JPMORGAN CHASE & CO
Form 10-Q
August 03, 2015

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

FORM 10-Q
Quarterly report pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2015	Commission file number 1-5805

JPMorgan Chase & Co.
(Exact name of registrant as specified in its charter)

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

x Yes o No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

x Yes o No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer x	Accelerated filer o
Non-accelerated filer (Do not check if a smaller reporting company) o	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

o Yes x No

Number of shares of common stock outstanding as of June 30, 2015: 3,698,067,361

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JPMorgan Chase & Co.
Consolidated financial highlights
(unaudited)

As of or for the period ended, (in millions, except per share, ratio, headcount data and where otherwise noted)	2Q15	1Q15	4Q14	3Q14	2Q14	Six months ended June 30, 2015	Six months ended June 30, 2014
Selected income statement data							
Total net revenue	$23,812	$24,066	$22,750	$24,469	$24,678	$47,878	$47,893
Total noninterest expense	14,500	14,883	15,409	15,798	15,431	29,383	30,067
Pre-provision profit	9,312	9,183	7,341	8,671	9,247	18,495	17,826
Provision for credit losses	935	959	840	757	692	1,894	1,542
Income before income tax expense	8,377	8,224	6,501	7,914	8,555	16,601	16,284
Income tax expense	2,087	2,310	1,570	2,349	2,575	4,397	5,035
Net income	$6,290	$5,914	$4,931	$5,565	$5,980	$12,204	$11,249
Earnings per share data							
Net income: Basic	$1.56	$1.46	$1.20	$1.37	$1.47	$3.02	$2.76
Diluted	1.54	1.45	1.19	1.35	1.46	2.99	2.74
Average shares: Basic	3,707.8	3,725.3	3,730.9	3,755.4	3,780.6	3,716.6	3,783.9
Diluted	3,743.6	3,757.5	3,765.2	3,788.7	3,812.5	3,750.5	3,818.1
Market and per common share data							
Market capitalization	250,581	224,818	232,472	225,188	216,725	250,581	216,725
Common shares at period-end	3,698.1	3,711.1	3,714.8	3,738.2	3,761.3	3,698.1	3,761.3
Share price[a]:							
High	$69.82	$62.96	$63.49	$61.85	$61.29	$69.82	$61.48
Low	59.65	54.27	54.26	54.96	52.97	54.27	52.97
Close	67.76	60.58	62.58	60.24	57.62	67.76	57.62
Book value per share	58.49	57.77	56.98	56.41	55.44	58.49	55.44
Tangible book value per share ("TBVPS")[b]	46.13	45.45	44.60	44.04	43.08	46.13	43.08
Cash dividends declared per share	0.44	0.40	0.40	0.40	0.40	0.84	0.78
Selected ratios and metrics							
Return on common equity ("ROE")	11 %	11 %	9 %	10 %	11 %	11 %	11 %
Return on tangible common equity ("ROTCE")[b]	14	14	11	13	14	14	14
Return on assets ("ROA")	1.01	0.94	0.78	0.90	0.99	0.97	0.94
Overhead ratio	61	62	68	65	63	61	63
Loans-to-deposits ratio	61	56	56	56	57	61	57
High quality liquid assets ("HQLA") (in billions)[c]	$532	$614	$600	$572	$576	$532	$576
Common equity Tier 1 ("CET1") capital ratio[d]	11.2 %	10.7 %	10.2 %	10.2 %	9.8 %	11.2 %	9.8 %
Tier 1 capital ratio[d]	12.8	12.1	11.6	11.5	11.0	12.8	11.0
Total capital ratio[d]	14.4	13.7	13.1	12.8	12.5	14.4	12.5
Tier 1 leverage ratio[d]	8.0	7.5	7.6	7.6	7.6	8.0	7.6
Selected balance sheet data (period-end)							

Trading assets	$377,870	$398,981	$398,988	$410,657	$392,543	$377,870	$392,543
Securities[e]	317,795	331,136	348,004	366,358	361,918	317,795	361,918
Loans	791,247	764,185	757,336	743,257	746,983	791,247	746,983
Core loans	674,767	641,285	628,785	607,617	603,440	674,767	603,440
Total assets	2,449,599	2,577,148	2,572,773	2,526,655	2,519,995	2,449,599	2,519,995
Deposits	1,287,332	1,367,887	1,363,427	1,334,534	1,319,751	1,287,332	1,319,751
Long-term debt[f]	286,693	280,608	276,836	268,721	269,929	286,693	269,929
Common stockholders' equity	216,287	214,371	211,664	210,876	208,520	216,287	208,520
Total stockholders' equity	241,205	235,864	231,727	230,939	226,983	241,205	226,983
Headcount	237,459	241,145	241,359	242,388	245,192	237,459	245,192
Credit quality metrics							
Allowance for credit losses	$14,535	$14,658	$14,807	$15,526	$15,974	$14,535	$15,974
Allowance for loan losses to total retained loans	1.78%	1.86%	1.90%	2.02%	2.08%	1.78 %	2.08 %
Allowance for loan losses to retained loans excluding purchased credit-impaired loans[g]	1.45	1.52	1.55	1.63	1.69	1.45	1.69
Nonperforming assets	$7,588	$7,714	$7,967	$8,390	$9,017	$7,588	$9,017
Net charge-offs	1,007	1,052	1,218	1,114	1,158	2,059	2,427
Net charge-off rate	0.53%	0.57%	0.65%	0.60%	0.64%	0.55%	0.68%

Note: Effective January 1, 2015, the Firm adopted new accounting guidance for investments in affordable housing projects that qualify for the low-income housing tax credit. The guidance was required to be applied retrospectively and accordingly, certain prior period amounts have been revised to conform with the current period presentation. For additional information, see Explanation and Reconciliation of the Firm's Use of Non-GAAP Financial Measures on pages 14–15, as well as Accounting and Reporting Developments on page 82 and Note 1.

(a) Share prices shown for JPMorgan Chase's common stock are from the New York Stock Exchange.

(b) TBVPS and ROTCE are non-GAAP financial measures. For further discussion of these measures, see Explanation and Reconciliation of the Firm's Use of Non-GAAP Financial Measures on pages 14–15.

(c) HQLA represents the amount of assets that qualify for inclusion in the liquidity coverage ratio under the final U.S. rule ("U.S. LCR") for 2Q15 and 1Q15, the estimated amount as of 4Q14 and 3Q14, and the amount included under the Basel III Liquidity Coverage Ratio ("Basel III LCR") for 2Q14; for additional information, see HQLA on page 74.

(d) The ratios presented are calculated under Basel III Advanced Transitional. See Regulatory capital on pages 67–71 for additional information on Basel III.

(e) Included held-to-maturity ("HTM") securities of $51.6 billion, $49.3 billion, $49.3 billion, $48.8 billion, and $47.8 billion at June 30, 2015, March 31, 2015, December 31, 2014, September 30, 2014, and June 30, 2014, respectively.

(f) Included unsecured long-term debt of $209.6 billion, $209.5 billion, $207.5 billion, $204.7 billion, and $205.6 billion at June 30, 2015, March 31, 2015, December 31, 2014, September 30, 2014, and June 30, 2014, respectively.

(g) Excluded the impact of residential real estate PCI loans. For further discussion, see Allowance for credit losses on pages 58–60.

INTRODUCTION

The following is management's discussion and analysis ("MD&A") of the financial condition and results of operations of JPMorgan Chase & Co. ("JPMorgan Chase" or the "Firm") for the second quarter of 2015.

This Form 10-Q should be read in conjunction with JPMorgan Chase's Annual Report on Form 10-K for the year ended December 31, 2014, filed with the U.S. Securities and Exchange Commission ("2014 Annual Report" or "2014 Form 10-K"), to which reference is hereby made. See the Glossary of terms on pages 176–179 for definitions of terms used throughout this Form 10-Q.

The MD&A included in this Form 10-Q contains statements that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the current beliefs and expectations of JPMorgan Chase's management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. For a discussion of those risks and uncertainties and the factors that could cause JPMorgan Chase's actual results to differ materially because of those risks and uncertainties, see Forward-looking Statements on page 83 of this Form 10-Q and Part I, Item 1A, Risk Factors, on pages 8–17 of JPMorgan Chase's 2014 Annual Report.

JPMorgan Chase & Co., a financial holding company incorporated under Delaware law in 1968, is a leading global financial services firm and one of the largest banking institutions in the United States of America ("U.S."), with operations worldwide; the Firm had $2.4 trillion in assets and $241.2 billion in stockholders' equity as of June 30, 2015. The Firm is a leader in investment banking, financial services for consumers and small businesses, commercial

banking, financial transaction processing and asset management. Under the J.P. Morgan and Chase brands, the Firm serves millions of customers in the U.S. and many of the world's most prominent corporate, institutional and government clients.

JPMorgan Chase's principal bank subsidiaries are JPMorgan Chase Bank, National Association ("JPMorgan Chase Bank, N.A."), a national banking association with U.S. branches in 23 states, and Chase Bank USA, National Association ("Chase Bank USA, N.A."), a national banking association that is the Firm's credit card–issuing bank. JPMorgan Chase's principal nonbank subsidiary is J.P. Morgan Securities LLC ("JPMorgan Securities"), the Firm's U.S. investment banking firm. The bank and nonbank subsidiaries of JPMorgan Chase operate nationally as well as through overseas branches and subsidiaries, representative offices and subsidiary foreign banks. One of the Firm's principal operating subsidiaries in the United Kingdom ("U.K.") is J.P. Morgan Securities plc, a subsidiary of JPMorgan Chase Bank, N.A.

For management reporting purposes, the Firm's activities are organized into four major reportable business segments, as well as a Corporate segment. The Firm's consumer business is the Consumer & Community Banking ("CCB") segment. The Corporate & Investment Bank ("CIB"), Commercial Banking ("CB"), and Asset Management ("AM") segments comprise the Firm's wholesale businesses. For a description of the Firm's business segments, and the products and services they provide to their respective client bases, refer to Note 33 of JPMorgan Chase's 2014 Annual Report.

EXECUTIVE OVERVIEW

This executive overview of the MD&A highlights selected information and may not contain all of the information that is important to readers of this Form 10-Q. For a complete description of the trends and uncertainties, as well as the risks and critical accounting estimates affecting the Firm and its various lines of business, this Form 10-Q should be read in its entirety.

Financial performance of JPMorgan Chase

(unaudited) As of or for the period ended, (in millions, except per share data and ratios)	Three months ended June 30, 2015	2014	Change	Six months ended June 30, 2015	2014	Change
Selected income statement data						
Total net revenue	$23,812	$24,678	(4)%	$47,878	$47,893	—
Total noninterest expense	14,500	15,431	(6)	29,383	30,067	(2)
Pre-provision profit	9,312	9,247	1	18,495	17,826	4
Provision for credit losses	935	692	35	1,894	1,542	23
Net income	6,290	5,980	5	12,204	11,249	8
Diluted earnings per share	$1.54	$1.46	5 %	$2.99	$2.74	9 %
Return on common equity	11 %	11 %		11 %	11 %	
Capital ratios[(a)]						
CET1	11.2	9.8		11.2	9.8	
Tier 1 capital	12.8	11.0		12.8	11.0	

(a) The ratios presented are calculated under Basel III Advanced Transitional. See Regulatory capital on pages 67–71 for additional information on Basel III.

Business Overview

JPMorgan Chase reported second-quarter 2015 net income of $6.3 billion, or $1.54 per share, on net revenue of $23.8 billion. The Firm delivered strong performance in the second quarter and reported a return on equity of 11%.

Net income increased 5% compared with the second quarter of 2014, reflecting lower noninterest expense and lower taxes, predominantly offset by lower net revenue and a higher provision for credit losses. Net revenue was $23.8 billion, down 4% compared with the prior year. Net interest income was $10.7 billion, relatively flat compared with the prior year, reflecting lower loan yields and lower investment securities balances, predominantly offset by higher average loan balances and lower deposit and long-term debt interest expense. Noninterest revenue was $13.1 billion, down 5% compared with the prior year, driven by lower Mortgage Banking revenue and lower CIB Markets revenue related to business simplification, partially offset by higher revenue in Asset Management.

The provision for credit losses was $935 million, up 35% compared with the prior year, as a result of higher wholesale provision for credit losses, reflecting the impact of select downgrades, including within the Oil & Gas portfolio. The consumer provision for credit losses decreased, driven by lower net charge-offs, partially offset by a lower reduction in the allowance for loan losses, reflecting stabilization of the credit environment. Consumer net charge-offs were $1.0 billion, compared with $1.2 billion in the prior year, resulting in net charge-off rates, excluding purchased credit-impaired ("PCI") loans, of 1.06% and 1.34%, respectively.

The Firm's allowance for loan losses to period-end loans retained, excluding PCI loans, was 1.45%, compared with 1.69% in the prior year. The Firm's allowance for loan losses to retained nonaccrual loans, excluding PCI loans, was 161%, compared with 152% in the prior year. The Firm's nonperforming assets totaled $7.6 billion, down from the prior quarter and prior year levels of $7.7 billion and $9.0 billion, respectively.

Noninterest expense was $14.5 billion, down 6% compared with the prior year, driven by business simplification, lower legal expense, and lower Mortgage Banking noninterest expense.

Firmwide core loans increased 12% compared with the prior year and 5% compared with the first quarter of 2015. Within Consumer & Community Banking, Consumer & Business Banking ("CBB") average deposits were up 9%, client investment assets were a record $221.5 billion, up 8%, and credit card sales volume was $125.7 billion, up 7%, from the prior year. CIB maintained its #1 ranking for Global Investment Banking fees with an 8.2% fee share for the second quarter of 2015. CB average loan balances were up 11% from the prior year and up 4% from the first quarter of 2015. Gross investment banking revenue from CB clients was up 22% from the prior year. AM reported positive net long-term flows for the twenty-fifth consecutive quarter, assets under management were up 4%, and average loan balances were up 9% over the prior year.

For a detailed discussion of results by line of business,
refer to the Business Segment Results section beginning on page 16.

The Firm maintained its fortress balance sheet and added to its capital, ending the second quarter with estimated Basel III Advanced Fully Phased-In CET1 capital and ratio of $168.9 billion and 11.0%, respectively. The Firm's supplementary leverage ratio ("SLR") was 6.0% and

JPMorgan Chase Bank, N.A.'s SLR was 6.1%. The Firm also had $532 billion of high quality liquid assets ("HQLA") as of June 30, 2015. The CET1 and SLR measures under the Basel III Advanced Fully Phased-In rules are each non-GAAP financial measures. These measures are used by management, bank regulators, investors and analysts to assess and monitor the Firm's capital position. For further discussion of Basel III Advanced Fully Phased-in measures and the SLR under the U.S. final SLR rule, see Regulatory capital on pages 67–71.

JPMorgan Chase continued to support consumers, businesses and communities around the globe. The Firm provided credit and raised capital of $1.0 trillion for commercial and consumer clients during the first six months of 2015. This included providing $314 billion of credit to corporations, $115 billion to consumers, and $11 billion to U.S. small businesses. During the first half of 2015, the Firm also raised $556 billion of capital for clients and $35 billion of credit was provided to, and capital was raised for, nonprofit and government entities, including states, municipalities, hospitals and universities.

