, 2014
	Fair value measurements using significant unobservable inputs								
Liabilities:[b]									
Deposits	$ 2,255	$ 149 (c)	$ –	$ –	$ 1,569	$ (164)	$ (926)	$ 2,883	$ 160 (c)
Other borrowed funds	1,467	(589) (c)	–	–	5,209	(5,439)	778	1,426	(300) (c)
Trading liabilities – debt and equity instruments	89	(3) (c)	(270)	281	–	(3)	(43)	51	1 (c)
Accounts payable and other liabilities	25	– (f)	–	–	–	(15)	–	10	– (f)
Beneficial interests issued by consolidated VIEs	40	2 (c)	–	–	2	(26)	–	18	1 (c)
Long-term debt	6,617	(447) (c)	–	–	6,016	(5,208)	(8)	6,970	(365) (c)

Year ended December 31, 2013 (in millions)	Fair value measurements using significant unobservable inputs							
	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 Dec. 31, 2013	Change in unrealized gains/(losses) related to financial instruments held at Dec. 31, 2013
Assets:								
Trading assets:								
Debt instruments:								
Mortgage-backed securities:								
U.S. government agencies	$ 438	$ 194	$ 734	$ (347)	$ (107)	$ –	$ 912	$ 194
Residential – nonagency	152	77	167	(107)	(11)	(5)	273	52
Commercial – nonagency	82	10	156	(138)	(21)	–	89	3
Total mortgage-backed securities	672	281	1,057	(592)	(139)	(5)	1,274	249
Obligations of U.S. states and municipalities	308	53	6	(25)	(267)	–	75	3
Non-U.S. government debt securities	67	4	1,448	(1,479)	(7)	110	143	(4)
Corporate debt securities	5,082	206	7,498	(5,867)	(1,781)	493	5,631	463
Loans	8,583	124	10,304	(6,537)	(1,736)	(262)	10,476	(8)
Asset-backed securities	1,788	71	288	(520)	(96)	(1,248)	283	49
Total debt instruments	16,500	739	20,601	(15,020)	(4,026)	(912)	17,882	752
Equity securities	253	(49)	133	(114)	(59)	(19)	145	64
Other	825	860	837	(207)	(448)	129	1,996	1,085
Total trading assets – debt and equity instruments	17,578	1,550 [c]	21,571	(15,341)	(4,533)	(802)	20,023	1,901 [c]
Net derivative receivables:[a]								
Interest rate	2,650	1,436	347	(186)	(2,349)	(10)	1,888	267
Credit	1,870	(1,697)	115	(12)	(365)	177	88	(1,455)
Foreign exchange	(2,004)	(49)	4	(3)	650	(31)	(1,433)	157
Equity	(2,035)	2,586 [i]	1,478 [i]	(2,281) [i]	(1,079)	497	(834)	859
Commodity	(150)	192	59	(3)	(190)	(3)	(95)	79
Total net derivative receivables	331	2,468 [c]	2,003	(2,485)	(3,333)	630	(386)	(93) [c]
Available-for-sale securities:								
Asset-backed securities	27,896	(1)	579	–	(57)	(27,405)	1,012	(1)
Other	705	14	508	(17)	(48)	30	1,192	25
Total available-for-sale securities	28,601	13 [d]	1,087	(17)	(105)	(27,375)	2,204	24 [d]
Loans	1,321	80 [c]	820	(97)	(1,022)	–	1,102	20 [c]
Mortgage servicing rights	7,614	1,610 [e]	2,216	(725)	(1,101)	–	9,614	1,610 [e]
Other assets	7,303	(123) [f]	41	(4,111)	3,452	–	6,562	(134) [f]

Year ended December 31, 2013 (in millions)	Fair value measurements using significant unobservable inputs								
	Fair value at January 1, 2013	Total realized/ unrealized (gains)/ losses	Purchases[g]	Sales	Issuances	Settlements	Transfers into and/or out of level 3[h]	Fair value at Dec. 31, 2013	Change in unrealized (gains)/losses related to financial instruments held at Dec. 31, 2013
Liabilities:[b]									
Deposits	$ 1,976	$ (82) [c]	$ –	$ –	$ 1,234	$ (201)	$ (672)	$ 2,255	$ (88) [c]
Other borrowed funds	1,315	(134) [c]	–	–	6,399	(6,530)	417	1,467	281 [c]
Trading liabilities – debt and equity instruments	189	(82) [c]	(2,373)	2,552	–	(52)	(145)	89	(102) [c]
Accounts payable and other liabilities	36	(2) [f]	–	–	–	(9)	–	25	(2) [f]
Beneficial interests issued by consolidated VIEs	29	11 [c]	–	–	–	–	–	40	11 [c]
Long-term debt	6,070	110 [c]	–	–	4,884	(4,037)	(410)	6,617	39 [c]

Year ended December 31, 2012 (in millions)	Fair value measurements using significant unobservable inputs							
	Fair value at January 1, 2012	Total realized/ unrealized gains/ (losses)	Purchases[g]	Sales	Settlements	Transfers into and/or out of level 3[h]	Fair value at Dec. 31, 2012	Change in unrealized gains/(losses) related to financial instruments held at Dec. 31, 2012
Assets:								
Trading assets:								
Debt instruments:								
Mortgage-backed securities:								
U.S. government agencies	$ –	$ (15)	$ 556	$ (87)	$ (16)	$ –	$ 438	$ (15)
Residential – nonagency	192	47	96	(148)	(12)	(23)	152	32
Commercial – nonagency	110	6	92	(91)	(26)	(9)	82	(6)
Total mortgage-backed securities	302	38	744	(326)	(54)	(32)	672	11
Obligations of U.S. states and municipalities	300	7	36	(32)	(3)	–	308	(6)
Non-U.S. government debt securities	104	(6)	653	(660)	(24)	–	67	(5)
Corporate debt securities	6,061	483	8,311	(6,169)	(3,182)	(422)	5,082	937
Loans	10,257	334	4,327	(2,823)	(2,978)	(534)	8,583	242
Asset-backed securities	6,167	187	595	(4,655)	(497)	(9)	1,788	165
Total debt instruments	23,191	1,043	14,666	(14,665)	(6,738)	(997)	16,500	1,344
Equity securities	209	(241)	315	(74)	16	28	253	(120)
Other	700	163	58	(79)	(17)	–	825	169
Total trading assets – debt and equity instruments	24,100	965 [c]	15,039	(14,818)	(6,739)	(969)	17,578	1,393 [c]
Net derivative receivables:[a]								
Interest rate	2,616	6,806	416	(199)	(6,739)	(250)	2,650	491
Credit	7,728	(4,488)	124	(84)	(1,414)	4	1,870	(3,271)
Foreign exchange	(1,534)	(720)	115	(184)	371	(52)	(2,004)	(692)
Equity	(3,989)	64 [i]	1,417 [i]	(2,548) [i]	1,594	1,427	(2,035)	127
Commodity	(791)	(151)	(12)	36	499	269	(150)	27
Total net derivative receivables	4,030	1,511 [c]	2,060	(2,979)	(5,689)	1,398	331	(3,318) [c]
Available-for-sale securities:								
Asset-backed securities	24,745	118	9,280	(3,265)	(3,098)	116	27,896	118
Other	340	52	667	(113)	(241)	–	705	59
Total available-for-sale securities	25,085	170 [d]	9,947	(3,378)	(3,339)	116	28,601	177 [d]
Loans	175	15 [c]	1,228	(22)	(194)	119	1,321	11 [c]
Mortgage servicing rights	7,223	(635) [e]	2,833	(579)	(1,228)	–	7,614	(635) [e]
Other assets	6,791	(138) [f]	79	(5,793)	6,364	–	7,303	(143) [f]

Year ended December 31, 2012 (in millions)	Fair value measurements using significant unobservable inputs								
	Fair value at January 1, 2012	Total realized/ unrealized (gains)/ losses	Purchases[g]	Sales	Issuances	Settlements	Transfers into and/or out of level 3[h]	Fair value at Dec. 31, 2012	Change in unrealized (gains)/losses related to financial instruments held at Dec. 31, 2012
Liabilities:[b]									
Deposits	$ 1,418	$ 212 [c]	$ –	$ –	$ 1,229	$ (380)	$ (503)	$ 1,976	$ 185 [c]
Other borrowed funds	1,153	176 [c]	–	–	1,375	(1,406)	17	1,315	162 [c]
Trading liabilities – debt and equity instruments	155	(15) [c]	(2,834)	2,939	–	(51)	(5)	189	(10) [c]
Accounts payable and other liabilities	51	1 [f]	–	–	–	(16)	–	36	1 [f]
Beneficial interests issued by consolidated VIEs	–	3 [c]	–	–	26	–	–	29	3 [c]
Long-term debt	6,456	316 [c]	–	–	2,949	(2,797)	(854)	6,070	(221) [c]

(a) All level 3 derivatives are presented on a net basis, irrespective of 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 17%, 20% and 21% at December 31, 2014, 2013 and 2012, 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 AFS 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 Other Comprehensive Income ("OCI"). Realized gains/(losses) and foreign exchange remeasurement adjustments recorded in income on AFS securities were $(78) million, $5 million, and $126 million for the years ended December 31, 2014, 2013 and 2012, respectively. Unrealized gains/(losses) recorded on AFS securities in OCI were $(19) million, $8 million and $44 million for the years ended December 31, 2014, 2013 and 2012, 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 2.3% of total JPMorgan Chase Bank, N.A. assets and 7.9% of total assets measured at fair value at December 31, 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 page 29.

For the year ended December 31, 2014

Level 3 assets were $43.9 billion at December 31, 2014, reflecting a decrease of $13.8 billion from December 31, 2013, due to the following:

- $6.1 billion decrease in gross derivative receivables, predominantly driven by a $4.6 billion decrease in equity derivative receivables due to expirations; a transfer from level 3 into level 2 as a result of an increase in observability of certain equity option valuation inputs; and a $1.3 billion decrease in interest rate derivatives due to market movements;
- $3.9 billion decrease in trading assets- debt and equity instruments largely due to a decrease of $2.9 billion in corporate debt securities driven by transfers from level 3 to level 2 of as a result of an increase in observability of certain valuation inputs as well as net sales and maturities;
- $2.2 billion decrease in MSRs. For further discussion of the change, refer to Note 18; and
- $1.5 billion decrease in other assets, predominantly due to a decrease in JPMorgan Chase Bank, N.A.'s undivided interests in nonconsolidated credit card trusts sponsored by an affiliate.

The decreases above were partially offset by:

- $1.1 billion increase in loans, largely driven by originations.

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 years ended December 31, 2014, 2013 and 2012. For further information on these instruments, see Changes in level 3 recurring fair value measurements rollforward tables on pages 24–28.

2014

- $1.8 billion of net losses on MSRs. For further discussion of the change, refer to Note 18.

2013

- $2.5 billion of net gains on derivatives, largely driven by $2.6 billion of gains on equity derivatives, primarily related to client-driven market-making activity and a rise in equity markets; and $1.4 billion of gains, predominantly on interest rate lock and mortgage loan purchase commitments; partially offset by $1.7 billion of losses on credit derivatives from the impact of tightening reference entity credit spreads;
- $1.6 billion of net gains on trading assets - debt and equity instruments, predominantly driven by the impact of market movements on client-driven financing transactions, mortgage-backed securities and corporate debt securities; and
- $1.6 billion of net gains on MSRs. For further discussion of the change, refer to Note 18.

2012

- $1.0 billion of net gains on trading assets - debt and equity instruments, largely driven by tightening of credit spreads and fluctuation in foreign exchange rates; and
- $1.5 billion of net gains on derivatives, driven by $6.8 billion of net gains predominantly on interest rate lock commitments due to increased volumes and lower interest rates, partially offset by $4.5 billion of net losses on credit derivatives largely as a result of tightening of reference entity credit spreads.

Assets and liabilities measured at fair value on a nonrecurring basis

At December 31, 2014 and 2013, assets measured at fair value on a nonrecurring basis were $3.6 billion and $5.8 billion, respectively, comprised predominantly of loans that had fair value adjustments for the year ended December 31 2014. At December 31, 2014, $568 million and $3.0 billion of these assets were classified in levels 2 and 3 of the fair value hierarchy, respectively. At December 31, 2013, $339 million and $5.4 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 December 31, 2014 and 2013. For the years ended December 31, 2014, 2013 and 2012, there were no significant transfers between levels 1, 2 and 3.

Of the $3.0 billion of the level 3 assets measured at fair value on a nonrecurring basis as of December 31, 2014:

- $1.6 billion related to consumer loans that were reclassified to held-for-sale during the fourth quarter of 2014 subject to a lower of cost or fair value adjustment. These loans were classified as level 3, as they are valued based on JPMorgan Chase Bank, N.A.'s internal valuation methodology;
- $767 million related to residential real estate loans carried 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 8% to 66%, with a weighted average of 26%.

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 years ended December 31, 2014, 2013 and 2012, related to financial instruments held at those dates were losses of $575 million, $678 million and $1.5 billion, respectively; these reductions were predominantly associated with loans.

For further 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.

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

U.S. GAAP requires disclosure of the estimated fair value of certain financial instruments, and the methods and significant assumptions used to estimate their fair value. Financial instruments within the scope of these disclosure requirements are included in the following table. However, certain financial instruments and all nonfinancial instruments are excluded from the scope of these disclosure requirements. Accordingly, the fair value disclosures provided in the following table include only a partial estimate of the fair value of JPMorgan Chase Bank, N.A.'s assets and liabilities. For example, JPMorgan Chase Bank, N.A. has developed long-term relationships with its customers through its deposit base and credit card accounts, commonly referred to as core deposit intangibles and credit card relationships. In the opinion of management, these items, in the aggregate, add significant value to JPMorgan Chase Bank, N.A., but their fair value is not disclosed in this Note.

Financial instruments for which carrying value approximates fair value

Certain financial instruments that are not carried at fair value on the Consolidated balance sheets are carried at amounts that approximate fair value, due to their short-term nature and generally negligible credit risk. These instruments include cash and due from banks; deposits with banks; federal funds sold; securities purchased under resale agreements and securities borrowed with short-dated maturities; short-term receivables and accrued interest receivable; commercial paper; federal funds purchased; securities loaned and sold under repurchase agreements with short-dated maturities; other borrowed funds; accounts payable; and accrued liabilities. In addition, U.S. GAAP requires that the fair value of deposit liabilities with no stated maturity (i.e., demand, savings and certain money market deposits) be equal to their carrying value; recognition of the inherent funding value of these instruments is not permitted.

The following table presents by fair value hierarchy classification the carrying values and estimated fair values at December 31, 2014 and 2013, of financial assets and liabilities, excluding financial instruments which are carried at fair value on a recurring basis. 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 pages 13–17 of this Note.

	December 31, 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	**$ 26.6**	**$ 26.6**	**$ –**	**$ –**	**$ 26.6**	$ 39.0	$ 39.0	$ –	$ –	$ 39.0
Deposits with banks	**471.4**	**466.7**	**4.8**	**–**	**471.5**	308.2	301.2	7.0	–	308.2
Accrued interest and accounts receivable	**38.8**	**–**	**38.7**	**0.1**	**38.8**	47.1	–	46.8	0.3	47.1
Federal funds sold and securities purchased under resale agreements	**126.9**	**–**	**126.9**	**–**	**126.9**	171.5	–	171.5	–	171.5
Securities borrowed	**31.2**	**–**	**31.2**	**–**	**31.2**	36.1	–	36.1	–	36.1
Securities, held-to-maturity[(a)]	**49.3**	**–**	**51.2**	**–**	**51.2**	24.0	–	23.7	–	23.7
Loans, net of allowance for loan losses[(b)]	**638.0**	**–**	**24.0**	**617.3**	**641.3**	617.7	–	26.0	590.6	616.6
Other[(c)]	**43.6**	**–**	**41.9**	**2.6**	**44.5**	37.5	–	35.1	3.1	38.2
Financial liabilities										
Deposits	**$ 1,430.4**	**$ –**	**$ 1,429.5**	**$ 1.2**	**$ 1,430.7**	$ 1,319.4	$ –	$ 1,318.3	$ 1.2	$ 1,319.5
Federal funds purchased and securities loaned or sold under repurchase agreements	**93.6**	**–**	**93.6**	**–**	**93.6**	107.5	–	107.5	–	107.5
Other borrowed funds	**30.4**		**30.4**	**–**	**30.4**	20.4	–	20.4	–	20.4
Accounts payable and other liabilities	**55.1**	**–**	**52.7**	**2.2**	**54.9**	53.8	–	52.4	1.4	53.8
Beneficial interests issued by consolidated VIEs	**18.6**	**–**	**16.6**	**2.0**	**18.6**	19.7	–	17.5	2.2	19.7
Long-term debt and junior subordinated deferrable interest debentures[(d)]	**87.3**	**–**	**84.5**	**3.8**	**88.3**	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 13–17.

(c) Current period amounts 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.

	December 31, 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**	**$ –**	**$ –**	**$ 1.6**	**$ 1.6**	$ 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 page 15 of this Note.

Trading assets and liabilities

Trading assets include debt and equity instruments owned by JPMorgan Chase Bank, N.A. ("long" positions) that are held for client market-making and client-driven activities, as well as for certain risk management activities, certain loans managed on a fair value basis and for which JPMorgan Chase Bank, N.A. has elected the fair value option, and physical commodities inventories that are generally accounted for at the lower of cost or market (market approximates fair value). Trading liabilities include debt and equity instruments that JPMorgan Chase Bank, N.A. has sold to other parties but does not own ("short" positions). JPMorgan Chase Bank, N.A. is obligated to purchase instruments at a future date to cover the short positions. Included in trading assets and trading liabilities are the reported receivables (unrealized gains) and payables (unrealized losses) related to derivatives. Trading assets and liabilities are carried at fair value on the Consolidated balance sheets. Balances reflect the reduction of securities owned (long positions) by the amount of identical securities sold but not yet purchased (short positions).

Trading assets and liabilities – average balances

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

Year ended December 31, (in millions)	**2014**	2013	2012
Trading assets – debt and equity instruments	**$ 203,363**	$ 217,809	$ 230,907
Trading assets – derivative receivables	**63,335**	68,400	78,924
Trading liabilities – debt and equity instruments[a]	**55,194**	52,633	48,044
Trading liabilities – derivative payables	**52,408**	60,379	78,783

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

Note 5 – Fair value option

The fair value option provides an option to elect fair value as an alternative measurement for selected financial assets, financial liabilities, unrecognized firm commitments, and written loan commitments not previously carried at fair value.

JPMorgan Chase Bank, N.A. has elected to measure certain instruments at fair value in order to:

- Mitigate income statement volatility caused by the differences in the measurement basis of elected instruments (for example, certain instruments elected were previously accounted for on an accrual basis) while the associated risk management arrangements are accounted for on a fair value basis;
- Eliminate the complexities of applying certain accounting models (e.g., hedge accounting or bifurcation accounting for hybrid instruments); and/or
- Better reflect those instruments that are managed on a fair value basis.

JPMorgan Chase Bank, N.A. has elected to measure the following instruments at fair value:

- Loans purchased or originated as part of securitization warehousing activity, subject to bifurcation accounting, or managed on a fair value basis.
- Securities financing arrangements with an embedded derivative and/or a maturity of greater than one year.
- Owned beneficial interests in securitized financial assets that contain embedded credit derivatives, which would otherwise be required to be separately accounted for as a derivative instrument.
- Certain investments that receive tax credits and other equity investments acquired as part of the Washington Mutual transaction.

- Structured notes issued as part of corporate & investment banking business's client-driven activities. (Structured notes are predominantly financial instruments that contain embedded derivatives.)
- Long-term beneficial interests issued by corporate & investment banking business's consolidated securitization trusts where the underlying assets are carried at fair value.

Changes in fair value under the fair value option election

The following table presents the changes in fair value included in the Consolidated statements of income for the years ended December 31, 2014, 2013 and 2012, 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.

	2014			2013			2012		
December 31, (in millions)	Principal transactions	All other income	Total changes in fair value recorded	Principal transactions	All other income	Total changes in fair value recorded	Principal transactions	All other income	Total changes in fair value recorded
Federal funds sold and securities purchased under resale agreements	$ (27)	$ –	$ (27)	$ (324)	$ –	$ (324)	$ 2	$ –	$ 2
Securities borrowed	(10)	–	(10)	10	–	10	10	–	10
Trading assets:									
Debt and equity instruments, excluding loans	711	–	711	274	7	281	398	7	405
Loans reported as trading assets:									
Changes in instrument-specific credit risk	506	29 (c)	535	829	23 (c)	852	1,078	81 (c)	1,159
Other changes in fair value	345	1,353 (c)	1,698	(239)	1,833 (c)	1,594	(185)	7,670 (c)	7,485
Loans:									
Changes in instrument-specific credit risk	44	–	44	22	–	22	(35)	–	(35)
Other changes in fair value	29	–	29	23	–	23	3	–	3
Other assets	–	(102) (d)	(102)	–	(144) (d)	(144)	–	(158) (d)	(158)
Deposits[(a)]	(295)	–	(295)	260	–	260	(197)	–	(197)
Federal funds purchased and securities loaned or sold under repurchase agreements	(21)	–	(21)	59	–	59	(21)	–	(21)
Other borrowed funds[(a)]	(949)	–	(949)	941	–	941	361	–	361
Trading liabilities	(17)	–	(17)	(46)	–	(46)	(41)	–	(41)
Beneficial interests issued by consolidated VIEs	(3)	–	(3)	(15)	–	(15)	(4)	–	(4)
Other liabilities	–	–	–	–	2	2	–	–	–
Long-term debt:									
Changes in instrument-specific credit risk[(a)]	101	–	101	(271)	–	(271)	(835)	–	(835)
Other changes in fair value[(b)]	(374)	–	(374)	(68)	–	(68)	(813)	–	(813)

(a) Total changes in instrument-specific credit risk (DVA) related to structured notes were $20 million, $(337) million and $(340) million for the years ended December 31, 2014, 2013 and 2012, respectively. These totals include such changes for structured notes classified within deposits and other borrowed funds, as well as long-term debt.
(b) Structured notes are predominantly financial instruments containing embedded derivatives. Where present, the embedded derivative is the primary driver of risk. Although the risk associated with the structured notes is actively managed, the gains/(losses) reported in this table do not include the income statement impact of the risk management instruments used to manage such risk.
(c) Reported in mortgage fees and related income.
(d) Reported in other income.

Determination of instrument-specific credit risk for items for which a fair value election was made

The following describes how the gains and losses included in earnings that are attributable to changes in instrument-specific credit risk, were determined.

- Loans and lending-related commitments: For floating-rate instruments, all changes in value are attributed to instrument-specific credit risk. For fixed-rate instruments, an allocation of the changes in value for the period is made between those changes in value that are interest rate-related and changes in value that are credit-related. Allocations are generally based on an analysis of borrower-specific credit spread and recovery information, where available, or benchmarking to similar entities or industries.
- Long-term debt: Changes in value attributable to instrument-specific credit risk were derived principally from observable changes in JPMorgan Chase Bank, N.A.'s credit spread.
- Resale and repurchase agreements, securities borrowed agreements and securities lending agreements: Generally, for these types of agreements, there is a requirement that collateral be maintained with a market value equal to or in excess of the principal amount loaned; as a result, there would be no adjustment or an immaterial adjustment for instrument-specific credit risk related to these agreements.

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

	2014			2013		
December 31, (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	**$ 2,097**	**$ 457**	**$ (1,640)**	$ 2,833	$ 899	$ (1,934)
Loans	**—**	**—**	**—**	7	3	(4)
Subtotal	**2,097**	**457**	**(1,640)**	2,840	902	(1,938)
All other performing loans						
Loans reported as trading assets	**32,314**	**32,031**	**(283)**	27,785	26,868	(917)
Loans	**2,290**	**2,283**	**(7)**	1,204	1,179	(25)
Total loans	**$ 36,701**	**$ 34,771**	**$ (1,930)**	$ 31,829	$ 28,949	$ (2,880)
Long-term debt						
Principal-protected debt	**$ 3,111** (c)	**$ 3,064**	**$ (47)**	$ 3,943 (c)	$ 3,641	$ (302)
Nonprincipal-protected debt[(b)]	**NA**	**11,072**	**NA**	NA	12,386	NA
Total long-term debt	**NA**	**$ 14,136**	**NA**	NA	$ 16,027	NA
Long-term beneficial interests						
Nonprincipal-protected debt[(b)]	**NA**	**$ 18**	**NA**	NA	$ 40	NA
Total long-term beneficial interests	**NA**	**$ 18**	**NA**	NA	$ 40	NA

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

(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 December 31, 2014 and 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 $(147) million and $(99) million, respectively. For further information regarding off-balance sheet lending-related financial instruments, see Note 27.

Note 6 – Credit risk concentrations

Concentrations of credit risk arise when a number of customers are engaged in similar business activities or activities in the same geographic region, or when they have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic conditions.

JPMorgan Chase Bank, N.A. regularly monitors various segments of its credit portfolios to assess potential concentration risks and to obtain collateral when deemed necessary. Senior management is significantly involved in the credit approval and review process, and risk levels are adjusted as needed to reflect JPMorgan Chase Bank, N.A.'s risk appetite.

In JPMorgan Chase Bank, N.A.'s consumer portfolio, concentrations are evaluated primarily by product and by U.S. geographic region, with a key focus on trends and concentrations at the portfolio level, where potential risk concentrations can be remedied through changes in underwriting policies and portfolio guidelines. In the wholesale portfolio, risk concentrations are evaluated primarily by industry and monitored regularly on both an aggregate portfolio level and on an individual customer basis. JPMorgan Chase Bank, N.A.'s wholesale exposure is managed through loan syndications and participations, loan sales, securitizations, credit derivatives, master netting agreements, and collateral and other risk-reduction techniques. For additional information on loans, see Note 15.

JPMorgan Chase Bank, N.A. does not believe that its exposure to any particular loan product (e.g., option adjustable rate mortgages ("ARMs")), industry segment (e.g., commercial real estate) or its exposure to residential real estate loans with high loan-to-value ratios results in a significant concentration of credit risk. Terms of loan products and collateral coverage are included in JPMorgan Chase Bank, N.A.'s assessment when extending credit and establishing its allowance for loan losses.

The table below presents both on–balance sheet and off–balance sheet consumer and wholesale-related credit exposure by JPMorgan Chase Bank, N.A.'s three credit portfolio segments as of December 31, 2014 and 2013.

	2014				2013			
	Credit exposure	On-balance sheet		Off-balance sheet[d]	Credit exposure	On-balance sheet		Off-balance sheet[d]
December 31, (in millions)		Loans	Derivatives			Loans	Derivatives	
Total consumer, excluding credit card	**$ 347,479**	**$ 289,294**	**$ –**	**$ 58,185**	$ 337,064	$ 280,995	$ –	$ 56,069
Total credit card	**60,990**	**31,925**	**–**	**29,065**	64,794	30,950	–	33,844
Total consumer	**408,469**	**321,219**	**–**	**87,250**	401,858	311,945	–	89,913
Wholesale-related								
Real Estate	**107,348**	**79,075**	**333**	**27,940**	86,988	69,037	460	17,491
Banks & Finance Cos	**67,738**	**24,240**	**21,848**	**21,650**	66,840	25,456	18,888	22,496
Healthcare	**56,874**	**13,010**	**4,580**	**39,284**	45,078	12,514	3,202	29,362
Oil & Gas	**47,722**	**15,503**	**1,409**	**30,810**	45,421	14,215	875	30,331
Consumer Products	**37,657**	**10,506**	**593**	**26,558**	34,081	9,070	704	24,307
Asset Managers	**35,045**	**8,038**	**9,569**	**17,438**	31,423	5,576	7,173	18,674
State & Municipal Govt	**30,316**	**6,247**	**3,893**	**20,176**	33,642	6,901	3,171	23,570
Retail & Consumer Services	**28,111**	**7,655**	**346**	**20,110**	24,876	7,379	242	17,255
Utilities	**27,007**	**4,622**	**1,563**	**20,822**	27,694	5,378	1,163	21,153
Central Govt	**21,081**	**1,081**	**11,819**	**8,181**	21,049	1,754	9,998	9,297
Technology	**20,965**	**4,718**	**1,341**	**14,906**	20,358	4,396	1,392	14,570
Machinery & Equipment Mfg	**20,564**	**6,528**	**553**	**13,483**	19,070	5,961	476	12,633
Transportation	**16,317**	**9,068**	**690**	**6,559**	13,868	6,769	621	6,478
Metals/Mining	**15,864**	**5,617**	**599**	**9,648**	17,429	5,821	560	11,048
Business Services	**15,195**	**4,861**	**456**	**9,878**	14,549	4,467	594	9,488
All other[a]	**319,093**	**123,558**	**17,372**	**178,163**	309,398	122,871	14,852	171,675
Subtotal	**866,897**	**324,327**	**76,964**	**465,606**	811,764	307,565	64,371	439,828
Loans held-for-sale and loans at fair value	**6,084**	**6,084**	**–**	**–**	12,472	12,472	–	–
Receivables from customers and other[b]	**542**	**–**	**–**	**–**	528	–	–	–
Total wholesale-related	**873,523**	**330,411**	**76,964**	**465,606**	824,764	320,037	64,371	439,828
Total exposure[c]	**$ 1,281,992**	**$ 651,630**	**$ 76,964**	**$ 552,856**	$ 1,226,622	$ 631,982	$ 64,371	$ 529,741

(a) For more information on exposures to SPEs included within All other, see Note 17.
(b) Primarily consists of margin loans to prime brokerage customers that are generally over-collateralized through a pledge of assets maintained in clients' brokerage accounts and are subject to daily minimum collateral requirements. As a result of JPMorgan Chase Bank, N.A.'s credit risk mitigation practices, JPMorgan Chase Bank, N.A. did not hold any reserves for credit impairment on these receivables.
(c) For further information regarding on–balance sheet credit concentrations by major product and/or geography, see Note 7 and Note 15. For information regarding concentrations of off–balance sheet lending-related financial instruments by major product, see Note 27.
(d) Represents lending-related financial instruments.

Note 7 – Derivative instruments

Derivative instruments enable end-users to modify or mitigate exposure to credit or market risks. Counterparties to a derivative contract seek to obtain risks and rewards similar to those that could be obtained from purchasing or selling a related cash instrument without having to exchange upfront the full purchase or sales price. JPMorgan Chase Bank, N.A. makes markets in derivatives for customers and also uses derivatives to hedge or manage its own risk exposures. Predominantly all of JPMorgan Chase Bank, N.A.'s derivatives are entered into for market-making or risk management purposes.

Market-making derivatives

The majority of JPMorgan Chase Bank, N.A.'s derivatives are entered into for market-making purposes. Customers use derivatives to mitigate or modify interest rate, credit, foreign exchange, equity and commodity risks. JPMorgan Chase Bank, N.A. actively manages the risks from its exposure to these derivatives by entering into other derivative transactions or by purchasing or selling other financial instruments that partially or fully offset the exposure from client derivatives. JPMorgan Chase Bank, N.A. also seeks to earn a spread between the client derivatives and offsetting positions, and from the remaining open risk positions.

Risk management derivatives

JPMorgan Chase Bank, N.A. manages its market risk exposures using various derivative instruments.

Interest rate contracts are used to minimize fluctuations in earnings that are caused by changes in interest rates. Fixed-rate assets and liabilities appreciate or depreciate in market value as interest rates change. Similarly, interest income and expense increases or decreases as a result of variable-rate assets and liabilities resetting to current market rates, and as a result of the repayment and subsequent origination or issuance of fixed-rate assets and liabilities at current market rates. Gains or losses on the derivative instruments that are related to such assets and liabilities are expected to substantially offset this variability in earnings. JPMorgan Chase Bank, N.A. generally uses interest rate swaps, forwards and futures to manage the impact of interest rate fluctuations on earnings.

Foreign currency forward contracts are used to manage the foreign exchange risk associated with certain foreign currency–denominated (i.e., non-U.S. dollar) assets and liabilities and forecasted transactions, as well as JPMorgan Chase Bank, N.A.'s net investments in certain non-U.S. subsidiaries or branches whose functional currencies are not the U.S. dollar. As a result of fluctuations in foreign currencies, the U.S. dollar–equivalent values of the foreign currency–denominated assets and liabilities or forecasted revenue or expense increase or decrease. Gains or losses on the derivative instruments related to these foreign currency–denominated assets or liabilities, or forecasted transactions, are expected to substantially offset this variability.

Commodities contracts are used to manage the price risk of certain commodities inventories. Gains or losses on these derivative instruments are expected to substantially offset the depreciation or appreciation of the related inventory.

Credit derivatives are used to manage the counterparty credit risk associated with loans and lending-related commitments. Credit derivatives compensate the purchaser when the entity referenced in the contract experiences a credit event, such as bankruptcy or a failure to pay an obligation when due. Credit derivatives primarily consist of credit default swaps. For a further discussion of credit derivatives, see the discussion in the Credit derivatives section on pages 45–48 of this Note.

For more information about risk management derivatives, see the risk management derivatives gains and losses table on page 45 of this Note, and the hedge accounting gains and losses tables on pages 43–45 of this Note.

Derivative counterparties and settlement types

JPMorgan Chase Bank, N.A. enters into over-the-counter ("OTC") derivatives with third parties and JPMorgan Chase affiliates, which are negotiated and settled bilaterally with the derivative counterparty. JPMorgan Chase Bank, N.A. also enters into, as principal, certain exchange-traded derivatives ("ETD") such as futures and options, and "cleared" over-the-counter ("OTC-cleared") derivative contracts with central counterparties ("CCPs"). ETD contracts are generally standardized contracts traded on an exchange and cleared by the CCP, which is the counterparty from the inception of the transactions. OTC-cleared derivatives are traded on a bilateral basis and then novated to the CCP for clearing.

Derivative Clearing Services

JPMorgan Chase Bank, N.A. provides clearing services for clients where JPMorgan Chase Bank, N.A. acts as a clearing member with respect to certain derivative exchanges and clearinghouses. JPMorgan Chase Bank, N.A. does not reflect the clients' derivative contracts in its Consolidated Financial Statements. For further information on JPMorgan Chase Bank, N.A.'s clearing services, see Note 27.

Accounting for derivatives

All free-standing derivatives that JPMorgan Chase Bank, N.A. executes for its own account are required to be recorded on the Consolidated balance sheets at fair value.

As permitted under U.S. GAAP, JPMorgan Chase Bank, N.A. nets derivative assets and liabilities, and the related cash collateral receivables and payables, when a legally enforceable master netting agreement exists between JPMorgan Chase Bank, N.A. and the derivative counterparty. For further discussion of the offsetting of assets and liabilities, see Note 1. The accounting for changes in value of a derivative depends on whether or not the transaction

has been designated and qualifies for hedge accounting. Derivatives that are not designated as hedges are reported and measured at fair value through earnings. The tabular disclosures on pages 39–45 of this Note provide additional information on the amount of, and reporting for, derivative assets, liabilities, gains and losses. For further discussion of derivatives embedded in structured notes, see Notes 4 and 5.

Derivatives designated as hedges
JPMorgan Chase Bank, N.A. applies hedge accounting to certain derivatives executed for risk management purposes – generally interest rate, foreign exchange and commodity derivatives. However, JPMorgan Chase Bank, N.A. does not seek to apply hedge accounting to all of the derivatives involved in it's risk management activities. For example, JPMorgan Chase Bank, N.A. does not apply hedge accounting to purchased credit default swaps used to manage the credit risk of loans and lending-related commitments, because of the difficulties in qualifying such contracts as hedges. For the same reason, JPMorgan Chase Bank, N.A. does not apply hedge accounting to certain interest rate and commodity derivatives used for risk management purposes.

To qualify for hedge accounting, a derivative must be highly effective at reducing the risk associated with the exposure being hedged. In addition, for a derivative to be designated as a hedge, the risk management objective and strategy must be documented. Hedge documentation must identify the derivative hedging instrument, the asset or liability or forecasted transaction and type of risk to be hedged, and how the effectiveness of the derivative is assessed prospectively and retrospectively. To assess effectiveness, JPMorgan Chase Bank, N.A. uses statistical methods such as regression analysis, as well as nonstatistical methods including dollar-value comparisons of the change in the fair value of the derivative to the change in the fair value or cash flows of the hedged item. The extent to which a derivative has been, and is expected to continue to be, effective at offsetting changes in the fair value or cash flows of the hedged item must be assessed and documented at least quarterly. Any hedge ineffectiveness (i.e., the amount by which the gain or loss on the designated derivative instrument does not exactly offset the change in the hedged item attributable to the hedged risk) must be reported in current-period earnings. If it is determined that a derivative is not highly effective at hedging the designated exposure, hedge accounting is discontinued.

