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# JPMORGAN CHASE & CO

## FORM 8-K
(Current report filing)

Filed 01/14/15 for the Period Ending 01/14/15

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|---|---|
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| Symbol | JPM |
| Fiscal Year | 12/31 |

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

# FORM 8-K

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

**Date of Report (date of earliest event reported): January 14, 2015**

# JPMorgan Chase & Co.

**(Exact name of registrant as specified in its charter)**

| | | |
|---|---|---|
| **Delaware** | **1-5805** | **13-2624428** |
| **(State or other jurisdiction of incorporation or organization)** | **(Commission File Number)** | **(I.R.S. employer identification no.)** |
| **270 Park Avenue, New York, New York** | | **10017** |
| **(Address of principal executive offices)** | | **(Zip Code)** |

**Registrant's telephone number, including area code: (212) 270-6000**

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

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

**Item 2.02 Results of Operations and Financial Condition**

On January 14, 2015, JPMorgan Chase & Co. ("JPMorgan Chase" or the "Firm") reported 2014 fourth quarter net income of $4.9 billion, or $1.19 per share compared with net income of $5.3 billion, or $1.30 per share, in the fourth quarter of 2013. A copy of the 2014 fourth quarter earnings release is attached hereto as Exhibit 99.1, and a copy of the earnings release financial supplement is attached hereto as Exhibit 99.2.

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

*This Current Report on Form 8-K (including the Exhibits hereto) contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the current beliefs and expectations of JPMorgan Chase & Co.'s management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. Factors that could cause JPMorgan Chase and Co.'s actual results to differ materially from those described in the forward-looking statements can be found in JPMorgan Chase & Co.'s Annual Report on Form 10-K for the year ended December 31, 2013, and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2014, June 30, 2014 and September 30, 2014, which have been filed with the Securities and Exchange Commission and are available on JPMorgan Chase's website ( http://investor.shareholder.com/jpmorganchase ) and on the Securities and Exchange Commission's website ( www.sec.gov ). JPMorgan Chase & Co. does not undertake to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of the forward-looking statements.*

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

| Exhibit No. | Description of Exhibit |
|---|---|
| 12.1 | JPMorgan Chase & Co. Computation of Earnings to Fixed Charges |
| 12.2 | JPMorgan Chase & Co. Computation of Earnings to Fixed Charges and Preferred Stock Dividend Requirements |
| 99.1 | JPMorgan Chase & Co. Earnings Release - Fourth Quarter 2014 Results |
| 99.2 | JPMorgan Chase & Co. Earnings Release Financial Supplement - Fourth Quarter 2014 |

SIGNATURE

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

JPMorgan Chase & Co.
(Registrant)

By: /s/ Mark W. O'Donovan
Mark W. O'Donovan
Managing Director and Corporate Controller
(Principal Accounting Officer)

Dated: January 14, 2015

INDEX TO EXHIBITS

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| 99.2 | JPMorgan Chase & Co. Earnings Release Financial Supplement - Fourth Quarter 2014 |

**EXHIBIT 12.1**

**JPMorgan Chase & Co.**

**Computation of Ratio of Earnings to Fixed Charges**

| Year ended December 31, (in millions, except ratios) | | **2014** |
|---|---|---|
| **Excluding interest on deposits** | | |
| Income before income tax expense | **$** | **29,792** |
| Fixed charges: | | |
| Interest expense | | **6,264** |
| One-third of rents, net of income from subleases *(a)* | | **624** |
| Total fixed charges | | **6,888** |
| Add: Equity in undistributed loss of affiliates | | **1,026** |
| Income before income tax expense and fixed charges, excluding capitalized interest | **$** | **37,706** |
| Fixed charges, as above | **$** | **6,888** |
| Ratio of earnings to fixed charges | | **5.47** |
| **Including interest on deposits** | | |
| Fixed charges, as above | **$** | **6,888** |
| Add: Interest on deposits | | **1,633** |
| Total fixed charges and interest on deposits | **$** | **8,521** |
| Income before income tax expense and fixed charges, excluding capitalized interest, as above | **$** | **37,706** |
| Add: Interest on deposits | | **1,633** |
| Total income before income tax expense, fixed charges and interest on deposits | **$** | **39,339** |
| Ratio of earnings to fixed charges | | **4.62** |

*(a) The proportion deemed representative of the interest factor.*

**EXHIBIT 12.2**

**JPMorgan Chase & Co.**

**Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividend Requirements**

| Year ended December 31, (in millions, except ratios) | | 2014 |
|---|---|---|
| **Excluding interest on deposits** | | |
| Income before income tax expense | $ | 29,792 |
| Fixed charges: | | |
| Interest expense | | 6,264 |
| One-third of rents, net of income from subleases *(a)* | | 624 |
| Total fixed charges | | 6,888 |
| Add: Equity in undistributed loss of affiliates | | 1,026 |
| Income before income tax expense and fixed charges, excluding capitalized interest | $ | 37,706 |
| Fixed charges, as above | $ | 6,888 |
| Preferred stock dividends (pre-tax) | | 1,558 |
| Fixed charges including preferred stock dividends | $ | 8,446 |
| Ratio of earnings to fixed charges and preferred stock dividend requirements | | 4.46 |
| **Including interest on deposits** | | |
| Fixed charges including preferred stock dividends, as above | $ | 8,446 |
| Add: Interest on deposits | | 1,633 |
| Total fixed charges including preferred stock dividends and interest on deposits | $ | 10,079 |
| Income before income tax expense and fixed charges, excluding capitalized interest, as above | $ | 37,706 |
| Add: Interest on deposits | | 1,633 |
| Total income before income tax expense, fixed charges and interest on deposits | $ | 39,339 |
| Ratio of earnings to fixed charges and preferred stock dividend requirements | | 3.90 |

*(a) The proportion deemed representative of the interest factor.*

JPMorgan Chase & Co.
270 Park Avenue, New York, NY 10017-2070
NYSE symbol: JPM
www.jpmorganchase.com

JPMORGAN CHASE & CO.

News release: IMMEDIATE RELEASE

# JPMORGAN CHASE REPORTS FOURTH-QUARTER 2014 NET INCOME OF $4.9 BILLION, AND $1.19 PER SHARE, ON REVENUE [1] OF $23.6 BILLION

## 11 % RETURN ON TANGIBLE COMMON EQUITY [1]

## RECORD FULL-YEAR 2014 NET INCOME OF $21.8 BILLION, AND RECORD $5.29 PER SHARE, ON REVENUE [1] OF $97.9 BILLION

- **The Firm delivered solid underlying performance in the fourth quarter [2]**
  - **Consumer & Community Banking: Consumer & Business Banking average deposits up 8%; credit card sales volume [1] up 10%; record client investment assets up 13%; Business Banking loan originations up 18%**
  - **Corporate & Investment Bank: maintained #1 ranking for Global Investment Banking fees with 8.1% wallet share for full-year 2014 and moved to #1 ranking in EMEA**
  - **Commercial Banking: period-end loan balances up 8%, driven by 12% growth in Commercial Real Estate; record gross investment banking revenue with Commercial Banking clients, up 11% in the fourth-quarter and totaling $2 billion for the full-year**
  - **Asset Management: twenty-third consecutive quarter of positive net long-term client flows; record assets under management up 9%; record average loan balances up 11%**
- **Fourth-quarter results included as a significant item $990 million (after-tax) legal expense [3]**
- **Approximately $3 billion returned to shareholders in 4Q14 and $10 billion in full-year 2014 [4]**
- **Maintained fortress balance sheet**
  - **Common Equity Tier 1 [1,5] of $165 billion, or ratio of 10.1%**
  - **Strong liquidity – compliant with final U.S. LCR [6] - HQLA [7] of $626 billion**
  - **Firm Supplementary Leverage Ratio ("SLR") [1] of 5.6% and Bank SLR of 5.9%**
- **Core loans [1] up 8% compared with the prior year**
- **JPMorgan Chase supported consumers, businesses and our communities**
  - **$2.1 trillion of credit and capital [1] raised in 2014**
    - **$197 billion of credit for consumers**
    - **$19 billion of credit for U.S. small businesses**
    - **$668 billion of credit for corporations**
    - **$1.2 trillion of capital raised for clients**
    - **$75 billion of credit and capital raised for nonprofit and government entities, including states, municipalities, hospitals and universities**
  - **Hired over 8,200 U.S. veterans and service members since 2011**

*Investor Contact:* Sarah Youngwood (212) 270-7325 *Media Contact:* Joe Evangelisti (212) 270-7438

[1] For notes on non-GAAP financial measures, including managed basis reporting, see page 12. For additional notes on financial measures, see page 13.

[2] Percentage comparisons noted in the bullet points are calculated versus the prior-year fourth quarter.

[3] Assumes a tax rate of 38% for items that are tax deductible.

[4] Net of employee issuances.

[5] Represents the estimated impact of Basel III Advanced fully phased-in capital rules to which the Firm will be subject to commencing January 1, 2019.

[6] The U.S. Liquidity Coverage Ratio ("LCR") is based on the Firm's current understanding of the U.S. final LCR rules which became effective January 1, 2015.

[7] High Quality Liquid Assets ("HQLA") is the estimated amount of assets that qualify for inclusion in the Firm's consolidated U.S. LCR for 4Q14.

**New York, January 14, 2015 -** JPMorgan Chase & Co. (NYSE: JPM) today reported net income for the fourth quarter of 2014 of $4.9 billion , compared with net income of $5.3 billion in the fourth quarter of 2013. Earnings per share were $ 1.19 , compared with $1.30 in the fourth quarter of 2013. Revenue [1] for the quarter was $23.6 billion , down 2 % compared with the prior year. The Firm's return on tangible common equity [1] for the fourth quarter of 2014 was 11 %, compared with 14% in the prior year. Core loans [1] increased by 8% compared with the prior year. The Firm returned approximately $3 billion of capital to shareholders in the fourth quarter [4] .

Net income for full-year 2014 was a record $21.8 billion, compared with $17.9 billion in the prior year. Earnings per share were $5.29 for 2014, also a record, compared with $4.35 for 2013. Revenue for 2014 was $97.9 billion, down 2% compared with 2013 revenue of $99.8 billion. The Firm's return on tangible common equity [1] for the year 2014 was 13%.

Jamie Dimon, Chairman and Chief Executive Officer, commented on the financial results: "Our businesses continue to demonstrate strong momentum and expense discipline. Consumer & Community Banking delivered impressive growth in deposits and investment assets in the fourth quarter and throughout 2014, while outperforming its expense reduction target for the year. Mortgage originations improved sequentially in the fourth quarter, despite a seasonally slow quarter. Our Card business delivered double-digit sales volume growth, outpacing the industry for the 27th consecutive quarter. Auto had a good quarter and the pipeline remains strong."

Dimon added: "The Corporate & Investment Bank saw strong performance in fees, maintaining its #1 position in Global IB fees in 2014 with particular strength in Europe, although Markets remained somewhat challenged. Commercial Banking grew period-end loans 8% versus the prior year and Commercial Banking clients generated record investment banking revenues for the quarter and the year. Lastly, Asset Management had over $80 billion of net long-term inflows for the second consecutive year and overall AUM grew 9% this quarter compared to the prior year."

Dimon concluded: "2014 was a record year for the Firm for net income and EPS. We delivered on our commitments – including business simplification, controls, expense discipline and meeting our capital targets for the year – while maintaining excellent customer satisfaction rankings. I am proud of this great company, its exceptional management team and employees, and everything we are achieving for our clients, shareholders and communities. Each of our businesses and the company are very well positioned going into 2015 for long-term growth and success."

*In the discussion below of the business segments and of JPMorgan Chase as a Firm, information is presented on a managed basis. For more information about managed basis, as well as other non-GAAP financial measures used by management to evaluate the performance of each line of business, see page 12. Effective with the fourth quarter of 2014, the Firm revised its methodology for allocating the cost of its outstanding preferred stock to its business segments to be consistent with the Firmwide income statement presentation. Prior period business segment results have been revised to conform with the current period presentation. For further discussion, see page 2 of the Earnings Release Financial Supplement. The following discussion compares the fourth quarters of 2014 and 2013 unless otherwise noted. Footnotes in the sections that follow are described on page 13.*

## *CONSUMER & COMMUNITY BANKING (CCB)*

| Results for CCB | | | | 3Q14 | | 4Q13 | |
|---|---|---|---|---|---|---|---|
| ($ millions) | 4Q14 | 3Q14 | 4Q13 | $ O/(U) | O/(U) % | $ O/(U) | O/(U) % |
| Net Revenue | $ 10,949 | $ 11,367 | $ 11,439 | $ (418) | (4)% | $ (490) | (4)% |
| Provision for Credit Losses | 950 | 902 | 72 | 48 | 5 | 878 | NM |
| Noninterest Expense | 6,411 | 6,305 | 7,321 | 106 | 2 | (910) | (12) |
| Net Income | $ 2,179 | $ 2,529 | $ 2,448 | $ (350) | (14)% | $ (269) | (11)% |

### *Discussion of Results:*

Net income was $2.2 billion, a decrease of $269 million, or 11%, compared with the prior year, due to higher provision for credit losses and lower net revenue, largely offset by lower noninterest expense.

Net revenue was $10.9 billion, a decrease of $490 million, or 4%, compared with the prior year. Net interest income was $7.1 billion, down $47 million, driven by spread compression, predominantly offset by higher deposit balances in Consumer & Business Banking and higher loan balances in Credit Card. Noninterest revenue was $3.8 billion, a decrease of $443 million, or 10%, driven by lower mortgage fees and related income and non-core portfolio exits in Credit Card.

The provision for credit losses was $950 million, compared with $72 million in the prior year. The current-quarter provision reflected a $251 million reduction in the allowance for loan losses and total net charge-offs of $1.2 billion. The prior-year provision reflected a $1.2 billion reduction in the allowance for loan losses and total net charge-offs of $1.3 billion.

Noninterest expense was $6.4 billion, a decrease of $910 million, or 12%, from the prior year, predominantly driven by lower Mortgage Banking expense.

### *Key Metrics and Business Updates:*

***(All comparisons refer to the prior-year quarter except as noted)***

- Return on equity was 16% on $51.0 billion of average allocated capital [1].
- Average total deposits were $497.7 billion, up 8% from the prior year and up 1% from the prior quarter. Ranked #1 in deposit growth for the third consecutive year [1].
- Record client investment assets were $213.5 billion, up 13% from the prior year and up 3% from the prior quarter.
- Business Banking originations were $1.5 billion, up 18% from the prior year and down 7% from the prior quarter. Average Business Banking loans were $19.8 billion, up 6% from the prior year and up 1% from the prior quarter.
- Mortgage originations were $23.0 billion, down 1% from the prior year and up 8% from the prior quarter.
- Chase cardholders accounted for over $600 billion, or approximately 16% of total U.S. credit and debit purchase volume [1].
- Credit card sales volume [1] was $123.6 billion, up 10% from the prior year. General purpose credit card sales volume growth has outperformed the industry for 27 consecutive quarters [1].
- Period-end Credit Card loan balances were $131.0 billion, up $3.3 billion, or 3% from the prior year.
- Merchant processing volume was $230.2 billion, up 13% from the prior year and up 8% from the prior quarter. Total transactions processed were 10.3 billion, up 7% from the prior year.
- Auto originations were $6.9 billion, up 8% from the prior year and up 1% from the prior quarter.

- Active online customers of 36.4 million which includes active mobile customers of 19.1 million, up 3.5 million or 22%. Chase.com remains the #1 most visited banking portal in the U.S. [1]

**Consumer & Business Banking** net income was $861 million, an increase of $65 million, or 8%, compared with the prior year, due to higher net revenue.

Net revenue was $4.6 billion, up 3% compared with the prior year. Net interest income was $2.7 billion, flat compared with the prior year, driven by higher deposit balances, offset by deposit spread compression. Noninterest revenue was $1.8 billion, an increase of 6%, driven by higher investment revenue, reflecting record client investment assets, higher deposit-related fees and higher debit card revenue.

Noninterest expense was $3.0 billion, flat compared with the prior year, reflecting efficiency improvements in the business, offset by increased cost of controls.

***Key Metrics and Business Updates:***
***(All comparisons refer to the prior-year quarter except as noted)***

- Return on equity was 31% on $11.0 billion of average allocated capital.
- Ranked #1 in customer satisfaction among the largest U.S. banks for the third consecutive year, according to American Customer Satisfaction Index ("ACSI").
- Average total deposits were $482.8 billion, up 8% from the prior year and up 1% from the prior quarter.
- Deposit margin was 2.11%, compared with 2.29% in the prior year and 2.20% in the prior quarter.
- Households totaled 25.7 million, up approximately 700,000 or 3% from the prior year and flat compared with the prior quarter.

**Mortgage Banking** net income was $338 million, a decrease of $255 million from the prior year, driven by higher provision for credit losses and lower net revenue, largely offset by lower noninterest expense.

Net revenue was $1.9 billion, a decrease of $405 million compared with the prior year. Net interest income was $1.0 billion, a decrease of $112 million, or 10%, driven by spread compression and lower loan balances due to portfolio runoff. Noninterest revenue was $845 million, a decrease of $293 million, driven by lower mortgage fees and related income.

The provision for credit losses was $13 million [1], compared with a benefit of $782 million in the prior year. The current quarter reflected a $100 million reduction in the allowance for loan losses, reflecting continued improvement in home prices and delinquencies. The prior year included a $950 million reduction in the allowance for loan losses. Net charge-offs were $113 million, compared with $168 million in the prior year.

Noninterest expense was $1.3 billion, a decrease of $766 million, or 37%, from the prior year, driven by the absence of non-MBS related legal expense and lower headcount-related expense.

***Mortgage Production*** pretax income was $204 million, an increase of $472 million from the prior year, reflecting lower expense, partially offset by lower benefit from repurchase losses. Mortgage production-related revenue, excluding repurchase losses, was $447 million, a decrease of $53 million from the prior year, primarily reflecting tighter margins due to shift in mix. Production expense [1] was $374 million, a decrease of $615 million from the prior year, predominantly due to the absence of non-MBS related legal expense and lower headcount-related expense. Repurchase losses for the current quarter reflected a benefit of $131 million, compared with a benefit of $221 million in the prior year.

***Mortgage Servicing*** pretax income was $23 million, compared with $11 million in the prior year, reflecting lower expenses, predominantly offset by lower revenue and lower MSR risk management income. Mortgage net servicing-related revenue was $624 million, a decrease of $74 million from the prior year, driven by lower gains on excess interest only securities and lower average third party loans serviced, largely offset by higher gains on Government National Mortgage Association ("Ginnie Mae") loan sales. MSR risk management was a loss of $41 million, compared with a loss of $24 million in the prior year. Servicing expense [1] was $560 million, a decrease of $103 million from the prior year due to lower headcount-related expense and lower expense on foreclosure-related matters.

***Key Metrics and Business Updates:***
***(All comparisons refer to the prior-year quarter except as noted)***

- Mortgage originations were $23.0 billion, down 1% from the prior year and up 8% from the prior quarter.
- Period-end total third-party mortgage loans serviced were $751.5 billion, down 8% from the prior year and down 2% from the prior quarter.

***Real Estate Portfolios*** pretax income was $339 million, down $918 million from the prior year, driven by higher provision for credit losses and lower net revenue, partially offset by lower noninterest expense.

Net revenue was $714 million, a decrease of $171 million from the prior year, driven by lower noninterest revenue due to higher loan retention, and lower net interest income. Net interest income was lower due to spread compression and lower loan balances due to portfolio runoff.

The provision for credit losses was $11 million, compared with a benefit of $783 million in the prior year. The current-quarter provision reflected a $100 million reduction in the non credit-impaired allowance for loan losses, reflecting continued improvement in home prices and delinquencies. The prior-year provision included a $750 million reduction in the purchased credit-impaired allowance for loan losses and a $200 million reduction in the non credit-impaired allowance for loan losses. Net charge-offs were $111 million, compared with $167 million in the prior year.

Noninterest expense was $364 million, a decrease of $47 million, or 11%, compared with the prior year, driven by lower servicing expense on lower default volumes and lower foreclosed asset expense.

***Key Metrics and Business Updates:***
***(All comparisons refer to the prior-year quarter except as noted. Average loans include PCI loans)***

- Mortgage Banking return on equity was 7% on $18.0 billion of average allocated capital.
- Average home equity loans were $69.1 billion, down $8.9 billion.
- Average mortgage loans were $98.9 billion, up $8.1 billion.
- Allowance for loan losses was $5.5 billion, compared with $6.7 billion.
- Allowance for loan losses to ending loans retained, excluding PCI loans [1], was 1.76%, compared with 2.23%.
- Allowance for loan losses, excluding PCI loans [1], to nonaccrual loans retained was 41%, compared with 40%.

**Card, Merchant Services & Auto** net income was $980 million, a decrease of $79 million, or 7%, compared with the prior year, driven by lower net revenue and higher provision for credit losses, partially offset by lower noninterest expense.

Net revenue was $4.5 billion, down $201 million, or 4%, compared with the prior year due to the impact of non-core portfolio exits. Net interest income was $3.4 billion, up $55 million compared with the prior year, driven by higher loan balances and lower revenue reversals associated with lower net charge-offs in Credit Card, largely offset by spread compression. Noninterest revenue was $1.2 billion, down $256 million compared with the prior year; the variance was driven by non-core portfolio exits and higher amortization of new account origination costs, partially offset by the benefit of higher net interchange income and higher Auto lease income.

The provision for credit losses was $849 million, compared with $746 million in the prior year. The current-quarter provision reflected lower net charge-offs and a $150 million reduction in the allowance for loan losses in Credit Card. The prior-year provision reflected a $300 million reduction in the allowance for loan losses in Credit Card. The Credit Card net charge-off rate was 2.69%, down from 2.86% in the prior year; excluding non-core portfolio exits, the Credit Card net charge-off rate would have been 2.48%. The 30+ day delinquency rate was 1.44%, down from 1.67% in the prior year. The Auto net charge-off rate was 0.45%, up from 0.39% in the prior year.

Noninterest expense was $2.1 billion, down $141 million, or 6%, from the prior year, driven by lower remediation costs and lower marketing expense, partially offset by higher Auto lease depreciation expense.

### *Key Metrics and Business Updates:*

***(All comparisons refer to the prior-year quarter except as noted)***

- Return on equity was 20% on $19.0 billion of average allocated capital.
- #1 credit card issuer in the U.S. based on loans outstanding [1].
- #1 U.S. co-brand credit card issuer [1].
- #1 global Visa issuer [1].
- Chase cardholders accounted for approximately 21% of total U.S. credit purchase volume [1]
- Period-end Credit Card loan balances were $131.0 billion, up 3% from the prior year and prior quarter. Credit Card average loans were $127.4 billion, up 3% from the prior year and up 1% from the prior quarter.
- Card Services net revenue as a percentage of average loans was 11.47%, compared with 12.47% in the prior year and 12.17% in the prior quarter.
- Average auto loans were $53.6 billion, up 3% from the prior year and 2% from the prior quarter.
- #1 wholly-owned merchant acquirer with approximately 50% of U.S. eCommerce volume [1].

### *CORPORATE & INVESTMENT BANK (CIB)*

| Results for CIB | | | | 3Q14 | | 4Q13 | |
|---|---|---|---|---|---|---|---|
| ($ millions) | 4Q14 | 3Q14 | 4Q13 | $ O/(U) | O/(U) % | $ O/(U) | O/(U) % |
| Net Revenue | $ 7,386 | $ 9,118 | $ 6,157 | $ (1,732) | (19)% | $ 1,229 | 20% |
| Provision for Credit Losses | (59) | (67) | (19) | 8 | (12) | (40) | 211 |
| Noninterest Expense | 5,576 | 6,035 | 4,892 | (459) | (8) | 684 | 14 |
| Net Income | $ 972 | $ 1,687 | $ 941 | $ (715) | (42)% | $ 31 | 3% |

### *Discussion of Results:*

Net income was $972 million, up 3%, compared with $941 million in the prior year, reflecting higher net revenue, predominantly offset by higher noninterest expense due to increased legal expense. Net revenue was $7.4 billion, compared with $6.2 billion in the prior year. Excluding the impact of certain refinements

to net FVA/DVA [1], net revenue was $7.6 billion and net income was $1.1 billion. In the prior year, excluding the impact of FVA/DVA losses, net of hedges [1], of $2.0 billion, net revenue was $8.2 billion and net income was $2.2 billion.

Banking revenue was $3.1 billion, up 1% from the prior year. Investment banking fees were $1.8 billion, up 8% from the prior year, driven by record debt underwriting fees of $1.1 billion, up 31% from the prior year. This increase was partially offset by lower equity underwriting fees of $327 million, down 25% from a strong prior year. Advisory fees of $434 million remained flat from the prior year. Treasury Services revenue was $1.0 billion, up 3% compared with the prior year, driven by the absence of a mark-to-market loss on the repositioning of the trade finance portfolio in the prior year, partially offset by lower trade finance revenue and the impact of business simplification initiatives. Lending revenue was $264 million, down 33% from the prior year, primarily reflecting mark-to-market losses on securities received from restructurings compared to gains in the prior year.

Markets & Investor Services revenue was $4.3 billion, up 38% from the prior year. Fixed Income Markets revenue of $2.5 billion was down 23% from the prior year, driven by lower revenues in credit-related and securitized products and by the impact of business simplification initiatives, including the sales of the Physical Commodities and Global Special Opportunities Group businesses. Excluding the revenue decline related to business simplification, Fixed Income Markets was down 14% [1]. Equity Markets revenue of $1.1 billion was up 25% compared with the prior year, primarily on higher derivatives revenue and higher prime services revenue. Securities Services revenue was $1.1 billion, up 6% from the prior year primarily driven by higher fees and commissions as well as higher net interest income on increased deposits. Credit Adjustments & Other revenue was a loss of $452 million, compared with a loss of $2.1 billion driven by a $1.5 billion loss as a result of implementing the FVA framework as well as losses of $536 million from DVA in the prior year. The current period includes net losses on CVA as well as refinements to net FVA/DVA.

The provision for credit losses was a benefit of $59 million, compared with a benefit of $19 million in the prior year. The ratio of the allowance for loan losses to period-end loans retained was 1.07%, compared with 1.15% in the prior year. Excluding the impact of the consolidation of Firm-administered multi-seller conduits and trade finance loans, the ratio of the allowance for loan losses to period-end loans retained [1] was 1.82%, compared with 2.02% in the prior year.

Noninterest expense was $5.6 billion, up 14% from the prior year, driven by higher legal expense and higher cost of controls, partially offset by the impact of business simplification and lower compensation expense. The ratio of compensation expense to total net revenue was 27%.

***Key Metrics and Business Updates:***

***(All comparisons refer to the prior-year quarter except as noted, and all rankings are according to Dealogic)***

- Return on equity was 5% on $61.0 billion of average allocated capital; excluding legal expense, return on equity was 11% [1].
- Overhead ratio was 75%.
- Ranked #1 in Global Investment Banking fees with 8.1% wallet share for the year ended December 31, 2014.
- Ranked #1 in Global Debt, Equity and Equity-related with 7.6% wallet share; #1 in Global Long-Term Debt with 8.0% wallet share; #1 in Global Syndicated Loans with 9.5% wallet share; #3 in Global Equity and Equity-related with 7.1% wallet share; and #2 in Global M&A, with 8.2% wallet share, based on revenue, for the year ended December 31, 2014.

- Average client deposits and other third-party liabilities were $433.8 billion, up 3% from the prior year and up 3% from the prior quarter.
- Assets under custody were $20.5 trillion, flat from the prior year and down 3% from the prior quarter.
- Period-end total loans were $102.0 billion, down 5% from the prior year and down slightly from the prior quarter.
- Nonaccrual loans were $121 million, down 65% from the prior year and down 48% from the prior quarter.

***COMMERCIAL BANKING (CB)***

| Results for CB | | | | 3Q14 | | 4Q13 | |
|---|---|---|---|---|---|---|---|
| ($ millions) | 4Q14 | 3Q14 | 4Q13 | $ O/(U) | O/(U) % | $ O/(U) | O/(U) % |
| Net Revenue | $ 1,770 | $ 1,703 | $ 1,876 | $ 67 | 4% | $ (106) | (6)% |
| Provision for Credit Losses | (48) | (79) | 43 | 31 | (39) | (91) | NM |
| Noninterest Expense | 666 | 668 | 653 | (2) | — | 13 | 2 |
| Net Income | $ 693 | $ 671 | $ 711 | $ 22 | 3% | $ (18) | (3)% |

***Discussion of Results:***

Net income was $693 million, a decrease of $18 million, or 3%, compared with the prior year, reflecting lower net revenue and higher noninterest expense, predominantly offset by a lower provision for credit losses.

Net revenue was $1.8 billion, a decrease of $106 million, or 6%, compared with the prior year. Net interest income was $1.1 billion, a decrease of $125 million, or 10%, compared with the prior year, reflecting the absence of proceeds from a lending-related workout in the prior year and yield compression, partially offset by higher loan balances. Noninterest revenue was $643 million, an increase of $19 million, or 3%, compared with the prior year, driven by higher investment banking revenue largely offset by business simplification and lower other fees.

Revenue from Middle Market Banking was $705 million, a decrease of $53 million, or 7%, compared with the prior year. Revenue from Corporate Client Banking was $511 million, an increase of $17 million, or 3%, compared with the prior year. Revenue from Commercial Term Lending was $313 million, an increase of $9 million, or 3%, compared with the prior year. Revenue from Real Estate Banking was $120 million, a decrease of $89 million, or 43%, compared with the prior year, driven by the absence of proceeds from a lending-related workout.

The provision for credit losses was a benefit of $48 million, compared with an expense of $43 million in the prior year. Net charge-offs were $28 million (0.08% net charge-off rate), compared with net charge-offs of $25 million (0.07% net charge-off rate) in the prior year and net charge-offs of $5 million (0.01% net charge-off rate) in the prior quarter. The allowance for loan losses to period-end loans retained was 1.67%, down from 1.97% in the prior year and down from 1.76% in the prior quarter. Nonaccrual loans were $331 million, down $183 million, or 36%, from the prior year, and down $44 million, or 12%, from the prior quarter.

Noninterest expense was $666 million, up 2% compared with the prior year, driven by higher investment in controls.

***Key Metrics and Business Updates:***

***(All comparisons refer to the prior-year quarter except as noted)***

- Return on equity was 19% on $14.0 billion of average allocated capital.
- Overhead ratio was 38%, compared with 35% in the prior year.

- Gross investment banking revenue (which is shared with the Corporate & Investment Bank) was a record $557 million, up 11% from the prior year and up 11% from the prior quarter. Record YTD gross investment banking revenue was $2.0 billion, up 18% from the prior year.
- Average loan balances were $145.7 billion, up 7% from the prior year and up 2% from the prior quarter.
- Period-end loan balances were $148.5 billion, up 8% from the prior year and up 3% from the prior quarter.
- Average client deposits and other third-party liabilities were $208.4 billion, up 2% from the prior year and up 2% from the prior quarter.