2015 Business outlook

These current expectations are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on the current beliefs and expectations of JPMorgan Chase's management and are subject to significant risks and uncertainties. These risks and uncertainties could cause the Firm's actual results to differ materially from those set forth in such forward-looking statements. See Forward-Looking Statements on page 83 of this Form 10-Q and Risk Factors on pages 8-17 of JPMorgan Chase's 2014 Annual Report. There is no assurance that actual results for the third quarter or full year of 2015 will be in line with the outlook set forth below, and the Firm does not undertake to update any of these forward-looking statements to reflect the impact of circumstances or events that arise after the date hereof.

JPMorgan Chase's outlook for the third quarter and for the remainder of 2015 should be viewed against the backdrop of the global and U.S. economies, financial markets activity, the geopolitical environment, the competitive environment, client activity levels, and regulatory and legislative developments in the U.S. and other countries where the Firm does business. Each of these inter-related factors will affect the performance of the Firm and its lines of business.

Management expects core loan growth of approximately 10% in the second half of 2015. The Firm continues to experience charge-offs at levels lower than its through-the-cycle expectations; if stable credit quality trends continue, management expects the Firm's total net charge-offs for the second half of 2015 to be consistent with the first half of 2015.

Firmwide adjusted expense in 2015 is expected to be approximately $57 billion, excluding firmwide legal expense.

In Mortgage Banking within CCB, management expects noninterest revenue for 2015 to decline by approximately $1 billion compared with 2014 driven by lower servicing revenue as well as lower repurchase benefits. In Card Services within CCB, management expects the revenue rate in 2015 to remain at the low end of the target range of 12% to 12.5% and the full year net charge-off rate to be slightly less than 2.5%.

In CIB, Markets revenue in the third quarter of 2015 is expected to be impacted by the Firm's business simplification, which was completed in 2014, resulting in a decline of approximately 9%, as well as a decline in noninterest expense, compared with the prior year third quarter. In Treasury Services within CIB, management expects revenue to be approximately $875 million in each of the remaining quarters of 2015 which reflects the transfer of Trade Finance revenue to Lending. In Securities Services within CIB, management expects revenue to be in the range of $950 million to $1 billion in each of the remaining quarters of 2015, depending on seasonality.

In CB, management expects noninterest expense to be approximately $720 million in each of the remaining quarters of 2015.

In AM, management expects the 2015 pretax margin and ROE to be at the low end of the business's through-the-cycle targets of 30-35%, and 25% or higher, respectively.

Business events and subsequent events

For a discussion of business events during the six months ended June 30, 2015, and subsequent events, see Note 2.

CONSOLIDATED RESULTS OF OPERATIONS

The following section of the MD&A provides a comparative discussion of JPMorgan Chase's Consolidated Results of Operations on a reported basis for the three and six months ended June 30, 2015 and 2014. Factors that relate primarily to a single business segment are discussed in more detail

within that business segment. For a discussion of the Critical Accounting Estimates Used by the Firm that affect the Consolidated Results of Operations, see pages 79–81 of this Form 10-Q and pages 161–165 of JPMorgan Chase's 2014 Annual Report.

Revenue

	Three months ended June 30,			Six months ended June 30,		
(in millions)	2015	2014	Change	2015	2014	Change
Investment banking fees	$1,833	$1,751	5 %	$3,627	$3,171	14 %
Principal transactions	2,834	2,908	(3)	6,489	6,230	4
Lending- and deposit-related fees	1,418	1,463	(3)	2,781	2,868	(3)
Asset management, administration and commissions	4,015	4,007	—	7,822	7,843	—
Securities gains	44	12	267	96	42	129
Mortgage fees and related income	783	1,291	(39)	1,488	1,805	(18)
Card income	1,615	1,549	4	3,046	2,957	3
Other income[(a)]	586	899	(35)	1,168	1,512	(23)
Noninterest revenue	13,128	13,880	(5)	26,517	26,428	—
Net interest income	10,684	10,798	(1)	21,361	21,465	—
Total net revenue	$23,812	$24,678	(4)%	$47,878	$47,893	—

(a) Included operating lease income of $504 million and $422 million for the three months ended June 30, 2015 and 2014, respectively, and $973 million and $820 million for the six months ended June 30, 2015 and 2014, respectively.

Total net revenue for the three months ended June 30, 2015 was down by 4% compared with the prior year, predominantly due to lower revenues in Fixed Income Markets, lower mortgage-related revenue, the absence in the current period of a benefit recognized in the prior year from a franchise tax settlement, and certain losses in Corporate. These items were partially offset by higher revenues in Equity Markets, and higher asset management fees on continued net long-term inflows. For the six months ended June 30, 2015, total net revenue was flat compared with the prior year, predominantly reflecting the net reduction from the aforementioned factors, partially offset by higher investment banking fees.

Investment banking fees increased from the three months ended June 30, 2014, reflecting higher advisory and debt underwriting fees. For the six months ended June 30, 2015, investment banking fees increased across products due to strong relative performance and an increased share of fees compared with the prior year. The increase in advisory fees for both periods was driven by the combined impact of a greater share of fees for completed transactions and growth in industry-wide fee levels; the increase in debt underwriting fees for both periods was attributable to a higher share of fees for high grade bond issuance and growth in industry-wide fee levels; and the increase in equity underwriting fees for the six months ended June 30, 2015 was due to a greater share of fees. Investment banking fee share and industry-wide data are sourced from Dealogic. For additional information on investment banking fees, see CIB segment results on pages 29–33, CB segment results on pages 34–37, and Note 6.

Principal transactions revenue decreased in the three months ended June 30, 2015 compared with the prior year, largely reflecting CIB's lower Fixed Income Markets revenue, driven by the impact of business simplification, continued weakness in Credit and Securitized Products and lower revenue in Currencies & Emerging Markets, partially offset by strength in Rates. The decline in Fixed Income Markets was partially offset by higher Equity Markets revenue, primarily on higher derivatives and cash revenue. For the six months ended June 30, 2015, principal transactions revenue increased compared with the prior year, due to higher Equity Markets revenue on higher

derivative and cash revenue, partially offset by lower Fixed Income Markets revenue, as well as lower private equity gains in Corporate. The decline in Fixed Income Markets revenue was driven by the impact of business simplification and weakness in Credit and Securitized Products, largely offset by higher revenue in Rates and Currencies & Emerging Markets. For additional information on principal transactions revenue, see CIB and Corporate segment results on pages 29–33 and pages 42–43, respectively, and
Note 6.

Asset management, administration and commissions revenue for the three and six months ended June 30, 2015, was relatively flat compared with the prior year, with higher asset management fees in AM and CCB reflecting higher market levels and net client inflows, offset by lower commissions and other fees in CIB. For additional information on these fees and commissions, see the segment discussions of CCB on pages 17–28, AM on pages 38–41, and Note 6.

Mortgage fees and related income decreased compared with the three months ended June 30, 2014, driven by lower MSR risk management income, reflecting the absence in 2015 of a positive $220 million model assumption update in the prior year, lower servicing revenue and lower repurchase benefit. Compared with the six months ended June 30, 2014, mortgage fees and related income decreased, driven by lower servicing revenue and lower repurchase benefit. For further information on mortgage fees and related income, see the segment discussion of CCB on pages 17–28 and Note 16.

For additional information on lending- and deposit-related fees, see the segment results for CCB on pages 17–28, CIB on pages 29–33 and CB on pages 34–37; securities gains, see the Corporate segment discussion on pages 42–43 and Note 11; and card income, see CCB segment results on pages 17–28.

Other income for the three and six months ended June 30, 2015 decreased compared with the prior year, as a result of the absence in the current period of a benefit recognized in the second quarter of 2014 from a franchise tax settlement, the impact of business simplification in CIB, and a loss recognized on the early redemption of trust preferred securities in Corporate. These factors were partially offset

by higher auto lease income as a result of growth in auto operating lease assets in CCB. The decrease during the six months ended June 30, 2015, also reflected losses related to the accelerated amortization of cash flow hedges associated with the exit of certain non-operational deposits, and a loss recognized on the early redemption of long-term debt that was recognized in the first quarter of 2015 in Corporate.

Net interest income was relatively flat in the three and six months ended June 30, 2015 compared with the prior year, predominantly reflecting lower loan yields due to the runoff of higher-yielding loans, new originations of lower-yielding loans, and lower average investment securities balances, offset by higher average loan balances and the impact of lower deposit and long-term debt interest expense. The Firm’s average interest-earning assets were $2.1 trillion in the three months ended June 30, 2015, and the net interest yield on these assets, on a fully taxable-equivalent (“FTE”) basis, was 2.09%, a decrease of 10 basis points from the prior year. For the six months ended June 30, 2015, the Firm’s average interest-earning assets were $2.1 trillion, and the net interest yield on these assets, on a FTE basis, was 2.08%, a decrease of 12 basis points from the prior year.

Provision for credit losses

	Three months ended June 30,			Six months ended June 30,		
(in millions)	2015	2014	Change	2015	2014	Change
Consumer, excluding credit card	$(98)	$(37)	(165)%	$44	$82	(46)%
Credit card	800	885	(10)%	1,589	1,573	1%
Total consumer	702	848	(17)%	1,633	1,655	(1)%
Wholesale	233	(156)	NM	261	(113)	NM
Total provision for credit losses	$935	$692	35%	$1,894	$1,542	23%

The provision for credit losses in the three and six months ended June 30, 2015 increased from the prior year as a result of higher wholesale provision for credit losses, reflecting the impact of select downgrades, including within the Oil & Gas portfolio. The total consumer provision for credit losses decreased in the three months ended June 30, 2015, driven by lower net charge-offs, partially offset by a lower reduction in the allowance for loan losses. For the six months ended June 30, 2015, the total consumer provision

for credit losses reflected lower net charge-offs offset by a lower reduction in the allowance for loan losses. The lower reduction in the allowance for loan losses reflected the stabilization of the credit environment compared with the prior year. For a more detailed discussion of the credit portfolio and the allowance for credit losses, see the segment discussions of CCB on pages 17–28, CIB on pages 29–33 and CB on pages 34–37, and the Allowance for credit losses on pages 58–60.

Noninterest expense

	Three months ended June 30,			Six months ended June 30,		
(in millions)	2015	2014	Change	2015	2014	Change

Compensation expense	$7,694	$7,610	1 %	$15,737	$15,469	2 %
Noncompensation expense:						
Occupancy	923	973	(5)	1,856	1,925	(4)
Technology, communications and equipment	1,499	1,433	5	2,990	2,844	5
Professional and outside services	1,768	1,932	(8)	3,402	3,718	(8)
Marketing	642	650	(1)	1,233	1,214	2
Other expense[(a)(b)]	1,974	2,833	(30)	4,165	4,897	(15)
Total noncompensation expense	6,806	7,821	(13)	13,646	14,598	(7)
Total noninterest expense	$14,500	$15,431	(6)%	$29,383	$30,067	(2)%

(a) Included firmwide legal expense of $291 million and $669 million for the three months ended June 30, 2015 and 2014, respectively, and $978 million and $707 million for the six months ended June 30, 2015 and 2014, respectively

(b) Included Federal Deposit Insurance Corporation-related (“FDIC”) expense of $300 million and $266 million for the three months ended June 30, 2015, and 2014, respectively, and $618 million and $559 million for the six months ended June 30, 2015 and 2014, respectively.

Total noninterest expense for the three months ended June 30, 2015 decreased by 6% from the prior year, driven by the impact of business simplification, lower legal expense and lower professional services expense. For the six months ended June 30, 2015, total noninterest expense decreased by 2% reflecting the impact of business simplification and lower professional services expense, partially offset by higher legal expense.
Compensation expense increased compared with the three and six months ended June 30, 2014, predominantly driven by the impact of investments in the businesses, including headcount for controls, and higher postretirement benefit costs, partially offset by lower headcount in CCB.

Noncompensation expense in the three and six months ended June 30, 2015 decreased compared with the prior year, due to lower other expense, reflecting the impact of business simplification in CIB, and lower amortization of intangibles, partially offset by the impact of a loss from a held-for-sale asset in AM. Lower professional and outside services expense, largely reflecting lower legal services expense and the impact of a reduced number of contractors in several businesses, also contributed to the decrease in both periods. Legal expense (which is included in other expense) was lower in the three months ended June 30, 2015, but higher in the six months ended June 30, 2015, compared with the respective prior year periods. For a further discussion of legal expense, see Note 23.

Income tax expense

(in millions, except rate)	Three months ended June 30,			Six months ended June 30,		
	2015	2014	Change	2015	2014	Change
Income before income tax expense	$8,377	$8,555	(2)%	$16,601	$16,284	2 %
Income tax expense	2,087	2,575	(19)	4,397	5,035	(13)
Effective tax rate	24.9 %	30.1 %		26.5 %	30.9 %	

The effective tax rate in the three and six months ended June 30, 2015 decreased compared with the respective prior year periods, predominantly due to higher tax benefits associated with the settlement of certain tax audits (which reduced the Firm’s gross unrecognized tax benefits), as well as due to lower nondeductible legal-related expense in the current period and the change in mix of income and expense subject to U.S. federal and state and local taxes. Tax audits of the Firm that were being conducted by a number of taxing authorities, most notably the Internal Revenue Service, New York State and City, and the State of California, continue to be resolved. Based upon the current status of such audits, it is reasonably possible that over the next three to six months the resolution of these audits could result in a further reduction in the gross balance of the Firm’s unrecognized tax benefits; the Firm currently estimates the expected reduction to be in the range of $0 to approximately $2 billion for full year 2015. For further information, see Note 26 of JPMorgan Chase’s 2014 Annual Report.

CONSOLIDATED BALANCE SHEETS ANALYSIS
Selected Consolidated Balance Sheets data

(in millions)	Jun 30, 2015	Dec 31, 2014	Change
Assets			
Cash and due from banks	$24,095	$27,831	(13)%
Deposits with banks	398,807	484,477	(18)
Federal funds sold and securities purchased under resale agreements	212,850	215,803	(1)
Securities borrowed	98,528	110,435	(11)
Trading assets:			
Debt and equity instruments	310,419	320,013	(3)
Derivative receivables	67,451	78,975	(15)
Securities	317,795	348,004	(9)
Loans	791,247	757,336	4
Allowance for loan losses	(13,915)	(14,185)	(2)
Loans, net of allowance for loan losses	777,332	743,151	5
Accrued interest and accounts receivable	69,642	70,079	(1)
Premises and equipment	15,073	15,133	—
Goodwill	47,476	47,647	—
Mortgage servicing rights	7,571	7,436	2
Other intangible assets	1,091	1,192	(8)
Other assets	101,469	102,597	(1)
Total assets	$2,449,599	$2,572,773	(5)
Liabilities			
Deposits	$1,287,332	$1,363,427	(6)
Federal funds purchased and securities loaned or sold under repurchase agreements	180,897	192,101	(6)
Commercial paper	42,238	66,344	(36)
Other borrowed funds	30,061	30,222	(1)
Trading liabilities:			
Debt and equity instruments	80,396	81,699	(2)
Derivative payables	59,026	71,116	(17)
Accounts payable and other liabilities	191,749	206,939	(7)
Beneficial interests issued by consolidated VIEs	50,002	52,362	(5)
Long-term debt	286,693	276,836	4
Total liabilities	2,208,394	2,341,046	(6)
Stockholders’ equity	241,205	231,727	4
Total liabilities and stockholders’ equity	$2,449,599	$2,572,773	(5)%

Consolidated Balance Sheets overview
JPMorgan Chase’s total assets and total liabilities decreased by 5% and 6%, respectively, compared with December 31, 2014.
The following is a discussion of the significant changes.
Cash and due from banks and deposits with banks
The net decrease was attributable to lower wholesale non-operating deposits. The Firm’s excess cash was placed with various central banks, predominantly Federal Reserve Banks.
Securities borrowed

The decrease was predominantly driven by lower demand for securities to cover customer short positions in CIB, and a shift in the deployment of excess cash from securities borrowed to deposits with banks.