There are three types of hedge accounting designations: fair value hedges, cash flow hedges and net investment hedges. JPMorgan Chase Bank, N.A. uses fair value hedges primarily to hedge fixed-rate long-term debt, AFS securities and certain commodities inventories. For qualifying fair value hedges, the changes in the fair value of the derivative, and in the value of the hedged item for the risk being hedged, are recognized in earnings. If the hedge relationship is terminated, then the adjustment to the hedged item continues to be reported as part of the basis of the hedged item and for interest-bearing instruments is amortized to earnings as a yield adjustment. Derivative amounts affecting earnings are recognized consistent with the classification of the hedged item – primarily net interest income and principal transactions revenue.

JPMorgan Chase Bank, N.A. uses cash flow hedges primarily to hedge the exposure to variability in forecasted cash flows from floating-rate assets and liabilities and foreign currency–denominated revenue and expense. For qualifying cash flow hedges, the effective portion of the change in the fair value of the derivative is recorded in OCI and recognized in the Consolidated statements of income when the hedged cash flows affect earnings. Derivative amounts affecting earnings are recognized consistent with the classification of the hedged item – primarily interest income, interest expense, noninterest revenue and compensation expense. The ineffective portions of cash flow hedges are immediately recognized in earnings. If the hedge relationship is terminated, then the value of the derivative recorded in accumulated other comprehensive income/(loss) ("AOCI") is recognized in earnings when the cash flows that were hedged affect earnings. For hedge relationships that are discontinued because a forecasted transaction is not expected to occur according to the original hedge forecast, any related derivative values recorded in AOCI are immediately recognized in earnings.

JPMorgan Chase Bank, N.A. uses foreign currency hedges to protect the value of it's net investments in certain non-U.S. subsidiaries or branches whose functional currencies are not the U.S. dollar. For foreign currency qualifying net investment hedges, changes in the fair value of the derivatives are recorded in the translation adjustments account within AOCI.

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	Page reference
Manage specifically identified risk exposures in qualifying hedge accounting relationships:			
◦ Interest rate	Hedge fixed rate assets and liabilities	Fair value hedge	43
◦ Interest rate	Hedge floating rate assets and liabilities	Cash flow hedge	44
◦ Foreign exchange	Hedge foreign currency-denominated assets and liabilities	Fair value hedge	43
◦ Foreign exchange	Hedge forecasted revenue and expense	Cash flow hedge	44
◦ Foreign exchange	Hedge the value of JPMorgan Chase Bank, N.A.'s investments in non-U.S. subsidiaries	Net investment hedge	45
◦ Commodity	Hedge commodity inventory	Fair value hedge	43
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	45
◦ Credit	Manage the credit risk of wholesale lending exposures	Specified risk management	45
◦ Commodity	Manage the risk of certain commodities-related contracts and investments	Specified risk management	45
◦Interest rate and foreign exchange	Manage the risk of certain other specified assets and liabilities	Specified risk management	45
Market-making derivatives and other activities:			
• Various	Market-making and related risk management	Market-making and other	45
• Various	Other derivatives[a]	Market-making and other	45

(a) Other derivatives included the synthetic credit portfolio. The synthetic credit portfolio was a portfolio of index credit derivatives, including short and long positions, that was originally held by CIO. On July 2, 2012, CIO transferred the synthetic credit portfolio, other than a portion that aggregated to a notional amount of approximately $12 billion, to the corporate & investment banking business; these retained positions were effectively closed out during the third quarter of 2012. The corporate & investment banking business effectively sold the positions that had been transferred to it by the end of 2014. The results of the synthetic credit portfolio, including the portion transferred to the corporate & investment banking business, have been included in the gains and losses on derivatives related to market-making activities and other derivatives category discussed on page 45 of this Note.

Notional amount of derivative contracts

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

	Notional amounts[c]	
December 31, (in billions)	**2014**	2013
Interest rate contracts		
Swaps	**$ 29,980**	$ 35,378
Futures and forwards	**9,840**	10,835
Written options[a]	**3,913**	4,052
Purchased options	**4,259**	4,191
Total interest rate contracts	**47,992**	54,456
Credit derivatives[a][b]	**4,247**	5,334
Foreign exchange contracts		
Cross-currency swaps	**3,355**	3,498
Spot, futures and forwards	**4,675**	3,779
Written options	**790**	659
Purchased options	**780**	652
Total foreign exchange contracts	**9,600**	8,588
Equity contracts		
Swaps[a]	**306**	252
Futures and forwards[a]	**37**	34
Written options	**480**	392
Purchased options	**431**	339
Total equity contracts	**1,254**	1,017
Commodity contracts		
Swaps	**132**	137
Spot, futures and forwards	**163**	172
Written options	**180**	198
Purchased options	**178**	193
Total commodity contracts	**653**	700
Total derivative notional amounts	**$ 63,746**	$ 70,095

(a) 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.
(b) For more information on volumes and types of credit derivative contracts, see the Credit derivatives discussion on pages 45–48 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 22.

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 tables below include derivative receivables and payables with affiliates on a net basis. See Note 22 for information regarding our derivative activities with affiliates.

The following table summarizes information on derivative receivables and payables that are reflected on JPMorgan Chase Bank, N.A.'s Consolidated balance sheets as of December 31, 2014 and 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			
December 31, 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	**$ 954,682**	**$ 1,004**	**$ 955,686**	**$ 33,339**	**$ 924,482**	**$ 2,790**	**$ 927,272**	**$ 20,814**
Credit	**76,868**	**—**	**76,868**	**1,864**	**76,397**	**—**	**76,397**	**2,095**
Foreign exchange	**205,257**	**3,634**	**208,891**	**21,223**	**219,084**	**54**	**219,138**	**23,760**
Equity	**43,946**	**—**	**43,946**	**8,173**	**47,835**	**—**	**47,835**	**11,852**
Commodity	**39,496**	**502**	**39,998**	**12,365**	**40,370**	**163**	**40,533**	**14,447**
Total fair value of trading assets and liabilities	**$ 1,320,249**	**$ 5,140**	**$ 1,325,389**	**$ 76,964**	**$ 1,308,168**	**$ 3,007**	**$ 1,311,175**	**$ 72,968**

	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 December 31, 2014 and 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.

	2014			2013		
December 31, (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:						
OTC	**$ 548,072**	**$ (521,168)**	**$ 26,904**	$ 487,151	$ (466,428)	$ 20,723
OTC-cleared	**401,217**	**(401,179)**	**38**	362,011	(361,867)	144
Exchange-traded[(a)]	**–**	**–**	**–**	–	–	–
Total interest rate contracts	**949,289**	**(922,347)**	**26,942**	849,162	(828,295)	20,867
Credit contracts:						
OTC	**66,664**	**(65,720)**	**944**	66,463	(65,724)	739
OTC-cleared	**9,320**	**(9,284)**	**36**	16,841	(16,279)	562
Total credit contracts	**75,984**	**(75,004)**	**980**	83,304	(82,003)	1,301
Foreign exchange contracts:						
OTC	**202,532**	**(187,634)**	**14,898**	149,007	(136,531)	12,476
OTC-cleared	**36**	**(34)**	**2**	46	(46)	–
Exchange-traded[(a)]	**–**	**–**	**–**	–	–	–
Total foreign exchange contracts	**202,568**	**(187,668)**	**14,900**	149,053	(136,577)	12,476
Equity contracts:						
OTC	**23,455**	**(22,826)**	**629**	31,956	(29,289)	2,667
OTC-cleared	**–**	**–**	**–**	–	–	–
Exchange-traded[(a)]	**15,101**	**(12,947)**	**2,154**	15,678	(9,573)	6,105
Total equity contracts	**38,556**	**(35,773)**	**2,783**	47,634	(38,862)	8,772
Commodity contracts:						
OTC	**19,740**	**(12,563)**	**7,177**	20,079	(15,393)	4,686
OTC-cleared	**–**	**–**	**–**	–	–	–
Exchange-traded[(a)]	**19,200**	**(15,070)**	**4,130**	8,973	(7,746)	1,227
Total commodity contracts	**38,940**	**(27,633)**	**11,307**	29,052	(23,139)	5,913
Derivative receivables with appropriate legal opinion	**$ 1,305,337**	**$ (1,248,425)** [(b)]	**$ 56,912**	$ 1,158,205	$ (1,108,876) [(b)]	$ 49,329
Derivative receivables where an appropriate legal opinion has not been either sought or obtained	**20,052**		**20,052**	15,042		15,042
Total derivative receivables recognized on the Consolidated balance sheets	**$ 1,325,389**		**$ 76,964**	$ 1,173,247		$ 64,371

(a) Exchange-traded derivative amounts that relate to futures contracts are settled daily.
(b) Included cash collateral netted of $73.9 billion and $63.5 billion at December 31, 2014, and 2013, respectively.

The following table presents, as of December 31, 2014 and 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.

	2014			2013		
December 31, (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	**$ 525,276**	**$ (509,647)**	**$ 15,629**	$ 467,852	$ (458,078)	$ 9,774
OTC–cleared	**398,079**	**(396,811)**	**1,268**	354,282	(353,574)	708
Exchange-traded[(a)]	**—**	**—**	**—**	—	—	—
Total interest rate contracts	**923,355**	**(906,458)**	**16,897**	822,134	(811,652)	10,482
Credit contracts:						
OTC	**65,937**	**(64,904)**	**1,033**	64,959	(63,671)	1,288
OTC–cleared	**9,398**	**(9,398)**	**—**	17,107	(16,450)	657
Total credit contracts	**75,335**	**(74,302)**	**1,033**	82,066	(80,121)	1,945
Foreign exchange contracts:						
OTC	**212,643**	**(195,312)**	**17,331**	155,226	(144,119)	11,107
OTC–cleared	**66**	**(66)**	**—**	61	(59)	2
Exchange-traded[(a)]	**—**	**—**	**—**	—	—	—
Total foreign exchange contracts	**212,709**	**(195,378)**	**17,331**	155,287	(144,178)	11,109
Equity contracts:						
OTC	**28,041**	**(23,036)**	**5,005**	33,233	(28,521)	4,712
OTC–cleared	**—**	**—**	**—**	—	—	—
Exchange-traded[(a)]	**14,325**	**(12,947)**	**1,378**	15,507	(9,573)	5,934
Total equity contracts	**42,366**	**(35,983)**	**6,383**	48,740	(38,094)	10,646
Commodity contracts:						
OTC	**20,618**	**(11,016)**	**9,602**	20,368	(15,021)	5,347
OTC–cleared	**—**	**—**	**—**	—	—	—
Exchange-traded[(a)]	**18,078**	**(15,070)**	**3,008**	8,756	(7,746)	1,010
Total commodity contracts	**38,696**	**(26,086)**	**12,610**	29,124	(22,767)	6,357
Derivative payables with appropriate legal opinions	**$ 1,292,461**	**$ (1,238,207)** [(b)]	**$ 54,254**	$ 1,137,351	$ (1,096,812) [(b)]	$ 40,539
Derivative payables where an appropriate legal opinion has not been either sought or obtained	**18,714**		**18,714**	13,056		13,056
Total derivative payables recognized on the Consolidated balance sheets	**$ 1,311,175**		**$ 72,968**	$ 1,150,407		$ 53,595

(a) Exchange-traded derivative balances that relate to futures contracts are settled daily.
(b) Included cash collateral netted of $63.7 billion and $51.4 billion related to OTC and OTC-cleared derivatives at December 31, 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 December 31, 2014 and 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

	2014			2013		
December 31, (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	**$ 56,912**	**$ (16,032)** [(a)]	**$ 40,880**	$ 49,329	$ (12,065) [(a)]	$ 37,264

Derivative payable collateral[(b)]

	2014			2013		
December 31, (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	**$ 54,254**	**$ (10,505)** [(a)]	**$ 43,749**	$ 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

In addition to the specific market risks introduced by each derivative contract type, derivatives expose JPMorgan Chase Bank, N.A. to credit risk — the risk that derivative counterparties may fail to meet their payment obligations under the derivative contracts and the collateral, if any, held by JPMorgan Chase Bank, N.A. proves to be of insufficient value to cover the payment obligation. It is the policy of JPMorgan Chase Bank, N.A. to actively pursue, where possible, the use of legally enforceable master netting arrangements and collateral agreements to mitigate derivative counterparty credit risk. The amount of derivative receivables reported on the Consolidated balance sheets is the fair value of the derivative contracts after giving effect to legally enforceable master netting agreements and cash collateral held by JPMorgan Chase Bank, N.A.

While derivative receivables expose JPMorgan Chase Bank, N.A. to credit risk, derivative payables expose JPMorgan Chase Bank, N.A. to liquidity risk, as the derivative contracts typically require JPMorgan Chase Bank, N.A. to post cash or securities collateral with counterparties as the fair value of the contracts moves in the counterparties' favor or upon specified downgrades in JPMorgan Chase Bank, N.A.'s and its subsidiaries' respective credit ratings. Certain derivative contracts also provide for termination of the contract, generally upon a downgrade of either JPMorgan Chase Bank, N.A. or the counterparty, at the fair value of the derivative contracts. The following table shows the aggregate fair value of net derivative payables related to OTC and OTC-cleared derivatives that contain contingent collateral or termination features that may be triggered upon a ratings downgrade, and the associated collateral JPMorgan Chase Bank, N.A. has posted in the normal course of business, at December 31, 2014 and 2013.

OTC and OTC-cleared derivative payables containing downgrade triggers

December 31, (in millions)	**2014**	2013
Aggregate fair value of net derivative payables	**$ 31,882**	$ 23,903
Collateral posted	**27,282**	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 December 31, 2014 and 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

	2014		2013	
December 31, (in millions)	Single-notch downgrade	Two-notch downgrade	Single-notch downgrade	Two-notch downgrade
Amount of additional collateral to be posted upon downgrade[(a)]	**$ 1,032**	**$ 3,297**	$ 944	$ 3,226
Amount required to settle contracts with termination triggers upon downgrade[(b)]	**366**	**1,388**	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 years ended December 31, 2014, 2013 and 2012, 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:	
Year ended December 31, 2014 (in millions)	Derivatives	Hedged items	Total income statement impact	Hedge ineffectiveness[(d)]	Excluded components[(e)]
Contract type					
Interest rate[(a)]	**$ (2,967)**	**$ 2,577**	**$ (390)**	**$ 55**	**$ (445)**
Foreign exchange[(b)]	**9,107**	**(9,434)**	**(327)**	**–**	**(327)**
Commodity[(c)]	**327**	**(149)**	**178**	**42**	**136**
Total	**$ 6,467**	**$ (7,006)**	**$ (539)**	**$ 97**	**$ (636)**

	Gains/(losses) recorded in income			Income statement impact due to:	
Year ended December 31, 2013 (in millions)	Derivatives	Hedged items	Total income statement impact	Hedge ineffectiveness[(d)]	Excluded components[(e)]
Contract type					
Interest rate[(a)]	$ 2,011	$ (2,363)	$ (352)	$ 2	$ (354)
Foreign exchange[(b)]	(556)	293	(263)	–	(263)
Commodity[(c)]	316	(1,160)	(844)	42	(886)
Total	$ 1,771	$ (3,230)	$ (1,459)	$ 44	$ (1,503)

	Gains/(losses) recorded in income			Income statement impact due to:	
Year ended December 31, 2012 (in millions)	Derivatives	Hedged items	Total income statement impact	Hedge ineffectiveness[(d)]	Excluded components[(e)]
Contract type					
Interest rate[(a)]	$ (1,187)	$ 1,152	$ (35)	$ 59	$ (94)
Foreign exchange[(b)]	(3,082)	2,911	(171)	–	(171)
Commodity[(c)]	(2,550)	1,167	(1,383)	117	(1,500)
Total	$ (6,819)	$ 5,230	$ (1,589)	$ 176	$ (1,765)

(a) Primarily consists of hedges of the benchmark (e.g., London Interbank Offered Rate ("LIBOR")) interest rate risk of fixed-rate 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 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 and net interest income.
(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) 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.
(e) The assessment of hedge effectiveness excludes certain components of the changes in fair values of the derivatives and hedged items such as forward points on foreign exchange forward contracts 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 years ended December 31, 2014, 2013 and 2012, 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]				
Year ended December 31, 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]	**$ 45**	**$ –**	**$ 45**	**$ 192**	**$ 147**
Foreign exchange[b]	**78**	**–**	**78**	**(92)**	**(170)**
Total	**$ 123**	**$ –**	**$ 123**	**$ 100**	**$ (23)**

	Gains/(losses) recorded in income and other comprehensive income/(loss)[c]				
Year ended December 31, 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]	$ 149	$ –	$ 149	$ (547)	$ (696)
Foreign exchange[b]	7	–	7	40	33
Total	$ 156	$ –	$ 156	$ (507)	$ (663)

	Gains/(losses) recorded in income and other comprehensive income/(loss)[c]				
Year ended December 31, 2012 (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]	$ 390	$ 5	$ 395	$ 186	$ (204)
Foreign exchange[b]	31	–	31	129	98
Total	$ 421	$ 5	$ 426	$ 315	$ (106)

(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 years ended December 31, 2014, 2013 or 2012.
(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 $29 million (after-tax) of net losses recorded in AOCI at December 31, 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 years ended December 31, 2014, 2013 and 2012.

	Gains/(losses) recorded in income and other comprehensive income/(loss)					
	2014		2013		2012	
Year ended December 31, (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	Excluded components recorded directly in income[(a)]	Effective portion recorded in OCI
Foreign exchange derivatives	**$ (394)**	**$ 1,413**	$ (340)	$ 817	$ (277)	$ (9)

(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 significant ineffectiveness for net investment hedge accounting relationships during 2014, 2013 and 2012.

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, AFS securities, foreign currency-denominated liabilities, and commodities-related contracts and investments.

	Derivatives gains/(losses) recorded in income		
Year ended December 31, (in millions)	**2014**	2013	2012
Contract type			
Interest rate[(a)]	**$ 2,308**	$ 617	$ 5,367
Credit[(b)]	**(58)**	(142)	(145)
Foreign exchange[(c)]	**(27)**	(18)	(35)
Total	**$ 2,223**	$ 457	$ 5,187

(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 assets and liabilities. Gains and losses were recorded in principal transactions revenue.

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

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 it's market-making activities, including the counterparty credit risk arising from derivative receivables. All derivatives not included in the hedge accounting or specified risk management categories above are included in this category. Gains and losses on these derivatives are primarily recorded in principal transactions revenue. See Note 8 for information on principal transactions revenue.

Credit derivatives

Credit derivatives are financial instruments whose value is derived from the credit risk associated with the debt of a third-party issuer (the reference entity) and which allow one party (the protection purchaser) to transfer that risk to another party (the protection seller). Credit derivatives expose the protection purchaser to the creditworthiness of the protection seller, as the protection seller is required to make payments under the contract when the reference entity experiences a credit event, such as a bankruptcy, a failure to pay its obligation or a restructuring. The seller of credit protection receives a premium for providing protection but has the risk that the underlying instrument referenced in the contract will be subject to a credit event.

JPMorgan Chase Bank, N.A. is both a purchaser and seller of protection in the credit derivatives market and uses these derivatives for two primary purposes. First, in its capacity as a market-maker, JPMorgan Chase Bank, N.A. actively manages a portfolio of credit derivatives by purchasing and selling credit protection, predominantly on corporate debt obligations, to meet the needs of customers. Second, as an end-user, JPMorgan Chase Bank, N.A. uses credit derivatives to manage credit risk associated with lending exposures (loans and unfunded commitments) and derivatives counterparty exposures in JPMorgan Chase Bank, N.A.'s wholesale businesses, and to manage the credit risk arising from certain financial instruments in JPMorgan Chase Bank, N.A.'s market-making businesses. Following is a summary of various types of credit derivatives.

Credit default swaps

Credit derivatives may reference the credit of either a single reference entity ("single-name") or a broad-based index. JPMorgan Chase Bank, N.A. purchases and sells protection on both single- name and index-reference obligations. Single-name CDS and index CDS contracts are typically OTC-cleared derivative contracts. Single-name CDS are used to manage the default risk of a single reference entity, while index CDS contracts are used to manage the credit risk associated with the broader credit markets or credit market segments. Like the S&P 500 and other market indices, a CDS index comprises a portfolio of CDS across many reference entities. New series of CDS indices are periodically established with a new underlying portfolio of reference entities to reflect changes in the credit markets. If one of the reference entities in the index experiences a credit event, then the reference entity that defaulted is removed from the index. CDS can also be referenced against specific portfolios of reference names or against customized exposure levels based on specific client demands: for example, to provide protection against the first $1 million of realized credit losses in a $10 million portfolio of exposure. Such structures are commonly known as tranche CDS.

For both single-name CDS contracts and index CDS contracts, upon the occurrence of a credit event, under the terms of a CDS contract neither party to the CDS contract 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 of the reference obligation at settlement of the credit derivative contract, also known as the recovery value. The protection purchaser does not need to hold the debt instrument of the underlying reference entity in order to receive amounts due under the CDS contract when a credit event occurs.

Credit-related notes

A credit-related note is a funded credit derivative where the issuer of the credit-related note purchases from the note investor credit protection on a reference entity or an index. Under the contract, the investor pays the issuer the par value of the note at the inception of the transaction, and in return, the issuer pays periodic payments to the investor, based on the credit risk of the referenced entity. The issuer also repays the investor the par value of the note at maturity unless the reference entity experiences a specified credit event (or one of the entities that makes up a reference index). If a credit event occurs, the issuer is not obligated to repay the par value of the note, but rather, the issuer pays the investor the difference between the par value of the note and the fair value of the defaulted reference obligation at the time of settlement. Neither party to the credit-related note has recourse to the defaulting reference entity. For a further discussion of credit-related notes, see Note 17.

The following tables present a summary of the notional amounts of credit derivatives and credit-related notes JPMorgan Chase Bank, N.A. sold and purchased as of December 31, 2014 and 2013. Upon a credit event, JPMorgan Chase Bank, N.A. as a seller of protection would typically pay out only a percentage of the full notional amount of net protection sold, as the amount actually required to be paid on the contracts takes into account the recovery value of the reference obligation at the time of settlement. JPMorgan Chase Bank, N.A. manages the credit risk on contracts to sell protection by purchasing protection with identical or similar underlying reference entities. Other purchased protection referenced in the following tables includes credit derivatives bought on related, but not identical, reference positions (including indices, portfolio coverage and other reference points) as well as protection purchased through credit-related notes.

JPMorgan Chase Bank, N.A. does not use notional amounts of credit derivatives as the primary measure of risk management for such derivatives, because the notional amount does not take into account the probability of the occurrence of a credit event, the recovery value of the reference obligation, or related cash instruments and economic hedges, each of which reduces, in JPMorgan Chase Bank, N.A.'s view, the risks associated with such derivatives.

Total credit derivatives and credit-related notes

	Maximum payout/Notional amount			
December 31, 2014 (in millions)	Protection sold	Protection purchased with identical underlyings[c]	Net protection (sold)/ purchased[d]	Other protection purchased[e]
Credit derivatives				
Credit default swaps	**$ (2,058,173)**	**$ 2,017,214**	**$ (40,959)**	**$ 80,007**
Other credit derivatives[a]	**(40,322)**	**32,048**	**(8,274)**	**19,475**
Total credit derivatives	**(2,098,495)**	**2,049,262**	**(49,233)**	**99,482**
Credit-related notes	**(40)**	**–**	**(40)**	**3,165**
Total	**$ (2,098,535)**	**$ 2,049,262**	**$ (49,273)**	**$ 102,647**

	Maximum payout/Notional amount			
December 31, 2013 (in millions)	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	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 December 31, 2014 and 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

December 31, 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	**$ (323,400)**	**$(1,118,418)**	**$ (80,185)**	**$ (1,522,003)**	**$ 25,771**	**$ (6,318)**	**$ 19,453**
Noninvestment-grade	**(156,557)**	**(396,663)**	**(23,312)**	**(576,532)**	**20,680**	**(22,646)**	**(1,966)**
Total	**$ (479,957)**	**$(1,515,081)**	**$(103,497)**	**$ (2,098,535)**	**$ 46,451**	**$ (28,964)**	**$ 17,487**

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 primarily based on external credit ratings 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 8 – Noninterest revenue

Investment banking fees

This revenue category includes equity and debt underwriting and advisory fees. Underwriting fees are recognized as revenue when JPMorgan Chase Bank, N.A. has rendered all services to the issuer and is entitled to collect the fee from the issuer, as long as there are no other contingencies associated with the fee. Underwriting fees are net of syndicate expense; JPMorgan Chase Bank, N.A. recognizes credit arrangement and syndication fees as revenue after satisfying certain retention, timing and yield criteria. Advisory fees are recognized as revenue when the related services have been performed and the fee has been earned.

The following table presents the components of investment banking fees.

Year ended December 31, (in millions)	2014	2013	2012
Underwriting			
Equity	**$ 592**	$ 432	$ 346
Debt	**829**	839	858
Total underwriting	**1,421**	1,271	1,204
Advisory	**613**	537	591
Total investment banking fees	**$ 2,034**	$ 1,808	$ 1,795

Principal transactions

Principal transactions revenue consists of realized and unrealized gains and losses on derivatives and other instruments (including those accounted for under the fair value option) used in client-driven market-making activities and on private equity investments. In connection with its client-driven market-making activities, JPMorgan Chase Bank, N.A. transacts in debt and equity instruments, derivatives and commodities (including physical commodities inventories and financial instruments that reference commodities).

Principal transactions revenue also includes realized and unrealized gains and losses related to hedge accounting and specified risk-management activities, including: (a) certain derivatives designated in qualifying hedge accounting relationships (primarily fair value hedges of commodity and foreign exchange risk), (b) certain derivatives used for specific risk management purposes, primarily to mitigate credit risk, foreign exchange risk and commodity risk, and (c) other derivatives, including the synthetic credit portfolio. For further information on the income statement classification of gains and losses from derivatives activities, see Note 7.

In the financial commodity markets, JPMorgan Chase Bank, N.A. transacts in OTC derivatives (e.g., swaps, forwards, options) and exchange-traded derivatives that reference a wide range of underlying commodities. In the physical commodity markets, JPMorgan Chase Bank, N.A. purchases and sells precious and base metals.

Physical commodities inventories are generally carried at the lower of cost or market (market approximates fair value) subject to any applicable fair value hedge accounting adjustments, with realized gains and losses and unrealized losses recorded in principal transactions revenue.

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 9 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 line of business.

Year ended December 31, (in millions)	2014	2013	2012
Trading revenue by instrument type [(a)]			
Interest rate	**$ 1,951**	$ 886	$ 3,644
Credit[(b)]	**901**	892	(6,226)
Foreign exchange	**1,586**	1,754	869
Equity	**2,021**	2,117	1,686
Commodity[(c)]	**1,182**	953	1,071
Total trading revenue[(d)]	**7,641**	6,602	1,044
Private equity gains	**19**	(13)	(47)
Principal transactions	**$ 7,660**	$ 6,589	$ 997

(a) Prior to the second quarter of 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 $5.8 billion of losses incurred by CIO from the synthetic credit portfolio for the six months ended June 30, 2012, and $449 million of losses incurred by CIO from the retained index credit derivative positions for the three months ended September 31, 2012; and losses incurred by the corporate & investment banking business from the synthetic credit portfolio.

(c) Commodity derivatives are frequently used to manage JPMorgan Chase Bank, N.A.'s risk exposure to its physical commodities inventories. For gains/(losses), see Note 7.

(d) During 2013, JPMorgan Chase Bank, N.A. implemented a FVA framework in order to incorporate the impact of funding into its valuation estimates for OTC derivatives and structured notes. As a result, JPMorgan Chase Bank, N.A. recorded a $1.0 billion loss in principal transactions revenue in 2013, reported in the corporate & investment banking business. This reflected an industry migration towards incorporating the cost of unsecured funding in the valuation of such instruments.

Lending- and deposit-related fees

This revenue category includes fees from loan commitments, standby letters of credit, financial guarantees, deposit-related fees in lieu of compensating balances, cash management-related activities or transactions, deposit accounts and other loan-servicing activities. These fees are recognized over the period in which the related service is provided.

Asset management, administration and commissions

This revenue category includes fees from investment management and related services, custody, brokerage services, other products. These fees are recognized over the period in which the related service is provided. Performance-based fees, which are earned based on exceeding certain benchmarks or other performance targets, are accrued and recognized at the end of the performance period in which the target is met. JPMorgan Chase Bank, N.A. has contractual arrangements with third parties to provide certain services in connection with its asset management activities. Amounts paid to third-party service providers are predominantly expensed, such that asset management fees are recorded gross of payments made to third parties.

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

Year ended December 31, (in millions)	2014	2013	2012
Asset management fees			
Investment management fees[(a)]	**$ 1,981**	$ 1,754	$ 1,488
All other asset management fees[(b)]	**46**	38	16
Total asset management fees	**2,027**	1,792	1,504
Total administration fees[(c)]	**2,198**	2,120	2,111
Commissions and other fees			
Brokerage commissions	**1,219**	1,258	1,135
All other commissions and fees[(d)]	**6,208**	4,926	4,804
Total commissions and fees	**7,427**	6,184	5,939
Total asset management, administration and commissions	**$ 11,652**	$ 10,096	$ 9,554

(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 earned by JPMorgan Chase Bank, N.A. for services provided to related party affiliates.

Mortgage fees and related income

This revenue category primarily reflects mortgage production and mortgage servicing revenue, including fees and income derived from mortgages originated with the intent to sell; mortgage sales and servicing including losses related to the repurchase of previously sold loans; the impact of risk- management activities associated with the mortgage pipeline, warehouse loans and MSRs; and revenue related to any residual interests held from mortgage securitizations. This revenue category also includes gains and losses on sales and lower of cost or fair value adjustments for mortgage loans held-for-sale, as well as changes in fair value for mortgage loans originated with the intent to sell and measured at fair value under the fair value option. Changes in the fair value of the consumer & community banking business's MSRs are reported in mortgage fees and related income. Net interest income from mortgage loans is recorded in interest income. For a further discussion of MSRs, see Note 18.

Card income

This revenue category includes interchange income from credit and debit cards and net fees earned from processing credit card transactions for merchants. Card income is recognized as earned. Cost related to rewards programs is recorded when the rewards are earned by the customer and presented as a reduction to interchange income. Annual fees and direct loan origination costs are deferred and recognized on a straight-line basis over a 12-month period. The card income earned by JPMorgan Chase Bank, N.A. primarily results from a participation arrangement with a bank affiliate of JPMorgan Chase Bank, N.A., and also from the credit card business in Canada.

Other income

Included in other income is operating lease income of $1.7 billion, $1.5 billion and $1.3 billion for the years ended December 31, 2014, 2013 and 2012, respectively. Additionally, included in other income for the year ended December 31, 2013, is a net pre-tax gain of approximately $857 million, from the sale of Visa B Shares.

Note 9 – Interest income and Interest expense

Interest income and interest expense are recorded in the Consolidated statements of income and classified based on the nature of the underlying asset or liability. Interest income and interest expense includes the current-period interest accruals for financial instruments measured at fair value, except for financial instruments containing embedded derivatives that would be separately accounted for in accordance with U.S. GAAP absent the fair value option election; for those instruments, all changes in fair value, including any interest elements, are reported in principal transactions revenue. For financial instruments that are not measured at fair value, the related interest is included within interest income or interest expense, as applicable.

Details of interest income and interest expense were as follows.

Year ended December 31, (in millions)	**2014**	2013	2012
Interest income			
Loans	**$21,898**	$22,627	$24,009
Taxable securities	**7,569**	6,874	7,200
Non-taxable securities[(a)]	**1,273**	748	545
Total securities	**8,842**	7,622	7,745
Trading assets[(b)]	**4,714**	5,248	5,755
Federal funds sold and securities purchased under resale agreements	**1,171**	1,437	1,956
Securities borrowed	**39**	209	390
Deposits with banks	**1,099**	912	567
Other assets	**203**	95	(55)
Total interest income[(b)]	**37,966**	38,150	40,367
Interest expense			
Interest-bearing deposits	**1,802**	2,292	2,924
Short-term and other liabilities[(a)]	**1,670**	1,683	1,754
Long-term debt	**684**	1,094	1,111
Beneficial interests issued by consolidated VIEs	**73**	115	129
Total interest expense[(b)]	**4,229**	5,184	5,918
Net interest income	**33,737**	32,966	34,449
Provision for credit losses	**832**	(1,247)	686
Net interest income after provision for credit losses	**$32,905**	$34,213	$33,763

(a) Represents securities which are tax exempt for U.S. Federal Income Tax purposes.

(b) Prior period amounts have been reclassified to conform with the current period presentation.

Note 10 – Pension and other postretirement employee benefit plans

JPMorgan Chase Bank, N.A.'s defined benefit pension plans are accounted for in accordance with U.S. GAAP for retirement benefits.

Defined benefit pension and other postretirement employee benefit ("OPEB") plans

Substantially all of JPMorgan Chase Bank, N.A.'s U.S. employees are provided benefits through JPMorgan Chase's qualified noncontributory, U.S. defined benefit pension plan. JPMorgan Chase Bank, N.A. also offers benefits through defined benefit pension plans to qualifying employees in certain non-U.S. locations. In addition, JPMorgan Chase Bank, N.A. offers postretirement medical and life insurance benefits to certain retirees and postretirement medical benefits to qualifying U.S. employees through JPMorgan Chase plans. These JPMorgan Chase plans are discussed in the JPMorgan Chase defined benefit pension and OPEB plans section on pages 56–57 of this Note.

JPMorgan Chase Bank, N.A. also offers certain qualifying employees in the U.S. the ability to participate in a number of defined benefit pension plans that are not subject to Title IV of the Employee Retirement Income Security Act. The most significant of these plans is the U.S. Excess Retirement Plan, pursuant to which certain employees previously earned pay credits on compensation amounts above the maximum stipulated by law under a qualified plan; no further pay credits are allocated under this plan. The U.S. Excess Retirement Plan had an unfunded projected benefit obligation ("PBO") in the amount of $214 million and $203 million, at December 31, 2014 and 2013, respectively.

It is JPMorgan Chase Bank, N.A.'s policy to fund the pension plans in amounts sufficient to meet the requirements under applicable laws. In 2015, the cost of funding benefits under the U.S. Excess Retirement Plan is expected to be $23 million. The 2015 contributions to the non-U.S. defined benefit pension plans are expected to be $47 million of which $31 million are contractually required.

Defined contribution plans

JPMorgan Chase Bank, N.A.'s employees may also participate in one of the two qualified defined contribution plans offered by JPMorgan Chase in the U.S. and other similar arrangements offered by JPMorgan Chase Bank, N.A. in certain non-U.S. locations, all of which are administered in accordance with applicable local laws and regulations. The most significant of these plans is The JPMorgan Chase 401(k) Savings Plan (the "401(k) Savings Plan"), which covers substantially all U.S. employees. Employees can contribute to the 401(k) Savings Plan on a pretax and/or Roth 401(k) after-tax basis. The JPMorgan Chase Common Stock Fund, which is an investment option under the 401(k) Savings Plan, is a nonleveraged employee stock ownership plan.

JPMorgan Chase Bank, N.A. matches eligible employee contributions up to 5% of eligible compensation (generally base pay; effective January 1, 2015, in addition to base pay, eligible compensation will include certain other types of variable incentive compensation) on an annual basis. Employees begin to receive matching contributions after completing a one-year-of-service requirement. Employees with total annual cash compensation of $250,000 or more are not eligible for matching contributions. Matching contributions vest after three years of service for employees hired on or after May 1, 2009. The 401(k) Savings Plan also permits discretionary profit-sharing contributions by participating companies for certain employees, subject to a specified vesting schedule.

The following table presents the changes in benefit obligations, plan assets and funded status amounts reported on the Consolidated balance sheets for JPMorgan Chase Bank, N.A.'s significant defined benefit pension plans.

	Defined benefit pension plans			
As of or for the year ended December 31,	U.S.		Non-U.S.	
(in millions)	**2014**	2013	**2014**	2013
Change in benefit obligation				
Benefit obligation, beginning of year	**$ (365)**	$ (407)	**$ (3,430)**	$ (3,235)
Benefits earned during the year	**(4)**	(5)	**(31)**	(32)
Interest cost on benefit obligations	**(17)**	(15)	**(129)**	(116)
Employee contributions	**NA**	NA	**(7)**	(7)
Net gain/(loss)	**(71)**	37	**(408)**	(62)
Benefits paid	**31**	27	**119**	106
Foreign exchange impact and other	**—**	(2)	**254**	(84)
Benefit obligation, end of year	**$ (426)**	$ (365)	**$ (3,632)**	$ (3,430)
Change in plan assets				
Fair value of plan assets, beginning of year	**$ —**	$ —	**$ 3,532**	$ 3,330
Actual return on plan assets	**—**	—	**518**	187
JPMorgan Chase Bank, N.A. contributions	**31**	27	**46**	45
Employee contributions	**—**	—	**7**	7
Benefits paid	**(31)**	(27)	**(119)**	(106)
Foreign exchange impact and other	**—**	—	**(266)**	69
Fair value of plan assets, end of year	**$ —**	$ —	**$ 3,718**	$ 3,532
Net (unfunded)/funded status[(a)]	**$ (426)**	$ (365)	**$ 86**	$ 102
Accumulated benefit obligation, end of year	**$ (426)**	$ (365)	**$ (3,615)**	$ (3,406)

(a) Represents plans with an aggregate underfunded balance of $588 million and $438 million at December 31, 2014 and 2013, respectively, and plans with an aggregate overfunded balance of $248 million and $175 million at December 31, 2014 and 2013, respectively.

