On August 9, 2012, JPMorgan Chase & Co. ("the Firm") restated its previously-filed interim financial statements for the first quarter 2012. The restatement had the effect of reducing the Firm’s reported net income for 2012 first quarter by $459 million.

In addition, on August 8, 2012, the Firm received regulatory guidance that the Firm should amend its Basel I risk-weighted assets at both March 31, 2012 and June 30, 2012. The guidance related to an adjustment to the Firm’s regulatory capital calculations regarding a limited number of market risk models used for certain positions held by the Firm during the first half of the year, including the Chief Investment Office synthetic credit portfolio. As a result of such guidance, certain regulatory capital ratios and risk-weighted assets as of June 30, 2012 and March 31, 2012, were revised.

The aforementioned revisions are disclosed in JPMorgan Chase & Co.’s Quarterly Reports on Form 10-Q and Form 10-Q/A for the quarterly periods ended June 30, 2012 and March 31, 2012, respectively. Both reports were filed with the SEC on August 9, 2012, and are available on the Firm’s website (http://investor.shareholder.com/jpmorganchase) and on the Securities and Exchange Commission’s website (www.sec.gov).

The revisions to the Firm’s financial statements and capital ratios are reflected in this Earnings Release Financial Supplement.
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<th>JPMORGAN CHASE &amp; CO. TABLE OF CONTENTS</th>
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<td>Consolidated Balance Sheets</td>
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<td><strong>Business Detail</strong></td>
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<tr>
<td>Retail Financial Services</td>
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<td>Card Services &amp; Auto</td>
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<td>Commercial Banking</td>
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<tr>
<td>Treasury &amp; Securities Services</td>
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<td>Asset Management</td>
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<td>Corporate/Private Equity</td>
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<td>Mortgage Loan Repurchase Liability</td>
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<td>Per Share-Related Information</td>
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<td><strong>Non-GAAP Financial Measures</strong></td>
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<tr>
<td><strong>Glossary of Terms</strong></td>
</tr>
</tbody>
</table>
## QUARTERLY TRENDS

### SELECTED INCOME STATEMENT DATA

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>2Q12 Change</th>
<th>2Q11 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reported Basis</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total net revenue</td>
<td>$22,180</td>
<td>$26,052</td>
<td>$21,471</td>
<td>$23,763</td>
<td>$26,779</td>
<td>(15)%</td>
<td>(7)%</td>
</tr>
<tr>
<td>Total noninterest expense</td>
<td>14,966</td>
<td>18,345</td>
<td>14,540</td>
<td>15,534</td>
<td>16,842</td>
<td>(18)%</td>
<td>(11)%</td>
</tr>
<tr>
<td>Pre-provision profit</td>
<td>7,214</td>
<td>7,707</td>
<td>6,931</td>
<td>8,229</td>
<td>9,837</td>
<td>(6)%</td>
<td>(27)%</td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>214</td>
<td>726</td>
<td>2,184</td>
<td>2,411</td>
<td>1,810</td>
<td>(7)%</td>
<td>(88)%</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>4,960</td>
<td>4,924</td>
<td>3,728</td>
<td>4,262</td>
<td>5,431</td>
<td>(9)%</td>
<td>(9)%</td>
</tr>
</tbody>
</table>

### Managed Basis (a)

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>2Q12 Change</th>
<th>2Q11 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total net revenue</td>
<td>$22,892</td>
<td>$26,757</td>
<td>$22,198</td>
<td>$24,368</td>
<td>$27,410</td>
<td>(14)%</td>
<td>(16)%</td>
</tr>
<tr>
<td>Total noninterest expense</td>
<td>14,966</td>
<td>18,345</td>
<td>14,540</td>
<td>15,534</td>
<td>16,842</td>
<td>(18)%</td>
<td>(11)%</td>
</tr>
<tr>
<td>Pre-provision profit</td>
<td>7,926</td>
<td>8,412</td>
<td>7,658</td>
<td>8,229</td>
<td>9,837</td>
<td>(6)%</td>
<td>(25)%</td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>214</td>
<td>726</td>
<td>2,184</td>
<td>2,411</td>
<td>1,810</td>
<td>(7)%</td>
<td>(88)%</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>4,960</td>
<td>4,924</td>
<td>3,728</td>
<td>4,262</td>
<td>5,431</td>
<td>(9)%</td>
<td>(9)%</td>
</tr>
</tbody>
</table>

### PER COMMON SHARE DATA

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic earnings</td>
<td>1.22</td>
<td>1.20</td>
<td>0.90</td>
<td>1.02</td>
</tr>
<tr>
<td>Diluted earnings</td>
<td>1.21</td>
<td>1.19</td>
<td>0.90</td>
<td>1.02</td>
</tr>
<tr>
<td>Cash dividends declared (b)</td>
<td>0.30</td>
<td>0.30</td>
<td>0.25</td>
<td>0.25</td>
</tr>
<tr>
<td>Book value</td>
<td>48.40</td>
<td>47.48</td>
<td>46.59</td>
<td>45.93</td>
</tr>
<tr>
<td>Closing share price (c)</td>
<td>35.73</td>
<td>45.98</td>
<td>33.25</td>
<td>30.12</td>
</tr>
</tbody>
</table>

### COMMON SHARES OUTSTANDING

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average: Basic</td>
<td>3,808.9</td>
<td>3,818.8</td>
<td>3,801.9</td>
<td>3,859.6</td>
<td>3,958.4</td>
</tr>
<tr>
<td>Diluted</td>
<td>3,820.5</td>
<td>3,833.4</td>
<td>3,817.2</td>
<td>3,872.2</td>
<td>3,983.2</td>
</tr>
<tr>
<td>Common shares at period-end</td>
<td>3,796.8</td>
<td>3,822.0</td>
<td>3,772.7</td>
<td>3,798.9</td>
<td>3,910.2</td>
</tr>
</tbody>
</table>

### FINANCIAL RATIOS (d)

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on common equity (&quot;ROE&quot;)</td>
<td>11%</td>
<td>11%</td>
<td>8%</td>
<td>9%</td>
<td>12%</td>
</tr>
<tr>
<td>Return on tangible common equity (&quot;ROTCE&quot;) (e)</td>
<td>15</td>
<td>15</td>
<td>11</td>
<td>13</td>
<td>17</td>
</tr>
<tr>
<td>Return on assets (&quot;ROA&quot;)</td>
<td>0.88</td>
<td>0.88</td>
<td>0.65</td>
<td>0.76</td>
<td>0.99</td>
</tr>
<tr>
<td>Return on risk-weighted assets (f)</td>
<td>1.52</td>
<td>1.57</td>
<td>1.21</td>
<td>1.40</td>
<td>1.82</td>
</tr>
</tbody>
</table>

### CAPITAL RATIOS

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1 capital ratio</td>
<td>11.3</td>
<td>11.9</td>
<td>12.3</td>
<td>12.1</td>
<td>12.4</td>
</tr>
<tr>
<td>Total capital ratio</td>
<td>14.0</td>
<td>14.9</td>
<td>15.4</td>
<td>15.3</td>
<td>15.7</td>
</tr>
<tr>
<td>Tier 1 common capital ratio (g)</td>
<td>9.9</td>
<td>9.8</td>
<td>10.1</td>
<td>9.9</td>
<td>10.1</td>
</tr>
</tbody>
</table>

(a) For further discussion of managed basis, see Reconciliation from Reported to Managed Summary on page 8.
(b) On March 13, 2012, the Board of Directors increased the Firm’s quarterly common stock dividend from $0.25 to $0.30 per share.
(c) Share prices shown for JPMorgan Chase’s common stock are from the New York Stock Exchange. JPMorgan Chase’s common stock is also listed and traded on the London Stock Exchange and the Tokyo Stock Exchange.
(d) Ratios are based upon annualized amounts.
(e) ROTCE is a non-GAAP financial ratio, and it measures the Firm’s earnings as a percentage of tangible common equity. For further discussion of this ratio, see page 46.
(f) Return on Basel I risk-weighted assets is the annualized earnings of the Firm divided by its average risk-weighted assets.
(g) Basel I Tier 1 common capital ratio ("Tier 1 common ratio") is Tier 1 common capital ("Tier 1 common") divided by risk-weighted assets. The Firm uses Tier 1 common capital along with the other capital measures to assess and monitor its capital position. For further discussion of Tier 1 common capital ratio, see page 46.
### SELECTED BALANCE SHEET DATA (period-end)

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>1Q12 Change</th>
<th>2Q11 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>$2,290,146</td>
<td>$2,320,164</td>
<td>$2,265,792</td>
<td>$2,289,240</td>
<td>$2,246,764</td>
<td>$2,290,146</td>
<td>$2,246,764</td>
</tr>
<tr>
<td>Wholesale loans</td>
<td>302,820</td>
<td>290,866</td>
<td>283,016</td>
<td>259,483</td>
<td>248,823</td>
<td>4</td>
<td>22</td>
</tr>
<tr>
<td>Consumer, excluding credit card loans</td>
<td>300,046</td>
<td>304,770</td>
<td>308,427</td>
<td>310,235</td>
<td>315,390</td>
<td>(2)</td>
<td>(5)</td>
</tr>
<tr>
<td>Credit card loans</td>
<td>124,705</td>
<td>125,331</td>
<td>132,277</td>
<td>127,135</td>
<td>125,523</td>
<td>-</td>
<td>(1)</td>
</tr>
<tr>
<td>Total Loans</td>
<td>727,571</td>
<td>720,967</td>
<td>723,720</td>
<td>698,853</td>
<td>689,756</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Deposits</td>
<td>1,115,886</td>
<td>1,128,512</td>
<td>1,127,806</td>
<td>1,092,708</td>
<td>1,048,685</td>
<td>(1)</td>
<td>6</td>
</tr>
<tr>
<td>Common stockholders’ equity</td>
<td>183,772</td>
<td>181,469</td>
<td>175,773</td>
<td>174,487</td>
<td>175,079</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Total stockholders’ equity</td>
<td>191,572</td>
<td>189,269</td>
<td>183,573</td>
<td>182,087</td>
<td>182,879</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Deposits-to-loans ratio</td>
<td>153 %</td>
<td>157 %</td>
<td>156 %</td>
<td>157 %</td>
<td>152 %</td>
<td>153 %</td>
<td>152 %</td>
</tr>
<tr>
<td>Headcount</td>
<td>262,882</td>
<td>261,453</td>
<td>260,157</td>
<td>256,663</td>
<td>250,995</td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>

### LINE OF BUSINESS NET INCOME/(LOSS)

<table>
<thead>
<tr>
<th>Line of Business</th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>1Q12 Change</th>
<th>2Q11 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment Bank</strong></td>
<td>$1,913</td>
<td>$1,682</td>
<td>$726</td>
<td>$1,636</td>
<td>$2,057</td>
<td>14</td>
<td>(7)</td>
</tr>
<tr>
<td>Retail Financial Services</td>
<td>2,267</td>
<td>1,753</td>
<td>533</td>
<td>1,161</td>
<td>383</td>
<td>29</td>
<td>492</td>
</tr>
<tr>
<td>Card Services &amp; Auto</td>
<td>1,030</td>
<td>1,183</td>
<td>1,051</td>
<td>849</td>
<td>1,110</td>
<td>(13)</td>
<td>(7)</td>
</tr>
<tr>
<td>Commercial Banking</td>
<td>673</td>
<td>591</td>
<td>643</td>
<td>571</td>
<td>607</td>
<td>14</td>
<td>11</td>
</tr>
<tr>
<td>Treasury &amp; Securities Services</td>
<td>463</td>
<td>351</td>
<td>250</td>
<td>305</td>
<td>333</td>
<td>32</td>
<td>39</td>
</tr>
<tr>
<td>Asset Management</td>
<td>391</td>
<td>386</td>
<td>302</td>
<td>385</td>
<td>439</td>
<td>1</td>
<td>(11)</td>
</tr>
<tr>
<td>Corporate/Private Equity</td>
<td>(1,777)</td>
<td>(1,022)</td>
<td>223</td>
<td>(645)</td>
<td>502</td>
<td>(74)</td>
<td>NM</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>$4,960</td>
<td>$4,924</td>
<td>$3,728</td>
<td>$4,262</td>
<td>$5,431</td>
<td>1</td>
<td>(9)</td>
</tr>
</tbody>
</table>
JPMORGAN CHASE & CO.
STATEMENTS OF INCOME
(in millions, except per share and ratio data)

<table>
<thead>
<tr>
<th>QUARTERLY TRENDS</th>
<th>SIX MONTHS ENDED JUNE 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2Q12</td>
</tr>
<tr>
<td>Investment banking fees</td>
<td>$1,257</td>
</tr>
<tr>
<td>Principal transactions</td>
<td>$1,548</td>
</tr>
<tr>
<td>Lending- and deposit-related fees</td>
<td>3,461</td>
</tr>
<tr>
<td>Asset management, administration and commissions</td>
<td>1,014</td>
</tr>
<tr>
<td>Securities gains</td>
<td>2,265</td>
</tr>
<tr>
<td>Credit card income</td>
<td>1,412</td>
</tr>
<tr>
<td>Other income</td>
<td>406</td>
</tr>
<tr>
<td>Noninterest revenue</td>
<td>$11,034</td>
</tr>
<tr>
<td>Interest income</td>
<td>14,099</td>
</tr>
<tr>
<td>Interest expense</td>
<td>2,953</td>
</tr>
<tr>
<td>Net interest income</td>
<td>$22,180</td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>214</td>
</tr>
<tr>
<td>NONINTEREST EXPENSE</td>
<td>14,966</td>
</tr>
<tr>
<td>Compensation expense</td>
<td>7,427</td>
</tr>
</tbody>
</table>
| Occupancy expense | 1,080 | 961 | 1,047 | 935 | 935 | 12 | 16 | 2,041 | 1,913 | 7%
| Technology, communications and equipment expense | 1,282 | 1,271 | 1,282 | 1,282 | 1,282 | 3 | 5 | 3,652 | 3,601 | 1%
| Professional and outside services | 642 | 680 | 814 | 926 | 744 | 6 | 14 | 1,322 | 1,403 | (6)% |
| Marketing | 2,487 | 4,832 | 2,872 | 3,445 | 4,299 | (49)% | (42)% | 7,319 | 7,242 | 1%
| Other expenses (a) | 191 | 193 | 207 | 212 | 212 | (1)% | (10)% | 384 | 429 | (10)% |
| TOTAL NONINTEREST EXPENSE | $14,966 | $18,345 | $14,540 | $15,534 | $16,822 | (18)% | (11)% | 33,311 | 32,837 | 1% |
| Income before income tax expense | 7,000 | 5,691 | 4,747 | 5,818 | 6,127 | - | (14)% | 13,981 | 16,184 | (14)% |
| Income tax expense | 2,040 | 2,057 | 2,019 | 2,019 | 2,019 | 1 | 10 | 1,322 | 2,019 | 32% |
| NET INCOME | $4,960 | $3,624 | $2,728 | $3,820 | $4,104 | 1 | (9)% | 9,884 | 10,986 | (10)% |
| PER COMMON SHARE DATA |  |  |  |  |  |  |  |  |  |  |
| Basic earnings | $1.22 | $1.20 | $0.90 | $1.02 | $1.28 | 2 | (5)% | 2.41 | 2.57 | (6)% |
| Diluted earnings | 1.21 | 1.19 | 0.90 | 1.02 | 1.27 | 2 | (5)% | 2.41 | 2.55 | (5)% |
| FINANCIAL RATIOS |  |  |  |  |  |  |  |  |  |  |
| Return on common equity (b) | 11 % | 11 % | 8 % | 9 % | 12 % | 11% | 13% |  |  |  |
| Return on tangible common equity (b)(c) | 15 | 15 | 11 | 13 | 17 | 15 | 18 |  |  |  |
| Return on assets | 0.88 | 0.88 | 0.65 | 0.76 | 0.99 | 0.88 | 1.03 |  |  |  |
| Return on risk- weighted assets (c) | 1.52 | 1.57 | 1.21 | 1.40 | 1.82 | 1.55 | 1.86 |  |  |  |
| Effective income tax rate | 29 | 29 | 21 | 27 | 33 | 29 | 32 |  |  |  |
| Overhead ratio | 67 | 70 | 68 | 65 | 63 | 69 | 63 |  |  |  |

(a) Includes litigation expense of $0.3 billion, $2.7 billion, $0.6 billion, $1.3 billion and $1.9 billion for the three months ended June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011 and June 30, 2011, respectively, and $3.0 billion and $3.0 billion for the six months ended June 30, 2012 and 2011, respectively.
(b) Ratios are based upon annualized amounts.
(c) For further discussion of ROTCE and return on Basel I risk-weighted assets, see pages 2 and 46.
(d) Includes a $1.1 billion benefit from the Washington Mutual bankruptcy settlement.
(e) Reflects lower reported pretax income and changes in the proportion of income subject to U.S. federal and state and local taxes, as well as tax benefits associated with state and local income taxes.
## CONSOLIDATED BALANCE SHEETS

### Jun 30, 2012

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and due from banks</td>
<td>$ 44,866</td>
<td>$ 55,383</td>
<td>$ 59,602</td>
<td>$ 56,766</td>
<td>$ 30,466</td>
<td>(19)</td>
<td>47 %</td>
</tr>
<tr>
<td>Deposits with banks</td>
<td>130,383</td>
<td>115,028</td>
<td>85,279</td>
<td>128,877</td>
<td>169,880</td>
<td>13</td>
<td>(23)</td>
</tr>
<tr>
<td>Federal funds sold and securities purchased under resale agreements</td>
<td>255,188</td>
<td>240,484</td>
<td>235,314</td>
<td>248,042</td>
<td>213,362</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Securities borrowed</td>
<td>138,209</td>
<td>135,650</td>
<td>142,462</td>
<td>131,561</td>
<td>121,493</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td>Trading assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt and equity instruments</td>
<td>331,781</td>
<td>370,623</td>
<td>351,486</td>
<td>352,678</td>
<td>381,339</td>
<td>(10)</td>
<td>(13)</td>
</tr>
<tr>
<td>Derivative receivables</td>
<td>85,543</td>
<td>85,010</td>
<td>92,477</td>
<td>108,853</td>
<td>77,383</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>Securities</td>
<td>354,595</td>
<td>381,742</td>
<td>364,793</td>
<td>339,349</td>
<td>324,741</td>
<td>(7)</td>
<td>9</td>
</tr>
<tr>
<td>Loans</td>
<td>727,571</td>
<td>720,967</td>
<td>723,720</td>
<td>696,853</td>
<td>689,736</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Loans, net of allowance for loan losses</td>
<td>703,780</td>
<td>695,096</td>
<td>696,111</td>
<td>668,503</td>
<td>661,216</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Accrued interest and accounts receivable</td>
<td>67,939</td>
<td>64,833</td>
<td>61,478</td>
<td>72,080</td>
<td>80,292</td>
<td>5</td>
<td>(15)</td>
</tr>
<tr>
<td>Premises and equipment</td>
<td>14,206</td>
<td>14,213</td>
<td>14,041</td>
<td>13,812</td>
<td>13,679</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Goodwill</td>
<td>48,131</td>
<td>48,208</td>
<td>48,188</td>
<td>49,180</td>
<td>48,882</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Mortgage servicing rights</td>
<td>7,119</td>
<td>8,039</td>
<td>7,233</td>
<td>7,833</td>
<td>12,243</td>
<td>(11)</td>
<td>(42)</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>2,813</td>
<td>3,029</td>
<td>3,207</td>
<td>3,966</td>
<td>3,679</td>
<td>(7)</td>
<td>(24)</td>
</tr>
<tr>
<td>Other assets</td>
<td>105,594</td>
<td>102,826</td>
<td>104,131</td>
<td>109,310</td>
<td>108,109</td>
<td>3</td>
<td>(2)</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$ 2,289,146</td>
<td>$ 2,320,164</td>
<td>$ 2,265,792</td>
<td>$ 2,289,240</td>
<td>$ 2,246,764</td>
<td>(1)</td>
<td>2</td>
</tr>
</tbody>
</table>

### LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>$ 1,115,886</td>
<td>$ 1,128,512</td>
<td>$ 1,127,806</td>
<td>$ 1,092,708</td>
<td>$ 1,048,685</td>
<td>(1)</td>
<td>6</td>
</tr>
<tr>
<td>Federal funds purchased and securities loaned or sold under repurchase agreements</td>
<td>261,657</td>
<td>250,483</td>
<td>213,532</td>
<td>238,585</td>
<td>254,124</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>50,563</td>
<td>50,577</td>
<td>51,631</td>
<td>51,073</td>
<td>51,160</td>
<td>-</td>
<td>(1)</td>
</tr>
<tr>
<td>Other borrowed funds</td>
<td>21,669</td>
<td>27,298</td>
<td>21,908</td>
<td>22,318</td>
<td>30,208</td>
<td>(21)</td>
<td>(28)</td>
</tr>
<tr>
<td>Trading liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt and equity instruments</td>
<td>70,612</td>
<td>71,529</td>
<td>66,718</td>
<td>76,592</td>
<td>84,865</td>
<td>(1)</td>
<td>(17)</td>
</tr>
<tr>
<td>Derivative payables</td>
<td>76,249</td>
<td>74,767</td>
<td>74,977</td>
<td>79,249</td>
<td>63,668</td>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td>Accounts payable and other liabilities</td>
<td>207,126</td>
<td>204,148</td>
<td>202,895</td>
<td>199,769</td>
<td>184,490</td>
<td>1</td>
<td>12</td>
</tr>
<tr>
<td>Beneficial interests issued by consolidated VIEs</td>
<td>55,053</td>
<td>67,750</td>
<td>65,977</td>
<td>65,971</td>
<td>67,457</td>
<td>(19)</td>
<td>(18)</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>239,539</td>
<td>255,831</td>
<td>256,775</td>
<td>273,686</td>
<td>279,228</td>
<td>(6)</td>
<td>(14)</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>$ 2,090,574</td>
<td>$ 2,130,895</td>
<td>$ 2,082,219</td>
<td>$ 2,106,953</td>
<td>$ 2,063,385</td>
<td>(2)</td>
<td>2</td>
</tr>
</tbody>
</table>

### STOCKHOLDERS’ EQUITY

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Preferred stock</td>
<td>7,800</td>
<td>7,800</td>
<td>7,800</td>
<td>7,800</td>
<td>7,800</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Common stock</td>
<td>4,105</td>
<td>4,105</td>
<td>4,105</td>
<td>4,105</td>
<td>4,105</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital surplus</td>
<td>94,201</td>
<td>94,070</td>
<td>95,602</td>
<td>95,078</td>
<td>95,661</td>
<td>-</td>
<td>(1)</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>94,958</td>
<td>91,888</td>
<td>88,315</td>
<td>85,726</td>
<td>82,612</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>Accumulated other comprehensive income</td>
<td>2,272</td>
<td>2,645</td>
<td>944</td>
<td>1,964</td>
<td>1,638</td>
<td>(14)</td>
<td>39</td>
</tr>
<tr>
<td>Shares held in RSU Trust, at cost</td>
<td>(38)</td>
<td>(38)</td>
<td>(38)</td>
<td>(53)</td>
<td>(53)</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>Treasury stock, at cost</td>
<td>(12,286)</td>
<td>(11,201)</td>
<td>(13,155)</td>
<td>(12,333)</td>
<td>(8,284)</td>
<td>(10)</td>
<td>(48)</td>
</tr>
<tr>
<td>TOTAL STOCKHOLDERS’ EQUITY</td>
<td>$ 191,572</td>
<td>$ 189,269</td>
<td>$ 183,573</td>
<td>$ 182,287</td>
<td>$ 182,879</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>TOTAL LIABILITIES AND STOCKHOLDERS’ EQUITY</td>
<td>$ 2,280,146</td>
<td>$ 2,312,425</td>
<td>$ 2,268,792</td>
<td>$ 2,291,229</td>
<td>$ 2,249,644</td>
<td>(1)</td>
<td>2</td>
</tr>
</tbody>
</table>
## Quarterly Trends

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits with banks</td>
<td>$111,441</td>
<td>$110,817</td>
<td>$89,145</td>
<td>$116,062</td>
<td>$75,801</td>
</tr>
<tr>
<td>Federal funds sold and securities purchased under resale agreements</td>
<td>242,184</td>
<td>230,444</td>
<td>230,494</td>
<td>211,884</td>
<td>202,036</td>
</tr>
<tr>
<td>Securities borrowed</td>
<td>129,390</td>
<td>133,080</td>
<td>143,745</td>
<td>131,615</td>
<td>124,800</td>
</tr>
<tr>
<td>Trading assets - debt instruments</td>
<td>235,990</td>
<td>226,397</td>
<td>241,645</td>
<td>257,950</td>
<td>285,104</td>
</tr>
<tr>
<td>Securities</td>
<td>366,130</td>
<td>369,273</td>
<td>358,698</td>
<td>331,330</td>
<td>342,248</td>
</tr>
<tr>
<td>Loans</td>
<td>725,252</td>
<td>715,553</td>
<td>706,856</td>
<td>692,794</td>
<td>686,111</td>
</tr>
<tr>
<td>Other assets (a)</td>
<td>33,240</td>
<td>33,949</td>
<td>37,343</td>
<td>42,760</td>
<td>48,716</td>
</tr>
<tr>
<td>Total interest-earning assets</td>
<td>$1,843,627</td>
<td>$1,821,513</td>
<td>$1,807,926</td>
<td>$1,764,822</td>
<td>$1,746,422</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest-bearing deposits</td>
<td>$744,103</td>
<td>$759,084</td>
<td>$759,422</td>
<td>$740,901</td>
<td>$732,766</td>
</tr>
<tr>
<td>Federal funds purchased and securities loaned or sold under repurchase agreements</td>
<td>249,186</td>
<td>233,415</td>
<td>230,355</td>
<td>235,438</td>
<td>281,843</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>48,791</td>
<td>48,359</td>
<td>44,930</td>
<td>47,027</td>
<td>41,782</td>
</tr>
<tr>
<td>Trading liabilities - debt, short-term and other liabilities (b)</td>
<td>203,348</td>
<td>199,558</td>
<td>204,161</td>
<td>212,878</td>
<td>241,301</td>
</tr>
<tr>
<td>Beneficial interests issued by consolidated VIEs</td>
<td>60,046</td>
<td>65,360</td>
<td>69,399</td>
<td>69,399</td>
<td>69,399</td>
</tr>
<tr>
<td>Total interest-bearing liabilities</td>
<td>$1,555,968</td>
<td>$1,561,052</td>
<td>$1,584,210</td>
<td>$1,612,502</td>
<td>$1,632,710</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AVERAGE RATES</th>
<th>INTEREST-EARNING ASSETS</th>
<th>INTEREST-BEARING LIABILITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits with banks</td>
<td>0.49 %</td>
<td>0.52 %</td>
</tr>
<tr>
<td>Federal funds sold and securities purchased under resale agreements</td>
<td>1.07</td>
<td>0.66</td>
</tr>
<tr>
<td>Securities borrowed</td>
<td>0.06</td>
<td>0.05</td>
</tr>
<tr>
<td>Trading assets - debt instruments</td>
<td>3.96</td>
<td>4.13</td>
</tr>
<tr>
<td>Securities</td>
<td>2.42</td>
<td>2.56</td>
</tr>
<tr>
<td>Loans</td>
<td>4.96</td>
<td>2.58</td>
</tr>
<tr>
<td>Other assets (a)</td>
<td>0.74</td>
<td>0.85</td>
</tr>
<tr>
<td>Total interest-earning assets</td>
<td>3.12</td>
<td>3.28</td>
</tr>
<tr>
<td>Interest-bearing deposits</td>
<td>0.40</td>
<td>0.38</td>
</tr>
<tr>
<td>Federal funds purchased and securities loaned or sold under repurchase agreements</td>
<td>0.26</td>
<td>0.04</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>0.18</td>
<td>0.21</td>
</tr>
<tr>
<td>Trading liabilities - debt, short-term and other liabilities (b)</td>
<td>0.10</td>
<td>0.10</td>
</tr>
<tr>
<td>Beneficial interests issued by consolidated VIEs</td>
<td>1.10</td>
<td>1.26</td>
</tr>
<tr>
<td>Total interest-bearing liabilities</td>
<td>0.76</td>
<td>0.78</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INTEREST RATE SPREAD</th>
<th>NET YIELD ON INTEREST-EARNING ASSETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.36%</td>
<td>4.27%</td>
</tr>
</tbody>
</table>

(a) Includes margin loans.
(b) Includes brokerage customer payables.
(c) The negative yield on Securities borrowed during the second quarter of 2012 is a result of increased client-driven demand for certain securities combined with the impact of low interest rates.
In addition to reviewing JPMorgan Chase's 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, excluding the impact of IB's market-based activities. The core data presented below are non-GAAP financial measures due to the exclusion of IB's market-based net interest income and the related assets. For a further discussion of these measures, see Explanation and Reconciliation of the Firm’s Use of Non-GAAP Financial Measures on pages 76-78 of JPMorgan Chase’s 2011 Annual Report.

<table>
<thead>
<tr>
<th>CORE NET INTEREST INCOME DATA (a)</th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>2Q12 Change</th>
<th>SIX MONTHS ENDED JUNE 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income - managed basis (b)</td>
<td>$11,341</td>
<td>$11,837</td>
<td>$12,288</td>
<td>$11,950</td>
<td>$11,957</td>
<td>(4) %</td>
<td>$20,176</td>
</tr>
<tr>
<td>Impact of market-based net interest income</td>
<td>1,345</td>
<td>1,569</td>
<td>1,800</td>
<td>1,866</td>
<td>1,829</td>
<td>(14) %</td>
<td>(26) %</td>
</tr>
<tr>
<td>Core net interest income</td>
<td>$9,996</td>
<td>$10,268</td>
<td>$10,488</td>
<td>$10,084</td>
<td>$10,128</td>
<td>(3) %</td>
<td>(1) %</td>
</tr>
<tr>
<td>Average interest-earning assets - managed basis</td>
<td>$1,843,627</td>
<td>$1,821,513</td>
<td>$1,807,926</td>
<td>$1,784,395</td>
<td>$1,764,822</td>
<td>1 %</td>
<td>4 %</td>
</tr>
<tr>
<td>Impact of market-based earning assets</td>
<td>505,282</td>
<td>490,750</td>
<td>502,312</td>
<td>512,215</td>
<td>543,458</td>
<td>3 %</td>
<td>(7) %</td>
</tr>
<tr>
<td>Core average interest-earning assets</td>
<td>$1,338,345</td>
<td>$1,330,763</td>
<td>$1,305,614</td>
<td>$1,272,180</td>
<td>$1,221,364</td>
<td>1 %</td>
<td>10 %</td>
</tr>
<tr>
<td>Net interest yield on interest-earning assets - managed basis</td>
<td>2.47 %</td>
<td>2.61 %</td>
<td>2.70 %</td>
<td>2.66 %</td>
<td>2.72 %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net interest yield on market-based activity</td>
<td>1.07 %</td>
<td>1.29 %</td>
<td>1.42 %</td>
<td>1.45 %</td>
<td>1.35 %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Core net interest yield on interest-earning assets</td>
<td>3.00 %</td>
<td>3.10 %</td>
<td>3.19 %</td>
<td>3.14 %</td>
<td>3.33 %</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(a) Includes core lending, investing and deposit-raising activities on a managed basis, across Retail Financial Services, Card Services & Auto, Commercial Banking, Treasury & Security Services, Asset Management, and Corporate/Private Equity, as well as Investment Banking credit portfolio loans.