Trading assets and liabilities–derivative receivables and payables

The decrease in both receivables and payables was predominantly due to client-driven market-making activities in CIB, as a result of market movements and maturities. For additional information, refer to Derivative contracts on pages 56–57, and Notes 3 and 5.

Securities

The decrease was largely due to paydowns and maturities of non-U.S. residential mortgage-backed securities ("MBS") and non-U.S. government debt securities. For additional information related to securities, refer to the discussion in the Corporate segment on pages 42–43, and Notes 3 and 11.

Loans and allowance for loan losses

The increase in loans reflects higher consumer and wholesale balances. The increase in consumer loans was due to originations and retention of high-quality prime mortgages in Mortgage Banking ("MB") and AM, partially offset by lower credit card loans due to seasonality and non-core loan portfolio sales. The increase in wholesale loans reflected higher originations and utilization of existing commitments, particularly in CB. For a more detailed discussion of loans and the allowance for loan losses, refer to Credit Risk Management on pages 45–60, and Notes 3, 4, 13 and 14.

Mortgage servicing rights

For additional information on MSRs, see Note 16.

Other assets

Other assets was relatively flat, due to lower private equity investments reflecting the sale of a portion of the One Equity Partners ("OEP") portfolio and other portfolio sales, partially offset by higher auto operating lease assets from growth in business volume.

Deposits

The decrease was attributable to lower wholesale deposits, partially offset by higher consumer deposits. The decrease in wholesale deposits reflects the impact of the previously announced plan to reduce non-operating deposits, as well as the normalization of deposit levels from year-end seasonal inflows. The increase in consumer deposits reflected a continuing positive growth trend, resulting from strong customer retention, maturing of recent branch builds, and net new business. For more information on deposits, refer to the CCB segment discussion on pages 17–28; the Liquidity Risk Management discussion on pages 74–78; and Notes 3 and 17. For more information on wholesale client deposits, refer to the AM, CB and CIB segment discussions on pages 38–41, pages 34–37, and pages 29–33, respectively.

Federal funds purchased and securities loaned or sold under repurchase agreements

The decrease reflects lower secured financing of trading assets-debt and equity instruments and the investment securities portfolio. For additional information on the Firm's Liquidity Risk Management, see pages 74–78.

Commercial paper

The decrease was due to the discontinuation of a cash management product, currently in process, that offered customers the option of sweeping their deposits into commercial paper ("customer sweeps"), and lower issuances in the wholesale markets consistent with Treasury's liquidity and short-term funding plans. For additional information on the Firm's other borrowed funds, see Liquidity Risk Management on pages 74–78.

Accounts payable and other liabilities

The decrease was due to lower brokerage customer payables related to client activity in CIB.

Beneficial interests issued by consolidated VIEs

For further information on Firm-sponsored variable interest entities ("VIEs") and loan securitization trusts, see Off-Balance Sheet Arrangements on page 12 and Note 15.

Long-term debt

The increase was due to net issuances, consistent with Treasury's long-term funding plans. For additional information on the Firm's long-term debt activities, see Liquidity Risk Management on pages 74–78.

Stockholders' equity

The increase was due to net income and preferred stock issuance, partially offset by the declaration of cash dividends on common and preferred stock, and repurchases of common stock. For additional information on accumulated other comprehensive income/(loss) ("AOCI"), see Note 19; for the Firm's capital actions, see Capital actions on pages 72–73.

OFF-BALANCE SHEET ARRANGEMENTS

In the normal course of business, the Firm enters into various contractual obligations that may require future cash payments. Certain obligations are recognized on-balance sheet, while others are off-balance sheet under U.S. GAAP. The Firm is involved with several types of off–balance sheet arrangements, including through nonconsolidated special-purpose entities ("SPEs"), which are a type of VIE, and through lending-related financial instruments (e.g., commitments and guarantees). For further discussion, see Note 21 of this Form 10-Q and Off–Balance Sheet Arrangements and Contractual Cash Obligations on pages 74–75 and Note 29 of JPMorgan Chase's 2014 Annual Report.

Special-purpose entities

The most common type of VIE is an SPE. SPEs are commonly used in securitization transactions in order to isolate certain assets and distribute the cash flows from those assets to investors. SPEs are an important part of the financial markets, including the mortgage- and asset-backed securities and commercial paper markets, as they provide market liquidity by facilitating investors' access to specific portfolios of assets and risks. The Firm holds capital, as deemed appropriate, against all SPE-related transactions and related exposures, such as derivative transactions and lending-related commitments and guarantees. For further information on the types of SPEs, see Note 15 of this Form 10-Q, and Note 1 and Note 16 of JPMorgan Chase's 2014 Annual Report.

Implications of a credit rating downgrade to JPMorgan Chase Bank, N.A.

For certain liquidity commitments to SPEs, JPMorgan Chase Bank, N.A., could be required to provide funding if its short-term credit rating were downgraded below specific levels, primarily "P-1," "A-1" and "F1" for Moody's, Standard & Poor's and Fitch, respectively. These liquidity commitments support the issuance of asset-backed commercial paper by Firm-administered consolidated SPEs. In the event of a short-term credit rating downgrade, JPMorgan Chase Bank, N.A., absent other solutions, would be required to provide funding to the SPE, if the commercial paper could not be reissued as it matured. The aggregate amounts of commercial paper outstanding held by third parties as of June 30, 2015, and December 31, 2014, was $13.0 billion and $12.1 billion, respectively. The aggregate amounts of commercial paper outstanding could increase in future periods should clients of the Firm-administered consolidated SPEs draw down on certain unfunded lending-related commitments. These unfunded lending-related commitments were $9.9 billion at both June 30, 2015, and December 31, 2014. The Firm could facilitate the refinancing of some of the clients' assets in order to reduce the funding obligation. For further information, see the discussion of Firm-administered multiseller conduits in
Note 15.

The Firm also acts as liquidity provider for certain municipal bond vehicles. The Firm's obligation to perform as liquidity provider is conditional and is limited by certain termination events, which include bankruptcy or failure to pay by the municipal bond issuer or credit enhancement provider, an event of taxability on the municipal bonds or the immediate downgrade of the municipal bond to below investment grade. See Note 15 for additional information.

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

JPMorgan Chase provides lending-related financial instruments (e.g., commitments and guarantees) to meet the financing needs of its customers. The contractual amount of these financial instruments represents the maximum possible credit risk to the Firm should the counterparty draw upon the commitment or the Firm be required to fulfill its obligation under the guarantee, and should the counterparty subsequently fail to perform according to the terms of the contract. Most of these commitments and guarantees expire without being drawn or a default occurring. As a result, the total contractual amount of these instruments is not, in the Firm's view, representative of its actual future credit exposure or funding requirements. For further discussion of lending-related financial instruments, guarantees and other commitments, and the Firm's accounting for them, see Lending-related commitments on page 56 and Note 21 (including the table that presents the related amounts by contractual maturity as of June 30, 2015). For a discussion of liabilities associated with loan sales- and securitization-related indemnifications, see Note 21.

CONSOLIDATED CASH FLOWS ANALYSIS

For a discussion of the activities affecting the Firm's cash flows, see Consolidated Balance Sheets Analysis on pages 10–11 of this Form 10-Q and page 76 of JPMorgan Chase's 2014 Annual Report.

(in millions)	Six months ended June 30,			
	2015		2014	
Net cash provided by/(used in)				
Operating activities	$32,175		$10,296	
Investing activities	77,471		(97,938	)
Financing activities	(113,429	)	75,436	
Effect of exchange rate changes on cash	47		(42	)
Net decrease in cash and due from banks	$(3,736	)	$(12,248	)

Operating activities

Operating assets and liabilities can vary significantly in the normal course of business due to the amount and timing of cash flows, which are affected by client-driven and risk management activities and market conditions. The Firm believes cash flows from operations, available cash balances and its capacity to generate cash through secured and unsecured funding sources are sufficient to meet the Firm's operating liquidity needs.

Cash provided by operating activities in 2015 and 2014 resulted from net income after noncash operating adjustments. Additionally in 2015, cash was provided by a decrease in trading assets which more than offset cash used by a decrease in trading liabilities predominantly due to client-driven market-making activities in CIB; and a decrease in securities borrowed resulting from lower demand for securities to cover customer short positions in CIB. In 2014, cash was provided by a decrease in other assets driven by lower cash margin balances placed with exchanges and clearing houses; and higher net proceeds from loan sales activities.

Investing activities

Cash provided by investing activities during 2015 predominantly resulted from a net decrease in deposits with banks which was attributable to lower wholesale non-operating deposits; and net proceeds from paydowns, maturities and sales of investment securities. Partially offsetting these inflows was cash used for net originations of consumer and wholesale loans. Cash used in investing activities during 2014 predominantly resulted from increases in deposits with banks, reflecting higher levels of excess funds; and net purchases of investment securities. Additionally in 2014, loans increased due to net originations of wholesale loans.

Financing activities

Cash used in financing activities in 2015 resulted from lower wholesale deposits, partially offset by higher consumer deposits. The increase in consumer deposits reflected a continuing positive growth trend resulting from strong customer retention, maturing of recent branch builds, and net new business. Offsetting these outflows were net proceeds from long-term borrowings. Cash provided by financing activities in 2014 resulted predominantly from higher consumer and wholesale deposits and an increase in securities loaned or sold under repurchase agreements due to higher financing of the Firm's trading assets-debt and equity instruments. For both periods, cash was provided by the issuance of preferred stock and used for repurchases of common stock and dividends on common and preferred stock.

* * *

For a further discussion of the activities affecting the Firm's cash flows, see Balance Sheet Analysis on pages 10–11.

EXPLANATION AND RECONCILIATION OF THE FIRM'S USE OF NON-GAAP FINANCIAL MEASURES

The Firm prepares its Consolidated Financial Statements using accounting principles generally accepted in the U.S. ("U.S. GAAP"); these financial statements appear on pages 84–88. 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, including the overhead ratio, and the results of the lines of business on a "managed" basis, which is a non-GAAP financial measure. The Firm's definition of managed basis starts with the reported U.S. GAAP results and includes certain reclassifications to present total net revenue for the Firm (and each of the reportable business segments) on an 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.

Effective January 1, 2015, the Firm adopted new accounting guidance for investments in affordable housing projects that qualify for the low-income housing tax credit, which impacted the CIB. As a result of the adoption of this new guidance, the Firm made an accounting policy election to amortize the initial cost of qualifying investments in proportion to the tax credits and other benefits received, and to present the amortization as a component of income tax expense; previously such amounts were predominantly presented in other income. The guidance was required to be applied retrospectively and, accordingly, certain prior period amounts have been revised to conform with the current period presentation. The adoption of the guidance did not materially change the Firm's results of operations on a managed basis as the Firm had previously presented and will continue to present the revenue from such investments on an FTE basis for the purposes of managed basis reporting.

Management also uses certain non-GAAP financial measures at the business-segment level, because it believes these other non-GAAP financial measures provide information to investors about the underlying operational performance and trends of the particular business segment and, therefore, facilitate a comparison of the business segment with the performance of its competitors. Non-GAAP financial measures used by the Firm may not be comparable to similarly named non-GAAP financial measures used by other companies.

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

	Three months ended June 30,					
	2015			2014		
(in millions, except ratios)	Reported results	Fully taxable-equivalent adjustments[(a)]	Managed basis	Reported results	Fully taxable-equivalent adjustments[(a)]	Managed basis
Other income	$586	$ 447	$1,033	$899	$ 415	$1,314
Total noninterest revenue	13,128	447	13,575	13,880	415	14,295
Net interest income	10,684	272	10,956	10,798	244	11,042
Total net revenue	23,812	719	24,531	24,678	659	25,337
Pre-provision profit	9,312	719	10,031	9,247	659	9,906
Income before income tax expense	8,377	719	9,096	8,555	659	9,214
Income tax expense	$2,087	$ 719	$2,806	$2,575	$ 659	$3,234
Overhead ratio	61 %	NM	59 %	63 %	NM	61 %

	Six months ended June 30,					
	2015			2014		
(in millions, except ratios)	Reported results	Fully taxable-equivalent adjustments[(a)]	Managed basis	Reported results	Fully taxable-equivalent adjustments[(a)]	Managed basis
Other income	$1,168	$ 928	$2,096	$1,512	$ 827	$2,339

Total noninterest revenue	26,517	928	27,445	26,428	827	27,255
Net interest income	21,361	545	21,906	21,465	470	21,935
Total net revenue	47,878	1,473	49,351	47,893	1,297	49,190
Pre-provision profit	18,495	1,473	19,968	17,826	1,297	19,123
Income before income tax expense	16,601	1,473	18,074	16,284	1,297	17,581
Income tax expense	$4,397	$ 1,473	$5,870	$5,035	$ 1,297	$6,332
Overhead ratio	61 %	NM	60 %	63 %	NM	61 %

(a) Predominantly recognized in CIB and CB business segments and Corporate.

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Tangible common equity ("TCE"), ROTCE and TBVPS are each non-GAAP financial measures. TCE represents the Firm's common stockholders' equity (i.e., total stockholders' equity less preferred stock) less goodwill and identifiable intangible assets (other than MSRs), net of related deferred tax liabilities. ROTCE measures the Firm's earnings as a percentage of average TCE. TBVPS represents the Firm's TCE

at period-end divided by common shares at period-end. TCE, ROTCE, and TBVPS are meaningful to the Firm, as well as investors and analysts, in assessing the Firm's use of equity. Additionally, certain capital ratios disclosed by the Firm are non-GAAP measures. For additional information on these non-GAAP measures, see Regulatory capital on pages 67–71.

Tangible common equity	Period-end		Average			
			Three months ended June 30,		Six months ended June 30,	
(in millions, except per share and ratio data)	Jun 30, 2015	Dec 31, 2014	2015	2014	2015	2014
Common stockholders' equity	$216,287	$211,664	$213,738	$206,159	$213,049	$203,989
Less: Goodwill	47,476	47,647	47,485	48,084	47,488	48,069
Less: Certain identifiable intangible assets	1,091	1,192	1,113	1,416	1,138	1,482
Add: Deferred tax liabilities[(a)]	2,876	2,853	2,873	2,952	2,868	2,948
Tangible common equity	$170,596	$165,678	$168,013	$159,611	$167,291	$157,386
Return on tangible common equity	NA	NA	14 %	14 %	14 %	14 %
Tangible book value per share	$46.13	$44.60	NA	NA	NA	NA

(a) 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.