Gains and losses

For JPMorgan Chase Bank, N.A.'s defined benefit pension plans, fair value is used to determine the expected return on plan assets. Amortization of net gains and losses is included in annual net periodic benefit cost if, as of the beginning of the year, the net gain or loss exceeds 10% of the greater of the PBO or the fair value of the plan assets. Any excess is amortized over the average future service period of defined benefit pension plan participants, which for the U.S. Excess Retirement Plan is currently seven years and for the non-U.S. defined benefit pension plans is the period appropriate for the affected plan. In addition, prior service costs are amortized over the average remaining service period of active employees expected to receive benefits under the plan when the prior service cost is first recognized.

The following table presents pretax pension amounts recorded in AOCI related to JPMorgan Chase Bank, N.A.'s significant defined benefit pension plans.

December 31, (in millions)	Defined benefit pension plans U.S. 2014	2013	Non-U.S. 2014	2013
Net gain/(loss)	**$ (142)**	$ (78)	**$ (621)**	$ (652)
Prior service credit/(cost)	**—**	(1)	**12**	15
Accumulated other comprehensive income/(loss), pretax, end of year	**$ (142)**	$ (79)	**$ (609)**	$ (637)

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

Year ended December 31, (in millions)	Pension plans U.S. 2014	2013	2012	Non-U.S. 2014	2013	2012
Components of net periodic benefit cost						
Benefits earned during the year	**$ 4**	$ 5	$ 3	**$ 31**	$ 32	$ 37
Interest cost on benefit obligations	**17**	15	18	**129**	116	119
Expected return on plan assets	**—**	—	—	**(172)**	(141)	(137)
Amortization:						
Net (gain)/loss	**7**	11	8	**46**	49	35
Prior service cost/(credit)	**—**	—	—	**(2)**	(2)	—
Net periodic defined benefit cost	**28**	31	29	**32**	54	54
Other defined benefit pension plans[a]	**14**	14	14	**2**	4	3
Total defined benefit plans	**42**	45	43	**34**	58	57
Total defined contribution plans	**364**	440	411	**282**	278	264
Total pension and OPEB cost included in compensation expense	**$ 406**	$ 485	$ 454	**$ 316**	$ 336	$ 321
Changes in plan assets and benefit obligations recognized in other comprehensive income						
Net (gain)/loss arising during the year	**$ 71**	$ (37)	$ 32	**$ 51**	$ 20	$ 143
Prior service credit arising during the year	**—**	—	—	**—**	—	(6)
Amortization of net loss	**(7)**	(11)	(8)	**(46)**	(49)	(35)
Amortization of prior service (cost)/credit	**—**	—	—	**2**	2	—
Foreign exchange impact and other	**(1)**	—	—	**(35)** [a]	10 [a]	20 [a]
Total recognized in other comprehensive income	**$ 63**	$ (48)	$ 24	**$ (28)**	$ (17)	$ 122
Total recognized in net periodic benefit cost and other comprehensive income	**$ 91**	$ (17)	$ 53	**$ 4**	$ 37	$ 176

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

It is expected that $36 million and $2 million, pretax, of net loss and prior service credit, respectively, related to non-U.S. defined benefit pension plans and $16 million, pretax, of net loss related to U.S. defined benefit pension plans, recorded in AOCI at December 31, 2014, will be recognized in earnings during 2015.

The following table presents the actual rate of return on plan assets for the non-U.S. defined benefit pension plans.

Year ended December 31,	**2014**	2013	2012
Actual rate of return	**5.62 - 17.69%**	3.74 - 23.80%	7.21 - 11.72%

Plan assumptions

For the United Kingdom ("U.K.") defined benefit pension plans, which represent the most significant of JPMorgan Chase Bank, N.A.'s non-U.S. defined benefit pension plans, procedures are used to develop the expected long-term rate of return on plan assets, taking into consideration local market conditions and the specific allocation of plan assets. The expected long-term rate of return on U.K. plan assets is an average of projected long-term returns for each asset class. The return on equities has been selected by reference to the yield on long-term U.K. government bonds plus an equity risk premium above the risk-free rate. The expected return on "AA" rated long-term corporate bonds is based on an implied yield for similar bonds.

The discount rate used in determining the benefit obligation under the U.S. Excess Retirement Plan was selected by reference to the yields on portfolios of bonds with maturity dates and coupons that closely match the plan's projected cash flows; such portfolios are derived from a broad-based universe of high-quality corporate bonds as of the measurement date. In years in which these hypothetical bond portfolios generate excess cash, such excess is assumed to be reinvested at the one-year forward rates implied by the Citigroup Pension Discount Curve published as of the measurement date. The discount rate for the U.K. defined benefit pension plan represents a rate of appropriate duration from the analysis of yield curves provided by our actuaries.

In 2014, the Society of Actuaries ("SOA") completed a comprehensive review of mortality experience of uninsured private retirement plans in the U.S. In October 2014, the SOA published new mortality tables and a new mortality improvement scale that reflects improved life expectancies and an expectation that this trend will continue. JPMorgan Chase Bank, N.A. has adopted the SOA's tables and projection scale, resulting in an estimated increase in PBO of $34 million.

At December 31, 2014, JPMorgan Chase Bank, N.A. decreased the discount rate used to determine its benefit obligation for the U.S. Excess Retirement Plan in light of current market interest rates, which will result in an increase in expense of approximately $1 million for 2015. As of December 31, 2014, the interest crediting rate assumption remained at 5.00%.

The following tables present the weighted-average annualized actuarial assumptions for the PBO and the components of net periodic benefit costs, for JPMorgan Chase Bank, N.A.'s significant defined benefit pension plans, as of and for the periods indicated.

Weighted-average assumptions used to determine benefit obligations

	U.S.		Non-U.S.	
December 31,	**2014**	2013	**2014**	2013
Discount rate	**4.00%**	5.00%	**1.00 - 3.60%**	1.10 - 4.40%
Rate of compensation increase	**NA**	NA	**2.75 - 4.20**	2.75 - 4.60

Weighted-average assumptions used to determine net periodic benefit costs

	U.S.			Non-U.S.		
Year ended December 31,	**2014**	2013	2012	**2014**	2013	2012
Discount rate	**5.00%**	3.90%	4.60%	**1.10 - 4.40%**	1.40 - 4.40%	1.50 - 4.80%
Expected long-term rate of return on plan assets	**NA**	NA	NA	**1.20 - 5.30**	2.40 - 4.90	2.50 - 4.60
Rate of compensation increase	**NA**	NA	NA	**2.75 - 4.60**	2.75 - 4.10	2.75 - 4.20

JPMorgan Chase Bank, N.A.'s U.S. and non-U.S. defined benefit pension plans expense is sensitive to the discount rate. A 25-basis point decline in the discount rate for the U.S. Excess Retirement Plan would result in an immaterial increase in expense for 2015 and a $5 million increase in the related PBO. A 25-basis point decrease in the interest crediting rate for the U.S. Excess Retirement Plan would result in an immaterial decrease in 2015 for both the U.S. defined benefit pension expense and the related PBO. A 25-basis point decline in the discount rates for the non-U.S. plans would result in an increase in the 2015 non-U.S. defined benefit pension plan expense of approximately $19 million.

Investment strategy and asset allocation

The investment policy for the U.K. defined benefit pension plans, which represent the most significant of the non-U.S. defined benefit pension plans, is to maximize returns subject to an appropriate level of risk relative to the plans' liabilities. In order to reduce the volatility in returns relative to the plans' liability profiles, the U.K. defined benefit pension plans' largest asset allocations are to debt securities of appropriate durations. Other assets, mainly equity securities, are then invested for capital appreciation, to provide long-term investment growth. Asset allocations and asset managers for the U.K. defined benefit pension plans are reviewed regularly and the portfolio is rebalanced when deemed necessary.

As of December 31, 2014, assets held by JPMorgan Chase Bank, N.A.'s non-U.S. defined benefit pension plans do not include JPMorgan Chase common stock, except through indirect exposures through investments in third-party stock-index funds. The non-U.S. plans hold investments in funds that are sponsored or managed by affiliates of JPMorgan Chase Bank, N.A. in the amount of $1.4 billion and $242 million as of December 31, 2014 and 2013, respectively.

The following table presents the weighted-average asset allocation of the fair values of total plan assets at December 31 for the years indicated, as well as the respective approved target allocation by asset category, for JPMorgan Chase Bank, N.A.'s non-U.S. defined benefit pension plans.

	Target	% of plan assets	
December 31,	Allocation	**2014**	2013
Asset category			
Debt securities[(a)]	62%	**61%**	63%
Equity securities	37	**38**	36
Alternatives	1	**1**	1
Total	100%	**100%**	100%

(a) Debt securities primarily include corporate debt and non-U.S. government debt securities.

Fair value measurement of the plans' assets and liabilities

For information on fair value measurements, including descriptions of level 1 and 2 of the fair value hierarchy and the valuation methods employed by JPMorgan Chase Bank, N.A., see Note 4.

Pension and OPEB plan assets and liabilities measured at fair value

	Non-U.S. defined benefit pension plans[d]					
	2014			2013		
December 31, (in millions)	Level 1	Level 2	Total fair value	Level 1	Level 2	Total fair value
Cash and cash equivalents	$ 128	$ 1	$ 129	$ 221	$ 3	$ 224
Equity securities:						
Capital equipment	96	24	120	86	17	103
Consumer goods	250	32	282	225	50	275
Banks and finance companies	279	31	310	233	29	262
Business services	277	18	295	209	14	223
Energy	50	15	65	64	20	84
Materials	40	9	49	36	9	45
Real Estate	1	–	1	–	1	1
Other	26	40	66	25	103	128
Total equity securities	1,019	169	1,188	878	243	1,121
Common/collective trust funds	112	251	363	98	248	346
Corporate debt securities[a]	–	724	724	–	787	787
Non-U.S. government debt securities	235	540	775	–	777	777
Mortgage-backed securities	2	77	79	73	–	73
Derivative receivables	–	258	258	–	302	302
Other[b]	283	58	341	148	52	200
Total assets measured at fair value[c]	$ 1,779	$ 2,078	$ 3,857	$ 1,418	$ 2,412	$ 3,830
Derivative payables	–	(139)	(139)	$ –	$ (298)	$ (298)
Total liabilities measured at fair value	$ –	$ (139)	$ (139)	$ –	$ (298)	$ (298)

(a) Corporate debt securities include debt securities of U.S. and non-U.S. corporations.
(b) Other primarily consists of money markets and exchange-traded funds and insurance contracts. Money markets and exchange-traded funds are primarily classified within level 1 of the fair value hierarchy given they are valued using observable market prices. Insurance contracts are guaranteed return investments subject to the credit risk of the insurance company and are classified in level 2 of the valuation hierarchy.
(c) At December 31, 2014 and 2013, the fair value of investments valued at NAV were $363 million and $346 million, respectively, which were classified within the valuation hierarchy as follows: $112 million and $98 million in level 1, $251 million and $248 million in level 2.
(d) There were no assets or liabilities classified as level 3 for the non-U.S. defined benefit pension plans as of December 31, 2014 and 2013.

Estimated future benefit payments

The following table presents benefit payments expected to be paid, which include the effect of expected future service, for the years indicated.

Year ended December 31, (in millions)	U.S. defined benefit pension plans	Non-U.S. defined benefit pension plans
2015	$ 28	$ 110
2016	28	113
2017	29	118
2018	28	128
2019	29	132
Years 2020–2024	139	746

JPMorgan Chase defined benefit pension and OPEB plans

JPMorgan Chase Bank, N.A.'s U.S. employees are eligible to participate in JPMorgan Chase's U.S. qualified noncontributory defined benefit pension plan. In addition, qualifying U.S. employees may receive postretirement medical and life insurance benefits that are provided through JPMorgan Chase's U.S. OPEB plan. Benefits vary with length of service and date of hire and provide for limits on JPMorgan Chase Bank, N.A.'s share of covered medical benefits. The medical and life insurance benefits are both contributory. Defined benefit pension expense and postretirement medical benefit expense are determined based upon employee participation in the JPMorgan Chase plans and effected through an intercompany charge from JPMorgan Chase, which is cash settled monthly.

JPMorgan Chase Bank, N.A. was charged $666 million, $260 million and $183 million in 2014, 2013 and 2012, respectively, for its share of the U.S. qualified defined benefit pension plan expense; and it was charged $1 million for each of the years 2014, 2013 and 2012, for its share of the U.S. OPEB plan expense.

Consolidated disclosures of information about the defined benefit pension and OPEB plans of JPMorgan Chase, including the funded status of the plans, components of benefit cost and weighted-average actuarial assumptions are included in Note 9 on pages 218–227 of JPMorgan Chase's 2014 Annual Report on Form 10-K.

Note 11 – Employee stock-based incentives

Employee stock-based awards

JPMorgan Chase Bank, N.A.'s employees receive annual incentive compensation based on their performance, the performance of their business and JPMorgan Chase's consolidated operating results. JPMorgan Chase Bank, N.A.'s employees participate, to the extent they meet minimum eligibility requirements, in various stock-based incentive plans sponsored by JPMorgan Chase. For additional information regarding JPMorgan Chase's employee stock-based incentives, see Note 10 on pages 228–229 of JPMorgan Chase's Annual Report on Form 10-K for the year ended December 31, 2014.

In 2014, 2013 and 2012, JPMorgan Chase granted long-term stock-based awards to certain employees under its Long-Term Incentive Plan, which was last amended in May 2011 ("LTIP"). Under the terms of the LTIP, as of December 31, 2014, 266 million shares of JPMorgan Chase's common stock were available for issuance through May 2015. The LTIP is the only active plan under which JPMorgan Chase is currently granting stock-based incentive awards. In the following discussion, the LTIP, plus prior JPMorgan Chase plans and plans assumed as the result of acquisitions, are referred to collectively as the "LTI Plans," and such plans constitute JPMorgan Chase's stock-based incentive plans.

Restricted stock units ("RSUs") are awarded at no cost to the recipient upon their grant. Generally, RSUs are granted annually and vest at a rate of 50% after two years and 50% after three years and are converted into shares of common stock as of the vesting date. In addition, RSUs typically include full-career eligibility provisions, which allow employees to continue to vest upon voluntary termination, subject to post-employment and other restrictions based on age or service-related requirements. All RSUs awards are subject to forfeiture until vested and contain clawback provisions that may result in cancellation under certain specified circumstances. RSUs entitle the recipient to receive cash payments equivalent to any dividends paid on the underlying common stock during the period the RSUs are outstanding and, as such, are considered participating securities as discussed in Note 24 on page 280 of JPMorgan Chase's 2014 Annual Report on Form 10-K.

Under the LTI Plans, stock options and stock appreciation rights ("SARs") have generally been granted with an exercise price equal to the fair value of JPMorgan Chase's common stock on the grant date. JPMorgan Chase periodically grants employee stock options to individual employees. There were no material grants of stock options or SARs in 2014. Grants of SARs in 2013 and 2012 become exercisable ratably over five years (i.e., 20% per year) and contain clawback provisions similar to RSUs. The 2013 and 2012 grants of SARs contain full-career eligibility provisions. SARs generally expire ten years after the grant date.

JPMorgan Chase Bank, N.A. separately recognizes compensation expense for each tranche of each award as if it were a separate award with its own vesting date. Generally, for each tranche granted, compensation expense is recognized on a straight-line basis from the grant date until the vesting date of the respective tranche, provided that the employees will not become full-career eligible during the vesting period. For awards with full-career eligibility provisions and awards granted with no future substantive service requirement, JPMorgan Chase Bank, N.A. accrues the estimated value of awards expected to be awarded to employees as of the grant date without giving consideration to the impact of post-employment restrictions. For each tranche granted to employees who will become full-career eligible during the vesting period, compensation expense is recognized on a straight-line basis from the grant date until the earlier of the employee's full-career eligibility date or the vesting date of the respective tranche.

In January 2008, JPMorgan Chase awarded to its Chairman and Chief Executive Officer up to 2 million SARs. The terms of this award are distinct from, and more restrictive than, other equity grants regularly awarded by JPMorgan Chase. On July 15, 2014, the Compensation Committee and Board of Directors of JPMorgan Chase determined that all requirements for the vesting of the 2 million SAR awards had been met and thus, the awards became 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 grant). The expense related to this award was dependent on changes in fair value of the SARs through July 15, 2014 (the date when the vested number of SARs were determined), and the cumulative expense was recognized ratably over the service period, which was initially assumed to be five years but, effective in the first quarter of 2013, had been extended to six and one-half years. JPMorgan Chase Bank, N.A. recognized $3 million, $14 million and $5 million in compensation expense in 2014, 2013 and 2012, respectively, for this award.

RSUs, employee stock options and SARs activity

Compensation expense for RSUs is measured based on the number of shares granted multiplied by the stock price at the grant date, and for employee stock options and SARs, is measured at the grant date using the Black-Scholes valuation model. Compensation expense for these awards is recognized in net income as described previously. The following table summarizes JPMorgan Chase Bank, N.A.'s RSUs, employee stock options and SARs activity for 2014.

	RSUs		Options/SARs			
Year ended December 31, 2014 (in thousands, except weighted-average data, and where otherwise stated)	Number of shares	Weighted-average grant date fair value	Number of awards	Weighted-average exercise price	Weighted-average remaining contractual life (in years)	Aggregate intrinsic value
Outstanding, January 1	79,153	$ 41.46	69,264	$ 41.09		
Granted	25,569	57.88	90	59.33		
Exercised or vested	(36,273)	40.91	(20,253)	36.24		
Forfeited	(3,355)	47.32	(1,873)	41.95		
Canceled	NA	NA	(592)	108.16		
Transferred	610	41.46	1,184	41.09		
Outstanding, December 31	65,704	$ 47.76	47,820	$ 42.36	5.2	$ 1,063,119
Exercisable, December 31	NA	NA	29,821	42.15	4.3	697,031

The total fair value of RSUs that vested during the years ended December 31, 2014, 2013 and 2012, was $2.1 billion, $2.0 billion and $1.9 billion, respectively. There were no material grants of stock options or SARs in 2014. The weighted-average grant date per share fair value of stock options and SARs granted during the years ended December 31, 2013 and 2012, was $9.58 and $8.89, respectively. The total intrinsic value of options exercised during the years ended December 31, 2014, 2013 and 2012, was $444 million, $407 million and $227 million, respectively.

Compensation expense

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

Year ended December 31, (in millions)	**2014**	2013	2012
Cost of prior grants of RSUs and SARs that are amortized over their applicable vesting periods	**$ 905**	$ 942	$ 1,184
Accrual of estimated costs of stock-based awards to be granted in future periods including those to full-career eligible employees	**568**	519	474
Total noncash compensation expense related to employee stock-based incentive plans	**$ 1,473**	$ 1,461	$ 1,658

At December 31, 2014, approximately $501 million (pretax) of compensation cost related to unvested awards had not yet been charged to net income. That cost is expected to be amortized into compensation expense over a weighted-average period of 1.1 years. JPMorgan Chase Bank, N.A. does not capitalize any compensation cost related to share-based compensation awards to employees.

Tax benefits

Income tax benefits related to stock-based incentive arrangements recognized in JPMorgan Chase Bank, N.A.'s Consolidated statements of income for the years ended December 31, 2014, 2013 and 2012, were $575 million, $570 million and $646 million, respectively. Excess tax benefits related to stock-based incentive awards are recognized by JPMorgan Chase. Pursuant to a tax sharing agreement between JPMorgan Chase Bank, N.A. and its parent, JPMorgan Chase, cash payments were made by JPMorgan Chase to JPMorgan Chase Bank, N.A.

Valuation assumptions

The following table presents the assumptions used to value employee stock options and SARs granted during the years ended December 31, 2013 and 2012, under the Black-Scholes valuation model. There were no material grants of stock options or SARs for the year ended December 31, 2014.

Year ended December 31,	2013	2012
Weighted-average annualized valuation assumptions		
Risk-free interest rate	1.18%	1.19%
Expected dividend yield	2.66	3.15
Expected common stock price volatility	28	35
Expected life (in years)	6.6	6.6

The expected dividend yield is determined using forward-looking assumptions. The expected volatility assumption is derived from the implied volatility of JPMorgan Chase's stock options. The expected life assumption is an estimate of the length of time that an employee might hold an option or SAR before it is exercised or canceled, and the assumption is based on JPMorgan Chase's historical experience.

Note 12 – Noninterest expense

The following table presents the components of noninterest expense.

Year ended December 31, (in millions)	2014	2013	2012
Compensation expense	$ 23,996	$ 24,212	$ 23,847
Noncompensation expense:			
Occupancy expense	3,528	3,342	3,516
Technology, communications and equipment expense	5,328	4,935	4,697
Professional and outside services	5,994	5,875	5,754
Marketing	748	759	797
Other expense[(a)(b)]	10,984	11,102	14,136
Total noncompensation expense	26,582	26,013	28,900
Total noninterest expense	$ 50,578	$ 50,225	$ 52,747

(a) Included JPMorgan Chase Bank, N.A. legal expense of $2.3 billion, $2.2 billion and $4.3 billion and for the years ended December 31, 2014, 2013 and 2012, respectively.
(b) Included FDIC-related expense of $970 million, $1.4 billion and $1.5 billion for the years ended December 31, 2014, 2013 and 2012, respectively.

Note 13 – Securities

Securities are classified as trading, AFS or held-to-maturity ("HTM"). Securities classified as trading assets 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 CIO in connection with its asset-liability management objectives. At December 31, 2014, 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). AFS securities are carried at fair value on the Consolidated balance sheets. Unrealized gains and losses, after any applicable hedge accounting adjustments, are reported as net increases or decreases to accumulated other comprehensive income/(loss). The specific identification method is used to determine realized gains and losses on AFS securities, which are included in securities gains/(losses) on the Consolidated statements of income. HTM debt securities, which management has the intent and ability to hold until maturity, are carried at amortized cost on the Consolidated balance sheets. For both AFS and HTM debt securities, purchase discounts or premiums are generally amortized into interest income over the contractual life of the security.

During the first quarter of 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 AFS to HTM. These securities were transferred at fair value, and the transfer was a non-cash transaction. AOCI included net pretax unrealized losses of $9 million on the securities at the date of transfer. The transfer reflected JPMorgan Chase Bank, N.A.'s intent to hold the securities to maturity in order to reduce the impact of price volatility on AOCI and certain capital measures under Basel III.

Other-than-temporary impairment

AFS debt and equity securities and HTM debt securities in unrealized loss positions are analyzed as part of JPMorgan Chase Bank, N.A.'s ongoing assessment of other-than-temporary impairment ("OTTI"). For most types of debt securities, JPMorgan Chase Bank, N.A. considers a decline in fair value to be other-than-temporary when JPMorgan Chase Bank, N.A. does not expect to recover the entire amortized cost basis of the security. For beneficial interests in securitizations that are rated below "AA" at their acquisition, or that can be contractually prepaid or otherwise settled in such a way that JPMorgan Chase Bank, N.A. would not recover substantially all of its recorded investment, JPMorgan Chase Bank, N.A. considers an OTTI to have occurred when there is an adverse change in expected cash flows. For AFS equity securities, JPMorgan Chase Bank, N.A. considers a decline in fair value to be other-than-temporary if it is probable that JPMorgan Chase Bank, N.A. will not recover its cost basis.

Potential OTTI is considered using a variety of factors, including the length of time and extent to which the market value has been less than cost; adverse conditions specifically related to the industry, geographic area or financial condition of the issuer or underlying collateral of a security; payment structure of the security; changes to the rating of the security by a rating agency; the volatility of the fair value changes; and JPMorgan Chase Bank, N.A.'s intent and ability to hold the security until recovery.

For AFS debt securities, JPMorgan Chase Bank, N.A. recognizes OTTI losses in earnings if JPMorgan Chase Bank, N.A. has the intent to sell the debt security, or if it is more likely than not that JPMorgan Chase Bank, N.A. will be required to sell the debt security before recovery of its amortized cost basis. In these circumstances the impairment loss is equal to the full difference between the amortized cost basis and the fair value of the securities. For debt securities in an unrealized loss position that JPMorgan Chase Bank, N.A. has the intent and ability to hold, the expected cash flows to be received from the securities are evaluated to determine if a credit loss exists. In the event of a credit loss, only the amount of impairment associated with the credit loss is recognized in income. Amounts relating to factors other than credit losses are recorded in OCI.

JPMorgan Chase Bank, N.A.'s cash flow evaluations take into account the factors noted above and expectations of relevant market and economic data as of the end of the reporting period. For securities issued in a securitization, JPMorgan Chase Bank, N.A. estimates cash flows considering underlying loan-level data and structural

features of the securitization, such as subordination, excess spread, overcollateralization or other forms of credit enhancement, and compares the losses projected for the underlying collateral ("pool losses") against the level of credit enhancement in the securitization structure to determine whether these features are sufficient to absorb the pool losses, or whether a credit loss exists. JPMorgan Chase Bank, N.A. also performs other analyses to support its cash flow projections, such as first-loss analyses or stress scenarios.

For equity securities, OTTI losses are recognized in earnings if JPMorgan Chase Bank, N.A. intends to sell the security. In other cases JPMorgan Chase Bank, N.A. considers the relevant factors noted above, as well as JPMorgan Chase Bank, N.A.'s intent and ability to retain its investment for a period of time sufficient to allow for any anticipated recovery in market value, and whether evidence exists to support a realizable value equal to or greater than the cost basis. Any impairment loss on an equity security is equal to the full difference between the cost basis and the fair value of the security.

Realized gains and losses

The following table presents realized gains and losses and credit losses that were recognized in income from AFS securities.

Year ended December 31, (in millions)	**2014**	2013	2012
Realized gains	**$ 305**	$ 1,277	$ 2,514
Realized losses	**(233)**	(613)	(453)
Net realized gains	**72**	664	2,061
OTTI losses			
Credit-related	**(2)**	(1)	(28)
Securities JPMorgan Chase Bank, N.A. intends to sell[(a)]	**(2)**	(20)	(15)
Total OTTI losses recognized in income	**(4)**	(21)	(43)
Net securities gains	**$ 68**	$ 643	$ 2,018

(a) Excludes realized losses on securities sold of $3 million, $12 million and $24 million for the years ended December 31, 2014, 2013 and 2012, respectively, that had been previously reported as an OTTI loss due to the intention to sell the securities.

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

	2014				2013			
December 31, (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)]	**$ 63,089**	**$ 2,302**	**$ 72**	**$ 65,319**	$ 76,428	$ 2,364	$ 977	$ 77,815
Residential:								
Prime and Alt-A	**5,595**	**78**	**29**	**5,644**	2,744	61	27	2,778
Subprime	**677**	**14**	**—**	**691**	908	23	1	930
Non-U.S.	**43,550**	**1,010**	**—**	**44,560**	57,448	1,314	1	58,761
Commercial	**20,086**	**411**	**17**	**20,480**	14,881	542	24	15,399
Total mortgage-backed securities	**132,997**	**3,815**	**118**	**136,694**	152,409	4,304	1,030	155,683
U.S. Treasury and government agencies[(a)]	**13,593**	**56**	**14**	**13,635**	9,203	382	296	9,289
Obligations of U.S. states and municipalities	**24,860**	**1,910**	**15**	**26,755**	26,688	510	969	26,229
Certificates of deposit	**1,103**	**1**	**1**	**1,103**	1,041	1	1	1,041
Non-U.S. government debt securities	**51,480**	**1,272**	**21**	**52,731**	55,507	863	122	56,248
Corporate debt securities	**18,158**	**396**	**24**	**18,530**	21,043	495	29	21,509
Asset-backed securities:								
Collateralized loan obligations	**30,229**	**147**	**182**	**30,194**	28,130	236	136	28,230
Other	**12,428**	**170**	**11**	**12,587**	12,225	177	3	12,399
Total available-for-sale debt securities	**284,848**	**7,767**	**386**	**292,229**	306,246	6,968	2,586	310,628
Available-for-sale equity securities	**108**	**10**	**—**	**118**	280	11	—	291
Total available-for-sale securities	**$ 284,956**	**$ 7,777**	**$ 386**	**$ 292,347**	$ 306,526	$ 6,979	$ 2,586	$ 310,919
Total held-to-maturity securities[(b)]	**$ 49,252**	**$ 1,902**	**$ —**	**$ 51,154**	$ 24,026	$ 22	$ 317	$ 23,731

(a) Includes total U.S. government-sponsored enterprise obligations with fair values of $59.3 billion and $67.0 billion at December 31, 2014 and 2013, respectively, which were predominantly mortgage-related.

(b) As of December 31, 2014, consists of MBS issued by U.S. government-sponsored enterprises with an amortized cost of $35.3 billion, MBS issued by U.S. government agencies with an amortized cost of $3.7 billion and obligations of U.S. states and municipalities with an amortized cost of $10.2 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 the investment securities portfolio by aging category at December 31, 2014 and 2013.

	Securities with gross unrealized losses					
	Less than 12 months		12 months or more			
December 31, 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	**$ 1,118**	**$ 5**	**$ 4,989**	**$ 67**	**$ 6,107**	**$ 72**
Residential:						
Prime and Alt-A	**1,840**	**10**	**405**	**19**	**2,245**	**29**
Subprime	**—**	**—**	**—**	**—**	**—**	**—**
Non-U.S.	**—**	**—**	**—**	**—**	**—**	**—**
Commercial	**4,803**	**15**	**92**	**2**	**4,895**	**17**
Total mortgage-backed securities	**7,761**	**30**	**5,486**	**88**	**13,247**	**118**
U.S. Treasury and government agencies	**8,412**	**14**	**—**	**—**	**8,412**	**14**
Obligations of U.S. states and municipalities	**1,339**	**14**	**130**	**1**	**1,469**	**15**
Certificates of deposit	**1,050**	**1**	**—**	**—**	**1,050**	**1**
Non-U.S. government debt securities	**4,421**	**4**	**906**	**17**	**5,327**	**21**
Corporate debt securities	**2,492**	**22**	**80**	**2**	**2,572**	**24**
Asset-backed securities:						
Collateralized loan obligations	**13,909**	**76**	**9,012**	**106**	**22,921**	**182**
Other	**2,258**	**11**	**—**	**—**	**2,258**	**11**
Total available-for-sale debt securities	**41,642**	**172**	**15,614**	**214**	**57,256**	**386**
Available-for-sale equity securities	**—**	**—**	**—**	**—**	**—**	**—**
Held-to-maturity securities	**—**	**—**	**—**	**—**	**—**	**—**
Total securities with gross unrealized losses	**$ 41,642**	**$ 172**	**$ 15,614**	**$ 214**	**$ 57,256**	**$ 386**

	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

Other-than-temporary impairment

The following table presents OTTI losses that are included in the securities gains and losses table above.

Year ended December 31, (in millions)	2014	2013	2012
Debt securities JPMorgan Chase Bank, N.A. does not intend to sell that have credit losses			
Total OTTI[(a)]	**$ (2)**	$ (1)	$ (113)
Losses recorded in/(reclassified from) AOCI	**–**	–	85
Total credit losses recognized in income	**(2)**	(1)	(28)
Securities JPMorgan Chase Bank, N.A. intends to sell[(b)]	**(2)**	(20)	(15)
Total OTTI losses recognized in income	**$ (4)**	$ (21)	$ (43)

(a) For initial OTTI, represents the excess of the amortized cost over the fair value of AFS debt securities. For subsequent impairments of the same security, represents additional declines in fair value subsequent to previously recorded OTTI, if applicable.

(b) Excludes realized losses on securities sold of $3 million, $12 million, and $24 million for the years ended December 31, 2014, 2013 and 2012, respectively that had been previously reported as an OTTI loss due to the intention to sell the securities.

Changes in the credit loss component of credit-impaired debt securities

The following table presents a rollforward for the years ended December 31, 2014, 2013 and 2012, of the credit loss component of OTTI losses that have been recognized in income, related to AFS debt securities that JPMorgan Chase Bank, N.A. does not intend to sell.

Year ended December 31, (in millions)	2014	2013	2012
Balance, beginning of period	**$ 1**	$ 3	$ 189
Additions:			
Newly credit-impaired securities	**2**	1	21
Losses reclassified from other comprehensive income on previously credit-impaired securities	**–**	–	7
Reductions:			
Sales and redemptions of credit-impaired securities	**–**	(3)	(214)
Balance, end of period	**$ 3**	$ 1	$ 3

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 December 31, 2014, JPMorgan Chase Bank, N.A. does not intend to sell any securities with a loss position 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 reported in the table above, for which credit losses have been recognized in income, JPMorgan Chase Bank, N.A. believes that the securities with an unrealized loss in AOCI are not other-than-temporarily impaired as of December 31, 2014.

Contractual maturities and yields

The following table presents the amortized cost and estimated fair value at December 31, 2014, of JPMorgan Chase Bank, N.A.'s investment securities portfolio by contractual maturity.

By remaining maturity December 31, 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	$ 996	$ 14,132	$ 5,768	$ 112,101	$ 132,997
Fair value	1,003	14,467	5,974	115,250	136,694
Average yield[b]	2.65%	1.85%	3.12%	2.93%	2.82%
U.S. Treasury and government agencies[a]					
Amortized cost	$ 2,199	$ –	$ 10,284	$ 1,110	$ 13,593
Fair value	2,205	–	10,275	1,155	13,635
Average yield[b]	0.81%	–%	0.62%	0.35%	0.63%
Obligations of U.S. states and municipalities					
Amortized cost	$ 54	$ 487	$ 1,017	$ 23,302	$ 24,860
Fair value	54	504	1,056	25,141	26,755
Average yield[b]	1.17%	3.94%	3.97%	6.65%	6.48%
Certificates of deposit					
Amortized cost	$ 1,052	$ 51	$ –	$ –	$ 1,103
Fair value	1,050	53	–	–	1,103
Average yield[b]	0.84%	3.28%	–%	–%	0.95%
Non-U.S. government debt securities					
Amortized cost	$ 13,552	$ 14,270	$ 21,221	$ 2,437	$ 51,480
Fair value	13,582	14,604	21,957	2,588	52,731
Average yield[b]	3.30%	2.03%	1.04%	1.19%	1.92%
Corporate debt securities					
Amortized cost	$ 3,830	$ 9,619	$ 4,523	$ 186	$ 18,158
Fair value	3,844	9,851	4,651	184	18,530
Average yield[b]	2.39%	2.40%	2.56%	3.43%	2.45%
Asset-backed securities					
Amortized cost	$ –	$ 2,287	$ 17,439	$ 22,931	$ 42,657
Fair value	–	2,302	17,541	22,938	42,781
Average yield[b]	–%	1.63%	1.75%	1.72%	1.73%
Total available-for-sale debt securities					
Amortized cost	$ 21,683	$ 40,846	$ 60,252	$ 162,067	$ 284,848
Fair value	21,738	41,781	61,454	167,256	292,229
Average yield[b]	2.73%	2.06%	1.54%	3.25%	2.68%
Available-for-sale equity securities					
Amortized cost	$ –	$ –	$ –	$ 108	$ 108
Fair value	–	–	–	118	118
Average yield[b]	–%	–%	–%	0.07%	0.07%
Total available-for-sale securities					
Amortized cost	$ 21,683	$ 40,846	$ 60,252	$ 162,175	$ 284,956
Fair value	21,738	41,781	61,454	167,374	292,347
Average yield[b]	2.73%	2.06%	1.54%	3.25%	2.68%
Total held-to-maturity securities					
Amortized cost	$ –	$ 54	$ 487	$ 48,711	$ 49,252
Fair value	–	54	512	50,588	51,154
Average yield[b]	–%	4.33%	4.81%	3.98%	3.98%

(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 December 31, 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, is approximately five 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 14 – Securities financing activities

JPMorgan Chase Bank, N.A. enters into resale agreements, repurchase agreements, securities borrowed transactions and securities loaned transactions (collectively, "securities financing agreements") primarily to finance JPMorgan Chase Bank, N.A.'s inventory positions, acquire securities to cover short positions, accommodate customers' financing needs, and settle other securities obligations.

Securities financing agreements are treated as collateralized financings on JPMorgan Chase Bank, N.A.'s Consolidated balance sheets. Resale and repurchase agreements are generally carried at the amounts at which the securities will be subsequently sold or repurchased. Securities borrowed and securities loaned transactions are generally carried at the amount of cash collateral advanced or received. Where appropriate under applicable accounting guidance, resale and repurchase agreements with the same counterparty are reported on a net basis. For further discussion of the offsetting of assets and liabilities, see Note 1. Fees received and paid in connection with securities financing agreements are recorded in interest income and interest expense on the Consolidated statements of income.