(b) For a reconciliation of net interest income on a reported and managed basis, see Reconciliation from Reported to Managed Summary on page 8.
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 46.

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

<table>
<thead>
<tr>
<th>QUARTERLY TRENDS</th>
<th>SIX MONTHS ENDED JUNE 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2Q12</td>
</tr>
<tr>
<td>OTHER INCOME</td>
<td></td>
</tr>
<tr>
<td>Other income - reported</td>
<td>$ 506</td>
</tr>
<tr>
<td>Fully taxable-equivalent (&quot;FTE&quot;) adjustments (a)</td>
<td>517</td>
</tr>
<tr>
<td>Other income - managed</td>
<td>$ 1,023</td>
</tr>
<tr>
<td>TOTAL NONINTEREST REVENUE</td>
<td></td>
</tr>
<tr>
<td>Total noninterest revenue - reported</td>
<td>$ 11,034</td>
</tr>
<tr>
<td>Fully taxable-equivalent adjustments (a)</td>
<td>517</td>
</tr>
<tr>
<td>Total noninterest revenue - managed</td>
<td>$ 11,551</td>
</tr>
<tr>
<td>NET INTEREST INCOME</td>
<td></td>
</tr>
<tr>
<td>Net interest income - reported</td>
<td>$ 11,146</td>
</tr>
<tr>
<td>Fully taxable-equivalent adjustments (a)</td>
<td>727</td>
</tr>
<tr>
<td>Net interest income - managed</td>
<td>$ 11,873</td>
</tr>
<tr>
<td>TOTAL NET REVENUE</td>
<td></td>
</tr>
<tr>
<td>Total net revenue - reported</td>
<td>$ 22,180</td>
</tr>
<tr>
<td>Fully taxable-equivalent adjustments (a)</td>
<td>727</td>
</tr>
<tr>
<td>Total net revenue - managed</td>
<td>$ 22,902</td>
</tr>
<tr>
<td>PRE-PROVISION PROFIT</td>
<td></td>
</tr>
<tr>
<td>Pre-provision profit - reported</td>
<td>$ 7,214</td>
</tr>
<tr>
<td>Fully taxable-equivalent adjustments (a)</td>
<td>727</td>
</tr>
<tr>
<td>Pre-provision profit - managed</td>
<td>$ 7,926</td>
</tr>
<tr>
<td>INCOME BEFORE INCOME TAX EXPENSE</td>
<td></td>
</tr>
<tr>
<td>Income before income tax expense - reported</td>
<td>$ 7,000</td>
</tr>
<tr>
<td>Fully taxable-equivalent adjustments (a)</td>
<td>727</td>
</tr>
<tr>
<td>Income before income tax expense - managed</td>
<td>$ 7,727</td>
</tr>
<tr>
<td>INCOME TAX EXPENSE</td>
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<td>Income tax expense - reported</td>
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<td>Fully taxable-equivalent adjustments (a)</td>
<td>727</td>
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<td>Income tax expense - managed</td>
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<td>OVERHEAD RATIO</td>
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<td>Overhead ratio - reported</td>
<td>67 %</td>
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<tr>
<td>Overhead ratio - managed</td>
<td>65 %</td>
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</table>

(a) Predominantly recognized in Investment Bank and Commercial Banking business segments and Corporate/Private Equity.
<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>2Q12 Change</th>
<th>2011</th>
<th>2Q12 Change</th>
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<td><strong>TOTAL NET REVENUE (FTE)</strong></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
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<td></td>
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<tr>
<td>Investment Bank (a)</td>
<td>$ 6,766</td>
<td>$ 7,321</td>
<td>$ 4,358</td>
<td>$ 6,369</td>
<td>$ 7,314</td>
<td>(8) %</td>
<td>(7) %</td>
<td>$ 14,087</td>
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<td>Retail Financial Services</td>
<td>7,935</td>
<td>7,649</td>
<td>6,395</td>
<td>7,535</td>
<td>7,142</td>
<td>4</td>
<td>11</td>
<td>15,584</td>
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<td>4,525</td>
<td>4,714</td>
<td>4,814</td>
<td>4,775</td>
<td>4,761</td>
<td>(4)</td>
<td>(5)</td>
<td>9,239</td>
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<td>Commercial Banking</td>
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<td>1,657</td>
<td>1,887</td>
<td>1,588</td>
<td>1,627</td>
<td>7</td>
<td>4</td>
<td>3,348</td>
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<td>Treasury &amp; Securities Services</td>
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<td>1,932</td>
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<td>Asset Management</td>
<td>2,364</td>
<td>2,370</td>
<td>2,284</td>
<td>2,316</td>
<td>2,537</td>
<td>-</td>
<td>(7)</td>
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<td>(2,541)</td>
<td>1,032</td>
<td>638</td>
<td>(123)</td>
<td>2,097</td>
<td>NM</td>
<td>NM</td>
<td>(1,509)</td>
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<td><strong>TOTAL NET REVENUE</strong></td>
<td>$ 22,892</td>
<td>$ 26,797</td>
<td>$ 22,198</td>
<td>$ 24,368</td>
<td>$ 27,410</td>
<td>(14)</td>
<td>(16)</td>
<td>$ 40,549</td>
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<tr>
<td><strong>TOTAL NONINTEREST EXPENSE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Investment Bank</td>
<td>$ 3,802</td>
<td>$ 4,738</td>
<td>$ 2,969</td>
<td>$ 3,799</td>
<td>$ 4,332</td>
<td>(20)</td>
<td>(12)</td>
<td>$ 8,540</td>
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<td>Retail Financial Services</td>
<td>4,726</td>
<td>5,009</td>
<td>4,722</td>
<td>4,565</td>
<td>5,271</td>
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<td>(10)</td>
<td>9,735</td>
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<td>Card Services &amp; Auto</td>
<td>2,096</td>
<td>2,029</td>
<td>2,025</td>
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<td>1,988</td>
<td>3</td>
<td>5</td>
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<td>Commercial Banking</td>
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<td>598</td>
<td>579</td>
<td>573</td>
<td>563</td>
<td>(1)</td>
<td>5</td>
<td>1,189</td>
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<td>1,470</td>
<td>1,453</td>
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<td>3</td>
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<td>1,752</td>
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<td>1,794</td>
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<td>(5)</td>
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<td>2,769</td>
<td>930</td>
<td>1,216</td>
<td>1,441</td>
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<td>(61)</td>
<td>3,328</td>
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<tr>
<td><strong>TOTAL NONINTEREST EXPENSE</strong></td>
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<td>$ 16,345</td>
<td>$ 14,540</td>
<td>$ 15,534</td>
<td>$ 16,342</td>
<td>(18)</td>
<td>(11)</td>
<td>$ 33,311</td>
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<tr>
<td><strong>PRE-PROVISION PROFIT/(LOSS)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Investment Bank (a)</td>
<td>$ 2,964</td>
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<td>$ 1,389</td>
<td>$ 2,570</td>
<td>$ 2,982</td>
<td>15</td>
<td>(1)</td>
<td>$ 5,547</td>
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<td>1,673</td>
<td>2,970</td>
<td>1,871</td>
<td>22</td>
<td>72</td>
<td>5,849</td>
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<td>Card Services &amp; Auto</td>
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<td>2,685</td>
<td>2,789</td>
<td>2,660</td>
<td>2,773</td>
<td>(10)</td>
<td>(12)</td>
<td>5,114</td>
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<td>1,108</td>
<td>1,015</td>
<td>1,064</td>
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<td>3</td>
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<td>Treasury &amp; Securities Services</td>
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<td>438</td>
<td>479</td>
<td>22</td>
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<td>532</td>
<td>520</td>
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<td>3</td>
<td>(11)</td>
<td>1,364</td>
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<td>(252)</td>
<td>(1,339)</td>
<td>656</td>
<td>(76)</td>
<td>(NM)</td>
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<td><strong>PRE-PROVISION PROFIT</strong></td>
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<td>$ 8,412</td>
<td>$ 7,858</td>
<td>$ 8,834</td>
<td>$ 10,568</td>
<td>(6)</td>
<td>(25)</td>
<td>$ 16,338</td>
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<td><strong>PROVISION FOR CREDIT LOSSES</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Bank</td>
<td>$ 21</td>
<td>$ (5)</td>
<td>$ 272</td>
<td>$ 54</td>
<td>(183)</td>
<td>NM</td>
<td>NM</td>
<td>$ 16</td>
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<td>(96)</td>
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<td>1,027</td>
<td>994</td>
<td>(478)</td>
<td>NM</td>
<td>(651)</td>
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<td>738</td>
<td>1,050</td>
<td>1,264</td>
<td>944</td>
<td>(13)</td>
<td>(22)</td>
<td>1,472</td>
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<td>67</td>
<td>54</td>
<td>NM</td>
<td>NM</td>
<td>NM</td>
<td>60</td>
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<td>2</td>
<td>19</td>
<td>(20)</td>
<td>(2)</td>
<td>300</td>
<td>NM</td>
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<td>24</td>
<td>26</td>
<td>12</td>
<td>79</td>
<td>183</td>
<td>53</td>
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<tr>
<td>Corporate/Private Equity (a)</td>
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<td>(9)</td>
<td>(10)</td>
<td>(7)</td>
<td>(9)</td>
<td>(22)</td>
<td>(20)</td>
<td>(19)</td>
</tr>
<tr>
<td><strong>PROVISION FOR CREDIT LOSSES</strong></td>
<td>$ 214</td>
<td>$ 726</td>
<td>$ 2,184</td>
<td>$ 2,411</td>
<td>$ 1,810</td>
<td>(71)</td>
<td>(88)</td>
<td>$ 940</td>
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<tr>
<td><strong>NET INCOME/(LOSS)</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Bank</td>
<td>$ 1,913</td>
<td>$ 1,682</td>
<td>$ 726</td>
<td>$ 1,636</td>
<td>$ 2,057</td>
<td>14</td>
<td>(7)</td>
<td>$ 3,595</td>
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<td>Retail Financial Services</td>
<td>2,267</td>
<td>1,753</td>
<td>533</td>
<td>1,161</td>
<td>383</td>
<td>29</td>
<td>492</td>
<td>4,020</td>
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<td>Card Services &amp; Auto</td>
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<td>1,183</td>
<td>1,051</td>
<td>849</td>
<td>1,110</td>
<td>(13)</td>
<td>(7)</td>
<td>2,123</td>
</tr>
<tr>
<td>Commercial Banking</td>
<td>673</td>
<td>591</td>
<td>643</td>
<td>571</td>
<td>607</td>
<td>14</td>
<td>11</td>
<td>1,264</td>
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<tr>
<td>Treasury &amp; Securities Services</td>
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<td>250</td>
<td>305</td>
<td>333</td>
<td>32</td>
<td>39</td>
<td>814</td>
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<td>391</td>
<td>386</td>
<td>302</td>
<td>395</td>
<td>439</td>
<td>1</td>
<td>(11)</td>
<td>777</td>
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<td>Corporate/Private Equity (a)</td>
<td>(1,777)</td>
<td>(1,022)</td>
<td>223</td>
<td>(645)</td>
<td>502</td>
<td>(74)</td>
<td>NM</td>
<td>(2,799)</td>
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<td><strong>TOTAL NET INCOME</strong></td>
<td>$ 4,960</td>
<td>$ 4,924</td>
<td>$ 3,728</td>
<td>$ 4,262</td>
<td>$ 5,431</td>
<td>1</td>
<td>(9)</td>
<td>$ 9,884</td>
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</tbody>
</table>

(a) Corporate/Private Equity includes an adjustment to offset Investment Bank’s (“IB”) inclusion of a credit allocation income/(expense) to Treasury & Securities Services (“TSS”) in total net revenue; TSS reports the credit allocation as a separate line on its income statement (not within total net revenue).
**JPMorgan Chase & Co.**

**Investment Bank**

**Financial Highlights**

*(in millions, except ratio data)*

<table>
<thead>
<tr>
<th>QUARTERLY TRENDS</th>
<th>2Q12 Change</th>
<th>SIX MONTHS ENDED JUNE 30</th>
<th>2012 Change</th>
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<tr>
<td><strong>INCOME STATEMENT</strong></td>
<td>2Q12</td>
<td>2Q11</td>
<td>1Q12</td>
</tr>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Investment banking fees</td>
<td>$1,245</td>
<td>$1,375</td>
<td>$1,119</td>
</tr>
<tr>
<td>Principal transactions (a)</td>
<td>3,063</td>
<td>3,210</td>
<td>364</td>
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<tr>
<td>Asset management, administration and commissions</td>
<td>499</td>
<td>565</td>
<td>477</td>
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<tr>
<td>All other income (b)</td>
<td>235</td>
<td>288</td>
<td>309</td>
</tr>
<tr>
<td>Noninterest revenue</td>
<td>5,042</td>
<td>5,418</td>
<td>2,269</td>
</tr>
<tr>
<td>Net interest income</td>
<td>1,724</td>
<td>1,903</td>
<td>2,083</td>
</tr>
<tr>
<td><strong>TOTAL NET REVENUE</strong> (c)</td>
<td>6,766</td>
<td>7,321</td>
<td>4,358</td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>21</td>
<td>(5)</td>
<td>272</td>
</tr>
<tr>
<td><strong>NONINTEREST EXPENSE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation expense</td>
<td>2,011</td>
<td>2,901</td>
<td>1,172</td>
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<tr>
<td>Noncompensation expense</td>
<td>1,791</td>
<td>1,837</td>
<td>1,797</td>
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<td><strong>TOTAL NONINTEREST EXPENSE</strong></td>
<td>3,802</td>
<td>4,738</td>
<td>2,969</td>
</tr>
<tr>
<td>Income before income tax expense</td>
<td>2,943</td>
<td>2,588</td>
<td>1,117</td>
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<tr>
<td>Income tax expense</td>
<td>1,030</td>
<td>906</td>
<td>391</td>
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<tr>
<td><strong>NET INCOME</strong></td>
<td>$1,913</td>
<td>$1,682</td>
<td>$726</td>
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<tr>
<td><strong>FINANCIAL RATIOS</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>ROE</td>
<td>19 %</td>
<td>17 %</td>
<td>7 %</td>
</tr>
<tr>
<td>ROA</td>
<td>0.97</td>
<td>0.86</td>
<td>0.36</td>
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<td>Overhead ratio</td>
<td>56</td>
<td>65</td>
<td>68</td>
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<td>Compensation expense as a percent of total net revenue (d)</td>
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<td>40</td>
<td>27</td>
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<tr>
<td><strong>REVENUE BY BUSINESS</strong></td>
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</tr>
<tr>
<td><strong>Investment banking fees:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advisory</td>
<td>$356</td>
<td>$281</td>
<td>$397</td>
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<tr>
<td>Equity underwriting</td>
<td>250</td>
<td>276</td>
<td>169</td>
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<tr>
<td>Debt underwriting</td>
<td>639</td>
<td>818</td>
<td>553</td>
</tr>
<tr>
<td><strong>TOTAL INVESTMENT BANKING FEES</strong></td>
<td>1,245</td>
<td>1,375</td>
<td>1,119</td>
</tr>
<tr>
<td><strong>Fixed income markets (e)</strong></td>
<td>3,734</td>
<td>4,664</td>
<td>2,491</td>
</tr>
<tr>
<td>Equity markets (f)</td>
<td>1,243</td>
<td>1,294</td>
<td>779</td>
</tr>
<tr>
<td>Credit portfolio (b)(g)</td>
<td>544</td>
<td>(12)</td>
<td>31</td>
</tr>
<tr>
<td><strong>Total net revenue</strong></td>
<td>$6,766</td>
<td>$7,321</td>
<td>$4,358</td>
</tr>
</tbody>
</table>

(a) Principal transactions included debt valuation adjustments ("DVA") related to derivatives and structured liabilities measured at fair value. DVA gains/(losses) were $755 million, ($907) million, ($567) million, $1.9 billion and $165 million for the three months ended June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011 and June 30, 2011, respectively, and $(152) million and $119 million for the six months ended June 30, 2012 and 2011, respectively.

(b) All other income included lending- and deposit-related fees. In addition, IB manages traditional credit exposures related to Global Corporate Bank ("GCB") on behalf of IB and TSS, and IB and TSS share the economics related to the Firm’s GCB clients. IB recognizes this sharing agreement also within all other income.

(c) Total net revenue 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 $404 million, $509 million, $510 million, $440 million and $483 million for the three months ended June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011 and June 30, 2011, respectively, and $1.0 billion and $931 million for the six months ended June 30, 2012 and 2011, respectively.

(d) Compensation expense as a percentage of total net revenue excluding DVA was 33%, 35%, 24%, 41% and 36% for the three months ended June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011 and June 30, 2011, respectively, and 34% and 38% for the six months ended June 30, 2012 and 2011, respectively.

(e) Fixed income markets primarily include revenue related to market-making across global fixed income markets, including foreign exchange, interest rate, credit and commodities markets. Includes DVA gains/(losses) of $241 million, ($352) million, ($135) million, $529 million and $64 million for the three months ended June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011 and June 30, 2011, respectively, and $(111) million and $159 million for the six months ended June 30, 2012 and 2011, respectively.


(g) Credit portfolio revenue includes net interest income, fees and loan sale activity, as well as gains or losses on securities received as part of a loan restructuring, for IB’s credit portfolio. Credit portfolio revenue also includes the results of risk management related to the Firm’s lending and derivative activities. Includes DVA gains/(losses) of $314 million, ($425) million, ($405) million, $579 million and $23 million for the three months ended June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011 and June 30, 2011, respectively, and $(111) million and $(48) million for the six months ended June 30, 2012 and 2011, respectively.
### JPMorgan Chase & Co.
**INVESTMENT BANK**
**FINANCIAL HIGHLIGHTS, CONTINUED**

(in millions, except headcount and ratio data)

#### SELECTED BALANCE SHEET DATA (period-end)

<table>
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<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>1Q12 Change</th>
<th>2Q11 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td>$829,655</td>
<td>$812,959</td>
<td>$776,430</td>
<td>$824,733</td>
<td>$809,630</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Loans</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans retained (a)</td>
<td>72,159</td>
<td>67,213</td>
<td>68,208</td>
<td>58,163</td>
<td>56,107</td>
<td>7%</td>
<td>29%</td>
</tr>
<tr>
<td>Loans held-for-sale and loans at fair value</td>
<td>2,278</td>
<td>5,451</td>
<td>2,915</td>
<td>3,311</td>
<td>3,466</td>
<td>(58%)</td>
<td>(34%)</td>
</tr>
<tr>
<td><strong>Total loans</strong></td>
<td>74,437</td>
<td>72,664</td>
<td>71,123</td>
<td>60,474</td>
<td>59,573</td>
<td>2%</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>40,000</td>
<td>40,000</td>
<td>40,000</td>
<td>40,000</td>
<td>40,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### SELECTED BALANCE SHEET DATA (average)

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>1Q12 Change</th>
<th>2Q11 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td>789,569</td>
<td>790,644</td>
<td>803,667</td>
<td>841,355</td>
<td>828,662</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Trading assets - debt and equity instruments</strong></td>
<td>313,267</td>
<td>313,005</td>
<td>329,984</td>
<td>374,694</td>
<td>371,841</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Trading assets - derivative receivables</strong></td>
<td>74,437</td>
<td>71,123</td>
<td>60,474</td>
<td>59,573</td>
<td>57,978</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Loans</strong></td>
<td>73,995</td>
<td>69,477</td>
<td>64,780</td>
<td>59,696</td>
<td>57,978</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted assets</strong></td>
<td>560,356</td>
<td>559,566</td>
<td>564,158</td>
<td>597,513</td>
<td>619,805</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>40,000</td>
<td>40,000</td>
<td>40,000</td>
<td>40,000</td>
<td>40,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Headcount</strong></td>
<td>26,553</td>
<td>25,707</td>
<td>25,999</td>
<td>26,615</td>
<td>27,716</td>
<td>3%</td>
<td>(4%)</td>
</tr>
</tbody>
</table>

#### CREDIT DATA AND QUALITY STATISTICS

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>1Q12 Change</th>
<th>2Q11 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net charge-offs/(recoveries)</strong></td>
<td>($10)</td>
<td>($35)</td>
<td>$199</td>
<td>($168)</td>
<td>$7</td>
<td>71%</td>
<td>NM</td>
</tr>
<tr>
<td><strong>Nonperforming assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonaccrual loans</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonaccrual loans retained (a)(c)</td>
<td>657</td>
<td>695</td>
<td>1,035</td>
<td>1,274</td>
<td>1,494</td>
<td>(5%)</td>
<td>(56%)</td>
</tr>
<tr>
<td>Nonaccrual loans held-for-sale and loans at fair value</td>
<td>158</td>
<td>182</td>
<td>166</td>
<td>150</td>
<td>193</td>
<td>(13%)</td>
<td>(18%)</td>
</tr>
<tr>
<td>Total nonaccrual loans</td>
<td>815</td>
<td>877</td>
<td>1,201</td>
<td>1,424</td>
<td>1,687</td>
<td>(7%)</td>
<td>(52%)</td>
</tr>
<tr>
<td><strong>Derivative receivables (d)</strong></td>
<td>451</td>
<td>317</td>
<td>293</td>
<td>281</td>
<td>213</td>
<td>42%</td>
<td>112%</td>
</tr>
<tr>
<td>Assets acquired in loan satisfactions</td>
<td>68</td>
<td>79</td>
<td>79</td>
<td>77</td>
<td>83</td>
<td>(14%)</td>
<td>(18%)</td>
</tr>
<tr>
<td><strong>Total nonperforming assets</strong></td>
<td>1,334</td>
<td>1,273</td>
<td>1,573</td>
<td>1,762</td>
<td>1,983</td>
<td>(5%)</td>
<td>(33%)</td>
</tr>
<tr>
<td><strong>Allowance for credit losses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowance for loan losses</td>
<td>1,419</td>
<td>1,386</td>
<td>1,436</td>
<td>1,337</td>
<td>1,178</td>
<td>2%</td>
<td>20%</td>
</tr>
<tr>
<td>Allowance for lending-related commitments</td>
<td>533</td>
<td>530</td>
<td>418</td>
<td>444</td>
<td>363</td>
<td>1%</td>
<td>39%</td>
</tr>
<tr>
<td><strong>Total allowance for credit losses</strong></td>
<td>1,952</td>
<td>1,916</td>
<td>1,854</td>
<td>1,781</td>
<td>1,561</td>
<td>2%</td>
<td>25%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>1Q12 Change</th>
<th>2Q11 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net charge-off/(recovery) rate (a)</strong></td>
<td>(0.06)%</td>
<td>(0.21)%</td>
<td>1.26%</td>
<td>(1.16)%</td>
<td>0.05%</td>
<td>(0.13)%</td>
<td>0.49%</td>
</tr>
<tr>
<td>Allow. for loan losses to period-end loans retained (a)</td>
<td>1.97</td>
<td>2.06</td>
<td>2.11</td>
<td>2.30</td>
<td>2.10</td>
<td>1.97</td>
<td>2.10</td>
</tr>
<tr>
<td>Allow. for loan losses to nonaccrual loans retained (a)(c)</td>
<td>216</td>
<td>199</td>
<td>139</td>
<td>105</td>
<td>79</td>
<td>216</td>
<td>79</td>
</tr>
<tr>
<td>Nonaccrual loans to total period-end loans</td>
<td>1.09</td>
<td>1.21</td>
<td>1.69</td>
<td>2.35</td>
<td>2.83</td>
<td>1.09</td>
<td>2.83</td>
</tr>
</tbody>
</table>

(a) Loans retained included credit portfolio loans, leveraged leases and other held-for-investment loans.
(b) Adjusted assets, a non-GAAP financial measure, is presented to assist the reader in comparing IB’s asset and capital levels with those of other investment banks in the securities industry. For further discussion of adjusted assets, see page 46.
(c) Allowance for loan losses of $201 million, $225 million, $263 million, $320 million and $377 million were held against these nonaccrual loans at June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011 and June 30, 2011, respectively.
(d) Prior to the first quarter of 2012, reported amounts had only included defaulted derivatives; effective in the first quarter of 2012, reported amounts in all periods include both defaulted derivatives as well as derivatives that have been risk rated as nonperforming.
### Market Risk - 95% Confidence Level

**Average Trading and Credit Portfolio VaR**

<table>
<thead>
<tr>
<th>Trading activities:</th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>1Q12</th>
<th>2Q11</th>
<th>2012 Change</th>
<th>2011 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed income</td>
<td>$ 66</td>
<td>$ 60</td>
<td>$ 56</td>
<td>$ 48</td>
<td>$ 45</td>
<td>10%</td>
<td>47%</td>
<td>$ 63</td>
<td>$ 47</td>
</tr>
<tr>
<td>Foreign exchange</td>
<td>10</td>
<td>11</td>
<td>12</td>
<td>10</td>
<td>9</td>
<td>(9)</td>
<td>11</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Equities</td>
<td>20</td>
<td>17</td>
<td>19</td>
<td>19</td>
<td>25</td>
<td>18</td>
<td>(20)</td>
<td>19</td>
<td>27</td>
</tr>
<tr>
<td>Commodities and other</td>
<td>13</td>
<td>21</td>
<td>20</td>
<td>15</td>
<td>16</td>
<td>(36)</td>
<td>(19)</td>
<td>17</td>
<td>15</td>
</tr>
<tr>
<td>Total trading VaR (a)</td>
<td>(44)</td>
<td>(46)</td>
<td>(50)</td>
<td>(39)</td>
<td>(37)</td>
<td>4</td>
<td>(19)</td>
<td>(46)</td>
<td>(38)</td>
</tr>
<tr>
<td>Credit portfolio VaR (c)</td>
<td>25</td>
<td>32</td>
<td>39</td>
<td>38</td>
<td>27</td>
<td>(22)</td>
<td>(7)</td>
<td>29</td>
<td>27</td>
</tr>
<tr>
<td>Diversification benefit to trading portfolio VaR (a)</td>
<td>(15)</td>
<td>(14)</td>
<td>(21)</td>
<td>(21)</td>
<td>(8)</td>
<td>(7)</td>
<td>(88)</td>
<td>(15)</td>
<td>(8)</td>
</tr>
<tr>
<td>Total trading and credit portfolio VaR</td>
<td>$ 75</td>
<td>$ 81</td>
<td>$ 75</td>
<td>$ 70</td>
<td>$ 77</td>
<td>(7)</td>
<td>(3)</td>
<td>$ 78</td>
<td>$ 80</td>
</tr>
</tbody>
</table>

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

(b) Trading VaR includes substantially all market-making and client-driven activities, as well as certain risk management activities in IB. It also captures the credit spread sensitivities of certain mortgage products and syndicated lending facilities that the Firm intends to distribute. Notwithstanding, particular risk parameters of certain products are not fully captured, for example, correlation risk. Trading VaR does not include the DVA on derivative and structured liabilities to reflect the credit quality of the Firm.

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

(d) Source: Dealogic. Global Investment Banking fees reflects the ranking of fees and market share. The remaining rankings reflect transaction volume rank and market share. Global announced M&A is based on transaction value at announcement; because of joint M&A assignments, M&A market share of all participants will add up to more than 100%. All other transaction volume-based rankings are based on proceeds, with full credit to each book manager/equal if joint.

(e) Global investment banking fees rankings exclude money market, short-term debt and shelf deals.

(f) Long-term debt rankings include investment-grade, high-yield, supranationals, sovereigns, agencies, covered bonds, asset-backed securities and mortgage-backed securities; and exclude money market, short-term debt, and U.S. municipal securities.

(g) Global equity and equity-related ranking includes rights offerings and Chinese A-Shares.

(h) U.S. announced M&A represents any U.S. involvement ranking.

### Market Shares and Rankings (d)

<table>
<thead>
<tr>
<th>Global Investment Banking Fees (e)</th>
<th>Market Share</th>
<th>Rankings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt, equity and equity-related</td>
<td>7.6%</td>
<td>#1</td>
</tr>
<tr>
<td>Global</td>
<td>7.1</td>
<td>1</td>
</tr>
<tr>
<td>U.S.</td>
<td>11.3</td>
<td>11.1</td>
</tr>
<tr>
<td>Syndicated loans</td>
<td>9.9%</td>
<td>1</td>
</tr>
<tr>
<td>Global</td>
<td>9.9</td>
<td>10.8</td>
</tr>
<tr>
<td>U.S.</td>
<td>18.2</td>
<td>21.2</td>
</tr>
<tr>
<td>Long-term debt (f)</td>
<td>7.0%</td>
<td>1</td>
</tr>
<tr>
<td>Global</td>
<td>7.0</td>
<td>6.7</td>
</tr>
<tr>
<td>U.S.</td>
<td>11.2</td>
<td>11.2</td>
</tr>
<tr>
<td>Equity and equity-related</td>
<td>8.2%</td>
<td>3</td>
</tr>
<tr>
<td>Global</td>
<td>8.2</td>
<td>6.8</td>
</tr>
<tr>
<td>U.S.</td>
<td>11.1</td>
<td>12.5</td>
</tr>
<tr>
<td>Announced M&amp;A (h)</td>
<td>20.0%</td>
<td>2</td>
</tr>
<tr>
<td>Global</td>
<td>20.0</td>
<td>18.2</td>
</tr>
<tr>
<td>U.S.</td>
<td>20.7</td>
<td>26.7</td>
</tr>
</tbody>
</table>

### Quarterly Trends

**Six Months Ended June 30, 2012**

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>1Q12</th>
<th>2Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change</td>
<td>10%</td>
<td>47%</td>
<td>50%</td>
<td>37%</td>
<td>19%</td>
<td>(19)</td>
<td>(38)</td>
</tr>
</tbody>
</table>

### Financial Highlights, Continued

(in millions, except ratio and rankings data)

**QUARTERLY TRENDS**

**MARKET RISK - 95% CONFIDENCE LEVEL**

**AVERAGE TRADING AND CREDIT PORTFOLIO VAR**

Trading activities:

- Fixed income: $66, $60, $56, $48, $45 (10%), 47%, $63, $47 (34%)
- Foreign exchange: 10, 11, 12, 10, 9 (9), 11, 10 (10)
- Equities: 20, 17, 19, 19, 25 (20), 19, 27 (27) (30)
- Commodities and other: 13, 21, 20, 15, 16 (36), (19), 17, 15 (13)
- Total trading VaR (a): (44), (46), (50), (39), (37) (4), (19) (46), (38) (21)

Credit portfolio VaR: 25, 32, 39, 38, 27 (22), (7), 29, 27 (7)

Diversification benefit to trading portfolio VaR (a): (15), (14), (21), (21), (8) (7), (88), (15) (8) (88)

Total trading and credit portfolio VaR: $75, $81, $75, $70, $77 (7), (3), $78, $80 (3)
**INTERNATIONAL METRICS**

<table>
<thead>
<tr>
<th>Region/Region</th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>1Q12</th>
<th>2Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total net revenue:</strong> (a)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe/Middle East/Africa</td>
<td>$2,106</td>
<td>$2,400</td>
<td>$1,353</td>
<td>$1,995</td>
<td>$2,478</td>
<td>$4,506</td>
<td>$5,070</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>662</td>
<td>758</td>
<td>502</td>
<td>948</td>
<td>762</td>
<td>1,420</td>
<td>1,884</td>
</tr>
<tr>
<td>Latin America/Caribbean</td>
<td>304</td>
<td>339</td>
<td>240</td>
<td>175</td>
<td>337</td>
<td>643</td>
<td>664</td>
</tr>
<tr>
<td>North America</td>
<td>3,694</td>
<td>3,824</td>
<td>2,263</td>
<td>3,251</td>
<td>3,737</td>
<td>7,518</td>
<td>7,929</td>
</tr>
<tr>
<td><strong>Total net revenue</strong></td>
<td>$6,766</td>
<td>$7,321</td>
<td>$4,358</td>
<td>$6,369</td>
<td>$7,314</td>
<td>$14,087</td>
<td>$15,547</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region/Region</th>
<th>2012</th>
<th>2011</th>
<th>2012 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe/Middle East/Africa</td>
<td>$4,506</td>
<td>$5,070</td>
<td>(11)%</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>1,420</td>
<td>1,884</td>
<td>(25)%</td>
</tr>
<tr>
<td>Latin America/Caribbean</td>
<td>643</td>
<td>664</td>
<td>(3)%</td>
</tr>
<tr>
<td>North America</td>
<td>7,518</td>
<td>7,929</td>
<td>(5)%</td>
</tr>
<tr>
<td><strong>Total loans</strong></td>
<td>$14,087</td>
<td>$15,547</td>
<td>(9)%</td>
</tr>
</tbody>
</table>

(a) Regional revenue is based primarily on the domicile of the client and/or location of the trading desk.