Net interest income excluding markets (formerly core net interest income)

In addition to reviewing net interest income on a managed basis, management also reviews net interest income excluding CIB's markets-based activities to assess the performance of its lending, investing (including asset-liability management) and deposit-raising activities. The data presented below are non-GAAP financial measures due

to the exclusion of CIB's markets-based net interest income and related assets. Management believes this exclusion provides investors and analysts with another measure by which to analyze the non-market-related business trends of the Firm and provides a comparable measure to other financial institutions that are primarily focused on lending, investing and deposit-raising activities.

Net interest income excluding CIB markets-based activities data

	Three months ended June 30,			Six months ended June 30,		
(in millions, except rates)	2015	2014	Change	2015	2014	Change
Net interest income – managed basis[(a)(b)]	$10,956	$11,042	(1)%	$21,906	$21,935	—
Less: Markets-based net interest income	1,238	1,291	(4)	2,497	2,560	(2)
Net interest income excluding markets[(a)]	$9,718	$9,751	—	$19,409	$19,375	—
Average interest-earning assets	$2,097,637	$2,023,945	4	$2,123,078	$2,014,846	5
Less: Average markets-based interest earning assets	500,915	502,413	—	505,290	504,942	—
Average interest-earning assets excluding markets	$1,596,722	$1,521,532	5 %	$1,617,788	$1,509,904	7 %
Net interest yield on interest-earning assets – managed basis	2.09 %	2.19 %		2.08 %	2.20 %	

Net interest yield on markets-based activities	0.99	1.03	1.00	1.02
Net interest yield on average interest-earning assets excluding markets	2.44 %	2.57 %	2.42 %	2.59 %

(a) Interest includes the effect of related hedging derivatives. Taxable-equivalent amounts are used where applicable.

(b) For a reconciliation of net interest income on a reported and managed basis, see reconciliation from the Firm's reported U.S. GAAP results to managed basis on page 14.

Quarterly and year-to-date results

Net interest income excluding CIB's markets-based activities was flat at $9.7 billion and $19.4 billion, respectively, for the three and six months ended June 30, 2015, when compared with the prior year periods. Results in 2015 reflected lower loan yields due to the runoff of higher yielding loans, new originations of lower yielding loans and lower average investment securities balances, offset by higher average loan balances and the impact of lower deposits and long-term debt interest expense. Average

interest-earning assets excluding assets related to CIB's markets-based activities increased by $75.2 billion to $1.6 trillion and by $107.9 billion to $1.6 trillion, respectively, for the three and six months ended June 30, 2015, when compared with the prior year periods; these increases primarily reflected the impact of higher average deposits with banks. The net interest yield excluding CIB's markets-based activities decreased by 13 basis points to 2.44% and by 17 basis points to 2.42%, respectively, for the three and six months ended June 30, 2015.

BUSINESS SEGMENT RESULTS

The Firm is managed on a line of business basis. There are four major reportable business segments – Consumer & Community Banking, Corporate & Investment Bank, Commercial Banking and Asset Management. In addition, there is a Corporate segment.

The business segments are determined based on the products and services provided, or the type of customer served, and they reflect the manner in which financial information is currently evaluated by management. Results of these lines of business are presented on a managed basis. For a definition of managed basis, see Explanation and Reconciliation of the Firm's Use of Non-GAAP Financial Measures, on pages 14–15.

Description of business segment reporting methodology

Results of the business segments are intended to reflect each segment as if it were essentially a stand-alone business. The management reporting process that derives business segment results allocates income and expense using market-based methodologies. The Firm continues to assess the assumptions, methodologies and reporting

classifications used for segment reporting, and further refinements may be implemented in future periods.

For a further discussion of those methodologies, see Business Segment Results – Description of business segment reporting methodology on pages 79–80 of JPMorgan Chase's 2014 Annual Report.

Business segment capital allocation changes

Each business segment is allocated capital by taking into consideration stand-alone peer comparisons, regulatory capital requirements (as estimated under Basel III Advanced Fully Phased-In) and economic risk measures. The amount of capital assigned to each business is referred to as equity. On at least an annual basis, the Firm assesses the level of capital required for each line of business as well as the assumptions and methodologies used to allocate capital to its lines of business and updates the equity allocations to its lines of business as refinements are implemented. For further information about these capital changes, see Line of business equity on page 72.

Segment Results – Managed basis

The following tables summarize the business segment results for the periods indicated.

Three months ended June 30,	Total net revenue			Total noninterest expense			Pre-provision profit/(loss)		
(in millions)	2015	2014	Change	2015	2014	Change	2015	2014	Change
Consumer & Community Banking	$11,015	$11,518	(4)%	$6,210	$6,456	(4)%	$4,805	$5,062	(5)%
Corporate & Investment Bank	8,723	9,265	(6)	5,137	6,058	(15)	3,586	3,207	12
Commercial Banking	1,739	1,731	—	703	675	4	1,036	1,056	(2)
Asset Management	3,175	2,982	6	2,406	2,062	17	769	920	(16)
Corporate	(121)	(159)	24	44	180	(76)	(165)	(339)	51
Total	$24,531	$25,337	(3)%	$14,500	$15,431	(6)%	$10,031	$9,906	1%

Three months ended June 30,	Provision for credit losses			Net income			Return on common equity	
(in millions, except ratios)	2015	2014	Change	2015	2014	Change	2015	2014
Consumer & Community Banking	$702	$852	(18)%	$2,533	$2,496	1%	19%	19%
Corporate & Investment Bank	50	(84)	NM	2,341	2,131	10	14	13
Commercial Banking	182	(67)	NM	525	677	(22)	14	19
Asset Management	—	1	(100)	451	569	(21)	19	25
Corporate	1	(10)	NM	440	107	311	NM	NM
Total	$935	$692	35%	$6,290	$5,980	5%	11%	11%

Six months ended June 30,	Total net revenue			Total noninterest expense			Pre-provision profit/(loss)		
(in millions)	2015	2014	Change	2015	2014	Change	2015	2014	Change
	$21,719	$22,052	(2)%	$12,400	$12,893	(4)%	$9,319	$9,159	2%

Consumer & Community Banking									
Corporate & Investment Bank	18,305	18,107	1	10,794	11,662	(7)	7,511	6,445	17
Commercial Banking	3,481	3,409	2	1,412	1,361	4	2,069	2,048	1
Asset Management	6,180	5,782	7	4,581	4,137	11	1,599	1,645	(3)
Corporate	(334)	(160)	(109)	196	14	NM	(530)	(174)	(205)
Total	$49,351	$49,190	—	$29,383	$30,067	(2)%	$19,968	$19,123	4%

Six months ended June 30,	Provision for credit losses			Net income			Return on common equity	
(in millions, except ratios)	2015	2014	Change	2015	2014	Change	2015	2014
Consumer & Community Banking	$1,632	$1,668	(2)%	$4,752	$4,477	6%	18%	17%
Corporate & Investment Bank	19	(35)	NM	4,878	4,256	15	15	13
Commercial Banking	243	(62)	NM	1,123	1,271	(12)	15	18
Asset Management	4	(8)	NM	953	1,023	(7)	21	22
Corporate	(4)	(21)	81	498	222	124	NM	NM
Total	$1,894	$1,542	23%	$12,204	$11,249	8%	11%	11%

CONSUMER & COMMUNITY BANKING

For a discussion of the business profile of CCB, see pages 81–91 of JPMorgan Chase's 2014 Annual Report and Line of Business Metrics on page 180.

Selected income statement data

	Three months ended June 30,			Six months ended June 30,		
(in millions, except ratios)	2015	2014	Change	2015	2014	Change
Revenue						
Lending- and deposit-related fees	$766	$750	2 %	$1,484	$1,453	2 %
Asset management, administration and commissions	553	521	6	1,083	1,024	6
Mortgage fees and related income	782	1,290	(39)	1,486	1,804	(18)
Card income	1,506	1,486	1	2,830	2,834	—
All other income	482	421	14	942	787	20
Noninterest revenue	4,089	4,468	(8)	7,825	7,902	(1)
Net interest income	6,926	7,050	(2)	13,894	14,150	(2)
Total net revenue	11,015	11,518	(4)	21,719	22,052	(2)
Provision for credit losses	702	852	(18)	1,632	1,668	(2)
Noninterest expense						
Compensation expense	2,478	2,637	(6)	5,008	5,376	(7)
Noncompensation expense	3,732	3,819	(2)	7,392	7,517	(2)
Total noninterest expense	6,210	6,456	(4)	12,400	12,893	(4)
Income before income tax expense	4,103	4,210	(3)	7,687	7,491	3
Income tax expense	1,570	1,714	(8)	2,935	3,014	(3)
Net income	$2,533	$2,496	1 %	$4,752	$4,477	6 %
Financial ratios						
Return on common equity	19 %	19 %		18 %	17 %	
Overhead ratio	56	56		57	58	

Note: In the discussion and the tables which follow, CCB presents certain financial measures which exclude the impact of PCI loans; these are non-GAAP financial measures. For additional information, see Explanation and Reconciliation of the Firm's Use of Non-GAAP Financial Measures on pages 14–15.

Quarterly results

Consumer & Community Banking net income was $2.5 billion, an increase of 1% compared with the prior year.

Net revenue was $11.0 billion, a decrease of 4% compared with the prior year. Net interest income was $6.9 billion, down 2%, driven by spread compression, largely offset by higher deposit balances, higher loan balances and lower reversals of interest and fees due to lower net charge-offs in Credit Card. Noninterest revenue was $4.1 billion, down 8%, driven by lower mortgage fees and related income, partially offset by higher Auto lease income and higher net interchange income in Credit Card.

The provision for credit losses was $702 million, a decrease of 18% compared with the prior year, reflecting lower net charge-offs, partially offset by a lower reduction in the allowance for loan losses. The current-quarter provision reflected a $326 million reduction in the allowance for loan losses. The prior year included a $357 million reduction in the allowance for loan losses. For more information, including net charge-off amounts and rates, see Consumer Credit Portfolio on pages 46–51.

Noninterest expense was $6.2 billion, a decrease of 4% from the prior year, predominantly driven by lower Mortgage Banking expense.

Year-to-date results

Consumer & Community Banking net income was $4.8 billion, an increase of 6% compared with the prior year, driven by lower noninterest expense, largely offset by lower net revenue.

Net revenue was $21.7 billion, a decrease of 2% compared with the prior year. Net interest income was $13.9 billion, down 2%, driven by spread compression, largely offset by higher deposit and loan balances. Noninterest revenue was $7.8 billion, down 1%, driven by lower mortgage fees and related income, predominantly offset by higher Auto lease income and higher net interchange income in Credit Card.

The provision for credit losses was $1.6 billion, a decrease of 2% from the prior year, reflecting lower net charge-offs, predominantly offset by a lower reduction in the allowance for loan losses. The current-year provision reflected a $451 million reduction in the allowance for loan losses. The prior year included a $807 million reduction in the allowance for loan losses. For more information, including net charge-off amounts and rates, see Consumer Credit Portfolio on pages 46–51.

Noninterest expense was $12.4 billion, a decrease of 4% from the prior year, predominantly driven by lower Mortgage Banking expense.

Selected metrics

(in millions, except headcount)	As of or for the three months ended June 30, 2015	2014	Change	As of or for the six months ended June 30, 2015	2014	Change
Selected balance sheet data (period-end)						
Total assets	$472,181	$447,277	6 %	$472,181	$447,277	6 %
Trading assets – loans[a]	6,700	7,409	(10)	6,700	7,409	(10)
Loans:						
Loans retained	413,363	390,211	6	413,363	390,211	6
Loans held-for-sale[b]	2,825	1,472	92	2,825	1,472	92
Total loans	416,188	391,683	6	416,188	391,683	6
Core loans	301,154	253,817	19	301,154	253,817	19
Deposits	530,767	488,681	9	530,767	488,681	9
Equity[c]	51,000	51,000	—	51,000	51,000	—
Selected balance sheet data (average)						
Total assets	$463,404	$443,204	5	$459,108	$446,794	3
Trading assets – loans[a]	7,068	6,593	7	7,528	7,017	7
Loans:						
Loans retained	406,029	388,252	5	400,587	388,464	3
Loans held-for-sale[d]	2,100	710	196	2,539	683	272
Total loans	408,129	388,962	5	403,126	389,147	4
Deposits	529,448	486,064	9	520,850	478,862	9
Equity[c]	51,000	51,000	—	51,000	51,000	—
Headcount	132,302	141,688	(7)%	132,302	141,688	(7)%

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

(b) Included period-end credit card loans held-for-sale of $1.3 billion and $508 million at June 30, 2015 and 2014, respectively. These amounts were excluded when calculating delinquency rates and the allowance for loan losses to period-end loans.

(c) Equity is allocated to the sub-business segments with $5.0 billion and $3.0 billion of capital in 2015 and 2014, respectively, held at the CCB level related to legacy mortgage servicing matters.

(d) Included average credit card loans held-for-sale of $1.8 billion and $405 million for the three months ended June 30, 2015 and 2014, respectively, and $2.2 billion and $360 million for the six months ended June 30, 2015 and 2014. These amounts are excluded when calculating the net charge-off rate.

Selected metrics

(in millions, except ratios and where otherwise noted)	As of or for the three months ended June 30, 2015	2014	Change	As of or for the six months ended June 30, 2015	2014	Change
Credit data and quality statistics						
Net charge-offs[a]	$1,027	$1,208	(15)%	$2,081	$2,474	(16)%
Nonaccrual loans[b][c]	5,876	7,003	(16)	5,876	7,003	(16)
Nonperforming assets[b][c]	6,250	7,555	(17)	6,250	7,555	(17)
Allowance for loan losses[a]	9,838	11,284	(13)	9,838	11,284	(13)
Net charge-off rate[a]	1.01 %	1.25 %		1.05 %	1.28 %	
Net charge-off rate, excluding PCI loans	1.14	1.44		1.18	1.48	
Allowance for loan losses to period-end loans retained	2.38	2.89		2.38	2.89	
Allowance for loan losses to period-end loans retained, excluding PCI loans[d]	1.79	2.22		1.79	2.22	
Allowance for loan losses to nonaccrual loans retained, excluding credit card[b][d]	56	58		56	58	
Nonaccrual loans to total period-end loans, excluding credit card	2.03	2.64		2.03	2.64	
Nonaccrual loans to total period-end loans, excluding credit card and PCI loans [b]	2.39	3.25		2.39	3.25	
Business metrics						
Number of:						
Branches	5,504	5,636	(2)%	5,504	5,636	(2)%
ATMs	18,050	20,394	(11)	18,050	20,394	(11)
Active online customers (in thousands)	37,878	35,105	8	37,878	35,105	8
Active mobile customers (in thousands)	21,001	17,201	22	21,001	17,201	22
CCB households (in millions)	57.8	57.2	1	57.8	57.2	1

(a) Net charge-offs and the net charge-off rates excluded $55 million and $48 million of write-offs in the PCI portfolio for the three months ended June 30, 2015 and 2014, respectively and $110 million and $109 million of write-offs in the PCI portfolio for the six months ended June 30, 2015 and 2014, respectively. These write-offs decreased the allowance for loan losses for PCI loans. For further information on PCI write-offs, see Allowance for Credit Losses on pages 58–60.