JPMorgan Chase Bank, N.A. has elected the fair value option for certain securities financing agreements. For further information regarding the fair value option, see Note 4. The securities financing agreements for which the fair value option has been elected are reported within securities purchased under resale agreements; securities loaned or sold under repurchase agreements; and securities borrowed on the Consolidated balance sheets. Generally, for agreements carried at fair value, current-period interest accruals are recorded within interest income and interest expense, with changes in fair value reported in principal transactions revenue. However, for financial instruments containing embedded derivatives that would be separately accounted for in accordance with accounting guidance for hybrid instruments, all changes in fair value, including any interest elements, are reported in principal transactions revenue.

The following table presents as of December 31, 2014 and 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.

	2014			2013		
December 31, (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	**$ 222,809**	**$ (91,687)**	**$ 131,122**	$ 238,916	$ (65,587)	$ 173,329
Securities purchased under resale agreements where an appropriate legal opinion has not been either sought or obtained	**9,253**		**9,253**	10,739		10,739
Total securities purchased under resale agreements	**$ 232,062**	**$ (91,687)**	**$ 140,375** [a]	$ 249,655	$ (65,587)	$ 184,068 [a]
Securities borrowed	**$ 32,173**	**N/A**	**$ 32,173** [b][c]	$ 39,857	N/A	$ 39,857 [b][c]

1. At December 31, 2014 and 2013, included securities purchased under resale agreements of $14.3 billion and $13.0 billion, respectively, accounted for at fair value.
2. At December 31, 2014 and 2013, included securities borrowed of $992 million and $3.7 billion, respectively, accounted for at fair value.
3. Included $3.3 billion and $4.3 billion at December 31, 2014 and 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 December 31, 2014 and 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.

	2014				2013			
		Amounts not nettable on the Consolidated balance sheets[a]				Amounts not nettable on the Consolidated balance sheets[a]		
December 31, (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	**$ 131,122**	**$ (128,591)**	**$ (56)**	**$ 2,475**	$ 173,329	$ (167,394)	$ (49)	$ 5,886
Securities borrowed	**$ 28,885**	**$ (28,760)**	**$ —**	**$ 125**	$ 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 December 31, 2014 and 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.

	2014			2013		
December 31, (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	**$ 158,746**	**$ (91,687)**	**$ 67,059**	$ 141,526	$ (65,587)	$ 75,939
Securities sold under repurchase agreements where an appropriate legal opinion has not been either sought or obtained[a]	**5,781**		**5,781**	9,169		9,169
Total securities sold under repurchase agreements	**$ 164,527**	**$ (91,687)**	**$ 72,840** [c]	$ 150,695	$ (65,587)	$ 85,108 [c]
Securities loaned[b]	**$ 21,067**	**N/A**	**$ 21,067** [d][e]	$ 25,960	N/A	$ 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 $781 million and $492 million at December 31, 2014 and 2013, respectively, when acting as lender and as presented within other liabilities in the Consolidated balance sheets.

(c) At December 31, 2014 and 2013, included securities sold under repurchase agreements of $678 million 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 at December 31, 2014.

(e) Included $312 million and $356 million at December 31, 2014 and 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 December 31, 2014 and 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.

	2014				2013			
		Amounts not nettable on the Consolidated balance sheets[a]				Amounts not nettable on the Consolidated balance sheets[a]		
December 31, (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	**$ 67,059**	**$ (65,997)**	**$ (21)**	**$ 1,041**	$ 75,939	$ (71,984)	$ (38)	$ 3,917
Securities loaned	**$ 20,755**	**$ (19,933)**	**$ —**	**$ 822**	$ 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.

JPMorgan Chase Bank, N.A.'s policy is to take possession, where possible, of securities purchased under resale agreements and of securities borrowed. JPMorgan Chase Bank, N.A. monitors the value of the underlying securities (primarily G7 government securities, U.S. agency securities and agency MBS, and equities) that it has received from its counterparties and either requests additional collateral or returns a portion of the collateral when appropriate in light of the market value of the underlying securities. Margin levels are established initially based upon the counterparty and type of collateral and monitored on an ongoing basis to protect against declines in collateral value in the event of default. JPMorgan Chase Bank, N.A. typically enters into master netting agreements and other collateral arrangements with its resale agreement and securities borrowed counterparties, which provide for the right to liquidate the purchased or borrowed securities in the event of a customer default. As a result of JPMorgan Chase Bank, N.A.'s credit risk mitigation practices with respect to resale and securities borrowed agreements as described above, JPMorgan Chase Bank, N.A. did not hold any reserves for credit impairment with respect to these agreements as of December 31, 2014 and 2013.

For further information regarding assets pledged and collateral received in securities financing agreements, see Note 28.

Transfers not qualifying for sale accounting

In addition, at December 31, 2014 and 2013, JPMorgan Chase Bank, N.A. held $13.8 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 and loans, and the corresponding liabilities are predominantly recorded in other borrowed funds on the Consolidated balance sheets.

Note 15 – 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

The following provides a detailed accounting discussion of these loan categories:

Loans held-for-investment (other than PCI loans)

Originated or purchased loans held-for-investment, other than PCI loans, are measured at the principal amount outstanding, net of the following: allowance for loan losses; net charge-offs; interest applied to principal (for loans accounted for on the cost recovery method); unamortized discounts and premiums; and net deferred loan fees or costs. Credit card loans also include billed finance charges and fees net of an allowance for uncollectible amounts.

Interest income

Interest income on performing loans held-for-investment, other than PCI loans, is accrued and recognized as interest income at the contractual rate of interest. Purchase price discounts or premiums, as well as net deferred loan fees or costs, are amortized into interest income over the life of the loan to produce a level rate of return.

Nonaccrual loans

Nonaccrual loans are those on which the accrual of interest has been suspended. Loans (other than credit card loans and certain consumer loans insured by U.S. government agencies) are placed on nonaccrual status and considered nonperforming when full payment of principal and interest is in doubt, or when principal and interest has been in default for a period of 90 days or more, unless the loan is both well-secured and in the process of collection. A loan is determined to be past due when the minimum payment is not received from the borrower by the contractually specified due date or for certain loans (e.g., residential real estate loans), when a monthly payment is due and unpaid for 30 days or more. Finally, collateral-dependent loans are typically maintained on nonaccrual status.

On the date a loan is placed on nonaccrual status, all interest accrued but not collected is reversed against interest income. In addition, the amortization of deferred amounts is suspended. Interest income on nonaccrual loans may be recognized as cash interest payments are received (i.e., on a cash basis) if the recorded loan balance is deemed fully collectible; however, if there is doubt regarding the ultimate collectibility of the recorded loan balance, all interest cash receipts are applied to reduce the carrying value of the loan (the cost recovery method). For consumer loans, application of this policy typically results in JPMorgan Chase Bank, N.A. recognizing interest income on nonaccrual consumer loans on a cash basis.

A loan may be returned to accrual status when repayment is reasonably assured and there has been demonstrated performance under the terms of the loan or, if applicable, the terms of the restructured loan.

As permitted by regulatory guidance, credit card loans are generally exempt from being placed on nonaccrual status; accordingly, interest and fees related to credit card loans continue to accrue until the loan is charged off or paid in full. However, JPMorgan Chase Bank, N.A. separately establishes an allowance for the estimated uncollectible portion of accrued interest and fee income on credit card loans. The allowance is established with a charge to interest income and is reported as an offset to loans.

Allowance for loan losses

The allowance for loan losses represents the estimated probable credit losses inherent in the held-for-investment loan portfolio at the balance sheet date. Changes in the allowance for loan losses are recorded in the provision for credit losses on JPMorgan Chase Bank, N.A.'s Consolidated statements of income. See Note 16 for further information on JPMorgan Chase Bank, N.A.'s accounting policies for the allowance for loan losses.

Charge-offs

Consumer loans, other than risk-rated business banking, risk-rated auto and PCI loans, are generally charged off or charged down to the net realizable value of the underlying collateral (i.e., fair value less costs to sell), with an offset to the allowance for loan losses, upon reaching specified stages of delinquency in accordance with standards established by the Federal Financial Institutions Examination Council ("FFIEC"). Residential real estate loans, non-modified credit card loans and scored business banking loans are generally charged off at 180 days past due. In the second quarter of 2013, JPMorgan Chase Bank, N.A. revised its policy to charge-off modified credit card loans that do not comply with their modified payment terms at 120 days past due rather than 180 days past due. Auto and student loans are charged off no later than 120 days past due.

Certain consumer loans will be charged off earlier than the FFIEC charge-off standards in certain circumstances as follows:

- A charge-off is recognized when a loan is modified in a TDR if the loan is determined to be collateral-dependent. A loan is considered to be collateral-dependent when repayment of the loan is expected to be provided solely by the underlying collateral, rather than by cash flows from the borrower's operations, income or other resources.
- Loans to borrowers who have experienced an event (e.g., bankruptcy) that suggests a loss is either known or highly certain are subject to accelerated charge-off standards. Residential real estate and auto loans are charged off when the loan becomes 60 days past due, or sooner if the loan is determined to be collateral-dependent. Credit card and scored business banking loans are charged off within 60 days of receiving notification of the bankruptcy filing or other event. Student loans are generally charged off when the loan becomes 60 days past due after receiving notification of a bankruptcy.
- Auto loans are written down to net realizable value upon repossession of the automobile and after a redemption period (i.e., the period during which a borrower may cure the loan) has passed.

Other than in certain limited circumstances, JPMorgan Chase Bank, N.A. typically does not recognize charge-offs on government-guaranteed loans.

Wholesale loans, risk-rated business banking loans and risk-rated auto loans are charged off when it is highly certain that a loss has been realized, including situations where a loan is determined to be both impaired and collateral-dependent. The determination of whether to recognize a charge-off includes many factors, including the prioritization of JPMorgan Chase Bank, N.A.'s claim in bankruptcy, expectations of the workout/restructuring of the loan and valuation of the borrower's equity or the loan collateral.

When a loan is charged down to the estimated net realizable value, the determination of the fair value of the collateral depends on the type of collateral (e.g., securities, real estate). In cases where the collateral is in the form of liquid securities, the fair value is based on quoted market prices or broker quotes. For illiquid securities or other financial assets, the fair value of the collateral is estimated using a discounted cash flow model.

For residential real estate loans, collateral values are based upon external valuation sources. When it becomes likely that a borrower is either unable or unwilling to pay, JPMorgan Chase Bank, N.A. obtains a broker's price opinion of the home based on an exterior-only valuation ("exterior opinions"), which is then updated at least every six months thereafter. As soon as practicable after JPMorgan Chase Bank, N.A. receives the property in satisfaction of a debt (e.g., by taking legal title or physical possession), generally, either through foreclosure or upon the execution of a deed in lieu of foreclosure transaction with the borrower, JPMorgan Chase Bank, N.A. obtains an appraisal based on an inspection that includes the interior of the home ("interior appraisals"). Exterior opinions and interior appraisals are discounted based upon JPMorgan Chase Bank, N.A.'s experience with actual liquidation values as compared to the estimated values provided by exterior opinions and interior appraisals, considering state- and product-specific factors.

For commercial real estate loans, collateral values are generally based on appraisals from internal and external valuation sources. Collateral values are typically updated every six to twelve months, either by obtaining a new appraisal or by performing an internal analysis, in accordance with JPMorgan Chase Bank, N.A.'s policies. JPMorgan Chase Bank, N.A. also considers both borrower- and market-specific factors, which may result in obtaining appraisal updates or broker price opinions at more frequent intervals.

Loans held-for-sale

Held-for-sale loans are measured at the lower of cost or fair value, with valuation changes recorded in noninterest revenue. For consumer loans, the valuation is performed on a portfolio basis. For wholesale loans, the valuation is performed on an individual loan basis.

Interest income on loans held-for-sale is accrued and recognized based on the contractual rate of interest.

Loan origination fees or costs and purchase price discounts or premiums are deferred in a contra loan account until the related loan is sold. The deferred fees and discounts or premiums are an adjustment to the basis of the loan and therefore are included in the periodic determination of the lower of cost or fair value adjustments and/or the gain or loss recognized at the time of sale.

Held-for-sale loans are subject to the nonaccrual policies described above.

Because held-for-sale loans are recognized at the lower of cost or fair value, JPMorgan Chase Bank, N.A.'s allowance for loan losses and charge-off policies do not apply to these loans.

Loans at fair value
Loans used in a market-making strategy or risk managed on a fair value basis are measured at fair value, with changes in fair value recorded in noninterest revenue.

For these loans, the earned current contractual interest payment is recognized in interest income. Changes in fair value are recognized in noninterest revenue. Loan origination fees are recognized upfront in noninterest revenue. Loan origination costs are recognized in the associated expense category as incurred.

Because these loans are recognized at fair value, JPMorgan Chase Bank, N.A.'s nonaccrual, allowance for loan losses, and charge-off policies do not apply to these loans.

See Note 5 for further information on JPMorgan Chase Bank, N.A.'s elections of fair value accounting under the fair value option. See Note 4 and Note 5 for further information on loans carried at fair value and classified as trading assets.

PCI loans
PCI loans held-for-investment are initially measured at fair value. PCI loans have evidence of credit deterioration since the loan's origination date and therefore it is probable, at acquisition, that all contractually required payments will not be collected. Because PCI loans are initially measured at fair value, which includes an estimate of future credit losses, no allowance for loan losses related to PCI loans is recorded at the acquisition date. See page 80 of this Note for information on accounting for PCI loans subsequent to their acquisition.

Loan classification changes
Loans in the held-for-investment portfolio that management decides to sell are transferred to the held-for-sale portfolio at the lower of cost or fair value on the date of transfer. Credit-related losses are charged against the allowance for loan losses; non-credit related losses such as those due to changes in interest rates or foreign currency exchange rates are recognized in noninterest revenue.

In the event that management decides to retain a loan in the held-for-sale portfolio, the loan is transferred to the held-for-investment portfolio at the lower of cost or fair value on the date of transfer. These loans are subsequently assessed for impairment based on JPMorgan Chase Bank, N.A.'s allowance methodology. For a further discussion of the methodologies used in establishing JPMorgan Chase Bank, N.A.'s allowance for loan losses, see Note 16.

Loan modifications
JPMorgan Chase Bank, N.A. seeks to modify certain loans in conjunction with its loss-mitigation activities. Through the modification, JPMorgan Chase Bank, N.A. grants one or more concessions to a borrower who is experiencing financial difficulty in order to minimize JPMorgan Chase Bank, N.A.'s economic loss, avoid foreclosure or repossession of the collateral, and to ultimately maximize payments received by JPMorgan Chase Bank, N.A. from the borrower. The concessions granted vary by program and by borrower-specific characteristics, and may include interest rate reductions, term extensions, payment deferrals, principal forgiveness, or the acceptance of equity or other assets in lieu of payments.

Such modifications are accounted for and reported as troubled debt restructurings ("TDRs"). A loan that has been modified in a TDR is generally considered to be impaired until it matures, is repaid, or is otherwise liquidated, regardless of whether the borrower performs under the modified terms. In certain limited cases, the effective interest rate applicable to the modified loan is at or above the current market rate at the time of the restructuring. In such circumstances, and assuming that the loan subsequently performs under its modified terms and JPMorgan Chase Bank, N.A. expects to collect all contractual principal and interest cash flows, the loan is disclosed as impaired and as a TDR only during the year of the modification; in subsequent years, the loan is not disclosed as an impaired loan or as a TDR so long as repayment of the restructured loan under its modified terms is reasonably assured.

Loans, except for credit card loans, modified in a TDR are generally placed on nonaccrual status, although in many cases such loans were already on nonaccrual status prior to modification. These loans may be returned to performing status (the accrual of interest is resumed) if the following criteria are met: (a) the borrower has performed under the modified terms for a minimum of six months and/or six payments, and (b) JPMorgan Chase Bank, N.A. has an expectation that repayment of the modified loan is reasonably assured based on, for example, the borrower's debt capacity and level of future earnings, collateral values, loan-to-value ("LTV") ratios, and other current market considerations. In certain limited and well-defined circumstances in which the loan is current at the modification date, such loans are not placed on nonaccrual status at the time of modification.

Because loans modified in TDRs are considered to be impaired, these loans are measured for impairment using JPMorgan Chase Bank, N.A.'s established asset-specific allowance methodology, which considers the expected re-default rates for the modified loans. A loan modified in a TDR remains subject to the asset-specific allowance methodology throughout its remaining life, regardless of whether the loan is performing and has been returned to accrual status and/or the loan has been removed from the impaired loans disclosures (i.e., loans restructured at market rates). For further discussion of the methodology used to estimate JPMorgan Chase Bank, N.A.'s asset-specific allowance, see Note 16.

Foreclosed property

JPMorgan Chase Bank, N.A. acquires property from borrowers through loan restructurings, workouts, and foreclosures. Property acquired may include real property (e.g., residential real estate, land, and buildings) and commercial and personal property (e.g., automobiles, aircraft, railcars, and ships).

JPMorgan Chase Bank, N.A. recognizes foreclosed property upon receiving assets in satisfaction of a loan (e.g., by taking legal title or physical possession). For loans collateralized by real property, JPMorgan Chase Bank, N.A. generally recognizes the asset received at foreclosure sale or upon the execution of a deed in lieu of foreclosure transaction with the borrower. Foreclosed assets are reported in other assets on the Consolidated balance sheets and initially recognized at fair value less costs to sell. Each quarter the fair value of the acquired property is reviewed and adjusted, if necessary, to the lower of cost or fair value. Subsequent adjustments to fair value are charged/credited to noninterest revenue. Operating expense, such as real estate taxes and maintenance, are charged to other expense.

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, prime mortgage and home equity loans held in the asset management business and prime mortgage loans held in the corporate 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 business. Excludes prime mortgage and home equity loans held in the asset management business and prime mortgage loans held in the corporate business. Classes are internally defined and may not align with regulatory definitions.
(d) Other primarily includes loans to SPEs and loans to private banking clients. See Note 1 for additional information on SPEs.

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

December 31, 2014 (in millions)	Consumer, excluding credit card	Credit card[a]	Wholesale	Total
Retained	**$ 288,905**	**$ 29,745**	**$ 324,327**	**$ 642,977** [b]
Held-for-sale	**389**	**2,180**	**3,801**	**6,370**
At fair value	**–**	**–**	**2,283**	**2,283**
Total	**$ 289,294**	**$ 31,925**	**$ 330,411**	**$ 651,630**

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 $1.3 billion and $1.9 billion at December 31, 2014 and 2013, respectively.

The following tables provide 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			
Year ended December 31, (in millions)	Consumer, excluding credit card	Credit card	Wholesale	Total
Purchases	**$ 7,434** [a][b]	**$ –**	**$ 885**	**$ 8,319**
Sales	**6,582**	**117**	**7,381**	**14,080**
Retained loans reclassified to held-for-sale	**1,173**	**2,176**	**581**	**3,930**

	2013			
Year ended December 31, (in millions)	Consumer, excluding credit card	Credit card	Wholesale	Total
Purchases	$ 7,616 [a][b]	$ –	$ 697	$ 8,313
Sales	4,829	–	4,287	9,116
Retained loans reclassified to held-for-sale	1,261	68	5,641	6,970

	2012			
Year ended December 31, (in millions)	Consumer, excluding credit card	Credit card	Wholesale	Total
Purchases	$ 11,915 [a][b]	$ –	$ 821	$ 12,736
Sales	1,852	–	3,423	5,275
Retained loans reclassified to held-for-sale	–	239	504	743

(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 $15.1 billion, $5.7 billion and $1.4 billion for the years ended December 31, 2014, 2013 and 2012, respectively.

The following table provides information about gains and losses, including lower of cost or fair value adjustments, on loan sales by portfolio segment.

Year ended December 31, (in millions)	**2014**	2013	2012
Net gains/(losses) on sales of loans (including lower of cost or fair value adjustments)[a]			
Consumer, excluding credit card	**$ 341**	$ 313	$ 122
Credit card	**(227)**	–	(5)
Wholesale	**85**	(78)	167
Total net gains/(losses) on sales of loans (including lower of cost or fair value adjustments)	**$ 199**	$ 235	$ 284

(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.

December 31, (in millions)	2014	2013
Residential real estate – excluding PCI		
Home equity:		
Senior lien	$ 16,033	$ 16,730
Junior lien	34,824	38,932
Mortgages:		
Prime, including option ARMs	100,794	82,255
Subprime	5,054	6,218
Other consumer loans		
Auto	54,536	52,757
Business banking	20,056	18,946
Student and other	10,912	11,488
Residential real estate – PCI		
Home equity	17,095	18,927
Prime mortgage	10,220	12,038
Subprime mortgage	3,673	4,175
Option ARMs	15,708	17,915
Total retained loans	$ 288,905	$ 280,381

Delinquency rates are a primary credit quality indicator for consumer loans. Loans that are more than 30 days past due provide an early warning of borrowers who may be experiencing financial difficulties and/or who may be unable or unwilling to repay the loan. As the loan continues to age, it becomes more clear that the borrower is likely either unable or unwilling to pay. In the case of residential real estate loans, late-stage delinquencies (greater than 150 days past due) are a strong indicator of loans that will ultimately result in a foreclosure or similar liquidation transaction. In addition to delinquency rates, other credit quality indicators for consumer loans vary based on the class of loan, as follows:

- For residential real estate loans, including both non-PCI and PCI portfolios, the current estimated LTV ratio, or the combined LTV ratio in the case of junior lien loans, is an indicator of the potential loss severity in the event of default. Additionally, LTV or combined LTV can provide insight into a borrower's continued willingness to pay, as the delinquency rate of high-LTV loans tends to be greater than that for loans where the borrower has equity in the collateral. The geographic distribution of the loan collateral also provides insight as to the credit quality of the portfolio, as factors such as the regional economy, home price changes and specific events such as natural disasters, will affect credit quality. The borrower's current or "refreshed" FICO score is a secondary credit-quality indicator for certain loans, as FICO scores are an indication of the borrower's credit payment history. Thus, a loan to a borrower with a low FICO score (660 or below) is considered to be of higher risk than a loan to a borrower with a high FICO score. Further, a loan to a borrower with a high LTV ratio and a low FICO score is at greater risk of default than a loan to a borrower that has both a high LTV ratio and a high FICO score.
- For scored auto, scored business banking and student loans, geographic distribution is an indicator of the credit performance of the portfolio. Similar to residential real estate loans, geographic distribution provides insights into the portfolio performance based on regional economic activity and events.
- Risk-rated business banking and auto loans are similar to wholesale loans in that the primary credit quality indicators are the risk rating that is assigned to the loan and whether the loans are considered to be criticized and/or nonaccrual. Risk ratings are reviewed on a regular and ongoing basis by Credit Risk Management and are adjusted as necessary for updated information about borrowers' ability to fulfill their obligations. For further information about risk-rated wholesale loan credit quality indicators, see page 84 of this Note.

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

December 31, (in millions, except ratios)	Home equity				Mortgages					
	Senior lien		Junior lien		Prime, including option ARMs		Subprime		Total residential real estate – excluding PCI	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
Loan delinquency[(a)]										
Current	**$ 15,408**	$ 16,100	**$ 34,043**	$ 38,064	**$ 90,021**	$ 71,491	**$ 4,295**	$ 5,193	**$ 143,767**	$ 130,848
30–149 days past due	**270**	292	**522**	650	**4,009**	3,047	**489**	584	**5,290**	4,573
150 or more days past due	**355**	338	**259**	218	**6,764**	7,717	**270**	441	**7,648**	8,714
Total retained loans	**$ 16,033**	$ 16,730	**$ 34,824**	$ 38,932	**$ 100,794**	$ 82,255	**$ 5,054**	$ 6,218	**$ 156,705**	$ 144,135
% of 30+ days past due to total retained loans[(b)]	**3.90%**	3.77%	**2.24%**	2.23%	**1.29%**	2.11%	**15.02%**	16.48%	**2.21%**	2.95%
90 or more days past due and still accruing	**$ —**	$ —	**$ —**	$ —	**$ —**	$ —	**$ —**	$ —	**$ —**	$ —
90 or more days past due and government guaranteed[(c)]	**—**	—	**—**	—	**7,541**	7,819	**—**	—	**7,541**	7,819
Nonaccrual loans	**921**	917	**1,554**	1,838	**1,927**	2,299	**1,035**	1,252	**5,437**	6,306
Current estimated LTV ratios[(d)(e)(f)(g)]										
Greater than 125% and refreshed FICO scores:										
Equal to or greater than 660	**$ 21**	$ 40	**$ 465**	$ 1,097	**$ 120**	$ 236	**$ 10**	$ 52	**$ 616**	$ 1,425
Less than 660	**10**	22	**138**	345	**103**	281	**51**	194	**302**	842
101% to 125% and refreshed FICO scores:										
Equal to or greater than 660	**134**	212	**3,134**	4,622	**642**	1,186	**118**	245	**4,028**	6,265
Less than 660	**68**	106	**919**	1,401	**336**	662	**298**	587	**1,621**	2,756
80% to 100% and refreshed FICO scores:										
Equal to or greater than 660	**626**	837	**6,314**	7,697	**3,699**	4,403	**432**	596	**11,071**	13,533
Less than 660	**223**	324	**1,754**	2,087	**955**	1,458	**770**	1,108	**3,702**	4,977
Less than 80% and refreshed FICO scores:										
Equal to or greater than 660	**12,769**	12,877	**18,838**	18,424	**78,673**	56,188	**1,585**	1,556	**111,865**	89,045
Less than 660	**2,182**	2,312	**3,262**	3,259	**4,176**	4,152	**1,790**	1,880	**11,410**	11,603
U.S. government-guaranteed	**—**	—	**—**	—	**12,090**	13,689	**—**	—	**12,090**	13,689
Total retained loans	**$ 16,033**	$ 16,730	**$ 34,824**	$ 38,932	**$ 100,794**	$ 82,255	**$ 5,054**	$ 6,218	**$ 156,705**	$ 144,135
Geographic region										
California	**$ 2,221**	$ 2,384	**$ 7,935**	$ 8,995	**$ 26,381**	$ 19,788	**$ 717**	$ 882	**$ 37,254**	$ 32,049
New York	**2,747**	2,667	**7,373**	8,079	**16,002**	13,446	**676**	836	**26,798**	25,028
Illinois	**1,264**	1,200	**2,459**	2,641	**6,501**	5,034	**207**	255	**10,431**	9,130
Florida	**844**	828	**1,871**	2,106	**4,820**	4,263	**632**	766	**8,167**	7,963
Texas	**1,839**	2,036	**1,012**	1,106	**4,848**	3,456	**177**	215	**7,876**	6,813
New Jersey	**632**	606	**2,102**	2,296	**3,218**	2,506	**227**	292	**6,179**	5,700
Arizona	**899**	985	**1,538**	1,758	**1,747**	1,318	**112**	135	**4,296**	4,196
Washington	**503**	553	**1,185**	1,342	**2,179**	1,674	**109**	133	**3,976**	3,702
Michigan	**716**	776	**819**	939	**1,184**	974	**121**	146	**2,840**	2,835
Ohio	**1,104**	1,245	**718**	835	**602**	450	**112**	137	**2,536**	2,667
All other[(h)]	**3,264**	3,450	**7,812**	8,835	**33,312**	29,346	**1,964**	2,421	**46,352**	44,052
Total retained loans	**$ 16,033**	$ 16,730	**$ 34,824**	$ 38,932	**$ 100,794**	$ 82,255	**$ 5,054**	$ 6,218	**$ 156,705**	$ 144,135

(a) Individual delinquency classifications include mortgage loans insured by U.S. government agencies as follows: current included $2.6 billion and $4.7 billion; 30–149 days past due included $3.5 billion and $2.4 billion; and 150 or more days past due included $6.0 billion and $6.6 billion at December 31, 2014 and 2013, respectively.

(b) At December 31, 2014 and 2013, Prime, including option ARMs loans excluded mortgage loans insured by U.S. government agencies of $9.5 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 December 31, 2014 and 2013, these balances included $4.2 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) The prior period prime, including option ARMs have been revised. This revision had no impact on JPMorgan Chase Bank, N.A.'s Consolidated balance sheets or its results of operations.

(h) At December 31, 2014 and 2013, included mortgage loans insured by U.S. government agencies of $12.1 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 December 31, 2014 and 2013.

December 31, 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]	**$ 227**	**$ 67**	**$ 135**	**$ 23,977**	**1.79%**
Beyond the revolving period	**107**	**36**	**105**	**7,860**	**3.16**
HELOANs	**65**	**20**	**19**	**2,987**	**3.48**
Total	**$ 399**	**$ 123**	**$ 259**	**$ 34,824**	**2.24%**

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]	$ 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 TDR. All impaired loans are evaluated for an asset-specific allowance as described in Note 16.

	Home equity				Mortgages				Total residential real estate – excluding PCI	
	Senior lien		Junior lien		Prime, including option ARMs		Subprime			
December 31, (in millions)	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
Impaired loans										
With an allowance	**$ 549**	$ 564	**$ 715**	$ 721	**$ 4,160**	$ 4,947	**$ 2,238**	$ 2,845	**$ 7,662**	$ 9,077
Without an allowance[a]	**540**	571	**567**	579	**1,056**	998	**639**	648	**2,802**	2,796
Total impaired loans[b][c]	**$ 1,089**	$ 1,135	**$ 1,282**	$ 1,300	**$ 5,216**	$ 5,945	**$ 2,877**	$ 3,493	**$ 10,464**	$ 11,873
Allowance for loan losses related to impaired loans	**$ 84**	$ 94	**$ 146**	$ 161	**$ 110**	$ 125	**$ 64**	$ 94	**$ 404**	$ 474
Unpaid principal balance of impaired loans[d]	**1,437**	1,503	**2,568**	2,594	**6,735**	7,753	**4,198**	5,170	**14,938**	17,020
Impaired loans on nonaccrual status[e]	**619**	633	**615**	651	**1,369**	1,515	**931**	1,035	**3,534**	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. At December 31, 2014, Chapter 7 residential real estate loans included approximately 19% of senior lien home equity, 12% of junior lien home equity, 26% of prime mortgages, including option ARMs, and 18% of subprime mortgages that were 30 days or more past due.

(b) At December 31, 2014 and 2013, $4.9 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) Predominantly all residential real estate impaired loans, excluding PCI loans, are in the U.S.

(d) Represents the contractual amount of principal owed at December 31, 2014 and 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.

(e) As of December 31, 2014 and 2013, nonaccrual loans included $2.7 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 on pages 67–69 of this Note.

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

Year ended December 31,	Average impaired loans			Interest income on impaired loans[a]			Interest income on impaired loans on a cash basis[a]		
(in millions)	**2014**	2013	2012	**2014**	2013	2012	**2014**	2013	2012
Home equity									
Senior lien	**$ 1,111**	$ 1,142	$ 598	**$ 55**	$ 58	$ 26	**$ 37**	$ 39	$ 11
Junior lien	**1,292**	1,280	834	**80**	82	41	**52**	54	16
Mortgages									
Prime, including option ARMs	**5,722**	6,138	4,971	**225**	241	201	**47**	53	25
Subprime	**3,303**	3,586	3,314	**174**	189	176	**49**	51	29
Total residential real estate – excluding PCI	**$ 11,428**	$ 12,146	$ 9,717	**$ 534**	$ 570	$ 444	**$ 185**	$ 197	$ 81

(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.

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

The following table presents new TDRs reported by JPMorgan Chase Bank, N.A.

Year ended December 31, (in millions)	2014	2013	2012
Home equity:			
Senior lien	$ 108	$ 203	$ 829
Junior lien	202	375	700
Mortgages:			
Prime, including option ARMs	266	677	2,616
Subprime	121	297	956
Total residential real estate – excluding PCI	$ 697	$ 1,552	$ 5,101

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.

	Home equity						Mortgages								
	Senior lien			Junior lien			Prime, including option ARMs			Subprime			Total residential real estate - excluding PCI		
Year ended Dec. 31,	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012
Number of loans approved for a trial modification[(a)]	925	1,701	1,665	617	870	914	959	2,579	3,583	2,021	3,887	4,335	4,522	9,037	10,497
Number of loans permanently modified	1,159	1,741	4,367	2,761	4,970	7,357	2,289	3,974	8,275	3,111	5,063	9,599	9,320	15,748	29,598
Concession granted:[(a)]															
Interest rate reduction	53%	71%	83%	84%	88%	88%	43%	73%	73%	46%	71%	68%	58%	77%	77%
Term or payment extension	67	76	46	83	80	76	51	72	55	54	59	42	63	71	55
Principal and/or interest deferred	16	12	6	23	24	17	20	30	16	12	13	7	18	21	12
Principal forgiveness	36	38	11	23	32	23	51	38	28	53	50	43	41	40	29
Other[(b)]	–	–	–	–	–	–	9	24	29	10	14	8	6	10	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.

Year ended December 31, (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	2012	**2014**	2013	2012	**2014**	2013	2012	**2014**	2013	2012	**2014**	2013	2012
Weighted-average interest rate of loans with interest rate reductions – before TDR	**6.40%**	6.35%	7.21%	**4.83%**	5.06%	5.46%	**4.82%**	5.24%	6.13%	**7.15%**	7.35%	7.76%	**5.64%**	5.88%	6.59%
Weighted-average interest rate of loans with interest rate reductions – after TDR	**3.03**	3.23	4.61	**2.00**	2.13	1.93	**2.71**	2.78	3.70	**3.37**	3.54	4.18	**2.79**	2.93	3.72
Weighted-average remaining contractual term (in years) of loans with term or payment extensions – before TDR	**17**	19	18	**19**	19	20	**25**	25	25	**24**	24	24	**23**	23	23
Weighted-average remaining contractual term (in years) of loans with term or payment extensions – after TDR	**30**	31	28	**35**	34	32	**37**	37	36	**36**	35	32	**36**	36	34
Charge-offs recognized upon permanent modification	**$ 2**	$ 7	$ 8	**$ 25**	$ 69	$ 65	**$ 9**	$ 16	$ 32	**$ 3**	$ 5	$ 27	**$ 39**	$ 97	$ 132
Principal deferred	**5**	7	4	**11**	24	23	**35**	116	124	**19**	41	39	**70**	188	190
Principal forgiven	**14**	30	20	**21**	51	58	**78**	189	229	**88**	215	322	**201**	485	629
Balance of loans that redefaulted within one year of permanent modification[(a)]	**$ 19**	$ 26	$ 30	**$ 10**	$ 20	$ 46	**$ 113**	$ 142	$ 225	**$ 91**	$ 99	$ 147	**$ 233**	$ 287	$ 448

(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.

At December 31, 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, 8 years for junior lien home equity, 10 years for prime mortgages, including option ARMs, and 8 years for subprime mortgage. The estimated remaining lives of these loans reflect estimated prepayments, both voluntary and involuntary (i.e., foreclosures and other forced liquidations).

Active and suspended foreclosure

At December 31, 2014 and 2013, JPMorgan Chase Bank, N.A. had non-PCI residential real estate loans, excluding those insured by U.S. government agencies, with a carrying value of $1.4 billion and $1.9 billion, respectively, that were not included in REO, but were in the process of active or suspended foreclosure.

Other consumer loans

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

December 31, (in millions, except ratios)	Auto		Business banking		Student and other		Total other consumer	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
Loan delinquency[(a)]								
Current	**$ 53,866**	$ 52,152	**$ 19,708**	$ 18,506	**$ 10,022**	$ 10,464	**$ 83,596**	$ 81,122
30–119 days past due	**663**	599	**208**	280	**576**	656	**1,447**	1,535
120 or more days past due	**7**	6	**140**	160	**314**	368	**461**	534
Total retained loans	**$ 54,536**	$ 52,757	**$ 20,056**	$ 18,946	**$ 10,912**	$ 11,488	**$ 85,504**	$ 83,191
% of 30+ days past due to total retained loans	**1.23%**	1.15%	**1.74%**	2.32%	**2.16%** (d)	2.50% (d)	**1.47%** (d)	1.60% (d)
90 or more days past due and still accruing [(b)]	**$ —**	$ —	**$ —**	$ —	**$ 367**	$ 428	**$ 367**	$ 428
Nonaccrual loans	**115**	161	**279**	385	**269**	85	**663**	631
Geographic region								
California	**$ 6,294**	$ 5,615	**$ 3,008**	$ 2,374	**$ 1,141**	$ 1,111	**$ 10,443**	$ 9,100
New York	**3,662**	3,898	**3,187**	3,084	**1,210**	1,158	**8,059**	8,140
Illinois	**3,175**	2,917	**1,373**	1,341	**728**	739	**5,276**	4,997
Florida	**2,301**	2,012	**827**	646	**520**	538	**3,648**	3,196
Texas	**5,608**	5,310	**2,624**	2,642	**866**	877	**9,098**	8,829
New Jersey	**1,945**	2,014	**451**	392	**378**	396	**2,774**	2,802
Arizona	**2,003**	1,855	**1,083**	1,046	**239**	252	**3,325**	3,153
Washington	**1,019**	950	**258**	234	**235**	227	**1,512**	1,411
Michigan	**1,633**	1,902	**1,375**	1,382	**466**	512	**3,474**	3,796
Ohio	**2,157**	2,229	**1,354**	1,316	**628**	707	**4,139**	4,252
All other	**24,739**	24,055	**4,516**	4,489	**4,501**	4,971	**33,756**	33,515
Total retained loans	**$ 54,536**	$ 52,757	**$ 20,056**	$ 18,946	**$ 10,912**	$ 11,488	**$ 85,504**	$ 83,191
Loans by risk ratings[(c)]								
Noncriticized	**$ 9,822**	$ 9,968	**$ 14,617**	$ 13,618	**NA**	NA	**$ 24,439**	$ 23,586
Criticized performing	**35**	54	**708**	711	**NA**	NA	**743**	765
Criticized nonaccrual	**—**	38	**213**	316	**NA**	NA	**213**	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 $4.3 billion and $4.9 billion; 30-119 days past due included $364 million and $387 million; and 120 or more days past due included $290 million and $350 million at December 31, 2014 and 2013, respectively.