(b) Includes retained loans based on the domicile of the client.
**FINANCIAL HIGHLIGHTS**

(in millions, except ratio and headcount data)

**QUARTERLY TRENDS**

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q12</th>
<th>2Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lending- and deposit-related fees</td>
<td>$777</td>
<td>$748</td>
<td>$808</td>
<td>$833</td>
<td>$813</td>
<td>4%</td>
</tr>
<tr>
<td>Asset management, administration and commissions</td>
<td>522</td>
<td>527</td>
<td>494</td>
<td>513</td>
<td>498</td>
<td>(1)%</td>
</tr>
<tr>
<td>Mortgage fees and related income</td>
<td>2,265</td>
<td>2,008</td>
<td>723</td>
<td>1,380</td>
<td>1,100</td>
<td>13%</td>
</tr>
<tr>
<td>Credit card income</td>
<td>344</td>
<td>315</td>
<td>305</td>
<td>611</td>
<td>572</td>
<td>9%</td>
</tr>
<tr>
<td>Other income</td>
<td>126</td>
<td>126</td>
<td>107</td>
<td>136</td>
<td>131</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Noninterest revenue</strong></td>
<td>4,034</td>
<td>3,724</td>
<td>2,537</td>
<td>3,742</td>
<td>3,115</td>
<td>8%</td>
</tr>
<tr>
<td>Net interest income</td>
<td>3,901</td>
<td>3,952</td>
<td>3,958</td>
<td>4,062</td>
<td>4,027</td>
<td>(1)%</td>
</tr>
<tr>
<td><strong>TOTAL NET REVENUE</strong></td>
<td>7,935</td>
<td>7,649</td>
<td>6,395</td>
<td>7,535</td>
<td>7,142</td>
<td>4%</td>
</tr>
</tbody>
</table>

**SIX MONTHS ENDED JUNE 30, 2012**

<table>
<thead>
<tr>
<th></th>
<th>2Q12 Change</th>
<th>2012</th>
<th>2011</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME STATEMENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lending- and deposit-related fees</td>
<td>$1,525</td>
<td>$1,549</td>
<td>(2)%</td>
<td></td>
</tr>
<tr>
<td>Asset management, administration and commissions</td>
<td>1,049</td>
<td>984</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Mortgage fees and related income</td>
<td>4,273</td>
<td>611</td>
<td>NM</td>
<td></td>
</tr>
<tr>
<td>Credit card income</td>
<td>659</td>
<td>1,109</td>
<td>(41)%</td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td>242</td>
<td>4</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td><strong>Noninterest revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net interest income</td>
<td>7,758</td>
<td>4,865</td>
<td>73%</td>
<td></td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>7,826</td>
<td>8,113</td>
<td>(4)%</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL NET REVENUE</strong></td>
<td>15,584</td>
<td>12,008</td>
<td>24%</td>
<td></td>
</tr>
</tbody>
</table>

**ROE**

<table>
<thead>
<tr>
<th>ROE</th>
<th>34%</th>
<th>31%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overhead ratio</td>
<td>60%</td>
<td>62%</td>
</tr>
<tr>
<td>Overhead ratio excluding core deposit intangibles</td>
<td>59%</td>
<td>62%</td>
</tr>
</tbody>
</table>

**SELECTED BALANCE SHEET DATA (period-end)**

<table>
<thead>
<tr>
<th>Total assets</th>
<th>$264,320</th>
<th>$269,442</th>
<th>$274,795</th>
<th>$276,799</th>
<th>$276,799</th>
<th>2%</th>
<th>7%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans retained</td>
<td>222,773</td>
<td>227,491</td>
<td>232,555</td>
<td>241,127</td>
<td>241,127</td>
<td>(2)%</td>
<td>(8)%</td>
</tr>
<tr>
<td>Loans held-for-sale and loans at fair value</td>
<td>14,254</td>
<td>12,496</td>
<td>12,694</td>
<td>13,153</td>
<td>13,558</td>
<td>14%</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total loans</strong></td>
<td>237,027</td>
<td>239,987</td>
<td>245,249</td>
<td>248,725</td>
<td>254,881</td>
<td>1%</td>
<td>7%</td>
</tr>
<tr>
<td>Deposits</td>
<td>413,571</td>
<td>413,901</td>
<td>395,797</td>
<td>388,735</td>
<td>378,371</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Equity</td>
<td>26,500</td>
<td>26,500</td>
<td>25,000</td>
<td>25,000</td>
<td>25,000</td>
<td>5%</td>
<td>0%</td>
</tr>
</tbody>
</table>

**SELECTED BALANCE SHEET DATA (average)**

<table>
<thead>
<tr>
<th>Total assets</th>
<th>$134,380</th>
<th>$134,321</th>
<th>$133,075</th>
<th>$128,992</th>
<th>$122,728</th>
<th>2%</th>
<th>5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans retained</td>
<td>225,144</td>
<td>230,170</td>
<td>233,958</td>
<td>238,273</td>
<td>238,273</td>
<td>(2)%</td>
<td>(8)%</td>
</tr>
<tr>
<td>Loans held-for-sale and loans at fair value</td>
<td>17,694</td>
<td>15,621</td>
<td>16,680</td>
<td>16,058</td>
<td>16,058</td>
<td>13%</td>
<td>21%</td>
</tr>
<tr>
<td><strong>Total loans</strong></td>
<td>242,838</td>
<td>245,791</td>
<td>250,638</td>
<td>254,881</td>
<td>254,881</td>
<td>1%</td>
<td>7%</td>
</tr>
<tr>
<td>Deposits</td>
<td>409,256</td>
<td>399,561</td>
<td>389,519</td>
<td>382,202</td>
<td>378,371</td>
<td>8%</td>
<td>2%</td>
</tr>
<tr>
<td>Equity</td>
<td>26,500</td>
<td>26,500</td>
<td>25,000</td>
<td>25,000</td>
<td>25,000</td>
<td>6%</td>
<td>0%</td>
</tr>
<tr>
<td>Headcount</td>
<td>134,380</td>
<td>134,321</td>
<td>133,075</td>
<td>128,992</td>
<td>122,728</td>
<td>9%</td>
<td>5%</td>
</tr>
</tbody>
</table>

(a) Retail Financial Services uses the overhead ratio (excluding the amortization of core deposit intangibles ("CDI"), a non-GAAP financial measure, to evaluate the underlying expense trends of the business. Including CDI amortization expense in the overhead ratio calculation would result in a higher overhead ratio in the earlier years and a lower overhead ratio in later years; this method would therefore result in an improving overhead ratio over time, all things remaining equal. This non-GAAP ratio excluded Consumer & Business Banking’s CDI amortization expense related to prior business combination transactions of $50 million, $51 million, $58 million, $60 million and $70 million for the three months ended June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011 and June 30, 2011, respectively, and $101 million and $120 million for the six months ended June 30, 2012 and 2011, respectively.

(b) Predominantly consists of prime mortgages originated with the intent to sell that are accounted for at fair value and classified as trading assets on the Consolidated Balance Sheets.
## CREDIT DATA AND QUALITY STATISTICS

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>1Q12</th>
<th>2Q11</th>
<th>2Q12 Change</th>
<th>2012</th>
<th>2011</th>
<th>2012 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net charge-offs</strong></td>
<td>$795</td>
<td>$904</td>
<td>$1,009</td>
<td>$1,027</td>
<td>$1,069</td>
<td>(12) %</td>
<td>(26) %</td>
<td>$1,699</td>
<td>$2,268</td>
<td>(25) %</td>
<td></td>
</tr>
<tr>
<td><strong>Nonaccrual loans:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonaccrual loans retained</td>
<td>7,835</td>
<td>8,191</td>
<td>7,170</td>
<td>7,579</td>
<td>8,088</td>
<td>(4)</td>
<td>(3)</td>
<td>7,835</td>
<td>8,088</td>
<td>(3)</td>
<td></td>
</tr>
<tr>
<td>Nonaccrual loans held-for-sale and loans at fair value</td>
<td>96</td>
<td>101</td>
<td>103</td>
<td>132</td>
<td>142</td>
<td>(3)</td>
<td>(31)</td>
<td>96</td>
<td>142</td>
<td>(31)</td>
<td></td>
</tr>
<tr>
<td>Total nonaccrual loans (a)(b)(c)(d)</td>
<td>7,933</td>
<td>8,292</td>
<td>7,273</td>
<td>7,711</td>
<td>8,250</td>
<td>(4)</td>
<td>(4)</td>
<td>7,933</td>
<td>8,230</td>
<td>(4)</td>
<td></td>
</tr>
<tr>
<td>Nonperforming assets (a)(b)(c)(d)</td>
<td>8,645</td>
<td>9,109</td>
<td>8,064</td>
<td>8,576</td>
<td>9,175</td>
<td>(5)</td>
<td>(6)</td>
<td>8,645</td>
<td>9,175</td>
<td>(6)</td>
<td></td>
</tr>
<tr>
<td>Allowance for loan losses</td>
<td>12,897</td>
<td>14,247</td>
<td>15,247</td>
<td>15,479</td>
<td>15,479</td>
<td>(9)</td>
<td>(17)</td>
<td>12,897</td>
<td>15,479</td>
<td>(17)</td>
<td></td>
</tr>
<tr>
<td>Net charge-off rate (e)</td>
<td>1.42 %</td>
<td>1.58 %</td>
<td>1.71 %</td>
<td>1.71 %</td>
<td>1.76 %</td>
<td></td>
<td></td>
<td>1.50 %</td>
<td>1.85 %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net charge-off rate excluding purchased credit-impaired (&quot;PCI&quot;) loans (a)</td>
<td>1.98</td>
<td>2.20</td>
<td>2.39</td>
<td>2.39</td>
<td>2.46</td>
<td></td>
<td></td>
<td>2.09</td>
<td>2.59</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowance for loan losses to ending loans retained</td>
<td>5.79</td>
<td>6.26</td>
<td>6.56</td>
<td>6.57</td>
<td>6.42</td>
<td></td>
<td></td>
<td>5.79</td>
<td>6.42</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowance for loan losses to ending loans retained excluding PCI loans (f)</td>
<td>4.49</td>
<td>5.22</td>
<td>5.71</td>
<td>6.26</td>
<td>6.12</td>
<td></td>
<td></td>
<td>4.49</td>
<td>6.12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowance for loan losses to nonaccrual loans retained (a)(d)(f)</td>
<td>92</td>
<td>104</td>
<td>133</td>
<td>139</td>
<td>130</td>
<td></td>
<td></td>
<td>92</td>
<td>130</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonaccrual loans to total loans (d)</td>
<td>3.35</td>
<td>3.46</td>
<td>2.97</td>
<td>3.10</td>
<td>3.23</td>
<td></td>
<td></td>
<td>3.35</td>
<td>3.23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonaccrual loans to total loans excluding PCI loans (a)(d)</td>
<td>4.55</td>
<td>4.71</td>
<td>4.05</td>
<td>4.25</td>
<td>4.43</td>
<td></td>
<td></td>
<td>4.55</td>
<td>4.43</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(a) Excludes PCI loans. Because the Firm is recognizing interest income on each pool of PCI loans, they are all considered to be performing.
(b) Certain of these loans are classified as trading assets on the Consolidated Balance Sheets.
(c) At June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011 and June 30, 2011, nonperforming assets excluded: (1) mortgage loans insured by U.S. government agencies of $11.9 billion, $11.8 billion, $11.5 billion, $9.5 billion and $9.1 billion, respectively, that are 90 or more days past due; and (2) real estate owned insured by U.S. government agencies of $1.3 billion, $1.2 billion, $954 million, $2.4 billion and $2.4 billion, respectively. These amounts were excluded from nonaccrual loans as reimbursement of insured amounts is proceeding normally.
(d) At June 30, 2012 and March 31, 2012, includes $1.5 billion and $1.6 billion, respectively, of performing junior liens that are subordinate to senior liens that are 90 days or more past due; such junior liens are now being reported as nonaccrual loans based upon regulatory guidance issued in the first quarter of 2012. Of the total, $1.3 billion and $1.4 billion were current at June 30, 2012 and March 31, 2012, respectively.
(e) Loans held-for-sale and loans accounted for at fair value were excluded when calculating the net charge-off rate.
(f) An allowance for loan losses of $5.7 billion at June 30, 2012, March 31, 2012 and December 31, 2011 and $4.9 billion at September 30, 2011 and June 30, 2011 was recorded for PCI loans; these amounts were also excluded from the applicable ratios.
### CONSUMER & BUSINESS BANKING

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>1Q12</th>
<th>2Q11</th>
<th>2Q12 Change</th>
<th>2011</th>
<th>1Q12</th>
<th>2Q11</th>
<th>2011 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noninterest revenue</td>
<td>$1,646</td>
<td>$1,585</td>
<td>$1,603</td>
<td>$1,952</td>
<td>$1,889</td>
<td>4 %</td>
<td>(13)</td>
<td>$3,231</td>
</tr>
<tr>
<td>Net interest income</td>
<td>2,680</td>
<td>2,675</td>
<td>2,714</td>
<td>2,730</td>
<td>2,706</td>
<td>-</td>
<td>(1)</td>
<td>5,355</td>
</tr>
<tr>
<td><strong>Total net revenue</strong></td>
<td><strong>4,326</strong></td>
<td><strong>4,260</strong></td>
<td><strong>4,317</strong></td>
<td><strong>4,682</strong></td>
<td><strong>4,595</strong></td>
<td>2</td>
<td>(6)</td>
<td><strong>8,886</strong></td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>62</td>
<td>66</td>
<td>132</td>
<td>126</td>
<td>42</td>
<td>NM</td>
<td>NM</td>
<td>161</td>
</tr>
<tr>
<td>Noninterest expense</td>
<td>2,742</td>
<td>2,866</td>
<td>2,848</td>
<td>2,842</td>
<td>2,713</td>
<td>(4)</td>
<td>1</td>
<td>5,608</td>
</tr>
<tr>
<td>Income before income tax expense</td>
<td>1,586</td>
<td>1,298</td>
<td>1,337</td>
<td>1,714</td>
<td>1,840</td>
<td>22</td>
<td>(14)</td>
<td>2,684</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td><strong>$946</strong></td>
<td><strong>$774</strong></td>
<td><strong>$802</strong></td>
<td><strong>$1,023</strong></td>
<td><strong>$1,098</strong></td>
<td>22</td>
<td>(14)</td>
<td><strong>$1,720</strong></td>
</tr>
</tbody>
</table>

Overhead ratio excluding core deposit intangibles (a) 63 % 67 % 66 % 61 % 59 % 64 % 60 %

#### BUSINESS METRICS

**Business banking origination volume**

<table>
<thead>
<tr>
<th></th>
<th>1,787</th>
<th>1,540</th>
<th>1,389</th>
<th>1,440</th>
<th>1,573</th>
<th>16</th>
<th>14</th>
<th>$3,327</th>
<th>$2,998</th>
<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td>End-of-period loans</td>
<td>18,218</td>
<td>17,822</td>
<td>17,652</td>
<td>17,272</td>
<td>17,141</td>
<td>2</td>
<td>6</td>
<td>18,218</td>
<td>17,141</td>
<td>6</td>
</tr>
</tbody>
</table>
| End-of-period deposits:
  Checking            | 156,449 | 159,075 | 147,779 | 142,064 | 136,297 | (2) | 15 | 156,449 | 136,297 | 15 |
  Savings             | 203,910 | 200,662 | 191,891 | 186,733 | 182,127 | 2 | 12 | 203,910 | 182,127 | 12 |
  Time and other      | 34,403 | 35,642 | 36,743 | 39,017 | 41,948 | (3) | 18 | 34,403 | 41,948 | (18) |
| **Total end-of-period deposits** | **394,762** | **395,379** | **376,413** | **387,814** | **380,372** | - | 10 | **394,762** | **360,372** | 10 |

Average loans 17,954 17,667 17,363 17,172 17,057 2 5 17,800 16,972 5

Average deposits:
  Checking 151,733 147,455 140,672 137,033 136,558 3 11 149,594 134,296 11
  Savings 202,685 197,199 189,553 184,590 180,892 3 12 199,422 178,028 12
  Time and other 35,096 36,121 37,708 40,588 43,053 (3) (18) 35,608 44,039 (19)

Total average deposits 389,314 380,775 387,933 382,211 380,503 2 8 385,144 356,335 8

Deposit margin 2.62 % 2.58 % 2.76 % 2.62 % 2.83 % 2.86 % 2.65 % 2.86 % 5

Average assets $30,275 $30,857 $30,373 $30,074 $29,047 (2) 4 $30,566 $29,227 5

#### CREDIT DATA AND QUALITY STATISTICS

<p>| | | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net charge-offs</td>
<td>98</td>
<td>96</td>
<td>132</td>
<td>126</td>
<td>117</td>
<td>2</td>
<td>(16)</td>
<td>194</td>
</tr>
<tr>
<td>Net charge-off rate</td>
<td>2.20</td>
<td>2.19</td>
<td>3.02</td>
<td>2.91</td>
<td>2.74</td>
<td>2.19</td>
<td>2.80</td>
<td></td>
</tr>
<tr>
<td>Allowance for loan losses</td>
<td>$698</td>
<td>$798</td>
<td>$798</td>
<td>$800</td>
<td>$800</td>
<td>$698</td>
<td>$800</td>
<td></td>
</tr>
<tr>
<td>Nonperforming assets</td>
<td>597</td>
<td>663</td>
<td>710</td>
<td>773</td>
<td>764</td>
<td>(10)</td>
<td>(24)</td>
<td>597</td>
</tr>
</tbody>
</table>

#### RETAIL BRANCH BUSINESS METRICS

<p>| | | | | | | | | |</p>
<table>
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<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment sales volume</td>
<td>6,171</td>
<td>6,598</td>
<td>4,696</td>
<td>5,102</td>
<td>6,334</td>
<td>(6)</td>
<td>(3)</td>
<td>12,769</td>
</tr>
<tr>
<td>Client investment assets</td>
<td>147,641</td>
<td>147,083</td>
<td>137,853</td>
<td>132,255</td>
<td>140,285</td>
<td>-</td>
<td>5</td>
<td>147,641</td>
</tr>
<tr>
<td>% managed accounts</td>
<td>26</td>
<td>26</td>
<td>24</td>
<td>23</td>
<td>23</td>
<td>26</td>
<td>23</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Branches</td>
<td>5,563</td>
<td>5,541</td>
<td>5,508</td>
<td>5,396</td>
<td>5,340</td>
<td>-</td>
<td>4</td>
<td>5,563</td>
</tr>
<tr>
<td>Chase Private Client branch locations</td>
<td>738</td>
<td>366</td>
<td>262</td>
<td>139</td>
<td>16</td>
<td>102</td>
<td>NM</td>
<td>738</td>
</tr>
<tr>
<td>ATMs</td>
<td>18,132</td>
<td>17,654</td>
<td>17,235</td>
<td>16,708</td>
<td>16,443</td>
<td>3</td>
<td>10</td>
<td>18,132</td>
</tr>
<tr>
<td>Personal bankers</td>
<td>24,052</td>
<td>24,198</td>
<td>24,308</td>
<td>24,205</td>
<td>23,330</td>
<td>(1)</td>
<td>3</td>
<td>24,052</td>
</tr>
<tr>
<td>Sales specialists</td>
<td>6,179</td>
<td>6,110</td>
<td>6,017</td>
<td>5,639</td>
<td>5,299</td>
<td>-</td>
<td>17</td>
<td>6,179</td>
</tr>
<tr>
<td>Client advisors</td>
<td>3,075</td>
<td>3,131</td>
<td>3,201</td>
<td>3,177</td>
<td>3,112</td>
<td>(2)</td>
<td>(1)</td>
<td>3,075</td>
</tr>
<tr>
<td>Active online customers (in thousands)</td>
<td>17,929</td>
<td>17,915</td>
<td>17,334</td>
<td>17,326</td>
<td>17,083</td>
<td>-</td>
<td>5</td>
<td>17,929</td>
</tr>
<tr>
<td>Active mobile customers (in thousands)</td>
<td>9,075</td>
<td>8,570</td>
<td>8,391</td>
<td>7,234</td>
<td>6,580</td>
<td>6</td>
<td>38</td>
<td>9,075</td>
</tr>
<tr>
<td>Chase Private Clients</td>
<td>50,649</td>
<td>32,857</td>
<td>21,723</td>
<td>11,711</td>
<td>5,807</td>
<td>54</td>
<td>NM</td>
<td>50,649</td>
</tr>
<tr>
<td>Checking accounts (in thousands)</td>
<td>27,384</td>
<td>27,034</td>
<td>26,626</td>
<td>26,541</td>
<td>26,266</td>
<td>1</td>
<td>4</td>
<td>27,384</td>
</tr>
</tbody>
</table>

(a) Consumer & Business Banking uses the overhead ratio (excluding the amortization of CDI), a non-GAAP financial measure, to evaluate the underlying expense trends of the business. See footnote (a) on page 14 for further details.
MORTGAGE PRODUCTION AND SERVICING

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>1Q12</th>
<th>2Q12</th>
<th>3Q11</th>
<th>4Q11</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage fees and related income</td>
<td>$2,265</td>
<td>$2,008</td>
<td>$723</td>
<td>$1,380</td>
<td>$1,100</td>
<td>13 %</td>
</tr>
<tr>
<td>Other noninterest revenue</td>
<td>110</td>
<td>123</td>
<td>124</td>
<td>118</td>
<td>106</td>
<td>(11)</td>
</tr>
<tr>
<td>Net interest income</td>
<td>194</td>
<td>177</td>
<td>171</td>
<td>204</td>
<td>124</td>
<td>10</td>
</tr>
<tr>
<td>Total net revenue</td>
<td>2,569</td>
<td>2,308</td>
<td>1,018</td>
<td>1,702</td>
<td>1,330</td>
<td>11</td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>2</td>
<td>(2)</td>
<td>NM</td>
</tr>
<tr>
<td>Noninterest expense</td>
<td>1,572</td>
<td>1,724</td>
<td>1,442</td>
<td>1,360</td>
<td>2,187</td>
<td>(9)</td>
</tr>
<tr>
<td>Income/(loss) before income tax expense/(benefit)</td>
<td>966</td>
<td>584</td>
<td>425</td>
<td>540</td>
<td>(835)</td>
<td>71</td>
</tr>
<tr>
<td>Net income/(loss)</td>
<td>$604</td>
<td>$461</td>
<td>$258</td>
<td>$205</td>
<td>$649</td>
<td>31</td>
</tr>
</tbody>
</table>

Overhead ratio

|                      | 61 % | 75 % | 142 % | 80 % | 164 % | 68 % |

FUNCTIONAL RESULTS

Production

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>1Q12</th>
<th>2Q12</th>
<th>3Q11</th>
<th>4Q11</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production revenue</td>
<td>$1,362</td>
<td>$1,432</td>
<td>$859</td>
<td>$1,090</td>
<td>$767</td>
<td>(5)</td>
</tr>
<tr>
<td>Production-related net interest &amp; other income</td>
<td>199</td>
<td>187</td>
<td>210</td>
<td>213</td>
<td>199</td>
<td>6</td>
</tr>
<tr>
<td>Production-related revenue, excl. repurchase losses</td>
<td>1,561</td>
<td>1,619</td>
<td>1,069</td>
<td>1,303</td>
<td>966</td>
<td>(4)</td>
</tr>
<tr>
<td>Production expense</td>
<td>620</td>
<td>573</td>
<td>518</td>
<td>496</td>
<td>457</td>
<td>8</td>
</tr>
<tr>
<td>Income, excluding repurchase losses</td>
<td>941</td>
<td>1,046</td>
<td>551</td>
<td>807</td>
<td>509</td>
<td>(10)</td>
</tr>
<tr>
<td>Repurchase losses</td>
<td>(10)</td>
<td>(302)</td>
<td>(390)</td>
<td>(314)</td>
<td>(223)</td>
<td>97</td>
</tr>
<tr>
<td>Income before income tax expense</td>
<td>951</td>
<td>744</td>
<td>161</td>
<td>493</td>
<td>286</td>
<td>29</td>
</tr>
</tbody>
</table>

Servicing

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>1Q12</th>
<th>2Q12</th>
<th>3Q11</th>
<th>4Q11</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan servicing revenue</td>
<td>1,004</td>
<td>1,039</td>
<td>1,032</td>
<td>1,039</td>
<td>1,011</td>
<td>(3)</td>
</tr>
<tr>
<td>Servicing-related net interest &amp; other income</td>
<td>108</td>
<td>112</td>
<td>90</td>
<td>115</td>
<td>29</td>
<td>4</td>
</tr>
<tr>
<td>Servicing-related revenue</td>
<td>1,112</td>
<td>1,151</td>
<td>1,122</td>
<td>1,154</td>
<td>1,040</td>
<td>(3)</td>
</tr>
<tr>
<td>MSR asset modeled amortization</td>
<td>(324)</td>
<td>(351)</td>
<td>(406)</td>
<td>(452)</td>
<td>(478)</td>
<td>(4)</td>
</tr>
<tr>
<td>Default servicing expense (a)</td>
<td>705</td>
<td>890</td>
<td>702</td>
<td>585</td>
<td>1,449</td>
<td>(21)</td>
</tr>
<tr>
<td>Core servicing expense (a)</td>
<td>248</td>
<td>261</td>
<td>223</td>
<td>281</td>
<td>279</td>
<td>(5)</td>
</tr>
<tr>
<td>Income/(loss), excluding MSR risk management</td>
<td>(168)</td>
<td>(351)</td>
<td>(209)</td>
<td>(168)</td>
<td>(1,166)</td>
<td>52</td>
</tr>
<tr>
<td>MSR risk management, including related net interest income/(expense)</td>
<td>233</td>
<td>191</td>
<td>377</td>
<td>16</td>
<td>22</td>
<td>NM</td>
</tr>
<tr>
<td>Income/(loss) before income tax expense/(benefit)</td>
<td>65</td>
<td>150</td>
<td>158</td>
<td>153</td>
<td>(1,141)</td>
<td>NM</td>
</tr>
<tr>
<td>Net Income/(loss)</td>
<td>$604</td>
<td>$461</td>
<td>$258</td>
<td>$205</td>
<td>$649</td>
<td>31</td>
</tr>
</tbody>
</table>

SUPPLEMENTAL MORTGAGE FEES AND RELATED INCOME DETAILS

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>1Q12</th>
<th>2Q12</th>
<th>3Q11</th>
<th>4Q11</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net mortgage servicing revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production revenue</td>
<td>$1,362</td>
<td>$1,432</td>
<td>$859</td>
<td>$1,090</td>
<td>$767</td>
<td>(5)</td>
</tr>
<tr>
<td>Repurchase losses</td>
<td>(10)</td>
<td>(302)</td>
<td>(390)</td>
<td>(314)</td>
<td>(223)</td>
<td>97</td>
</tr>
<tr>
<td>Net production revenue</td>
<td>1,352</td>
<td>1,130</td>
<td>469</td>
<td>770</td>
<td>544</td>
<td>20</td>
</tr>
<tr>
<td>Operating revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan servicing revenue</td>
<td>1,004</td>
<td>1,039</td>
<td>1,032</td>
<td>1,039</td>
<td>1,011</td>
<td>(3)</td>
</tr>
<tr>
<td>Changes in MSR asset fair value due to modeled amortization</td>
<td>(372)</td>
<td>(351)</td>
<td>(406)</td>
<td>(452)</td>
<td>(478)</td>
<td>7</td>
</tr>
<tr>
<td>Total operating revenue</td>
<td>677</td>
<td>688</td>
<td>626</td>
<td>582</td>
<td>533</td>
<td>(2)</td>
</tr>
<tr>
<td>Risk management:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in MSR asset fair value due to inputs or assumptions in model</td>
<td>(1,117)</td>
<td>596</td>
<td>(832)</td>
<td>(4,574)</td>
<td>969</td>
<td>NM</td>
</tr>
<tr>
<td>Derivative valuation adjustments and other</td>
<td>1,353</td>
<td>(406)</td>
<td>460</td>
<td>4,596</td>
<td>963</td>
<td>NM</td>
</tr>
<tr>
<td>Total risk management</td>
<td>236</td>
<td>190</td>
<td>(372)</td>
<td>22</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td>Total net mortgage servicing revenue</td>
<td>913</td>
<td>878</td>
<td>254</td>
<td>604</td>
<td>556</td>
<td>64</td>
</tr>
<tr>
<td>Mortgage fees and related income</td>
<td>$2,265</td>
<td>$2,008</td>
<td>$723</td>
<td>$1,380</td>
<td>$1,100</td>
<td>13</td>
</tr>
</tbody>
</table>

(a) Default and core servicing expense include an aggregate of approximately $200 million and $1.0 billion for foreclosure-related matters for the three months ended March 31, 2012 and June 30, 2011, respectively.
### MORTGAGE PRODUCTION AND SERVICING (continued)

#### SELECTED BALANCE SHEET DATA

<table>
<thead>
<tr>
<th>END-OF-PERIOD LOANS</th>
<th>2Q12</th>
<th>4Q11</th>
<th>2Q11</th>
<th>1Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime mortgage, including option ARMs (a)</td>
<td>$17,454</td>
<td>$17,268</td>
<td>$16,891</td>
<td>$14,800</td>
</tr>
<tr>
<td>Loans held-for-sale and loans at fair value (b)</td>
<td>14,254</td>
<td>12,496</td>
<td>12,694</td>
<td>13,153</td>
</tr>
<tr>
<td><strong>Average loans:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prime mortgage, including option ARMs (a)</td>
<td>17,478</td>
<td>17,238</td>
<td>15,733</td>
<td>14,451</td>
</tr>
<tr>
<td>Loans held-for-sale and loans at fair value (b)</td>
<td>17,694</td>
<td>15,621</td>
<td>16,680</td>
<td>14,613</td>
</tr>
<tr>
<td>Average assets</td>
<td>60,534</td>
<td>58,862</td>
<td>60,473</td>
<td>59,677</td>
</tr>
<tr>
<td>Repurchase liability (ending)</td>
<td>2,997</td>
<td>3,213</td>
<td>3,213</td>
<td>3,213</td>
</tr>
</tbody>
</table>

#### CREDIT DATA AND QUALITY STATISTICS

<table>
<thead>
<tr>
<th>END-OF-PERIOD LOANS</th>
<th>2Q12</th>
<th>4Q11</th>
<th>2Q11</th>
<th>1Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net charge-offs/(recoveries):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prime mortgage, including option ARMs</td>
<td>0.02%</td>
<td>-%</td>
<td>0.03%</td>
<td>0.06%</td>
</tr>
<tr>
<td>30+ day delinquency rate (c)</td>
<td>3.00%</td>
<td>3.01%</td>
<td>3.15%</td>
<td>3.30%</td>
</tr>
<tr>
<td>Nonperforming assets (d)</td>
<td>708</td>
<td>$708</td>
<td>$716</td>
<td>$697</td>
</tr>
<tr>
<td><strong>Total origination volume</strong></td>
<td>43.9</td>
<td>38.4</td>
<td>38.6</td>
<td>38.8</td>
</tr>
<tr>
<td><strong>Application volume by channel</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>26.1</td>
<td>23.4</td>
<td>23.1</td>
<td>22.4</td>
</tr>
<tr>
<td>Wholesale (e)</td>
<td>0.2</td>
<td>-</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Correspondent (e)</td>
<td>16.5</td>
<td>14.2</td>
<td>14.9</td>
<td>13.4</td>
</tr>
<tr>
<td>CNT (negotiated transactions)</td>
<td>1.1</td>
<td>0.8</td>
<td>0.5</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Total application volume</strong></td>
<td>66.9</td>
<td>59.9</td>
<td>52.6</td>
<td>58.1</td>
</tr>
</tbody>
</table>

#### BUSINESS METRICS (in billions)

<table>
<thead>
<tr>
<th>END-OF-PERIOD LOANS</th>
<th>2Q12</th>
<th>4Q11</th>
<th>2Q11</th>
<th>1Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Third-party mortgage loans serviced (ending)</strong></td>
<td>860.0</td>
<td>884.2</td>
<td>902.2</td>
<td>924.5</td>
</tr>
<tr>
<td><strong>Third-party mortgage loans serviced (average)</strong></td>
<td>866.7</td>
<td>892.6</td>
<td>913.2</td>
<td>931.4</td>
</tr>
<tr>
<td><strong>MSR net carrying value (ending)</strong></td>
<td>7.1</td>
<td>8.0</td>
<td>7.2</td>
<td>7.8</td>
</tr>
<tr>
<td><strong>Ratio of MSR net carrying value (ending) to third-party mortgage loans serviced (ending)</strong></td>
<td>0.83%</td>
<td>0.90%</td>
<td>0.80%</td>
<td>0.84%</td>
</tr>
<tr>
<td><strong>Ratio of annualized loan servicing revenue to third-party mortgage loans serviced (average)</strong></td>
<td>0.47</td>
<td>0.47</td>
<td>0.45</td>
<td>0.44</td>
</tr>
</tbody>
</table>

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

(b) Predominantly consists of prime mortgages originated with the intent to sell that are accounted for at fair value and classified as trading assets on the Consolidated Balance Sheets.