## *ASSET MANAGEMENT (AM)*

| Results for AM | | | | 3Q14 | | 4Q13 | |
|---|---|---|---|---|---|---|---|
| ($ millions) | 4Q14 | 3Q14 | 4Q13 | $ O/(U) | O/(U) % | $ O/(U) | O/(U) % |
| Net Revenue | $ 3,200 | $ 3,046 | $ 3,200 | $ 154 | 5% | $ — | — |
| Provision for Credit Losses | 3 | 9 | 21 | (6) | (67) | (18) | (86) |
| Noninterest Expense | 2,320 | 2,081 | 2,245 | 239 | 11 | 75 | 3 |
| Net Income | $ 540 | $ 590 | $ 581 | $ (50) | (8)% | $ (41) | (7)% |

***Discussion of Results:***

Net income was $540 million, a decrease of $41 million, or 7%, from the prior year, reflecting higher noninterest expense, partially offset by lower provision for credit losses.

Net revenue was $3.2 billion, flat to the prior year. Noninterest revenue was $2.6 billion, down $26 million, or 1%, from the prior year, due to lower valuations of seed capital investments, predominantly offset by net client inflows. Net interest income was $632 million, up $26 million, or 4%, from the prior year, due to higher loan and deposit balances, partially offset by spread compression.

Revenue from Global Investment Management was $1.7 billion, down 3% compared with the prior year. Revenue from Global Wealth Management was $1.5 billion, up 4% compared with the prior year.

Client assets were $2.4 trillion, an increase of $44 billion, or 2%, compared with the prior year. Excluding Retirement Plan Services, client assets were up 8% compared with the prior year. Assets under management were $1.7 trillion, an increase of $146 billion, or 9%, from the prior year, due to net inflows to long-term products and the effect of higher market levels.

The provision for credit losses was $3 million, compared with $21 million in the prior year.

Noninterest expense was $2.3 billion, an increase of $75 million, or 3%, from the prior year, as the business continues to invest in both infrastructure and controls.

***Key Metrics and Business Updates:***

***(All comparisons refer to the prior-year quarter except as noted)***

- Return on equity was 23% on $9.0 billion of average allocated capital.
- Pretax margin was 27%, down from 29% in the prior year.
- For the 12 months ended December 31, 2014, assets under management reflected net inflows of $98 billion, driven by net inflows of $80 billion to long-term products and $18 billion to liquidity products. For the quarter, net inflows were $37 billion, driven by net inflows of $27 billion to liquidity products and $10 billion to long-term products.

- Net long-term client flows were positive for the twenty-third consecutive quarter.
- Assets under management ranked in the top two quartiles for investment performance were 76% over 5 years, 72% over 3 years and 72% over 1 year.
- Customer assets in 4 and 5 Star-rated funds were 52% of all rated mutual fund assets.
- Client assets were $2.4 trillion, up 2% from the prior year and up 2% from the prior quarter.
- Average loans were $103.3 billion, a record, up 11% from the prior year and up 2% from the prior quarter.
- Average deposits were $152.0 billion, a record, up 6% from the prior year and up 1% from the prior quarter.

***CORPORATE/PRIVATE EQUITY***

| Results for Corporate/Private Equity ($ millions) | 4Q14 | 3Q14 | 4Q13 | 3Q14 | | 4Q13 | |
|---|---|---|---|---|---|---|---|
| | | | | $ O/(U) | O/(U) % | $ O/(U) | O/(U) % |
| Net Revenue | $ 247 | $ (75) | $ 1,440 | $ 322 | NM | $ (1,193) | (83)% |
| Provision for Credit Losses | (6) | (8) | (13) | 2 | 25% | 7 | 54 |
| Noninterest Expense | 436 | 709 | 441 | (273) | (39) | (5) | (1) |
| Net Income | $ 547 | $ 95 | $ 597 | $ 452 | 476% | $ (50) | (8)% |

***Discussion of Results:***

Net income was $547 million, compared with net income of $597 million in the prior year.

Private Equity reported net income of $107 million, compared with net income of $13 million in the prior year, primarily due to higher net gains, partially offset by approximately $200 million of related goodwill impairment.

Treasury and CIO reported a net loss of $205 million, compared with a net loss of $268 million in the prior year. Net revenue was a loss of $243 million, compared with a loss of $337 million in the prior year. Net interest income was a loss of $339 million, compared with a loss of $408 million in the prior year.

Other Corporate reported net income of $645 million, compared with net income of $852 million in the prior year. The prior year included a $1.3 billion gain on the sale of Visa shares and a $493 million gain on the sale of One Chase Manhattan Plaza. The current quarter included $84 million (pretax) of legal expense, compared with $412 million (pretax) of legal expense in the prior year. The current quarter also included an approximately $500 million benefit from tax adjustments, and a $149 million contribution to our foundation, compared to a $355 million benefit from tax adjustments in the prior year.

## *JPMORGAN CHASE (JPM) (*)*

| Results for JPM | | | | 3Q14 | | 4Q13 | |
|---|---|---|---|---|---|---|---|
| ($ millions) | 4Q14 | 3Q14 | 4Q13 | $ O/(U) | O/(U) % | $ O/(U) | O/(U) % |
| Net Revenue | $ 23,552 | $ 25,159 | $ 24,112 | $ (1,607) | (6)% | $ (560) | (2)% |
| Provision for Credit Losses | 840 | 757 | 104 | 83 | 11 | 736 | NM |
| Noninterest Expense | 15,409 | 15,798 | 15,552 | (389) | (2) | (143) | (1) |
| Net Income | $ 4,931 | $ 5,572 | $ 5,278 | $ (641) | (12)% | $ (347) | (7)% |

(*) Presented on a managed basis. See notes on page 12 for further explanation of managed basis. Net revenue on a U.S. GAAP basis totaled $22.5 billion , $24.2 billion , and $23.2 billion for the fourth quarter of 2014, third quarter of 2014, and fourth quarter of 2013, respectively.

### *Discussion of Results:*

Net income was $4.9 billion, down $347 million from the prior year. The decrease was driven by lower net revenue, partially offset by lower noninterest expense.

Net revenue was $23.6 billion, down $560 million, or 2%, compared with the prior year. Noninterest revenue was $12.2 billion, down $788 million, or 6%, compared with the prior year. Net interest income was $11.3 billion, up $228 million, or 2%, compared with the prior year, reflecting lower interest expense, higher loan balances and higher investment securities yields, largely offset by lower loan yields.

The provision for credit losses was $840 million, compared with $104 million from the prior year. The total consumer provision for credit losses was $946 million, compared with $65 million in the prior year. The current-quarter consumer provision reflected a $250 million reduction in the allowance for loan losses, compared to a $1.2 billion reduction in the prior year. The current-quarter consumer allowance release primarily reflects the continued improvement in home prices and delinquency trends in the residential real estate portfolio and the impact of the sustained improvement in the economy on the credit card portfolio. Consumer net charge-offs were $1.2 billion, compared with $1.3 billion in the prior year, resulting in net charge-off rates of 1.28% and 1.44%, respectively.

The wholesale provision for credit losses was a benefit of $106 million, compared with an expense of $39 million in the prior year. Wholesale net charge-offs were $26 million, compared with $22 million in the prior year, resulting in a net charge-off rate of 0.03% for both periods.

The Firm's allowance for loan losses to period-end loans retained [1] was 1.55%, compared with 1.80% in the prior year. The Firm's allowance for loan losses to nonperforming loans retained [1], excluding credit card, was 106%, compared with 100% in the prior year. The Firm's nonperforming assets totaled $8.0 billion, down from the prior quarter and prior year levels of $8.4 billion and $9.7 billion, respectively.

Noninterest expense was $15.4 billion, down $143 million, or 1%, compared with the prior year, driven by lower noninterest expense in Mortgage Banking, predominantly offset by higher noninterest expense in the Corporate & Investment Bank. The current quarter noninterest expense included approximately $1.1 billion of legal expense, compared with approximately $847 million of legal expense in the prior year.

## Notes on non-GAAP financial measures:

a. In addition to analyzing the Firm's results on a reported basis, management reviews the Firm's consolidated results and the results of the lines of business on a “managed” basis, which is a non-GAAP financial measure. The Firm's definition of managed basis starts with the reported U.S. GAAP results and includes certain reclassifications to present total consolidated net revenue for the Firm (and for each of the business segments) on a fully taxable-equivalent (“FTE”) basis. Accordingly, revenue from investments that receive tax credits and tax-exempt securities is presented in the managed results on a basis comparable to taxable securities and investments. This non-GAAP financial measure allows management to assess the comparability of revenue arising from both taxable and tax-exempt sources. The corresponding income tax impact related to tax-exempt items is recorded within income tax expense. These adjustments have no impact on consolidated net income/(loss) as reported by the Firm or on net income/(loss) as reported by the lines of business.

b. The ratio of the allowance for loan losses to end-of-period loans retained, and the allowance for loan losses to nonaccrual loans retained, exclude the following: loans accounted for at fair value and loans held-for-sale; purchased credit-impaired (“PCI”) loans; and the allowance for loan losses related to PCI loans. Additionally, net charge-offs and net charge-off rates exclude the impact of PCI loans.

c. Tangible common equity (“TCE”) and return on tangible common equity (“ROTCE”) are each non-GAAP financial measures. TCE represents the Firm’s common stockholders’ equity (i.e., total stockholders’ equity less preferred stock) less goodwill and identifiable intangible assets (other than MSRs), net of related deferred tax liabilities. ROTCE measures the Firm’s earnings as a percentage of average TCE. TCE and ROTCE are meaningful to management, as well as analysts and investors, in assessing the Firm’s use of equity, as well as facilitating comparisons of the Firm with competitors.

d. Common Equity Tier 1 (“CET1”) capital and the CET1 ratio under the Basel III Advanced Fully Phased-In rules, and the supplementary leverage ratio (“SLR”) under the U.S. final SLR rule, are each non-GAAP financial measures. These measures are used by management, bank regulators, investors and analysts to assess and monitor the Firm’s capital position. For additional information on these measures, see Regulatory capital on pages 161-165 of JPMorgan Chase & Co.’s Annual Report on Form 10-K for the year ended December 31, 2013, and on pages 73-77 of the Firm’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2014.

e. The CIB provides non-GAAP financial measures, as such measures are used by management to assess the underlying performance of the business and for comparability with peers.
   - The ratio of the allowance for loan losses to end-of-period loans excludes the impact of consolidated Firm-administered multi-seller conduits and trade finance loans, to provide a more meaningful assessment of CIB’s allowance coverage ratio.
   - ROE for the fourth quarter 2014 is calculated excluding legal expense.
   - Prior to January 1, 2014, the CIB provided non-GAAP financial measures excluding the impact of FVA (effective fourth quarter 2013) and DVA on net revenue and net income. Beginning in the first quarter 2014, the Firm does not exclude FVA and DVA from its assessment of business performance, with the exception of certain refinements to net FVA and DVA in the fourth quarter 2014; however, the Firm continues to present these non-GAAP measures for the periods prior to January 1, 2014, as they reflected how management assessed the underlying business performance of the CIB in those prior periods.
   - The change in Fixed Income Markets revenue excludes the revenue decline related to business simplification, including the sales of Physical Commodities and Global Special Opportunities Group businesses.

## Additional notes on financial measures:

a. Core loans include loans considered central to the Firm's ongoing businesses; core loans exclude runoff portfolios, discontinued portfolios and portfolios the Firm has an intent to exit.

b. The amount of credit provided to clients represents new and renewed credit, including loans and commitments. The amount of credit provided to small businesses reflects loans and increased lines of credit provided by Consumer & Business Banking; Card, Merchant Services & Auto; and Commercial Banking. The amount of credit provided to nonprofit and government entities, including states, municipalities, hospitals and universities, represents that provided by the Corporate & Investment Bank and Commercial Banking.

c. Consumer & Community Banking 2014 allocated equity includes $3.0 billion of capital held at the Consumer & Community Banking level related to legacy mortgage servicing matters.

d. Consumer & Business Banking deposit rankings are based on FDIC 2014 Summary of Deposits survey per SNL Financial.

e. The credit and debit volume metric is based on Nilson data as of 2013.

f. Credit card sales volume is presented excluding Commercial Card. Rankings and comparison of general purpose credit card sales volume are based on disclosures by peers and internal estimates. Rankings are as of 3Q14.

g. Banking portal ranking is per compete.com, as of November 2014.

h. Mortgage Banking provision for credit losses is included in Real Estate Portfolios, in production expense in Mortgage Production, and in core servicing expense in Mortgage Servicing.

i. #1 credit card issuer and 21% market share rankings based on disclosures by peers and internal estimates as of 3Q14.

j. #1 U.S. co-brand issuer based on Phoenix Credit Card Monitor for the 12-months period ending September 2014; based on card accounts and revolving balance dollars.

k. Global Visa ranking based on Visa data as of 3Q14 based on consumer and business credit card sales volume.

l. #1 wholly-owned merchant acquirer based on Nilson data as of 2013; share of U.S. eCommerce volume based on the Internet Retailer Top 500 for 2013 and JPMC internal merchant client data.

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of $2.6 trillion and operations worldwide. The Firm is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing, and asset management. A component of the Dow Jones Industrial Average, JPMorgan Chase & Co. serves millions of consumers in the United States and many of the world's most prominent corporate, institutional and government clients under its J.P. Morgan and Chase brands. Information about JPMorgan Chase & Co. is available at www.jpmorganchase.com.

JPMorgan Chase & Co. will host a conference call today at 8:30 a.m. (Eastern) to present fourth quarter financial results. The general public can access the call by dialing (866) 541-2724 or (866) 786-8836 in the U.S. and Canada, or (706) 634-7246 for international participants. Please dial in 10 minutes prior to the start of the call. The live audio webcast and presentation slides will be available on the Firm's website, www.jpmorganchase.com , under Investor Relations, Investor Presentations.

A replay of the conference call will be available beginning at approximately noon on January 14, 2015, through midnight, January 28, 2015, by telephone at (855) 859-2056 or (800) 585-8367 (U.S. and Canada) or (404) 537-3406 (international); use Conference ID# 37180801. The replay will also be available via webcast on www.jpmorganchase.com under Investor Relations, Investor Presentations. Additional detailed financial, statistical and business-related information is included in a financial supplement. The earnings release and the financial supplement are available at www.jpmorganchase.com .

*This earnings release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the current beliefs and expectations of JPMorgan Chase & Co.'s management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. Factors that could cause JPMorgan Chase & Co.'s actual results to differ materially from those described in the forward-looking statements can be found in JPMorgan Chase & Co.'s Annual Report on Form 10-K for the year ended December 31, 2013, and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2014, June 30, 2014, and September 30, 2014, which have been filed with the Securities and Exchange Commission and are available on JPMorgan Chase & Co.'s website ( http://investor.shareholder.com/jpmorganchase ) and on the Securities and Exchange Commission's website ( www.sec.gov ). JPMorgan Chase & Co. does not undertake to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of the forward-looking statements.*

JPMORGAN CHASE & CO.

## CONSOLIDATED FINANCIAL HIGHLIGHTS

JPMORGAN CHASE & CO.

**(in millions, except per share, ratio and headcount data)**

| | QUARTERLY TRENDS | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|
| | | | | 4Q14 Change | | | | 2014 Change |
| **SELECTED INCOME STATEMENT DATA** | **4Q14** | **3Q14** | **4Q13** | **3Q14** | **4Q13** | **2014** | **2013** | **2013** |
| **Reported Basis** | | | | | | | | |
| Total net revenue | $ 22,512 | $ 24,246 | $ 23,156 | (7) % | (3) % | $ 94,205 | $ 96,606 | (2) % |
| Total noninterest expense | 15,409 | 15,798 | 15,552 | (2) | (1) | 61,274 | 70,467 | (13) |
| Pre-provision profit | 7,103 | 8,448 | 7,604 | (16) | (7) | 32,931 | 26,139 | 26 |
| Provision for credit losses | 840 | 757 | 104 | 11 | NM | 3,139 | 225 | NM |
| **NET INCOME** | 4,931 | 5,572 | 5,278 | (12) | (7) | 21,762 | 17,923 | 21 |
| **Managed Basis (a)** | | | | | | | | |
| Total net revenue | 23,552 | 25,159 | 24,112 | (6) | (2) | 97,923 | 99,798 | (2) |
| Total noninterest expense | 15,409 | 15,798 | 15,552 | (2) | (1) | 61,274 | 70,467 | (13) |
| Pre-provision profit | 8,143 | 9,361 | 8,560 | (13) | (5) | 36,649 | 29,331 | 25 |
| Provision for credit losses | 840 | 757 | 104 | 11 | NM | 3,139 | 225 | NM |
| **NET INCOME** | 4,931 | 5,572 | 5,278 | (12) | (7) | 21,762 | 17,923 | 21 |
| **EARNINGS PER SHARE DATA** | | | | | | | | |
| Net income: Basic | $ 1.20 | $ 1.37 | $ 1.31 | (12) | (8) | $ 5.34 | $ 4.39 | 22 |
| Diluted | 1.19 | 1.36 | 1.30 | (13) | (8) | 5.29 | 4.35 | 22 |
| Average shares: Basic | 3,730.9 | 3,755.4 | 3,762.1 | (1) | (1) | 3,763.5 | 3,782.4 | — |
| Diluted | 3,765.2 | 3,788.7 | 3,797.1 | (1) | (1) | 3,797.5 | 3,814.9 | — |
| **MARKET AND PER COMMON SHARE DATA** | | | | | | | | |
| Market capitalization | $ 232,472 | $ 225,188 | $ 219,657 | 3 | 6 | $ 232,472 | $ 219,657 | 6 |
| Common shares at period-end | 3,714.8 | 3,738.2 | 3,756.1 | (1) | (1) | 3,714.8 | 3,756.1 | (1) |
| Closing share price (b) | $ 62.58 | $ 60.24 | $ 58.48 | 4 | 7 | $ 62.58 | $ 58.48 | 7 |
| Book value per share | 57.07 | 56.50 | 53.25 | 1 | 7 | 57.07 | 53.25 | 7 |
| Tangible book value per share (c) | 44.69 | 44.13 | 40.81 | 1 | 10 | 44.69 | 40.81 | 10 |
| Cash dividends declared per share | 0.40 | 0.40 | 0.38 | — | 5 | 1.58 (j) | 1.44 (j) | 10 |
| **FINANCIAL RATIOS (d)** | | | | | | | | |
| Return on common equity (“ROE”) | 9 % | 10 % | 10 % | | | 10 % | 9 % | |
| Return on tangible common equity (“ROTCE”) (c) | 11 | 13 | 14 | | | 13 | 11 | |
| Return on assets | 0.78 | 0.90 | 0.87 | | | 0.89 | 0.75 | |
| **CAPITAL RATIOS (e)** | | | | | | | | |
| Common Equity Tier 1 (“CET1”) capital ratio | 10.2 (i) | 10.2 | 10.7 | | | 10.2 (i) | 10.7 | |
| Tier 1 capital ratio | 11.6 (i) | 11.5 | 11.9 | | | 11.6 (i) | 11.9 | |
| Total capital ratio | 13.1 (i) | 12.8 | 14.4 | | | 13.1 (i) | 14.4 | |
| **95% CONFIDENCE LEVEL- TOTAL VaR (f)** | | | | | | | | |
| Average VaR | $ 40 | $ 36 | $ 44 | 11 | (9) | $ 43 | $ 52 | (17) |
| **SELECTED BALANCE SHEET DATA (period-end)** | | | | | | | | |
| Total assets | $ 2,573,126 | $ 2,527,005 | $ 2,415,689 | 2 | 7 | $ 2,573,126 | $ 2,415,689 | 7 |
| Loans: | | | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Consumer, excluding credit card loans | 295,374 | 288,860 | 289,063 | 2 | 2 | 295,374 | 289,063 | 2 |
| Credit card loans | 131,048 | 126,959 | 127,791 | 3 | 3 | 131,048 | 127,791 | 3 |
| Wholesale loans | 330,914 | 327,438 | 321,564 | 1 | 3 | 330,914 | 321,564 | 3 |
| **Total Loans** | **757,336** | **743,257** | **738,418** | 2 | 3 | **757,336** | **738,418** | 3 |
| Deposits | 1,363,427 | 1,334,534 | 1,287,765 | 2 | 6 | 1,363,427 | 1,287,765 | 6 |
| Long-term debt (g) | 276,836 | 268,721 | 267,889 | 3 | 3 | 276,836 | 267,889 | 3 |
| Common stockholders' equity | 212,002 | 211,214 | 200,020 | — | 6 | 212,002 | 200,020 | 6 |
| Total stockholders' equity | 232,065 | 231,277 | 211,178 | — | 10 | 232,065 | 211,178 | 10 |
| **Headcount** | 241,359 | 242,388 | 251,196 | — | (4) | 241,359 | 251,196 | (4) |
| Loans to deposits ratio | 56 % | 56 % | 57 % | | | 56 % | 57 % | |
| **LINE OF BUSINESS NET INCOME/(LOSS) (h)** | | | | | | | | |
| Consumer & Community Banking | $ 2,179 | $ 2,529 | $ 2,448 | (14) | (11) | $ 9,185 | $ 11,061 | (17) |
| Corporate & Investment Bank | 972 | 1,687 | 941 | (42) | 3 | 6,925 | 8,887 | (22) |
| Commercial Banking | 693 | 671 | 711 | 3 | (3) | 2,635 | 2,648 | — |
| Asset Management | 540 | 590 | 581 | (8) | (7) | 2,153 | 2,083 | 3 |
| Corporate/Private Equity | 547 | 95 | 597 | 476 | (8) | 864 | (6,756) | NM |
| **NET INCOME** | **$ 4,931** | **$ 5,572** | **$ 5,278** | (12) | (7) | **$ 21,762** | **$ 17,923** | 21 |

(a) For a further discussion of managed basis, see Note (a) on page 12.
(b) Share price shown is from the New York Stock Exchange. The common stock is also listed and traded on the London Stock Exchange and the Tokyo Stock Exchange.
(c) Tangible book value per share and ROTCE are non-GAAP financial measures. Tangible book value per share represents tangible common equity divided by common shares at period-end. ROTCE measures the Firm's annualized earnings as a percentage of tangible common equity. For further discussion of these measures, see page 36 of the Earnings Release Financial Supplement.
(d) Ratios are based upon annualized amounts.
(e) Basel III Transitional rules became effective on January 1, 2014; December 31, 2013 data is based on Basel I rules. As of December 31, 2014, and September 30, 2014, the ratios presented are calculated under the Basel III Advanced Transitional Approach. See footnote (a) on page 11 of the Earnings Release Financial Supplement for additional information on Basel III. CET1 capital under Basel III replaced Tier 1 common capital under Basel I. Prior to Basel III becoming effective on January 1, 2014, Tier 1 common capital under Basel I was a non-GAAP financial measure. For further discussion of Tier 1 common capital, see page 11 of the Earnings Release Financial Supplement.
(f) The increase in average VaR during the three months ended June 30, 2014 was due to a change in the MSR hedge position in Mortgage Banking in advance of an anticipated update to certain MSR model assumptions. When such updates were implemented, VaR decreased to prior levels. The MSR model and assumptions are continuously evaluated and periodically updated to reflect recent market behavior. Mortgage Banking average VaR was $3 million, $3 million, $20 million, $5 million and $6 million for the three months ended December 31, 2014, September 30, 2014, June 30, 2014, March 31, 2014 and December 31, 2013, respectively, and $7 million and $12 million for full year 2014 and 2013, respectively. For information regarding CIB VaR, see Corporate and Investment Bank on page 24 of the Earnings Release Financial Supplement.
(g) Included unsecured long-term debt of $207.5 billion, $204.7 billion and $199.4 billion for the periods ended December 31, 2014 , September 30, 2014 and December 31, 2013 , respectively.
(h) Effective with the fourth quarter of 2014, the Firm changed the methodology it uses to allocate preferred stock dividends to the lines of business. Prior period amounts for net income/(loss) for each line of business were revised to conform with the current allocation methodology. The Firm's Consolidated balance sheets and consolidated results of operations were not affected by this reporting change. For further discussion, see page 2 of the Earnings Release Financial Supplement.
(i) Estimated.
(j) On May 20, 2014, the Board of Directors increased the quarterly common stock dividend from $0.38 to $0.40 per share On May 21, 2013, the Board increased the quarterly common stock dividend from $0.30 to $0.38 per share.

JPMORGAN CHASE & CO.

# EARNINGS RELEASE FINANCIAL SUPPLEMENT

# FOURTH QUARTER 2014

**JPMORGAN CHASE & CO.**
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JPMORGAN CHASE & CO.


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(a) Refer to the Firm's Glossary of Terms on pages 341-345 and pages 182-187 of JPMorgan Chase's 2013 Annual Report and its third quarter 2014 Form 10-Q, respectively.

JPMorgan Chase & Co.

JPMorgan Chase & Co. (the "Firm") is managed on a line of business basis. There are four major reportable business segments and a Corporate/Private Equity segment. As part of its funds transfer pricing process, the Firm allocates substantially all of the cost of its outstanding preferred stock to its reportable business segments, while retaining the balance of the cost in Corporate. Prior to the fourth quarter of 2014, this cost was allocated to the Firm's reportable business segments as interest expense, with an offset recorded as interest income in Corporate. Effective with the fourth quarter of 2014, this cost is no longer included in interest income and expense in the business segments, but rather is now included in net income applicable to common equity to be consistent with the presentation of firmwide results. As a result of this reporting change, net interest income and net income in the reportable business segments increases; however, there was no impact to the business segments' return on common equity ("ROE"). The Firm's net interest income, net income, Consolidated balance sheets and consolidated results of operations were not impacted by this reporting change, as preferred stock dividends have been and continue to be distributed from retained earnings and, accordingly, were never reported as a component of the Firm's consolidated net interest income or net income. Prior period business segment and core net interest income amounts have been revised to conform with the current period presentation.

The following chart depicts how preferred stock dividends were allocated to the business segments before and after the aforementioned methodology change.

JPMORGAN CHASE & CO.

## CONSOLIDATED FINANCIAL HIGHLIGHTS

**(in millions, except per share and ratio data)**

JPMORGAN CHASE & CO.

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| **SELECTED INCOME STATEMENT DATA** | **4Q14** | **3Q14** | **2Q14** | **1Q14** | **4Q13** | **3Q14** | **4Q13** | **2014** | **2013** | **2013** |
| **Reported Basis** | | | | | | | | | | |
| Total net revenue | $ 22,512 | $ 24,246 | $ 24,454 | $ 22,993 | $ 23,156 | (7) % | (3) % | $ 94,205 | $ 96,606 | (2) % |
| Total noninterest expense | 15,409 | 15,798 | 15,431 | 14,636 | 15,552 | (2) | (1) | 61,274 | 70,467 | (13) |
| Pre-provision profit | 7,103 | 8,448 | 9,023 | 8,357 | 7,604 | (16) | (7) | 32,931 | 26,139 | 26 |
| Provision for credit losses | 840 | 757 | 692 | 850 | 104 | 11 | NM | 3,139 | 225 | NM |
| **NET INCOME** | 4,931 | 5,572 | 5,985 | 5,274 | 5,278 | (12) | (7) | 21,762 | 17,923 | 21 |
| **Managed Basis (a)** | | | | | | | | | | |
| Total net revenue | 23,552 | 25,159 | 25,349 | 23,863 | 24,112 | (6) | (2) | 97,923 | 99,798 | (2) |
| Total noninterest expense | 15,409 | 15,798 | 15,431 | 14,636 | 15,552 | (2) | (1) | 61,274 | 70,467 | (13) |
| Pre-provision profit | 8,143 | 9,361 | 9,918 | 9,227 | 8,560 | (13) | (5) | 36,649 | 29,331 | 25 |
| Provision for credit losses | 840 | 757 | 692 | 850 | 104 | 11 | NM | 3,139 | 225 | NM |
| **NET INCOME** | 4,931 | 5,572 | 5,985 | 5,274 | 5,278 | (12) | (7) | 21,762 | 17,923 | 21 |
| **EARNINGS PER SHARE DATA** | | | | | | | | | | |
| Net income: Basic | $ 1.20 | $ 1.37 | $ 1.47 | $ 1.29 | $ 1.31 | (12) | (8) | $ 5.34 | $ 4.39 | 22 |
| Diluted | 1.19 | 1.36 | 1.46 | 1.28 | 1.30 | (13) | (8) | 5.29 | 4.35 | 22 |
| Average shares: Basic | 3,730.9 | 3,755.4 | 3,780.6 | 3,787.2 | 3,762.1 | (1) | (1) | 3,763.5 | 3,782.4 | — |
| Diluted | 3,765.2 | 3,788.7 | 3,812.5 | 3,823.6 | 3,797.1 | (1) | (1) | 3,797.5 | 3,814.9 | — |
| **MARKET AND PER COMMON SHARE DATA** | | | | | | | | | | |
| Market capitalization | $232,472 | $225,188 | $216,725 | $229,770 | $219,657 | 3 | 6 | $ 232,472 | $ 219,657 | 6 |
| Common shares at period-end | 3,714.8 | 3,738.2 | 3,761.3 | 3,784.7 | 3,756.1 | (1) | (1) | 3,714.8 | 3,756.1 | (1) |
| Closing share price (b) | $ 62.58 | $ 60.24 | $ 57.62 | $ 60.71 | $ 58.48 | 4 | 7 | $ 62.58 | $ 58.48 | 7 |
| Book value per share | 57.07 | 56.50 | 55.53 | 54.05 | 53.25 | 1 | 7 | 57.07 | 53.25 | 7 |
| Tangible book value per share (c) | 44.69 | 44.13 | 43.17 | 41.73 | 40.81 | 1 | 10 | 44.69 | 40.81 | 10 |
| Cash dividends declared per share | 0.40 | 0.40 | 0.40 (h) | 0.38 | 0.38 | — | 5 | 1.58 (h) | 1.44 (h) | 10 |
| **FINANCIAL RATIOS (d)** | | | | | | | | | | |
| Return on common equity ("ROE") | 9 % | 10 % | 11 % | 10 % | 10 % | | | 10 % | 9 % | |
| Return on tangible common equity ("ROTCE") (c) | 11 | 13 | 14 | 13 | 14 | | | 13 | 11 | |
| Return on assets | 0.78 | 0.90 | 0.99 | 0.89 | 0.87 | | | 0.89 | 0.75 | |
| **CAPITAL RATIOS (e)** | | | | | | | | | | |
| Common Equity Tier 1 ("CET1") capital ratio | 10.2 (g) | 10.2 | 9.8 | 10.9 | 10.7 | | | 10.2 (g) | 10.7 | |
| Tier 1 capital ratio | 11.6 (g) | 11.5 | 11.1 | 12.1 | 11.9 | | | 11.6 (g) | 11.9 | |
| Total capital ratio | 13.1 (g) | 12.8 | 12.5 | 14.5 | 14.4 | | | 13.1 (g) | 14.4 | |
| **95% CONFIDENCE LEVEL- TOTAL VaR (f)** | | | | | | | | | | |
| Average VaR | $ 40 | $ 36 | $ 55 | $ 42 | $ 44 | 11 | (9) | $ 43 | $ 52 | (17) |

(a) For a further discussion of managed basis, see Reconciliation from Reported to Managed Basis on page 9 .
(b) Share price shown is from the New York Stock Exchange. The common stock is also listed and traded on the London Stock Exchange and the Tokyo Stock Exchange.
(c) Tangible book value per share and ROTCE are non-GAAP financial measures. Tangible book value per share represents tangible common equity divided by common shares at period-end. ROTCE measures the Firm's annualized earnings as a percentage of tangible common equity. For further discussion of these measures, see page 36 .
(d) Ratios are based upon annualized amounts.