(b) These amounts represent student loans, which are insured by U.S. government agencies under the FFELP. These amounts were accruing as reimbursement of insured amounts is proceeding normally.

(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) December 31, 2014 and 2013, excluded loans 30 days or more past due and still accruing, which are insured by U.S. government agencies under the FFELP, of $654 million and $737 million, respectively. These amounts were excluded as reimbursement of insured amounts is proceeding normally.

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.

December 31, (in millions)		2014		2013
Impaired loans				
With an allowance	$	557	$	571
Without an allowance[(a)]		35		47
Total impaired loans[(b)(c)]	$	592	$	618
Allowance for loan losses related to impaired loans	$	117	$	107
Unpaid principal balance of impaired loans[(d)]		719		788
Impaired loans on nonaccrual status		456		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) Predominantly all other consumer impaired loans are in the U.S.
(c) Other consumer average impaired loans were $599 million, $648 million and $733 million for the years ended December 31, 2014, 2013 and 2012, respectively. The related interest income on impaired loans, including those on a cash basis, was not material for the years ended December 31, 2014, 2013 and 2012.
(d) Represents the contractual amount of principal owed at December 31, 2014 and 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.

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.

December 31, (in millions)		2014		2013
Loans modified in troubled debt restructurings[(a)(b)]	$	442	$	378
TDRs on nonaccrual status		306		201

(a) The impact of these modifications was not material to JPMorgan Chase Bank, N.A. for the years ended December 31, 2014 and 2013.
(b) Additional commitments to lend to borrowers whose loans have been modified in TDRs as of December 31, 2014 and 2013 were immaterial.

Other consumer new TDRs were $291 million, $156 million, and $249 million for the years ended December 31, 2014, 2013 and 2012, respectively.

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 $25 million, $43 million and $42 million, during the years ended December 31, 2014, 2013 and 2012, 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 $43 million, $54 million, and $46 million during the years ended December 31, 2014, 2013, and 2012, 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.

Purchased credit-impaired loans

PCI loans are initially recorded at fair value at acquisition. PCI loans acquired in the same fiscal quarter may be aggregated into one or more pools, provided that the loans have common risk characteristics. A pool is then accounted for as a single asset with a single composite interest rate and an aggregate expectation of cash flows. With respect to the Washington Mutual transaction, all of the consumer PCI loans were aggregated into pools of loans with common risk characteristics.

On a quarterly basis, JPMorgan Chase Bank, N.A. estimates the total cash flows (both principal and interest) expected to be collected over the remaining life of each pool. These estimates incorporate assumptions regarding default rates, loss severities, the amounts and timing of prepayments and other factors that reflect then-current market conditions. Probable decreases in expected cash flows (i.e., increased credit losses) trigger the recognition of impairment, which is then measured as the present value of the expected principal loss plus any related foregone interest cash flows, discounted at the pool's effective interest rate. Impairments are recognized through the provision for credit losses and an increase in the allowance for loan losses. Probable and significant increases in expected cash flows (e.g., decreased credit losses, the net benefit of modifications) would first reverse any previously recorded allowance for loan losses with any remaining increases recognized prospectively as a yield adjustment over the remaining estimated lives of the underlying loans. The impacts of (i) prepayments, (ii) changes in variable interest rates, and (iii) any other changes in the timing of expected cash flows are recognized prospectively as adjustments to interest income.

JPMorgan Chase Bank, N.A. continues to modify certain PCI loans. The impact of these modifications is incorporated into JPMorgan Chase Bank, N.A.'s quarterly assessment of whether a probable and significant change in expected cash flows has occurred, and the loans continue to be accounted for and reported as PCI loans. In evaluating the effect of modifications on expected cash flows, JPMorgan Chase Bank, N.A. incorporates the effect of any foregone interest and also considers the potential for redefault. JPMorgan Chase Bank, N.A. develops product-specific probability of default estimates, which are used to compute expected credit losses. In developing these probabilities of default, JPMorgan Chase Bank, N.A. considers the relationship between the credit quality characteristics of the underlying loans and certain assumptions about home prices and unemployment based upon industry-wide data. JPMorgan Chase Bank, N.A. also considers its own historical loss experience to-date based on actual redefaulted modified PCI loans.

The excess of cash flows expected to be collected over the carrying value of the underlying loans is referred to as the accretable yield. This amount is not reported on JPMorgan Chase Bank, N.A.'s Consolidated balance sheets but is accreted into interest income at a level rate of return over the remaining estimated lives of the underlying pools of loans.

If the timing and/or amounts of expected cash flows on PCI loans were determined not to be reasonably estimable, no interest would be accreted and the loans would be reported as nonaccrual loans; however, since the timing and amounts of expected cash flows for JPMorgan Chase Bank, N.A.'s PCI consumer loans are reasonably estimable, interest is being accreted and the loans are being reported as performing loans.

The liquidation of PCI loans, which may include sales of loans, receipt of payment in full by the borrower, or foreclosure, results in removal of the loans from the underlying PCI pool. When the amount of the liquidation proceeds (e.g., cash, real estate), if any, is less than the unpaid principal balance of the loan, the difference is first applied against the PCI pool's nonaccretable difference for principal losses (i.e., the lifetime credit loss estimate established as a purchase accounting adjustment at the acquisition date). When the nonaccretable difference for a particular loan pool has been fully depleted, any excess of the unpaid principal balance of the loan over the liquidation proceeds is written off against the PCI pool's allowance for loan losses. Beginning in the fourth quarter of 2014, write-offs of PCI loans also include other adjustments, primarily related to interest forgiveness modifications. Because JPMorgan Chase Bank, N.A.'s PCI loans are accounted for at a pool level, JPMorgan Chase Bank, N.A. does not recognize charge-offs of PCI loans when they reach specified stages of delinquency (i.e., unlike non-PCI consumer loans, these loans are not charged off based on FFIEC standards).

The PCI portfolio affects JPMorgan Chase Bank, N.A.'s results of operations primarily through: (i) contribution to net interest margin; (ii) expense related to defaults and servicing resulting from the liquidation of the loans; and (iii) any provision for loan losses. The PCI loans acquired in the Washington Mutual transaction were funded based on the interest rate characteristics of the loans. For example, variable-rate loans were funded with variable-rate liabilities and fixed-rate loans were funded with fixed-rate liabilities with a similar maturity profile. A net spread will be earned on the declining balance of the portfolio, which is estimated as of December 31, 2014, to have a remaining weighted-average life of 8 years.

Residential real estate – PCI loans

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

December 31, (in millions, except ratios)	Home equity		Prime mortgage		Subprime mortgage		Option ARMs		Total PCI	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
Carrying value[(a)]	**$17,095**	$18,927	**$10,220**	$12,038	**$ 3,673**	$ 4,175	**$15,708**	$17,915	**$46,696**	$53,055
Related allowance for loan losses[(b)]	**1,758**	1,758	**1,193**	1,726	**180**	180	**194**	494	**3,325**	4,158
Loan delinquency (based on unpaid principal balance)										
Current	**$16,295**	$18,135	**$ 8,912**	$10,118	**$ 3,565**	$ 4,012	**$13,814**	$15,501	**$42,586**	$47,766
30–149 days past due	**445**	583	**500**	589	**536**	662	**858**	1,006	**2,339**	2,840
150 or more days past due	**1,000**	1,112	**837**	1,169	**551**	797	**1,824**	2,716	**4,212**	5,794
Total loans	**$17,740**	$19,830	**$10,249**	$11,876	**$ 4,652**	$ 5,471	**$16,496**	$19,223	**$49,137**	$56,400
% of 30+ days past due to total loans	**8.15%**	8.55%	**13.05%**	14.80%	**23.37%**	26.67%	**16.26%**	19.36%	**13.33%**	15.31%
Current estimated LTV ratios (based on unpaid principal balance)[(c)(d)]										
Greater than 125% and refreshed FICO scores:										
Equal to or greater than 660	**$ 513**	$ 1,168	**$ 45**	$ 240	**$ 34**	$ 115	**$ 89**	$ 301	**$ 681**	$ 1,824
Less than 660	**273**	662	**97**	290	**160**	459	**150**	575	**680**	1,986
101% to 125% and refreshed FICO scores:										
Equal to or greater than 660	**2,245**	3,248	**456**	1,017	**215**	316	**575**	1,164	**3,491**	5,745
Less than 660	**1,073**	1,541	**402**	884	**509**	919	**771**	1,563	**2,755**	4,907
80% to 100% and refreshed FICO scores:										
Equal to or greater than 660	**4,171**	4,473	**2,154**	2,787	**519**	544	**2,418**	3,311	**9,262**	11,115
Less than 660	**1,647**	1,782	**1,316**	1,699	**1,006**	1,197	**1,996**	2,769	**5,965**	7,447
Lower than 80% and refreshed FICO scores:										
Equal to or greater than 660	**5,824**	5,077	**3,663**	2,897	**719**	521	**6,593**	5,671	**16,799**	14,166
Less than 660	**1,994**	1,879	**2,116**	2,062	**1,490**	1,400	**3,904**	3,869	**9,504**	9,210
Total unpaid principal balance	**$17,740**	$19,830	**$10,249**	$11,876	**$ 4,652**	$ 5,471	**$16,496**	$19,223	**$49,137**	$56,400
Geographic region (based on unpaid principal balance)										
California	**$10,671**	$11,937	**$ 5,965**	$ 6,845	**$ 1,138**	$ 1,293	**$ 9,190**	$10,419	**$26,964**	$30,494
New York	**876**	962	**672**	807	**463**	563	**933**	1,196	**2,944**	3,528
Illinois	**405**	451	**301**	353	**229**	283	**397**	481	**1,332**	1,568
Florida	**1,696**	1,865	**689**	826	**432**	526	**1,440**	1,817	**4,257**	5,034
Texas	**273**	327	**92**	106	**281**	328	**85**	100	**731**	861
New Jersey	**348**	381	**279**	334	**165**	213	**553**	701	**1,345**	1,629
Arizona	**323**	361	**167**	187	**85**	95	**227**	264	**802**	907
Washington	**959**	1,072	**225**	266	**95**	112	**395**	463	**1,674**	1,913
Michigan	**53**	62	**166**	189	**130**	145	**182**	206	**531**	602
Ohio	**20**	23	**48**	55	**72**	84	**69**	75	**209**	237
All other	**2,116**	2,389	**1,645**	1,908	**1,562**	1,829	**3,025**	3,501	**8,348**	9,627
Total unpaid principal balance	**$17,740**	$19,830	**$10,249**	$11,876	**$ 4,652**	$ 5,471	**$16,496**	$19,223	**$49,137**	$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 December 31, 2014 and 2013.

December 31, 2014 (in millions, except ratios)	Delinquencies			Total loans	Total 30+ day delinquency rate
	30–89 days past due	90–149 days past due	150+ days past due		
HELOCs:[a]					
Within the revolving period[b]	**$ 155**	**$ 50**	**$ 371**	**$ 8,972**	**6.42%**
Beyond the revolving period[c]	**76**	**24**	**166**	**4,143**	**6.42**
HELOANs	**20**	**7**	**38**	**736**	**8.83**
Total	**$ 251**	**$ 81**	**$ 575**	**$ 13,851**	**6.55%**

December 31, 2013 (in millions, except ratios)	Delinquencies			Total loans	Total 30+ day delinquency rate
	30–89 days past due	90–149 days past due	150+ days past due		
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 years ended December 31, 2014, 2013 and 2012, 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.

Year ended December 31, (in millions, except ratios)	Total PCI		
	2014	2013	2012
Beginning balance	**$ 16,167**	$ 18,457	$ 19,072
Accretion into interest income	**(1,934)**	(2,201)	(2,491)
Changes in interest rates on variable-rate loans	**(174)**	(287)	(449)
Other changes in expected cash flows[a]	**533**	198	2,325
Balance at December 31	**$ 14,592**	$ 16,167	$ 18,457
Accretable yield percentage	**4.19%**	4.31%	4.38%

(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 year ended December 31, 2014, other changes in expected cash flows were driven by changes in prepayment assumptions. For the year ended December 31, 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. For the year ended December 31, 2012, other changes in expected cash flows were principally driven by the impact of modifications, but also related to 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.

Since the date of acquisition, the decrease in the accretable yield percentage has been primarily related to a decrease in interest rates on variable-rate loans and, to a lesser extent, extended loan liquidation periods. Certain events, such as extended or shortened loan liquidation periods, affect the timing of expected cash flows and the accretable yield percentage, but not the amount of cash expected to be received (i.e., the accretable yield balance). While extended loan liquidation periods reduce the accretable yield percentage (because the same accretable yield balance is recognized against a higher-than-expected loan balance over a longer-than-expected period of time), shortened loan liquidation periods would have the opposite effect.

Active and suspended foreclosure

At December 31, 2014 and 2013, JPMorgan Chase Bank, N.A. had PCI residential real estate loans with an unpaid principal balance of $3.2 billion and $4.8 billion, respectively, that were not included in REO, but were in the process of active or suspended foreclosure.

Credit card loan portfolio

The credit card portfolio segment includes credit card loans originated and purchased by JPMorgan Chase Bank, N.A. Delinquency rates are the primary credit quality indicator for credit card loans as they provide an early warning that borrowers may be experiencing difficulties (30 days past due); information on those borrowers that have been delinquent for a longer period of time (90 days past due) is also considered. In addition to delinquency rates, the geographic distribution of the loans provides insight as to the credit quality of the portfolio based on the regional economy.

While the borrower's credit score is another general indicator of credit quality, JPMorgan Chase Bank, N.A. does not view credit scores as a primary indicator of credit quality because the borrower's credit score tends to be a lagging indicator. However, the distribution of such scores provides a general indicator of credit quality trends within the portfolio. Refreshed FICO score information, which is obtained at least quarterly, for a statistically significant random sample of the credit card portfolio is indicated in the table below; FICO is considered to be the industry benchmark for credit scores.

JPMorgan Chase Bank, N.A. generally originates new card accounts to prime consumer borrowers. However, certain cardholders' FICO scores may decrease over time, depending on the performance of the cardholder and changes in credit score technology.

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

As of or for the year ended December 31, (in millions, except ratios)	**2014**	2013
Net charge-offs	**$ 790**	$ 774
% of net charge-offs to retained loans	**2.60%**	2.70%
Loan delinquency		
Current and less than 30 days past due and still accruing	**$ 29,341**	$ 30,390
30–89 days past due and still accruing	**213**	266
90 or more days past due and still accruing	**191**	221
Nonaccrual loans	**—**	—
Total retained credit card loans	**$ 29,745**	$ 30,877
Loan delinquency ratios		
% of 30+ days past due to total retained loans	**1.36%**	1.58%
% of 90+ days past due to total retained loans	**0.64**	0.72
Credit card loans by geographic region		
California	**$ 4,230**	$ 3,905
Texas	**2,701**	2,457
New York	**2,604**	2,467
Illinois	**1,702**	1,682
Florida	**1,684**	1,576
New Jersey	**1,322**	1,260
Ohio	**1,026**	1,099
Pennsylvania	**992**	987
Virginia	**793**	802
Michigan	**763**	784
All other	**11,804**	11,493
Canada	**124**	2,365
Total retained credit card loans	**$ 29,745**	$ 30,877
Percentage of portfolio based on carrying value with estimated refreshed FICO scores		
Equal to or greater than 660	**86.4%**	86.2%
Less than 660	**13.6**	13.8

Credit card impaired loans and loan modifications

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.

December 31, (in millions)	**2014**	2013
Impaired credit card loans with an allowance[(a)(b)]		
Credit card loans with modified payment terms[(c)]	**$ 331**	$ 491
Modified credit card loans that have reverted to pre-modification payment terms[(d)]	**47**	69
Total impaired credit card loans[(e)]	**$ 378**	$ 560
Allowance for loan losses related to impaired credit card loans	**$ 95**	$ 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 December 31, 2014 and 2013, $30 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 $17 million and $27 million at December 31, 2014 and 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.
(e) Predominantly all impaired credit card loans are in the U.S.

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

Year ended December 31, (in millions)	2014	2013	2012
Average impaired credit card loans	$ 458	$ 672	$ 1,036
Interest income on impaired credit card loans	22	34	52

Loan modifications

JPMorgan Chase Bank, N.A. may offer one of a number of loan modification programs to credit card borrowers who are experiencing financial difficulty. Most of the credit card loans have been modified under long-term programs for borrowers who are experiencing financial difficulties. Modifications under long-term programs involve placing the customer on a fixed payment plan, generally for 60 months. JPMorgan Chase Bank, N.A. may also offer short-term programs for borrowers who may be in need of temporary relief; however, none are currently being offered. Modifications under all short- and long-term programs typically include reducing the interest rate on the credit card. Substantially all modifications are considered to be TDRs.

If the cardholder does not comply with the modified payment terms, then the credit card loan agreement reverts back to its pre-modification payment terms. Assuming that the cardholder does not begin to perform in accordance with those payment terms, the loan continues to age and will ultimately be charged-off in accordance with JPMorgan Chase Bank, N.A.'s standard charge-off policy. In addition, if a borrower successfully completes a short-term modification program, then the loan reverts back to its pre-modification payment terms. However, in most cases, JPMorgan Chase Bank, N.A. does not reinstate the borrower's line of credit.

New enrollments in these loan modification programs for the years ended December 31, 2014, 2013 and 2012, were $101 million, $112 million and $169 million, respectively.

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.

Year ended December 31, (in millions, except weighted-average data)	2014	2013	2012
Weighted-average interest rate of loans – before TDR	14.62%	14.75%	15.04%
Weighted-average interest rate of loans – after TDR	4.40	4.38	4.95
Loans that redefaulted within one year of modification[(a)]	$ 22	$ 35	$ 55

(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 for credit card loans modified was expected to be 27.17%, 30.14% and 37.79% as of December 31, 2014, 2013 and 2012, 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. Risk ratings are used to identify the credit quality of loans and differentiate risk within the portfolio. Risk ratings on loans consider the probability of default ("PD") and the loss given default ("LGD"). The PD is the likelihood that a loan will default and not be fully repaid by the borrower. The LGD is the estimated loss on the loan that would be realized upon the default of the borrower and takes into consideration collateral and structural support for each credit facility.

Management considers several factors to determine an appropriate risk rating, including the obligor's debt capacity and financial flexibility, the level of the obligor's earnings, the amount and sources for repayment, the level and nature of contingencies, management strength, and the industry and geography in which the obligor operates. JPMorgan Chase Bank, N.A.'s definition of criticized aligns with the banking regulatory definition of criticized exposures, which consist of special mention, substandard and doubtful categories. Risk ratings generally represent ratings profiles similar to those defined by S&P and Moody's. Investment-grade ratings range from "AAA/Aaa" to "BBB-/Baa3." Noninvestment-grade ratings are classified as noncriticized ("BB+/Ba1 and B-/B3") and criticized ("CCC+"/"Caa1 and below"), and the criticized portion is further subdivided into performing and nonaccrual loans, representing management's assessment of the collectibility of principal and interest. Criticized loans have a higher probability of default than noncriticized loans.

Risk ratings are reviewed on a regular and ongoing basis by Credit Risk Management and are adjusted as necessary for updated information affecting the obligor's ability to fulfill its obligations.

As noted above, the risk rating of a loan considers the industry in which the obligor conducts its operations. As part of the overall credit risk management framework, JPMorgan Chase Bank, N.A. focuses on the management and diversification of its industry and client exposures, with particular attention paid to industries with actual or potential credit concern. See Note 6 for further detail on industry concentrations.

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

As of or for the year ended December 31, (in millions, except ratios)	Commercial and industrial		Real estate		Financial institutions		Government agencies		Other[d]		Total retained loans	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
Loans by risk ratings												
Investment grade	**$ 61,846**	$ 56,406	**$ 60,987**	$ 52,154	**$ 27,108**	$ 26,698	**$ 7,064**	$ 8,182	**$ 84,754**	$ 81,958	**$ 241,759**	$ 225,398
Noninvestment grade:												
Noncriticized	**43,887**	43,255	**16,522**	14,325	**7,085**	6,589	**283**	430	**10,094**	11,372	**77,871**	75,971
Criticized performing	**2,235**	2,380	**1,313**	2,214	**311**	272	**3**	42	**236**	480	**4,098**	5,388
Criticized nonaccrual	**188**	294	**253**	344	**18**	14	**—**	1	**140**	155	**599**	808
Total noninvestment grade	**46,310**	45,929	**18,088**	16,883	**7,414**	6,875	**286**	473	**10,470**	12,007	**82,568**	82,167
Total retained loans	**$ 108,156**	$ 102,335	**$ 79,075**	$ 69,037	**$ 34,522**	$ 33,573	**$ 7,350**	$ 8,655	**$ 95,224**	$ 93,965	**$ 324,327**	$ 307,565
% of total criticized to total retained loans	**2.24%**	2.61%	**1.98 %**	3.71%	**0.95 %**	0.85 %	**0.04%**	0.50%	**0.39 %**	0.68%	**1.45%**	2.01%
% of nonaccrual loans to total retained loans	**0.17**	0.29	**0.32**	0.50	**0.05**	0.04	**—**	0.01	**0.15**	0.16	**0.18**	0.26
Loans by geographic distribution[a]												
Total non-U.S.	**$ 33,738**	$ 34,428	**$ 2,099**	$ 1,369	**$ 20,944**	$ 22,726	**$ 1,122**	$ 2,146	**$ 42,935**	$ 43,366	**$ 100,838**	$ 104,035
Total U.S.	**74,418**	67,907	**76,976**	67,668	**13,578**	10,847	**6,228**	6,509	**52,289**	50,599	**223,489**	203,530
Total retained loans	**$ 108,156**	$ 102,335	**$ 79,075**	$ 69,037	**$ 34,522**	$ 33,573	**$ 7,350**	$ 8,655	**$ 95,224**	$ 93,965	**$ 324,327**	$ 307,565
Net charge-offs/ (recoveries)	**$ 24**	$ 99	**$ (11)**	$ 7	**$ (23)**	$ (99)	**$ 25**	$ 1	**$ (13)**	$ 11	**$ 2**	$ 19
% of net charge-offs/(recoveries) to end-of-period retained loans	**0.02%**	0.10%	**(0.01)%**	0.01%	**(0.07)%**	(0.29)%	**0.34%**	0.01%	**(0.01)%**	0.01%	**—%**	0.01%
Loan delinquency[b]												
Current and less than 30 days past due and still	**$ 107,390**	$ 101,846	**$ 78,514**	$ 68,515	**$ 34,403**	$ 33,327	**$ 7,281**	$ 8,637	**$ 93,880**	$ 92,633	**$ 321,468**	$ 304,958
30–89 days past due and still accruing	**564**	181	**275**	164	**101**	226	**69**	17	**1,175**	1,161	**2,184**	1,749
90 or more days past due and still accruing[c]	**14**	14	**33**	14	**—**	6	**—**	—	**29**	16	**76**	50
Criticized nonaccrual	**188**	294	**253**	344	**18**	14	**—**	1	**140**	155	**599**	808
Total retained loans	**$ 108,156**	$ 102,335	**$ 79,075**	$ 69,037	**$ 34,522**	$ 33,573	**$ 7,350**	$ 8,655	**$ 95,224**	$ 93,965	**$ 324,327**	$ 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 page 84 of this Note.
(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 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. The real estate class primarily consists of secured commercial loans mainly to borrowers for multi-family and commercial lessor properties. Multifamily lending specifically finances apartment buildings. Commercial lessors receive financing specifically for real estate leased to retail, office and industrial tenants. Commercial construction and development loans represent financing for the construction of apartments, office and professional buildings and malls. Other real estate loans include lodging, real estate investment trusts ("REITs"), single-family, homebuilders and other real estate.

December 31, (in millions, except ratios)	Multifamily		Commercial lessors		Commercial construction and development		Other		Total real estate loans	
	2014	2013	**2014**	2013	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Real estate retained loans	**$ 51,049**	$ 44,389	**$ 17,409**	$ 15,846	**$ 4,264**	$ 3,674	**$ 6,353**	$ 5,128	**$ 79,075**	$ 69,037
Criticized	**652**	1,142	**841**	1,306	**42**	81	**31**	29	**1,566**	2,558
% of criticized to total real estate retained loans	**1.28%**	2.57%	**4.83%**	8.24%	**0.98%**	2.20%	**0.49%**	0.57%	**1.98%**	3.71%
Criticized nonaccrual	**$ 126**	$ 191	**$ 110**	$ 141	**$ —**	$ 3	**$ 17**	$ 9	**$ 253**	$ 344
% of criticized nonaccrual to total real estate retained loans	**0.25%**	0.43%	**0.63%**	0.89%	**—%**	0.08%	**0.27%**	0.18%	**0.32%**	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 16.

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

December 31, (in millions)	Commercial and industrial		Real estate		Financial institutions		Government agencies		Other		Total retained loans	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
Impaired loans												
With an allowance	**$ 174**	$ 236	**$ 193**	$ 258	**$ 15**	$ 13	**$ —**	$ 1	**$ 89**	$ 85	**$ 471**	$ 593
Without an allowance[(a)]	**24**	58	**87**	107	**3**	1	**—**	—	**52**	73	**166**	239
Total impaired loans	**$ 198**	$ 294	**$ 280**	$ 365	**$ 18**	$ 14	**$ —**	$ 1	**$ 141**	$ 158	**$ 637**[(c)]	$ 832[(c)]
Allowance for loan losses related to impaired loans	**$ 34**	$ 75	**$ 36**	$ 63	**$ 4**	$ 5	**$ —**	$ —	**$ 13**	$ 27	**$ 87**	$ 170
Unpaid principal balance of impaired loans[(b)]	**266**	448	**345**	442	**22**	13	**—**	1	**202**	241	**835**	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 December 31, 2014 and 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.
(c) Based upon the domicile of the borrower, predominantly all wholesale impaired loans are in the U.S.

The following table presents JPMorgan Chase Bank, N.A.'s average impaired loans for the years ended 2014, 2013 and 2012.

Year ended December 31, (in millions)	**2014**	2013	2012
Commercial and industrial	**$ 241**	$ 409	$ 868
Real estate	**296**	470	775
Financial institutions	**16**	11	17
Government agencies	**—**	—	9
Other	**155**	211	277
Total[(a)]	**$ 708**	$ 1,101	$ 1,946

(a) The related interest income on accruing impaired loans and interest income recognized on a cash basis were not material for the years ended December 31, 2014, 2013 and 2012.

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. TDRs were not material as of December 31, 2014 and 2013.

Note 16 – Allowance for credit losses

JPMorgan Chase Bank, N.A.'s allowance for loan losses covers the consumer, including credit card, portfolio segments (primarily scored); and wholesale (risk-rated) portfolio, and represents management's estimate of probable credit losses inherent in JPMorgan Chase Bank, N.A.'s loan portfolio. The allowance for loan losses includes an asset-specific component, a formula-based component and a component related to PCI loans, as described below. Management also estimates an allowance for wholesale and consumer lending-related commitments using methodologies similar to those used to estimate the allowance on the underlying loans. During 2014, JPMorgan Chase Bank, N.A. did not make any significant changes to the methodologies or policies used to determine its allowance for credit losses; such policies are described in the following paragraphs.

The asset-specific component of the allowance relates to loans considered to be impaired, which includes loans that have been modified in TDRs as well as risk-rated loans that have been placed on nonaccrual status. To determine the asset-specific component of the allowance, larger loans are evaluated individually, while smaller loans are evaluated as pools using historical loss experience for the respective class of assets. Scored loans (i.e., consumer loans) are pooled by product type, while risk-rated loans (primarily wholesale loans) are segmented by risk rating.

JPMorgan Chase Bank, N.A. generally measures the asset-specific allowance as the difference between the recorded investment in the loan and the present value of the cash flows expected to be collected, discounted at the loan's original effective interest rate. Subsequent changes in impairment are reported as an adjustment to the provision for loan losses. In certain cases, the asset-specific allowance is determined using an observable market price, and the allowance is measured as the difference between the recorded investment in the loan and the loan's fair value. Impaired collateral-dependent loans are charged down to the fair value of collateral less costs to sell and therefore may not be subject to an asset-specific reserve as are other impaired loans. See Note 15 for more information about charge-offs and collateral-dependent loans.

The asset-specific component of the allowance for impaired loans that have been modified in TDRs incorporates the effects of foregone interest, if any, in the present value calculation and also incorporates the effect of the modification on the loan's expected cash flows, which considers the potential for redefault. For residential real estate loans modified in TDRs, JPMorgan Chase Bank, N.A. develops product-specific probability of default estimates, which are applied at a loan level to compute expected losses. In developing these probabilities of default, JPMorgan Chase Bank, N.A. considers the relationship between the credit quality characteristics of the underlying loans and certain assumptions about home prices and unemployment, based upon industry-wide data. JPMorgan Chase Bank, N.A. also considers its own historical loss experience to date based on actual redefaulted modified loans. For credit card loans modified in TDRs, expected losses incorporate projected redefaults based on JPMorgan Chase Bank, N.A.'s historical experience by type of modification program. For wholesale loans modified in TDRs, expected losses incorporate redefaults based on management's expectation of the borrower's ability to repay under the modified terms.

The formula-based component is based on a statistical calculation to provide for incurred credit losses in performing risk-rated loans and all consumer loans, except for any loans restructured in TDRs and PCI loans. See Note 15 for more information on PCI loans.

For scored loans, the statistical calculation is performed on pools of loans with similar risk characteristics (e.g., product type) and generally computed by applying loss factors to outstanding principal balances over an estimated loss emergence period. The loss emergence period represents the time period between the date at which the loss is estimated to have been incurred and the ultimate realization of that loss (through a charge-off). Estimated loss emergence periods may vary by product and may change over time; management applies judgment in estimating loss emergence periods, using available credit information and trends.

Loss factors are statistically derived and sensitive to changes in delinquency status, credit scores, collateral values and other risk factors. JPMorgan Chase Bank, N.A. uses a number of different forecasting models to estimate both the PD and the loss severity, including delinquency roll rate models and credit loss severity models. In developing PD and loss severity assumptions, JPMorgan Chase Bank, N.A. also considers known and anticipated changes in the economic environment, including changes in home prices, unemployment rates and other risk indicators.

A nationally recognized home price index measure is used to estimate both the PD and the loss severity on residential real estate loans at the metropolitan statistical areas ("MSA") level. Loss severity estimates are regularly validated by comparison to actual losses recognized on defaulted loans, market-specific real estate appraisals and property sales activity. The economic impact of potential modifications of residential real estate loans is not included in the statistical calculation because of the uncertainty regarding the type and results of such modifications.

For risk-rated loans, the statistical calculation is the product of an estimated PD and an estimated LGD. These factors are differentiated by risk rating and expected maturity. In assessing the risk rating of a particular loan, among the factors considered are the obligor's debt capacity and financial flexibility, the level of the obligor's earnings, the amount and sources for repayment, the level and nature of contingencies, management strength, and the industry and geography in which the obligor operates. These factors are based on an evaluation of historical and current information, and involve subjective assessment and interpretation. Emphasizing one factor over another or considering additional factors could impact the risk rating assigned by JPMorgan Chase Bank, N.A. to that loan. PD estimates are based on observable external through-the-cycle data, using credit-rating agency default statistics. LGD estimates are based on JPMorgan Chase Bank, N.A.'s history of actual credit losses over more than one credit cycle. Estimates of PD and LGD are subject to periodic refinement based on changes to underlying external and JPMorgan Chase Bank, N.A.-specific historical data.

Management applies judgment within an established framework to adjust the results of applying the statistical calculation described above. The determination of the appropriate adjustment is based on management's view of loss events that have occurred but that are not yet reflected in the loss factors and that relate to current macroeconomic and political conditions, the quality of underwriting standards and other relevant internal and external factors affecting the credit quality of the portfolio. For the scored loan portfolios, adjustments to the statistical calculation are made in part by analyzing the historical loss experience for each major product segment. Factors related to unemployment, home prices, borrower behavior and lien position, the estimated effects of the mortgage foreclosure-related settlement with federal and state officials and uncertainties regarding the ultimate success of loan modifications are incorporated into the calculation, as appropriate. For junior lien products, management considers the delinquency and/or modification status of any senior liens in determining the adjustment. In addition, for the risk-rated portfolios, any adjustments made to the statistical calculation take into consideration model imprecision, deteriorating conditions within an industry, product or portfolio type, geographic location, credit concentration, and current economic events that have occurred but that are not yet reflected in the factors used to derive the statistical calculation.

Management establishes an asset-specific allowance for lending-related commitments that are considered impaired and computes a formula-based allowance for performing consumer and wholesale lending-related commitments. These are computed using a methodology similar to that used for the wholesale loan portfolio, modified for expected maturities and probabilities of drawdown.

Determining the appropriateness of the allowance is complex and requires judgment by management about the effect of matters that are inherently uncertain. Subsequent evaluations of the loan portfolio, in light of the factors then prevailing, may result in significant changes in the allowances for loan losses and lending-related commitments in future periods. At least quarterly, the allowance for credit losses is reviewed by the Chief Risk Officer, the Chief Financial Officer and the Controller of JPMorgan Chase and discussed with the Risk Policy and Audit Committees of the Board of Directors of JPMorgan Chase Bank, N.A. As of December 31, 2014, JPMorgan Chase Bank, N.A. deemed the allowance for credit losses to be appropriate (i.e., sufficient to absorb probable credit losses inherent in the portfolio).

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			
Year ended December 31, (in millions)	Consumer, excluding credit card	Credit card	Wholesale	Total
Allowance for loan losses				
Beginning balance at January 1,	$ 8,354	$ 832	$ 3,948	$ 13,134
Gross charge-offs	2,100	886	138	3,124
Gross recoveries	(739)	(96)	(136)	(971)
Net charge-offs/(recoveries)	1,361	790	2	2,153
Write-offs of PCI loans[(a)]	533	–	–	533
Provision for loan losses	478	699	(262)	915
Other	31	(6)	(36)	(11)
Ending balance at December 31,	$ 6,969	$ 735	$ 3,648	$ 11,352
Allowance for loan losses by impairment methodology				
Asset-specific[(b)]	$ 521	$ 95 [(c)]	$ 87	$ 703
Formula-based	3,123	640	3,561	7,324
PCI	3,325	–	–	3,325
Total allowance for loan losses	$ 6,969	$ 735	$ 3,648	$ 11,352
Loans by impairment methodology				
Asset-specific	$ 11,056	$ 378	$ 637	$ 12,071
Formula-based	231,153	29,367	323,686	584,206
PCI	46,696	–	4	46,700
Total retained loans	$ 288,905	$ 29,745	$ 324,327	$ 642,977
Impaired collateral-dependent loans				
Net charge-offs	$ 129	$ –	$ 21	$ 150
Loans measured at fair value of collateral less cost to sell	2,861	–	326	3,187
Allowance for lending-related commitments				
Beginning balance at January 1,	$ 8	$ –	$ 693	$ 701
Provision for lending-related commitments	5	–	(88)	(83)
Other	–	–	1	1
Ending balance at December 31,	$ 13	$ –	$ 606	$ 619
Allowance for lending-related commitments by impairment methodology				
Asset-specific	$ –	$ –	$ 60	$ 60
Formula-based	13	–	546	559
Total allowance for lending-related commitments	$ 13	$ –	$ 606	$ 619
Lending-related commitments by impairment methodology				
Asset-specific	$ –	$ –	$ 103	$ 103
Formula-based	58,185	29,065	465,503	552,753
Total lending-related commitments	$ 58,185	$ 29,065	$ 465,606	$ 552,856

(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. A write-off of a PCI loan is recognized when the underlying loan is removed from a pool (e.g., upon liquidation). During the fourth quarter of 2014, JPMorgan Chase Bank, N.A. recorded a $291 million adjustment to reduce the PCI allowance and the recorded investment in JPMorgan Chase Bank, N.A.'s PCI loan portfolio, primarily reflecting the cumulative effect of interest forgiveness modifications. This adjustment had no impact to JPMorgan Chase Bank, N.A.'s Consolidated statements of income.

(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.