(c) At June 30, 2012, December 31, 2011, September 30, 2011 and June 30, 2011, excluded mortgage loans insured by U.S. government agencies of $13.0 billion, $12.7 billion, $12.6 billion, $10.5 billion and $10.1 billion, respectively, that are 30 or more days past due. These amounts were excluded as reimbursement of insured amounts is proceeding normally.

(d) At June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011 and June 30, 2011, nonperforming assets excluded: (1) mortgage loans insured by U.S. government agencies of $11.9 billion, $11.8 billion, $11.5 billion, $9.5 billion and $8.1 billion, respectively, that are 90 or more days past due; and (2) real estate owned insured by U.S. government agencies of $1.3 billion, $1.2 billion, $954 million, $2.4 billion and $2.4 billion, respectively. These amounts were excluded from nonaccrual loans as reimbursement of insured amounts is proceeding normally.

(e) Includes rural housing loans sourced through 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.

(f) Represents the ratio of MSR net carrying value (ending) to third-party mortgage loans serviced (ending) divided by the ratio of annualized loan servicing revenue to third-party mortgage loans serviced (average).
## QUARTERLY TRENDS

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>1Q12</th>
<th>2Q12 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET INCOME</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>(584)</td>
<td>(192)</td>
<td>646</td>
<td>699</td>
<td>905</td>
<td>(189)</td>
<td>NM</td>
</tr>
<tr>
<td>Noninterest expense</td>
<td>412</td>
<td>419</td>
<td>432</td>
<td>363</td>
<td>371</td>
<td>(2)</td>
<td>11</td>
</tr>
<tr>
<td>Income/(loss) before income tax expense/(benefit)</td>
<td>1,182</td>
<td>854</td>
<td>(18)</td>
<td>(111)</td>
<td>(108)</td>
<td>38</td>
<td>NM</td>
</tr>
<tr>
<td>Net Income/(loss)</td>
<td>$ 717</td>
<td>$ 518</td>
<td>$ (11)</td>
<td>$ (67)</td>
<td>$ (66)</td>
<td>38</td>
<td>NM</td>
</tr>
</tbody>
</table>

### REAL ESTATE PORTFOLIOS

#### End-of-period loans owned:

- **Home equity**
  - $72,833
  - 1,073
  - 1,060
  - 1,128
  - 1,197
  - 2,100
  - $72,833

- **Prime mortgage, including option ARMs**
  - $13,855
  - 14,312
  - 14,284
  - 45,439
  - 46,994
  - 899

- **Subprime mortgage**
  - 9,645
  - 9,664
  - 10,045
  - 10,441

- **Other**
  - 675
  - 726
  - 675

**Total end-of-period loans owned**
- $124,490
- $128,340
- $132,466
- $136,503
- $140,953
- $124,490

#### Average loans owned:

- **Home equity**
  - $22,488
  - 23,265
  - 23,265
  - 50,072
  - 51,617

- **Prime mortgage**
  - 14,590
  - 14,975
  - 15,405
  - 23,666

- **Subprime mortgage**
  - 4,824
  - 5,024
  - 5,024

- **Other**
  - 675

**Total average loans owned**
- $63,313
- $64,061
- $65,546
- $67,128
- $68,994
- $62,611

## TOTAL REAL ESTATE PORTFOLIOS

### End-of-period loans owned:

- **Home equity**
  - $94,700
  - 100,497
  - 103,383
  - 106,286

- **Prime mortgage, including option ARMs**
  - 77,997
  - 80,038
  - 82,157

- **Subprime mortgage**
  - 13,729
  - 14,159
  - 14,640

- **Other**
  - 675

**Total end-of-period loans owned**
- $187,101
- $192,401
- $198,012
- $203,631
- $209,947
- $187,101

### Average loans owned:

- **Home equity**
  - $97,616
  - 101,978
  - 104,869

- **Prime mortgage**
  - 78,956
  - 81,071
  - 83,300

- **Subprime mortgage**
  - 13,947
  - 14,399

- **Other**
  - 684

**Total average loans owned**
- $189,732
- $195,265
- $200,142
- $206,758
- $212,966
- $189,732

### OVERHEAD RATIO

- 40%
- 39%
- 41%
- 32%
- 30%

### BUSINESS METRICS

#### LOANS EXCLUDING PCI LOANS

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net interest income</strong></td>
<td>1,027</td>
<td>1,073</td>
<td>1,073</td>
<td>1,128</td>
</tr>
<tr>
<td><strong>Total net revenue</strong></td>
<td>1,040</td>
<td>1,081</td>
<td>1,060</td>
<td>1,151</td>
</tr>
<tr>
<td><strong>Provision for credit losses</strong></td>
<td>554</td>
<td>(192)</td>
<td>646</td>
<td>905</td>
</tr>
<tr>
<td><strong>Noninterest expense</strong></td>
<td>412</td>
<td>419</td>
<td>432</td>
<td>363</td>
</tr>
<tr>
<td><strong>Income/(loss) before income tax expense/(benefit)</strong></td>
<td>1,182</td>
<td>854</td>
<td>(18)</td>
<td>(111)</td>
</tr>
</tbody>
</table>

### OVERHEAD RATIO

- 40%
### REAL ESTATE PORTFOLIOS (continued)

#### CREDIT DATA AND QUALITY STATISTICS

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>1Q12</th>
<th>2Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net charge-offs excluding PCI loans</strong></td>
<td>696</td>
<td>$808</td>
<td>$876</td>
<td>$899</td>
<td>$954</td>
<td>(14)</td>
<td>(27)</td>
</tr>
<tr>
<td>Home equity</td>
<td>2.53%</td>
<td>2.85%</td>
<td>2.90%</td>
<td>2.82%</td>
<td>2.83%</td>
<td>2.69%</td>
<td>3.09%</td>
</tr>
<tr>
<td>Prime mortgage, including option ARMs</td>
<td>1.08</td>
<td>1.21</td>
<td>1.33</td>
<td>1.48</td>
<td>1.67</td>
<td>1.14</td>
<td>1.50</td>
</tr>
<tr>
<td>Subprime mortgage</td>
<td>4.84</td>
<td>5.51</td>
<td>5.74</td>
<td>6.43</td>
<td>5.85</td>
<td>5.23</td>
<td>6.33</td>
</tr>
<tr>
<td>Other</td>
<td>2.35</td>
<td>2.84</td>
<td>1.63</td>
<td>2.83</td>
<td>4.01</td>
<td>2.60</td>
<td>4.29</td>
</tr>
<tr>
<td><strong>Total net charge-offs</strong></td>
<td>696</td>
<td>$808</td>
<td>$876</td>
<td>$899</td>
<td>$954</td>
<td>(14)</td>
<td>(27)</td>
</tr>
</tbody>
</table>

#### 30+ day delinquency rate excluding PCI loans (a)

<table>
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<tr>
<th></th>
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<th>3Q11</th>
<th>2Q11</th>
<th>1Q12</th>
<th>2Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home equity</td>
<td>5.16%</td>
<td>5.32%</td>
<td>5.69%</td>
<td>5.80%</td>
<td>5.98%</td>
<td>5.16</td>
<td>5.98%</td>
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<tr>
<td>Prime mortgage, including option ARMs</td>
<td>12,179</td>
<td>$13,429</td>
<td>$14,429</td>
<td>$14,659</td>
<td>$14,659</td>
<td>(9)</td>
<td>(17)</td>
</tr>
<tr>
<td>Subprime mortgage</td>
<td>7,340</td>
<td>7,738</td>
<td>6,638</td>
<td>7,112</td>
<td>7,729</td>
<td>(5)</td>
<td>(5)</td>
</tr>
<tr>
<td>Allowance for loan losses</td>
<td>6.51%</td>
<td>6.98%</td>
<td>7.29%</td>
<td>7.20%</td>
<td>6.98%</td>
<td>6.51%</td>
<td>6.98%</td>
</tr>
<tr>
<td>Allowance for loan losses to ending loans retained excluding PCI loans</td>
<td>5.20</td>
<td>6.01</td>
<td>6.58</td>
<td>7.12</td>
<td>6.90</td>
<td>5.20</td>
<td>6.90</td>
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</tbody>
</table>


(b) Excludes PCI loans. Because the Firm is recognizing interest income on each pool of PCI loans, they are all considered to be performing.

(c) Based on regulatory guidance issued in the first quarter of 2012, includes performing junior liens that are subordinate to senior liens that are 90 days or more past due. For further information, see footnote (d) on page 15.
<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>1Q12</th>
<th>2Q11</th>
<th>1Q12 Change</th>
<th>2Q11 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME STATEMENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit card income</td>
<td>1,015</td>
<td>$ 948</td>
<td>$ 1,053</td>
<td>$ 1,053</td>
<td>$ 1,123</td>
<td>7 %</td>
<td>(10) %</td>
<td>$ 1,963</td>
<td>$ 2,021</td>
</tr>
<tr>
<td>All other income</td>
<td>231</td>
<td>303</td>
<td>232</td>
<td>201</td>
<td>183</td>
<td>(24)</td>
<td>26</td>
<td>534</td>
<td>332</td>
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<tr>
<td>Noninterest revenue</td>
<td>1,246</td>
<td>1,251</td>
<td>1,285</td>
<td>1,254</td>
<td>1,308</td>
<td>-</td>
<td>(5)</td>
<td>2,497</td>
<td>2,353</td>
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<tr>
<td>Net interest income</td>
<td>3,279</td>
<td>3,463</td>
<td>3,529</td>
<td>3,521</td>
<td>3,455</td>
<td>(5)</td>
<td>(5)</td>
<td>6,742</td>
<td>7,199</td>
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<tr>
<td><strong>TOTAL NET REVENUE</strong></td>
<td>4,525</td>
<td>4,714</td>
<td>4,814</td>
<td>4,775</td>
<td>4,761</td>
<td>(4)</td>
<td>(5)</td>
<td>9,239</td>
<td>9,552</td>
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<tr>
<td>Provision for credit losses</td>
<td>734</td>
<td>738</td>
<td>1,060</td>
<td>1,264</td>
<td>944</td>
<td>(1)</td>
<td>(22)</td>
<td>1,472</td>
<td>1,297</td>
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<tr>
<td><strong>NONINTEREST EXPENSE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation expense</td>
<td>490</td>
<td>486</td>
<td>460</td>
<td>459</td>
<td>448</td>
<td>1</td>
<td>9</td>
<td>976</td>
<td>907</td>
</tr>
<tr>
<td>Noncompensation expense</td>
<td>1,512</td>
<td>1,447</td>
<td>1,470</td>
<td>1,560</td>
<td>1,436</td>
<td>4</td>
<td>5</td>
<td>2,959</td>
<td>2,788</td>
</tr>
<tr>
<td>Amortization of intangibles</td>
<td>94</td>
<td>96</td>
<td>95</td>
<td>96</td>
<td>104</td>
<td>(2)</td>
<td>(10)</td>
<td>190</td>
<td>210</td>
</tr>
<tr>
<td><strong>TOTAL NONINTEREST EXPENSE</strong></td>
<td>2,096</td>
<td>2,029</td>
<td>2,025</td>
<td>2,119</td>
<td>1,988</td>
<td>3</td>
<td>5</td>
<td>4,125</td>
<td>3,905</td>
</tr>
<tr>
<td>Income before income tax expense</td>
<td>1,695</td>
<td>1,947</td>
<td>1,729</td>
<td>1,396</td>
<td>1,829</td>
<td>(13)</td>
<td>(7)</td>
<td>3,642</td>
<td>4,350</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>665</td>
<td>764</td>
<td>547</td>
<td>719</td>
<td>1,429</td>
<td>(13)</td>
<td>(8)</td>
<td>1,706</td>
<td>(16)</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>$ 1,030</td>
<td>$ 1,183</td>
<td>$ 1,051</td>
<td>$ 848</td>
<td>$ 1,110</td>
<td>(13)</td>
<td>(7)</td>
<td>$ 2,213</td>
<td>$ 2,644</td>
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<table>
<thead>
<tr>
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<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FINANCIAL RATIOS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROE</td>
<td>25 %</td>
<td>29 %</td>
</tr>
<tr>
<td>Overhead ratio</td>
<td>46</td>
<td>43</td>
</tr>
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**SELECTED BALANCE SHEET DATA (period-end)**

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
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<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>1Q12</th>
<th>2Q11</th>
<th>1Q12 Change</th>
<th>2Q11 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td>198,805</td>
<td>$ 199,579</td>
<td>$ 208,467</td>
<td>$ 199,473</td>
<td>$ 197,915</td>
<td>-</td>
<td>-</td>
<td>$ 198,805</td>
<td>$ 197,915</td>
</tr>
<tr>
<td><strong>Total loans</strong></td>
<td>185,405</td>
<td>186,738</td>
<td>193,128</td>
<td>187,545</td>
<td>186,322</td>
<td>(1)</td>
<td>-</td>
<td>185,405</td>
<td>186,322</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>16,500</td>
<td>16,500</td>
<td>16,000</td>
<td>16,000</td>
<td>16,000</td>
<td>-</td>
<td>3</td>
<td>16,500</td>
<td>16,000</td>
</tr>
</tbody>
</table>

**SELECTED BALANCE SHEET DATA (average)**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td>197,301</td>
<td>$ 199,449</td>
</tr>
<tr>
<td><strong>Total loans</strong></td>
<td>186,412</td>
<td>188,668</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>16,500</td>
<td>16,500</td>
</tr>
<tr>
<td><strong>Headcount</strong></td>
<td>27,563</td>
<td>27,862</td>
</tr>
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<td></td>
<td>SIX MONTHS ENDED JUNE 30</td>
<td>2Q12 Change</td>
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<td>--------------</td>
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<tr>
<td></td>
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</tr>
<tr>
<td><strong>CREDIT DATA AND QUALITY STATISTICS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net charge-offs:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit Card</td>
<td>$1,345</td>
<td>$1,386</td>
</tr>
<tr>
<td>Auto</td>
<td>21</td>
<td>33</td>
</tr>
<tr>
<td>Student</td>
<td>119</td>
<td>69</td>
</tr>
<tr>
<td><strong>Total net charge-offs</strong></td>
<td>$1,485</td>
<td>$1,488</td>
</tr>
<tr>
<td><strong>Net charge-off rate:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit Card (a)</td>
<td>4.35 %</td>
<td>4.40 %</td>
</tr>
<tr>
<td>Auto</td>
<td>0.17</td>
<td>0.28</td>
</tr>
<tr>
<td>Student</td>
<td>3.70</td>
<td>2.08</td>
</tr>
<tr>
<td><strong>Total net charge-off rate</strong></td>
<td>3.22</td>
<td>3.19</td>
</tr>
<tr>
<td><strong>Delinquency rates</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30+ day delinquency rate:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit Card (b)</td>
<td>2.14</td>
<td>2.56</td>
</tr>
<tr>
<td>Auto</td>
<td>0.90</td>
<td>0.79</td>
</tr>
<tr>
<td>Student</td>
<td>1.95</td>
<td>2.06</td>
</tr>
<tr>
<td><strong>Total 30+ day delinquency rate</strong></td>
<td>1.80</td>
<td>2.07</td>
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<tr>
<td>90+ day delinquency rate - Credit Card (b)</td>
<td>1.04</td>
<td>1.37</td>
</tr>
<tr>
<td><strong>Nonperforming assets (d)</strong></td>
<td>$219</td>
<td>$242</td>
</tr>
<tr>
<td><strong>Allowance for loan losses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit Card</td>
<td>5,499</td>
<td>6,251</td>
</tr>
<tr>
<td>Auto and Student</td>
<td>1,009</td>
<td>1,010</td>
</tr>
<tr>
<td><strong>Total allowance for loan losses</strong></td>
<td>6,508</td>
<td>7,261</td>
</tr>
<tr>
<td><strong>Allowance for loan losses to period-end loans:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit Card (b)</td>
<td>4.41 %</td>
<td>5.02 %</td>
</tr>
<tr>
<td>Auto and Student</td>
<td>1.66</td>
<td>1.64</td>
</tr>
<tr>
<td><strong>Total allowance for loan losses to period-end loans</strong></td>
<td>3.51</td>
<td>3.91</td>
</tr>
<tr>
<td><strong>BUSINESS METRICS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Credit Card, excluding Commercial Card</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales volume (in billions)</td>
<td>$96.0</td>
<td>$86.9</td>
</tr>
<tr>
<td>New accounts opened</td>
<td>1.6</td>
<td>1.7</td>
</tr>
<tr>
<td>Open accounts</td>
<td>63.7</td>
<td>64.2</td>
</tr>
<tr>
<td><strong>Merchant Services</strong></td>
<td></td>
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<tr>
<td>Bank card volume (in billions)</td>
<td>$160.2</td>
<td>$152.8</td>
</tr>
<tr>
<td>Total transactions (in billions)</td>
<td>7.1</td>
<td>6.8</td>
</tr>
<tr>
<td><strong>Auto and Student</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Origination volume (in billions)</td>
<td><strong>$5.8</strong></td>
<td>$5.8</td>
</tr>
<tr>
<td>Student</td>
<td>-</td>
<td>0.1</td>
</tr>
</tbody>
</table>

(a) Average credit card loans include loans held-for-sale of $782 million, $821 million, $97 million, $1 million and $276 million for the three months ended June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011 and June 30, 2011, respectively, and $801 million and $1.6 billion for the six months ended June 30, 2012 and 2011, respectively. These amounts are excluded when calculating the net charge-off rate.

(b) Period-end credit card loans include loans held-for-sale of $112 million, $856 million, $102 million and $94 million at June 30, 2012, March 31, 2012, December 31, 2011 and September 30, 2011, respectively. No allowance for loan losses was recorded for these loans. These amounts are excluded when calculating delinquency rates and the allowance for loan losses to period-end loans.

(c) Excludes student loans insured by U.S. government agencies under the Federal Family Education Loan Program ("FFELP") of $931 million, $1.0 billion, $989 million, $995 million and $968 million at June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011 and June 30, 2011, respectively, that are 30 or more days past due. These amounts are excluded when calculating the net charge-off rate.

(d) Nonperforming assets exclude student loans insured by U.S. government agencies under the FFELP of $547 million, $586 million, $551 million, $567 million and $558 million at June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011 and June 30, 2011, respectively, that are 90 or more days past due. These amounts are excluded as reimbursement of insured amounts is proceeding normally.
## CARD SERVICES SUPPLEMENTAL INFORMATION

<table>
<thead>
<tr>
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<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>2Q12 Change</th>
<th>1Q12</th>
<th>2Q11</th>
<th>2012 Change</th>
<th>2011</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Noninterest revenue</strong></td>
<td>$953</td>
<td>$949</td>
<td>$985</td>
<td>$957</td>
<td>$1,016</td>
<td>-%</td>
<td>(6)%</td>
<td>$1,022</td>
<td>$1,798</td>
<td>6%</td>
<td></td>
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<tr>
<td><strong>Net interest income</strong></td>
<td>2,755</td>
<td>2,928</td>
<td>2,989</td>
<td>2,984</td>
<td>2,911</td>
<td>(6)%</td>
<td>(5)%</td>
<td>5,683</td>
<td>6,111</td>
<td>(7)%</td>
<td></td>
</tr>
<tr>
<td><strong>Total net revenue</strong></td>
<td>3,708</td>
<td>3,877</td>
<td>3,974</td>
<td>3,941</td>
<td>3,927</td>
<td>(4)%</td>
<td>(6)%</td>
<td>7,585</td>
<td>7,909</td>
<td>(4)%</td>
<td></td>
</tr>
<tr>
<td><strong>Provision for credit losses</strong></td>
<td>595</td>
<td>636</td>
<td>890</td>
<td>999</td>
<td>810</td>
<td>(6)%</td>
<td>(27)%</td>
<td>1,231</td>
<td>1,036</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td><strong>Noninterest expense</strong></td>
<td>1,703</td>
<td>1,636</td>
<td>1,633</td>
<td>1,734</td>
<td>1,622</td>
<td>4%</td>
<td>5%</td>
<td>3,339</td>
<td>3,177</td>
<td>5%</td>
<td></td>
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<tr>
<td><strong>Income before income tax expense</strong></td>
<td>1,410</td>
<td>1,605</td>
<td>1,451</td>
<td>1,208</td>
<td>1,495</td>
<td>(12)%</td>
<td>(6)%</td>
<td>3,015</td>
<td>3,696</td>
<td>(18)%</td>
<td></td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>$860</td>
<td>$976</td>
<td>$885</td>
<td>$737</td>
<td>$911</td>
<td>(12)%</td>
<td>(6)%</td>
<td>$1,827</td>
<td>$2,254</td>
<td>(18)%</td>
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## COMMERCIAL BANKING
### FINANCIAL HIGHLIGHTS
(in millions, except ratio data)

#### QUARTERLY TRENDS

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</tr>
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<tbody>
<tr>
<td><strong>INCOME STATEMENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lending- and deposit-related fees</td>
<td>$264</td>
<td>$276</td>
<td>$267</td>
<td>$269</td>
<td>$281</td>
<td>$540</td>
<td>$545</td>
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<tr>
<td>Asset management, administration and commissions</td>
<td>34</td>
<td>36</td>
<td>32</td>
<td>35</td>
<td>34</td>
<td>70</td>
<td>69</td>
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<tr>
<td>All other income (a)</td>
<td>264</td>
<td>245</td>
<td>272</td>
<td>220</td>
<td>263</td>
<td>8</td>
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<td>Noninterest revenue</td>
<td>562</td>
<td>557</td>
<td>571</td>
<td>524</td>
<td>598</td>
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<tr>
<td><strong>TOTAL NET REVENUE</strong></td>
<td>1,691</td>
<td>1,677</td>
<td>1,687</td>
<td>1,668</td>
<td>1,627</td>
<td>2</td>
<td>4</td>
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<tr>
<td>Provision for credit losses</td>
<td>(17)</td>
<td>77</td>
<td>40</td>
<td>67</td>
<td>54</td>
<td>NM</td>
<td>NM</td>
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<td><strong>NONINTEREST EXPENSE</strong></td>
<td>591</td>
<td>598</td>
<td>579</td>
<td>573</td>
<td>563</td>
<td>(1)</td>
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<td>246</td>
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<td>229</td>
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<td>356</td>
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<td>Amortization of intangibles</td>
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<td>7</td>
<td>8</td>
<td>7</td>
<td>8</td>
<td>-</td>
<td>(13)</td>
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<tr>
<td><strong>TOTAL NONINTEREST EXPENSE</strong></td>
<td>591</td>
<td>598</td>
<td>579</td>
<td>573</td>
<td>563</td>
<td>(1)</td>
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<td>Income before income tax expense</td>
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<td>120</td>
<td>116</td>
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<td>86</td>
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<td>-</td>
<td>42</td>
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<tr>
<td><strong>Total Commercial Banking revenue</strong></td>
<td>$1,691</td>
<td>$1,677</td>
<td>$1,687</td>
<td>$1,668</td>
<td>$1,627</td>
<td>2</td>
<td>4</td>
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<td>IB revenue, gross (c)</td>
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<td>$350</td>
<td>$320</td>
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<td>(13)</td>
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<td>Revenue by client segment:</td>
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<td>297</td>
<td>286</td>
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<td>306</td>
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<tr>
<td>Real Estate Banking</td>
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<td>105</td>
<td>115</td>
<td>104</td>
<td>109</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>110</td>
<td>97</td>
<td>137</td>
<td>90</td>
<td>104</td>
<td>13</td>
<td>6</td>
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<tr>
<td><strong>Total Commercial Banking revenue</strong></td>
<td>$1,691</td>
<td>$1,677</td>
<td>$1,687</td>
<td>$1,668</td>
<td>$1,627</td>
<td>2</td>
<td>4</td>
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<tr>
<td>ROE</td>
<td>28 %</td>
<td>25 %</td>
<td>32 %</td>
<td>28 %</td>
<td>30 %</td>
<td>27 %</td>
<td>29 %</td>
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<td>Overhead ratio</td>
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<td>36</td>
<td>35</td>
<td>36</td>
<td>36</td>
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</table>

(a) Commercial Banking ("CB") client revenue from investment banking products and commercial card transactions is included in all other income.

(b) 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 $99 million, $94 million, $123 million, $80 million and $67 million for the three months ended June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011 and June 30, 2011, respectively, and $193 million and $132 million for the six months ended June 30, 2012 and 2011, respectively.