(e) Basel III Transitional rules became effective on January 1, 2014; December 31, 2013 data is based on Basel I rules. As of December 31, 2014, September 30, 2014, and June 30, 2014, the ratios presented are calculated under the Basel III Advanced Transitional Approach. As of March 31, 2014, the ratios presented are calculated under the Basel III Standardized Transitional Approach. See footnote (a) on page 11 for additional information on Basel III. CET1 capital under Basel III replaced Tier 1 common capital under Basel I. Prior to Basel III becoming effective on January 1, 2014, Tier 1 common capital under Basel I was a non-GAAP financial measure. For further discussion of Tier 1 common capital, see page 36 .

(f) The increase in average VaR during the three months ended June 30, 2014 was due to a change in the MSR hedge position in Mortgage Banking in advance of an anticipated update to certain MSR model assumptions. When such updates were implemented, VaR decreased to prior levels. The MSR model and assumptions are continuously evaluated and periodically updated to reflect recent market behavior. Mortgage Banking average VaR was $3 million, $3 million, $20 million, $5 million and $6 million for the three months ended December 31, 2014, September 30, 2014, June 30, 2014, March 31, 2014 and December 31, 2013, respectively, and $7 million and $12 million for full year 2014 and 2013, respectively. For information regarding CIB VaR, see Corporate and Investment Bank on page 24.

(g) Estimated.

(h) On May 20, 2014, the Board of Directors increased the quarterly common stock dividend from $0.38 to $0.40 per share . On May 21, 2013, the Board increased the quarterly common stock dividend from $0.30 to $0.38 per share.

JPMORGAN CHASE & CO.

## CONSOLIDATED FINANCIAL HIGHLIGHTS, CONTINUED

**(in millions, except ratio and headcount data)**

JPMORGAN CHASE & CO.

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| | 4Q14 | 3Q14 | 2Q14 | 1Q14 | 4Q13 | 3Q14 | 4Q13 | 2014 | 2013 | 2013 |
| **SELECTED BALANCE SHEET DATA (period-end)** | | | | | | | | | | |
| Total assets | $2,573,126 | $2,527,005 | $2,520,336 | $2,476,986 | $2,415,689 | 2 % | 7 % | $ 2,573,126 | $ 2,415,689 | 7 % |
| Loans: | | | | | | | | | | |
| Consumer, excluding credit card loans | 295,374 | 288,860 | 289,178 | 288,168 | 289,063 | 2 | 2 | 295,374 | 289,063 | 2 |
| Credit card loans | 131,048 | 126,959 | 126,129 | 121,816 | 127,791 | 3 | 3 | 131,048 | 127,791 | 3 |
| Wholesale loans | 330,914 | 327,438 | 331,676 | 320,987 | 321,564 | 1 | 3 | 330,914 | 321,564 | 3 |
| **Total Loans** | **757,336** | **743,257** | **746,983** | **730,971** | **738,418** | 2 | 3 | **757,336** | **738,418** | 3 |
| Deposits | 1,363,427 | 1,334,534 | 1,319,751 | 1,282,705 | 1,287,765 | 2 | 6 | 1,363,427 | 1,287,765 | 6 |
| Long-term debt (a) | 276,836 | 268,721 | 269,929 | 274,512 | 267,889 | 3 | 3 | 276,836 | 267,889 | 3 |
| Common stockholders' equity | 212,002 | 211,214 | 208,851 | 204,572 | 200,020 | — | 6 | 212,002 | 200,020 | 6 |
| Total stockholders' equity | 232,065 | 231,277 | 227,314 | 219,655 | 211,178 | — | 10 | 232,065 | 211,178 | 10 |
| Loans-to-deposits ratio | 56 % | 56 % | 57 % | 57 % | 57 % | | | 56 % | 57 % | |
| **Headcount** | 241,359 | 242,388 | 245,192 | 246,994 | 251,196 | — | (4) | 241,359 | 251,196 | (4) |
| **LINE OF BUSINESS NET INCOME/(LOSS) (b)** | | | | | | | | | | |
| Consumer & Community Banking | $ 2,179 | $ 2,529 | $ 2,496 | $ 1,981 | $ 2,448 | (14) | (11) | $ 9,185 | $ 11,061 | (17) |
| Corporate & Investment Bank | 972 | 1,687 | 2,136 | 2,130 | 941 | (42) | 3 | 6,925 | 8,887 | (22) |
| Commercial Banking | 693 | 671 | 677 | 594 | 711 | 3 | (3) | 2,635 | 2,648 | — |
| Asset Management | 540 | 590 | 569 | 454 | 581 | (8) | (7) | 2,153 | 2,083 | 3 |
| Corporate/Private Equity | 547 | 95 | 107 | 115 | 597 | 476 | (8) | 864 | (6,756) | NM |
| **NET INCOME/(LOSS)** | **$ 4,931** | **$ 5,572** | **$ 5,985** | **$ 5,274** | **$ 5,278** | (12) | (7) | **$ 21,762** | **$ 17,923** | 21 |

(a) Included unsecured long-term debt of $207.5 billion, $204.7 billion, $205.6 billion, $206.1 billion and $199.4 billion for the periods ended December 31, 2014 , September 30, 2014 , June 30, 2014 , March 31, 2014 and December 31, 2013 , respectively.

(b) Effective with the fourth quarter of 2014, the Firm changed the methodology it uses to allocate preferred stock dividends to the lines of business. Prior period amounts for net income/(loss) for each line of business were revised to conform with the current allocation methodology. The Firm's Consolidated balance sheets and consolidated results of operations were not affected by this reporting change. For further discussion, see page 2.

JPMORGAN CHASE & CO.

## CONSOLIDATED STATEMENTS OF INCOME

**(in millions, except per share and ratio data)**

JPMORGAN CHASE & CO.

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| **REVENUE** | **4Q14** | **3Q14** | **2Q14** | **1Q14** | **4Q13** | **3Q14** | **4Q13** | **2014** | **2013** | **2013** |
| Investment banking fees | $1,833 | $1,538 | $1,751 | $1,420 | $1,685 | 19 % | 9 % | $ 6,542 | $ 6,354 | 3 % |
| Principal transactions (a) | 1,335 | 2,966 | 2,908 | 3,322 | (42) | (55) | NM | 10,531 | 10,141 | 4 |
| Lending- and deposit-related fees | 1,454 | 1,479 | 1,463 | 1,405 | 1,469 | (2) | (1) | 5,801 | 5,945 | (2) |
| Asset management, administration and commissions | 4,110 | 3,978 | 4,007 | 3,836 | 3,975 | 3 | 3 | 15,931 | 15,106 | 5 |
| Securities gains | 29 | 6 | 12 | 30 | 8 | 383 | 263 | 77 | 667 | (88) |
| Mortgage fees and related income | 855 | 903 | 1,291 | 514 | 1,089 | (5) | (21) | 3,563 | 5,205 | (32) |
| Card income | 1,526 | 1,537 | 1,549 | 1,408 | 1,582 | (1) | (4) | 6,020 | 6,022 | — |
| Other income | 308 | 732 | 675 | 391 | 2,483 | (58) | (88) | 2,106 | 3,847 | (45) |
| **Noninterest revenue** | **11,450** | **13,139** | **13,656** | **12,326** | **12,249** | (13) | (7) | **50,571** | **53,287** | (5) |
| Interest income (b) | 12,951 | 12,926 | 12,861 | 12,793 | 13,166 | — | (2) | 51,531 | 52,669 | (2) |
| Interest expense (b) | 1,889 | 1,819 | 2,063 | 2,126 | 2,259 | 4 | (16) | 7,897 | 9,350 | (16) |
| **Net interest income** | **11,062** | **11,107** | **10,798** | **10,667** | **10,907** | — | 1 | **43,634** | **43,319** | 1 |
| **TOTAL NET REVENUE** | **22,512** | **24,246** | **24,454** | **22,993** | **23,156** | (7) | (3) | **94,205** | **96,606** | (2) |
| Provision for credit losses | 840 | 757 | 692 | 850 | 104 | 11 | NM | 3,139 | 225 | NM |
| **NONINTEREST EXPENSE** | | | | | | | | | | |
| Compensation expense | 6,860 | 7,831 | 7,610 | 7,859 | 7,052 | (12) | (3) | 30,160 | 30,810 | (2) |
| Occupancy expense | 1,006 | 978 | 973 | 952 | 941 | 3 | 7 | 3,909 | 3,693 | 6 |
| Technology, communications and equipment expense | 1,495 | 1,465 | 1,433 | 1,411 | 1,376 | 2 | 9 | 5,804 | 5,425 | 7 |
| Professional and outside services | 2,080 | 1,907 | 1,932 | 1,786 | 2,109 | 9 | (1) | 7,705 | 7,641 | 1 |
| Marketing | 726 | 610 | 650 | 564 | 745 | 19 | (3) | 2,550 | 2,500 | 2 |
| Other expense (c) | 3,242 | 3,007 | 2,833 | 2,064 | 3,329 | 8 | (3) | 11,146 | 20,398 | (45) |
| **TOTAL NONINTEREST EXPENSE** | **15,409** | **15,798** | **15,431** | **14,636** | **15,552** | (2) | (1) | **61,274** | **70,467** | (13) |
| **Income before income tax expense** | **6,263** | **7,691** | **8,331** | **7,507** | **7,500** | (19) | (16) | **29,792** | **25,914** | 15 |
| Income tax expense | 1,332 | 2,119 | 2,346 | 2,233 | 2,222 | (37) | (40) | 8,030 | 7,991 | — |
| **NET INCOME** | **$4,931** | **$5,572** | **$5,985** | **$5,274** | **$5,278** | (12) | (7) | **$ 21,762** | **$ 17,923** | 21 |
| **NET INCOME PER COMMON SHARE DATA** | | | | | | | | | | |
| Basic earnings per share | $ 1.20 | $ 1.37 | $ 1.47 | $ 1.29 | $ 1.31 | (12) | (8) | $ 5.34 | $ 4.39 | 22 |
| Diluted earnings per share | 1.19 | 1.36 | 1.46 | 1.28 | 1.30 | (13) | (8) | 5.29 | 4.35 | 22 |
| **FINANCIAL RATIOS** | | | | | | | | | | |
| Return on common equity (d) | 9 % | 10 % | 11 % | 10 % | 10 % | | | 10 % | 9 % | |
| Return on tangible common equity (d)(e) | 11 | 13 | 14 | 13 | 14 | | | 13 | 11 | |
| Return on assets (d) | 0.78 | 0.90 | 0.99 | 0.89 | 0.87 | | | 0.89 | 0.75 | |
| Effective income tax rate | 21 | 28 | 28 | 30 | 30 | | | 27 | 31 | |
| Overhead ratio | 68 | 65 | 63 | 64 | 67 | | | 65 | 73 | |

(a) Included a $(1.5) billion loss in the fourth quarter of 2013 as a result of implementing a funding valuation adjustment ("FVA") framework for OTC derivatives and structured notes.
(b) Effective January 1, 2014, prior period amounts were reclassified to conform with current period presentation.
(c) Included Firmwide legal expense of $1.1 billion, $1.1 billion, $0.7 billion and $0.8 billion for the three months ended December 31, 2014, September 30, 2014, June 30, 2014 and December 31, 2013, respectively; legal expense for the three months ended March 31, 2014 was not material, and $2.9 billion and $11.1 billion for the full year 2014 and 2013, respectively.
(d) Ratios are based upon annualized amounts.
(e) For further discussion of ROTCE see pages 3 and 36 .

**JPMORGAN CHASE & CO.**

## CONSOLIDATED BALANCE SHEETS

**(in millions)**

JPMORGAN CHASE & CO.

| | Dec 31, 2014 | Sep 30, 2014 | Jun 30, 2014 | Mar 31, 2014 | Dec 31, 2013 | Change: Sep 30, 2014 | Change: Dec 31, 2013 |
|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | |
| Cash and due from banks | $ 27,831 | $ 25,372 | $ 27,523 | $ 26,321 | $ 39,771 | 10 % | (30) % |
| Deposits with banks | 484,477 | 414,312 | 393,909 | 372,531 | 316,051 | 17 | 53 |
| Federal funds sold and securities purchased under resale agreements | 215,803 | 214,336 | 248,149 | 265,168 | 248,116 | 1 | (13) |
| Securities borrowed | 110,435 | 118,873 | 113,967 | 122,021 | 111,465 | (7) | (1) |
| Trading assets: | | | | | | | |
| Debt and equity instruments | 320,013 | 338,204 | 330,165 | 315,932 | 308,905 | (5) | 4 |
| Derivative receivables | 78,975 | 72,453 | 62,378 | 59,272 | 65,759 | 9 | 20 |
| Securities | 348,004 | 366,358 | 361,918 | 351,850 | 354,003 | (5) | (2) |
| Loans | 757,336 | 743,257 | 746,983 | 730,971 | 738,418 | 2 | 3 |
| Less: Allowance for loan losses | 14,185 | 14,889 | 15,326 | 15,847 | 16,264 | (5) | (13) |
| **Loans, net of allowance for loan losses** | 743,151 | 728,368 | 731,657 | 715,124 | 722,154 | 2 | 3 |
| Accrued interest and accounts receivable | 70,079 | 75,504 | 78,677 (a) | 74,612 (a) | 65,160 | (7) | 8 |
| Premises and equipment | 15,133 | 15,177 | 15,216 | 14,919 | 14,891 | — | 2 |
| Goodwill | 47,647 | 47,970 | 48,110 | 48,065 | 48,081 | (1) | (1) |
| Mortgage servicing rights | 7,436 | 8,236 | 8,347 | 8,552 | 9,614 | (10) | (23) |
| Other intangible assets | 1,192 | 1,274 | 1,339 | 1,489 | 1,618 | (6) | (26) |
| Other assets | 102,950 | 100,568 | 98,981 (a) | 101,130 (a) | 110,101 | 2 | (6) |
| **TOTAL ASSETS** | **$2,573,126** | **$2,527,005** | **$2,520,336** | **$2,476,986** | **$2,415,689** | 2 | 7 |
| **LIABILITIES** | | | | | | | |
| Deposits | $1,363,427 | $1,334,534 | $1,319,751 | $1,282,705 | $1,287,765 | 2 | 6 |
| Federal funds purchased and securities loaned or sold under repurchase agreements | 192,101 | 198,746 | 216,561 | 217,442 | 181,163 | (3) | 6 |
| Commercial paper | 66,344 | 59,960 | 63,804 | 60,825 | 57,848 | 11 | 15 |
| Other borrowed funds | 30,222 | 31,892 | 34,713 | 31,951 | 27,994 | (5) | 8 |
| Trading liabilities: | | | | | | | |
| Debt and equity instruments | 81,699 | 84,305 | 87,861 | 91,471 | 80,430 | (3) | 2 |
| Derivative payables | 71,116 | 58,951 | 50,795 | 49,138 | 57,314 | 21 | 24 |
| Accounts payable and other liabilities | 206,954 | 211,055 | 203,885 | 202,499 | 194,491 | (2) | 6 |
| Beneficial interests issued by consolidated VIEs | 52,362 | 47,564 | 45,723 | 46,788 | 49,617 | 10 | 6 |
| Long-term debt | 276,836 | 268,721 | 269,929 | 274,512 | 267,889 | 3 | 3 |
| **TOTAL LIABILITIES** | **2,341,061** | **2,295,728** | **2,293,022** | **2,257,331** | **2,204,511** | 2 | 6 |
| **STOCKHOLDERS' EQUITY** | | | | | | | |
| Preferred stock | 20,063 | 20,063 | 18,463 | 15,083 | 11,158 | — | 80 |
| Common stock | 4,105 | 4,105 | 4,105 | 4,105 | 4,105 | — | — |
| Capital surplus | 93,270 | 93,060 | 92,879 | 92,623 | 93,828 | — | (1) |
| Retained earnings | 130,315 | 127,234 | 123,497 | 119,318 | 115,756 | 2 | 13 |
| Accumulated other comprehensive income | 2,189 | 3,266 | 3,438 | 2,276 | 1,199 | (33) | 83 |
| Shares held in RSU Trust, at cost | (21) | (21) | (21) | (21) | (21) | — | — |
| Treasury stock, at cost | (17,856) | (16,430) | (15,047) | (13,729) | (14,847) | (9) | (20) |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **TOTAL STOCKHOLDERS' EQUITY** | **232,065** | **231,277** | **227,314** | **219,655** | **211,178** | — | 10 |
| **TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY** | **$2,573,126** | **$2,527,005** | **$2,520,336** | **$2,476,986** | **$2,415,689** | 2 | 7 |

(a) Prior period amounts were reclassified to conform with current period presentation due to the adoption of new accounting guidance. For further information, see footnote (a) on page 33.

JPMORGAN CHASE & CO.

## CONDENSED AVERAGE BALANCE SHEETS AND ANNUALIZED YIELDS

JPMorgan Chase & Co.

**(in millions, except rates)**

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| **AVERAGE BALANCES** | **4Q14** | **3Q14** | **2Q14** | **1Q14** | **4Q13** | **3Q14** | **4Q13** | **2014** | **2013** | **2013** |
| **ASSETS** | | | | | | | | | | |
| Deposits with banks | $ 414,672 | $ 362,434 | $ 334,953 | $ 319,130 | $ 329,322 | 14 % | 26 % | $ 358,072 | $ 268,968 | 33 % |
| Federal funds sold and securities purchased under resale agreements | 215,439 | 224,088 | 237,440 | 245,389 | 233,149 | (4) | (8) | 230,489 | 231,567 | — |
| Securities borrowed | 115,033 | 118,014 | 114,905 | 118,227 | 117,730 | (3) | (2) | 116,540 | 118,300 | (1) |
| Trading assets - debt instruments | 222,223 | 213,335 | 204,242 | 202,387 | 208,032 | 4 | 7 | 210,609 | 227,769 | (8) |
| Securities | 350,804 | 360,365 | 353,278 | 348,771 | 348,223 | (3) | 1 | 353,329 | 356,843 | (1) |
| Loans | 746,735 | 741,831 | 737,613 | 730,312 | 729,621 | 1 | 2 | 739,175 | 726,450 | 2 |
| Other assets (a) | 38,873 | 41,718 | 41,514 | 41,430 | 39,384 | (7) | (1) | 40,879 | 40,334 | 1 |
| **Total interest-earning assets** | **2,103,779** | **2,061,785** | **2,023,945** | **2,005,646** | **2,005,461** | 2 | 5 | **2,049,093** | **1,970,231** | 4 |
| Trading assets - equity instruments | 114,652 | 118,201 | 121,184 | 112,525 | 111,051 | (3) | 3 | 116,650 | 112,680 | 4 |
| Trading assets - derivative receivables | 76,937 | 65,786 | 60,830 | 64,820 | 68,709 | 17 | 12 | 67,123 | 72,629 | (8) |
| All other noninterest-earning assets | 216,076 | 209,100 | 214,677 | 219,713 | 222,380 | 3 | (3) | 214,867 | 224,564 | (4) |
| **TOTAL ASSETS** | **$2,511,444** | **$2,454,872** | **$2,420,636** | **$2,402,704** | **$2,407,601** | 2 | 4 | **$ 2,447,733** | **$ 2,380,104** | 3 |
| **LIABILITIES** | | | | | | | | | | |
| Interest-bearing deposits | $ 880,283 | $ 865,041 | $ 863,163 | $ 866,759 | $ 860,067 | 2 | 2 | $ 868,838 | $ 822,781 | 6 |
| Federal funds purchased and securities loaned or sold under repurchase agreements | 206,671 | 213,975 | 212,555 | 200,918 | 207,747 | (3) | (1) | 208,560 | 238,551 | (13) |
| Commercial paper | 61,833 | 59,359 | 59,760 | 58,682 | 54,098 | 4 | 14 | 59,916 | 53,717 | 12 |
| Trading liabilities - debt, short-term and other liabilities (b) | 224,967 | 219,666 | 221,001 | 214,810 | 211,414 | 2 | 6 | 220,137 | 202,894 | 8 |
| Beneficial interests issued by consolidated VIEs | 48,281 | 47,336 | 47,407 | 49,058 | 49,866 | 2 | (3) | 48,017 | 54,832 | (12) |
| Long-term debt | 273,829 | 266,639 | 271,194 | 269,403 | 265,676 | 3 | 3 | 270,269 | 264,083 | 2 |
| **Total interest-bearing liabilities** | **1,695,864** | **1,672,016** | **1,675,080** | **1,659,630** | **1,648,868** | 1 | 3 | **1,675,737** | **1,636,858** | 2 |
| Noninterest-bearing deposits | 418,313 | 404,634 | 380,836 | 377,520 | 381,242 | 3 | 10 | 395,463 | 366,361 | 8 |
| Trading liabilities - equity instruments | 15,659 | 17,385 | 15,505 | 16,432 | 15,209 | (10) | 3 | 16,246 | 14,218 | 14 |
| Trading liabilities - derivative payables | 64,784 | 51,524 | 49,487 | 53,143 | 60,011 | 26 | 8 | 54,758 | 64,553 | (15) |
| All other noninterest-bearing liabilities | 84,874 | 81,090 | 77,806 | 80,626 | 94,753 | 5 | (10) | 81,111 | 90,745 | (11) |
| **TOTAL LIABILITIES** | **2,279,494** | **2,226,649** | **2,198,714** | **2,187,351** | **2,200,083** | 2 | 4 | **2,223,315** | **2,172,735** | 2 |
| Preferred stock | 20,063 | 18,602 | 15,763 | 13,556 | 11,158 | 8 | 80 | 17,018 | 10,960 | 55 |
| Common stockholders' equity | 211,887 | 209,621 | 206,159 | 201,797 | 196,360 | 1 | 8 | 207,400 | 196,409 | 6 |
| **TOTAL STOCKHOLDERS' EQUITY** | **231,950** | **228,223** | **221,922** | **215,353** | **207,518** | 2 | 12 | **224,418** | **207,369** | 8 |
| **TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY** | **$2,511,444** | **$2,454,872** | **$2,420,636** | **$2,402,704** | **$2,407,601** | 2 | 4 | **$ 2,447,733** | **$ 2,380,104** | 3 |
| **AVERAGE RATES (c)** | | | | | | | | | | |
| **INTEREST-EARNING ASSETS** | | | | | | | | | | |
| Deposits with banks | 0.31 % | 0.33 % | 0.33 % | 0.33 % | 0.32 % | | | 0.32 % | 0.34 % | |
| Federal funds sold and securities purchased under resale agreements | 0.75 | 0.71 | 0.67 | 0.72 | 0.77 | | | 0.71 | 0.84 | |
| Securities borrowed (d) | (0.45) | (0.50) | (0.46) | (0.30) | (0.19) | | | (0.43) | (0.11) | |
| Trading assets - debt instruments (e) | 3.35 | 3.49 | 3.62 | 3.59 | 3.60 | | | 3.51 | 3.60 | |
| Securities | 2.77 | 2.73 | 2.79 | 2.77 | 2.61 | | | 2.77 | 2.32 | |
| Loans | 4.32 | 4.33 | 4.40 | 4.49 | 4.54 | | | 4.38 | 4.63 | |
| Other assets (a) | 1.61 | 1.63 | 1.66 | 1.58 | 1.62 | | | 1.62 | 1.33 | |
| **Total interest-earning assets (e)** | **2.49** | **2.54** | **2.60** | **2.63** | **2.64** | | | **2.56** | **2.71** | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **INTEREST-BEARING LIABILITIES** | | | | | | | |
| Interest-bearing deposits | 0.18 | 0.18 | 0.19 | 0.20 | 0.22 | 0.19 | 0.25 |
| Federal funds purchased and securities loaned or | | | | | | | |
| sold under repurchase agreements | 0.28 | 0.25 | 0.30 | 0.33 | 0.28 | 0.29 | 0.24 |
| Commercial paper | 0.22 | 0.22 | 0.23 | 0.23 | 0.21 | 0.22 | 0.21 |
| Trading liabilities - debt, short-term and other liabilities (b)(d)(e) | 0.26 | 0.12 | 0.48 | 0.44 | 0.56 | 0.32 | 0.54 |
| Beneficial interests issued by consolidated VIEs | 0.80 | 0.82 | 0.89 | 0.87 | 0.84 | 0.84 | 0.87 |
| Long-term debt | 1.55 | 1.61 | 1.61 | 1.76 | 1.81 | 1.63 | 1.90 |
| **Total interest-bearing liabilities (e)** | **0.44** | **0.43** | **0.49** | **0.52** | **0.54** | **0.47** | **0.57** |
| **INTEREST RATE SPREAD (e)** | **2.05 %** | **2.11 %** | **2.11 %** | **2.11 %** | **2.10** % | **2.09** % | **2.14** % |
| **NET YIELD ON INTEREST-EARNING ASSETS** | **2.14 %** | **2.19 %** | **2.19 %** | **2.20 %** | **2.20** % | **2.18** % | **2.23** % |

(a) Includes margin loans.
(b) Includes brokerage customer payables.
(c) Interest includes the effect of related hedging derivatives. Taxable-equivalent amounts are used where applicable.
(d) Negative yield is the result of increased client-driven demand for certain securities combined with the impact of low interest rates; the offset of this stock borrow activity is reflected as lower net interest expense reported within trading liabilities - debt, short-term and other liabilities.
(e) Effective January 1, 2014, prior period amounts were reclassified to conform with current period presentation.

## CORE NET INTEREST INCOME

**(in millions, except rates)**

JPMORGAN CHASE & CO.

In addition to reviewing net interest income on a managed basis, management also reviews core net interest income to assess the performance of its core lending, investing (including asset-liability management) and deposit-raising activities. Core net interest income excludes the impact of Corporate & Investment Bank's ("CIB's") market-based activities. Because of the exclusion of CIB's market-based net interest income and the related assets, the core data presented below are non-GAAP financial measures. Management believes this exclusion provides investors and analysts another measure by which to analyze the non-market-related business trends of the Firm and provides a comparable measure to other financial institutions that are primarily focused on core lending, investing and deposit-raising activities. For a further discussion of these measures, see Explanation and Reconciliation of the Firm's Use of Non-GAAP Financial Measures on pages 82-83 of the Annual Report on Form 10-K for the year ended December 31, 2013 (the "2013 Annual Report").

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| | 4Q14 | 3Q14 | 2Q14 | 1Q14 | 4Q13 | 3Q14 | 4Q13 | 2014 | 2013 | 2013 |
| **CORE NET INTEREST INCOME DATA (a)** | | | | | | | | | | |
| **Net interest income - managed basis (b)(c)** | $ 11,324 | $ 11,360 | $ 11,042 | $ 10,893 | $ 11,096 | — | 2 % | $ 44,619 | $ 44,016 | 1 % |
| Less: Market-based net interest income (d) | 1,450 | 1,542 | 1,291 | 1,269 | 1,214 | (6) | 19 | 5,552 | 5,492 | 1 |
| **Core net interest income (b)(d)** | **$ 9,874** | **$ 9,818** | **$ 9,751** | **$ 9,624** | **$ 9,882** | 1 | — | **$ 39,067** | **$ 38,524** | 1 |
| **Average interest-earning assets** | $2,103,779 | $2,061,785 | $2,023,945 | $2,005,646 | $2,005,461 | 2 | 5 | $2,049,093 | $1,970,231 | 4 |
| Less: Average market-based earning assets | 517,934 | 513,051 | 502,413 | 507,499 | 501,716 | 1 | 3 | 510,261 | 504,218 | 1 |
| **Core average interest-earning assets** | **$1,585,845** | **$1,548,734** | **$1,521,532** | **$1,498,147** | **$1,503,745** | 2 | 5 | **$1,538,832** | **$1,466,013** | 5 |
| **Net interest yield on interest-earning assets - managed basis** | **2.14 %** | **2.19 %** | **2.19 %** | **2.20 %** | **2.20 %** | | | **2.18 %** | **2.23 %** | |
| Net interest yield on market-based activities (d) | 1.11 | 1.19 | 1.03 | 1.01 | 0.96 | | | 1.09 | 1.09 | |
| **Core net interest yield on core average interest-earning assets (d)** | **2.47** | **2.52** | **2.57** | **2.61** | **2.61** | | | **2.54** | **2.63** | |

(a) Includes core lending, investing and deposit-raising activities on a managed basis across each of the business segments and Corporate/Private Equity; excludes the market-based activities within the CIB.
(b) Interest includes the effect of related hedging derivatives. Taxable-equivalent amounts are used where applicable.
(c) For a reconciliation of net interest income on a reported and managed basis, see Reconciliation from Reported to Managed Basis on page 9 .
(d) Effective with the fourth quarter of 2014, the Firm changed the methodology it uses to allocate preferred stock dividends to the lines of business. Prior period amounts were revised to conform with the current allocation methodology. The Firm's Consolidated balance sheets and consolidated results of operations were not affected by this reporting change. For further discussion, see page 2.

JPMORGAN CHASE & CO.

## RECONCILIATION FROM REPORTED TO MANAGED BASIS

JPMORGAN CHASE & CO.

**(in millions, except ratios)**

The Firm prepares its Consolidated Financial Statements using accounting principles generally accepted in the U.S. ("U.S. GAAP"). That presentation, which is referred to as "reported" basis, provides the reader with an understanding of the Firm's results that can be tracked consistently from year-to-year and enables a comparison of the Firm's performance with other companies' U.S. GAAP financial statements. In addition to analyzing the Firm's results on a reported basis, management reviews the Firm's results and the results of the lines of business on a "managed" basis, which is a non-GAAP financial measure. For additional information on managed basis, refer to the notes on Non-GAAP Financial Measures on page 36 .