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

(c) At June 30, 2015 and 2014, nonperforming assets excluded: (1) mortgage loans insured by U.S. government agencies of $7.0 billion and $8.1 billion, respectively, that are 90 or more days past due; (2) student loans insured by U.S. government agencies under the Federal Family Education Loan Program ("FFELP") of $282 million and $316 million, respectively, that are 90 or more days past due; (3) real estate owned ("REO") insured by U.S. government agencies of $384 million and $528 million, respectively. These amounts have been excluded based upon the government guarantee.

(d) The allowance for loan losses for PCI loans was $3.2 billion and $3.7 billion at June 30, 2015 and 2014, respectively; these amounts were also excluded from the applicable ratios.

Consumer & Business Banking

Selected financial statement data

(in millions, except ratios)	As of or for the three months ended June 30, 2015	2014	Change	As of or for the six months ended June 30, 2015	2014	Change
Revenue						
Lending- and deposit-related fees	$760	$747	2 %	$1,471	$1,438	2 %
Asset management, administration and commissions	534	507	5	1,046	990	6
Card income	435	406	7	839	782	7
All other income	135	162	(17)	257	284	(10)
Noninterest revenue	1,864	1,822	2	3,613	3,494	3
Net interest income	2,619	2,786	(6)	5,228	5,512	(5)
Total net revenue	4,483	4,608	(3)	8,841	9,006	(2)
Provision for credit losses	68	66	3	128	142	(10)
Noninterest expense	3,056	3,026	1	6,014	6,091	(1)
Income before income tax expense	1,359	1,516	(10)	2,699	2,773	(3)
Net income	$831	$904	(8)	$1,659	$1,655	—
Return on common equity	28 %	33 %		28%	30 %	
Overhead ratio	68	66		68	68	
Equity (period-end and average)	$11,500	$11,000	5 %	$11,500	$11,000	5 %

Quarterly results

Consumer & Business Banking net income was $831 million, a decrease of 8% compared with the prior year, driven by lower net revenue.

Net revenue was $4.5 billion, down 3% compared with the prior year. Net interest income was $2.6 billion, down 6% due to deposit spread compression, largely offset by higher deposit balances. Noninterest revenue was $1.9 billion, up 2%, driven by higher debit card revenue, reflecting an increase in transaction volume, and higher investment revenue, reflecting record client investment assets.

Noninterest expense was $3.1 billion, an increase of 1% from the prior year, driven by higher legal expense, largely offset by branch efficiencies.

Year-to-date results

Consumer & Business Banking net income was $1.7 billion, flat compared with the prior year.

Net revenue was $8.8 billion, down 2% compared with the prior year. Net interest income was $5.2 billion, down 5% due to deposit spread compression, largely offset by higher deposit balances. Noninterest revenue was $3.6 billion, up 3%, driven by higher debit card revenue, reflecting an increase in transaction volume and higher investment revenue, reflecting record client investment assets.

Noninterest expense was $6.0 billion, a decrease of 1% from the prior year, driven by branch efficiencies, largely offset by higher legal expense.

Selected metrics

(in millions, except ratios and where otherwise noted)	As of or for the three months ended June 30, 2015	2014	Change	As of or for the six months ended June 30, 2015	2014	Change
Business metrics						
Business banking origination volume	$1,911	$1,917	—	$3,451	$3,421	1 %
Period-end loans	21,940	20,276	8	21,940	20,276	8
Period-end deposits:						
Checking	226,888	200,560	13	226,888	200,560	13
Savings	268,777	249,175	8	268,777	249,175	8
Time and other	19,317	24,421	(21)	19,317	24,421	(21)
Total period-end deposits	514,982	474,156	9	514,982	474,156	9
Average loans	21,732	19,928	9	21,526	19,691	9
Average deposits:						
Checking	225,803	197,490	14	221,084	193,511	14
Savings	267,212	249,240	7	263,855	246,386	7
Time and other	19,829	24,832	(20)	20,330	25,153	(19)
Total average deposits	512,844	471,562	9	505,269	465,050	9
Deposit margin	1.92 %	2.23 %		1.95 %	2.25 %	
Average assets	$41,290	$37,810	9	$41,531	$37,964	9
Credit data and quality statistics						
Net charge-offs	$68	$69	(1)	$127	$145	(12)
Net charge-off rate	1.26 %	1.39 %		1.19 %	1.48 %	
Allowance for loan losses	$703	$703	—	$703	$703	—
Nonperforming assets	246	335	(27)	246	335	(27)
Retail branch business metrics						
Net new investment assets	$3,362	$4,324	(22)	$7,183	$8,565	(16)
Client investment assets	221,490	205,206	8	221,490	205,206	8
% managed accounts	41 %	38 %		41 %	38 %	
Number of:						
Chase Private Client locations	2,661	2,408	11	2,661	2,408	11
Personal bankers	19,735	21,728	(9)	19,735	21,728	(9)
Sales specialists	3,763	4,405	(15)	3,763	4,405	(15)
Client advisors	2,996	3,075	(3)	2,996	3,075	(3)
Chase Private Clients	390,220	262,965	48	390,220	262,965	48
Accounts (in thousands)[(a)]	31,041	30,144	3 %	31,041	30,144	3 %

(a) Includes checking accounts and Chase Liquid® cards.

Mortgage Banking
Selected financial statement data

(in millions, except ratios)	As of or for the three months ended June 30, 2015	2014	Change	As of or for the six months ended June 30, 2015	2014	Change
Revenue						
Mortgage fees and related income[(a)]	$782	$1,290	(39)%	$1,486	$1,804	(18)%
All other income	(5)	(17)	71	(16)	(20)	20
Noninterest revenue	777	1,273	(39)	1,470	1,784	(18)
Net interest income	1,056	1,053	—	2,112	2,140	(1)
Total net revenue	1,833	2,326	(21)	3,582	3,924	(9)
Provision for credit losses	(219)	(188)	(16)	(215)	(211)	(2)
Noninterest expense	1,110	1,306	(15)	2,329	2,709	(14)
Income before income tax expense	942	1,208	(22)	1,468	1,426	3
Net income	$584	$733	(20)	$910	$865	5
Return on common equity	14%	16%		11%	9%	
Overhead ratio	61	56		65	69	
Equity (period-end and average)	$16,000	$18,000	(11)%	$16,000	$18,000	(11)%

(a) For further information on mortgage fees and related income, see Note 16.

Quarterly results

Mortgage Banking net income was $584 million, a decrease of 20% from the prior year.

Net revenue was $1.8 billion, a decrease of 21% compared with the prior year. Noninterest revenue was $777 million, a decrease of 39% from the prior year. This decrease was driven by lower MSR risk management income, reflecting the absence of a positive $220 million model assumption update in the prior year, lower servicing revenue, largely driven by lower average third-party loans serviced and lower net production revenue, reflecting a lower repurchase benefit. See Note 16 for further information regarding changes in value of the MSR asset and related hedges.

The provision for credit losses was a benefit of $219 million, compared with a benefit of $188 million in the prior year, reflecting lower net charge-offs. The current-quarter provision reflected a $300 million reduction in the non credit-impaired allowance for loan losses, due to continued improvement in home prices and delinquencies. The prior-year included a $300 million reduction in the purchased credit-impaired allowance for loan losses. See Consumer Credit Portfolio on pages 46–51 for the net charge-off amounts and rates.

Noninterest expense was $1.1 billion, a decrease of 15% from the prior year, reflecting lower headcount-related expense and lower professional fees.

Year-to-date results

Mortgage Banking net income was $910 million, an increase of 5% from the prior year.

Net revenue was $3.6 billion, a decrease of 9% compared with the prior year. Noninterest revenue was $1.5 billion, a decrease of 18% from the prior year. This decrease was driven by lower servicing revenue, largely as a result of lower average third-party loans serviced and lower net production revenue, reflecting a lower repurchase benefit.

The provision for credit losses was a benefit of $215 million, compared with a benefit of $211 million in the prior year, reflecting lower net charge-offs, offset by a lower reduction in the allowance for loan losses. The current-year provision reflected a $400 million reduction in the non credit-impaired allowance for loan losses, due to continued improvement in home prices and delinquencies. The prior-year included a $500 million reduction allowance for loan losses, $300 million from the purchased credit-impaired allowance for loan losses and $200 million for the non credit-impaired allowance for loan losses. See Consumer Credit Portfolio on pages 46–51 for the net charge-off amounts and rates.

Noninterest expense was $2.3 billion, a decrease of 14% from the prior year, reflecting lower headcount-related expense and lower professional fees.

Supplemental information

	Three months ended June 30,			Six months ended June 30,		
(in millions)	2015	2014	Change	2015	2014	Change
Net interest income:						
Mortgage Production and Mortgage Servicing	$139	$171	(19)%	$297	$360	(18)%
Real Estate Portfolios	917	882	4	1,815	1,780	2
Total net interest income	$1,056	$1,053	—	$2,112	$2,140	(1)
Noninterest expense:						
Mortgage Production	$360	$414	(13)	$781	$890	(12)
Mortgage Servicing	466	550	(15)	1,048	1,131	(7)
Real Estate Portfolios	284	342	(17)	500	688	(27)
Total noninterest expense	$1,110	$1,306	(15)%	$2,329	$2,709	(14)%

Selected balance sheet data

(in millions)	As of or for the three months ended June 30, 2015	2014	Change		As of or for the six months ended June 30, 2015	2014	Change	
Trading assets – loans (period-end)[a]	$6,700	$7,409	(10	)%	$6,700	$7,409	(10	)%
Trading assets – loans (average)[a]	7,068	6,593	7		7,528	7,017	7	
Loans, excluding PCI loans								
Period-end loans owned								
Home equity	47,228	54,485	(13	)	47,228	54,485	(13	)
Prime mortgage, including option ARMs	107,001	70,495	52		107,001	70,495	52	
Subprime mortgage	4,660	6,636	(30	)	4,660	6,636	(30	)
Other	435	510	(15	)	435	510	(15	)
Total period-end loans owned	159,324	132,126	21		159,324	132,126	21	
Average loans owned								
Home equity	48,148	55,329	(13	)	49,072	56,167	(13	)
Prime mortgage, including option ARMs	99,315	68,922	44		92,749	67,701	37	
Subprime mortgage	4,735	6,754	(30	)	4,851	6,880	(29	)
Other	445	520	(14	)	456	530	(14	)
Total average loans owned	152,643	131,525	16		147,128	131,278	12	
PCI loans								
Period-end loans owned								
Home equity	16,088	18,070	(11	)	16,088	18,070	(11	)
Prime mortgage	9,553	11,302	(15	)	9,553	11,302	(15	)
Subprime mortgage	3,449	3,947	(13	)	3,449	3,947	(13	)
Option ARMs	14,716	16,799	(12	)	14,716	16,799	(12	)
Total period-end loans owned	43,806	50,118	(13	)	43,806	50,118	(13	)
Average loans owned								
Home equity	16,354	18,295	(11	)	16,599	18,506	(10	)
Prime mortgage	9,724	11,487	(15	)	9,893	11,677	(15	)
Subprime mortgage	3,490	4,001	(13	)	3,546	4,064	(13	)
Option ARMs	14,940	17,074	(12	)	15,192	17,379	(13	)
Total average loans owned	44,508	50,857	(12	)	45,230	51,626	(12	)
Total Mortgage Banking								
Period-end loans owned								
Home equity	63,316	72,555	(13	)	63,316	72,555	(13	)
Prime mortgage, including option ARMs	131,270	98,596	33		131,270	98,596	33	
Subprime mortgage	8,109	10,583	(23	)	8,109	10,583	(23	)
Other	435	510	(15	)	435	510	(15	)
Total period-end loans owned	203,130	182,244	11		203,130	182,244	11	
Average loans owned								
Home equity	64,502	73,624	(12	)	65,671	74,673	(12	)
Prime mortgage, including option ARMs	123,979	97,483	27		117,834	96,757	22	
Subprime mortgage	8,225	10,755	(24	)	8,397	10,944	(23	)

Other	445	520	(14)	456	530	(14)
Total average loans owned	197,151	182,382	8%	192,358	182,904	5%

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

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Credit data and quality statistics

	As of or for the three months ended June 30,			As of or for the six months ended June 30,		
(in millions, except ratios)	2015	2014	Change	2015	2014	Change
Net charge-offs/(recoveries), excluding PCI loans[(a)]						
Home equity	$69	$125	(45)%	$156	$291	(46)%
Prime mortgage, including option ARMs	11	(11)	NM	25	(15)	NM
Subprime mortgage	(1)	(5)	80	—	8	(100)
Other	2	3	(33)	4	5	(20)
Total net charge-offs/(recoveries), excluding PCI loans	81	112	(28)	185	289	(36)
Net charge-off/(recovery) rate, excluding PCI loans						
Home equity	0.57%	0.91%		0.64%	1.04%	
Prime mortgage, including option ARMs	0.04	(0.06)		0.05	(0.04)	
Subprime mortgage	(0.08)	(0.30)		—	0.23	
Other	1.80	2.31		1.77	1.90	
Total net charge-off/(recovery) rate, excluding PCI loans	0.21	0.34		0.25	0.45	
Net charge-off/(recovery) rate – reported[(a)]						
Home equity	0.43	0.68		0.48	0.79	
Prime mortgage, including option ARMs	0.04	(0.05)		0.04	(0.03)	
Subprime mortgage	(0.05)	(0.19)		—	0.15	
Other	1.80	2.31		1.77	1.90	
Total net charge-off/(recovery) rate – reported	0.17	0.25		0.19	0.32	
30+ day delinquency rate, excluding PCI loans[(b)(c)]	1.95	2.94		1.95	2.94	
Allowance for loan losses, excluding PCI loans	$1,788	$2,388	(25)	$1,788	$2,388	(25)
Allowance for PCI loans[(a)]	3,215	3,749	(14)	3,215	3,749	(14)
Allowance for loan losses	5,003	6,137	(18)	5,003	6,137	(18)
Nonperforming assets[(d)(e)]	5,630	6,919	(19)%	5,630	6,919	(19)%
Allowance for loan losses to period-end loans retained	2.48%	3.39%		2.48%	3.39%	
Allowance for loan losses to period-end loans retained, excluding PCI loans	1.13	1.82		1.13	1.82	

(a) Net charge-offs and the net charge-off rates excluded $55 million and $48 million, write-offs in the PCI portfolio for the three months ended June 30, 2015 and 2014, respectively, and $110 million and $109 million of write-offs in the PCI portfolio for the six months ended June 30, 2015 and 2014. These write-offs decreased the allowance for loan losses for PCI loans. For further information on PCI write-offs, see Allowance for Credit Losses on pages 58–60.

(b)

At June 30, 2015 and 2014, excluded mortgage loans insured by U.S. government agencies of $8.8 billion and $9.6 billion, respectively, that are 30 or more days past due. These amounts have been excluded based upon the government guarantee. For further discussion, see Note 13 which summarizes loan delinquency information.

(c) The 30+ day delinquency rate for PCI loans was 11.65% and 14.08%, at June 30, 2015, and 2014, respectively.