(c) Represents the total revenue related to investment banking products sold to CB clients.
## SELECTED BALANCE SHEET DATA (period-end)

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<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>1Q12 Change</th>
<th>2Q11 Change</th>
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<td>$163,698</td>
<td>$161,741</td>
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<td>1 %</td>
<td>10 %</td>
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<td><strong>Loans:</strong></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Loans retained</td>
<td>119,946</td>
<td>114,969</td>
<td>111,162</td>
<td>106,834</td>
<td>102,122</td>
<td>4</td>
<td>17</td>
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<td>Loans held-for-sale and loans at fair value</td>
<td>547</td>
<td>887</td>
<td>840</td>
<td>584</td>
<td>557</td>
<td>(38)</td>
<td>(2)</td>
</tr>
<tr>
<td><strong>Total loans</strong></td>
<td>120,493</td>
<td>115,847</td>
<td>112,002</td>
<td>107,418</td>
<td>102,679</td>
<td>4</td>
<td>17</td>
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<td>9,500</td>
<td>8,000</td>
<td>8,000</td>
<td>8,000</td>
<td>-</td>
<td>19</td>
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<td><strong>Period-end loans by client segment:</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Middle Market Banking</td>
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<td>$46,040</td>
<td>$44,437</td>
<td>$42,365</td>
<td>$40,530</td>
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<td>18</td>
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<td>39,314</td>
<td>38,583</td>
<td>38,539</td>
<td>38,012</td>
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<td>Corporate Client Banking</td>
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<td>17,670</td>
<td>16,747</td>
<td>15,100</td>
<td>13,097</td>
<td>7</td>
<td>44</td>
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<td>8,211</td>
<td>7,470</td>
<td>7,409</td>
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<td>4,060</td>
<td>4,024</td>
<td>3,944</td>
<td>3,631</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td><strong>Total Commercial Banking loans</strong></td>
<td>$120,493</td>
<td>$115,847</td>
<td>$112,002</td>
<td>$107,418</td>
<td>$102,679</td>
<td>4</td>
<td>17</td>
</tr>
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<td><strong>SELECTED BALANCE SHEET DATA (average)</strong></td>
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<td><strong>Total assets</strong></td>
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<td>$161,074</td>
<td>$155,611</td>
<td>$145,195</td>
<td>$143,560</td>
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<tr>
<td><strong>Loans:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans retained</td>
<td>117,835</td>
<td>112,879</td>
<td>109,328</td>
<td>104,705</td>
<td>100,857</td>
<td>4</td>
<td>17</td>
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<tr>
<td>Loans held-for-sale and loans at fair value</td>
<td>599</td>
<td>881</td>
<td>800</td>
<td>632</td>
<td>1,015</td>
<td>(32)</td>
<td>(41)</td>
</tr>
<tr>
<td><strong>Total loans</strong></td>
<td>118,434</td>
<td>113,760</td>
<td>109,908</td>
<td>105,337</td>
<td>101,872</td>
<td>4</td>
<td>16</td>
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<td><strong>Liability balances</strong></td>
<td>193,280</td>
<td>200,176</td>
<td>199,138</td>
<td>180,275</td>
<td>162,769</td>
<td>(3)</td>
<td>19</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>9,500</td>
<td>9,500</td>
<td>8,000</td>
<td>8,000</td>
<td>8,000</td>
<td>-</td>
<td>19</td>
</tr>
<tr>
<td><strong>Average loans by client segment:</strong></td>
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<td></td>
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<tr>
<td>Middle Market Banking</td>
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<td>$45,047</td>
<td>$43,215</td>
<td>$41,540</td>
<td>$40,012</td>
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<tr>
<td>Commercial Term Lending</td>
<td>40,060</td>
<td>38,848</td>
<td>38,679</td>
<td>38,198</td>
<td>37,729</td>
<td>3</td>
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<tr>
<td>Corporate Client Banking</td>
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<td>17,514</td>
<td>16,116</td>
<td>14,373</td>
<td>13,062</td>
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<td>42</td>
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<tr>
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<td>7,586</td>
<td>7,460</td>
<td>7,049</td>
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<td>Other</td>
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<td>4,010</td>
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<td>3,761</td>
<td>3,602</td>
<td>2</td>
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</tr>
<tr>
<td><strong>Total Commercial Banking loans</strong></td>
<td>$118,434</td>
<td>$113,760</td>
<td>$109,908</td>
<td>$105,337</td>
<td>$101,872</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td><strong>Headcount</strong></td>
<td>5,862</td>
<td>5,612</td>
<td>5,520</td>
<td>5,417</td>
<td>5,140</td>
<td>4</td>
<td>16</td>
</tr>
</tbody>
</table>

### CREDIT DATA AND QUALITY STATISTICS

- **Net charge-offs/(recoveries):**
  - Net charge-offs/(recoveries) | $ (9) | $ 12 | $ 99 | $ 17 | $ 40 | $ NM | $ NM | $ 3 | $ 71 | (96)
  - Nonperforming assets:
    - Nonaccrual loans
      - Nonaccrual loans retained | 881 | 972 | 1,036 | 1,417 | 1,613 | (9) | (45) | 881 | 1,613 | (45)
    - Nonaccrual loans held-for-sale and loans at fair value | 36 | 32 | 17 | 26 | 21 | 13 | 71 | 36 | 21 | 71
  - Total nonaccrual loans | 917 | 1,004 | 1,053 | 1,443 | 1,634 | (9) | (44) | 917 | 1,634 | (44)
  - Assets acquired in loan satisfactions | 36 | 60 | 85 | 168 | 197 | (40) | (82) | 36 | 197 | (82)
  - Total nonperforming assets | 953 | 1,064 | 1,138 | 1,611 | 1,831 | (10) | (48) | 953 | 1,831 | (48)
  - Allowance for credit losses:
    - Allowance for loan losses | 2,638 | 2,662 | 2,603 | 2,671 | 2,614 | (1) | 1 | 2,638 | 2,614 | 1
    - Allowance for lending-related commitments | 209 | 194 | 189 | 181 | 187 | 8 | 12 | 209 | 187 | 12
  - Total allowance for credit losses | 2,847 | 2,856 | 2,792 | 2,852 | 2,801 | - | 2 | 2,847 | 2,801 | 2

- **Net charge-off/(recovery) rate (b):**
  - Net charge-off/(recovery) rate (b) | (0.03) % | 0.04 % | 0.36 % | 0.06 % | 0.16 % | 0.01 % | 0.14 % |
  - Allowance for loan losses to period-end loans retained | 2.20 | 2.32 | 2.34 | 2.50 | 2.56 | 2.20 | 2.56 |
  - Allowance for loan losses to nonaccrual loans retained (a) | 299 | 274 | 251 | 188 | 162 | 299 | 162 |
  - Nonaccrual loans to total period-end loans | 0.76 | 0.87 | 0.94 | 1.34 | 1.59 | 0.76 | 1.59 |

(a) Allowance for loan losses of $143 million, $163 million, $176 million, $257 million and $289 million was held against nonaccrual loans retained at June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011 and June 30, 2011, respectively.

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

**SIX MONTHS ENDED JUNE 30**

<table>
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<tr>
<th></th>
<th>2Q12 Change</th>
<th>2Q11 Change</th>
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<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td>$163,698</td>
<td>$148,662</td>
</tr>
<tr>
<td><strong>Loans:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans retained</td>
<td>119,946</td>
<td>102,122</td>
</tr>
<tr>
<td>Loans held-for-sale and loans at fair value</td>
<td>547</td>
<td>557</td>
</tr>
<tr>
<td><strong>Total loans</strong></td>
<td>120,493</td>
<td>102,679</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>9,500</td>
<td>8,000</td>
</tr>
<tr>
<td><strong>Period-end loans by client segment:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Middle Market Banking</td>
<td>$47,638</td>
<td>$40,530</td>
</tr>
<tr>
<td>Commercial Term Lending</td>
<td>40,972</td>
<td>38,012</td>
</tr>
<tr>
<td>Corporate Client Banking</td>
<td>18,839</td>
<td>13,097</td>
</tr>
<tr>
<td>Real Estate Banking</td>
<td>8,819</td>
<td>7,409</td>
</tr>
<tr>
<td>Other</td>
<td>4,225</td>
<td>3,631</td>
</tr>
<tr>
<td><strong>Total Commercial Banking loans</strong></td>
<td>$120,493</td>
<td>$102,679</td>
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</table>

**Page 25**
### INCOME STATEMENT

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<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>1Q12 Change</th>
<th>2Q11 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lending- and deposit-related fees</td>
<td>$287</td>
<td>$286</td>
<td>$313</td>
<td>$310</td>
<td>$314</td>
<td>-%</td>
<td>(9)%</td>
</tr>
<tr>
<td>Asset management, administration and commissions</td>
<td>708</td>
<td>654</td>
<td>671</td>
<td>656</td>
<td>726</td>
<td>8%</td>
<td>(2)%</td>
</tr>
<tr>
<td>All other income</td>
<td>156</td>
<td>127</td>
<td>133</td>
<td>141</td>
<td>143</td>
<td>23%</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Noninterest revenue</strong></td>
<td>1,151</td>
<td>1,067</td>
<td>1,117</td>
<td>1,107</td>
<td>1,163</td>
<td>8%</td>
<td>(3)%</td>
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<tr>
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<td>1,001</td>
<td>947</td>
<td>905</td>
<td>801</td>
<td>749</td>
<td>6%</td>
<td>34%</td>
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<tr>
<td><strong>TOTAL NET REVENUE</strong></td>
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<td>2,022</td>
<td>1,908</td>
<td>1,932</td>
<td>7%</td>
<td>11%</td>
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</table>

**Provision for credit losses**
- 8

**Credit allocation income/(expense) (a)**
- 68

<table>
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<tr>
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<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>1Q12 Change</th>
<th>2Q11 Change</th>
</tr>
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<tbody>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation expense</td>
<td>717</td>
<td>732</td>
<td>672</td>
<td>718</td>
<td>719</td>
<td>(2)%</td>
<td>-</td>
</tr>
<tr>
<td>Noncompensation expense</td>
<td>760</td>
<td>728</td>
<td>877</td>
<td>728</td>
<td>719</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>Amortization of intangibles</td>
<td>14</td>
<td>13</td>
<td>14</td>
<td>24</td>
<td>15</td>
<td>8%</td>
<td>(7)%</td>
</tr>
<tr>
<td><strong>TOTAL NONINTEREST EXPENSE</strong></td>
<td>1,491</td>
<td>1,473</td>
<td>1,563</td>
<td>1,470</td>
<td>1,453</td>
<td>1%</td>
<td>3%</td>
</tr>
</tbody>
</table>

**Income before income tax expense**
- 721

**Income tax expense**
- 258

**NET INCOME**
- 463

### FINANCIAL RATIOS

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>1Q12 Change</th>
<th>2Q11 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ROE</strong></td>
<td>25%</td>
<td>19%</td>
<td>14%</td>
<td>17%</td>
<td>19%</td>
<td>22%</td>
<td>19%</td>
</tr>
<tr>
<td>Pre-tax margin ratio</td>
<td>34%</td>
<td>27%</td>
<td>19%</td>
<td>17%</td>
<td>17%</td>
<td>27%</td>
<td>27%</td>
</tr>
<tr>
<td>Overhead ratio</td>
<td>69%</td>
<td>73%</td>
<td>77%</td>
<td>77%</td>
<td>75%</td>
<td>73%</td>
<td>75%</td>
</tr>
<tr>
<td>Pre-provision profit ratio</td>
<td>31%</td>
<td>27%</td>
<td>23%</td>
<td>23%</td>
<td>25%</td>
<td>35%</td>
<td>25%</td>
</tr>
</tbody>
</table>

### REVENUE BY BUSINESS

**Worldwide Securities Services ("WSS"):**

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>1Q12 Change</th>
<th>2Q11 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investor Services</td>
<td>$835</td>
<td>$783</td>
<td>$752</td>
<td>$740</td>
<td>$782</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Clearance, Collateral Mgmt &amp; Depositary Receipts</td>
<td>243</td>
<td>179</td>
<td>219</td>
<td>199</td>
<td>220</td>
<td>36%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Total WSS Revenue</strong></td>
<td>1,078</td>
<td>962</td>
<td>971</td>
<td>939</td>
<td>1,002</td>
<td>12%</td>
<td>8%</td>
</tr>
</tbody>
</table>

**Treasury Services ("TS"):**

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>1Q12 Change</th>
<th>2Q11 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction Services</td>
<td>$917</td>
<td>$893</td>
<td>$874</td>
<td>$816</td>
<td>$785</td>
<td>3%</td>
<td>17%</td>
</tr>
<tr>
<td>Trade Finance</td>
<td>157</td>
<td>159</td>
<td>177</td>
<td>153</td>
<td>145</td>
<td>1%</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Total TS Revenue</strong></td>
<td>1,074</td>
<td>1,052</td>
<td>1,051</td>
<td>969</td>
<td>930</td>
<td>2%</td>
<td>15%</td>
</tr>
</tbody>
</table>

(a) IB manages traditional credit exposures related to GCB on behalf of IB and TSS, and IB and TSS share the economics related to the Firm’s GCB clients. Included within this allocation are net revenue, provision for credit losses and expenses. IB recognizes this credit allocation as a component of all other income.
### Quarterly Trends

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>1Q12 Change</th>
<th>2Q11 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Selected Balance Sheet Data (period-end)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>$67,758</td>
<td>$66,732</td>
<td>$68,665</td>
<td>$62,364</td>
<td>$55,950</td>
<td>2 %</td>
<td>21 %</td>
</tr>
<tr>
<td>Loans (a)</td>
<td>42,558</td>
<td>41,173</td>
<td>42,992</td>
<td>36,389</td>
<td>34,034</td>
<td>3 %</td>
<td>25 %</td>
</tr>
<tr>
<td>Equity</td>
<td>7,500</td>
<td>7,500</td>
<td>7,000</td>
<td>7,000</td>
<td>7,000</td>
<td>-7</td>
<td>7</td>
</tr>
<tr>
<td><strong>Selected Balance Sheet Data (average)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>$66,398</td>
<td>$64,559</td>
<td>$63,686</td>
<td>$60,141</td>
<td>$52,858</td>
<td>3 %</td>
<td>26 %</td>
</tr>
<tr>
<td>Loans (a)</td>
<td>42,213</td>
<td>40,538</td>
<td>39,289</td>
<td>35,303</td>
<td>33,069</td>
<td>4 %</td>
<td>28 %</td>
</tr>
<tr>
<td>Liability balances</td>
<td>348,102</td>
<td>356,964</td>
<td>364,196</td>
<td>341,107</td>
<td>302,858</td>
<td>(2)</td>
<td>15 %</td>
</tr>
<tr>
<td>Equity</td>
<td>7,500</td>
<td>7,500</td>
<td>7,000</td>
<td>7,000</td>
<td>7,000</td>
<td>-7</td>
<td>7</td>
</tr>
<tr>
<td><strong>Credit Data and Quality Statistics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net charge-offs</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Nonaccrual loans</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>(20)</td>
<td>33</td>
</tr>
<tr>
<td>Allowance for credit losses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowance for loan losses</td>
<td>79</td>
<td>69</td>
<td>65</td>
<td>49</td>
<td>74</td>
<td>14</td>
<td>7</td>
</tr>
<tr>
<td>Allowance for lending-related commitments</td>
<td>9</td>
<td>14</td>
<td>49</td>
<td>46</td>
<td>41</td>
<td>(36)</td>
<td>(78)</td>
</tr>
<tr>
<td>Total allowance for credit losses</td>
<td>88</td>
<td>83</td>
<td>114</td>
<td>95</td>
<td>115</td>
<td>6</td>
<td>(23)</td>
</tr>
<tr>
<td>Net charge-off rate</td>
<td>0.19</td>
<td>0.17</td>
<td>0.15</td>
<td>0.14</td>
<td>0.22</td>
<td>0.19</td>
<td>0.22</td>
</tr>
<tr>
<td>Allowance for loan losses to period-end loans</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td><strong>WSS Business Metrics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets under custody (“AUC”) by asset class (period-end) (in billions):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Income</td>
<td>$11,302</td>
<td>$11,332</td>
<td>$10,926</td>
<td>$10,871</td>
<td>$10,686</td>
<td>-6</td>
<td>6</td>
</tr>
<tr>
<td>Equity</td>
<td>5,025</td>
<td>5,365</td>
<td>4,878</td>
<td>4,401</td>
<td>5,267</td>
<td>(6)</td>
<td>(5)</td>
</tr>
<tr>
<td>Other (b)</td>
<td>1,338</td>
<td>1,171</td>
<td>1,066</td>
<td>978</td>
<td>992</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td><strong>Total AUC</strong></td>
<td>$17,665</td>
<td>$17,868</td>
<td>$16,870</td>
<td>$16,250</td>
<td>$16,945</td>
<td>(1)</td>
<td>4</td>
</tr>
<tr>
<td>Liability balances (average)</td>
<td>121,755</td>
<td>125,088</td>
<td>122,102</td>
<td>107,105</td>
<td>90,204</td>
<td>(3)</td>
<td>35</td>
</tr>
<tr>
<td><strong>TS Business Metrics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liability balances (average)</td>
<td>226,347</td>
<td>231,876</td>
<td>242,094</td>
<td>234,002</td>
<td>212,654</td>
<td>(2)</td>
<td>6</td>
</tr>
</tbody>
</table>

(a) Loan balances include trade finance loans and wholesale overdrafts.
(b) Consists of mutual funds, unit investment trusts, currencies, annuities, insurance contracts, options and nonsecurities contracts.
JPMORGAN CHASE & CO.  
TREASURY & SECURITIES SERVICES  
FINANCIAL HIGHLIGHTS, CONTINUED  
(in millions, except where otherwise noted)

<table>
<thead>
<tr>
<th>INTERNATIONAL METRICS</th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>2Q12 Change</th>
<th>2011</th>
<th>2011</th>
<th>2012 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenue (a)</td>
<td>$777</td>
<td>$668</td>
<td>$689</td>
<td>$648</td>
<td>$691</td>
<td>16 %</td>
<td>$1,445</td>
<td>$1,321</td>
<td>9 %</td>
</tr>
<tr>
<td>Europe/Middle East/Africa</td>
<td>$345</td>
<td>$353</td>
<td>$339</td>
<td>$321</td>
<td>$299</td>
<td>(2)</td>
<td>$698</td>
<td>$575</td>
<td>21</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>72</td>
<td>82</td>
<td>112</td>
<td>61</td>
<td>80</td>
<td>(12)</td>
<td>154</td>
<td>156</td>
<td>(1)</td>
</tr>
<tr>
<td>Latin America/Caribbean</td>
<td>958</td>
<td>911</td>
<td>862</td>
<td>768</td>
<td>862</td>
<td>5</td>
<td>111</td>
<td>1,169</td>
<td>1,230</td>
</tr>
<tr>
<td>Total net revenue</td>
<td>$2,152</td>
<td>$2,014</td>
<td>$2,022</td>
<td>$1,909</td>
<td>$1,932</td>
<td>7</td>
<td>11</td>
<td>$1,416</td>
<td>3,772</td>
</tr>
</tbody>
</table>

| Average liability balances (a) | Europe/Middle East/Africa | $127,173 | $127,794 | $130,862 | $129,608 | $125,911 | 147,484 | 117,501 | 8           |
|                                | Asia/Pacific              | 50,331   | 50,197   | 49,407   | 42,987   | 42,472   | 50,264  | 40,807  | 23          |
|                                | Latin America/Caribbean   | 10,453   | 11,852   | 11,563   | 12,722   | 13,506   | 11,153  | 13,115  | (15)        |
| Total average liability balances | North America   | 150,145  | 167,121  | 172,364  | 155,790  | 120,969  | 163,632 | 112,969 | 45          |
| Trade finance loans (period-end) (a) | Europe/Middle East/Africa | $9,577   | $9,972   | $9,726   | $9,853   | $6,184   | (4)    | 55      | 6,184       |
|                                | Asia/Pacific              | 18,209   | 18,140   | 19,280   | 16,918   | 15,736   | (16)   | 18,209  | 15,736       |
|                                | Latin America/Caribbean   | 5,754    | 6,040    | 6,254    | 5,228    | 4,533    | (5)    | 5,754   | 4,533        |
| Total trade finance loans     | North America             | 1,751    | 1,540    | 1,436    | 1,125    | 1,000    | 1,751   | 1,000   | 75          |
| AUC (period-end) (in billions) (a) | North America   | $10,048  | $9,998   | $9,735   | $9,611   | $9,976   | (1)    | 10,048  | 9,976        |
|                                | All other regions         | 7,617    | 7,870    | 7,135    | 6,639    | 6,969    | (3)    | 9       | 7,617        |
| Total AUC                     | 17,665                  | $17,868  | $17,870  | $16,250  | $16,245  | (1)     | 4       | $17,665  | 16,343       |
| TSS FIRMWIDE DISCLOSURES (b)  | TS revenue - reported     | $1,074   | $1,052   | $1,051   | $969     | $930     | 2       | 15      | 1,421       |
|                                | TS revenue reported in CB | 603      | 602      | 600      | 572      | 556      | -       | 8       | 1,205       |
|                                | TS revenue reported in other lines of business | 68   | 69   | 69   | 69   | 65   | 5       | 137     | 129         |
| TSS firmwide revenue (c)      | 1,745                    | 1,723    | 1,720    | 1,609    | 1,551    | 1       | 13      | 3,468     | 3,047        |
| World Wide Securities Services revenue | 1,079        | 962      | 971      | 939      | 1,002    | 12      | 8       | 2,040     | 1,951        |
| TSS firmwide revenue (c)      | 2,823                    | 2,685    | 2,691    | 2,548    | 2,553    | 5       | 11      | 5,508     | 4,998        |
| TSS total foreign exchange (“FX”) revenue (c) | 147          | 137      | 154      | 179      | 165      | 7       | (11)   | 284       | 325          |
| TSS firmwide liability balances (average) (d) | 419,806      | $432,299 | $441,572 | $414,485 | $375,432 | (3)     | 12      | 426,053   | 357,436       |
| TSS firmwide liability balances (average) (d) | 541,382      | 557,142  | 563,334  | 521,383  | 465,627  | (3)     | 16      | 549,262   | 443,894       |
| Number of:                   |                          |          |          |          |          |         |         |          |             |
| U.S.$ ACH transactions originated | 1,020        | 1,019    | 983      | 972      | 959      | -       | 6       | 2,039     | 1,951        |
| Total U.S.$ clearing volume (in thousands) | 33,980      | 32,696   | 33,055   | 33,117   | 32,274   | 4       | 5       | 66,676    | 63,245        |
| International electronic funds transfer volume (in thousands) (e) | 76,343      | 75,087   | 63,669   | 62,718   | 63,208   | 2       | 21      | 151,430   | 124,150       |
| Wholesale check volume       | 602          | 589      | 592      | 601      | 608      | 2       | (1)    | 1,191     | 1,140        |
| Wholesale cards issued (in thousands) (f) | 25,346      | 24,693   | 25,187   | 24,988   | 23,746   | 3       | 7       | 25,346    | 23,746        |

(a) Total net revenue, average balances, trade finance loans and AUC are based on the domicile of the client. In the second quarter of 2012, the methodology for allocating the data by region was refined. Prior periods were not revised due to immateriality.

(b) TSS firmwide metrics include revenue recorded in CB, Consumer & Business Banking and Asset Management (“AM”) lines of business and net TSS FX revenue (it excludes TSS FX revenue recorded in the IB). In order to capture the firmwide impact of Treasury Services (“TS”) and TSS products and revenue, management reviews firmwide metrics in assessing financial performance of TSS. Firmwide metrics are necessary in order to understand the aggregate TSS business.

(c) IB executes FX transactions on behalf of TSS customers under revenue sharing agreements. FX revenue generated by TSS customers is recorded in TSS and IB. TSS total FX revenue reported above is the gross (pre-split) FX revenue generated by TSS customers. However, TSS firmwide revenue includes only the FX revenue booked in TSS, i.e., it does not include the portion of TSS FX revenue recorded in IB.

(d) Firmwide liability balances include liability balances recorded in CB.

(e) International electronic funds transfer includes non-U.S. dollar Automated Clearing House (“ACH”) and clearing volume.

(f) Wholesale cards issued and outstanding include stored value, prepaid and government electronic benefit card products.
**JPMORGAN CHASE & CO.**
**ASSET MANAGEMENT**
**FINANCIAL HIGHLIGHTS**
(in millions, except ratio and headcount data)

### INCOME STATEMENT

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>1Q12</th>
<th>2Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset management, administration and commissions</td>
<td>$1,701</td>
<td>$1,621</td>
<td>$1,606</td>
<td>$1,617</td>
<td>$1,818</td>
<td>$3,322</td>
<td>$3,525</td>
</tr>
<tr>
<td>All other income</td>
<td>151</td>
<td>266</td>
<td>232</td>
<td>281</td>
<td>321</td>
<td>417</td>
<td>634</td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td>1,882</td>
<td>1,887</td>
<td>1,838</td>
<td>1,898</td>
<td>2,159</td>
<td>3,739</td>
<td>4,159</td>
</tr>
<tr>
<td><strong>Total Net Revenue</strong></td>
<td>2,364</td>
<td>2,370</td>
<td>2,284</td>
<td>2,316</td>
<td>2,537</td>
<td>4,734</td>
<td>4,943</td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>34</td>
<td>19</td>
<td>24</td>
<td>26</td>
<td>12</td>
<td>79</td>
<td>183</td>
</tr>
<tr>
<td><strong>Noninterest Expense</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation expense</td>
<td>1,024</td>
<td>1,120</td>
<td>1,046</td>
<td>999</td>
<td>1,068</td>
<td>2,144</td>
<td>2,107</td>
</tr>
<tr>
<td>Noncompensation expense</td>
<td>655</td>
<td>586</td>
<td>674</td>
<td>775</td>
<td>704</td>
<td>1,241</td>
<td>1,303</td>
</tr>
<tr>
<td>Amortization of intangibles</td>
<td>22</td>
<td>23</td>
<td>32</td>
<td>22</td>
<td>22</td>
<td>45</td>
<td>44</td>
</tr>
<tr>
<td><strong>Total Noninterest Expense</strong></td>
<td>1,701</td>
<td>1,729</td>
<td>1,752</td>
<td>1,794</td>
<td>1,794</td>
<td>3,430</td>
<td>3,454</td>
</tr>
<tr>
<td>Income before income tax expense</td>
<td>629</td>
<td>622</td>
<td>508</td>
<td>494</td>
<td>731</td>
<td>1,251</td>
<td>1,472</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>238</td>
<td>236</td>
<td>206</td>
<td>159</td>
<td>292</td>
<td>474</td>
<td>567</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>$391</td>
<td>$386</td>
<td>$302</td>
<td>$385</td>
<td>$439</td>
<td>$777</td>
<td>$905</td>
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### REVENUE BY CLIENT SEGMENT

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<th>4Q11</th>
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<tbody>
<tr>
<td>Private Banking</td>
<td>$1,341</td>
<td>$1,279</td>
<td>$1,212</td>
<td>$1,298</td>
<td>$1,289</td>
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<tr>
<td>Institutional</td>
<td>537</td>
<td>557</td>
<td>558</td>
<td>478</td>
<td>694</td>
</tr>
<tr>
<td>Retail</td>
<td>486</td>
<td>534</td>
<td>514</td>
<td>540</td>
<td>554</td>
</tr>
<tr>
<td><strong>Total Net Revenue</strong></td>
<td>$2,364</td>
<td>$2,370</td>
<td>$2,284</td>
<td>$2,316</td>
<td>$2,537</td>
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### FINANCIAL RATIOS

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<tbody>
<tr>
<td>ROE</td>
<td>22%</td>
<td>22%</td>
<td>18%</td>
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<tr>
<td>Overhead ratio</td>
<td>72</td>
<td>73</td>
<td>77</td>
<td>78</td>
<td>71</td>
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<tr>
<td>Pretax margin ratio</td>
<td>27</td>
<td>26</td>
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### SELECTED BALANCE SHEET DATA (period-end)

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<tbody>
<tr>
<td>Total assets</td>
<td>$98,704</td>
<td>$96,385</td>
<td>$86,242</td>
<td>$81,179</td>
<td>$78,199</td>
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<tr>
<td>Loans (a)</td>
<td>70,470</td>
<td>64,335</td>
<td>54,778</td>
<td>51,747</td>
<td>48,837</td>
</tr>
<tr>
<td>Equity</td>
<td>7,000</td>
<td>7,000</td>
<td>6,500</td>
<td>6,500</td>
<td>6,500</td>
</tr>
<tr>
<td><strong>Total Net Revenue</strong></td>
<td>$2,364</td>
<td>$2,370</td>
<td>$2,284</td>
<td>$2,316</td>
<td>$2,537</td>
</tr>
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### SELECTED BALANCE SHEET DATA (average)

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<tr>
<td>Total assets</td>
<td>$96,670</td>
<td>$89,582</td>
<td>$82,594</td>
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<td>$74,206</td>
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<tr>
<td>Loans</td>
<td>67,093</td>
<td>59,311</td>
<td>54,691</td>
<td>52,652</td>
<td>48,837</td>
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<td>Deposits</td>
<td>128,087</td>
<td>127,534</td>
<td>121,493</td>
<td>111,090</td>
<td>97,509</td>
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<tr>
<td>Equity</td>
<td>7,000</td>
<td>7,000</td>
<td>6,500</td>
<td>6,500</td>
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### Headcount

<table>
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<tr>
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<td>17,849</td>
<td>18,036</td>
<td>18,084</td>
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(a) Includes $6.7 billion and $4.5 billion of prime mortgage loans reported in the Consumer, excluding credit card loan portfolio at June 30, 2012 and March 31, 2012, respectively.
### JPMorgan Chase & CO.
**ASSET MANAGEMENT**
**FINANCIAL HIGHLIGHTS, CONTINUED**
(in millions, except ratio data and where otherwise noted)

#### QUARTERLY TRENDS

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<th>2Q12 Change</th>
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<td>Number of:</td>
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<tr>
<td>Client advisors (a)</td>
<td>2,739</td>
<td>2,832</td>
<td>2,883</td>
<td>2,864</td>
<td>2,719</td>
<td>(3) %</td>
<td>1 %</td>
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<tr>
<td>Retirement Planning Services participants (in thousands)</td>
<td>1,960</td>
<td>1,926</td>
<td>1,798</td>
<td>1,755</td>
<td>1,613</td>
<td>2</td>
<td>22</td>
</tr>
<tr>
<td>% of customer assets in 4 &amp; 5 Star Funds (b)</td>
<td>43 %</td>
<td>42 %</td>
<td>43 %</td>
<td>47 %</td>
<td>50 %</td>
<td>43 %</td>
<td>50 %</td>
</tr>
<tr>
<td>% of AUM in 1st and 2nd quartiles: (c)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>1 year</td>
<td>65</td>
<td>64</td>
<td>48</td>
<td>49</td>
<td>56</td>
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<tr>
<td>3 years</td>
<td>72</td>
<td>74</td>
<td>72</td>
<td>73</td>
<td>71</td>
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<tr>
<td>5 years</td>
<td>74</td>
<td>76</td>
<td>78</td>
<td>77</td>
<td>76</td>
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<tr>
<td><strong>CREDIT DATA AND QUALITY STATISTICS</strong></td>
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<tr>
<td>Net charge-offs $</td>
<td>28</td>
<td>27</td>
<td>48</td>
<td>-</td>
<td>33</td>
<td>4</td>
<td>(15)</td>
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<tr>
<td>Nonaccrual loans</td>
<td>256</td>
<td>263</td>
<td>317</td>
<td>311</td>
<td>252</td>
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<td>2</td>
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<tr>
<td>Allowance for credit losses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Allowance for loan losses</td>
<td>220</td>
<td>209</td>
<td>209</td>
<td>240</td>
<td>222</td>
<td>5</td>
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<tr>
<td>Allowance for lending-related commitments</td>
<td>6</td>
<td>5</td>
<td>10</td>
<td>9</td>
<td>9</td>
<td>20</td>
<td>(33)</td>
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<tr>
<td>Total allowance for credit losses</td>
<td>226</td>
<td>214</td>
<td>219</td>
<td>249</td>
<td>231</td>
<td>6</td>
<td>(2)</td>
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<tr>
<td>Net charge-off rate</td>
<td>0.17 %</td>
<td>0.18 %</td>
<td>0.35 %</td>
<td>- %</td>
<td>0.27 %</td>
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<tr>
<td>Allowance for loan losses to period-end loans</td>
<td>0.31</td>
<td>0.32</td>
<td>0.36</td>
<td>0.44</td>
<td>0.43</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowance for loan losses to nonaccrual loans</td>
<td>86</td>
<td>79</td>
<td>66</td>
<td>77</td>
<td>88</td>
<td></td>
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<tr>
<td>Nonaccrual loans to period-end loans</td>
<td>0.36</td>
<td>0.41</td>
<td>0.55</td>
<td>0.57</td>
<td>0.49</td>
<td></td>
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</tbody>
</table>

(a) Effective January 1, 2012, the previously disclosed separate metric for client advisors and JPMorgan Securities brokers were combined into one metric that reflects the number of Private Banking client-facing representatives.
(b) Derived from Morningstar for the U.S., the U.K., Luxembourg, France, Hong Kong and Taiwan; and Nomura for Japan.
(c) Quartile ranking sourced from: Lipper for the U.S. and Taiwan; Morningstar for the U.K., Luxembourg, France and Hong Kong; and Nomura for Japan.
## ASSET MANAGEMENT