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

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| | 4Q14 | 3Q14 | 2Q14 | 1Q14 | 4Q13 | 3Q14 | 4Q13 | 2014 | 2013 | 2013 |
| **OTHER INCOME** | | | | | | | | | | |
| **Other income - reported** | $ 308 | $ 732 | $ 675 | $ 391 | $ 2,483 | (58) % | (88) % | $ 2,106 | $ 3,847 | (45) % |
| Fully taxable-equivalent adjustments (a) | 778 | 660 | 651 | 644 | 767 | 18 | 1 | 2,733 | 2,495 | 10 |
| **Other income - managed** | **$ 1,086** | **$ 1,392** | **$ 1,326** | **$ 1,035** | **$ 3,250** | (22) | (67) | **$ 4,839** | **$ 6,342** | (24) |
| **TOTAL NONINTEREST REVENUE** | | | | | | | | | | |
| **Total noninterest revenue - reported** | $11,450 | $13,139 | $13,656 | $12,326 | $12,249 | (13) | (7) | $50,571 | $53,287 | (5) |
| Fully taxable-equivalent adjustments (a) | 778 | 660 | 651 | 644 | 767 | 18 | 1 | 2,733 | 2,495 | 10 |
| **Total noninterest revenue - managed** | **$12,228** | **$13,799** | **$14,307** | **$12,970** | **$13,016** | (11) | (6) | **$53,304** | **$55,782** | (4) |
| **NET INTEREST INCOME** | | | | | | | | | | |
| **Net interest income - reported** | $11,062 | $11,107 | $10,798 | $10,667 | $10,907 | — | 1 | $43,634 | $43,319 | 1 |
| Fully taxable-equivalent adjustments (a) | 262 | 253 | 244 | 226 | 189 | 4 | 39 | 985 | 697 | 41 |
| **Net interest income - managed** | **$11,324** | **$11,360** | **$11,042** | **$10,893** | **$11,096** | — | 2 | **$44,619** | **$44,016** | 1 |
| **TOTAL NET REVENUE** | | | | | | | | | | |
| **Total net revenue - reported** | $22,512 | $24,246 | $24,454 | $22,993 | $23,156 | (7) | (3) | $94,205 | $96,606 | (2) |
| Fully taxable-equivalent adjustments (a) | 1,040 | 913 | 895 | 870 | 956 | 14 | 9 | 3,718 | 3,192 | 16 |
| **Total net revenue - managed** | **$23,552** | **$25,159** | **$25,349** | **$23,863** | **$24,112** | (6) | (2) | **$97,923** | **$99,798** | (2) |
| **PRE-PROVISION PROFIT** | | | | | | | | | | |
| **Pre-provision profit - reported** | $ 7,103 | $ 8,448 | $ 9,023 | $ 8,357 | $ 7,604 | (16) | (7) | $32,931 | $26,139 | 26 |
| Fully taxable-equivalent adjustments (a) | 1,040 | 913 | 895 | 870 | 956 | 14 | 9 | 3,718 | 3,192 | 16 |
| **Pre-provision profit - managed** | **$ 8,143** | **$ 9,361** | **$ 9,918** | **$ 9,227** | **$ 8,560** | (13) | (5) | **$36,649** | **$29,331** | 25 |
| **INCOME BEFORE INCOME TAX EXPENSE** | | | | | | | | | | |
| **Income before income tax expense - reported** | $ 6,263 | $ 7,691 | $ 8,331 | $ 7,507 | $ 7,500 | (19) | (16) | $29,792 | $25,914 | 15 |
| Fully taxable-equivalent adjustments (a) | 1,040 | 913 | 895 | 870 | 956 | 14 | 9 | 3,718 | 3,192 | 16 |
| **Income before income tax expense - managed** | **$ 7,303** | **$ 8,604** | **$ 9,226** | **$ 8,377** | **$ 8,456** | (15) | (14) | **$33,510** | **$29,106** | 15 |
| **INCOME TAX EXPENSE** | | | | | | | | | | |
| **Income tax expense - reported** | $ 1,332 | $ 2,119 | $ 2,346 | $ 2,233 | $ 2,222 | (37) | (40) | $ 8,030 | $ 7,991 | — |
| Fully taxable-equivalent adjustments (a) | 1,040 | 913 | 895 | 870 | 956 | 14 | 9 | 3,718 | 3,192 | 16 |
| **Income tax expense - managed** | **$ 2,372** | **$ 3,032** | **$ 3,241** | **$ 3,103** | **$ 3,178** | (22) | (25) | **$11,748** | **$11,183** | 5 |
| **OVERHEAD RATIO** | | | | | | | | | | |
| **Overhead ratio - reported** | **68 %** | **65 %** | **63 %** | **64 %** | **67 %** | | | **65 %** | **73 %** | |
| **Overhead ratio - managed** | **65** | **63** | **61** | **61** | **64** | | | **63** | **71** | |

(a) Predominantly recognized in the CIB and Commercial Banking ("CB") business segments and Corporate/Private Equity.

JPMORGAN CHASE & CO.

## SEGMENT RESULTS - MANAGED BASIS (a)

(in millions)

JPMORGAN CHASE & CO.

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| | 4Q14 | 3Q14 | 2Q14 | 1Q14 | 4Q13 | 3Q14 | 4Q13 | 2014 | 2013 | 2013 |
| **TOTAL NET REVENUE (fully taxable-equivalent ("FTE"))** | | | | | | | | | | |
| Consumer & Community Banking | $10,949 | $11,367 | $11,518 | $10,534 | $11,439 | (4) % | (4) % | $ 44,368 | $ 46,537 | (5) % |
| Corporate & Investment Bank | 7,386 | 9,118 | 9,277 | 8,852 | 6,157 | (19) | 20 | 34,633 | 34,786 | — |
| Commercial Banking | 1,770 | 1,703 | 1,731 | 1,678 | 1,876 | 4 | (6) | 6,882 | 7,092 | (3) |
| Asset Management | 3,200 | 3,046 | 2,982 | 2,800 | 3,200 | 5 | — | 12,028 | 11,405 | 5 |
| Corporate/Private Equity | 247 | (75) | (159) | (1) | 1,440 | NM | (83) | 12 | (22) | NM |
| **TOTAL NET REVENUE** | **$23,552** | **$25,159** | **$25,349** | **$23,863** | **$24,112** | (6) | (2) | **$ 97,923** | **$ 99,798** | (2) |
| **TOTAL NONINTEREST EXPENSE** | | | | | | | | | | |
| Consumer & Community Banking | $ 6,411 | $ 6,305 | $ 6,456 | $ 6,437 | $ 7,321 | 2 | (12) | $ 25,609 | $ 27,842 | (8) |
| Corporate & Investment Bank | 5,576 | 6,035 | 6,058 | 5,604 | 4,892 | (8) | 14 | 23,273 | 21,744 | 7 |
| Commercial Banking | 666 | 668 | 675 | 686 | 653 | — | 2 | 2,695 | 2,610 | 3 |
| Asset Management | 2,320 | 2,081 | 2,062 | 2,075 | 2,245 | 11 | 3 | 8,538 | 8,016 | 7 |
| Corporate/Private Equity | 436 | 709 | 180 | (166) | 441 | (39) | (1) | 1,159 | 10,255 | (89) |
| **TOTAL NONINTEREST EXPENSE** | **$15,409** | **$15,798** | **$15,431** | **$14,636** | **$15,552** | (2) | (1) | **$ 61,274** | **$ 70,467** | (13) |
| **PRE-PROVISION PROFIT/(LOSS)** | | | | | | | | | | |
| Consumer & Community Banking | $ 4,538 | $ 5,062 | $ 5,062 | $ 4,097 | $ 4,118 | (10) | 10 | $ 18,759 | $ 18,695 | — |
| Corporate & Investment Bank | 1,810 | 3,083 | 3,219 | 3,248 | 1,265 | (41) | 43 | 11,360 | 13,042 | (13) |
| Commercial Banking | 1,104 | 1,035 | 1,056 | 992 | 1,223 | 7 | (10) | 4,187 | 4,482 | (7) |
| Asset Management | 880 | 965 | 920 | 725 | 955 | (9) | (8) | 3,490 | 3,389 | 3 |
| Corporate/Private Equity | (189) | (784) | (339) | 165 | 999 | 76 | NM | (1,147) | (10,277) | 89 |
| **PRE-PROVISION PROFIT** | **$ 8,143** | **$ 9,361** | **$ 9,918** | **$ 9,227** | **$ 8,560** | (13) | (5) | **$ 36,649** | **$ 29,331** | 25 |
| **PROVISION FOR CREDIT LOSSES** | | | | | | | | | | |
| Consumer & Community Banking | $ 950 | $ 902 | $ 852 | $ 816 | $ 72 | 5 | NM | $ 3,520 | $ 335 | NM |
| Corporate & Investment Bank | (59) | (67) | (84) | 49 | (19) | (12) | 211 | (161) | (232) | (31) |
| Commercial Banking | (48) | (79) | (67) | 5 | 43 | 39 | NM | (189) | 85 | NM |
| Asset Management | 3 | 9 | 1 | (9) | 21 | (67) | (86) | 4 | 65 | (94) |
| Corporate/Private Equity | (6) | (8) | (10) | (11) | (13) | 25 | 54 | (35) | (28) | (25) |
| **PROVISION FOR CREDIT LOSSES** | **$ 840** | **$ 757** | **$ 692** | **$ 850** | **$ 104** | 11 | NM | **$ 3,139** | **$ 225** | NM |
| **NET INCOME/(LOSS)** | | | | | | | | | | |
| Consumer & Community Banking | $ 2,179 | $ 2,529 | $ 2,496 | $ 1,981 | $ 2,448 | (14) | (11) | $ 9,185 | $ 11,061 | (17) |
| Corporate & Investment Bank | 972 | 1,687 | 2,136 | 2,130 | 941 | (42) | 3 | 6,925 | 8,887 | (22) |
| Commercial Banking | 693 | 671 | 677 | 594 | 711 | 3 | (3) | 2,635 | 2,648 | — |
| Asset Management | 540 | 590 | 569 | 454 | 581 | (8) | (7) | 2,153 | 2,083 | 3 |
| Corporate/Private Equity | 547 | 95 | 107 | 115 | 597 | 476 | (8) | 864 | (6,756) | NM |
| **TOTAL NET INCOME** | **$ 4,931** | **$ 5,572** | **$ 5,985** | **$ 5,274** | **$ 5,278** | (12) | (7) | **$ 21,762** | **$ 17,923** | 21 |

(a) Effective with the fourth quarter of 2014, the Firm changed the methodology it uses to allocate preferred stock dividends to the lines of business. Prior period amounts for net revenue, pre-provision profit/(loss) and net income/(loss) for each of the business segments were revised to conform with the current allocation methodology. The Firm's Consolidated balance sheets and consolidated results of operations were not affected by this reporting change. For further discussion, see page 2.

JPMORGAN CHASE & CO.

## CAPITAL AND OTHER SELECTED BALANCE SHEET ITEMS

(in millions, except ratio data)

JPMORGAN CHASE & CO.

| | Dec 31, 2014 | Sep 30, 2014 | Jun 30, 2014 | Mar 31, 2014 | Dec 31, 2013 | Dec 31, 2014 Change: Sep 30, 2014 | Dec 31, 2014 Change: Dec 31, 2013 | FULL YEAR 2014 | FULL YEAR 2013 | FULL YEAR 2014 Change 2013 |
|---|---|---|---|---|---|---|---|---|---|---|
| **CAPITAL (a)** | | | | | | | | | | |
| **Transitional Standardized Approach** | | | | | | | | | | |
| CET1 capital (b) | $ 164,735 (f) | $ 162,800 | $ 160,086 | $ 156,874 | $ 148,887 | 1 % | 11 % | $ 164,735 (f) | $ 148,887 | 11 % |
| Tier 1 capital | 186,483 (f)(g) | 184,115 | 179,884 | 173,431 | 165,663 | 1 | 13 | 186,483 (f)(g) | 165,663 | 13 |
| Total capital | 221,415 (f) | 218,754 | 213,780 | 208,430 | 199,286 | 1 | 11 | 221,415 (f) | 199,286 | 11 |
| Risk-weighted assets | 1,473,371 (f) | 1,462,240 | 1,458,620 | 1,438,354 | 1,387,863 | 1 | 6 | 1,473,371 (f) | 1,387,863 | 6 |
| Adjusted average assets (c) | 2,465,414 (f) | 2,408,498 | 2,374,025 | 2,355,690 | 2,343,713 | 2 | 5 | 2,465,414 (f) | 2,343,713 | 5 |
| CET1 capital ratio (b) | 11.2 (f) % | 11.1 % | 11.0 % | 10.9 % | 10.7 % | | | 11.2 (f) % | 10.7 % | |
| Tier 1 capital ratio | 12.7 (f) | 12.6 | 12.3 | 12.1 | 11.9 | | | 12.7 (f) | 11.9 | |
| Total capital ratio | 15.0 (f) | 15.0 | 14.7 | 14.5 | 14.4 | | | 15.0 (f) | 14.4 | |
| Tier 1 leverage ratio | 7.6 (f) | 7.6 | 7.6 | 7.4 | 7.1 | | | 7.6 (f) | 7.1 | |
| **Transitional Advanced Approach** | | | | | | | | | | |
| CET1 capital | $ 164,735 (f) | 162,800 | 160,086 | | | 1 % | | $ 164,735 (f) | | |
| Tier 1 capital | 186,483 (f)(g) | 184,115 | 179,884 | | | 1 | | 186,483 (f)(g) | | |
| Total capital | 210,859 (f) | 204,573 | 203,076 | | | 3 | | 210,859 (f) | | |
| Risk-weighted assets | 1,613,423 (f) | 1,598,788 | 1,626,427 | | | 1 | | 1,613,423 (f) | | |
| Adjusted average assets (c) | 2,465,414 (f) | 2,408,498 | 2,374,025 | | | 2 | | 2,465,414 (f) | | |
| CET1 capital ratio | 10.2 (f) % | 10.2 % | 9.8 % | | | | | 10.2 (f) % | | |
| Tier 1 capital ratio | 11.6 (f) | 11.5 | 11.1 | | | | | 11.6 (f) | | |
| Total capital ratio | 13.1 (f) | 12.8 | 12.5 | | | | | 13.1 (f) | | |
| Tier 1 leverage ratio | 7.6 (f) | 7.6 | 7.6 | | | | | 7.6 (f) | | |
| **TANGIBLE COMMON EQUITY (period-end) (d)** | | | | | | | | | | |
| Common stockholders' equity | $ 212,002 | $ 211,214 | $ 208,851 | $ 204,572 | $ 200,020 | — | 6 | $ 212,002 | $ 200,020 | 6 |
| Less: Goodwill | 47,647 | 47,970 | 48,110 | 48,065 | 48,081 | (1) | (1) | 47,647 | 48,081 | (1) |
| Less: Other intangible assets | 1,192 | 1,274 | 1,339 | 1,489 | 1,618 | (6) | (26) | 1,192 | 1,618 | (26) |
| Add: Deferred tax liabilities (e) | 2,853 | 2,991 | 2,969 | 2,935 | 2,953 | (5) | (3) | 2,853 | 2,953 | (3) |
| **Total tangible common equity** | **$ 166,016** | **$ 164,961** | **$ 162,371** | **$ 157,953** | **$ 153,274** | 1 | 8 | **$ 166,016** | **$ 153,274** | 8 |
| **TANGIBLE COMMON EQUITY (average) (d)** | | | | | | | | | | |
| Common stockholders' equity | $ 211,887 | $ 209,621 | $ 206,159 | $ 201,797 | $ 196,360 | 1 | 8 | $ 207,400 | $ 196,409 | 6 |
| Less: Goodwill | 47,900 | 48,081 | 48,084 | 48,054 | 48,088 | — | — | 48,029 | 48,102 | — |
| Less: Other intangible assets | 1,241 | 1,308 | 1,416 | 1,548 | 1,741 | (5) | (29) | 1,378 | 1,950 | (29) |
| Add: Deferred tax liabilities (e) | 2,922 | 2,980 | 2,952 | 2,944 | 2,937 | (2) | (1) | 2,950 | 2,885 | 2 |
| **Total tangible common equity** | **$ 165,668** | **$ 163,212** | **$ 159,611** | **$ 155,139** | **$ 149,468** | 2 | 11 | **$ 160,943** | **$ 149,242** | 8 |
| **INTANGIBLE ASSETS (period-end)** | | | | | | | | | | |
| Goodwill | $ 47,647 | $ 47,970 | $ 48,110 | $ 48,065 | $ 48,081 | (1) | (1) | $ 47,647 | $ 48,081 | (1) |
| Mortgage servicing rights | 7,436 | 8,236 | 8,347 | 8,552 | 9,614 | (10) | (23) | 7,436 | 9,614 | (23) |
| Other intangible assets | 1,192 | 1,274 | 1,339 | 1,489 | 1,618 | (6) | (26) | 1,192 | 1,618 | (26) |
| **Total intangible assets** | **$ 56,275** | **$ 57,480** | **$ 57,796** | **$ 58,106** | **$ 59,313** | (2) | (5) | **$ 56,275** | **$ 59,313** | (5) |

**DEPOSITS (period-end)**

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| U.S. offices: | | | | | | | | | | |
| Noninterest-bearing | $ 437,558 | $ 440,067 | $ 417,607 | $ 384,503 | $ 389,863 | (1) | 12 | $ 437,558 | $ 389,863 | 12 |
| Interest-bearing | 643,350 | 619,595 | 623,781 | 625,641 | 626,392 | 4 | 3 | 643,350 | 626,392 | 3 |
| Non-U.S. offices: | | | | | | | | | | |
| Noninterest-bearing | 19,078 | 19,134 | 17,757 | 13,590 | 17,611 | — | 8 | 19,078 | 17,611 | 8 |
| Interest-bearing | 263,441 | 255,738 | 260,606 | 258,971 | 253,899 | 3 | 4 | 263,441 | 253,899 | 4 |
| **Total deposits** | **$1,363,427** | **$1,334,534** | **$1,319,751** | **$1,282,705** | **$1,287,765** | 2 | 6 | **$ 1,363,427** | **$ 1,287,765** | 6 |

(a) Basel III Transitional rules became effective on January 1, 2014; all data prior to that date is based on Basel I rules. Basel III presents two comprehensive methodologies for calculating risk-weighted assets: a Standardized approach and an Advanced approach. On February 21, 2014, the Federal Reserve informed the Firm that it had satisfactorily completed the parallel run requirements and was approved to calculate, and publicly disclose commencing with the second quarter of 2014, capital under the transitional Advanced Approach, in addition to the transitional Standardized Approach. As required by the Collins Amendment of the Wall Street Reform and Consumer Protection Act, the capital adequacy of the Firm is evaluated against the Basel III approach (Standardized or Advanced) that results, for each quarter, in the lower ratio (the "Collins Floor"). For further discussion of the implementation of Basel III, see Regulatory capital on pages 73-77 of the Firm's third quarter 2014 Form 10-Q.

(b) CET1 capital under Basel III replaced Tier 1 common capital under Basel I. Prior to Basel III becoming effective on January 1, 2014, Tier 1 common capital was a non-GAAP financial measure. For further discussion of Tier 1 common capital, see page 36 .

(c) 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.

(d) For further discussion of TCE, see page 36 .

(e) Represents deferred tax liabilities related to tax-deductible goodwill and to identifiable intangibles created in non-taxable transactions, which are netted against goodwill and other intangibles when calculating TCE.

(f) Estimated.

(g) At December 31, 2014, TruPS included in Basel III Tier 1 capital were $2.7 billion.

JPMORGAN CHASE & CO.

## EARNINGS PER SHARE AND RELATED INFORMATION

**(in millions, except per share and ratio data)**

JPMORGAN CHASE & CO.

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| | 4Q14 | 3Q14 | 2Q14 | 1Q14 | 4Q13 | 3Q14 | 4Q13 | 2014 | 2013 | 2013 |
| **EARNINGS PER SHARE** | | | | | | | | | | |
| **Basic earnings per share** | | | | | | | | | | |
| Net income | $ 4,931 | $ 5,572 | $ 5,985 | $ 5,274 | $ 5,278 | (12) % | (7) % | $ 21,762 | $ 17,923 | 21 % |
| Less: Preferred stock dividends | 326 | 304 | 268 | 227 | 190 | 7 | 72 | 1,125 | 805 | 40 |
| **Net income applicable to common equity** | **4,605** | **5,268** | **5,717** | **5,047** | **5,088** | (13) | (9) | **20,637** | **17,118** | 21 |
| Less: Dividends and undistributed earnings allocated to | | | | | | | | | | |
| participating securities | 117 | 133 | 144 | 149 | 150 | (12) | (22) | 544 | 525 | 4 |
| **Net income applicable to common stockholders** | **$ 4,488** | **$ 5,135** | **$ 5,573** | **$ 4,898** | **$ 4,938** | (13) | (9) | **$ 20,093** | **$ 16,593** | 21 |
| Total weighted-average basic shares outstanding | 3,730.9 | 3,755.4 | 3,780.6 | 3,787.2 | 3,762.1 | (1) | (1) | 3,763.5 | 3,782.4 | — |
| **Net income per share** | **$ 1.20** | **$ 1.37** | **$ 1.47** | **$ 1.29** | **$ 1.31** | (12) | (8) | **$ 5.34** | **$ 4.39** | 22 |
| **Diluted earnings per share** | | | | | | | | | | |
| **Net income applicable to common stockholders** | $ 4,488 | $ 5,135 | $ 5,573 | $ 4,898 | $ 4,938 | (13) | (9) | $ 20,093 | $ 16,593 | 21 |
| Total weighted-average basic shares outstanding | 3,730.9 | 3,755.4 | 3,780.6 | 3,787.2 | 3,762.1 | (1) | (1) | 3,763.5 | 3,782.4 | — |
| Add: Employee stock options, SARs and warrants (a) | 34.3 | 33.3 | 31.9 | 36.4 | 35.0 | 3 | (2) | 34.0 | 32.5 | 5 |
| **Total weighted-average diluted shares outstanding (b)** | **3,765.2** | **3,788.7** | **3,812.5** | **3,823.6** | **3,797.1** | (1) | (1) | **3,797.5** | **3,814.9** | — |
| **Net income per share** | **$ 1.19** | **$ 1.36** | **$ 1.46** | **$ 1.28** | **$ 1.30** | (13) | (8) | **$ 5.29** | **$ 4.35** | 22 |
| **COMMON DIVIDENDS** | | | | | | | | | | |
| Cash dividends declared per share | $ 0.40 | $ 0.40 | $ 0.40 (f) | $ 0.38 | $ 0.38 | — | 5 | $ 1.58 (f) | $ 1.44 (f) | 10 |
| Dividend payout ratio | 33 % | 29 % | 27 % | 29 % | 29 % | | | 29 % | 33 % | |
| **COMMON EQUITY REPURCHASE PROGRAM (c)** | | | | | | | | | | |
| Total shares of common stock repurchased | 25.3 | 25.5 | 24.8 | 6.7 | 5.5 | (1) | 360 | 82.3 | 96.1 | (14) |
| Average price paid per share of common stock | $ 59.80 | $ 58.37 | $ 55.53 | $ 57.31 | $ 54.27 | 2 | 10 | $ 57.87 | $ 49.83 | 16 |
| Aggregate repurchases of common equity: | | | | | | | | | | |
| Settlement-date basis | $1,509.7 | $1,488.7 | $1,375.4 | $ 385.9 | $ 298.7 | 1 | 405 | $ 4,759.7 | $ 4,788.6 | (1) |
| Trade-date basis | 1,499.9 | 1,471.6 | 1,462.5 | 399.9 | 289.7 | 2 | 418 | 4,833.9 | 4,788.6 | 1 |
| **EMPLOYEE ISSUANCE** | | | | | | | | | | |
| Shares issued from treasury stock related to employee stock-based compensation awards and employee stock purchase plans (d) | 1.8 | 2.4 | 1.4 | 35.3 | 2.5 | (25) | (28) | 40.9 | 48.3 | (15) |
| Net impact of employee issuances on stockholders' equity (e) | $ 294 | $ 288 | $ 335 | $ 325 | $ 377 | 2 | (22) | $ 1,242 | $ 1,192 | 4 |

(a) Excluded from the computation of diluted EPS (due to the antidilutive effect) were options issued under employee benefit plans. The aggregate number of shares issuable upon the exercise of such options was 1 million for each of the three months ended December 31, 2014, September 30, 2014, June 30, 2014, March 31, 2014 and December 31, 2013, and 1 million and 6 million for full year 2014 and 2013, respectively.

(b) Participating securities were included in the calculation of diluted EPS using the two-class method, as this computation was more dilutive than the calculation using the treasury stock method.

(c) On March 26, 2014, the Firm announced that following the Board of Governors of the Federal Reserve System ("Federal Reserve") release of the 2014 CCAR results, JPMorgan Chase & Co. is authorized to repurchase $6.5 billion of common equity between April 1, 2014 and March 31, 2015. Such repurchases will be done pursuant to the $15.0 billion common equity (i.e., common stock and warrants) repurchase program previously authorized by the Firm's Board of Directors on March 13, 2012.

(d) Shares issued from treasury stock related to employee stock-based compensation awards and employee stock purchase plans are presented on a settlement-date basis.

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

(f) On May 20, 2014, the Board of Directors increased the quarterly common stock dividend from $0.38 to $0.40 per share . On May 21, 2013, the Board increased the quarterly common stock dividend from $0.30 to $0.38 per share.

JPMORGAN CHASE & CO.

## CONSUMER & COMMUNITY BANKING

JPMORGAN CHASE & CO.

**FINANCIAL HIGHLIGHTS**

**(in millions, except ratio and headcount data)**

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| | 4Q14 | 3Q14 | 2Q14 | 1Q14 | 4Q13 | 3Q14 | 4Q13 | 2014 | 2013 | 2013 |
| **INCOME STATEMENT** | | | | | | | | | | |
| **REVENUE** | | | | | | | | | | |
| Lending- and deposit-related fees | $ 782 | $ 804 | $ 750 | $ 703 | $ 753 | (3) % | 4 % | $ 3,039 | $ 2,983 | 2 % |
| Asset management, administration and commissions | 538 | 534 | 521 | 503 | 507 | 1 | 6 | 2,096 | 2,116 | (1) |
| Mortgage fees and related income | 854 | 902 | 1,290 | 514 | 1,087 | (5) | (21) | 3,560 | 5,195 | (31) |
| Card income | 1,467 | 1,478 | 1,486 | 1,348 | 1,518 | (1) | (3) | 5,779 | 5,785 | — |
| All other income | 180 | 496 | 421 | 366 | 399 | (64) | (55) | 1,463 | 1,473 | (1) |
| **Noninterest revenue** | **3,821** | **4,214** | **4,468** | **3,434** | **4,264** | (9) | (10) | **15,937** | **17,552** | (9) |
| Net interest income | 7,128 | 7,153 | 7,050 | 7,100 | 7,175 | — | (1) | 28,431 | 28,985 | (2) |
| **TOTAL NET REVENUE** | **10,949** | **11,367** | **11,518** | **10,534** | **11,439** | (4) | (4) | **44,368** | **46,537** | (5) |
| Provision for credit losses | 950 | 902 | 852 | 816 | 72 | 5 | NM | 3,520 | 335 | NM |
| **NONINTEREST EXPENSE** | | | | | | | | | | |
| Compensation expense | 2,535 | 2,627 | 2,637 | 2,739 | 2,765 | (4) | (8) | 10,538 | 11,686 | (10) |
| Noncompensation expense | 3,876 | 3,678 | 3,819 | 3,698 | 4,556 | 5 | (15) | 15,071 | 16,156 | (7) |
| **TOTAL NONINTEREST EXPENSE** | **6,411** | **6,305** | **6,456** | **6,437** | **7,321** | 2 | (12) | **25,609** | **27,842** | (8) |
| **Income before income tax expense** | **3,588** | **4,160** | **4,210** | **3,281** | **4,046** | (14) | (11) | **15,239** | **18,360** | (17) |
| Income tax expense | 1,409 | 1,631 | 1,714 | 1,300 | 1,598 | (14) | (12) | 6,054 | 7,299 | (17) |
| **NET INCOME** | **$ 2,179** | **$ 2,529** | **$ 2,496** | **$ 1,981** | **$ 2,448** | (14) | (11) | **$ 9,185** | **$ 11,061** | (17) |
| **FINANCIAL RATIOS** | | | | | | | | | | |
| ROE (a) | 16 % | 19 % | 19 % | 15 % | 20 % | | | 18 % | 23 % | |
| Overhead ratio | 59 | 55 | 56 | 61 | 64 | | | 58 | 60 | |
| **SELECTED BALANCE SHEET DATA (period-end)** | | | | | | | | | | |
| Total assets | $455,634 | $448,033 | $447,277 | $441,502 | $452,929 | 2 | 1 | $ 455,634 | $ 452,929 | 1 |
| Trading assets - loans (b) | 8,423 | 10,750 | 7,409 | 6,869 | 6,832 | (22) | 23 | 8,423 | 6,832 | 23 |
| Loans: | | | | | | | | | | |
| Loans retained | 396,288 | 390,709 | 390,211 | 386,314 | 393,351 | 1 | 1 | 396,288 | 393,351 | 1 |
| Loans held-for-sale | 3,416 | 876 | 1,472 | 542 | 940 | 290 | 263 | 3,416 | 940 | 263 |
| **Total loans** | **399,704** | **391,585** | **391,683** | **386,856** | **394,291** | 2 | 1 | **399,704** | **394,291** | 1 |
| Deposits | 502,520 | 493,249 | 488,681 | 487,674 | 464,412 | 2 | 8 | 502,520 | 464,412 | 8 |
| Equity (c) | 51,000 | 51,000 | 51,000 | 51,000 | 46,000 | — | 11 | 51,000 | 46,000 | 11 |
| **SELECTED BALANCE SHEET DATA (average)** | | | | | | | | | | |
| Total assets | $450,260 | $447,121 | $443,204 | $450,424 | $450,987 | 1 | — | $ 447,750 | $ 456,468 | (2) |
| Trading assets - loans (b) | 8,746 | 9,346 | 6,593 | 7,446 | 9,297 | (6) | (6) | 8,040 | 15,603 | (48) |
| Loans: | | | | | | | | | | |
| Loans retained | 392,764 | 390,129 | 388,252 | 388,678 | 390,368 | 1 | 1 | 389,967 | 392,797 | (1) |
| Loans held-for-sale | 1,417 | 876 | 710 | 656 | 585 | 62 | 142 | 917 | 209 | 339 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total loans** | **394,181** | **391,005** | **388,962** | **389,334** | **390,953** | 1 | 1 | **390,884** | **393,006** | (1) |
| Deposits | 497,667 | 492,022 | 486,064 | 471,581 | 461,097 | 1 | 8 | 486,919 | 453,304 | 7 |
| Equity (c) | 51,000 | 51,000 | 51,000 | 51,000 | 46,000 | — | 11 | 51,000 | 46,000 | 11 |
| **Headcount** | 137,186 | 138,686 | 141,688 | 145,651 | 151,333 | (1) | (9) | 137,186 | 151,333 | (9) |

(a) The calculation of ROE is based on net income adjusted for allocated preferred stock dividends. For further information please see page 2.
(b) Predominantly consists of prime mortgages originated with the intent to sell that are accounted for at fair value.
(c) 2014 includes $3.0 billion of capital held at the CCB level related to legacy mortgage servicing matters.

## CONSUMER & COMMUNITY BANKING

JPMORGAN CHASE & CO.

**FINANCIAL HIGHLIGHTS, CONTINUED**

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

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| | 4Q14 | 3Q14 | 2Q14 | 1Q14 | 4Q13 | 3Q14 | 4Q13 | 2014 | 2013 | 2013 |
| **CREDIT DATA AND QUALITY STATISTICS** | | | | | | | | | | |
| Net charge-offs (a) | $1,197 | $1,102 | $1,208 | $1,266 | $1,316 | 9 % | (9) % | $ 4,773 | $ 5,826 | (18) % |
| Nonaccrual loans(b)(c) | 6,401 | 6,639 | 7,003 | 7,301 | 7,455 | (4) | (14) | 6,401 | 7,455 | (14) |
| Nonperforming assets (b)(c)(d) | 6,872 | 7,138 | 7,555 | 7,932 | 8,109 | (4) | (15) | 6,872 | 8,109 | (15) |
| Allowance for loan losses (a) | 10,404 | 10,993 | 11,284 | 11,686 | 12,201 | (5) | (15) | 10,404 | 12,201 | (15) |
| Net charge-off rate (a) | 1.21 % | 1.12 % | 1.25 % | 1.32 % | 1.34 % | | | 1.22 % | 1.48 % | |
| Net charge-off rate, excluding purchased credit-impaired | | | | | | | | | | |
| ("PCI") loans | 1.38 | 1.28 | 1.44 | 1.53 | 1.55 | | | 1.40 | 1.73 | |
| Allowance for loan losses to period-end loans retained | 2.63 | 2.81 | 2.89 | 3.03 | 3.10 | | | 2.63 | 3.10 | |
| Allowance for loan losses to period-end loans retained, | | | | | | | | | | |
| excluding PCI loans (e) | 2.02 | 2.14 | 2.22 | 2.27 | 2.36 | | | 2.02 | 2.36 | |
| Allowance for loan losses to nonaccrual loans | | | | | | | | | | |
| retained, excluding credit card (b)(e) | 58 | 57 | 58 | 55 | 57 | | | 58 | 57 | |
| Nonaccrual loans to total period-end loans, excluding | | | | | | | | | | |
| credit card (d) | 2.38 | 2.51 | 2.64 | 2.75 | 2.80 | | | 2.38 | 2.80 | |
| Nonaccrual loans to total period-end loans, excluding | | | | | | | | | | |
| credit card and PCI loans (b)(d) | 2.88 | 3.07 | 3.25 | 3.42 | 3.49 | | | 2.88 | 3.49 | |
| **BUSINESS METRICS** | | | | | | | | | | |
| **Number of:** | | | | | | | | | | |
| Branches | 5,602 | 5,613 | 5,636 | 5,632 | 5,630 | — | — | 5,602 | 5,630 | — |
| ATMs (f) | 18,056 | 20,513 | 20,394 | 20,370 | 20,290 | (12) | (11) | 18,056 | 20,290 | (11) |
| Active online customers (in thousands) | 36,396 | 35,957 | 35,105 | 35,038 | 33,742 | 1 | 8 | 36,396 | 33,742 | 8 |
| Active mobile customers (in thousands) | 19,084 | 18,351 | 17,201 | 16,405 | 15,629 | 4 | 22 | 19,084 | 15,629 | 22 |

Note: CCB provides several non-GAAP financial measures which exclude the impact of PCI loans. For further discussion of these measures, see page 36 .