(table continued from previous page)

2013				2012			
Consumer, excluding credit card	Credit card	Wholesale	Total	Consumer, excluding credit card	Credit card	Wholesale	Total
$ 12,018	$ 1,101	$ 4,072	$ 17,191	$ 15,918	$ 1,371	$ 4,218	$ 21,507
2,675	904	241	3,820	4,647	1,145	343	6,135
(767)	(130)	(222)	(1,119)	(453)	(171)	(508)	(1,132)
1,908	774	19	2,701	4,194	974	(165)	5,003
53	–	–	53	–	–	–	–
(1,699)	511	(106)	(1,294)	302	700	(321)	681
(4)	(6)	1	(9)	(8)	4	10	6
$ 8,354	$ 832	$ 3,948	$ 13,134	$ 12,018	$ 1,101	$ 4,072	$ 17,191
$ 581	$ 173 [(c)]	$ 170	$ 924	$ 712	$ 285 [(c)]	$ 318	$ 1,315
3,615	659	3,778	8,052	5,595	816	3,754	10,165
4,158	–	–	4,158	5,711	–	–	5,711
$ 8,354	$ 832	$ 3,948	$ 13,134	$ 12,018	$ 1,101	$ 4,072	$ 17,191
$ 12,491	$ 560	$ 832	$ 13,883	$ 12,616	$ 821	$ 1,470	$ 14,907
214,835	30,317	306,727	551,879	210,560	28,048	304,042	542,650
53,055	–	6	53,061	59,737	–	19	59,756
$ 280,381	$ 30,877	$ 307,565	$ 618,823	$ 282,913	$ 28,869	$ 305,531	$ 617,313
$ 227	$ –	$ 38	$ 265	$ 948	$ –	$ 75	$ 1,023
2,888	–	361	3,249	3,033	–	441	3,474
$ 7	$ –	$ 647	$ 654	$ 7	$ –	$ 645	$ 652
1	–	46	47	–	–	5	5
–	–	–	–	–	–	(3)	(3)
$ 8	$ –	$ 693	$ 701	$ 7	$ –	$ 647	$ 654
$ –	$ –	$ 60	$ 60	$ –	$ –	$ 97	$ 97
8	–	633	641	7	–	550	557
$ 8	$ –	$ 693	$ 701	$ 7	$ –	$ 647	$ 654
$ –	$ –	$ 206	$ 206	$ –	$ –	$ 355	$ 355
56,069	33,844	439,622	529,535	60,216	34,371	428,678	523,265
$ 56,069	$ 33,844	$ 439,828	$ 529,741	$ 60,216	$ 34,371	$ 429,033	$ 523,620

Note 17 – Variable interest entities

For a further description of JPMorgan Chase Bank, N.A.'s accounting policies regarding consolidation of VIEs, see Note 1.

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

JPMorgan Chase Bank, N.A. business	*Transaction Type*	*Activity*	*Consolidated Financial Statements page reference*
Consumer & community bank	Mortgage securitization trusts	Securitization of originated and purchased residential mortgages	91-93
	Other securitization trusts	Securitization of originated student loans	91-93
	Credit card securitization trusts	Securitization of both originated and purchased credit card receivables	93-94
Corporate & investment bank	Mortgage and other securitization trusts	Securitization of both originated and purchased residential and commercial mortgages, automobile and student loans	91-93
	Multi-seller conduits Investor intermediation activities:	Assist clients in accessing the financial markets in a cost-efficient manner and structures transactions to meet investor needs	94-97
	Municipal bond vehicles		94-95
	Credit-related note and asset swap vehicles		96-97

JPMorgan Chase Bank, N.A.'s other businesses are also involved with VIEs, but to a lesser extent, as follows:

- Commercial banking business: The commercial banking business makes investments in and provides lending to community development entities that may meet the definition of a VIE. In addition, the commercial banking business provides financing and lending-related services to certain client-sponsored VIEs. In general, the commercial banking business does not control the activities of these entities, and therefore, the financial results of these entities are not consolidated by JPMorgan Chase Bank, N.A.

JPMorgan Chase Bank, N.A. also invests in and provides financing and other services to VIEs sponsored by third parties, as described on page 97 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 business involved, JPMorgan Chase Bank, N.A. may act as the servicer of the loans and/or retain certain beneficial interests in the securitization trusts.

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 98 of this Note for further information regarding JPMorgan Chase Bank, N.A.'s cash flows with and interests retained in nonconsolidated VIEs, and page 99 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)]		
December 31, 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	**$ 62.6**	**$ 0.7**	**$ 59.7**	**$ 0.2**	**$ 0.5**	**$ 0.7**
Subprime	**18.2**	**—**	**17.0**	**—**	**—**	**—**
Commercial and other[(b)]	**101.4**	**0.2**	**73.9**	**—**	**2.4**	**2.4**
Total	**$ 182.2**	**$ 0.9**	**$ 150.6**	**$ 0.2**	**$ 2.9**	**$ 3.1**

	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 page 99 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 18 for a discussion of MSRs); securities retained from loan 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 7 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 December 31, 2014 and 2013, respectively.
(d) As of December 31, 2014 and 2013, 93% 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 $634 million and $426 million of investment-grade and $43 million and $50 million of noninvestment-grade retained interests at December 31, 2014 and 2013, respectively. The retained interests in commercial and other securitizations trusts consisted of $2.4 billion and $2.6 billion of investment-grade and zero and $6 million of noninvestment-grade retained interests at December 31, 2014 and 2013, respectively.

Residential mortgage
JPMorgan Chase Bank, N.A. securitizes residential mortgage loans originated by the consumer & community banking business, as well as residential mortgage loans purchased from third parties by either the consumer & community banking business or the corporate & investment banking business. The consumer & community banking business generally retains servicing for all residential mortgage loans it originated or purchased, and for certain mortgage loans purchased by the corporate & investment banking business. For securitizations serviced by the consumer & community banking business, JPMorgan Chase Bank, N.A. has the power to direct the significant activities of the VIE because it is responsible for decisions related to loan modifications and workouts. The consumer & community banking business may also retain an interest upon securitization.

In addition, the corporate & investment banking business engages in underwriting and trading activities involving securities issued by JPMorgan Chase Bank, N.A.-sponsored securitization trusts. As a result, the corporate & investment banking business at times retains senior and/or subordinated interests (including residual interests) in residential mortgage securitizations upon securitization, and/or reacquires positions in the secondary market in the normal course of business. In certain instances, as a result of the positions retained or reacquired by the corporate & investment banking business or held by the consumer & community banking business, when considered together with the servicing arrangements entered into by the consumer & community banking business, JPMorgan Chase Bank, N.A. is deemed to be the primary beneficiary of certain securitization trusts. See the table on page 97 of this Note for more information on consolidated residential mortgage securitizations.

JPMorgan Chase Bank, N.A. does not consolidate a residential mortgage securitization (JPMorgan Chase Bank, N.A.-sponsored or third-party-sponsored) when it is not the servicer (and therefore does not have the power to direct the most significant activities of the trust) or does not hold a beneficial interest in the trust that could potentially be significant to the trust. At December 31, 2014 and 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 97 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. The corporate & investment banking business may retain unsold senior and/or subordinated interests in commercial mortgage securitizations at the time of securitization but, generally, JPMorgan Chase Bank, N.A. does not service commercial loan securitizations. For commercial mortgage securitizations the power to direct the significant activities of the VIE generally is held by the servicer or investors in a specified class of securities ("controlling class"). See the table on page 97 of this Note for more information on the consolidated commercial mortgage securitizations, and the table on the previous page of this Note for further information on interests held in nonconsolidated securitizations.

JPMorgan Chase Bank, N.A. retains servicing responsibilities for certain student loan securitizations. JPMorgan Chase Bank, N.A. has the power to direct the activities of these VIEs through these servicing responsibilities. See the table on page 97 of this Note for more information on the consolidated student loan securitizations, and the table on the previous page of this Note for further information on interests held in nonconsolidated securitizations.

Credit card securitizations
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 December 31, 2014 and 2013, JPMorgan Chase Bank, N.A. had recorded $4.6 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 $50 million and $231 million at December 31, 2014 and 2013, respectively, and were classified as AFS securities.

Consolidation of JPMorgan Chase Bank, N.A.-sponsored credit card securitization trust
In addition to the securitization activity with the Trusts, JPMorgan Chase Bank, N.A. had previously securitized originated and purchased credit card loans in a JPMorgan Chase Bank, N.A. sponsored entity ("SCORE Trust"). JPMorgan Chase Bank, N.A. is considered the primary beneficiary based on its ability to direct the activities of the SCORE Trust and, therefore, consolidates the assets and liabilities of the SCORE Trust. During 2014, the SCORE Trust

made its final principal note payment and was subsequently terminated.

On September 3, 2013, pursuant to an amendment to the trust documents, JPMorgan Chase Bank, N.A. settled its intercompany payable with the SCORE Trust for cash and, therefore, the SCORE Trust no longer had a lien on the credit card receivables previously securitized through the SCORE Trust, and JPMorgan Chase Bank, N.A. did not hold any undivided interests in SCORE Trust.

Multi-seller conduits

Multi-seller conduit entities are separate bankruptcy remote entities that purchase interests in, and make loans secured by, pools of receivables and other financial assets pursuant to agreements with customers of JPMorgan Chase Bank, N.A. The conduits fund their purchases and loans through the issuance of highly rated commercial paper. The primary source of repayment of the commercial paper is the cash flows from the pools of assets. In most instances, the assets are structured with deal-specific credit enhancements provided to the conduits by the customers (i.e., sellers) or other third parties. Deal-specific credit enhancements are generally structured to cover a multiple of historical losses expected on the pool of assets, and are typically in the form of overcollateralization provided by the seller. The deal-specific credit enhancements mitigate JPMorgan Chase Bank, N.A.'s potential losses on its agreements with the conduits.

To ensure timely repayment of the commercial paper, and to provide the conduits with funding to purchase interests in or make loans secured by pools of receivables in the event that the conduits do not obtain funding in the commercial paper market, each asset pool financed by the conduits has a minimum 100% deal-specific liquidity facility associated with it provided by JPMorgan Chase Bank, N.A. JPMorgan Chase Bank, N.A. also provides the multi-seller conduit vehicles with uncommitted program-wide liquidity facilities and program-wide credit enhancement in the form of standby letters of credit. The amount of program-wide credit enhancement required is based upon commercial paper issuance and approximates 10% of the outstanding balance.

JPMorgan Chase Bank, N.A. consolidates its JPMorgan Chase Bank, N.A.-administered multi-seller conduits, as it has both the power to direct the significant activities of the conduits and a potentially significant economic interest in the conduits. As administrative agent and in its role in structuring transactions, JPMorgan Chase Bank, N.A. makes decisions regarding asset types and credit quality, and manages the commercial paper funding needs of the conduits. JPMorgan Chase Bank, N.A.'s interests that could potentially be significant to the VIEs include the fees received as administrative agent and liquidity and program-wide credit enhancement provider, as well as the potential exposure created by the liquidity and credit enhancement facilities provided to the conduits. See page 97 of this Note for further information on consolidated VIE assets and liabilities.

In the normal course of business, JPMorgan Chase Bank, N.A. makes markets in and invests in commercial paper, issued by JPMorgan Chase Bank, N.A.-administered multi-seller conduits. JPMorgan Chase Bank, N.A. held $5.7 billion and $4.1 billion of the commercial paper issued by JPMorgan Chase Bank, N.A.-administered multi-seller conduits at December 31, 2014 and 2013, respectively. JPMorgan Chase Bank, N.A.'s investments reflect its funding needs and capacity and were not driven by market illiquidity. 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. The unfunded portion of these commitments was $9.9 billion and $9.1 billion at December 31, 2014 and 2013, respectively, and are reported as off-balance sheet lending-related commitments. For more information on off-balance sheet lending-related commitments, see Note 27.

VIEs associated with investor intermediation activities

As a financial intermediary, JPMorgan Chase Bank, N.A. creates certain types of VIEs and also structures transactions with these VIEs, typically using derivatives, to meet investor needs. JPMorgan Chase Bank, N.A. may also provide liquidity and other support. The risks inherent in the derivative instruments or liquidity commitments are managed similarly to other credit, market or liquidity risks to which JPMorgan Chase Bank, N.A. is exposed. The principal types of VIEs for which JPMorgan Chase Bank, N.A. is engaged in on behalf of clients are municipal bond vehicles, credit-related note vehicles and asset swap vehicles.

Municipal bond vehicles

JPMorgan Chase Bank, N.A. has created a series of trusts that provide short-term investors with qualifying tax-exempt investments, and that allow investors in tax-exempt securities to finance their investments at short-term tax-exempt rates. In a typical transaction, the vehicle purchases fixed-rate longer-term highly rated municipal bonds and funds the purchase by issuing two types of securities: (1) puttable floating-rate certificates and (2) inverse floating-rate residual interests ("residual interests"). The maturity of each of the puttable floating-rate certificates and the residual interests is equal to the life of the vehicle, while the maturity of the underlying municipal bonds is typically longer. Holders of the puttable floating-rate certificates may "put," or tender, the certificates if the remarketing agent cannot successfully remarket the

floating-rate certificates to another investor. A liquidity facility conditionally obligates the liquidity provider to fund the purchase of the tendered floating-rate certificates. Upon termination of the vehicle, proceeds from the sale of the underlying municipal bonds would first repay any funded liquidity facility or outstanding floating-rate certificates and the remaining amount, if any, would be paid to the residual interests. If the proceeds from the sale of the underlying municipal bonds are not sufficient to repay the liquidity facility, in certain transactions the liquidity provider has recourse to the residual interest holders for reimbursement. Certain residual interest holders may be required to post collateral with JPMorgan Chase Bank, N.A., as liquidity provider, to support such reimbursement obligations should the market value of the municipal bonds decline.

JPMorgan Chase Bank, N.A. often serves as the sole liquidity provider of the puttable floating-rate certificates. The liquidity provider's obligation to perform is conditional and is limited by certain termination events, which include bankruptcy or failure to pay by the municipal bond issuer or credit enhancement provider, an event of taxability on the municipal bonds or the immediate downgrade of the municipal bond to below investment grade. In addition, JPMorgan Chase Bank, N.A.'s exposure as liquidity provider is further limited by the high credit quality of the underlying municipal bonds, the excess collateralization in the vehicle, or in certain transactions, the reimbursement agreements with the residual interest holders.

The long-term credit ratings of the puttable floating rate certificates are directly related to the credit ratings of the underlying municipal bonds, the credit rating of any insurer of the underlying municipal bond, and JPMorgan Chase Bank, N.A.'s short-term credit rating as liquidity provider. A downgrade in any of these ratings would affect the rating of the puttable floating-rate certificates and could cause demand for these certificates by investors to decline or disappear. However, a downgrade of JPMorgan Chase Bank, N.A.'s short-term rating does not affect JPMorgan Chase Bank, N.A.'s obligation under the liquidity facility.

JPMorgan Chase Bank, N.A. consolidates municipal bond vehicles if it owns the residual interest. The residual interest generally allows the owner to make decisions that significantly impact the economic performance of the municipal bond vehicle, primarily by directing the sale of the municipal bonds owned by the vehicle. In addition, the residual interest owners have the right to receive benefits and bear losses that could potentially be significant to the municipal bond vehicle. JPMorgan Chase Bank, N.A. does not consolidate municipal bond vehicles if it does not own the residual interests, since it does not have the power to make decisions that significantly impact the economic performance of the municipal bond vehicle. See page 97 of this Note for further information on consolidated municipal bond vehicles.

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

December 31, (in billions)	Fair value of assets held by VIEs	Liquidity facilities	Excess/(deficit)[a]	Maximum exposure
Nonconsolidated municipal bond vehicles				
2014	**$ 11.5**	**$ 6.3**	**$ 5.2**	**$ 6.3**
2013	11.8	6.9	4.9	6.9

	Ratings profile of VIE assets[b]						
	Investment-grade				Noninvestment-grade		
December 31, (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)
2014	**$ 2.7**	**$ 8.4**	**$ 0.4**	**$ –**	**$ –**	**$ 11.5**	**4.9**
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

Credit-related note vehicles

JPMorgan Chase Bank, N.A. structures transactions with credit-related note vehicles in which the VIE purchases highly rated assets (generally investment-grade), such as government bonds, corporate bonds or asset-backed securities, and enters into a credit derivative contract with JPMorgan Chase Bank, N.A. to obtain exposure to a referenced credit which the VIE otherwise does not hold. The VIE then issues credit-linked notes ("CLNs") to transfer the risk of the referenced credit to the VIE's investors. Clients and investors often prefer using a CLN vehicle since they may be of the view that the CLNs issued by the VIE is of a higher credit quality than equivalent notes issued directly by JPMorgan Chase Bank, N.A. JPMorgan Chase Bank, N.A. divides its credit-related note structures broadly into two types: static and managed. In a static credit-related note structure, the CLNs and associated credit derivative contract either reference a single credit (e.g., a multi-national corporation), or all or part of a fixed portfolio of credits. In a managed credit-related note structure, the CLNs and associated credit derivative generally reference all or part of an actively managed portfolio of credits.

JPMorgan Chase Bank, N.A.'s involvement with CLN vehicles is generally limited to being a derivative counterparty and it does not act as a portfolio manager for managed CLN VIEs. JPMorgan Chase Bank, N.A. does not provide any additional contractual financial support to the VIE over and above its contractual obligations as derivative counterparty, but may also make a market in the CLNs issued by such VIEs, although it is under no obligation to do so. JPMorgan Chase Bank, N.A. has not historically provided any financial support to the CLN vehicles over and above its contractual obligations. As a derivative counterparty the assets held by the VIE serve as collateral for any derivatives receivables. As such the collateral represents the maximum exposure JPMorgan Chase Bank, N.A. has to these vehicles, which was $5.9 billion and $8.7 billion as of December 31, 2014 and 2013, respectively. JPMorgan Chase Bank, N.A.'s maximum exposure arises through the derivatives executed with the VIEs; the exposure varies over time with changes in the fair value of the derivatives. JPMorgan Chase Bank, N.A. relies on the collateral held by the VIEs to pay any amounts due under the derivatives; the vehicles are structured at inception so that the par value of the collateral is expected to be sufficient to pay amounts due under the derivative contracts.

Since each CLN is established to the specifications of the investors, the investors have the power over the activities of that VIE that most significantly affect the performance of the CLN. JPMorgan Chase Bank, N.A. consolidates credit-related note entities only in limited circumstances where it holds positions in these entities that provided JPMorgan Chase Bank, N.A. with control over the entity. JPMorgan Chase Bank, N.A. consolidated credit-related note vehicles with collateral fair values of $163 million and $311 million, at December 31, 2014 and 2013, respectively. These consolidated VIEs included some that were structured by JPMorgan Chase Bank, N.A. where it provides the credit derivative, and some that have been structured by third parties where JPMorgan Chase Bank, N.A. is not the credit derivative provider.

JPMorgan Chase Bank, N.A. reports derivatives with unconsolidated CLN vehicles as well as any CLNs that it holds as market-maker on its Consolidated balance sheets at fair value with changes in fair value reported in principal transactions revenue. JPMorgan Chase Bank, N.A.'s exposure to non-consolidated CLN VIEs as of December 31, 2014 and 2013 was not material.

Asset swap vehicles

JPMorgan Chase Bank, N.A. structures transactions with asset swap vehicles on behalf of investors. In such transactions, the VIE purchases a specific asset or assets (substantially all of which are investment-grade) and then enters into a derivative with JPMorgan Chase Bank, N.A. in order to tailor the interest rate or foreign exchange currency risk, or both, according to investors' requirements. Investors typically invest in the notes issued by such VIEs in order to obtain exposure to the credit risk of the specific assets, as well as exposure to foreign exchange and interest rate risk that is tailored to their specific needs.

JPMorgan Chase Bank, N.A.'s involvement with asset swap vehicles is generally limited to being an interest rate or foreign exchange derivative counterparty. JPMorgan Chase Bank, N.A. does not provide any additional contractual financial support to the VIE over and above its contractual obligations as derivative counterparty, but may also make a market in the notes issued by such VIEs, although it is under no obligation to do so. JPMorgan Chase Bank, N.A. has not historically provided any financial support to asset swap vehicles over and above its contractual obligations. As a derivative counterparty the assets held by the VIE serve as collateral for any derivatives receivables. As such the collateral represents the maximum exposure JPMorgan Chase Bank, N.A. has to these vehicles, which was $5.7 billion and $7.7 billion as of December 31, 2014 and 2013, respectively. JPMorgan Chase Bank, N.A.'s maximum exposure arises through the derivatives executed with the VIEs; the exposure varies over time with changes in the fair value of the derivatives. JPMorgan Chase Bank, N.A. relies on the collateral held by the VIEs to pay any amounts due under the derivatives; the vehicles are structured at inception so that the par value of the collateral is expected to be sufficient to pay amounts due under the derivative contracts.

Since each asset swap vehicle is established to the specifications of the investors, the investors have the power over the activities of that VIE that most significantly affect the performance of the entity. Accordingly JPMorgan Chase Bank, N.A. does not generally consolidate these asset swap

vehicles and did not consolidate any asset swap vehicles at December 31, 2014 and 2013.

JPMorgan Chase Bank, N.A. reports derivatives with unconsolidated asset swap vehicles that it holds as market-maker on its Consolidated balance sheets at fair value with changes in fair value reported in principal transactions revenue. JPMorgan Chase Bank, N.A.'s exposure to non-consolidated asset swap VIEs as of December 31, 2014 and 2013 was not material.

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 December 31, 2014 and 2013.

	Assets				Liabilities		
December 31, 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	$ –	$ 17.7	$ 0.1	$ 17.8	$ 12.0	$ –	$ 12.0
Municipal bond vehicles	4.9	–	–	4.9	4.6	–	4.6
Student loan securitization entities	–	2.2	–	2.2	2.0	–	2.0
Mortgage securitization entities[b]	0.9	0.7	–	1.6	–	0.8	0.8
JPMorgan Chase Bank, N.A.-sponsored credit card trust	–	–	–	–	–	–	–
Other[c]	0.2	–	0.2	0.4	–	–	–
Total	$ 6.0	$ 20.6	$ 0.3	$ 26.9	$ 18.6	$ 0.8	$ 19.4

	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 $2.0 billion and $2.7 billion at December 31, 2014 and 2013, respectively. The maturities of the long-term beneficial interests as of December 31, 2014, were as follows: zero under one year, $18 million between one and five years, and $2.0 billion over five years, all respectively.
(g) Includes liabilities classified as accounts payable and other liabilities in the Consolidated balance sheets.

Loan securitizations

JPMorgan Chase Bank, N.A. has securitized and sold a variety of loans, including residential mortgage, credit card, automobile, student and commercial (primarily related to real estate) loans, as well as debt securities. The primary purposes of these securitization transactions were to satisfy investor demand and to generate liquidity for JPMorgan Chase Bank, N.A.

For loan securitizations in which JPMorgan Chase Bank, N.A. is not required to consolidate the trust, JPMorgan Chase Bank, N.A. records the transfer of the loan receivable to the trust as a sale when the accounting criteria for a sale are met. Those criteria are: (1) the transferred financial assets are legally isolated from JPMorgan Chase Bank, N.A.'s creditors; (2) the transferee or beneficial interest holder can pledge or exchange the transferred financial assets; and (3) JPMorgan Chase Bank, N.A. does not maintain effective control over the transferred financial assets (e.g., JPMorgan Chase Bank, N.A. cannot repurchase the transferred assets before their maturity and it does not have the ability to unilaterally cause the holder to return the transferred assets).

For loan securitizations accounted for as a sale, JPMorgan Chase Bank, N.A. recognizes a gain or loss based on the difference between the value of proceeds received (including cash, beneficial interests, or servicing assets received) and the carrying value of the assets sold. Gains and losses on securitizations are reported in noninterest revenue.

Securitization activity

The following table provides information related to JPMorgan Chase Bank, N.A.'s securitization activities for the years ended December 31, 2014, 2013 and 2012, related to assets held in JPMorgan Chase Bank, N.A.-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.

	2014			2013			2012		
Year ended December 31, (in millions, except rates)[a]	Credit card[c]	Residential mortgage[d]	Commercial and other[e]	Credit card[c]	Residential mortgage[d]	Commercial and other[e]	Credit card[c]	Residential mortgage[d]	Commercial and other[e]
Principal securitized	**$ 3,340**	**$ 2,558**	**$ 11,911**	$ 4,023	$ 1,404	$ 11,318	$ 5,720	$ –	$ 5,421
Pretax gains	**2**	**–** [f]	**–** [f]	5	– [f]	– [f]	12	– [f]	– [f]
All cash flows during the period:									
Proceeds from new securitizations[a]	**$ 3,340**	**$ 2,569**	**$ 12,079**	$ 4,023	$ 1,410	$ 11,507	$ 5,720	$ –	$ 5,705
Servicing fees collected	**–**	**557**	**3**	–	576	5	–	662	4
Proceeds from collections reinvested in revolving securitizations	**44,364**	**–**	**–**	37,062	–	–	34,493	–	–
Purchases of previously transferred financial assets (or the underlying collateral)[b]	**–**	**109**	**–**	–	233	–	–	149	–
Cash flows received on interests	**14,397**	**97**	**183**	18,757	50	121	15,907	28	96

(a) During 2014, proceeds from credit card securitizations were received as cash; proceeds from residential mortgage securitizations, $2.3 billion was received as cash, and $245 million was received as securities classified in level 2 of the fair value hierarchy; and proceeds from commercial mortgage securitizations, $11.7 billion was received as cash, and $372 million was received as securities classified in level 2 of the fair value hierarchy. During 2013 and 2012 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 representation 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) Includes commercial and student loan securitizations.
(f) 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.

Loans and excess MSRs 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 MSRs on a nonrecourse basis, predominantly to Fannie Mae and Freddie Mac (the "GSEs"). These loans and excess MSRs 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 these transactions 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 for additional information about JPMorgan Chase Bank, N.A.'s loan sales- and securitization-related indemnifications.

See Note 18 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.

Year ended December 31, (in millions)	**2014**	2013	2012
Carrying value of loans sold[a]	**$ 55,802**	$ 166,028	$ 179,008
Proceeds received from loan sales as cash	**$ 260**	$ 782	$ 195
Proceeds from loans sales as securities[b]	**55,117**	163,373	176,592
Total proceeds received from loan sales[c]	**$ 55,377**	$ 164,155	$ 176,787
Gains on loan sales[d]	**$ 316**	$ 302	$ 141

(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 27, 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. typically elects to repurchase delinquent loans from Ginnie Mae loan pools as it continues to service them and/or manage the foreclosure process in accordance with the applicable requirements, and such loans continue to be insured or guaranteed. When 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 December 31, 2014 and 2013, JPMorgan Chase Bank, N.A. had recorded on its Consolidated balance sheets $12.4 billion and $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 $464 million and $2.0 billion as of December 31, 2014 and 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 15.

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 December 31, 2014 and 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 18.

December 31, (in millions, except rates and where otherwise noted)[(a)]	Credit card[(c)] 2014	2013
JPMorgan Chase Bank, N.A. interests in securitized assets	**$ 4,580**	$ 5,914
Weighted-average life (in years)	**0.3**	0.3
Weighted-average constant prepayment rate[(b)]	**27.8%**	26.3%
	PPR	PPR
Impact of 10% adverse change	**$ (21)**	$ (20)
Impact of 20% adverse change	**(42)**	(40)
Weighted-average loss assumption	**2.4%**	2.7%
Impact of 10% adverse change	**$ (13)**	$ (15)
Impact of 20% adverse change	**(26)**	(31)
Weighted-average discount rate	**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 $172 million and $217 million, as of December 31, 2014 and 2013, respectively. These include retained interests in Alt-A loans. JPMorgan Chase Bank, N.A.'s had no interests in subprime mortgage securitizations as of December 31, 2014 and 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 December 31, 2014 and 2013.

	Securitized assets		90 days past due		Liquidation losses	
As of or for the year ended December 31, (in millions)	**2014**	2013	**2014**	2013	**2014**	2013
Securitized loans[(a)]						
Residential mortgage:						
Prime/ Alt-A & Option ARMs	**$ 59,733**	$ 66,723	**$ 7,301**	$ 9,294	**$ 1,299**	$ 2,561
Subprime mortgage	**16,971**	18,964	**4,157**	5,075	**1,050**	1,527
Commercial and other	**73,893**	72,599	**1,176**	2,066	**851**	748
Total loans securitized[(b)]	**$ 150,597**	$ 158,286	**$ 12,634**	$ 16,435	**$ 3,200**	$ 4,836

(a) Total assets held in securitization-related SPEs were $182.2 billion and $182.1 billion, respectively, at December 31, 2014 and 2013. The $150.6 billion and $158.3 billion, respectively, of loans securitized at December 31, 2014 and 2013, excludes: $30.7 billion and $22.9 billion, respectively, of securitized loans in which JPMorgan Chase Bank, N.A. has no continuing involvement, and $889 million and $856 million, respectively, of loan securitizations consolidated on JPMorgan Chase Bank, N.A.'s Consolidated balance sheets at December 31, 2014 and 2013.
(b) Includes securitized loans that were previously recorded at fair value and classified as trading assets.

Note 18 – Goodwill and other intangible assets

Goodwill

Goodwill is recorded upon completion of a business combination as the difference between the purchase price and the fair value of the net assets acquired. Subsequent to initial recognition, goodwill is not amortized but is tested for impairment during the fourth quarter of each fiscal year, or more often if events or circumstances, such as adverse changes in the business climate, indicate there may be impairment.

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

Year ended December 31, (in millions)	2014	2013	2012
Balance at beginning of period[a]	**$ 27,344**	$ 27,431	$ 27,415
Changes during the period from:			
Business combinations	**39**	43	43
Dispositions	**(1)**	–	–
Other[b]	**(100)**	(130)	(27)
Balance at December 31,[a]	**$ 27,282**	$ 27,344	$ 27,431

(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.

Impairment testing

Goodwill was not impaired at December 31, 2014 or 2013, nor was any goodwill written off due to impairment during 2014, 2013 or 2012.

The goodwill impairment test is performed in two steps. In the first step, the current fair value of JPMorgan Chase Bank, N.A. is compared with its carrying value, including goodwill. If the fair value is in excess of the carrying value (including goodwill), then the goodwill is considered not to be impaired. If the fair value is less than the carrying value (including goodwill), then a second step is performed. In the second step, the implied current fair value of the goodwill is determined by comparing the fair value of JPMorgan Chase Bank, N.A. (as determined in step one) to the fair value of the net assets of the JPMorgan Chase Bank, N.A. as if it was being acquired in a business combination. The resulting implied current fair value of goodwill is then compared with the carrying value of JPMorgan Chase Bank, N.A.'s goodwill. If the carrying value of the goodwill exceeds its implied current fair value, then an impairment charge is recognized for the excess. If the carrying value of goodwill is less than its implied current fair value, then no goodwill impairment is recognized.

Declines in business performance, increases in equity capital requirements, or increases in the estimated cost of equity, could cause the estimated fair values of JPMorgan Chase Bank, N.A., or its associated goodwill to decline in the future, which could result in a material impairment charge to earnings in a future period related to some portion of the associated goodwill.

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.

As permitted by U.S. GAAP, JPMorgan Chase Bank, N.A. has elected to account for its MSRs at fair value. JPMorgan Chase Bank, N.A. treats its MSRs as a single class of servicing assets based on the availability of market inputs used to measure the fair value of its MSR asset and its treatment of MSRs as one aggregate pool for risk management purposes. JPMorgan Chase Bank, N.A. estimates the fair value of MSRs using an option-adjusted spread ("OAS") model, which projects MSR cash flows over multiple interest rate scenarios in conjunction with JPMorgan Chase Bank, N.A.'s prepayment model, and then discounts these cash flows at risk-adjusted rates. The model considers portfolio characteristics, contractually specified servicing fees, prepayment assumptions, delinquency rates, costs to service, late charges and other ancillary revenue, and other economic factors. JPMorgan Chase Bank, N.A. compares fair value estimates and assumptions to observable market data where available, and also considers recent market activity and actual portfolio experience.

The fair value of MSRs is sensitive to changes in interest rates, including their effect on prepayment speeds. MSRs typically decrease in value when interest rates decline because declining interest rates tend to increase prepayments and therefore reduce the expected life of the net servicing cash flows that comprise the MSR asset. Conversely, securities (e.g., mortgage-backed securities), principal-only certificates and certain derivatives (i.e., those for which JPMorgan Chase Bank, N.A. receives fixed-rate interest payments) increase in value when interest rates decline. JPMorgan Chase Bank, N.A. uses combinations of derivatives and securities to manage changes in the fair value of MSRs. The intent is to offset any interest-rate related changes in the fair value of MSRs with changes in the fair value of the related risk management instruments.

The following table summarizes MSR activity for the years ended December 31, 2014, 2013 and 2012.

As of or for the year ended December 31, (in millions, except where otherwise noted)	2014	2013	2012
Fair value at beginning of period	**$ 9,614**	$ 7,614	$ 7,223
MSR activity:			
Originations of MSRs	**757**	2,214	2,376
Purchase of MSRs	**11**	1	457
Disposition of MSRs[(a)]	**(209)**	(725)	(579)
Net additions	**559**	1,490	2,254
Changes due to collection/realization of expected cash flows[(b)]	**(911)**	(1,102)	(1,228)
Changes in valuation due to inputs and assumptions:			
Changes due to market interest rates and other[(c)]	**(1,608)**	2,122	(589)
Changes in valuation due to other inputs and assumptions:			
Projected cash flows (e.g., cost to service)[(d)]	**133**	109	(452)
Discount rates	**(459)** [(h)]	(78)	(98)
Prepayment model changes and other[(e)]	**108**	(541)	504
Total changes in valuation due to other inputs and assumptions	**(218)**	(510)	(46)
Total changes in valuation due to inputs and assumptions[(b)]	**$(1,826)**	$ 1,612	$ (635)
Fair value at December 31,[(f)]	**$ 7,436**	$ 9,614	$ 7,614
Change in unrealized gains/(losses) included in income related to MSRs held at December 31,	**$(1,826)**	$ 1,612	$ (635)
Contractual service fees, late fees and other ancillary fees included in income	**$ 2,884**	$ 3,309	$ 3,783
Third-party mortgage loans serviced at December 31, (in billions)	**$ 756**	$ 822	$ 867
Servicer advances, net of an allowance for uncollectible amounts, at December 31, (in billions)[(g)]	**$ 8.5**	$ 9.6	$ 10.9

(a) 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 in 2013 and 2012.
(b) Included changes related to commercial real estate of $(7) million, $(5) million and $(8) million for the years ended December 31, 2014, 2013 and 2012, respectively.
(c) Represents both the impact of changes in estimated future prepayments due to changes in market interest rates, and the difference between actual and expected prepayments.
(d) For the year ended December 31, 2013, the increase was driven by the inclusion in the MSR valuation model of servicing fees receivable on certain delinquent loans.
(e) Represents changes in prepayments other than those attributable to changes in market interest rates. For the year ended December 31, 2013, the decrease was driven by changes in the inputs and assumptions used to derive prepayment speeds, primarily increases in home prices.
(f) Included $11 million, $18 million and $23 million related to commercial real estate at December 31, 2014, 2013, and 2012, respectively.
(g) 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 these 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.
(h) For the year ending December 31, 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.

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

December 31, (in millions, except rates)	2014	2013
Weighted-average prepayment speed assumption ("CPR")	**9.80%**	8.07%
Impact on fair value of 10% adverse change	**$ (337)**	$ (362)
Impact on fair value of 20% adverse change	**(652)**	(705)
Weighted-average option adjusted spread	**9.43%**	7.77%
Impact on fair value of 100 basis points adverse change	**$ (300)**	$ (389)
Impact on fair value of 200 basis points adverse change	**(578)**	(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

Other intangible assets are recorded at their fair value upon completion of a business combination or certain other transactions, and generally represent the value of customer relationships or arrangements. Subsequently, JPMorgan Chase Bank, N.A.'s intangible assets with finite lives, including core deposit intangibles, credit card relationships, and other intangible assets, are amortized over their useful lives in a manner that best reflects the economic benefits of the intangible asset. The $199 million decrease in other intangible assets during 2014 was predominantly due to $194 million in amortization.

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

	2014			2013		
December 31, (in millions)	Gross amount[(a)]	Accumulated amortization[(a)]	Net carrying value	Gross amount	Accumulated amortization	Net carrying value
Other credit card-related intangibles	**$ 493**	**$ 375**	**$ 118**	$ 496	$ 327	$ 169
Core deposit intangibles	**814**	**757**	**57**	4,133	3,974	159
Other intangibles	**480**	**311**	**169**	832	617	215
Total other intangible assets	**$ 1,787**	**$ 1,443**	**$ 344**	$ 5,461	$ 4,918	$ 543

(a) The decrease in the gross amount and accumulated amortization from December 31, 2013, was due to the removal of fully amortized assets, predominantly related to intangible assets acquired in the 2004 merger with Bank One Corporation ("Bank One").

Amortization expense

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

Year ended December 31, (in millions)	**2014**	2013	2012
Purchased credit card relationships	**$ –**	$ –	$ 79
Other credit card-related intangibles	**48**	55	259
Core deposit intangibles	**102**	196	239
Other intangibles	**44**	57	61
Total amortization expense[(a)]	**$ 194**	$ 308	$ 638

(a) The decline in amortization expense during 2014 predominantly related to intangible assets acquired in the 2004 merger with Bank One, most of which became fully amortized during the second quarter of 2014.