### Financial Highlights, Continued

(in billions)

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<tbody>
<tr>
<td><strong>Assets Under Supervision</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liquidity</td>
<td>$466</td>
<td>$492</td>
<td>$515</td>
<td>$464</td>
<td>(5) %</td>
<td>$476</td>
<td>$476</td>
</tr>
<tr>
<td>Fixed income</td>
<td>359</td>
<td>355</td>
<td>336</td>
<td>321</td>
<td>1</td>
<td>319</td>
<td>319</td>
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<tr>
<td>Equity and multi-asset</td>
<td>401</td>
<td>417</td>
<td>372</td>
<td>356</td>
<td>(4)</td>
<td>430</td>
<td>(7)</td>
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<tr>
<td>Alternatives</td>
<td>121</td>
<td>118</td>
<td>113</td>
<td>113</td>
<td>3</td>
<td>117</td>
<td>3</td>
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<tr>
<td><strong>TOTAL ASSETS UNDER MANAGEMENT</strong></td>
<td>$1,347</td>
<td>$1,382</td>
<td>$1,338</td>
<td>$1,254</td>
<td>(3)</td>
<td>$1,342</td>
<td>(2)</td>
</tr>
<tr>
<td>Custody/brokerage/administration/deposits</td>
<td>621</td>
<td>631</td>
<td>595</td>
<td>552</td>
<td>(2)</td>
<td>582</td>
<td>(7)</td>
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<tr>
<td><strong>TOTAL ASSETS UNDER SUPERVISION</strong></td>
<td>$1,968</td>
<td>$2,013</td>
<td>$1,921</td>
<td>$1,806</td>
<td>(2)</td>
<td>$1,924</td>
<td>(2)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td><strong>Assets by Client Segment</strong></td>
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<tr>
<td>Private Banking</td>
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<td>$303</td>
<td>$291</td>
<td>$276</td>
<td>(2)</td>
<td>$291</td>
<td>(2)</td>
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<tr>
<td>Institutional</td>
<td>702</td>
<td>732</td>
<td>722</td>
<td>673</td>
<td>(4)</td>
<td>708</td>
<td>(1)</td>
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<tr>
<td>Retail</td>
<td>348</td>
<td>347</td>
<td>323</td>
<td>325</td>
<td>3</td>
<td>343</td>
<td>-</td>
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<tr>
<td><strong>TOTAL ASSETS UNDER MANAGEMENT</strong></td>
<td>$1,347</td>
<td>$1,382</td>
<td>$1,338</td>
<td>$1,254</td>
<td>(3)</td>
<td>$1,342</td>
<td>(2)</td>
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<tr>
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<td>$781</td>
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<td>$776</td>
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<tr>
<td>Institutional</td>
<td>702</td>
<td>732</td>
<td>723</td>
<td>674</td>
<td>(4)</td>
<td>709</td>
<td>(1)</td>
</tr>
<tr>
<td>Retail</td>
<td>450</td>
<td>451</td>
<td>417</td>
<td>394</td>
<td>-</td>
<td>439</td>
<td>3</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS UNDER SUPERVISION</strong></td>
<td>$1,968</td>
<td>$2,013</td>
<td>$1,921</td>
<td>$1,806</td>
<td>(2)</td>
<td>$1,924</td>
<td>(2)</td>
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</tbody>
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<table>
<thead>
<tr>
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<tr>
<td><strong>Mutual Fund Assets by Asset Class</strong></td>
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<tr>
<td>Liquidity</td>
<td>$408</td>
<td>$434</td>
<td>$458</td>
<td>$409</td>
<td>(6)</td>
<td>$421</td>
<td>(3)</td>
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<tr>
<td>Fixed income</td>
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<td>116</td>
<td>107</td>
<td>101</td>
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<td>105</td>
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<td>Equity and multi-asset</td>
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<td>167</td>
<td>147</td>
<td>139</td>
<td>(4)</td>
<td>176</td>
<td>(9)</td>
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<td>Alternatives</td>
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<td><strong>TOTAL MUTUAL FUND ASSETS</strong></td>
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<td>$720</td>
<td>$657</td>
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<td>$711</td>
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<td>2012</td>
<td>2011</td>
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<td></td>
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<tr>
<td>Liquidity</td>
<td>$1,382</td>
<td>$1,336</td>
<td>$1,254</td>
<td>$1,342</td>
<td>$1,330</td>
<td>$1,336</td>
<td>$1,298</td>
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<tr>
<td>Fixed income</td>
<td>$5</td>
<td>$11</td>
<td>$9</td>
<td>$3</td>
<td>$12</td>
<td>$16</td>
<td>$28</td>
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<td>Equities, multi-asset and alternatives</td>
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<td>$6</td>
<td>$(4)</td>
<td>$(1)</td>
<td>$7</td>
<td>$15</td>
<td>$18</td>
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<tr>
<td>Market/performance/other impacts</td>
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<td>$54</td>
<td>$24</td>
<td>$(80)</td>
<td>$9</td>
<td>$30</td>
<td>$23</td>
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<tr>
<td><strong>Ending balance</strong></td>
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<td>$1,382</td>
<td>$1,336</td>
<td>$1,254</td>
<td>$1,342</td>
<td>$1,347</td>
<td>$1,342</td>
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<td>Assets under supervision rollforward</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Beginning balance</td>
<td>$2,013</td>
<td>$1,921</td>
<td>$1,806</td>
<td>$1,924</td>
<td>$1,908</td>
<td>$1,921</td>
<td>$1,840</td>
</tr>
<tr>
<td>Net asset flows</td>
<td>$(6)</td>
<td>$8</td>
<td>$69</td>
<td>$11</td>
<td>$12</td>
<td>$2</td>
<td>$43</td>
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<tr>
<td>Market/performance/other impacts</td>
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<td>$84</td>
<td>$46</td>
<td>$(129)</td>
<td>$4</td>
<td>$45</td>
<td>$41</td>
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<tr>
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<td>$1,968</td>
<td>$2,013</td>
<td>$1,921</td>
<td>$1,806</td>
<td>$1,908</td>
<td>$1,968</td>
<td>$1,924</td>
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### International Metrics

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<th>2Q11</th>
<th>2012</th>
<th>2Q11</th>
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</tr>
<tr>
<td>Total net revenue</td>
<td>379</td>
<td>405</td>
<td>392</td>
<td>395</td>
<td>478</td>
<td>-6%</td>
<td>88</td>
<td>478</td>
<td>784</td>
<td>917</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>230</td>
<td>236</td>
<td>220</td>
<td>248</td>
<td>257</td>
<td>-3%</td>
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<td>257</td>
<td>466</td>
<td>503</td>
</tr>
<tr>
<td>Latin America/Caribbean</td>
<td>166</td>
<td>175</td>
<td>224</td>
<td>168</td>
<td>251</td>
<td>-5%</td>
<td>22</td>
<td>251</td>
<td>341</td>
<td>416</td>
</tr>
<tr>
<td>North America</td>
<td>1,589</td>
<td>1,554</td>
<td>1,448</td>
<td>1,556</td>
<td>1,551</td>
<td>2%</td>
<td>29</td>
<td>1,551</td>
<td>3,143</td>
<td>3,107</td>
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<tr>
<td><strong>Total net revenue</strong></td>
<td>2,364</td>
<td>2,370</td>
<td>2,284</td>
<td>2,316</td>
<td>2,537</td>
<td>-7%</td>
<td>55</td>
<td>2,537</td>
<td>4,734</td>
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<tbody>
<tr>
<td><strong>Asia/Pacific</strong></td>
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<tr>
<td>Total assets under management</td>
<td>261</td>
<td>282</td>
<td>278</td>
<td>255</td>
<td>298</td>
<td>-7%</td>
<td>117</td>
<td>298</td>
<td>261</td>
<td>298</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>103</td>
<td>112</td>
<td>105</td>
<td>104</td>
<td>119</td>
<td>-8%</td>
<td>10</td>
<td>119</td>
<td>103</td>
<td>119</td>
</tr>
<tr>
<td>Latin America/Caribbean</td>
<td>41</td>
<td>41</td>
<td>34</td>
<td>32</td>
<td>37</td>
<td>-11%</td>
<td>16</td>
<td>37</td>
<td>41</td>
<td>37</td>
</tr>
<tr>
<td>North America</td>
<td>942</td>
<td>947</td>
<td>919</td>
<td>863</td>
<td>888</td>
<td>6%</td>
<td>88</td>
<td>888</td>
<td>942</td>
<td>888</td>
</tr>
<tr>
<td><strong>Total assets under management</strong></td>
<td>1,347</td>
<td>1,382</td>
<td>1,336</td>
<td>1,254</td>
<td>1,342</td>
<td>-3%</td>
<td>162</td>
<td>1,342</td>
<td>1,347</td>
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<table>
<thead>
<tr>
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<th>2012</th>
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<tbody>
<tr>
<td><strong>Latin America/Caribbean</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Total assets under supervision</td>
<td>315</td>
<td>339</td>
<td>329</td>
<td>306</td>
<td>353</td>
<td>-7%</td>
<td>42</td>
<td>353</td>
<td>315</td>
<td>353</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>144</td>
<td>152</td>
<td>139</td>
<td>140</td>
<td>161</td>
<td>-11%</td>
<td>8</td>
<td>161</td>
<td>144</td>
<td>161</td>
</tr>
<tr>
<td>Latin America/Caribbean</td>
<td>101</td>
<td>101</td>
<td>89</td>
<td>87</td>
<td>94</td>
<td>-7%</td>
<td>5</td>
<td>94</td>
<td>101</td>
<td>94</td>
</tr>
<tr>
<td>North America</td>
<td>1,408</td>
<td>1,421</td>
<td>1,364</td>
<td>1,273</td>
<td>1,316</td>
<td>-7%</td>
<td>21</td>
<td>1,316</td>
<td>1,408</td>
<td>1,316</td>
</tr>
<tr>
<td><strong>Total assets under supervision</strong></td>
<td>1,968</td>
<td>2,013</td>
<td>1,921</td>
<td>1,806</td>
<td>1,924</td>
<td>-2%</td>
<td>134</td>
<td>1,924</td>
<td>1,968</td>
<td>1,924</td>
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(a) Regional revenue is based on the domicile of the client.
## Quarterly Trends

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<tr>
<td><strong>Income Statement</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal transactions</td>
<td>$(3,576)</td>
<td>$(547)</td>
<td>$324</td>
<td>$(933)</td>
<td>$745</td>
<td>$4,123</td>
<td>$2,043</td>
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<tr>
<td>Securities gains</td>
<td>1,013</td>
<td>449</td>
<td>54</td>
<td>607</td>
<td>837</td>
<td>126</td>
<td>21</td>
</tr>
<tr>
<td>All other income</td>
<td>159</td>
<td>1,111</td>
<td>(c)</td>
<td>75</td>
<td>186</td>
<td>265</td>
<td>(86)</td>
</tr>
<tr>
<td><strong>Noninterest income</strong></td>
<td>(2,404)</td>
<td>1,013</td>
<td>453</td>
<td>(140)</td>
<td>1,847</td>
<td>NM</td>
<td>NM</td>
</tr>
<tr>
<td>Net interest income</td>
<td>(205)</td>
<td>16</td>
<td>245</td>
<td>8</td>
<td>218</td>
<td>NM</td>
<td>NM</td>
</tr>
<tr>
<td><strong>Total Net Revenue (a)</strong></td>
<td>(2,609)</td>
<td>1,026</td>
<td>698</td>
<td>(139)</td>
<td>2,062</td>
<td>NM</td>
<td>NM</td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>(11)</td>
<td>(9)</td>
<td>(10)</td>
<td>(7)</td>
<td>(9)</td>
<td>(22)</td>
<td>(22)</td>
</tr>
<tr>
<td><strong>Noninterest Expense</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation expense</td>
<td>652</td>
<td>823</td>
<td>602</td>
<td>552</td>
<td>614</td>
<td>(21)</td>
<td>6</td>
</tr>
<tr>
<td>Noncompensation expense (b)</td>
<td>1,317</td>
<td>3,328</td>
<td>1,649</td>
<td>1,985</td>
<td>2,097</td>
<td>(60)</td>
<td>(37)</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>1,969</td>
<td>4,151</td>
<td>2,251</td>
<td>2,547</td>
<td>2,711</td>
<td>(53)</td>
<td>(27)</td>
</tr>
<tr>
<td>Net expense allocated to other businesses</td>
<td>(1,410)</td>
<td>(1,382)</td>
<td>(1,321)</td>
<td>(1,331)</td>
<td>(1,270)</td>
<td>(2)</td>
<td>(11)</td>
</tr>
<tr>
<td><strong>Total Noninterest Expense</strong></td>
<td>559</td>
<td>2,769</td>
<td>930</td>
<td>1,216</td>
<td>1,441</td>
<td>(90)</td>
<td>(61)</td>
</tr>
<tr>
<td>Income/(loss) before income tax expense/(benefit)</td>
<td>(3,157)</td>
<td>(1,731)</td>
<td>(222)</td>
<td>(1,341)</td>
<td>633</td>
<td>(82)</td>
<td>NM</td>
</tr>
<tr>
<td>Income tax expense/(benefit)</td>
<td>(1,380)</td>
<td>(709)</td>
<td>(445)</td>
<td>(696)</td>
<td>131</td>
<td>(95)</td>
<td>NM</td>
</tr>
<tr>
<td><strong>Net Income/(Loss)</strong></td>
<td>$ (1,777)</td>
<td>$ (1,022)</td>
<td>$223</td>
<td>$ (649)</td>
<td>$502</td>
<td>(74)</td>
<td>NM</td>
</tr>
</tbody>
</table>

### Memo:

- **Revenue**
  - Private Equity: $410 million
  - Treasury and Chief Investment Office (“CIO”): $(3,434) million
  - Other Corporate: $415 million

- **Total Net Revenue**: $(-2,609) million

- **Net Income/(Loss)**
  - Private Equity: $(1,777) million
  - Treasury and CIO: $(2,078) million
  - Other Corporate: $(194) million

- **Total Net Income/(Loss)**: $(1,380) million

### Total Assets (period-end)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>$667,206</td>
<td>$713,326</td>
</tr>
</tbody>
</table>

---

(a) Total net revenue included tax-equivalent adjustments, predominantly due to tax-exempt income from municipal bond investments of $118 million, $99 million, $92 million, $73 million and $69 million for the three months ended June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011 and June 30, 2011, respectively, and $217 million and $133 million for the six months ended June 30, 2012 and 2011, respectively.

(b) Includes litigation expense of $0.3 billion, $2.5 billion, $0.5 billion, $1.0 billion and $1.3 billion for the three months ended June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011 and June 30, 2011, respectively, and $2.8 billion and $1.6 billion for the six months ended June 30, 2012 and 2011, respectively.

(c) Includes a $1.1 billion benefit from the Washington Mutual bankruptcy settlement.
### QUARTERLY TRENDS

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>1Q12</th>
<th>2Q12 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securities gains (a)</td>
<td>$1,013</td>
<td>$453</td>
<td>$(13)</td>
<td>$459</td>
<td>$837</td>
<td>124%</td>
<td>$1,166</td>
</tr>
<tr>
<td>Investment securities portfolio (average)</td>
<td>359,130</td>
<td>361,601</td>
<td>349,750</td>
<td>324,596</td>
<td>335,543</td>
<td>1%</td>
<td>7</td>
</tr>
<tr>
<td>Mortgage loans (average)</td>
<td>11,012</td>
<td>12,636</td>
<td>14,089</td>
<td>13,748</td>
<td>12,731</td>
<td>13%</td>
<td>(14)</td>
</tr>
<tr>
<td>Mortgage loans (ending)</td>
<td>10,332</td>
<td>11,819</td>
<td>13,375</td>
<td>14,226</td>
<td>13,243</td>
<td>13%</td>
<td>(22)</td>
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</table>

### SIX MONTHS ENDED JUNE 30

<table>
<thead>
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<th>2011</th>
<th>2012 Change</th>
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</thead>
<tbody>
<tr>
<td>Securities gains (a)</td>
<td>$1,013</td>
<td>$939</td>
<td>56%</td>
</tr>
<tr>
<td>Investment securities portfolio (average)</td>
<td>359,130</td>
<td>348,610</td>
<td>11</td>
</tr>
<tr>
<td>Mortgage loans (average)</td>
<td>11,012</td>
<td>11,824</td>
<td>7%</td>
</tr>
<tr>
<td>Mortgage loans (ending)</td>
<td>10,332</td>
<td>13,243</td>
<td>(22)</td>
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### TREASURY and CHIEF INVESTMENT OFFICE ("CIO")

<table>
<thead>
<tr>
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<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>1Q12</th>
<th>2Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securities gains (a)</td>
<td>$1,013</td>
<td>$453</td>
<td>$(13)</td>
<td>$459</td>
<td>$837</td>
<td>124%</td>
</tr>
<tr>
<td>Investment securities portfolio (average)</td>
<td>359,130</td>
<td>361,601</td>
<td>349,750</td>
<td>324,596</td>
<td>335,543</td>
<td>1%</td>
</tr>
<tr>
<td>Mortgage loans (average)</td>
<td>11,012</td>
<td>12,636</td>
<td>14,089</td>
<td>13,748</td>
<td>12,731</td>
<td>13%</td>
</tr>
<tr>
<td>Mortgage loans (ending)</td>
<td>10,332</td>
<td>11,819</td>
<td>13,375</td>
<td>14,226</td>
<td>13,243</td>
<td>13%</td>
</tr>
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### PRIVATE EQUITY

<table>
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<th>2Q11</th>
<th>1Q12</th>
<th>2Q12 Change</th>
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</thead>
<tbody>
<tr>
<td>Realized gains/(losses)</td>
<td>$464</td>
<td>$326</td>
<td>$(149)</td>
<td>$(440)</td>
<td>$(616)</td>
<td>41%</td>
<td>$(792)</td>
</tr>
<tr>
<td>Unrealized gains/(losses) (b)</td>
<td>$1,013</td>
<td>$453</td>
<td>$(13)</td>
<td>$459</td>
<td>$837</td>
<td>124%</td>
<td>$1,166</td>
</tr>
<tr>
<td>Total direct investments</td>
<td>473</td>
<td>245</td>
<td>$(64)</td>
<td>$(433)</td>
<td>$(493)</td>
<td>93%</td>
<td>(4)</td>
</tr>
<tr>
<td>Third-party fund investments</td>
<td>(9)</td>
<td>83</td>
<td>$(85)</td>
<td>$(7)</td>
<td>333</td>
<td>NM</td>
<td>NM</td>
</tr>
<tr>
<td>Total private equity gains/(losses) (c)</td>
<td>$464</td>
<td>$326</td>
<td>$(149)</td>
<td>$(440)</td>
<td>$(616)</td>
<td>41%</td>
<td>$(792)</td>
</tr>
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### PRIVATE EQUITY GAINS/(LOSSES)

<table>
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<th>3Q11</th>
<th>2Q11</th>
<th>1Q12</th>
<th>2Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realized gains/(losses)</td>
<td>$464</td>
<td>$326</td>
<td>$(149)</td>
<td>$(440)</td>
<td>$(616)</td>
<td>41%</td>
</tr>
<tr>
<td>Unrealized gains/(losses) (b)</td>
<td>$1,013</td>
<td>$453</td>
<td>$(13)</td>
<td>$459</td>
<td>$837</td>
<td>124%</td>
</tr>
<tr>
<td>Total direct investments</td>
<td>473</td>
<td>245</td>
<td>$(64)</td>
<td>$(433)</td>
<td>$(493)</td>
<td>93%</td>
</tr>
<tr>
<td>Third-party fund investments</td>
<td>(9)</td>
<td>83</td>
<td>$(85)</td>
<td>$(7)</td>
<td>333</td>
<td>NM</td>
</tr>
<tr>
<td>Total private equity gains/(losses) (c)</td>
<td>$464</td>
<td>$326</td>
<td>$(149)</td>
<td>$(440)</td>
<td>$(616)</td>
<td>41%</td>
</tr>
</tbody>
</table>

### PRIVATE EQUITY PORTFOLIO INFORMATION

<table>
<thead>
<tr>
<th></th>
<th>Carrying value</th>
<th>Cost</th>
<th>Quoted public value</th>
</tr>
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<tbody>
<tr>
<td>Direct investments</td>
<td>$863</td>
<td>$436</td>
<td>$909</td>
</tr>
<tr>
<td>Publicly-held securities</td>
<td>$889</td>
<td>$549</td>
<td>$931</td>
</tr>
<tr>
<td>Carrying value</td>
<td>$805</td>
<td>$779</td>
<td>$896</td>
</tr>
<tr>
<td>Cost</td>
<td>$709</td>
<td>$799</td>
<td>$787</td>
</tr>
<tr>
<td>Quoted public value</td>
<td>$670</td>
<td>$595</td>
<td>$721</td>
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### PRIVATELY-HELD DIRECT SECURITIES

<table>
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<th>Quoted public value</th>
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</thead>
<tbody>
<tr>
<td>Direct investments</td>
<td>$4,931</td>
<td>$6,362</td>
<td>$6,919</td>
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<tr>
<td>Carrying value</td>
<td>$4,944</td>
<td>$6,819</td>
<td>$7,591</td>
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<tr>
<td>Cost</td>
<td>$4,597</td>
<td>$6,793</td>
<td>$6,556</td>
</tr>
<tr>
<td>Quoted public value</td>
<td>$4,322</td>
<td>$6,566</td>
<td>$6,891</td>
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</table>

### THIRD-PARTY FUND INVESTMENTS (d)

<table>
<thead>
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<th>Cost</th>
<th>Quoted public value</th>
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</thead>
<tbody>
<tr>
<td>Direct investments</td>
<td>$2,113</td>
<td>$1,952</td>
<td>$1,952</td>
</tr>
<tr>
<td>Carrying value</td>
<td>$2,131</td>
<td>$2,162</td>
<td>$2,162</td>
</tr>
<tr>
<td>Cost</td>
<td>$2,283</td>
<td>$2,452</td>
<td>$2,452</td>
</tr>
<tr>
<td>Quoted public value</td>
<td>$2,399</td>
<td>$2,481</td>
<td>$2,481</td>
</tr>
</tbody>
</table>

### TOTAL PRIVATE EQUITY PORTFOLIO

<table>
<thead>
<tr>
<th></th>
<th>Carrying value</th>
<th>Cost</th>
<th>Quoted public value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct investments</td>
<td>$7,907</td>
<td>$8,750</td>
<td>$9,530</td>
</tr>
<tr>
<td>Carrying value</td>
<td>$7,964</td>
<td>$9,188</td>
<td>$9,818</td>
</tr>
<tr>
<td>Cost</td>
<td>$7,685</td>
<td>$9,789</td>
<td>$9,950</td>
</tr>
</tbody>
</table>

(a) Reflects repositioning of the Corporate investment securities portfolio.
(b) Unrealized gains/(losses) contain reversals of unrealized gains and losses that were recognized in prior periods and have now been realized.
(c) Included in principal transactions revenue in the Consolidated Statements of Income.
(d) Unfunded commitments to third-party private equity funds were $524 million, $571 million, $789 million, $853 million and $876 million at June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011 and June 30, 2011, respectively.
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(in millions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Credit Exposure</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Wholesale (a)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans retained</td>
<td>$298,888</td>
<td>$283,653</td>
<td>$278,395</td>
<td>$255,799</td>
<td>$244,224</td>
<td>$229,569</td>
<td>$246,833</td>
</tr>
<tr>
<td>Loans held-for-sale</td>
<td>3,932</td>
<td>7,213</td>
<td>4,821</td>
<td>3,684</td>
<td>4,599</td>
<td>(45)</td>
<td>(15)</td>
</tr>
<tr>
<td>Total wholesale loans</td>
<td>302,820</td>
<td>290,866</td>
<td>283,016</td>
<td>259,483</td>
<td>248,823</td>
<td>224,154</td>
<td>262,448</td>
</tr>
<tr>
<td>Change</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Consumer, excluding credit card (b)</td>
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<td></td>
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</tr>
<tr>
<td>Loans retained, excluding PCI loans</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Home equity</td>
<td>72,833</td>
<td>75,207</td>
<td>77,800</td>
<td>80,278</td>
<td>82,751</td>
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<td>(12)</td>
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<tr>
<td>Prime mortgage, including option ARMs</td>
<td>76,064</td>
<td>76,292</td>
<td>76,196</td>
<td>74,230</td>
<td>74,276</td>
<td>-</td>
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<td>Subprime mortgage</td>
<td>8,945</td>
<td>9,289</td>
<td>9,664</td>
<td>10,045</td>
<td>10,441</td>
<td>(4)</td>
<td>(14)</td>
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<tr>
<td>Auto</td>
<td>48,468</td>
<td>48,245</td>
<td>47,426</td>
<td>46,659</td>
<td>46,796</td>
<td>-</td>
<td>4</td>
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<td>Business banking</td>
<td>18,218</td>
<td>17,822</td>
<td>17,652</td>
<td>17,272</td>
<td>17,141</td>
<td>2</td>
<td>6</td>
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<tr>
<td>Student and other</td>
<td>12,907</td>
<td>13,854</td>
<td>14,143</td>
<td>14,492</td>
<td>14,770</td>
<td>(7)</td>
<td>(13)</td>
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<tr>
<td>Total loans retained</td>
<td>307,435</td>
<td>300,709</td>
<td>283,016</td>
<td>242,976</td>
<td>246,175</td>
<td>(1)</td>
<td>(4)</td>
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<tr>
<td>Loans held-for-sale (c)</td>
<td>131</td>
<td>221</td>
<td></td>
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<tr>
<td>Total loans retained, excluding PCI loans</td>
<td>320,046</td>
<td>304,770</td>
<td>306,427</td>
<td>242,976</td>
<td>248,335</td>
<td>(2)</td>
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<td></td>
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</tr>
<tr>
<td>Credit card</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Loans retained (d)</td>
<td>124,593</td>
<td>124,475</td>
<td>123,175</td>
<td>127,041</td>
<td>125,523</td>
<td>-</td>
<td>(1)</td>
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<tr>
<td>Loans held-for-sale</td>
<td>112</td>
<td>102</td>
<td>102</td>
<td>94</td>
<td>96</td>
<td>(87)</td>
<td>NM</td>
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<tr>
<td>Total credit card</td>
<td>124,705</td>
<td>125,331</td>
<td>132,277</td>
<td>127,135</td>
<td>126,489</td>
<td>-</td>
<td>(1)</td>
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<tr>
<td>Total consumer loans</td>
<td>424,751</td>
<td>430,101</td>
<td>440,704</td>
<td>440,913</td>
<td>440,913</td>
<td>(1)</td>
<td>(4)</td>
</tr>
<tr>
<td>Change</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Total loans</td>
<td>727,571</td>
<td>720,967</td>
<td>723,720</td>
<td>696,853</td>
<td>689,736</td>
<td>1</td>
<td>5</td>
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<tr>
<td>Derivative receivables</td>
<td>85,543</td>
<td>85,010</td>
<td>92,477</td>
<td>108,563</td>
<td>77,383</td>
<td>1</td>
<td>11</td>
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<tr>
<td>Receivables from customers and other (e)</td>
<td>20,131</td>
<td>21,239</td>
<td>17,591</td>
<td>25,719</td>
<td>32,678</td>
<td>(5)</td>
<td>(38)</td>
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<tr>
<td>Total credit-related assets</td>
<td>105,674</td>
<td>106,245</td>
<td>110,038</td>
<td>134,572</td>
<td>110,061</td>
<td>(1)</td>
<td>(4)</td>
</tr>
<tr>
<td>Lending-related commitments</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Wholesale</td>
<td>419,641</td>
<td>401,064</td>
<td>382,739</td>
<td>379,683</td>
<td>365,689</td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td>Consumer, excluding credit card</td>
<td>62,438</td>
<td>63,121</td>
<td>62,307</td>
<td>64,581</td>
<td>64,649</td>
<td>(1)</td>
<td>(3)</td>
</tr>
<tr>
<td>Credit card</td>
<td>534,267</td>
<td>533,318</td>
<td>530,616</td>
<td>528,830</td>
<td>530,328</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total lending-related commitments</td>
<td>1,016,346</td>
<td>997,580</td>
<td>975,662</td>
<td>970,933</td>
<td>965,516</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Total credit exposure</td>
<td>$1,849,591</td>
<td>$1,824,715</td>
<td>$1,809,420</td>
<td>$1,804,518</td>
<td>$1,765,760</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Memo: Total by category</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Wholesale exposure (f)</td>
<td>$828,028</td>
<td>$798,071</td>
<td>$775,693</td>
<td>$773,633</td>
<td>$726,573</td>
<td>4</td>
<td>14</td>
</tr>
<tr>
<td>Consumer exposures (g)</td>
<td>$1,021,563</td>
<td>$1,026,644</td>
<td>$1,033,727</td>
<td>$1,030,885</td>
<td>$1,041,187</td>
<td>-</td>
<td>(2)</td>
</tr>
<tr>
<td>Total credit exposure</td>
<td>$1,849,591</td>
<td>$1,824,715</td>
<td>$1,809,420</td>
<td>$1,804,518</td>
<td>$1,765,760</td>
<td>1</td>
<td>5</td>
</tr>
</tbody>
</table>

(a) Includes IB, CB, TSS and AM business segments and Corporate/Private Equity.
(b) Includes loans reported in RFS, auto and student loans reported in Card, and residential real estate loans reported in the AM business segment and in Corporate/Private Equity.
(c) Represents prime mortgages for all periods presented.
(d) Includes accrued interest and fees net of an allowance for the uncollectible portion of accrued interest and fee income.
(e) 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.
(f) Primarily represents total wholesale loans, wholesale lending-related commitments, derivative receivables and receivables from customers.
(g) Represents total consumer loans and consumer lending-related commitments.
### Nonperforming Assets and Ratios

#### Wholesale

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Loans retained</td>
<td>$1,904</td>
<td>$1,941</td>
<td>$2,398</td>
<td>$3,011</td>
<td>$3,362</td>
</tr>
<tr>
<td>Loans held-for-sale and at fair value</td>
<td>194</td>
<td>214</td>
<td>183</td>
<td>176</td>
<td>214</td>
</tr>
<tr>
<td>Total wholesale loans</td>
<td>1,998</td>
<td>2,155</td>
<td>2,581</td>
<td>3,187</td>
<td>3,576</td>
</tr>
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</table>

#### Consumer, excluding credit card

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Home equity (a)</td>
<td>2,615</td>
<td>2,766</td>
<td>1,287</td>
<td>1,290</td>
<td>1,308</td>
</tr>
<tr>
<td>Prime mortgage, including option ARMs</td>
<td>3,139</td>
<td>3,258</td>
<td>3,462</td>
<td>3,656</td>
<td>4,024</td>
</tr>
<tr>
<td>Subprime mortgage</td>
<td>1,544</td>
<td>1,569</td>
<td>1,781</td>
<td>1,932</td>
<td>2,058</td>
</tr>
<tr>
<td>Auto</td>
<td>101</td>
<td>102</td>
<td>118</td>
<td>114</td>
<td>111</td>
</tr>
<tr>
<td>Business banking</td>
<td>587</td>
<td>649</td>
<td>694</td>
<td>756</td>
<td>770</td>
</tr>
<tr>
<td>Student and other</td>
<td>83</td>
<td>105</td>
<td>69</td>
<td>68</td>
<td>79</td>
</tr>
<tr>
<td>Total Consumer, excluding credit card</td>
<td>$8,069</td>
<td>$8,449</td>
<td>$7,411</td>
<td>$7,816</td>
<td>$8,350</td>
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</table>