(a) Net charge-offs and the net charge-off rates for the three months ended December 31, 2014, September 30, 2014, June 30, 2014, March 31, 2014 and December 31, 2013 excluded $46 million, $87 million, $48 million, $61 million and $53 million, respectively, and $242 million and $53 million for full year 2014 and 2013, respectively, of write-offs in the PCI portfolio. These write-offs decreased the allowance for loan losses for PCI loans. During the fourth quarter of 2014, the Firm recorded a $291 million adjustment to reduce the PCI allowance. For further information, see summary of changes in the allowances on page 34.

(b) Excludes PCI loans. The Firm is recognizing interest income on each pool of PCI loans as they are all performing.

(c) At December 31, 2014 , September 30, 2014 , June 30, 2014 , March 31, 2014 and December 31, 2013 , nonperforming assets excluded: (1) mortgage loans insured by U.S. government agencies of $7.8 billion, $7.8 billion, $8.1 billion, $7.7 billion and $8.4 billion, respectively, that are 90 or more days past due; (2) student loans insured by U.S. government agencies under the Federal Family Education Loan Program ("FFELP") of $367 million, $354 million, $316 million, $387 million and $428 million, respectively, that are 90 or more days past due; (3) real estate owned ("REO") insured by U.S. government agencies of $462 million, $464 million, $528 million, $618 million and $2.0 billion, respectively. These amounts have been excluded based upon the government guarantee. In accordance with new accounting guidance adopted in the third quarter of 2014, effective January 1, 2014, certain REO insured by U.S. government agencies are now being reported in accrued interest and accounts receivable. Adoption of this guidance resulted in the reclassification of $1.6 billion and $1.5 billion of government insured REO from other assets to accrued interest and accounts receivable at June 30, 2014 and March 31, 2014, respectively.

(d) Prior periods were revised to conform with the current presentation.

(e) The allowance for loan losses for PCI loans was $3.3 billion at December 31, 2014 , $3.7 billion at both September 30, 2014 and June 30, 2014 , $4.1 billion at March 31, 2014 and $4.2 billion at December 31, 2013 ; these amounts were also excluded from the applicable ratios.

(f) Includes eATMs, formerly Express Banking Kiosks ("EBK"). Effective January 1, 2014, prior periods were revised to conform with the current presentation.

JPMORGAN CHASE & CO.

## CONSUMER & COMMUNITY BANKING

JPMorgan Chase & Co.

**FINANCIAL HIGHLIGHTS, CONTINUED**

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

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| | 4Q14 | 3Q14 | 2Q14 | 1Q14 | 4Q13 | 3Q14 | 4Q13 | 2014 | 2013 | 2013 |
| **CONSUMER & BUSINESS BANKING** | | | | | | | | | | |
| **INCOME STATEMENT** | | | | | | | | | | |
| **REVENUE** | | | | | | | | | | |
| Lending- and deposit-related fees | $ 776 | $ 796 | $ 747 | $ 691 | $ 744 | (3) % | 4 % | $ 3,010 | $ 2,942 | 2 % |
| Asset management, administration and commissions | 513 | 522 | 507 | 483 | 470 | (2) | 9 | 2,025 | 1,815 | 12 |
| Card income | 414 | 409 | 406 | 376 | 384 | 1 | 8 | 1,605 | 1,495 | 7 |
| All other income | 123 | 127 | 162 | 122 | 122 | (3) | 1 | 534 | 492 | 9 |
| **Noninterest revenue** | **1,826** | **1,854** | **1,822** | **1,672** | **1,720** | (2) | 6 | **7,174** | **6,744** | 6 |
| Net interest income | 2,733 | 2,807 | 2,786 | 2,726 | 2,723 | (3) | — | 11,052 | 10,668 | 4 |
| **Total net revenue** | **4,559** | **4,661** | **4,608** | **4,398** | **4,443** | (2) | 3 | **18,226** | **17,412** | 5 |
| Provision for credit losses | 88 | 75 | 66 | 76 | 108 | 17 | (19) | 305 | 347 | (12) |
| Noninterest expense | 3,026 | 3,032 | 3,026 | 3,065 | 3,029 | — | — | 12,149 | 12,162 | — |
| **Income before income tax expense** | **1,445** | **1,554** | **1,516** | **1,257** | **1,306** | (7) | 11 | **5,772** | **4,903** | 18 |
| **Net income** | **$ 861** | **$ 927** | **$ 904** | **$ 751** | **$ 796** | (7) | 8 | **$ 3,443** | **$ 2,943** | 17 |
| ROE (a) | 31 % | 33 % | 33 % | 27 % | 28 % | | | 31 % | 26 % | |
| Overhead ratio | 66 | 65 | 66 | 70 | 68 | | | 67 | 70 | |
| Equity (period-end and average) | $11,000 | $11,000 | $11,000 | $11,000 | $11,000 | — | — | $ 11,000 | $ 11,000 | — |
| **BUSINESS METRICS** | | | | | | | | | | |
| Business banking origination volume | $ 1,529 | $ 1,649 | $ 1,917 | $ 1,504 | $ 1,298 | (7) | 18 | $ 6,599 | $ 5,148 | 28 |
| Period-end loans | 21,200 | 20,644 | 20,276 | 19,589 | 19,416 | 3 | 9 | 21,200 | 19,416 | 9 |
| Period-end deposits: | | | | | | | | | | |
| Checking | 213,049 | 203,839 | 200,560 | 199,717 | 187,182 | 5 | 14 | 213,049 | 187,182 | 14 |
| Savings | 255,148 | 251,661 | 249,175 | 250,292 | 238,223 | 1 | 7 | 255,148 | 238,223 | 7 |
| Time and other | 21,349 | 23,304 | 24,421 | 25,092 | 26,022 | (8) | (18) | 21,349 | 26,022 | (18) |
| **Total period-end deposits** | **489,546** | **478,804** | **474,156** | **475,101** | **451,427** | 2 | 8 | **489,546** | **451,427** | 8 |
| Average loans | 20,830 | 20,382 | 19,928 | 19,450 | 19,021 | 2 | 10 | 20,152 | 18,844 | 7 |
| Average deposits: | | | | | | | | | | |
| Checking | 207,312 | 201,473 | 197,490 | 189,487 | 182,272 | 3 | 14 | 198,996 | 176,005 | 13 |
| Savings | 253,412 | 250,845 | 249,240 | 243,500 | 236,343 | 1 | 7 | 249,281 | 229,341 | 9 |
| Time and other | 22,113 | 23,845 | 24,832 | 25,478 | 27,354 | (7) | (19) | 24,057 | 29,227 | (18) |
| **Total average deposits** | **482,837** | **476,163** | **471,562** | **458,465** | **445,969** | 1 | 8 | **472,334** | **434,573** | 9 |
| Deposit margin | 2.11 % | 2.20 % | 2.23 % | 2.27 % | 2.29 % | | | 2.21 % | 2.32 % | |
| Average assets | $39,163 | $38,089 | $37,810 | $38,121 | $37,818 | 3 | 4 | $ 38,298 | $ 37,174 | 3 |
| **CREDIT DATA AND QUALITY STATISTICS** | | | | | | | | | | |
| Net charge-offs | $ 85 | $ 75 | $ 69 | $ 76 | $ 102 | 13 | (17) | $ 305 | $ 337 | (9) |
| Net charge-off rate | 1.62 % | 1.46 % | 1.39 % | 1.58 % | 2.13 % | | | 1.51 % | 1.79 % | |
| Allowance for loan losses | $ 703 | $ 703 | $ 703 | $ 707 | $ 707 | — | (1) | $ 703 | $ 707 | (1) |
| Nonperforming assets | 286 | 304 | 335 | 365 | 391 | (6) | (27) | 286 | 391 | (27) |
| **RETAIL BRANCH BUSINESS METRICS** | | | | | | | | | | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Client investment assets | 213,459 | 207,790 | 205,206 | 195,706 | 188,840 | 3 | 13 | 213,459 | 188,840 | 13 |
| % managed accounts | 39 % | 39 % | 38 % | 37 % | 36 % | | | 39 % | 36 % | |
| **Number of:** | | | | | | | | | | |
| Chase Private Client locations | 2,514 | 2,461 | 2,408 | 2,244 | 2,149 | 2 | 17 | 2,514 | 2,149 | 17 |
| Personal bankers | 21,039 | 20,965 | 21,728 | 22,654 | 23,588 | — | (11) | 21,039 | 23,588 | (11) |
| Sales specialists | 3,994 | 4,155 | 4,405 | 4,817 | 5,740 | (4) | (30) | 3,994 | 5,740 | (30) |
| Client advisors | 3,090 | 3,099 | 3,075 | 3,062 | 3,044 | — | 2 | 3,090 | 3,044 | 2 |
| Chase Private Clients | 325,653 | 290,662 | 262,965 | 239,665 | 215,888 | 12 | 51 | 325,653 | 215,888 | 51 |
| Accounts (in thousands) (b) | 30,481 | 30,424 | 30,144 | 29,819 | 29,437 | — | 4 | 30,481 | 29,437 | 4 |

(a) The calculation of ROE is based on net income adjusted for allocated preferred stock dividends. For further information please see page 2.
(b) Includes checking accounts and Chase Liquid® cards.

JPMORGAN CHASE & CO.

## CONSUMER & COMMUNITY BANKING

JPMORGAN CHASE & CO.

**FINANCIAL HIGHLIGHTS, CONTINUED**

**(in millions, except ratio data)**

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| | 4Q14 | 3Q14 | 2Q14 | 1Q14 | 4Q13 | 3Q14 | 4Q13 | 2014 | 2013 | 2013 |
| **MORTGAGE BANKING** | | | | | | | | | | |
| **INCOME STATEMENT** | | | | | | | | | | |
| **REVENUE** | | | | | | | | | | |
| Mortgage fees and related income | $ 854 | $ 902 | $ 1,290 | $ 514 | $ 1,087 | (5) % | (21) % | $ 3,560 | $ 5,195 | (31) % |
| All other income | (9) | 66 | (17) | (3) | 51 | NM | NM | 37 | 283 | (87) |
| **Noninterest revenue** | **845** | **968** | **1,273** | **511** | **1,138** | (13) | (26) | **3,597** | **5,478** | (34) |
| Net interest income | 1,030 | 1,059 | 1,053 | 1,087 | 1,142 | (3) | (10) | 4,229 | 4,758 | (11) |
| **Total net revenue** | **1,875** | **2,027** | **2,326** | **1,598** | **2,280** | (7) | (18) | **7,826** | **10,236** | (24) |
| Provision for credit losses | 13 | (19) | (188) | (23) | (782) | NM | NM | (217) | (2,681) | 92 |
| Noninterest expense | 1,296 | 1,279 | 1,306 | 1,403 | 2,062 | 1 | (37) | 5,284 | 7,602 | (30) |
| **Income before income tax expense** | **566** | **767** | **1,208** | **218** | **1,000** | (26) | (43) | **2,759** | **5,315** | (48) |
| **Net income** | **$ 338** | **$ 465** | **$ 733** | **$ 132** | **$ 593** | (27) | (43) | **$ 1,668** | **$ 3,211** | (48) |
| ROE (a) | 7 % | 10 % | 16 % | 3 % | 11 % | | | 9 % | 16 % | |
| Overhead ratio | 69 | 63 | 56 | 88 | 90 | | | 68 | 74 | |
| Equity (period-end and average) | $18,000 | $18,000 | $18,000 | $18,000 | $19,500 | — | (8) | $ 18,000 | $ 19,500 | (8) |
| **FUNCTIONAL RESULTS** | | | | | | | | | | |
| **Mortgage Production** | | | | | | | | | | |
| Production revenue & other income (b) | $ 332 | $ 275 | $ 251 | $ 202 | $ 383 | 21 | (13) | $ 1,060 | $ 2,973 | (64) |
| Production-related net interest income (b) | 115 | 123 | 91 | 93 | 117 | (7) | (2) | 422 | 635 | (34) |
| **Production-related revenue, excluding repurchase (losses)/benefits** | **447** | **398** | **342** | **295** | **500** | 12 | (11) | **1,482** | **3,608** | (59) |
| Production expense (c) | 374 | 381 | 413 | 478 | 989 | (2) | (62) | 1,646 | 3,088 | (47) |
| **Income, excluding repurchase (losses)/benefits** | **73** | **17** | **(71)** | **(183)** | **(489)** | 329 | NM | **(164)** | **520** | NM |
| Repurchase (losses)/benefits | 131 | 62 | 137 | 128 | 221 | 111 | (41) | 458 | 331 | 38 |
| **Income/(loss) before income tax expense/ (benefit)** | **204** | **79** | **66** | **(55)** | **(268)** | 158 | NM | **294** | **851** | (65) |
| **Mortgage Servicing** | | | | | | | | | | |
| Loan servicing revenue & other income (b) | $ 776 | $ 783 | $ 864 | $ 871 | $ 870 | (1) | (11) | $ 3,294 | $ 3,744 | (12) |
| Servicing-related net interest income (b) | 57 | 81 | 79 | 97 | 95 | (30) | (40) | 314 | 253 | 24 |
| **Servicing-related revenue** | **833** | **864** | **943** | **968** | **965** | (4) | (14) | **3,608** | **3,997** | (10) |
| Changes in MSR asset fair value due to collection/realization of expected cash flows | (209) | (214) | (237) | (245) | (267) | 2 | 22 | (905) | (1,094) | 17 |
| **Net servicing-related revenue** | **624** | **650** | **706** | **723** | **698** | (4) | (11) | **2,703** | **2,903** | (7) |
| Default servicing expense | 353 | 349 | 340 | 364 | 474 | 1 | (26) | 1,406 | 2,069 | (32) |
| Core servicing expense (c) | 207 | 228 | 212 | 218 | 189 | (9) | 10 | 865 | 904 | (4) |
| **Servicing expense** | **560** | **577** | **552** | **582** | **663** | (3) | (16) | **2,271** | **2,973** | (24) |
| **Income/(loss), excluding MSR risk management** | **64** | **73** | **154** | **141** | **35** | (12) | 83 | **432** | **(70)** | NM |
| MSR risk management, including related net interest income/(expense) | (41) | 76 | 338 | (401) | (24) | NM | (71) | (28) | (268) | 90 |
| **Income/(loss) before income tax expense/ (benefit)** | **23** | **149** | **492** | **(260)** | **11** | (85) | 109 | **404** | **(338)** | NM |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Real Estate Portfolios** | | | | | | | | | | |
| Noninterest revenue | $ (144) | $ (14) | $ (79) | $ (45) | $ (45) | NM | (220) | $ (282) | $ (209) | (35) |
| Net interest income | 858 | 855 | 882 | 898 | 930 | - | (8) | 3,493 | 3,871 | (10) |
| **Total net revenue** | **714** | **841** | **803** | **853** | **885** | (15) | (19) | **3,211** | **3,662** | (12) |
| Provision for credit losses | 11 | (19) | (189) | (26) | (783) | NM | NM | (223) | (2,693) | 92 |
| Noninterest expense | 364 | 321 | 342 | 346 | 411 | 13 | (11) | 1,373 | 1,553 | (12) |
| **Income before income tax expense** | **339** | **539** | **650** | **533** | **1,257** | (37) | (73) | **2,061** | **4,802** | (57) |
| **Mortgage Banking income before income tax expense** | **$ 566** | **$ 767** | **$ 1,208** | **$ 218** | **$ 1,000** | (26) | (43) | **$ 2,759** | **$ 5,315** | (48) |
| **Mortgage Banking net income** | **$ 338** | **$ 465** | **$ 733** | **$ 132** | **$ 593** | (27) | (43) | **$ 1,668** | **$ 3,211** | (48) |
| | | | | | | | | | | |
| **Overhead ratios** | | | | | | | | | | |
| Mortgage Production | 65 % | 83 % | 86 % | 113 % | 137 % | | | 85 % | 78 % | |
| Mortgage Servicing | 96 | 79 | 53 | 180 | 98 | | | 85 | 113 | |
| Real Estate Portfolios | 51 | 38 | 43 | 41 | 46 | | | 43 | 42 | |

(a) The calculation of ROE is based on net income adjusted for allocated preferred stock dividends. For further information please see page 2.
(b) Effective April 1, 2014, prior period amounts were revised to conform with the current presentation.
(c) Includes provision for credit losses.

JPMORGAN CHASE & CO.

## CONSUMER & COMMUNITY BANKING

JPMORGAN CHASE & CO.

**FINANCIAL HIGHLIGHTS, CONTINUED**

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

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| **MORTGAGE BANKING (continued)** | **4Q14** | **3Q14** | **2Q14** | **1Q14** | **4Q13** | **3Q14** | **4Q13** | **2014** | **2013** | **2013** |
| **SUPPLEMENTAL MORTGAGE FEES AND RELATED INCOME DETAILS** | | | | | | | | | | |
| Net production revenue: | | | | | | | | | | |
| Production revenue | $ 194 | $ 191 | $ 186 | $ 161 | $ 303 | 2 % | (36) % | $ 732 | $ 2,673 | (73) % |
| Repurchase (losses)/ benefits | 131 | 62 | 137 | 128 | 221 | 111 | (41) | 458 | 331 | 38 |
| **Net production revenue** | **325** | **253** | **323** | **289** | **524** | 28 | (38) | **1,190** | **3,004** | (60) |
| Net mortgage servicing revenue: | | | | | | | | | | |
| Operating revenue: | | | | | | | | | | |
| Loan servicing revenue | 779 | 787 | 867 | 870 | 854 | (1) | (9) | 3,303 | 3,552 | (7) |
| Changes in MSR asset fair value due to collection/ realization of expected cash flows | (209) | (214) | (237) | (245) | (267) | 2 | 22 | (905) | (1,094) | 17 |
| **Total operating revenue** | **570** | **573** | **630** | **625** | **587** | (1) | (3) | **2,398** | **2,458** | (2) |
| Risk management: | | | | | | | | | | |
| Changes in MSR asset fair value due to market interest rates and other (a) | (775) | (101) | (368) | (362) | 421 | NM | NM | (1,606) | 2,119 | NM |
| Other changes in MSR asset fair value due to other inputs and assumptions in model (b) | (22) | 44 | 220 | (460) | (65) | NM | 66 | (218) | (511) | 57 |
| Changes in derivative fair value and other | 756 | 133 | 485 | 422 | (380) | 468 | NM | 1,796 | (1,875) | NM |
| **Total risk management** | **(41)** | **76** | **337** | **(400)** | **(24)** | NM | (71) | **(28)** | **(267)** | 90 |
| **Total net mortgage servicing revenue** | **529** | **649** | **967** | **225** | **563** | (18) | (6) | **2,370** | **2,191** | 8 |
| **Mortgage fees and related income** | **$ 854** | **$ 902** | **$1,290** | **$ 514** | **$1,087** | (5) | (21) | **$ 3,560** | **$ 5,195** | (31) |
| **MORTGAGE PRODUCTION AND MORTGAGE SERVICING** | | | | | | | | | | |
| **SELECTED BALANCE SHEET DATA (period-end)** | | | | | | | | | | |
| Trading assets - loans (c) | $8,423 | $10,750 | $7,409 | $6,869 | $6,832 | (22) | 23 | $ 8,423 | $ 6,832 | 23 |
| Loans: | | | | | | | | | | |
| Prime mortgage, including option ARMs (d) | 13,557 | 14,625 | 14,964 | 15,290 | 15,136 | (7) | (10) | 13,557 | 15,136 | (10) |
| Loans held-for-sale | 314 | 370 | 822 | 238 | 614 | (15) | (49) | 314 | 614 | (49) |
| **SELECTED BALANCE SHEET DATA (average)** | | | | | | | | | | |
| Trading assets - loans (c) | 8,746 | 9,346 | 6,593 | 7,446 | 9,297 | (6) | (6) | 8,040 | 15,603 | (48) |
| Loans: | | | | | | | | | | |
| Prime mortgage, including option ARMs (d) | 13,939 | 15,166 | 15,489 | 15,391 | 15,641 | (8) | (11) | 14,993 | 16,495 | (9) |
| Loans held-for-sale | 407 | 525 | 301 | 341 | 274 | (22) | 49 | 394 | 114 | 246 |
| Average assets | 40,145 | 42,750 | 41,101 | 45,890 | 49,742 | (6) | (19) | 42,456 | 57,131 | (26) |
| Repurchase liability (period-end) | 249 | 362 | 406 | 534 | 651 | (31) | (62) | 249 | 651 | (62) |
| **CREDIT DATA AND QUALITY STATISTICS** | | | | | | | | | | |
| Net charge-offs: | | | | | | | | | | |
| Prime mortgage, including option ARMs | $ 2 | $ — | $ 1 | $ 3 | $ 1 | NM | 100 | $ 6 | $ 12 | (50) |
| Net charge-off rate: | | | | | | | | | | |
| Prime mortgage, including option ARMs | 0.06 % | — % | 0.03 % | 0.08 % | 0.03 % | | | 0.04 % | 0.07 % | |
| 30+ day delinquency rate (e) | 2.06 | 2.06 | 2.16 | 2.34 | 2.75 | | | 2.06 | 2.75 | |
| Nonperforming assets (f)(g) | $ 389 | $ 424 | $ 474 | $ 500 | $ 519 | (8) | (25) | $ 389 | $ 519 | (25) |
| **BUSINESS METRICS (in billions)** | | | | | | | | | | |
| Mortgage origination volume by channel | | | | | | | | | | |
| Retail | $ 7.7 | $ 7.9 | $ 7.2 | $ 6.7 | $ 9.8 | (3) | (21) | $ 29.5 | $ 77.0 | (62) |
| Correspondent (h) | 15.3 | 13.3 | 9.6 | 10.3 | 13.5 | 15 | 13 | 48.5 | 88.5 | (45) |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total mortgage origination volume (i)** | **$ 23.0** | **$ 21.2** | **$ 16.8** | **$ 17.0** | **$ 23.3** | 8 | (1) | **$ 78.0** | **$ 165.5** | (53) |
| Mortgage application volume by channel | | | | | | | | | | |
| Retail | $ 12.5 | $ 12.8 | $ 15.7 | $ 14.6 | $ 15.8 | (2) | (21) | $ 55.6 | $ 108.0 | (49) |
| Correspondent (h) | 20.2 | 17.1 | 14.4 | 11.5 | 15.5 | 18 | 30 | 63.2 | 89.2 | (29) |
| **Total mortgage application volume** | **$ 32.7** | **$ 29.9** | **$ 30.1** | **$ 26.1** | **$ 31.3** | 9 | 4 | **$ 118.8** | **$ 197.2** | (40) |

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

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

(c) Predominantly consists of prime mortgages originated with the intent to sell that are accounted for at fair value.

(d) Predominantly represents prime mortgage loans repurchased from Government National Mortgage Association ("Ginnie Mae") pools, which are insured by U.S. government agencies.

(e) At December 31, 2014 , September 30, 2014 , June 30, 2014 , and December 31, 2013 , excluded mortgage loans insured by U.S. government agencies of $9.7 billion, $9.6 billion, $9.6 billion, $8.8 billion and $9.6 billion, respectively, that are 30 or more days past due. These amounts have been excluded based upon the government guarantee.

(f) At December 31, 2014 , September 30, 2014 , June 30, 2014 , March 31, 2014 and December 31, 2013 , nonperforming assets excluded: (1) mortgage loans insured by U.S. government agencies of $7.8 billion, $7.8 billion, $8.1 billion, $7.7 billion and $8.4 billion, respectively, that are 90 or more days past due and (2) real estate owned ("REO") insured by U.S. government agencies of $462 million, $464 million, $528 million, $618 million and $2.0 billion, respectively. These amounts have been excluded based upon the government guarantee. In accordance with new accounting guidance adopted in the third quarter of 2014, effective January 1, 2014, certain REO insured by U.S. government agencies are now being reported in accrued interest and accounts receivable. Adoption of this guidance resulted in the reclassification of $1.6 billion and $1.5 billion of government insured REO from other assets to accrued interest and accounts receivable at June 30, 2014 and March 31, 2014, respectively.

(g) Prior periods were revised to conform with the current presentation.

(h) Includes rural housing loans sourced through correspondents, and prior to November 2013, through both brokers and correspondents, which are underwritten and closed with pre-funding loan approval from the U.S. Department of Agriculture Rural Development, which acts as the guarantor in the transaction.

(i) Firmwide mortgage origination volume was $24.4 billion, $22.7 billion, $18.0 billion, $18.2 billion and $25.1 billion for the three months ended December 31, 2014 , September 30, 2014 , June 30, 2014 , March 31, 2014 and December 31, 2013 , respectively and $83.3 billion and $176.4 billion for the full year 2014 and 2013, respectively.

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## CONSUMER & COMMUNITY BANKING

JPMORGAN CHASE & CO.

**FINANCIAL HIGHLIGHTS, CONTINUED**

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

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| **MORTGAGE BANKING (continued)** | **4Q14** | **3Q14** | **2Q14** | **1Q14** | **4Q13** | **3Q14** | **4Q13** | **2014** | **2013** | **2013** |
| **MORTGAGE PRODUCTION AND MORTGAGE SERVICING** | | | | | | | | | | |
| **(continued)** | | | | | | | | | | |
| **BUSINESS METRICS (in billions)(continued)** | | | | | | | | | | |
| Third-party mortgage loans serviced (period-end) | $ 751.5 | $ 766.3 | $ 786.2 | $ 803.1 | $ 815.5 | (2) % | (8) % | $ 751.5 | $ 815.5 | (8) % |
| Third-party mortgage loans serviced (average) | 758.9 | 776.3 | 794.7 | 809.3 | 823.3 | (2) | (8) | 784.6 | 837.3 | (6) |
| MSR carrying value (period-end) | 7.4 | 8.2 | 8.3 | 8.5 | 9.6 | (10) | (23) | 7.4 | 9.6 | (23) |
| Ratio of MSR carrying value (period-end) to third-party mortgage loans serviced (period-end) | 0.98 % | 1.07 % | 1.06 % | 1.06 % | 1.18 % | | | 0.98 % | 1.18 % | |
| Ratio of annualized loan servicing-related revenue to third-party mortgage loans serviced (average) | 0.35 | 0.35 | 0.36 | 0.37 | 0.38 | | | 0.36 | 0.40 | |
| MSR revenue multiple (a) | 2.80x | 3.06x | 2.94x | 2.86x | 3.11x | | | 2.72x | 2.95x | |
| **REAL ESTATE PORTFOLIOS** | | | | | | | | | | |
| **BUSINESS METRICS** | | | | | | | | | | |
| **Loans, excluding PCI loans** | | | | | | | | | | |
| Period-end loans owned: | | | | | | | | | | |
| Home equity | $ 50,899 | $ 52,679 | $ 54,485 | $ 56,131 | $ 57,863 | (3) | (12) | $ 50,899 | $ 57,863 | (12) |
| Prime mortgage, including option ARMs | 66,543 | 59,343 | 54,709 | 51,520 | 49,463 | 12 | 35 | 66,543 | 49,463 | 35 |
| Subprime mortgage | 5,083 | 5,547 | 6,636 | 6,869 | 7,104 | (8) | (28) | 5,083 | 7,104 | (28) |
| Other | 477 | 492 | 510 | 529 | 551 | (3) | (13) | 477 | 551 | (13) |
| **Total period-end loans owned** | **$123,002** | **$118,061** | **$116,340** | **$115,049** | **$114,981** | 4 | 7 | **$ 123,002** | **$ 114,981** | 7 |
| Average loans owned: | | | | | | | | | | |
| Home equity | $ 51,803 | $ 53,560 | $ 55,329 | $ 57,015 | $ 58,838 | (3) | (12) | $ 54,410 | $ 62,369 | (13) |
| Prime mortgage, including option ARMs | 63,317 | 57,083 | 53,132 | 50,735 | 48,875 | 11 | 30 | 56,104 | 44,988 | 25 |
| Subprime mortgage | 5,365 | 5,922 | 6,754 | 7,007 | 7,248 | (9) | (26) | 6,257 | 7,687 | (19) |
| Other | 484 | 502 | 520 | 540 | 560 | (4) | (14) | 511 | 588 | (13) |
| **Total average loans owned** | **$120,969** | **$117,067** | **$115,735** | **$115,297** | **$115,521** | 3 | 5 | **$ 117,282** | **$ 115,632** | 1 |
| **PCI loans** | | | | | | | | | | |
| Period-end loans owned: | | | | | | | | | | |
| Home equity | $ 17,095 | $ 17,572 | $ 18,070 | $ 18,525 | $ 18,927 | (3) | (10) | $ 17,095 | $ 18,927 | (10) |
| Prime mortgage | 10,220 | 10,887 | 11,302 | 11,658 | 12,038 | (6) | (15) | 10,220 | 12,038 | (15) |
| Subprime mortgage | 3,673 | 3,790 | 3,947 | 4,062 | 4,175 | (3) | (12) | 3,673 | 4,175 | (12) |
| Option ARMs | 15,708 | 16,238 | 16,799 | 17,361 | 17,915 | (3) | (12) | 15,708 | 17,915 | (12) |
| **Total period-end loans owned** | **$ 46,696** | **$ 48,487** | **$ 50,118** | **$ 51,606** | **$ 53,055** | (4) | (12) | **$ 46,696** | **$ 53,055** | (12) |
| Average loans owned: | | | | | | | | | | |
| Home equity | $ 17,319 | $ 17,806 | $ 18,295 | $ 18,719 | $ 19,152 | (3) | (10) | $ 18,030 | $ 19,950 | (10) |
| Prime mortgage | 10,584 | 11,103 | 11,487 | 11,870 | 12,273 | (5) | (14) | 11,257 | 12,909 | (13) |
| Subprime mortgage | 3,717 | 3,843 | 4,001 | 4,128 | 4,234 | (3) | (12) | 3,921 | 4,416 | (11) |
| Option ARMs | 15,934 | 16,503 | 17,074 | 17,687 | 18,234 | (3) | (13) | 16,794 | 19,236 | (13) |
| **Total average loans owned** | **$ 47,554** | **$ 49,255** | **$ 50,857** | **$ 52,404** | **$ 53,893** | (3) | (12) | **$ 50,002** | **$ 56,511** | (12) |