Future amortization expense

The following table presents estimated future amortization expense related to credit card relationships, core deposits and other intangible assets at December 31, 2014.

Year ended December 31, (in millions)	Other credit card-related intangibles	Core deposit intangibles	Other intangibles	**Total**
2015	$ 37	$ 26	$ 27	$ 90
2016	33	14	21	68
2017	28	7	20	55
2018	20	5	15	40
2019	–	3	4	7

Impairment testing

JPMorgan Chase Bank, N.A.'s intangible assets are tested for impairment annually or more often if events or changes in circumstances indicate that the asset might be impaired.

The impairment test for a finite-lived intangible asset compares the undiscounted cash flows associated with the use or disposition of the intangible asset to its carrying value. If the sum of the undiscounted cash flows exceeds its carrying value, then no impairment charge is recorded. If the sum of the undiscounted cash flows is less than its carrying value, then an impairment charge is recognized in amortization expense to the extent the carrying amount of the asset exceeds its fair value.

The impairment test for indefinite-lived intangible assets compares the fair value of the intangible asset to its carrying amount. If the carrying value exceeds the fair value, then an impairment charge is recognized in amortization expense for the difference.

Note 19 – Premises and equipment

Premises and equipment, including leasehold improvements, are carried at cost less accumulated depreciation and amortization. JPMorgan Chase Bank, N.A. computes depreciation using the straight-line method over the estimated useful life of an asset. For leasehold improvements, JPMorgan Chase Bank, N.A. uses the straight-line method computed over the lesser of the remaining term of the leased facility or the estimated useful life of the leased asset.

JPMorgan Chase Bank, N.A. capitalizes certain costs associated with the acquisition or development of internal-use software. Once the software is ready for its intended use, these costs are amortized on a straight-line basis over the software's expected useful life and reviewed for impairment on an ongoing basis.

Note 20 – Deposits

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

December 31, (in millions)	2014	2013
U.S. offices		
Noninterest-bearing	**$ 444,452**	$ 395,461
Interest-bearing		
Demand[(a)]	**129,186**	96,922
Savings[(b)]	**466,709**	450,387
Time (included **$7,668** and $5,995 at fair value)[(c)]	**73,832**	61,331
Total interest-bearing deposits	**669,727**	608,640
Total deposits in U.S. offices	**1,114,179**	1,004,101
Non-U.S. offices		
Noninterest-bearing	**19,203**	17,698
Interest-bearing		
Demand	**223,752**	239,529
Savings	**2,673**	1,083
Time (included **$1,306** and $629 at fair value)[(c)]	**79,598**	63,625
Total interest-bearing deposits	**306,023**	304,237
Total deposits in non-U.S. offices	**325,226**	321,935
Total deposits	**$ 1,439,405**	$ 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 4.

At December 31, 2014 and 2013, time deposits in denominations of $100,000 or more were as follows.

December 31, (in millions)	2014	2013
U.S. offices	**$ 62,302**	$ 52,457
Non-U.S. offices	**79,584**	63,612
Total	**$141,886**	$116,069

At December 31, 2014, the maturities of interest-bearing time deposits were as follows.

December 31, 2014 (in millions)	U.S.	Non-U.S.	Total
2015	$ 58,310	$ 76,354	$ 134,664
2016	6,535	1,355	7,890
2017	1,510	480	1,990
2018	1,781	1,243	3,024
2019	1,465	166	1,631
After 5 years	4,231	–	4,231
Total	$ 73,832	$ 79,598	$ 153,430

Note 21 – Long-term debt

JPMorgan Chase Bank, N.A. issues long-term debt denominated in various currencies, although predominantly U.S. dollars, with both fixed and variable interest rates. Included in senior and subordinated debt below are various equity-linked or other indexed instruments, which JPMorgan Chase Bank, N.A. has elected to measure at fair value. Changes in fair value are recorded in principal transactions revenue in the Consolidated statements of income. The following table is a summary of long-term debt carrying values (including unamortized original issue discount, valuation adjustments and fair value adjustments, where applicable) by remaining contractual maturity as of December 31, 2014.

By remaining maturity at December 31,		2014				2013
(in millions, except rates)		Under 1 year	1-5 years	After 5 years	**Total**	Total
Long-term debt payable to JPMorgan Chase & Co. and affiliates						
Senior debt:	Variable rate	**$ 905**	**$ 11,365**	**$ 85**	**$ 12,355**	$ 14,459
	Interest rates[a]	**–%**	**0.38%**	**–%**	**0.38%**	0.33%
Subordinated debt:	Fixed rate	**$ –**	**$ –**	**$ –**	**$ –**	$ –
	Variable rate	**–**	**–**	**–**	**–**	5,900
	Interest rates[a]	**–%**	**–%**	**–%**	**–%**	0.62-1.00%
	Subtotal	**$ 905**	**$ 11,365**	**$ 85**	**$ 12,355**	$ 20,359
Long-term debt issued to unrelated parties						
Federal Home Loan Banks ("FHLB") advances:	Fixed rate	**$ 6**	**$ 32**	**$ 166**	**$ 204**	$ 236
	Variable rate	**4,000**	**47,540**	**1,500**	**53,040**	46,540
	Interest rates[a]	**0.27-0.32%**	**0.11-0.43%**	**0.39%**	**0.11-0.43%**	0.16-0.43%
Senior debt:	Fixed rate	**$ 334**	**$ 1,406**	**$ 3,860**	**$ 5,600**	$ 5,268
	Variable rate	**4,090**	**13,923**	**2,332**	**20,345**	23,494
	Interest rates[a]	**0.36-0.48%**	**0.26-4.61%**	**1.30-7.28%**	**0.26-7.28%**	0.12-7.28%
Subordinated debt:	Fixed rate	**$ –**	**$ 5,289**	**$ 1,640**	**$ 6,929**	$ 7,279
	Variable rate	**–**	**2,364**	**–**	**2,364**	2,528
	Interest rates[a]	**–%**	**0.57-6.00%**	**4.38-8.25%**	**0.57-8.25%**	0.57-8.25%
	Subtotal	**$ 8,430**	**$ 70,554**	**$ 9,498**	**$ 88,482**	$ 85,345
Junior subordinated debt payable to affiliates:	Fixed rate	**$ –**	**$ –**	**$ 600**	**$ 600**	$ 600
	Interest rates[a]	**–%**	**–%**	**7.00-8.20%**	**7.00-8.20%**	7.00-8.20%
	Subtotal	**$ –**	**$ –**	**$ 600**	**$ 600**	$ 600
Total long-term debt[b][c][d]		**$ 9,335**	**$ 81,919**	**$ 10,183**	**$ 101,437** [f][g]	$ 106,304
Long-term beneficial interests:						
	Fixed rate	**$ –**	**$ –**	**$ –**	**$ –**	$ 352
	Variable rate	**–**	**18**	**2,008**	**2,026**	2,300
	Interest rates	**–%**	**2.31%**	**0.31-0.59%**	**0.31-2.31%**	0.31-5.63%
Total long-term beneficial interests[e]		**$ –**	**$ 18**	**$ 2,008**	**$ 2,026**	$ 2,652

(a) The interest rates shown are the range of contractual rates in effect at year-end, including non-U.S. dollar fixed- and variable-rate issuances, which excludes the effects of the associated derivative instruments used in hedge accounting relationships, if applicable. The use of these derivative instruments modifies JPMorgan Chase Bank, N.A.'s exposure to the contractual interest rates disclosed in the table above. Including the effects of the hedge accounting derivatives, the range of modified rates in effect at December 31, 2014, for total long-term debt was 0.11% to 8.20%, versus the contractual range of 0.11% to 8.25% presented in the table above. The interest rate ranges shown exclude structured notes accounted for at fair value.

(b) Included long-term debt of $57.4 billion and $53.2 billion secured by assets totaling $152.1 billion and $125.7 billion at December 31, 2014 and 2013, respectively. The amount of long-term debt secured by assets does not include amounts related to hybrid instruments.

(c) Included $14.1 billion and $16.0 billion of long-term debt accounted for at fair value at December 31, 2014 and 2013, respectively.

(d) Included $988 million and $856 million of outstanding zero-coupon notes at December 31, 2014 and 2013, respectively. The aggregate principal amount of these notes at their respective maturities is $1.3 billion and $1.4 billion, respectively.

(e) Included on the Consolidated balance sheets in beneficial interests issued by consolidated VIEs. Also included $18 million and $40 million of outstanding structured notes accounted for at fair value at December 31, 2014 and 2013, respectively. Excluded short-term commercial paper and other short-term beneficial interests of $16.6 billion and $17.1 billion at December 31, 2014 and 2013, respectively.

(f) At December 31, 2014, long-term debt in the aggregate of $22.0 billion was redeemable at the option of JPMorgan Chase Bank, N.A., in whole or in part, prior to maturity, based on the terms specified in the respective notes.

(g) The aggregate carrying values of debt that matures in each of the five years subsequent to 2014 is $9.3 billion in 2015, $34.4 billion in 2016, $16.4 billion in 2017, $14.2 billion in 2018 and $16.9 billion in 2019.

The weighted-average contractual interest rates for total long-term debt excluding structured notes accounted for at fair value were 0.82% and 0.87% as of December 31, 2014 and 2013, respectively. In order to modify exposure to interest rate movements, JPMorgan Chase Bank, N.A. utilizes derivative instruments, primarily interest rate swaps, in conjunction with some of its debt issues. The use of these instruments modifies JPMorgan Chase Bank, N.A.'s interest expense on the associated debt. The modified weighted-average interest rates for total long-term debt, including the effects of related derivative instruments, were 0.55% and 0.54% as of December 31, 2014 and 2013, respectively.

JPMorgan Chase Bank, N.A. has guaranteed certain debt of its subsidiaries, including both long-term debt and structured notes sold as part of the market-making activities of such subsidiaries. These guarantees rank on parity with all of JPMorgan Chase Bank, N.A's other unsecured and unsubordinated indebtedness. Guaranteed liabilities were $8.3 billion and $7.9 billion at December 31, 2014 and 2013, respectively.

JPMorgan Chase Bank, N.A's unsecured debt does not contain requirements that would call for an acceleration of payments, maturities or changes in the structure of the existing debt, provide any limitations on future borrowings or require additional collateral, based on unfavorable changes in JPMorgan Chase Bank, N.A's credit ratings, financial ratios or earnings.

Junior subordinated deferrable interest debentures held by consolidated trusts that issued guaranteed capital debt securities

At December 31, 2014, JPMorgan Chase Bank, N.A had outstanding two wholly owned Delaware statutory business trusts ("issuer trusts") that had issued guaranteed capital debt securities to a nonbank affiliate.

The junior subordinated deferrable interest debentures issued by the issuer trusts, totaling $600 million at both December 31, 2014 and 2013, respectively, were reflected on JPMorgan Chase Bank, N.A's Consolidated balance sheets in long-term debt, and in the table on the preceding page under the caption "Junior subordinated debt" (i.e., trust preferred securities).

The following is a summary of the outstanding trust preferred securities, including unamortized original issue discount, issued by each trust, as of December 31, 2014.

December 31, 2014 (in millions)	Amount of trust preferred securities issued by trust[(a)]	Issue date	Stated maturity of trust preferred securities and debentures	Earliest redemption date	Interest rate of trust preferred securities and debentures	Interest payment/ distribution dates
BONA Capital I, LLC	$ 300	2000	2030	Any time	8.20%	Semiannually
BONA Capital II, LLC	300	2002	2032	Any time	7.00%	Semiannually
Total	$ 600					

(a) Represents the amount of trust preferred securities issued to the public by each trust, including unamortized original issue discount.

Note 22 – Related party transactions

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

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

Year ended December 31, (in millions)	2014	2013	2012
Interest income from affiliates			
Deposits with affiliated banks	$ —	$ 1	$ 2
Federal funds sold and securities purchased under resale agreements, and securities borrowed with affiliates	10	20	82
Available-for-sale securities issued by affiliates	6	16	21
Loans to affiliates	52	60	43
Interest expense to affiliates			
Interest-bearing deposits of affiliates	191	239	287
Federal funds purchased and securities loaned or sold under repurchase agreements, and other borrowed funds due to affiliates	(35)	(2)	8
Long-term debt payable to JPMorgan Chase & Co. and affiliates	47	377	511
Guaranteed capital debt securities issued to nonbank affiliates	46	46	46
Servicing agreements and fee arrangements with affiliates			
Noninterest revenue	6,926	5,689	4,483
Noninterest expense	3,846	3,243	3,518

Significant balances with related parties are listed below.

December 31, (in millions)	2014	2013
Assets		
Deposits with affiliated banks	$ 661	$ 661
Federal funds sold and securities purchased under resale agreements, and securities borrowed with affiliates	40,117	54,821
Available-for-sale securities issued by affiliates	49	230
Loans to affiliates	3,178	3,506
Accrued interest and accounts receivable, and other assets due from affiliates	18,684	24,953
Liabilities		
Noninterest-bearing deposits of affiliates	7,261	5,874
Interest-bearing deposits of affiliates	112,342	75,231
Federal funds purchased and securities loaned or sold with affiliates under repurchase agreements, and other borrowed funds due to affiliates	45,356	35,984
Accounts payable and other liabilities payable to affiliates	5,054	5,151
Long-term debt payable to JPMorgan Chase & Co. and affiliates	12,355	20,359
Junior subordinated deferrable interest debentures held by trusts that issued guaranteed capital debt securities to a nonbank affiliate	600	600

In addition to the information presented in the tables above, JPMorgan Chase Bank, N.A. executes derivative transactions with affiliates as part of its client driven market-making activities and to facilitate hedging certain risks for its affiliates. When facilitating hedging for affiliates, the JPMorgan Chase Bank, N.A. enters into derivative transactions with affiliates and derivative transactions with third-parties, the result of which substantially offset in noninterest revenue. At December 31, 2014 net derivative payables to affiliates were $5.0 billion (gross receivables and payable of approximately $35 billion and $40 billion, respectively). At December 31, 2013 net derivative receivables to affiliates were $1.4 billion. The net positions primarily relate to interest rate contracts which fall within level 2 of the fair value hierarchy.

Note 23 – 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.

Year ended December 31, (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 December 31, 2011	$ 3,378 [b]	$ 131	$ 395	$ (385)	$ 3,519
Net change	3,213	(68)	(66)	(87)	2,992
Balance at December 31, 2012	$ 6,591 [b]	$ 63	$ 329	$ (472)	$ 6,511
Net change	(3,916)	(51)	(404)	39	(4,332)
Balance at December 31, 2013	$ 2,675 [b]	$ 12	$ (75)	$ (433)	$ 2,179
Net change	**1,862**	**(35)**	**(16)**	**(34)**	**1,777**
Balance at December 31, 2014	**$ 4,537** [b]	**$ (23)**	**$ (91)**	**$ (467)**	**$ 3,956**

(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 transfer, includes any net unamortized unrealized gains and losses related to the transferred securities.
(b) At December 31, 2011, included after-tax non-credit related unrealized losses of $56 million on debt securities for which credit losses have been recognized in income. There were no such losses for the other periods presented.

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

	2014			2013			2012		
Year ended December 31, (in millions)	Pretax	Tax effect	After-tax	Pretax	Tax effect	After-tax	Pretax	Tax effect	After-tax
Unrealized gains/(losses) on investment securities:									
Net unrealized gains/(losses) arising during the period	**$ 3,008**	**$ (1,104)**	**$ 1,904**	$ (5,750)	$ 2,225	$ (3,525)	$ 7,293	$ (2,848)	$ 4,445
Reclassification adjustment for realized (gains)/losses included in net income[a]	**(68)**	**26**	**(42)**	(643)	252	(391)	(2,018)	786	(1,232)
Net change	**2,940**	**(1,078)**	**1,862**	(6,393)	2,477	(3,916)	5,275	(2,062)	3,213
Translation adjustments:									
Translation[b]	**(1,402)**	**499**	**(903)**	(862)	315	(547)	(99)	36	(63)
Hedges[b]	**1,413**	**(545)**	**868**	817	(321)	496	(9)	4	(5)
Net change	**11**	**(46)**	**(35)**	(45)	(6)	(51)	(108)	40	(68)
Cash flow hedges:									
Net unrealized gains/(losses) arising during the period	**100**	**(40)**	**60**	(507)	199	(308)	315	(124)	191
Reclassification adjustment for realized (gains)/losses included in net income[c]	**(123)**	**47**	**(76)**	(156)	60	(96)	(421)	164	(257)
Net change	**(23)**	**7**	**(16)**	(663)	259	(404)	(106)	40	(66)
Defined benefit pension and OPEB plans:									
Prior service credits arising during the period	**–**	**–**	**–**	–	–	–	6	(2)	4
Net gains/(losses) arising during the period	**(129)**	**48**	**(81)**	14	(4)	10	(172)	66	(106)
Reclassification adjustments included in net income[d]:									
Amortization of net loss	**53**	**(21)**	**32**	59	(22)	37	42	(16)	26
Prior service costs/(credits)	**(2)**	**1**	**(1)**	(2)	1	(1)	–	–	–
Foreign exchange and other	**36**	**(20)**	**16**	(10)	3	(7)	(19)	8	(11)
Net change	**(42)**	**8**	**(34)**	61	(22)	39	(143)	56	(87)
Total other comprehensive income/(loss)	**$ 2,886**	**$ (1,109)**	**$ 1,777**	$ (7,040)	$ 2,708	$ (4,332)	$ 4,918	$ (1,926)	$ 2,992

(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/expense in the Consolidated statements of income. The amounts were not material for the periods presented.
(c) The pretax amount is reported in the same line as the hedged items, which are predominantly recorded in net interest income in the Consolidated statements of income.
(d) The pretax amount is reported in compensation expense in the Consolidated statements of income.

Note 24 – Income taxes

The results of operations of JPMorgan Chase Bank, N.A. are included in the consolidated federal, New York State, New York City and other state income tax returns filed by JPMorgan Chase. Pursuant to a tax sharing agreement, JPMorgan Chase allocates to JPMorgan Chase Bank, N.A. its share of the consolidated income tax expense or benefit based upon statutory rates applied to JPMorgan Chase Bank, N.A.'s earnings as if it were filing separate income tax returns. JPMorgan Chase Bank, N.A. uses the asset and liability method to provide for income taxes on all transactions recorded in the Consolidated Financial Statements. Valuation allowances are established when necessary to reduce deferred tax assets to an amount that in the opinion of management, is more likely than not to be realized. State and local income taxes are provided on JPMorgan Chase Bank, N.A.'s taxable income at the effective income tax rate applicable to the consolidated JPMorgan Chase entity.

The tax sharing arrangement between JPMorgan Chase and JPMorgan Chase Bank, N.A. allows for intercompany payments to or from JPMorgan Chase for outstanding current tax assets or liabilities.

Due to the inherent complexities arising from the nature of JPMorgan Chase Bank, N.A.'s businesses, and from conducting business and being taxed in a substantial number of jurisdictions, significant judgments and estimates are required to be made. Agreement of tax liabilities between JPMorgan Chase Bank, N.A. and the many tax jurisdictions in which JPMorgan Chase Bank, N.A. files tax returns may not be finalized for several years. Thus, JPMorgan Chase Bank, N.A.'s final tax-related assets and liabilities may ultimately be different from those currently reported.

A reconciliation of the applicable statutory U.S. income tax rate to the effective tax rate for each of the years ended December 31, 2014, 2013 and 2012, is presented in the following table.

Effective tax rate

Year ended December 31,	**2014**	2013	2012
Statutory U.S. federal tax rate	**35.0%**	35.0%	35.0%
Increase/(decrease) in tax rate resulting from:			
U.S. state and local income taxes, net of U.S. federal income tax benefit	**2.6**	2.5	1.4
Tax-exempt income	**(3.2)**	(2.1)	(2.3)
Non-U.S. subsidiary earnings[(a)]	**(3.3)**	(5.7)	(4.2)
Business tax credits	**(5.6)**	(4.5)	(4.8)
Nondeductible legal expense	**3.4**	7.9	(0.4)
Other, net	**(1.9)**	(1.2)	(1.2)
Effective tax rate	**27.0%**	31.9%	23.5%

(a) Predominantly includes earnings of U.K. subsidiaries that are deemed to be reinvested indefinitely.

The components of income tax expense/(benefit) included in the Consolidated statements of income were as follows for each of the years ended December 31, 2014, 2013, and 2012.

Income tax expense/(benefit)

Year ended December 31, (in millions)	**2014**	2013	2012
Current income tax expense/(benefit)			
U.S. federal	**$ 378**	$ (1,321)	$ 984
Non-U.S.	**1,030**	801	1,575
U.S. state and local	**424**	(59)	939
Total current income tax expense/ (benefit)	**1,832**	(579)	3,498
Deferred income tax expense/(benefit)			
U.S. federal	**3,162**	6,875	1,619
Non-U.S.	**82**	24	(305)
U.S. state and local	**387**	914	(530)
Total deferred income tax expense/ (benefit)	**3,631**	7,813	784
Total income tax expense	**$ 5,463**	$ 7,234	$ 4,282

Total income tax expense includes $399 million, $388 million and $200 million of tax benefits recorded in 2014, 2013, and 2012, respectively, as a result of tax audit resolutions. In 2013, the relationship between current and deferred income tax expense was largely driven by the reversal of significant deferred tax assets as well as prior-year tax adjustments and audit resolutions.

The preceding table does not reflect the tax effect of certain items that are recorded each period directly in stockholder's equity. The tax effect of all items recorded directly to stockholder's equity resulted in a decrease of $1.1 billion in 2014, an increase of $2.7 billion in 2013, and a decrease of $1.9 billion in 2012.

U.S. federal income taxes have not been provided on the undistributed earnings of certain non-U.S. subsidiaries, to the extent that such earnings have been reinvested abroad for an indefinite period of time. Based on JPMorgan Chase Bank, N.A.'s ongoing review of the business requirements and capital needs of its non-U.S. subsidiaries, combined with the formation of specific strategies and steps taken to fulfill these requirements and needs, JPMorgan Chase Bank, N.A. has determined that the undistributed earnings of certain of its subsidiaries would be indefinitely reinvested to fund current and future growth of the related businesses. As management does not intend to use the earnings of these subsidiaries as a source of funding for its U.S. operations, such earnings will not be distributed to the U.S. in the foreseeable future. For 2014, pretax earnings of $2.6 billion were generated and will be indefinitely reinvested in these subsidiaries. At December 31, 2014, the cumulative amount of undistributed pretax earnings in these subsidiaries were $31.1 billion. If JPMorgan Chase Bank, N.A. were to record a deferred tax liability associated with these undistributed earnings, the amount would be

approximately $7.0 billion at December 31, 2014. These undistributed earnings are related to subsidiaries located predominantly in the U.K. where the 2014 statutory tax rate was 21.5%.

Tax expense applicable to securities gains and losses for the years 2014, 2013 and 2012 was $26 million, $252 million, and $786 million, respectively.

Deferred income tax expense/(benefit) results from differences between assets and liabilities measured for financial reporting purposes versus income tax return purposes. Deferred tax assets are recognized if, in management's judgment, their realizability is determined to be more likely than not. If a deferred tax asset is determined to be unrealizable, a valuation allowance is established. The significant components of deferred tax assets and liabilities are reflected in the following table as of December 31, 2014 and 2013.

Deferred taxes

December 31, (in millions)	2014	2013
Deferred tax assets		
Allowance for loan losses	$ **4,618**	$ 5,197
Employee benefits	**1,049**	2,049
Accrued expenses and other	**4,218**	3,748
Non-U.S. operations	**1,322**	228
Tax attribute carryforwards	**9**	214
Gross deferred tax assets	**11,216**	11,436
Valuation allowance	**–**	–
Deferred tax assets, net of valuation allowance	$ **11,216**	$ 11,436
Deferred tax liabilities		
Depreciation and amortization	$ **1,785**	$ 1,865
Mortgage servicing rights, net of hedges	**5,489**	5,832
Leasing transactions	**2,323**	2,083
Non-U.S. operations	**1,236**	–
Other, net	**2,948**	80
Gross deferred tax liabilities	**13,781**	9,860
Net deferred tax (liabilities)/assets	$ **(2,565)**	$ 1,576

JPMorgan Chase Bank, N.A. has recorded deferred tax assets of $9 million at December 31, 2014, in connection with U.S. federal net operating loss ("NOL") carryforwards. At December 31, 2014, the total U.S. federal NOL carryforwards were approximately $23 million. If not utilized, the U.S. federal NOL carryforwards will expire between 2025 and 2034.

At December 31, 2014, 2013 and 2012, JPMorgan Chase Bank, N.A.'s unrecognized tax benefits, excluding related interest expense and penalties, were $2.2 billion, $3.0 billion and $4.7 billion, respectively, of which $1.5 billion, $1.9 billion and $2.1 billion, respectively, if recognized, would reduce the annual effective tax rate. Included in the amount of unrecognized tax benefits are certain items that would not affect the effective tax rate if they were recognized in the Consolidated statements of income. These unrecognized items include the tax effect of certain temporary differences, the portion of gross state and local unrecognized tax benefits that would be offset by the benefit from associated U.S. federal income tax deductions, and the portion of gross non-U.S. unrecognized tax benefits that would have offsets in other jurisdictions. JPMorgan Chase is presently under audit by a number of taxing authorities, most notably by the Internal Revenue Service, New York State and City, and the State of California as summarized in the Tax examination status table below. Based upon the status of all of the tax examinations currently in process, it is reasonably possible that over the next 12 months the resolution of these examinations could result in a reduction in the gross balance of unrecognized tax benefits.

The following table presents a reconciliation of the beginning and ending amount of unrecognized tax benefits for the years ended December 31, 2014, 2013 and 2012.

Unrecognized tax benefits

Year ended December 31, (in millions)	2014	2013	2012
Balance at January 1,	**$ 3,001**	$ 4,684	$ 4,700
Increases based on tax positions related to the current period	**688**	313	469
Increases based on tax positions related to prior periods	**453**	70	222
Decreases based on tax positions related to prior periods	**(1,942)**	(2,065)	(689)
Decreases related to settlements with taxing authorities	**(5)**	(1)	(18)
Decreases related to a lapse of applicable statute of limitations	**—**	—	—
Balance at December 31,	**$ 2,195**	$ 3,001	$ 4,684

After-tax interest expense/(benefit) and penalties related to income tax liabilities recognized in income tax expense were $47 million, $(178) million and $114 million in 2014, 2013 and 2012, respectively.

At December 31, 2014 and 2013, in addition to the liability for unrecognized tax benefits, JPMorgan Chase Bank, N.A. had accrued $556 million and $687 million, respectively, for income tax-related interest and penalties.

JPMorgan Chase Bank, N.A. is continually under examination by the Internal Revenue Service, by taxing authorities throughout the world, and by many states throughout the U.S. The following table summarizes the status of significant income tax examinations of JPMorgan Chase Bank, N.A. and its consolidated subsidiaries as of December 31, 2014.

Tax examination status

December 31, 2014	Periods under examination	Status
JPMorgan Chase – U.S.	2003 - 2005	Field examination completed, at Appellate level
JPMorgan Chase – U.S.	2006 - 2010	Field examination
JPMorgan Chase – United Kingdom	2006 – 2012	Field examination
JPMorgan Chase – New York State and City	2005 – 2007	Field examination
JPMorgan Chase – California	2006 – 2010	Field examination

The following table presents the U.S. and non-U.S. components of income before income tax expense for the years ended December 31, 2014, 2013 and 2012.

Income before income tax expense - U.S. and non-U.S.

Year ended December 31, (in millions)	2014	2013	2012
U.S.	**$ 14,110**	$ 15,643	$ 15,626
Non-U.S.[(a)]	**6,131**	7,029	2,611
Income before income tax expense	**$ 20,241**	$ 22,672	$ 18,237

(a) For purposes of this table, non-U.S. income is defined as income generated from operations located outside the U.S.

Note 25 – Restrictions on cash and intercompany funds transfers

The business of JPMorgan Chase Bank, N.A. is subject to examination and regulation by the OCC. JPMorgan Chase Bank, N.A. is a member of the U.S. Federal Reserve System, and its deposits in the U.S. are insured by the FDIC.

The Federal Reserve requires depository institutions to maintain cash reserves with a Federal Reserve Bank. The average amount of reserve balances deposited by JPMorgan Chase Bank, N.A. with various Federal Reserve Banks was approximately $10.6 billion and $5.3 billion in 2014 and 2013, respectively.

Restrictions imposed by U.S. federal law prohibit JPMorgan Chase & Co. and certain of its affiliates from borrowing from JPMorgan Chase Bank, N.A. and other banking subsidiaries unless the loans are secured in specified amounts. Such secured loans by JPMorgan Chase Bank, N.A. to other affiliates are generally limited to 10% of JPMorgan Chase Bank, N.A.'s total capital, as determined by the risk-based capital guidelines; the aggregate amount of all such loans is limited to 20% of JPMorgan Chase Bank, N.A.'s total capital.

In addition to dividend restrictions set forth in statutes and regulations, the OCC, and under certain circumstances the FDIC, have authority under the Financial Institutions Supervisory Act to prohibit or to limit the payment of dividends by the banking organizations they supervise, including JPMorgan Chase Bank, N.A. if, in the banking regulator's opinion, payment of a dividend would constitute an unsafe or unsound practice in light of the financial condition of the banking organization.

At January 1, 2015, JPMorgan Chase Bank, N.A. could pay, in the aggregate, approximately $29 billion in dividends to JPMorgan Chase without the prior approval of its relevant banking regulators. The capacity to pay dividends in 2015 will be supplemented by JPMorgan Chase Bank, N.A.'s earnings during the year.

In compliance with rules and regulations established by U.S. and non-U.S. regulators, as of December 31, 2014 and 2013, cash in the amount of $9.6 billion and $11.5 billion, respectively, was segregated in special bank accounts for the benefit of securities and futures brokerage customers. In addition, as of December 31, 2014 and 2013, JPMorgan Chase Bank, N.A. had other restricted cash of $2.8 billion and $3.4 billion, respectively, primarily representing cash reserves held at non-U.S. central banks and held for other general purposes.

Note 26 – Regulatory capital

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

Basel III overview

Basel III rules became effective for JPMorgan Chase Bank, N.A. on January 1, 2014; December 31, 2013 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 that began January 1, 2014 and continue through the end of 2018 ("Transitional period"). Both Basel III Standardized and Basel III Advanced became effective commencing January 1, 2014 for large and internationally active banks, inclusive of JPMorgan Chase & Co. and its banking subsidiaries, including JPMorgan Chase Bank, N.A.

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 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 ("NOL") 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. Total capital is Tier 1 capital plus Tier 2 capital. The revisions to CET1 capital, Tier 1 capital and Tier 2 capital are subject to phase-in periods that began January 1, 2014, and continue through the end of 2018, and during that period, 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) which include capital requirements for credit risk, market risk, and in the case of Basel III Advanced, also operational risk. Key differences in the calculation of credit risk RWA between the Standardized and Advanced approaches are that for Basel III Advanced, credit risk RWA is based on risk-sensitive approaches which largely rely on the use of internal credit models and parameters, whereas for Basel III Standardized, credit risk RWA is generally based on supervisory risk-weightings which vary primarily by counterparty type and asset class. Market risk RWA is calculated on a generally consistent basis between Basel III Standardized and Basel III Advanced, both of which incorporate the requirements set forth in Basel 2.5. In addition to the RWA calculated under these methodologies, JPMorgan Chase Bank, N.A. 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 December 31, 2014.

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

(a) As defined by the regulations issued by the OCC and FDIC. The CET1 capital ratio became a relevant measure of capital under the prompt corrective action requirements on January 1, 2015.
(b) Represents requirements for bank subsidiaries pursuant to regulations issued under the FDIC Improvement Act.

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

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 December 31, 2014, and under Basel I at December 31, 2013.

	JPMorgan Chase Bank, N.A.[d]		
	Basel III Standardized Transitional	**Basel III Advanced Transitional**	**Basel I**
(in millions, except ratios)	**Dec 31, 2014**	**Dec 31, 2014**	**Dec 31, 2013**
Regulatory capital			
CET1 capital	**$ 156,898**	**$ 156,898**	NA
Tier 1 capital[a]	**157,222**	**157,222**	$ 139,727
Total capital	**173,659**	**166,662**	165,496
Assets			
Risk-weighted	**1,230,358**	**1,330,175**	1,171,574
Adjusted average[b]	**1,968,131**	**1,968,131**	1,900,770
Capital ratios[c]			
CET1	**12.8%**	**11.8%**	NA
Tier 1[a]	**12.8**	**11.8**	11.9%
Total	**14.1**	**12.5**	14.1
Tier 1 leverage	**8.0**	**8.0**	7.4

(a) At December 31, 2014, trust preferred securities included in Basel III Tier 1 capital were $300 million for JPMorgan Chase Bank, N.A.
(b) Adjusted average assets, for purposes of calculating the leverage ratio, includes 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) For each of the risk-based capital ratios the lower of the Standardized Transitional or Advanced Transitional 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 $63 million and $115 million at December 31, 2014, and December 31, 2013, respectively; and deferred tax liabilities resulting from tax-deductible goodwill of $1.5 billion and $1.4 billion at December 31, 2014, and December 31, 2013, respectively.

Supplementary leverage ratio ("SLR")
Basel III also includes a requirement for Advanced Approach banking organizations to calculate a SLR. The SLR, a non-GAAP financial measure, is defined as Tier 1 capital under Basel III divided by JPMorgan Chase Bank, N.A.'s total leverage exposure. Total leverage exposure is calculated by taking JPMorgan Chase Bank, N.A.'s total average on-balance sheet assets, less amounts permitted to be deducted for Tier 1 capital, and adding certain off-balance sheet exposures, such as undrawn commitments and derivatives potential future exposure.

On September 3, 2014, the U.S. banking regulators adopted a final rule for the calculation of the SLR. The U.S. final rule requires public disclosure of the SLR beginning with the first quarter of 2015, and also requires JPMorgan Chase Bank, N.A. to have a minimum SLR of at least 6%, beginning January 1, 2018.

Repayment of subordinated debt payable to JPMorgan Chase and JPMorgan Chase's capital contribution
During the first half of 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 was used for general banking purposes.

Note 27 – 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.

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 16 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 December 31, 2014 and 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[i]	
	2014					2013	2014	2013
By remaining maturity at December 31, (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	**$ 2,162**	**$ 4,377**	**$ 1,833**	**$ 3,411**	**$ 11,783**	$ 13,136	**$ –**	$ –
Home equity – junior lien	**3,458**	**5,873**	**2,123**	**3,329**	**14,783**	17,763	**–**	–
Prime mortgage[a]	**8,579**	**–**	**–**	**–**	**8,579**	4,817	**–**	–
Subprime mortgage	**–**	**–**	**–**	**–**	**–**	–	**–**	–
Auto	**9,302**	**921**	**192**	**47**	**10,462**	8,309	**2**	1
Business banking	**10,715**	**807**	**117**	**413**	**12,052**	11,408	**11**	7
Student and other	**73**	**6**	**–**	**447**	**526**	636	**–**	–
Total consumer, excluding credit card[b]	**34,289**	**11,984**	**4,265**	**7,647**	**58,185**	56,069	**13**	8
Credit card[b]	**29,065**	**–**	**–**	**–**	**29,065**	33,844	**–**	–
Total consumer	**63,354**	**11,984**	**4,265**	**7,647**	**87,250**	89,913	**13**	8
Wholesale:								
Other unfunded commitments to extend credit[c][d][e]	**62,594**	**83,716**	**112,862**	**7,119**	**266,291**	240,752	**373**	429
Standby letters of credit and other financial guarantees[c][e][f]	**22,808**	**29,741**	**34,942**	**2,555**	**90,046**	92,855	**786**	942
Unused advised lines of credit	**90,608**	**13,673**	**519**	**138**	**104,938**	101,201	**–**	–
Other letters of credit[c]	**3,363**	**877**	**91**	**–**	**4,331**	5,020	**1**	2
Total wholesale	**179,373**	**128,007**	**148,414**	**9,812**	**465,606**	439,828	**1,160**	1,373
Total lending-related	**$ 242,727**	**$ 139,991**	**$ 152,679**	**$ 17,459**	**$ 552,856**	$ 529,741	**$ 1,173**	$ 1,381
Other guarantees and commitments								
Securities lending indemnification agreements and guarantees[g]	**$ 181,047**	**$ –**	**$ –**	**$ –**	**$ 181,047**	$ 175,793	**$ –**	$ –
Derivatives qualifying as guarantees	**2,512**	**158**	**12,298**	**38,100**	**53,068**	56,269	**56**	72
Unsettled reverse repurchase and securities borrowing agreements	**38,364**	**–**	**–**	**–**	**38,364**	34,651	**–**	–
Loan sale and securitization-related indemnifications:								
Mortgage repurchase liability	**NA**	**NA**	**NA**	**NA**	**NA**	NA	**252**	654
Loans sold with recourse	**NA**	**NA**	**NA**	**NA**	**5,517**	7,090	**71**	98
Other guarantees and commitments[h]	**5,877**	**4,288**	**5,276**	**806**	**16,247**	20,888	**(147)**	(99)

(a) Includes certain commitments to purchase loans from correspondents.
(b) Predominantly all consumer, excluding credit card lending-related commitments contractual amounts are in the U.S. Credit card lending-related commitments amounts are largely non-U.S.
(c) At December 31, 2014 and 2013, reflects the contractual amount net of risk participations totaling $243 million and $476 million, respectively, for other unfunded commitments to extend credit; $13.0 billion and $14.8 billion, respectively, for standby letters of credit and other financial guarantees; and $469 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.
(d) At both December 31, 2014 and 2013, included commitments to affiliates of $16 million.
(e) At December 31, 2014 and 2013, included credit enhancements and bond and commercial paper liquidity commitments to U.S. states and municipalities, hospitals and other non-profit entities of $14.8 billion and $18.9 billion, respectively, within other unfunded commitments to extend credit; and $13.3

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; see Note 17.