(d) At June 30, 2015 and 2014, nonperforming assets excluded: (1) mortgage loans insured by U.S. government agencies of $7.0 billion and $8.1 billion, respectively, that are 90 or more days past due and (2) real estate owned ("REO") insured by U.S. government agencies of $384 million and $528 million, respectively. These amounts have been excluded based upon the government guarantee.

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

Business metrics

(in billions, except ratios)	As of or for the three months ended June 30, 2015	2014	Change	As of or for the six months ended June 30, 2015	2014	Change
Mortgage origination volume by channel						
Retail	$9.8	$7.2	36 %	$17.9	$13.9	29 %
Correspondent	19.5	9.6	103	36.1	19.9	81
Total mortgage origination volume[(a)]	29.3	16.8	74	54.0	33.8	60
Total loans serviced (period-end)	917.0	980.4	(6)	917.0	980.4	(6)
Third-party mortgage loans serviced (period-end)	723.4	786.2	(8)	723.4	786.2	(8)
Third-party mortgage loans serviced (average)	723.5	794.7	(9)	730.5	802.0	(9)
MSR carrying value (period-end)	7.6	8.3	(8)%	7.6	8.3	(8)%
Ratio of MSR carrying value (period-end) to third-party mortgage loans serviced (period-end)	1.05 %	1.06 %		1.05 %	1.06 %	
Ratio of annualized loan servicing-related revenue to third-party mortgage loans serviced (average)	0.35	0.36		0.35	0.37	
MSR revenue multiple[(b)]	3.00 x	2.94 x		3.00 x	2.86 x	

(a) Firmwide mortgage origination volume was $31.7 billion and $18.0 billion for the three months ended June 30, 2015, and 2014, respectively, and $58.3 billion and $36.2 billion for the six months ended June 30, 2015, and 2014, respectively.

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

Mortgage servicing-related matters

The financial crisis resulted in unprecedented levels of delinquencies and defaults of 1–4 family residential real estate loans. Such loans required varying degrees of loss mitigation activities. Foreclosure is usually a last resort, and accordingly, the Firm has made, and continues to make, significant efforts to help borrowers remain in their homes. The Firm has entered into various Consent Orders and settlements with federal and state governmental agencies and private parties related to mortgage servicing, origination, and residential mortgage-backed securities activities. The requirements of these Consent Orders and settlements vary, but in the aggregate, include cash compensatory payments (in addition to fines) and/or “borrower relief,” which may include principal reduction, refinancing, short sale assistance, and other specified types of borrower relief. Other obligations required under certain Consent Orders and settlements, as well as under new regulatory requirements, include enhanced mortgage servicing and foreclosure standards and processes.

On June 11, 2015, the Firm signed an Amended Mortgage Banking Consent Order focused on the subset of ten items that must be resolved to complete the requirements of the Consent Orders with the OCC and Federal Reserve. The Firm has completed its work on those items and is awaiting confirmation by the banking regulators of its satisfactory compliance with the items in the Amended Consent Order. The Amended Consent Order also requires a supervisory non-objection before the Firm may acquire new contracts to perform mortgage servicing rights; outsource or subservice new mortgage servicing activities; offshore new mortgage servicing activities; or appoint senior officers in mortgage servicing.

The mortgage servicing Consent Orders and settlements are subject to ongoing oversight by the Mortgage Compliance Committee of the Firm's Board of Directors. In addition, certain of the Consent Orders and settlements are the subject of ongoing reporting to various regulators and independent overseers. The Firm's compliance with certain of these settlements is detailed in periodic reports published by the independent overseers.

Card, Commerce Solutions & Auto ("Card")
Selected financial statement data

(in millions, except ratios)	As of or for the three months ended June 30, 2015	2014	Change	As of or for the six months ended June 30, 2015	2014	Change
Revenue						
Card income	$1,070	$1,080	(1)%	$1,990	$2,052	(3)%
All other income	378	293	29	752	572	31
Noninterest revenue	1,448	1,373	5	2,742	2,624	4
Net interest income	3,251	3,211	1	6,554	6,498	1
Total net revenue	4,699	4,584	3	9,296	9,122	2
Provision for credit losses	853	974	(12)	1,719	1,737	(1)
Noninterest expense[(a)]	2,044	2,124	(4)	4,057	4,093	(1)
Income before income tax expense	1,802	1,486	21	3,520	3,292	7
Net income	$1,118	$859	30	$2,183	$1,957	12
Return on common equity	23%	18%		23%	20%	
Overhead ratio	43	46		44	45	
Equity (period-end and average)	$18,500	$19,000	(3)%	$18,500	$19,000	(3)%

Note: Chase Commerce Solutions, formerly known as Merchant Services, includes Chase Paymentech, ChaseNet and Chase Offers businesses.

(a) Included operating lease depreciation expense of $348 million and $284 million for the three months ended June 30, 2015 and 2014, respectively, and $674 million and $558 million for the six months ended June 30, 2015 and 2014, respectively.

Quarterly results

Card net income was $1.1 billion, an increase of 30% compared with the prior year, driven by lower provision for credit losses, higher net revenue and lower noninterest expense.

Net revenue was $4.7 billion, an increase of 3% compared with the prior year. Net interest income was $3.3 billion, up 1% from the prior year, driven by higher average loan balances and lower reversals of interest and fees due to lower net charge-offs in Credit Card, largely offset by spread compression. Noninterest revenue was $1.4 billion, up 5% compared with the prior year, driven by higher Auto lease income and net interchange income from higher sales volume, partially offset by higher amortization of new account origination costs.

The provision for credit losses was $853 million, compared with $974 million in the prior year, reflecting lower net charge-offs, partially offset by a lower reduction in the allowance for loan losses. The current-quarter provision reflected a $26 million reduction in the allowance for loan losses, primarily due to runoff in the student loan portfolio. The prior year included a $53 million reduction in the allowance for loan losses.

Noninterest expense was $2.0 billion, down 4% from the prior year, driven by lower legal and marketing expense, partially offset by higher auto lease depreciation.

Year-to-date results

Card net income was $2.2 billion, an increase of 12% compared with the prior year, driven by higher net revenue.

Net revenue was $9.3 billion, an increase of 2% compared with the prior year. Net interest income was $6.6 billion, up 1% from the prior year, driven by higher loan balances, predominantly offset by spread compression. Noninterest revenue was $2.7 billion, up 4% compared with the prior year, driven by higher Auto lease income and net interchange income from higher sales volume, partially offset by higher amortization of new account origination costs.

The provision for credit losses was $1.7 billion, down 1% compared with the prior year, reflecting lower net charge-offs, predominantly offset by a lower reduction in the allowance for loan losses. The current-year provision reflected a $51 million reduction in the allowance for loan losses, primarily due to runoff in the student loan portfolio.

The prior year included a $303 million reduction in the allowance for loan losses.
Noninterest expense was $4.1 billion, down 1% from the prior year driven by lower legal expense, offset by higher auto lease depreciation.

Selected metrics

(in millions, except ratios and where otherwise noted)	As of or for the three months ended June 30, 2015	2014	Change	As of or for the six months ended June 30, 2015	2014	Change
Selected balance sheet data (period-end)						
Loans:						
Credit Card	$126,025	$126,129	—	$126,025	$126,129	—
Auto	56,330	53,042	6	56,330	53,042	6
Student	8,763	9,992	(12)	8,763	9,992	(12)
Total loans	$191,118	$189,163	1	$191,118	$189,163	1
Auto operating lease assets	7,742	6,098	27	7,742	$6,098	27
Selected balance sheet data (average)						
Total assets	$204,596	$200,710	2	$204,262	$201,238	2
Loans:						
Credit Card	124,539	123,679	1	124,780	123,471	1
Auto	55,800	52,818	6	55,405	52,780	5
Student	8,907	10,155	(12)	9,057	10,301	(12)
Total loans	$189,246	$186,652	1	$189,242	$186,552	1
Auto operating lease assets	7,437	5,939	25	7,170	5,796	24
Business metrics						
Credit Card, excluding Commercial Card						
Sales volume (in billions)	$125.7	$118.0	7	$238.5	$222.5	7
New accounts opened	2.1	2.1	—	4.2	4.2	—
Open accounts	62.8	65.8	(5)	62.8	65.8	(5)
Accounts with sales activity	32.6	31.8	3	32.6	31.8	3
% of accounts acquired online	62%	54%		62%	53%	
Commerce Solutions (Chase Paymentech Solutions)						
Merchant processing volume (in billions)	$234.1	$209.0	12	$455.3	$404.4	13
Total transactions (in billions)	10.1	9.3	9	19.9	18.4	8
Auto						
Loan and lease origination volume (in billions)	$7.8	$7.1	10%	$15.1	$13.8	9%

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Selected metrics

(in millions, except ratios)	As of or for the three months ended June 30, 2015	2014	Change	As of or for the six months ended June 30, 2015	2014	Change
Credit data and quality statistics						
Net charge-offs:						
Credit Card	$800	$885	(10)%	$1,589	$1,773	(10)%
Auto	32	29	10	83	70	19
Student	46	113	(59)	97	197	(51)
Total net charge-offs	$878	$1,027	(15)	$1,769	$2,040	(13)
Net charge-off rate:						
Credit Card[a]	2.61 %	2.88 %		2.61 %	2.90 %	
Auto	0.23	0.22		0.30	0.27	
Student	2.07	4.46		2.16	3.86	
Total net charge-off rate	1.88	2.21		1.91	2.21	
Delinquency rates						
30+ day delinquency rate:						
Credit Card[b]	1.29	1.41		1.29	1.41	
Auto	0.95	0.93		0.95	0.93	
Student[c]	2.00	2.67		2.00	2.67	
Total 30+ day delinquency rate	1.22	1.34		1.22	1.34	
90+ day delinquency rate – Credit Card[b]	0.63	0.69		0.63	0.69	
Nonperforming assets[d]	$374	$301	24	$374	$301	24
Allowance for loan losses:						
Credit Card	$3,434	$3,594	(4)	$3,434	$3,594	(4)
Auto & Student	698	850	(18)	698	850	(18)
Total allowance for loan losses	$4,132	$4,444	(7)%	$4,132	$4,444	(7)%
Allowance for loan losses to period-end loans:						
Credit Card[b]	2.75 %	2.86 %		2.75 %	2.86 %	
Auto & Student	1.07	1.35		1.07	1.35	
Total allowance for loan losses to period-end loans	2.18	2.36		2.18	2.36	

(a) Average credit card loans included loans held-for-sale of $1.8 billion and $405 million for the three months ended June 30, 2015 and 2014, respectively, and $2.2 billion and $360 million for the six months ended June 30, 2015 and 2014, respectively. These amounts are excluded when calculating the net charge-off rate.

(b) Period-end credit card loans included loans held-for-sale of $1.3 billion and $508 million at June 30, 2015 and 2014, respectively. These amounts were excluded when calculating delinquency rates and the allowance for loan losses to period-end loans.

(c) Excluded student loans insured by U.S. government agencies under the FFELP of $546 million and $630 million at June 30, 2015 and 2014, respectively, that are 30 or more days past due. These amounts have been excluded based upon the government guarantee.

(d) Nonperforming assets excluded student loans insured by U.S. government agencies under the FFELP of $282 million and $316 million at June 30, 2015 and 2014, respectively, that are 90 or more days past due. These amounts have been excluded from nonaccrual loans based upon the government guarantee.

Card Services supplemental information

(in millions, except ratios)	Three months ended June 30, 2015	2014	Change	Six months ended June 30, 2015	2014	Change
Revenue						

Noninterest revenue	$980	$982	—	$1,838	$1,866	(2)%
Net interest income	2,855	2,789	2	5,756	5,639	2
Total net revenue	3,835	3,771	2	7,594	7,505	1
Provision for credit losses	800	885	(10)	1,589	1,573	1
Noninterest expense	1,478	1,625	(9)	2,940	3,090	(5)
Income before income tax expense	1,557	1,261	23	3,065	2,842	8
Net income	$965	$724	33%	$1,900	$1,689	12%
Percentage of average loans:						
Noninterest revenue	3.16%	3.18%		2.97%	3.05%	
Net interest income	9.20	9.04		9.30	9.21	
Total net revenue	12.35	12.23		12.27	12.26	

CORPORATE & INVESTMENT BANK

For a discussion of the business profile of CIB, see pages 92–96 of JPMorgan Chase's 2014 Annual Report and Line of Business Metrics on pages 180–181.

Selected income statement data

	Three months ended June 30,			Six months ended June 30,		
(in millions, except ratios)	2015	2014	Change	2015	2014	Change
Revenue						
Investment banking fees	$1,825	$1,773	3 %	$3,586	$3,217	11 %
Principal transactions	2,657	2,782	(4)	6,139	5,668	8
Lending- and deposit-related fees	400	449	(11)	797	893	(11)
Asset management, administration and commissions	1,181	1,186	—	2,335	2,365	(1)
All other income	170	329	(48)	450	602	(25)
Noninterest revenue	6,233	6,519	(4)	13,307	12,745	4
Net interest income	2,490	2,746	(9)	4,998	5,362	(7)
Total net revenue[(a)]	8,723	9,265	(6)	18,305	18,107	1
Provision for credit losses	50	(84)	NM	19	(35)	NM
Noninterest expense						
Compensation expense	2,656	2,757	(4)	5,679	5,627	1
Noncompensation expense	2,481	3,301	(25)	5,115	6,035	(15)
Total noninterest expense	5,137	6,058	(15)	10,794	11,662	(7)
Income before income tax expense	3,536	3,291	7	7,492	6,480	16
Income tax expense	1,195	1,160	3	2,614	2,224	18
Net income	$2,341	$2,131	10 %	$4,878	$4,256	15 %
Financial ratios						
Return on common equity	14 %	13 %		15 %	13 %	
Overhead ratio	59	65		59	64 %	
Compensation expense as a percentage of total net revenue	30	30		31	31	

(a) Included tax-equivalent adjustments, predominantly due to income tax credits related to alternative energy investments; income tax credits and amortization of the cost of investments in affordable housing projects; as well as tax-exempt income from municipal bond investments of $396 million and $371 million for the three months ended June 30, 2015 and 2014, respectively, and $828 million and $739 million for the six months ended June 30, 2015 and 2014, respectively.

Selected income statement data

	Three months ended June 30,			Six months ended June 30,		
(in millions)	2015	2014	Change	2015	2014	Change
Revenue by business						
Investment banking revenue[(a)]	$1,746	$1,676	4 %	$3,376	$3,021	12 %
Treasury Services[(b)]	901	924	(2)	1,831	1,851	(1)
Lending[(b)]	302	446	(32)	737	876	(16)
Total Banking[(a)]	2,949	3,046	(3)	5,944	5,748	3
Fixed Income Markets[(a)]	2,931	3,704	(21)	7,085	7,635	(7)
Equity Markets[(a)]	1,576	1,243	27	3,227	2,615	23
Securities Services	995	1,147	(13)	1,929	2,169	(11)
Credit Adjustments & Other[(c)]	272	125	118	120	(60)	NM
Total Markets & Investor Services[(a)]	5,774	6,219	(7)	12,361	12,359	—
Total net revenue	$8,723	$9,265	(6)%	$18,305	$18,107	1%

(a) Effective in the second quarter of 2015, Investment banking revenue (formerly Investment banking fees) incorporates all revenue associated with investment banking activities, and is reported net of investment banking revenue shared with other lines of business; previously such shared revenue had been reported in Fixed Income Markets and Equity Markets. Prior period amounts have been revised to conform with the current period presentation.