**Total Real Estate Portfolios**

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Period-end loans owned: | | | | | | | | | | |
| Home equity | $ 67,994 | $ 70,251 | $ 72,555 | $ 74,656 | $ 76,790 | (3) | (11) | $ 67,994 | $ 76,790 | (11) |
| Prime mortgage, including option ARMs | 92,471 | 86,468 | 82,810 | 80,539 | 79,416 | 7 | 16 | 92,471 | 79,416 | 16 |
| Subprime mortgage | 8,756 | 9,337 | 10,583 | 10,931 | 11,279 | (6) | (22) | 8,756 | 11,279 | (22) |
| Other | 477 | 492 | 510 | 529 | 551 | (3) | (13) | 477 | 551 | (13) |
| **Total period-end loans owned** | **$169,698** | **$166,548** | **$166,458** | **$166,655** | **$168,036** | 2 | 1 | **$ 169,698** | **$ 168,036** | 1 |
| Average loans owned: | | | | | | | | | | |
| Home equity | $ 69,122 | $ 71,366 | $ 73,624 | $ 75,734 | $ 77,990 | (3) | (11) | $ 72,440 | $ 82,319 | (12) |
| Prime mortgage, including option ARMs | 89,835 | 84,689 | 81,693 | 80,292 | 79,382 | 6 | 13 | 84,155 | 77,133 | 9 |
| Subprime mortgage | 9,082 | 9,765 | 10,755 | 11,135 | 11,482 | (7) | (21) | 10,178 | 12,103 | (16) |
| Other | 484 | 502 | 520 | 540 | 560 | (4) | (14) | 511 | 588 | (13) |
| **Total average loans owned** | **$168,523** | **$166,322** | **$166,592** | **$167,701** | **$169,414** | 1 | (1) | **$ 167,284** | **$ 172,143** | (3) |
| Average assets | 165,871 | 163,449 | 163,583 | 164,642 | 162,674 | 1 | 2 | 164,387 | 163,898 | — |
| Home equity origination volume | 856 | 789 | 802 | 655 | 643 | 8 | 33 | 3,102 | 2,124 | 46 |

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

(in millions, except ratio data)

JPMORGAN CHASE & CO.

| MORTGAGE BANKING (continued) | QUARTERLY TRENDS 4Q14 | 3Q14 | 2Q14 | 1Q14 | 4Q13 | 4Q14 Change 3Q14 | 4Q14 Change 4Q13 | FULL YEAR 2014 | 2013 | 2014 Change 2013 |
|---|---|---|---|---|---|---|---|---|---|---|
| **REAL ESTATE PORTFOLIOS (continued)** | | | | | | | | | | |
| **CREDIT DATA AND QUALITY STATISTICS** | | | | | | | | | | |
| Net charge-offs/(recoveries), excluding PCI loans (a) | | | | | | | | | | |
| Home equity | $ 87 | $ 95 | $ 125 | $ 166 | $ 179 | (8) % | (51) % | $ 473 | $ 966 | (51) % |
| Prime mortgage, including option ARMs | 32 | 9 | (12) | (7) | (8) | 256 | NM | 22 | 41 | (46) |
| Subprime mortgage | (10) | (25) | (5) | 13 | (6) | 60 | (67) | (27) | 90 | NM |
| Other | 2 | 2 | 3 | 2 | 2 | — | — | 9 | 10 | (10) |
| **Total net charge-offs/(recoveries), excluding PCI loans** | **$ 111** | **$ 81** | **$ 111** | **$ 174** | **$ 167** | 37 | (34) | **$ 477** | **$ 1,107** | (57) |
| Net charge-off/(recovery) rate, excluding PCI loans | | | | | | | | | | |
| Home equity | 0.67 % | 0.70 % | 0.91 % | 1.18 % | 1.21 % | | | 0.87 % | 1.55 % | |
| Prime mortgage, including option ARMs | 0.20 | 0.06 | (0.09) | (0.06) | (0.06) | | | 0.04 | 0.09 | |
| Subprime mortgage | (0.74) | (1.68) | (0.30) | 0.75 | (0.33) | | | (0.43) | 1.17 | |
| Other | 1.64 | 1.58 | 2.31 | 1.50 | 1.42 | | | 1.76 | 1.70 | |
| **Total net charge-off/(recovery) rate, excluding PCI loans** | **0.36** | **0.27** | **0.38** | **0.61** | **0.57** | | | **0.41** | **0.96** | |
| Net charge-off/(recovery) rate - reported (a) | | | | | | | | | | |
| Home equity | 0.50 % | 0.53 % | 0.68 % | 0.89 % | 0.91 % | | | 0.65 % | 1.17 % | |
| Prime mortgage, including option ARMs | 0.14 | 0.04 | (0.06) | (0.04) | (0.04) | | | 0.03 | 0.05 | |
| Subprime mortgage | (0.44) | (1.02) | (0.19) | 0.47 | (0.21) | | | (0.27) | 0.74 | |
| Other | 1.64 | 1.58 | 2.31 | 1.50 | 1.42 | | | 1.76 | 1.70 | |
| **Total net charge-off/(recovery) rate - reported** | **0.26** | **0.19** | **0.27** | **0.42** | **0.39** | | | **0.29** | **0.64** | |
| 30+ day delinquency rate, excluding PCI loans (b) | 2.67 % | 2.85 % | 3.04 % | 3.33 % | 3.66 % | | | 2.67 % | 3.66 % | |
| Allowance for loan losses, excluding PCI loans | $ 2,168 | $ 2,268 | $ 2,368 | $ 2,368 | $ 2,568 | (4) | (16) | $ 2,168 | $ 2,568 | (16) |
| Allowance for PCI loans (a) | 3,325 | 3,662 | 3,749 | 4,097 | 4,158 | (9) | (20) | 3,325 | 4,158 | (20) |
| **Allowance for loan losses** | **$ 5,493** | **$ 5,930** | **$ 6,117** | **$ 6,465** | **$ 6,726** | (7) | (18) | **$ 5,493** | **$ 6,726** | (18) |
| Nonperforming assets (c) | 5,786 | 6,031 | 6,445 | 6,796 | 6,919 | (4) | (16) | 5,786 | 6,919 | (16) |
| Allowance for loan losses to period-end loans retained | 3.24 % | 3.56 % | 3.68 % | 3.88 % | 4.00 % | | | 3.24 % | 4.00 % | |
| Allowance for loan losses to period-end loans retained, excluding PCI loans | 1.76 | 1.92 | 2.04 | 2.06 | 2.23 | | | 1.76 | 2.23 | |

(a) Net charge-offs and the net charge-off rates for the three months ended December 31, 2014, September 30, 2014, June 30, 2014, March 31, 2014 and December 31, 2013 excluded $46 million, $87 million, $48 million, $61 million and $53 million, respectively, and $242 million and $53 million for full year 2014 and 2013, respectively, of write-offs in the PCI portfolio. These write-offs decreased the allowance for loan losses for PCI loans. During the fourth quarter of 2014, the Firm recorded a $291 million adjustment to reduce the PCI allowance. For further information, see summary of changes in the allowances on page 34.

(b) The 30+ day delinquency rate for PCI loans was 13.33%, 13.69%, 14.08%, 14.34% and 15.31%, at December 31, 2014 , September 30, 2014 , June 30, 2014 , March 31, 2014 and December 31, 2013 , respectively.

(c) Excludes PCI loans. The Firm is recognizing interest income on each pool of PCI loans as they are all performing.

JPMORGAN CHASE & CO.

## CONSUMER & COMMUNITY BANKING

JPMorgan Chase & Co.

**FINANCIAL HIGHLIGHTS, CONTINUED**

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

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| | 4Q14 | 3Q14 | 2Q14 | 1Q14 | 4Q13 | 3Q14 | 4Q13 | 2014 | 2013 | 2013 |
| **CARD, MERCHANT SERVICES & AUTO** | | | | | | | | | | |
| **INCOME STATEMENT** | | | | | | | | | | |
| **REVENUE** | | | | | | | | | | |
| Card income | $ 1,053 | $ 1,068 | $ 1,080 | $ 972 | $ 1,134 | (1) % | (7) % | $ 4,173 | $ 4,289 | (3) % |
| All other income | 97 | 324 | 293 | 279 | 272 | (70) | (64) | 993 | 1,041 | (5) |
| **Noninterest revenue** | **1,150** | **1,392** | **1,373** | **1,251** | **1,406** | (17) | (18) | **5,166** | **5,330** | (3) |
| Net interest income | 3,365 | 3,287 | 3,211 | 3,287 | 3,310 | 2 | 2 | 13,150 | 13,559 | (3) |
| **Total net revenue** | **4,515** | **4,679** | **4,584** | **4,538** | **4,716** | (4) | (4) | **18,316** | **18,889** | (3) |
| Provision for credit losses | 849 | 846 | 974 | 763 | 746 | — | 14 | 3,432 | 2,669 | 29 |
| Noninterest expense(a) | 2,089 | 1,994 | 2,124 | 1,969 | 2,230 | 5 | (6) | 8,176 | 8,078 | 1 |
| **Income before income tax expense** | **1,577** | **1,839** | **1,486** | **1,806** | **1,740** | (14) | (9) | **6,708** | **8,142** | (18) |
| **Net income** | **$ 980** | **$ 1,137** | **$ 859** | **$ 1,098** | **$ 1,059** | (14) | (7) | **$ 4,074** | **$ 4,907** | (17) |
| ROE (b) | 20 % | 23 % | 18 % | 23 % | 26 % | | | 21 % | 31 % | |
| Overhead ratio | 46 | 43 | 46 | 43 | 47 | | | 45 | 43 | |
| Equity (period-end and average) | $ 19,000 | $ 19,000 | $ 19,000 | $ 19,000 | $ 15,500 | — | 23 | $ 19,000 | $ 15,500 | 23 |
| **SELECTED BALANCE SHEET DATA (period-end)** | | | | | | | | | | |
| Loans: | | | | | | | | | | |
| Credit Card | $131,048 | $126,959 | $126,129 | $121,816 | $127,791 | 3 | 3 | $ 131,048 | $ 127,791 | 3 |
| Auto | 54,536 | 52,778 | 53,042 | 52,952 | 52,757 | 3 | 3 | 54,536 | 52,757 | 3 |
| Student | 9,351 | 9,661 | 9,992 | 10,316 | 10,541 | (3) | (11) | 9,351 | 10,541 | (11) |
| **Total loans** | **$194,935** | **$189,398** | **$189,163** | **$185,084** | **$191,089** | 3 | 2 | **$ 194,935** | **$ 191,089** | 2 |
| **SELECTED BALANCE SHEET DATA (average)** | | | | | | | | | | |
| Total assets | $205,081 | $202,833 | $200,710 | $201,771 | $200,753 | 1 | 2 | $ 202,609 | $ 198,265 | 2 |
| Loans: | | | | | | | | | | |
| Credit Card | 127,351 | 126,107 | 123,679 | 123,261 | 124,111 | 1 | 3 | 125,113 | 123,613 | 1 |
| Auto | 53,612 | 52,666 | 52,818 | 52,741 | 51,824 | 2 | 3 | 52,961 | 50,748 | 4 |
| Student | 9,519 | 9,837 | 10,155 | 10,449 | 10,668 | (3) | (11) | 9,987 | 11,049 | (10) |
| **Total loans** | **$190,482** | **$188,610** | **$186,652** | **$186,451** | **$186,603** | 1 | 2 | **$ 188,061** | **$ 185,410** | 1 |
| **BUSINESS METRICS** | | | | | | | | | | |
| **Credit Card, excluding Commercial Card** | | | | | | | | | | |
| Sales volume (in billions) | $ 123.6 | $ 119.5 | $ 118.0 | $ 104.5 | $ 112.6 | 3 | 10 | $ 465.6 | $ 419.5 | 11 |
| New accounts opened | 2.4 | 2.2 | 2.1 | 2.1 | 2.4 | 9 | — | 8.8 | 7.3 | 21 |
| Open accounts | 64.6 | 65.5 | 65.8 | 65.5 | 65.3 | (1) | (1) | 64.6 | 65.3 | (1) |
| Accounts with sales activity | 34.0 | 32.1 | 31.8 | 31.0 | 32.3 | 6 | 5 | 34.0 | 32.3 | 5 |
| % of accounts acquired online | 62 % | 56 % | 54 % | 51 % | 59 % | | | 56 % | 55 % | |
| **Merchant Services (Chase Paymentech Solutions)** | | | | | | | | | | |
| Merchant processing volume (in billions) | $ 230.2 | $ 213.3 | $ 209.0 | $ 195.4 | $ 203.4 | 8 | 13 | $ 847.9 | $ 750.1 | 13 |
| Total transactions (in billions) | 10.3 | 9.4 | 9.3 | 9.1 | 9.6 | 10 | 7 | 38.1 | 35.6 | 7 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Auto** | | | | | | | | | | |
| Origination volume (in billions) | $ 6.9 | $ 6.8 | $ 7.1 | $ 6.7 | $ 6.4 | 1 | 8 | $ 27.5 | $ 26.1 | 5 |

(a) Included operating lease depreciation expense of $303 million, $293 million, $284 million, $274 million and $257 million for the three months ended December 31, 2014, September 30, 2014, June 30, 2014, March 31, 2014 and December 31, 2013, and $1.2 billion and $972 million for full year 2014 and 2013, respectively.

(b) The calculation of ROE is based on net income adjusted for allocated preferred stock dividends. For further information please see page 2.

JPMORGAN CHASE & CO.

## CONSUMER & COMMUNITY BANKING

FINANCIAL HIGHLIGHTS, CONTINUED

(in millions, except ratio data)

JPMORGAN CHASE & CO.

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| | 4Q14 | 3Q14 | 2Q14 | 1Q14 | 4Q13 | 3Q14 | 4Q13 | 2014 | 2013 | 2013 |
| **CARD, MERCHANT SERVICES & AUTO (continued)** | | | | | | | | | | |
| **CREDIT DATA AND QUALITY STATISTICS** | | | | | | | | | | |
| Net charge-offs: | | | | | | | | | | |
| Credit Card | $ 858 | $ 798 | $ 885 | $ 888 | $ 891 | 8 % | (4) % | $ 3,429 | $ 3,879 | (12) % |
| Auto | 61 | 50 | 29 | 41 | 51 | 22 | 20 | 181 | 158 | 15 |
| Student | 80 | 98 | 113 | 84 | 104 | (18) | (23) | 375 | 333 | 13 |
| **Total net charge-offs** | **999** | **946** | **1,027** | **1,013** | **1,046** | 6 | (4) | **3,985** | **4,370** | (9) |
| Net charge-off rate: | | | | | | | | | | |
| Credit Card (a) | 2.69 % | 2.52 % | 2.88 % | 2.93 % | 2.86 % | | | 2.75 % | 3.14 % | |
| Auto | 0.45 | 0.38 | 0.22 | 0.32 | 0.39 | | | 0.34 | 0.31 | |
| Student | 3.33 | 3.95 | 4.46 | 3.26 | 3.87 | | | 3.75 | 3.01 | |
| **Total net charge-off rate** | **2.09** | **1.99** | **2.21** | **2.21** | **2.23** | | | **2.12** | **2.36** | |
| **Delinquency rates** | | | | | | | | | | |
| 30+ day delinquency rate: | | | | | | | | | | |
| Credit Card (b) | 1.44 | 1.43 | 1.41 | 1.61 | 1.67 | | | 1.44 | 1.67 | |
| Auto | 1.23 | 0.97 | 0.93 | 0.92 | 1.15 | | | 1.23 | 1.15 | |
| Student (c) | 2.35 | 2.43 | 2.67 | 2.75 | 2.56 | | | 2.35 | 2.56 | |
| **Total 30+ day delinquency rate** | **1.42** | **1.35** | **1.34** | **1.47** | **1.58** | | | **1.42** | **1.58** | |
| 90+ day delinquency rate - Credit Card (b) | 0.70 | 0.67 | 0.69 | 0.80 | 0.80 | | | 0.70 | 0.80 | |
| Nonperforming assets (d) | $ 411 | $ 379 | $ 301 | $ 271 | $ 280 | 8 | 47 | $ 411 | $ 280 | 47 |
| Allowance for loan losses: | | | | | | | | | | |
| Credit Card | 3,439 | 3,590 | 3,594 | 3,591 | 3,795 | (4) | (9) | 3,439 | 3,795 | (9) |
| Auto & Student | 749 | 750 | 850 | 903 | 953 | — | (21) | 749 | 953 | (21) |
| **Total allowance for loan losses** | **4,188** | **4,340** | **4,444** | **4,494** | **4,748** | (4) | (12) | **4,188** | **4,748** | (12) |
| Allowance for loan losses to period-end loans: | | | | | | | | | | |
| Credit Card (b) | 2.69 % | 2.84 % | 2.86 % | 2.96 % | 2.98 % | | | 2.69 % | 2.98 % | |
| Auto & Student | 1.17 | 1.20 | 1.35 | 1.43 | 1.51 | | | 1.17 | 1.51 | |
| **Total allowance for loan losses to period-end loans** | **2.18** | **2.30** | **2.36** | **2.43** | **2.49** | | | **2.18** | **2.49** | |
| **CARD SERVICES SUPPLEMENTAL INFORMATION** | | | | | | | | | | |
| Noninterest revenue | $ 736 | $ 991 | $ 982 | $ 884 | $1,051 | (26) | (30) | $ 3,593 | $ 3,977 | (10) |
| Net interest income | 2,947 | 2,876 | 2,789 | 2,850 | 2,851 | 2 | 3 | 11,462 | 11,638 | (2) |
| **Total net revenue** | **3,683** | **3,867** | **3,771** | **3,734** | **3,902** | (5) | (6) | **15,055** | **15,615** | (4) |
| Provision for credit losses | 708 | 798 | 885 | 688 | 591 | (11) | 20 | 3,079 | 2,179 | 41 |
| Noninterest expense | 1,568 | 1,494 | 1,625 | 1,465 | 1,749 | 5 | (10) | 6,152 | 6,245 | (1) |
| **Income before income tax expense** | **1,407** | **1,575** | **1,261** | **1,581** | **1,562** | (11) | (10) | **5,824** | **7,191** | (19) |
| **Net income** | **$ 879** | **$ 979** | **$ 724** | **$ 965** | **$ 953** | (10) | (8) | **$ 3,547** | **$ 4,340** | (18) |
| Percentage of average loans: | | | | | | | | | | |
| Noninterest revenue | 2.29 % | 3.12 % | 3.18 % | 2.91 % | 3.36 % | | | 2.87 % | 3.22 % | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Net interest income | 9.18 | 9.05 | 9.04 | 9.38 | 9.11 | 9.16 | 9.41 |
| Total net revenue | 11.47 | 12.17 | 12.23 | 12.29 | 12.47 | 12.03 | 12.63 |

(a) Average credit card loans included loans held-for-sale of $976 million, $335 million, $405 million, $315 million and $311 million for the three months ended December 31, 2014 , September 30, 2014, June 30, 2014, March 31, 2014 and December 31, 2013, and $509 million and $95 million for full year 2014 and 2013, respectively. These amounts are excluded when calculating the net charge-off rate.

(b) Period-end credit card loans included loans held-for-sale of $3.0 billion, $395 million, $508 million, $304 million and $326 million at December 31, 2014 , September 30, 2014, June 30, 2014, March 31, 2014, December 31, 2013, respectively. These amounts are excluded when calculating delinquency rates and the allowance for loan losses to period-end loans.

(c) Excluded student loans insured by U.S. government agencies under the FFELP of $654 million, $640 million, $630 million, $687 million and $737 million at December 31, 2014 , September 30, 2014 , June 30, 2014 , March 31, 2014 and December 31, 2013 , respectively, that are 30 or more days past due. These amounts have been excluded based upon the government guarantee.

(d) Nonperforming assets excluded student loans insured by U.S. government agencies under the FFELP of $367 million, $354 million, $316 million, $387 million and $428 million at December 31, 2014 , September 30, 2014 , June 30, 2014 , March 31, 2014 and December 31, 2013 , respectively, that are 90 or more days past due. These amounts have been excluded from nonaccrual loans based upon the government guarantee.

JPMORGAN CHASE & CO.

## CORPORATE & INVESTMENT BANK

JPMORGAN CHASE & CO.

**FINANCIAL HIGHLIGHTS**

**(in millions, except ratio data)**

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| | 4Q14 | 3Q14 | 2Q14 | 1Q14 | 4Q13 | 3Q14 | 4Q13 | 2014 | 2013 | 2013 |
| **INCOME STATEMENT** | | | | | | | | | | |
| **REVENUE** | | | | | | | | | | |
| Investment banking fees | $1,811 | $1,542 | $1,773 | $1,444 | $1,671 | 17 % | 8 % | $ 6,570 | $ 6,331 | 4 % |
| Principal transactions (a) | 712 | 2,567 | 2,782 | 2,886 | (162) | (72) | NM | 8,947 | 9,289 | (4) |
| Lending- and deposit-related fees | 425 | 424 | 449 | 444 | 454 | — | (6) | 1,742 | 1,884 | (8) |
| Asset management, administration and commissions | 1,181 | 1,141 | 1,186 | 1,179 | 1,129 | 4 | 5 | 4,687 | 4,713 | (1) |
| All other income | 420 | 468 | 341 | 283 | 487 | (10) | (14) | 1,512 | 1,593 | (5) |
| **Noninterest revenue** | **4,549** | **6,142** | **6,531** | **6,236** | **3,579** | (26) | 27 | **23,458** | **23,810** | (1) |
| Net interest income | 2,837 | 2,976 | 2,746 | 2,616 | 2,578 | (5) | 10 | 11,175 | 10,976 | 2 |
| **TOTAL NET REVENUE (b)** | **7,386** | **9,118** | **9,277** | **8,852** | **6,157** | (19) | 20 | **34,633** | **34,786** | — |
| Provision for credit losses | (59) | (67) | (84) | 49 | (19) | (12) | 211 | (161) | (232) | (31) |
| **NONINTEREST EXPENSE** | | | | | | | | | | |
| Compensation expense | 2,017 | 2,805 | 2,757 | 2,870 | 2,141 | (28) | (6) | 10,449 | 10,835 | (4) |
| Noncompensation expense | 3,559 | 3,230 | 3,301 | 2,734 | 2,751 | 10 | 29 | 12,824 | 10,909 | 18 |
| **TOTAL NONINTEREST EXPENSE** | **5,576** | **6,035** | **6,058** | **5,604** | **4,892** | (8) | 14 | **23,273** | **21,744** | 7 |
| **Income before income tax expense** | **1,869** | **3,150** | **3,303** | **3,199** | **1,284** | (41) | 46 | **11,521** | **13,274** | (13) |
| Income tax expense | 897 | 1,463 | 1,167 | 1,069 | 343 | (39) | 162 | 4,596 | 4,387 | 5 |
| **NET INCOME** | **$ 972** | **$1,687** | **$2,136** | **$2,130** | **$ 941** | (42) | 3 | **$ 6,925** | **$ 8,887** | (22) |
| **FINANCIAL RATIOS** | | | | | | | | | | |
| ROE (c)(d) | 5 % | 10 % | 13 % | 13 % | 6 % | | | 10 % | 15 % | |
| Overhead ratio (e) | 75 | 66 | 65 | 63 | 79 | | | 67 | 63 | |
| Compensation expense as a percent of total net revenue (f) | 27 | 31 | 30 | 32 | 35 | | | 30 | 31 | |
| **REVENUE BY BUSINESS** | | | | | | | | | | |
| Advisory | $ 434 | $ 413 | $ 397 | $ 383 | $ 434 | 5 | — | $ 1,627 | $ 1,315 | 24 |
| Equity underwriting | 327 | 414 | 477 | 353 | 436 | (21) | (25) | 1,571 | 1,499 | 5 |
| Debt underwriting | 1,050 | 715 | 899 | 708 | 801 | 47 | 31 | 3,372 | 3,517 | (4) |
| **Total investment banking fees** | **1,811** | **1,542** | **1,773** | **1,444** | **1,671** | 17 | 8 | **6,570** | **6,331** | 4 |
| Treasury Services | 1,031 | 1,054 | 1,028 | 1,032 | 998 | (2) | 3 | 4,145 | 4,171 | (1) |
| Lending | 264 | 199 | 342 | 325 | 393 | 33 | (33) | 1,130 | 1,669 | (32) |
| **Total Banking** | **3,106** | **2,795** | **3,143** | **2,801** | **3,062** | 11 | 1 | **11,845** | **12,171** | (3) |
| Fixed Income Markets | 2,533 | 3,743 | 3,673 | 3,899 | 3,281 | (32) | (23) | 13,848 | 15,832 | (13) |
| Equity Markets | 1,105 | 1,252 | 1,189 | 1,315 | 883 | (12) | 25 | 4,861 | 4,803 | 1 |
| Securities Services | 1,094 | 1,088 | 1,147 | 1,022 | 1,031 | 1 | 6 | 4,351 | 4,100 | 6 |
| Credit Adjustments & Other (g) | (452) | 240 | 125 | (185) | (2,100) | NM | 78 | (272) | (2,120) | 87 |
| **Total Markets & Investor Services** | **4,280** | **6,323** | **6,134** | **6,051** | **3,095** | (32) | 38 | **22,788** | **22,615** | 1 |
| **TOTAL NET REVENUE** | **$7,386** | **$9,118** | **$9,277** | **$8,852** | **$6,157** | (19) | 20 | **$ 34,633** | **$ 34,786** | — |

(a) Included FVA (effective fourth quarter 2013) and debt valuation adjustments ("DVA") on OTC derivatives and structured notes, measured at fair value. FVA and DVA gains/(losses) were $(48) million, $373 million, $173 million, $(30) million and $(2.0) billion for the three months ended December 31, 2014 , September 30, 2014 , June 30, 2014 , March 31, 2014 and December 31, 2013 , respectively, and $468 million and

$(1.9) billion for full year 2014 and 2013 , respectively.

(b) Included tax-equivalent adjustments, predominantly due to income tax credits related to affordable housing and alternative energy investments, as well as tax-exempt income from municipal bond investments of $694 million, $611 million, $606 million, $600 million and $681 million for the three months ended December 31, 2014 , September 30, 2014 , June 30, 2014 , March 31, 2014 and December 31, 2013 , respectively, and $2.5 billion and $2.3 billion for full year 2014 and 2013 , respectively.

(c) The calculation of ROE is based on net income adjusted for allocated preferred stock dividends. For further information please see page 2.

(d) Return on equity excluding FVA (effective fourth quarter 2013) and DVA, a non-GAAP financial measure, was 15% for the three months ended December 31, 2013 , and 17% for full year 2013 . For additional information on this measure, see non-GAAP financial measures on page 36 .

(e) Overhead ratio excluding FVA (effective fourth quarter 2013) and DVA, a non-GAAP financial measure, was 60% for the three months ended December 31, 2013 , and 59% for full year 2013 . For additional information on this measure, see non-GAAP financial measures on page 36 .

(f) Compensation expense as a percentage of total net revenue excluding FVA (effective fourth quarter 2013) and DVA, a non-GAAP financial measure, was 26% for the three months ended December 31, 2013 , and 30% for full year 2013 . For additional information on this measure, see non-GAAP financial measures on page 36 .

(g) Consists primarily of credit valuation adjustments (“CVA”) managed by the credit portfolio group, and FVA (effective fourth quarter 2013) and DVA on OTC derivatives and structured notes. Results are presented net of associated hedging activities and net of CVA and FVA amounts allocated to Fixed Income Markets and Equity Markets.

JPMORGAN CHASE & CO.

## CORPORATE & INVESTMENT BANK

JPMORGAN CHASE & CO.

**FINANCIAL HIGHLIGHTS, CONTINUED**

**(in millions, except ratio and headcount data)**

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| | 4Q14 | 3Q14 | 2Q14 | 1Q14 | 4Q13 | 3Q14 | 4Q13 | 2014 | 2013 | 2013 |
| **SELECTED BALANCE SHEET DATA (period-end)** | | | | | | | | | | |
| Assets | $861,819 | $874,321 | $873,288 | $879,992 | $843,577 | (1) % | 2 % | $ 861,819 | $ 843,577 | 2 % |
| Loans: | | | | | | | | | | |
| Loans retained (a) | 96,409 | 95,608 | 99,733 | 96,245 | 95,627 | 1 | 1 | 96,409 | 95,627 | 1 |
| Loans held-for-sale and loans at fair value | 5,567 | 6,724 | 9,048 | 8,421 | 11,913 | (17) | (53) | 5,567 | 11,913 | (53) |
| **Total loans** | **101,976** | **102,332** | **108,781** | **104,666** | **107,540** | — | (5) | **101,976** | **107,540** | (5) |
| Equity | 61,000 | 61,000 | 61,000 | 61,000 | 56,500 | — | 8 | 61,000 | 56,500 | 8 |
| **SELECTED BALANCE SHEET DATA (average)** | | | | | | | | | | |
| Assets | $867,618 | $853,453 | $846,142 | $851,469 | $849,320 | 2 | 2 | $ 854,712 | $ 859,071 | (1) |
| Trading assets - debt and equity instruments | 326,312 | 320,380 | 317,054 | 306,140 | 308,374 | 2 | 6 | 317,535 | 321,585 | (1) |
| Trading assets - derivative receivables | 72,543 | 63,068 | 59,560 | 64,087 | 67,487 | 15 | 7 | 64,833 | 70,353 | (8) |
| Loans: | | | | | | | | | | |
| Loans retained (a) | 95,146 | 95,373 | 96,750 | 95,798 | 101,901 | — | (7) | 95,764 | 104,864 | (9) |
| Loans held-for-sale and loans at fair value | 5,428 | 8,018 | 8,891 | 8,086 | 4,326 | (32) | 25 | 7,599 | 5,158 | 47 |
| **Total loans** | **100,574** | **103,391** | **105,641** | **103,884** | **106,227** | (3) | (5) | **103,363** | **110,022** | (6) |
| Equity | 61,000 | 61,000 | 61,000 | 61,000 | 56,500 | — | 8 | 61,000 | 56,500 | 8 |
| **Headcount** | 51,129 | 51,597 | 51,729 | 51,837 | 52,250 | (1) | (2) | 51,129 | 52,250 | (2) |
| **CREDIT DATA AND QUALITY STATISTICS** | | | | | | | | | | |
| Net charge-offs/(recoveries) | $ (4) | $ (3) | $ (4) | $ (1) | $ (11) | 33 | (64) | $ (12) | $ (78) | (85) |
| Nonperforming assets: | | | | | | | | | | |
| Nonaccrual loans: | | | | | | | | | | |
| Nonaccrual loans retained (a)(b) | 110 | 112 | 111 | 75 | 163 | (2) | (33) | 110 | 163 | (33) |
| Nonaccrual loans held-for-sale and loans at fair value | 11 | 119 | 167 | 176 | 180 | (91) | (94) | 11 | 180 | (94) |
| **Total nonaccrual loans** | **121** | **231** | **278** | **251** | **343** | (48) | (65) | **121** | **343** | (65) |
| Derivative receivables | 275 | 312 | 361 | 392 | 415 | (12) | (34) | 275 | 415 | (34) |
| Assets acquired in loan satisfactions | 67 | 67 | 106 | 110 | 80 | — | (16) | 67 | 80 | (16) |
| **Total nonperforming assets** | **463** | **610** | **745** | **753** | **838** | (24) | (45) | **463** | **838** | (45) |
| Allowance for credit losses: | | | | | | | | | | |
| Allowance for loan losses | 1,034 | 1,083 | 1,112 | 1,187 | 1,096 | (5) | (6) | 1,034 | 1,096 | (6) |
| Allowance for lending-related commitments | 439 | 445 | 479 | 484 | 525 | (1) | (16) | 439 | 525 | (16) |
| **Total allowance for credit losses** | **1,473** | **1,528** | **1,591** | **1,671** | **1,621** | (4) | (9) | **1,473** | **1,621** | (9) |
| Net charge-off/(recovery) rate (a) | (0.02) % | (0.01) % | (0.02) % | — % | (0.04) % | | | (0.01) % | (0.07) % | |
| Allowance for loan losses to period-end loans retained (a) | 1.07 | 1.13 | 1.11 | 1.23 | 1.15 | | | 1.07 | 1.15 | |
| Allowance for loan losses to period-end loans retained, excluding trade finance and conduits (c) | 1.82 | 1.88 | 1.80 | 2.18 | 2.02 | | | 1.82 | 2.02 | |
| Allowance for loan losses to nonaccrual loans retained (a)(b) | 940 | 967 | 1,002 | 1,583 | 672 | | | 940 | 672 | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Nonaccrual loans to total period-end loans | 0.12 | 0.23 | 0.26 | 0.24 | 0.32 | 0.12 | 0.32 |

(a) Loans retained includes credit portfolio loans, trade finance loans, other held-for-investment loans and overdrafts.