(f) At December 31, 2014 and 2013, included unissued standby letters of credit commitments of $45.6 billion and $42.7 billion, respectively.

(g) At December 31, 2014 and 2013, collateral held by JPMorgan Chase Bank, N.A. in support of securities lending indemnification agreements was $187.4 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.

(h) At December 31, 2014 and 2013, included guarantees of the obligations of affiliates of $11.8 billion and $15.1 billion; and unfunded equity investment commitments of $26 million and $1.2 billion, respectively. In addition, at both December 31, 2014 and 2013, included letters of credit hedged by derivative transactions and managed on a market risk basis of $4.5 billion.

(i) 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.

Other unfunded commitments to extend credit

Other unfunded commitments to extend credit generally comprise commitments for working capital and general corporate purposes, extensions of credit to support commercial paper facilities and bond financings in the event that those obligations cannot be remarketed to new investors, as well as committed liquidity facilities to clearing organizations.

Also included in other unfunded commitments to extend credit are commitments to noninvestment-grade counterparties in connection with leveraged finance activities, which were $23.2 billion and $17.7 billion at December 31, 2014 and 2013, respectively. For further information, see Note 4 and Note 5.

JPMorgan Chase Bank, N.A. acts as a settlement and custody bank in the U.S. tri-party repurchase transaction market. In its role as settlement and custody bank, JPMorgan Chase Bank, N.A. is exposed to the intra-day credit risk of its cash borrower clients, usually broker-dealers. This exposure is secured by collateral and typically extinguished by the end of the day. During 2014, JPMorgan Chase Bank, N.A. extended secured clearance advance facilities to its clients (i.e. cash borrowers); these facilities contractually limit JPMorgan Chase Bank, N.A.'s intra-day credit risk to the facility amount and must be repaid by the end of the day. Through these facilities, JPMorgan Chase Bank, N.A. has reduced its intra-day credit risk substantially; the average daily tri-party repo balance was $307 billion during the year ended December 31, 2013, and as of December 31, 2014, the secured clearance advance facility maximum outstanding commitment amount was $15.5 billion.

Guarantees

U.S. GAAP requires that a guarantor recognize, at the inception of a guarantee, a liability in an amount equal to the fair value of the obligation undertaken in issuing the guarantee. U.S. GAAP defines a guarantee as a contract that contingently requires the guarantor to pay a guaranteed party based upon: (a) changes in an underlying asset, liability or equity security of the guaranteed party; or (b) a third party's failure to perform under a specified agreement. 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.

As required by U.S. GAAP, JPMorgan Chase Bank, N.A. initially records guarantees at the inception date fair value of the obligation assumed (e.g., the amount of consideration received or the net present value of the premium receivable). For certain types of guarantees, JPMorgan Chase Bank, N.A. records this fair value amount in other liabilities with an offsetting entry recorded in cash (for premiums received), or other assets (for premiums receivable). Any premium receivable recorded in other assets is reduced as cash is received under the contract, and the fair value of the liability recorded at inception is amortized into income as lending and deposit-related fees over the life of the guarantee contract. For indemnifications provided in sales agreements, a portion of the sale proceeds is allocated to the guarantee, which adjusts the gain or loss that would otherwise result from the transaction. For these indemnifications, the initial liability is amortized to income as JPMorgan Chase Bank, N.A.'s risk is reduced (i.e., over time or when the indemnification expires). Any contingent liability that exists as a result of issuing the guarantee or indemnification is recognized when it becomes probable and reasonably estimable. The contingent portion of the liability is not recognized if the estimated amount is less than the carrying amount of the liability recognized at inception (adjusted for any amortization). The recorded amounts of the liabilities related to guarantees and indemnifications at December 31, 2014 and 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 $787 million and $944 million at December 31, 2014 and 2013, respectively, which were classified in accounts payable and other liabilities on the Consolidated balance sheets; these carrying values included $233 million and $264 million, respectively, for the allowance for lending-related commitments, and $554 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 December 31, 2014 and 2013.

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

	2014		2013	
December 31, (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)]	**$ 66,855**	**$ 3,476**	$ 69,109	$ 3,939
Noninvestment-grade[(a)]	**23,191**	**855**	23,746	1,081
Total contractual amount	**$ 90,046**	**$ 4,331**	$ 92,855	$ 5,020
Allowance for lending-related commitments	**$ 232**	**$ 1**	$ 262	$ 2
Commitments with collateral	**39,674**	**1,509**	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.

Advised lines of credit

An advised line of credit is a revolving credit line which specifies the maximum amount JPMorgan Chase Bank, N.A. may make available to an obligor, on a nonbinding basis. The borrower receives written or oral advice of this facility. JPMorgan Chase Bank, N.A. may cancel this facility at any time by providing the borrower notice or, in some cases, without notice as permitted by law.

Securities lending indemnifications

Through JPMorgan Chase Bank, N.A.'s securities lending program, customers' securities, via custodial and non-custodial arrangements, may be lent to third parties. As part of this program, JPMorgan Chase Bank, N.A. provides an indemnification in the lending agreements which protects the lender against the failure of the borrower to return the lent securities. To minimize its liability under these indemnification agreements, JPMorgan Chase Bank, N.A. obtains cash or other highly liquid collateral with a market value exceeding 100% of the value of the securities on loan from the borrower. Collateral is marked to market daily to help assure that collateralization is adequate. Additional collateral is called from the borrower if a shortfall exists, or collateral may be released to the borrower in the event of overcollateralization. If a borrower defaults, JPMorgan Chase Bank, N.A. would use the collateral held to purchase replacement securities in the market or to credit the lending customer with the cash equivalent thereof.

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. These contracts include written put options that require JPMorgan Chase Bank, N.A. to purchase assets upon exercise by the option holder at a specified price by a specified date in the future. JPMorgan Chase Bank, N.A. may enter into written put option contracts in order to meet client needs, or for other trading purposes. The terms of written put options are typically five years or less. Derivatives deemed to be guarantees also include contracts such as stable value derivatives that require JPMorgan Chase Bank, N.A. to make a payment of the difference between the market value and the book value of a counterparty's reference portfolio of assets in the event that market value is less than book value and certain other conditions have been met. Stable value derivatives, commonly referred to as "stable value wraps", are transacted in order to allow investors to realize investment returns with less volatility than an unprotected portfolio and are typically longer-term or may have no stated maturity, but allow JPMorgan Chase Bank, N.A. to terminate the contract under certain conditions.

Derivatives deemed to be guarantees are recorded on the Consolidated balance sheets at fair value in trading assets and trading liabilities. The total notional value of the derivatives that JPMorgan Chase Bank, N.A. deems to be guarantees was $53.1 billion and $56.3 billion at December 31, 2014 and 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 $27.5 billion and $27.0 billion at December 31, 2014 and 2013, respectively, and the maximum exposure to loss was $2.9 billion and $2.8 billion at both December 31, 2014 and 2013. 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 of derivatives that JPMorgan Chase Bank, N.A. deems to be guarantees were derivative payables of $78 million and $109 million and derivative receivables of $22 million and $37 million at December 31, 2014 and 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 7.

Unsettled reverse repurchase and securities borrowing agreements

In the normal course of business, JPMorgan Chase Bank, N.A. enters into reverse repurchase agreements and securities borrowing agreements that settle at a future date. At settlement, these commitments require that JPMorgan Chase Bank, N.A. advance cash to and accept securities from the counterparty. These agreements generally do not meet the definition of a derivative, and therefore, are not recorded on the Consolidated balance sheets until settlement date. The unsettled reverse repurchase agreements and securities borrowing agreements predominantly consist of agreements with regular-way settlement periods.

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 17, 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.

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)]

Year ended December 31, (in millions)	2014	2013	2012
Repurchase liability at beginning of period	**$ 654**	$ 2,550	$ 3,244
Net realized gains/(losses)[(b)]	**55**	(1,491)	(975)
Reclassification to litigation reserve	**—**	(77)	—
(Benefit)/provision for repurchase[(c)]	**(457)**	(328)	281
Repurchase liability at end of period	**$ 252**	$ 654	$ 2,550

(a) On October 25, 2013, JPMorgan Chase Bank, N.A. 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 included principal losses and accrued interest on repurchased loans, "make-whole" settlements, settlements with claimants, and certain related expense. Make-whole settlements were $9 million, $316 million and $408 million, for the years ended December 31, 2014, 2013 and 2012, respectively.

(c) Included a provision related to new loan sales of $4 million, $20 million and $112 million, for the years ended December 31, 2014, 2013 and 2012, 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.

On November 15, 2013, JPMorgan Chase Bank, N.A. announced that it had reached a $4.5 billion agreement with 21 major institutional investors to make a binding offer to the trustees of 330 residential mortgage-backed securities trusts issued by J.P.Morgan, Chase, and Bear Stearns ("RMBS Trust Settlement") to resolve all representation and warranty claims, as well as all servicing claims, on all trusts issued by J.P. Morgan, Chase, and Bear Stearns between 2005 and 2008. The seven trustees (or separate and successor trustees) for this group of 330 trusts have accepted the RMBS Trust Settlement for 319 trusts in whole or in part and excluded from the settlement 16 trusts in whole or in part. The trustees' acceptance is subject to a judicial approval proceeding initiated by the trustees, which is pending in New York state court.

In addition, from 2005 to 2008, Washington Mutual made certain loan level representations and warranties in connection with approximately $165 billion of residential mortgage loans that were originally sold or deposited into private-label securitizations by Washington Mutual. Of the $165 billion, approximately $78 billion has been repaid. In addition, approximately $49 billion of the principal amount of such loans has liquidated with an average loss severity of 59%. Accordingly, the remaining outstanding principal balance of these loans as of December 31, 2014, was approximately $38 billion, of which $8 billion was 60 days or more past due. JPMorgan Chase Bank, N.A. believes that any repurchase obligations related to these loans remain with the FDIC receivership.

For additional information regarding litigation, see Note 29.

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 December 31, 2014 and 2013, the unpaid principal balance of loans sold with recourse totaled $5.5 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 $71 million and $98 million at December 31, 2014 and 2013, respectively.

Other off-balance sheet arrangements

Indemnification agreements – general
In connection with issuing securities to investors, JPMorgan Chase Bank, N.A. may enter into contractual arrangements with third parties that require JPMorgan Chase Bank, N.A. to make a payment to them in the event of a change in tax law or an adverse interpretation of tax law. In certain cases, the contract also may include a termination clause, which would allow JPMorgan Chase Bank, N.A. to settle the contract at its fair value in lieu of making a payment under the indemnification clause. JPMorgan Chase Bank, N.A. may also enter into indemnification clauses in connection with the licensing of software to clients ("software licensees") or when it sells a business or assets to a third party ("third-party purchasers"), pursuant to which it indemnifies software licensees for claims of liability or damages that may occur subsequent to the licensing of the software, or third-party purchasers for losses they may incur due to actions taken by JPMorgan Chase Bank, N.A. prior to the sale of the business or assets. It is difficult to estimate JPMorgan Chase Bank, N.A.'s maximum exposure under these indemnification arrangements, since this would require an assessment of future changes in tax law and future claims that may be made against JPMorgan Chase Bank, N.A. that have not yet occurred. However, based on historical experience, management expects the risk of loss to be remote.

Credit card charge-backs
Chase Paymentech Solutions, Card's merchant services business and a subsidiary of JPMorgan Chase Bank, N.A., is a global leader in payment processing and merchant acquiring.

Under the rules of Visa USA, Inc., and MasterCard International, JPMorgan Chase Bank, N.A., is primarily liable for the amount of each processed credit card sales transaction that is the subject of a dispute between a cardmember and a merchant. If a dispute is resolved in the cardmember's favor, Chase Paymentech will (through the cardmember's issuing bank) credit or refund the amount to the cardmember and will charge back the transaction to the merchant. If Chase Paymentech is unable to collect the amount from the merchant, Chase Paymentech will bear the loss for the amount credited or refunded to the cardmember. Chase Paymentech mitigates this risk by withholding future settlements, retaining cash reserve accounts or by obtaining other security. However, in the unlikely event that: (1) a merchant ceases operations and is unable to deliver products, services or a refund; (2) Chase Paymentech does not have sufficient collateral from the merchant to provide customer refunds; and (3) Chase Paymentech does not have sufficient financial resources to provide customer refunds, JPMorgan Chase Bank, N.A., would recognize the loss.

Chase Paymentech incurred aggregate losses of $10 million, $14 million, and $16 million on $847.9 billion, $750.1 billion, and $655.2 billion of aggregate volume processed for the years ended December 31, 2014, 2013 and 2012, respectively. Incurred losses from merchant charge-backs are charged to other expense, with the offset recorded in a valuation allowance against accrued interest and accounts receivable on the Consolidated balance sheets. The carrying value of the valuation allowance was $4 million and $5 million at December 31, 2014 and 2013, respectively, which JPMorgan Chase Bank, N.A. believes, based on historical experience and the collateral held by Chase Paymentech of $174 million and $208 million at December 31, 2014 and 2013, respectively, is representative of the payment or performance risk to JPMorgan Chase Bank, N.A. related to charge-backs.

Clearing Services - Client Credit Risk
JPMorgan Chase Bank, N.A. provides clearing services for clients entering into securities purchases and sales and derivative transactions, with central counterparties ("CCPs"), including exchange-traded derivatives ("ETDs") such as futures and options, as well as OTC-cleared derivative contracts. As a clearing member, JPMorgan Chase Bank, N.A. stands behind the performance of its clients, collects cash and securities collateral (margin) as well as any settlement amounts due from or to clients, and remits them to the relevant CCP or client in whole or part. There are two types of margin. Variation margin is posted on a daily basis based on the value of clients' derivative contracts. Initial margin is posted at inception of a derivative contract, generally on the basis of the potential changes in the variation margin requirement for the contract.

As clearing member, JPMorgan Chase Bank, N.A. is exposed to the risk of non-performance by its clients, but is not liable to clients for the performance of the CCPs. Where possible, JPMorgan Chase Bank, N.A. seeks to mitigate its risk to the client through the collection of appropriate amounts of margin at inception and throughout the life of the transactions. JPMorgan Chase Bank, N.A. can also cease provision of clearing services if clients do not adhere to their obligations under the clearing agreement. In the event of non-performance by a client, JPMorgan Chase Bank, N.A. would close out the client's positions and access available margin. The CCP would utilize any margin it holds to make itself whole, with any remaining shortfalls required to be paid by JPMorgan Chase Bank, N.A. as clearing member.

JPMorgan Chase Bank, N.A. reflects its exposure to non-performance risk of the client through the recognition of margin payables or receivables to clients and CCPs, but does not reflect the clients' underlying securities or derivative contracts in its Consolidated Financial Statements.

It is difficult to estimate JPMorgan Chase Bank, N.A.'s maximum possible exposure through its role as clearing member, as this would require an assessment of transactions that clients may execute in the future. However, based upon historical experience, and the credit risk mitigants available to JPMorgan Chase Bank, N.A., management believes it is unlikely that JPMorgan Chase Bank, N.A. will have to make any material payments under these arrangements and the risk of loss is expected to be remote.

For information on the derivatives that JPMorgan Chase Bank, N.A. executes for its own account and records in its Consolidated Financial Statements, see Note 7.

Exchange & Clearing House Memberships

Through the provision of clearing services, JPMorgan Chase Bank, N.A. is a member of several securities and derivative exchanges and clearinghouses, both in the U.S. and other countries. Membership in some of these organizations requires JPMorgan Chase Bank, N.A. to pay a pro rata share of the losses incurred by the organization as a result of the default of another member. Such obligations vary with different organizations. These obligations may be limited to members who dealt with the defaulting member or to the amount (or a multiple of the amount) of JPMorgan Chase Bank, N.A.'s contribution to the guarantee fund maintained by a clearing house or exchange as part of the resources available to cover any losses in the event of a member default. Alternatively, these obligations may be a full pro-rata share of the residual losses after applying the guarantee fund. Additionally, certain clearinghouses require JPMorgan Chase Bank, N.A. as a member to pay a pro rata share of losses resulting from the clearinghouse's investment of guarantee fund contributions and initial margin, unrelated to and independent of the default of another member. Generally a payment would only be required should such losses exceed the resources of the clearing house or exchange that are contractually required to absorb the losses in the first instance. It is difficult to estimate JPMorgan Chase Bank, N.A.'s maximum possible exposure under these membership agreements, since this would require an assessment of future claims that may be made against JPMorgan Chase Bank, N.A. that have not yet occurred. However, based on historical experience, management expects the risk of loss to be remote.

Guarantees of subsidiaries and affiliates

In the normal course of business, JPMorgan Chase Bank, N.A. may provide counterparties with guarantees of certain of the trading and other obligations of its subsidiaries and affiliates on a contract-by-contract basis, as negotiated with JPMorgan Chase Bank, N.A.'s counterparties. The obligations of the subsidiaries are included on JPMorgan Chase Bank, N.A.'s Consolidated balance sheets or are reflected as off-balance sheet commitments; therefore, JPMorgan Chase Bank, N.A. has not recognized a separate liability for these guarantees. As at December 31, 2014 and 2013, JPMorgan Chase Bank, N.A. had provided guarantees of $11.8 billion and $15.1 billion, respectively, of the obligations of affiliates. JPMorgan Chase Bank, N.A. believes that the occurrence of any event that would trigger payments by JPMorgan Chase Bank, N.A. under these guarantees is remote.

JPMorgan Chase Bank, N.A. has guaranteed certain debt of its subsidiaries, including both long-term debt and structured notes sold as part of JPMorgan Chase Bank, N.A.'s market-making activities. These guarantees are not included in the table on page 114 of this Note. For additional information, see Note 21.

Note 28 – Commitments, pledged assets and collateral

Lease commitments

At December 31, 2014, JPMorgan Chase Bank, N.A. and its subsidiaries were obligated under a number of noncancelable operating leases for premises and equipment used primarily for banking purposes. Certain leases contain renewal options or escalation clauses providing for increased rental payments based on maintenance, utility and tax increases, or they require JPMorgan Chase Bank, N.A. to perform restoration work on leased premises. No lease agreement imposes restrictions on JPMorgan Chase Bank, N.A.'s ability to pay dividends, engage in debt or equity financing transactions or enter into further lease agreements.

The following table presents required future minimum rental payments under operating leases with noncancelable lease terms that expire after December 31, 2014.

Year ended December 31, (in millions)	
2015	$ 1,352
2016	1,317
2017	1,188
2018	1,071
2019	992
After 2019	4,249
Total minimum payments required[(a)]	10,169
Less: Sublease rentals under noncancelable subleases	(1,146)
Net minimum payment required	$ 9,023

(a) Lease restoration obligations are accrued in accordance with U.S. GAAP, and are not reported as a required minimum lease payment.

Total rental expense was as follows.

Year ended December 31, (in millions)	**2014**	2013	2012
Gross rental expense	**$ 1,720**	$ 1,634	$ 1,638
Sublease rental income	**(187)**	(197)	(192)
Net rental expense	**$ 1,533**	$ 1,437	$ 1,446

Pledged assets

Financial assets are 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 instruments owned (pledged to various parties) on the Consolidated balance sheets. At December 31, 2014 and 2013, JPMorgan Chase Bank, N.A. had pledged assets of $274.8 billion and $203.1 billion, respectively, at Federal Reserve Banks and FHLBs. In addition, as of December 31, 2014 and 2013, JPMorgan Chase Bank, N.A. had pledged to third parties $46.1 billion and $50.8 billion, respectively, of financial instruments it owns that may not be sold or repledged by such 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 17 for additional information on assets and liabilities of consolidated VIEs. For additional information on JPMorgan Chase Bank, N.A.'s securities financing activities and long-term debt, see Note 14, and Note 21, respectively. The significant components of JPMorgan Chase Bank, N.A.'s pledged assets were as follows.

December 31, (in billions)	**2014**	2013
Securities	**$ 121.5**	$ 67.8
Loans	**198.2**	181.9
Trading assets and other	**78.5**	82.8
Total assets pledged	**$ 398.2**	$ 332.5

Collateral

At December 31, 2014 and 2013, JPMorgan Chase Bank, N.A. had accepted assets as collateral that it could sell or repledge, deliver or otherwise use with a fair value of approximately $412.9 billion and $401.1 billion, respectively. This collateral was generally obtained under resale agreements, securities borrowing agreements, customer margin loans and derivative agreements. Of the collateral received, approximately $326.3 billion and $304.2 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.

Certain prior period amounts for both collateral, as well as pledged assets have been revised to conform with the current period presentation.

Note 29 – Litigation

Contingencies

As of December 31, 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 $5.8 billion at December 31, 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, particularly proceedings that could result from government investigations. 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.

Auto Dealer Regulatory Matter. JPMorgan Chase is engaged in discussions with the U.S. Department of Justice ("DOJ") about potential statistical disparities in markups charged to different races and ethnicities by automobile dealers on loans originated by those dealers and purchased by JPMorgan Chase.

CIO Litigation. JPMorgan Chase has been sued in a consolidated shareholder putative class action, a consolidated putative class action brought under the Employee Retirement Income Security Act ("ERISA") and seven shareholder derivative actions brought in Delaware state court and in New York federal and state courts relating to 2012 losses in the synthetic credit portfolio managed by JPMorgan Chase's Chief Investment Office ("CIO"). Four of the shareholder derivative actions have been dismissed, and plaintiffs in three of those actions have appealed those dismissals. Motions to dismiss have also been filed in two other shareholder derivative actions.

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. 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 a consolidated putative class action filed in the United States District Court for the Southern District of New York on behalf of purchasers and sellers of CDS. The complaint 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 market for exchange-traded CDS products. Defendants moved to dismiss this action, and in September 2014, the Court granted defendants' motion in part, dismissing claims for damages based on transactions effected before the Autumn of 2008, as well as certain other claims.

Foreign Exchange Investigations and Litigation. In November 2014, JPMorgan Chase Bank, N.A. reached separate settlements with the U.K. Financial Conduct Authority ("FCA"), the U.S. Commodity Futures Trading Commission ("CFTC") and the U.S. Office of the Comptroller of the Currency ("OCC") to resolve the agencies' respective civil enforcement claims relating to the Bank's foreign exchange ("FX") trading business (collectively, the "Settlement Agreements"). Under the Settlement Agreements, JPMorgan Chase Bank, N.A. agreed to take certain remedial measures and paid penalties of £222 million to the FCA, $310 million to the CFTC and $350 million to the OCC.

In December 2014, the Hong Kong Monetary Authority ("HKMA") announced the conclusion of its FX-related investigation regarding JPMorgan Chase Bank, N.A. and several other banks. The HKMA required the banks,

including JPMorgan Chase Bank, N.A., to take certain remedial measures.

Other FX-related regulatory investigations of JPMorgan Chase are ongoing, including a criminal investigation by DOJ. These investigations are focused on JPMorgan Chase's spot FX trading and sales activities as well as controls applicable to those activities. JPMorgan Chase continues to cooperate with these investigations. JPMorgan Chase is also engaged in discussions regarding potential resolution with DOJ.

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 U.S. class action complaint; two other class actions were brought by non-U.S.-based plaintiffs. The Court denied defendants' motion to dismiss the U.S. class action and granted the motion to dismiss the two non-U.S. class actions. In January 2015, JPMorgan Chase settled the U.S. class action, and this settlement is subject to court approval.

General Motors Litigation. JPMorgan Chase Bank, N.A. participated in, and was the Administrative Agent on behalf of a syndicate of lenders on, a $1.5 billion syndicated Term Loan facility ("Term Loan") for General Motors Corporation ("GM"). In July 2009, in connection with the GM bankruptcy proceedings, the Official Committee of Unsecured Creditors of Motors Liquidation Company ("Creditors Committee") filed a lawsuit against JPMorgan Chase Bank, N.A., in its individual capacity and as Administrative Agent for other lenders on the Term Loan, seeking to hold the underlying lien invalid. In March 2013, the Bankruptcy Court granted JPMorgan Chase Bank, N.A.'s motion for summary judgment and dismissed the Creditors Committee's complaint on the grounds that JPMorgan Chase Bank, N.A. did not authorize the filing of the UCC-3 termination statement at issue. The Creditors Committee appealed the Bankruptcy Court's dismissal of its claim to the United States Court of Appeals for the Second Circuit. In January 2015, the Court of Appeals reversed the Bankruptcy Court's dismissal of the Creditors Committee's claim and remanded the case to the Bankruptcy Court with instructions to enter partial summary judgment for the Creditors Committee as to the termination statement. JPMorgan Chase Bank, N.A. has filed a petition requesting that the full Court of Appeals rehear the case en banc. In the event that the request for rehearing is denied, continued proceedings in the Bankruptcy Court are anticipated with respect to, among other things, additional defenses asserted by JPMorgan Chase Bank, N.A. and the value of additional collateral on the Term Loan, which was not the subject of the termination statement.

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. Defendants' motion to dismiss the actions was denied in July 2014.

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.

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 extensions of credit against inappropriate collateral in connection with JPMorgan Chase's role as the clearing bank for Lehman Brothers Inc. ("LBI"), LBHI's broker-dealer subsidiary. These extensions of credit left JPMorgan Chase with more than $25.0 billion in claims against the estate of LBI. The case has been transferred from the Bankruptcy Court to the District Court, and JPMorgan Chase has moved for summary judgment seeking the dismissal of all of LBHI's claims. LBHI has also moved for summary judgment on certain of its claims and seeking the dismissal of JPMorgan Chase's counterclaims.

In the Bankruptcy Court proceedings, LBHI and several of its subsidiaries that had been Chapter 11 debtors have 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. LBHI and the Committee have also filed an objection to the claims asserted by JPMorgan Chase Bank, N.A. against LBHI with respect to clearing advances made to LBI, principally on the grounds that JPMorgan Chase had not conducted the sale of the securities collateral held for its claims in a commercially reasonable manner. Discovery regarding both objections is ongoing. In January 2015, LBHI filed additional objections relating to a variety of claims that JPMorgan Chase had filed in the Bankruptcy Court proceedings. The bankruptcy claims and other claims of JPMorgan Chase against Lehman entities have been paid in full, subject to potential adjustment depending on the outcome of the objections filed by LBHI and the Committee.

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 DOJ, the CFTC, the Securities and Exchange Commission (the "SEC") and various state attorneys general, as well as the EC, the FCA, the Canadian Competition Bureau, the 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. In January 2014, the Canadian Competition Bureau announced that it has discontinued its investigation related to Yen LIBOR. In May 2014, the EC issued a Statement of Objections outlining its case against JPMorgan Chase (and others) as to EURIBOR, to which JPMorgan Chase has filed a response. In October 2014, JPMorgan Chase reached a settlement with the EC regarding the EC's Swiss franc LIBOR investigation and agreed to pay a fine of €72 million. In January 2015, the FCA informed JPMorgan Chase that it has discontinued its investigation of JPMorgan Chase concerning LIBOR and EURIBOR.

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, Swiss franc 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 affected by changes in U.S. dollar LIBOR, Yen LIBOR, Swiss franc LIBOR, Euroyen TIBOR or EURIBOR and assert a variety of claims including antitrust claims seeking treble damages.

The U.S. dollar LIBOR-related putative class actions were consolidated for pre-trial purposes in the United States District Court for the Southern District of New York. The Court stayed all related cases while motions to dismiss the three lead class actions were pending. In March 2013, the Court granted in part and denied in part the defendants' motions to dismiss the claims in the three lead class actions, including dismissal with prejudice of the antitrust claims. In relation to JPMorgan Chase, the Court has permitted certain claims under the Commodity Exchange Act and common law claims to proceed. In September 2013, class plaintiffs in two of the three lead class actions filed amended complaints, which defendants moved to dismiss. Plaintiffs in the third class action appealed the dismissal of the antitrust claims and the United States Court of Appeals for the Second Circuit dismissed the appeal for lack of jurisdiction. In January 2015, the United States Supreme Court reversed the decision of the Court of Appeals, holding that plaintiffs have the jurisdictional right to appeal and remanding the case to the Court of Appeals for further proceedings. In February 2015, the District Court entered a judgment on certain other plaintiffs' antitrust claims so that those plaintiffs could also participate in the appeal. Motions to dismiss are pending in the remaining previously stayed individual actions and class actions.

JPMorgan Chase is one of the defendants in a putative class action alleging manipulation of Euroyen TIBOR and Yen LIBOR which 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.

JPMorgan Chase is one of the defendants in a putative class action filed in the United States District Court for the Southern District of New York relating to the interest rate benchmark EURIBOR. The case is currently stayed.

JPMorgan Chase is also one of the defendants in a number of putative class actions alleging that defendant banks and ICAP conspired to manipulate the U.S. dollar ISDAFIX rates. Plaintiffs primarily assert claims under the federal antitrust laws and Commodities Exchange Act. In December 2014, defendants filed a motion to dismiss.

Madoff Litigation. 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, 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 putative 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 putative class action in the same court. The allegations in these complaints largely track those previously raised by the court-appointed trustee for Bernard L. Madoff Investment Securities LLC. The District Court dismissed these complaints and the United States Court of Appeals for the Second Circuit affirmed the District Court's decision. Plaintiffs have petitioned the United States Supreme Court for a writ of certiorari.

JPMorgan Chase is a defendant in five other Madoff-related individual 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. In August 2014, the Court dismissed all claims against JPMorgan Chase. Plaintiffs have filed a notice of appeal.

A putative 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 previous class action settlement. These plaintiffs allege violations of the federal securities law, federal and state racketeering statutes and multiple common law and statutory claims including breach of trust, aiding and abetting embezzlement, unjust enrichment, conversion and commercial bad faith. A similar action has been filed in the United States District Court for the Middle District of Florida, although it is not styled as a class action, and includes a claim pursuant to a Florida statute. JPMorgan Chase has moved to transfer these cases to the United States District Court for the Southern District of New York.

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. One plaintiff chose not to appeal and the other filed a motion for reconsideration which was denied in November 2014. The latter plaintiff has filed an appeal. In the remaining state court action, a hearing on defendants' motion to dismiss was held in October 2014, and the court reserved decision.

MF Global. J.P. Morgan Securities LLC has been named as one of several defendants in a number of putative 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. These actions have been settled, subject to final approval by the court. 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 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 $41 billion, of which $38 billion involves JPMC, Bear Stearns or Washington Mutual as issuer and $3 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. Two class actions remain pending against JPMC and Bear Stearns as MBS issuers in the United States District Court for the Southern District of New York. In the action concerning JPMC, plaintiffs' motion for class certification has been granted with respect to liability but denied without prejudice as to damages. In the action concerning Bear Stearns, the parties have reached a settlement in principle, which is subject to court approval. JPMorgan Chase is also defending a class action brought against Bear Stearns in the United States District Court for the District of Massachusetts, in which the court's decision on defendants' motion to dismiss is pending.

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 U.S. and are in various stages of litigation.

Monoline Insurer Litigation. JPMorgan Chase is defending two pending actions relating to the same 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 actions of this type pending against JPMorgan Chase in federal and state courts in various stages of litigation. One such class action has been settled, subject to final approval by the court.

Repurchase Litigation. JPMorgan Chase is defending a number of actions brought by trustees, securities administrators 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. 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 and a group of 21 institutional MBS investors 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 issued between 2005 and 2008. The offer does not resolve claims relating to Washington Mutual MBS. The seven trustees (or separate and successor trustees) for this group of 330 trusts has accepted the settlement for 319 trusts in whole or in part and excluded from the settlement 16 trusts in whole or in part. The trustees' acceptance is subject to a judicial approval proceeding initiated by the trustees and pending in New York state court. Certain investors in some of the trusts for which the settlement has been accepted have intervened in the judicial approval proceeding, challenging the trustees' acceptance of the settlement.

Additional actions have been filed against third-party trustees that relate to loan repurchase and servicing claims 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 one is on appeal. A consolidated action in California federal court has been dismissed without prejudice for lack of personal jurisdiction and plaintiffs are pursuing discovery.

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 subpoenas and informal requests for information from 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 continues to cooperate with investigations by DOJ, including the U.S. Attorney's Office for the District of Connecticut, the SEC Division of Enforcement and the Office of the Special Inspector General for the Troubled Asset Relief Program, 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. In January 2015, JPMorgan Chase entered into a settlement resolving this action.

JPMorgan Chase entered into a settlement resolving a putative class action lawsuit relating to its filing of affidavits or other documents in connection with mortgage foreclosure proceedings, and the court granted final approval of the settlement in January 2015.

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 December 2014, the court granted defendants' motion to dismiss the complaint.

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 and a school district have commenced litigation against JPMorgan Chase alleging violations of an unfair competition law and of the FHA and ECOA and seeking statutory damages for the unfair competition claim, and, for the FHA and ECOA claims, damages in the form of lost tax revenue and increased municipal costs associated with foreclosed properties. The court denied a motion to dismiss in one of the municipal actions, the school district action was dismissed with prejudice, another municipal action was recently served, and motions to dismiss are pending in the remaining 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.

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. The final hearings have been scheduled for March 2015.

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.

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 putative 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 Bank, N.A. may have assumed liabilities for the alleged breaches of representations and warranties in the mortgage securitization agreements. JPMorgan Chase and the FDIC have filed opposing motions, each seeking a ruling that the liabilities at issue are borne by the other.

Certain holders of Washington Mutual Bank debt filed an action against JPMorgan Chase which alleged that by acquiring substantially all of the assets of Washington Mutual Bank from the FDIC, JPMorgan Chase Bank, N.A. caused Washington Mutual Bank to default on its bond obligations. 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. During the years ended December 31, 2014, 2013 and 2012, JPMorgan Chase Bank, N.A. incurred $2.3 billion, $2.2 billion and $4.3 billion, respectively, of legal expense. Where a particular litigation matter involves one or more subsidiaries or affiliates of JPMorgan Chase, JPMorgan Chase determines the appropriate allocation of legal expense among those subsidiaries or affiliates (including, where applicable, JPMorgan Chase Bank, N.A.). There is no assurance that JPMorgan Chase Bank, N.A.'s litigation reserves will not need to be adjusted in the future.

In view of the inherent difficulty of predicting the outcome of legal proceedings, particularly where the claimants seek very large or indeterminate damages, or where the matters present novel legal theories, involve a large number of parties or are in early stages of discovery, JPMorgan Chase 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.

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.

Central clearing party ("CCP"): A CCP is a clearing house that interposes itself between counterparties to contracts traded in one or more financial markets, becoming the buyer to every seller and the seller to every buyer and thereby ensuring the future performance of open contracts. A CCP becomes counterparty to trades with market participants through novation, an open offer system, or another legally binding arrangement.

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 U.K. and the U.S.

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.

Impaired loan: Impaired loans are loans measured at amortized cost, for which it is probable that JPMorgan Chase Bank, N.A.

will be unable to collect all amounts due, including principal and interest, according to the contractual terms of the agreement. Impaired loans include the following:

- All wholesale nonaccrual loans
- All TDRs (both wholesale and consumer), including ones that have returned to accrual status

Interchange income: A fee paid to a credit card issuer in the clearing and settlement of a sales or cash advance transaction.

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 independent rating agencies.

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.

Origination date LTV ratio

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

Current estimated LTV ratio

An estimate of the LTV as of a certain date. The current estimated LTV ratios are calculated using estimated collateral values derived from a nationally recognized home price index measured at the metropolitan statistical area ("MSA") level. These MSA-level home price indices 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.

N/A: Data is not applicable or available for the period presented.

NM: Not meaningful.

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

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

Participating securities: Represents unvested stock-based compensation awards containing nonforfeitable rights to dividends or dividend equivalents (collectively, "dividends"). JPMorgan Chase grants restricted stock and RSUs to certain employees under its stock-based compensation programs, which entitle the recipients to receive nonforfeitable dividends during the vesting period on a basis equivalent to the dividends paid to holders of common stock.

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.

Receivables from customers: Primarily represents margin loans to prime and retail brokerage customers which are included in accrued interest and accounts receivable on the Consolidated balance sheets.

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 U.S.

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.