(b) Effective in the second quarter of 2015, Trade Finance revenue was transferred from Treasury Services to Lending. Prior period amounts have been revised to conform with the current period presentation.

(c) Consists primarily of credit valuation adjustments ("CVA") managed by the credit portfolio group, and funding valuation adjustments ("FVA") and debit valuation adjustments ("DVA") on OTC derivatives and structured notes. Results are presented net of associated hedging activities and net of CVA and FVA amounts allocated to Fixed Income Markets and Equity Markets.

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Quarterly results
Net income was $2.3 billion, up 10%, compared with $2.1 billion in the prior year.
Banking revenue was $2.9 billion, down 3% from the prior year, on lower lending revenue. Investment banking revenue was up 4% compared with the prior year. Advisory fees were up 17% driven by a greater share of fees for completed transactions and growth in industry-wide fee levels. Debt underwriting fees were up 1% reflecting a higher share of fees for high grade bond issuance. Equity underwriting fees were down 5% as industry wide IPO volumes declined. Treasury Services revenue was $901 million, down 2% compared with the prior year, driven by lower net interest income largely offset by higher noninterest revenue. Lending revenue was $302 million, down 32% from the prior year, largely reflecting losses on securities received from restructurings.
Markets & Investor Services revenue was $5.8 billion, down 7% from the prior year. Fixed Income Markets revenue of $2.9 billion was down 21% from the prior year predominantly driven by the impact of business simplification, continued weakness in Credit and Securitized Products and lower revenue in Currencies & Emerging Markets, partially offset by strength in Rates. Equity Markets revenue of $1.6 billion was up 27% primarily on higher derivatives and cash revenue, with strong performance in Asia. Credit Adjustments & Other was a gain of $272 million, primarily driven by net FVA/DVA gains due to wider spreads.
Noninterest expense was $5.1 billion, down 15% from the prior year, driven by business simplification, lower legal expense and lower compensation expense.
The provision for credit losses was $50 million, compared with a benefit of $84 million from the prior year, reflecting higher allowance for loan losses, including the impact of select downgrades within the Oil & Gas portfolio.

Year-to-date results
Net income was $4.9 billion, up 15% compared with $4.3 billion in the prior year. These results reflected both lower noninterest expense of 7% and higher net revenue of 1%. Net revenue was $18.3 billion compared with $18.1 billion in the prior year.
Banking revenue was $5.9 billion, up 3% from the prior year. Investment banking revenue was $3.4 billion, up 12% from the prior year. The increase was primarily driven by higher advisory and debt underwriting fees. Advisory fees of $1.0 billion were up 29% driven by the combined impact of a greater share of fees for completed transactions and growth in industry-wide fee levels. Debt underwriting fees were $1.7 billion, up 7%, primarily driven by the combined impact of a higher share of fees for high grade bond issuance and growth in industry-wide fee levels. Equity underwriting fees of $851 million were up 3% on a higher share of fees compared with the prior year. Treasury Services revenue was $1.8 billion, down 1% compared with the prior year, primarily driven by lower net interest income. Lending revenue was $737 million, down from $876 million in the prior year, primarily driven by losses on securities received from restructurings, as well as lower trade finance revenue.
Markets & Investor Services revenue was $12.4 billion, flat compared with the prior year. Fixed Income Markets revenue of $7.1 billion was down 7% from the prior year driven by business simplification and weakness in Credit and Securitized Products, largely offset by higher revenue in Rates and Currencies & Emerging Markets. Equity Markets revenue of $3.2 billion was up 23% on higher derivatives and cash revenue. Credit Adjustments & Other was a gain of $120 million, primarily driven by net CVA gains, compared with a loss in the prior year.
Noninterest expense was $10.8 billion, down 7% from the prior year, primarily driven by business simplification and lower legal expense.

Selected metrics

(in millions, except headcount)	As of or for the three months ended June 30, 2015	2014	Change	As of or for the six months ended June 30, 2015	2014	Change
Selected balance sheet data (period-end)						
Assets	$819,745	$872,947	(6)%	$819,745	$872,947	(6)%
Loans:						
Loans retained[(a)]	96,579	99,733	(3)	96,579	99,733	(3)
Loans held-for-sale and loans at fair value	7,211	9,048	(20)	7,211	9,048	(20)
Total loans	103,790	108,781	(5)	103,790	108,781	(5)
Core loans	103,235	104,520	(1)	103,235	104,520	(1)
Equity	62,000	61,000	2	62,000	61,000	2
Selected balance sheet data (average)						
Assets	$845,225	$846,142	—	$855,220	$848,791	1
Trading assets-debt and equity instruments	317,385	317,054	—	314,837	311,627	1
Trading assets-derivative receivables	68,949	59,560	16	73,128	61,811	18
Loans:						
Loans retained[(a)]	94,711	96,750	(2)	96,900	96,277	1
Loans held-for-sale and loans at fair value	5,504	8,891	(38)	4,786	8,491	(44)
Total loans	100,215	105,641	(5)	101,686	104,768	(3)
Equity	62,000	61,000	2	62,000	61,000	2
Headcount[(b)]	49,367	51,554	(4)%	49,367	51,554	(4)%

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

(b) Effective in the second quarter of 2015, certain technology staff were transferred from CIB to CB; previously reported headcount has been revised to conform with the current presentation. As the related expense for these staff is not material, prior period expenses have not been revised. Prior to the second quarter of 2015 compensation expense related to this headcount was recorded in the CIB, with an allocation to CB (reported in noncompensation expense); commencing with the second quarter, such expense will be recorded as compensation expense in CB and accordingly total noninterest expense related to this headcount in both CB and CIB will remain unchanged.

Selected metrics

(in millions, except ratios and where otherwise noted)	As of or for the three months ended June 30, 2015	2014	Change	As of or for the six months ended June 30, 2015	2014	Change
Credit data and quality statistics						
Net charge-offs/(recoveries)	$(15)	$(4)	(275)%	$(26)	$(5)	(420)%
Nonperforming assets:						
Nonaccrual loans:						
Nonaccrual loans retained[(a)(b)]	324	111	192	324	111	192
Nonaccrual loans held-for-sale and loans at fair value	12	167	(93)	12	167	(93)
Total nonaccrual loans	336	278	21	336	278	21
Derivative receivables	256	361	(29)	256	361	(29)
Assets acquired in loan satisfactions	60	106	(43)	60	106	(43)
Total nonperforming assets	652	745	(12)	652	745	(12)
Allowance for credit losses:						
Allowance for loan losses	1,086	1,112	(2)	1,086	1,112	(2)
Allowance for lending-related commitments	437	479	(9)	437	479	(9)
Total allowance for credit losses	1,523	1,591	(4)%	1,523	1,591	(4)%

Net charge-off/(recovery) rate[(a)]	(0.06)%	(0.02)%	(0.05)%	(0.01)%
Allowance for loan losses to period-end loans retained[(a)]	1.12	1.11	1.12	1.11
Allowance for loan losses to period-end loans retained, excluding trade finance and conduits[(c)]	1.73	1.80	1.73	1.80
Allowance for loan losses to nonaccrual loans retained[(a)(b)]	335	1,002	335	1,002
Nonaccrual loans to total period-end loans	0.32 %	0.26 %	0.32 %	0.26 %

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

(b) Allowance for loan losses of $64 million and $22 million were held against these nonaccrual loans at June 30, 2015 and 2014, respectively.

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

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Business metrics

(in millions, except where otherwise noted)	Three months ended June 30, 2015	2014	Change	Six months ended June 30, 2015	2014	Change
Advisory	$466	$397	17%	$1,008	$780	29%
Equity underwriting	452	477	(5)	851	830	3
Debt underwriting	907	899	1	1,727	1,607	7
Total investment banking fees	$1,825	$1,773	3%	$3,586	$3,217	11%

League table results – wallet share

	Six months ended June 30, 2015		Full-year 2014	
	Share	Rank	Share	Rank
Based on fees[(a)]				
Debt, equity and equity-related				
Global	8.0 %	#1	7.6 %	#1
U.S.	11.8	1	10.7	1
Long-term debt[(b)]				
Global	8.6	1	8.0	1
U.S.	11.7	1	11.6	1
Equity and equity-related				
Global[(c)]	7.4	2	7.1	3
U.S.	12.0	1	9.6	2
M&A[(d)]				
Global	8.9	2	8.0	2
U.S.	10.4	2	9.8	2
Loan syndications				
Global	8.5	1	9.3	1
U.S.	11.2	1	13.1	1
Global investment banking fees[(e)]	8.3 %	#1	8.1 %	#1

League table results – volumes

	Six months ended June 30, 2015		Full-year 2014	
	Share	Rank	Share	Rank
Based on volumes[(f)]				
Debt, equity and equity-related				
Global	7.3 %	#1	6.8 %	#1
U.S.	12.3	1	11.8	1
Long-term debt[(b)]				
Global	7.3	1	6.7	1
U.S.	11.7	1	11.3	1
Equity and equity-related				
Global[(c)]	7.6	2	7.5	3
U.S.	13.7	1	11.0	2
M&A announced[(d)]				
Global	24.4	3	20.5	2
U.S.	29.6	3	25.2	3
Loan syndications				

Global	11.1		1	12.3		1
U.S.	16.5	%	#1	19.0	%	#1

(a) Source: Dealogic. Reflects the ranking of revenue wallet and market share
(b) Long-term debt rankings include investment-grade, high-yield, supranationals, sovereigns, agencies, covered bonds, asset-backed securities ("ABS") and mortgage-backed securities; and exclude money market, short-term debt, and U.S. municipal securities.
(c) Global equity and equity-related rankings include rights offerings and Chinese A-Shares.
(d) M&A and Announced M&A rankings reflect the removal of any withdrawn transactions. U.S. M&A revenue wallet represents wallet from client parents based in the U.S. U.S. announced M&A volumes represents any U.S. involvement ranking.
(e) Global investment banking fees per Dealogic exclude money market, short-term debt and shelf deals.
(f) Source: Dealogic. Reflects transaction volume 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.

Business metrics

	As of or for the three months ended June 30,			As of or for the six months ended June 30,		
(in millions, except where otherwise noted)	2015	2014	Change	2015	2014	Change
Assets under custody ("AUC") by asset class (period-end) (in billions):						
Fixed Income	$12,134	$12,579	(4)%	$12,134	$12,579	(4)%
Equity	6,652	7,275	(9)	6,652	7,275	(9)
Other[(a)]	1,711	1,805	(5)	1,711	1,805	(5)
Total AUC	$20,497	$21,659	(5)	$20,497	$21,659	(5)
Client deposits and other third party liabilities (average)	$401,280	$403,268	—	$422,607	$407,884	4
Trade finance loans (period-end)	21,195	28,291	(25)%	21,195	28,291	(25)%

(a) Consists of mutual funds, unit investment trusts, currencies, annuities, insurance contracts, options and other contracts.

International metrics

(in millions, except where otherwise noted)	As of or for the three months ended June 30, 2015	2014	Change	As of or for the six months ended June 30, 2015	2014	Change
Total net revenue[(a)]						
Europe/Middle East/Africa	$2,685	$3,410	(21)%	$6,181	$6,446	(4)%
Asia/Pacific	1,358	1,127	20	2,621	2,172	21
Latin America/Caribbean	220	290	(24)	551	566	(3)
Total international net revenue	4,263	4,827	(12)	9,353	9,184	2
North America	4,460	4,438	—	8,952	8,923	—
Total net revenue	$8,723	$9,265	(6)	$18,305	$18,107	1
Loans (period-end)[(a)]						
Europe/Middle East/Africa	$25,874	$29,831	(13)	$25,874	$29,831	(13)
Asia/Pacific	17,430	25,004	(30)	17,430	25,004	(30)
Latin America/Caribbean	8,768	8,811	—	8,768	8,811	—
Total international loans	52,072	63,646	(18)	52,072	63,646	(18)
North America	44,507	36,087	23	44,507	36,087	23
Total loans	$96,579	$99,733	(3)	$96,579	$99,733	(3)
Client deposits and other third-party liabilities (average)[(a)]						
Europe/Middle East/Africa	$149,055	$147,859	1	$154,217	$147,205	5
Asia/Pacific	64,860	65,387	(1)	67,872	63,165	7
Latin America/Caribbean	23,518	23,619	—	23,480	22,834	3
Total international	$237,433	$236,865	—	$245,569	$233,204	5
North America	163,847	166,403	(2)	177,038	174,680	1
Total client deposits and other third-party liabilities	$401,280	$403,268	—	$422,607	$407,884	4
AUC (period-end) (in billions)[(a)]						
North America	$12,068	$11,764	3	$12,068	$11,764	3
All other regions	8,429	9,895	(15)	8,429	9,895	(15)
Total AUC	$20,497	$21,659	(5)%	$20,497	$21,659	(5)%

(a) Total net revenue is based predominantly on the domicile of the client or location of the trading desk, as applicable. Loans outstanding (excluding loans held-for-sale and loans at fair value), client deposits and other third-party liabilities, and AUC are based predominantly on the domicile of the client.

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COMMERCIAL BANKING

For a discussion of the business profile of CB, see pages 97–99 of JPMorgan Chase's 2014 Annual Report and Line of Business Metrics on page 181.

Selected income statement data

	Three months ended June 30,			Six months ended June 30,		
(in millions)	2015	2014	Change	2015	2014	Change
Revenue						
Lending- and deposit-related fees	$242	$252	(4)%	$479	$498	(4)%
Asset management, administration and commissions	22	26	(15)	46	49	(6)
All other income[(a)]	345	299	15	720	588	22
Noninterest revenue	609	577	6	1,245	1,135	10
Net interest income	1,130	1,154	(2)	2,236	2,274	(2)
Total net revenue[(b)]	1,739	1,731	—	3,481	3,409	2
Provision for credit losses	182	(67)	NM	243	(62)	NM
Noninterest expense						
Compensation expense	308	292	5	617	599	3
Noncompensation expense	395	383	3	795	762	4
Total noninterest expense	703	675	4	1,412	1,361	4
Income before income tax expense	854	1,123	(24)	1,826	2,110	(13)
Income tax expense	329	446	(26)	703	839	(16)
Net income	$525	$677	(22)%	$1,123	$1,271	(12)%

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

(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 $115 million and $105 million for the three months ended June 30, 2015 and 2014, respectively, and $228 million and $209 million for the six months ended June 30, 2015 and 2014, respectively.

Quarterly results

Net income was $525 million, a decrease of 22% compared with the prior year, driven by a higher provision for credit losses.

Net revenue was $1.7 billion, flat compared with the prior year. Net interest income was $1.1 billion, down 2% compared with the prior year, reflecting spread compression, largely offset by higher lending balances. Noninterest revenue was $609 million, up 6% compared with the prior year, driven by higher investment banking revenue.

Noninterest expense was $703 million, up 4% compared with the prior year, driven by higher investment in controls.

The provision for credit losses was $182 million, $249 million higher than the prior year, driven by an increase in the allowance for loan losses due to select downgrades.