(b) Allowance for loan losses of $18 million, $19 million, $22 million, $13 million and $51 million were held against these nonaccrual loans at December 31, 2014 , September 30, 2014 , June 30, 2014 , March 31, 2014 and December 31, 2013 , respectively.

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

## CORPORATE & INVESTMENT BANK

JPMORGAN CHASE & CO.

**FINANCIAL HIGHLIGHTS, CONTINUED**

**(in millions, except rankings data and where otherwise noted)**

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| | 4Q14 | 3Q14 | 2Q14 | 1Q14 | 4Q13 | 3Q14 | 4Q13 | 2014 | 2013 | 2013 |
| **BUSINESS METRICS** | | | | | | | | | | |
| Assets under custody ("AUC") (period-end) (in billions) | $20,549 | $21,245 | $21,659 | $21,135 | $20,485 | (3) % | — % | $ 20,549 | $ 20,485 | — % |
| Client deposits and other third-party liabilities (average) | 433,822 | 419,576 | 403,268 | 412,551 | 421,615 | 3 | 3 | 417,369 | 383,667 | 9 |
| Trade finance loans (period-end) | 25,713 | 27,510 | 28,291 | 32,491 | 30,752 | (7) | (16) | 25,713 | 30,752 | (16) |
| **95% Confidence Level - Total CIB VaR (average)** | | | | | | | | | | |
| **CIB trading VaR by risk type: (a)** | | | | | | | | | | |
| Fixed income | $ 33 | $ 28 | $ 38 | $ 36 | $ 39 | 18 | (15) | $ 34 | $ 43 | (21) |
| Foreign exchange | 8 | 8 | 8 | 7 | 7 | — | 14 | 8 | 7 | 14 |
| Equities | 16 | 14 | 14 | 14 | 13 | 14 | 23 | 15 | 13 | 15 |
| Commodities and other | 6 | 7 | 9 | 11 | 15 | (14) | (60) | 8 | 14 | (43) |
| Diversification benefit to CIB trading VaR (b) | (30) | (26) | (30) | (32) | (36) | (15) | 17 | (30) | (34) | 12 |
| **CIB trading VaR (a)** | **33** | **31** | **39** | **36** | **38** | 6 | (13) | **35** | **43** | (19) |
| Credit portfolio VaR (c) | 17 | 10 | 10 | 13 | 11 | 70 | 55 | 13 | 13 | — |
| Diversification benefit to CIB VaR (b) | (10) | (6) | (6) | (7) | (7) | (67) | (43) | (8) | (9) | 11 |
| **CIB VaR (a)** | **$ 40** | **$ 35** | **$ 43** | **$ 42** | **$ 42** | 14 | (5) | **$ 40** | **$ 47** | (15) |

(a) CIB trading VaR includes substantially all market-making and client-driven activities, as well as certain risk management activities in CIB, including credit spread sensitivity to CVA. For further information, see VaR measurement on pages 144-146 of the 2013 Annual Report and on pages 67-69 of the Firm's third quarter 2014 Form 10-Q.

(b) Average portfolio VaR was less than the sum of the VaR of the components described above, which is due to portfolio diversification. The diversification effect reflects the fact that the risks were not perfectly correlated.

(c) Credit portfolio VaR includes the derivative CVA, hedges of the CVA and hedges of the retained loan portfolio, which are reported in principal transactions revenue. This VaR does not include the retained loan portfolio, which is not reported at fair value.

JPMORGAN CHASE & CO.

## COMMERCIAL BANKING

FINANCIAL HIGHLIGHTS

(in millions, except ratio data)

JPMORGAN CHASE & CO.

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| | 4Q14 | 3Q14 | 2Q14 | 1Q14 | 4Q13 | 3Q14 | 4Q13 | 2014 | 2013 | 2013 |
| **INCOME STATEMENT** | | | | | | | | | | |
| **REVENUE** | | | | | | | | | | |
| Lending- and deposit-related fees | $ 239 | $ 241 | $ 252 | $ 246 | $ 253 | (1) % | (6) % | $ 978 | $ 1,033 | (5) % |
| Asset management, administration and commissions | 22 | 21 | 26 | 23 | 26 | 5 | (15) | 92 | 116 | (21) |
| All other income (a) | 382 | 309 | 299 | 289 | 345 | 24 | 11 | 1,279 | 1,149 | 11 |
| **Noninterest revenue** | **643** | **571** | **577** | **558** | **624** | 13 | 3 | **2,349** | **2,298** | 2 |
| Net interest income (b) | 1,127 | 1,132 | 1,154 | 1,120 | 1,252 | — | (10) | 4,533 | 4,794 | (5) |
| **TOTAL NET REVENUE (c)** | **1,770** | **1,703** | **1,731** | **1,678** | **1,876** | 4 | (6) | **6,882** | **7,092** | (3) |
| Provision for credit losses | (48) | (79) | (67) | 5 | 43 | (39) | NM | (189) | 85 | NM |
| **NONINTEREST EXPENSE** | | | | | | | | | | |
| Compensation expense | 303 | 301 | 292 | 307 | 252 | 1 | 20 | 1,203 | 1,115 | 8 |
| Noncompensation expense | 363 | 367 | 383 | 379 | 401 | (1) | (9) | 1,492 | 1,495 | — |
| **TOTAL NONINTEREST EXPENSE** | **666** | **668** | **675** | **686** | **653** | — | 2 | **2,695** | **2,610** | 3 |
| **Income before income tax expense** | **1,152** | **1,114** | **1,123** | **987** | **1,180** | 3 | (2) | **4,376** | **4,397** | — |
| Income tax expense | 459 | 443 | 446 | 393 | 469 | 4 | (2) | 1,741 | 1,749 | — |
| **NET INCOME** | **$ 693** | **$ 671** | **$ 677** | **$ 594** | **$ 711** | 3 | (3) | **$ 2,635** | **$ 2,648** | — |
| **Revenue by product:** | | | | | | | | | | |
| Lending (b) | $ 896 | $ 883 | $ 907 | $ 890 | $1,038 | 1 | (14) | $ 3,576 | $ 3,945 | (9) |
| Treasury services | 599 | 612 | 627 | 610 | 612 | (2) | (2) | 2,448 | 2,429 | 1 |
| Investment banking | 206 | 166 | 166 | 146 | 170 | 24 | 21 | 684 | 575 | 19 |
| Other | 69 | 42 | 31 | 32 | 56 | 64 | 23 | 174 | 143 | 22 |
| **Total Commercial Banking net revenue** | **$1,770** | **$1,703** | **$1,731** | **$1,678** | **$1,876** | 4 | (6) | **$ 6,882** | **$ 7,092** | (3) |
| Investment banking revenue, gross (d) | $ 557 | $ 501 | $ 481 | $ 447 | $ 502 | 11 | 11 | $ 1,986 | $ 1,676 | 18 |
| **Revenue by client segment:** | | | | | | | | | | |
| Middle Market Banking | $ 705 | $ 699 | $ 724 | $ 710 | $ 758 | 1 | (7) | $ 2,838 | $ 3,075 | (8) |
| Corporate Client Banking | 511 | 489 | 483 | 452 | 494 | 4 | 3 | 1,935 | 1,851 | 5 |
| Commercial Term Lending | 313 | 312 | 313 | 314 | 304 | — | 3 | 1,252 | 1,239 | 1 |
| Real Estate Banking (b) | 120 | 124 | 132 | 119 | 209 | (3) | (43) | 495 | 561 | (12) |
| Other | 121 | 79 | 79 | 83 | 111 | 53 | 9 | 362 | 366 | (1) |
| **Total Commercial Banking net revenue** | **$1,770** | **$1,703** | **$1,731** | **$1,678** | **$1,876** | 4 | (6) | **$ 6,882** | **$ 7,092** | (3) |
| **FINANCIAL RATIOS** | | | | | | | | | | |
| ROE (e) | 19 % | 18 % | 19 % | 17 % | 20 % | | | 18 % | 19 % | |
| Overhead ratio | 38 | 39 | 39 | 41 | 35 | | | 39 | 37 | |

(a) Includes revenue from investment banking products and commercial card transactions.

(b) The fourth quarter of 2013 included proceeds of $98 million from a lending-related workout.

(c) Total net revenue included tax-equivalent adjustments from income tax credits related to equity investments in designated community development entities that provide loans to qualified businesses in low-income communities, as well as tax-exempt income from municipal bond activity of $145 million, $108 million, $105 million, $104 million and $129 million for the three months ended December 31, 2014, September 30, 2014, June 30, 2014, March 31, 2014 and December 31, 2013, respectively, and $462 million and $407 million for the full year 2014 and 2013, respectively.

(d) Represents the total revenue from investment banking products sold to CB clients.

(e) The calculation of ROE is based on net income adjusted for allocated preferred stock dividends. For further information please see page 2.

JPMORGAN CHASE & CO.

## COMMERCIAL BANKING

JPMORGAN CHASE & CO.

**FINANCIAL HIGHLIGHTS, CONTINUED**

**(in millions, except headcount and ratio data)**

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| | 4Q14 | 3Q14 | 2Q14 | 1Q14 | 4Q13 | 3Q14 | 4Q13 | 2014 | 2013 | 2013 |
| **SELECTED BALANCE SHEET DATA (period-end)** | | | | | | | | | | |
| Total assets | $195,267 | $191,563 | $192,523 | $191,389 | $190,782 | 2 % | 2 % | $ 195,267 | $ 190,782 | 2 % |
| Loans: | | | | | | | | | | |
| Loans retained | 147,661 | 143,490 | 141,181 | 138,088 | 135,750 | 3 | 9 | 147,661 | 135,750 | 9 |
| Loans held-for-sale and loans at fair value | 845 | 353 | 1,094 | 848 | 1,388 | 139 | (39) | 845 | 1,388 | (39) |
| **Total loans** | **$148,506** | **$143,843** | **$142,275** | **$138,936** | **$137,138** | 3 | 8 | **$ 148,506** | **$ 137,138** | 8 |
| Equity | 14,000 | 14,000 | 14,000 | 14,000 | 13,500 | — | 4 | 14,000 | 13,500 | 4 |
| **Period-end loans by client segment:** | | | | | | | | | | |
| Middle Market Banking | $ 53,635 | $ 53,015 | $ 53,247 | $ 52,496 | $ 52,289 | 1 | 3 | $ 53,635 | $ 52,289 | 3 |
| Corporate Client Banking | 22,695 | 21,138 | 21,585 | 20,479 | 20,925 | 7 | 8 | 22,695 | 20,925 | 8 |
| Commercial Term Lending | 54,038 | 52,235 | 50,986 | 49,973 | 48,925 | 3 | 10 | 54,038 | 48,925 | 10 |
| Real Estate Banking | 13,298 | 12,818 | 11,903 | 11,615 | 11,024 | 4 | 21 | 13,298 | 11,024 | 21 |
| Other | 4,840 | 4,637 | 4,554 | 4,373 | 3,975 | 4 | 22 | 4,840 | 3,975 | 22 |
| **Total Commercial Banking loans** | **$148,506** | **$143,843** | **$142,275** | **$138,936** | **$137,138** | 3 | 8 | **$ 148,506** | **$ 137,138** | 8 |
| **SELECTED BALANCE SHEET DATA (average)** | | | | | | | | | | |
| Total assets | $191,664 | $190,678 | $192,363 | $192,748 | $189,710 | 1 | 1 | $ 191,857 | $ 185,776 | 3 |
| Loans: | | | | | | | | | | |
| Loans retained | 145,184 | 142,139 | 139,848 | 136,651 | 134,490 | 2 | 8 | 140,982 | 131,100 | 8 |
| Loans held-for-sale and loans at fair value | 467 | 649 | 982 | 1,039 | 1,070 | (28) | (56) | 782 | 930 | (16) |
| **Total loans** | **$145,651** | **$142,788** | **$140,830** | **$137,690** | **$135,560** | 2 | 7 | **$ 141,764** | **$ 132,030** | 7 |
| Client deposits and other third-party liabilities | 208,424 | 204,654 | 199,979 | 202,944 | 205,335 | 2 | 2 | 204,017 | 198,356 | 3 |
| Equity | 14,000 | 14,000 | 14,000 | 14,000 | 13,500 | — | 4 | 14,000 | 13,500 | 4 |
| **Average loans by client segment:** | | | | | | | | | | |
| Middle Market Banking | $ 52,557 | $ 52,704 | $ 52,763 | $ 51,742 | $ 51,730 | — | 2 | $ 52,444 | $ 51,830 | 1 |
| Corporate Client Banking | 22,390 | 21,752 | 21,435 | 20,837 | 21,012 | 3 | 7 | 21,608 | 20,918 | 3 |
| Commercial Term Lending | 53,024 | 51,567 | 50,451 | 49,395 | 48,313 | 3 | 10 | 51,120 | 45,989 | 11 |
| Real Estate Banking | 12,901 | 12,268 | 11,724 | 11,408 | 10,675 | 5 | 21 | 12,080 | 9,582 | 26 |
| Other | 4,779 | 4,497 | 4,457 | 4,308 | 3,830 | 6 | 25 | 4,512 | 3,711 | 22 |
| **Total Commercial Banking loans** | **$145,651** | **$142,788** | **$140,830** | **$137,690** | **$135,560** | 2 | 7 | **$ 141,764** | **$ 132,030** | 7 |
| **Headcount** | 7,262 | 7,253 | 7,155 | 6,976 | 6,848 | — | 6 | 7,262 | 6,848 | 6 |
| **CREDIT DATA AND QUALITY STATISTICS** | | | | | | | | | | |
| Net charge-offs/(recoveries) | $ 28 | $ 5 | $ (26) | $ (14) | $ 25 | 460 | 12 | $ (7) | $ 43 | NM |
| **Nonperforming assets** | | | | | | | | | | |
| Nonaccrual loans: | | | | | | | | | | |
| Nonaccrual loans retained (a) | 317 | 361 | 429 | 468 | 471 | (12) | (33) | 317 | 471 | (33) |
| Nonaccrual loans held-for-sale and loans at fair value | 14 | 14 | 17 | 17 | 43 | — | (67) | 14 | 43 | (67) |
| **Total nonaccrual loans** | **331** | **375** | **446** | **485** | **514** | (12) | (36) | **331** | **514** | (36) |
| Assets acquired in loan satisfactions | 10 | 11 | 12 | 20 | 15 | (9) | (33) | 10 | 15 | (33) |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total nonperforming assets** | **341** | **386** | **458** | **505** | **529** | (12) | (36) | **341** | **529** | (36) |
| Allowance for credit losses: | | | | | | | | | | |
| Allowance for loan losses | 2,466 | 2,529 | 2,637 | 2,690 | 2,669 | (2) | (8) | 2,466 | 2,669 | (8) |
| Allowance for lending-related commitments | 165 | 178 | 155 | 141 | 142 | (7) | 16 | 165 | 142 | 16 |
| **Total allowance for credit losses** | **2,631** | **2,707** | **2,792** | **2,831** | **2,811** | (3) | (6) | **2,631** | **2,811** | (6) |
| Net charge-off/(recovery) rate (b) | 0.08 % | 0.01 % | (0.07) % | (0.04) % | 0.07 % | | | — % | 0.03 % | |
| Allowance for loan losses to period-end loans retained | 1.67 | 1.76 | 1.87 | 1.95 | 1.97 | | | 1.67 | 1.97 | |
| Allowance for loan losses to nonaccrual loans retained (a) | 778 | 701 | 615 | 575 | 567 | | | 778 | 567 | |
| Nonaccrual loans to total period-end loans | 0.22 | 0.26 | 0.31 | 0.35 | 0.37 | | | 0.22 | 0.37 | |

(a) Allowance for loan losses of $45 million, $71 million, $75 million, $86 million and $81 million was held against nonaccrual loans retained at December 31, 2014, September 30, 2014, June 30, 2014, March 31, 2014 and December 31, 2013, respectively.

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

JPMORGAN CHASE & CO.

## ASSET MANAGEMENT

JPMORGAN CHASE & CO.

**FINANCIAL HIGHLIGHTS**

**(in millions, except ratio and headcount data)**

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| | 4Q14 | 3Q14 | 2Q14 | 1Q14 | 4Q13 | 3Q14 | 4Q13 | 2014 | 2013 | 2013 |
| **INCOME STATEMENT** | | | | | | | | | | |
| **REVENUE** | | | | | | | | | | |
| Asset management, administration and commissions | $2,419 | $2,263 | $2,242 | $2,100 | $2,314 | 7 % | 5 % | $ 9,024 | $ 8,232 | 10 % |
| All other income | 149 | 159 | 138 | 118 | 280 | (6) | (47) | 564 | 797 | (29) |
| **Noninterest revenue** | **2,568** | **2,422** | **2,380** | **2,218** | **2,594** | 6 | (1) | **9,588** | **9,029** | 6 |
| Net interest income | 632 | 624 | 602 | 582 | 606 | 1 | 4 | 2,440 | 2,376 | 3 |
| **TOTAL NET REVENUE** | **3,200** | **3,046** | **2,982** | **2,800** | **3,200** | 5 | — | **12,028** | **11,405** | 5 |
| Provision for credit losses | 3 | 9 | 1 | (9) | 21 | (67) | (86) | 4 | 65 | (94) |
| **NONINTEREST EXPENSE** | | | | | | | | | | |
| Compensation expense | 1,317 | 1,278 | 1,231 | 1,256 | 1,343 | 3 | (2) | 5,082 | 4,875 | 4 |
| Noncompensation expense | 1,003 | 803 | 831 | 819 | 902 | 25 | 11 | 3,456 | 3,141 | 10 |
| **TOTAL NONINTEREST EXPENSE** | **2,320** | **2,081** | **2,062** | **2,075** | **2,245** | 11 | 3 | **8,538** | **8,016** | 7 |
| **Income before income tax expense** | **877** | **956** | **919** | **734** | **934** | (8) | (6) | **3,486** | **3,324** | 5 |
| Income tax expense | 337 | 366 | 350 | 280 | 353 | (8) | (5) | 1,333 | 1,241 | 7 |
| **NET INCOME** | **$ 540** | **$ 590** | **$ 569** | **$ 454** | **$ 581** | (8) | (7) | **$ 2,153** | **$ 2,083** | 3 |
| **REVENUE BY LINE OF BUSINESS** | | | | | | | | | | |
| Global Investment Management | $1,740 | $1,609 | $1,560 | $1,418 | $1,799 | 8 | (3) | $ 6,327 | $ 5,951 | 6 |
| Global Wealth Management | 1,460 | 1,437 | 1,422 | 1,382 | 1,401 | 2 | 4 | 5,701 | 5,454 | 5 |
| **TOTAL NET REVENUE** | **$3,200** | **$3,046** | **$2,982** | **$2,800** | **$3,200** | 5 | — | **$ 12,028** | **$ 11,405** | 5 |
| **FINANCIAL RATIOS** | | | | | | | | | | |
| ROE (a) | 23 % | 25 % | 25 % | 20 % | 25 % | | | 23 % | 23 % | |
| Overhead ratio | 73 | 68 | 69 | 74 | 70 | | | 71 | 70 | |
| Pretax margin ratio: | | | | | | | | | | |
| Global Investment Management | 31 | 35 | 32 | 26 | 36 | | | 31 | 32 | |
| Global Wealth Management | 24 | 27 | 29 | 26 | 20 | | | 27 | 26 | |
| Asset Management | 27 | 31 | 31 | 26 | 29 | | | 29 | 29 | |
| **Headcount** | 19,735 | 19,653 | 20,322 | 20,056 | 20,048 | — | (2) | 19,735 | 20,048 | (2) |
| Number of client advisors | 2,836 | 2,873 | 2,828 | 2,925 | 2,962 | (1) | (4) | 2,836 | 2,962 | (4) |

(a) The calculation of ROE is based on net income adjusted for allocated preferred stock dividends. For further information please see page 2.

## ASSET MANAGEMENT

JPMORGAN CHASE & CO.

**FINANCIAL HIGHLIGHTS, CONTINUED**

**(in millions, except ratio data)**

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| | 4Q14 | 3Q14 | 2Q14 | 1Q14 | 4Q13 | 3Q14 | 4Q13 | 2014 | 2013 | 2013 |
| **SELECTED BALANCE SHEET DATA (period-end)** | | | | | | | | | | |
| Total assets | $128,701 | $130,296 | $128,362 | $124,478 | $122,414 | (1) % | 5 % | $ 128,701 | $ 122,414 | 5 % |
| Loans (a) | 104,279 | 102,411 | 100,907 | 96,934 | 95,445 | 2 | 9 | 104,279 | 95,445 | 9 |
| Deposits | 155,247 | 150,268 | 145,655 | 147,760 | 146,183 | 3 | 6 | 155,247 | 146,183 | 6 |
| Equity | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | — | — | 9,000 | 9,000 | — |
| **SELECTED BALANCE SHEET DATA (average)** | | | | | | | | | | |
| Total assets | $129,029 | $128,477 | $125,492 | $122,668 | $119,041 | — | 8 | $ 126,440 | $ 113,198 | 12 |
| Loans | 103,336 | 101,427 | 98,695 | 95,661 | 92,712 | 2 | 11 | 99,805 | 86,066 | 16 |
| Deposits | 152,022 | 151,240 | 147,747 | 149,432 | 144,027 | 1 | 6 | 150,121 | 139,707 | 7 |
| Equity | 9,000 | 9,000 | 9,000 | 9,000 | 9,000 | — | — | 9,000 | 9,000 | — |
| **CREDIT DATA AND QUALITY STATISTICS** | | | | | | | | | | |
| Net charge-offs | $ 3 | $ 11 | $ (13) | $ 5 | $ 4 | (73) | (25) | $ 6 | $ 40 | (85) |
| Nonaccrual loans | 218 | 184 | 182 | 204 | 167 | 18 | 31 | 218 | 167 | 31 |
| Allowance for credit losses: | | | | | | | | | | |
| Allowance for loan losses | 271 | 273 | 276 | 263 | 278 | (1) | (3) | 271 | 278 | (3) |
| Allowance for lending-related commitments | 5 | 4 | 5 | 5 | 5 | 25 | — | 5 | 5 | — |
| **Total allowance for credit losses** | **276** | **277** | **281** | **268** | **283** | — | (2) | **276** | **283** | (2) |
| Net charge-off/(recovery) rate | 0.01 % | 0.04 % | (0.05) % | 0.02 % | 0.02 % | | | 0.01 % | 0.05 % | |
| Allowance for loan losses to period-end loans | 0.26 | 0.27 | 0.27 | 0.27 | 0.29 | | | 0.26 | 0.29 | |
| Allowance for loan losses to nonaccrual loans | 124 | 148 | 152 | 129 | 166 | | | 124 | 166 | |
| Nonaccrual loans to period-end loans | 0.21 | 0.18 | 0.18 | 0.21 | 0.17 | | | 0.21 | 0.17 | |

(a) Included $22.1 billion , $21.3 billion , $20.4 billion , $19.7 billion and $18.9 billion of prime mortgage loans reported in the Consumer, excluding credit card, loan portfolio at December 31, 2014, September 30, 2014, June 30, 2014, March 31, 2014 and December 31, 2013, respectively. For the same periods, excluded $2.7 billion , $3.0 billion , $3.2 billion , $3.4 billion and $3.7 billion of prime mortgage loans reported in the CIO portfolio within the Corporate/Private Equity segment, respectively.

JPMORGAN CHASE & CO.

## ASSET MANAGEMENT

FINANCIAL HIGHLIGHTS, CONTINUED

(in billions)

JPMORGAN CHASE & CO.

| | | | | | | Dec 31, 2014 Change | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **CLIENT ASSETS** | **Dec 31, 2014** | **Sep 30, 2014** | **Jun 30, 2014** | **Mar 31, 2014** | **Dec 31, 2013** | **Sep 30, 2014** | **Dec 31, 2013** | **2014** | **2013** | **2014 Change 2013** |
| **Assets by asset class** | | | | | | | | | | |
| Liquidity | $ 461 | $ 440 | $ 435 | $ 444 | $ 451 | 5 % | 2 % | $ 461 | $ 451 | 2 % |
| Fixed income | 359 | 359 | 367 | 340 | 330 | — | 9 | 359 | 330 | 9 |
| Equity | 375 | 372 | 390 | 373 | 370 | 1 | 1 | 375 | 370 | 1 |
| Multi-asset and alternatives | 549 | 540 | 515 | 491 | 447 | 2 | 23 | 549 | 447 | 23 |
| **TOTAL ASSETS UNDER MANAGEMENT** | **1,744** | **1,711** | **1,707** | **1,648** | **1,598** | 2 | 9 | **1,744** | **1,598** | 9 |
| Custody/brokerage/administration/deposits | 643 | 633 | 766 | 746 | 745 | 2 | (14) | 643 | 745 | (14) |
| **TOTAL CLIENT ASSETS** | **$ 2,387** | **$ 2,344** | **$ 2,473** | **$ 2,394** | **$ 2,343** | 2 | 2 | **$ 2,387** | **$ 2,343** | 2 |
| **MEMO:** | | | | | | | | | | |
| Alternatives client assets (a) | $ 166 | $ 166 | $ 163 | $ 160 | $ 158 | — | 5 | $ 166 | $ 158 | 5 |
| **Assets by client segment** | | | | | | | | | | |
| Private Banking | $ 428 | $ 429 | $ 383 | $ 377 | $ 361 | — | 19 | $ 428 | $ 361 | 19 |
| Institutional | 827 | 799 | 798 | 773 | 777 | 4 | 6 | 827 | 777 | 6 |
| Retail | 489 | 483 | 526 | 498 | 460 | 1 | 6 | 489 | 460 | 6 |
| **TOTAL ASSETS UNDER MANAGEMENT** | **$ 1,744** | **$ 1,711** | **$ 1,707** | **$ 1,648** | **$ 1,598** | 2 | 9 | **$ 1,744** | **$ 1,598** | 9 |
| Private Banking | $ 1,057 | $ 1,052 | $ 1,012 | $ 992 | $ 977 | — | 8 | $ 1,057 | $ 977 | 8 |
| Institutional | 835 | 803 | 798 | 773 | 777 | 4 | 7 | 835 | 777 | 7 |
| Retail | 495 | 489 | 663 | 629 | 589 | 1 | (16) | 495 | 589 | (16) |
| **TOTAL CLIENT ASSETS** | **$ 2,387** | **$ 2,344** | **$ 2,473** | **$ 2,394** | **$ 2,343** | 2 | 2 | **$ 2,387** | **$ 2,343** | 2 |
| **Assets under management rollforward** | | | | | | | | | | |
| Beginning balance | $ 1,711 | $ 1,707 | $ 1,648 | $ 1,598 | $ 1,540 | | | $ 1,598 | $ 1,426 | |
| Net asset flows: | | | | | | | | | | |
| Liquidity | 27 | 8 | (11) | (6) | 7 | | | 18 | (4) | |
| Fixed income | 4 | 4 | 20 | 5 | 1 | | | 33 | 8 | |
| Equity | 2 | — | — | 3 | 5 | | | 5 | 34 | |
| Multi-asset and alternatives | 4 | 12 | 14 | 12 | 10 | | | 42 | 48 | |
| Market/performance/other impacts | (4) | (20) | 36 | 36 | 35 | | | 48 | 86 | |
| **Ending balance** | **$ 1,744** | **$ 1,711** | **$ 1,707** | **$ 1,648** | **$ 1,598** | | | **$ 1,744** | **$ 1,598** | |
| **Client assets rollforward** | | | | | | | | | | |
| Beginning balance | $ 2,344 | $ 2,473 | $ 2,394 | $ 2,343 | $ 2,246 | | | $ 2,343 | $ 2,095 | |
| Net asset flows | 47 | 35 | 21 | 15 | 25 | | | 118 | 80 | |
| Market/performance/other impacts | (4) | (164) | 58 | 36 | 72 | | | (74) | 168 | |
| **Ending balance** | **$ 2,387** | **$ 2,344** | **$ 2,473** | **$ 2,394** | **$ 2,343** | | | **$ 2,387** | **$ 2,343** | |

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

JPMORGAN CHASE & CO.

## CORPORATE/PRIVATE EQUITY

JPMorgan Chase & Co.