#### Total Credit Card

<table>
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<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivative receivables</td>
<td>451</td>
<td>317</td>
<td>297</td>
<td>265</td>
<td>217</td>
</tr>
<tr>
<td>Assets acquired in loan satisfactions</td>
<td>878</td>
<td>1,037</td>
<td>1,050</td>
<td>1,179</td>
<td>1,290</td>
</tr>
<tr>
<td>Total nonperforming assets</td>
<td>$11,397</td>
<td>$11,953</td>
<td>$11,315</td>
<td>$12,468</td>
<td>$13,435</td>
</tr>
</tbody>
</table>

#### Total Wholesale Nonperforming Loans to Total Wholesale Loans

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<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>0.74</td>
<td>0.91</td>
<td>1.23</td>
<td>1.23</td>
<td>1.23</td>
</tr>
</tbody>
</table>

#### Total Consumer, excluding credit card Nonaccrual Loans to Total Consumer, excluding credit card Loans

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>2.77</td>
<td>2.40</td>
<td>2.65</td>
<td>2.65</td>
<td>2.65</td>
</tr>
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</table>

#### Nonperforming Assets by LOB

<table>
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<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Bank (c)</td>
<td>$1,334</td>
<td>$1,273</td>
<td>$1,573</td>
<td>$1,782</td>
<td>$1,983</td>
</tr>
<tr>
<td>Retail Financial Services (a/b)</td>
<td>8,547</td>
<td>9,008</td>
<td>7,961</td>
<td>8,444</td>
<td>9,033</td>
</tr>
<tr>
<td>Card Services &amp; Auto</td>
<td>219</td>
<td>242</td>
<td>228</td>
<td>232</td>
<td>233</td>
</tr>
<tr>
<td>Commercial Banking</td>
<td>953</td>
<td>1,064</td>
<td>1,138</td>
<td>1,611</td>
<td>1,831</td>
</tr>
<tr>
<td>Treasury &amp; Securities Services</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Asset Management (c)</td>
<td>271</td>
<td>286</td>
<td>336</td>
<td>322</td>
<td>264</td>
</tr>
<tr>
<td>Corporate/Private Equity (f)</td>
<td>76</td>
<td>75</td>
<td>75</td>
<td>88</td>
<td>88</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$11,397</td>
<td>$11,953</td>
<td>$11,315</td>
<td>$12,468</td>
<td>$13,435</td>
</tr>
</tbody>
</table>

#### Notes

- **(a)** Based on regulatory guidance issued in the first quarter of 2012, includes performing junior liens that are subordinate to senior liens that are 90 days or more past due. For further information, see footnote (d) on page 15.
- **(b)** Excludes PCI loans. Because the Firm is recognizing interest income on each pool of PCI loans, they are all considered to be performing.
- **(c)** Prior to the first quarter of 2012, reported amounts had only included defaulted derivatives; effective in the first quarter of 2012, reported amounts in all periods include both defaulted derivatives as well as derivatives that have been risk rated as nonperforming.
- **(d)** At June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011 and June 30, 2011, nonperforming assets excluded: (1) mortgage loans insured by U.S. government agencies of $11.9 billion, $11.8 billion, $11.5 billion, $9.5 billion and $9.1 billion, respectively, that are 90 or more days past due; and (2) student loans insured by U.S. government agencies under the FFELP of $547 million, $586 million, $551 million, $567 million and $558 million, respectively, that are 90 or more days past due. These amounts were excluded from nonaccrual status as reimbursement of insured amounts is proceeding normally. 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”). Credit card loans are charged off by the end of the month in which the account becomes 180 days past due or within 60 days from receiving notification about a specified event (e.g., bankruptcy of the borrower), whichever is earlier.
- **(e)** Represent commitments that are risk rated as nonaccrual.
- **(f)** Predominantly relates to retained prime mortgage loans.
### GROSS CHARGE-OFFS

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>2012 Change</th>
<th>2011 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale loans</td>
<td>$73</td>
<td>$92</td>
<td>$431</td>
<td>$98</td>
<td>$134</td>
<td>$165</td>
<td>$387</td>
</tr>
<tr>
<td>Credit card loans</td>
<td>1,054</td>
<td>1,134</td>
<td>1,310</td>
<td>1,292</td>
<td>1,357</td>
<td>2,188</td>
<td>2,817</td>
</tr>
<tr>
<td>Total consumer loans</td>
<td>2,937</td>
<td>2,765</td>
<td>2,956</td>
<td>3,059</td>
<td>3,488</td>
<td>5,398</td>
<td>7,079</td>
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<tr>
<td>Total loans</td>
<td>$2,710</td>
<td>$2,853</td>
<td>$3,382</td>
<td>$3,155</td>
<td>$3,022</td>
<td>$5,593</td>
<td>$7,986</td>
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### GROSS RECOVERIES

<table>
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<th>2012</th>
<th>2011</th>
<th>2012 Change</th>
<th>2011 Change</th>
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<tbody>
<tr>
<td>Wholesale loans</td>
<td>$64</td>
<td>$87</td>
<td>$249</td>
<td>$54</td>
</tr>
<tr>
<td>Credit card loans</td>
<td>130</td>
<td>138</td>
<td>133</td>
<td>144</td>
</tr>
<tr>
<td>Total consumer loans</td>
<td>368</td>
<td>376</td>
<td>399</td>
<td>460</td>
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<tr>
<td>Total loans</td>
<td>$432</td>
<td>$466</td>
<td>$475</td>
<td>$648</td>
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### NET CHARGE-OFFS/RECOVERIES

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>2012 Change</th>
<th>2011 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale loans</td>
<td>$9</td>
<td>$5</td>
<td>$346</td>
<td>$151</td>
<td>$80</td>
<td>$14</td>
<td>$245</td>
</tr>
<tr>
<td>Credit card loans</td>
<td>924</td>
<td>996</td>
<td>1,171</td>
<td>1,159</td>
<td>1,213</td>
<td>1,920</td>
<td>2,542</td>
</tr>
<tr>
<td>Total consumer loans</td>
<td>2,269</td>
<td>2,382</td>
<td>2,561</td>
<td>2,658</td>
<td>3,023</td>
<td>4,851</td>
<td>6,576</td>
</tr>
<tr>
<td>Total loans</td>
<td>$2,278</td>
<td>$2,387</td>
<td>$2,907</td>
<td>$2,507</td>
<td>$3,103</td>
<td>$4,665</td>
<td>$6,823</td>
</tr>
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### NET CHARGE-OFFS/RECOVERY RATES

<table>
<thead>
<tr>
<th></th>
<th>Wholesale retained loans</th>
<th>Consumer retained loans, excluding credit card (a)</th>
<th>Credit card retained loans</th>
<th>Total retained loans</th>
<th>Consumer retained loans, excluding credit card and PCI loans</th>
<th>Total retained loans, excluding PCI loans</th>
<th>Memo: Average retained loans</th>
<th>Wholesale loans</th>
<th>Credit card retained loans</th>
<th>Total average retained loans</th>
<th>Consumer retained loans, excluding credit card and PCI loans</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.01 %</td>
<td>0.01 %</td>
<td>0.22 %</td>
<td>1.4 %</td>
<td>0.01 %</td>
<td>1.35 %</td>
<td>0.01 %</td>
<td>$292,942</td>
<td>$302,523</td>
<td>$715,878</td>
<td>$239,210</td>
</tr>
<tr>
<td></td>
<td>1.23 %</td>
<td>1.31 %</td>
<td>1.50 %</td>
<td>1.47</td>
<td>1.27</td>
<td>1.60</td>
<td>1.25 %</td>
<td>302,523</td>
<td>306,657</td>
<td>609,179</td>
<td>302,523</td>
</tr>
<tr>
<td></td>
<td>4.35 %</td>
<td>4.40 %</td>
<td>4.29 %</td>
<td>4.70</td>
<td>4.37</td>
<td>6.40</td>
<td>1.14 %</td>
<td>306,657</td>
<td>308,980</td>
<td>615,637</td>
<td>302,523</td>
</tr>
<tr>
<td></td>
<td>1.27 %</td>
<td>1.35 %</td>
<td>1.64 %</td>
<td>1.44</td>
<td>1.31</td>
<td>2.02</td>
<td>1.14 %</td>
<td>308,980</td>
<td>312,341</td>
<td>621,321</td>
<td>302,523</td>
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<tr>
<td></td>
<td>1.55 %</td>
<td>1.66 %</td>
<td>1.91 %</td>
<td>1.88</td>
<td>1.61</td>
<td>2.05</td>
<td>1.14 %</td>
<td>312,341</td>
<td>317,862</td>
<td>629,203</td>
<td>302,523</td>
</tr>
<tr>
<td></td>
<td>2.51 %</td>
<td>2.60 %</td>
<td>2.74 %</td>
<td>2.84</td>
<td>2.55</td>
<td>3.52</td>
<td>1.14 %</td>
<td>317,862</td>
<td>317,862</td>
<td>635,724</td>
<td>302,523</td>
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<td></td>
<td>1.40 %</td>
<td>1.49 %</td>
<td>1.81 %</td>
<td>1.60</td>
<td>1.44</td>
<td>2.26</td>
<td>1.14 %</td>
<td>317,862</td>
<td>321,722</td>
<td>639,584</td>
<td>302,523</td>
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(a) To date, no charge-offs have been recorded for PCI loans.
## SUMMARY OF CHANGES IN THE ALLOWANCES

### ALLOWANCE FOR LOAN LOSSES

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>2Q12 Change</th>
<th>2Q11 Change</th>
<th>2012</th>
<th>2011</th>
<th>2012 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning balance</td>
<td>$25,871</td>
<td>$27,609</td>
<td>$28,350</td>
<td>$28,520</td>
<td>$29,750</td>
<td>(6) %</td>
<td>(13) %</td>
<td>$27,609</td>
<td>$32,266</td>
<td>(14) %</td>
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<tr>
<td>Net charge-offs</td>
<td>2,278</td>
<td>2,387</td>
<td>2,907</td>
<td>2,507</td>
<td>3,103</td>
<td>(5) %</td>
<td>(27) %</td>
<td>4,665</td>
<td>6,823</td>
<td>(32) %</td>
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<tr>
<td>Provision for loan losses</td>
<td>200</td>
<td>646</td>
<td>2,193</td>
<td>2,351</td>
<td>1,872</td>
<td>(69) %</td>
<td>(89) %</td>
<td>846</td>
<td>3,068</td>
<td>(72) %</td>
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<tr>
<td>Other</td>
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<td>3</td>
<td>(27)</td>
<td>(14)</td>
<td>1</td>
<td>NM</td>
<td>NM</td>
<td>1</td>
<td>9</td>
<td>(89) %</td>
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<tr>
<td>Ending balance</td>
<td>$23,791</td>
<td>$25,871</td>
<td>$27,609</td>
<td>$28,520</td>
<td>$28,350</td>
<td>(8) %</td>
<td>(17) %</td>
<td>$23,791</td>
<td>$28,520</td>
<td>(17) %</td>
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### ALLOWANCE FOR LENDING-RELATED COMMITMENTS

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<tr>
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<th>2Q11 Change</th>
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<tr>
<td>Beginning balance</td>
<td>$750</td>
<td>$673</td>
<td>$686</td>
<td>$626</td>
<td>$688</td>
<td>11 %</td>
<td>9 %</td>
<td>$673</td>
<td>$717</td>
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<td>80</td>
<td>(9)</td>
<td>60</td>
<td>(62)</td>
<td>(83) %</td>
<td>NM</td>
<td>94</td>
<td>(89)</td>
<td>NM</td>
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<tr>
<td>Other</td>
<td>-</td>
<td>(3)</td>
<td>(4)</td>
<td>-</td>
<td>-</td>
<td>NM</td>
<td>NM</td>
<td>(3)</td>
<td>(2)</td>
<td>(50) %</td>
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<tr>
<td>Ending balance</td>
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<td>$750</td>
<td>$673</td>
<td>$626</td>
<td>$626</td>
<td>2 %</td>
<td>22 %</td>
<td>$764</td>
<td>$626</td>
<td>22</td>
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### ALLOWANCE FOR LOAN LOSSES BY LOB

<table>
<thead>
<tr>
<th>LOB</th>
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<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
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<th>2Q11 Change</th>
<th>2012</th>
<th>2011</th>
<th>2012 Change</th>
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<tr>
<td>Investment Bank</td>
<td>$1,419</td>
<td>$1,386</td>
<td>$1,436</td>
<td>$1,337</td>
<td>$1,178</td>
<td>2 %</td>
<td>20 %</td>
<td>$1,178</td>
<td>$1,178</td>
<td>2 %</td>
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<tr>
<td>Retail Financial Services</td>
<td>12,897</td>
<td>14,247</td>
<td>15,247</td>
<td>15,479</td>
<td>15,479</td>
<td>(9) %</td>
<td>(17) %</td>
<td>$15,479</td>
<td>$15,479</td>
<td>(17) %</td>
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<tr>
<td>Card Services &amp; Auto</td>
<td>6,508</td>
<td>7,281</td>
<td>8,009</td>
<td>8,537</td>
<td>8,921</td>
<td>(10) %</td>
<td>(27) %</td>
<td>$8,921</td>
<td>$8,921</td>
<td>(27) %</td>
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<tr>
<td>Commercial Banking</td>
<td>2,638</td>
<td>2,662</td>
<td>2,603</td>
<td>2,671</td>
<td>2,614</td>
<td>(1) %</td>
<td>1 %</td>
<td>$2,614</td>
<td>$2,614</td>
<td>1 %</td>
</tr>
<tr>
<td>Treasury &amp; Securities Services</td>
<td>79</td>
<td>69</td>
<td>65</td>
<td>49</td>
<td>74</td>
<td>14 %</td>
<td>7 %</td>
<td>$74</td>
<td>$74</td>
<td>7 %</td>
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<td>Asset Management</td>
<td>220</td>
<td>209</td>
<td>209</td>
<td>240</td>
<td>222</td>
<td>5 %</td>
<td>1 %</td>
<td>$222</td>
<td>$222</td>
<td>1 %</td>
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<tr>
<td>Corporate/Private Equity</td>
<td>30</td>
<td>37</td>
<td>40</td>
<td>37</td>
<td>32</td>
<td>(19) %</td>
<td>(6) %</td>
<td>$32</td>
<td>$32</td>
<td>(6) %</td>
</tr>
<tr>
<td>Total</td>
<td>$23,791</td>
<td>$25,871</td>
<td>$27,609</td>
<td>$28,520</td>
<td>$28,350</td>
<td>(8) %</td>
<td>(17) %</td>
<td>$23,791</td>
<td>$28,520</td>
<td>(17) %</td>
</tr>
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# ALLOWANCE COMPONENTS AND RATIOS

## ALLOWANCE FOR LOAN LOSSES

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<tr>
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<th></th>
<th></th>
<th></th>
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</tr>
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<tbody>
<tr>
<td><strong>Wholesale</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset-specific</td>
<td>$407</td>
<td>$448</td>
<td>$516</td>
<td>$670</td>
<td>$749</td>
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<tr>
<td>Formula-based</td>
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<td>3,875</td>
<td>3,800</td>
<td>3,632</td>
<td>3,342</td>
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<tr>
<td>Total wholesale</td>
<td>4,349</td>
<td>4,323</td>
<td>4,316</td>
<td>4,302</td>
<td>4,091</td>
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<tr>
<td><strong>Consumer, excluding credit card</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset-specific</td>
<td>1,004</td>
<td>760</td>
<td>828</td>
<td>1,016</td>
<td>1,049</td>
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<td>Formula-based</td>
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<td>8,826</td>
<td>9,755</td>
<td>10,563</td>
<td>10,397</td>
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<td>PCI</td>
<td>5,711</td>
<td>5,711</td>
<td>5,711</td>
<td>4,941</td>
<td>4,941</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total consumer, excluding credit card</td>
<td>13,943</td>
<td>15,297</td>
<td>16,294</td>
<td>16,520</td>
<td>16,387</td>
<td></td>
<td></td>
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<tr>
<td><strong>Credit card</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset-specific</td>
<td>1,977</td>
<td>2,402</td>
<td>2,727</td>
<td>3,052</td>
<td>3,451</td>
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<tr>
<td>Formula-based</td>
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<td>3,849</td>
<td>4,272</td>
<td>4,476</td>
<td>4,591</td>
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<tr>
<td>Total credit card</td>
<td>5,499</td>
<td>6,251</td>
<td>6,999</td>
<td>7,528</td>
<td>8,042</td>
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<tr>
<td><strong>Total consumer</strong></td>
<td>19,442</td>
<td>21,548</td>
<td>23,293</td>
<td>24,048</td>
<td>24,329</td>
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<tr>
<td><strong>Total allowance for loan losses</strong></td>
<td>23,791</td>
<td>25,871</td>
<td>27,609</td>
<td>28,350</td>
<td>28,520</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Allowance for lending-related commitments</strong></td>
<td>784</td>
<td>750</td>
<td>673</td>
<td>686</td>
<td>626</td>
<td></td>
<td></td>
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<tr>
<td><strong>Total allowance for credit losses</strong></td>
<td>$24,555</td>
<td>$26,621</td>
<td>$28,282</td>
<td>$29,036</td>
<td>$29,146</td>
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</tr>
</tbody>
</table>

## CREDIT RATIOS

### Wholesale allowance to total wholesale retained loans

- **Wholesale allowance to total wholesale retained loans**: 1.46%
- **Consumer, excluding credit card allowance, to total consumer, excluding credit card retained loans**: 4.65%
- **Credit card allowance to total credit card retained loans**: 4.41%
- **Total allowance to total retained loans**: 3.29%

### Wholesale allowance to wholesale retained nonaccrual loans

- **Wholesale allowance to wholesale retained nonaccrual loans**: 241%
- **Allowance, excluding credit card allowance, to retained non-accrual loans, excluding credit card nonaccrual loans (a)**: 185%

### Total allowance to total retained nonaccrual loans

- **Total allowance to total retained nonaccrual loans**: 241%

### CREDIT RATIOS, excluding PCI loans

- **Consumer, excluding credit card allowance, to total consumer, excluding credit card retained loans**: 3.47%
- **Total allowance to total retained loans**: 2.74%
- **Allowance, excluding credit card allowance, to consumer, excluding credit card retained nonaccrual loans (a)**: 102%

(a) The Firm’s policy is generally to exempt credit card loans from being placed on nonaccrual status as permitted by regulatory guidance. Under guidance issued by the FFIEC, credit card loans are charged off by the end of the month in which the account becomes 180 days past due or within 60 days from receiving notification about a specified event (e.g., bankruptcy of the borrower), whichever is earlier.
## QUARTERLY TRENDS

### 2Q12
- **Provision for credit losses**
  - **Investment Bank**: $21
  - **Retail Financial Services**: $555
  - **Card Services & Auto**: 734
  - **Commercial Banking**: 10
  - **Treasury & Securities Services**: 33
  - **Asset Management**: 1
  - **Corporate/Private Equity**: (12)
  - **Total provision for credit losses**: $200

<table>
<thead>
<tr>
<th>Line of Business</th>
<th>2Q12</th>
<th>4Q11</th>
<th>1Q12</th>
<th>2Q12 Change</th>
</tr>
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<tbody>
<tr>
<td>Provision for loan losses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Bank</td>
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<td>$85</td>
<td>$298</td>
<td>$85</td>
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<tr>
<td>Retail Financial Services</td>
<td>$555</td>
<td>$96</td>
<td>$777</td>
<td>$39</td>
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<tr>
<td>Card Services &amp; Auto</td>
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<td>738</td>
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<td>744</td>
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<tr>
<td>Commercial Banking</td>
<td>(31)</td>
<td>72</td>
<td>29</td>
<td>(53)</td>
</tr>
<tr>
<td>Treasury &amp; Securities Services</td>
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<td>4</td>
<td>16</td>
<td>(26)</td>
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<tr>
<td>Asset Management</td>
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<td>21</td>
<td>23</td>
<td>6</td>
</tr>
<tr>
<td>Corporate/Private Equity</td>
<td>(12)</td>
<td>(8)</td>
<td>(11)</td>
<td>(1)</td>
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<td>Total provision for credit losses</td>
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<td>$646</td>
<td>$2,184</td>
<td>$2,193</td>
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</table>

### 2012 Change
- **Provision for loan losses**
  - **Investment Bank**: NM
  - **Retail Financial Services**: 1,027
  - **Card Services & Auto**: NM
  - **Commercial Banking**: NM
  - **Treasury & Securities Services**: NM
  - **Asset Management**: NM
  - **Corporate/Private Equity**: NM
  - **Total provision for loan losses**: $1,872

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Provision for loan losses</td>
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<tr>
<td>Investment Bank</td>
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<tr>
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<tr>
<td>Card Services &amp; Auto</td>
<td>NM</td>
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<td>NM</td>
</tr>
<tr>
<td>Commercial Banking</td>
<td>NM</td>
<td>NM</td>
<td>NM</td>
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<tr>
<td>Treasury &amp; Securities Services</td>
<td>NM</td>
<td>NM</td>
<td>NM</td>
</tr>
<tr>
<td>Asset Management</td>
<td>NM</td>
<td>NM</td>
<td>NM</td>
</tr>
<tr>
<td>Corporate/Private Equity</td>
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<td>NM</td>
<td>NM</td>
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<tr>
<td>Total provision for loan losses</td>
<td>$1,872</td>
<td>$1,472</td>
<td>$1,872</td>
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### Provision for credit losses
- **Investment Bank**: $21
- **Retail Financial Services**: $555
- **Card Services & Auto**: 734
- **Commercial Banking**: 10
- **Treasury & Securities Services**: 33
- **Asset Management**: 1
- **Corporate/Private Equity**: (12)
- **Total provision for credit losses**: $200

<table>
<thead>
<tr>
<th>Line of Business</th>
<th>2Q12 Change</th>
<th>2Q11 Change</th>
<th>2012 Change</th>
</tr>
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<tr>
<td>Provision for credit losses</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Investment Bank</td>
<td>NM</td>
<td>NM</td>
<td>NM</td>
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<tr>
<td>Retail Financial Services</td>
<td>1,027</td>
<td>994</td>
<td>1,027</td>
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<tr>
<td>Card Services &amp; Auto</td>
<td>NM</td>
<td>NM</td>
<td>NM</td>
</tr>
<tr>
<td>Commercial Banking</td>
<td>NM</td>
<td>NM</td>
<td>NM</td>
</tr>
<tr>
<td>Treasury &amp; Securities Services</td>
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<td>NM</td>
<td>NM</td>
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<tr>
<td>Asset Management</td>
<td>NM</td>
<td>NM</td>
<td>NM</td>
</tr>
<tr>
<td>Corporate/Private Equity</td>
<td>NM</td>
<td>NM</td>
<td>NM</td>
</tr>
<tr>
<td>Total provision for credit losses</td>
<td>$200</td>
<td>$1,472</td>
<td>$1,872</td>
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</table>
### JPMorgan Chase & Co.

**Market Risk-Related Information**

(in millions)

#### Quarterly Trends

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<thead>
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<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>95% Confidence Level - Average IB Trading Var,</strong> Credit Portfolio Var and Other Var</td>
<td><strong>2Q12 Change</strong></td>
<td><strong>2Q12 Change</strong></td>
<td><strong>2Q12 Change</strong></td>
<td></td>
</tr>
<tr>
<td><strong>IB VaR by risk type:</strong></td>
<td><strong>2Q12</strong></td>
<td><strong>1Q12</strong></td>
<td><strong>3Q11</strong></td>
<td><strong>2Q11</strong></td>
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<td>Fixed income</td>
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<td>$56</td>
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<td>11</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Equities</td>
<td>20</td>
<td>17</td>
<td>19</td>
<td>25</td>
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<tr>
<td>Commodity and other</td>
<td>13</td>
<td>21</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>Diversification benefit to IB trading VaR (a)</td>
<td>(44)</td>
<td>(46)</td>
<td>(50)</td>
<td>(39)</td>
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<tr>
<td><strong>IB trading VaR (b):</strong></td>
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<td>Credit portfolio VaR (c)</td>
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<td>Diversification benefit to IB trading and credit portfolio VaR (a)</td>
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<td>(14)</td>
<td>(21)</td>
<td>(21)</td>
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<td><strong>Total IB trading and credit portfolio VaR:</strong></td>
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<td>81</td>
<td>75</td>
<td>70</td>
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<tr>
<td><strong>Other VaR:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage Production and Servicing VaR (d)</td>
<td>15</td>
<td>11</td>
<td>44</td>
<td>40</td>
</tr>
<tr>
<td>Chief Investment Office VaR (e)</td>
<td>177</td>
<td>129</td>
<td>69</td>
<td>48</td>
</tr>
<tr>
<td>Diversification benefit to other VaR (a)</td>
<td>(10)</td>
<td>(4)</td>
<td>(30)</td>
<td>(15)</td>
</tr>
<tr>
<td><strong>Total other VaR:</strong></td>
<td>182</td>
<td>136</td>
<td>83</td>
<td>73</td>
</tr>
<tr>
<td>Diversification benefit to total IB and other VaR (a)</td>
<td>(56)</td>
<td>(47)</td>
<td>(45)</td>
<td>(35)</td>
</tr>
<tr>
<td><strong>Total IB and other VaR (f):</strong></td>
<td>$201</td>
<td>$170</td>
<td>$113</td>
<td>$108</td>
</tr>
</tbody>
</table>

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

(b) For further information on IB trading VaR, see footnote (b) on page 12.

(c) For further information on Credit portfolio VaR see footnote (c) on page 12.

(d) Mortgage Production and Servicing VaR includes the Firm’s mortgage pipeline and warehouse loans, MSRs and all related hedges.

(e) CIO VaR includes positions, primarily in debt securities and credit products, used to manage structural and other risks, including interest rate, credit and mortgage risks arising from the Firm’s ongoing business activities.

(f) Total IB, Credit portfolio and other VaR does not include the retained Credit portfolio, which is not reported at fair value; however, it does include hedges of those positions. It also does not include DVA on derivative and structured liabilities to reflect the credit quality of the Firm, principal investments (mezzanine financing, tax-oriented investments, etc.), certain securities and investments held by Corporate/Private Equity, capital management positions and longer-term investments managed by CIO.

(g) Reference is made to Recent developments on pages 10-11 of JPMorgan Chase’s Form 10-Q for the quarterly period ended June 30, 2012 regarding the Firm’s restatement of its 2012 first quarter financial statements. The CIO VaR amount has not been recalculated for the first quarter to reflect the restatement. If it were, however, the Firm believes that the recalculated VaR amount for the six months ended June 30, 2012 would not be materially different from the amount shown in the table above.
### Capital (based on Basel I)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2012</td>
<td>2011</td>
<td>2011</td>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>Tier 1 capital</td>
<td>$148,425</td>
<td>$155,352</td>
<td>$150,384</td>
<td>$147,823</td>
<td>$148,880</td>
<td>(4) %</td>
</tr>
<tr>
<td>Total capital</td>
<td>185,134</td>
<td>193,476</td>
<td>188,088</td>
<td>186,510</td>
<td>187,899</td>
<td>(4) %</td>
</tr>
<tr>
<td>Tier 1 common capital (a)</td>
<td>130,095</td>
<td>127,642</td>
<td>122,916</td>
<td>120,234</td>
<td>121,209</td>
<td>2 %</td>
</tr>
<tr>
<td>Risk-weighted assets</td>
<td>1,318,734</td>
<td>1,300,185</td>
<td>1,221,198</td>
<td>1,217,548</td>
<td>1,198,711</td>
<td>1 %</td>
</tr>
<tr>
<td>Adjusted average assets (b)</td>
<td>2,202,487</td>
<td>2,195,625</td>
<td>2,202,087</td>
<td>2,168,678</td>
<td>2,129,510</td>
<td>- 3 %</td>
</tr>
<tr>
<td>Tier 1 capital ratio</td>
<td>11.3 %</td>
<td>11.9 %</td>
<td>12.3 %</td>
<td>12.1 %</td>
<td>12.4 %</td>
<td></td>
</tr>
<tr>
<td>Tier 1 leverage ratio</td>
<td>6.7</td>
<td>7.1</td>
<td>6.8</td>
<td>6.8</td>
<td>7.0</td>
<td></td>
</tr>
<tr>
<td>Tier 1 common capital ratio (a)</td>
<td>9.9</td>
<td>9.8</td>
<td>10.1</td>
<td>9.9</td>
<td>10.1</td>
<td></td>
</tr>
</tbody>
</table>

**Tangible Common Equity (period-end) (c)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2012</td>
<td>2011</td>
<td>2011</td>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>Common stockholders' equity</td>
<td>$183,772</td>
<td>$181,469</td>
<td>$175,773</td>
<td>$174,487</td>
<td>$175,079</td>
<td>1 %</td>
</tr>
<tr>
<td>Less: Goodwill</td>
<td>48,131</td>
<td>48,208</td>
<td>48,188</td>
<td>48,180</td>
<td>48,882</td>
<td>- (2) %</td>
</tr>
<tr>
<td>Less: Other intangible assets</td>
<td>2,813</td>
<td>3,029</td>
<td>3,207</td>
<td>3,396</td>
<td>3,679</td>
<td>(7) (24)</td>
</tr>
<tr>
<td>Add: Deferred tax liabilities (d)</td>
<td>2,749</td>
<td>2,719</td>
<td>2,729</td>
<td>2,645</td>
<td>2,632</td>
<td>1 % (4)</td>
</tr>
<tr>
<td>Total tangible common equity</td>
<td>$135,577</td>
<td>$132,951</td>
<td>$127,107</td>
<td>$125,556</td>
<td>$125,150</td>
<td>2 % 8</td>
</tr>
</tbody>
</table>

**Tangible Common Equity (average) (c)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2012</td>
<td>2011</td>
<td>2011</td>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>Common stockholders' equity</td>
<td>$181,021</td>
<td>$177,711</td>
<td>$175,042</td>
<td>$174,917</td>
<td>$174,077</td>
<td>2 % 4</td>
</tr>
<tr>
<td>Less: Goodwill</td>
<td>48,157</td>
<td>48,218</td>
<td>48,225</td>
<td>48,631</td>
<td>48,843</td>
<td>- (1) %</td>
</tr>
<tr>
<td>Less: Other intangible assets</td>
<td>2,923</td>
<td>3,137</td>
<td>3,326</td>
<td>3,545</td>
<td>3,738</td>
<td>(7) (22)</td>
</tr>
<tr>
<td>Add: Deferred tax liabilities (d)</td>
<td>2,734</td>
<td>2,724</td>
<td>2,687</td>
<td>2,639</td>
<td>2,618</td>
<td>- 4 % 5</td>
</tr>
<tr>
<td>Total tangible common equity</td>
<td>$132,675</td>
<td>$129,080</td>
<td>$126,178</td>
<td>$124,123</td>
<td>$124,123</td>
<td>3 % 7</td>
</tr>
</tbody>
</table>

### Intangible Assets (period-end)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2012</td>
<td>2011</td>
<td>2011</td>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>$48,131</td>
<td>$48,208</td>
<td>$48,188</td>
<td>$48,180</td>
<td>$48,882</td>
<td>- (2) %</td>
</tr>
<tr>
<td>Mortgage servicing rights</td>
<td>7,118</td>
<td>8,039</td>
<td>7,223</td>
<td>7,833</td>
<td>12,243</td>
<td>(11) (42)</td>
</tr>
<tr>
<td>Purchased credit card relationships</td>
<td>466</td>
<td>535</td>
<td>602</td>
<td>668</td>
<td>744</td>
<td>(13) (37)</td>
</tr>
<tr>
<td>All other intangibles</td>
<td>2,347</td>
<td>2,494</td>
<td>2,605</td>
<td>2,728</td>
<td>2,935</td>
<td>(6) (20)</td>
</tr>
<tr>
<td>Total intangibles</td>
<td>$58,062</td>
<td>$59,276</td>
<td>$58,618</td>
<td>$59,409</td>
<td>$64,804</td>
<td>(2) (10)</td>
</tr>
</tbody>
</table>

### Deposits (period-end)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2012</td>
<td>2011</td>
<td>2011</td>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>Noninterest-bearing</td>
<td>$348,510</td>
<td>$343,299</td>
<td>$346,670</td>
<td>$323,058</td>
<td>$287,654</td>
<td>2 % 21</td>
</tr>
<tr>
<td>Interest-bearing</td>
<td>506,656</td>
<td>521,323</td>
<td>504,864</td>
<td>484,640</td>
<td>469,618</td>
<td>(3) 8</td>
</tr>
<tr>
<td>Non-U.S. offices</td>
<td>17,123</td>
<td>16,276</td>
<td>18,790</td>
<td>14,724</td>
<td>13,422</td>
<td>5 % 28</td>
</tr>
<tr>
<td>Interest-bearing</td>
<td>2,734</td>
<td>2,724</td>
<td>2,687</td>
<td>2,639</td>
<td>2,618</td>
<td>- 4 % 5</td>
</tr>
<tr>
<td>Total deposits</td>
<td>$1,115,886</td>
<td>$1,126,512</td>
<td>$1,127,806</td>
<td>$1,092,708</td>
<td>$1,048,685</td>
<td>(1) 6</td>
</tr>
</tbody>
</table>

(a) The Firm uses Tier 1 common capital along with the other capital measures to assess and monitor its capital position. The Tier 1 common capital ratio, a non-GAAP financial measure, is Tier 1 common capital divided by risk-weighted assets. For further discussion of the Tier 1 common capital ratio, see page 46.