Year-to-date results

Net income was $1.1 billion, a decrease of 12% compared with the prior year, driven by a higher provision for credit losses and higher noninterest expense, offset by higher investment banking revenue.

Net revenue was $3.5 billion, up 2% compared with prior year. Net interest income was $2.2 billion, down 2% compared with the prior year, reflecting spread compression, largely offset by higher lending and deposit balances.

Noninterest expense was $1.4 billion, up 4% compared with the prior year, driven by higher investment in controls.

The provision for credit losses was $243 million, $305 million higher than the prior year, predominantly related to an increase in the allowance for loan losses due to select downgrades.

Selected metrics

	Three months ended June 30,			Six months ended June 30,		
(in millions, except ratios)	2015	2014	Change	2015	2014	Change
Revenue by product						
Lending[(a)]	$867	$850	2 %	$1,692	$1,687	— %
Treasury services[(a)]	646	687	(6)	1,293	1,354	(5)
Investment banking	196	166	18	444	312	42
Other[(a)]	30	28	7	52	56	(7)
Total Commercial Banking net revenue	$1,739	$1,731	—	$3,481	$3,409	2
Investment banking revenue, gross[(b)]	$589	$481	22	$1,342	$928	45
Revenue by client segment						
Middle Market Banking[(c)]	$688	$713	(4)	$1,365	$1,413	(3)
Corporate Client Banking[(c)]	532	494	8	1,096	956	15
Commercial Term Lending	318	313	2	626	627	—
Real Estate Banking	117	132	(11)	233	251	(7)
Other	84	79	6	161	162	(1)
Total Commercial Banking net revenue	$1,739	$1,731	— %	$3,481	$3,409	2 %
Financial ratios						
Return on common equity	14%	19 %		15 %	18 %	
Overhead ratio	40	39		41	40	

(a) Effective in the second quarter of 2015, Commercial Card and Chase Commerce Solutions/Paymentech product revenue was reclassified from Lending and Other, respectively, to Treasury Services. Prior period amounts were revised to conform with the current period presentation.

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

(c) Effective in the first quarter of 2015, mortgage warehouse lending clients were transferred from Middle Market Banking to Corporate Client Banking. Prior period revenue, period-end loans, and average loans by client segment were revised to conform with the current period presentation.

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Selected metrics (continued)

(in millions, except headcount)	As of or for the three months ended June 30, 2015	2014	Change	As of or for the six months ended June 30, 2015	2014	Change
Selected balance sheet data (period-end)						
Total assets	$201,377	$192,523	5 %	$201,377	$192,523	5 %
Loans:						
Loans retained	157,947	141,181	12	157,947	141,181	12
Loans held-for-sale and loans at fair value	1,506	1,094	38	1,506	1,094	38
Total loans	$159,453	$142,275	12	$159,453	$142,275	12
Core loans	158,568	140,887	13	158,568	140,887	13
Equity	14,000	14,000	—	14,000	14,000	—
Period-end loans by client segment						
Middle Market Banking[a]	$51,713	$51,435	1	$51,713	$51,435	1
Corporate Client Banking[a]	30,171	23,397	29	30,171	23,397	29
Commercial Term Lending	58,314	50,986	14	58,314	50,986	14
Real Estate Banking	14,231	11,903	20	14,231	11,903	20
Other	5,024	4,554	10	5,024	4,554	10
Total Commercial Banking loans	$159,453	$142,275	12	$159,453	$142,275	12
Selected balance sheet data (average)						
Total assets	$198,740	$192,363	3	$197,341	$192,554	2
Loans:						
Loans retained	155,110	139,848	11	152,435	138,259	10
Loans held-for-sale and loans at fair value	870	982	(11)	715	1,010	(29)
Total loans	$155,980	$140,830	11	$153,150	$139,269	10
Client deposits and other third-party liabilities	197,004	199,979	(1)	203,489	201,453	1
Equity	14,000	14,000	—	14,000	14,000	—
Average loans by client segment						
Middle Market Banking[a]	$51,440	$51,352	—	$50,991	$51,014	—
Corporate Client Banking[a]	28,986	22,846	27	27,826	22,379	24
Commercial Term Lending	56,814	50,451	13	55,790	49,926	12
Real Estate Banking	13,732	11,724	17	13,603	11,567	18
Other	5,008	4,457	12	4,940	4,383	13
Total Commercial Banking loans	$155,980	$140,830	11	$153,150	$139,269	10
Headcount[b]	7,568	7,330	3 %	7,568	7,330	3 %

(a) Effective in the first quarter of 2015, mortgage warehouse lending clients were transferred from Middle Market Banking to Corporate Client Banking. Prior period revenue, period-end loans, and average loans by client segment were revised to conform with the current period presentation.

(b) Effective in the second quarter of 2015, certain technology staff were transferred from CIB to CB; previously reported headcount has been revised to conform with the current presentation. As the related expense for these staff is not material, prior period expenses have not been revised. Prior to the second quarter of 2015, compensation expense related to this headcount was recorded in the CIB, with an allocation to CB (reported in noncompensation expense); commencing with the second quarter, such expense will be recorded as compensation expense in CB and accordingly total noninterest expense related to this headcount in both CB and CIB will remain unchanged.

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Selected metrics (continued)

(in millions, except ratios)	As of or for the three months ended June 30, 2015	2014	Change	As of or for the six months ended June 30, 2015	2014	Change
Credit data and quality statistics						
Net charge-offs/(recoveries)	$(4)	$(26)	85%	$7	$(40)	NM
Nonperforming assets						
Nonaccrual loans:						
Nonaccrual loans retained[(a)]	384	429	(10)	384	429	(10)%
Nonaccrual loans held-for-sale and loans at fair value	14	17	(18)	14	17	(18)
Total nonaccrual loans	398	446	(11)	398	446	(11)
Assets acquired in loan satisfactions	5	12	(58)	5	12	(58)
Total nonperforming assets	403	458	(12)	403	458	(12)
Allowance for credit losses:						
Allowance for loan losses	2,705	2,637	3	2,705	2,637	3
Allowance for lending-related commitments	163	155	5	163	155	5
Total allowance for credit losses	2,868	2,792	3%	2,868	2,792	3%
Net charge-off/(recovery) rate[(b)]	(0.01)%	(0.07)%		0.01%	(0.06)%	
Allowance for loan losses to period-end loans retained	1.71	1.87		1.71	1.87	
Allowance for loan losses to nonaccrual loans retained[(a)]	704	615		704	615	
Nonaccrual loans to period-end total loans	0.25	0.31		0.25	0.31	

(a) Allowance for loan losses of $42 million and $75 million was held against nonaccrual loans retained at June 30, 2015 and 2014, respectively.

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

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ASSET MANAGEMENT

For a discussion of the business profile of AM, see pages 100–102 of JPMorgan Chase's 2014 Annual Report and Line of Business Metrics on pages 181–182.

Selected income statement data

(in millions, except ratios and headcount)	Three months ended June 30,			Six months ended June 30,		
	2015	2014	Change	2015	2014	Change
Revenue						
Asset management, administration and commissions	$2,381	$2,242	6 %	$4,610	$4,342	6 %
All other income	163	138	18	318	256	24
Noninterest revenue	2,544	2,380	7	4,928	4,598	7
Net interest income	631	602	5	1,252	1,184	6
Total net revenue	3,175	2,982	6	6,180	5,782	7
Provision for credit losses	—	1	(100)	4	(8)	NM
Noninterest expense						
Compensation expense	1,299	1,231	6	2,588	2,487	4
Noncompensation expense	1,107	831	33	1,993	1,650	21
Total noninterest expense	2,406	2,062	17	4,581	4,137	11
Income before income tax expense	769	919	(16)	1,595	1,653	(4)
Income tax expense	318	350	(9)	642	630	2
Net income	$451	$569	(21)	$953	$1,023	(7)
Revenue by line of business						
Global Investment Management	$1,670	$1,560	7	$3,203	$2,978	8
Global Wealth Management	1,505	1,422	6	2,977	2,804	6
Total net revenue	$3,175	$2,982	6	$6,180	$5,782	7
Financial ratios						
Return on common equity	19 %	25 %		21 %	22 %	
Overhead ratio	76	69		74	72	
Pretax margin ratio:						
Global Investment Management	26	32		28	29	
Global Wealth Management	22	29		24	28	
Asset Management	24	31		26	29	
Headcount	20,237	20,322	—	20,237	20,322	—
Number of client advisors	2,746	2,828	(3)%	2,746	2,828	(3)%

Quarterly results

Net income was $451 million, a decrease of 21%, reflecting higher noninterest expense, largely offset by higher revenue.

Net revenue was $3.2 billion, an increase of 6%. Net interest income was $631 million, up 5%, driven by higher loan and deposit balances. Noninterest revenue was $2.5 billion, up 7%, on higher market levels and net client inflows into assets under management.

Noninterest expense was $2.4 billion, an increase of 17%, due to higher legal expense, the impact of a loss from a held-for-sale asset and continued investment in both infrastructure and controls.

Year-to-date results

Net income was $1.0 billion, a decrease of 7%, reflecting higher noninterest expense, predominantly offset by higher revenue.

Net revenue was $6.2 billion, an increase of 7%. Net interest income was $1.3 billion, up 6%, driven by higher loan and deposit balances. Noninterest revenue was $4.9 billion, up 7%, on net client inflows into assets under management and higher market levels.

Noninterest expense was $4.6 billion, an increase of 11%, due to higher legal expense, the impact of a loss from a held-for-sale asset and continued investment in both infrastructure and controls.

Selected metrics	As of or for the three months ended June 30,			As of or for the six months ended June 30,		
(in millions, except ranking data and ratios)	2015	2014	Change	2015	2014	Change
% of JPM mutual fund assets rated as 4- or 5-star[(a)]	54 %	51 %		54 %	51 %	
% of JPM mutual fund assets ranked in 1st or 2nd quartile:[(b)]						
1 year	78	48		78	48	
3 years	64	67		64	67	
5 years	78	69		78	69	
Selected balance sheet data (period-end)						
Total assets	$134,059	$128,362	4 %	$134,059	$128,362	4 %
Loans[(c)]	109,336	100,907	8	109,336	100,907	8
Core loans	109,336	100,907	8	109,336	100,907	8
Deposits	141,179	145,655	(3)	141,179	145,655	(3)
Equity	9,000	9,000	—	9,000	9,000	—
Selected balance sheet data (average)						
Total assets	$130,548	$125,492	4	$128,424	$124,088	3
Loans	107,250	98,695	9	105,279	97,186	8
Deposits	152,563	147,747	3	155,386	148,585	5
Equity	9,000	9,000	—	9,000	9,000	—
Credit data and quality statistics						
Net charge-offs	$(1)	$(13)	92	$2	$(8)	NM
Nonaccrual loans	209	182	15	209	182	15
Allowance for credit losses:						
Allowance for loan losses	273	276	(1)	273	276	(1)
Allowance for lending-related commitments	5	5	—	5	5	—
Total allowance for credit losses	278	281	(1)%	278	281	(1)%
Net charge-off rate	—	(0.05)%		—	(0.02)%	
Allowance for loan losses to period-end loans	0.25	0.27		0.25	0.27	
Allowance for loan losses to nonaccrual loans	131	152		131	152	
Nonaccrual loans to period-end loans	0.19	0.18		0.19	0.18	

(a) Represents the “overall star rating” derived from Morningstar for the U.S., the U.K., Luxembourg, Hong Kong and Taiwan domiciled funds; and Nomura “star rating” for Japan domiciled funds. Includes only Global Investment Management retail open ended mutual funds that have a rating. Excludes money market funds, Undiscovered Managers Fund, and Brazil and India domiciled funds.

(b) Quartile ranking sourced from: Lipper for the U.S. and Taiwan domiciled funds; Morningstar for the U.K., Luxembourg and Hong Kong domiciled funds; Nomura for Japan domiciled funds and FundDoctor for South Korea domiciled funds. Includes only Global Investment Management retail open ended mutual funds that are ranked by the aforementioned sources. Excludes money market funds, Undiscovered Managers Fund, and Brazil and India domiciled funds.

(c) Included $24.0 billion and $20.4 billion of prime mortgage loans reported in the Consumer, excluding credit card, loan portfolio at June 30, 2015 and 2014, respectively. For the same periods, excluded $2.4 billion and $3.2 billion, respectively, of prime mortgage loans reported in the Chief Investment Office (“CIO”) portfolio within the Corporate segment.

Client assets
Assets under management were $1.8 trillion, an increase of 4% from the prior year, due to net inflows to long-term products and liquidity products.

Client assets were $2.4 trillion, down 2% from the prior year. Excluding Retirement Plan Services, client assets were up 4% compared with the prior year.

Client assets	June 30,		
(in billions)	2015	2014	Change
Assets by asset class			
Liquidity	$466	$435	7 %
Fixed income	357	367	(3)
Equity	380	390	(3)
Multi-asset and alternatives	578	515	12
Total assets under management	1,781	1,707	4
Custody/brokerage/administration/deposits	642	766	(16)
Total client assets	$2,423	$2,473	(2)
Memo:			
Alternatives client assets[(a)]	$173	$163	6
Assets by client segment			
Private Banking	$452	$383	18
Institutional	830	798	4
Retail	499	526	(5)
Total assets under management	$1,781	$1,707	4
Private Banking	$1,080	$1,012	7
Institutional	838	798	5
Retail	505	663	(24)
Total client assets	$2,423	$2,473	(2)%

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

Client assets (continued)	Three months ended June 30,		Six months ended June 30,	
(in billions)	2015	2014	2015	2014
Assets under management rollforward				
Beginning balance	$1,759	$1,648	$1,744	$1,598
Net asset flows:				
Liquidity	6	(11)	5	(17)
Fixed income	3	20	5	25
Equity	(1)	—	3	3
Multi-asset and alternatives	11	14	21	26
Market/performance/other impacts	3	36	3	72
Ending balance, June 30	$1,781	$1,707	$1,781	$1,707
Client assets rollforward				
Beginning balance	$2,405	$2,394	$2,387	$2,343
Net asset flows	16	21	33	36
Market/performance/other impacts	2	58	3	94
Ending balance, June 30	$2,423	$2,473	$2,423	$2,473

International metrics	As of or for the three months ended June 30,			As of or for the six months ended June 30,		
(in billions, except where otherwise noted)	2015	2014	Change	2015	2014	Change
Total net revenue (in millions)[(a)]						
Europe/Middle East/Africa	$524	$522	—	$995	$1,013	(2)%
Asia/Pacific	302	287	5	588	562	5
Latin America/Caribbean	211	217	(3)	408	415	(2)
Total international net revenue	1,037	1,026	1	1,991	1,990	—
North America	2,138	1,956	9	4,189	3,792	10
Total net revenue	$3,175	$2,982	6	$6,180	$5,782	7
Assets under management						
Europe/Middle East/Africa	$315	$327	(4)	$315	$327	(4)
Asia/Pacific	132	138	(4)	132	138	(4)
Latin America/Caribbean	47	48	(2)	47	48	(2)
Total international assets under management	494	513	(4)	494	513	(4)
North America	1,287	1,194	8	1,287	1,194	8
Total assets under management	$1,781	$1,707	4	$1,781		