**FINANCIAL HIGHLIGHTS**

**(in millions, except headcount data)**

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| | 4Q14 | 3Q14 | 2Q14 | 1Q14 | 4Q13 | 3Q14 | 4Q13 | 2014 | 2013 | 2013 |
| **INCOME STATEMENT** | | | | | | | | | | |
| **REVENUE** | | | | | | | | | | |
| Principal transactions | $ 509 | $ 310 | $ 28 | $ 350 | $ 54 | 64 % | NM % | $ 1,197 | $ 563 | 113 % |
| Securities gains | 28 | 6 | 11 | 26 | 7 | 367 | 300 | 71 | 666 | (89) |
| All other income | 110 | 134 | 312 | 148 | 1,894 (c) | (18) | (94) | 704 | 1,864 | (62) |
| **Noninterest revenue** | **647** | **450** | **351** | **524** | **1,955** | 44 | (67) | **1,972** | **3,093** | (36) |
| Net interest income | (400) | (525) | (510) | (525) | (515) | 24 | 22 | (1,960) | (3,115) | 37 |
| **TOTAL NET REVENUE (a)** | **247** | **(75)** | **(159)** | **(1)** | **1,440** | NM | (83) | **12** | **(22)** | NM |
| Provision for credit losses | (6) | (8) | (10) | (11) | (13) | 25 | 54 | (35) | (28) | (25) |
| **NONINTEREST EXPENSE** | | | | | | | | | | |
| Compensation expense | 688 | 820 | 693 | 687 | 551 | (16) | 25 | 2,888 | 2,299 | 26 |
| Noncompensation expense (b) | 1,347 | 1,468 | 1,091 | 683 | 1,331 | (8) | 1 | 4,589 | 13,208 | (65) |
| **Subtotal** | **2,035** | **2,288** | **1,784** | **1,370** | **1,882** | (11) | 8 | **7,477** | **15,507** | (52) |
| Net expense allocated to other businesses | (1,599) | (1,579) | (1,604) | (1,536) | (1,441) | (1) | (11) | (6,318) | (5,252) | (20) |
| **TOTAL NONINTEREST EXPENSE** | **436** | **709** | **180** | **(166)** | **441** | (39) | (1) | **1,159** | **10,255** | (89) |
| **Income/(loss) before income tax expense/(benefit)** | (183) | (776) | (329) | 176 | 1,012 | 76 | NM | (1,112) | (10,249) | 89 |
| Income tax expense/(benefit) | (730) | (871) | (436) | 61 | 415 | 16 | NM | (1,976) | (3,493) | 43 |
| **NET INCOME/(LOSS)** | **$ 547** | **$ 95** | **$ 107** | **$ 115** | **$ 597** | 476 | (8) | **$ 864** | **$ (6,756)** | NM |
| **MEMO:** | | | | | | | | | | |
| **TOTAL NET REVENUE** | | | | | | | | | | |
| Private Equity | $ 438 | $ 281 | $ 36 | $ 363 | $ 57 | 56 | NM | $ 1,118 | $ 589 | 90 |
| Treasury and Chief Investment Office (“CIO”) | (243) | (365) | (342) | (367) | (337) | 33 | 28 | (1,317) | (2,068) | 36 |
| Other Corporate | 52 | 9 | 147 | 3 | 1,720 | 478 | (97) | 211 | 1,457 | (86) |
| **TOTAL NET REVENUE** | **$ 247** | **$ (75)** | **$ (159)** | **$ (1)** | **$ 1,440** | NM | (83) | **$ 12** | **$ (22)** | NM |
| **NET INCOME/(LOSS)** | | | | | | | | | | |
| Private Equity | $ 107 | $ 71 | $ 7 | $ 215 | $ 13 | 51 | NM | $ 400 | $ 285 | 40 |
| Treasury and CIO | (205) | (333) | (308) | (319) | (268) | 38 | 24 | (1,165) | (1,454) | 20 |
| Other Corporate | 645 | 357 | 408 | 219 | 852 | 81 | (24) | 1,629 | (5,587) | NM |
| **TOTAL NET INCOME/(LOSS)** | **$ 547** | **$ 95** | **$ 107** | **$ 115** | **$ 597** | 476 | (8) | **$ 864** | **$ (6,756)** | NM |
| **TOTAL ASSETS (period-end)** | $931,705 | $882,792 | $878,886 | $839,625 | $805,987 | 6 | 16 | $ 931,705 | $ 805,987 | 16 |
| **Headcount** | 26,047 | 25,199 | 24,298 | 22,474 | 20,717 | 3 | 26 | 26,047 | 20,717 | 26 |

(a) Included tax-equivalent adjustments, predominantly due to tax-exempt income from municipal bond investments of $196 million, $190 million, $180 million, $164 million and $144 million for the three months ended December 31, 2014 , September 30, 2014 , June 30, 2014 , March 31, 2014 and December 31, 2013 , respectively, and $730 million and $480 million for full year 2014 and 2013, respectively.

(b) Included legal expense of $0.01 billion, $0.5 billion, $0.2 billion and $0.4 billion for the three months ended December 31, 2014, September 30, 2014, June 30, 2014 and December 31, 2013, respectively; legal expense for the three months ended March 31, 2014 was not material. Included legal expense of $0.8 billion and $10.2 billion for full year 2014 and 2013, respectively.

(c) Included a $1.3 billion gain from the sale of Visa shares and a $493 million gain from the sale of One Chase Manhattan Plaza.

## CORPORATE/PRIVATE EQUITY

JPMORGAN CHASE & CO.

**FINANCIAL HIGHLIGHTS, CONTINUED**

**(in millions)**

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| | 4Q14 | 3Q14 | 2Q14 | 1Q14 | 4Q13 | 3Q14 | 4Q13 | 2014 | 2013 | 2013 |
| **SUPPLEMENTAL INFORMATION** | | | | | | | | | | |
| **TREASURY and CHIEF INVESTMENT OFFICE ("CIO")** | | | | | | | | | | |
| Securities gains | $ 28 | $ 6 | $ 11 | $ 26 | $ 7 | 367 % | 300 % | $ 71 | $ 659 | (89) % |
| Investment securities portfolio (average) (a) | 347,480 | 355,577 | 348,841 | 345,147 | 344,949 | (2) | 1 | 349,285 | 353,712 | (1) |
| Investment securities portfolio (period-end) (b) | 343,146 | 358,516 | 353,989 | 345,021 | 347,562 | (4) | (1) | 343,146 | 347,562 | (1) |
| Mortgage loans (average) | 2,962 | 3,183 | 3,425 | 3,670 | 3,980 | (7) | (26) | 3,308 | 5,145 | (36) |
| Mortgage loans (period-end) | 2,834 | 3,048 | 3,295 | 3,522 | 3,779 | (7) | (25) | 2,834 | 3,779 | (25) |
| **PRIVATE EQUITY** | | | | | | | | | | |
| **Private equity gains/(losses)** | | | | | | | | | | |
| **Direct investments** | | | | | | | | | | |
| Realized gains/(losses) | $ 262 | $ (70) | $ 513 | $ 459 | $ (116) | NM | NM | $ 1,164 | $ (170) | NM |
| Unrealized gains/(losses) (c) | 205 | 365 | (467) | (60) | 199 | (44) | 3 | 43 | 734 | (94) |
| **Total direct investments** | **467** | **295** | **46** | **399** | **83** | 58 | 463 | **1,207** | **564** | 114 |
| Third-party fund investments | (12) | 28 | 19 | (1) | 10 | NM | NM | 34 | 137 | (75) |
| **Total private equity gains/(losses) (d)** | **$ 455** | **$ 323** | **$ 65** | **$ 398** | **$ 93** | 41 | 389 | **$ 1,241** | **$ 701** | 77 |
| **Private equity portfolio information** | | | | | | | | | | |
| **Direct investments** | | | | | | | | | | |
| **Publicly-held securities** | | | | | | | | | | |
| Carrying value | $ 878 | $ 617 | $ 657 | $ 1,291 | $ 1,035 | 42 | (15) | $ 878 | $ 1,035 | (15) |
| Cost | 583 | 479 | 373 | 612 | 672 | 22 | (13) | 583 | 672 | (13) |
| Quoted public value | 893 | 617 | 673 | 1,334 | 1,077 | 45 | (17) | 893 | 1,077 | (17) |
| **Privately-held direct securities** | | | | | | | | | | |
| Carrying value | 4,555 | 4,275 | 4,541 | 4,675 | 5,065 | 7 | (10) | 4,555 | 5,065 | (10) |
| Cost | 5,275 | 5,049 | 5,756 | 5,844 | 6,022 | 4 | (12) | 5,275 | 6,022 | (12) |
| **Third-party fund investments (e)** | | | | | | | | | | |
| Carrying value | 433 | 496 | 570 | 990 | 1,768 | (13) | (76) | 433 | 1,768 | (76) |
| Cost | 423 | 484 | 605 | 1,033 | 1,797 | (13) | (76) | 423 | 1,797 | (76) |
| **Total private equity portfolio** | | | | | | | | | | |
| Carrying value | $ 5,866 | $ 5,388 | $ 5,768 | $ 6,956 | $ 7,868 | 9 | (25) | $ 5,866 | $ 7,868 | (25) |
| Cost | 6,281 | 6,012 | 6,734 | 7,489 | 8,491 | 4 | (26) | 6,281 | 8,491 | (26) |

(a) Average investment securities included held-to-maturity balances of $49.0 billion, $48.3 billion, $47.5 billion, $43.9 billion and $13.8 billion for the three months ended December 31, 2014, September 30, 2014, June 30, 2014, March 31, 2014 and December 31, 2013, respectively, and $47.2 billion for full year 2014 . The held-to-maturity balance for full year 2013 was not material.

(b) Period-end investment securities included held-to-maturity balances of $49.3 billion, $48.8 billion, $47.8 billion, $47.3 billion and $24.0 billion at December 31,2014, September 30, 2014, June, 30, 2014, March 31, 2014 and December 31, 2013, respectively.

(c) Unrealized gains/(losses) contain reversals of unrealized gains and losses that were recognized in prior periods and have now been realized.

(d) Included in principal transactions revenue in the Consolidated statements of income.

(e) Unfunded commitments to third-party private equity funds were $110 million, $117 million, $130 million, $160 million and $215 million at December 31, 2014 , September 30, 2014 , June 30, 2014 , March 31, 2014 and December 31, 2013 , respectively.

JPMORGAN CHASE & CO.

## CREDIT-RELATED INFORMATION

(in millions)

JPMORGAN CHASE & CO.

| | Dec 31, 2014 | Sep 30, 2014 | Jun 30, 2014 | Mar 31, 2014 | Dec 31, 2013 | Change Sep 30, 2014 | Change Dec 31, 2013 |
|---|---|---|---|---|---|---|---|
| **CREDIT EXPOSURE** | | | | | | | |
| **Consumer, excluding credit card loans (a)** | | | | | | | |
| Loans retained, excluding PCI loans | $ 248,283 | $ 239,892 | $ 238,096 | $ 236,324 | $ 235,394 | 3 % | 5 % |
| Loans - PCI | 46,696 | 48,487 | 50,118 | 51,606 | 53,055 | (4) | (12) |
| **Total loans retained** | **294,979** | **288,379** | **288,214** | **287,930** | **288,449** | 2 | 2 |
| Loans held-for-sale | 395 | 481 | 964 | 238 | 614 | (18) | (36) |
| **Total consumer, excluding credit card loans** | **295,374** | **288,860** | **289,178** | **288,168** | **289,063** | 2 | 2 |
| **Credit card loans** | | | | | | | |
| Loans retained (b) | 128,027 | 126,564 | 125,621 | 121,512 | 127,465 | 1 | — |
| Loans held-for-sale | 3,021 | 395 | 508 | 304 | 326 | NM | NM |
| **Total credit card loans** | **131,048** | **126,959** | **126,129** | **121,816** | **127,791** | 3 | 3 |
| **Total consumer loans** | **426,422** | **415,819** | **415,307** | **409,984** | **416,854** | 3 | 2 |
| **Wholesale loans (c)** | | | | | | | |
| Loans retained | 324,502 | 320,361 | 321,534 | 311,718 | 308,263 | 1 | 5 |
| Loans held-for-sale and loans at fair value | 6,412 | 7,077 | 10,142 | 9,269 | 13,301 | (9) | (52) |
| **Total wholesale loans** | **330,914** | **327,438** | **331,676** | **320,987** | **321,564** | 1 | 3 |
| **Total loans** | **757,336** | **743,257** | **746,983** | **730,971** | **738,418** | 2 | 3 |
| Derivative receivables | 78,975 | 72,453 | 62,378 | 59,272 | 65,759 | 9 | 20 |
| Receivables from customers and other (d) | 29,080 | 29,466 | 31,732 | 26,494 | 26,883 | (1) | 8 |
| **Total credit-related assets** | **108,055** | **101,919** | **94,110** | **85,766** | **92,642** | 6 | 17 |
| **Lending-related commitments** | | | | | | | |
| Consumer, excluding credit card | 58,153 | 54,912 | 56,410 | 56,541 | 56,057 | 6 | 4 |
| Credit card | 525,963 | 531,301 | 533,688 | 535,614 | 529,383 | (1) | (1) |
| Wholesale | 472,056 | 470,991 | 451,275 | 456,531 | 446,232 | — | 6 |
| **Total lending-related commitments** | 1,056,172 | 1,057,204 | 1,041,373 | 1,048,686 | 1,031,672 | — | 2 |
| **Total credit exposure** | **$1,921,563** | **$1,902,380** | **$1,882,466** | **$ 1,865,423** | **$ 1,862,732** | 1 | 3 |
| **Memo: Total by category** | | | | | | | |
| Consumer exposure (e) | $1,010,646 | $1,002,136 | $1,005,509 | $ 1,002,295 | $ 1,002,433 | 1 | 1 |
| Wholesale exposures (f) | 910,917 | 900,244 | 876,957 | 863,128 | 860,299 | 1 | 6 |
| **Total credit exposure** | **$1,921,563** | **$1,902,380** | **$1,882,466** | **$ 1,865,423** | **$ 1,862,732** | 1 | 3 |

Note: The Firm provides several non-GAAP financial measures which exclude the impact of PCI loans. For further discussion of these measures, see page 36 .

(a) Includes loans reported in CCB, and prime mortgage loans reported in the AM business segment and in Corporate/Private Equity.
(b) Includes accrued interest and fees net of an allowance for the uncollectible portion of accrued interest and fee income.
(c) Includes loans reported in CIB, CB and AM business segments and Corporate/Private Equity.
(d) Predominantly includes receivables from customers, which represent margin loans to prime and retail brokerage customers; these are classified in accrued interest and accounts receivable on the Consolidated balance sheets.
(e) Represents total consumer loans and lending-related commitments.

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

## CREDIT-RELATED INFORMATION, CONTINUED

**(in millions, except ratio data)**

JPMORGAN CHASE & CO.

| | Dec 31, 2014 | Sep 30, 2014 | Jun 30, 2014 | Mar 31, 2014 | Dec 31, 2013 | Dec 31, 2014 Change: Sep 30, 2014 | Dec 31, 2014 Change: Dec 31, 2013 |
|---|---|---|---|---|---|---|---|
| **NONPERFORMING ASSETS (a)** | | | | | | | |
| Consumer, excluding credit card loans (b) | $6,509 | $6,702 | $7,070 | $ 7,370 | $ 7,496 | (3) % | (13) % |
| Credit card loans | — | — | — | — | — | — | — |
| **Total consumer nonaccrual loans (c)** | **6,509** | **6,702** | **7,070** | **7,370** | **7,496** | (3) | (13) |
| **Wholesale nonaccrual loans** | | | | | | | |
| Loans retained | 599 | 659 | 727 | 753 | 821 | (9) | (27) |
| Loans held-for-sale and loans at fair value | 25 | 133 | 184 | 193 | 223 | (81) | (89) |
| **Total wholesale nonaccrual loans** | **624** | **792** | **911** | **946** | **1,044** | (21) | (40) |
| **Total nonaccrual loans** | **7,133** | **7,494** | **7,981** | **8,316** | **8,540** | (5) | (16) |
| Derivative receivables | 275 | 312 | 361 | 392 | 415 | (12) | (34) |
| Assets acquired in loan satisfactions | 559 | 584 | 675 | 765 | 751 | (4) | (26) |
| **Total nonperforming assets** | **7,967** | **8,390** | **9,017** | **9,473** | **9,706** | (5) | (18) |
| Wholesale lending-related commitments (d) | 103 | 134 | 122 | 95 | 206 | (23) | (50) |
| **Total nonperforming exposure** | **$8,070** | **$8,524** | **$9,139** | **$ 9,568** | **$ 9,912** | (5) | (19) |
| **NONACCRUAL LOAN-RELATED RATIOS** | | | | | | | |
| Total nonaccrual loans to total loans | 0.94 % | 1.01 % | 1.07 % | 1.14 % | 1.16 % | | |
| Total consumer, excluding credit card nonaccrual loans to | | | | | | | |
| total consumer, excluding credit card loans | 2.20 | 2.32 | 2.44 | 2.56 | 2.59 | | |
| Total wholesale nonaccrual loans to total | | | | | | | |
| wholesale loans | 0.19 | 0.24 | 0.27 | 0.29 | 0.32 | | |

(a) At December 31, 2014 , September 30, 2014 , June 30, 2014 , March 31, 2014 and December 31, 2013 , nonperforming assets excluded: (1) mortgage loans insured by U.S. government agencies of $7.8 billion, $7.8 billion, $8.1 billion, $7.7 billion and $8.4 billion, respectively, that are 90 or more days past due; (2) student loans insured by U.S. government agencies under the FFELP of $367 million, $354 million, $316 million, $387 million and $428 million, respectively, that are 90 or more days past due; and (3) real estate owned ("REO") insured by U.S. government agencies of $462 million, $464 million, $528 million, $618 million and $2.0 billion, respectively. These amounts have been excluded based upon the government guarantee. In accordance with new accounting guidance adopted in the third quarter of 2014, effective January 1, 2014, certain REO insured by U.S. government agencies are now being reported in accrued interest and accounts receivable. Adoption of this guidance resulted in the reclassification of $1.6 billion and $1.5 billion of government insured REO from other assets to accrued interest and accounts receivable at June 30, 2014 and March 31, 2014, respectively. In addition, the Firm's policy is generally to exempt credit card loans from being placed on nonaccrual status as permitted by regulatory guidance issued by the Federal Financial Institutions Examination Council ("FFIEC"). Under this guidance, nonmodified credit card loans are charged off by the end of the month in which the account becomes 180 days past due, while modified credit card loans are charged off when the account becomes 120 days past due. Moreover, all credit card loans must be charged off within 60 days of receiving notification about certain specified events (e.g., bankruptcy of the borrower).

(b) Includes loans held-for-sale of $91 million, $120 million and $163 million at December 31, 2014, September 30, 2014 and June 30, 2014, respectively.

(c) Excludes PCI loans. The Firm is recognizing interest income on each pool of PCI loans as they are all performing.

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

JPMORGAN CHASE & CO.

## CREDIT-RELATED INFORMATION, CONTINUED

(in millions)

JPMORGAN CHASE & CO.

| | QUARTERLY TRENDS | | | | | | | FULL YEAR | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 4Q14 Change | | | | 2014 Change |
| | 4Q14 | 3Q14 | 2Q14 | 1Q14 | 4Q13 | 3Q14 | 4Q13 | 2014 | 2013 | 2013 |
| **SUMMARY OF CHANGES IN THE ALLOWANCES** | | | | | | | | | | |
| **ALLOWANCE FOR LOAN LOSSES** | | | | | | | | | | |
| Beginning balance | $ 14,889 | $ 15,326 | $ 15,847 | $ 16,264 | $ 17,571 | (3) % | (15) % | $ 16,264 | $ 21,936 | (26) % |
| Net charge-offs: | | | | | | | | | | |
| Gross charge-offs | 1,513 | 1,458 | 1,511 | 1,632 | 1,687 | 4 | (10) | 6,114 | 7,467 | (18) |
| Gross recoveries | (295) | (344) | (353) | (363) | (359) | 14 | 18 | (1,355) | (1,665) | 19 |
| Net charge-offs | 1,218 | 1,114 | 1,158 | 1,269 | 1,328 | 9 | (8) | 4,759 | 5,802 | (18) |
| Write-offs of PCI loans and other (a) | 337 | 87 | 48 | 61 | 53 | 287 | NM | 533 | 53 | NM |
| Provision for loan losses | 856 | 769 | 682 | 917 | 76 | 11 | NM | 3,224 | 188 | NM |
| Other | (5) | (5) | 3 | (4) | (2) | — | (150) | (11) | (5) | (120) |
| **Ending balance** | **$ 14,185** | **$ 14,889** | **$ 15,326** | **$ 15,847** | **$ 16,264** | (5) | (13) | **$ 14,185** | **$ 16,264** | (13) |
| **ALLOWANCE FOR LENDING-RELATED COMMITMENTS** | | | | | | | | | | |
| Beginning balance | $ 637 | $ 648 | $ 638 | $ 705 | $ 677 | (2) | (6) | $ 705 | $ 668 | 6 |
| Provision for lending-related commitments | (16) | (12) | 10 | (67) | 28 | (33) | NM | (85) | 37 | NM |
| Other | 1 | 1 | — | — | — | — | NM | 2 | — | NM |
| **Ending balance** | **$ 622** | **$ 637** | **$ 648** | **$ 638** | **$ 705** | (2) | (12) | **$ 622** | **$ 705** | (12) |
| **Total allowance for credit losses** | **$ 14,807** | **$ 15,526** | **$ 15,974** | **$ 16,485** | **$ 16,969** | (5) | (13) | **$ 14,807** | **$ 16,969** | (13) |
| **NET CHARGE-OFF/(RECOVERY) RATES** | | | | | | | | | | |
| Consumer retained, excluding credit card loans (b) | 0.45 % | 0.41 % | 0.44 % | 0.52 % | 0.57 % | | | 0.46 % | 0.66 % | |
| Credit card retained loans | 2.69 | 2.52 | 2.88 | 2.93 | 2.86 | | | 2.75 | 3.14 | |
| Total consumer retained loans | 1.13 | 1.05 | 1.17 | 1.24 | 1.26 | | | 1.15 | 1.40 | |
| Wholesale retained loans | 0.03 | 0.02 | (0.06) | 0.02 | 0.03 | | | — | 0.01 | |
| **Total retained loans** | **0.65** | **0.60** | **0.64** | **0.71** | **0.73** | | | **0.65** | **0.81** | |
| Consumer retained loans, excluding credit card and PCI loans | 0.54 | 0.50 | 0.54 | 0.63 | 0.70 | | | 0.55 | 0.82 | |
| Consumer retained loans, excluding PCI loans | 1.28 | 1.19 | 1.34 | 1.42 | 1.44 | | | 1.30 | 1.62 | |
| **Total retained, excluding PCI loans** | **0.70** | **0.65** | **0.69** | **0.77** | **0.79** | | | **0.70** | **0.87** | |
| **Memo: Average retained loans** | | | | | | | | | | |
| Consumer retained, excluding credit card loans | $291,628 | $288,309 | $288,341 | $288,547 | $288,751 | 1 | 1 | $ 289,212 | $ 289,294 | — |
| Credit card retained loans | 126,375 | 125,772 | 123,274 | 122,946 | 123,800 | — | 2 | 124,604 | 123,518 | 1 |
| Total average retained consumer loans | 418,003 | 414,081 | 411,615 | 411,493 | 412,551 | 1 | 1 | 413,816 | 412,812 | — |
| Wholesale retained loans | 321,421 | 318,207 | 315,415 | 309,037 | 311,090 | 1 | 3 | 316,060 | 307,340 | 3 |
| **Total average retained loans** | **$739,424** | **$732,288** | **$727,030** | **$720,530** | **$723,641** | 1 | 2 | **$ 729,876** | **$ 720,152** | 1 |
| Consumer retained, excluding credit card and PCI loans | $244,074 | $239,054 | $237,484 | $236,143 | $234,858 | 2 | 4 | $ 239,210 | $ 232,784 | 3 |
| Consumer retained, excluding PCI loans | 370,449 | 364,826 | 360,758 | 359,089 | 358,658 | 2 | 3 | 363,814 | 356,301 | 2 |
| **Total retained, excluding PCI loans** | **691,865** | **683,028** | **676,168** | **668,130** | **669,728** | 1 | 3 | **679,869** | **663,639** | 2 |

(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, the Firm recorded a $291 million adjustment to reduce the PCI allowance and the recorded investment in the Firm's PCI loan portfolio, primarily reflecting the cumulative effect of interest forgiveness modifications. This adjustment had no impact to the Firm's Consolidated statements of income.

(b) The net charge-off rates exclude the write-offs in the PCI portfolio. These write-offs decreased the allowance for loan losses for PCI loans.

JPMORGAN CHASE & CO.

## CREDIT-RELATED INFORMATION, CONTINUED

**(in millions, except ratio data)**

JPMORGAN CHASE & CO.

| | Dec 31, 2014 | Sep 30, 2014 | Jun 30, 2014 | Mar 31, 2014 | Dec 31, 2013 | Change: Sep 30, 2014 | Change: Dec 31, 2013 |
|---|---|---|---|---|---|---|---|
| **ALLOWANCE COMPONENTS AND RATIOS** | | | | | | | |
| **ALLOWANCE FOR LOAN LOSSES** | | | | | | | |
| **Consumer, excluding credit card** | | | | | | | |
| Asset-specific (a) | $ 539 | $ 618 | $ 598 | $ 607 | $ 601 | (13) % | (10) % |
| Formula-based | 3,186 | 3,178 | 3,396 | 3,443 | 3,697 | — | (14) |
| PCI (b) | 3,325 | 3,662 | 3,749 | 4,097 | 4,158 | (9) | (20) |
| **Total consumer, excluding credit card** | **7,050** | **7,458** | **7,743** | **8,147** | **8,456** | (5) | (17) |
| **Credit card** | | | | | | | |
| Asset-specific (a)(c) | 500 | 500 | 583 | 606 | 971 | — | (49) |
| Formula-based | 2,939 | 3,090 | 3,011 | 2,985 | 2,824 | (5) | 4 |
| **Total credit card** | **3,439** | **3,590** | **3,594** | **3,591** | **3,795** | (4) | (9) |
| **Total consumer** | **10,489** | **11,048** | **11,337** | **11,738** | **12,251** | (5) | (14) |
| **Wholesale** | | | | | | | |
| Asset-specific (a) | 87 | 124 | 138 | 144 | 181 | (30) | (52) |
| Formula-based | 3,609 | 3,717 | 3,851 | 3,965 | 3,832 | (3) | (6) |
| **Total wholesale** | **3,696** | **3,841** | **3,989** | **4,109** | **4,013** | (4) | (8) |
| **Total allowance for loan losses** | **14,185** | **14,889** | **15,326** | **15,847** | **16,264** | (5) | (13) |
| Allowance for lending-related commitments | 622 | 637 | 648 | 638 | 705 | (2) | (12) |
| **Total allowance for credit losses** | **$14,807** | **$15,526** | **$15,974** | **$ 16,485** | **$ 16,969** | (5) | (13) |
| **CREDIT RATIOS** | | | | | | | |
| Consumer, excluding credit card allowance, to total consumer, excluding credit card retained loans | 2.39 % | 2.59 % | 2.69 % | 2.83 % | 2.93 % | | |
| Credit card allowance to total credit card retained loans | 2.69 | 2.84 | 2.86 | 2.96 | 2.98 | | |
| Wholesale allowance to total wholesale retained loans | 1.14 | 1.20 | 1.24 | 1.32 | 1.30 | | |
| Wholesale allowance to total wholesale retained loans, excluding trade finance and conduits (d) | 1.29 | 1.35 | 1.40 | 1.51 | 1.50 | | |
| **Total allowance to total retained loans** | **1.90** | **2.02** | **2.08** | **2.20** | **2.25** | | |
| Consumer, excluding credit card allowance, to consumer, excluding credit card retained nonaccrual loans (e) | 110 | 113 | 112 | 111 | 113 | | |
| Total allowance, excluding credit card allowance, to retained nonaccrual loans, excluding credit card nonaccrual loans (e) | 153 | 156 | 154 | 151 | 150 | | |
| Wholesale allowance to wholesale retained nonaccrual loans | 617 | 583 | 549 | 546 | 489 | | |
| **Total allowance to total retained nonaccrual loans** | **202** | **206** | **201** | **195** | **196** | | |
| **CREDIT RATIOS, excluding PCI loans** | | | | | | | |
| Consumer, excluding credit card allowance, to total consumer, excluding credit card retained loans | 1.50 | 1.58 | 1.68 | 1.71 | 1.83 | | |
| **Total allowance to total retained loans** | **1.55** | **1.63** | **1.69** | **1.75** | **1.80** | | |
| Consumer, excluding credit card allowance, to consumer, excluding credit card retained nonaccrual loans (e) | 58 | 58 | 58 | 55 | 57 | | |

| | | | | | |
|---|---|---|---|---|---|
| Allowance, excluding credit card allowance, to retained non-accrual loans, excluding credit card nonaccrual loans (e) | 106 | 105 | 105 | 100 | 100 |
| **Total allowance to total retained nonaccrual loans** | **155** | **155** | **152** | **145** | **146** |

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

(b) During the fourth quarter of 2014, the Firm recorded a $291 million adjustment to reduce the PCI allowance. For further information, see summary of changes in the the allowances on page 34.

(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.

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

(e) For information on the Firm's nonaccrual policy for credit card loans, see footnote (a) on page 33.

***The following are several of the non-GAAP financial measures that the Firm uses*** *for various reasons, including: (i) to allow management to assess the comparability of revenue arising from both taxable and tax-exempt sources, (ii) to assess and compare the quality and composition of the Firm's capital with the capital of other financial services companies, and (iii) more generally, to provide a more meaningful measure of certain metrics that enables comparability with prior periods, as well as with competitors.*

(a) In addition to analyzing the Firm's results on a reported basis, management reviews the Firm's consolidated results and the results of the lines of business on a **"managed" basis** . The definition of managed basis starts with the reported U.S. GAAP results and includes certain reclassifications to present total consolidated net revenue for the Firm (and total net revenue for each of the business segments) on a FTE basis. Accordingly, revenue from investments that receive tax credits and tax-exempt securities is presented in the managed results on a basis comparable to taxable investments and securities. This non-GAAP financial measure allows management to assess the comparability of revenue arising from both taxable and tax-exempt sources. The corresponding income tax impact related to tax-exempt items is recorded within income tax expense. These adjustments have no impact on consolidated net income/(loss) as reported by the Firm or net income/(loss) as reported by the lines of business.

(b) The ratios of the **allowance for loan losses to period-end loans retained,** the **allowance for loan losses to nonaccrual loans retained** , and **nonaccrual loans to total period-end loans excluding credit card and PCI loans** , exclude the following: loans accounted for at fair value and loans held-for-sale; PCI loans; and the allowance for loan losses related to PCI loans. Additionally, net charge-offs and net charge-off rates exclude the impact of PCI loans. The ratio of the wholesale **allowance for loan losses to period-end loans retained, excluding trade finance and conduits** , is calculated excluding loans accounted for at fair value, loans held-for-sale, CIB's trade finance loans and consolidated Firm-administered multi-seller conduits, as well as their related allowances, to provide a more meaningful assessment of the wholesale allowance coverage ratio.

(c) **Tangible common equity ("TCE"), ROTCE, and Tangible book value per share ("TBVPS").** TCE represents the Firm's common stockholders' equity (i.e., total stockholders' equity less preferred stock) less goodwill and identifiable intangible assets (other than MSRs), net of related deferred tax liabilities. ROTCE measures the Firm's earnings as a percentage of average TCE. TBVPS represents the Firm's TCE at period-end divided by common shares at period-end. TCE, ROTCE, and TBVPS are meaningful to the Firm, as well as investors and analysts, in assessing the Firm's use of equity.

(d) Prior to Basel III becoming effective for the Firm on January 1, 2014, Tier 1 common capital and the Tier 1 common ratio under Basel I were non-GAAP financial measures. For additional information on Basel III, including the transitional provisions, see Regulatory capital on pages 73-77 of JPMorgan Chase's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014.

(e) **Corporate & Investment Bank** provides certain **non-GAAP financial measures,** as such measures are used by management to assess the underlying performance of the business and for comparability with peers:

- The ratio of the allowance for loan losses to end-of-period loans is calculated excluding the impact of consolidated Firm-administered multi-seller conduits and trade finance loans, to provide a more meaningful assessment of CIB's allowance coverage ratio.
- Prior to January 1, 2014, the CIB provided several non-GAAP financial measures excluding the impact of FVA (effective fourth quarter 2013) and DVA on: net revenue, net income, and compensation, overhead and return on equity ratios. Beginning in the first quarter 2014, the Firm does not exclude FVA and DVA from its assessment of business performance; however, the Firm continues to present these non-GAAP measures for the periods prior to January 1, 2014, as they reflected how management assessed the underlying business performance of the CIB in those prior periods.