(b) Adjusted average assets, for purposes of calculating the leverage ratio, include total quarterly average assets adjusted for unrealized gains/(losses) on securities, less deductions for disallowed goodwill and other intangible assets, investments in certain subsidiaries, and the total adjusted carrying value of nonfinancial equity investments that are subject to deductions from Tier 1 capital.

(c) For further discussion of TCE, see page 46.

(d) 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.

(e) Tier 1 capital and Total capital as of June 30, 2012 no longer include approximately $9 billion of outstanding trust preferred capital securities, which will be redeemed as previously announced on June 11, 2012.
### Quarterly Trends

<table>
<thead>
<tr>
<th></th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
<th>1Q12 Change</th>
<th>2Q11 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mortgage Repurchase Liability (a)(b)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Summary of changes in mortgage repurchase liability:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repurchase liability at beginning of period</td>
<td>$3,516</td>
<td>$3,557</td>
<td>$3,616</td>
<td>$3,631</td>
<td>$3,474</td>
<td>(1) %</td>
<td>1 %</td>
</tr>
<tr>
<td>Realized losses (c)</td>
<td>(259)</td>
<td>(364)</td>
<td>(462)</td>
<td>(329)</td>
<td>(241)</td>
<td>29</td>
<td>(7)</td>
</tr>
<tr>
<td>Provision (d)</td>
<td>36</td>
<td>323</td>
<td>403</td>
<td>314</td>
<td>398</td>
<td>(89)</td>
<td>(91)</td>
</tr>
<tr>
<td>Repurchase liability at end of period</td>
<td>$3,293</td>
<td>$3,516</td>
<td>$3,557</td>
<td>$3,616</td>
<td>$3,631</td>
<td>(6)</td>
<td>(9)</td>
</tr>
</tbody>
</table>

### Outstanding Repurchase Demands and Unresolved Mortgage Insurance Rescission Notices by Counterparty Type (e)

<table>
<thead>
<tr>
<th></th>
<th>GSEs</th>
<th>Mortgage Insurers</th>
<th>Other</th>
<th>Overlapping Population (g)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,646</td>
<td>$1,868</td>
<td>$1,682</td>
<td>$1,666</td>
<td>$1,500</td>
</tr>
<tr>
<td>Mortgage insurers</td>
<td>1,004</td>
<td>1,000</td>
<td>1,034</td>
<td>1,112</td>
<td>1,093</td>
</tr>
<tr>
<td>Other</td>
<td>981</td>
<td>756</td>
<td>663</td>
<td>467</td>
<td>326</td>
</tr>
<tr>
<td>Overlapping population (g)</td>
<td>(125)</td>
<td>(116)</td>
<td>(113)</td>
<td>(155)</td>
<td>(145)</td>
</tr>
<tr>
<td>Total</td>
<td>$3,506</td>
<td>$3,508</td>
<td>$3,266</td>
<td>$3,090</td>
<td>$2,774</td>
</tr>
</tbody>
</table>

### Quarterly Mortgage Repurchase Demands Received by Loan Origination Vintage (e)

<table>
<thead>
<tr>
<th></th>
<th>Pre-2005</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>Post-2008</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$28</td>
<td>65</td>
<td>506</td>
<td>420</td>
<td>311</td>
<td>191</td>
<td>$1,321</td>
</tr>
<tr>
<td></td>
<td>$41</td>
<td>95</td>
<td>375</td>
<td>645</td>
<td>361</td>
<td>124</td>
<td>$1,641</td>
</tr>
<tr>
<td></td>
<td>$39</td>
<td>55</td>
<td>315</td>
<td>804</td>
<td>291</td>
<td>128</td>
<td>$1,565</td>
</tr>
<tr>
<td></td>
<td>$34</td>
<td>200</td>
<td>232</td>
<td>602</td>
<td>323</td>
<td>153</td>
<td>$1,544</td>
</tr>
<tr>
<td></td>
<td>$32</td>
<td>57</td>
<td>363</td>
<td>510</td>
<td>301</td>
<td>89</td>
<td>$1,435</td>
</tr>
<tr>
<td></td>
<td>(13)</td>
<td>(14)</td>
<td>(39)</td>
<td>(35)</td>
<td>(3)</td>
<td>13</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$69</td>
<td>160</td>
<td>881</td>
<td>1,065</td>
<td>672</td>
<td>315</td>
<td>$3,162</td>
</tr>
</tbody>
</table>

### Notes

(a) For further details regarding the Firm’s mortgage repurchase liability, see Mortgage repurchase liability on pages 115-118 and Note 29, on pages 283-289, of JPMorgan Chase’s 2011 Annual Report and Mortgage repurchase liability on pages 38-41 and Note 21, on pages 150-154, of JPMorgan Chase’s first quarter 2012 Form 10-Q.

(b) Mortgage repurchase demands associated with private label securitizations are separately evaluated by the Firm in establishing its litigation reserves.

(c) Includes principal losses and accrued interest on repurchased loans, “make-whole” settlements, settlements with claimants, and certain related expense. Make-whole settlements were $107 million, $186 million, $237 million, $162 million and $126 million for the three months ended June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011, and June 30, 2011, respectively, and $293 million and $241 million for the six months ended June 30, 2012 and 2011, respectively.


(e) Excludes amounts related to Washington Mutual.

(f) Represents repurchase demands received from parties other than the GSEs that have been presented to the Firm by trustees who assert authority to present such claims under the terms of the underlying sale or securitization agreement, and excludes repurchase demands asserted in or in connection with litigation.

(g) Because the GSEs and others may make repurchase demands based on mortgage insurance rescission notices that remain unresolved, certain loans may be subject to both an unresolved mortgage insurance rescission notice and an outstanding repurchase demand.

(h) Includes $17 million at June 30, 2012 related to future repurchase demands on loans sold by Washington Mutual to the GSEs.
<table>
<thead>
<tr>
<th>QUARTERLY TRENDS</th>
<th>2Q12</th>
<th>1Q12</th>
<th>4Q11</th>
<th>3Q11</th>
<th>2Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic earnings per share:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>$4,960</td>
<td>$4,924</td>
<td>$3,728</td>
<td>$4,262</td>
<td>$5,431</td>
</tr>
<tr>
<td>Less: Preferred stock dividends</td>
<td>158</td>
<td>157</td>
<td>157</td>
<td>157</td>
<td>158</td>
</tr>
<tr>
<td><strong>Net income applicable to common equity</strong></td>
<td>$4,802</td>
<td>$4,767</td>
<td>$3,571</td>
<td>$4,105</td>
<td>$5,273</td>
</tr>
<tr>
<td>Less: Dividends and undistributed earnings allocated to participating securities</td>
<td>168</td>
<td>190</td>
<td>146</td>
<td>169</td>
<td>206</td>
</tr>
<tr>
<td><strong>Net income applicable to common stockholders</strong></td>
<td>$4,634</td>
<td>$4,577</td>
<td>$3,425</td>
<td>$3,936</td>
<td>$5,067</td>
</tr>
<tr>
<td>Total weighted-average basic shares outstanding</td>
<td>3,808.9</td>
<td>3,818.8</td>
<td>3,801.9</td>
<td>3,859.6</td>
<td>3,958.4</td>
</tr>
<tr>
<td><strong>Net income per share</strong></td>
<td>$1.22</td>
<td>$1.20</td>
<td>$0.90</td>
<td>$1.02</td>
<td>$1.28</td>
</tr>
</tbody>
</table>

| COMMON SHARES OUTSTANDING | | | | | |
|-----------------------------|------|------|------|------|
| Common shares - at period end | 3,796.8 | 3,822.0 | 3,772.7 | 3,798.9 | 3,910.2 |
| Cash dividends declared per share (c) | $0.30 | $0.30 | $0.25 | $0.25 | $0.25 |
| Book value per share | 46.40 | 47.48 | 46.59 | 45.93 | 44.77 |
| Dividend payout ratio | 24% | 25% | 27% | 24% | 19% |

<table>
<thead>
<tr>
<th>SHARE PRICE (c)</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>$46.35</td>
<td>$46.49</td>
<td>$37.54</td>
<td>$42.55</td>
</tr>
<tr>
<td>Cash dividends declared per share (c)</td>
<td>$0.30</td>
<td>$0.30</td>
<td>$0.25</td>
<td>$0.25</td>
</tr>
<tr>
<td>Book value per share</td>
<td>46.40</td>
<td>47.48</td>
<td>46.59</td>
<td>45.93</td>
</tr>
<tr>
<td>Dividend payout ratio</td>
<td>24%</td>
<td>25%</td>
<td>27%</td>
<td>24%</td>
</tr>
</tbody>
</table>

| COMMON EQUITY REPURCHASE PROGRAM (d) | | | | | |
|--------------------------------------|------|------|------|------|
| Aggregate common equity repurchased | $1,437.4 | $216.1 | $863.8 | $4,424.9 | $3,479.8 |
| Common equity repurchased | 46.5 | 5.5 | 27.2 | 124.7 | 60.3 |
| Average purchase price | $30.98 | $39.49 | $31.75 | $34.72 | $43.33 |

(a) Excluded from the computation of diluted EPS (due to the antidilutive effect) were options issued under employee benefit plans and the warrants originally issued in 2009 under the U.S. Treasury’s Capital Purchase Program to purchase shares of the Firm’s common stock. The aggregate number of shares issuable upon the exercise of such options and warrants was 159 million, 169 million, 197 million, 197 million and 53 million for the three months ended June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011 and June 30, 2011, respectively, and 164 million and 69 million for the six months ended June 30, 2012 and 2011, 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) For additional information on the dividends, listing and trading of JPMorgan Chase’s common stock, see page 2.

(d) On March 13, 2012, the Board of Directors authorized a new $15.0 billion common equity (i.e., common stock and warrants) repurchase program, of which up to $12.0 billion is approved for repurchase in 2012 and up to an additional $3.0 billion is approved through the end of the first quarter of 2013. The new program supersedes a $15.0 billion repurchase program approved on March 18, 2011. The Firm did not make any repurchases after May 17, 2012.

(e) The second quarter of 2012 includes $59.9 million of repurchases in March 2012, which settled in early April 2012; similarly, the first quarter of 2012 excluded these repurchases.

(f) Includes impact of aggregate repurchases of 18.5 million warrants during the three months ended June 30, 2012.

(g) Includes $86.2 million of repurchases under the prior common equity repurchase program in December 2011, which settled in early January 2012.

(h) Includes impact of aggregate repurchases of 10.2 million warrants during the three months ended September 30, 2011.
**The following are several of the non-GAAP 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 results and the results of the lines of business on a “managed” basis. The Firm’s definition of managed basis starts with the reported U.S. GAAP results and includes certain reclassifications to present total net revenue for the Firm (and 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 net income as reported by the Firm as a whole or by the lines of business.

(b) The ratio for the allowance for loan losses to end-of-period loans excludes 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, Real Estate Portfolios net charge-off rates exclude the impact of PCI loans.

(c) **Tangible common equity (“TCE”), ROTCE, and Tier 1 common under Basel I and III rules 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 TCE. Tier 1 common under Basel I and III rules are used by management, along with other capital measures, to assess and monitor the Firm’s capital position. TCE and ROTCE are meaningful to the Firm, as well as analysts and investors, in assessing the Firm’s use of equity. For additional information on Tier 1 common under Basel I and III, see Regulatory capital on pages 119-123 of JPMorgan Chase’s 2011 Annual Report and pages 42-44 of JPMorgan Chase’s first quarter 2012 Form 10-Q. In addition, all of the aforementioned measures are useful to the Firm, as well as analysts and investors, in facilitating comparisons with competitors.

(d) **TSS Firmwide revenue** includes certain TSS product revenue and liability balances reported in other lines of business, mainly CB, RFS and AM, related to customers who are also customers of those lines of business.

(e) **Retail Financial Services uses the overhead ratio (excluding the amortization of core deposit intangibles (“CDI”)) to evaluate** the underlying expense trends of the business. Including CDI amortization expense in the overhead ratio calculation would result in a higher overhead ratio in the earlier years and a lower overhead ratio in later years. This method would therefore result in an improving overhead ratio over time, all things remaining equal. The non-GAAP ratio excludes Consumer & Business Banking’s CDI amortization expense related to prior business combination transactions.

(f) **Adjusted assets** equals total assets minus: (1) securities purchased under resale agreements and securities borrowed less securities sold, not yet purchased; (2) assets of consolidated VIEs; (3) cash and securities segregated and on deposit for regulatory and other purposes; (4) goodwill and intangibles; and (5) securities received as collateral. The amount of adjusted assets is presented to assist the reader in comparing IB’s asset and capital levels with those of other investment banks in the securities industry. Asset-to-equity leverage ratios are commonly used as one measure to assess a company’s capital adequacy. IB believes an adjusted asset amount that excludes the assets discussed above, which are considered to have a low risk profile, provides a more meaningful measure of balance sheet leverage in the securities industry.
ACH: Automated Clearing House.

Allowance for loan losses to total loans: Represents period-end allowance for loan losses divided by retained loans.

Beneficial interests issued by consolidated VIEs: Represents the interests of third-party holders of debt/equity securities, or other obligations, issued by VIEs that JPMorgan Chase consolidates. The underlying obligations of the VIEs consist of short-term borrowings, commercial paper and long-term debt. The related assets consist of trading assets, available-for-sale securities, loans and other assets.

Corporate/Private Equity: Includes Private Equity, Treasury and Chief Investment Office, and Corporate Other, which includes other centrally managed expense and discontinued operations.

Global Corporate Bank: TSS and IB formed a joint venture to create the Firm’s Global Corporate Bank. With a team of bankers, the Global Corporate Bank serves multinational clients by providing them access to TSS products and services and certain IB products, including derivatives, foreign exchange and debt. The cost of this effort and the credit that the Firm extends to these clients is shared between TSS and IB.

Managed basis: A non-GAAP presentation of financial results that includes reclassifications to present revenue on a fully taxable-equivalent basis. Management uses this non-GAAP financial measure at the segment level, because it believes this provides information to enable investors to understand the underlying operational performance and trends of the particular business segment and facilitates a comparison of the business segment with the performance of competitors.

MSR risk management revenue: Includes changes in the fair value of the MSR asset due to market-based inputs, such as interest rates and volatility, as well as updates to assumptions used in the MSR valuation model; and derivative valuation adjustments and other, which represents changes in the fair value of derivative instruments used to offset the impact of changes in the market-based inputs to the MSR valuation model.

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

Net charge-off rate: Represents net charge-offs (annualized) divided by average retained loans for the reporting period.

Net yield on interest-earning assets: The average rate for interest-earning assets less the average rate paid for all sources of funds.

NM: Not meaningful.

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

Participating securities: Represents unvested stock-based compensation awards containing nonforfeitable rights to dividends or dividend equivalents (collectively, “dividends”), which are included in the earnings per share calculation using the two-class method. JPMorgan Chase grants restricted stock and RSUs to certain employees under its stock-based compensation programs, which entitle the recipients to receive nonforfeitable dividends during the vesting period on a basis equivalent to the dividends paid to holders of common stock. These unvested awards meet the definition of participating securities. Under the two-class method, all earnings (distributed and undistributed) are allocated to each class of common stock and participating securities, based on their respective rights to receive dividends.

Pre-provision profit: Pre-provision profit is total net revenue less noninterest expense. The Firm believes that this financial measure is useful in assessing the ability of a lending institution to generate income in excess of its provision for credit losses.
Pretax margin: Represents income before income tax expense divided by total net revenue, which is, in management’s view, a comprehensive measure of pretax performance derived by measuring earnings after all costs are taken into consideration. It is, therefore, another basis that management uses to evaluate the performance of TSS and AM against the performance of their respective competitors.

Principal transactions revenue: Principal transactions revenue includes realized and unrealized gains and losses recorded on derivatives, other financial instruments, private equity investments, and physical commodities used in market-making and client-driven activities. In addition, principal transactions revenue also includes certain realized and unrealized gains and losses related to hedge accounting and specified risk management activities including: (a) certain derivatives designated in qualifying hedge accounting relationships (primarily fair value hedges of commodity and foreign exchange risk), (b) certain derivatives used for specified risk management purposes, primarily to mitigate credit risk, foreign exchange risk and commodity risk, and (c) other derivatives, including the synthetic credit portfolio.

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

Since each pool is accounted for as a single asset with a single composite interest rate and an aggregate expectation of cash flows, the past-due status of the pools, or that of the individual loans within the pools, is not meaningful. Because the Firm is recognizing interest income on each pool of loans, they are all considered to be performing.

Charge-offs are not recorded on PCI loans until actual losses exceed estimated losses that were recorded as purchase accounting adjustments at the time of acquisition. PCI loans as well as the related charge-offs and allowance for loan losses are excluded in the calculation of certain net charge-off rates and allowance coverage ratios. To date, no charge-offs have been recorded for these loans.

Receivables from customers: Primarily represents margin loans to prime and retail brokerage customers which are included in accrued interest and accounts receivable on the Consolidated Balance Sheets for the wholesale lines of business.

Reported basis: Financial statements prepared under U.S. GAAP, which excludes the impact of taxable-equivalent adjustments.

Retained loans: Loans that are held-for-investment excluding loans held-for-sale and loans at fair value.

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

Fully taxable-equivalent (“FTE”) basis: Total net revenue for each of the business segments and the Firm is presented on a fully taxable-equivalent basis. Accordingly, revenue from tax-exempt securities and investments that receive hedge accounting and specified risk management activities including: (a) certain derivatives designated in qualifying hedge accounting relationships (primarily fair value hedges of commodity and foreign exchange risk), (b) certain derivatives used for specified risk management purposes, primarily to mitigate credit risk, foreign exchange risk and commodity risk, and (c) other derivatives, including the synthetic credit portfolio.

Fully taxable-equivalent (“FTE”) basis: Total net revenue for each of the business segments and the Firm is presented on a fully taxable-equivalent basis. Accordingly, revenue from tax-exempt securities and investments that receive hedge accounting and specified risk management activities including: (a) certain derivatives designated in qualifying hedge accounting relationships (primarily fair value hedges of commodity and foreign exchange risk), (b) certain derivatives used for specified risk management purposes, primarily to mitigate credit risk, foreign exchange risk and commodity risk, and (c) other derivatives, including the synthetic credit portfolio.

Troubled debt restructuring (“TDR”): Occurs when the Firm modifies the original terms of a loan agreement by granting a concession to a borrower that is experiencing financial difficulty.

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

Value-at-risk (“VaR”): A measure of the dollar amount of potential loss from adverse market moves in an ordinary market environment.

Washington Mutual transaction: On September 25, 2008, JPMorgan Chase acquired the banking operations of Washington Mutual Bank (“Washington Mutual”) from the FDIC. For additional information, see Glossary of Terms on page 311 of JPMorgan Chase’s 2011 Annual Report.
INVESTMENT BANK ("IB")

IB’s revenue comprises the following:

**Investment banking fees** include advisory, equity underwriting, bond underwriting and loan syndication fees.

**Fixed income markets** primarily include revenue related to market-making across global fixed income markets, including foreign exchange, interest rate, credit and commodities markets.

**Equity markets** primarily include revenue related to market-making across global equity products, including cash instruments, derivatives, convertible and Prime Services.

**Credit portfolio revenue** includes net interest income, fees and loan sale activity, as well as gains or losses on securities received as part of a loan restructuring, for IB’s credit portfolio. Credit portfolio revenue also includes the results of risk management related to the Firm’s lending and derivative activities.

RETAIL FINANCIAL SERVICES ("RFS")

Description of selected business metrics within Consumer & Business Banking:

**Client investment managed accounts** – Assets actively managed by Chase Wealth Management on behalf of clients. The percentage of managed accounts is calculated by dividing managed account assets by total client investment assets.

**Active mobile customers** – Retail banking users of all mobile platforms, which include: SMS text, Mobile Browser, iPhone, iPad and Android, who have been active in the past 90 days.

**Client advisors** – Investment product specialists, including Private Client Advisors, Financial Advisors, Financial Advisor Associates, Senior Financial Advisors, Independent Financial Advisors and Financial Advisor Associate trainees, who advise clients on investment options, including annuities, mutual funds, stock trading services, etc., sold by the Firm or by third-party vendors through retail branches, Chase Private Client branches and other channels.

**Personal bankers** – Retail branch office personnel who acquire, retain and expand new and existing customer relationships by assessing customer needs and recommending and selling appropriate banking products and services.

**Sales specialists** – Retail branch office and field personnel, including Business Bankers, Relationship Managers and Loan Officers, who specialize in marketing and sales of various business banking products (i.e., business loans, letters of credit, deposit accounts, Chase paymentec, etc.) and mortgage products to existing and new clients.

**Deposit margin/deposit spread:** Represents net interest income expressed as a percentage of average deposits.

RFS (continued)

Mortgage Production and Servicing revenue comprises the following:

**Net production revenue** includes net gains or losses on originations and sales of prime and subprime mortgage loans, other production-related fees and losses related to the repurchase of previously-sold loans.

**Net mortgage servicing revenue** includes the following components:

a) Operating revenue comprises:

- All gross income earned from servicing third-party mortgage loans including stated service fees, excess service fees and other ancillary fees; and
- Modeled MSR asset amortization (or time decay).

b) Risk management comprises:

- Changes in MSR asset fair value due to market-based inputs such as interest rates, as well as updates to assumptions used in the MSR valuation model; and
- Derivative valuation adjustments and other, which represents changes in the fair value of derivative instruments used to offset the impact of changes in interest rates to the MSR valuation model.

Mortgage origination channels comprise the following:

**Retail** – Borrowers who buy or refinance a home through direct contact with a mortgage banker employed by the Firm using a branch office, the Internet or by phone. Borrowers are frequently referred to a mortgage banker by a banker in a Chase branch, real estate brokers, home builders or other third parties.

**Wholesale** – Third-party mortgage brokers refer loan application packages to the Firm. The Firm then underwrites and funds the loan. Brokers are independent loan originators that specialize in counseling applicants on available home financing options, but do not provide funding for loans. Chase materially eliminated broker-originated loans in 2008, with the exception of a small number of loans guaranteed by the U.S. Department of Agriculture under its Section 502 Guaranteed Loan program that serves low-and-moderate income families in small rural communities.

**Correspondent** – Banks, thrifts, other mortgage banks and other financial institutions that sell closed loans to the Firm.

**Correspondent negotiated transactions ("CNTs")** – Mid- to large-sized mortgage lenders, banks and bank-owned mortgage companies sell servicing to the Firm on an as-originated basis (excluding sales of bulk servicing transactions). These transactions supplement traditional production channels and provide growth opportunities in the servicing portfolio in periods of stable and rising interest rates.
CARD SERVICES & AUTO (“Card”)  

Description of selected business metrics within Card:

Sales volume – Dollar amount of cardmember purchases, net of returns.
Open accounts – Cardmember accounts with charging privileges.
Merchant Services business – A business that processes bank card transactions for merchants.
Bank card volume – Dollar amount of transactions processed for merchants.
Total transactions – Number of transactions and authorizations processed for merchants.
Auto origination volume – Dollar amount of loans and leases originated.

Commercial Card provides a wide range of payment services to corporate and public sector clients worldwide through the commercial card products. Services include procurement, corporate travel and entertainment, expense management services, and business-to-business payment solutions.

COMMERCIAL BANKING (“CB”)  

CB Client Segments:

1. **Middle Market Banking** covers corporate, municipal, financial institution and not-for-profit clients, with annual revenue generally ranging between $10 million and $50 million.
2. **Corporate Client Banking** covers clients with annual revenue generally ranging between $500 million and $2 billion and focuses on clients that have broader investment banking needs.
3. **Commercial Term Lending** primarily provides term financing to real estate investors/owners for multi-family properties as well as financing office, retail and industrial properties.
4. **Real Estate Banking** provides full-service banking to investors and developers of institutional-grade real estate properties.
5. **Other** primarily includes lending and investment activity within the Community Development Banking and Chase Capital businesses.

CB (continued)

CB Revenue:

1. **Lending** includes a variety of financing alternatives, which are primarily provided on a basis secured by receivables, inventory, equipment, real estate or other assets. Products include term loans, revolving lines of credit, bridge financing, asset-based structures, leases, commercial card products and standby letters of credit.
2. **Treasury services** includes revenue from a broad range of products and services (as defined by Transaction Services and Trade Finance descriptions within TSS line of business metrics) that enable CB clients to manage payments and receipts, as well as invest and manage funds.
3. **Investment banking** includes revenue from a range of products providing CB clients with sophisticated capital-raising alternatives, as well as balance sheet and risk management tools through advisory, equity underwriting, and loan syndications. Revenue from Fixed income and Equity market products (as defined by Investment Banking line of business metrics) available to CB clients is also included.
4. **Other** product revenue primarily includes tax-equivalent adjustments generated from Community Development Banking activity and certain income derived from principal transactions.

Description of selected business metrics within CB:

1. **Liability balances** include deposits, as well as deposits that are swept to on-balance sheet liabilities (e.g., commercial paper, federal funds purchased, time deposits and securities loaned or sold under repurchase agreements) as part of customer cash management programs.
2. **IB revenue, gross** represents total revenue related to investment banking products sold to CB clients.
TREASURY & SECURITIES SERVICES (“TSS”)

Treasury & Securities Services firmwide metrics include certain TSS product revenue and liability balances reported in other lines of business related to customers who are also customers of those other lines of business. In order to capture the firmwide impact of Treasury Services and TSS products and revenue, management reviews firmwide metrics such as liability balances, revenue and overhead ratios in assessing financial performance for TSS. Firmwide metrics are necessary, in management’s view, in order to understand the aggregate TSS business.

Description of a business metric within TSS:
1. Liability balances include deposits, as well as deposits that are swept to on-balance sheet liabilities (e.g., commercial paper, federal funds purchased, time deposits and securities loaned or sold under repurchase agreements) as part of customer cash management programs.
2. Assets under custody represents activities associated with the safekeeping and servicing of assets on which WSS earns fees.

Description of selected products and services within TSS:
1. Investor Services includes primarily custody, fund accounting and administration, and securities lending products sold principally to asset managers, insurance companies and public and private investment funds.
2. Clearance, Collateral Management & Depositary Receipts primarily includes broker-dealer clearing and custody services, including tri-party repo transactions, collateral management products, and depositary bank services for American and global depositary receipt programs.
3. Transaction Services includes a broad range of products and services that enable clients to manage payments and receipts, as well as invest and manage funds. Products include U.S. dollar and multi-currency clearing, ACH, lockbox, disbursement and reconciliation services, check deposits, and currency related services.
4. Trade Finance enables the management of cross-border trade for bank and corporate clients. Products include loans directly tied to goods crossing borders, export/import loans, commercial letters of credit, standby letters of credit, and supply chain finance.

Pre-provision profit ratio represents total net revenue less total noninterest expense divided by total net revenue. This reflects the operating performance before the impact of credit, and is another measure of performance for TSS against the performance of competitors.

ASSET MANAGEMENT (“AM”)

Assets under management – Represent assets actively managed by AM on behalf of Private Banking, Institutional, and Retail clients. Includes “committed capital not called,” on which AM earns fees. Excludes assets managed by American Century Companies, Inc. in which the Firm sold its minority ownership interest on August 31, 2011.

Assets under supervision – Represent assets under management, as well as custody, brokerage, administration and deposit accounts.

Multi-asset – Any fund or account that allocates assets under management to more than one asset class (e.g., long-term fixed income, equity, cash, real assets, private equity or hedge funds).

Alternative assets – The following types of assets constitute alternative investments – hedge funds, currency, real estate and private equity.

AM’s client segments comprise the following:
- Institutional includes comprehensive global investment services – including asset management, pension analytics, asset/liability management and active risk budgeting strategies – to corporate and public institutions, endowments, foundations, not-for-profit organizations and governments worldwide.
- Retail includes worldwide investment management services and retirement planning and administration through third-parties and direct distribution of a full range of investment vehicles.
- Private Banking includes investment advice and wealth management services to high- and ultra-high-net-worth individuals, families, money managers, business owners and small corporations worldwide, including investment management, capital markets and risk management, tax and estate planning, banking, capital raising and specialty-wealth advisory services.